



Laying the foundation
for a **New Beginning**

鞏固成就 邁向新里程



RAYMOND Industrial Ltd
利民實業有限公司

Annual Report 2007
年報

(Stock Code 股份代號: 229)

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Corporate Information

公司資料

BOARD OF DIRECTORS

Mr. Wong, Wilson Kin Lae (*Chairman*)
Dr. Wong, Kennedy Ying Ho
(resigned as director and deputy executive
chairman on 13th April 2007)
Mr. Wong, John Ying Man
Mr. Wong, Raymond Man Hin
(appointed as deputy executive chairman on
19th April 2007)
Dr. Wong, Philip Kin Hang
Mr. Huang, Zhouchang
Mr. Qiang, Wenyu
Mr. Leung, Michael Kai Hung
Mr. Fan, Anthony Ren Da
Mr. Ng, Yiu Ming
Mr. Xiong, Zhengfeng
(alternate to Mr. Huang, Zhouchang)
Mr. Mok, Kin Hing
(appointed on 14th September 2007 as alternate to
Mr. Wong, Wilson Kin Lae)

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PRINCIPAL BANKERS

The Bank of East Asia, Limited
Shanghai Commercial Bank Limited

SOLICITORS

Philip K.H. Wong, Kennedy Y.H. Wong & Co.

AUDITORS

Baker Tilly Hong Kong Limited
Certified Public Accountants

COMPANY SECRETARY

Mr. Wong, Michael Sui Wah

REGISTERED OFFICE

Rooms 1801-1813, 18th Floor
Grandtech Centre
8 On Ping Street
Shatin, New Territories
Hong Kong

SHARE REGISTRARS AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
46th Floor
Hopewell Centre
183 Queen's Road East
Hong Kong

董事會

黃乾利先生 (主席)
黃英豪博士
(二零零七年四月十三日辭任董事及
副執行主席之職)
黃英敏先生
黃文顯先生
(二零零七年四月十九日獲
委任副執行主席之職)
黃乾亨博士
黃宙昌先生
強文郁先生
梁啟雄先生
范仁達先生
伍耀明先生
熊正峰先生
(黃宙昌先生之代董事)
莫健興先生
(二零零七年九月十四日獲委任為
黃乾利先生之代董事)

主要銀行

東亞銀行有限公司
上海商業銀行有限公司

律師

黃乾亨、黃英豪律師事務所

核數師

香港天華會計師事務所有限公司
執業會計師

公司秘書

黃瑞華先生

註冊辦事處

香港
新界沙田
安平街8號
偉達中心18樓
1801-1813室

股票過戶登記處

香港中央證券登記有限公司
香港
皇后大道東183號
合和中心46樓

Biographical Details of Directors and Senior Management

公司董事及高級管理層簡介

Mr. Wong, Wilson Kin Lae, aged 72, is Chairman of the Company. After obtaining a Bachelor of Engineering degree (Chemical Engineering) in Canada in 1959, he spent three years as a lecturer at the Hong Kong Technical College until 1964 when he founded the Company.

Mr. Wong, John Ying Man, aged 43, son of Dr. Wong, Philip Kin Hang, was appointed to the Board as an Executive Director on 15th September 1997. He graduated from the University of Manchester Institute of Science & Technology in 1987, and joined the Company in the same year. He worked as an engineer, project coordinator, engineering manager and then General Manager for operations.

Mr. Wong, Raymond Man Hin, aged 42, son of Mr. Wong, Wilson Kin Lae, was appointed to the Board as a Non-executive Director on 18th July 2001 and an Executive Director on 19th April 2002. He became a Deputy Executive Chairman on 19th April 2007. Mr. Wong holds a Bachelor degree in chemical engineering and a Master degree in economics. He is a U.S. Certified Public Accountant (CPA), a Certified Management Accountant (CMA) and is certified in financial management (CFM). He is an independent non-executive director of Fulbond Holdings Limited, BEP International Holdings Limited and Artfield Group Limited.

Dr. Wong, Philip Kin Hang, *GBS, JP, LLD, DH*, aged 75, brother of Mr. Wong, Wilson Kin Lae, has been a director of the Company since 1973. Dr. Wong is a consultant of a Hong Kong firm of solicitors and is also a Notary Public and a China Appointed Attesting Officer. Dr. Wong is also a non-executive director of K. Wah International Holdings Limited and a director of Shanghai Commercial Bank Limited.

黃乾利先生，72歲，公司主席。1959年在加拿大大學畢業，獲化學工程學士學位。其後三年在香港理工學院任講師，於1964年創辦本公司。

黃英敏先生，43歲，黃乾亨博士之兒子，於1997年9月15日被委任本公司執行董事。1987年畢業於英國曼徹斯特大學科技學院，並在同年加入本公司。曾任職工程師、策劃工程師、工程部經理及後成為營運總經理。

黃文顯先生，42歲，黃乾利先生之兒子，於2001年7月18日被委任本公司非執行董事，並於2002年4月19日獲委任執行董事。在2007年4月19日獲委任副執行主席之職。黃先生持有化學工程學士學位及經濟碩士學位，同時也是美國執業會計師。他同時擔任福邦控股有限公司，百靈達國際控股有限公司及雅域集團有限公司之獨立非執行董事。

黃乾亨博士，*GBS, 太平紳士, LLD, DH*，75歲，黃乾利先生之兄長，於1973年起任本公司之董事。黃博士為本港一律師行之顧問律師，並為國際公證人及中國委托公證人。黃博士亦為嘉華國際集團有限公司之非執行董事及上海商業銀行之董事。

Biographical Details of Directors and Senior Management

公司董事及高級管理層簡介

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Mr. Huang, Zhouchang, aged 43, was appointed as one of our Non-executive Directors on 1st August 2002. Mr. Huang graduated from Zhongshan University in 1987 and completed his Master of Laws (LL.M) in 1990 from China University of Political Science & Law. Mr. Huang joined China North Industries Guangzhou Corporation in 1990 and during his years with Norinco – Guangzhou, he held the positions of departmental manager, deputy general manager and general manager. Mr. Huang left Norinco – Guangzhou Branch to take up his responsibility as the managing director of Silver City International (Holdings) Ltd.

Mr. Qiang, Wenyu, aged 35, was appointed as one of our Non-executive Directors on 1st April 2003. Mr. Qiang graduated from Beijing Institute of Technology in 1994 and joined the service of China North Industries Corporation in 1995. In 2003, Mr. Qiang assumes office as the Assistant General Manager of Silver City International (Holdings) Ltd. and the General Manager of Throne Star International Ltd.

Mr. Leung, Michael Kai Hung, aged 65, was appointed to the Board as an Independent Non-executive Director in 1988. He is an entrepreneur with extensive international experience in garment manufacturing and trading. He is the founder of the Onwel Group of Companies in 1969 and has been holding the position of Executive Chairman since 1982.

Mr. Fan, Anthony Ren Da, aged 48, joined in 1994 as an Independent Non-executive Director of the Company. He holds a Master Degree in Business Administration from the USA. He is currently the chairman and managing director of Asialink Capital Limited. Prior to that, he held senior positions with various international financial institutions and was the managing director of a company listed on the Stock Exchange. Mr. Fan is an independent non-executive director of two other companies listed on the Stock Exchange.

Mr. Ng Yiu Ming, aged 71, was appointed to the Board as an Independent Non-executive Director on 2nd July 2004. Currently, Mr. Ng is a Non-executive Director of Dah Sing Financial Holdings Ltd. He has over 40 years of experience in hire purchase and leasing finance.

黃宙昌先生，43歲，於2002年8月1日擔任本公司非執行董事。1987年畢業於中山大學，1990年獲中國政法大學法學碩士學位，並於同年加入中國北方工業廣州公司。歷任部門經理，副總經理及總經理。2002年擔任銀華國際(集團)有限公司董事總經理。

強文郁先生，35歲，於2003年4月1日擔任本公司非執行董事。1994年畢業於北京理工大學，1995年加入中國北方工業公司。2003年擔任銀華國際(集團)有限公司總經理助理與利星國際有限公司總經理。

梁啟雄先生，65歲，1988年獲委任獨立非執行董事，作為企業家，他在製衣業有豐富的製造及國際銷售經驗。1969年他成為惠安製衣集團的創辦人，並從1982年起擔任該公司執行主席。

范仁達先生，48歲，於1994年加入本公司，任獨立非執行董事。彼在美國取得工商管理碩士學位，現為東源資本有限公司之主席兼董事總經理。在此以前，彼曾在多間國際財務機構擔任高級管理職位，並於一間在香港聯交所上市之公司擔任董事總經理。范先生同時為兩間分別於香港聯交所上市公司之獨立非執行董事。

伍耀明先生，71歲，2004年7月2日獲委任為本公司之獨立非執行董事。現任大新金融集團有限公司之非執行董事，伍先生擁有逾四十年租購及租賃貸款業務經驗。

Chairman's Statement

主席報告

I am pleased to present the Group's annual result for the year ended 31st December 2007. During the Year 2007, the Group's electrical appliances business has continued diversification in product mix as traditional small appliances have seen a continual decline in gross profit margin. U.S. market was adversely impacted by lower consumer confidence as average consumers spent less on small electrical appliances. Some of our new products, such as the residential filtration systems, suffered declining sales from a U.S. housing market slow down.

Despite the difficult time in 2007, our Group is optimistic of a turnaround in turnover and profits in 2008. Since the beginning of 2008, we gradually launch new innovative products as a result of our substantial investment in innovation and research & development. Our dedication to innovation and quality was recognised by the Business Initiative Development (BID) organisation in Spain and were awarded a gold and platinum awards in September 2007 and April 2008 respectively.

As energy costs and paper pulp prices increased substantially together with increased competition and price war initiated by foreign cigarette paper companies, the cigarette paper division suffered heavy losses and had difficulty to service its debts. As a result, our Group has decided to write off our investment in the paper business and the related party loans, and booked a charge for the total investment in Cheung Fung Technology (Holdings) Ltd. ("Cheung Fung").

For the financial year ended 31st December 2007, the Group's consolidated turnover was HK\$843 million compared with HK\$956 million in the previous year, representing a decrease of 12% in turnover, mainly due to the discontinuation of low margins product lines.

The Group's net loss is HK\$45.5 million, mainly due to a one time write off of the investment in Cheung Fung, representing loss per share of 11.55 HK cents (our net profit in 2006 was HK\$48.2 million, with profit per share of 12.4 HK cents).

本人欣然提呈本集團截至二零零七年十二月三十一日止年度之年報。於二零零七年，因產品繼續轉型，致使本集團的家庭電器業務受影響，而令集團的小家庭電器業務的毛利持續下降。美國市場消費者信心不足，消費者的平均購買力下降，小家電業務受負面影響。我們的一些新產品，如家用過濾系統，受美國樓市的影響，銷量下降。

艱難度過二零零七年之後，本集團對二零零八年的營業額和盈利滿懷信心。於二零零八年開始，我們在技術創新和研發方面的投資初見成效，將逐漸推出一些新技術產品。我們在技術創新和產品質量方面的努力分別於二零零七年九月和二零零八年四月獲得由西班牙機構BID (Business Initiative Development)頒發的金獎和白金獎。

由於能源價格和紙漿價格的上漲，日益激烈的競爭，及國外煙紙公司發起的價格戰，令煙紙業務嚴重受挫而無力償還貸款利息。因此，集團決定在煙紙方面的投資以及相關貸款及集團在祥豐科技(集團)有限公司(「祥豐」)的投資作出撇賬。

截至二零零七年十二月三十一日財政年度，本集團的綜合營業額為港幣八億四千三百萬元，與上年度的港幣九億五千六百萬元相比，下降了百分之十二，主要原因是中止了一些低毛利的產品。

本集團淨虧損港幣四千五百五十萬元，主要是為祥豐的投資作一次性撇賬，每股虧損港幣十一點五十五仙(二零零六年純利為港幣四千八百二十萬元，每股溢利港幣十二點四仙)。

Chairman's Statement

主席報告

Since the Group has a cash balance of HK\$305.4 million at the year ended 31st December 2007, and there are no suitable investment opportunities in the manufacturing industry, and our management does not intend to invest in business unrelated to our core business, the Group decides to return part of the cash to shareholders in the form of special dividends.

On behalf of the Board, I would like to extend the Board's appreciation to all our staff for their hard work and dedication throughout the year.

Wong, Wilson Kin Lae
Chairman
Hong Kong, 18th April 2008

由於截至二零零七年十二月三十一日止，本集團的現金餘額為港幣三億五百四十萬元，在製造業方面無適當投資機會，管理層亦無意投資與本集團核心無關的業務，所以本集團決定將部分現金以特別股息的方式派發予股東。

本人謹代表董事會對所有職員在過去一年內的勤奮及所作出之貢獻深表謝意。

主席
黃乾利
香港，二零零八年四月十八日

Management Discussion and Analysis

管理層討論及分析

FINANCIAL POSITION

The liquidity position of the Group remains sound. Its current ratio was 4.06 as of 31st December 2007, against 3.91 as of 31st December 2006.

During the year, the Group's accounts receivable turnover stood at 49 days in year 2007, compared with 50 days of the previous year. The inventory turnover increased from 45 days in year 2006 to 49 days in year 2007.

Bank balances and cash were HK\$305.4 million as of 31st December 2007, representing a decrease of HK\$77.7 million over that of the previous year.

There are no bank borrowings as of 31st December 2007.

The Group had no contingent liabilities as of 31st December 2007.

As of 31st December 2007, the Group had commitments for capital contribution to subsidiaries (authorised but not contracted for) of HK\$47 million.

CAPITAL STRUCTURE

During the year, the share capital structure of the Company has not been changed with details shown in note 26 to the financial statements.

DIVIDEND

The Board of Directors is recommending the payment of a final dividend of 1 HK cent, making a total payout of 6 HK cents per share for 2007 and a special dividend of 20 HK cents per share (2006: total of 16 HK cents per share and a special dividend of 10 HK cents per share). The total amount of dividend appropriated, based on the number of shares in issue, is HK\$102.4 million (2006: HK\$102.4 million).

財政狀況

本集團的資金流動保持強勁。於二零零七年十二月三十一日，本集團之資金流動率為四點零六，二零零六年十二月三十一日為三點九一。

於二零零七年度，本集團的應收帳項周轉期為49天，上年度為50天。庫存周轉期從二零零六年的45天上升至二零零七年的49天。

於二零零七年十二月三十一日，銀行結餘及現金額為港幣三億零五百四十萬元，比去年同期下降了港幣七千七百七十萬元。

於二零零七年十二月三十一日，本集團並無銀行貸款。

於二零零七年十二月三十一日，本集團無或然負債。

於二零零七年十二月三十一日，注資予附屬公司之資本承擔（已批准但未簽約）為港幣四千七百萬元。

資本結構

本年度本公司之資本結構並無變動，詳情載於財務報表附註26。

股息

董事會建議派發末期股息為每股港幣一仙及特別股息為每股港幣二十仙，二零零七年度總股息為每股港幣六仙（二零零六年總股息為每股港幣十六仙及特別股息每股港幣十仙）。根據發行的股票數量，本年度股息總額為港幣一億零二百四十萬元（二零零六年股息總額為港幣一億零二百四十萬元）。

Management Discussion and Analysis

管理層討論及分析

The book of transfers and register of member will be closed from 2nd June 2008 to 6th June 2008, both days inclusive during which period no transfer of shares will be registered. In order to qualify for the final dividend and special dividend, lodging of all transfers accompanied by the relevant share certificates must not be later than 4:00 p.m. on 30th May 2008 with the Company's share registrars, Computershare Hong Kong Investor Services Limited, at 46th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong. The final dividend and special dividend are payable on 17th June 2008 to members on register on 6th June 2008.

CHARGES ON ASSETS

The Group has no charges on assets as of 31st December 2007.

8 FUTURE PROSPECTS

The core business of the Group has continued to shift from lower margin small appliances manufacturing to higher margin environmental products. Strategically, our direction is to weed out low margin, bigger size products such as toaster ovens and develop smaller, higher margin shaver products. In light of the continual up-trend of raw material costs, labor and utilities costs, appreciating Renminbi, and a less favorable business environment for traditional small appliance product line, the Group continues our E-100 cost savings initiative to streamline production processes and material control to improve production efficiency and realise more operation cost savings. Our strategy to develop niche market for higher margin products has resulted in our close collaboration with local universities and European inventors of new technologies.

In 2008 we will review our new product mix and strategic plan to make our products more competitive and profitable. We will explore business opportunities in other new markets such as Latin America and China, and search for new ways to form strategic partnership with our customers. We now have a representative stationed in Germany to continue to expand our business in Europe. Meanwhile, we are in the process of setting up new offshore operations to give us more flexibility.

本公司將於二零零八年六月二日至二零零八年六月六日(包括首尾兩天)暫停辦理登記過戶手續。如欲收取末期股息及特別股息,所有過戶文件連同有關股票須於二零零八年五月三十日下午四時正前送抵過戶處,香港中央證券登記有限公司,地址為香港皇后大道東183號合和中心46樓。股息及特別股息將於二零零八年六月十七日派發予於二零零八年六月六日登記在名冊上之股東。

資產抵押

於二零零七年十二月三十一日,本集團並無資產抵押。

前景

集團的核心業務繼續從低利潤的小家庭電器製造業轉向較高利潤的環境類產品。我們的發展策略是,淘汰利潤較低體積較大的產品如多士爐等,發展體積較小利潤較大的產品如須刨等。由於不斷上漲的原材料價格、勞動力和水電等雜費的增加、人民幣升值、以及對傳統小家庭電器業務不利的營商環境,集團將繼續執行E-100開源節流措施,改進生產工藝,控制材料成本,提高生產效率,實現更加有效的成本節約。我們瞄準市場開發高利潤產品的策略已經促成了我們與本地大學和歐州新技術發明者的密切合作。

於二零零八年,我們將審視我們的新產品類型及策略性計劃,以使我們的產品更具競爭力利潤更高。我們將開發其它市場如拉丁美洲和中國的業務,並且尋求新的途徑與客戶形成策略性合作伙伴。我們已在德國派駐代表繼續拓展歐州業務。同時,我們也在籌劃成立新的離岸業務使我們的發展更具靈活性。

Management Discussion and Analysis

管理層討論及分析

STAFF

The Group currently employs approximately 50 Hong Kong staff members and operates the Mandatory Provident Fund Scheme and defined contribution pension schemes. Our factory in Mainland China employs about 250 staffs, and workers employed directly or indirectly varied from 3,000 to 4,000 persons during the period. Remuneration is determined by reference to the qualifications, experience and performance of the staff.

FOREIGN EXCHANGE EXPOSURE

Most of the Group's transactions were conducted in US Dollars, Hong Kong Dollars and Reminbi. The Group does not foresee any substantial exposure to foreign currency fluctuations and thus use of financial instruments for exchange rate hedging purpose is not considered.

職員

本集團現僱用香港職員約五十人，並為其提供界定供款退休計劃。我們在國內開設的廠房於年內僱用職員約二百五十人，季節性僱用的工人約三千人至四千人。薪酬乃根據職員之學歷、經驗及工作表現釐訂。

外匯風險

本集團大部分商業交易均以美元、港元及人民幣計算。基於本集團認為不會面對重大匯價變動風險，故並無考慮使用財務工具對沖匯率變動。

Report of the Directors

董事會報告

The directors submit herewith their annual report together with the audited financial statements for the year ended 31st December 2007.

PRINCIPAL PLACE OF BUSINESS

Raymond Industrial Limited (the "Company") is a company incorporated and domiciled in Hong Kong and has its registered office and principal place of business at Rooms 1801-1813, 18th Floor, Grandtech Centre, 8 On Ping Street, Shatin, New Territories, Hong Kong.

PRINCIPAL ACTIVITIES

The principal activities of the Company are the sale of electrical home appliances. The principal activities and other particulars of the subsidiaries are set out in note 17 to the financial statements.

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The analysis of the principal activities and geographical locations of the operations of the Company and its subsidiaries (the "Group") during the financial year are set out in note 14 to the financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

The percentages of sales and purchases attributable to the Group's major customers and suppliers during the financial year are as follows:

		Percentage of the Group's total 本集團之合共百分率	
		Sales 銷售額	Purchases 採購額
The largest customer	最大客戶	41%	
Five largest customers in aggregate	五大客戶合計	76%	
The largest supplier	最大供應商		16%
Five largest suppliers in aggregate	五大供應商合計		22%

None of the directors, their associates or any shareholder of the Company (which to the knowledge of the directors owns more than 5% of the Company's share capital) had any interest in these major customers and suppliers during the year.

董事會謹此呈交截至二零零七年十二月三十一日止年度之年報及經審核財務報表。

主要營運地區

利民實業有限公司(「本公司」)是一間香港註冊上市公司，註冊辦事處及主要業務地點設在香港新界沙田安平街8號偉達中心18樓1801-1813室。

主要業務

本公司之主要業務是銷售家用電器。主要業務及其附屬公司分析載於財務報表附註17。

本公司及其附屬公司(「本集團」)之主要業務及地區業務分析載於財務報表附註14。

主要客戶及供應商

本集團之主要供應商和客戶佔本集團本年度之採購額及銷售額之百分比如下：

於本年內，本公司董事、彼等之聯繫人士或任何股東(據董事所知持有本公司股本5%以上者)並無於上述主要客戶及供應商中持有任何權益。

FINANCIAL STATEMENTS

The loss of the Group for the year ended 31st December 2007 and the state of the Company's and the Group's affairs as at that date are set out in the financial statements on pages 36 to 130.

TRANSFER TO RESERVES

Loss attributable to shareholders, before dividends, of HK\$45,494,543 (2006: profit of HK\$48,234,066) have been transferred to reserves. Other movements in reserves are set out in note 26 to the financial statements.

An interim dividend of 5 HK cents per share (2006: 5 HK cents per share) was paid on 16th October 2007. The directors recommend the payment of a final dividend of 1 HK cent per share (2006: 11 HK cents per share) and a special dividend of 20 HK cents per share (2006: 10 HK cents per share) in respect of the year ended 31st December 2007.

DONATIONS

Charitable donations made by the Group during the year amounted to HK\$7,800 (2006: HK\$7,800).

FIXED ASSETS

Details of the movements in fixed assets are set out in note 15 to the financial statements.

SHARE CAPITAL

Details of the movements in share capital of the Company during the year are set out in note 26(c) to the financial statements. There were no movements during the year.

財務報表

本集團截至二零零七年十二月三十一日止年度之虧損，以及本公司及本集團於該日之狀況載於財務報表第36至第130頁。

轉撥至儲備

股東應佔虧損(未計股息)45,494,543港元(二零零六年：溢利48,234,066港元)已轉撥至儲備。儲備之其他變動載於財務報表附註26。

中期股息每股港幣5仙(二零零六年：每股港幣5仙)，已於二零零七年十月十六日派發。於截至二零零七年十二月三十一日之年度，董事會建議派發末期股息每股港幣1仙(二零零六年：每股港幣11仙)及特別股息每股港幣20仙(二零零六年：每股港幣10仙)。

捐款

本集團在本年度作出之慈善捐款合共港幣7,800元(二零零六年：港幣7,800元)。

固定資產

固定資產之變動詳情載於財務報表附註15。

股本

本公司之股本變動詳情載於財務報表附註26c。本年度沒有任何變動。

Report of the Directors

董事會報告

DIRECTORS

The directors during the financial year and up to the date of this report were:

Executive directors:

Mr. Wong, Wilson Kin Lae (*Chairman*)

Mr. Wong, John Ying Man

Dr. Wong, Kennedy Ying Ho

(resigned as director and deputy executive chairman on 13th April 2007)

Mr. Wong, Raymond Man Hin

(appointed as deputy executive chairman on 19th April 2007)

Non-executive directors:

Dr. Wong, Philip Kin Hang

Mr. Huang, Zhouchang

Mr. Qiang, Wenyu

Independent non-executive directors:

Mr. Leung, Michael Kai Hung

Mr. Fan, Anthony Ren Da

Mr. Ng, Yiu Ming

Alternate directors:

Mr. Xiong, Zhengfeng

(alternate to Mr. Huang, Zhouchang)

Mr. Mok, Kin Hing

(appointed on 14th September 2007 as alternate director to Mr. Wong, Wilson Kin Lae)

Mr. Mok, Kin Hing, having been appointed to the board after the date of the last annual general meeting, retire at the forthcoming annual general meeting in accordance with article 95 of the Company's Articles of Association and, being eligible, offer himself for election.

董事

於本年內在任之董事如下：

執行董事：

黃乾利先生 (主席)

黃英敏先生

黃英豪博士

(二零零七年四月十三日辭任董事及

副執行主席之職)

黃文顯先生

(二零零七年四月十九日獲委任副執行主席之職)

非執行董事：

黃乾亨博士

黃宙昌先生

強文郁先生

獨立非執行董事：

梁啟雄先生

范仁達先生

伍耀明先生

代董事：

熊正峰先生

(黃宙昌先生之代董事)

莫健興先生

(二零零七年九月十四日獲委任為黃乾利先生之代董事)

按照本公司組織章程第95條，莫健興先生在上屆股東週年大會後獲董事會委任，將於應屆股東週年大會任滿告退。惟他願意應選連任。

DIRECTORS (Continued)

In accordance with article 112 of the Company's Articles of Association, Mr. Wong, Raymond Man Hin, Dr. Wong, Philip Kin Hang and Mr. Leung, Michael Kai Hung retire from the board by rotation at the forthcoming annual general meeting and, being eligible, offers themselves for re-election.

DIRECTORS' SERVICE CONTRACTS

None of the directors who are proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or its subsidiaries which is not terminable within one year without payment of compensation other than statutory compensation.

The non-executive directors do not have specific terms of appointment but are subject to retirement by rotation in accordance with the above articles.

DIRECTORS' INTERESTS IN CONTRACTS

Except for the transactions disclosed in note 30 to the financial statements, no contract of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

董事 (續)

按照本公司組織章程第112條，黃文顯先生、黃乾亨博士和梁啟雄先生將於應屆股東週年大會輪值告休。惟他們願意應選連任。其餘各董事繼續留任。

董事之服務合約

有意於應屆股東週年大會上連任之董事均無與本公司或其附屬公司簽訂任何不可於一年內免付賠償之服務合約（法定補償除外）而終止之服務合約。

非執行董事沒有特定的任期期限，但須根據以上條款輪任。

董事之合約權益

除財務報表附註30外，在年終或本年度任何時間內，均無訂立與本公司業務有關、及由本公司及其附屬公司概無簽訂任何涉及本集團之業務而本公司董事直接或間接在其中擁有重大權益之重要合約。

Report of the Directors

董事會報告

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES

At 31st December 2007, the interests of the directors in the shares of the Company, its subsidiaries and other associated corporations (within the meaning of the Securities and Futures Ordinance ("SFO")) as recorded in the register maintained by the Company under Section 352 of the SFO or as notified to the Company are as follows:

(i) Interests in issued shares

董事於本公司之股份及相關股份權益

於二零零七年十二月三十一日，各董事於本公司及其相關法團(釋義見證券及期貨條例(「證券條例」))之股份及相關股份，根據本公司依證券條例第352條而設置之登記冊所載記錄，或根據本公司接獲通知之權益如下：

(i) 發行股份權益

		Number of shares 股份數量				Total 合共	% of total issued shares 合共發行 股份百分率
		Personal interests 個人權益 (Note 1) (註1)	Family interests 家屬權益	Corporate interests 法團權益	Share options 購股權		
<i>Executive directors</i> 執行董事							
Mr. Wong, Wilson Kin Lae	黃乾利先生	4,576,008	150,000 (Note 2) (註2)	91,313,597 (Note 3) (註3)	-	96,039,605	24.38%
Mr. Wong, John Ying Man	黃英敏先生	7,668,448	-	-	-	7,668,448	1.95%
Dr. Wong, Kennedy Ying Ho (resigned on 13th April 2007)	黃英豪博士 (二零零七年四月 十三日辭職)	3,143,008	-	12,385,820 (Note 4) (註4)	607,000 (Note 7) (註7)	16,135,828	4.10%
Mr. Wong, Raymond Man Hin	黃文顯先生	6,417,972	-	-	-	6,417,972	1.63%
<i>Non-executive directors</i> 非執行董事							
Dr. Wong, Philip Kin Hang	黃乾亨博士	-	421,000 (Note 5) (註5)	35,669,688 (Note 6) (註6)	493,000 (Note 7) (註7)	36,583,688	9.29%
Mr. Huang, Zhouchang	黃宙昌先生	600,000	-	-	-	600,000	0.15%
Mr. Qiang, Wenyu	強文郁先生	600,000	-	-	-	600,000	0.15%
<i>Independent non-executive directors</i> 獨立非執行董事							
Mr. Leung, Michael Kai Hung	梁啟雄先生	3,694,300	-	-	-	3,694,300	0.94%
Mr. Fan, Anthony Ren Da	范仁達先生	644,300	-	-	-	644,300	0.16%
Mr. Ng, Yiu Ming	伍耀明先生	330,000	-	-	-	330,000	0.08%
<i>Alternate directors</i> 代董事							
Mr. Xiong, Zhengfeng	熊正峰先生	-	-	-	-	-	-
Mr. Mok, Kin Hing	莫健興先生	-	-	-	-	-	-

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES (Continued)

董事於本公司之股份及相關股份權益(續)

(i) Interests in issued shares (Continued)

(i) 發行股份權益(續)

Notes:

附註:

- (1) The shares are registered under the names of the directors who are the beneficial shareholders.
- (2) Ms. Sun, Amelia Kwing Hai, spouse of Mr. Wong, Wilson Kin Lae, is the beneficial shareholder.
- (3) These shares were held by Broadbridge Enterprises Limited and Diamond-Harvest Limited, both of which are wholly and beneficially owned by Mr. Wong, Wilson Kin Lae and his spouse.
- (4) These shares were held through Limin Corporation, a company controlled by Dr. Wong, Kennedy Ying Ho.
- (5) Mrs. Wong Cheng, Gertrude Kwok Cheung, spouse of Dr. Wong, Philip Kin Hang, is the beneficial shareholder.
- (6) Dr. Wong, Philip Kin Hang is the beneficial shareholder of 50% of the issued capital of Ho Kit Man Inc., which owned 35,669,688 shares in the Company.
- (7) Share options are granted to the directors under the share option scheme (the "Scheme") approved by the shareholders at an extraordinary general meeting on 6th June 2003. Details of which the Scheme was set out in the section "Share option scheme" below.

