

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Hong Kong dollars)

(以港元為單位)

### 1. Significant accounting policies

(a) *Statement of compliance*

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

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. There were no changes to accounting policies resulting from these developments and no effect on the current and prior accounting periods reflected in these financial statements.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

(b) *Basis of preparation of the financial statements*

The consolidated financial statements for the year ended 31 December 2006 comprise the Company and its subsidiary (together referred to as the “Group”).

### 1. 主要會計政策

(a) *遵例聲明*

本財務報表乃根據香港會計師公會頒佈之所有適用《香港財務報告準則》（「財務報告準則」）（該詞泛指包括所有適用之個別《香港財務報告準則》、《香港會計準則》及詮釋）、香港公認會計原則及香港《公司條例》之規定編製。本財務報表同時符合適用的《香港聯合交易所有限公司證券上市規則》（「上市規則」）披露規定。以下是本集團所採納之重要會計政策概要。

香港會計師公會已頒佈若干新增及經修訂之財務報告準則，並於本集團之本會計期間首次或可供提前採納。該等進展並無導致於本財務報表內反映的本會計期間及過往會計期間的會計政策出現變動。

本集團並無應用於本會計期間尚未生效之任何新訂準則或詮釋。

(b) *財務報表之編製基準*

截至二零零六年十二月三十一日止年度之綜合財務報表，包括本公司及其附屬公司（統稱「本集團」）。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Hong Kong dollars)

(以港元為單位)

### 1. Significant accounting policies (continued)

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

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets are stated at their fair value as explained in the accounting policies set out below:

- freehold land and buildings (see note 1(e)); and
- leasehold land and buildings, for which the fair values cannot be measured separately at the inception of the lease and the entire lease is classified as a finance lease (see notes 1(e) and (g)).

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

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

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 29.

### 1. 主要會計政策(續)

#### (b) 財務報表之編製基準(續)

除根據下文載列之會計政策所闡釋下列資產按公允價值列賬外，本財務報表是以歷史成本作為編製基準：

- 永久業權土地及樓宇(見附註1(e))；及
- 租賃土地及樓宇，而該土地及樓宇的公允價值於租約開始日期不能分別計量，而整份租約歸類為融資租約(見附註1(e)及(g))。

編製此等符合財務報告準則之財務報表需要管理層作出判斷、估計及假設，而該等判斷、估計及假設會影響政策之應用及所申報之資產及負債、收入及開支等數額。該等估計及有關假設乃根據過往經驗及管理層相信於該等情況下乃屬合理之各項其他因素為基準而作出，所得結果構成管理層就目前未能從其他來源而得出的資產及負債之賬面值所作出估計之基準。實際數字或會有別於估計數字。

本集團持續就所作估計及相關假設作出評估。會計估計之變動如僅影響當期，則有關會計估計變動將於當期確認。如該項會計估計變動影響當期及以後期間，則有關會計估計變動將於當期及以後期間確認。

管理層於應用財務報告準則時所作出對財務報表構成重大影響的判斷，以及就下個年度重大調整的重大風險的估計於附註29內討論。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Hong Kong dollars)

(以港元為單位)

### 1. Significant accounting policies (continued)

#### (c) Subsidiary

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances and transactions and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

In the Company's balance sheet, an investment in a subsidiary is stated at cost less impairment losses (see note 1(h)).

#### (d) Other investments in equity securities

The Group's and the Company's policies for investments in equity securities, other than investment in subsidiary, are as follows:

Investments in equity securities are initially stated at cost, which is their transaction price unless fair value can be more reliably estimated using valuation techniques whose variables include only data from observable markets. Cost includes attributable transaction costs.

Investments in equity securities that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are recognised in the balance sheet at cost less impairment losses (see note 1(h)).

Investments are recognised/derecognised on the date the Group commits to purchase/sell the investments.

### 1. 主要會計政策(續)

#### (c) 附屬公司

附屬公司為本集團控制的實體。當本集團有權規管實體的財務及經營政策，以從該實體的業務中獲取利益時，即表示存在控制權。於評估控制權時，將計及目前可予行使的潛在投票權。

集團於附屬公司之投資自控制開始日期起在綜合財務報表內綜合計算，直至控制結束日期為止。集團內部往來之餘額和集團內部交易及其產生之未變現溢利，均在編製綜合財務報表時全數抵銷。集團內部交易所產生之未變現虧損之抵銷方法與未變現溢利相同，但抵銷額只限於沒有證據顯示已轉讓資產已出現減值。

本公司資產負債表所示於附屬公司之投資，是按成本減去減值虧損(見附註1(h))後入賬。

#### (d) 其他股本證券投資

本集團及本公司對投資附屬公司以外之股本證券投資準則如下：

股本證券投資初步以成本列賬，而成本即交易價格，惟公允價值能更可靠地以估值方法進行估計除外。估值方法的變數僅包括可予觀察視場的數據。成本包括應佔交易成本。

倘股本證券投資並無於活躍市場之市場報價及其公允價值無法準確計量，則該等投資在資產負債表中以成本值扣除減值虧損確認入賬(見附註1(h))。

投資於本集團承諾買入／賣出當日確認／終止確認。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Hong Kong dollars)

(以港元為單位)

### 1. Significant accounting policies (continued)

#### (e) Property, plant and equipment

The following properties held for own use are stated in the balance sheet at their revalued amount, being their fair value at the date of the revaluation less any subsequent accumulated depreciation:

- freehold land and buildings; and
- land held under operating leases and buildings thereon, where the fair values of the leasehold interest in the land and buildings cannot be measured separately at the inception of the lease and the building is not clearly held under an operating lease (see note 1(g)).

Revaluations are performed with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from that which would be determined using fair values at the balance sheet date.

Other items of property, plant and equipment are stated in the balance sheet at cost less accumulated depreciation and impairment losses (see note 1(h)).

Changes arising on the revaluation of properties held for own use are generally dealt with in reserves. The only exceptions are as follows:

- when a deficit arises on revaluation, it will be charged to profit or loss to the extent that it exceeds the amount held in the reserve in respect of that same asset immediately prior to the revaluation; and
- when a surplus arises on revaluation, it will be credited to profit or loss to the extent that a deficit on revaluation in respect of that same asset had previously been charged to profit or loss.

### 1. 主要會計政策(續)

#### (e) 物業、機器及設備

以下持作自用之物業以其重估值(即根據它們在重估日之公允值，減去任何其後之累計折舊後得出之數額)記入資產負債表：

- 永久業權土地及樓宇；及
- 按經營租約持有之土地及建於該等土地上之樓宇，該等土地及樓宇租賃權益之公允價值於租約開始日期無法分別計度，而有關樓宇並非明確根據經營租約持有(見附註1(g))。

重估工作乃定期進行，以確保這些資產之賬面金額與採用結算日之公允價值釐定之數額之間不會出現重大差異。

其他物業、機器及設備項目以成本減去累計折舊及減值虧損(見附註1(h))後記入資產負債表。

重估持作自用物業而產生之變動一般會撥入儲備處理，但下列情況除外：

- 如果出現重估虧損，而且有關之虧損額超過就該項資產在截至重估前計入儲備之數額，則差額會在損益表內扣除；及
- 如果以往曾將同一項資產之重估虧損在損益表內扣除，則在出現重估盈餘時，以往曾在損益表扣除之數額會撥入損益表內。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Hong Kong dollars)

(以港元為單位)

### 1. Significant accounting policies (continued)

(e) *Property, plant and equipment (continued)*

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal. Any related revaluation surplus is transferred from revaluation reserve to retained profits.

Depreciation is calculated to write off the cost or valuation of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives as follows:

- Freehold land is not depreciated.
- Leasehold land and buildings situated thereon are depreciated over the shorter of the unexpired term of lease and their estimated useful lives, being no more than 50 years after the date of purchase.
- Plant and machinery 4 – 10 years
- Other fixed assets 3 – 5 years

Where parts of an item of property, plant and equipment have different useful lives, the cost or valuation of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

### 1. 主要會計政策(續)

(e) 物業、機器及設備(續)

報廢或出售物業、機器及設備項目所帶來之收益或虧損，將按該項目之出售所得款項淨額與賬面值之間之差額釐定，並於報廢或出售當日在損益表內確認。任何有關重估盈餘自重估儲備撥入保留溢利。

折舊是根據物業、機器及設備項目之預計可使用年限，以直線法減去其估計剩餘價值(如有)計算，以撇銷其成本或估值，詳情如下：

- 永久業權土地不計提折舊。
- 租賃土地及位於有關土地之樓宇按其尚未屆滿租期及預計可用年限兩者中較短之期間折舊，惟不超過自購買日期起計50年。
- 機器及設備 4至10年
- 其他固定資產 3至5年

當一項物業、機器及設備之各部份有不同的可使用年期，此項目各部份之成本或估值將按合理基礎分配，而每部份將作個別折舊。資產之可用年限及其剩餘價值(如有)於每年進行檢討。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Hong Kong dollars)

(以港元為單位)

### 1. Significant accounting policies (continued)

(f) *Intangible assets*

Research and development costs comprise all costs that are directly attributable to research and development activities or that can be allocated on a reasonable basis to such activities. Because of the nature of the Group's research and development activities, the criteria for the recognition of such costs as an asset are generally not met until late in the development stage of the project when the remaining development costs are immaterial. Hence both research costs and development costs are generally recognised as expenses in the period in which they are incurred.

Club memberships are stated in the balance sheet at cost less accumulated amortisation and impairment losses (see note 1(h)). Amortisation of club memberships with finite useful lives is charged to profit or loss on a straight-line basis over their estimated useful life of 20 years. The period of amortisation is reviewed annually.

Intangible assets are not amortised while their useful lives are assessed to be indefinite. Any conclusion that the useful life of an intangible asset is indefinite is reviewed annually to determine whether events and circumstances continue to support the indefinite useful life assessment for that asset. If they do not, the change in the useful life assessment from indefinite to finite is accounted for prospectively from the date of change and in accordance with the policy for amortisation of intangible assets with finite lives as set out above.

### 1. 主要會計政策(續)

(f) *無形資產*

研究及開發成本包括所有直接由研究及開發活動產生之成本，或可合理地分配作有關活動之成本。由於集團之研究及開發活動之性質，把有關成本確認為資產之條件一般須在該項目研發階段之後期才能達致，而當時餘下之研發成本已微不足道。因此，研究成本及開發成本一般均於發生之期間內確認為開支。

會所會籍按成本值減累計攤銷及減值虧損於資產負債表列賬(見附註1(h))。有限使用年期的會所會籍之攤銷按直線法於20年之估計可用年限內於損益表扣減。攤銷期會每年進行檢討。

當無形資產的可使用年期獲評定為無限時不會作出攤銷。無形資產的可使用年期為無限的任何結論均會每年進行審閱，以釐定是否有事件及情況繼續支持該資產的無限可使用年期評估。倘無有關支持，則自無限轉為有限的可使用年期評估變動預期將自改變日期起根據上文所載的攤銷有限使用年期的無形資產的政策入賬。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Hong Kong dollars)

(以港元為單位)

### 1. Significant accounting policies (continued)

(g) *Leased assets*

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

(i) Classification of assets leased to the Group  
Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases, except land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease. For these purposes, the inception of the lease is the time that the lease was first entered into by the Group, or taken over from the previous lessee.

(ii) Operating lease charges  
Where the Group has the use of assets held under operating leases, payments made under the leases are charged to profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset.

### 1. 主要會計政策(續)

(g) *租賃資產*

倘本集團釐定一項安排(不論由一宗交易或一系列交易組成)附有權利可於協定期間內使用一項特定資產或多項資產以換取一項或多項付款,則該安排為屬於或包含一項租約。該釐定乃根據對該安排之實體評估而作出,而不論該安排是否包含租約之法定格式。

(i) 租賃予本集團之資產之分類  
不會轉移絕大部份擁有權相關風險及利益予本集團之租賃乃分類為經營租賃,惟若根據經營租賃持作自用之土地,其公允價值不能夠與訂立租賃時已建於其上之建築物之公允價值分開計量,則當作融資租賃入賬,但如有關建築物確實亦是根據經營租賃持有則除外。就此而言,訂立租賃時指本集團首次訂立租賃時,或自前度承租人接收資產時。

(ii) 經營租賃費用  
如本集團有權使用根據經營租賃持有之資產,則根據租賃作出之付款會在租賃期所涵蓋之會計期間內,以等額在損益表列作費用;但如有其他基準能更清楚地反映租賃資產所產生之收益模式則除外。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Hong Kong dollars)

(以港元為單位)

### 1. Significant accounting policies (continued)

#### (h) Impairment of assets

##### (i) Impairment of investments in equity securities and other receivables

Investments in equity securities and other current receivables that are stated at cost or amortised cost are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. If any such evidence exists, any impairment loss is determined and recognised as follows:

- For unquoted equity securities carried at cost, the impairment loss is measured as the difference between the carrying amount of the financial asset and the estimated future cash flows, discounted at the current market rate of return for a similar financial asset where the effect of discounting is material. Impairment losses for equity securities are not reversed.
- For trade and other current receivables and other financial assets carried at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material.

