

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2006
截至二零零六年十二月三十一日止年度

1. GENERAL

The Company is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information of the annual report.

The Company is an investment holding company and it also provides corporate management services. Its subsidiaries are principally engaged in the design and marketing of telephone and related products.

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

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

In preparing the consolidated financial statements, the directors of the Company have given consideration to the future liquidity of the Group in light of its net liabilities of approximately HK\$39 million at 31 December 2006 and the loss of approximately HK\$350 million reported for the current year. The directors are also taking active steps to improve the liquidity position of the Group. These steps include (i) raising a net cash proceeds of HK\$60 million through a rights issue in the proportion of one rights share for every two shares in January 2007; (ii) negotiating with major customers to accelerate the pace of launching new products; (iii) implementing stringent cost control measures; (iv) requesting suppliers to extend their payment terms to strengthen its cash flow position. Provided that these measures can successfully improve the liquidity position of the Group, the directors are satisfied that the Group will be able to continue to operate with no significant financial difficulties. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

1. 一般資料

本公司為在百慕達註冊成立之受豁免有限公司，其股份在香港聯合交易所有限公司（「聯交所」）上市。本公司之註冊辦事處及主要辦事處地址已於本年報之公司資料中披露。

本公司乃一間投資控股公司，亦提供企業管理服務。其附屬公司主要從事電話及相關產品之設計及市場推廣業務。

本綜合財務報表以港元呈報，即與本公司之功能貨幣相同。

2. 編製財務報表之基準

在編製綜合財務報表時，鑑於本集團於二零零六年十二月三十一日之負債淨額約為39,000,000港元及本年度報出之虧損約為350,000,000港元，本公司董事已考慮本集團之日後流動資金狀況。董事亦已採取積極步驟改善本集團之流動資金狀況。該等步驟包括(i)於二零零七年一月透過供股(按每兩股股份可認購一股供股股份之比例)籌集現金款項淨額60,000,000港元；(ii)與主要客戶磋商，加快推出新產品之步伐；(iii)實施嚴格成本控制措施；(iv)要求供應商延長其付款期限，以加強本集團之現金流量狀況。在該等措施可成功改善本集團之流動資金狀況之前提下，董事信納本集團將可繼續營運而無重大財政困難。因此，綜合財務報表已根據持續經營基準編製。

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

In the current year, the Group has applied, for the first time, a number of new standard, amendments and interpretations (“new HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), which are either effective for accounting periods beginning on or after 1 December 2005 or 1 January 2006. The adoption of the new HKFRSs has resulted in changes to the Group’s accounting policies in the following areas that have an effect on how the results and financial position for the current or prior accounting periods have been prepared and presented:

Financial guarantee contracts

In the current year, the Group has applied Hong Kong Accounting Standard (“HKAS”) 39 and HKFRS 4 (Amendments) *Financial guarantee contracts* which is effective for annual periods beginning on or after 1 January 2006.

A financial guarantee contract is defined by HKAS 39 *Financial Instruments: Recognition and Measurement* as “a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument”.

The Group acts as the issuer of the financial guarantee contracts

Prior to 1 January 2006, financial guarantee contracts were not accounted for in accordance with HKFRS 4 *Insurance Contract* and those contracts were disclosed as contingent liabilities. A provision for financial guarantee was only recognised when it was probable that an outflow of resources would be required to settle the financial guarantee obligation and the amount can be estimated reliably.

3. 應用全新及經修訂之香港財務報告準則（「香港財務報告準則」）

於本年度，本集團首次應用由香港會計師公會（「香港會計師公會」）頒佈之多項新訂準則、修訂及詮釋（合稱為「新香港財務報告準則」），該等準則乃於二零零五年十二月一日或二零零六年一月一日或以後開始之會計期間生效。採納新香港財務報告準則導致本集團於下述範疇對本會計期間或過往會計期間之業績及財務狀況之編製及呈報方式有所影響之會計政策出現變動。

金融擔保合約

於本年度，本集團已應用香港會計準則（「香港會計準則」）第39號及香港財務報告準則第4號（經修訂）「金融擔保合約」，該準則於二零零六年一月一日或以後開始之年度期間生效。

按香港會計準則第39號「金融工具：確認及計量」之定義，一項金融擔保合約為「一項要求發行人作出特定付款，以付還持有人因特定欠債人未能根據一項債務工具之原有或修訂條款於債務到期時還款所蒙受之損失之合約」。

本集團作為金融擔保合約之發行人

在二零零六年一月一日前，金融擔保合約並無根據香港財務報告準則第4號「保險合約」之規定列賬，而此等合約乃披露為或然負債。金融擔保之撥備只會在可能須流出資源以清償金融擔保責任及有關金額能可靠估計之情況下確認。

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

(continued)

The Group acts as the issuer of the financial guarantee contracts (continued)

Upon the application of these amendments, a financial guarantee contract issued by the Group and not designated as at fair value through profit or loss is recognised initially at its fair value less transaction costs that are directly attributable to the issue of the financial guarantee contract. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of: (i) the amount determined in accordance with HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets*; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with HKAS 18 *Revenue*.

In relation to financial guarantees granted to certain banks over the repayment of loans by a jointly controlled entity, the Group has applied the transitional provisions of HKAS 39. The fair value of the financial guarantee contracts at the date of grant was approximately HK\$3.4 million. It represents a deemed capital contribution to the jointly controlled entity and has been included in the cost of investment in the jointly controlled entity. This change in accounting policy has resulted in an increase in the loss for the year of approximately HK\$2.6 million.

The effect of changes in accounting policies described above on the results for the current and prior year are as follows:

Share of loss of a jointly controlled entity	應佔一間合營公司之虧損
Amortisation of financial guarantee contracts (note 8)	金融擔保合約之攤銷 (附註8)
Increase in loss for the year	本年度虧損增加

3. 應用全新及經修訂之香港財務報告準則(「香港財務報告準則」)(續)

本集團作為金融擔保合約之發行人(續)

在應用此等修訂時，由本集團發出及並無指定按公平值計入損益賬之金融擔保合約，初步按其公平值減發行金融擔保合約直接應佔之交易成本確認。在初步確認後，本集團在計量金融擔保合約時會按(i)根據香港會計準則第37號「撥備、或然負債及或然資產」釐定之金額；及(ii)初步確認金額之較高者，扣除(在適用情況下)根據香港會計準則第18號「收益」確認之累計攤銷。

就一間合營公司償還貸款而向若干銀行提供之金融擔保而言，本集團已應用香港會計準則第39號之過渡性規定。該金融擔保合約於提供日期之公平值約為3,400,000港元。該金額亦即視為注入該合營公司之資本，並已列作該合營公司之投資成本。該項會計政策之變動導致本年度之虧損增加約2,600,000港元。

上述會計政策變動對本年度及過往年度之業績影響如下：

2006	2005
HK\$'000	HK\$'000
千港元	千港元

3,354	-
(671)	-
2,683	-

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3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

The Group acts as the issuer of the financial guarantee contracts (continued)

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

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

- ¹ Effective for annual periods beginning on or after 1 January 2007
- ² Effective for annual periods beginning on or after 1 March 2006
- ³ Effective for annual periods beginning on or after 1 May 2006
- ⁴ Effective for annual periods beginning on or after 1 June 2006
- ⁵ Effective for annual periods beginning on or after 1 November 2006
- ⁶ Effective for annual periods beginning on or after 1 March 2007
- ⁷ Effective for annual periods beginning on or after 1 January 2008
- ⁸ Effective for annual periods beginning on or after 1 January 2009

3. 應用全新及經修訂之香港財務報告準則（「香港財務報告準則」）（續）

本集團作為金融擔保合約之發行人（續）

本集團並無提前應用以下已頒佈惟尚未生效之新準則、修訂或詮釋。本公司董事預期應用該等準則、修訂或詮釋將不會對本集團業績及財務狀況構成重大影響。

香港會計準則 第1號（經修訂）	資本披露 ¹
香港財務報告準則第7號	金融工具；披露 ¹
香港財務報告準則第8號	營運分部 ⁸
香港（國際財務報告詮釋委員會）－詮釋第7號	根據香港會計準則第29號 「嚴重通脹經濟之財務報告」應用重列法 ²
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 範圍 ³
香港（國際財務報告詮釋委員會）－詮釋第9號	重估內在衍生工具 ⁴
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 ⁵
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－ 集團及財務股份交易 ⁶
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 ⁷

- ¹ 於二零零七年一月一日或以後開始之年度期間生效
- ² 於二零零六年三月一日或以後開始之年度期間生效
- ³ 於二零零六年五月一日或以後開始之年度期間生效
- ⁴ 於二零零六年六月一日或以後開始之年度期間生效
- ⁵ 於二零零六年十一月一日或以後開始之年度期間生效
- ⁶ 於二零零七年三月一日或以後開始之年度期間生效
- ⁷ 於二零零八年一月一日或以後開始之年度期間生效
- ⁸ 於二零零九年一月一日或以後開始之年度期間生效

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4. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared on the historical cost basis as explained in the accounting policies set out below.

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

Basis of consolidation

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

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

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

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

Minority interests in the net assets of consolidated subsidiaries are presented separately from the Group's equity therein. Minority interests in the net assets consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

4. 主要會計政策

如下文載列之會計政策所解釋，本綜合財務報表已根據歷史成本基準編製。

本綜合財務報表乃按照香港會計師公會頒佈之香港財務報告準則編製。此外，本綜合財務報表包括香港聯合交易所有限公司證券上市規則及香港公司條例要求之適用披露範圍。

綜合基準

本綜合財務報表包括本公司及本公司所控制個體（其附屬公司）之財務報表。倘本公司有權管制某一個體之財務及營運政策，從而自其業務獲得利益即達至控制局面。

本年度收購或出售之附屬公司之業績，已自收購生效日期起或截至出售生效日期止（如適用）計入綜合收益表。

如有需要，會對附屬公司之財務報表作出調整，以使其會計政策與本集團其他成員公司所使用者一致。

所有集團內公司間交易、結餘、收益及支出均於綜合賬目時被撇銷。

綜合附屬公司資產淨值內之少數股東權益與本集團應佔之權益分開呈列。資產淨值內之少數股東權益包括於原業務合併日期之有關權益數額及自合併日期起計之少數股東應佔之權益變動。少數股東應佔虧損超出附屬公司股權中少數股東權益之數額，將以本集團之權益作出分配，惟少數股東須具約束力責任及可以其他投資補足虧損者除外。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Jointly controlled entities

Joint venture arrangements that involve the establishment of a separate entity in which venturers have joint control over the economic activity of the entity are referred to as jointly controlled entities.

The results and assets and liabilities of jointly controlled entities are incorporated in the consolidated financial statements using the equity method of accounting. Under the equity method, investments in jointly controlled entities are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the jointly controlled entities, less any identified impairment loss. When the Group's share of losses of a jointly controlled entity equals or exceeds its interest in that jointly controlled entity, the Group discontinues recognising its share of further losses. An additional share of losses is provided for and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that jointly controlled entity.

When a group entity transacts with a jointly controlled entity of the Group, unrealised profits or losses are eliminated to the extent of the Group's interest in the jointly controlled entity, except to the extent that unrealised losses provide evidence of an impairment of the asset transferred, in which case, the full amount of losses is recognised.

Property, plant and equipment

Property, plant and equipment are stated at cost less subsequent accumulated depreciation and accumulated impairment losses.

Depreciation is provided to write off the cost of items of property, plant and equipment over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

4. 主要會計政策(續)

合營公司

合營公司指涉及成立獨立個體之合營安排，據此，每位合營者對該個體之經濟活動擁有共同控制權。

合營公司之業績、資產及負債均採用權益會計法計入綜合財務報表。按照權益法，於合營公司之投資，乃按成本並經就本集團所佔該合營公司之資產淨值收購後變動作出調整，再減任何已識別減值虧損於綜合資產負債表內列賬。倘本集團對某一合營公司所承擔之虧損等於或超逾在該合營公司所享權益，則本集團將停止確認其分佔之進一步虧損。僅當本集團招致司法或引申債務或代表該合營公司支付款項時，才對額外虧損額進行撥備並確認負債。

倘某集團個體與本集團之合營公司進行交易，未實現之盈虧根據本集團於該合營公司之權益予以撇銷，惟倘未實現虧損證明所轉讓資產出現減值時，則須全額確認虧損。

物業、廠房及設備

物業、廠房及設備乃按成本值減隨後之累計折舊及累計減值虧損列賬。

物業、廠房及設備項目乃根據估計可使用年期，並考慮其估計剩餘價值，以直線法計算折舊撥備以撇銷成本。

根據融資租賃持有之資產乃於其估計可使用年期或租賃年內(取較短者)按與自有資產相同之基準折舊。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment (continued)

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

Leasing

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

The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss.