- (1) 登記在股份名下之董事姓名均為實益股東。
- (2) 該等股份乃透過黃乾利先生之配偶辛炯僖女士為實益股東。
- (3) 該等股份乃透過由黃乾利先生及其配偶實益全資擁有之Broadbridge Enterprises Limited和Diamond-Harvest Limited持有。
- (4) 該等股份乃透過由黃英豪博士控制之Limin Corporation持有。
- (5) 該等股份乃透過黃乾亨博士之配偶黃鄭國璋女士為實益股東。
- (6) 該等股份乃透過黃乾亨博士持有50%發行股本的Ho Kit Man Inc.(持有35,669,688股份)為實益股東。
- (7) 該等股份乃根據本公司於二零零三年六月六日舉行之股東特別大會上批准之購股權計劃授出的。詳情請參閱下列之「購股權」部份。

All the interests disclosed under this section represent long positions in the shares of the Company.

此部份所列之權益均為於本公司之股份及購股權中的好倉。

Report of the Directors

董事會報告

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES (Continued)

(ii) Interests in underlying shares

The directors of the Company have been granted options under the Company's share option scheme, details of which are set out in the section "Share option scheme" below.

Apart from the foregoing, none of the directors of the Company or any of their spouses or children under eighteen years of age has interests or short positions in the shares, underlying shares or debentures of the Company, or any of its subsidiaries or other associated corporations, as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

董事於本公司之股份及相關股份權益(續)

(ii) 於相關股份之權益

本公司董事已根據本公司購股權計劃授出購股權，有關詳情載於下文「購股權計劃」一節。

除上文所述者外，概無本公司董事或彼等之配偶或十八歲以下子女於本公司、或其任何附屬公司或其他相聯法團之股份、相關股份或債券中擁有須紀錄於根據證券及期貨條例第352條存置之登記冊或根據上市公司董事進行證券交易之標準守則須知會本公司之權益。

SHARE OPTION SCHEME

Share options are granted to directors, employees and other eligible participants specified under the Share Option Scheme (the “Scheme”) approved by shareholders of the Company at an extraordinary general meeting on 6th June 2003. Details of the Scheme are as follows:

Purpose To give eligible participants incentives or rewards for their contribution or potential contribution to the Group

Participants (i) Directors, employees of any member of the Group or any Controlling Shareholder of the Company (“Controlling Shareholder”) or any company controlled by a Controlling Shareholder,

(ii) Holder of any securities issued by any member of the Group or any Controlling Shareholder of the Company or any company controlled by a Controlling Shareholder,

(iii) (a) any business or joint venture partner, contractor, agent or representative of,

(b) any supplier of goods or services to, or

(c) any customer or distributor of goods or services of,

any member of the group or any controlling Shareholder or a company controlled by a Controlling Shareholder;

購股權

根據本公司股東在二零零三年六月六日舉行之特別股東大會上批准之購股權計劃(「計劃」)，董事、僱員及其他合資格人士獲授予購股權。有關計劃之詳情如下：

目的 旨在讓本集團向參與者授出購股權，作為對本集團已作出或未來將作出之貢獻的激勵或獎勵

參與者 (i) 本集團任何成員公司或本公司之控股股東(「控股股東」)或控股股東所控制之公司之董事、僱員；

(ii) 持有本集團任何成員、控股股東或控股股東所控制之公司所發行之任何證券之持有人；

(iii) (a) 任何業務或合作夥伴、承包商、代理及代表；或

(b) 任何貨品或服務供應商；或

(c) 任何客戶及分銷商

乃本集團任何成員或控股股東或由控股股東控制之任何公司；

Report of the Directors

董事會報告

SHARE OPTION SCHEME (Continued)

購股權(續)

and for the purpose of the Scheme, shall include any company controlled by one or more persons belonging to any of the above classes of persons

並就該計劃而言，將包括由一位或多位隸屬以上任何合資格人士所控制之公司

Total number of shares available for issue and the percentage of the issued share capital that it represents as at the date of the annual report

1,215,000 shares and 0.31% of the issued share capital

可供發行之普通股總數及於本年報之日期佔已發行之股本之百分比

1,215,000股普通股，佔已發行股本0.31%

Maximum entitlement of each participant

1% of the aggregate number of shares in issue in any 12-month period up to the date of grant

每名參與者可享購股權上限

在任何十二個月期間參與者行使其所獲授之購股權，不得超過本公司已發行普通股股本之1%

Period within which the securities must be taken up under an option

Within a maximum period of 10 years commencing from the date of grant of such options

購股權必須認購普通股之期限

購股權可於授出之日行使，惟購股權之可行使期限不可超過十年

Minimum period for which an option must be held before it can be exercised

Not applicable

行使購股權前最少持有期限

不適用

SHARE OPTION SCHEME (Continued)

Amount payable on acceptance of the option HK\$1.00 for each lot of share options granted

Period within which payments must be made 21 days from the date of the offer

Basis of determining the exercise price The higher of (i) the closing price of the shares on the offer date or (ii) the average closing price of the shares for the 5 trading days immediately preceding the offer of the option, provided that the exercise price is not less than the nominal value of the share

The remaining life of the Scheme The Scheme remains in force until 5th June 2013 unless otherwise terminated under terms of the Scheme

購股權 (續)

接納購股權時須支付之金額 每批授出之購股權為港幣1元

接納購股權付款期間 授出日21日內

釐定行使價之基準 以下列兩者中之較高者：(i)有關購股權授出當日之收市價或(ii)有關購股權授出日前五個營業日之平均收市價。惟每股購股權之行使價不可低於每股普通股之面值

計劃之有效期 除非在計劃之條款下另作終止，否則計劃維持有效至二零一三年六月五日

At 31st December 2007, the directors, employees and other participants had the following interests in options to subscribe for shares of the Company (market value per share at 31st December 2007 was HK\$1.36) granted for a consideration of HK\$1 for each lot of options granted under the Scheme. The options are unlisted. Each option gives the holder the right to subscribe for one ordinary share of HK\$0.50 each of the Company.

於二零零七年十二月三十一日，董事、僱員或其他參與人士於購股權中擁有以下權益，該等購股權乃根據本公司計劃以每批購股權代價1港元授出，可認購本公司股份（於二零零七年十二月三十一日每股市值為1.36港元）。購股權並無上市。每份購股權賦予持有人權利認購一股本公司每股面值0.50港元之普通股。

Report of the Directors

董事會報告

SHARE OPTION SCHEME (Continued)

購股權 (續)

	No. of options 購股權數目			Date granted 授出日期	Period during which options are exercisable 購股權可行使 之期間	Exercise price per share 每股行使價 HK\$ 港元	Market value per share at date of grant of options* 於購股權 授出日期之 每股市價* HK\$ 港元
	Held at the 1st January 2007 於二零零七 年一月一日 之結餘	Cancelled during the year 於年內 註銷之 購股權數目	Outstanding at the year end 於年終尚 未行使之 購股權數目				
Directors 董事							
Dr. Wong, Kennedy Ying Ho (resigned on 13th April 2007) 黃英豪博士 (二零零七年四月十三日辭職)	607,000	(607,000)	–	21st June 2005 二零零五年 六月二十一日	21st June 2005 to 5th June 2013 二零零五年六月二十一日 至二零一三年六月五日	2.425	1.736
Dr. Wong, Philip Kin Hang 黃乾亨博士	493,000	–	493,000	21st June 2005 二零零五年 六月二十一日	21st June 2005 to 5th June 2013 二零零五年六月二十一日 至二零一三年六月五日	2.425	1.736
Employees 僱員	582,000	(30,000)	552,000	21st June 2005 二零零五年 六月二十一日	21st June 2005 to 5th June 2013 二零零五年六月二十一日 至二零一三年六月五日	2.425	1.736
Other eligible persons 其他合資格人士	170,000	–	170,000	21st June 2005 二零零五年 六月二十一日	21st June 2005 to 5th June 2013 二零零五年六月二十一日 至二零一三年六月五日	2.425	1.736
	1,852,000	(637,000)	1,215,000				

The options granted to the directors are registered under the names of the directors who are also the beneficial owners.

授予董事之購股權乃以同時為實益擁有人之董事之名義登記。

* being the weighted average closing price of the Company's ordinary shares immediately before the dates on which the options were granted or exercised, as applicable.

* 即本公司普通股於緊接購股權授出或行使(如適用)日期前之加權平均收市價。

Information on the accounting policy for share options granted and the weighted average value per option is provided in note 2(l)(ii) and note 26 to the financial statements respectively.

授出購股權之會計政策及每份購股權加權平均值之資料分別載於財務報表附註2(l)(ii)及附註26。

SHARE OPTION SCHEME (Continued)

Apart from the foregoing, at no time during the year was the Company, or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the directors of the company to acquire benefits by means of the acquisition of shares in or debentures of the company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES

According to the register of substantial shareholders maintained under section 336 of the SFO as at 31st December 2007, the Company had been notified of the following substantial shareholders' interests being 5% or more of the Company's ordinary shares in issue. These interests are in addition to those disclosed above in respect of the directors:

購股權 (續)

除上文所述者外，於本年內任何時間，本公司、或其任何附屬公司或同系附屬公司並非任何讓本公司董事以購買本公司或任何其他實體股份或債券之權益之方式取得利益之安排之訂約方。

主要股東於本公司之股份及相關股份之權益

除上述董事之股份權益外，於二零零七年十二月三十一日，根據證券條例第336條而設置之主要股東登記冊，本公司已接獲下列持有本公司發行股本5%或以上權益之通知：

		Number of shares 股份數量			% of total issued shares 合計發行 股份百分率	
Substantial shareholders 主要股東		Registered shareholders 已登記股東	Corporate interests 法團權益	Family interest 家屬權益	Total 合計	
Ms. Sun, Amelia Kwing Hai	辛炯僖女士	150,000	91,313,597 (Note 2) (註2)	4,576,008 (Note 1) (註1)	96,039,605	24.38%
Diamond-Harvest Limited	Diamond-Harvest Limited	77,881,760 (Note 3) (註3)	–	–	77,881,760	19.77%
Silver Talent Development Limited	銀立發展有限公司	–	53,080,800	–	53,080,800	13.48%
Allianz AG	Allianz AG	–	40,651,000	–	40,651,000	10.32%
Mrs. Wong Cheng, Gertrude Kwok Cheng	黃鄭國璋女士	421,000	35,669,688	493,000 (Note 4) (註4)	36,583,688	9.29%
Ho Kit Man Inc.	Ho Kit Man Inc.	35,669,688 (Note 5) (註5)	–	–	35,669,688	9.05%

Notes:

(1) The shares were held by Mr. Wong, Wilson Kin Lae, spouse of Ms. Sun, Amelia Kwing Hai, of which details are set out in the "Directors' interests in shares and underlying shares" section above.

附註：

(1) 該等股份乃透過辛炯僖女士之配偶黃乾利先生持有。詳情請參閱上列之「董事於本公司之股份及相關股份權益」。

Report of the Directors

董事會報告

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES (Continued)

Notes: (Continued)

- (2) These shares were held through Broadbridge Enterprises Limited and Diamond-Harvest Limited, companies beneficially owned by Ms. Sun, Amelia Kwing and her spouse, Mr. Wong, Wilson Kin Lae.
- (3) These shares were held through Diamond-Harvest Limited, a company controlled by Ms. Sun, Amelia Kwing Hai and Mr. Wong, Wilson Kin Lae.
- (4) The shares were held by Dr. Wong, Philip Kin Hang, spouse of Mrs. Wong Cheng, Gertude Kwok Cheung, of which details are set out in the "Directors' interest in shares and underlying shares" section above.
- (5) These shares were held through Ho Kit Man Inc., a company controlled by Mrs. Wong Cheng, Gertude Kwok Cheung and Dr. Wong, Philip Kin Hang.

All the interests disclosed under this section represent long positions in the shares of the Company.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the directors of the Company, as at the date of this annual report, the Company has maintained the prescribed public float under the Listing Rules.

FIVE YEAR SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on pages 131 and 132 of the annual report.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's Articles of Association and there was no restriction against such rights under the laws of Hong Kong, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares during the year.

主要股東於本公司之股份及相關股份之權益 (續)

附註：(續)

- (2) 該等股份乃透過辛炯僖女士及其配偶黃乾利先生實益擁有之 Broadbridge Enterprises Limited 及 Diamond-Harvest Limited 持有。
- (3) 該等股份乃透過由黃乾利先生及辛炯僖女士控制之 Diamond-Harvest Limited 持有。
- (4) 該等股份乃透過黃鄭國璋女士之配偶黃乾亨博士持有。詳情請參閱上列之「董事於本公司之股份及相關股份權益」。
- (5) 該等股份乃透過由黃乾亨博士及黃鄭國璋女士控制之 Ho Kit Man Inc. 持有。

此部份所列之權益均為於本公司之股份中的好倉。

足夠公眾持股量

根據本公司從公開途徑取得的資料及就本公司董事所知，於本年報刊發日期，本公司維持上市規定的公眾持股量。

五年財政摘要

本集團過去五個財政年度之業績及資產負債摘要載於第 131 及 132 頁。

股本優先購買權

本公司之組織章程中並無優先購股權之條文，而香港之法例亦無規定公司需按比例向現有股東發售新股之類的限制。

購買、出售或贖回股份

本公司於年內並無贖回其股份。本公司及其任何附屬公司於年內亦無購買或出售本公司之股份。

MANAGEMENT CONTRACTS

No substantial contracts concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or existed during the year.

CONNECTED TRANSACTIONS

Significant related party transactions entered into by the Group during the year ended 31st December 2007, which do not constitute connected transactions under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), are disclosed in note 30 to the financial statements.

RETIREMENT SCHEMES

The Group operates two defined benefit retirement schemes which cover 99.7% of the Group's employees, and a Mandatory Provident Fund scheme. Particulars of these retirement schemes are set out in note 25 to the financial statements.

CONFIRMATION OF INDEPENDENCE

The Company has received from each of the independent non-executive directors an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules and considers all the independent non-executive directors to be independent.

AUDITORS

Baker Tilly Hong Kong Limited were first appointed as auditors of the company in 2006 upon the retirement of PricewaterhouseCoopers.

Baker Tilly Hong Kong Limited retire and, being eligible, offer themselves for reappointment. A resolution for the re-appointment of Baker Tilly Hong Kong Limited as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

By order of the board

Wong, Wilson Kin Lae
Chairman

Hong Kong, 18th April 2008

管理合約

本集團於年內並無就整體業務或任何重要業務之管理或行政工作簽訂或存有任何合約。

關連交易

本集團於截至二零零七年十二月三十一日止之年內進行之重要關連交易不構成關連交易者(即根據香港聯合交易所有限公司之證券上市規則(《上市規則》))乃載於財務報表附註30。

退休金計劃

本集團設立兩項定額供款計劃予本集團99.7%之員工及一個強制性公積金計劃，該等退休計劃之詳情刊載於財務報表附註25。

確認獨立性

本公司已接獲各獨立非執行董事根據上市規則第3.13條作出之年度獨立性確認書，並認為全體獨立非執行董事均為獨立人士。

核數師

因羅兵咸永道會計師事務所辭任，香港天華會計師事務所有限公司在二零零六年首次被委任為本公司核數師。

香港天華會計師事務所有限公司任滿告退，但表示願意應聘連任。續聘香港天華會計師事務所有限公司為本公司核數師之決議案將呈交在即將舉行之股東週年大會。

承董事會命

主席
黃乾利

香港，二零零八年四月十八日

Corporate Governance Report

企業管治報告

The Company puts great emphasis on corporate governance and reviews and strengthens corporate governance measures from time to time. The Board believes that shareholders can derive maximum benefits from good corporate governance.

Throughout the year, the Company was in compliance with the Code of Corporate Governance Practices (the “CG Code”) as set out in Appendix 14 of The Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited (the “Listing Rules”), save for a deviation from code provision A.4.1 of the CG Code in respect of the service term of independent non-executive directors.

Under code provision A.4.1 of the CG Code, non-executive directors (including independent non-executive directors) should be appointed for a specific term and subject to re-election.

None of the existing independent non-executive directors of the Company is appointed for a specific term. This constitutes a deviation from code provision A.4.1 of the CG Code. However, all independent non-executive directors are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the Company’s Articles of Association. The Company has also received the annual confirmation of independence from each independent non-executive director and has grounds to believe that independent non-executive director continues to be independent of the Company as long as they serve on the board of the Company. As such, the Company considers that sufficient measures have been taken to ensure that the Company’s corporate governance practices are no less exacting than those in the CG Code.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as the code of conduct for securities transactions by directors and has adopted written guidelines no less exacting than the Model Code for application to senior management and designated people who might have access to price sensitive information of the Group.

本公司對企業管治極為重視，並不時檢討及加強企業管治的措施。董事會相信股東可從良好的企業管治中獲得最大的利益。

於期內，除關於獨立非執行董事之服務任期偏離了常規守則A.4.1項條款外，本公司一直遵守《上市規則》附錄14所載之企業管治常規守則（「常規守則」）之規定。

根據常規守則A.4.1項條款規定，非執行董事（包括獨立非執行董事）應設有特定委任年期並須輪值告休。

本公司之現任獨立非執行董事均不設特定委任年期，此點偏離了常規守則A.4.1項條款之規定。然而，根據本公司之公司組織章程，獨立非執行董事均須在應屆股東週年大會輪值告休。本公司已收到各獨立非執行董事之年度獨立確認，深信各獨立非執行董事將繼續保持獨立，只要他們為董事會服務。因此，本公司認為已採取充份措施以確保本公司之企業管治水平並不較常規守則之要求寬鬆。

董事進行證券交易

本公司已採納上市規則附錄10所載的標準守則為董事進行證券交易的操守守則，並採納將不遜於標準守則的書面指引應用至高級管理人員及可能得悉本集團價格敏感資料的指定人士。

Following enquiries by the Company, all directors confirm that they have complied with the Model Code for the year ended 31st December 2007.

GOVERNANCE STRUCTURE

The Company's corporate governance structure includes the board and two committees under the board, namely audit committee and remuneration committee. The board stipulates the terms of reference of all committees in writing and specifies clearly the power and responsibilities of the committees.

BOARD OF DIRECTORS

Comprising of three executive directors, three non-executive directors, and three independent non-executive directors (and two alternate directors), the Board has an appropriate composition of directors. The non-executive directors are each appointed on an unspecified term. Please refer to page 12 of this annual report for composition of the board of directors.

All independent non-executive directors of the Company have complied with the requirements of the Listing Rules and have presented annual confirmation of independence issued pursuant to Rule 3.13 of the Listing Rules to the Company. The board has assessed their independence and confirms that all independent non-executive directors are independent parties as defined in the Listing Rules. Mr. Leung, Michael Kai Hung was appointed on 16th March 1988, Mr. Fan, Anthony Ren Da was appointed on 12th December 1994 and Mr. Ng Yiu Ming was appointed on 2nd July 2004. The appointment of directors are not fixed for a specified term, but at every annual general meeting, they are subject to the retirement and re-election requirements of the Articles of Association of the Company.

經本公司查詢後，全體董事確認彼等於截至二零零七年十二月三十一日止年度一直遵守標準守則。

管治架構

本公司的公司管治架構包括董事會及董事會轄下的兩個委員會，即審核委員會及薪酬委員會，董事會以書面訂明各委員的職權範圍，清楚說明委員的職權和責任。

董事會

董事會包括三名執行董事，三名非執行董事及三名獨立非執行董事（及兩名代董事），董事會由適當董事組成。每名非執行董事之委任無特定委任年期。請參閱本年報第12頁有關董事會的組成。

本公司各獨立非執行董事已符合上市規則的要求，向本公司出示根據上市規則第3.13條發出的獨立性週年確認書。董事會已評估彼等之獨立性並確認所有獨立非執行董事均屬上市規則所界定之獨立人士。梁啟雄先生於一九八八年三月十六日獲委任，范仁達先生於一九九四年十二月十二日獲委任及伍耀明先生於二零零四年七月二日獲委任。董事之委任並無固定任期，惟於每屆股東週年大會，彼等並須遵行本公司細則有關退任及重選連任之規定。

Corporate Governance Report

企業管治報告

The family relationship among the directors are summarized as follows:

Mr. Wong, Wilson Kin Lae, Chairman and Dr. Wong, Philip Kin Hang are brothers.

Mr. Wong, Wilson Kin Lae is the father of Mr. Wong, Raymond Man Hin and uncle of Dr. Wong, Kennedy Ying Ho and Mr. Wong, John Ying Man.

Dr. Wong, Philip Kin Hang is the father of Dr. Wong, Kennedy Ying Ho and Mr. Wong, John Ying Man. and uncle of Mr. Wong, Raymond Man Hin.

Dr. Wong, Kennedy Ying Ho and Mr. Wong, John Ying Man are brothers and they are cousins of Mr. Wong, Raymond Man Hin.

The directors have conducted a review of the effectiveness of the system of internal control of the Company and its subsidiaries.

The board convenes at least two regular meetings each year (approximately each six months), and will convene meetings when necessary. When a regular board meeting is convened, the board documents will be sent to the directors for review before the meeting pursuant to the Listing Rules and the Code Provisions so that directors can keep abreast of the information to perform their duties and responsibilities. The board convened 9 meetings in 2007.

董事之間的家族關係摘要如下：

主席黃乾利先生及黃乾亨博士是兄弟。

黃乾利先生是黃文顯先生的父親及是黃英豪博士及黃英敏先生的叔父。

黃乾亨博士是黃英豪博士及黃英敏先生的父親及是黃文顯先生的伯父。

黃英豪博士是黃英敏先生的兄弟及他們是黃文顯先生的堂兄弟。

董事已審閱發行人及附屬公司之內部監控系統之效用。

董事會每年最少召開二次定期會議(大約六個月一次)，亦會在有需要時召開會議。在召開定期董事會會議時，董事會文件乃根據上市規則及守則條文的規定於會議前送交予董事審閱，使董事能夠掌握有關資料，以便履行其職責和責任。董事會於二零零七年共召開9次會議。

Corporate Governance Report

企業管治報告

The attendance of directors is as follows:

董事出席情況如下：

Director Name 董事名稱		Attendance 出席 No. of meetings attended/ No. of meetings during term of service 出席會議次數/ 任期內會議次數	Attendance Rate 出席率
Executive directors 執行董事			
Mr. Wong, Wilson Kin Lae (<i>Chairman</i>)	黃乾利先生 (主席)	9/9	100%
Dr. Wong, Kennedy Ying Ho	黃英豪博士	1/4	25%
Mr. Wong, John Ying Man	黃英敏先生	7/9	78%
Mr. Wong, Raymond Man Hin	黃文顯先生	9/9	100%
Non-executive directors 非執行董事			
Dr. Wong, Philip Kin Hang	黃乾亨博士	2/9	22%
Mr. Huang, Zhouchang	黃宙昌先生	4/9	44%
Mr. Qiang, Wenyu	強文郁先生	2/9	22%
Independent non-executive directors 獨立非執行董事			
Mr. Leung, Michael Kai Hung	梁啟雄先生	4/9	44%
Mr. Fan, Anthony Ren Da	范仁達先生	5/9	56%
Mr. Ng, Yiu Ming	伍耀明先生	5/9	56%
Alternate directors 代董事			
Mr. Xiong, Zhengfeng	熊正峰先生	—	—
Mr. Mok, Kin Hing	莫健興先生	1/1	100%

The remuneration of directors is determined with reference to their functions and responsibilities in the Company, the performance of the Company and current market conditions. Director is not allowed to participate in determining his own remuneration. The remuneration received by directors from the Company during the year is set out in Note 9 of the financial statement. The board has set up an independent professional consulting procedure and upon reasonable request, directors are able to seek independent professional advice in appropriate circumstance, at the Company's expenses.

董事的酬金乃參考彼等各自於本公司的職務及責任、本公司的表現及現時的市況而釐定，任何董事不得參與訂定本身的酬金。董事於本年度向本集團收取的酬金詳情已載於財務報表附註9。董事會已定立一套董事諮詢獨立專業意見的程序，讓董事按合理要求，可在適當的情況下尋求獨立專業意見，費用由本公司支付。

Corporate Governance Report

企業管治報告

AUDIT COMMITTEE

The audit committee comprises three independent non-executive directors and one non-executive director with extensive experience in accounting or legal matters. The audit committee established with specific written terms of reference is mainly responsible for reviewing the financial statements and annual and half-yearly reports and accounts of the Company, submitting relevant reports and recommendations to the board, reviewing the Company's financial controls, internal control and risk management systems and making recommendations on the appointment and remuneration of the auditors of the Company and any matters related to the termination of appointment. Mr. Leung, Michael Kai Hung is chairman of the audit committee and is responsible for reporting the meeting results and recommendations of the audit committee to the board after each meeting.

In 2007, the audit committee convened 2 meetings. Members and their attendance are as follows:

Member Name 成員名稱		Attendance 出席 No. of meetings attended/ No. of meetings held during the year 出席會議次數/ 年內會議次數	Attendance 出席率
Mr. Leung, Michael Kai Hung (<i>Chairman</i>)	梁啟雄先生 (主席)	2/2	100%
Mr. Fan, Anthony Ren Da	范仁達先生	2/2	100%
Mr. Ng, Yiu Ming	伍耀明先生	2/2	100%
Mr. Huang, Zhouchang	黃宙昌先生	2/2	100%

Tasks undertaken by the audit committee during the year included reviewing the 2006 audited financial statements and the annual results announcement, reviewing the interim report for the six months ended 30th June 2007 and the interim results announcement, considering the accounting standards adopted, reviewing the explanatory letter about audit submitted by the auditor to the management and the response of the management, the basis of opinion and qualified opinion made by the auditor in his report.

審核委員會

審核委員會由三名獨立非執行董事及一名非執行董事組成，在會計或法律方面有豐富經驗。審核委員會已成立權限範圍主要負責審閱本公司的財務報表及年度及每半年報告及賬目、向董事會提交相關報告及推薦意見、審閱本公司之財務監控、內部監控及風險管理系統及就本公司核數師的委任、薪酬及任何與終止委聘有關事宜提出建議。梁啟雄先生為審核委員會的主席，負責於每次會議後向董事會報告審核委員會的會議結果及推薦意見。

於二零零七年，審核委員會共召開兩次會議，成員出席情況如下：

審核委員會在年度內所做的工作包括審閱二零零六年度已審核財務報表及年度業績通告，審閱二零零七年六月三十日六個月的中期報告及中期業績通告，考慮所採納的會計準則，審閱核數師提交管理層的審核情況說明函件及管理層回應，核數師在其報告書所作的意見基準及保留意見等事項。

REMUNERATION COMMITTEE

The remuneration committee comprises three independent non-executive directors, two executive directors and one non-executive director. The remuneration committee established with specific written terms of reference, is principally responsible for reviewing and approving remuneration plans for directors and senior management, determining the remuneration package of executive directors and senior management, including benefits, pension interests and the payment of compensation. Mr. Leung, Michael Kai Hung is chairman of the remuneration committee and is responsible for reporting the meeting results and recommendations of the remuneration committee to the board after each meeting.

In 2007, the remuneration committee convened 1 meeting. Members and their attendance are as follow:

薪酬委員會

薪酬委員會由三名獨立非執行董事，兩名執行董事及一名非執行董事組成。薪酬委員會已成立權限範圍主要負責審閱及批准董事及高級管理人員的薪酬方案，釐定執行董事及高級管理層的薪酬待遇，包括利益、退休金權益及賠償支付。梁啟雄先生為薪酬委員會的主席，負責於每次會議後向董事會報告薪酬委員會的會議結果及推薦意見。

於二零零七年，薪酬委員會曾舉行一次會議，成員及出席情況如下：

Member Name 成員名稱		Attendance 出席 No. of meetings attended/ No. of meetings held during the year 出席會議次數/ 年內會議次數	Attendance Rate 出席率
Mr. Leung, Michael Kai Hung (<i>Chairman</i>)	梁啟雄先生 (主席)	1/1	100%
Mr. Fan, Anthony Ren Da	范仁達先生	1/1	100%
Mr. Ng, Yiu Ming	伍耀明先生	1/1	100%
Mr. Huang, Zhouchang	黃宙昌先生	1/1	100%
Mr. Wong, Raymond Man Hin	黃文顯先生	1/1	100%

Tasks undertaken by the remuneration committee during the year included reviewing the remuneration structure, remuneration policy and bonus system of the Group, assessing performance of executive directors, considering the salary adjustment for the year and making recommendations to the board. The remuneration committee also ensures that no director or senior management member determines his own remuneration.

薪酬委員會在年度所做的工作包括檢討集團的薪酬架構、薪酬政策、獎金制度及考慮本年度的薪金調整等，評估執行董事表現，並向董事會提出建議。薪酬委員會並確保沒有董事或高級管理人員自行釐定本人的薪酬。

Corporate Governance Report

企業管治報告

The remuneration policy of the Group is to determine the remuneration of executive directors and senior management based on the responsibilities, qualifications and working performance of staff (including directors). No director or any of his associates is involved in deciding his own remuneration. The Company has adopted a share option scheme as an incentive to the directors, employees and other eligible participants. Details of the share option scheme are set out in note 25 to the financial statement.