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

### 1. 主要會計政策(續)

#### (h) 資產減值

##### (i) 股本證券投資及其他應收款項之減值

本集團於各個結算日檢討按成本值或攤銷成本列賬之股本證券投資及其他流動應收款項，以判斷有否存在客觀減值證據。如存在任何上述證據，則會按如下方法釐定及確認減值虧損：

- 就按成本值列賬之無市場報價股本證券而言，減值虧損按財務資產之賬面值與按類似財務資產之現行市場回報率折現(如折現影響重大)估計之未來現金流量之差額計算。股本證券之減值虧損概不會撥回。
- 就按攤銷成本列賬之應收貿易賬款及其他流動應收款項及其他金融資產而言，減值虧損按資產之賬面值與按金融資產最初之實際利率(即此等資產最初確認時計算所得之實際利率)折現計算的估計未來現金流量現值之差額計算(倘折現影響為重大)。

倘於其後期間減值虧損金額有所減少，並可客觀地與確認減值虧損後發生之事件有關連，有關減值虧損會撥回損益表。惟所撥回之減值虧損以假設沒有在往年確認減值虧損而釐定之資產賬面值為限。



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Hong Kong dollars)

(以港元為單位)

### 1. Significant accounting policies (continued)

#### (h) Impairment of assets (continued)

##### (ii) Impairment of other assets

Internal and external sources of information are reviewed at each balance sheet date to identify indications that the following assets may be impaired or an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment (other than properties carried at revalued amounts);
- intangible assets; and
- investment in subsidiary.

If any such indication exists, the asset's recoverable amount is estimated.

- Calculation of recoverable amount  
The recoverable amount of an asset is the greater of its net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

### 1. 主要會計政策(續)

#### (h) 資產減值(續)

##### (ii) 其他資產之減值

本集團於每個結算日對內部及外界資訊進行評估，以決定是否有任何跡象顯示下列資產可能出現減值虧損，或有任何跡象顯示過往已確認之減值虧損不再存在或已經減少：

- 物業、機器及設備(按重估數額列值之物業除外)；
- 無形資產；及
- 於附屬公司之投資。

倘出現上述任何減值跡象，則該資產之可收回金額須予以評估。

- 計算可收回金額  
資產之可收回金額按其銷售淨售價與使用價值之較高者釐定。在評估使用價值時，會採用反映當時市場對貨幣之時間值及資產特定風險評估之稅前折讓率，將估計未來現金流量折讓至現值。倘資產之現金流入基本上不能獨立於其他資產之現金流入時，則須就可獨立地產生現金流入之最小資產組合(即一個現金產生單位)確定可收回金額。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Hong Kong dollars)

(以港元為單位)

### 1. Significant accounting policies (continued)

#### (h) Impairment of assets (continued)

##### (ii) Impairment of other assets (continued)

- Recognition of impairment losses  
An impairment loss is recognised in profit or loss whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs to sell, or value in use, if determinable.
- Reversals of impairment losses  
An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

#### (i) Inventories

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

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

### 1. 主要會計政策(續)

#### (h) 資產減值(續)

##### (ii) 其他資產之減值(續)

- 確認減值虧損  
當資產或其所屬之現金產生單位之賬面金額高於其可收回金額時，便會在損益表中確認減值虧損。確認之減值虧損會按比例減少該單位(或一組單位)中資產之賬面金額，但減值不會使個別資產之賬面金額減至低於其公允價值減銷售成本，或其使用價值(如可釐定)。
- 減值虧損轉回  
倘用以釐定可收回金額之估計數據出現有利變化，則減值虧損須予以轉回。減值虧損轉回僅以該等減值虧損從未於過往年度確認時所釐定之資產賬面值為限。減值虧損轉回於確認轉回之年度計入損益表。

#### (i) 存貨

存貨以成本及可變現淨值兩者中之較低數額入賬。

成本以加權平均成本法計算，其中包括所有採購成本、轉換之成本，以及將存貨運至現址和變成現狀之其他成本。

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

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Hong Kong dollars)

(以港元為單位)

### 1. Significant accounting policies (continued)

- (i) *Inventories (continued)*  
When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.
- (j) *Trade and other receivables*  
Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost less impairment losses for bad and doubtful debts (see note 1(h)), except the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts (see note 1(h)).
- (k) *Trade and other payables*  
Trade and other payables are initially recognised at fair value and subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.
- (l) *Cash and cash equivalents*  
Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

### 1. 主要會計政策(續)

- (i) *存貨(續)*  
所出售存貨之賬面金額在相關收入獲確認之期間內確認為支出。存貨數額撇減至可變現淨值及存貨之所有虧損，均在出現減值或虧損之期間內確認為支出。存貨之任何減值轉回之數，均在出現轉回之期間內確認為已列作支出之存貨數額減少。
- (j) *應收貿易賬款及其他應收款項*  
應收貿易賬款及其他應收款項首先以公允價值列賬，其後以攤銷成本減呆壞賬之減值虧損(見附註1(h))列賬。惟倘折現之影響並不重大，有關應收款項按成本值減呆壞賬減值虧損列賬(見附註1(h))。
- (k) *應付貿易賬款及其他應付款項*  
應付貿易賬款及其他應付款項首先以公允價值列賬，其後以攤銷成本列賬。如折現之影響並不重大，則以成本列賬。
- (l) *現金及現金等價物*  
現金及現金等價物包括銀行存款及手頭現金、銀行及其他金融機構之活期存款，以及短期而流通性高，可隨時轉換為已知數額之現金及所需承受之價值變動風險甚小，並自購入日期起計三個月內到期之投資。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Hong Kong dollars)

(以港元為單位)

### 1. Significant accounting policies (continued)

#### (m) Employee benefits

- (i) Short-term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

- (ii) Share based payments

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in a capital reserve within equity. The fair value is measured at grant date using the binomial lattice model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the options will vest.

### 1. 主要會計政策(續)

#### (m) 僱員福利

- (i) 短期僱員福利及界定供款退休計劃之供款

薪酬、年終花紅、有薪年假、界定供款退休計劃供款及非現金福利成本於僱員提供相關服務之年度計提。倘延遲支付或結付之影響屬重大，此等數額以現值列賬。

- (ii) 以股份為基礎之付款

僱員獲授購股權之公允值會確認為員工成本，而在權益內之資本儲備則作相應之增加。公允值乃採用二項式點陣模式，並經考慮授出購股權之條款及條件計算。當僱員須符合歸屬條件才可無條件享有該等購股權，預計購股權之公允值總額在歸屬期內經考慮購股權歸屬的或然率後攤分入賬。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Hong Kong dollars)

(以港元為單位)

### 1. Significant accounting policies (continued)

#### (m) Employee benefits (continued)

##### (ii) Share based payments (continued)

During the vesting period, the number of share options that is expected to vest is reviewed. Any adjustment to the cumulative fair value recognised in prior years is charged/credited to profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the capital reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the capital reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the capital reserve until either the option is exercised (when it is transferred to the share premium account) or the option expires (when it is released directly to retained profits).

#### (n) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised directly in equity, in which case they are recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

### 1. 主要會計政策(續)

#### (m) 僱員福利(續)

##### (ii) 以股份為基礎之付款(續)

於歸屬期內，本集團會檢討估計可生效之購股權數目。除非原來的員工支出符合資產確認之要求，否則任何已在往年確認之累計公允價值之調整須在檢討年內之損益表中計入／回撥，並在資本儲備作相應調整。在歸屬日期，除非因純粹與本公司股份之市價有關而未能符合歸屬條件引致權利喪失，否則確認為支出之金額按歸屬購股權之實際數目作調整（並在資本儲備作相應調整）。權益金額在資本儲備中確認，直至購股權獲行使（轉撥至股份溢價賬），或購股權屆滿（直接轉入保留盈利）為止。

#### (n) 所得稅

本年度所得稅包括本期所得稅及遞延所得稅資產和負債的變動。本期所得稅及遞延所得稅資產和負債的變動均在損益表內確認，但與直接確認為股東權益項目相關的，則確認為股東權益。

本期所得稅是按本年度應課稅收入根據已執行或在結算日實質上已執行的稅率計算的預期應付稅項，加上以往年度應付稅項的任何調整。

遞延所得稅資產和負債分別由可抵扣和應課稅暫時差異產生。暫時差異是指資產和負債在財務報表上的賬面金額與這些資產和負債的計稅基礎的差異。遞延所得稅資產也可以由未利用可抵扣虧損和未利用稅款抵減產生。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Hong Kong dollars)

(以港元為單位)

### 1. Significant accounting policies (continued)

#### (n) Income tax (continued)

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

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

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

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset.

### 1. 主要會計政策(續)

#### (n) 所得稅(續)

除了某些例外情況外，所有遞延所得稅負債和遞延所得稅資產(只限於很可能獲得能利用該遞延所得稅資產來抵扣的未來應稅溢利)都會確認。不確認為遞延所得稅資產和負債的暫時差異是產生自以下有限例外情況：不影響會計或應稅溢利的資產或負債的初始確認(如屬業務合併的一部分則除外)；以及投資附屬公司(如屬應課稅差異，只限於本集團可以控制轉回的時間，而且在可預見的將來不大可能轉回的暫時差異；或如屬可抵扣差異，則只限於可能在將來轉回的差異)。

遞延所得稅額是按照資產和負債賬面金額的預期實現或清償方式，根據已執行或在結算日實質上已執行的稅率計量。遞延所得稅資產和負債均不貼現計算。

本集團會在每個結算日評估遞延所得稅資產的賬面金額。如果集團預期不再可能獲得足夠的應稅溢利以抵扣相關的稅務利益，該遞延所得稅資產的賬面金額便會調低；但是如果日後又可能獲得足夠的應稅溢利，有關減額便會轉回。

本期所得稅結餘和遞延所得稅結餘及其變動額會分開列示，並且不予抵銷。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Hong Kong dollars)

(以港元為單位)

### 1. Significant accounting policies (continued)

#### (o) Provisions and contingent liabilities

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

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

#### (p) Revenue recognition

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

##### (i) Sale of goods

Revenue is recognised when goods are delivered at the customers' premises which is taken to be the point in time when the customer has accepted the goods and the related risks and rewards of ownership. Revenue is after deduction of trade discounts and returns.

##### (ii) Interest income

Interest income is recognised as it accrues using the effective interest method.

### 1. 主要會計政策(續)

#### (o) 準備及或有負債

倘若本集團或本公司須就已發生之事件承擔法律或推定義務，而履行該義務預期會導致含有經濟效益之資源外流，並可作出可靠之估計，便會就該時間或數額不定之負債計提準備。如果貨幣時間價值重大，則按預計履行義務所需資源之現值計列準備。

倘若含有經濟效益之資源外流之可能性不大，或是無法對有關數額作出可靠之估計，便會將該義務披露為或有負債；但假如這類資源外流之可能性極低則除外。須視乎某宗或多宗未來事件是否發生才能確定存在與否之潛在義務，亦會披露為或然負債，但假如這類資源外流之可能性極低則除外。

#### (p) 收益確認

收入在經濟效益可能流入本集團，以及能夠可靠地計算收入和成本(如適用)時，根據下列方法在損益表內確認：

##### (i) 銷售貨品

收入在貨品送達客戶場地，而且客戶接收貨品及其所有權相關之風險及回報時確認。收入已扣除營業折扣及退貨。

##### (ii) 利息收入

利息收入乃按實際利息基準確認。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Hong Kong dollars)

(以港元為單位)

### 1. Significant accounting policies (continued)

(q) *Translation of foreign currencies*

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

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

The results of foreign operations are translated into Hong Kong dollars at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Balance sheet items are translated into Hong Kong dollars at the foreign exchange rates ruling at the balance sheet date. The resulting exchange differences are recognised directly in a separate component of equity.

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

(r) *Borrowing costs*

Borrowing costs are expensed in profit or loss in the period in which they are incurred.