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

4. 主要會計政策(續)

物業、廠房及設備(續)

某項物業、廠房及設備於出售時或無望透過繼續使用該項資產於日後獲得經濟收益時即被取消確認。資產不再確認所導致之任何收益或虧損(即出售所得款項淨額與其賬面值之差額)將計入不再確認資產發生之年度之綜合收益表。

租賃

當租約實質上將業權所產生之絕大部份風險及得益轉移給承租人，該等租約被視為融資租賃合約。所有其他租賃均被視為營運租賃。

本集團為承租人

根據融資租賃持有之資產於租約生效時按公平值或最低租金之現值(以較低者為準)確認為本集團之資產。對出租人之相應負債作為融資租賃之債務計入綜合資產負債表。租金在融資費用與削減租賃債務之間分配，以為負債餘額實現固定之利率。融資費用直接自損益表扣除。

營運租賃之應付租金於租期內按直線法自損益表扣除。因簽訂營運租約已收或應收之鼓勵性優惠，按直線法於租期內確認為租金費用之扣減。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible assets – research and development expenditures

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development expenditure is recognised only if it is anticipated that the development costs incurred on a clearly-defined project will be recovered through future commercial activity. The resultant asset is amortised on a straight-line basis over its useful life, and carried at cost less subsequent accumulated amortisation and any accumulated impairment losses.

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria. Where no internally-generated intangible asset can be recognised, development expenditure is charged to profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible asset is reported at cost less accumulated amortisation and accumulated impairment losses.

Impairment of intangible assets not yet available for use

Intangible assets not yet available for use are tested for impairment annually by comparing their carrying amounts with their recoverable amounts, irrespective of whether there is any indication that they may be impaired. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

4. 主要會計政策(續)

無形資產 – 研究及開發成本

研究事務之支出於出現之期間確認為開支。

因開發支出所產生而源自內部之無形資產，僅於明確界定項目之開發成本預料會從日後之商業活動中收回時確認。所產生之資產按可使用年期以直線法攤銷，並按照成本值減隨後之累計攤銷及任何累計減值虧損列賬。

就源自內部之無形資產初步確認之金額指由該無形資產首次符合確認條件當日起出現之開支總額。倘不能確認源自內部之無形資產，則開發支出於出現之期間於損益賬中扣除。

於初步確認後，源自內部之無形資產以成本減累計攤銷及累計減值虧損列報。

尚未可供使用之無形資產減值

尚未可供使用之無形資產每年均進行減值測試，方法為比較其可收回款額與賬面值，而不論是否出現可能減值之跡象。倘估計資產之可收回款額低於其賬面值，則資產賬面值須減低至其可收回款額。減值虧損會即時確認為開支。

倘減值虧損其後撥回，則資產賬面值須增加至其經修訂之估計可收回款額，惟該增加之賬面值不得超逾過往年度假設並無就資產確認任何減值虧損下而釐定之賬面值。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)**Revenue recognition**

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

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

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

Impairment (other than intangible assets not yet available for use)

At each balance sheet date, the Group reviews the carrying amounts of its tangible assets and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

Inventories

Inventories, which represent goods held for sale, are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average method.

4. 主要會計政策(續)**收入確認**

收入乃按照於一般業務過程中售出之貨品及所提供服務之已收取或應收取之代價之公平值，扣除折扣及相關銷售稅項計算。

貨品銷售於貨品付運及擁有權轉移後確認。

來自金融資產之利息收入按未償還本金額及適用之實際利率以時間比例計算。有關利率將金融資產之估計未來所收現金在估計可使用年內折現至資產賬面淨值。

減值(尚未可供使用之無形資產除外)

本集團於每個結算日評估其有限使用年期之有形資產及無形資產之賬面值，以確定是否有跡象顯示該等資產出現減值虧損。倘估計資產之可收回款額低於其賬面值，則資產之賬面值須減至其可收回款額。減值虧損即時確認為開支。

倘減值虧損其後撥回，則資產賬面值須增加至其經修訂之估計可收回款額，惟該增加之賬面值不得超逾過往年度假設並無就資產確認任何減值虧損下而釐定之賬面值。撥回之減值虧損即時確認為收入。

存貨

存貨(持有作出售用途之貨品)按成本值與可變現淨值兩者之較低值列賬。成本乃按加權平均法計算。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Retirement benefit costs

Payments to the Mandatory Provident Fund Scheme are charged as an expense when employees have rendered service entitling them to the contributions. The amount of contributions payable to pension schemes in jurisdictions other than Hong Kong are also charged to the consolidated income statement as they fall due.

Taxation

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

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

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

4. 主要會計政策(續)

退休福利成本

向強制性公積金計劃支付之款項於僱員已提供令其享有供款之服務時列作開支。向在香港以外司法權區之退休計劃所支付之供款額亦於到期支付時於綜合收益表中扣除。

稅項

所得稅開支乃指當期應付稅項及遞延稅項之總額。

當期應付稅項乃根據本年度之應課稅溢利計算。應課稅溢利與綜合收益表上呈報之溢利之差額，源於應課稅溢利並不包括隨後年期才計稅或可扣減之若干收入或支出項目，亦不包括不需課稅及不可扣稅之項目。本集團就當期稅項之責任，乃根據於結算日制定或實質制定之稅率計算。

遞延稅項乃指根據綜合財務報表資產及負債之賬面值及其用於計算應課稅溢利的相應稅基之間的差額，並以資產負債表負債法計算。一般情況之下，所有因應課稅臨時差額而產生之遞延稅項負債均予確認，而遞延稅項資產則按將來應課稅溢利可用作抵銷可扣稅之臨時差額之限額內計算。如暫時性差異乃由商譽或因某交易初次確認(業務合併除外)其他資產及負債而產生，又不影響應課稅溢利及會計溢利，則不予以確認此等遞延資產及負債。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation (continued)

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

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

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

Foreign currencies

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

4. 主要會計政策(續)

稅項(續)

除非本集團可控制有關暫時性差額之回撥或在可見將來都不能回撥的情況下，由投資附屬公司及於合營公司之權益產生之暫時性差額，其遞延稅項負債均需予以確認。

遞延稅項資產之賬面值需於每年之結算日作檢討，並於不再可能有足夠應課稅溢利以收回全部或部份資產之情況下作出相應扣減。

遞延稅項預期於清還負債或變現資產期間按適用之稅率計算，並於損益賬中列入或扣除。若有關項目直接於股本項目中列入或扣除，其遞延稅項則於股本項目中處理。

外幣

於編製各集團個體之財務報表時，倘交易之貨幣(外幣)與該個體之功能貨幣不同，則以其功能貨幣(該個體營運地區主要經濟環境採用之貨幣)按交易日匯率折算入賬。於每個結算日，以外幣為單位之貨幣性項目按結算日匯率重新折算。以外幣歷史成本計量之非貨幣性項目則不予重新折算。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies (continued)

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise.

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

Financial instruments

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

4. 主要會計政策(續)

外幣(續)

結算及折算貨幣性項目所產生之匯兌差額於有關期間在損益賬內確認。

為便於呈列綜合財務報表，本集團海外業務之資產及負債均按結算日匯率折算為本集團之呈列貨幣(港幣)，其收入及支出則按當年平均匯率折算，若期間匯率大幅波動則按交易日匯率折算。產生之任何匯兌差額均確認為股本之單獨部份(換算儲備)。匯兌差額於出售有關海外業務之期間於損益賬內確認。

金融工具

當集團個體成為金融工具合約之訂約方，則金融資產及金融負債於資產負債表內確認。金融資產及金融負債初步按公平值計量。收購或發行金融資產及金融負債(按公平值列入損益賬之金融資產及金融負債除外)直接應佔之交易成本，於初步確認時按適用情況加入或從金融資產或金融負債之公平值扣減。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)**Financial assets**

The Group's financial assets are classified as loans and receivables. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Loans and receivables

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

4. 主要會計政策(續)**金融資產**

本集團之金融資產分類為貸款及應收款項。所有從正常渠道購買或出售之金融資產以交易日基準確認或不再確認。從正常渠道進行之購買或出售，為須於法例或市場慣例訂立之期間內交付資產所購買或出售之金融資產。

貸款及應收款項

貸款及應收款項乃於交投活躍市場未有報價，並具有固定或可議定付款之非衍生金融資產。於初步確認後之每個結算日，貸款及應收款項(包括應收貿易賬款、應收票據及其他應收款項、已投保之應收貿易賬款、應收一間合營公司貿易賬款、附有全面追索權之應收貼現票據及銀行結餘)均按實際利率法按攤銷成本減任何已識別之減值虧損列賬。當有客觀證據顯示資產已減值，則於損益賬內確認減值虧損，並以資產之賬面值與按原實際利率折現其估計未來現金流量之現值兩者之差額計量。當於確認減值後發生一項事件可以客觀地與資產可收回款額增加形成關係，則減值虧損於其後期間撥回，但以所撥回於減值日期資產之賬面值，不得超逾該項資產原未確認減值之已攤銷成本為限。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial liabilities and equity instruments

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

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted in respect of financial liabilities and equity instruments are set out below.

Financial liabilities

Financial liabilities including trade and other payables, advances drawn on trade receivables with insurance coverage and advances drawn on bills receivables discounted with full recourse, amounts due to directors, obligation under financial leases and bank and other borrowings are subsequently measured at amortised cost, using the effective interest method.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. A financial guarantee contract issued by the Group and not designed as at fair value through profit or loss is recognised initially at its fair value less transaction costs that are directly attributable to the issue of the financial guarantee contract. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of: (i) the amount determined in accordance with HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets*; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with HKAS 18 Revenue.

4. 主要會計政策(續)

金融負債及股本工具

由集團個體所發行之金融負債及股本工具乃根據所訂立合約安排之內容，及金融負債和股本工具之定義予以分類。

股本工具為訂明於本集團資產之餘額權益經扣除其所有負債後之任何合約。就金融負債及股本工具而採納之會計政策載於下文。

金融負債

金融負債(包括應付貿易賬款及其他應付款項、預支已投保應收貿易賬款之墊款及預支附有全面追索權之應收貼現票據之墊款、應付董事款項、融資租賃項下之債務及銀行及其他借貸)使用實際利率法按攤銷成本於其後計量。

股本工具

本公司發行之股本工具以已收所得款項扣除直接發行成本後入賬。

金融擔保合約

金融擔保合約為一項要求發行人作出特定付款，以付還持有人因特定欠債人未能根據一項債務工具之原有或修訂條款於債務到期時還款所蒙受之損失之合約。由本集團發出及並無指定按公平值計入損益賬之金融擔保合約初步按其公平值減發行金融擔保合約直接應佔之交易成本確認。在初步確認後，本集團在計量金融擔保合約時會按(i)根據香港會計準則第37號「撥備、或然負債及或然資產」釐定之金額；及(ii)初步確認金額之較高者，扣除(在適用情況下)根據香港會計準則第18號「收益」確認之累計攤銷。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Derecognition

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

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

Share-based payment transactions

Equity-settled share-based payment transactions

Share options granted to employees of the Group

Share options granted before 7 November 2002, or granted after 7 November 2002 and vested before 1 January 2005

The financial impact of share options granted is not recorded in the consolidated balance sheet until such time as the options are exercised, and no charge is recognised in the consolidated income statement in respect of the value of options granted in the year. Upon the exercise of the share options, the resulting shares issued are recorded as additional share capital at the nominal value of the shares, and the excess if the exercise price per share over the nominal value of the shares is recorded as share premium. Options which lapse or are cancelled prior to their exercise date are deleted from the register of outstanding options.

4. 主要會計政策(續)

不再確認

當從資產收取現金流量之權利屆滿，或金融資產已予轉讓及本集團已轉讓金融資產擁有權之絕大部份風險及回報，則金融資產不再確認。於不再確認金融資產時，資產之賬面值與已收及應收代價及已直接於股本內確認累計收益或虧損總和之差額，於損益賬內確認。

當有關合約指定之債務被解除、註銷或屆滿時，則金融負債不再確認。不再確認金融負債賬面值與已收及應收代價之差額，則於損益賬內確認。

以股份為基礎之付款交易

以股本結算並以股份為基礎付款之交易

向本集團僱員授出之購股權

於二零零二年十一月七日前授出，或於二零零二年十一月七日後授出及於二零零五年一月一日前歸屬之購股權

授出購股權之財政影響直至購股權獲行使時方會在綜合資產負債表中記錄，而且不會就年內授出之購股權價值在綜合收益表內確認支出。在行使購股權時，由此而發行之股份乃按股份之面值記錄為額外股本，而每股股份行使價超逾股份面值之金額乃列為股份溢價。在行使日期前失效或註銷之購股權會自尚未行使購股權之登記冊剔除。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Share options granted to employees of the Group (continued)

Share options granted after 7 November 2002 and vested after 1 January 2005

The fair value of services received determined by reference to the fair value of share options granted at the grant date is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share option reserve).