ROLES OF THE BOARD AND MANAGEMENT

The board is principally responsible for establishing the development direction of the Group, formulating targets and business development plans, approving major agreements and matters, monitoring the performance of senior management and is responsible for corporate governance with a view to increasing shareholders' value. Led by the two general managers, the management is responsible for implementing the strategies and plans developed by the board.

The Company has developed a schedule of matters reserved to the board for its decision and has separately identified those functions reserved to the board. The board will review those arrangements on a regular basis to ensure that the arrangements meet the needs of the Company.

ROLES AND DUTIES OF CHAIRMAN AND GENERAL MANAGER

The chairman and the general manager have different roles. The chairman is responsible for the operation of the board and the general managers are responsible for managing the operations of the Group. Their functions have been clearly divided to ensure a balanced distribution of power and no authority will concentrate on a single individual.

本集團的薪酬政策是以執行董事及高級管理人員及員工(包括董事)的職責、資歷及工作表現而釐定其酬金。沒有董事或其他聯繫人士參予決定其本身的酬金。本公司採納之購股權計劃是激勵董事、員工及其他合資格人士。購股權計劃之詳情刊載於財務報表附註25。

董事會及管理層的角色

董事會主要負責建立本集團的發展路向、定立目標及業務發展計劃、審批重大協議及事項，監控高級管理層的表現及為公司管治負責，目標為增加股東價值。管理層由兩位總經理帶領，負責推行董事會製訂的策略及計劃。

本公司已訂立一份保留予董事會決定的事項表，將那些保留予董事會的職能分別確定，董事會會定期檢討該等安排，以確保有關安排符合本公司的需要。

主席及總經理的角色及責任

主席及總經理的角色不同。主席負責董事會運作，而總經理負責管理本集團業務，兩者之間的職務已清楚區分，以確保權力和授權分佈均衡，不致集中在一位人士。

Corporate Governance Report

企業管治報告

Mr. Wong, Wilson Kin Lae, chairman of the board and is principally responsible for leading the board and ensures the board acts in the best interests for the Company. The chairman shall ensure the board operates effectively and performs its proper duties and discusses all important and proper matters in a timely manner. The chairman is responsible for convening board meetings, consulting, determining and approving the agenda of each board meeting, and ensuring that directors are provided sufficient information on current matters in a timely manner. The chairman is also responsible for the structure, number of members and composition of the board and makes recommendations to the board on any intended changes. The chairman is also responsible for ensuring that the Company formulates good corporate governance practice and procedure.

Mr. Wong, Raymond Man Hin, the deputy executive chairman, the executive director and General Manager, is principally responsible for the daily operation and management of the Group's overall operations and implementing the board's operating strategy and policy and delegating tasks to all departments for implementation so as to realize the board's objectives and decisions. In addition, he is also responsible for the Group's Financial Reporting, Internal Control, Material Procurement and Control, Logistics, Customs, Taxes and Legal matters and Compliance, coordinating close cooperation among all departments, uniting efforts of staff and encouraging the initiative of staff so as to ensure smooth and effective operation of the Company's operations and systems.

Mr. Wong, John Ying Man, the executive director and General Manager, is principally responsible for the daily operation and management of the Group's overall operations and implementing the board's operating strategy and policy and delegating tasks to all departments for implementation so as to realise the board's objectives and decisions. In addition, he is also responsible for Research & Development, Production, Quality Assurance and New Product Innovations, coordinating close cooperation among all departments, uniting efforts of staff and encouraging the initiative of staff so as to ensure smooth and effective operation of the Company's operations and systems.

董事會主席為黃乾利先生，主要職責包括領導董事會，確保董事會行事符合公司最佳利益。主席須確保董事會有效地運作及履行應有職責，並及時就所有重要的、適當的事項進行討論；主席負責召開董事會會議，諮詢、釐定及批准每次董事會會議的議程，並確保董事及時獲悉當前的事項及充分的資料。主席並負責定期檢討董事會架構、人數及組成，並就任何擬作出的變動向董事會提出建議。主席同時負責確保公司制定良好的企業管治常規及程序。

副執行主席，執行董事及總經理黃文顯先生，主要職責包括負責集團整體業務日常運作的經營及管理，貫徹董事會的經營策略及方針，下達任務至各部門執行，以實現董事會的目標和決定。此外，黃先生並負責本集團財務報告，內部監控，原料採購及監控，物流，稅項，法律事項及守則，協調各部門的緊密合作關係，團結員工的力量，鼓勵員工積極性，確保公司業務及制度暢順而有效地運行。

執行董事及總經理黃英敏先生，主要職責包括負責集團整體業務日常運作的經營及管理，貫徹董事會的經營策略及方針，下達任務至各部門執行，以實現董事會的目標和決定。此外，黃先生並負責研究及發展，生產，品質保證及創新新產品，協調各部門的緊密合作關係，團結員工的力量，鼓勵員工積極性，確保公司業務及制度暢順而有效地運行。

Corporate Governance Report

企業管治報告

NOMINATION OF DIRECTORS

Pursuant to the article 95 of the Company's Articles of Association, the board is entitled to appoint any person as director from time to time or at any time to fill a casual vacancy or add a new board member. For nomination, the nominee's qualifications, capabilities and potential to make contribution to the Company shall be taken into consideration. The board has not established a nomination committee at the moment. However, the board will assess from time to time whether there is a need to establish the nomination committee to deal with the appointment, re-election and retirement of directors. During 2007, Dr. Wong, Kennedy Ying Ho resigned as director and deputy executive chairman on 13th April 2007 and Mr. Wong, Raymond Man Hin was appointed as the deputy executive chairman on 19th April 2007. Mr. Mok, Kin Hing was appointed as alternate director to Mr. Wong, Wilson Kin Lae (chairman of the board) on 14th September 2007. The retired directors offered themselves for re-election and were re-elected.

ACCOUNTABILITY AND AUDIT

Directors acknowledge their responsibility in preparing financial statements of the Group.

The finance department of the Company is managed by a qualified staff and supervised by executive director and general manager, Mr. Wong, Raymond Man Hin, who is a U.S. certified public accountant. With the assistance of the finance department, the Board will ensure the preparation of the financial statements of the Group complies with relevant regulations and applicable accounting standards.

AUDITOR'S REMUNERATION

For the year ended 31st December 2007, the audit fee was approximately HK\$727,000.

The statement of reporting responsibility issued by Baker Tilly Hong Kong Limited, the auditor of the Company, in respect of the financial statements of the Group is set out in the independent auditor's report on pages 34 to 35.

董事提名

根據本公司的組織章程第95條，董事會有權不時或於任何時間委任任何人選為董事，以填補臨時空缺或新增為董事會成員，提名須考慮被提名人士之資格、能力及對本公司作貢獻的潛力。董事會現時並無成立提名委員會。但董事會將不時作出評閱是否有需要成立提名委員會以處理董事的委任、重選及退任的事宜。於二零零七年度內，黃英豪博士於二零零七年四月十三日辭任董事及副執行主席之職及黃文顯先生於二零零七年四月十九日獲委任副執行主席之職。莫健興先生於二零零七年九月十四日獲委任為黃乾利先生（董事會主席）之代董事。告休董事願意應選及連任。

問責及審核

董事確認須就編制本集團財務報表承擔有關責任。

本公司財務部由合資格職員管理並由執行董事及總經理黃文顯先生，他是美國執業會計師監管及負責管理財務部。在財務部的協助下，董事會確保本集團財務報表的編制符合有關法規及適用的會計準則。

核數師酬金

截至二零零七年十二月三十一日止年度，審核費用約港幣七十二萬七千元。

本公司核數師香港天華會計師事務所有限公司就本集團財務報表所發表的申報責任聲明已載於第34至35頁的獨立核數師報告中。

COMMUNICATION WITH SHAREHOLDERS

The Company has maintained communication with shareholders through the annual general meeting or other general meetings and encourages them to participate in general meetings. Registered shareholders receive notices of general meetings by post. The notice of general meeting contains the agenda, the proposed resolutions and the voting form. Any registered shareholder is entitled to attend the annual general meeting and special general meetings provided that their shares must be registered in the register of members. Shareholders who are unable to attend the general meeting can fill in the proxy form attached with the notice of general meeting and return the same to the share registrar and transfer office of the Company so as to appoint their representatives or the chairman of the meeting as their proxies.

與股東的溝通

本公司就此透過股東週年大會或其他股東大會與股東一直保持溝通並鼓勵彼等參與股東大會。登記股東以郵遞方式收取股東週年大會通告。大會通告載有議程、提呈的決議案及投票表格。任何登記股東有權出席股東週年大會，惟彼等的股份必須登記於股東名冊內。未能出席股東大會的股東可填妥隨附於大會通告的代表委任表格並交回本公司股份過戶處，以委任彼等之代表或大會主席擔任彼等的代表。

Independent Auditor's Report

獨立核數師報告



BAKER TILLY

HONG KONG LIMITED

CERTIFIED PUBLIC ACCOUNTANTS

香港天華會計師事務所有限公司

12th Floor, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong

香港干諾道中168-200號信德中心招商局大廈12樓

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF RAYMOND INDUSTRIAL LIMITED

(Incorporated in Hong Kong with limited liability)

We have audited the consolidated financial statements of Raymond Industrial Limited (the "Company") set out on pages 36 to 130, which comprise the consolidated and company balance sheets as at 31st December 2007, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation and the true and fair presentation of these financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. This report is made solely to you, as a body, in accordance with section 141 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

致利民實業有限公司全體股東

(於香港註冊成立之有限公司)

本核數師(以下簡稱「我們」)已審核列載於第36頁至第130頁利民實業有限公司(以下簡稱「貴公司」)的綜合財務報表,此綜合財務報表包括於二零零七年十二月三十一日的綜合資產負債表與截至該日止的綜合損益表、綜合權益變動表和綜合現金流量表,以及主要會計政策概要及其他附註解釋。

董事就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會的香港財務報告準則及香港《公司條例》的披露規定編制及真實而公平地列報該等綜合財務報表。這責任包括設計、實施及維護與編制及真實而公平地列報綜合財務報表相關的內部監控,以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述;選擇和應用適當的會計政策;及按情況下作出合理的會計估計。

核數師的責任

我們的責任是根據我們的審核對該等財務報表作出意見。按照公司條例第141節,本報告乃僅向全體股東報告,除此之外,我們的報告書不可用作其他用途。我們概不就本報告內容,對任何其他人士負責或承擔法律責任。

Independent Auditor's Report

獨立核數師報告

AUDITOR'S RESPONSIBILITY

(Continued)

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of the affairs of the Company and of the Group as at 31st December 2007 and of the Group's loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

BAKER TILLY HONG KONG LIMITED
Certified Public Accountants

Hong Kong, 18th April 2008

Andrew David Ross
Practising certificate number P01183

核數師的責任(續)

我們已根據香港會計師公會頒佈的香港審核準則進行審核工作，這些準則要求我們遵守道德規範，並規劃及執行審核，以合理確定該等財務報表是否不存有任何重大錯誤陳述。

審核涉及執行情序以獲取有關財務報表所載金額及披露資料的審核憑證。所選定的程序取決於核數師的判決，包括評估由於欺詐或錯誤而導致財務報表存有重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該公司編制及真實而公平地列報財務報表相關的內部控制，以設計適當的審核程序，但並非為對公司的內部控制的效能發表意見。審核亦包括評價董事所採用的會計政策的合適性及所作出的會計估計的合理性，以及評價財務報表的整體列報方式。

我們相信，我們所獲得的審核憑證是充足和適當地為我們的審核意見提供基礎。

意見

我們認為，該等財務報表已根據香港財務報告準則真實而公平地反映貴公司及貴集團於二零零七年十二月三十一日的財政狀況及截至該日止年度的虧損及現金流量，並已按照香港《公司條例》之披露規定妥為編制。

香港天華會計師事務所有限公司
執業會計師

香港，二零零八年四月十八日

羅安狄
執業證書編號P01183

Consolidated Income Statement (For the year ended 31st December 2007)

綜合損益表 (截至二零零七年十二月三十一日止年度)

		Note	Continuing operations 持續經營業務 2007 二零零七年 HK\$ 港幣	Continuing operations 持續經營業務 2006 二零零六年 HK\$ 港幣	Discontinued operations 已終止經營業務 2006 二零零六年 HK\$ 港幣	Total 合計 2006 二零零六年 HK\$ 港幣
		附註				
Turnover	營業額	5	842,856,069	954,572,347	1,650,714	956,223,061
Cost of sales	銷售成本		(769,915,516)	(837,255,886)	(103,338)	(837,359,224)
Gross profit	毛利		72,940,553	117,316,461	1,547,376	118,863,837
Other revenue	其他收入	6	17,272,437	18,088,475	–	18,088,475
Other net (loss)/income	其他(虧損)/收益淨值	6	(1,534,778)	3,650,626	–	3,650,626
Selling expenses	銷售費用		(10,720,276)	(19,826,332)	–	(19,826,332)
General and administrative expenses	行政費用		(79,174,846)	(67,677,495)	–	(67,677,495)
(Loss)/profit from operations	經營(虧損)/溢利		(1,216,910)	51,551,735	1,547,376	53,099,111
Share of losses of associates	應佔聯營公司虧損		(52,868,402)	(1,136,798)	–	(1,136,798)
(Loss)/profit before taxation	除稅前(虧損)/溢利	7	(54,085,312)	50,414,937	1,547,376	51,962,313
Income tax credit/(expense)	所得稅計入/(支出)	8	8,590,769	(5,566,777)	(274,054)	(5,840,831)
(Loss)/profit after taxation but before gain on sale of discontinued operations	除稅後但在出售已終止經營業務收益前(虧損)/溢利		(45,494,543)	44,848,160	1,273,322	46,121,482
Gain on sale of discontinued operations	出售已將終止經營業務收益	4	–	–	2,112,584	2,112,584
(Loss)/profit for the year and attributable to equity shareholders of the Company	本公司股東應佔本年度(虧損)/溢利	11	(45,494,543)	44,848,160	3,385,906	48,234,066

Consolidated Income Statement (continued) (For the year ended 31st December 2007)

綜合損益表 (續) (截至二零零七年十二月三十一日止年度)

			Continuing operations 持續 經營業務 2007 二零零七年 HK\$ 港幣	Continuing operations 持續 經營業務 2006 二零零六年 HK\$ 港幣	Discontinued operations 已終止 經營業務 2006 二零零七年 HK\$ 港幣	Total 合計 2006 二零零六年 HK\$ 港幣
	Note 附註					
Dividends payable to equity shareholders of the Company attributable to the year:	本公司股東應佔本年度應付股息： 12					
Interim dividend declared during the year	本年度已派發中期股息		19,693,244			19,693,244
Final dividend proposed after balance sheet date	資產負債日後建議派發末期息		3,938,648			43,325,137
Special dividend proposed after balance sheet date	資產負債日後建議派發特別期息		78,772,977			39,386,488
			102,404,869			102,404,869
(Loss)/earnings per share	每股(虧損)/溢利					
Basic, HK cents	基本, 港仙	13	(11.55)	11.53	0.87	12.40
Diluted, HK cents	攤薄, 港仙	13	(11.55)	11.53	0.87	12.40

The notes on pages 45 to 130 form part of these financial statements.

載於第45頁至第130頁之附註為組成此等財務報表之一部份。

Consolidated Balance Sheet (At 31st December 2007)

綜合資產負債表 (二零零七年十二月三十一日結算)

			2007 二零零七年	2006 二零零六年
		Note 附註	HK\$ 港幣	HK\$ 港幣
Non-current assets	非流動資產			
Fixed assets	固定資產	15		
– Property, plant and equipment	– 物業、廠房及設備		179,173,132	188,888,094
– Interests in leasehold land held for own use under operating leases	– 根據經營租賃持作之自用土地權益		14,321,284	14,018,513
Interests in associates	聯營公司權益	16	–	52,868,402
Deferred tax assets	遞延稅項資產	18	4,222,780	100,360
			197,717,196	255,875,369
Current assets	流動資產			
Inventories	存貨	19	103,510,986	102,320,197
Trade and other receivables	貿易及其他應收賬項	20	121,299,425	144,021,312
Loan and interest receivable from an associate	聯營公司貸款及應收利息	16	–	9,033,210
Cash and cash equivalents	現金及現金等值項目		305,371,471	383,106,968
			530,181,882	638,481,687
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付賬項	21	115,370,456	155,843,630
Provision for financial loss	財務損失撥備	22	7,800,000	–
Current taxation	本期稅項	18	6,246,710	6,479,678
Dividends payable	應付股息	12(c)	1,298,417	1,102,658
			130,715,583	163,425,966
Net current assets	流動資產淨值		399,466,299	475,055,721
Total assets less current liabilities	總資產減流動負債		597,183,495	730,931,090
Non-current liabilities	非流動負債			
Deferred tax liabilities	遞延稅項負債	18	3,312,680	8,810,850
NET ASSETS	資產淨值		593,870,815	722,120,240

Consolidated Balance Sheet (continued) (At 31st December 2007)

綜合資產負債表 (續) (二零零七年十二月三十一日結算)

		Note	2007	2006
		附註	二零零七年	二零零六年
			HK\$	HK\$
			港幣	港幣
CAPITAL AND RESERVES	資本及儲備	26		
Share capital	股本		196,932,442	196,932,442
Reserves	儲備		396,938,373	525,187,798
TOTAL EQUITY	總權益		593,870,815	722,120,240

Approved and authorised for issue by the board of directors on 18th April 2008.

於二零零八年四月十八日獲董事會批准及授權刊發。



Wilson Wong Kin Lae
黃乾利
Director
董事



Raymond Wong Man Hin
黃文顯
Director
董事

The notes on pages 45 to 130 form part of these financial statements.

載於第45頁至第130頁之附註為組成此等財務報表之一部份。

Balance Sheet (At 31st December 2007)

資產負債表 (二零零七年十二月三十一日結算)

			2007 二零零七年	2006 二零零六年
		Note 附註	HK\$ 港幣	HK\$ 港幣
Non-current assets	非流動資產			
Fixed assets	固定資產			
– property, plant and equipment	– 物業、廠房及設備	15	14,912,076	15,649,458
Investments in subsidiaries	附屬公司投資	17	212,142,463	138,778,418
			227,054,539	154,427,876
Current assets	流動資產			
Inventories	存貨	19	14,214,604	11,062,742
Trade and other receivables	貿易及其他應收賬項	20	108,650,817	125,835,965
Loan and interest receivable from an associate	聯營公司貸款及 應收利息	16	–	9,033,210
Dividends receivable from subsidiaries	應收附屬公司股息賬項	17	–	65,106,030
Amounts due from subsidiaries	應收附屬公司賬項	17	42,098,440	81,020,451
Cash and cash equivalents	現金及現金等值項目		296,261,660	372,144,202
			461,225,521	664,202,600
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付賬項	21	81,153,289	113,517,906
Amounts due to subsidiaries	應付附屬公司賬項	17	56,519,017	38,616,250
Provision for financial loss	財務損失撥備	22	7,800,000	–
Current taxation	本期稅項	18	4,751,059	4,601,149
Dividends payable	應付股息	12(c)	1,298,417	1,102,658
			151,521,782	157,837,963
Net current assets	流動資產淨值		309,703,739	506,364,637
Total assets less current liabilities	總資產減流動負債		536,758,278	660,792,513
Non-current liabilities	非流動負債			
Deferred tax liabilities	遞延稅項負債	18	2,431,680	2,673,903
NET ASSETS	總資產		534,326,598	658,118,610

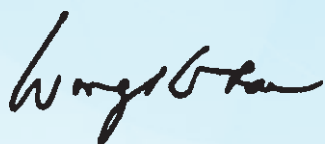
Balance Sheet (continued) (At 31st December 2007)

資產負債表 (續) (二零零七年十二月三十一日結算)

		Note	2007 二零零七年 HK\$ 港幣	2006 二零零六年 HK\$ 港幣
		附註		
CAPITAL AND RESERVES	資本及儲備	26		
Share capital	股本		196,932,442	196,932,442
Reserves	儲備		337,394,156	461,186,168
TOTAL EQUITY	總權益		534,326,598	658,118,610

Approved and authorised for issue by the board of directors on 18th April 2008.

於二零零八年四月十八日獲董事會批准及授權刊發。



Wilson Wong Kin Lae
黃乾利
Director
董事



Raymond Wong Man Hin
黃文顯
Director
董事

The notes on pages 45 to 130 form part of these financial statements.

載於第45頁至第130頁之附註為組成此等財務報表之一部份。

Consolidated Statement of Changes in Equity (For the year ended 31st December 2007)

綜合權益變動表 (截至二零零七年十二月三十一日止年度)

		Note	2007 二零零七年 HK\$ 港幣	2006 二零零六年 HK\$ 港幣
		附註		
Total equity at 1st January	於一月一日之總權益		722,120,240	881,759,334
Net income recognised directly in equity:	在權益中直接入賬之淨利潤			
Exchange differences on translation of the financial statements of overseas subsidiaries and associates	換算海外附屬公司及聯營公司財務報表之匯兌差額	26	19,681,316	16,268,963
Net (loss)/profit for the year	本年度(虧損)/溢利淨值		(45,494,543)	48,234,066
Total recognised income and expense for the year and attributable to equity share holders of the Company	本年度經確認之收益及費用及本公司股東應佔總額		(25,813,227)	64,503,029
Dividends declared and approved during the year	本年度已派發及批准之股息	12(c), 26	(102,404,869)	(259,950,823)
Movements in equity arising from capital transactions:	因資本項目而上升之權益變動:			
Equity settled share-based transactions	權益償付股份基礎項目	26	(31,329)	–
Shares issued under share option scheme	購股權發行之股份	26	–	35,808,700
			(31,329)	35,808,700
Total equity at 31st December	十二月三十一日總權益	26	593,870,815	722,120,240

The notes on pages 45 to 130 form part of these financial statements.

載於第45頁至第130頁之附註為組成此等財務報表之一部份。

Consolidated Cash Flow Statement (For the year ended 31st December 2007)

綜合現金流量表 (截止二零零七年十二月三十一日)

		2007 二零零七年	2006 二零零六年
	Note 附註	HK\$ 港幣	HK\$ 港幣
Operating activities	經營活動		
(Loss)/profit before taxation	除稅前(虧損)/溢利	(54,085,312)	51,962,313
Adjustments for:	調整:		
– Interest income	– 利息收入	6 (17,152,437)	(18,088,475)
– Depreciation	– 折舊	7 24,974,270	22,317,720
– Net (gain)/loss on disposal of property, plant and equipment	– 出售物業、廠房及設備之(利益)/虧損淨值	6 (736,702)	2,120,026
– Amortisation of interests in leasehold land held for own use under operating leases	– 攤銷經營租賃持作自用之土地權益	7(b) 465,537	439,468
– Share of losses of associates	– 佔聯營公司虧損	52,868,402	1,136,798
– Impairment loss on loan and interest receivable from an associate	– 聯營公司貸款及應收利息之減值	7(b) 9,438,646	–
– Provision for financial loss	– 財務損失撥備	7(b) 7,800,000	–
– Equity-settled share-based payment transactions	– 權益償付股本基礎支付	7(a) (31,329)	–
– Foreign exchange gain, net	– 匯兌收益淨值	5,407,998	9,498,164
Operating profit before changes in working capital	營運資金變動前經營溢利	28,949,073	69,386,014
Increase in inventories	增加存貨	(1,190,789)	(3,894,648)
Decrease in trade and other receivables	減少貿易及其他應收賬項	22,721,887	14,175,530
Decrease in trade and other payables	減少貿易及其他應付賬項	(32,673,174)	(56,176,303)
Increase in provision for financial loss	增加財務損失撥備	(7,800,000)	–
Cash generated from operations	經營產生之現金	10,006,997	23,490,593
Tax paid	稅項支出		
– Hong Kong profits tax paid	– 香港利得稅支出	(110,902)	(109,411)
– Overseas tax paid	– 海外稅項支出	(1,943,873)	(1,124,172)
– Overseas tax refund	– 海外稅項退回	777,625	–
Net cash generated from operating activities	經營活動產生之現金淨值	8,729,847	22,257,010

Consolidated Cash Flow Statement (continued) (For the year ended 31st December)

綜合現金流量表 (續) (截止二零零七年十二月三十一日)

			2007 二零零七年	2006 二零零六年
		Note 附註	HK\$ 港幣	HK\$ 港幣
Investing activities	投資活動			
Payment for the property, plant and equipment	支付物業、廠房及設備		(8,620,807)	(12,458,619)
Proceeds from sale of property, plant and equipment	出售物業、廠房及設備所得款項		6,654,591	112,910
Cash received from sale of discontinued operation	出售投資物業之現金	4	–	528,110,000
Interest received	利息收入		16,747,001	17,555,265
Net cash generated from investing activities	投資活動產生之現金淨值		14,780,785	533,319,556
Financing activities	融資活動			
Proceeds from issue of shares under share option scheme	購股權發行股份所得款項	26	–	35,808,700
Dividends paid	支付股息	12(c)	(102,209,110)	(259,383,465)
Net cash used in financing activities	融資活動所用現金淨額		(102,209,110)	(223,574,765)
(Decrease)/increase in cash and cash equivalents	(減少)/增加現金及現金等值項目		(78,698,478)	332,001,801
Cash and cash equivalents at 1st January	於一月一日之現金及現金等值項目		383,106,968	50,646,011
Effect of foreign exchange rate changes	外匯匯率變動之影響		962,981	459,156
Cash and cash equivalents at 31st December	於十二月三十一日之現金及現金等值項目		305,371,471	383,106,968

The notes on pages 45 to 130 part of these financial statements.

載於第45頁至第130頁之附註為組成此等財務報表之一部份。

1 COMPANY INFORMATION

Raymond Industrial Limited (the “Company”) is a company incorporated and domiciled in Hong Kong and has its registered office and principal place of business at Rooms 1801-1813, 18th Floor Grandtech Centre, 8 On Ping Street, Shatin, New Territories, Hong Kong.

2 SIGNIFICANT ACCOUNTING POLICIES**(a) Statement of compliance**

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

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for year ended 31st December 2007 comprise the Company and its subsidiaries (together referred to as “the Group”) and the Group’s interests in associates.

The measurement basis used in the preparation of the financial statements is the historical cost basis.

1 公司資料

利民實業有限公司(「本公司」)在1964年於香港註冊為有限公司。本公司的股份在香港聯合交易所有限公司上市。公司註冊地址為香港新界沙田安平街八號偉達中心十八樓1801-1813室。

2 主要會計政策**(a) 合規聲明**

此等財務報表乃根據所有適用之香港財務報告準則(「香港財務報告準則」)編制。此統稱詞彙包括香港會計師公會(「香港會計師公會」)頒佈之所有適用之個別香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋、香港公認會計原則及香港公司條例之披露規定。此等財務報表亦符合香港聯合交易所有限公司證券上市規則之適用披露條文。本集團採用之重大會計政策概要載列如下。

香港會計師公會已頒佈若干新訂及經修訂香港財務報告準則，於本集團及本公司之當前會計期間首次生效或可供提前採納。附註3提供本集團於本會計期間或前會計期間首次採用該等新訂及經修訂之準則，並反映於此等財務報表所致之任何會計政策變動之資料。

(b) 財務報表之編制基準

截至二零零七年十二月三十一日止年度之綜合財務報表包括本公司及其附屬公司(統稱「本集團」)之賬目。

編制本財務報表所採用之計算基準為歷史成本基準。

Notes to the Financial Statements

賬目附註

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 33.

(c) Subsidiaries

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

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

2 主要會計政策 (續)

(b) 財務報表之編制基準 (續)

所編制符合香港財務報告準則之財務報表，要求管理層就可影響政策應用以及資產及負債、收入及開支之呈報金額作出判斷、估計及假設。有關估計及相關假設乃根據過往經驗，以及多項在此情況下相信屬合理之其他因素而作出，有關結果構成對未能在其他資料來源顯示之資產及負債之賬面值作出判斷之基礎。實際結果可能與有關估計有所不同。

本公司會持續對估計及相關假設進行評估。如果會計估計之更改僅影響該期間，則有關影響在估計變更期間確認，或如果有關更改影響本期間及未來期間，則有關影響於更改期間及未來期間確認。

附註33論述管理層採用香港財務報告準則所作判斷對本財務報表及估計之重大影響，及存在於下一年作出重大調整之巨大風險。

(c) 附屬公司

附屬公司乃本集團控制之公司。當本集團有權支配該實體之財務及經營政策，並藉此從其活動中取得利益，均視為受本集團控制。於評估控制權時，已計及現行可予行使之潛在投票權。

於附屬公司之投資於擁有控制權日期起被合併入綜合財務報表，直至該控制權終止時止。集團內部往來之結餘和交易及其產生之任何未變現溢利，均在編制綜合財務報表時全數抵銷。在無出現減值之情況下，集團內部交易所產生之未變現虧損，會按與未變現收益相同之方法抵銷。

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Subsidiaries (continued)

In the Company's balance sheet, an investment in a subsidiary is stated at cost less impairment losses (see note 2(g)(ii)).

(d) Associates

An associate is an entity in which the Group or Company has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

An investment in an associate is accounted for in the consolidated financial statements under the equity method and is initially recorded at cost and adjusted thereafter for the post acquisition change in the Group's share of the associate's net assets. The consolidated income statement includes the Group's share of the post-acquisition and post-tax results of the associates.