### 1. 主要會計政策(續)

(q) *外幣換算*

年內外幣交易按交易日之適用外幣匯率換算。以外幣為單位之貨幣性資產及負債按結算日之適用外幣匯率換算。匯兌盈虧於損益表內確認。

按歷史成本計算並以外幣為單位之非貨幣性資產及負債，乃按交易當日之適用匯率換算。以公允價值列賬並以外幣為單位之非貨幣性資產及負債按釐定其公允價值當日之外幣匯率折算。

海外業務業績以接近交易當日外幣匯率之兌換率換算為港元。資產負債表項目按結算日之外幣匯率折算為港元，所產生之匯兌差額直接於股東權益之獨立部分確認。

計算出售海外業務之損益包括於股東權益確認截至出售日因該項海外業務產生之累積兌換差額。

(r) *借貸成本*

借貸成本於產生之期間在損益表內確認為支出。



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Hong Kong dollars)

(以港元為單位)

### 1. Significant accounting policies (continued)

(s) *Related parties*

For the purposes of these financial statements, a party is considered to be related to the Group if:

- (i) the party has the ability, directly or indirectly through one or more intermediaries, to control the Group or exercise significant influence over the Group in making financial and operating policy decisions, or has joint control over the Group;
- (ii) the Group and the party are subject to common control;
- (iii) the party is an associate of the Group or a joint venture in which the Group is a venturer;
- (iv) the party is a member of key management personnel of the Group or the Group's parent, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;
- (v) the party is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals; or
- (vi) the party is a post-employment benefit plan which is for the benefit of employees of the Group or of any entity that is a related party of the Group.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

### 1. 主要會計政策(續)

(s) *關聯人士*

任何一方如屬以下情況，即視為本集團的關聯人士：

- (i) 該方透過一家或多家中介公司，直接或間接控制本集團、受本集團控制或與本集團受同一方控制；於本集團擁有權益，並可藉著該權益對本集團行使重大影響力；或共同控制本集團；
- (ii) 本集團與該方均受制於共同之監控；
- (iii) 該方為本集團的聯營公司或本集團為合資方之合資企業；
- (iv) 該方為本公司或本集團母公司的主要管理人員其中一名成員，或為該人士的近親家族成員，或為受該等人士監控、共同監控或重大影響的實體；
- (v) 該方為(i)所述的近親家族成員或為受該等人士監控、共同監控或重大影響的實體；或
- (vi) 該方為僱員退休福利計劃(包括適用於本集團及作為本集團關聯人士之實體之員工)。

某一人士的近親家族成員為預期於買賣該實體時可能影響該人士或受該人士影響的家族成員。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Hong Kong dollars)

(以港元為單位)

### 1. Significant accounting policies (continued)

#### (t) Segment reporting

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

In accordance with the Group's internal financial reporting system, the Group has chosen business segment information as the primary reporting format and geographical segment information as the secondary reporting format for the purposes of these financial statements.

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

Segment capital expenditure is the total cost incurred during the period to acquire segment assets (both tangible and intangible) that are expected to be used for more than one period.

Unallocated items mainly comprise financial and corporate assets, tax balances, corporate and financing expenses.

### 1. 主要會計政策(續)

#### (t) 分部報告

分部是指本集團內可明顯區分之組成部分，並且負責提供單項產品(業務分部)或在一個特定之經濟環境中提供產品(地區分部)，並且承擔不同於其他分部之風險和回報。

按照本集團之內部財務報告系統，本集團已就本財務報表選擇以業務分部為報告分部信息之主要形式，而地區分部則是次要之分部報告形式。

分部收入、支出、經營成果、資產及負債包含直接歸屬某一分部，以及可按合理之基準分配至該分部之項目之數額。例如，分部資產可能包括存貨、應收賬款及固定資產。分部收入、支出、資產及負債包含須在編製綜合財務報表時抵銷之集團內部往來之餘額和集團內部交易；但同屬一個分部之集團企業之間之集團內部往來之餘額和交易則除外。分部之間之轉移事項定價按與其他外界人士相若之條款計算。

分部資本開支是指，在期內購入預計可於超過一個會計期間使用之分部資產(包括有形和無形資產)所產生之成本總額。

未歸類之項目，主要包括金融及企業資產、稅款結餘、企業及融資費用。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Hong Kong dollars)

(以港元為單位)

### 2. Turnover

The principal activities of the Group are the manufacture and sale of electronic components.

Turnover represents the sales value of goods supplied to customers less goods returned and trade discounts.

### 2. 營業額

本集團之主要業務是製造及銷售電子元件。

營業額包括供予客戶之產品銷售價值，扣除退貨及營業折扣。

### 3. Other revenue

### 3. 其他收益

		2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元
Interest income	利息收入	4,223	2,374
Gains on disposal of fixed assets	出售固定資產收益	1,667	–
Scrap sales	廢料銷售	487	122
Write back of trade and other payables	應付貿易賬款及 其他應付款項回撥	281	893
Others	其他	270	662
		6,928	4,051

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Hong Kong dollars)

(以港元為單位)

### 4. Profit before taxation

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

### 4. 除稅前溢利

除稅前溢利已扣除／(計入)下列各項：

		2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元
(a) Finance costs:	(a) 融資成本：		
Interest on bank advances and other borrowing wholly repayable within five years	銀行墊款及須於五年內悉數償還之其他貸款之利息	1	4
(b) Staff costs: #/*	(b) 員工成本：#/*		
Contributions to defined contribution retirement plans	界定供款退休計劃之供款	2,590	1,727
Equity-settled share-based payment expenses	以股份為基礎之股本付款開支	542	1,172
Salaries, wages and other benefits	薪金、工資及其他福利	86,335	71,165
		89,467	74,064
(c) Other items:	(c) 其他項目：		
Cost of inventories# (note 16)	存貨成本#(附註16)	517,479	558,615
Auditors' remuneration	核數師酬金		
– audit services	– 核數服務	625	483
– tax services	– 稅務服務	74	41
– other services	– 其他服務	160	147
Depreciation#	折舊#	19,911	18,690
Amortisation	攤銷	36	44
Operating lease charges:	經營租賃費用：		
minimum lease payments	最低租賃款項		
– hire of properties#/*	– 租用物業#/*	4,318	4,866
Equity-settled share-based payment expenses*	以股份為基礎之股本付款開支*	612	1,798
Net foreign exchange loss/(gain)	匯兌虧損／(收益)淨額	407	(1,320)
Impairment loss on intangible assets (note 14)	無形資產減值虧損(附註14)	–	148

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Hong Kong dollars)

(以港元為單位)

### 4. Profit before taxation (continued)

# Cost of inventories includes \$64,313,000 (2005: \$58,145,000) relating to staff costs, depreciation expenses and operating lease charges in respect of properties, which amount is also included in the respective total amounts disclosed separately above or in note 4(b) for each of these types of expenses.

\* Staff costs included operating lease charges of \$1,156,000 (2005: \$1,457,000) and equity-settled share-based payment expenses of \$374,000 (2005: \$1,172,000) which amount is also included in the respective total amounts disclosed separately above for each of these types of expenses.

### 4. 除稅前溢利(續)

# 存貨成本包括與員工成本、折舊開支及就物業之經營租賃費用有關的64,313,000元(二零零五年: 58,145,000元)。這些金額已個別計入上表或附註4(b)分開披露之各類開支之總金額內。

\* 員工成本包括經營租賃費用1,156,000元(二零零五年: 1,457,000元)及以股份為基礎之股本付款開支374,000元(二零零五年: 1,172,000元)。這些金額已個別計入上表分開披露之各類開支之總金額內。

### 5. Income tax in the consolidated income statement

(a) Taxation in the consolidated income statement represents:

### 5. 綜合損益表內所列之所得稅

(a) 綜合損益表內所列之稅項為:

		2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元
<b>Current tax</b>	<b>本期稅項</b>		
Provision for Hong Kong Profits Tax	香港利得稅準備	1,056	2,388
Over provision for Hong Kong Profits Tax in respect of prior years	以往年度就香港利得稅之準備過剩	(173)	(494)
		883	1,894
Provision for PRC taxation	中國稅項準備	1,269	1,316
Over provision for PRC tax in respect of prior years	以往年度就中國稅項之準備過剩	(409)	—
		860	1,316
<b>Deferred tax</b>	<b>遞延稅項</b>		
Origination and reversal of temporary differences	暫時性差異之產生及轉回	1,743	3,210
		684	220
		2,427	3,430

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Hong Kong dollars)

(以港元為單位)

### 5. Income tax in the consolidated income statement (continued)

(a) *Taxation in the consolidated income statement represents: (continued)*

Provision for Hong Kong Profits Tax is calculated at 17.5% (2005: 17.5%) of the Group's estimated assessable profits arising in Hong Kong for the year.

The Group carries out manufacturing activities in the People's Republic of China ("PRC") under the terms of various assembling and processing agreements with PRC entities and has substantial involvement in these manufacturing activities undertaken in the PRC. The profits earned are thus considered to be partly arising and derived from the manufacturing activities carried out in the PRC and partly from other activities performed in Hong Kong. As such, the Company is granted a 50:50 offshore exemption in respect of Hong Kong Profits Tax.

Provision for income tax in respect of the subsidiary in the PRC is calculated at 15% (2005: 15%) of its estimated assessable profits for the year.

No provision has been made for Korea income tax in 2006 as tax losses brought forward exceed the estimated assessable profits for the year.

### 5. 綜合損益表內所列之所得稅(續)

(a) 綜合損益表內所列之稅項為：(續)

香港利得稅之準備乃按年內本集團於香港產生之估計應課稅溢利之17.5% (二零零五年：17.5%) 計算。

本集團根據與中華人民共和國(「中國」)實體訂立之多項裝配及加工協議之條款在中國進行製造活動，並積極參與在中國進行之該等製造活動。由此所賺取之溢利，部分被視為從中國進行之製造活動所產生及取得，而部分被視為從香港進行之其他活動所產生及取得。故此，本公司就香港利得稅享有50:50之離岸豁免。

在中國之附屬公司之所得稅準備是按該年度之估計應課稅溢利之15% (二零零五年：15%) 計算。

由於承前的稅項虧損超過本年度估計應課稅溢利，故於二零零六年並無為韓國所得稅作出任何準備。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Hong Kong dollars)

(以港元為單位)

### 5. Income tax in the consolidated income statement (continued)

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

### 5. 綜合損益表內所列之所得稅(續)

(b) 所得稅費用和會計溢利按適用稅率計算的對賬：

		2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元
Profit before taxation	除稅前溢利	20,885	28,991
Notional tax on profit before tax, calculated at the rates applicable to profits in the tax jurisdictions concerned	按照在相關稅務司法地區獲得溢利的適用稅率計算除稅前溢利的名義稅項	3,300	4,098
Tax effect of non-deductible expenses	不可扣除開支的稅務影響	224	635
Tax effect of non-taxable revenue	毋須課稅收入的稅務影響	(658)	(1,585)
Tax effect of unused tax losses not recognised	未確認的未動用稅項虧損的稅務影響	143	776
Over provision in respect of prior years	以往年度之準備過剩	(582)	(494)
Actual tax expense	實際稅項支出	2,427	3,430

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Hong Kong dollars)

(以港元為單位)

### 6. Directors' remuneration

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

### 6. 董事酬金

根據香港《公司條例》第161條作出披露之董事酬金如下：

		Salaries, allowances and benefits in kind 薪金、津貼及 實物福利	Retirement scheme contributions 退休 計劃供款	Sub-total	Share- based payments 以股份為 基礎之付款	2006 Total 二零零六年 合計
	Directors' fees 董事袍金	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
<i>Executive directors</i> 執行董事						
Yang Jai Sung	梁在星	-	1,606	12	1,618	1,618
Kim Sun Cheol	金善哲	168	690	12	870	896
Woo Nam Jin	禹南珍	72	829	12	913	1,023
<i>Non-executive director</i> 非執行董事						
Yang Ho Sung	梁皓星	420	89	-	509	509
<i>Independent non-executive directors</i> 獨立非執行董事						
Kim Chung Kweon	金正權	80	-	-	80	80
Han Byung Joon	韓丙濬	80	-	-	80	80
Kim Chan Su	金鑽洙	80	-	-	80	80
		900	3,214	36	4,150	4,286



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Hong Kong dollars)

(以港元為單位)

### 6. Directors' remuneration (continued)

### 6. 董事酬金 (續)

		Salaries, allowances Directors' fees 薪金、津貼及 董事袍金	and benefits in kind 實物福利	Discretionary bonuses 酌情花紅	Retirement scheme contributions 退休 計劃供款	Sub-total 小計	Share- based payments 以股份為 基礎之付款	2005 Total 二零零五年 合計
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
<i>Executive directors</i>	執行董事							
Yang Jai Sung	梁在星	-	1,128	50	12	1,190	-	1,190
Kim Sun Cheol	金善哲	-	740	55	12	807	81	888
Woo Nam Jin	禹南珍	-	940	-	12	952	231	1,183
<i>Non-executive director</i>	非執行董事							
Yang Ho Sung	梁皓星	455	55	-	-	510	-	510
<i>Independent non-executive directors</i>	獨立非執行董事							
Kim Chung Kweon	金正權	80	-	-	-	80	-	80
Han Byung Joon	韓丙濬	80	-	-	-	80	-	80
Kim Chan Su	金鑽洙	80	-	-	-	80	-	80
		695	2,863	105	36	3,699	312	4,011

The above emoluments include the estimated value of share options granted to certain directors under the Company's share option scheme. The value of these share options is measured according to the Group's accounting policy for share-based payments in note 1(m)(ii) and, in accordance with that policy, includes adjustments to reverse amounts accrued in previous years where grants of share options are lapsed prior to vesting. The details of these benefits in kind are disclosed under the paragraph "Share option scheme" in the Report of the Directors and in note 21.