At each balance sheet date, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of estimates, if any, is recognised in profit or loss with a corresponding adjustment to share options reserve.

At the time when the share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium. When the share options are forfeited or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to accumulated profits.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying the Group's accounting policies, management has made the following judgments and key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. 主要會計政策(續)

向本集團僱員授出之購股權(續)

於二零零二年十一月七日後授出及於二零零五年一月一日後歸屬之購股權

參照購股權授出當日公平值釐定之所獲服務公平值，在歸屬期間隨股本(購股權儲備)之相應增加以直線法列作開支。

於每一結算日，本集團修訂其預期可最終歸屬之購股權數目估計。估計修訂(如有者)之影響在損益賬中確認，並在購股權儲備中作相應調整。

購股權獲行使時，先前於購股權儲備中確認之款項將轉撥至股份溢價。當購股權被沒收或於屆滿日仍未獲行使，先前於購股權儲備中確認之款項將撥入累計溢利。

5. 關鍵會計判斷及估計不確定因素之主要來源

在應用本集團之會計政策過程中，管理層已於結算日作出以下有關未來之判斷及主要假設，及其他估計不確定因素之主要來源，乃具有導致在下一財政年度之資產及負債賬面值作重要調整之重大風險。

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5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Going concern and liquidity

The Group has consolidated net liabilities of approximately HK\$39 million at 31 December 2006 and loss of approximately HK\$350 million for the year then ended indicating the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. The directors are taking active steps to improve the liquidity position of the Group and details are set out in note 2. Subsequent to 31 December 2006, the Group raised net proceeds of HK\$60 million through a rights issue of shares. The consolidated financial statements have been prepared on a going concern basis. Should the rights issue and other measures fail to improve the liquidity position of the Group and the Group is unable to continue in business as a going concern, adjustments would have to be made to reduce the carrying amounts of the assets of the Group to their recoverable amount, to provide for further liabilities which might arise.

Impairment loss on trade and other receivables from a jointly controlled entity, property, plant and equipment and intangible assets

During the year of the Group recognised an impairment loss of approximately HK\$169 million against the trade and other receivables due from a jointly controlled entity whose operations are highly dependent on the continuing operations of the Group, as well as an impairment loss of approximately HK\$72 million against intangible assets. Further details of these impairment losses are set out in notes 17 and 18 respectively. The material uncertainties set out in the paragraphs above in turn result in material uncertainty on the impairment assessment in respect of the trade and other receivables due from the jointly controlled entity and the intangible assets, and in addition create an uncertainty on the impairment assessment in respect of the Group's property, plant and equipment.

5. 關鍵會計判斷及估計不確定因素之主要來源(續)

持續經營及流動資金狀況

本集團於二零零六年十二月三十一日之綜合負債淨額約為39,000,000港元，而截至該日止年度之虧損約為350,000,000港元，顯示存在重大不明朗情況，或會令人對本集團能否按持續基準繼續經營業務存疑。董事正採取積極步驟改善本集團之流動資金狀況，有關詳情載於附註2。於二零零六年十二月三十一日後，本集團透過供股籌集款項淨額60,000,000港元。綜合財務報表乃按持續經營基準編製。倘供股及其他措施無法改善本集團之流動資金狀況及本集團無法按持續基準營運，則會作出調整將本集團資產之賬面值削減至其可收款額，以為可能產生之進一步負債作出撥備。

應收一間合營公司貿易賬款及其他應收款項、物業、廠房及設備及無形資產之減值虧損

於本年度，本集團已就應收一間合營公司貿易賬款及其他應收款項確認減值虧損約169,000,000港元，而該合營公司之業務極之倚賴本集團能否持續經營；並就無形資產確認減值虧損約72,000,000港元。有關該等減值虧損之進一步詳情分別載於附註17及18。以上各段所載之重大不明朗情況則導致對應收合營公司貿易賬款及其他應收款項及無形資產之減值評估存有重大不明朗情況，並進一步導致應否對本集團之物業、廠房及設備確認減值存有不明朗情況。

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6. FINANCIAL INSTRUMENTS

a. *Financial risk management objectives and policies*

The Group's major financial instruments include trade and other receivables, bills receivables, trade receivables from a jointly controlled entity, trade receivables with insurance coverage, bill receivables discounted with full recourse, trade and other payables, bank balances, bank and other borrowings, advance drawn on trade receivables with insurance coverage and advances drawn on bills receivables discounted with full recourse and obligations under finance leases. Details of these financial instruments are disclosed in respective notes. The risks associated with certain of these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors the Group's exposures to ensure appropriate measures are implemented on a timely and effective manner.

Currency risk

The Group mainly operates in Hong Kong and traded with overseas and mainland suppliers and customers, giving rise to significant exposure to market risk from changes in foreign exchange rates. The Group's foreign exchange exposures arise mainly from the exchange rate movements of Euro, United States dollars and Renminbi.

The Group currently does not have a foreign currency hedging policy. However, management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arises.

6. 金融工具

a. *財務風險管理目標及政策*

本集團之主要金融工具包括應收貿易賬款及其他應收款項、應收票據、應收一間合營公司貿易賬款、已投保之應收貿易賬款、附有全面追索權之應收貼現票據、應付貿易賬款及其他應付款項、銀行結餘、銀行及其他借貸、預支已投保應收貿易賬款之墊款及預支附有全面追索權之應收貼現票據之墊款以及融資租賃項下之債務。上述金融工具之詳情於相關附註內披露。與上述若干金融工具有關之風險及如何減輕該等風險之政策載於下文。管理層負責管理及監控本集團之風險，以確保能及時及有效地採取合適之措施。

貨幣風險

本集團主要於香港經營業務，並與海外及國內供應商及客戶作貿易往來，故匯率波動對本集團產生重大市場風險。本集團之匯率風險主要來自歐羅、美元及人民幣之匯率波動。

本集團現時並無制定外匯對沖政策。然而，管理層負責監控外匯風險，並在有需要時考慮對沖重大外匯風險。

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6. FINANCIAL INSTRUMENTS (continued)**a. Financial risk management objectives and policies (continued)***Interest rate risk*

Interest rate risk arises from the potential changes in interest rates that may have adverse effects on the Group's result for the current reporting period and the future years.

The interest rate exposure for the Group is restricted to the finance costs for banking facilities, bank loans and obligations under finance leases. The Group's interest rate risks relates to variable and fixed-rate borrowings. The Group currently does not have any interest rate hedging policy. The directors monitor the Group's exposure on an on going basis and will consider hedging interest rate risk should the need arises.

6. 金融工具 (續)**a. 財務風險管理目標及政策 (續)***利率風險*

利率風險乃因利率之潛在變動而造成，對本集團於本報告期間及日後年度之業績或會產生不利影響。

本集團之利率風險局限於銀行融通、銀行貸款及融資租賃項下之債務之融資成本。本集團之利率風險與浮息及定息借款有關。本集團現時並無制定任何利率對沖政策。董事負責按持續基準監控本集團之利率風險，並在有需要時考慮對沖利率風險。

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6. FINANCIAL INSTRUMENTS (continued)

a. Financial risk management objectives and policies (continued)

Credit risk

The credit risk on liquid funds is limited because the counterparties are banks with good reputation.

The Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations as at 31 December 2006 is the carrying amount of trade, bills and other receivables and financial guarantee issued by the Group arising from the amount of contingent liabilities disclosed in note 33, as stated in the consolidated balance sheet. There is concentration of trade and bills receivables amounting approximately to HK\$170 million, representing 75% of the trade and bills receivables which were due from certain major customers. In order to minimise the credit risk, management of the Group has bought trade insurance on certain customers and 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 the recoverable amount of each individual trade debt at each balance sheet date to ensure that adequate impairment losses are recognised for irrecoverable amounts. In this regard, the directors of the Group consider that the Group's credit risk is significantly reduced.

b. Fair value

The fair value of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis or using prices from observable current market transactions.

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their respective fair values.

6. 金融工具(續)

a. 財務風險管理目標及政策(續)

信貸風險

由於本集團之對手方為有良好信譽之銀行，故流動資金之信貸風險有限。

於二零零六年十二月三十一日，倘對手方未能履行其責任，則本集團所須承受之最大信貸風險，為於綜合資產負債表上所列應收貿易賬款、應收票據及其他應收款項，以及本集團因附註33所披露之或然負債金額而發出之金融擔保之賬面值。應收貿易賬款及應收票據所集中之款額約為170,000,000港元，佔若干主要客戶所欠負之應收貿易賬款及應收票據之75%。為將信貸風險減至最低，本集團管理層已為若干客戶購買貿易保險及派員負責釐定信貸限額、信貸審批及進行其他監控程序，以確保能跟進收回逾期債務。此外，本集團亦會於各結算日審閱個別貿易債務之可收回款額，以確保為不可收款額確認足夠之減值虧損。就此而言，本集團董事認為本集團之信貸風險得以大幅減低。

b. 公平值

金融資產及金融負債之公平值乃根據普遍採納之定價模式，按貼現現金流動分析或採用從可資觀察當時市場交易所得價格釐定。

董事認為在綜合財務報表內按已攤銷成本記錄之金融資產及金融負債賬面值約相當於其個別之公平值。

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7. SEGMENT INFORMATION

Turnover represents the gross amounts received and receivable for goods sold by the Group to outside customers, less returns and allowances, during the year.

Geographical segments by location of customers with reference to the location of final users of the telephone and related equipment for the year ended 31 December 2006 are set out below:

7. 分類資料

營業額為年內本集團向外界客戶銷售貨品減退貨及折扣後所收取及應收取之款項總額。

截至二零零六年十二月三十一日止年度之業務地區分類(按客戶所在地點劃分,並經參考電話及相關設備最終用戶之所在地)載列如下:

		Western Europe 西歐 HK\$'000 千港元	Central and Eastern Europe 中歐 及東歐 HK\$'000 千港元	Asia Pacific 亞太區 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Total 總計 HK\$'000 千港元
REVENUE	收益	<u>1,487,803</u>	<u>89,904</u>	<u>151,790</u>	<u>35,659</u>	<u>1,765,156</u>
RESULTS	業績					
Segment results	分類業績	20,330	1,694	513	633	23,170
Unallocated income	無分配之收入					2,950
Unallocated expenses	無分配之開支					(351,202)
Share of loss of a jointly controlled entity	應佔一間合營公司 之虧損					(3,354)
Finance costs	財務成本					<u>(26,587)</u>
Loss before taxation	除稅前溢利					(355,023)
Income tax credit	所得稅抵免					<u>5,385</u>
Loss for the year	本年度虧損					<u>(349,638)</u>
CONSOLIDATED BALANCE SHEET	綜合資產負債表					
ASSETS	資產					
Segment assets	分類資產	163,948	3,374	55,699	2,433	225,454
Unallocated assets	無分配之資產					<u>360,155</u>
						<u>585,609</u>
LIABILITIES	負債					
Unallocated liabilities	無分配之負債					<u>624,769</u>

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7. SEGMENT INFORMATION (continued)

Geographical segments by location of customers with reference to the location of final users of the telephone and related equipment for the year ended 31 December 2005 are set out below:

7. 分類資料 (續)

截至二零零五年十二月三十一日止年度之業務地區分類(按客戶所在地點劃分,並經參考電話及相關設備最終用戶之所在地)載列如下:

		Western Europe 西歐 HK\$'000 千港元	Central and Eastern Europe 中歐 及東歐 HK\$'000 千港元	Asia Pacific 亞太區 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Total 總計 HK\$'000 千港元
REVENUE	收益	1,748,644	57,832	160,980	33,551	2,001,007
RESULTS	業績					
Segment results	分類業績	99,634	3,714	6,141	2,197	111,686
Unallocated income	無分配之收入					10,478
Unallocated expenses	無分配之開支					(91,183)
Finance costs	財務成本					(18,575)
Profit before taxation	除稅前溢利					12,406
Income tax expense	所得稅支出					(4,869)
Profit for the year	本年度溢利					7,537
CONSOLIDATED BALANCE SHEET	綜合資產負債表					
ASSETS	資產					
Segment assets	分類資產	296,677	-	58,688	510	355,875
Unallocated assets	無分配之資產					504,254
						860,129
LIABILITIES	負債					
Unallocated liabilities	無分配之負債					691,013

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7. SEGMENT INFORMATION (continued)

All of the Group's revenue and contribution to results were derived from the design and sale of telephones and related equipment. Accordingly, no separate business segment analysis is presented for the Group.