When the Group's share of losses exceeds its interest in the associate, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. For this purpose, the Group's interest in the associate is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associate.

Unrealised profits and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associate, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised in profit or loss.

In the Company's balance sheet, its investments in associates are stated at cost less impairment losses (see note 2(g)(ii)).

2 主要會計政策 (續)

(c) 附屬公司 (續)

於本公司之資產負債表內，於附屬公司之投資按成本減去減值虧損列賬(見附註2(g)(ii))。

(d) 聯營公司

聯營公司為一實體由本集團或本公司對其有重大影響但沒有控制或共同控制其管理，包括參與其財務及經營政策的決定。

在綜合財務報表，聯營公司投資以權益會計法入賬，初始以成本確認。而收購後的變動則於本集團佔聯營公司之資產淨值調整。綜合財務報表包括本集團應佔聯營公司收購後及稅後之業績。

在本集團佔虧損大於其聯營公司權益，本集團之權益將減至全無及確認本集團因終止接受因法定或義務代聯營公司付款而有更多虧損。因此，聯營公司投資以權益會計法入賬連同本集團長期權益但實質上是本集團之投資聯營公司的淨值一部份。

本集團及其聯營公司獲得沒有實現溢利及虧損在本集團之聯營公司權益抵銷，沒有實現虧損證實是資產減值除外，而在這樣情況下此確認為溢利或虧損。

於本公司之資產負債表內，於聯營公司之投資按成本減去減值虧損列賬(見附註2(g)(ii))。

Notes to the Financial Statements

賬目附註

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Property, plant and equipment

- (i) Items of property, plant and equipment are stated in the balance sheet at cost less accumulated depreciation and impairment losses (see note 2(g)(ii)).

The cost of construction in progress, includes the cost of machinery, materials, construction expenditures and other costs directly attributable to bringing the assets to a working condition for its intended use.

- (ii) Depreciation is calculated to write off the cost of property, plant and equipment, less their residual value, if any, over their estimated useful lives at the following annual rates:

Buildings held for own use which are situated on leasehold land, where the fair value of the building could be measured separately from the fair value of the leasehold land at the inception of the lease (see note 2(f)(i))	4%-9% straight line
Plant and machinery	9%-18% straight line
Furniture, fixtures and equipment	9%-33.3% straight line
Moulds	10% reducing balance and 9% straight line
Motor vehicles	25% reducing balance and 9% straight line

Both the useful life of an asset and its residual value, if any, are reviewed annually.

Construction in progress is not depreciated.

- (iii) Gains or losses arising from the retirement or disposal of an item or property, plant and equipment are determined as the difference between the estimated net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

2 主要會計政策 (續)

(e) 物業、廠房及設備

- (i) 於本公司之資產負債表內，物業、廠房及設備項目按成本減去累積折舊及減值虧損列賬（見附註2(g)(ii)）。

在建工程成本，包括機器，材料及建築費用及其他成本直接分配可作營運用的資產。

- (ii) 物業、廠房及設備之折舊乃在扣除其殘值（如有）後按下列預計可使用年限計算。

建築物持有自用及在租賃土地以公平值計算與租賃土地（載於附註(2(f)(i))分別計算）	直線法4-9%
廠房及機器 傢俬、裝置及設備	直線法9-18% 直線法9-33%
工模	10%餘額遞減法及直線法9%
汽車	25%餘額遞減法及直線法9%

資產的可使用年期及剩餘價值，如有，在每年進行檢討。

在建工程不計折舊。

- (iii) 報廢或出售物業、廠房及設備所產生之損益是以資產之出售所得款項淨額與賬面值之間之差額釐定，並在報廢或出售當日在損益表內確認。

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Leased assets

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

(i) Classification of assets leased to the Group

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

2 主要會計政策 (續)

(f) 租賃資產

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

(i) 租予本集團之資產分類

本集團根據租約持有之資產,而其中絕大部份風險及擁有權利益均轉移至本集團之租約乃分類為根據融資租賃持有之資產。不會向本集團轉移絕大部份風險及擁有權利益之租約乃分類為經營租賃,惟以下例外,根據經營租賃持作自用之土地,而其公平價值無法與租賃初始時座落其上面之建築物之公平值分開計量,則會按根據融資租賃持有之物業列賬,惟倘該樓宇亦根據經營租賃持有則除外。就該等目的而言,該租賃之開始時間為最初訂立有關租約或自前承租人轉租之時間。

Notes to the Financial Statements

賬目附註

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Leased assets (continued)

(ii) Operating lease charges

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

The cost of acquiring land held under an operating lease is amortised on a straight-line basis over the period of the lease term of 50 years. Impairment losses are recognised in accordance with accounting policy set out in note 2(g)(ii).

(g) Impairment of assets

(i) Impairment of receivables

Receivables that are stated at cost are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of the Group about one or more of the following loss events:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation; and
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor.

2 主要會計政策 (續)

(f) 租賃資產 (續)

(ii) 經營租賃支出

如本集團是以經營租賃獲得資產的使用權，其租賃的支出根據其租賃期所涵蓋的會計期間，於損益賬中以等額扣除。如有其它基準能更清晰地反映其租賃資產所產生的收益模式則除外。租賃所涉及的鼓勵措施的收入均在損益賬中確認為租賃淨付款總額的組成部分。或有租金在其產生的會計期間內在損益賬中扣除。

以經營租賃持有土地的收購成本以直線法於租賃期50年內攤銷。減值虧損根據會計政策附註2(g)(ii)確認。

(g) 資產減值

(i) 應收款項減值

按成本值列賬之應收款項均會於各結算日審閱，以釐定是否有客觀減值憑證，包括本集團得悉的有關下列一項或多項虧損事項的可觀察數據：

- 債務人遭遇重大財務困難；
- 違約，譬如拖欠或無法如期償還本息；
- 債務人可能會宣告破產或進行其他財務重組；及
- 科技、市場、經濟或法律環境的重大變化對債務人造成不利影響。

Notes to the Financial Statements

賬目附註

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Impairment of assets (continued)

(i) Impairment of receivables (continued)

If any such evidence exists, any impairment loss is determined and recognised as follows:

For trade and other receivables, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material. This assessment is made collectively where financial assets carried at amortised cost share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective group.

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

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of trade and other receivables, whose recovery is considered doubtful but not remote. In this case, the impairment losses for doubtful debts are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against trade and other receivable directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

2 主要會計政策 (續)

(g) 資產減值 (續)

(i) 應收款項減值 (續)

倘存在任何該等憑證，決定及確認之減值虧損如下：

貿易及其他應收賬項，則減值虧損乃於貼現影響為重大時以資產之賬面值與按財務資產原來實際利率（於初次確認該等資產時計算之實際利率）貼現之估計未來現金流現值之間的差額計量。如按攤銷成本列賬的金融資產具備類似的風險特徵，例如類似的逾期情況及並未單獨被評估為減值，則有關的評估會同時進行。金融資產的未來現金流量會根據與該類資產具有類似信貸風險特徵資產的過往虧損情況以一同評估減值。

倘於其後期間減值虧損金額減少，而該減少可客觀地與減值虧損獲確認後發生之事件有關，則減值虧損會透過損益表撥回。撥回之減值虧損不應導致資產賬面值超逾倘過往年度並無確認減值虧損原應釐定之金額。

減值虧損應從相應的資產中直接撤銷，但包含在應收貿易賬款及其他應收款項中、可收回性被視為可疑並非微乎其微的應收貿易賬款及應收票據的已確認減值虧損則例外，應以撥備賬記錄呆壞賬的減值虧損。倘貴集團確認能收回應收賬款的機會微乎其微，則視為不可收回金額會從應收貿易賬款及應收票據中直接撤銷，而在撥備賬中持有有關該債務的任何金額會被撥回。若之前計入撥備賬款項在其後收回，則相關的撥備會被撥回。撥備賬的其他變動及之前直接撤銷而其後收回的款項，均在損益表確認。

Notes to the Financial Statements

賬目附註

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Impairment of assets (continued)

(ii) Impairment of other assets

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

- property, plant and equipment;
- pre-paid interests in leasehold land classified as being held under an operating lease; and
- investments in subsidiaries and associates.

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

- Calculation of recoverable amount

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

2 主要會計政策 (續)

(g) 資產減值 (續)

(ii) 其他資產減值

內部和外來之信息來源會在每個結算日審閱，以確定下列資產有否出現減值跡象，或是以往確認之減值虧損不復存在或可能已經減少：

- 物業、廠房及設備；
- 預付租賃土地權益分類為營運租賃；及
- 於附屬公司及聯營公司之投資。

如果發現任何減值跡象，資產之可收回金額便會作估計。

- 計算可收回金額

資產之可收回金額為其售價淨額與使用價值兩者中之較高者。在評估使用價值時，預期未來現金流量會按可以反映當時市場對貨幣時間值及資產特定風險之評估之稅前貼現率，貼現至其現值。如果資產所產生之現金流入基本上不能獨立於其他資產所產生之現金流入，則會以可獨立產生現金流入之最小一組資產來釐定可收回金額(即現金產生單位)。

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Impairment of assets (continued)

(ii) Impairment of other assets (continued)

– Recognition of impairment losses

An impairment loss is recognised in profit or loss whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs to sell, or value in use, if determinable.

– Reversals of impairment losses

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

(iii) Interim financial reporting and impairment

Under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, the Group is required to prepare an interim financial report in compliance with HKAS 34, Interim financial reporting, in respect of the first six months of the financial year. At the end of the interim period, the group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (see notes 2(g)(i) and (ii)).

2 主要會計政策 (續)

(g) 資產減值 (續)

(ii) 其他資產減值 (續)

– 確認減值虧損

減值虧損於一項資產或其所屬現金產生單位之賬面值超逾其可收回金額時於損益表內確認。就現金產生單位確認之減值虧損，首先會分攤以減低任何已分攤至現金產生單位(或一組單位)之任何商譽之賬面值，然後按比例減低單位(或一組單位)內其他資產之賬面值，惟將不會減低資產賬面值至低於其個別公平值減出售成本，或其使用價值(若可確定)。

– 減值虧損轉回

倘若用以釐定可收回金額之估計發生有利變化，便會將減值虧損轉回。

所轉回之減值虧損限於該資產於過往年度並無確認減值虧損時所釐訂之賬面值。所轉回之減值虧損於確認轉回年度計入損益賬。

(iii) 中期財務報告及減值

根據香港聯合交易所有限公司證券上市規則，集團須編制符合香港會計準則第34號「中期財務報告」規定的截至財政年度首六個月的中期財務報告。於中期期間結束時，集團應用猶如財政年度結束時適用的相同減值測試、確認及撥備特點(見附註2(g)(i)及(ii))。

Notes to the Financial Statements

賬目附註

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Inventories

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

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

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

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

(i) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost less impairment losses for bad and doubtful debts (see note 2(g)(i)), except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment of doubtful debts.

(j) Trade and other payables

Trade and other payables are initially recognised at fair value. Except for financial guarantee liabilities measured in accordance with note 2(n)(i), trade and other payables are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

2 主要會計政策 (續)

(h) 存貨

存貨乃按成本與可變現淨值兩者間較低者列賬。

成本乃使用加權平均成本公式計算。成本包括所有購買成本、轉換成本及使存貨達致其目前的位置及條件所產生的其他成本。

可變現淨值乃在日常業務過程中的估計售價減估計完成成本及進行銷售所需的估計成本。

在出售存貨時，該等存貨的賬面值乃確認為有關收益獲確認的期間的開支。存貨撇減至可變現淨值得數額及所有存貨虧損乃確認為產生撇減或虧損的期間的開支。任何撥回存貨任何撇減的數額乃確認為作出有關回撥的期間確認為開支的存貨數額的減少。

(i) 貿易及其他應收款項

貿易及其他應收款項初步按公平價值確認入賬，其後則按經攤銷成本扣除呆壞賬減值撥備（見附註2(g)(i)）列賬，惟倘應收款項屬於向關連人士所提供且無任何固定還款期之免息貸款或貼現並無重大影響則除外。於該等情況下，應收款項乃按成本扣除呆賬減值撥備列賬。

(j) 貿易及其他應付款項

貿易及其他應付款項初步按公平價值確認入賬，惟按（見附註2(n)(i)）之財務擔保負債，貿易及其他應付款項按經攤銷成本除貼現並無重大影響，而在這樣情況下成本列賬。

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

(l) Employee benefits

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

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

The Group operates a mandatory provident fund scheme in Hong Kong and defined contribution government pension schemes in the People's Republic of China (the "PRC").

Contributions to mandatory provident fund as required under the Hong Kong Mandatory Provident Fund Schemes Ordinance, are recognised as an expense in profit or loss as incurred.

The employees in the PRC are members of the retirement benefit scheme organised by the government in the PRC. The Group is required to contribute, based on a certain percentage of payrolls, to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the required contributions under the scheme. Contributions to this retirement benefit scheme are recognised as an expense in profit or loss as incurred except to the extent that they are included in the cost of inventories at the balance sheet date.

2 主要會計政策 (續)

(k) 現金及現金等值項目

現金及現金等價物包括銀行存款及現金。此等投資可以隨時換算為已知之現金額，而價值變動方面之風險不大，並在購入後三個月內到期。

(l) 僱員福利

(i) 短期僱員福利及向定額供款退休計劃作出之供款

薪金、年度獎金、有薪年假、定額供款退休計劃之供款及各項非貨幣福利之成本，均在本集團僱員提供相關服務之年度內累計。如延遲支付或結算會構成重大影響，則上述數額須按現值列賬。

集團在香港提供一個強積金計劃，並在中華人民共和國（「中國」）提供界定供款政府退休計劃。

根據香港強制性公積金計劃條例規定就強積金計劃作出的供款，乃按產生的損益確認為開支。

中國的僱員為中國政府籌辦的退休福利計劃的成員。集團須按薪金的若干百分比就退休福利計劃作出供款，以提供福利。集團就此退休福利計劃的唯一責任為根據計劃作出規定的供款。就此退休計劃作出的供款乃按產生的損益確認為開支，惟於結算日計入存貨成本的情況則除外。

Notes to the Financial Statements

賬目附註

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(I) Employee benefits (continued)

(ii) Share-based payments

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

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

2 主要會計政策 (續)

(I) 僱員福利 (續)

(ii) 以股份為基礎之付款

授予員工之購股權之公平值確認為員工成本，並相應於股本內增加資本儲備。公平值於授予日期經考慮有關購股權授予之條款及條件後釐定。倘員工須符合歸屬條件方能無條件取得購股權，購股權之估計公平值總額將於歸屬期間攤分，並考慮到購股權將予歸屬之可能性。

於歸屬期間，預期歸屬之購股權數目將獲審核。對於過往年間確認之累計公平值作出之任何調整，將支取／計入審核年間之溢利或虧損，除非原來之員工開支可獲確認為資產，並於資本儲備中作出相應調整。於歸屬日，已確認為開支之金額將調整至反映歸屬之購股權數目（並於資本儲備中作出相應調整），因無法達到與本公司股份市價相關之歸屬條件而喪失者除外。股本金額將於資本儲備確認，直到購股權獲行使（轉入股份溢價賬）或購股權期屆滿（直接釋放到保留溢利）。

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Income tax

- (i) Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.
- (ii) Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.
- (iii) Deferred tax assets and liabilities arise from deductible and taxable temporary difference respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

2 主要會計政策 (續)

(m) 所得稅

- (i) 本年度所得稅包括本期稅項及遞延稅項資產及負債之變動。本期稅項及遞延稅項資產及負債之變動均在損益表內確認，但與直接確認為權益項目相關者，則確認為權益。
- (ii) 本期稅項乃按本年度應課稅收入，根據已生效或在結算日實質上已生效之稅率計算而預期應付之稅項，並就過往年度應付稅項作出任何調整。
- (iii) 遞延稅項資產及負債分別由可抵扣及應課稅暫時差異產生。暫時差異是指資產及負債在就財務呈報目的之賬面值與其稅基之差異。遞延稅項資產亦可以由未利用稅項虧損及未利用稅項抵免產生。

除了某些有限之例外情況外，所有遞延稅項負債及遞延稅項資產（只以未來可能有應課稅溢利予以抵銷之資產為限）均會確認。支持確認由可抵扣暫時差異所產生遞延稅項資產之未來應課稅溢利，包括因撥回現有應課稅暫時差異而產生之數額；但有關差異必須與同一稅務機關及同一應課稅實體有關，並預期在可抵扣暫時差異預計撥回之同一期間或遞延稅項資產所產生之稅項虧損向後期或向前期結轉之期間內撥回。在決定現有之應課稅暫時差異是否足以支持確認由未利用稅項虧損及抵免所產生之遞延稅項資產時，亦會採用同一準則，倘涉及同一稅務機關及同一應課稅實體，而且預期在能夠使用稅項虧損及抵免之同一期間內撥回，則予以計算在內。

Notes to the Financial Statements

賬目附註

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Income tax (continued)

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

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

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

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

2 主要會計政策 (續)

(m) 所得稅 (續)

遞延稅項資產及負債確認之有限例外情況包括不影響會計或應課稅溢利(如屬業務合併之一部分則除外)之資產或負債之初次確認,以及於附屬公司之投資之暫時差異(如屬應課稅差異,只限於本集團可以控制轉回之時間,而且在可預見之將來不大可能轉回之差異;或如屬可予扣減之差異,則只限於可在將來轉回之差異)。

已確認之遞延稅項數額是按照資產及負債賬面值之預期實現或清償方式,以結算日已生效或實際生效之稅率計量。遞延稅項資產及負債均不須貼現。

遞延稅項資產之賬面值,每屆結算日予以重計,並於不可能再有足夠應課稅溢利可供動用有關稅項福利予以削減。任何有關減少在可能有足夠應課稅溢利可供抵免時撥回。

源自股息分派之額外所得稅,於派付有關股息之責任獲確認時確認。

Notes to the Financial Statements

賬目附註

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Income tax (continued)

(iv) Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
 - the same taxable entity; or
 - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

2 主要會計政策 (續)

(m) 所得稅 (續)

(iv) 本期稅項結餘及遞延稅項結餘及其變動額會分開列示，並且不予抵銷。倘本公司或本集團有法定行使權以本期稅項資產抵銷本期稅項負債，並且符合以下附帶條件之情況下，本期稅項資產與遞延稅項資產始會分別與本期稅項負債及遞延稅項負債抵銷：

- 倘為本期稅項資產及負債，本公司或本集團計劃按淨額基準結算，或同時變現該資產及清償該負債；或
- 倘為遞延稅項資產及負債，而此等資產及負債與同一稅務機關就以下其中一項徵收之所得稅有關：
 - 同一應課稅實體；或
 - 不同之應課稅實體。此等實體計劃在日後每個預計有大額遞延稅項負債需要清償或大額遞延稅項資產可以收回之期間內，按淨額基準變現本期稅項資產及清償本期稅項負債，或同時變現該資產及清償該負債。

Notes to the Financial Statements

賬目附註

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Financial guarantees issued, provisions and contingent liabilities

(i) Financial guarantees issued

Financial guarantees are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the "holder") for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Where the Group issues a financial guarantee, the fair value of the guarantee (being the transaction price, unless the fair value can otherwise be reliably estimated) is initially recognised as deferred income within trade and other payables. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group's policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in profit or loss on initial recognition of any deferred income.

The amount of the guarantee initially recognised as deferred income is amortised in profit or loss over the term of the guarantee as income from financial guarantees issued. In addition, provisions are recognised in accordance with note 2(n)(ii) if and when (i) it becomes probable that the holder of the guarantee will call upon the company under the guarantee, and (ii) the amount of that claim on the Company is expected to exceed the amount currently carried in trade and other payables in respect of that guarantee i.e. the amount initially recognised, less accumulated amortisation.

2 主要會計政策 (續)

(n) 已作出財務擔保、撥備及或然負債

(i) 已作出財務擔保

財務擔保為要求發行人(即擔保人)支付特定金額補償受擔保的受益人(「持有人」)因指定債務人未能根據債務工具的條款在到期時付款所產生的虧損。

倘集團作出財務擔保，擔保的公平值(即交易價，除非能可靠地估計公平值)則初步確認為應付賬項及其他應付賬項內的遞延收入。倘就作出擔保的代價已收取或可收取，代價則根據適用於此類別資產的集團政策確認。倘並無收到或無可收代價，則於初步確認任何遞延收入時在損益確認為即時開支。

初步確認為遞延收入的擔保金額自作出財務擔保後在損益中按擔保的年期作為收入攤銷。此外，倘(i)擔保的持有人將可能根據擔保向公司取得款項及(ii)該筆對公司索取的金額預期超逾現時就擔保列賬為應付賬款及其他應付款項(即初步確認的金額減累計攤銷)的金額時，撥備將根據附註2(n)(ii)確認。

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Financial guarantees issued, provisions and contingent liabilities (continued)

(ii) Other provisions and contingent liabilities

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

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

(o) Revenue recognition

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

(i) Sale of goods

Revenue is recognised when goods are delivered at the customers' premises which is taken to be the point in time when the customer has accepted the goods and the related risks and rewards of ownership. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

2 主要會計政策 (續)

(n) 已作出財務擔保、撥備及或然負債 (續)

(ii) 其他準備及或然負債

如果本集團或本公司須就已發生之事件承擔法律或推定義務，而會導致經濟利益外流及在可以作出可靠之估計時，則就該時間或數額不定之其他負債計提準備。如果貨幣時間值重大，則按履行義務預計所需支出之現值計提準備。

如果流出經濟利益之可能性較低，或無法對有關數額作出可靠之估計，則會將該義務披露為或然負債，但經濟利益外流之可能性極低則除外。如果有關義務須視乎某宗或多宗未來事件是否發生才能確定是否存在，則會披露為或然負債，除非經濟利益外流之可能性極低。

(o) 收入確認

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

(i) 銷售貨品

收入乃於貨品送抵客戶所在地而客戶接納貨品及相關風險及擁有權時確認入賬。收入不包括增值稅或其他銷售稅，並在扣除任何貿易折扣後入賬。

Notes to the Financial Statements

賬目附註

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Revenue recognition (continued)

(ii) Rental income from operating leases

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned.

(iii) Interest income

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

(p) Translation of foreign currencies

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

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transactions dates.

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

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

2 主要會計政策 (續)

(o) 收入確認 (續)

(ii) 營運租賃中租金收入

經營租賃之應收租金收入在租賃期所涵蓋之期間內，以等額在損益表內確認；但如有其他基準能更清楚地反映使用租賃資產所產生之收益模式則除外。租賃優惠措施均在損益表內確認為應收租賃淨付款總額之組成部份。在會計期間所獲得之暫時租金確認為收入。

(iii) 利息收入

利息收入按採用實質利息法計算所得之利息確認。

(p) 外幣換算

年內之外幣交易按交易日外幣兌換率換算。以外幣計值之貨幣資產及負債均按結算日之外幣兌換率換算。匯兌盈虧均於損益表內確認入賬。

以歷史成本計量之外幣非貨幣資產及負債按交易日之匯率換算。

海外業務之業績按與交易日外幣匯率相若之匯率換算為港元。資產負債表項目則按結算日之外幣匯率換算為港元。所產生之匯兌差額直接於權益項下列作獨立項目。

於出售外國業務時，與外國業務有關並於股本確認之累計匯兌差額於計算出售之利益或虧損時計入。

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Product development costs

Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised if the product or process is technically and commercially feasible and the Group has sufficient resources to complete development. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads. Development expenditure is recognised in the profit or loss as an expense as incurred.

(r) Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which represents a separate major line of business or geographical area of operations, or its part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal. It also occurs when the operation is abandoned.

Where an operation is classified as discontinued, the followings are presented on the face of the income statement, which comprises:

- revenue, and the pre-tax profit or loss from discontinued operations;
- income tax on profit or loss from discontinued operations;
- gain or loss on disposal or measurement to fair value less costs to sell; and
- income tax on that gain or loss.

2 主要會計政策 (續)

(q) 產品開發成本

在開發活動中研究成果乃應用於新或大有改進的產品或程序的生產計劃或設計上。開發活動的開支乃在產品或程序在技術上及商業上切實可行時及集團有充裕資源完成開發時列作資本。列作資本的開支包括物料、直接勞力及適合比例的人手的成本。開發開支乃於產生時在損益確認為開支。

(r) 已終止經營業務

已終止經營業務為本集團業務的一部分，該部份業務的營運及現金流量可與集團其餘業務清楚地劃分，與主要業務線路或經營地區有別，或與其出售個別主要業務線路或營運地區的單一籌辦計劃的部分有別，或僅為轉讓而收購的附屬公司。

在出售時分類為已終止經營業務。在營運暫停時亦分類為已終止經營業務。

倘一項業務分類為已終止經營業務，下列各項於損益賬內呈列，包括：

- 已終止經營業務的收入及稅前損益；
- 來自已終止經營業務的損益的所得稅；
- 出售或計量至公平值的收益或虧損減出售成本；及
- 該筆收益或虧損的所得稅。

Notes to the Financial Statements

賬目附註

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Related parties

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

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

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

2 主要會計政策 (續)

(s) 關連人士

就此等財務報表而言，倘為下列人士，則將被視為與本集團有關連：

- (i) 如果該人士能夠直接或間接透過一間或多間中介公司控制本集團或可以對本集團之財務及經營決策發揮重大影響力，或於本集團有共同控制權；
- (ii) 倘本集團與該人士同時受到共同控制；
- (iii) 該人士為本集團之聯繫人士或本集團為合營方之合營公司；
- (iv) 該人士為本集團或本集團母公司主要管理人員之成員，或有關人士之近親家族成員，或為受有關人士控制、共同控制或重大影響之實體；
- (v) 該人士為於第(i)段所述人士之近親家族成員或為受有關人士控制、共同控制或重大影響之實體；或
- (vi) 該人士為就本公司僱員或屬於本公司關連人士之任何實體之僱員利益而設之受僱後福利計劃。

有關人士之近親家族成員為預期於買賣實體時將影響該人士或受該人士影響之該等家族成員。

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Segment reporting

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

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

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

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

Unallocated items mainly comprise financial and corporate assets, interest-bearing loans, borrowings, tax balances, corporate and financing expenses.

2 主要會計政策 (續)

(t) 分部報告

分部是指本集團內可明顯區分之組成部分，並且負責提供產品或服務(業務分部)，或在一個特定之經濟環境中提供產品或服務(地區分部)。分部之間涉及之風險及回報亦有異。

按照本集團之內部財務報告模式，本集團已就此等財務報表選擇以地區分部為報告分部信息之主要形式，而業務分部則是次要之分部報告形式。

分部收入、支出、業績、資產及負債包含直接歸屬某一分部，以及可按合理基準分配至該分部之項目數額。分部收入、支出、資產及負債包含須在編制綜合財務報表時抵銷之集團內部往來之餘額和集團內部交易；但同屬一個分部之集團企業之間之集團內部往來之餘額和交易除外。分部間之轉移事項定價按與其他外界人士相若之條款計算。

分部資本開支是指購入預計可於超過一個期間使用之分部資產(包括有形和無形資產)之期內產生之成本總額。

未分配項目主要包括財務及企業資產、計息貸款、借款、稅項餘額、企業及融資支出。

Notes to the Financial Statements

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3 CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a number of new and revised HKFRSs and Interpretations that are first effective or available for early adoption for the current accounting period of the Group and the Company.

There have been no significant changes to the accounting policies applied in these financial statements for the years presented as a result of these developments. However, as a result of the adoption of HKFRS 7, Financial instruments: Disclosures and the amendment to HKAS 1, Presentation of financial statements: Capital disclosures, there have been certain additional disclosures provided.

As a result of the adoption of HKFRS 7, the financial statements included expanded disclosures about the significance of the Group's financial instruments and the nature and extent of risks arising from those instruments, compared with the information previously required to be disclosed by HKAS 32, Financial instruments: Disclosure and presentation. These disclosures are provided throughout these financial statements, in particular in note 28.

The amendment to HKAS 1 introduces additional disclosures requirements to provide information about the level of capital and the Group's and the Company's objectives, policies and processes for managing capital. These new disclosures are set out in note 26(f).

Both HKFRS 7 and the amendment to HKAS 1 do not have any material impact on the classification, recognition and measurements of the amounts recognised in the financial instruments.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period (see note 34).

3 會計政策變動

香港會計師公會已頒佈本集團及本公司的本會計期間首次生效或供預先採納的若干新增及經修訂香港財務報告準則及詮釋。

呈報期間的本財務報表採用的會計政策並無因該等發展而有重大變動。然而，由於採納香港財務報告準則第7號「金融工具：披露」及香港會計準則第1號「財務報表的列報：資本披露」的修訂條文，故本財務報表包括若干額外披露。

由於採納香港財務報告準則第7號，財務報表包括有關本集團金融工具重要性及該等工具的性質和險程度的披露，較過往根據香港會計準則第32條「金融工具：披露及列報」規定披露的資料詳盡。該等披露事項於本財務報表內多處提供，尤其附註28。

香港會計準則第1號的修訂條文提出額外披露規定，須提供有關資本水平及本集團和本公司管理資本的目標、政策及程序的資料。此等新披露事項載於附註26(f)。

香港財務報告準則第7號及香港會計準則第1條均並無對財務報表內確認的金額的分類、確認及計量造成任何影響。

本集團並無應用任何於本會計期間尚未生效的新準則或詮釋（見附註34）。

Notes to the Financial Statements

賬目附註

4 DISCONTINUED OPERATIONS

On 21st October 2005, the Company sold its investment property to an independent third party for a consideration of HK\$528,110,000 in accordance with a sale and purchase agreement. Pursuant to the terms and conditions of such agreement, the sale of such investment property was consummated on 26th January 2006.

