

NOTES TO THE ACCOUNTS

賬目附註

1. GENERAL INFORMATION

World Trade Bun Kee Ltd. (the “Company”) and its subsidiaries (collectively the “Group”) is principally engaged in trading of construction materials, mainly pipes and fittings.

The Company is a limited liability company incorporated in Bermuda. The address of its registered office is Canon’s Court, 22 Victoria Street, Hamilton HM 12, Bermuda. The Company has its primary listing on The Stock Exchange of Hong Kong Limited.

These consolidated accounts are presented in thousands of units of Hong Kong dollars (HK\$’000), unless otherwise stated. These consolidated accounts have been approved for issue by the Board of Directors on 16th April 2007.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) BASIS OF PREPARATION

The consolidated accounts of World Trade Bun Kee Ltd. have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”). The consolidated accounts have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss and investment properties, which are carried at fair value.

1. 一般資料

世貿彬記集團有限公司(「本公司」)及其附屬公司(統稱「本集團」)主要從事建築材料(主要是喉管和管件)之貿易。

本公司乃於百慕達註冊成立之有限公司，註冊辦事處位於Canon’s Court, 22 Victoria Street, Hamilton HM 12, Bermuda。本公司以香港聯合交易所有限公司為主要上市市場。

除另有註明者外，此等綜合賬目之呈列單位為港幣千元(千港元)。此等綜合賬目已於二零零七年四月十六日獲董事會批准刊發。

2. 主要會計政策概要

於編製此等綜合賬目時採用之主要會計政策載列如下。除另有註明外，該等政策已貫徹應用於所呈列之所有年度。

(a) 編製基準

世貿彬記集團有限公司之綜合賬目乃根據香港財務報告準則(「香港財務報告準則」)編製。綜合賬目按照歷史成本慣例編製，並就重估按公平值計入損益表之金融資產及金融負債及投資物業(乃按公平值列賬)作出調整。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) BASIS OF PREPARATION (continued)

The preparation of accounts in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated accounts, are disclosed in Note 4.

(i) Standards, amendments and interpretations effective in 2006 but not relevant for the Group's operations

The following standards, amendments and interpretations are mandatory for accounting periods beginning on or after 1st January 2006 but are either not relevant or not have significant impact to the Group:

- HKAS 19 Amendment – Actuarial Gains and Losses Group Plans and Disclosures;
- HKAS 21 Amendment – Net Investment in a Foreign Operation;
- HKAS 39 Amendment – Cash Flow Hedge Accounting of Forecast Intragroup Transactions;
- HKAS 39 Amendment – The Fair Value Option;
- HKAS 39 and HKFRS 4 Amendment – Financial Guarantee Contracts;
- HKFRS 6 Exploration for and Evaluation of Mineral Resources;
- HKFRS 1 Amendment – First-time Adoption of International Financial Reporting Standards and HKFRS 6 Amendment – Exploration for and Evaluation of Mineral Resources;

2. 主要會計政策概要 (續)

(a) 編製基準 (續)

編製符合香港財務報告準則之賬目須採用若干關鍵會計估算。在應用本集團會計政策之過程中，管理層須行使其判斷。涉及大量判斷或繁複之範疇，或假設及估算對綜合賬目而言屬重要之範疇，已於附註4披露。

(i) 於二零零六年生效惟與本集團業務並不相關之準則、修訂及詮釋

下列準則、修訂及詮釋須強制應用於二零零六年一月一日或之後開始之會計期間，惟與本集團業務並不相關或對本集團並無重大影響：

- 香港會計準則第19號(修訂本) – 「精算損益、集團計劃及披露」;
- 香港會計準則第21號(修訂本) – 「海外業務的淨投資」;
- 香港會計準則第39號(修訂本) – 「預測集團間交易的現金流量對沖會計處理」;
- 香港會計準則第39號(修訂本) – 「公平值期權」;
- 香港會計準則第39號及香港財務報告準則第4號(修訂本) – 「財務擔保合約」;
- 香港財務報告準則第6號「礦產資源的勘探和評估」;
- 香港財務報告準則第1號(修訂本)「首次採納國際財務報告準則」以及香港財務報告準則第6號(修訂本)「礦產資源的勘探及評估」;

NOTES TO THE ACCOUNTS

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) BASIS OF PREPARATION (continued)

(i) *Standards, amendments and interpretations effective in 2006 but not relevant for the Group's operations (continued)*

- HK(IFRIC)-Int 4 – Determining whether an Arrangement contains a Lease;
- HK(IFRIC)-Int 5 – Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds; and
- HK(IFRIC)-Int 6 – Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment.

(ii) *Standards, amendment and interpretations to existing standards that are not yet effective and have not been early adopted by the Group.*

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

HKFRS 7, Financial Instruments: Disclosures, and the complementary Amendment to HKAS 1, Presentation of Financial Statements – Capital Disclosures are effective for annual periods beginning on or after 1st January 2007. HKFRS introduces new disclosures relating to financial instruments. The Group will apply HKFRS 7 from 1st January 2007, but it is not expected to have any impact on the classification and valuation of the Group's financial instruments;

2. 主要會計政策概要 (續)

(a) 編製基準 (續)

(i) 於二零零六年生效惟與本集團業務並不相關之準則、修訂及詮釋 (續)

- 香港 (國際財務報告詮釋委員會) – 詮釋第4號「釐定一項安排是否包含租賃」;
- 香港 (國際財務報告詮釋委員會) – 詮釋第5號「對拆卸、復原及環境復修基金權益的權利」; 及
- 香港 (國際財務報告詮釋委員會) – 詮釋第6號「參予特殊市場 – 電氣及電力設備廢料 – 產生之負債」。

(ii) 尚未生效及本集團並無提早採納之準則及對現有準則之修訂及詮釋

本集團並無提早採納下列已頒佈並強制本集團自二零零六年五月一日或之後開始之會計期間或較後期間須予採納之準則及對現有準則之詮釋：

香港財務報告準則第7號「財務工具：披露」及香港會計準則第1號之補充修訂「財務報告之呈報 – 資本披露」，均已於二零零七年一月一日或之後開始之年度期間生效。香港財務報告準則引進有關財務工具之新披露規定。本集團將由二零零七年一月一日起應用香港財務報告準則第7號，惟預期本集團財務工具之分類及估值不會因此而受到任何影響；

NOTES TO THE ACCOUNTS

賬目附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) BASIS OF PREPARATION (continued)

- (ii) *Standards, amendment and interpretations to existing standards that are not yet effective and have not been early adopted by the Group. (continued)*

HKFRS 8, Operating Segments is effective for annual periods beginning on or after 1st January 2009. Under HKFRS 8, segments are components of an entity regularly reviewed by an entity's chief operating decision-maker. Items are reported based on the internal reporting. The Group will apply HKFRS 8 from 1st January 2009;

HK(IFRIC)-Int 8, Scope of HKFRS 2 is effective for annual periods beginning on or after 1st May 2006. HK(IFRIC)-Int 8 requires consideration of transactions involving the issuance of equity instruments – where the identifiable consideration received is less than the fair value of the equity instruments issued – to establish whether or not they fall within the scope of HKFRS 2. The Group will apply HK(IFRIC)-Int 8 from 1st January 2007, but it is not expected to have any impact on the Group's accounts;

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

2. 主要會計政策概要 (續)

(a) 編製基準 (續)

- (ii) 尚未生效及本集團並無提早採納之準則及對現有準則之修訂及詮釋 (續)

香港財務報告準則第8號「營運分部」於二零零九年一月一日或之後開始之年度期間生效。根據香港財務報告準則第8號，分部乃實體之主要營運決策者定期檢討之實體部份。項目乃按中期報告之方式而呈報。本集團將由二零零九年一月一日起應用香港財務報告準則第8號；

香港（國際財務報告詮釋委員會）－詮釋第8號「香港財務報告準則第2號的範圍」於二零零六年五月一日或之後開始之年度期間生效。香港（國際財務報告詮釋委員會）－詮釋第8號規定考慮涉及發行股本工具之交易－當中已收取之可識別代價低於已發行股本工具之公平價值－是否屬於香港財務報告準則第2號的範圍。本集團將由二零零七年一月一日起應用香港（國際財務報告詮釋委員會）－詮釋第8號，惟預期不會對本集團之賬目造成任何影響；

香港（國際財務報告詮釋委員會）－詮釋第10號「中期財務報告及減值」於二零零六年十一月一日或之後開始之年度期間生效。香港（國際財務報告詮釋委員會）－詮釋第10號規定於中期期間確認之商譽、股本工具投資及按成本計算之金融資產投資之減值虧損不得於其後之結算日撥回。本集團將由二零零七年一月一日起應用香港（國際財務報告詮釋委員會）－詮釋第10號，惟預期不會對本集團之賬目造成任何影響；及

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賬目附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) BASIS OF PREPARATION (continued)

- (ii) *Standards, amendment and interpretations to existing standards that are not yet effective and have not been early adopted by the Group. (continued)*

HK(IFRIC)-Int 11, HKFRS 2 – Group and Treasury Share Transactions, is effective for annual periods beginning on or after 1 st March 2007. HK(IFRIC)-Int 11 requires that certain types of transaction are accounted for as equity-settled or cash-settled transaction under HKFRS 2. It also addresses the accounting for share-based payment transaction involving two or more entities within on group. The Group will apply HK(IFRIC)-Int 11 from 1st January 2008, but it is not expected to have any impact to the Group's accounts.