As at 31 December 2006 and 2005, more than 90% of the identifiable assets and liabilities of the Group are located in Hong Kong. Accordingly, an analysis of the carrying amount of segment assets and capital expenditure, analysed by the geographical area in which the assets and liabilities are located are not presented.

8. OTHER INCOME

Amortisation of financial guarantee contracts	金融擔保合約之攤銷
Exchange gain	匯兌收益
Gain arising from forward exchange contract	遠期外匯合約產生之收益
Gain on disposal of property, plant and equipment	出售物業、廠房及設備之收益
Interest income (Note)	利息收入 (附註)
Long outstanding trade payable written back	撥回長期未償還應付貿易賬款
Sundry income	雜項收入

Note: Bank interest income derived from bank balances which carry interest at prevailing market rates ranging from 2.0%-3.0% per annum.

7. 分類資料 (續)

所有本集團收入及業績貢獻皆來自設計及銷售電話及相關設備，因此本集團並無呈報獨立業務分類分析。

於二零零六年及二零零五年十二月三十一日，本集團超過90%之可辨認資產及負債均位於香港。因此，並無按資產及負債所在地區呈列分類資產及資本開支賬面值分析。

8. 其他收入

	2006 HK\$'000 千港元	2005 HK\$'000 千港元
	671	—
	971	2,822
	—	2,925
	100	123
	855	1,316
	—	3,055
	353	237
	2,950	10,478

附註：銀行利息收入來自銀行結餘，乃按介乎2.0%至3.0%之當時市場年利率計算。

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9. IMPAIRMENT LOSSES ON ASSETS

9. 資產之減值虧損

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Impairment loss on trade and other receivables from a jointly controlled entity (note 17)	應收一間合營公司貿易賬款及其他應收款項之減值虧損 (附註17)	168,868	-
Impairment loss on intangible assets (note 18)	無形資產之減值虧損 (附註18)	72,531	-
		<u>241,399</u>	<u>-</u>

10. FINANCE COSTS

10. 財務成本

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Interest on:	以下各項之利息：		
- bank and other borrowings wholly repayable within five years	- 須於五年內全數償還之銀行及其他借貸	24,174	16,881
- finance leases	- 融資租賃	2,413	1,694
		<u>26,587</u>	<u>18,575</u>

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11. (LOSS) PROFIT FOR THE YEAR

11. 年內(虧損)溢利

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
(Loss) profit for the year has been arrived at after charging (crediting):	年內(虧損)溢利已扣除(計入)下列各項:		
Product development expenditure, including staff costs capitalised referred to below	產品開發支出, 包括下文所述之資本化員工成本	62,910	95,166
Less: Amount capitalised	減: 資本化金額	<u>(50,609)</u>	<u>(86,250)</u>
		<u>12,301</u>	<u>8,916</u>
Directors' emoluments (note 12)	董事酬金(附註12)	10,287	12,913
Other staff costs	其他員工成本	42,261	64,211
Share-based payments	以股份為基礎之付款	-	1,125
		<u>52,548</u>	<u>78,249</u>
Total employee benefits expense	僱員福利開支總額	52,548	78,249
Less: Amount capitalised in product development expenditure	減: 產品開發支出之資本化金額	<u>(15,310)</u>	<u>(27,553)</u>
		<u>37,238</u>	<u>50,696</u>
Total employee benefits expense charged to consolidated income statement	於綜合收益表扣除之僱員福利開支總額	<u>37,238</u>	<u>50,696</u>
Auditor's remuneration	核數師酬金	1,744	1,197
Cost of inventories recognised as an expense	存貨成本確認為支出	1,707,920	1,852,253
Depreciation	折舊	<u>25,925</u>	<u>15,646</u>

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12. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

Particulars of the emoluments of the directors and five highest paid individuals for the year were as follows:

(a) Directors' remuneration

Year ended 31 December 2006

	Peter Francis AMOUR 區沛達	Malcolm Stephen JACOBS-PATON 千港元	LEUNG Shek Kong 梁錫光	MAK Chee Bun 麥致賁	Edward Hungerford THOMAS CHIA OLIVER 賈元平	Stanley CHAN 陳石麟	Total 總額
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Fees:							
Executive directors							
Independent non-executive directors					90	90	270
					90	90	270
Other emoluments:							
Executive directors – salaries and other benefits	1,289	3,810	2,340	2,530	-	-	9,969
– retirement benefit scheme contribution	12	12	12	12	-	-	48
	1,301	3,822	2,352	2,542	-	-	10,017
	1,301	3,822	2,352	2,542	90	90	10,287

Note: Yoshinori Matsuoka, Satoru Omori, Minoru Kameda, Masashi Kikumoto, Jun Sakamaki and Tony Pischedda have not received any emoluments during the period from their dates of appointment to the dates of resignation.

Peter Francis Amour agreed to waive his salaries by approximately HK\$386,000. The above figure has already reflected the waive.

12. 董事及僱員酬金

董事及五位最高薪人士於本年度之酬金詳情如下：

(a) 董事酬金

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附註： Yoshinori Matsuoka, Satoru Omori, Minoru Kameda, Masashi Kikumoto, Jun Sakamaki及Tony Pischedda在彼等之委任日期起至辭任日期止之期間內並無收取任何酬金。

區沛達已同意放棄其約386,000港元之薪金。上述數字已反映有關放棄權利。

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12. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

12. 董事及僱員酬金 (續)

(continued)

(a) Directors' remuneration (continued)

(a) 董事酬金 (續)

Year ended 31 December 2005

截至二零零五年十二月三十一日止年度

	Peter Francis AMOUR	Malcolm Stephen JACOBS-PATON	LEUNG Shek Kong	MAK Chee Bun	Edward Thomas MILWARD-CHIA OLIVER	Stanley CHAN	Sir Keith BRIGHT	Total
	區沛達	梁錫光	麥致賁	賈元平	陳石麟	爵士	總額	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
	千港元	千港元	千港元	千港元	千港元	千港元	千港元	
Fees:								
Executive directors	-	-	-	-	-	-	-	-
Independent non-executive directors	-	-	-	-	75	75	-	225
	-	-	-	-	75	75	-	225
Other emoluments:								
Executive directors								
- salaries and other benefits	2,540	4,110	2,850	3,090	-	-	50	12,640
- retirement benefit scheme contribution	12	12	12	12	-	-	-	48
	2,552	4,122	2,862	3,102	-	-	50	12,688
	2,552	4,122	2,862	3,102	75	75	50	12,913

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12. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

(continued)

(b) Employees' remuneration

Of the five individuals with the highest emoluments in the Group, four (2005: four) are directors of the Company whose emoluments are included in the disclosure in the paragraph above. The emoluments of the remaining individual are as follows:

Salaries and other benefits	薪金及其他福利
Retirement benefit scheme contribution	退休福利計劃供款

During the year ended 31 December 2006, one of the five highest paid individuals was paid for an amount of HK\$300,000 (2005: Nil), excluding salaries and other benefits, as compensation for loss of office.

12. 董事及僱員酬金 (續)

(b) 僱員酬金

在本集團五名最高酬金之人士當中，四名(二零零五年：四名)為本公司之董事，其酬金載於上一段所披露之資料中。其餘人士之酬金如下：

2006 HK\$'000 千港元	2005 HK\$'000 千港元
2,372	2,106
10	12
<u>2,382</u>	<u>2,118</u>

於截至二零零六年十二月三十一日止年度，五名最高薪人士之一獲支付金額300,000港元(二零零五年：無)不包括薪金及其他福利，作為離職補償。

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13. INCOME TAX (CREDIT) EXPENSE

13. 所得稅(抵免)支出

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
The (credit) charge comprises:	稅項(抵免)支出包括：		
Hong Kong Profits Tax	香港利得稅		
– Current year	– 本年度	–	492
– Overprovision in prior years	– 往年超額撥備	–	(100)
		–	392
Overseas taxation	海外稅項		
– Current year	– 本年度	770	713
– Overprovision in prior years	– 往年超額撥備	–	(21)
		770	692
Deferred taxation (credit) charge (note 32)	遞延稅項(抵免)支出 (附註32)	(6,155)	3,785
		(5,385)	4,869

In 2005, Hong Kong Profits Tax was calculated at 17.5% of the estimated assessable profit for the year. Overseas taxation is calculated at the rates prevailing in the respective jurisdictions.

於二零零五年，香港利得稅乃根據年度之估計應課稅溢利按稅率17.5%計算。海外稅項乃按各司法權區之現行稅率計算。

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13. INCOME TAX (CREDIT) EXPENSE (continued)

The tax (credit) charge for the year can be reconciled to the (loss) profit before taxation per the consolidated income statement as follows:

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
(Loss) profit before taxation	除稅前(虧損)溢利	<u>(355,023)</u>	<u>12,406</u>
Tax at the domestic income tax rate of 17.5%	按本地所得稅率17.5%計算之稅項	(62,129)	2,171
Tax effect on share of loss of a jointly controlled entity	應佔一間合營公司虧損之稅務影響	587	-
Tax effect of expenses not deductible for tax purpose	在稅務上不能扣減之支出之稅務影響	53,683	4,480
Tax effect of income not taxable for tax purpose	在稅務上不需評稅之收入之稅務影響	(3,782)	(2,061)
Utilisation of tax losses previously not recognised	運用前期未確認之稅項虧損	(3,090)	-
Tax effect of tax losses not recognised	未確認之稅項虧損之稅務影響	11,366	477
Overprovision in respect of prior years	往年超額撥備	-	(121)
Effect of different tax rates of overseas subsidiaries	海外附屬公司不同稅率之影響	(2,020)	2
Others	其他	-	(79)
Tax (credit) expense for the year	本年度稅項(抵免)支出	<u>(5,385)</u>	<u>4,869</u>

13. 所得稅(抵免)支出(續)

本年度稅項(抵免)支出與綜合收益表除稅前(虧損)溢利之對賬如下:

14. DIVIDENDS

Dividends recognised on distribution during the year	年內就分派確認之股息		
2005 interim dividend of HK3.0 cents per share paid (2006: Nil)	已付二零零五年中期股息每股3.0港仙	-	9,808
2004 final dividend of HK4.5 cents per share paid (2005: Nil)	(二零零六年: 無) 已付二零零四年末期股息每股4.5港仙	-	14,713
	(二零零五年: 無)	-	24,521

No final dividend for the year ended 31 December 2006 and 2005 have been proposed by the directors.

14. 股息

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Dividends recognised on distribution during the year	年內就分派確認之股息		
2005 interim dividend of HK3.0 cents per share paid (2006: Nil)	已付二零零五年中期股息每股3.0港仙	-	9,808
2004 final dividend of HK4.5 cents per share paid (2005: Nil)	(二零零六年: 無) 已付二零零四年末期股息每股4.5港仙	-	14,713
	(二零零五年: 無)	-	24,521

董事會並無建議派付截至二零零六年及二零零五年十二月三十一日止年度之末期股息。

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15. (LOSS) EARNINGS PER SHARE

The calculation of the basic and diluted (loss) earning per share attributable to the equity holders of the Company is based on the following data:

(Loss) earnings for the purposes of basic and diluted (loss) earning per share	用以計算每股基本及攤薄(虧損)盈利之(虧損)盈利
Weighted average number of ordinary shares for the purposes of basic (loss) earnings per share	用以計算每股基本盈利之普通股加權平均數
Effect of dilutive potential ordinary shares:	具潛在攤薄影響之普通股之影響：
Share options	購股權
Weighted average number of ordinary shares for the purposes of diluted earnings per share	用以計算每股攤薄盈利之普通股加權平均數

The weighted average number of ordinary shares for the purpose of calculating basic (loss) earnings per share for the year ended 31 December 2006 and 2005 has been retrospectively adjusted for the effect of the rights issue completed subsequent to the balance sheet. Details of the rights issue are set out in note 37.

No diluted loss per share is presented for the year ended 31 December 2006 as the exercise of the Company's outstanding share options for the year ended 31 December 2006 would result in a decrease in loss per share.