The property leasing business segment is reported as a discontinued operation in these financial statements.

The net assets of the discontinued operations as at the date of discontinuance were as follows:

4 已終止經營業務

在二零零五年十月二十一日，本公司根據買賣協議以售價港幣528,110,000元出售其投資物業與獨立第三方。根據協議條款，出售投資物業之交易已於二零零六年一月二十六日完成。

物業租賃業務分部已在該等財務報表中作已終止經營業務呈報。

已終止經營業務資產淨值於終止經營當日如下：

At 26th January 2006
於二零零六年一月二十六日
HK\$
港幣

Investment property (note)	投資物業 (附註)	485,000,000
Consideration received	售價收入	
– satisfied in cash	– 以現金支付	528,110,000
– other payables	– 其他應付賬	(40,997,416)
		487,112,584
Consideration received, satisfied in cash and net cash inflow	售價收入、滿意之現金及現金流入淨值	528,110,000

The cash flows of the discontinued operations for the previous year were as follows:

往年度之已終止經營業現金流入如下：

1st January 2006 to
26th January 2006
二零零六年一月一日至
二零零六年一月二十六日
HK\$
港幣

Cash used in operating activities	經營活動現金支出	(47,836,482)
Cash generated from investing activities	投資活動產生之現金	528,110,000

Note: The investment property was revalued at 31st December 2005 on the basis of its open market value by independent, professionally qualified valuers, Vigers Appraisal and Consulting Limited. The investment property is located in Hong Kong and held on leases of between 10 and 50 years.

附註： 投資物業由獨立估值師威格斯資產評估顧問有限公司於二零零五年十二月三十一日按公開市場值基準作出物業評估。投資物業地點在香港及持有租賃期十年至五十年。

Notes to the Financial Statements

賬目附註

5 TURNOVER

The principal activities of the Group are manufacturing and sale of electrical home appliances and property leasing.

Turnover represents the sales value of goods supplied to customers and rental income. The amount of each significant category of revenue recognised in turnover during the year is as follows:

5 營業額

本集團主要業務是製造及銷售家用電器及物業租賃。

營業額是銷售與客戶之銷貨值及租金收入。在本年度營業額中之每項主要類別收益如下：

		2007 二零零七年 HK\$ 港幣	2006 二零零六年 HK\$ 港幣
Sales of electrical home appliances	家用電器銷售	842,856,069	954,572,347
Gross rentals from investment properties	總投資物業租金收入	-	1,650,714
		842,856,069	956,223,061

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6 OTHER REVENUE AND NET (LOSS)/INCOME

6 其他收入及(虧損)/收益

		2007 二零零七年 HK\$ 港幣	2006 二零零六年 HK\$ 港幣
Other revenue	其他收入		
Bank interest income	銀行利息收入	16,747,001	17,555,265
Interest income receivable from loan to an associate (note 30(c)(i))	聯營公司應收貸款利息 (附註30(c)(i))	405,436	533,210
		17,152,437	18,088,475
Rentals receivable from operating leases, other than those relating to investment property (note 30(c)(ii))	從營運租約中之 租賃收入，不同於 相關投資物業(附註30(c)(ii))	120,000	-
		17,272,437	18,088,475
Other net (loss)/income	其他(虧損)/收益淨值		
Net gain/(loss) on disposal of property, plant and equipment	出售物業，廠房及 設備收益/(虧損)淨值	736,702	(2,120,026)
Net exchange (loss)/gain	匯兌(虧損)/收益淨值	(2,405,969)	754,430
Tax refund from reinvestment in a subsidiary	再投資於附屬公司之 退稅	-	3,966,421
Sundry income	其他收益	134,489	1,049,801
		(1,534,778)	3,650,626

Notes to the Financial Statements

賬目附註

7 (LOSS)/PROFIT BEFORE TAXATION

7 除稅前(虧損)/溢利

(Loss)/profit before taxation is arrived after charging/(crediting):

除稅前(虧損)/溢利乃經扣除/(計入)下列各項後達致:

		2007 二零零七年 HK\$ 港幣	2006 二零零六年 HK\$ 港幣
(a) Staff costs	(a) 員工成本		
Salaries, wages and other benefits	薪金、工資及其他福利	111,907,338	95,167,127
Discretionary bonuses	酌情發放花紅	2,314,440	5,381,800
Contributions to defined contribution retirement plans	退休金計劃供款	8,972,305	8,698,922
Equity-settled share-based payment transactions (note 26(a))	權益償付股本基礎支付項目(附註26(a))	(31,329)	-
		123,162,754	109,247,849
(b) Other items	(b) 其他項目		
Cost of inventories sold [#]	銷售存貨成本 [#]	769,915,516	837,255,886
Amortisation	攤銷		
– land lease premium	– 租用土地	465,537	439,468
Depreciation	折舊		
– property, plant and equipment	– 物業、廠房及設備	24,974,270	22,317,720
Impairment losses	減值虧損		
– trade and other receivables (note 20)	– 貿易及其他應收(附註20)	-	2,527,268
– loan and interest receivable from an associate (note 16)	– 聯營公司貸款及應收利息(附註16)	9,438,646	-
Provision for financial loss (note 22)	財務損失撥備(附註22)	7,800,000	-
Auditors' remuneration	核數師酬金	885,447	850,780
Product development costs	產品發展成本	235,352	952,210

[#] Cost of inventories includes HK\$78,335,000 (2006: HK\$72,852,000) relating to staff cost and depreciation, which amount is also included in the respective total amounts disclosed separately above or in note 7(a) for each type of expense.

[#] 銷售存貨成本包括港幣78,335,000元(二零零六年:港幣725,852,000元)有關員工成本及折舊,該金額亦包括於附註7(a)披露各項費用總金額。

Notes to the Financial Statements

賬目附註

8 INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT 8 綜合損益表之所得稅

(a) Taxation in the consolidated income statement represents: (a) 於綜合損益表呈列之稅項：

		2007 二零零七年 HK\$ 港幣	2006 二零零六年 HK\$ 港幣
Current tax – Hong Kong Profits Tax (note 18(a))	本期稅項 – 香港所得稅 (附註18(a))		
Provision for the year	本年撥備	107,055	8,310,409
Under-provision in respect of prior years	往年度撥備過少	149,910	109,917
		256,965	8,420,326
Current tax – PRC Enterprise Income Tax (note 18(a))	本年度稅項 – 中國企業所得稅 (附註18(a))		
Provision for the year	本年撥備	1,556,394	2,216,580
Tax refund	退稅	(777,625)	–
Under/(over)-provision in respect of prior years	往年度撥備過少／ (剩餘)	8,448	(678,855)
		787,217	1,537,725
Deferred tax	遞延稅項		
Origination and reversal of temporary differences	遞延稅項暫時差異的 產生及轉回	(9,634,951)	(4,117,220)
Income tax (credit)/expense	利得稅負(計入)／支出	(8,590,769)	5,840,831

The provision for Hong Kong Profits Tax for 2007 is calculated at 17.5% (2006: 17.5%) of the estimated assessable profits for the year.

香港利得稅乃按照本年度估計應課稅盈利依稅率17.5% (二零零六年：17.5%) 提撥準備。

Notes to the Financial Statements

賬目附註

8 INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT (continued)

8 綜合損益表之利得稅 (續)

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

(a) 於綜合損益表呈列之稅項：(續)

Individual subsidiaries within the Group are generally subject to the appropriate current rates of taxation ruling is the relevant countries except for:

本集團之個別附屬公司按所屬地區稅務條例之現行稅率計算，以下除外：

		2007 二零零七年	2006 二零零六年
Raymond (Panyu Nansha) Electrical Appliances Development Company Limited (note (i))	利民(番禺南沙)電器發展有限公司(附註(i))	10.0%	15.0%
Guangzhou Conquest Electric Company Limited (note (ii))	廣州民凱家用電器有限公司(附註(ii))	7.5%	0.0%

Notes:

附註：

(i) Raymond (Panyu Nansha) Electrical Appliances Development Company Limited has established in Panyu Nansha Economic Technology Development Zone in the PRC, and the applicable Enterprise Income Tax rate was 15% in 2006. During the year ended 31st December 2007, this subsidiary was recognised by the local tax authorities as an export-oriented enterprise and is accordingly eligible for the preferential tax treatment of 10% reduced Enterprise Income Tax rate.

(i) 利民(番禺南沙)電器發展有限公司已於中國番禺南沙經濟技術開發區成立，於二零零六年之適用企業所得稅稅率為15%。於截至二零零七年十二月三十一日止年度，此附屬公司獲地方稅務局確認為出口企業，因而享有扣減企業所得稅稅率之稅務優惠。減免後稅率為10%。

(ii) Guangzhou Conquest Electric Company Limited was established in Panyu Nansha Economic Technology Development Zone in the PRC, and the applicable Enterprise Income Tax rate is 15%. This subsidiary is recognised by the local tax authorities as a production-oriented foreign investment enterprise and is entitled to an Enterprise Income Tax exemption for the first two profitable years and a 50% reduction of Enterprise Income Tax for subsequent three years. 2007 is the first profitable year of this subsidiary and the applicable Enterprise Income Tax rate for 2007 is therefore 7.5%.

(ii) 廣州民凱家用電器有限公司於中國番禺南沙經濟技術開發區成立，其適用之企業所得稅稅率為15%。此附屬公司獲地方稅務局確認為生產型外資企業，在其首兩個獲利年度享有企業所得稅豁免優惠，並於其後三個年度享有企業所得稅稅率減半優惠。二零零七年為此附屬公司之首個獲利年度，二零零七年適用之企業所得稅稅率為7.5%。

Notes to the Financial Statements

賬目附註

8 INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT (continued)

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

On 16th March 2007, the Fifth Plenary Session of the Tenth National People's Congress passed the Corporate Income Tax Law of the People's Republic of China ("New Tax Law") which has become effective on 1st January 2008. As a result of the New Tax Law, the statutory income tax rate adopted by the PRC entities, other than the aforesaid subsidiaries, in (i) to (ii), will change to 25% with effective from 1st January 2008.

As of 1st January 2008, those subsidiaries engaging in manufacturing activities and previously enjoyed preferential policy in the form of reduced tax rate shall have five years from the time when the New Tax Law takes effect to transit progressively to the new statutory tax rate. During this period, the subsidiaries that enjoyed the 15% Enterprise Income Tax rate shall be subject to the 18% tax rate for the year 2008, 20% for the year 2009, 22% for the year 2010, 24% for the year 2011, and 25% for the year 2012.

As of 1st January 2008, those subsidiaries which previously enjoyed fixed-term preferential Enterprise Income Tax treatment in the form of tax reduction and exemption shall continue to enjoy preferential treatment for their initial term as prescribed under the previous income tax laws until the initial term expires.

The change in the carrying amount of the deferred tax assets and liabilities, as a result of the change in tax rate, is recognised in the consolidated income statement of the Group for the year ended 31st December 2007.

8 綜合損益表之利得稅 (續)

(a) 於綜合損益表呈列之稅項：(續)

於二零零七年三月十六日，第十屆中國人民代表大會第五次會議通過中華人民共和國企業所得稅法（「新稅法」），於二零零八年一月一日生效。基於新稅法，中國實體（不包括上文第(i)及(ii)項所述附屬公司）採納之法定所得稅稅率將由二零零八年一月一日起更改為25%。

於二零零八年一月一日，該等從事製造業務及於先前以扣減稅率之形式享有優惠政策之附屬公司，將有自新稅法生效起計五年時間逐步過渡至新法定稅率。於此期間，享有15%企業所得稅稅率之附屬公司須於二零零八年之稅率為18%，於二零零九年之稅率為20%，於二零一零年之稅率為22%，於二零一一年之稅率為24%及於二零一二年之稅率為25%。

於二零零八年一月一日，該等先前以稅項扣減及豁免形式享有固定年期企業所得稅優惠之附屬公司，將繼續在先前所得稅法指定之初步年內享有稅務優惠，直至優惠期屆滿。

因稅率變動導致遞延稅項資產及負債之賬面值出現之變動，已於截至二零零七年十二月三十一日止年度在本集團綜合損益表內確認。

Notes to the Financial Statements

賬目附註

8 INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT (continued)

8 綜合損益表之利得稅(續)

(b) Reconciliation between income tax (credit)/expense and accounting (loss)/profit at the applicable tax rates:

(b) 按稅率調整利得稅(計入)/支出及會計程(虧損)/溢利

		2007 二零零七年 HK\$ 港幣	2006 二零零六年 HK\$ 港幣
(Loss)/profit before taxation	除稅前(虧損)/溢利	(54,085,312)	51,962,313
Notional tax on (loss)/profit before taxation, calculated at the rates applicable to profits in the countries concerned	按有關地區按適用稅率計算之除稅前(虧損)/溢利名義稅項	(10,163,824)	7,874,987
Tax effect of non-taxable income	就稅務而言非應課稅收入之稅務影響	(13,362,043)	(4,756,457)
Tax effect of non-deductible expenses	就稅務而言不可扣除支出之稅務影響	17,844,741	6,779,535
Tax effect of unused tax losses not recognised	未確認未用稅務虧損之稅務影響	797,726	1,138
Tax effect of previous years' tax losses recognised in current year	本年確認往年稅務虧損之稅務影響	-	(13,370)
Tax concession	稅務減免	(25,000)	-
Over-provision in prior years	往年度撥備剩餘	(619,267)	(568,938)
Effect of change in tax rates	稅率變化之稅務影響	(1,462,384)	-
Effect of tax relief granted to PRC subsidiaries	中國附屬公司稅務減免之影響	395,328	-
Others	其他	(1,996,046)	(3,476,064)
Actual tax (credit)/expenses	實施稅項(計入)/支出	(8,590,769)	5,840,831

Notes to the Financial Statements

賬目附註

9 DIRECTORS' REMUNERATION

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

9 董事酬金

董事酬金根據香港公司條例第161節披露如下：

Name of Director 董事姓名	Directors' fees 袍金 HK\$ 港幣千元	Salaries, allowances and benefits in kind 薪金、津貼及福利 HK\$ 港幣千元	Discretionary bonus 酌情發放之花紅 HK\$ 港幣千元	Retirement scheme contributions 退休金供款 HK\$ 港幣千元	Sub-total 小計 HK\$ 港幣千元	Share-based payments (note) 以股為基礎支出 (附註) HK\$ 港幣千元	2007 Total 二零零七年 合計 HK\$ 港幣千元
<i>Chairman</i> Mr. Wong, Wilson Kin Lae 主席 黃乾利先生	120,000	11,950	80,000	-	211,950	-	211,950
<i>Executive directors</i> Mr. Wong, John Ying Man 黃英敏先生	140,000	2,780,983	280,000	144,000	3,344,983	-	3,344,983
Dr. Wong, Kennedy Ying Ho (resigned on 13th April 2007) 黃英豪博士(二零零七年 四月十三日辭任)	-	-	-	-	-	(23,564)	(23,564)
Mr. Wong, Raymond Man Hin 黃文顯先生	140,000	2,051,950	390,000	99,000	2,680,950	-	2,680,950
<i>Non-executive directors</i> Dr. Wong, Philip Kin Hang 黃乾亨博士	120,000	-	-	-	120,000	-	120,000
Mr. Huang, Zhouchang 黃宙昌先生	160,000	-	-	-	160,000	-	160,000
Mr. Qiang, Wenyu 強文郁先生	120,000	-	-	-	120,000	-	120,000
<i>Independent non-executive directors</i> Mr. Leung, Michael Kai Hung 梁啟雄先生	160,000	-	-	-	160,000	-	160,000
Mr. Fan, Anthony Ren Da 范仁達先生	160,000	-	-	-	160,000	-	160,000
Mr. Ng, Yiu Ming 伍耀明先生	160,000	-	-	-	160,000	-	160,000
<i>Alternate directors</i> Mr. Xiong, Zheng Feng 熊正峰先生	-	-	-	-	-	-	-
Mr. Mok, Kin Hing (appointed on 14th September 2007) 莫健興先生(二零零七年 九月十四日委任)	-	246,000	-	21,000	267,000	-	267,000
	1,280,000	5,090,883	750,000	264,000	7,384,883	(23,564)	7,361,319

Notes to the Financial Statements

賬目附註

9 DIRECTORS' REMUNERATION
(continued)

9 董事酬金 (續)

Name of Director 董事姓名	Directors' fees 袍金 HK\$ 港幣千元	Salaries, allowances and benefits in kind 薪金、津貼及福利 HK\$ 港幣千元	Discretionary bonus 酌情發放之花紅 HK\$ 港幣千元	Retirement scheme contributions 退休金供款 HK\$ 港幣千元	Sub-total 小計 HK\$ 港幣千元	Share-based payments (note) 以股為基礎支出 (附註) HK\$ 港幣千元	2006 Total 二零零六年 合計 HK\$ 港幣千元
<i>Chairman</i> Mr. Wong, Wilson Kin Lae 主席 黃乾利先生	80,000	-	61,475	-	141,475	-	141,475
<i>Executive directors</i> Mr. Wong, John Ying Man Dr. Wong, Kennedy Ying Ho Mr. Wong, Raymond Man Hin 執行董事 黃英敏先生 黃英豪博士 黃文顯先生	80,000 80,000 80,000	3,078,688 1,500,000 2,401,475	- - -	144,000 - 72,000	3,302,688 1,580,000 2,553,475	- - -	3,302,688 1,580,000 2,553,475
<i>Non-executive directors</i> Dr. Wong, Philip Kin Hang Mr. Huang, Zhouchang Mr. Qiang, Wenyu 非執行董事 黃乾亨博士 黃宙昌先生 強文郁先生	80,000 100,000 80,000	374,250 180,000 180,000	- - -	- - -	454,250 280,000 260,000	- - -	454,250 280,000 260,000
<i>Independent non-executive directors</i> Mr. Leung, Michael Kai Hung Mr. Fan, Anthony Ren Da Mr. Ng, Yiu Ming 獨立非執行董事 梁啟雄先生 范仁達先生 伍耀明先生	100,000 100,000 100,000	41,250 - -	- - -	- - -	141,250 100,000 100,000	- - -	141,250 100,000 100,000
<i>Alternate director</i> Mr. Xiong, Zheng Feng 代董事 熊正峰先生	-	99,000	-	-	99,000	-	99,000
	880,000	7,854,663	61,475	216,000	9,012,138	-	9,012,138

Note:

These represent the estimated value of share options granted to the directors under the Company's share option scheme. The value of these share options is measured according to the Group's accounting policies for share-based payment transactions as set out in note 2(l)(ii) and, in accordance with that policy, includes adjustments to reverse amounts accrued in previous years where grants of equity instruments are forfeited.

The details of these benefits in kind, including the principal terms and number of options granted, are disclosed under the paragraph "Share option scheme" in the directors' report and note 25.

附註:

這些呈列是根據本公司之購股權計劃授予股東之購股權的估值。購股權價值是根據本集團的會計政策中以股份為基礎支出項目載於附註2(l)(ii)及按此政策，包括調整往年回撥應計因權益工具失效。

福利詳情，包括主要條例及購股權授予股數，在董事報告書中購股權計劃及附註25披露。

Notes to the Financial Statements

賬目附註

10 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, three (2006: two) are directors whose emoluments are disclosed in note 9. The aggregate of the emoluments in respect of the other two (2006: three) individuals are as follows:

		2007 二零零七年 HK\$ 港幣	2006 二零零六年 HK\$ 港幣
Salaries and other emoluments	薪金及其他福利	1,451,317	2,335,325
Discretionary bonuses	酌情發放花紅	295,000	470,000
Retirement scheme contributions	退休金供款	60,000	180,000
		1,806,317	2,985,325

10 個別最高酬金

本集團五位最高薪酬人士中包括三位(二零零六年：二位)董事，彼等之酬金已載於附註9，餘下二位(二零零六年：三位)最高薪人士之酬金分析如下：

The emoluments of the two (2006: three) individuals with the highest emoluments are within the following bands:

個別最高薪酬人士二位(二零零六年：三位)酬金組別分析如下：

		2007 二零零七年 Number of individuals 人數	2006 二零零六年 Number of individuals 人數
HK\$Nil – HK\$1,000,000	由港幣零元至港幣1,000,000元	2	2
HK\$1,000,001 – HK\$1,500,000	由港幣1,000,001元至 港幣1,500,000元	–	1

Notes to the Financial Statements

賬目附註

11 (LOSS)/PROFIT ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY

The consolidated (loss)/profit attributable to equity shareholders of the Company includes a loss of HK\$21,355,814 (2006: profit of HK\$55,295,612) which has been dealt with in the financial statements of the Company.

11 股東應佔(虧損)/溢利

本公司股東應佔之綜合(虧損)/溢利包括虧損港幣21,355,814元(二零零六年:溢利港幣55,295,612元),其已於本公司財務報表內反映。

12 DIVIDENDS

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

12 股息

(a) 本年度應付股息與本公司股東應佔

		2007 二零零七年 HK\$ 港幣	2006 二零零六年 HK\$ 港幣
Interim dividend declared and paid of 5 HK cents per ordinary share (2006: 5 HK cents per ordinary share)	已派發之中期股息 每股普通股港幣5仙 (二零零六年:港幣5仙)	19,693,244	19,693,244
Final dividend proposed after the balance sheet date of 1 cent per ordinary share (2006: 11 HK cents per ordinary share)	於資產負債表結算日後 建議派發末期股息 每股普通股港幣1仙 (二零零六年:港幣11仙)	3,938,648	43,325,137
Special dividend proposed after the balance sheet date of 20 cents per share (2006: 10 HK cents per ordinary share)	於資產負債表結算日後 建議派發特別期股息 每股普通股港幣20仙 (二零零六年:港幣10仙)	78,772,977	39,386,488
		102,404,869	102,404,869

The final and special dividends proposed after the balance sheet date have not been recognised as a liability at the balance sheet date.

於資產負債表結算日後建議派發末期股息及特別股息於資產負債表結算日未確認為負債。

Notes to the Financial Statements

賬目附註

12 DIVIDENDS (continued)

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

12 股息(續)

(b) 於往年度應付股息與本公司股東應佔及在本年度已批准及支付。

		2007 二零零七年 HK\$ 港幣	2006 二零零六年 HK\$ 港幣
Final dividend in respect of the previous financial year, approved and paid during the year, of 11 HK cents per share (2006: 11 HK cents per share)	往年度末期息及在本年度已批准及支付每股港幣11仙(二零零六年：每股港幣11仙)	43,325,137	42,308,407
Special dividend in respect of the previous financial year, approved and paid during the year, of 10 HK cents per share (2006: 50 HK cents per share)	往年度特別期息及在本年度已批准及支付每股港幣10仙(二零零六年：每股港幣50仙)	39,386,488	192,310,942
		82,711,625	234,619,349

(c) Dividends payable in the balance sheet

(c) 於資產負債表之應付股息

		The Group and the Company 本集團及本公司	
		2007 二零零七年 HK\$ 港幣	2006 二零零六年 HK\$ 港幣
At 1st January	於一月一日	1,102,658	535,300
Dividends paid	支付股息	(102,209,110)	(259,383,465)
Dividend declared and approved during the year	本年度已派發及批准股息		
– in respect of the previous financial year	– 往年度	82,711,625	240,257,579
– in respect of the current financial year	– 本年度	19,693,244	19,693,244
		102,404,869	259,950,823
At 31st December	於十二月三十一日	1,298,417	1,102,658

Notes to the Financial Statements

賬目附註

13 (LOSS)/EARNINGS PER SHARE

(a) The calculation of basic (loss)/earnings per share is based on the loss attributable to ordinary equity shareholders of the Company of HK\$45,494,543 (2006: profit of HK\$48,234,066) and the weighted average of 393,864,884 ordinary shares (2006: 389,067,043) in issue during the year.

Weighted average number of ordinary shares

		2007 二零零七年	2006 二零零六年
Issued ordinary share at 1st January	於一月一日已發行之普通股	393,864,884	378,080,884
Effect of share options exercised	行使購股權之影響	-	10,986,159
Weighted average number of ordinary share at 31st December	於十二月三十一日之加權平均股數的普通股	393,864,884	389,067,043

(b) Diluted (loss)/earnings per share

The calculation of diluted (loss)/earnings per share is based on the loss attributable to ordinary equity shareholders of the Company of HK\$45,494,543 (2006: profit of HK\$48,234,066) and the weighted average number of ordinary shares of 393,864,884 shares (2006: 389,067,043 shares).

The diluted (loss)/earnings per share calculations have not included the outstanding share options as at 31st December 2007 and 2006 since the effect is anti-dilutive.

14 SEGMENT REPORTING

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

(a) Geographical segments

The Group's business is managed on a worldwide basis, but participates in four principal economic environments. The PRC, Japan, Europe and North America are the major market for all of the Group's electrical appliances business.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets and capital expenditure are based on the geographical location of the assets.

13 每股(虧損)/溢利

(a) 每股基本(虧損)/溢利之計算是以本集團股東應佔經營業務虧損港幣45,494,543元(二零零六年: 溢利港幣48,234,066元)及根據年內之已發行加權平均股數393,864,884股(二零零六年: 389,067,043股)計算。

加權平均股數的普通股

		2007 二零零七年	2006 二零零六年
Issued ordinary share at 1st January	於一月一日已發行之普通股	393,864,884	378,080,884
Effect of share options exercised	行使購股權之影響	-	10,986,159
Weighted average number of ordinary share at 31st December	於十二月三十一日之加權平均股數的普通股	393,864,884	389,067,043

(b) 每股攤薄(虧損)/溢利

每股攤薄(虧損)/溢利之計算是以本集團股東應佔經營業務虧損港幣45,494,543元(二零零六年: 溢利港幣48,234,066元)及加權平均股數393,864,884股(二零零六年: 389,067,043股)計算。

每股攤薄(虧損)/溢利之計算因沒有攤薄效應而不包括於二零零六年及二零零七年十二月三十一日仍未行使之購股權。

14 分部報告

分部資料按集團之業務及地區分部呈列。因應本集團之內部相關財務報告以地區分部資料為主要報告。

(a) 地區分部資料

本集團的業務是世界性但主要銷售四個地區。中國、日本、歐洲及北美是本集團主要家用電器市場。

呈列資料基本按地區分部，分部收益按客戶地區分佈。分部資產及資本性支出按資產所在地區分佈。

Notes to the Financial Statements

賬目附註

14 SEGMENT REPORTING (continued)

14 分部報告 (續)

(a) Geographical segments (continued)

(a) 地區分部資料 (續)

	United States		The PRC		Japan		Europe		Others		Inter-segment elimination		Unallocated		Total continuing operations		Discontinued operations		Total			
	美國	2007	2006	中國	2007	2006	日本	2007	2006	歐洲	2007	2006	其他	2007	2006	內部分部抵銷	未分配	總持續經營業務	已終止經營業務	合計		
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006		
	二零零七年	二零零六年	二零零七年	二零零六年	二零零七年	二零零六年	二零零七年	二零零六年	二零零七年	二零零六年	二零零七年	二零零六年	二零零七年	二零零六年	二零零七年	二零零六年	二零零七年	二零零六年	二零零七年	二零零六年		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000		
	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元		
Revenues	收入																					
External sales	283,699	353,981	21,459	13,507	337,128	327,301	141,959	177,100	58,611	82,683	-	-	-	-	842,856	954,572	-	1,651	842,856	956,223		
Inter-segment sales	-	-	518,543	535,972	-	-	-	-	742,736	771,678	(1,261,279)	(1,307,650)	-	-	-	-	-	-	-	-		
Other revenue	-	-	-	-	-	-	-	-	-	-	-	-	120	-	120	-	-	-	-	120		
	283,699	353,981	540,002	549,479	337,128	327,301	141,959	177,100	801,347	854,361	(1,261,279)	(1,307,650)	120	-	842,976	954,572	-	1,651	842,976	956,223		
Segment result	(150)	11,856	(131)	573	(1,194)	8,490	514	13,253	(169)	3,707	-	174	-	-	(1,130)	38,053	-	1,547	(1,130)	39,600		
Interest income	利息收入																17,152	18,088	-	-	17,152	18,088
Unallocated cost	未分配成本																(17,239)	(4,589)	-	-	(17,239)	(4,589)
(Loss)/profit from operations	經營(虧損)/溢利																(1,217)	51,552	-	1,547	(1,217)	53,099
Share of losses of associates	佔聯營公虧損																(52,868)	(1,137)	-	-	(52,868)	(1,137)
(Loss)/profit before taxation	除稅前(虧損)/溢利																(54,085)	50,415	-	1,547	(54,085)	51,962
Income tax credit/(expense)	所得稅計入/(支出)																8,591	(5,567)	-	(274)	8,591	(5,841)
(Loss)/profit after taxation before gain on sale of discontinued operations	除稅後但在出售已終止經營業務收益前(虧損)/溢利																(45,494)	44,848	-	1,273	(45,494)	46,121
Gain on sale of discontinued operations	出售已終止經營業務收益																-	-	-	2,113	-	2,113
(Loss)/profit for the year	本年度(虧損)/溢利																(45,494)	44,848	-	3,386	(45,494)	48,234

Notes to the Financial Statements

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14 SEGMENT REPORTING (continued)

14 分部報告 (續)

(a) Geographical segments (continued)

(a) 地區分部資料 (續)

	United States		The PRC		Japan		Europe		Others		Inter-segment elimination		Unallocated		Total continuing operations		Discontinued operations		Total	
	美國	中國	日本	歐洲	其他	內部分部抵銷	未分配	總持續經營業務	已終止經營業務	合計										
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
	二零零七年	二零零六年	二零零七年	二零零六年	二零零七年	二零零六年	二零零七年	二零零六年	二零零七年	二零零六年	二零零七年	二零零六年	二零零七年	二零零六年	二零零七年	二零零六年	二零零七年	二零零六年	二零零七年	二零零六年
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Depreciation and amortisation for the year	-	-	24,294	21,489	-	-	-	-	1,146	1,268	-	-	-	-	25,440	22,757	-	-	25,440	22,757
Impairment of loan and interest receivable from an associate	-	-	-	-	-	-	-	-	9,439	-	-	-	-	-	9,439	-	-	-	9,439	-
Provision for financial loss	-	-	-	-	-	-	-	-	7,800	-	-	-	-	-	7,800	-	-	-	7,800	-
Segment assets	-	-	272,656	290,207	-	-	-	-	451,020	551,182	-	-	-	-	723,676	841,389	-	-	723,676	841,389
Interests in associates	-	-	-	-	-	-	-	-	-	52,868	-	-	-	-	-	52,868	-	-	-	52,868
Unallocated assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,223	100	-	-	4,223	100
Total assets	-	-	272,656	290,207	-	-	-	-	451,020	551,182	-	-	-	-	727,899	894,357	-	-	727,899	894,357
Segment liabilities	(9,501)	(9,501)	(24,716)	(30,331)	-	-	-	-	(88,953)	(113,517)	-	-	-	-	(123,170)	(153,349)	-	-	(123,170)	(153,349)
Unallocated liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(10,858)	(18,888)	-	-	(10,858)	(18,888)
Total liabilities	(9,501)	(9,501)	(24,716)	(30,331)	-	-	-	-	(88,953)	(113,517)	-	-	-	-	(134,028)	(172,237)	-	-	(134,028)	(172,237)
Capital expenditure incurred during the year	-	-	4,734	11,201	-	-	-	-	3,887	1,258	-	-	-	-	8,621	12,459	-	-	8,621	12,459

Notes to the Financial Statements

賬目附註

14 SEGMENT REPORTING (continued)

(b) Business segments

The Group comprises the following main business segments:

Electrical home appliances: the manufacturing and sale of electrical home appliances.