As approved by the board of directors, during the year ended 31 December 2005, Yang Jai Sung and Kim Sun Cheol waived part of their remuneration totalling \$10,000 and \$5,000 respectively.

上述酬金包括根據本公司購股權計劃授予若干董事之購股權。該等購股權之價值乃根據附註1(m)(ii)所述本集團關於以股份為基礎之付款之會計政策而計量，及根據該政策，包括撥回以往年度授出購股權而於歸屬前失效應計之數額。該等實物利益之詳情乃於董事會報告書「購股權計劃」一段及附註21作出披露。

於截至二零零五年十二月三十一日止年度內，誠如董事會批准，梁在星及金善哲放棄彼等部分之酬金，分別合共為10,000元及5,000元。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Hong Kong dollars)

(以港元為單位)

### 7. Individuals with highest emoluments

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

		2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元
Salaries and other emoluments	薪金及其他酬金	1,745	1,538
Discretionary bonuses	酌情花紅	–	16
Share-based payments	以股份為基礎之付款	36	113
Retirement scheme contributions	退休計劃供款	24	24
		1,805	1,691

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

兩名(二零零五年：兩名)最高薪人士之酬金範圍如下：

		Number of individuals 人數	
		2006 二零零六年	2005 二零零五年
\$Nil – \$1,000,000	零元至1,000,000元	2	2

### 8. Profit attributable to equity shareholders of the Company

The consolidated profit attributable to equity shareholders of the Company includes a profit of \$18,458,000 (2005: \$25,561,000) which has been dealt with in the Company's financial statements.

### 8. 本公司股本持有人應佔溢利

本公司股本持有人應佔綜合溢利包括一筆已列入本公司財務報表的18,458,000元之溢利(二零零五年：25,561,000元)。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Hong Kong dollars)

(以港元為單位)

### 9. Dividends

(a) Dividends payable to equity shareholders of the Company attributable to the year:

		2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元
Interim dividend declared and paid HK0.7 cents (2005: HK1.3 cents) per ordinary share	已宣派及支付中期股息每股普通股0.7港仙 (二零零五年：1.3港仙)	2,193	4,073
Final dividend proposed after the balance sheet date HK1.1 cents (2005: HK1.9 cents) per ordinary share	資產負債表日後建議末期股息每股普通股1.1港仙 (二零零五年：1.9港仙)	3,446	5,953
		5,639	10,026

The final dividend proposed after the balance sheet date has not been recognised as a liability at the balance sheet date. The calculation of the 2006 final dividend is based on the number of ordinary shares outstanding at the date of this annual report.

於資產負債表日後派付之末期股息尚未在資產負債表日被確認為負債。二零零六年度末期股息是按本年報日期之已發行普通股數目計算。

(b) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year:

		2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元
Final dividend in respect of the previous financial year, approved and paid during the year, of HK1.9 cents (2005: HK1.4 cents) per ordinary share	年內批准及派付之過往財政年度末期股息每股普通股1.9港仙 (二零零五年：1.4港仙)	5,953	4,386

(b) 年內批准及派付予本公司股本持有人之過往財政年度股息：

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Hong Kong dollars)

(以港元為單位)

### 10. Earnings per share

(a) *Basic earnings per share*

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of HK\$18,458,000 (2005: HK\$25,561,000) and the weighted average number of ordinary shares of 313,300,000 (2005: 313,300,000) in issue during the year.

(b) *Diluted earnings per share*

Diluted earnings per share for the year ended 31 December 2006 and 2005 are same as the basic earnings per share as the inclusion of the effect of deemed issue of ordinary shares under the share option scheme would have an anti-dilutive effect on the earnings per share.

### 10. 每股盈利

(a) *每股基本盈利*

每股基本盈利是按本公司股本持有人應佔溢利18,458,000港元(二零零五年：25,561,000港元)及年內已發行普通股的加權平均數313,300,000股(二零零五年：313,300,000股)計算。

(b) *每股攤薄盈利*

由於計入購股權計劃下視作發行之普通股會對每股盈利構成反攤薄影響，故截至二零零六年及二零零五年十二月三十一日止年度之每股攤薄盈利等同每股基本盈利。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Hong Kong dollars)

(以港元為單位)

### 11. Segmental reporting

Segment information is presented in respect of the Group's business and geographical segments. Business segment information is chosen as the primary reporting format because this is more relevant to the Group's internal financial reporting.

#### (a) Business segment

The Group is engaged in the manufacture and sale of electronic components which can be divided into two product segments – composite components and unit electronic components. An analysis of the Group's results of operations and the Group's financial position by product segments is as follows:

### 11. 分部資料

分部資料乃按本集團之業務及地區分部呈列。本集團選擇以業務分部資料為首要呈報格式，因為這樣更切合本集團內部之財務申報。

#### (a) 業務分部

本集團從事製造及銷售電子元件。電子元件可分為兩大類－複合元件及單位電子元件。本集團之經營業績及本集團之財務狀況按產品分類分析如下：

		Composite components		Unit electronic components		Consolidated	
		複合元件		單位電子元件		綜合	
		2006	2005	2006	2005	2006	2005
		二零零六年	二零零五年	二零零六年	二零零五年	二零零六年	二零零五年
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元	千元
<b>Turnover</b>	<b>營業額</b>	473,110	520,269	138,105	128,290	611,215	648,559
Segment result	分部業績	14,446	17,435	1,012	9,472	15,458	26,907
Unallocated operating income and expenses	未分配經營收入及費用					5,428	2,088
<b>Profit from operations</b>	<b>經營溢利</b>					20,886	28,995
Finance costs	融資成本					(1)	(4)
Income tax	所得稅					(2,427)	(3,430)
<b>Profit after tax</b>	<b>除稅後溢利</b>					18,458	25,561
Depreciation	折舊	15,379	14,633	4,532	4,057	19,911	18,690

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Hong Kong dollars)

(以港元為單位)

### 11. Segmental reporting (continued)

(a) Business segment (continued)

### 11. 分部資料(續)

(a) 業務分部(續)

		Composite components		Unit electronic components		Consolidated	
		複合元件		單位電子元件		綜合	
		2006	2005	2006	2005	2006	2005
		二零零六年	二零零五年	二零零六年	二零零五年	二零零六年	二零零五年
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元	千元
Segment assets	分部資產	209,574	202,792	64,237	60,313	273,811	263,105
Unallocated assets	未分配資產					180,570	178,337
<b>Total assets</b>	<b>資產總值</b>					<b>454,381</b>	<b>441,442</b>
Segment liabilities	分部負債	56,692	55,702	26,302	24,377	82,994	80,079
Unallocated liabilities	未分配負債					9,725	10,625
<b>Total liabilities</b>	<b>負債總額</b>					<b>92,719</b>	<b>90,704</b>
Capital expenditure incurred during the year	年內產生之資本開支	21,329	11,380	8,343	9,367	29,672	20,747

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Hong Kong dollars)

(以港元為單位)

### 11. Segmental reporting (continued)

#### (b) Geographical segment

The Group's business is principally managed in Hong Kong and other parts of the PRC. The principal markets for the Group's products are the PRC (including Hong Kong) and Korea.

In presenting information on the basis of geographical segments, segment turnover is based on the destination of the Group's products. Segment assets and capital expenditure are based on the geographical location of the assets.

### 11. 分部資料(續)

#### (b) 地區分部

本集團之業務主要於香港及中國其他地區進行。本集團產品之主要市場為中國(包括香港)及韓國。

按地區分部呈列資料時，分部營業額乃按本集團產品目的地釐定。分部資產及資本開支乃按資產之地理位置釐定。

		Turnover 營業額		Segment assets 分部資產		Capital expenditure incurred during the year 年內產生之資本開支	
		2006 二零零六年	2005 二零零五年	2006 二零零六年	2005 二零零五年	2006 二零零六年	2005 二零零五年
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
PRC (other than Hong Kong)	中國(香港以外)	322,056	358,034	165,641	160,749	20,324	14,468
Hong Kong	香港	183,815	202,800	32,336	52,588	15	187
Korea	韓國	97,130	74,150	75,217	48,844	9,333	6,092
Others	其他	8,214	13,575	617	924	-	-

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Hong Kong dollars)

(以港元為單位)

### 12. Fixed assets

(a) The Group

### 12. 固定資產

(a) 本集團

		Land and buildings held for own use carried at fair value 持作自用以公允價值列賬之土地及樓宇 \$'000 千元	Plant and machinery 機器及設備 \$'000 千元	Other fixed assets 其他固定資產 \$'000 千元	Total 總計 \$'000 千元
<b>Cost or valuation:</b>	<b>成本或估值：</b>				
At 1 January 2005	於二零零五年一月一日	16,196	93,328	22,509	132,033
Additions	增添	695	15,444	4,608	20,747
Disposals	出售	-	(557)	-	(557)
Surplus on revaluation	重估盈餘	5,149	-	-	5,149
Less: Elimination of accumulated depreciation	減：累計折舊抵銷	(474)	-	-	(474)
At 31 December 2005	於二零零五年十二月三十一日	21,566	108,215	27,117	156,898
<b>Representing:</b>	<b>代表：</b>				
Cost	成本	-	108,215	27,117	135,332
Valuation - 2005	二零零五年估值	21,566	-	-	21,566
		21,566	108,215	27,117	156,898
<b>Accumulated depreciation:</b>	<b>累計折舊：</b>				
At 1 January 2005	於二零零五年一月一日	296	40,708	11,472	52,476
Charge for the year	年度折舊費用	454	13,772	4,464	18,690
Written back on disposal	因出售撥回	-	(557)	-	(557)
Elimination on revaluation	重估抵銷	(474)	-	-	(474)
At 31 December 2005	於二零零五年十二月三十一日	276	53,923	15,936	70,135
<b>Net book value:</b>	<b>賬面淨值：</b>				
At 31 December 2005	於二零零五年十二月三十一日	21,290	54,292	11,181	86,763



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Hong Kong dollars)

(以港元為單位)

### 12. Fixed assets (continued)

(a) The Group (continued)

### 12. 固定資產 (續)

(a) 本集團 (續)

		Land and buildings held for own use carried at fair value 持作自用以公允價值列賬之土地及樓宇 \$'000 千元	Plant and machinery 機器及設備 \$'000 千元	Other fixed assets 其他固定資產 \$'000 千元	Total 總計 \$'000 千元
<b>Cost or valuation:</b>	<b>成本或估值：</b>				
At 1 January 2006	於二零零六年一月一日	21,566	108,215	27,117	156,898
Additions	增添	7,139	18,625	3,908	29,672
Disposals	出售	-	(4,967)	-	(4,967)
At 31 December 2006	於二零零六年十二月三十一日	28,705	121,873	31,025	181,603
<b>Representing:</b>	<b>代表：</b>				
Cost	成本	7,139	121,873	31,025	160,037
Valuation - 2005	二零零五年估值	21,566	-	-	21,566
		28,705	121,873	31,025	181,603
<b>Accumulated depreciation:</b>	<b>累計折舊：</b>				
At 1 January 2006	於二零零六年一月一日	276	53,923	15,936	70,135
Charge for the year	年度折舊費用	574	14,060	5,277	19,911
Written back on disposal	因出售撥回	-	(4,731)	-	(4,731)
At 31 December 2006	於二零零六年十二月三十一日	850	63,252	21,213	85,315
<b>Net book value:</b>	<b>賬面淨值：</b>				
At 31 December 2006	於二零零六年十二月三十一日	27,855	58,621	9,812	96,288

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Hong Kong dollars)

(以港元為單位)