15. 每股(虧損)盈利

本公司股本持有人應佔之每股基本及攤薄(虧損)盈利乃根據以下數據計算：

2006 HK\$'000 千港元	2005 HK\$'000 千港元
(349,592)	7,608
372,730,222	339,665,843
N/A	14,206,245
N/A	353,872,088

截至二零零六年及二零零五年十二月三十一日止年度用以計算每股基本(虧損)盈利之普通股加權平均數，已就於結算日後完成之供股之影響作出追溯性調整。供股之詳情載於附註37。

由於行使本公司截至二零零六年十二月三十一日止年度之尚未行使購股權將導致每股虧損減少，故此沒有呈報截至二零零六年十二月三十一日止年度之每股攤薄虧損。

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16. PROPERTY, PLANT AND EQUIPMENT

16. 物業、廠房及設備

		Plant and machinery	Leasehold improvements	Furniture, fixtures and equipment	Telephone and computer systems	Motor vehicles	Total
		廠房及機器 HK\$'000 千港元	租賃物業裝修 HK\$'000 千港元	傢俬、裝置及設備 HK\$'000 千港元	電話及電腦系統 HK\$'000 千港元	汽車 HK\$'000 千港元	總額 HK\$'000 千港元
COST	成本						
At 1 January 2005	於二零零五年一月一日	24,717	219	3,833	5,633	1,976	36,378
Currency realignment	貨幣調整	-	-	760	(104)	(77)	579
Additions	添置	63,053	50	856	1,743	1,072	66,774
Disposals	出售	-	-	(59)	(26)	(230)	(315)
At 31 December 2005	於二零零五年十二月三十一日	87,770	269	5,390	7,246	2,741	103,416
Currency realignment	貨幣調整	-	-	54	177	102	333
Additions	添置	24,000	-	1,341	530	-	25,871
Disposals	出售	(1,451)	-	(141)	(7)	-	(1,599)
At 31 December 2006	於二零零六年十二月三十一日	110,319	269	6,644	7,946	2,843	128,021
DEPRECIATION AND AMORTISATION	折舊與攤銷						
At 1 January 2005	於二零零五年一月一日	3,532	96	2,348	3,134	1,200	10,310
Currency realignment	貨幣調整	-	-	(17)	88	(38)	33
Provided for the year	本年度撥備	12,336	39	877	1,835	559	15,646
Eliminated on disposals	出售時撇銷	-	-	(59)	(16)	(230)	(305)
At 31 December 2005	於二零零五年十二月三十一日	15,868	135	3,149	5,041	1,491	25,684
Currency realignment	貨幣調整	-	-	28	143	61	232
Provided for the year	本年度撥備	22,457	40	2,423	478	527	25,925
Eliminated on disposals	出售時撇銷	(433)	-	(72)	(3)	-	(508)
At 31 December 2006	於二零零六年十二月三十一日	37,892	175	5,528	5,659	2,079	51,333
CARRYING VALUES	賬面值						
At 31 December 2006	於二零零六年十二月三十一日	72,427	94	1,116	2,287	764	76,688
At 31 December 2005	於二零零五年十二月三十一日	71,902	134	2,241	2,205	1,250	77,732

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16. PROPERTY, PLANT AND EQUIPMENT (continued)

The above items of property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Plant and machinery	20%
Leasehold improvements	Over the shorter of the term of the relevant lease or 15%
Furniture, fixtures and equipment	15%
Telephone and computer systems	30%
Motor vehicles	20% - 30%

At 31 December 2006, the carrying value of the Group's property, plant and equipment included an aggregate carrying values of approximately HK\$46,929,000 (2005: HK\$59,166,000) in respect of assets held under finance leases.

17. INTEREST IN/TRADE AND OTHER RECEIVABLES FROM A JOINTLY CONTROLLED ENTITY

Cost of unlisted investments	非上市投資之成本
Deemed contribution upon adoption of HKAS 39 (Amendments) & HKFRS 4 (Note)	在採納香港會計準則第39號(經修訂)及香港財務報告準則第4號時被視為出資(附註)
Share of post-acquisition losses (Note)	分佔收購後虧損(附註)

16. 物業、廠房及設備(續)

上述物業、廠房及設備項目按以下年率以直線法計算折舊：

廠房及機器	20%
租賃物業裝修	按有關租期之較短者或15%
傢俬、裝置及設備	15%
電話及電腦系統	30%
汽車	20%至30%

於二零零六年十二月三十一日，本集團之物業、廠房及設備之賬面值包括按融資租賃項下所持資產之總賬面值約46,929,000港元(二零零五年：59,166,000港元)。

17. 於一間合營公司之權益／應收一間合營公司貿易及其他應收款項

	2006 HK\$'000 千港元	2005 HK\$'000 千港元
Cost of unlisted investments	41,003	41,003
Deemed contribution upon adoption of HKAS 39 (Amendments) & HKFRS 4 (Note)	3,354	-
Share of post-acquisition losses (Note)	44,357 (44,357)	41,003 (41,003)
	-	-

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17. INTEREST IN/TRADE AND OTHER RECEIVABLES
FROM A JOINTLY CONTROLLED ENTITY (continued)

Details of the Group's jointly controlled entity at 31 December 2006 are as follows:

Name of jointly controlled entity	Form of business structure	Place of registration/ operation	Proportion of nominal value of registered capital indirectly held by the Group 本集團 間接持有之註冊 股本之面值比例	Principal activities
合營公司名稱	業務架構形式	註冊／經營地點	股本之面值比例	主要業務
Shenzhen Top Guo Wei Electronics Co., Ltd ("Guo Wei") 深圳托普國威電子有限公司 ("國威")	Incorporated 註冊成立	The People's Republic of China (the "PRC") 中華人民共和國 ("中國")	46%	Manufacture of telephone and related products 製造電話及 相關產品

Trade and other receivables from the jointly controlled entity mainly arose from the net result of purchase of finished goods from Guo Wei and purchase of raw materials on behalf of Guo Wei. The amount is unsecured, non-interest bearing and repayable on demand. Included in the balance of current liabilities of HK\$866 million was an amount of HK\$638 million due to the Group, against which an impairment loss of HK\$362 million had been recognised by the Group in previous years.

In view of the unsatisfactory financial position of the jointly controlled entity, the Group had recognised an additional impairment loss of approximately HK\$169 million in respect of the amount due from a jointly controlled entity as at 31 December 2006.

17. 於一間合營公司之權益／應收一間合營公司貿易及其他應收款項(續)

於二零零六年十二月三十一日，本集團合營公司之詳情如下：

應收合營公司貿易賬款及其他應收款項主要來自向國威採購製成品及代表國威採購原料之業績淨額。該等金額為無抵押、免息及須按要求即時償還。於流動負債結餘866,000,000港元中，包括應付本集團之款項638,000,000港元，本集團已就此根據未經審核管理賬目之負債淨額於以往年度確認362,000,000港元之減值虧損。

鑑於合營公司之財務狀況不理想，本集團已於二零零六年十二月三十一日就應收一間合營公司款項額外確認減值虧損約169,000,000港元。

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17. INTEREST IN/TRADE AND OTHER RECEIVABLES FROM A JOINTLY CONTROLLED ENTITY (continued)

The summarised financial information in respect of the Group's jointly controlled entity according to its unaudited management accounts is set out below:

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Results	業績		
Revenue	收益	<u>1,632,252</u>	<u>1,836,086</u>
Loss for the year (Note)	本年度虧損 (附註)	<u>(161,548)</u>	<u>(9,324)</u>
Loss for the year attributable to the Group	本集團應佔本年度虧損	<u>(3,354)</u>	<u>-</u>
Financial position	財務狀況		
Non-current assets	非流動資產	<u>162,004</u>	178,216
Current assets	流動資產	<u>173,260</u>	191,046
Current liabilities	流動負債	<u>(866,132)</u>	<u>(744,349)</u>
		<u>(530,868)</u>	<u>(375,087)</u>
Net assets attributable to the Group	本集團應佔資產淨值	<u>-</u>	<u>-</u>

Note: The Group has discontinued including its share of results of Guo Wei once the cumulative share of losses of Guo Wei is equal to the investment cost in Guo Wei. The Group will not resume including its share of any future profits of Guo Wei until its share of such profits equals the share of losses not recognised.

17. 於一間合營公司之權益／應收一間合營公司貿易及其他應收款項 (續)

根據本集團合營公司之未經審核管理賬目，關於該公司之財務資料概要載列如下：

附註：本集團已於應佔國威之累計虧損等於國威之投資成本時，終止計入其應佔國威之業績。除非本集團應佔國威任何未來溢利相等於未確認之應佔虧損，否則本集團不會計入其應佔之該等溢利。

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17. INTEREST IN/TRADE AND OTHER RECEIVABLES
FROM A JOINTLY CONTROLLED ENTITY (continued)

The amounts of unrecognised share of loss of Guo Wei, based on its unaudited management accounts, are as follows:

17. 於一間合營公司之權益／應收一間合營公司貿易及其他應收款項(續)

根據國威之未經審核管理賬目，未確認應佔國威之虧損金額如下：

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Unrecognised share of loss of a jointly controlled entity for the year	本年度未確認應佔一間合營公司之虧損	<u>(74,312)</u>	<u>(4,289)</u>
Accumulated unrecognised share of losses of a jointly controlled entity	累計未確認應佔一間合營公司之虧損	<u>(79,031)</u>	<u>(4,719)</u>

18. INTANGIBLE ASSETS

18. 無形資產

		Product development expenditure 產品開發支出 HK\$'000 千港元
COST	成本	
At 1 January 2005	於二零零五年一月一日	97,618
Additions	添置	<u>86,250</u>
At 31 December 2005	於二零零五年十二月三十一日	183,868
Additions	添置	<u>50,609</u>
At 31 December 2006	於二零零六年十二月三十一日	<u>234,477</u>
AMORTISATION AND IMPAIRMENT	攤銷及減值	
At 1 January 2005	於二零零五年一月一日	39,799
Charge for the year	本年度扣除	<u>22,700</u>
At 31 December 2005	於二零零五年十二月三十一日	62,499
Impairment loss recognised	已確認減值虧損	72,531
Charge for the year	本年度扣除	<u>30,400</u>
At 31 December 2006	於二零零六年十二月三十一日	<u>165,430</u>
CARRYING AMOUNTS	賬面值	
At 31 December 2006	於二零零六年十二月三十一日	<u>69,047</u>
At 31 December 2005	於二零零五年十二月三十一日	<u>121,369</u>

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18. INTANGIBLE ASSETS (continued)

The directors have reviewed the carrying value of intangible assets at 31 December 2006 and an impairment loss of approximately HK\$72,531,000(2005:Nil) has been identified because the production of the relevant products was delayed or suspended. The carrying amount of intangible assets specifically related to those products was fully impaired.

In the opinion of the directors of the Company, the intangible assets are worth at least their carrying amounts. At 31 December 2006, other than an amount of approximately HK\$34 million (2005: HK\$96 million) which was technologically mature and waiting for purchase orders with no amortisation, the remaining intangible assets had been put into commercial use.

Product development expenditure is amortised over a period of 3 years.

19. INVENTORIES

Inventories, representing finished goods, as at 31 December 2006 and 2005 are carried at cost.

20. TRADE, BILLS AND OTHER RECEIVABLES**18. 無形資產 (續)**

董事已審閱無形資產於二零零六年十二月三十一日之賬面值，由於有關產品之生產延誤或中止而鑒定減值虧損約72,531,000港元(二零零五年：無)。無形資產(特別關於該等產品)之賬面值經已全數減值。

本公司董事認為，無形資產最少須相等於其賬面值。於二零零六年十二月三十一日，除已技術上成熟及有待採購訂單不計攤銷之款項約34,000,000港元(二零零五年：96,000,000港元)外，餘下之無形資產已作商業用途。

產品開發支出乃分三年攤銷。

19. 存貨

於二零零六年及二零零五年十二月三十一日，存貨(即製成品)乃按成本列賬。

20. 應收貿易賬款、應收票據及其他應收款項

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Trade and bills receivables	應收貿易賬款及應收票據	17,983	22,248
Other receivables	其他應收款項	11,375	15,131
		29,358	37,379

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20. TRADE, BILLS AND OTHER RECEIVABLES (continued)

The Group allows an average credit period ranging from 30-90 days to its trade customers. Details of the aged analysis of trade and bills receivables are as follows:

0 – 30 days	零至三十日
31 – 60 days	三十一至六十日
Over 60 days	六十日以上

20. 應收貿易賬款、應收票據及其他應收款項(續)

本集團給予其貿易客戶之平均信貸期限約為三十至九十日。有關應收貿易賬款及應收票據之賬齡分析如下：

2006	2005
HK\$'000	HK\$'000
千港元	千港元

6,743	18,149
6,504	1,136
4,736	2,963
17,983	22,248

21. TRADE RECEIVABLES WITH INSURANCE COVERAGE

The Group allows an average credit period ranging from 30-90 days to its trade customers. Details of the aged analysis of trade receivables with insurance coverage are as follows:

0 – 30 days	零至三十日
31 – 60 days	三十一至六十日
Over 60 days	六十日以上

21. 已投保之應收貿易賬款

本集團給予其貿易客戶之平均信貸期限約為三十至九十日。有關已投保之應收貿易賬款之賬齡分析如下：

2006	2005
HK\$'000	HK\$'000
千港元	千港元

63,190	117,790
15,227	91,603
905	36,742
79,322	246,135

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22. BILLS RECEIVABLES DISCOUNTED WITH FULL RECOURSE

The Group allows an average credit period ranging from 30-90 days to the trade customers. Details of the aged analysis of bills receivables discounted with full recourse are as follows:

0 – 30 days	零至三十日
31 – 60 days	三十一至六十日
Over 60 days	六十日以上

22. 附有全面追索權之應收貼現票據

本集團給予其貿易客戶之平均信貸期限約為三十至九十日。有關附有全面追索權之應收貼現票據之賬齡分析如下：

2006	2005
HK\$'000	HK\$'000
千港元	千港元

57,138	80,901
60,341	4,595
10,670	1,996
128,149	87,492

23. TRADE AND OTHER PAYABLES

Trade payables	應付貿易賬款
Accrued charges	應計費用

23. 應付貿易賬款及其他應付款項

2006	2005
HK\$'000	HK\$'000
千港元	千港元

262,019	176,612
57,212	42,793
319,231	219,405

Details of the aged analysis of trade payables are as follows:

0 – 30 days	零至三十日
31 – 60 days	三十一至六十日
Over 60 days	六十日以上

有關應付貿易賬款之賬齡分析如下：

2006	2005
HK\$'000	HK\$'000
千港元	千港元

85,695	122,495
59,299	31,169
117,025	22,948
262,019	176,612

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24. ADVANCES DRAWN ON TRADE RECEIVABLES WITH INSURANCE COVERAGE AND ADVANCES DRAWN ON BILLS RECEIVABLES DISCOUNTED WITH FULL RECOURSE

The effective interest rates on the Group's advances drawn on trade receivables with insurance coverage and advances drawn on bills receivables discounted with full recourse are 6.6% (2005: 5.5%) per annum.