Property leasing: the leasing of office premises to generate rental income (which is presented as discontinued operations).

14 分部報告(續)

(b) 業務分部資料

本集團包括如下主要業務分部：

家用電器：製造及銷售家用電器。

物業租賃：租賃寫字樓產生之租金收入(在已終止經營業務中呈列)。

	Electronic home appliances 家用電器		Others 其他		Total continuing operations 總持續經營業務		Discontinued operations 即將終止經營業務		Total operations 總經營業務	
	2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
Revenue from external customers 對外客戶之收入	842,856	954,572	120	-	842,976	954,572	-	1,651	842,976	956,223
Segment assets 分部資產	723,676	841,389	-	-	723,676	841,389	-	-	723,676	841,389
Capital expenditures incurred during the year 本年度資本性支出	8,621	12,459	-	-	8,621	12,459	-	-	8,621	12,459

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15 FIXED ASSETS

(a) The Group

15 固定資產

(a) 本集團

		Construction in progress 在建工程	Buildings held for own use 持有自用之 建築物	Plant and machinery 廠房及機器	Furniture, fixtures and equipment 傢私、 裝置及設備	Moulds 工模	Motor vehicles 汽車	Sub-total 小計	Interests in leasehold land held for own use under operating leases 經營租賃 持有自用之 土地權益	Total fixed assets 總固定資產 合計
		HK\$ 港幣	HK\$ 港幣	HK\$ 港幣	HK\$ 港幣	HK\$ 港幣	HK\$ 港幣	HK\$ 港幣	HK\$ 港幣	HK\$ 港幣
Cost:	成本：									
At 1st January 2006	於二零零六年一月一日	7,001,780	150,995,239	147,112,652	42,555,396	3,575,015	10,426,143	361,666,225	18,234,111	379,900,336
Exchange adjustments	兌換調整	151,357	4,057,439	3,079,015	1,605,023	11,414	257,931	9,162,179	429,218	9,591,397
Additions	增加	8,058,258	-	2,382,015	1,098,054	-	920,292	12,458,619	-	12,458,619
Transfers	轉移	(7,768,952)	-	4,126,880	3,470,481	-	171,591	-	-	-
Disposals	出售	-	(49,900)	(13,246,364)	(11,202,000)	(3,148,324)	(1,804,016)	(29,450,604)	-	(29,450,604)
At 31st December 2006	於二零零六年十二月三十一日	7,442,443	155,002,778	143,454,198	37,526,954	438,105	9,971,941	353,836,419	18,663,329	372,499,748
At 1st January 2007	於二零零七年一月一日	7,422,443	155,002,778	143,454,198	37,526,954	438,105	9,971,941	353,856,419	18,663,329	372,499,748
Exchange adjustments	兌換調整	392,698	9,917,110	6,963,643	4,039,537	27,911	546,233	21,887,132	1,049,499	22,936,631
Additions	增加	3,884,479	-	3,811,744	540,818	-	383,766	8,620,807	-	8,620,807
Transfers	轉移	(7,343,332)	5,308,680	869,817	1,164,835	-	-	-	-	-
Disposals	出售	-	-	(9,269,285)	(18,395,518)	-	(1,170,247)	(28,835,050)	-	(28,835,050)
At 31st December 2007	於二零零七年十二月三十一日	4,376,288	170,228,568	145,830,117	24,876,626	466,016	9,731,693	355,509,308	19,712,828	375,222,136

Notes to the Financial Statements

賬目附註

15 FIXED ASSETS (continued)

(a) The Group (continued)

15 固定資產 (續)

(a) 本集團 (續)

		Construction in progress 在建工程	Buildings held for own use 持有自用之 建築物	Plant and machinery 廠房及機器	Furniture, fixtures and equipment 傢私、 裝置及設備	Moulds 工模	Motor vehicles 汽車	Sub-total 小計	Interests in leasehold land held for own use under operating leases 經營租賃 持作自用之 土地權益	Total fixed assets 總固定資產 合計
		HK\$ 港幣	HK\$ 港幣	HK\$ 港幣	HK\$ 港幣	HK\$ 港幣	HK\$ 港幣	HK\$ 港幣	HK\$ 港幣	HK\$ 港幣
Accumulated amortisation and depreciation:	累計攤銷及折舊：									
At 1st January 2006	於二零零六年一月一日	-	60,830,745	69,139,516	26,422,108	1,895,336	8,268,808	166,556,513	4,101,049	170,657,562
Exchange adjustments	兌換調整	-	1,516,747	1,220,680	877,436	-	213,731	3,828,594	104,299	3,932,893
Charge for the year	本年度折舊	-	5,583,876	11,915,635	4,079,642	-	738,567	22,317,720	439,468	22,757,188
Written back on disposals	出售撥回	-	(44,910)	(13,646,503)	(10,893,677)	(1,512,276)	(1,657,136)	(27,754,502)	-	(27,754,502)
At 31st December 2006	於二零零六年 十二月三十一日	-	67,886,458	68,629,328	20,485,509	383,060	7,563,970	164,948,325	4,644,816	169,593,141
At 1st January 2007	於二零零七年一月一日	-	67,886,458	68,629,328	20,485,509	383,060	7,563,970	164,948,325	4,644,816	169,593,141
Exchange adjustments	兌換調整	-	4,080,142	2,463,248	2,344,137	-	443,215	9,330,742	281,191	9,611,933
Charge for the year	本年度折舊	-	6,966,579	12,638,074	4,695,170	-	674,447	24,974,270	465,537	25,439,807
Written back on disposals	出售撥回	-	-	(5,734,857)	(16,542,751)	-	(639,553)	(22,917,161)	-	(22,917,161)
At 31st December 2007	於二零零七年 十二月三十一日	-	78,933,179	77,995,793	10,982,065	383,060	8,042,079	176,336,176	5,391,544	181,727,720
Net book value:	賬面淨值：									
At 31st December 2007	於二零零七年 十二月三十一日	4,376,288	91,295,389	67,834,324	13,894,561	82,956	1,689,614	179,173,132	14,321,284	193,494,416
At 31st December 2006	於二零零六年 十二月三十一日	7,442,443	87,116,320	74,824,870	17,041,445	55,045	2,407,971	188,888,094	14,018,513	202,906,607

Notes to the Financial Statements

賬目附註

15 FIXED ASSETS (continued)

15 固定資產(續)

(b) The Company

(b) 本公司

		Plant and machinery 廠房及機器 HK\$ 港幣	Furniture, fixtures and equipment 傢私、 裝置及設備 HK\$ 港幣	Moulds 工模 HK\$ 港幣	Motor vehicles 汽車 HK\$ 港幣	Totals 合計 HK\$ 港幣
Cost:	成本：					
At 1st January 2006	於二零零六年一月一日	23,128,805	8,167,879	3,148,324	1,707,120	36,152,128
Additions	增加	491,400	-	-	350,000	841,400
Disposals	出售	-	(8,105,279)	(3,148,324)	-	(11,253,603)
At 31st December 2006	於二零零六年十二月三十一日	23,620,205	62,600	-	2,057,120	25,739,925
At 1st January 2007	於二零零七年一月一日	23,620,205	62,600	-	2,057,120	25,739,925
Additions	增加	3,506,956	-	-	380,000	3,886,956
Disposals	出售	-	-	-	(772,800)	(772,800)
At 31st December 2007	於二零零七年十二月三十一日	27,127,161	62,600	-	1,664,320	28,854,081
Accumulated depreciation:	累計折舊：					
At 1st January 2006	於二零零六年一月一日	5,114,548	8,129,579	1,512,276	995,618	15,752,021
Charge for the year	本年度折舊	3,681,485	9,140	-	265,376	3,956,001
Written back on disposals	出售撥回	-	(8,105,279)	(1,512,276)	-	(9,617,555)
At 31st December 2006	於二零零六年十二月三十一日	8,796,033	33,440	-	1,260,994	10,090,467
At 1st January 2007	於二零零七年一月一日	8,796,033	33,440	-	1,260,994	10,090,467
Charge for the year	本年度折舊	3,955,834	6,260	-	171,294	4,133,388
Written back on disposals	出售撥回	-	-	-	(281,850)	(281,850)
At 31st December 2007	於二零零七年十二月三十一日	12,751,867	39,700	-	1,150,438	13,942,005
Net book value:	賬面淨值：					
At 31st December 2007	於二零零七年十二月三十一日	14,375,294	22,900	-	513,882	14,912,076
At 31st December 2006	於二零零六年十二月三十一日	14,824,172	29,160	-	796,126	15,649,458

Notes to the Financial Statements

賬目附註

15 FIXED ASSETS (continued)

(c) The analysis of net book value of properties is as follows:

15 固定資產(續)

(c) 物業賬面分析如下：

		The Group 本集團	
		2007 二零零七年	2006 二零零六年
		HK\$ 港幣	HK\$ 港幣
Medium-term leases	長期租賃		
– in Hong Kong	– 香港	16,081,148	16,971,740
– outside Hong Kong	– 香港以外	89,535,525	84,163,093
		105,616,673	101,134,833
Representing:	組成：		
Buildings held for own use	持有自用建築物	91,295,389	87,116,320
Interest in leasehold land held for own use under operating leases	經營租賃持作自用之土地權益	14,321,284	14,018,513
		105,616,673	101,134,833

(d) Fixed assets leased out under operating leases

The Group leases out a part of an office premise under a operating lease. The leases typically run for an initial period of one year, with an option to renew the lease after that date at which time all terms are renegotiated. None of the leases includes contingent rentals.

The Group's total future minimum lease payments under non-cancellable operating leases are receivable as follows:

(d) 從營運租約之固定資產租賃

本集團從營運租約之寫字樓租賃。租約為期一年，到期日有優先權商議條件更新租約。沒有租約包括或然租金。

本集團之總預計租約支付在不可取消營運租約應收賬項如下：

		2007 二零零七年	2006 二零零六年
		HK\$ 港幣	HK\$ 港幣
Within 1 year	一年內	60,000	–

Notes to the Financial Statements

賬目附註

16 INTERESTS IN ASSOCIATES

16 聯營公司權益

		The Group 本集團		The Company 本公司	
		2007 二零零七年	2006 二零零六年	2007 二零零七年	2006 二零零六年
		HK\$ 港幣	HK\$ 港幣	HK\$ 港幣	HK\$ 港幣
Unlisted shares, at cost	非上市股份， 按成本入賬	-	-	-	-
Share of net assets	應佔資產淨值	-	52,868,402	-	-
		-	52,868,402	-	-
Loan and interest receivable from an associate	應收聯營公之 貸款及利息	9,438,646	9,033,210	9,438,646	9,033,210
Less: impairment losses	減：虧損減值	(9,438,646)	-	(9,438,646)	-
		-	9,033,210	-	9,033,210

The loan to an associate is interest bearing at HIBOR plus 1% per annum and repayable on 24th November 2007. The loan is secured by all equity interests in (i) this associate; and (ii) a subsidiary of this associate, of a minority shareholder of this associate.

聯營公司之貸款按年息率HIBOR加1%，抵押及該在二零零七年十一月二十四日付還的。貸款的抵押是(i)該聯營公司，及(ii)該聯營公司之一附屬公司、該聯營公司之少數股東權益之全部股權權益。

Notes to the Financial Statements

賬目附註

16 INTERESTS IN ASSOCIATES (continued)

16 聯營公司權益 (續)

The following are the particulars of the associates, which are unlisted corporate entities, which principally affected the results or assets of the Group:

聯營公司是非上市企業，主要影響本集團之業績及資產，其詳情如下：

Name of associate 聯營公司名稱	Form of business structure 註冊地點	Place of incorporation and operation 經營地點	Particulars of issued and paid up capital 已發行及繳足股本之詳情	Proportion of ownership interest 所有權權益比率			Principal activities 主要業務
				Group's effective interest 本集團有效權益	Held by the Company 公司持有	Held by a subsidiary 附屬公司持有	
Cheung Fung Technology (Holdings) Limited ("Cheung Fung") 祥豐科技(集團)有限公司 (「祥豐」)	Incorporated 註冊	Hong Kong 香港	100,000,000 Class A (non-voting) shares of HK\$0.50 each and 200,000,000 Class B Shares of HK\$0.50 each 100,000,000股A股(無投票權)每股港幣5角及二億股B股每股港幣5角	45.75%	–	45.75%	Investment Holding 投資控股
Sichuan Jinfeng Paper Company Limited ("Jinfeng") 四川錦豐紙業有限公司 (「錦豐」)	Incorporated 註冊	The PRC 中國	RMB208,000,000 人民幣208,000,000元	27.42%	–	45.75%	Manufacturing and sale of cigarette paper 製造及銷售煙紙
Victory Will Limited ("Victory Will") 凱心有限公司 (「凱心」)	Incorporated 註冊	Hong Kong 香港	12,000,000 Class A (non-voting) shares of US\$1 each and 2 Class B Shares of US\$1 each 12,000,000股A股(無投票權)每股美元1元及2股B股每股美元1元	45.75%	–	45.75%	Investment holding 投資控股

Notes to the Financial Statements

賬目附註

16 INTERESTS IN ASSOCIATES (continued) 16 聯營公司權益 (續)

Summary financial information on associates

聯營公司財務資料摘要

		Assets 資產 HK\$'000 港幣	Liabilities 負債 HK\$'000 港幣	Equity/ (deficit) 權益 HK\$'000 港幣	Revenues 收入 HK\$'000 港幣	Loss 虧損 HK\$'000 港幣
2007	二零零七年					
100 per cent	百分之100	48,805	(794,888)	(746,083)	127,319	(853,668)
Group's effective interest	本集團之有效權益	22,328	(370,351)	(348,023)	58,248	(397,243)
2006	二零零六年					
100 per cent	百分之100	708,317	(592,758)	115,559	149,716	(2,485)
Group's effective interest	本集團之有效權益	324,055	(271,187)	52,868	68,495	(1,137)

At 31st December 2007, bank loans totalled HK\$646 million were granted by certain bankers to Jinfeng, a subsidiary of Cheung Fung, and Sichuan Jinfeng Innovation Industry Company Limited ("Innovation"), a subsidiary of Jinfeng. These bank loans are secured by certain land and buildings and machinery of Jinfeng and corporate guarantees from Cheung Fung, Victory Will and a minority shareholder of Jinfeng.

Subsequent to 31st December 2007, Jinfeng and Innovation breached the financial covenants in respect of these bank loans and defaulted repayment of these bank loans. The relevant banks have commenced legal proceedings against Jinfeng, Innovation, Victory Will and the minority shareholder of Jinfeng to seek for repayment of the bank loans together with the related interest and penalty amounting to approximately HK\$88 million. In addition, other banks and financial institutions demand for loan repayments amounting to approximately HK\$551 million.

於二零零七年十二月三十一日，某些銀行授予祥豐之附屬公司錦豐及錦豐之附屬公司四川錦豐創新實業有限公司(「創新」)之銀行貸款合共為港幣646百萬元。銀行貸款以錦豐之某些土地及樓宇及機器，以及祥豐、凱心及錦豐之少數權益股東之公司擔保作抵押。

於二零零七年十二月三十一日以後，錦豐及創新違反銀行貸款之財務契諾，且未有償還銀行貸款。若干銀行已向錦豐、創新、凱心及錦豐一少數股東展開法律訴訟程序，以追討該等銀行貸款還款及有關利息及罰款，金額約為港幣88百萬元。另外，其他銀行及財務機構亦尋求追討貸款還款約港幣551百萬元。

Notes to the Financial Statements

賬目附註

16 INTERESTS IN ASSOCIATES (continued)

Summary financial information on associates (continued)

Up to the date of these financial statements, the legal proceedings remain unresolved. The management of Cheung Fung and its subsidiaries (“Cheung Fung group”) is in negotiations with the relevant banks regarding a restructuring in the terms and conditions of the bank loans. The directors of Cheung Fung consider that it is too early to conclude the likely outcome of the legal proceedings and at this point in time, it is not practicable to estimate its financial effect on the financial statements of Cheung Fung group.

In view of the default in repayment of the bank loans and subject to the results of the legal proceedings and negotiations with the banks, the financial statements of the Cheung Fung group for the year ended 31st December 2007 have been prepared under a net realisable value basis as the Cheung Fung group does not have sufficient financial funds to continue its operations as a going concern and to enable the Cheung Fung group to meet its liabilities as and when they fall due. The Group’s share of losses in 2007 exceeded its interests in the Cheung Fung group and, accordingly, the interests in associates are reduced to zero as at 31st December 2007. The directors of the Company consider that recognition of further losses is discontinued as the Group has not incurred any legal or constructive obligations or make payments on behalf of Cheung Fung group as at 31st December 2007.

16 聯營公司權益 (續)

聯營公司財務資料摘要 (續)

截至此等財務報表日期，法律訴訟仍未解決。祥豐及其附屬公司(「祥豐集團」)之管理層正與有關銀行磋商，務求重整銀行貸款之條款及條件。祥豐之董事認為現階段太早評論法律訴訟結果之可能性，且現時估計對祥豐集團財務報表之財務影響亦不切實際。

有見及未能償還銀行貸款及仍有待法律訴訟及與銀行進行商討之結果，由於祥豐集團並無充裕財務資金以繼續按持續經營基準營運及為使祥豐集團可於其債務到期時償還，祥豐集團截至二零零七年十二月三十一日止年度之財務報表已按可變現淨值之基準編製。本集團於二零零七年應佔虧損超逾其於祥豐集團之權益，因此，於聯營公司之權益在二零零七年十二月三十一日減至零。本公司董事認為無須確認進一步虧損，因為本集團於二零零七年十二月三十一日並無代表祥豐集團產生任何法律或推定責任或支付款項。

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賬目附註

17 INVESTMENTS IN AND AMOUNTS DUE FROM/TO SUBSIDIARIES

17 投資附屬公司及應收／付附屬公司

		The Company	
		本公司	
		2007	2006
		二零零七年	二零零六年
		HK\$	HK\$
		港幣	港幣
Unlisted shares, at cost	非上市股份，按成本入賬	212,923,030	139,558,985
Less: impairment losses	減：減值準備	(780,567)	(780,567)
		212,142,463	138,778,418
Dividends receivable from subsidiaries	應收附屬公司股息	–	65,106,030
Amounts due from subsidiaries	應收附屬公司賬款	79,832,976	81,020,451
Less: impairment losses	減：減值虧損	(37,734,536)	–
		42,098,440	81,020,451
Amounts due to subsidiaries	應付附屬公司賬款	(56,519,017)	(38,616,250)

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

應收及應付附屬公司賬款均無抵押、免息及按需要償還。

Notes to the Financial Statements

賬目附註

17 INVESTMENTS IN AND AMOUNTS DUE FROM/TO SUBSIDIARIES (continued)

17 投資附屬公司及應收／付附屬公司(續)

The following list contains only the particulars of subsidiaries principally affected the results, assets or liabilities of the Group. The class of shares held is ordinary unless otherwise stated.

影響本集團之業績、資產及負債之附屬公司詳情如下。除特別列出，所持有之股權為普通股。

Name of Company 公司名稱	Place of incorporation 註冊地點	Place of operation 經營地點	Particulars of issued and paid up capital 已發行及繳足股本之詳情	Proportion of ownership interest 所有權權益比率			Principal activities 主要業務
				Group's effective interest 本集團有效權益	Held by the Company 公司持有	Held by a subsidiary 附屬公司持有	
Airborne Holdings Limited	British Virgin Islands 英屬處女島	Hong Kong 香港	1 share of US\$1 1股普通股每股1美元	100%	100%	–	Investment holding 投資控股
Appliance Science Corporation	United States of America 美國	United States of America 美國	958,500 shares of US\$0.01 each 958,500股普通股每股1美仙	83.51%	–	83.51%	Inactive 無營業
Good Nature Company Limited 海雲有限公司	Hong Kong 香港	Hong Kong 中國	2 shares of HK\$10 each 2股普通股每股10港元	100%	50%	50%	Inactive 無營業
Good Nature International Limited	Cook Islands 科克群島	Hong Kong 香港	8 shares of US\$1 each 8股普通股每股1美元	100%	100%	–	Investment holding 投資控股
Guangzhou Conquest Electric Company Limited (note (i)) 廣州民凱家用電器有限公司(附註(i))	The PRC 中國	The PRC 中國	Registered capital US\$7,390,000 7,390,000美元	100%	100%	–	Manufacturing and sale of electrical home appliances 製造及銷售家用電器
Mass Top Corporation	British Virgin Islands 英屬處女島	Hong Kong 香港	1 share of US\$1 1股普通股每股1美元	100%	100%	–	Property holding 投資物業

Notes to the Financial Statements

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17 INVESTMENTS IN AND AMOUNTS DUE FROM/TO SUBSIDIARIES (continued) 17 投資附屬公司及應收／付附屬公司(續)

Name of Company 公司名稱	Place of incorporation 註冊地點	Place of operation 經營地點	Particulars of issued and paid up capital 已發行及繳足股本之詳情	Proportion of ownership interest 所有權權益比率			Principal activities 主要業務
				Group's effective interest 本集團有效權益	Held by the Company 公司持有	Held by a subsidiary 附屬公司持有	
Raymond Electric (China) Limited 利民電機製造(中國)有限公司	Hong Kong 香港	Hong Kong 香港	2 shares of HK\$10 2股普通股每股10港元	100%	100%	–	Investment holding and trading of electrical home appliances 投資控股及家用電器貿易
Raymond International Marketing Corporation (note (iii))	British Virgin Islands 英屬處女島	The PRC 中國	10 shares of US\$1 each 10股普通股每股1美元	100%	100%	–	Inactive 無營業
Raymond Marketing Corporation of North America	United States of America 美國	United States of America 美國	1,000 shares of US\$1 each 1,000股普通股每股1美元	100%	100%	–	Inactive 無營業
Raymond (Panyu Nansha) Electrical Appliances Development Co. Ltd. (note (i)) 利民(番禺南沙)電器發展有限公司(附註(i))	The PRC 中國	The PRC 中國	Registered capital US\$22,000,000 註冊資本22,000,000美元	100%	100%	–	Manufacturing and sale of electrical home appliances 製造及銷售家用電器
Raymond Nansha Development Co. Ltd.	British Virgin Islands 英屬處女島	The PRC 中國	2 shares of US\$1 each 2股普通股每股1美元	100%	100%	–	Property holding 投資物業

Notes to the Financial Statements

賬目附註

17 INVESTMENTS IN AND AMOUNTS DUE FROM/TO SUBSIDIARIES (continued)

Notes:

- (i) The financial statements of Guangzhou Conquest Electric Company Limited and Raymond (Panyu Nansha) Electrical Appliances Development Co. Limited for the financial year ended 31st December 2007, prepared under generally accepted accounting principles applicable in the PRC, have been audited by 廣州業勤會計師事務所有限公司.
- (ii) Raymond International Marketing Corporation has ceased business operations and is in the process of application for deregistration. Up to the date of these financial statements, the deregistration has not been completed.

18 INCOME TAX IN THE BALANCE SHEET

(a) Current taxation in the balance sheet represents:

17 資附屬公司及應收／付附屬公司(續)

附註：

- (i) 廣州民凱家用電器有限公司及利民(番禺南沙)電器發展有限公司之財務報表按中國會計守則編制，已經由廣州業勤會計師事務所有限公司審核。
- (ii) Raymond International Marketing Corporation已結束經營業務及申請撤銷註冊在進行中。在此財務報告日，撤銷註冊仍未完成。

18 於資產負債表的所得稅

(a) 資產負債表之所得稅

	The Group 本集團		The Company 本公司	
	2007 二零零七年 HK\$ 港幣	2006 二零零六年 HK\$ 港幣	2007 二零零七年 HK\$ 港幣	2006 二零零六年 HK\$ 港幣
Provision for the year (note 8(a))	本年度撥備(附註8(a))			
- Hong Kong Profits Tax	- 香港所得稅	107,055	8,310,409	-
- PRC income tax	- 中國所得稅	1,556,394	2,216,580	-
		1,663,449	10,526,989	8,200,000
(Over)/under-provision in prior years (note 8(a))	往年度撥備(剩餘)/過少(附註8(a))			
- Hong Kong Profits Tax	- 香港所得稅	149,910	109,916	-
- PRC income tax	- 中國所得稅	8,448	(678,854)	-
- Tax refunded	- 退稅	(777,625)	-	-
		(619,267)	(568,938)	-
Tax refunded	退稅	777,625	-	-
Provisional tax paid	撥備稅支出			
- Hong Kong Profits Tax	- 香港所得稅	(110,409)	(109,916)	-
- PRC income tax	- 中國所得稅	(65,837)	(36,924)	-
		(176,246)	(146,840)	-
		1,645,561	9,811,211	8,200,000
Balance of profit tax provision relating to prior years	往年度所得稅撥備餘額	4,601,149	(3,331,533)	(3,598,851)
		6,246,710	6,479,678	4,601,149

Notes to the Financial Statements

賬目附註

18 INCOME TAX IN THE BALANCE SHEET (continued)

18 於資產負債表的所得稅 (續)

(b) Deferred tax assets and liabilities recognised:

(b) 已確認遞延稅項資產及負債：

(i) The Group

(i) 本集團

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

本年度於綜合資產負債報告中已確認之遞延稅項(資產)/負債及其變動之詳情如下：

Deferred tax arising from: 遞延稅之產生由：		Tax loss 稅項虧損 HK\$ 港幣	Depreciation allowances in excess of the related depreciation 折舊準備多於有關折舊 HK\$ 港幣	Other temporary differences 其他短暫差異 HK\$ 港幣	Total 合計 HK\$ 港幣
At 1st January 2006	於二零零六年一月一日	(375,299)	7,335,258	5,738,151	12,698,110
Effect of change in exchange rate	兌換變動之影響	-	-	129,600	129,600
Charged/(credited) to profit or loss	在溢利或虧損之扣除/(計入)	375,299	(1,074,872)	193,000	(506,573)
Over-provision in prior years	往年度之剩餘撥備	-	(3,610,647)	-	(3,610,647)
At 31st December 2006	於二零零六年十二月三十一日	-	2,649,739	6,060,751	8,710,490
At 1st January 2007	於二零零七年一月一日	-	2,649,739	6,060,751	8,710,490
Effect of change in exchange rate	兌換變動之影響	-	-	14,361	14,361
Charged/(credited) to profit or loss	在溢利或虧損之扣除/(計入)	53,681	(77,619)	(6,547,911)	(6,571,849)
Effect of change in tax rates	稅率變動之影響	21,687	(134,488)	(1,349,583)	(1,462,384)
Effect of tax relief granted to PRC subsidiaries	中國附屬公司稅收減除之影響	-	-	395,328	395,328
Over-provision in prior years	往年度之剩餘撥備	(433,170)	(218,601)	(1,344,275)	(1,996,046)
At 31st December 2007	於二零零七年十二月三十一日	(357,802)	2,219,031	(2,771,329)	(910,100)

Notes to the Financial Statements

賬目附註

18 INCOME TAX IN THE BALANCE SHEET (continued)

(b) Deferred tax assets and liabilities recognised: (continued)

(i) The Group (continued)

At 31st December 2007, the Group has not recognised deferred tax assets in respect of cumulative tax losses of HK\$4,586,000 (2006: HK\$2,497,000) as it is not probable that future taxable profit against which the losses can be utilised will be available in relevant tax jurisdiction and entity. There is no expiry date for the tax losses.