- (iii) *Interpretation to existing standards that are not yet effective and not relevant to the Group's operations*

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

HK(IFRIC)-Int 7, Applying the Restatement Approach under HKAS 29, Financial Reporting in Hyperinflationary Economies is effective for annual periods beginning on or after 1st March 2006. HK(IFRIC)-Int 7 provides guidance on how to apply requirements of HKAS 29 in a reporting period in which an entity identifies the existence of hyperinflation in the economy of its functional currency, when the economy was not hyperinflationary in the prior period. As none of the group entities have a currency of a hyperinflationary economy as its functional currency, HK(IFRIC)-Int 7 is not relevant to the Group's operations;

2. 主要會計政策概要 (續)

(a) 編製基準 (續)

- (ii) 尚未生效及本集團並無提早採納之準則及對現有準則之修訂及詮釋 (續)

香港 (國際財務報告詮釋委員會) – 詮釋第11號 – 「香港財務報告準則第2號, 集團及庫存股份交易」於二零零七年三月一日或之後開始之年度期間生效。香港 (國際財務報告詮釋委員會) – 詮釋第11號訂明若干種類之交易須根據香港財務報告準則第2號按以股本結算或以現金結算之交易方式入賬。此項詮釋亦訂明涉及同一集團內兩間或以上實體之以股份支付交易的會計方式。本集團將由二零零八年一月一日起應用香港 (國際財務報告詮釋委員會) – 詮釋第11號, 惟預期不會對本集團之賬目造成任何影響。

- (iii) 尚未生效及與本集團業務並不相關之對現有準則的詮釋

下列為已頒佈並強制本集團自二零零六年三月一日或之後開始之會計期間或較後期間起生效採納, 惟與本集團業務並不相關之對現有準則的詮釋:

香港 (國際財務報告詮釋委員會) – 詮釋第7號「按香港會計準則第29號「嚴重通脹經濟下之財務報告」應用重列法」於二零零六年三月一日或之後開始之年度期間生效。香港 (國際財務報告詮釋委員會) – 詮釋第7號訂明指引, 倘實體所採用之功能貨幣之經濟體系出現嚴重通脹, 而有關經濟體系於上一個期間並無出現嚴重通脹時, 如何於申報期間應用香港會計準則第29號之規定。由於概無集團實體擁有嚴重通脹經濟之貨幣作為其功能貨幣, 香港 (國際財務報告詮釋委員會) – 詮釋第7號與本集團之業務並不相關;

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) BASIS OF PREPARATION (continued)

- (iii) Interpretation to existing standards that are not yet effective and not relevant to the Group's operations (continued)

HK(IFRIC)-Int 9, Reassessment of Embedded Derivatives is effective for annual periods beginning on or after 1st June 2006. HK(IFRIC)-Int 9 requires an entity to assess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative when the entity first becomes a party to the contract. Subsequent reassessment is prohibited unless there is a change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract, in which case reassessment is required. As none of the group entities have changed the terms of their contracts, HK(IFRIC)-Int 9 is not relevant to the Group's operations; and

HK(IFRIC)-Int 12, Service Concession Arrangements is effective for annual periods beginning on or after 1st January 2008. HK(IFRIC)-Int 12 provides guidance on the accounting by operators in public-to-private service concession arrangements. As none of the group entities have service concession arrangements, HK(IFRIC)-Int 12 is not relevant to the Group's operations.

2. 主要會計政策概要 (續)

(a) 編製基準 (續)

- (iii) 尚未生效及與本集團業務並不相關之對現有準則的詮釋 (續)

香港(國際財務報告詮釋委員會)－詮釋第9號「重新評估嵌入式衍生工具」於二零零六年六月一日或之後開始之年度期間生效。香港(國際財務報告詮釋委員會)－詮釋第9號規定，實體於開始訂立合約時，須評估嵌入式衍生工具是否須獨立於主合約，並列作衍生工具。其後不得進行重估，除非合約之條款變動，致使根據合約之規定令現金流量作出重大調整，在此情況下則可能須進行重估。由於概無集團實體更改合約條款，香港(國際財務報告詮釋委員會)－詮釋第9號與本集團之業務並無關係；及

香港(國際財務報告詮釋委員會)－詮釋第12號「服務特許權安排」於二零零八年一月一日或之後開始之年度期間生效。香港(國際財務報告詮釋委員會)－詮釋第12號為經營者提供公共至私人服務特許權安排提供會計指引。由於概無集團實體參與服務特許權安排，香港(國際財務報告詮釋委員會)－詮釋第12號與本集團之業務並無關係。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) CONSOLIDATION

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

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

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

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the profit and loss account.

2. 主要會計政策概要 (續)

(b) 綜合賬目

綜合賬目包括本公司及其所有附屬公司編製至十二月三十一日止之財務報表。

附屬公司指本集團持有其過半數投票權，從而有權監控其整體財務及經營政策之所有實體（包括為特殊目的而成立之實體）。評估本集團是否控制另一實體時，會考慮現時可予行使或可轉換之潛在投票權是否存在及有效。

附屬公司自控制權轉移至本集團之日起全面綜合入賬，並於控制權終止時停止作綜合入賬。

本集團採用收購會計法為本集團所收購之附屬公司列賬。收購成本為於交易當日所獲資產之公平值、所發行之股本工具及所產生或承擔之負債，加上直接歸屬予收購事項之成本。在商業合併過程中所收購之可辨別資產、所承擔之負債及或然負債，均於收購當日按其公平值作出初步計量，而毋須計及任何少數股東權益。收購成本超出本集團應佔所收購之可辨別淨資產之差額乃列作商譽。倘收購成本低於所收購附屬公司淨資產之公平值，則有關差額將直接在損益表內確認。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(b) CONSOLIDATION *(continued)*

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

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

(c) FOREIGN CURRENCY TRANSLATION

(i) Functional and presentation currency

Items included in the accounts of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated accounts are presented in Hong Kong dollars, which is the Company's functional and presentation currency.

2. 主要會計政策概要 (續)

(b) 綜合賬目 (續)

集團旗下公司間之交易、結餘及交易未變現收益互相對銷。除非交易提供已轉讓資產減值之證據，否則未變現虧損亦會對銷。附屬公司之會計政策已於有需要時作出更改，以確保與本集團所採納政策一致。

在本公司之資產負債表內，於附屬公司之投資按成本扣除減值虧損撥備列賬。本公司乃按已收及應收之股息將附屬公司之業績列賬。

(c) 外幣換算

(i) 功能及呈列貨幣

本集團每個實體於賬目所列項目均以有關實體營運之主要經濟環境所用貨幣（「功能貨幣」）列值。綜合賬目以本公司之功能及呈列貨幣港元列值。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) FOREIGN CURRENCY TRANSLATION (continued)

- (ii) Transactions and balances
- Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

Translation differences on non-monetary items, such as equity instruments held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation difference on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the fair value reserve in equity.

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

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (ii) income and expenses for each profit and loss account are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

2. 主要會計政策概要 (續)

(c) 外幣換算 (續)

- (ii) 交易及結餘
- 外幣交易按交易日期之匯率兌換為功能貨幣。結算該等交易及按年結時匯率兌換以外幣呈列貨幣資產及負債所產生匯兌損益均於損益表確認。

非貨幣項目(例如按公平值計入損益表之股本工具)之換算差額乃呈報為公平值損益之一部份。非貨幣項目(例如分類為可供出售金融資產之股本)之換算差額，計入權益項下公平值儲備。

- (iii) 集團旗下公司
- 集團旗下所有功能貨幣與呈列貨幣不同之實體(均為非高通脹經濟之貨幣)之業績及財務狀況，按以下方式換算為呈列貨幣：

- (i) 各資產負債表所呈列資產及負債，按結算日之收市匯率換算；
- (ii) 各損益表之收入及支出，按平均匯率換算(惟此平均值並非該等交易日期通行匯率具累積效應之合理約數除外，在此情況下，收入及支出乃於交易日期換算)；及

NOTES TO THE ACCOUNTS

賬目附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) FOREIGN CURRENCY TRANSLATION (continued)

- (iii) Group companies (continued)
 - (iii) all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities are taken to shareholders' equity. When a foreign operation is sold, such exchange differences are recognised in the profit and loss account as part of the gain or loss on sale.

(d) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment, comprising leasehold improvements, plant and machinery, equipment, furniture and fixtures and motor vehicles are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical costs includes expenditure that is directly attributable to the acquisition of the items.

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

Depreciation of property plant and equipment is calculated using straight-line method to allocate cost at annual rates ranged from 20% to 30%.

2. 主要會計政策概要 (續)

(c) 外幣換算 (續)

- (iii) 集團旗下公司 (續)
 - (iii) 所有匯兌差額將確認為權益項下獨立項目。

綜合賬目時，換算於外國實體之淨投資所產生之匯兌差額列入股東權益。出售外國業務時，該等匯兌差額於損益表確認為出售收益或虧損之一部份。

(d) 物業、廠房及設備

物業、廠房及設備，包括租賃物業裝修、廠房、機器及設備，以及傢俬及裝置與汽車乃按歷史成本減累計折舊及累計減值虧損列賬。歷史成本包括因收購該等項目而直接產生之支出。

僅在與該項目相關之未來經濟效益有可能歸屬於本集團及能可靠地計算出項目成本之情況下，其後成本方會包括於資產之賬面值或確認為獨立資產（如適用）。已更換零件的賬面值已被剔除入賬。所有其他維修及保養於其產生之財政期間內於損益表內支銷。

物業、廠房及設備之折舊乃以直線法，按主要年率介乎20%至30%分配成本。

NOTES TO THE ACCOUNTS

賬目附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) PROPERTY, PLANT AND EQUIPMENT (continued)

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

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

Gains and losses on disposals are determined by comparing proceeds with carrying amount and recognised in the profit and loss account.

(e) INVESTMENT PROPERTIES

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

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

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

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

After initial recognition, investment property is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. These valuations are performed in accordance with the guidance issued by the International Valuation Standards Committee. These valuations are reviewed annually by external valuers.

2. 主要會計政策概要 (續)

(d) 物業、廠房及設備 (續)

資產之剩餘價值及可使用年期將會於各結算日作出檢討及調整(如適用)。

倘資產之賬面值大於其估計可收回金額，則資產之賬面值即時撇減至其可收回金額。

出售損益乃通過比較所得款項與賬面值而釐定並於損益表確認。

(e) 投資物業

持作長期租金收益或資本增值或兩者兼備且並非本集團旗下各公司所佔用之物業，乃分類為投資物業。

投資物業包括根據經營租約持有之土地及根據融資租約持有之樓宇。

當符合分類為投資物業之其他要求時，以經營租約持有之土地亦分類及入賬作投資物業。該經營租約乃當作融資租約入賬。

投資物業初步按成本(包括相關交易成本)計量。

投資物業於初步確認後按公平值列賬。公平值以活躍市場價格為基準，並在有需要之情況下根據特定資產之性質、地點或條件調整公平值。此等估值方法乃符合國際估值準則委員會(International Valuation Standards Committee)頒佈之指引。此等估值每年由外聘估值師審閱。

NOTES TO THE ACCOUNTS

賬目附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) INVESTMENT PROPERTIES (continued)

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions.

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

Changes in fair values are recognised in the profit and loss account.

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

If an item of property, plant and equipment becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this item at the date of transfer is recognised in equity as a revaluation of property, plant and equipment under HKAS 16. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in the profit and loss account.