### 12. Fixed assets (continued)

(b) The Company

### 12. 固定資產(續)

(b) 本公司

	Land and buildings held for own use carried at fair value 持作自用以公允價值列賬之土地及樓宇	Plant and machinery 機器及設備	Other fixed assets 其他固定資產	Total 總計	
	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	
<b>Cost or valuation:</b>	<b>成本或估值：</b>				
At 1 January 2005	於二零零五年一月一日	16,196	15,507	8,972	40,675
Additions	增添	695	3,432	2,152	6,279
Surplus on revaluation	重估盈餘	5,149	-	-	5,149
Less: Elimination of accumulated depreciation	減：累計折舊抵銷	(474)	-	-	(474)
At 31 December 2005	於二零零五年十二月三十一日	21,566	18,939	11,124	51,629
<b>Representing:</b>	<b>代表：</b>				
Cost	成本	-	18,939	11,124	30,063
Valuation - 2005	二零零五年估值	21,566	-	-	21,566
		21,566	18,939	11,124	51,629
<b>Accumulated depreciation:</b>	<b>累計折舊：</b>				
At 1 January 2005	於二零零五年一月一日	296	2,542	2,658	5,496
Charge for the year	年度折舊費用	454	2,734	2,143	5,331
Elimination on revaluation	重估抵銷	(474)	-	-	(474)
At 31 December 2005	於二零零五年十二月三十一日	276	5,276	4,801	10,353
<b>Net book value:</b>	<b>賬面淨值：</b>				
At 31 December 2005	於二零零五年十二月三十一日	21,290	13,663	6,323	41,276

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Hong Kong dollars)

(以港元為單位)

### 12. Fixed assets (continued)

(b) The Company (continued)

### 12. 固定資產 (續)

(b) 本公司 (續)

	Land and buildings held for own use carried at fair value 持作自用以公允價值列賬之土地及樓宇	Plant and machinery 機器及設備	Other fixed assets 其他固定資產	Total 總計	
	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	
<b>Cost or valuation:</b>	<b>成本或估值：</b>				
At 1 January 2006	於二零零六年一月一日	21,566	18,939	11,124	51,629
Additions	增添	-	7,918	1,430	9,348
At 31 December 2006	於二零零六年十二月三十一日	21,566	26,857	12,554	60,977
<b>Representing:</b>	<b>代表：</b>				
Cost	成本	-	26,857	12,554	39,411
Valuation - 2005	二零零五年估值	21,566	-	-	21,566
		21,566	26,857	12,554	60,977
<b>Accumulated depreciation:</b>	<b>累計折舊：</b>				
At 1 January 2006	於二零零六年一月一日	276	5,276	4,801	10,353
Charge for the year	年度折舊費用	541	3,474	2,628	6,643
At 31 December 2006	於二零零六年十二月三十一日	817	8,750	7,429	16,996
<b>Net book value:</b>	<b>賬面淨值：</b>				
At 31 December 2006	於二零零六年十二月三十一日	20,749	18,107	5,125	43,981

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Hong Kong dollars)

(以港元為單位)

### 12. Fixed assets (continued)

- (c) The analysis of net book value of land and buildings held for own use carried at fair value is as follows:

		The Group 本集團		The Company 本公司	
		2006 二零零六年	2005 二零零五年	2006 二零零六年	2005 二零零五年
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Freehold outside Hong Kong	在香港境外按永久業權持有	18,755	19,225	18,755	19,225
Medium-term leases outside Hong Kong	在香港境外按中期租約持有	7,106	-	-	-
Medium-term leases in Hong Kong	在香港按中期租約持有	1,994	2,065	1,994	2,065
		27,855	21,290	20,749	21,290

- (d) The Group's and the Company's land and buildings held for own use were revalued as at 30 June 2005 by DTZ Debenham Tie Leung Limited, an independent firm of professional surveyors who had among their staff members of the Hong Kong Institute of Surveyors, at their open market value by direct comparison approach by making reference to comparable sales transactions as available in the relevant market. As a result of the update, revaluation surplus of \$3,902,000, net of deferred tax, was transferred to land and buildings revaluation reserve of the Group and the Company (see note 23) and a net gain of \$987,000 and the deferred tax thereon of \$43,000 were included in the consolidated income statement for the year ended 31 December 2005.

The directors of the Company, who are not qualified valuers, have reviewed the carrying value of the land and building as at 31 December 2006 with reference to the relevant market indices. In their opinion, there have been no significant changes in the value of land and buildings since 30 June 2005.

### 12. 固定資產(續)

- (c) 持有作自用以公允價值列賬之土地及樓宇之賬面淨值分析如下：

		The Group 本集團		The Company 本公司	
		2006 二零零六年	2005 二零零五年	2006 二零零六年	2005 二零零五年
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Freehold outside Hong Kong	在香港境外按永久業權持有	18,755	19,225	18,755	19,225
Medium-term leases outside Hong Kong	在香港境外按中期租約持有	7,106	-	-	-
Medium-term leases in Hong Kong	在香港按中期租約持有	1,994	2,065	1,994	2,065
		27,855	21,290	20,749	21,290

- (d) 於二零零五年六月三十日，戴德梁行有限公司按直接比較法，並參考於有關市場可供比較之銷售交易就本集團及本公司持有作自用之土地及樓宇之公開市值進行重估。戴德梁行有限公司為獨立專業估價師，其部份員工為香港測量師學會成員。由於重估的關係，3,902,000元重估盈餘(扣除遞延稅項)被轉撥至本集團及本公司之土地及樓宇重估儲備(見附註23)，而收入淨額987,000元及據此之遞延稅項43,000元已被納入截至二零零五年十二月三十一日止年度之綜合損益表。

本公司董事，並非合資格估價師，於二零零六年十二月三十一日已參考有關市場指數審閱土地及樓宇賬面值。彼等認為，自二零零五年六月三十日以來，土地及樓宇價值並無重大變動。

## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

(Expressed in Hong Kong dollars)

(以港元為單位)

#### 12. Fixed assets (continued)

(d) (continued)

Had the above land and buildings been carried at cost less accumulated depreciation, the carrying amounts would have been:

#### 12. 固定資產 (續)

(d) (續)

倘上述土地及樓宇已按成本減累計折舊列值，賬面金額將為：

		The Group 本集團		The Company 本公司	
		2006 二零零六年	2005 二零零五年	2006 二零零六年	2005 二零零五年
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Freehold land and buildings	按永久業權持有之土地及樓宇	14,626	15,001	14,626	15,001
Leasehold land and buildings	按租賃持有之土地及樓宇	10,325	3,335	3,219	3,335
		24,951	18,336	17,845	18,336

#### 13. Interest in subsidiary

#### 13. 於附屬公司之權益

		The Company 本公司	
		2006 二零零六年	2005 二零零五年
		\$'000 千元	\$'000 千元
Investment, at cost	投資，按成本值	56,719	56,719
Amount due to subsidiary	應付附屬公司金額	(4,412)	(11,232)
		52,307	45,487

Amount due to subsidiary is unsecured, interest-free and has no fixed repayment terms.

應付附屬公司款項為無抵押、免息及並無固定還款期。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Hong Kong dollars)

(以港元為單位)

### 13. Interest in subsidiary (continued)

Details of the subsidiary are as follows:

Name of Company	Country of establishment and operation	Particulars of paid-up capital	Proportion of ownership interest held by the Company	Principal activity
公司名稱	成立及經營國家	實繳股本詳情	本公司持有所有權權益比例	主要業務
Shenzhen Kwang Sung Electronics Co., Ltd.	PRC	US\$7,271,780	100%	Manufacture and sale of electronic components
深圳光星電子有限公司	中國	7,271,780美元		製造及銷售電子元件

The subsidiary is a wholly-foreign owned enterprise established in the PRC with an operating period of 30 years up to 2024.

### 13. 於附屬公司之權益(續)

附屬公司之詳情如下：

該附屬公司為於中國成立之外商獨資企業，經營期為直至二零二四年止三十年。

### 14. Intangible assets

### 14. 無形資產

		The Group and the Company 本集團及本公司	
		2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元
<b>Club memberships, at cost:</b>	<b>會所會籍，按成本值：</b>		
At 1 January and 31 December	於一月一日及十二月三十一日	889	889
<b>Accumulated amortisation and impairment:</b>	<b>累計攤銷及減值：</b>		
At 1 January	於一月一日	192	–
Charge for the year	本年度攤銷	36	44
Impairment loss	減值虧損	–	148
At 31 December	於十二月三十一日	228	192
<b>Net book value:</b>	<b>賬面淨值：</b>		
At 31 December	於十二月三十一日	661	697

In 2005, the Group assessed the recoverable amount based on recent market price and resulted an impairment loss of \$148,000. The impairment loss and amortisation charge for the year are included in "Other operating expenses".

於二零零五年，本集團按近期市場價格評估可收回數額，因而得出減值虧損148,000元。減值虧損及本年度攤銷已計入「其他經營開支」。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Hong Kong dollars)

(以港元為單位)

### 15. Other equity securities

### 15. 其他股本證券

		The Group and the Company 本集團及本公司	
		2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元
Unlisted equity securities, at cost:	非上市股本證券，按成本值：		
At 1 January	於一月一日	1,500	1,500
Addition	增添	1,684	-
		3,184	1,500
Less: impairment loss	減：減值虧損	(1,500)	(1,500)
At 31 December	於十二月三十一日	1,684	-

In 2004 and 2006, the Company acquired certain unlisted equity securities in corporate entities for cash consideration of HK\$1,500,000 and HK\$1,684,000 respectively. These equity securities are stated at cost less impairment losses as their fair value cannot be measured reliably because the entities are unlisted and no sufficient financial information is made available to the Company to enable it to determine the fair value of these entities.

In view of the substantial losses incurred by the entity acquired in 2004, during the year ended 31 December 2004, the directors of the Company assessed the recoverable amount of these equity securities by reference to the net assets value of the entity, where the directors considered the best estimate of the fair value of the entity. Based on their assessment, a full provision for impairment loss was made at 31 December 2004.

The unlisted equity securities investment of HK\$1,684,000, representing a 25% equity interest in Seems Bionics Inc., a company newly incorporated in 2006 and engaged in trading electronic and marketing of scent related electronic products and devices in Korea. In the opinion of the directors, the Group is not in a position to exercise significant influence over the financial and operating policies of the entity. Accordingly, this investment has not been treated as an associate.

於二零零四年及二零零六年，本公司分別以現金代價1,500,000港元及1,684,000港元購入兩間企業實體之若干非上市股本證券。由於實體為非上市而加上本公司並無獲提供充份財務資料以讓本公司釐定該等實體之公允價值，令該等證券之公允價值未能可靠地計量，因此該等股本證券乃按成本值減去減值虧損列賬。

鑒於二零零四年收購之實體出現重大虧損，於截至二零零四年十二月三十一日止年度，本公司董事參考實體之資產淨值而評估該等股本證券之可收回數額，而董事認為此乃對實體之公允價值作出之最佳估算。按董事之評估，已於二零零四年十二月三十一日就減值虧損作出全數準備。

非上市股本證券投資1,684,000港元指Seems Bionics Inc.之25%股本。Seems Bionics Inc.為一家剛於二零零六年成立之公司，在韓國經營與氣味相關電子產品和器材之貿易及營銷。董事認為，本集團並不能對該公司的財務和營運政策發揮重大影響力。據此，是項投資並無作為一間聯營公司處理。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Hong Kong dollars)

(以港元為單位)

### 16. Inventories

(a) Inventories in the balance sheets comprise:

		The Group and the Company 本集團及本公司	
		2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元
Raw materials	原材料	33,997	13,716
Work in progress	在製品	14,580	14,713
Finished goods	製成品	20,645	13,257
		69,222	41,686

(b) The analysis of the amount of inventories recognised as an expense is as follows:

		The Group 本集團	
		2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元
Carrying amount of inventories sold	所出售存貨之賬面值	517,071	556,967
Write down of inventories	撇減存貨	408	1,648
		517,479	558,615

### 16. 存貨

(a) 於資產負債表存貨包括：

The Group and the Company  
本集團及本公司

	2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元
Raw materials	33,997	13,716
Work in progress	14,580	14,713
Finished goods	20,645	13,257
	69,222	41,686

(b) 確認為開支之存貨之分析如下：

		The Group 本集團	
		2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元
Carrying amount of inventories sold	所出售存貨之賬面值	517,071	556,967
Write down of inventories	撇減存貨	408	1,648
		517,479	558,615

### 17. Trade and other receivables

Trade receivables  
Prepayments, deposits and  
other receivables

All of the trade and other receivables are expected to be recovered within one year.

### 17. 應收貿易賬款及其他應收款項

The Group and the Company  
本集團及本公司

		2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元
Trade receivables	應收貿易賬款	108,772	134,901
Prepayments, deposits and other receivables	預付款項、按金及 其他應收款項	7,470	3,894
		116,242	138,795

所有應收貿易賬款及其他應收款項預期可於一年內收回。



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Hong Kong dollars)

(以港元為單位)

### 17. Trade and other receivables (continued)

The ageing analysis of trade receivables (net of impairment losses for bad and doubtful debts) as of the balance sheet date is as follows:

		The Group and the Company 本集團及本公司	
		2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元
Current	未逾期	69,666	83,119
Less than 1 month overdue	逾期少於一個月	28,396	30,324
Over 1 month but less than 3 months overdue	逾期超過一個月但不超過三個月	10,206	18,910
Over 3 months but less than 12 months overdue	逾期超過三個月但不超過十二個月	504	2,548
		108,772	134,901

Included in trade receivables is an amount of \$450,000 (2005: \$9,754,000) due from a shareholder (note 26).