25. AMOUNTS DUE TO DIRECTORS AND MINORITY SHAREHOLDERS

The amounts due to directors were unsecured, non-interest bearing and repayable on demand.

The amounts due to minority shareholders are unsecured, non-interest bearing and have no fixed repayment terms.

26. FINANCIAL GUARANTEE CONTRACTS

Financial guarantee contracts 金融擔保合約

In September 2006, the Group has given financial guarantees to two banks in respect of the credit facilities of HK\$56,634,000 granted to a jointly controlled entity for a period of 10 months. The directors have assessed the fair value at the date of granting the financial guarantees to be approximately HK\$3,354,000 and the amount is amortised to the consolidated income statement over the period of the facilities granted.

24 預支已投保應收貿易賬款之墊款及預支附有全面追索權之應收貼現票據之墊款

本集團之預支已投保應收貿易賬款之墊款及預支附有全面追索權之應收貼現票據之墊款之實際年利率為6.6% (二零零五年：5.5%)。

25. 應付董事及少數股東款項

應付董事款項為無抵押、免息及須按要求即時償還。

應付少數股東款項為無抵押、免息及無固定還款期。

26. 金融擔保合約

2006 HK\$'000 千港元	2005 HK\$'000 千港元
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<u>2,683</u>	<u>-</u>
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於二零零六年九月，本集團已就給予一間合營公司為期十個月之信貸融通56,634,000港元向兩間銀行提供金融擔保。董事已評估金融擔保於提供日期之公平值約為3,354,000港元，而該金額已在授出融通之期間內在綜合收益表中攤銷。

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27. OBLIGATIONS UNDER FINANCE LEASES

It is the Group's policy to lease certain of its fixtures and equipment under finance leases. The average remaining lease term is 3 years (2005: 4 years). Interest rates underlying all obligations under finance leases are either fixed or variable at respective contract dates ranging from 4.49% to 6.46% (2005: 4% to 6%). No arrangements have been entered into for contingent rental payments.

27. 融資租賃項下之債務

本集團之政策為根據融資租賃出租其若干裝置及設備。餘下租期平均為三年(二零零五年：四年)。所有融資租賃項下債務之相關利率為於各自之租約期之固定或介乎4.49%至6.46%(二零零五年：4%至6%)之浮動利率。迄今概無就或然租金訂立任何安排。

		Minimum lease payments		Present value of minimum lease payments	
		最低租金	最低租金現值	最低租金	最低租金現值
		2006	2005	2006	2005
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Amounts payable under finance leases	融資租賃項下之應付金額：				
Within one year	一年內	18,234	20,975	16,959	19,349
In more than one year but not more than two years	超過一年但不逾兩年	10,792	16,998	10,425	15,871
In more than two years but not more than three years	超過兩年但不逾三年	1,729	9,329	1,698	8,778
In more than three years but not more than four years	超過三年但不逾四年	-	1,383	-	1,361
		30,755	48,685	29,082	45,359
		(1,673)	(3,326)		
Present value of lease obligations	租賃債務現值	29,082	45,359	29,082	45,359
Less: Amount due for settlement within 12 months (shown under current liabilities)	減：十二個月內到期償還之款項(列於流動負債)			(16,959)	(19,349)
Amount due for settlement after 12 months	十二個月後到期償還之款項			12,123	26,010

The Group's obligations under finance leases are secured by the lessor's charge over the leased assets.

本集團融資租賃項下之債務，乃以出租人就租賃資產之抵押作擔保。

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28. BANK AND OTHER BORROWINGS

28. 銀行及其他借貸

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Trust receipt loans, unsecured	信託收據貸款，無抵押	23,527	95,689
Other bank loans, unsecured	其他銀行貸款，無抵押	-	14,352
		<u>23,527</u>	<u>110,041</u>

The loans will be repaid within one year after the balance sheet date. Except for the other bank loans which carried interest at fixed-rate, all other bank borrowings carry interest at variable rates.

貸款將由結算日起計一年內償還。除以固定利率計息之其他銀行貸款外，所有其他銀行借貸均以浮動利率計息。

The effective interest rates on the Group's borrowings as at the balance sheet date are as follows:

於結算日本集團借貸之實際利率如下：

		2006	2005
Effective interest rate:	實際利率：		
Trust receipt loans	信託收據貸款	6.5%	5.6%
Other bank loan	其他銀行貸款	-	6.3%

The Group's borrowings that are denominated in currencies other than the functional currencies of the relevant group entities are set out below:

以有關集團實體功能貨幣以外之貨幣結算之本集團借貸載列如下：

		HK\$'000 千港元
At 31 December 2006	於二零零六年十二月三十一日	<u>22,746</u>
At 31 December 2005	於二零零五年十二月三十一日	<u>91,148</u>

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29. SHARE CAPITAL OF THE COMPANY

29. 本公司之股本

		Number of shares 股份數目	Amount 數額 HK\$'000 千港元
Ordinary shares of HK\$0.1 each:	每股面值0.1港元之普通股：		
AUTHORISED:	法定：		
At 1 January 2005, 31 December 2005 and 2006	於二零零五年一月一日、二零零五年及二零零六年十二月三十一日	2,500,000,000	250,000
ISSUED AND FULLY PAID:	已發行及繳足：		
At 1 January 2005	於二零零五年一月一日	324,898,660	32,490
Exercise of share options	行使購股權 (a)	2,120,000	212
At 31 December 2005	於二零零五年十二月三十一日	327,018,660	32,702
Exercise of share options	行使購股權 (a)	725,000	72
Shares placement	配售股份 (b)	82,000,000	8,200
At 31 December 2006	於二零零六年十二月三十一日	409,743,660	40,974

Notes:

(a) During the year ended 31 December 2006, 725,000 (2005: 2,120,000) ordinary shares in the Company of HK\$0.1 each were issued upon the exercise of 725,000 (2005: 2,120,000) share options, giving a total cash consideration of HK\$739,500 (2005: HK\$1,283,000).

(b) On 10 July 2006, the Company, Uniden Corporation ("Uniden") and Uniden Hong Kong Limited ("Uniden HK") entered into a subscription agreement ("Subscription Agreement") pursuant to which the Company agreed to issue and allot to Uniden HK agreed to subscribe for 82,000,000 new shares at an aggregate subscription price of HK\$143.5 million.

All the new shares issued during the year ended 31 December 2006 ranked pari passu with the then existing shares in all respects.

Details of the share capital movement subsequent to the balance sheet date are set out in note 37.

附註：

(a) 於截至二零零六年十二月三十一日止年度，725,000股(二零零五年：2,120,000股)每股面值0.1港元之本公司普通股已於行使725,000份(二零零五年：2,120,000份)購股權時發行，總現金代價為739,500港元(二零零五年：1,283,000港元)。

(b) 於二零零六年七月十日，本公司、Uniden Corporation(「Uniden」)及Uniden Hong Kong Limited(「Uniden HK」)訂立認購協議(「認購協議」)；據此，本公司同意向Uniden HK發行及配發，而Uniden HK同意認購82,000,000股新股份，總認購價為143,500,000港元。

於截至二零零六年十二月三十一日止年度內已發行之所有新股份，均於各方面與當時股份享有同等權益。

於結算日後之股本變動詳情載於附註37。

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30. SHARE-BASED PAYMENT TRANSACTIONS

Equity-settled share option scheme:

Pursuant to a special resolution passed at the general meeting held on 23 May 2003 under which the Company's board of directors may, at its discretion, grant options to eligible persons including directors and employers, a new share option scheme (the "2002 Scheme") was adopted by shareholders, to subscribe for shares in the Company for the primary purpose of providing incentives to directors and employees.

The exercise price of the share options under the 2002 Scheme is determined, at the discretion of the Directors, and must be at least the higher of:

- (a) the average of the closing price of the shares of the Company as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the relevant date of offer of the share options;
- (b) the closing price of the shares of the Company as stated in the Stock Exchange's daily quotations sheet on the relevant date of offer of the share options, which must be a business day; and
- (c) the nominal value of the shares of the Company.

The maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the 2002 Scheme and any other share option schemes of the Company shall not in aggregate exceed 30% of the shares in issue from time to time.

The total number of shares issued and may be issued upon exercise of the options granted to any individual under the 2002 Scheme and any other share option schemes of the Company (including exercised, cancelled and outstanding options) in any 12-month period must not exceed 1% of the shares in issue.

30. 以股份為基礎之付款之交易

股本結算購股權計劃：

根據一項於二零零三年五月二十三日舉行之股東大會上通過之特別決議案，按照股東採納之新購股權計劃（「二零零二年計劃」），本公司董事會可酌情決定向合資格人士（包括董事及僱員）授予購股權，以認購本公司股份，主要目的在於獎勵董事及僱員。

二零零二年計劃之購股權行使價由董事按下列各項酌情決定（以較高者為準）：

- (a) 緊接有關購股權授出日期前五個交易日於聯交所每日報價表得出之本公司股份平均收市價；
- (b) 有關購股權授出日期於聯交所每日報價表得出之本公司股份收市價，該日必須為營業日；及
- (c) 本公司股份之面值。

根據二零零二年計劃及本公司任何其他購股權計劃，所有授出而尚未行使之購股權，於行使後可予發行股份之最高數目不得超過於不時發行之股份總額30%。

於任何十二個月期間內，行使根據二零零二年計劃及本公司任何其他購股權計劃向任何人士授予購股權（包括已行使、註銷及尚未行使之購股權）而發行及可予發行之股份總數，不可超過已發行股份1%。

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30. SHARE-BASED PAYMENT TRANSACTIONS (continued)***Equity-settled share option scheme: (continued)***

The 2002 Scheme will remain in force for a period of ten years commencing from the date of adoption of the 2002 Scheme, after which no further options shall be granted but the options which are granted during the life of the 2002 Scheme may continue to be exercisable in accordance with their terms of issue and the provisions of the 2002 Scheme shall in all other respects remain in full force and effect in respect thereof. Options may be exercised in accordance with the terms of the 2002 Scheme at any time during the period as the board may determine in granting the option but in any event not exceeding ten years from the date of grant.

Options granted under the 2002 Scheme must be taken up within 30 days of the date of grant. Upon acceptance of the option, the grantee shall pay HK\$1 to the Company by way of consideration for the grant.

At 31 December 2006, the number of shares in respect of which options could be exercisable under the terms of the 2002 Scheme was 21,167,000 (2005: 23,047,000) representing 5.17% (2005: 7.04%) of the shares of the Company in issue at the date.