2. 主要會計政策概要 (續)

(e) 投資物業 (續)

投資物業之公平值反映(其中包括)現時租賃之租金收入及根據現時市況假設可自日後租賃取得之租金收入。

倘投資物業其後支出之相關未來經濟利益有可能流入本集團,而且能可靠地計量該項目之成本,則該項支出會計入該項資產之賬面值。所有其他維修及保養成本則在其產生之財政期間在損益表內支銷。

公平值之變動在損益表內確認。

若投資物業變成業主自用,會被重新分類為物業、機器及設備,其於重新分類日期之公平值,就會計目的而言變為其成本。現正興建或發展供日後用作投資物業之物業,被分類為物業、廠房及設備,並按成本列賬,直至建築或發展完成為止,屆時重新分類為投資物業並其後按投資物業列賬。

根據香港會計準則第16號,若物業、機器及設備的某個項目因其用途改變而成為投資物業,該項目於轉撥日期之賬面值與公平值的任何差額在權益中確認為物業、機器及設備之重估。然而,若公平值收益將以往的減值虧損撥回,該收益於損益表確認。

NOTES TO THE ACCOUNTS

賬目附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) IMPAIRMENT OF INVESTMENTS IN SUBSIDIARIES AND NON-FINANCIAL ASSETS

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

(g) LEASE (AS THE LESSEE FOR OPERATING LEASES)

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged in the profit and loss account on a straight-line basis over the period of the lease.

(h) CLUB DEBENTURE

Club debenture is stated at cost less any provision for impairment losses.

2. 主要會計政策概要 (續)

(f) 附屬公司投資及非金融資產之資產減值

無既定可使用年期之資產毋須攤銷，並會至少每年就減值進行測試。當出現事件或情況改變顯示未必能收回賬面值時，則會檢討減值。須攤銷之資產於出現事件或情況改變顯示未必能收回賬面值時檢討減值。減值虧損就資產賬面值超過其可收回金額（即資產公平值減出售成本及使用價值兩者之較高者）之差額確認。就評估減值而言，資產按可獨立辨認現金流量之最低水平（現金產生單位）分類。若商譽以外之資產出現減值，則會於各申報日期檢討撥回減值之機會。

(g) 租約（作為經營租約之承租人）

凡資產擁有權之絕大部份風險及回報由出租人保留之租約均分類為經營租約。該等經營租約（扣減任何源自出租人之已收金額後）產生之租金按租期以直線法在損益表中支銷。

(h) 會所債券

會所債券按成本減任何減值虧損撥備列賬。

NOTES TO THE ACCOUNTS

賬目附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit or loss are held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the profit and loss account. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss are presented in the profit and loss account in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the profit and loss account when the Group's right to receive payments is established.

2. 主要會計政策概要 (續)

(i) 按公平值計入損益表之金融資產

按公平值計入損益表之金融資產持作買賣。倘若購入金融資產之主要目的是於短期內出售，即歸入此類。除非衍生工具被指定為對沖工具，否則亦須歸類為持作買賣之金融資產。此類資產歸類為流動資產。

常規購入及出售金融資產在交易日確認 – 交易日指本集團承諾購入或出售該資產之日。對於並非按公平值計入損益表之所有金融資產，投資初始成本按公平值加交易成本確認。按公平值計入損益表之金融資產，初步按公平值確認，而交易成本則在損益表支銷。當從投資收取現金流量之權利經已到期或經已轉讓，而本集團已將擁有權之絕大部份風險和回報轉讓時，金融資產即終止確認。

按公平值計入損益表之金融資產的公平值變動所產生之盈虧，列入產生期間之損益表。來自按公平值計入損益表之金融資產的股息收入，於本集團收取有關款項之權利確定時在損益表確認。

NOTES TO THE ACCOUNTS

賬目附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group established fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis and option pricing models, making maximum use of market inputs and relying as little as possible on entity-specific inputs.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. Impairment losses recognised in the profit and loss account on equity instruments are not reversed through the profit and loss account. Impairment testing of trade receivables is described in Note 2(k).

(j) INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost, calculated on the weighted average method, comprises all costs of purchases 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 applicable variable selling expenses.

2. 主要會計政策概要 (續)

(i) 按公平值計入損益表之金融資產 (續)

有報價投資之公平值根據目前之買盤價計算。若某項金融資產之市場並不活躍(及就非上市證券而言),本集團利用估值技術訂出公平值。這些技術包括利用近期公平原則交易、參考大致相同之其他工具、貼現現金流量分析及期權定價模式,充分利用市場數據而儘量少依賴實體特有之數據。

本集團在每個結算日評估是否有客觀證據證明某項金融資產或某組金融資產經已減值。就股本工具於損益表確認之減值虧損不會在損益表撥回。貿易應收款項之減值測試載於附註2(k)。

(j) 存貨

存貨按成本與可變現淨值兩者中之較低者列賬。成本包括購買之所有成本及使存貨達致目前之地點及狀況之其他成本,乃按加權平均法計算。可變現淨值為日常業務範圍之估計售價減去適用之可變銷售開支。

NOTES TO THE ACCOUNTS

賬目附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) TRADE AND OTHER RECEIVABLES

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The carrying amount of the assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the profit and loss account within administrative expenses. When trade and other receivables are uncollectible, they are written off against the allowance account for trade and other receivables. Subsequent recoveries of amounts previously written off are credited against administrative expenses in the profit and loss account.

2. 主要會計政策概要 (續)

(k) 貿易及其他應收款項

貿易及其他應收款項初步按公平值及其後採用實際利率法按攤銷成本，扣除減值撥備入賬。在有客觀證據證明本集團將無法按應收款項之原訂條款收回全部款項時，本集團須就貿易及其他應收款項提撥減值準備。準備金額乃資產賬面值與估計未來現金流量現值之差額，以實際利率法貼現。資產之賬面值透過使用準備賬戶削減，而有關虧損數額則在損益表內的行政開支中確認。如貿易及其他應收款項無法收回，其會與貿易及其他應收款項內的準備賬戶撇銷。之前已撇銷之款項如其後收回，將撥回損益表中的行政開支內。

NOTES TO THE ACCOUNTS

賬目附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand and deposits held at call with banks.

(m) SHARE CAPITAL

Ordinary shares are classified as equity.

(n) TRADE PAYABLES

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(o) EMPLOYEE BENEFITS

(i) Employee leaves

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

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

(ii) Bonus plans

The expected cost of bonus payments are recognised as a liability when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

Liabilities for bonus plans are expected to be settled within 12 months and are measured at the amounts expected to be paid when they are settled.

2. 主要會計政策概要 (續)

(l) 現金及現金等值

現金及現金等值包括手頭現金及銀行活期存款。

(m) 股本

普通股乃列作權益。

(n) 貿易應付款項

貿易應付款項初步以公平值確認，其後利用實際利息法按攤銷成本計量。

(o) 僱員福利

(i) 僱員假期

僱員可享有之年假及長期服務假期在彼等放假時確認。截至結算日本公司就僱員提供服務而享有年假及長期服務假期之估計負債而提準撥備。

僱員在放病假及產假時，此等假期方獲確認。

(ii) 花紅計劃

倘本集團因僱員所提供之服務而擁有現時之法定或推定責任，並能可靠地估計須履行之該責任，則預計之花紅支出成本將確認為一項負債。

花紅計劃之負債預期於十二個月內償還，並按照預期於償還時將予支付之金額而計算。

NOTES TO THE ACCOUNTS

賬目附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) EMPLOYEE BENEFITS (continued)

(iii) Pension obligations

Following the adoption of the Mandatory Provident Fund (“MPF”) Scheme in December 2000, all employees of the Group employed in Hong Kong joined the MPF Scheme. Under this scheme, employees and the Group are required to make contributions to the scheme calculated at 5% of the individual employee’s monthly basic salaries, subject to a cap of HK\$1,000. The Group’s contributions to this scheme are expensed as incurred. The assets of the scheme are held separately from those of the Group in independently administered funds.

(p) DEFERRED TAXATION

Deferred taxation is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the accounts.

Deferred taxation is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

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

2. 主要會計政策概要 (續)

(o) 僱員福利 (續)

(iii) 支付退休金之責任

在二零零零年十二月採納強制性公積金(「強積金」)計劃後，本集團在香港之所有員工已參與強積金計劃。根據此計劃，僱員及本集團均須向計劃作出供款，該筆供款乃按個別僱員每月基本薪金5%計算，上限為1,000港元。本集團向此計劃作出之供款將列入開支，而此計劃之資產與本集團之資產分開持有，並由獨立管理之基金另行持有。

(p) 遞延稅項

遞延稅項採用負債法就資產負債之稅基與它們在賬目之賬面值兩者之短暫時差作全數撥備。

遞延稅項採用在結算日前已頒佈或實質頒佈，並在有關之遞延所得稅資產實現或遞延所得稅負債結算時預期將會適用之稅率(及法例)而釐定。

遞延稅項資產乃就有可能將未來應課稅溢利與可動用之短暫時差抵銷而確認。

遞延稅項乃就於附屬公司投資所產生之短暫時差而撥備，但假若本集團可以控制短暫時差之撥回，並有可能在可預見未來不會撥回則除外。

NOTES TO THE ACCOUNTS

賬目附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) BORROWINGS

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

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

(r) REVENUE RECOGNITION

Revenue comprises the fair value for the sales of goods and services, net of value-added tax, rebates and discounts and after eliminating sales within the Group. Revenue is recognised as follows:

- (i) Sales of goods
Sales of goods are recognised when a group entity has delivered products to the customer, the customer has accepted the products and collectibility of the related receivables are reasonably assured.
- (ii) Sales of services
Sales of services are recognised in the accounting period in which the services are rendered.
- (iii) Gross rental income from investment properties
Gross rental income from investment properties is recognised on a straight line basis over the periods of the respective leases.

2. 主要會計政策概要 (續)

(q) 借貸

借貸初步按公平值(扣除已產生之交易成本)確認。借貸其後按攤銷成本列賬；如扣除交易成本後之所得款項及贖回價值出現差額，則於借貸期內以實際利率法在損益表內確認。

除非本集團有權無條件將債務結算日期遞延至結算日後至少十二個月，否則借貸將被劃分為流動負債。

(r) 收益確認

收益包括銷售貨品及提供服務之銷售額之公平值，並已扣除增值稅、回扣及折扣並對銷本集團內公司間之銷售。收益確認如下：

- (i) 貨品銷售
貨品銷售收益於集團向客戶交付產品而客戶已接納產品，且有關應收款合理確定可予收回時確認。
- (ii) 服務提供
服務提供收益乃於提供有關服務之會計期間內確認。
- (iii) 投資物業之租金收入總額
投資物業之租金收入總額以直線法於各租約之年期內確認。

NOTES TO THE ACCOUNTS

賬目附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(r) REVENUE RECOGNITION *(continued)*

(iv) Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

(v) Dividend income

Dividend income is recognised when the right to receive payment is established.