應收貿易賬款包含應收一名股東之款項450,000元(二零零五年: 9,754,000元)(附註26)。

The Group's credit policy is set out in note 24(a).

本集團之信貸政策載述於附註24(a)。

Included in trade and other receivables are the following amounts denominated in a currency other than the functional currency of the entity to which they relate:

應收貿易賬款及其他應收款項包括下列以實體之功能貨幣以外之貨幣計值之金額:

		The Group and the Company 本集團及本公司	
		2006 二零零六年 '000 千位	2005 二零零五年 '000 千位
United States Dollars	美元	USD11,224美元	USD15,634美元
Japanese Yen	日圓	JPY2,346日圓	JPY11,658日圓
Korean Won	韓圓	KRW2,178,833韓圓	KRW175,248韓圓

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Hong Kong dollars)

(以港元為單位)

### 18. Cash and cash equivalents

### 18. 現金及現金等價物

		The Group and the Company 本集團及本公司	
		2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元
Deposits with banks and other financial institutions	銀行及其他財務機構存款	90,029	92,339
Cash at bank and in hand	銀行存款及現金	79,650	80,895
Cash and cash equivalents in the balance sheets	資產負債表之現金及現金等價物	169,679	173,234
Less: deposits with banks and other financial institutions with more than three months of maturity when placed	減：存入銀行及其他財務機構時到期日多於三個月之存款	(33,089)	(15,859)
Cash and cash equivalents in the consolidated cash flow statement	綜合現金流量表之現金及現金等價物	136,590	157,375

Included in cash and cash equivalents are the following amounts denominated in a currency other than the functional currency of the entity to which they relate:

現金及現金等價物包括下列以實體之功能貨幣以外之貨幣計值之金額：

		The Group and the Company 本集團及本公司	
		2006 二零零六年 '000 千位	2005 二零零五年 '000 千位
United States Dollars	美元	USD14,357美元	USD17,126美元
Japanese Yen	日圓	JPY34,371日圓	JPY649日圓
Korean Won	韓圓	KRW143,635韓圓	KRW737,563韓圓

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Hong Kong dollars)

(以港元為單位)

### 19. Trade and other payables

### 19. 應付貿易賬款及其他應付款項

		The Group and the Company 本集團及本公司	
		2006 二零零六年	2005 二零零五年
		\$'000 千元	\$'000 千元
Trade payables	應付貿易賬款	74,690	76,453
Accrued expenses and other payables	應計費用及其他應付款項	15,549	12,541
		90,239	88,994

All of the trade and other payables are expected to be settled within one year.

所有應付貿易賬款及其他應付款項預期可於一年內償還。

The ageing analysis of trade payables as of the balance sheet date is as follows:

於資產負債表日，應付貿易賬款之賬齡分析如下：

		The Group and the Company 本集團及本公司	
		2006 二零零六年	2005 二零零五年
		\$'000 千元	\$'000 千元
Due within 1 month or on demand	於一個月內到期或須於 提出要求時支付	53,503	47,701
Due after 1 month but within 3 months	一個月後但三個月內到期	21,187	28,752
		74,690	76,453

Included in trade payables is an amount of \$1,189,000 (2005: \$2,416,000) due to a shareholder (note 26).

應付貿易賬款包括應付一名股東之款項 1,189,000元(二零零五年：2,416,000元)(附註26)。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Hong Kong dollars)

(以港元為單位)

### 19. Trade and other payables (continued)

Included in trade and other payables are the following amounts denominated in a currency other than the functional currency of the entity to which they relate:

### 19. 應付貿易賬款及其他應付款項(續)

應付貿易賬款及其他應付款項包括下列以實體之功能貨幣以外之貨幣計值之金額：

		The Group and the Company 本集團及本公司	
		2006 二零零六年	2005 二零零五年
		'000 千位	'000 千位
United States Dollars	美元	USD4,293美元	USD4,389美元
Japanese Yen	日圓	JPY84,042日圓	JPY47,513日圓
Korean Won	韓圓	KRW1,223,413韓圓	KRW444,121韓圓

### 20. Employee retirement benefits

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

(b) Employees in Korea participate in a National Pension Scheme which is a mandatory insurance scheme under the National Pension Act (the "Scheme"). Under the scheme, the employer and its employees are each required to make contributions to the scheme at 4.5% of the employees' monthly income, subject to adjustments stipulated in the scheme and a cap of monthly income of KRW3.6 million (equivalent to approximately \$30,000). Contributions to the scheme vest immediately. A portion of the Group's liability under the Scheme is covered by deposits with an insurance company in South Korea.

### 20. 僱員退休福利

(a) 本集團根據《香港強制性公積金計劃條例》為根據香港《僱傭條例》所僱用之僱員提供強制性公積金計劃(「強積金計劃」)。強積金計劃乃由獨立信託人管理之界定供款退休計劃。根據強積金計劃，僱主及其僱員各自須按僱員相關收入之5%之比例就計劃作出供款，而每月相關收入之上限為20,000元。強積金計劃之供款即時成為既定僱員福利。

(b) 在韓國之僱員參與國家退休金計劃，其為一項按國家退休金法設立之強制性保險計劃(「計劃」)。根據計劃，僱主及其僱員各自須按僱員每月收入之4.5%之比例就計劃作出供款(每月收入須就計劃之規定調整及上限為3,600,000韓圓(約相等於30,000元))。計劃之供款即時成為既定僱員福利。本公司根據該計劃之負債部份由存放於南韓一間保險公司之存款所支持。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Hong Kong dollars)

(以港元為單位)

### 20. Employee retirement benefits (continued)

- (c) The subsidiary in the PRC participates in a defined contribution scheme organised by the PRC municipal government. The subsidiary is required to make contributions at 13% of the relevant PRC employees' salaries to the scheme. Contributions to the scheme vest immediately.

Save as set out above, the Group has no other material obligations to make payments in respect of retirement benefits of the employees.

### 21. Equity settled share-based transactions

The Company has a share option scheme which was adopted on 16 June 2003 whereby the directors of the Company are authorised, at their discretion, to invite employees of the Group, including directors of any company in the Group, advisers and consultants, to take up options to subscribe for shares of the Company. The options are exercisable progressively between one to three years from the date of grant and will expire at the end of a period to be notified by the directors to each option-holder upon the grant of option, such period not to exceed ten years from the date of grant. Each option gives the holder the right to subscribe for one ordinary share of the Company.

### 20. 僱員退休福利(續)

- (c) 於中國之附屬公司參與由中國市政府籌辦之定額供款計劃。附屬公司須按相關中國僱員薪金之13%之比例就計劃作出供款。計劃之供款即時成為既定僱員福利。

除上文披露者外，本集團概無就僱員退休福利作出付款之其他重大承擔。

### 21. 以股份為基礎之股本付款交易

根據本公司一項於二零零三年六月十六日採納之購股權計劃，本公司董事獲授權酌情向本集團僱員(包括本集團內任何公司之董事)、顧問及諮詢人提出接納購股權之要約，以認購本公司股份。購股權可由授出日期起計一年至三年內逐步行使，並將於董事授出購股權時知會各個購股權持有人之期間終結時屆滿，惟該期間不得超過由授出日期起計十年。各份購股權均授權持有人認購一股本公司普通股。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Hong Kong dollars)

(以港元為單位)

### 21. Equity settled share-based transactions

### 21. 以股份為基礎之股本付款交易 (續)

(continued)

(a) The terms and conditions of the grants that existed during the years are as follows, whereby all options are settled by physical delivery of shares:

(a) 以下為年內已存在購股權之條款及條件，而所有購股權以實質上交付股份之方式支付：

		Number of options	Exercise period	Contractual life of options
		購股權數目	行使期	購股權之 合約年期
Options granted to directors:	授予董事之購股權：			
- on 7 July 2003	— 於二零零三年 七月七日	1,000,000	1 July 2004 to 30 June 2008 二零零四年七月一日 至二零零八年六月三十日	5 years 五年
- on 6 May 2004	— 於二零零四年 五月六日	1,000,000	1 May 2005 to 30 April 2009 二零零五年五月一日 至二零零九年四月三十日	5 years 五年
Options granted to employees and other eligible persons:	授予僱員及其他合資格 人士之購股權：			
- on 7 July 2003	— 於二零零三年 七月七日	18,400,000	1 July 2004 to 30 June 2008 二零零四年七月一日 至二零零八年六月三十日	5 years 五年
Total share options	購股權總數	<u>20,400,000</u>		

The maximum percentage of the share options which are vested is determined in stages as follows:

界定為既定僱員福利之購股權最高百分比按以下階段定出：

On or after the first year anniversary	於第一週年或以後	30%
On or after the second year anniversary	於第二週年或以後	another 30% 另外30%
On or after the third year anniversary	於第三週年或以後	another 40% 另外40%

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Hong Kong dollars)

(以港元為單位)

### 21. Equity settled share-based transactions

(continued)

(b) The number and weighted average exercise prices of share options are as follows:

		2006 二零零六年		2005 二零零五年	
		Weighted average exercise price 加權平均行使價	Number of options 購股權數目	Weighted average exercise price 加權平均行使價	Number of options 購股權數目
Outstanding at 1 January	於一月一日尚未行使	\$1.312元	20,400,000	\$1.311元	21,900,000
Lapsed during the year	年內失效	-	-	\$1.294元	(1,500,000)
Outstanding at 31 December	於十二月三十一日尚未行使	\$1.312元	20,400,000	\$1.312元	20,400,000
Exercisable at 31 December	於十二月三十一日可予以行使	\$1.305元	20,000,000	\$1.303元	11,940,000

The options outstanding at 31 December 2006 and 2005 had an exercise price of \$1.294 or \$1.666 and a weighted average remaining contractual life of 1.5 years (2005: 2.5 years).

(c) Fair value of share options and assumptions

The fair value of services rendered in return for share options granted are measured by reference to the fair value of share options granted. The estimate of the fair value of the services received is measured based on a binomial lattice model. The contractual life of the option is used as an input into this model. Expectations of early exercise are incorporated into the binomial lattice model.

### 21. 以股份為基礎之股本付款交易 (續)

(b) 購股權之數目及加權平均行使價如下：

於二零零六年及二零零五年十二月三十一日尚未行使之購股權之行使價為1.294元或1.666元，而加權平均剩餘合約年期為一年半（二零零五年：兩年半）。

(c) 購股權之公允價值及假設

以授出購股權為代價所提供之服務的公允價值，乃參照已獲授出購股權之公允價值計量。已收取服務的估計公允價值乃根據二項式點陣模式為基準計量。購股權之合約年期乃此模式所用之計算資料。對提早行使之預期亦已納入二項式點陣模式內。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Hong Kong dollars)

(以港元為單位)

### 21. Equity settled share-based transactions

### 21. 以股份為基礎之股本付款交易 (續)

(continued)

(c) Fair value of share options and assumptions  
(continued)

(c) 購股權之公允價值及假設 (續)

Fair value of share options and assumptions		購股權公允價值及假設	
		Date of grant 授出日期	
		6 May 2004 二零零四年 五月六日	7 July 2003 二零零三年 七月七日
Fair value at measurement date	於計量日期之公允值	\$0.6025元	\$0.3875元
Share price	股價	\$1.66元	\$1.25元
Exercise price	行使價	\$1.666元	\$1.294元
Expected volatility	預期波幅	46%	41%
Option life	購股權年期	5 years 5年	5 years 5年
Expected dividends	預期股息	5%	4.25%
Risk-free interest rate	無風險利率	3.55%	2.7%

The expected volatility is based on the historic volatility, adjusted for any expected changes to future volatility due to publicly available information. Expected dividends are based on historical dividends. Changes in the subjective input assumptions could materially affect the fair value estimate.

預期波幅是根據歷史波幅而得出，並根據公開資料而預期對未來波幅可能產生之任何變動予以調整。預期股息乃以過往股息為基準。具主觀成份之計算資料及假設如有變動，可能重大影響公允價值之估計。

Share options were granted under a service condition. This condition has not been taken into account in the grant date fair value measurement of the services received. There were no market conditions associated with the share option grants.