(ii) The Company

The components of deferred tax liabilities recognised in the balance sheet arise from depreciation allowances in excess of the related depreciation. The movements during the year are as follows:

18 於資產負債表的所得稅 (續)

(b) 已確認遞延稅項資產及負債：(續)

(i) 本集團(續)

於二零零七年十二月三十一日本集團因未能因應相關稅務機關及應課稅實體未來是否可能有應課溢利予以抵銷稅務虧損，故未有確認稅務虧損港幣4,586,000元(二零零六年：港幣2,497,000元)之遞延稅資產。該未確認稅務虧損無期限。

(ii) 本公司

本年度於綜合資產負債報告中已確認之遞延稅項負債是來自折舊津貼大於相關折舊及其變動之詳情如下：

		2007 二零零七年 HK\$ 港幣	2006 二零零六年 HK\$ 港幣
At 1st January	於一月一日	2,673,903	7,469,849
Credited to profit or loss	在溢利或虧損中計入	(93,276)	(4,795,946)
Effect of change in tax rates	兌換變動之影響	(147,375)	-
Overprovision in prior years	往年度之剩餘撥備	(1,572)	-
At 31st December	於十二月三十一日	2,431,680	2,673,903

Notes to the Financial Statements

賬目附註

18 INCOME TAX IN THE BALANCE SHEET (continued) 18 於資產負債表的所得稅 (續)

(b) Deferred tax assets and liabilities recognised: (continued) (b) 已確認遞延稅項資產及負債：(續)

		The Group 本集團		The Company 本公司	
		2007 二零零七年	2006 二零零六年	2007 二零零七年	2006 二零零六年
		HK\$ 港幣	HK\$ 港幣	HK\$ 港幣	HK\$ 港幣
Net deferred tax asset recognised on the balance sheet	在資產負債表已確認之遞延資產淨值	(4,222,780)	(100,360)	-	-
Net deferred tax liability recognised on the balance sheet	在資產負債表已確認之遞延負債淨值	3,312,680	8,810,850	2,431,680	2,673,903
		(910,100)	8,710,490	2,431,680	2,673,903

19 INVENTORIES 19 存貨

(a)

		The Group 本集團		The Company 本公司	
		2007 二零零七年	2006 二零零六年	2007 二零零七年	2006 二零零六年
		HK\$ 港幣	HK\$ 港幣	HK\$ 港幣	HK\$ 港幣
Raw materials	原材料	61,987,998	89,631,870	10,920,422	10,816,959
Work in progress	半成品	37,713,705	12,082,304	3,221,913	-
Finished goods	產成品	3,809,283	606,023	72,269	245,783
		103,510,986	102,320,197	14,214,604	11,062,742

Notes to the Financial Statements

賬目附註

19 INVENTORIES (continued)

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

19 存貨(續)

(b) 存貨金額之分析已確認為費用如下：

		The Group 本集團	
		2007 二零零七年	2006 二零零六年
		HK\$ 港幣	HK\$ 港幣
Carrying amount of inventories sold	存貨銷售賬面值	762,742,127	831,858,154
Write down of inventories	存貨減值	7,173,389	1,899,228
Write-off of inventories	存貨撇賬	-	3,498,504
		769,915,516	837,255,886

20 TRADE AND OTHER RECEIVABLES

20 貿易及其他應收賬項

		The Group 本集團		The Company 本公司	
		2007 二零零七年	2006 二零零六年	2007 二零零七年	2006 二零零六年
		HK\$ 港幣	HK\$ 港幣	HK\$ 港幣	HK\$ 港幣
Trade debtors and bills receivable	貿易債務人及票據應收賬項	113,066,088	130,446,857	104,498,596	123,029,458
Other debtors	其他債務人	4,771,273	4,065,384	2,732,726	1,048,692
Deposits and prepayments	訂金及預付款項	3,462,064	9,509,071	1,419,495	1,757,815
		121,299,425	144,021,312	108,650,817	125,835,965

All trade and other receivables are expected to be recovered or recognised as expense within one year.

所有貿易及其他應收賬項期於一年內可收回或確認為費用。

Notes to the Financial Statements

賬目附註

20 TRADE AND OTHER RECEIVABLES (continued)

(a) Ageing analysis

Included in trade and other receivables are trade debtors and bills receivables with the following ageing analysis as of the balance sheet date:

		The Group 本集團		The Company 本公司	
		2007 二零零七年	2006 二零零六年	2007 二零零七年	2006 二零零六年
		HK\$ 港幣	HK\$ 港幣	HK\$ 港幣	HK\$ 港幣
Current	本期	66,077,377	69,084,462	57,721,442	61,953,572
Less than one month past due	逾期少於一個月	29,377,902	35,540,123	29,377,902	35,265,104
1 to 3 months past due	逾期一個月至三個月	15,624,185	16,408,763	15,624,185	16,397,273
More than 3 months past due but less than 12 months past due	逾期超過三個月但少於十二個月	1,806,988	9,399,502	1,595,431	9,399,502
Over 12 months past due	逾期超過十二個月	179,636	14,007	179,636	14,007
Amounts past due	逾期金額	46,988,711	61,362,395	46,777,154	61,075,886
		113,066,088	130,446,857	104,498,596	123,029,458

Trade debtors and bills receivable are due within 30 to 60 days from the date of billing. Further details on the Group's credit policy are set out in note 28.

(b) Impairment of trade debtor and bills receivable

Impairment loss is written off against trade debtors when recovery of the amount is remote. At 31st December 2007, the Group's trade debtors of HK\$Nil (2006: HK\$2,527,268) was determined to be impaired. The impairment is written off against the trade debtors directly.

20 貿易及其他應收賬項 (續)

(a) 賬齡分析

於資產負債表結算日包括貿易及其他應收賬項是貿易債務人及應收票據賬項之賬齡分析如下：

		The Group 本集團		The Company 本公司	
		2007 二零零七年	2006 二零零六年	2007 二零零七年	2006 二零零六年
		HK\$ 港幣	HK\$ 港幣	HK\$ 港幣	HK\$ 港幣
Current	本期	66,077,377	69,084,462	57,721,442	61,953,572
Less than one month past due	逾期少於一個月	29,377,902	35,540,123	29,377,902	35,265,104
1 to 3 months past due	逾期一個月至三個月	15,624,185	16,408,763	15,624,185	16,397,273
More than 3 months past due but less than 12 months past due	逾期超過三個月但少於十二個月	1,806,988	9,399,502	1,595,431	9,399,502
Over 12 months past due	逾期超過十二個月	179,636	14,007	179,636	14,007
Amounts past due	逾期金額	46,988,711	61,362,395	46,777,154	61,075,886
		113,066,088	130,446,857	104,498,596	123,029,458

貿易債務人及票據應收賬項由票據日起30至60天內到期。詳情載於附註28本集團之信貸政策。

(b) 已減值之貿易債務人及應收票據賬項

應收賬項減值撇賬是可收回賬項極微。於二零零七年決定應收賬項減值為零(二零零六年：港幣2,527,268元)。減值直接在應收賬項中撇賬。

Notes to the Financial Statements

賬目附註

20 TRADE AND OTHER RECEIVABLES (continued)

(c) Trade debtors and bills receivable that are not impaired

The ageing analysis of trade debtors and bills receivable that are neither individually nor collectively considered to be impaired are as follows:

20 貿易及其他應收賬項 (續)

(c) 沒有減值之貿易債務人及應收票據賬項

貿易債務人及應收票據賬項之賬齡分析並沒有部份或全部考慮減值如下：

	The Group 本集團		The Company 本公司	
	2007 二零零七年 HK\$ 港幣	2006 二零零六年 HK\$ 港幣	2007 二零零七年 HK\$ 港幣	2006 二零零六年 HK\$ 港幣
Neither past due nor impaired 沒有逾期或減值	66,077,377	69,084,462	57,721,442	61,953,572
Less than 1 month past due 逾期少於一個月	29,377,902	35,540,123	29,377,902	35,265,104
1 to 3 months past due 逾期一個月至三個月	15,624,185	16,408,763	15,624,185	16,397,273
More than 3 months but less than 12 months past due 逾期超過三個月但少於十二個月	1,806,988	9,399,502	1,595,431	9,399,502
Over 12 months past due 逾期超過十二個月	179,636	14,007	179,636	14,007
Amounts past due 逾期金額	46,988,711	61,362,395	46,777,154	61,075,886
	113,066,088	130,446,857	104,498,596	123,029,458

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

應收賬項沒有逾期或減值因大部份客戶沒有拖欠記錄。

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group and the Company. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are considered fully recoverable. The Group and the Company does not hold any collateral over these balances.

已逾期應收賬項但沒有減值的數位客戶在集團及公司有良好記錄。根據過去經驗，管理層相信此等結餘對信貸質素無重大變化及結餘應可全數收回所以沒有作出減值準備。本集團及本公司沒有持有此等結餘任何附屬擔保物。

Notes to the Financial Statements

賬目附註

21 TRADE AND OTHER PAYABLES

21 貿易及其他應付賬項

		The Group 本集團		The Company 本公司	
		2007 二零零七年	2006 二零零六年	2007 二零零七年	2006 二零零六年
		HK\$ 港幣	HK\$ 港幣	HK\$ 港幣	HK\$ 港幣
Trade creditors	貿易債權人	81,568,173	90,755,177	67,495,482	74,163,036
Accrued charges and other payables	應付費用及 其他應付賬項	33,802,283	65,088,453	13,657,807	39,354,870
		115,370,456	155,843,630	81,153,289	113,517,906

All of the trade and other payables are expected to be settled or recognised as income within one year or are repayable on demand. Included in trade and other payables are trade creditors with the following ageing analysis as of the balance sheet date:

所有貿易及其他應付賬項於一年內支付或確認為收入或按要求付還。於資產負債表結算日包括貿易及其他應付賬項是貿易債權人之賬齡分析如下：

		The Group 本集團		The Company 本公司	
		2007 二零零七年	2006 二零零六年	2007 二零零七年	2006 二零零六年
		HK\$ 港幣	HK\$ 港幣	HK\$ 港幣	HK\$ 港幣
Due within 1 month or on demand	一個月內到期 或按要求	77,995,438	88,755,068	67,410,467	72,634,715
Due after 1 month but within 3 months	一個月後但 三個月內到期	3,199,032	1,640,869	85,015	1,528,321
Due after 3 months but within 12 months	三個月後但 十二個月內到期	118,089	103,626	—	—
Due after 12 months	十二個月後到期	255,614	255,614	—	—
		81,568,173	90,755,177	67,495,482	74,163,036

Notes to the Financial Statements

賬目附註

22 PROVISION FOR FINANCIAL LOSS

22 財務損失撥備

		The Group and the Company 本集團及本公司	
		2007	2006
		二零零七年	二零零六年
		HK\$	HK\$
		港幣	港幣
At 1st January	於一月一日	—	—
Provision made during the year	本年度撥備	7,800,000	—
At 31st December	於十二月三十一日	7,800,000	—

As at 31st December 2007, the Company issued a corporate guarantee the extent of US\$1,000,000 in favour of a bank in order for Cheung Fung to provide security in respect of a bank loan made to Jinfeng, a subsidiary of Cheung Fung (see note 16).

於二零零七年十二月三十一日，本公司就銀行給予錦豐（本公司之聯營公司及祥豐之附屬公司）之銀行貸款作出金額達1,000,000美元之公司擔保（見附註16）。

Subsequent to 31st December 2007, Jinfeng defaulted the repayment of these bank loan and the bank demanded the execution of such corporate guarantee. A provision for financial loss amounted to HK\$7,800,000 (approximately equivalent to US\$1,000,000) was recognised in the financial statements for the year ended 31st December 2007 as the financial loss is considered by the directors of the Company to have incurred prior to 31st December 2007 in light of the deterioration of the Cheung Fung group's financial position during the year ended 31st December 2007 (see note 16).

於二零零七年十二月三十一日以後，錦豐未能償還銀行貸款，銀行因此要求簽訂公司擔保。於截至二零零七年十二月三十一日止年度財務報表確認金額為港幣7,800,000元（約相等於1,000,000美元）之財務虧損之撥備，因為本公司董事認為於二零零七年十二月三十一日前產生之財務虧損乃因祥豐集團之財務狀況在二零零七年轉差而引起。

23 DEFINED CONTRIBUTION RETIREMENT PLANS

23 界定供款退休計劃

The Group operates the Mandatory Provident Fund Scheme ("MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The scheme is administered by an independent trustee.

本集團按香港強制性公積金計劃條例為根據香港僱傭條例司法權利保障之香港僱員提供強制性公積金計劃（「強積金計劃」）。該強積金計劃由獨立信託基金管理。

Under the MPF Scheme, each of the Group and the eligible employees make monthly mandatory contributions to the scheme at 5% of the employees' relevant income as defined under the Mandatory Provident Fund Schemes Ordinance. The mandatory contributions by each party are subject to a maximum of HK\$1,000 per month. Contributions to the scheme vest immediately upon the completion of service in the relevant service period.

根據強積金計劃，本集團及其合資格僱員均須根據強制性公積金計劃條例之規定，每月按僱員有關薪金5%為強積金計劃供款，有關薪金之定義乃根據強制性公積金計劃條例而計算。雙方的供款上限為每月港幣1,000元。所有供款按服務提供期間完成後繳付。

23 DEFINED CONTRIBUTION RETIREMENT PLANS (continued)

In addition to the MPF Scheme, the employees of the Group's Hong Kong subsidiaries, after completing half a year of service, have the option to join the Group's defined contribution provident fund scheme which is managed by an independent trustee. The Group makes monthly contributions of 5%-10% of the employees' basic salaries to the scheme depending on the employees' years of service with the Group. The employees also make monthly contributions of 5% of the employees' basic salaries to the scheme. The employees are entitled to receive their entire contributions together with accrued interest thereon at any time upon leaving the Group, and 100% of the employer's contributions and the accrued interest upon retirement or leaving the Group after completing sixteen years of service or at a reducing scale of between 5% to 90% after completing three to fifteen years of service. The forfeited contributions made by the Group and related accrued interest can be used to reduce the employer's contributions. During the year, the aggregate amount of employer's contributions made by the Group to this scheme was approximately HK\$1,356,000 (2006: HK\$1,457,000). During the year, the total amount of forfeited contributions, which are available to reduce the contributions payable by the Group in future years, was approximately HK\$289,000 (2006: HK\$3,000). At 31st December 2007, the Group's contributions to the provident fund scheme and the interest accrued thereon amounted to approximately HK\$24,053,000 (2006: HK\$24,949,000).

At 31st December 2007, certain employees of the Group had completed the required number of years of service under the Hong Kong Employment Ordinance (the "Ordinance") and are eligible for long service payments on termination of their employment. The Group is only liable to make such payments when the termination meets the required circumstances specified in the Ordinance and the employees' entitlement is not covered by the aforesaid provident funds. At 31st December 2007, the Group's contributions to the provident funds and the accrued interest thereon exceeded the potential liabilities should the required circumstances specified in the Ordinance be met.

23 界定供款退休計劃 (續)

除上述強積金計劃，本集團香港附屬公司員工在替本集團工作滿六個月後，可選擇加入本集團委托之獨立信託公司管理之公積金計劃。本集團按員工年資及薪金計提5%至10%作為公司供款，而員工則按其薪金計提5%作為員工供款。當員工離職時，該員工將可取回其全數員工供款連應計利息及按年資計算取回公司供款連利息。凡工作滿十六年者，均可取回全數公司供款，而工作滿三年至十五年者，可取回之公司供款則按5%至90%計算。員工離職後被沒收之公司供款及利息可用作抵扣公司之供款。本年度本集團之供款約港幣1,356,000元(二零零六年：港幣1,457,000元)。本年度沒收供款連利息而可在來年之本集團供款中扣除之數額約為港幣289,000元(二零零六年：港幣3,000元)。於二零零七年十二月三十一日本集團對公積金計劃作出之供款及利息滾存約為港幣24,053,000元(二零零六年：港幣24,949,000元)。

在二零零七年十二月三十一日，本集團的部份員工的服務年期已達至香港僱傭條例(「條例」)的規定，在其聘用期完結時可享有長期服務金，然而在此條例指定之情形下，本集團須付之數額僅為該員工可得之退休金不足支付其長期服務金的差額。若所有符合此條例之員工離職，本集團於二零零七年十二月三十一日，本集團公積金計劃中滾存之款項已多於香港僱傭條例規定之潛在負債。

Notes to the Financial Statements

賬目附註

23 DEFINED CONTRIBUTION RETIREMENT PLANS (continued)

The Group's subsidiaries in the PRC also participate in defined contribution retirement schemes covering its full-time PRC employees. The schemes are administered by the relevant government authorities in the PRC. The Group and the PRC employees are required to make contributions based on certain percentages of the applicable payroll costs as stipulated under the requirements in the PRC and the relevant government authorities undertake to assume the retirement benefit obligations of all existing and future retired employees of the Group's subsidiaries in the PRC.

24 BANKING FACILITIES

As at 31st December 2007, the Group had unsecured revolving banking facilities of HK\$185,150,000 (2006: HK\$185,185,000). The banking facilities include documentary letters of credit, trust receipt, bill payables, trade loans, trade guarantee and overdraft. The amount utilised by the Group as at 31st December 2007 under the above facilities was HK\$139,910 (2006: HK\$1,043,000).

25 EQUITY SETTLED SHARE-BASED TRANSACTIONS

The Company has a share option scheme which was adopted on 6th June 2003 whereby the directors of the Company are authorised, at their discretion, to invite (i) directors, employees of any member of the Group or any controlling shareholder of the Company ("Controlling Shareholder") or any company controlled by a Controlling Shareholder; (ii) holder of any securities issued by any member of the Group or any Controlling Shareholder of the Company or any company controlled by a Controlling Shareholder; and (iii) (a) any business or joint venture partner, contractor, agent or representative of, (b) any supplier of goods or services to, or (c) any customer or distributor of goods or service of, any member of the Group or any Controlling Shareholder or a company controlled by a Controlling Shareholder; to take up options to subscribe for shares of the Company. A nominal consideration of HK\$1.00 was paid by these participants for each lot of share options granted. The options are exercisable from the date of grant within a period of eight years. Each option gives the holder the right to subscribe for one ordinary share in the Company.

23 界定供款退休計劃 (續)

本集團在中國的附屬公司需要為中國國內全職員工設立退休供款計劃。此計劃受中國政府有關部門監管。本集團及員工需按此計劃規定各按有關薪金之一定百分比作出供款，而有關政府承諾承擔本集團在中國的附屬公司全體現有及未來退休員工之退休福利責任。

24 銀行信貸額度

在二零零七年十二月三十一日，本集團向銀行獲得之無須抵押信貸額度約為港幣185,150,000元（二零零六年：港幣185,150,000元）。銀行之信貸額度以用於信用證、信託收據、應付票據、貿易貸款、貿易擔保及透支。同時期已用信貸額度約為港幣139,910元（二零零六年：港幣1,043,000元）。

25 權益償付以股份為基礎項目

本公司於二零零五年六月六日設立購股權計劃，本公司董事獲授權按其決定授予(i)本集團任何成員公司或本公司之控股股東（「控股股東」）或控股股東所控制之公司之董事、僱員；(ii)持有本集團任何成員、控股股東或控股股東所控制之公司所發行之任何證券之持有人；及(iii)(a)任何業務或合作夥伴、承包商、代理及代表；或(b)任何貨品或服務供應商；或(c)任何客戶及分銷商，乃本集團任何成員或控股股東或由控股股東控制之任何公司；行使購股權認購本公司股權。參予人士以港幣1元之代價以支付認購每一批購股權。購股權行使期限是授出日起計八年內。每一購股權授予持有人之權利認購本公司一股普通股股權。

Notes to the Financial Statements

賬目附註

25 EQUITY SETTLED SHARE-BASED TRANSACTIONS (continued)

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

25 權益償付以股份為基礎項目 (續)

(a) 在本年度授予之情況如下，因此所有購股權以法規交付之股權償付。

		Number of instruments 工具數量	Contractual life of options 購股權 契約年期
Options granted to directors: – on 21st June 2005	購股權授予董事： – 於二零零五年六月二十一日	10,660,000	8 years年
Options granted to employees: – on 21st June 2005	購股權授予僱員： – 於二零零五年六月二十一日	6,371,000	8 years年
Options granted to other eligible persons – on 21st June 2005	購股權授予合資格人士： – 於二零零五年六月二十一日	770,000	8 years年
Total share options	總購股權	17,801,000	

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

(b) 購股權之數量及加權平均行使價如下：

		2007 二零零七年		2006 二零零六年	
		Weighted average exercise price 加權平均行使價 HK\$ 港幣	Number of options 購股權之數量 HK\$ 港幣	Weighted average exercise price 加權平均行使價 HK\$ 港幣	Number of options 購股權之數量 HK\$ 港幣
Outstanding at the beginning of the period	期初未行使	1.852	1,852	2.286	17,801
Exercised during the period	本期間行使	–	–	2.269	(15,784)
Forfeited during the period	本期間失效	2.425	(637)	2.425	(165)
Outstanding at the end of the period	期末未行使	2.425	1,215	2.425	1,852
Exercisable at the end of the period	期末已行使	2.425	5,500	2.425	1,852

Notes to the Financial Statements

賬目附註

25 EQUITY SETTLED SHARE-BASED TRANSACTIONS (continued)

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

The options outstanding at 31st December 2007 had an exercise price of HK\$2.425 (2006: HK\$2.425) and a weighted average remaining contractual life of 5.5 years (2006: 6.5 years).

(c) Fair value of share options and assumptions

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

Fair value of share options and assumptions

25 權益償付以股份為基礎項目 (續)

(b) 購股權之數量及加權平均行使價如下：(續)

於二零零七年十二月三十一日未行使購股權之行使價為港幣2.425元(二零零六年：港幣2.425元)及加權平均餘下契約年期是5.5年(二零零六年：6.5年)。

(c) 購股權之公平值及假設

就授出購股權而接受之服務之公平值乃參考所授出購股權公平值而計量。所授出購股權之估計公平值乃按畢蘇模式計量。購股權之合約年期乃作為此項模式之輸入項。預期提早行使亦套用於畢蘇模式。

購股權之公平值及假設

2007 and 2006
二零零七年及二零零六年

Fair value at measurement date	於計量日期之公平值	HK\$0.3884港元
Share price	股價	HK\$2.4000港元
Exercise price	行使價	HK\$2.4250港元
Expected volatility (expressed as weighted average volatility used in the modelling under Black Scholes model)	預期波幅(以畢蘇模式項下設定所用加權平均波幅表示)	8.46%
Option life (expressed as weighted average volatility used in the modelling under Black Scholes model)	購股權年期(以畢蘇模式項下設定所用加權平均波幅表示)	2 years年
Expected dividends	預期股息	6.80%
Risk-free interest rate	無風險利率	3.28%

The expected volatility is based on the historic volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility based on publicly available information. Expected dividends are based on historical dividends. Changes in the subjective input assumptions could materially affect the fair value estimate.

預期波幅乃按過往波幅(按購股權之加權平均剩餘年期計算)計算，並就根據公開可得資料預期日後波幅的任何變動作出調整。預期股息乃按過往之股息計算。主輸入假設項目之變動可對公平值之估計造成重大影響。

There were no market conditions associated with the share option grants.

購股權之授出與市場狀況並無聯繫。

Notes to the Financial Statements

賬目附註

26 CAPITAL AND RESERVES

26 股本及儲備

(a) The Group

(a) 本集團

			Share capital	Share premium	Exchange reserve	Capital reserve	Retained earnings	The PRC statutory reserve	Other reserve	Total equity
		Notes	股本	股本溢價	匯兌儲備	股本儲備	滾存盈利	中國法定儲備	其他設備	合計權益
		附註	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
			港幣	港幣	港幣	港幣	港幣	港幣	港幣	港幣
At 1st January 2006	於二零零六年一月一日		189,040,442	151,294,899	1,785,922	3,696,104	515,072,816	21,626,547	(757,396)	881,759,334
Appropriation to the PRC statutory reserve	中國法定儲備撥款	26(d)(iv)	-	-	-	-	(2,149,255)	2,149,255	-	-
Dividends approved in respect of the	批准股息									
- previous year	- 往來	12(c)	-	-	-	-	(240,257,579)	-	-	(240,257,579)
- current year	- 本年	12(c)	-	-	-	-	(19,693,244)	-	-	(19,693,244)
Exchange difference on translation of financial statements of overseas subsidiaries	因轉化海外附屬公司的財務報表之匯兌差異		-	-	15,486,224	-	-	-	-	15,486,224
Share of exchange reserve of associates	佔聯營公司之匯兌儲備		-	-	782,739	-	-	-	-	782,739
Shares issued under share option scheme	因購股權而發行之股權		7,892,000	28,454,335	-	(537,635)	-	-	-	35,808,700
Profit for the year	本年溢利		-	-	-	-	48,234,066	-	-	48,234,066
At 31st December 2006	於二零零六年十二月三十一日		196,932,442	179,749,234	18,054,885	3,158,469	301,206,804	23,775,802	(757,396)	722,120,240

Notes to the Financial Statements

賬目附註

26 CAPITAL AND RESERVES (continued)

26 股本及儲備 (續)

(a) The Group (continued)

(a) 本集團 (續)

		Share capital	Share premium	Exchange reserve	Capital reserve	Retained earnings	The PRC statutory reserve	Other reserve	Total equity
	Notes	股本	股本溢價	匯兌儲備	股本儲備	滾存盈利	中國法定儲備	其他設備	合計權益
	附註	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
		港幣	港幣	港幣	港幣	港幣	港幣	港幣	港幣
At 1st January 2007	於二零零七年一月一日	196,932,442	179,749,234	18,054,885	3,158,469	301,206,804	23,775,802	(757,396)	722,120,240
Appropriation to the PRC statutory reserve	中國法定儲備撥款 26(d)(iv)	-	-	-	-	(2,102,554)	2,102,554	-	-
Dividends approved in respect of the	批准股息								
- previous year	- 往來 12(c)	-	-	-	-	(82,711,625)	-	-	(82,711,625)
- current year	- 本年 12(c)	-	-	-	-	(19,693,244)	-	-	(19,693,244)
Exchange difference on translation of financial statements of overseas subsidiaries	因轉化海外附屬公司的財務報表之匯兌差異	-	-	19,681,316	-	-	-	-	19,681,316
Realisation of capital reserve upon deregistration of subsidiaries	因附屬公司撤銷註冊而實現資本儲備	-	-	-	(3,079,972)	3,079,972	-	-	-
Realisation of exchange reserve upon written off of interests in associate	因附聯營公司權益撤賬而實現匯兌儲備	-	-	(2,549,073)	-	1,791,677	-	757,396	-
Cancellation of share options	取消購股權	-	-	-	(31,329)	-	-	-	(31,329)
Loss for the year	本年虧損	-	-	-	-	(45,494,543)	-	-	(45,494,543)
At 31st December 2007	於二零零七年十二月三十一日	196,932,442	179,749,234	35,187,128	47,168	156,076,487	25,878,356	-	593,870,815

Notes to the Financial Statements

賬目附註

26 CAPITAL AND RESERVES (continued)

26 股本及儲備 (續)

(b) The Company

(b) 本公司

			Share capital 股本 HK\$ 港幣	Share premium 股本溢價 HK\$ 港幣	Retained earnings 滾存盈利 HK\$ 港幣	Capital reserve 資本儲備 HK\$ 港幣	Total equity 合計權益 HK\$ 港幣
		Note 附註					
At 1st January 2006	於二零零六年一月一日		189,040,442	151,294,899	486,013,648	616,132	826,965,121
Shares issued under share option scheme	因購股權而發行之股權		7,892,000	28,454,335	-	(537,635)	35,808,700
Dividends approved in respect of the	批准股息						
- previous year	- 往來	12(c)	-	-	(240,257,579)	-	(240,257,579)
- current year	- 本年	12(c)	-	-	(19,693,244)	-	(19,693,244)
Profit for the year	本年溢利		-	-	55,295,612	-	55,295,612
At 31st December 2006	於二零零六年十二月三十一日		196,932,442	179,749,234	281,358,437	78,497	658,118,610
At 1st January 2007	於二零零七年一月一日		196,932,442	179,749,234	281,358,437	78,497	658,118,610
Dividends approved in respect of the	批准股息						
- previous year	- 往來	12(c)	-	-	(82,711,625)	-	(82,711,625)
- current year	- 本年	12(c)	-	-	(19,693,244)	-	(19,693,244)
Cancellation of share options	取消購股權		-	-	-	(31,329)	(31,329)
Loss for the year	本年虧損		-	-	(21,355,814)	-	(21,355,814)
At 31st December 2007	於二零零七年十二月三十一日		196,932,442	179,749,234	157,597,754	47,168	534,326,598

Notes to the Financial Statements

賬目附註

26 CAPITAL AND RESERVES (continued) 26 股本及儲備(續)

(c) Share capital (c) 股本

(i) Authorised and issued share capital (i) 法定及已發行股本

		2007 二零零七年		2006 二零零六年	
		Number of shares 股權數量	HK\$ 港幣	Number of shares 股權數量	HK\$ 港幣
Authorised:	法定：				
Ordinary shares of HK\$0.50 each	每股港幣五角 普通股	1,000,000,000	500,000,000	1,000,000,000	500,000,000
Ordinary share, issued and fully paid:	普通股，已發行 及繳足：				
At 1st January	於一月一日	393,864,884	196,932,442	378,080,884	189,040,442
Shares issued under share option scheme	因購股權而 發行之股權	-	-	15,784,000	7,892,000
At 31st December	於十二月三十一日	393,864,884	196,932,442	393,864,884	196,932,442

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

普通股持有人有權不時收取所宣派的股息，並有權於本集團會議上按每股一票投票表決。所有普通股在本集團剩餘資產方面具同等地位。

Notes to the Financial Statements

賬目附註

26 CAPITAL AND RESERVES (continued)

(c) Share capital (continued)

(ii) Shares issued under share options scheme

The details of the shares issued under share option scheme during the year ended 31st December 2006 were as follows:

26 股本及儲備 (續)

(c) 股本 (續)

(ii) 因購股權計劃而發行之股權

於二零零六年十二月三十一日因購股權計劃而發行之股權的詳情如下：

Date of exercise 行使日期		Number of shares 股權數量
16th February 2006	二零零六年二月十六日	410,000
23rd February 2006	二零零六年二月二十三日	160,000
2nd March 2006	二零零六年三月二日	60,000
9th March 2006	二零零六年三月九日	270,000
10th March 2006	二零零六年三月十日	3,100,000
16th March 2006	二零零六年三月十六日	320,000
23rd March 2006	二零零六年三月二十三日	290,000
30th March 2006	二零零六年三月三十日	446,000
6th April 2006	二零零六年四月六日	1,005,000
13th April 2006	二零零六年四月十三日	480,000
27th April 2006	二零零六年四月二十七日	2,140,000
4th May 2006	二零零六年五月四日	645,000
11th May 2006	二零零六年五月十一日	508,000
18th May 2006	二零零六年五月十八日	810,000
25th May 2006	二零零六年五月二十五日	5,140,000
		15,784,000

During the year ended 31st December 2006, options were exercised to subscribe for 15,784,000 ordinary shares in the Company at a consideration of 35,808,700 of which HK\$7,892,000 was credited to share capital and the balance of HK\$27,916,700 was credited to the share premium account. HK\$537,635 has been transferred from the capital reserve to the share premium account in accordance with policy set out in note 2(l)(ii).