(s) DIVIDEND DISTRIBUTION

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

2. 主要會計政策概要 (續)

(r) 收益確認 (續)

(iv) 利息收入

利息收入採用實際利息法按時間比例基準確認。

(v) 股息收入

股息收入於收取款項之權利確立時確認。

(s) 股息分派

向本公司股東作出之股息分派在有關股息獲本公司股東批准之期間，於本集團賬目內確認為負債。

NOTES TO THE ACCOUNTS

賬目附註

3. FINANCIAL RISK MANAGEMENT

3.1 FINANCIAL RISK FACTORS

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

(a) FOREIGN EXCHANGE RISK

The Group operates in Hong Kong and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Australian dollars, Euro dollars, United States dollars and Renminbi. Foreign exchange risk arises from future commercial transactions. In order to mitigate the foreign currency risk, foreign currency forward contracts are entered into in respect of highly probable foreign currency forecast transaction in accordance with the Group's risk management policies.

(b) INTEREST RATE RISK

The Group's fair value interest rate risk relates to variable-rate borrowings (see Note 28 for details of these borrowings). Besides, the Group is exposed to interest rate risk through the impact of rate changes on interest bearing bank borrowings. The interest rates and terms of repayment of bank borrowings of the Group are disclosed in Note 28 respectively.

3. 財務風險管理

3.1 財務風險因素

本集團業務須面對各種財務風險，包括外匯風險、利率風險、信貸風險及價格風險。本集團之整體風險管理計劃主要針對不可預測之金融市場，並致力降低潛在不利因素對本集團財務表現之影響。

(a) 外匯風險

本集團於香港經營業務並因為營運涉及多種貨幣（主要是澳元、歐羅、美元及人民幣）而面對外匯風險。未來商業交易產生外匯風險。為降低外幣風險，本集團根據其風險管理政策就預計極可能進行之外幣交易訂立外幣遠期合約。

(b) 利率風險

本集團之公平值利率風險涉及以浮動利率計息之借貸（該等借貸詳情見附註28）。此外，本集團之計息銀行借貸承受利率變動風險。本集團之銀行借貸之利率及償還條款分別於附註28披露。

NOTES TO THE ACCOUNTS

賬目附註

3. FINANCIAL RISK MANAGEMENT (continued)

3.1 FINANCIAL RISK FACTORS (continued)

(c) CREDIT RISK

The Group's maximum exposure to credit risk in the event of the counterparties failure to perform their obligations as at 31st December 2006 in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated balance sheet. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews regularly the recoverable amount of each individual trade receivables to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The Group has no significant concentration of credit risk, with exposure spread over a number of counterparties and customers.

(d) PRICE RISK

The Group's held-for-trading investments are measured at fair value at each balance sheet date. Therefore, the Group is exposed to equity security price risk. The management manages this exposure by maintaining a portfolio of investments with different risk profiles.

3. 財務風險管理 (續)

3.1 財務風險因素 (續)

(c) 信貸風險

倘對方於二零零六年十二月三十一日未能履行彼等之承擔，則本集團就每類已確認金融資產而須承受之最大信貸風險為已於綜合資產負債表列值之資產之賬面值。為盡量降低信貸風險，本集團管理層已委派一組人員負責制訂信貸限額、信貸審批及其他監控措施，以確保採取跟進措施收回逾期未付之債項。此外，本集團定期評估每項個別貿易應收款項之可收回金額，以確保就不可收回金額所作出之減值虧損已足夠。就此而言，本公司董事認為本集團之信貸風險已大幅降低。

本集團並無集中之信貸風險，有關風險乃分散至多個其他方及客戶。

(d) 價格風險

於各結算日，本集團之持有作買賣用途投資乃按公平值計量。因此，本集團須承受股本證券價格風險。管理層藉持有不同風險範圍之投資之組合而管理此類風險。

3. FINANCIAL RISK MANAGEMENT (continued)

3.2 FAIR VALUE ESTIMATION

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price.

The carrying value less impairment provision of trade receivables and payables are a reasonable approximation of their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

3. 財務風險管理 (續)

3.2 公平值估算

於活躍市場上交易之金融工具，其公平值是按資產負債表結算日之市場報價計算。集團持有之金融資產以現行買入價作為市場報價。

貿易應收款項及貿易應付款項之賬面值減值撥備後為其公平值之合理相若之數。披露金融負債之公平值乃根據集團同類金融工具之現行市場利率對未來合約現金流量貼現而估算。

NOTES TO THE ACCOUNTS

賬目附註

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

4.1 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

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

USEFUL LIVES OF PROPERTY, PLANT AND EQUIPMENT

The Group's net book value of property, plant and equipment as at 31st December 2006 was HK\$5,025,000. The Group depreciates the plant and machinery on a straight line basis over the estimated useful life of 3 to 5 years, and after taking into account of their estimated residual value, using the straight-line method, at the rate 20% to 30% per annum, commencing from the date the equipment is placed into productive use. The estimated useful life and dates that the Group places the equipment into productive use reflects the Directors' estimate of the periods that the Group intend to derive future economic benefits from the use of the Group's property, plant and equipment.

4. 關鍵會計估算及判斷

估算及判斷會持續作評估，並以過往經驗及其他因素為基礎，包括預期日後出現在有關情況下相信屬合理之事件。

4.1 關鍵會計估算及假設

本集團就未來作出估算和假設，而所得出之會計估算難免偏離實際之相關業績。下文討論之估算和假設有很大機會令下一個財政年度之資產及負債賬面值出現重大調整。

物業、廠房及設備之可使用年期

本集團於二零零六年十二月三十一日之物業、廠房及設備賬面淨值為5,025,000港元。本集團對其廠房及機器於其估計可使用年期三至五年內進行減值處理，經計及其估計剩餘價值後，採用直線法按年率20%至30%，由設備投入生產之日開始計算。估計可使用年期及本集團將設備投入生產之日期乃反映董事於該期間內之估計，即本集團計劃日後從物業、廠房及設備之使用中可獲取之經濟利益。

NOTES TO THE ACCOUNTS

賬目附註

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

(continued)

4.1 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS (continued)

PROVISION FOR IMPAIRMENT OF TRADE AND OTHER RECEIVABLES

The policy for provision for impairment of trade and other receivables of the Group is based on the evaluation of collectability and on management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each customer. If the financial conditions of customers of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

PROVISION FOR INVENTORIES

The management of the Group reviews the marketability of inventory items at each balance sheet date, and makes allowance for obsolete and slow-moving inventory items identified that are no longer suitable for sales. The management estimates the net realisable value for such finished goods and work-in progress based primarily on the latest invoice prices and current market conditions. The Group carries out an inventory review on a product-by-product basis at each balance sheet date and makes provision for obsolete items.

INCOME TAXES

The Group is subject to income taxes in Hong Kong and People's Republic of China ("PRC"). Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

4. 關鍵會計估算及判斷 (續)

4.1 關鍵會計估算及假設 (續)

貿易及其他應收款項之減值撥備

本集團貿易及其他應收款項之減值撥備政策以可收回性評估及管理層判斷為基礎。評估該等應收款項之最終變現能力需要進行大量判斷，包括客戶之現時信譽及過往收款記錄。倘本集團客戶財務狀況日趨惡化，削弱其付款能力，則須提撥額外準備。

存貨撥備

本集團管理層於各結算日審核存貨項目之銷售前景並對確認為不再適合銷售之過時及滯銷庫存品進行撥備。管理層估計此等製成品及在製品之可變現淨值主要根據最近期之發票價格及目前市況而釐定。本集團於各結算日對每種產品進行盤點，並對過時品種作出撥備。

所得稅

本集團需繳付香港及中華人民共和國（「中國」）之所得稅。於釐定所得稅撥備時須作出重大判斷。日常業務運作過程中有大量交易及計算未能就稅項作最終釐定。本集團根據估計是否須繳付額外稅項而確認預計稅務審核事宜之負債。倘有關事宜之最終評稅結果有異於最初記錄之數額，則有關差額會影響到釐定有關數額之期間之所得稅及遞延稅項撥備。

NOTES TO THE ACCOUNTS

賬目附註

5. TURNOVER AND SEGMENT INFORMATION

The Group is principally engaged in the trading and distribution of construction materials, mainly water pipes and fittings.

Turnover 營業額

Sales of pipes and fittings
銷售喉管及管件
Rental income
租金收入
Sub-letting of warehouse
貨倉分租
Transportation income
運輸收入

	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
	616,463	521,820
	960	884
	133	211
	—	6
	617,556	522,921

Business segment information is not shown as the turnover and assets of the wholesale business represent more than 90% of the total turnover and assets of the Group respectively.

Geographical segment information is not shown as over 90% of the Group's turnover and operating profit are derived from Hong Kong.

5. 營業額及分類資料

本集團主要從事建材(主要為喉管及管件)之貿易及分銷。

由於批發業務之營業額及資產佔本集團之總營業額及資產之90%以上，故毋須呈列業務分部資料。

由於本集團逾90%之營業額及經營溢利均源自香港，故未有呈列地區分部資料。

NOTES TO THE ACCOUNTS

賬目附註

6. OTHER INCOME

6. 其他收入

	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Interest income 利息收入	2,332	697
Dividend income from financial assets at fair value through profit or loss 按公平值計入損益表之金融資產之股息收入	146	151
Insurance compensation 保險賠償	—	1,499
	2,478	2,347

7. OTHER GAINS, NET

7. 其他收益，淨額

	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Net exchange gains 匯兌收益淨額	2,053	1,933
Net realised gain on disposal of financial assets at fair value through profit or loss 出售按公平值計入損益表之金融資產所套現之收益淨額	1,565	488
	3,618	2,421

NOTES TO THE ACCOUNTS

賬目附註

8. EXPENSES BY NATURE

8. 開支性質

	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Cost of inventories 存貨成本	441,013	382,460
Auditor's remuneration 核數師酬金	590	518
Depreciation of property, plant and equipment 物業、廠房及設備折舊	2,082	2,058
Employee benefit expenses (including Directors' emoluments (Note 14)) 員工福利開支 (包括董事酬金 (附註14))	57,432	51,866
Operating lease on land and buildings 土地及樓宇經營租約	13,940	10,467
Loss/(gain) on disposal of property, plant and equipment 出售物業、廠房及設備之虧損／(收益)	285	(277)
Write-back of provision for legal compensation 撥回法律賠償撥備	—	(1,500)
Impairment of trade and other receivables 貿易及其他應收款項之減值	1,500	4,000
Provision for slow-moving inventories 滯銷存貨之撥備	1,908	2,498
Net fair value (gain)/loss on financial assets at fair value through profit or loss 就按公平值計入損益表之金融資產之估值 (收益)／虧損淨額	(268)	180
Other expenses 其他開支	29,001	22,005
	547,483	474,275
Representing: 代表：		
Cost of sales 銷售成本	450,174	391,852
Selling and distribution costs 銷售及分銷成本	19,357	13,840
Administrative expenses 行政費用	77,952	68,583
	547,483	474,275