購股權是根據服務條件而授出。此項條件在計量所得服務的公允價值(於授出購股權日)時不在考慮之列。授出購股權並無附有市場條件。



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Hong Kong dollars)

(以港元為單位)

### 22. Income tax in the balance sheet

(a) Current taxation in the balance sheets represents:

### 22. 資產負債表內所列之所得稅

(a) 資產負債表內所列本期稅項為：

		The Group and the Company 本集團及本公司	
		2006 二零零六年	2005 二零零五年
		\$'000 千元	\$'000 千元
Provision for Hong Kong Profits Tax for the year	本年度之香港利得稅準備	1,056	2,388
Provisional Profits Tax paid	已付暫繳利得稅	(1,661)	(2,655)
		(605)	(267)
PRC taxation	中國稅項	461	375
		(144)	108
Representing:	代表：		
Current tax recoverable	本期可收回稅項	(605)	(267)
Current tax payable	本期應付稅項	461	375
		(144)	108

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Hong Kong dollars)

(以港元為單位)

### 22. Income tax in the balance sheet (continued)

(b) *Deferred tax (assets)/liabilities recognised*

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

		The Group and the Company 本集團及本公司			
		Depreciation allowances in excess of related depreciation 超過相關折舊 的折舊免稅額	Revaluation of land and buildings 重估 土地及樓宇	Provisions 準備	Total 總計
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Deferred tax arising from:					
由以下項目產生之遞延稅項：					
At 1 January 2005	於二零零五年一月一日	1,145	(102)	(188)	855
Charged/(credited) to profit or loss	於損益表扣除/(計入)	200	42	(22)	220
Charged to reserves	在儲備扣除	-	260	-	260
At 31 December 2005	於二零零五年十二月三十一日	1,345	200	(210)	1,335
At 1 January 2006	於二零零六年一月一日	1,345	200	(210)	1,335
Charged/(credited) to profit or loss	於損益表中扣除/(計入)	479	(5)	210	684
At 31 December 2006	於二零零六年十二月三十一日	1,824	195	-	2,019

		The Group and the Company 本集團及本公司	
		2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元
Net deferred tax liability recognised in the balance sheets	在資產負債表確認之遞延稅項負債淨額	2,019	1,335

(c) *Deferred tax assets not recognised*

In accordance with the accounting policy set out in note 1(n), the Group and the Company have not recognised deferred tax assets of \$1,535,000 (2005: \$1,392,000) in respect of tax losses of \$6,138,000 (2005: \$5,566,000) as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. The tax losses will expire in five years.

(c) *未確認遞延稅項資產*

根據附註1(n)所載之會計政策，本集團及本公司並無確認就稅務虧損1,535,000元(二零零五年：1,392,000元)之遞延稅項資產6,138,000元(二零零五年：5,566,000元)，原因為在有關稅務司法權區及實體不大可能取得應課稅盈利而令該項資產得以運用。上述稅務虧損將於五年後屆滿。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Hong Kong dollars)

(以港元為單位)

### 23. Capital and reserves

(a) The Group and the Company

### 23. 資本及儲備

(a) 本集團及本公司

		Share capital	Share premium	Capital reserve	Land and buildings revaluation reserve	General reserve fund	Retained profits	Total
		股本	股份溢價	資本儲備	土地及樓宇 重估儲備	一般 儲備基金	保留盈利	總額
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元	千元	千元
At 1 January 2005	於二零零五年一月一日	31,330	52,900	3,676	-	802	239,228	327,936
Final dividend approved in respect of the previous year (note 9(b))	就以往年度批准之 末期股息 (附註9(b))	-	-	-	-	-	(4,386)	(4,386)
Transfer between reserves	儲備間之轉撥	-	-	(247)	-	684	(437)	-
Revaluation surplus, net of deferred tax (note 12(d))	扣除遞延稅項後之 重估盈餘 (附註12(d))	-	-	-	3,902	-	-	3,902
Equity settled share-based transactions	以股份為基礎之股本 付款交易	-	-	1,798	-	-	-	1,798
Profit for the year	年度溢利	-	-	-	-	-	25,561	25,561
Dividend declared in respect of the current year (note 9(a))	就本年度宣派之股息 (附註9(a))	-	-	-	-	-	(4,073)	(4,073)
At 31 December 2005	於二零零五年 十二月三十一日	31,330	52,900	5,227	3,902	1,486	255,893	350,738
At 1 January 2006	於二零零六年一月一日	31,330	52,900	5,227	3,902	1,486	255,893	350,738
Final dividend approved in respect of the previous year (note 9(b))	就以往年度批准 之末期股息 (附註9(b))	-	-	-	-	-	(5,953)	(5,953)
Transfer between reserves	儲備間之轉撥	-	-	-	-	1,526	(1,526)	-
Equity settled share-based transactions	以股份為基礎之 股本付款交易	-	-	612	-	-	-	612
Profit for the year	年度溢利	-	-	-	-	-	18,458	18,458
Dividend declared in respect of current the year (note 9(a))	就本年度宣派 之股息 (附註9(a))	-	-	-	-	-	(2,193)	(2,193)
At 31 December 2006	於二零零六年 十二月三十一日	31,330	52,900	5,839	3,902	3,012	264,679	361,662

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Hong Kong dollars)

(以港元為單位)

### 23. Capital and reserves (continued)

#### (b) Share capital

		2006 二零零六年		2005 二零零五年	
		Number of shares 股份數目	Amount 金額	Number of shares 股份數目	Amount 金額
		'000 千位	\$'000 千元	'000 千位	\$'000 千元
<b>Authorised:</b>	<b>法定：</b>				
Ordinary shares of \$0.1 each	每股面值0.1元之普通股	1,500,000	150,000	1,500,000	150,000
<b>Ordinary shares, issued and fully paid:</b>	<b>已發行及繳足之 普通股：</b>				
At 1 January and 31 December	於一月一日及 十二月三十一日	313,300	31,330	313,300	31,330

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

普通股持有人有權收取不時宣派之股息，並於本公司大會上可就每股股份享有一票投票權。就本公司之剩餘資產而言，所有普通股享有同等權利。

#### (c) Nature and purpose of reserves

- (i) Share premium  
The application of the share premium account is governed by section 48B of the Hong Kong Companies Ordinance.
- (ii) Capital reserve  
The capital reserve comprises the fair value of the actual or estimated number of unexercised share options granted to employees of the Company and other eligible persons recognised in accordance with the accounting policy adopted for share-based payments in note 1(m)(ii).
- (iii) Land and buildings revaluation reserve  
The land and buildings revaluation reserve has been set up and is dealt with in accordance with the accounting policies adopted for land and buildings in note 1(e).

#### (c) 儲備性質及目的

- (i) 股份溢價  
股份溢價賬之用途受香港《公司條例》第48B條規管。
- (ii) 資本儲備  
資本儲備為根據載於附註1(m)(ii)就以股份為基礎之付款而採納的會計政策所確認已授予本公司僱員及其他合資格人士的尚未行使購股權的實際或估計數目的公允價值。
- (iii) 土地及樓宇重估儲備  
土地及樓宇重估儲備乃按附註1(e)所載有關土地及樓宇之會計政策設立及處理。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Hong Kong dollars)

(以港元為單位)

### 23. Capital and reserves (continued)

- (c) *Nature and purpose of reserves (continued)*
- (iii) Land and buildings revaluation reserve (continued)

The revaluation reserve of the Company in respect of land and buildings is distributable to the extent of \$99,000 (2005: \$33,000).

- (iv) General reserve fund
- In accordance with the PRC laws applicable to wholly-foreign owned investment enterprises, the subsidiary of the Company is required to set up a general reserve fund and appropriate at least 10% of its annual net profit after taxation, as determined under PRC accounting rules and regulations, to the general reserve fund until the balance of the reserve equals to 50% of the subsidiary's registered capital. This fund can be used to make good losses and to convert into paid-up capital.

- (d) *Distributability of reserves*
- At 31 December 2006, the aggregate amount of reserves available for distribution to equity shareholders of the Company was \$264,778,000 (2005: \$255,926,000). After the balance sheet date, the directors proposed a final dividend of 1.1 cents (2005: 1.9 cents) per ordinary share, amounting to \$3,446,000 (2005: \$5,953,000). This dividend has not been recognised as a liability at the balance sheet date.

### 24. Financial instruments

Exposure to credit, liquidity, interest rate and foreign currency risks arises in the normal course of the Group's business. These risks are limited by the Group's financial management policies and practices described below.

- (a) *Credit risk*
- The Group's credit risk is primarily attributable to trade receivables. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

### 23. 資本及儲備(續)

- (c) 儲備性質及目的(續)
- (iii) 土地及樓宇重估儲備(續)

本公司之土地及樓宇重估儲備中可供分派之金額達99,000元(二零零五年: 33,000元)。

- (iv) 一般儲備基金
- 根據適用於外商獨資企業的中國法律,本公司之附屬公司需要設立一般儲備基金,並把最少10%之年度稅後純利(按中國會計規則及條例計算)撥入一般儲備基金,直至儲備結餘達至該附屬公司註冊資本50%為止。一般儲備基金可用作彌補虧損及轉換為已繳股本。

- (d) 可供分派儲備
- 於二零零六年十二月三十一日,可供分派予本公司股權持有人之儲備為264,778,000元(二零零五年: 255,926,000元)。於結算日後,董事建議派發末期股息每普通股1.1仙(二零零五年: 1.9仙),合共3,446,000元(二零零五年: 5,953,000元)。於結算日,該股息並未確認為負債。

### 24. 金融工具

本集團之一般業務過程中會面臨信貸、流動資金、利率及外匯風險。本集團之財務管理政策及慣例能限制有關風險,載述如下。

- (a) 信貸風險
- 本集團之信貸風險主要由應收貿易賬款產生。管理層有一套信貸政策,並會對所承受之信貸風險作持續監察。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Hong Kong dollars)

(以港元為單位)

### 24. Financial instruments (continued)

(a) *Credit risk (continued)*

The credit terms granted by the Group to its customers generally range from one to two months. New customers are normally required to trade on a cash basis. Credit is offered to existing customers following an established payment record. Professional staff monitor trade receivables and follow up collections. Normally, the Group does not obtain collateral from customers.

At the balance sheet date, the Group has a certain concentration of credit risk as 25% (2005: 23%) and 52% (2005: 64%) of the total trade receivables was due from the Group's largest customer and the five largest customers respectively.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet. The Group does not provide guarantees which would expose the Group to credit risk.

(b) *Liquidity risk*

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash and adequate lines of funding from financial institutions to meet its liquidity requirements in the short and longer term.

### 24. 金融工具 (續)

(a) *信貸風險 (續)*

本集團給予客戶之賒賬期，一般介乎一至兩個月。新客戶一般會以現金方式進行交易。在評估付款記錄之情況下，會給與現有客戶信貸。本集團有專人監察應收貿易賬款及跟進收款事宜，一般情況下，本集團並沒有向客戶收取抵押物。

於資產負債表日，本集團存有集中信貸風險，因其應收貿易賬款中有約25% (二零零五年：23%) 及52% (二零零五年：64%) 分別來自本集團之最大客戶及五大客戶。

所承受之信貸風險上限為資產負債表內各金融資產之賬面值。本集團並無出具任何擔保而使本集團須承受信貸風險。

(b) *流動資金風險*

本集團之政策為定期監察現時及預期之流動資金需求，以確保其備有足夠現金儲備及可向財務機構取得足夠資金應付短期及長期之流動資金所需。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Hong Kong dollars)

(以港元為單位)

### 24. Financial instruments (continued)

(c) *Interest rate risk*

The Group did not have significant borrowings during the year. In respect of income-earning financial assets, the following table indicates their effective interest rates at the balance sheet date and the periods in which they reprice or the maturity dates, if earlier.

### 24. 金融工具(續)

(c) *利率風險*

年內，本集團並無任何重大借貸。就賺取收入之金融資產而言，下表列示該等資產於結算日及重新訂價之期間或到期日時(以較早者為準)之實際利率。

		The Group and the Company 本集團及本公司			
		2006 二零零六年		2005 二零零五年	
		Effective interest rate 實際利率	Total- one year or less 總計一 一年或以內 \$'000 千元	Effective interest rate 實際利率	Total- one year or less 總計一 一年或以內 \$'000 千元
<b>Repricing dates for assets which reprice before maturity</b>	<b>資產之重新訂價日期 (在到期前重新訂價)</b>				
Cash at bank and in hand	銀行及手頭現金	0.26%	79,650	0.23%	80,895
<b>Maturity dates for assets which do not reprice before maturity</b>	<b>資產之到期日 (並無於到期前 重新訂價)</b>				
Deposits with banks and other financial institutions	銀行及其他財務 機構之存款	4.82%	90,029	3.78%	92,339

(d) *Foreign currency risk*

The Group is exposed to foreign currency risk primarily through sales and purchases that are denominated in United States Dollars ("USD") and Japanese Yen ("JPY") and its foreign operation in Korea where the operating expenses are paid in Korean Won ("KRW").

As USD is pegged to Hong Kong dollars ("HKD"), the Group does not expect any significant movements in the USD/HKD exchange rate. For other currencies like JPY and KRW, the Group ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates where necessary to address short-term imbalances.