**30. 以股份為基礎之付款之交易
(續)*****股本結算購股權計劃：(續)***

二零零二年計劃自其採納日期起計十年內仍然有效，於該日期後則不會再授出購股權，惟於二零零二年計劃期內授出之購股權仍可根據其發行條款繼續予以行使，而二零零二年計劃之規定在所有其他有關方面均仍具十足效力。購股權可於董事會授出購股權時所決定之期間內任何時間根據二零零二年計劃之條款予以行使，惟此期間在任何情況內均不得超過授出日期起計十年內。

根據二零零二年計劃授出之購股權須由授出日期起計三十日內提取。於接納購股權後，承授人應向本公司支付代價1港元。

於二零零六年十二月三十一日，根據二零零二年計劃之條款可予行使之購股權所發行之股份數目為 21,167,000 股（二零零五年：23,047,000 股），佔本公司於該日之已發行股份 5.17%（二零零五年：7.04%）。

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30. SHARE-BASED PAYMENT TRANSACTIONS (continued)

The following table discloses the details of the Company's share options and movements during the year:

Date of grant 授出日期	Expiry date 到期日	Notes 附註	Exercise price per share 每股行使價 HK\$ 港元 (Note f) (附註 f)	Balance	Exercised during the year 於年內行使	Lapsed during the year 於年內失效	Balance	
				at 1.1.2006 於二零零六年 一月一日 之結餘			at 31.12.2006 於二零零六年 十二月 三十一日 之結餘	
Employees 僱員								
4.12.2002	3.12.2007	(b)&(c)	0.292	1,895,000	-	-	1,895,000	
3.3.2003	2.3.2008	(b)&(c)	0.385	4,400,000	-	-	4,400,000	
9.12.2003	8.12.2008	(b)&(d)	1.020	9,940,000	(725,000)	(550,000)	8,665,000	
16.3.2004	15.3.2009	(b)&(d)	0.996	4,400,000	-	-	4,400,000	
18.10.2004	17.10.2009	(b)&(e)	2.120	2,412,000	-	(605,000)	1,807,000	
Exercisable at the end of the year 於年終時可予行使					<u>23,047,000</u>	<u>(725,000)</u>	<u>(1,155,000)</u>	<u>21,167,000</u>
Weighted average exercise price 加權平均行使價								<u>HK\$1.02</u>

Date of grant 授出日期	Expiry date 到期日	Notes 附註	Exercise price per share 每股行使價 HK\$ 港元	Balance	Exercised during the year 於年內行使	Lapsed during the year 於年內失效	Balance	
				at 1.1.2005 於二零零五年 一月一日 之結餘			at 31.12.2005 於二零零五年 十二月 三十一日 之結餘	
Employees 僱員								
5.6.2001	4.6.2005	(a)	0.434	1,500,000	(1,500,000)	-	-	
4.12.2002	3.12.2007	(b)&(c)	0.292	1,895,000	-	-	1,895,000	
3.3.2003	2.3.2008	(b)&(c)	0.385	4,400,000	-	-	4,400,000	
9.12.2003	8.12.2008	(b)&(d)	1.020	10,560,000	(620,000)	-	9,940,000	
16.3.2004	15.3.2009	(b)&(d)	0.996	4,400,000	-	-	4,400,000	
18.10.2004	17.10.2009	(b)&(e)	2.120	2,412,000	-	-	2,412,000	
Exercisable at the end of the year 於年終時可予行使					<u>25,167,000</u>	<u>(2,120,000)</u>	<u>-</u>	<u>23,047,000</u>
Weighted average exercise price 加權平均行使價								<u>HK\$0.61</u>

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30. SHARE-BASED PAYMENT TRANSACTIONS (continued)

Details of the share options held by the directors included in the above are as follows:

Date of grant 授出日期	Expiry date 到期日	Notes 附註	Exercise price per share 每股行使價 HK\$ 港元 (Note f) (附註f)	Balance	Lapsed during the year 於年內失效	Balance
				at 1.1.2006 於二零零六年 一月一日 之結餘		at 31.12.2006 於二零零六年 十二月三十一日 之結餘 (Note f) (附註f)
Directors 董事						
4.12.2002	3.12.2007	(b)&(c)	0.292	1,875,000	-	1,875,000
3.3.2003	2.3.2008	(b)&(c)	0.385	4,400,000	-	4,400,000
9.12.2003	8.12.2008	(b)&(d)	1.020	7,600,000	-	7,600,000
16.3.2004	15.3.2009	(b)&(d)	0.996	4,400,000	-	4,400,000
Exercisable at the end of the year 於年終時可予行使				18,275,000	-	18,275,000

Date of grant 授出日期	Expiry date 到期日	Notes 附註	Exercise price per share 每股行使價 HK\$ 港元	Balance	Lapsed during the year 於年內失效	Balance
				at 1.1.2005 於二零零五年 一月一日 之結餘		at 31.12.2005 於二零零五年 十二月三十一日 之結餘
Directors 董事						
5.6.2001	4.6.2005	(a)	0.434	1,500,000	(1,500,000)	-
4.12.2002	3.12. 2007	(b)&(c)	0.292	1,875,000	-	1,875,000
3.3.2003	2.3.2008	(b)&(c)	0.385	4,400,000	-	4,400,000
9.12.2003	8.12.2008	(b)&(d)	1.020	7,600,000	-	7,600,000
16.3.2004	15.3.2009	(b)&(d)	0.996	4,400,000	-	4,400,000
Exercisable at the end of the year 於年終時可予行使				19,775,000	(1,500,000)	18,275,000
Weighted average exercise price 加權平均行使價						HK\$0.43

30. 以股份為基礎之付款之交易
(續)

已包括在上文由董事持有之購股權詳情如下：

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30. SHARE-BASED PAYMENT TRANSACTIONS (continued)

Notes:

- (a) The options were granted pursuant to the share option scheme of the Company adopted on 7 September 1999. Options are fully vested at the date of grant and may be exercised at any time from the date of grant to their 5th anniversary.
- (b) The options were granted pursuant to the 2002 Scheme.
- (c) Options may be exercised at any time from the date of grant to their 5th anniversary.
- (d) Options granted are fully vested at the date of grant. Options granted to directors of the Company and may be exercised at any time from the date of grant to their 5th anniversary. Options granted to employees (other than directors) are exercisable subject to (i) up to 50% of the options are exercisable from 9 December 2003 to 8 December 2004; (ii) all remaining options are exercisable from 9 December 2004 to 8 December 2008.
- (e) Options are exercisable subject to (i) up to 50% of the options are exercisable from 18 April 2005 to 17 October 2005; (ii) all remaining options are exercisable from 18 October 2005 to 17 October 2009. In addition, item (i) has two vesting periods ranging from 19 October 2004 to 31 December 2004 and 1 January 2005 to 17 April 2005; item (ii) also has two vesting periods ranging from 19 October 2004 to 31 December 2004 and 1 January 2005 to 18 October 2005.
- (f) The number and exercise price of the share options granted will be adjusted as a result of the rights issue in January 2007. Details are set out in note 37.

In respect of the share options exercised during the year, the weighted average closing price immediately before the dates of exercise is HK\$1.62 (2005: HK\$2.75).

The Group recognised an expense of HK\$1,125,000 for the year ended 31 December 2005 (2006: Nil) in relation to share options granted by the Company.

30. 以股份為基礎之付款之交易 (續)

附註：

- (a) 購股權乃根據於一九九九年九月七日採納之本公司購股權計劃授出。購股權於授出日期全數歸屬及可由授出日期起至授出日期第五週年止之任何時間內行使。
- (b) 購股權乃根據二零零二年計劃授出。
- (c) 購股權可由授出日期起至授出日期第五週年止之任何時間內行使。
- (d) 授予之購股權於授出日期全數歸屬。授予本公司董事之購股權可由授出日期起至授出日期第五週年止之任何時間內行使。授予僱員(董事以外)之購股權之行使須受到以下限制：(i)最高達50%之購股權可由二零零三年十二月九日起至二零零四年十二月八日止期間內行使；及(ii)餘下所有購股權可由二零零四年十二月九日起至二零零八年十二月八日止期間內行使。
- (e) 購股權之行使須受到以下限制：(i)最高達50%之購股權可由二零零五年四月十八日起至二零零五年十月十七日止期間內行使；及(ii)餘下所有購股權可由二零零五年十月十八日起至二零零九年十月十七日止期間內行使。此外，第(i)項有兩個歸屬期，介乎二零零四年十月十九日至二零零四年十二月三十一日及二零零五年一月一日至二零零五年四月十七日；第(ii)項亦有兩個歸屬期，介乎二零零四年十月十九日至二零零四年十二月三十一日及二零零五年一月一日至二零零五年十月十八日。
- (f) 授出之購股權數目及行使價將會因二零零七年一月進行之供股而調整。有關詳情載於附註37。

於年內行使之購股權緊接於行使當日前之加權平均收市價為1.62港元(二零零五年：2.75港元)。

本集團在截至二零零五年十二月三十一日止年度就本公司授出之購股權確認開支1,125,000港元(二零零六年：無)。

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31. MAJOR NON-CASH TRANSACTION

During the year ended 31 December 2006, the Group entered into finance lease arrangements in respect of assets with a total capital value at the inception of the leases of approximately HK\$3,524,000 (2005: HK\$50,848,000).

32. DEFERRED TAX LIABILITIES

The following are the major deferred tax (assets) liabilities recognised and movements thereon during the current and prior reporting years:

31. 主要非現金交易

於截至二零零六年十二月三十一日止年度，本集團就於租約開始日資本總值約3,524,000港元(二零零五年：50,848,000港元)之資產訂立融資租賃安排。

32. 遞延稅項負債

以下為於本報告年度及過往報告年度確認之主要遞延稅項(資產)負債及其變動：

		Accelerated tax deduction on product development expenditure	Accelerated tax depreciation	Tax losses	Total
		產品開發 支出之加速 稅項扣減	加速 稅項折舊	稅項虧損	總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2005	於二零零五年 一月一日		2,019	(7,660)	2,370
(Credit) charge to income for the year	年內於收入(計入) 扣除		(2,022)	(9,228)	3,785
At 31 December 2005	於二零零五年 十二月三十一日		(3)	(16,888)	6,155
Charge (credit) to income for the year	年內於收入扣除 (計入)		49	3,090	(6,155)
At 31 December 2006	於二零零六年 十二月三十一日		46	(13,798)	-

At the balance sheet date, the Group has tax losses of approximately HK\$149,196,000 (2005: HK\$101,906,000) available for offset against future profits. A deferred tax asset has been recognised in respect of approximately HK\$78,846,000 (2005: HK\$96,502,000) of such losses. No deferred tax asset has been recognised in respect of the remaining approximately HK\$70,350,000 (2005: HK\$5,404,000) due to the unpredictability of future profit streams. Tax losses may be carried forward indefinitely.

於結算日，本集團之稅項虧損約為149,196,000港元(二零零五年：101,906,000港元)，可供用作抵銷未來溢利。而就有關虧損約78,846,000港元(二零零五年：96,502,000港元)已確認遞延稅項資產。由於未來溢利流之不可預測，因此並無就餘下約70,350,000港元(二零零五年：5,404,000港元)確認遞延稅項資產。稅項虧損可無限期結轉。

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33. CONTINGENT LIABILITIES

On 28 February 2007, the Company was served with an Amended Writ issued and filed by Uniden and Uniden HK on 1 February 2007 against the Company, SunCorp Partners Limited and its four executive directors, alleging that certain misrepresentations had been made by the Company and four executive directors, and that the Company had breached a business alliance agreement and a master production agreement. On the basis of these allegations, Uniden and Uniden HK sought, inter alia, (i) a rescission of the Subscription Agreement entered into on 10 July 2006 between the Company and Uniden HK for the subscription of 82,000,000 shares in the Company; (ii) a return of HK\$143.5 million to Uniden HK which it paid to the Company under the Subscription Agreement; and (iii) damages, interest and costs, from the Company and its executive directors.

On 6 February 2007 and 20 March 2007, the Company issued announcements, in relation to these legal proceedings and the termination by the Company of the business alliance agreement and the master production agreement. The Company strongly refutes and intends to vigorously defend Uniden's allegations and claims and considers them to be without merit.

In addition, the Group is involved in products recalls with two customers in connection with the supply of adaptors to these customers. The adaptors were purchased from an independent supplier and this supplier has agreed to indemnify the Group for an amount of HK\$2,257,000 if there is any claim from these customers. The directors believe that the dispute can be settled without losses to be incurred by the Group and therefore no provision for losses in this aspect has been made.

In addition to the above, the Group has given guarantee to banks in respect of credit facilities utilised by a jointly controlled entity amounted to approximately HK\$31,504,000 as at 31 December 2006 (2005: HK\$70,251,000).