NOTES TO THE ACCOUNTS

賬目附註

9. FINANCE COSTS

9. 財務費用

	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Interest on bank borrowings 銀行借貸利息	4,537	2,282
Others 其他	16	19
	4,553	2,301

10. TAXATION

10. 稅項

	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Current taxation: 現行稅項：		
– Hong Kong profits tax 香港利得稅	12,060	8,435
– Overseas tax 海外稅項	427	587
– Over provisions in prior years 以往年度超額撥備	(246)	(135)
Deferred taxation (<i>Note 27</i>) 遞延稅項 (附註27)	73	(298)
Taxation charge 稅項支出	12,314	8,589

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

香港利得稅乃按照本年度估計應課稅溢利依稅率17.5%(二零零五年：17.5%)提撥準備。海外溢利稅項乃按照截至本年度之估計應課稅溢利按本集團經營業務國家之現行稅率計算。

NOTES TO THE ACCOUNTS

賬目附註

10. TAXATION (continued)

The taxation on the Group's profit before taxation differs from the theoretical amount that would arise using the taxation rate of the principal place of operation of the Company as follows:

	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Profit before taxation 除稅前溢利	71,616	51,113
Calculated at a taxation rate of 17.5% (2005: 17.5%) 按稅率17.5%(二零零五年: 17.5%)計算	12,533	8,945
Effect of different taxation rates in other countries 其他國家不同稅率之影響	213	275
Utilisation of previously unrecognised tax losses 動用先前未確認之稅項虧損	(49)	(35)
Unrecognised tax losses 未確認稅項虧損	—	35
Tax effect of income not subject to taxation 毋須課稅收入之稅務影響	(210)	(251)
Tax effect of expenses not deductible for taxation purposes 不可扣稅開支之稅務影響	—	53
Over provisions in prior years 以往年度超額撥備	(246)	(135)
Adjustment of deferred tax (Note 27) 遞延稅項調整(附註27)	73	(298)
Taxation charge 稅項支出	12,314	8,589

11. PROFIT ATTRIBUTABLE TO SHAREHOLDERS

The profit attributable to shareholders is dealt with in the accounts of the Company to the extent of HK\$14,235,000 (2005: HK\$11,447,000).

10. 稅項 (續)

本集團除稅前溢利之稅項與使用本公司主要營業地區稅率計算之理論稅額之差額如下：

11. 股東應佔溢利

在本公司賬目內處理之股東應佔溢利為14,235,000港元(二零零五年: 11,447,000港元)。

NOTES TO THE ACCOUNTS

賬目附註

12. DIVIDENDS

12. 股息

	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Interim, paid, of HK\$0.02 (2005: HK\$0.02) per ordinary share 已派中期股息每股普通股0.02港元(二零零五年: 0.02港元)	4,837	4,837
Final, proposed, of HK\$0.04 (2005: HK\$0.03) per ordinary share 擬派末期股息每股普通股0.04港元(二零零五年: 0.03港元)	9,674	7,256
	14,511	12,093

At a meeting held on 16th April 2007, the Directors recommended a final dividend of HK\$0.04 per ordinary share. This proposed dividend is not recognised as a dividend payable in these accounts, but will be reflected as an appropriation of retained profits for the year ending 31st December 2007.

在二零零七年四月十六日舉行之大會上，董事建議派付末期股息每股普通股0.04港元。有關之擬派股息並未在賬目內確認為應派股息，惟將會反映為截至二零零七年十二月三十一日止年度之保留溢利分派部份。

13. EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

13. 員工福利開支(包括董事酬金)

	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Wages and salaries 工資及薪金	56,171	50,541
Termination benefits 終止僱用福利	68	356
Pension costs – mandatory provident fund 退休金成本 – 強制性公積金	1,193	969
	57,432	51,866

NOTES TO THE ACCOUNTS

賬目附註

14. DIRECTORS' EMOLUMENTS

(a) The aggregate amounts of emoluments paid and payable to the Directors of the Company during the year are as follows:

Name 姓名	Salaries and other benefits		Bonus 花紅	Group's contributions to retirement scheme 退休 計劃之 集團供款	2006	2005
	Fees 袍金	Salaries and other benefits 薪金及 其他福利			Total emoluments 二零零六年 酬金總計	Total emoluments 二零零五年 酬金總計
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Tsang Chung Yin 曾仲賢	—	1,972	3,476	12	5,460	4,176
Tsang Yin 曾賢	—	2,894	3,510	12	6,416	5,173
Chan Churk Kai 陳焯佳	—	2,389	633	12	3,034	2,896
Tsang Sik Yin, Eric 曾錫賢	—	1,289	210	6	1,505	4,429
Tsang Ngan Chung 曾銀鐘	—	1,797	3,488	12	5,297	4,025
Ngai Chui Ling 魏翠玲	—	488	207	12	707	703
Wong Wah On, Edward 黃華安	120	—	—	—	120	120
Chan Yuk Ming 陳旭明	120	—	—	—	120	120
Wong, Samuel Kwok Kay 黃國熹	120	—	—	—	120	120
Total 2006 二零零六年總計	360	10,829	11,524	66	22,779	—
Total 2005 二零零五年總計	360	10,467	10,863	72	—	21,762

14. 董事之酬金

(a) 年內向本公司董事已付及應付予之酬金總額如下：

NOTES TO THE ACCOUNTS

賬目附註

14. DIRECTORS' EMOLUMENTS

(continued)

(b) The emoluments of the Directors fell within the following bands:

	2006 二零零六年	2005 二零零五年
Emoluments bands 酬金組別		
Nil to HK\$1,000,000 零至1,000,000港元	4	4
HK\$1,000,001 to HK\$1,500,000 1,000,001港元至1,500,000港元	1	—
HK\$1,500,001 to HK\$2,000,000 1,500,001港元至2,000,000港元	—	—
HK\$2,000,001 to HK\$2,500,000 2,000,001港元至2,500,000港元	—	—
Over HK\$2,500,000 2,500,000港元以上	4	5
	9	9

Emoluments paid to Independent Non-executive Directors amounted to HK\$360,000 (2005: HK\$360,000).

14. 董事之酬金 (續)

(b) 董事酬金介乎以下組別：

	2006 二零零六年	2005 二零零五年
Emoluments bands 酬金組別		
Nil to HK\$1,000,000 零至1,000,000港元	4	4
HK\$1,000,001 to HK\$1,500,000 1,000,001港元至1,500,000港元	1	—
HK\$1,500,001 to HK\$2,000,000 1,500,001港元至2,000,000港元	—	—
HK\$2,000,001 to HK\$2,500,000 2,000,001港元至2,500,000港元	—	—
Over HK\$2,500,000 2,500,000港元以上	4	5
	9	9

付予獨立非執行董事之酬金達360,000港元(二零零五年：360,000港元)。

NOTES TO THE ACCOUNTS

賬目附註

14. DIRECTORS' EMOLUMENTS

(continued)

- (c) The five individuals whose emoluments were the highest in the Group during the year are the Directors of the Company. Details of their emoluments are reflected in the analysis presented in Note 14(a).
- (d) During the year, no Directors waived any emoluments and no emoluments had been paid by the Group to the Directors as an inducement to join or upon joining the Group or as compensation for loss of office.

15. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the Group's profit attributable to shareholders of HK\$59,302,000 (2005: HK\$42,524,000) and the weighted average of 241,854,000 shares (2005: 241,854,000 shares) in issue during the year.

Diluted earnings per share is not presented as there were no dilutive potential ordinary shares in years 2006 and 2005.

14. 董事之酬金 (續)

- (c) 年內本集團五位最高薪人士均為本公司董事。其酬金詳情反映於附註14(a)。
- (d) 年內並無董事放棄任何酬金，而本集團並無向董事支付酬金作為加入本集團或加入時之獎勵或作為離職補償。

15. 每股盈利

每股基本盈利乃按本集團之股東應佔溢利59,302,000港元(二零零五年：42,524,000港元)及年內已發行股份之加權平均股數241,854,000股(二零零五年：241,854,000股)計算。

由於在二零零六年及二零零五年兩個年度內並無攤薄潛在普通股，故此並無呈列該兩個年度之每股攤薄盈利。

NOTES TO THE ACCOUNTS

賬目附註

16. PROPERTY, PLANT AND EQUIPMENT 16. 物業、廠房及設備

At cost:

按成本：

	Leasehold improvements 租賃物業 裝修 HK\$'000 千港元	Office furniture, fixtures and fittings 辦公室 傢俬、裝置 及設備 HK\$'000 千港元	Office equipment 文儀設備 HK\$'000 千港元	Machinery and fittings 機械及 設備 HK\$'000 千港元	Computer equipment 電腦設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 合計 HK\$'000 千港元
At 1st January 2005 二零零五年一月一日							
Cost 成本	6,771	516	111	2,717	4,575	12,388	27,078
Accumulated depreciation 累積折舊	(3,871)	(516)	(72)	(2,082)	(4,429)	(11,173)	(22,143)
Net book amount 賬面淨值	2,900	-	39	635	146	1,215	4,935
Year ended 31st December 2005 截至二零零五年 十二月三十一日止年度							
Opening net book amount 年初賬面淨值	2,900	-	39	635	146	1,215	4,935
Additions 添置	825	-	64	303	24	932	2,148
Depreciation 折舊	(808)	-	(11)	(395)	(43)	(801)	(2,058)
Net book amount 賬面淨值	2,917	-	92	543	127	1,346	5,025
At 31st December 2005 二零零五年十二月三十一日							
Cost 成本	7,596	516	175	3,020	4,599	13,320	29,226
Accumulated depreciation 累積折舊	(4,679)	(516)	(83)	(2,477)	(4,472)	(11,974)	(24,201)
Net book amount 賬面淨值	2,917	-	92	543	127	1,346	5,025
Year ended 31st December 2006 截至二零零六年 十二月三十一日止年度							
Opening net book amount 年初賬面淨值	2,917	-	92	543	127	1,346	5,025
Additions 添置	37	-	55	293	801	305	1,491
Disposal 出售	(323)	-	-	-	-	-	(323)
Depreciation 折舊	(821)	-	(29)	(335)	(167)	(730)	(2,082)
Net book amount 賬面淨值	1,810	-	118	501	761	921	4,111
At 31st December 2006 二零零六年十二月三十一日							
Cost 成本	7,232	516	195	3,313	5,400	6,530	23,186
Accumulated depreciation 累積折舊	(5,422)	(516)	(77)	(2,812)	(4,639)	(5,609)	(19,075)
Net book amount 賬面淨值	1,810	-	118	501	761	921	4,111

Depreciation expense of HK\$2,082,000 (2005: HK\$2,058,000) has been expensed in administrative expenses.