(d) *外匯風險*

本集團所承受之外匯風險主要因以美元及日圓計值之買賣，以及以韓圓支付經營開支之韓國海外業務而產生。

由於美元與港元掛鈎，本集團預期不會因美元／港元間之匯率會出現重大變動。至於其他貨幣(如日圓及韓圓)，本集團將於有需要時按現貨兌換率買賣外匯解決短期失衡之問題，以確保所承受之風險處於可接受之水平。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Hong Kong dollars)

(以港元為單位)

### 24. Financial instruments (continued)

(e) *Sensitivity analysis*

In managing interest rate and foreign currency risks the Group aims to reduce the impact of short-term fluctuations on the Group's earnings. Over the longer term, however; permanent changes in foreign exchange and interest rates would have an impact on consolidated earnings.

(f) *Fair values*

All significant financial assets and liabilities are carried at amounts not materially different from their fair values as at 31 December 2006 and 2005 except other equity securities as disclosed in note 15 and amount due to subsidiary of \$4,412,000 (2005: \$11,232,000). Amount due to subsidiary is unsecured, interest-free and has no fixed repayment terms. Given these terms, it is not meaningful to disclose its fair value.

### 25. Commitments

- (a) Capital commitments outstanding at 31 December 2006 not provided for in the financial statements are as follows:

### 24. 金融工具(續)

(e) 敏感性分析

於管理匯率及外匯風險時，本集團旨在降低對本集團盈利之短期影響。然而，長期而言，匯率及利率之永久性變動將對綜合盈利構成影響。

(f) 公允價值

除附註15所披露之其他股本證券，以及應付附屬公司之款項4,412,000元(二零零五年：11,232,000元)外，所有重大資產及負債均按大致相等於截至二零零六年及二零零五年十二月三十一日之公允價值列賬。應付附屬公司之款項為無抵押、免息及並無固定還款期。鑒於該等條款，披露其公允價值並無意義。

### 25. 承擔

- (a) 於二零零六年十二月三十一日未償付而又未在財務報表內提撥準備之資本承擔如下：

		The Group 本集團		The Company 本公司	
		2006 二零零六年	2005 二零零五年	2006 二零零六年	2005 二零零五年
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
<b>Purchase of fixed assets</b>	<b>購買固定資產</b>				
Contracted for	已訂約	51	1,529	-	-
Authorised but not contracted for	已授權但未訂約	412	-	-	-
		463	1,529	-	-



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Hong Kong dollars)

(以港元為單位)

### 25. Commitments (continued)

- (b) At 31 December 2006, the total future minimum lease payments under non-cancellable operating leases in respect of land and buildings are payable as follows:

### 25. 承擔 (續)

- (b) 於二零零六年十二月三十一日，根據不可解除經營租賃就土地及樓宇在日後應付之最低租賃付款額總數如下：

		The Group 本集團		The Company 本公司	
		2006 二零零六年	2005 二零零五年	2006 二零零六年	2005 二零零五年
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Within 1 year	一年內	3,918	3,454	758	522
After 1 year but within 5 years	一年後但五年內	13,074	11,722	433	17
After 5 years	五年後	3,592	6,331	-	-
		20,584	21,507	1,191	539

The Group and the Company lease a number of properties under operating leases. The leases typically run for an initial period of two to ten years, with an option to renew the leases when all terms are renegotiated. None of the leases includes contingent rentals.

本集團及本公司根據經營租約租入若干物業。租約一般初步為期兩年至十年，並可於重新磋商所有條款時續約。該等租約均不包含或然租金。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Hong Kong dollars)

(以港元為單位)

### 26 Material related party transactions

In addition to the transactions and balances disclosed elsewhere in these financial statements, the Group entered into the following material related party transactions.

(a) *Transactions with shareholder*

During the year, the Group entered into the following transactions with Kwang Sung Electronics Co., Ltd. ("Kwang Sung Korea"), a major shareholder of the Company:

		2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元
Sales of finished goods	銷售製成品	27,685	61,495
Purchases of raw materials	購買原材料	14,672	38,954
Referral commission paid/payable	已付／應付轉介佣金	6,672	8,868

At 31 December 2006, included in the following balance sheet captions are the amounts due from/ (to) Kwang Sung Korea:

		2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元
Trade receivables	應收貿易賬款	450	9,754
Trade payables	應付貿易賬款	(1,189)	(2,416)
Accrued expenses and other payables	應計費用及其他應付款項	(1,279)	(1,549)

The directors of the Company are of the opinion that the above transactions were conducted in the ordinary course of business on normal commercial terms.

The above transactions constituted continuing connected transactions for the Company under the Listing Rules. Further details of these transactions are disclosed under the section "Connected transactions" in the directors' report.

### 26. 重大關連人士交易

除本財務報表其他地方所披露之交易外，本集團訂立以下重大關連人士交易。

(a) *與股東之交易*

於年內，本集團與本公司主要股東株式會社光星電子（「韓國光星」）訂立以下交易：

於二零零六年十二月三十一日，下列資產負債表項目中包括應收／（應付）韓國光星之款項：

		2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元
Trade receivables	應收貿易賬款	450	9,754
Trade payables	應付貿易賬款	(1,189)	(2,416)
Accrued expenses and other payables	應計費用及其他應付款項	(1,279)	(1,549)

本公司之董事認為，上述交易，是在日常及一般業務過程中按正常商業條款進行。

根據上市規則，上述交易構成本公司之持續關連交易。該等交易之進一步詳情已於董事會報告書內「關連交易」一節中披露。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Hong Kong dollars)

(以港元為單位)

### 26 Material related party transactions (continued)

(b) Transactions with other related parties

- (i) Key management personnel remuneration  
Remuneration for key management personnel, including amounts paid to the Company's directors as disclosed in note 6 and certain of the highest paid employees as disclosed in note 7, is as follows:

	2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元
Short-term employee benefits 短期僱員福利	11,706	10,328
Post-employment benefits 離職後福利	245	187
Equity compensation benefits 股本補償福利	302	852
	12,253	11,367

Total remuneration is included in "staff costs" (see note 4(b)).

- (ii) During the year, the Group paid a consultancy fee to a close family member of a major shareholder (also a director of the Company) amounting to \$656,000 (2005: \$Nil).

### 27. Post balance sheet events

- (a) On 16 March 2007, the Tenth National People's Congress plenary session passed the Enterprise Income Tax Law ("New Tax Law") that imposes a single uniform income tax rate of 25% for most enterprises. The New Tax Law will be effective as of 1 January 2008. The New Tax Law contemplates various transition periods and measures for existing preferential tax policies and empowers the State Council to enact appropriate implementing rules. As a result, the Group currently cannot assess the impact of the New Tax Law on its deferred tax assets and liabilities.
- (b) After the balance sheet date, the directors proposed a final dividend. Further details are disclosed in note 9.

### 26. 重大關連人士交易 (續)

(b) 與其他關連人士之交易

- (i) 主要管理人員之酬金  
主要管理人員酬金(包括已於附註6中所披露支付予本公司董事之金額及已於附註7中披露支付予若干最高薪僱員之金額)載列如下:

	2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元
Short-term employee benefits 短期僱員福利	11,706	10,328
Post-employment benefits 離職後福利	245	187
Equity compensation benefits 股本補償福利	302	852
	12,253	11,367

酬金總額已包括於「員工成本」(見附註4(b))。

- (ii) 於本年度，本集團向一名主要股東(亦為本公司董事)的近親支付顧問費656,000元(二零零五年：零元)。

### 27. 結算日後事項

- (a) 於二零零七年三月十六日，第十屆全國人民代表大會全體會議通過《企業所得稅法》(「新稅法」)，將一般企業所得稅率統一為25%。新稅法將於二零零八年一月一日起生效。新稅法容許對現有稅率優惠政策實施不同過渡期和措施，並授權國務院制定合適之實施法則。因此，本集團現時未能估計新稅法對其遞延稅項資產及負債之影響。
- (b) 於結算日後，董事建議派發末期股息。進一步詳情於附註9中披露。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Hong Kong dollars)

(以港元為單位)

### 28. Ultimate controlling party

At 31 December 2006, the directors consider the ultimate controlling party of the Group to be Mr Yang Jai Sung.

### 28. 最終控制方

於二零零六年十二月三十一日，董事認為本集團之最終控制方為梁在星先生。

### 29. Accounting estimates and judgements

Notes 15, 21 and 24 contain information about the assumptions and their risk factors relating to other equity securities, fair value of share options granted and financial instruments. The Group believes the following critical accounting policies involve significant judgements and estimates used in the preparation of the financial statements.

### 29. 會計估計及判斷

附註15、21及24載有關於其他股本證券、已授出購股權之公允價值及金融工具之假設及其風險因素之資料。本集團相信以下會計政策牽涉編製財務報表所需之重要判斷及估計。

(a) *Impairment of property, plant and equipment and intangible assets*

The Group assesses annually whether property, plant and equipment and intangible assets have any indication of impairment in accordance with the relevant accounting policies. If such indication exists, the recoverable amounts of the assets would be determined by reference to value in use and net selling price. Value in use is determined using the discounted cash flow method. Due to inherent risk associated with estimations in the timing and magnitude of the future cash flows and net selling prices, the estimated recoverable amount of the assets may be different from its actual recoverable amount and profit and loss could be affected by the accuracy of the estimations.

(a) *物業、機器及設備與無形資產之減值*

本集團每年均會根據有關的會計政策評估物業、機器及設備與無形資產有否減值跡象。倘出現有關跡象，資產之可收回金額將參考使用中價值及銷售價格淨額釐訂。使用價值採用現金流貼現法釐訂。由於未來現金流及銷售價格淨額的時間性及價值估算所隱含的風險，資產的估計可收回金額或會有別於其實際可收回金額，而溢利及虧損仍會受估算的準確程度所影響。

(b) *Impairment of trade receivables*

If circumstances indicate that the carrying amount of trade receivables may not be recoverable, the assets may be considered “impaired” and an impairment loss may be recognised in accordance with HKAS 36 “Impairment of Assets”. The carrying amounts of trade receivables are reviewed periodically in order to assess whether the recoverable amounts have declined below the carrying amounts. The recoverable amount of trade receivables is the estimated future cash flows discounted at the current market rate of return of similar assets. The Group uses all available information in determining an amount that is reasonable approximation of recoverable amount.

(b) *應收貿易賬款減值*

倘有跡象顯示應收貿易賬款之賬面值可能不能收回，資產可被認為已「減值」，而減值虧損根據香港會計準則第36號「資產減值」可能予以確認。定期檢討應收貿易賬款之賬面值，以計量可收回數額是否已減至低於賬面值。應收貿易賬款之可收回數額為按同類資產之現行市場回報率變現未來現金流量計算。本集團使用所有可動用資料以釐定一個與可收回數額合理相約之數額。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

(Expressed in Hong Kong dollars)

(以港元為單位)

### 29. Accounting estimates and judgements

(continued)

(c) *Write down of inventories*

The Group performs regular review of the carrying amounts of inventories with reference to aged inventories analysis, expected future consumption and management judgement. Based on this review, write down of inventories will be made when the carrying amounts of inventories decline below their estimated net realisable value. Due to changes in technology, actual consumption may be different from estimation and profit or loss could be affected by differences in this estimation.

### 30. Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2006

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments, new standards and interpretations which are not yet effective for the year ended 31 December 2006 and which have not been adopted in these financial statements.

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

In addition, the following developments may result in new or amended disclosures in the financial statements:

### 29. 會計估計及判斷(續)

(c) *撇減存貨*

本集團經參考存貨之賬齡分析、預期未來使用量及管理層判斷就存貨之賬面值進行定期檢討。根據該檢討，倘存貨之賬面值低於其估計可變現淨值則作出撇減。由於技術變化，實際使用量可能與估計不同，而損益可能因估計之不同而受影響。

### 30. 已頒佈但未於截至二零零六年十二月三十一日止年度生效之修訂、新訂準則及詮釋可能出現之影響

截至本財務報表刊發當日，香港會計師公會已頒佈若干尚未於截至二零零六年十二月三十一日止年度生效之修訂、新訂準則及詮釋，亦並無於本財務報表內採納該等修訂、新訂準則及詮釋。

本集團現正評估該等經修訂及新訂之準則及詮釋於首次應用期間時預期帶來之影響。目前之結論為採納該等準則及詮釋應不會對本集團及本公司之營運業績及財務狀況構成重大影響。

此外，下列演變可能導致須於財務報表中作出新增或經修訂之披露事項：

Effective for  
accounting periods  
beginning on or after  
於下列日期或之後  
開始的會計期間生效

HKFRS 7 香港財務報告準則第7號	Financial instruments: disclosures 金融工具：披露	1 January 2007 二零零七年一月一日
Amendment to HKAS 1 香港會計準則第1號之修訂	Presentation of financial statements: capital disclosures 財務報表之呈列：資本披露	1 January 2007 二零零七年一月一日