33. 或然負債

於二零零七年二月二十八日，本公司獲送達Uniden及Uniden HK於二零零七年二月一日向本公司、Suncorp Partners Limited及其四名執行董事發出及存檔之經修訂傳令，指控本公司及其四名執行董事作出若干失實陳述，以及本公司已違反一項商業聯盟協議及一項生產總協議。基於該等指控，Uniden及Uniden HK要求（其中包括）(i)撤銷本公司與Uniden HK於二零零六年七月十日就認購本公司股份82,000,000股而訂立之認購協議；(ii)向Uniden HK退還根據該認購協議向本公司支付之143,500,000港元；及(iii)本公司及其執行董事賠償有關損失、利息及費用。

於二零零七年二月六日及二零零七年三月二十日，本公司就此等法律訴訟及本公司終止該商業聯盟協議及生產總協議發出公佈。本公司強烈反駁及擬積極抗辯Uniden之指控及索償，並認為該等指控及索償缺乏充分理據。

此外，本集團現正與兩名客戶牽涉一宗關於向該等客戶供應變壓器之產品回收事件。本集團向一名獨立供應商購入該等變壓器，而此供應商已同意，倘該等客戶提出任何索償，會償付本集團2,257,000港元之金額。董事相信該爭議可在本集團毋須引起任何損失之情況下解決，因此沒有就此方面作出虧損撥備。

除上述者外，本集團已就一間合營公司於二零零六年十二月三十一日所動用之信貸融通約31,504,000港元（二零零五年：70,251,000港元）向銀行作出擔保。

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34. CAPITAL COMMITMENTS

Capital expenditure in respect of acquisition of plant and machinery contracted for but not provided in the consolidated financial statements

就收購廠房及機器之已訂約但未於綜合財務報表撥備之資本開支

Capital expenditure in respect of acquisition of intangible assets contracted for but not provided in the consolidated financial statements

就收購無形資產之已訂約但未於綜合財務報表撥備之資本開支

35. OPERATING LEASE COMMITMENTS

Minimum lease payments paid under operating leases during the year:
– Premises

年內根據經營租賃支付之最低租金：
– 物業

As at the balance sheet date, the Group has commitments for future minimum lease payments under non-cancellable operating leases in respect of certain premises as follows:

Operating leases which fall due:

Within one year

In the second to third year inclusive

經營租約於下列年期到期：

一年內

第二年至第三年
(包括首尾兩年)

Operating lease payments represent rentals payable by the Group for certain of its office properties and warehouses. Leases are negotiated for an average term of 3 years and rentals are fixed for an average of 3 years.

34. 資本承擔

2006
HK\$'000

2005
HK\$'000

–	620
1,776	2,915

35. 經營租賃承擔

2006
HK\$'000

2005
HK\$'000

1,178	596
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於結算日，本集團就若干物業之不可撤銷經營租賃，擁有未來最低租金承擔如下：

2006
HK\$'000

2005
HK\$'000

1,070	991
69	898
1,139	1,889

經營租賃之租金，相當於本集團就其若干辦公室物業及倉庫而應付之租金。租賃乃平均每三年磋商一次，而租金則平均每三年釐定一次。

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36. RETIREMENT BENEFITS SCHEME

The Group operates a Mandatory Provident Fund Scheme for all qualifying employees in Hong Kong. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees. The Group contributes 5% of relevant payroll costs to the Scheme, which contribution is matched by employees.

In accordance with the relevant rules and regulations in other countries in which the Group operates, the Group is required to operate defined contribution schemes managed by the relevant jurisdictions and to make contributions for its eligible employees. The contribution borne by the Group is calculated according to the regulations stated by the relevant jurisdictions.

The total cost charged to consolidated income statements of approximately HK\$734,110 (2005: HK\$1,210,000) represents contributions payable to the above scheme and other pension schemes in jurisdictions other than Hong Kong by the Group in respect of the current year.

37. POST BALANCE SHEET EVENT

In January 2007, the Group raised net proceeds of approximately HK\$60 million by a rights issue of 204,871,830 shares at the subscription price of HK\$0.30 per share on the basis of one rights share for every two shares then in issue.

38. RELATED PARTY TRANSACTIONS

(i) The Group purchased finished goods of approximately HK\$1,629,713,000 (2005: HK\$1,832,613,000) and plant and machinery of HK\$14,141,000 (2005: Nil) from Guo Wei. In addition, as at 31 December 2006, certain of Guo Wei's bank borrowings amounting to HK\$31,504,000 (2005: HK\$70,251,000) were guaranteed by the Group. The Group also purchased raw materials on behalf of Guo Wei with zero mark-up.

36. 退休福利計劃

本集團向所有香港合資格僱員提供強制性公積金計劃。該計劃資產與本集團資產乃分開處理，並由信託人管理之基金所持有。本集團向該計劃作出5%之薪金供款，與僱員之供款百分比相同。

根據本集團經營所在之其他國家之相關規則及規例，本集團須設立由相關司法權區管理之界定供款計劃，並就其合資格僱員作出供款。本集團承擔之供款乃根據相關司法權區訂定之規例計算。

於綜合收益表中扣除之總成本約為734,110港元(二零零五年：1,210,000港元)，乃本集團就本年度對上述計劃及香港以外司法權區之其他退休金計劃應付之供款。

37. 結算日後事項

於二零零七年一月，本集團透過供股發行204,871,830股股份(按每兩股當時已發行股份可以每股供股股份0.30港元之認購價認購一股供股股份之基準)籌集款項淨額約60,000,000港元。

38. 關連人士交易

(i) 本集團向國威購買製成品約1,629,713,000港元(二零零五年：1,832,613,000港元)及廠房及機器14,141,000港元(二零零五年：無)。此外，於二零零六年十二月三十一日，本集團就國威之若干銀行借貸31,504,000港元(二零零五年：70,251,000港元)作出擔保。本集團亦代表國威以零加價購買原材料。

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38. RELATED PARTY TRANSACTIONS (continued)

(II) During the year, the Group also purchased finished goods of approximately HK\$24,876,000 (2005: Nil) from Uniden. Moreover, the Group sold plant and machinery of approximately HK\$1,190,000 (2005: Nil) to Uniden.

(III) Compensation of key management personnel

The directors of the Group considered that they are the only key management personnel of the Group. Their remuneration are set out in note 12(a).

38. 關連人士交易 (續)

(II) 於本年度內，本集團並向Uniden購買製成品約24,876,000港元(二零零五年：無)。此外，本集團向Uniden出售約1,190,000港元(二零零五年：無)之廠房及機器。

(III) 主要管理人員之薪酬

本集團董事認為彼等乃本集團之唯一主要管理人員。彼等之酬金載於附註12(a)。

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39. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF
THE COMPANY

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

39. 本公司主要附屬公司詳情

本公司各主要附屬公司於二零零六年十二月三十一日之詳情如下：

Name of subsidiary	Place of incorporation/ establishment	Form of legal entity	Issued and fully paid share/ registered capital	Proportion of nominal value of issued capital/ registered capital held by the Company 本公司持有已發行股本/註冊資本面值比例 %	Principal activities
附屬公司名稱	註冊成立/成立地點	法定實體形式	已發行及繳足股本/註冊資本		主要業務
HB Electronics (China) Limited 錫威電子(中國)有限公司	British Virgin Islands 英屬處女群島	Limited company 有限公司	US\$1 ordinary share 普通股1美元	100	Investment holding 投資控股
MONDIAL Communications Limited 萬達鈴通訊有限公司	Hong Kong 香港	Limited company 有限公司	HK\$2 ordinary shares 普通股2港元	100	Research, development and marketing of telephones and related equipment 研究、發展及推廣電話及相關設備
MONDIAL Communications (Europe) Limited	England and Wales 英格蘭及威爾斯	Limited company 有限公司	£10,000 ordinary shares 普通股 10,000英鎊	100	European marketing and customer liaison for telephones and related equipment 於歐洲市場推廣流動電話及相關設備及維繫當地客戶
Suncorp Communications (Europe) Limited	England and Wales 英格蘭及威爾斯	Limited company 有限公司	£500,000 ordinary shares 普通股 500,000英鎊	100	Marketing and customer liaison 進行市場推廣及客戶維繫

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39. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (continued)

39. 本公司主要附屬公司詳情 (續)

Name of subsidiary	Place of incorporation/ establishment	Form of legal entity	Issued and fully paid share/ registered capital	Proportion of nominal value of issued capital/ registered capital held by the Company 本公司持有已發行股本/註冊資本面值比例 %	Principal activities
附屬公司名稱	註冊成立/成立地點	法定實體形式	已發行及繳足股本/註冊資本		主要業務
Suncorp Communications Limited 新確通訊有限公司	Hong Kong 香港	Limited company 有限公司	HK\$775,000 ordinary shares HK\$225,000 non-voting deferred shares (Note) 普通股775,000港元 無投票權遞延股 225,000港元 (附註)	100	Trading of telephones 買賣電話
Suncorp Industrial Limited 新確實業有限公司	Hong Kong 香港	Limited company 有限公司	HK\$100 ordinary shares 普通股100港元	100	Raw material sourcing 採購原材料
Suncorp (Service & Distribution) Limited	England and Wales 英格蘭及威爾斯	Limited company 有限公司	£1,750 ordinary shares 普通股 1,750英鎊	97	Co-ordination, repair and servicing of telephones and related equipment 調校、修理及保養電話及相關設備
Suncorp Information Technologies (Asia) Limited 新確資訊科技(亞洲)有限公司	Hong Kong 香港	Limited company 有限公司	HK\$2 ordinary shares 普通股2港元	100	Trading of telephones 買賣電話

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

附註：遞延股實際上不附有獲發股息之權利，亦無權收取舉行各公司各自之任何股東大會之通知或出席該等大會及於會上投票，或就清盤收取任何分派。

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**39. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF
THE COMPANY (continued)**

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

All the above active subsidiaries operate principally in their respective place of incorporation or establishment.

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

**39. 本公司主要附屬公司詳情
(續)**

董事認為，上表所列本集團之附屬公司對本集團之業績或資產及負債產生主要影響。依董事之意見，列出其他附屬公司之細節將流於冗長。

上述所有活躍附屬公司主要在各自之註冊成立或成立地點經營。

於年終時或於年內任何時間，各附屬公司均無發行任何債務證券。

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40. BALANCE SHEET INFORMATION OF THE COMPANY

40. 本公司之資產負債表資料

		NOTE 附註	2006 HK\$'000 千港元	2005 HK\$'000 千港元
Asset	資產			
Interest in subsidiaries	於附屬公司之權益		-	-
Deposits and prepayments	按金及預付款項		243	1,739
Amounts due from subsidiaries	應收附屬公司款項		-	134,678
Taxation recoverable	可收回稅項		189	21
Bank balances and cash	銀行結餘及現金		108	177
			540	136,615
Liabilities	負債			
Deposits received and accrued charges	已收按金及應計費用		4,805	1,060
Amounts due to subsidiaries	應付附屬公司款項		-	21,169
Financial guarantee contracts	金融擔保合約		2,683	-
			7,488	22,229
Net (liabilities) assets	(負債) 資產淨值		(6,948)	114,386
Capital and reserves	股本及儲備			
Share capital	股本		40,974	32,702
Reserves	儲備	a	(47,922)	81,684
			(6,948)	114,386

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40. BALANCE SHEET INFORMATION OF THE COMPANY
(continued)

Note:

(a) Reserves

40. 本公司之資產負債表資料
(續)

附註：

(a) 儲備

		Share premium	Contributed surplus	Share options reserve	Accumulated losses	Total
		股份溢價	繳入盈餘	購股權儲備	累計虧損	總額
		HK\$000	HK\$000	HK\$000	HK\$000	HK\$000
		千港元	千港元	千港元	千港元	千港元
At 1 January 2005	於二零零五年一月一日	36,626	80,851	493	(14,028)	103,942
Dividends paid	已付股息	-	-	-	(24,521)	(24,521)
Shares issued at premium	按溢價發行之股份	1,071	-	-	-	1,071
Recognition of equity-settled share-based payments	確認股本結算以股份 為基礎之付款	-	-	1,125	-	1,125
Profit for the year	本年度溢利	-	-	-	67	67
At 31 December 2005	於二零零五年十二月 三十一日	37,697	80,851	1,618	(38,482)	81,684
Shares issued at premium	按溢價發行之股份	135,968	-	-	-	135,968
Shares issue expenses	股份發行開支	(2,427)	-	-	-	(2,427)
Recognition of equity-settled share-based payments	確認股本結算以股份 為基礎之付款	-	-	-	-	-
Loss for the year	本年度虧損	-	-	-	(263,147)	(263,147)
At 31 December 2006	於二零零六年十二月 三十一日	171,238	80,851	1,618	(301,629)	(47,922)

The contributed surplus of the Company represents the difference between the underlying net assets of the subsidiaries at the date on which they were acquired by the Company and the nominal value of the share capital issued by the Company as consideration for the acquisition at the time of a group reorganisation in a previous year.

本公司繳入盈餘指本公司所購入附屬公司資產於購入當日之基本淨值，與本公司在一過往年度進行集團重組時就收購而發行作為代價之股本面值兩者之差額。