折舊支出2,082,000港元(二零零五年: 2,058,000港元)已於行政費用項下支銷。

NOTES TO THE ACCOUNTS

賬目附註

17. INVESTMENT PROPERTIES

17. 投資物業

	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Beginning and end of the year 年初及年末	16,800	16,800

The Group's interests in investment properties at their net book values are analysed as follows:

按賬面淨值計算本集團投資物業之權益分析如下：

	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
In Hong Kong, held on: 於香港按下列年期持有：		
Leases of between 10 to 50 years 租賃期介乎10至50年	16,800	16,800

Investment properties were revalued at 31st December 2006 on the basis of their open market value by Lawson David & Sung Surveyors Limited, a firm of independent qualified property valuers.

Lawson David & Sung Surveyors Limited (一間獨立之合資格物業估值師行) 按投資物業於二零零六年十二月三十一日之公開市值進行估值。

NOTES TO THE ACCOUNTS

賬目附註

18. INVESTMENTS IN SUBSIDIARIES

18. 於附屬公司之投資

Company	本公司	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Unlisted shares, at cost 非上市股份成本值		86,938	86,938

The amounts due from subsidiaries are unsecured, interest-free and are repayable on demand.

附屬公司欠款並無抵押，且屬免息及須於要求時償還。

Particulars of the subsidiaries are as follows:

附屬公司之詳情如下：

Company 公司	Place of incorporation and kind of legal entity 註冊成立地點及法律實體類別	Issued and fully paid-up share capital 已發行及繳足股本	Percentage of attributable equity 應佔股權百分比	Principal activities and place of operations 主要業務及營業地點
<i>Held directly:</i> 直接持有：				
World Trade Bun Kee (BVI) Ltd.	British Virgin Islands, limited liability company 英屬維爾京群島，有限責任公司	Ordinary shares US\$10,000 of 1 US dollar each 10,000美元每股面值 1美元之普通股	100%	Investment holding in Hong Kong 投資控股 香港
<i>Held indirectly:</i> 間接持有：				
Bun Kee (International) Limited 彬記(國際)有限公司	Hong Kong, limited liability company 香港，有限責任公司	Ordinary shares HK\$100 of 1 HK dollar each 100港元每股面值 1港元之普通股 Non-voting deferred shares HK\$3,000,000 of 1 HK dollar each 3,000,000港元 每股面值1港元之 無投票權遞延股份	100% 0%	Trading of construction materials, mainly pipes and fittings in Hong Kong 買賣建築材料，主要為喉管及管件 香港
Hamerwind Logistic Company Limited 時風物流有限公司	Hong Kong, limited liability company 香港，有限責任公司	Ordinary shares HK\$80,000 of 100 HK dollar each 80,000港元 每股面值 100港元之普通股	100%	Provision of warehousing and logistic services in Hong Kong 提供倉貯及物流服務 香港

NOTES TO THE ACCOUNTS

賬目附註

18. INVESTMENTS IN SUBSIDIARIES

(continued)

Company 公司	Place of incorporation and kind of legal entity 註冊成立地點及法律實體類別	Issued and fully paid-up share capital 已發行及繳足股本	Percentage of attributable equity 應佔股權百分比	Principal activities and place of operations 主要業務及營業地點
Hing's Godown & Transportation Company Limited 興發貨倉有限公司	Hong Kong, limited liability company 香港，有限責任公司	Ordinary shares HK\$100,000 of 100 HK dollar each 100,000港元每股面值 100港元之普通股	100%	Provision of warehousing services in Hong Kong 提供倉貯服務 香港
National Link Investment Limited 紀嚴國際有限公司	Hong Kong, limited liability company 香港，有限責任公司	Ordinary shares HK\$600,000 of 1 HK dollar each 600,000港元每股面值 1港元之普通股	100%	Provision of agency services and investment holding in Hong Kong 提供代理服務及投資控股 香港
Patterson Engineering Company Limited 德誠行工程有限公司	Hong Kong, limited liability company 香港，有限責任公司	Ordinary shares HK\$100,000 of 100 HK dollar each 100,000港元每股面值 100港元之普通股	100%	Trading of construction materials, provision of agency services and property investment in Hong Kong 買賣建材、提供代理服務及物業投資 香港
Huge Vantage International Industrial Limited 大益國際實業有限公司	Hong Kong, limited liability company 香港，有限責任公司	Ordinary shares HK\$100,000 of 1 HK dollar each 100,000港元每股面值 1港元之普通股	100%	Trading of sanitary products fluorescent lamps and stainless steel products in Hong Kong 買賣潔具產品、光管及不銹鋼產品 香港
Bun Kee Building Material (Shanghai) Co., Ltd. 彬記建材(上海)有限公司	PRC, limited liability company 中國，有限責任公司	Ordinary shares US\$200,000 of 1 US dollar each 200,000美元每股面值 1美元之普通股	100%	Trading of construction materials, mainly pipes and fittings in PRC 買賣建築材料，主要為喉管及管件 中國
Bun Kee Building Material (Guangzhou) Co., Ltd. 彬記建材(廣州)有限公司	PRC, limited liability company 中國，有限責任公司	Ordinary shares HK\$2,500,000 of 1 HK dollar each 2,500,000港元每股面值 1港元之普通股	100%	Manufacturing and assembly construction material in PRC 製造及裝配建築材料 中國
Bun Kee Building Material & Equipment (Macao) Co., Ltd. 彬記建材及設備(澳門)有限公司	Macau, limited liability company 澳門，有限責任公司	Ordinary shares MOP50,000 of 1 MOP each 50,000澳門幣每股面值 1澳門幣之普通股	100%	Trading of construction materials, mainly pipes and fittings in Macau 買賣建築材料，主要為喉管及管件 澳門

18. 於附屬公司之投資 (續)

NOTES TO THE ACCOUNTS

賬目附註

19. OTHER ASSET

Club debenture:

	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Beginning of the year 年初	779	629
Additions 添置	—	150
End of the year 年末	779	779

19. 其他資產

會所債券：

20. INVENTORIES

Merchandises
商品

At 31st December 2006, provision for slow-moving inventories amounted to HK\$9,348,000 (2005: HK\$7,440,000).

The cost of inventories recognised as expenses and included in cost of sales amounted to HK\$441,013,000 (2005: HK\$382,460,000).

20. 存貨

	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Merchandises 商品	233,634	202,588

於二零零六年十二月三十一日，滯銷存貨之撥備為9,348,000港元（二零零五年：7,440,000港元）。

已確認為支出並列入銷售成本項下之存貨成本為441,013,000港元（二零零五年：382,460,000港元）。

NOTES TO THE ACCOUNTS

賬目附註

21. TRADE AND OTHER RECEIVABLES

21. 貿易及其他應收款項

	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Trade receivables 貿易應收款項	142,480	120,718
Less: provision for impairment of receivables 減：應收款項減值撥備	(2,200)	(5,707)
Trade receivables, net 貿易應收款項，淨額	140,280	115,011
Prepayments 預付款項	14,480	11,991
Rental deposits 租約按金	2,529	2,281
Other receivables 其他應收款項	4,116	1,940
	161,405	131,223
Less: non-current portion 減：非即期部份	(306)	(2,058)
Current portion 即期部份	161,099	129,165

The carrying amounts of trade and other receivables approximate their fair values. The balances are mainly denominated in Hong Kong dollars.

貿易及其他應收款項之賬面值與其公平值相若。該等結餘主要以港元計值。

NOTES TO THE ACCOUNTS

賬目附註

21. TRADE AND OTHER RECEIVABLES (continued)

Details of the ageing analysis of trade receivables is as follows:

	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Current to 30 days 即期至30天	43,407	41,480
31 days to 60 days 31天至60天	37,345	31,307
61 days to 90 days 61天至90天	24,280	23,279
91 days to 120 days 91天至120天	21,354	11,309
Over 120 days 超過120天	16,094	13,343
	142,480	120,718

There is no concentration of credit risk with respect to trade receivables, as the Group has a large number of customers.

21. 貿易及其他應收款項 (續)

貿易應收款項賬齡分析之詳情如下：

	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Current to 30 days 即期至30天	43,407	41,480
31 days to 60 days 31天至60天	37,345	31,307
61 days to 90 days 61天至90天	24,280	23,279
91 days to 120 days 91天至120天	21,354	11,309
Over 120 days 超過120天	16,094	13,343
	142,480	120,718

本集團有大量客戶，因此其貿易應收款項之信貸風險並不集中。

NOTES TO THE ACCOUNTS

賬目附註

22. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

22. 按公平值計入損益表之金融資產

	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Market value of equity securities listed in Hong Kong 在香港上市之權益證券之市價	3,501	3,038

Changes in fair values of financial assets at fair value through profit or loss are recognised in the profit and loss account.

按公平值計入損益表之金融資產之公平值變更於損益表確認。

The fair values of all equity securities are based on their current bid prices in an active market.

所有權益證券之公平值乃根據其於活躍市場之目前買盤價而釐定。

NOTES TO THE ACCOUNTS

賬目附註

23. CASH AND CASH EQUIVALENTS

23. 現金及現金等值

	Group 本集團		Company 本公司	
	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Cash at bank and in hand 銀行及手頭現金	87,745	63,824	44,699	370
Short-term bank deposits 短期銀行存款	13,474	—	—	—
	101,219	63,824	44,699	370

The effective interest rate on short-term bank deposits of the Group was 4.03% (2005: 1.95%). These deposits have an average maturity of 21 days (2005: 24 days).

本集團短期銀行存款之實際利率為4.03% (二零零五年：1.95%)。該等存款之到期日平均為21天 (二零零五年：24天)。

The carrying amounts of the Group and the Company's cash and cash equivalents are denominated in the following currencies:

本集團及本公司之現金及現金等值之賬面值乃按以下貨幣計值：

	Group 本集團		Company 本公司	
	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Hong Kong dollars 港元	95,940	62,877	44,699	370
Euro dollars 歐元	3,133	—	—	—
United States dollars 美元	1,299	202	—	—
Australian dollars 澳元	846	744	—	—
Other currencies 其他貨幣	1	1	—	—
	101,219	63,824	44,699	370

NOTES TO THE ACCOUNTS

賬目附註

24. TRADE AND OTHER PAYABLES

24. 貿易及其他應付款項

	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Trade payables 貿易應付款項	7,123	5,690
Accrued expenses and other payables 應計費用及其他應付款項	42,471	53,214
	49,594	58,904

Details of the ageing analysis of trade payables is as follows:

貿易應付款項賬齡分析之詳情如下：

	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Current to 30 days 即期至30天	3,137	2,680
31 days to 60 days 31天至60天	2,163	1,793
61 days to 90 days 61天至90天	1,602	1,054
Over 90 days 超過90天	221	163
	7,123	5,690

The carrying amounts of the Group's trade and other payables are denominated in the following currencies:

本集團之貿易及其他應付款項乃按以下貨幣計值：

	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Hong Kong dollars 港元	47,029	58,597
United States dollars 美元	2,189	307
Other currencies 其他貨幣	376	—
	49,594	58,904

NOTES TO THE ACCOUNTS

賬目附註

25. SHARE CAPITAL

(a) SHARE CAPITAL

Ordinary shares of HK\$0.10 each
每股面值0.10港元之普通股

Authorised:

法定股本

At 1st January and 31st December, 2005 and 2006

於二零零五年及二零零六年

一月一日及十二月三十一日

Number
of shares
股份數目
'000
千股

Nominal
value
面值
HK'000
千港元

500,000

50,000

Issued and fully paid:

已發行及繳足股本：

At 1st January, 2005 and 2006

於二零零五年及二零零六年一月一日

241,854

24,185

At 31st December, 2005 and 2006

於二零零五年及二零零六年

十二月三十一日

241,854

24,185

NOTES TO THE ACCOUNTS

賬目附註

25. SHARE CAPITAL (continued)

(b) SHARE OPTIONS

- (i) Under the terms of the share option scheme (the “Scheme”) adopted by the Company on 24th June 2004, the Directors of the Company are authorised at their absolute discretion, to invite any Eligible Person as defined in the Report of the Directors, to take up options to subscribe for shares in the Company. The Subscription price will be determined by the Board, but shall be at least the highest of (a) the closing price of the shares as stated in the Stock Exchange’s daily quotation sheet on the date on which the relevant options are deemed to be granted and accepted in accordance with the terms of the Scheme (the “Commencement Date”), which must be a day on which the Stock Exchange is open for the business of dealing in securities (“Trading Day”); (b) the average closing price of the shares as stated in the Stock Exchange’s daily quotation sheet for the five Trading Days immediately preceding the Commencement Date; and (c) the nominal value of the shares. A consideration of HK\$10 is payable on acceptance of the grant of an option. The maximum number of shares in respect of which options may be granted under the Scheme may not exceed 10% of the issued share capital of the Company as at the date of adoption of the Scheme. The Scheme became effective for a period of ten years commencing 24th June 2004 which is the date of adoption of the Scheme.
- (ii) No option was granted during the year. As at 31st December 2006, there is no share option outstanding (2005: Nil).

25. 股本 (續)

(b) 購股權

- (i) 根據本公司於二零零四年六月二十四日採納之購股權計劃(「該計劃」)之條款，本公司董事獲授權全權酌情邀請任何合資格人士(見董事會報告之定義)接納可認購本公司股份之購股權。認購價將由董事會釐定，惟不得低於(a)股份於有關購股權被視為按照該計劃條款將予授出及獲接納當日(「開始日期」)(須為聯交所經營證券交易業務之營業日(「交易日」))在聯交所每日報價表所報之收市價；(b)股份於緊接開始日期前連續五個交易日在聯交所每日報價表所報之平均收市價；及(c)股份面值三者中之最高者。接納授出之購股權時，承授人須支付10港元之代價。根據該計劃授出之購股權涉及之股份最高數目，不得超過採納該計劃之日本公司已發行股本之10%為限。該計劃由二零零四年六月二十四日(採納該計劃之日)起計十年內有效。
- (ii) 年內，本公司並無授出購股權。於二零零六年十二月三十一日，亦無任何尚未行使之購股權(二零零五年：無)。

NOTES TO THE ACCOUNTS

賬目附註

26. RESERVES GROUP

26. 儲備 本集團

	Share premium 股份溢價	Capital reserve 資本儲備	Merger reserve (note i) 合併儲備 (附註 i)	Retained profits 保留溢利	Total 合計
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1st January 2005 二零零五年一月一日	29,345	34,115	3,700	170,879	238,039
Profit attributable to shareholders 股東應佔溢利	—	—	—	42,524	42,524
Dividends paid (Note 12) 已派股息 (附註12)					
2004 final dividend 二零零四年末期股息	—	—	—	(7,256)	(7,256)
2005 interim dividend 二零零五年中期股息	—	—	—	(4,837)	(4,837)
At 31st December 2005 二零零五年十二月三十一日	29,345	34,115	3,700	201,310	268,470
Proposed final dividend (Note 12) 擬派末期股息 (附註12)	—	—	—	(7,256)	(7,256)
	29,345	34,115	3,700	194,054	261,214
At 1st January 2006 二零零六年一月一日	29,345	34,115	3,700	201,310	268,470
Profit attributable to shareholders 股東應佔溢利	—	—	—	59,302	59,302
Dividends paid (Note 12) 已派股息 (附註12)					
2005 final dividend 二零零五年末期股息	—	—	—	(7,256)	(7,256)
2006 interim dividend 二零零六年中期股息	—	—	—	(4,837)	(4,837)
At 31st December 2006 二零零六年十二月三十一日	29,345	34,115	3,700	248,519	315,679
Proposed final dividend (Note 12) 擬派末期股息 (附註12)	—	—	—	(9,674)	(9,674)
	29,345	34,115	3,700	238,845	306,005

NOTES TO THE ACCOUNTS

賬目附註

26. RESERVES (continued)

COMPANY

26. 儲備 (續)

本公司

	Contributed surplus (note ii) 繳入盈餘 (附註ii) HK\$'000 千港元	Share premium 股份溢價 HK\$'000 千港元	Retained profits 保留溢利 HK\$'000 千港元	Total 合計 HK\$'000 千港元
At 1st January 2005 二零零五年一月一日	86,759	29,345	10,436	126,540
Profit attributable to shareholders 股東應佔溢利	—	—	11,447	11,447
Dividends paid (Note 12) 已派股息 (附註12)				
2004 final dividend 二零零四年末期股息	—	—	(7,256)	(7,256)
2005 interim dividend 二零零五年中期股息	—	—	(4,837)	(4,837)
At 31st December 2005 二零零五年十二月三十一日	86,759	29,345	9,790	125,894
Proposed final dividend (Note 12) 擬派末期股息 (附註12)	—	—	(7,256)	(7,256)
	86,759	29,345	2,534	118,638
At 1st January 2006 二零零六年一月一日	85,759	29,345	9,790	125,894
Profit attributable to shareholders 股東應佔溢利	—	—	14,235	14,235
Dividends paid (Note 12) 已派股息 (附註12)				
2005 final dividend 二零零五年末期股息	—	—	(7,256)	(7,256)
2006 interim dividend 二零零六年中期股息	—	—	(4,837)	(4,837)
At 31st December 2006 二零零六年十二月三十一日	86,759	29,345	11,932	128,036
Proposed final dividend (Note 12) 擬派末期股息 (附註12)	—	—	(9,674)	(9,674)
	86,759	29,345	2,258	118,362

NOTES TO THE ACCOUNTS

賬目附註

26. RESERVES (continued)

- (i) The merger reserve of the Group arising from the group reconstruction is determined by the difference between the nominal value of shares of the subsidiaries acquired pursuant to the group reconstruction and the nominal value of the Company's shares deemed to have been issued.
- (ii) The contributed surplus of the Company represents the difference between the nominal value of the shares issued by the Company in exchange for all the issued ordinary shares of World Trade Bun Kee (BVI) Ltd. and the value of net assets of the underlying subsidiaries acquired by the Company on 22nd November 2000. Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus is distributable to the shareholders, subject to a solvency test. At the group level, the contributed surplus is reclassified into its component of reserves of the underlying subsidiaries.
- (iii) At 31st December 2006, reserves of the Company available for distribution, including the contributed surplus, amounted to HK\$98,691,000 (2005: HK\$96,549,000).

27. DEFERRED TAXATION

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

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

	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
At 1st January 於一月一日	(1,216)	(918)
Deferred taxation charged/(credited) to profit and loss account (Note 10) 於損益表中扣除/(計入)之遞延稅項(附註10)	73	(298)
At 31st December 於十二月三十一日	(1,143)	(1,216)

26. 儲備(續)

- (i) 因集團重組而帶來之本集團合併儲備，乃按集團重組購入之附屬公司股份面值與視作已發行之本公司股份面值間之差額而釐定。
- (ii) 本公司之繳入盈餘乃指本公司為換取 World Trade Bun Kee (BVI) Ltd. 全部已發行普通股而發行之股份面值與本公司所收購有關附屬公司於二零零零年十一月二十二日之資產淨值兩者間之差額。根據百慕達一九八一年公司法(經修訂)，繳入盈餘在符合有關無力償還債務之測試之情況下，可供分派予股東。在集團之賬目上，繳入盈餘重新分類為各有關附屬公司之儲備組成部分。
- (iii) 於二零零六年十二月三十一日，可作為分派之本公司儲備(包括繳入盈餘)達98,691,000港元(二零零五年：96,549,000港元)。

27. 遞延稅項

遞延稅項乃按主要稅率17.5%(二零零五年：17.5%)以負債法就暫時差異作全數撥備。

遞延稅項資產賬之變動如下：

NOTES TO THE ACCOUNTS

賬目附註

27. DEFERRED TAXATION (continued)

The movement in deferred tax (assets)/liabilities (prior to offsetting of balances within the same taxation jurisdiction) during the year is as follows:

Deferred tax assets 遞延稅項資產

	Tax depreciation 稅項折舊		Provisions 撥備		Total 合計	
	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
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1st January 於一月一日	(89)	(259)	(1,302)	(704)	(1,391)	(963)
Charged/(credited) to profit and loss account 在損益表扣除/(計入)	11	170	(334)	(598)	(323)	(428)
At 31st December 於十二月三十一日	(78)	(89)	(1,636)	(1,302)	(1,714)	(1,391)

Deferred tax liabilities 遞延稅項負債

	Tax depreciation 稅項折舊	
	2006 二零零六年	2005 二零零五年
	HK\$'000 千港元	HK\$'000 千港元
As 1st January 於一月一日	175	45
Charged to profit and loss account 在損益表扣除	396	130
As at 31st December 於十二月三十一日	571	175
Deferred tax assets 遞延稅項資產	(1,714)	(1,391)
Deferred tax liabilities 遞延稅項負債	571	175
	(1,143)	(1,216)

27. 遞延稅項 (續)

遞延稅項資產/負債(在同一徵稅地區之結餘抵銷前)於年內之變動如下:

NOTES TO THE ACCOUNTS

賬目附註

28. BORROWINGS

28. 借貸

	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Bank borrowings 銀行借貸	—	1,686
Trust receipt loans 信託收據貸款	126,256	70,408
	126,256	72,094

The borrowings of the Group are in Hong Kong dollars, interest is payable at a floating rate and wholly repayable within one year. The average effective interest rate per annum of the borrowings at 31st December 2006 was 4.78% (2005: 5.18%).

The Group had aggregate banking facilities of approximately HK\$315,125,000 as at 31st December 2006 (2005: HK\$284,125,000) for overdrafts, term loans and other trade finance facilities. Banking facilities utilised as at 31st December 2006 amounted to approximately HK\$143,931,000 (2005: HK\$93,577,000). The banking facilities were secured by corporate guarantees from the Company.

本集團之借貸以港元為單位及按浮動利率計息，全數須於一年內償還。於二零零六年十二月三十一日，借貸之平均實際年利率為4.78% (二零零五年：5.18%)。

於二零零六年十二月三十一日，本集團之銀行融資共約315,125,000港元 (二零零五年：284,125,000港元)，其中包括透支、有期貸款及其他貿易融資。於二零零六年十二月三十一日，已動用之銀行融資約達143,931,000港元 (二零零五年：93,577,000港元)。銀行融資由本公司提供的公司擔保作抵押。

NOTES TO THE ACCOUNTS

賬目附註

29. CONSOLIDATED CASH FLOW STATEMENT

Reconciliation of profit for the year to cash generated from operations:

29. 綜合現金流量表

年度溢利與經營活動產生之現金流入之對賬：

	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Profit for the year 年度溢利	59,302	42,524
Adjustments for: 就以下項目作出調整：		
– Taxation 稅項	12,314	8,589
– Depreciation of property, plant and equipment 物業、廠房及設備之折舊	2,082	2,058
– Loss/(gain) on disposal of property, plant and equipment 出售物業、廠房及設備之虧損／(收益)	285	(277)
– Write-back of provision for legal compensation 撥回法律賠償撥備	–	(1,500)
– Net fair value (gain)/loss on financial assets at fair value through profit or loss 就按公平值計入損益表之金融資產之估值(收益)／虧損淨額	(268)	180
– Net realised gain on disposal of financial assets at fair value through profit or loss 出售按公平值計入損益表之金融資產所套現之收益淨額	(1,565)	(488)
– Interest income 利息收入	(2,332)	(697)
– Dividend income from financial assets at fair value through profit or loss 按公平值計入損益表之金融資產之股息收入	(146)	(151)
– Interest expenses 利息支出	4,553	2,301
Changes in working capital 營運資金變動		
– Increase in inventories 存貨增加	(31,076)	(27,922)
– (Increase)/decrease in trade and other receivables 貿易及其他應收款項(增加)／減少	(30,182)	417
– Decrease in trade and other payables 貿易及其他應付款項減少	(9,310)	(4,388)
– Increase in amounts due to related companies 應收關連公司款項增加	968	–
Cash generated from operations 經營業務之現金流入	4,625	20,646

NOTES TO THE ACCOUNTS

賬目附註

29. CONSOLIDATED CASH FLOW STATEMENT (continued)

In the cash flow statement, proceeds from disposal of property, plant and equipment comprise:

	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Net book amount 賬面淨值	323	—
(Loss)/gain on disposal of property, plant and equipment 出售物業、廠房及設備之(虧損)/收益	(285)	277
Proceeds from disposal of property, plant and equipment 出售物業、廠房及設備之所得款項	38	277

30. OPERATING LEASES

(a) AS LESSEE

At 31st December 2006, the Group had future aggregate minimum lease payments under non-cancellable operating leases in respect of land and buildings as follows:

	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Not later than one year 一年內	12,751	13,726
Later than one year and not later than five years 第二至第五年(包括首尾兩年)	6,234	10,875
	18,985	24,601

29. 綜合現金流量表(續)

於現金流量表內，出售物業、廠房及設備之所得款項包括：

	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
賬面淨值	323	—
(Loss)/gain on disposal of property, plant and equipment 出售物業、廠房及設備之(虧損)/收益	(285)	277
出售物業、廠房及設備之所得款項	38	277

30. 經營租約

(a) 作為承租人

於二零零六年十二月三十一日，本集團根據土地及樓宇不可撤銷經營租約之日後最低租金總額如下：

	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
一年內	12,751	13,726
第二至第五年(包括首尾兩年)	6,234	10,875
	18,985	24,601

NOTES TO THE ACCOUNTS

賬目附註

30. OPERATING LEASES (continued)

(b) AS LESSOR

At 31st December 2006, the Group had future aggregate minimum lease receivables under non-cancellable operating leases in respect of its investment properties as follows:

	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Not later than one year 一年內	760	960
Later than one year and not later than five years 第二至第五年 (包括首尾兩年)	—	760
	760	1,720

31. PENDING LITIGATION

Bun Kee (International) Limited was cited as a defendant in an action brought by a customer. The Group has filed a statement of defence. The sum included in the claim amounted to approximately HK\$645,000 plus other related costs. No further action has been taken by the customer since November 1999. The Directors are of the opinion that the Group is unlikely to suffer any losses from the claim and no provision is considered necessary.

30. 經營租約 (續)

(b) 作為出租人

於二零零六年十二月三十一日，本集團根據投資物業不可撤銷經營租約之日後最低應收租賃賬款總額如下：

31. 待決訴訟

彬記(國際)有限公司被傳訊為一客戶提出之訴訟之被告。本集團已呈遞答辯書。索賠之款項約為645,000港元另加其他相關費用。自一九九九年十一月起，該客戶並無採取進一步行動。董事認為本集團不會因該索賠蒙受任何損失，故並無需要作出撥備。

NOTES TO THE ACCOUNTS

賬目附註

32. RELATED PARTY TRANSACTIONS

The Company is controlled by On Top Industrial Limited (“On Top”), a company incorporated in the British Virgin Islands, which directly owns 50.61% of the Company’s shares. On Top is jointly controlled by Jong Yee Limited (“Jong Yee”), Kingsville Inc. (“Kingsville”), Manhattan Properties Limited (“Manhattan”) and Click Fort Limited (“Click Fort”) and which indirectly and collectively own 23.82% of the Company’s shares. The remaining 25.57% of the shares are widely held.

Jong Yee is the trustee of the Jong Yee Unit Trust. All units of the Jong Yee Unit Trust are owned by the Karny Trust, the discretionary beneficiaries of which are family members of Mr. Tsang Chung Yin.

Kingsville is the trustee of the Kingsville Unit Trust. All units of the Kingsville Unit Trust are owned by the Fungming Trust, the discretionary beneficiaries of which are family members of Dr. Tsang Ngan Chung.

Manhattan Properties is owned by St. George’s Trust Company Limited which is the trustee of the Manhattan Trust, the discretionary beneficiaries of which are family members of Mr. Tsang Yin.

Click Fort is owned by Mr. Tsang Kwong Sang, Sunny and Mr. Tsang Kwong Fai.

32. 關連人士交易

本公司由On Top Industrial Limited(「On Top」)控制。On Top為於英屬處女群島註冊成立之公司，其直接擁有本公司股份之50.61%。On Top由Jong Yee Limited(「Jong Yee」)、Kingsville Inc.(「Kingsville」)、Manhattan Properties Limited(「Manhattan」)及Click Fort Limited(「Click Fort」)所共同控制，其間接及共同地擁有本公司股份之23.82%。其餘25.57%之股份由不同人士廣泛地持有。

Jong Yee 乃Jong Yee Unit Trust之受託人。Jong Yee Unit Trust之所有單位均由Karney Trust擁有，後者之酌情受益人為曾仲賢先生之家族成員。

Kingsville乃Kingsville Unit Trust之受託人。Kingsville Unit Trust之所有單位均由Fungming Trust擁有，後者之酌情受益人為曾銀鐘博士之家族成員。

Manhattan Properties由Manhattan Trust之受託人St. George’s Trust Company Limited擁有。Manhattan Trust之酌情受益人為曾仲賢先生之家族成員。

Click Fort由曾廣生先生與曾廣輝先生所擁有。

NOTES TO THE ACCOUNTS

賬目附註

32. RELATED PARTY TRANSACTIONS (continued)

During the year, the Group had the following significant related party transactions, which were carried out in the normal course of Group's business:

(a) Rental expenses paid to:
租賃開支支付予：

Bun Kee (H.K.) Limited
彬記(香港)有限公司
Bun Kee (China) Limited
彬記(中國)有限公司
Powerful Agents Limited

(i)
(i)
(i)

	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
	4,632	3,266
	1,500	1,320
	5,532	3,925

(i) These companies are beneficially owned and controlled by certain Directors of the Company. Rentals were paid to these companies for leasing office premises, retail outlets and warehouses of the Group.

Rental agreements were entered into between the Group and Bun Kee (H.K.) Limited, Bun Kee (China) Limited and Powerful Agents Limited under which these properties were rented to the Group based on market rates as determined by a firm of independent property valuers.

32. 關連人士交易 (續)

於年內，本集團曾於本集團之日常業務範圍內進行下列重大關連人士交易：

(i) 該等公司由本公司若干董事實益擁有及控制。為租賃本集團之辦公室、零售店及貨倉，本公司向該等公司支付租金。

本集團與彬記(香港)有限公司、彬記(中國)有限公司及 Powerful Agents Limited 訂立租約，有關物業按獨立物業估值師行釐定之市場租金租予本集團。

NOTES TO THE ACCOUNTS

賬目附註

32. RELATED PARTY TRANSACTIONS

(continued)

(b) Year-end balances

	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Bun Kee (H.K.) Limited 彬記(香港)有限公司	386	—
Bun Kee (China) Limited 彬記(中國)有限公司	121	—
Powerful Agents Limited	461	—
	968	—

The amounts due to related companies are unsecured, interest free and repayable on demand

應付關連公司款項為無抵押、免息及須於要求時償還

(c) Key management compensation

	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Salaries, bonus and other short-term employee benefits 薪金、花紅及其他短期僱員福利	24,433	23,781
Pension costs – mandatory provident fund 退休金成本 – 強制性公積金	410	108
	24,843	23,889

(c) 主要管理人員補償