於二零零六年十二月三十一日止，行使購股權認購本公司15,784,000普通股之代價是港幣35,808,700元其中港幣7,892,000元計入股本及餘額港幣27,916,700元計入股本溢價賬目。根據載於會計政策附註2(l)(ii)，港幣537,635元已由資本儲備轉移至股本溢價賬目。

Notes to the Financial Statements

賬目附註

26 CAPITAL AND RESERVES (continued)

(c) Share capital (continued)

(iii) *Terms of unexpired and unexercised share options at balance sheet date*

26 股本及儲備 (續)

(c) 股本 (續)

(iii) 於資產負債日之未到期及未行使的購股權

Exercise period 行使期	Exercise price 行使價 HK\$ 港幣	2007 Number 二零零七年 數量	2006 Number 二零零六年 數量
21st June 2005 to 5th June 2013 二零零五年六月二十一日 至二零一三年六月五日	2.425	1,215,000	1,852,000

Each option entitles the holder to subscribe for one ordinary share in the Company. Further details of these options are set out in note 25 to the financial statements.

持有人有權以每一股購股權認購一股本公司普通股。有關這購股權詳情載於本財務報告附註25。

(d) Nature and purpose of reserves

(i) *Share premium reserve*

The application of the share premium account is governed by Section 48B of the Hong Kong Companies Ordinance.

(ii) *Exchange reserve*

The exchange reserve comprise of all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with accounting policies set out in note 2(p).

(iii) *Capital reserve*

The capital reserve comprises the fair value of the actual or estimated number of unexercised share options granted to employees of the Company recognised in accordance with the accounting policy adopted for share-based payments in note 2(l)(ii).

(d) 儲備之性質及目的

(i) *股本溢價儲備*

受香港公司條例第48節B監管而應用之股本溢價賬目。

(ii) *匯兌儲備*

匯兌儲備包括來自轉化海外業務之財務報告的外幣匯兌差異。儲備根據載於會計政策附註2(p)處理。

(iii) *股本儲備*

股本儲備包括確認根據會計政策附註2(l)(ii)採納以股本為基礎之支出授予公司僱員之真實或估計未行使購股權數量的公平值。

Notes to the Financial Statements

賬目附註

26 CAPITAL AND RESERVES (continued)

(d) Nature and purpose of reserves (continued)

(iv) PRC statutory reserve

Pursuant to the laws and regulations governing the PRC enterprises, certain of the Group's PRC subsidiaries, which are wholly foreign-owned enterprises, are required to allocate at least 10% of their after-tax profit but before dividend distribution to the general reserve until the reserve has reached 50% of their registered capital. The general reserve can only be used, upon approval by the relevant authority, to offset accumulated losses or increase capital. Appropriation to general reserve during the year amounted to approximately HK\$2,103,000 (2006: HK\$2,149,000). The enterprise expansion fund can only be used to increase capital upon approval by the relevant authority. Appropriation to enterprise expansion fund is at the discretion of the board of directors of the PRC subsidiaries. There was no appropriation during the year (2006: HK\$Nil).

The staff welfare and bonus fund can only be used for the welfare of the PRC subsidiaries' employees. Appropriation to the staff welfare and bonus fund is at the discretion of the board of directors of the PRC subsidiaries. For Hong Kong reporting purposes, this appropriation is charged to expenses and included in creditors and accrued charges in the consolidated financial statements.

(e) Distributability of reserves

At 31st December 2007, the aggregate amount of reserves available for distribution to equity shareholders of the Company was HK\$157,597,754 (2006: HK\$281,358,437). After the balance sheet date the directors proposed a final dividend and a special dividend of 1 HK cent per ordinary share (2006: 11 HK cents per ordinary share) and 20 HK cents per ordinary share (2006: 10 HK cents per ordinary share) respectively, amounting to HK\$3,938,648 and HK\$78,772,977 respectively (2006: HK\$43,325,137 and HK\$39,386,488 respectively). These dividends have not been recognised as a liability at the balance sheet date.

26 股本及儲備 (續)

(d) 儲備之性質及目的 (續)

(iv) 中國法定儲備

依照中華人民共和國之法律及規定對企業之要求，本集團之中國附屬公司屬外商獨資企業，須把最少10%分之稅後盈利分配到普通儲備，直至該儲備達註冊資本的50%為止。普通儲備只可經有關當局批准用於抵銷累積虧損或增加資本。本年度分配至普通儲備之數額約為港幣2,103,000元(二零零五年：港幣2,149,000元)。企業發展基金只可經有關當局批准用以增加資本。分配到企業發展基金之撥款由該等中國附屬公司之董事局自行決定。本年度沒有分配(二零零六年：無)。

職工福利及花紅基金只可作該中國附屬公司員工之福利之用。分配到職工福利及花紅基金之撥款由該等中國附屬公司之董事局自行決定。為香港報告所需，該撥款會於綜合財務報表中支銷費用，並列作應付賬項及應計項目。

(e) 可分配儲備

於二零零七年十二月三十一日累計可分配與本公司股東之儲備金額為港幣157,597,754元(二零零六年：港幣281,358,437元)。於資產負債表結算日後，董事分別建議派發末期息每股普通股港幣1仙(二零零六年：每股普通股港幣11仙)及特別股息每股普通股港幣20仙(二零零六年：每股普通股港幣10仙)，合計分別港幣3,938,648元及港幣78,772,977元(二零零六年：分別為港幣43,325,137元及港幣39,386,488元)。於資產負債表結算日這些股息未確認為負債。

Notes to the Financial Statements

賬目附註

26 CAPITAL AND RESERVES (continued)

(f) Capital management

The Group's primarily objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns and the advantages and security afforded by a sound capital position, and makes judgements to the capital structure in light of changes in economic conditions.

Consistent with industry practice, the Group monitors its capital structure on the basis of a net debt-to-adjusted capital ratio. For this purpose the Group defines net debt as total debt (which includes trade and other payables and provision for financial loss) plus unaccrued proposed dividends. Adjusted capital comprises all components of equity less unaccrued proposed dividends.

During 2007, the Group's strategy, which was unchanged from 2006, was to maintain the net debt-to-adjusted capital ratio at the lower end of the range 35% to 40%. In order to maintain or adjust the ratio, the Group may adjust the amount of dividends paid to shareholders, issue new shares, return capital to shareholders, raise new debt financing or sell assets to reduce debt.

26 股本及儲備 (續)

(f) 資本管理

本集團之基本目標為管理股本以保障本集團之繼續營運之能力，以使其能持續向股東提供回報及向其他相關人士提供利益，以產品價格及在風險水平內之相應服務及以合理成本安全運用資金。

本集團主動及定期檢討其資本結構以維持平衡高回報股東、良好及安全提供合理資本狀況，及在經濟情況下作出對資本結構最少變動之判斷。

與行業慣例一致，本集團會以淨負債對經調整資本比率為基準監察其資本架構。就此，本集團按總負債(包括貿易及其他應付賬項及財務損失撥備)加不應計建議派發股息。經調整資本包括所有權益減不應計建議派發股息。

於二零零七年，本集團之策略如同二零零六年一樣，是維持其淨負債與調整股本的比例於最低水平35%至40%。為了維持或調整比例，本集團可能調整應派付予股東之股息、發行新股、退回股本予股東、籌集新之債項融資或出售資產以減少債項。

Notes to the Financial Statements

賬目附註

26 CAPITAL AND RESERVES (continued)

26 股本及儲備(續)

(f) Capital management (continued)

(f) 資本管理(續)

The net debt-to-adjusted capital ratio at 31st December 2007 and 2006 was as follows:

於二零零六年及二零零七年十二月三十一日之淨負債與經調整股本的比例如下：

		The Group 本集團		The Company 本公司	
		2007 二零零七年	2006 二零零六年	2007 二零零七年	2006 二零零六年
		HK\$ 港幣	HK\$ 港幣	HK\$ 港幣	HK\$ 港幣
Current liabilities:	流動負債：				
Trade and other payables	貿易及其他應付賬項	115,370,456	155,843,630	81,153,289	113,517,906
Provision for financial loss	財務損失撥備	7,800,000	–	7,800,000	–
Add: Proposed dividends	加：建議派發股息	82,711,625	82,711,625	82,711,625	82,711,625
Net debt	負債淨值	205,882,081	238,555,255	171,664,914	196,229,531
Total equity	總權益	593,870,815	722,120,240	534,326,598	658,118,610
Less: Proposed dividends	減：建議派發股息	(82,711,625)	(82,711,625)	(82,711,625)	(82,711,625)
Adjusted capital	經調整資本	511,159,190	639,408,615	451,614,973	575,406,985
Net debt-to-adjusted capital ratio	負債與調整股本的淨比例	40%	37%	38%	34%

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

本公司及其附屬公司都不會受外來徵收資本要求的影響。

Notes to the Financial Statements

賬目附註

27 COMMITMENTS

(a) Capital commitment outstanding at 31st December 2007 not provided for in the financial statements were as follows:

		The Group 本集團		The Company 本公司	
		2007 二零零七年	2006 二零零六年	2007 二零零七年	2006 二零零六年
		HK\$ 港幣	HK\$ 港幣	HK\$ 港幣	HK\$ 港幣
Contracted for	已簽約				
– Construction work	– 建築工程	–	905,860	–	–
Authorised but not contracted for	批准但未簽約				
– Capital injection into a subsidiary	– 注資至附屬公司	46,800,000	130,104,000	46,800,000	130,104,000
		46,800,000	131,009,860	46,800,000	130,104,000

(b) At 31st December 2007, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

		The Group 本集團		The Company 本公司	
		2007 二零零七年	2006 二零零六年	2007 二零零七年	2006 二零零六年
		HK\$ 港幣	HK\$ 港幣	HK\$ 港幣	HK\$ 港幣
Within 1 year	一年內	–	–	300,000	300,000

Significant leasing arrangements in respect of land held under operating leases are described in note 15(c).

Apart from these leases, the Group was the lessee in respect of a property held under operating lease in 2006. The lease typically runs for an initial period of one year, with an option to renew the lease when all terms were renegotiated. None of the leases included contingent rentals.

27 承擔

(a) 於二零零七年十二月三十一日未付資本承擔在此財務報告沒有提撥如下：

		The Group 本集團		The Company 本公司	
		2007 二零零七年	2006 二零零六年	2007 二零零七年	2006 二零零六年
		HK\$ 港幣	HK\$ 港幣	HK\$ 港幣	HK\$ 港幣
Contracted for	已簽約				
– Construction work	– 建築工程	–	905,860	–	–
Authorised but not contracted for	批准但未簽約				
– Capital injection into a subsidiary	– 注資至附屬公司	46,800,000	130,104,000	46,800,000	130,104,000
		46,800,000	131,009,860	46,800,000	130,104,000

(b) 於二零零七年十二月三十一日，應付不可撤銷之經營租賃而於未來支付之最低總額如下：

		The Group 本集團		The Company 本公司	
		2007 二零零七年	2006 二零零六年	2007 二零零七年	2006 二零零六年
		HK\$ 港幣	HK\$ 港幣	HK\$ 港幣	HK\$ 港幣
Within 1 year	一年內	–	–	300,000	300,000

主要租賃協議關於經營租賃持作之土地已詳列於附註15(c)。

除上述租賃，在二零零六年本集團是營租賃持作之物業的租戶。租約已運作有效期之首年，有權在更新租約時再高討租賃條款。沒有租約包括在或租金。

Notes to the Financial Statements

賬目附註

27 COMMITMENTS (continued)

- (c) At 31st December 2007, the total future minimum royalty payments under a license agreement are payable as follows:

27 承擔(續)

- (c) 於二零零七年十二月三十一日，因特許協議而應付之未來最低支付專利費如下：

		The Group and the Company 本集團及本公司	
		2007 二零零七年	2006 二零零六年
		HK\$ 港幣	HK\$ 港幣
Within 1 year	一年內	780,000	—

28 FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business. The Group is also exposed to equity price risk arising from its equity investments in other entities and movements in its own equity share price.

These risks are limited by the Group's financial management policies and practices described below.

(a) Credit risk

The Group's credit risk is primarily attributable to trade and other receivables and cash and cash equivalents. Cash and cash equivalents are normally placed at financial institutions that have sound credit rating. Management has a credit policy in place and the exposure to these credit risks are monitored on an ongoing basis.

In respect of trade and other receivables, individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are due within 30 to 60 days from the date of billing. Normally, the Group does not obtain collateral from customers.

28 金融工具

信貸、資金流動性、利率及外幣風險會於本集團的一般業務進程中產生。本集團同時因投資權益在一企業引致權益價格風險及其本身股價變動。

這些風險會受本集團的財務管理政策及常規(見下文)所限。

(a) 信貸風險

本集團的信貸風險主要來自貿易及其他應收款項及現金及現金等值項目。現金及現金等值項目一般存放於信譽良好之金融機構。管理層有既定的信貸政策，並會持續監控所承受的信貸風險。

就貿易及其他應收款項而言，對於所有要求超過若干信貸金額之顧客均會進行個別信貸評估。此等評估主要針對顧客過到期時之還款紀錄及現時的還付能力，並考慮僱客的個別資料及顧客所處的經濟環境的資料。貿易應收款項由發出賬單當日起計30-60日內到期。超逾一月之應收賬款結餘，均需全數清償方可獲授予任何其他信貸。本集團一般不會向客戶收取抵押品。

Notes to the Financial Statements

賬目附註

28 FINANCIAL INSTRUMENTS (continued)

(a) Credit risk (continued)

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The default risk of the industry and country in which customers operate also has an influence on credit risk but to a lesser extent. At the balance sheet date, the Group has a certain concentration of credit risk as 20% (2006: 24%) and 67% (2006: 57%) of the total trade and other receivables was due from the Group's largest customer and the five largest customers respectively.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset, in the balance sheet.

(b) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short term investment of cash surpluses. The Group's policy is to regularly monitor its liquidity requirements to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

28 金融工具(續)

(a) 信貸風險(續)

本集團所面臨之信貸風險，主要受各客戶之個別特色所影響。客戶經營所在之行業及國家之隱含風險亦影響信貸風險，惟影響相對較少。於結算日，本集團的五大客戶佔貿易及其他應收款項20%(二零零六年：24%)及67%(二零零六年：57%)，故承受一定程度的信貸集中風險。

最大的信用風險指在資產負債表上所有的金融資產減去減值撥備後之賬面值。

(b) 資金流動性風險

本集團旗下之個別業務實體須為其各自現金管理負責，包括短期現金盈餘投資及增加貸款以應付現金需求。本集團之政策為定期管理現時及預期之流動性需求，以確保其維持足夠現金儲備及可即時出售變現之證券，以達到其短期及長期流動性需求。

Notes to the Financial Statements

賬目附註

28 FINANCIAL INSTRUMENTS (continued)

(b) Liquidity risk (continued)

The following table details the remaining contractual maturities at the balance sheet date of the Group's and the Company's financial liabilities which are based on the contractual undiscounted cash flows (including interest payments, computed rising contractual rates or, if floating, based on rates current at the balance sheet date) and the earliest date the Group and the Company can be required to pay:

(i) The Group

		2007 二零零七年			2006 二零零六年		
		Carrying amount 賬面值 HK\$'000 港幣千元	Total contractual as discounted cash flow 總計按合約的沒有貼現之現金流 HK\$'000 港幣千元	Within 6 months or on demand 六個月內或要求還款時 HK\$'000 港幣千元	Carrying amount 賬面值 HK\$'000 港幣千元	Total contractual as discounted cash flow 總計按合約的沒有貼現之現金流 HK\$'000 港幣千元	Within 6 months or on demand 六個月內或要求還款時 HK\$'000 港幣千元
Trade and other payables	貿易及其他應付賬項	115,370	115,370	115,370	155,844	155,844	155,844
Provision for financial loss	財務損失撥備	7,800	7,800	7,800	-	-	-
		123,170	123,170	123,170	155,844	155,844	155,844

(ii) The Company

		2007 二零零七年			2006 二零零六年		
		Carrying amount 賬面值 HK\$'000 港幣千元	Total contractual as discounted cash flow 總計按合約的沒有貼現之現金流 HK\$'000 港幣千元	Within 6 months or on demand 六個月內或要求還款時 HK\$'000 港幣千元	Carrying amount 賬面值 HK\$'000 港幣千元	Total contractual as discounted cash flow 總計按合約的沒有貼現之現金流 HK\$'000 港幣千元	Within 6 months or on demand 六個月內或要求還款時 HK\$'000 港幣千元
Trade and other payables	貿易及其他應付賬項	81,153	81,153	81,153	113,518	113,518	113,518
Provision for financial loss	財務損失撥備	7,800	7,800	7,800	-	-	-
Amount due to subsidiaries	應付附屬公司	56,519	56,519	56,519	38,616	38,616	38,616
		145,472	145,472	145,472	152,134	152,134	152,134

In order to manage the above liquidity demands, at 31st December 2007, HK\$305,371,471 (2006: HK\$383,106,968) and HK\$296,261,660 (2006: HK\$372,144,202) of the Group's and the Company's assets respectively were held as cash that are considered readily realisable.

28 金融工具(續)

(b) 資金流動性風險(續)

下表列出本集團及本公司之非衍生性金融負債於結算日之餘下合約期限詳情。這是基於合約上的沒有貼現之現金流(包括根據約定之利率,或如是浮動利率時其於結算日,計算之利息)及本集團及本公司最早需要還款之日期計算:

(i) 本集團

		2007 二零零七年			2006 二零零六年		
		Carrying amount 賬面值 HK\$'000 港幣千元	Total contractual as discounted cash flow 總計按合約的沒有貼現之現金流 HK\$'000 港幣千元	Within 6 months or on demand 六個月內或要求還款時 HK\$'000 港幣千元	Carrying amount 賬面值 HK\$'000 港幣千元	Total contractual as discounted cash flow 總計按合約的沒有貼現之現金流 HK\$'000 港幣千元	Within 6 months or on demand 六個月內或要求還款時 HK\$'000 港幣千元
Trade and other payables	貿易及其他應付賬項	115,370	115,370	115,370	155,844	155,844	155,844
Provision for financial loss	財務損失撥備	7,800	7,800	7,800	-	-	-
		123,170	123,170	123,170	155,844	155,844	155,844

(ii) 本公司

		2007 二零零七年			2006 二零零六年		
		Carrying amount 賬面值 HK\$'000 港幣千元	Total contractual as discounted cash flow 總計按合約的沒有貼現之現金流 HK\$'000 港幣千元	Within 6 months or on demand 六個月內或要求還款時 HK\$'000 港幣千元	Carrying amount 賬面值 HK\$'000 港幣千元	Total contractual as discounted cash flow 總計按合約的沒有貼現之現金流 HK\$'000 港幣千元	Within 6 months or on demand 六個月內或要求還款時 HK\$'000 港幣千元
Trade and other payables	貿易及其他應付賬項	81,153	81,153	81,153	113,518	113,518	113,518
Provision for financial loss	財務損失撥備	7,800	7,800	7,800	-	-	-
Amount due to subsidiaries	應付附屬公司	56,519	56,519	56,519	38,616	38,616	38,616
		145,472	145,472	145,472	152,134	152,134	152,134

有秩序管理上述資金流動需求,於二零零七年十二月三十一日,本集團及本公司分別持有可輕易地實現之現金為港幣305,371,471元(二零零六年:港幣383,106,968元)及港幣296,261,660元(二零零六年:港幣372,144,202元)。

Notes to the Financial Statements

賬目附註

28 FINANCIAL INSTRUMENTS (continued)

(c) Interest rate risk

The Group's and the Company's interest rate risk arises primarily from cash and cash equivalents which were contracted at short-term variable rates and expose the Group and the Company to cash flow interest rate risk. The Group's and the Company's interest rate profile as monitored by management is set out in (i) below.

28 金融工具 (續)

(c) 利率風險

本集團之利率風險主要現金及現金等值之約定短期浮動利率及引致本集團及本公司在現金流有利率風險。本集團之利率概況由管理層管理並載列(i)如下：

	The Group 本集團		The Company 本公司	
	2007 二零零七年	2006 二零零六年	2007 二零零七年	2006 二零零六年
	Effective interest rate 實際利率	Effective interest rate 實際利率	Effective interest rate 實際利率	Effective interest rate 實際利率
	% HK\$'000 港幣千元	% HK\$'000 港幣千元	% HK\$'000 港幣千元	% HK\$'000 港幣千元
Variable rate bank deposits 銀行訂期存款浮息	4.9 305,371	7.9 383,107	5.0 296,262	8.1 372,144

(i) Sensitivity analysis

At 31st December 2007, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would decrease/increase the Group's and the Company's (loss)/profit after tax and retained profits by approximately HK\$3,054,000 (2006: HK\$3,831,000) and HK\$2,963,000 (2006: HK\$3,721,000) respectively. Other components of equity would not be affected (2006: HK\$Nil) by the changes in interest rates.

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the balance sheet date and had been applied to the exposure to interest rate risk for financial instruments in existence at that date. The 100 basis point increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period until the next annual balance sheet date. The analysis is performed on the same basis for 2006.

(i) 敏感度分析

於二零零七年十二月三十一日在所有其他變化因素維持不變的情況下，估計一般於利率中增加／減少100點子，將分別減少／增加本集團及本公司之除稅後（虧損）／溢利及未分配利潤約分別港幣3,054,000元（二零零六年：港幣3,831,000元）及港幣2,963,000元（二零零六年：港幣3,721,000元）。其他權益不受利率變動影響（二零零六年：港幣零元）。

以上的敏感度分析已假設利率變動已於結算日發生而釐訂，並已應用於就於該日所面對來自衍生及非衍生財務工具之利率風險。100點子增加或減少指管理層對直至下一個年度結算日期間之利率可能合理變動之評估。分析按二零零六年相同之基準進行。

Notes to the Financial Statements

賬目附註

28 FINANCIAL INSTRUMENTS (continued)

(d) Currency risk

(i) Foreign currency transactions

The Group is exposed to currency risk primarily through sales and expense transactions that are denominated in a currency other than the functional currency of the operations to which they relate. The currencies giving rise to this risk are primarily United States dollars and British Pound.

(ii) Recognised assets and liabilities

In respect of other trade receivables and payables held in currencies other than the functional currency of the operations to which they relate, the Group ensures that the net exposure is kept to an acceptable level, by buying or selling foreign currencies at spot rates where necessary to address short-term imbalances.

(iii) The following table details the Group's and the Company's exposure at the balance sheet date to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate.

28 金融工具 (續)

(d) 貨幣風險

(i) 外幣交易

本集團主要由於以該等經營業務功能貨幣以外之貨幣列值之租金收入而須承擔外匯風險。構成是項風險之貨幣主要為美元及英鎊。

(ii) 已確認資產及負債

至於以有關之功能貨幣以外之貨幣持有之其他貿易應收及應付款項，本集團會在必要應付短期的不平衡時，以現貨匯率買入或賣出外匯，確保淨影響會維持在一個可接受的程度。

(iii) 下表列示本集團於結算日因預計兌換或確認以功能貨幣以外的一種貨幣列值的資產或負債而須面對的貨幣風險。

		The Group 本集團				The Company 本公司			
		2007 二零零七年		2006 二零零六年		2007 二零零七年		2006 二零零六年	
		United States dollars '000 美元千元	British Pound '000 英鎊千鎊	United States dollars '000 美元千元	British Pound '000 英鎊千鎊	United States dollars '000 美元千元	British Pound '000 英鎊千鎊	United States dollars '000 美元千元	British Pound '000 英鎊千鎊
Trade and other receivables	貿易及其他應收賬項	12,966	305	15,310	278	12,837	305	15,281	278
Cash and cash equivalents	現金及現金等值項目	36,730	211	39,705	278	36,730	211	39,705	278
Trade and other payables	貿易及其他應付賬項	(4,072)	-	(3,489)	(6)	(4,071)	-	(3,489)	(6)
Net exposure arising from recognised assets and liabilities	由確認之資產及負債所致淨值	45,624	516	51,526	550	45,496	516	51,497	550

Notes to the Financial Statements

賬目附註

28 FINANCIAL INSTRUMENTS (continued)

(d) Currency risk (continued)

(iv) Sensitivity analysis

The following table indicates the approximate change in the Group's and the Company's (loss)/profit after tax and retained earnings in response to reasonably possible changes in the foreign exchange rates to which the Group has significant exposure at the balance sheet date.

28 金融工具 (續)

(d) 貨幣風險 (續)

(iv) 敏感度分析

下表闡釋本集團及本公司於結算日所承受重大風險之匯率之合理可能變動對除稅後虧損／溢利及保留盈利造成之概約變動。

		The Group 本集團				The Company 本公司			
		2007 二零零七年		2006 二零零六年		2007 二零零七年		2006 二零零六年	
		Effect on Increase/ (decrease) in foreign exchange rate 匯率增加/ (減少)		Effect on Increase/ (decrease) in foreign exchange rate 匯率增加/ (減少)		Effect on Increase/ (decrease) in foreign exchange rate 匯率增加/ (減少)		Effect on Increase/ (decrease) in foreign exchange rate 匯率增加/ (減少)	
		loss after tax and retained profits 對除稅後 虧損及保留 溢利之影響		profit after tax and retained profits 對除稅後 溢利及保留 溢利之影響		loss after tax and retained profits 對除稅後 虧損及保留 溢利之影響		profit after tax and retained profits 對除稅後 溢利及保留 溢利之影響	
		HK\$'000 港幣千元		HK\$'000 港幣千元		HK\$'000 港幣千元		HK\$'000 港幣千元	
United States dollars	美元	5%	14,680	5%	16,578	5%	14,638	5%	16,569
		(5)%	(14,680)	(5)%	(16,578)	(5)%	(14,638)	(5)%	(16,569)
British Pound	英鎊	5%	331	5%	347	5%	331	5%	347
		(5)%	(331)	(5)%	(347)	(5)%	(331)	(5)%	(347)

Sensitivity analysis has been determined assuming that the change in foreign exchange rates had occurred at the balance sheet date and had been applied to each of the Group entities' exposure to currency risk for non-derivative financial instruments in existence at that date, and that all other variables, in particular interest rates, remain constant.

敏感度分析乃假設匯率變動於結算日發生，並應用於集團各實體就於該日仍存在之非衍生金融工具所承受之貨幣風險，而所有其他可變因素（尤其利率）保持不變。

28 FINANCIAL INSTRUMENTS (continued)**(d) Currency risk** (continued)*(iv) Sensitivity analysis* (continued)

The stated changes represent management's assessment of reasonably possible changes in foreign exchange rates over the period until the next annual balance sheet date. In this respect, it is assumed that the pegged rate between the Hong Kong dollar and the United States dollar would be materially unaffected by any changes in movement in value of the United States dollar against other currencies. Results of the analysis as presented in the above table represent an aggregation of the effects on each of the Group entities' profit after tax and equity measured in the respective functional currencies, translated into Hong Kong dollars at the exchange rate ruling at the balance sheet date for presentation purposes. The analysis is performed on the same basis for 2006.

(e) Fair values

All financial instruments are carried at amounts not materially different from their fair value as at 31st December 2007 and 2006.

29 CONTINGENT ASSETS AND LIABILITIES

At 31st December 2007 and 2006, the Group and the Company had no contingent assets and or liabilities.

28 金融工具 (續)**(d) 貨幣風險** (續)*(iv) 敏感度分析* (續)

所呈列之變動指管理層估計匯率於直至下一個年度結算日止期間之合理可能變動。就此，假設港元兌美元之掛鈎匯率將不會因美元兌換其他貨幣之變動而受重大影響。上表所列示之分析結果指各集團實體之除稅後溢利及有關功能貨幣按結算日之匯率(就呈報而言)兌換為港元計算之股本之總計。進行分析之基礎與二零零六年所依據之基礎相同。

(e) 公平值

所有金融工具之入賬金額與其於二零零七年及二零零六年十二月三十一日之公平值無重大不同。

29 或然資產及負債

於二零零六年及二零零七年十二月三十一日，本集團及本公司沒有或然資產及負債。

Notes to the Financial Statements

賬目附註

30 MATERIAL RELATED PARTY TRANSACTIONS AND BALANCES

30 關聯方之重大交易及結餘

(a) Key management personnel remuneration

(a) 主要管理層人員酬金

Remuneration for key management personnel of the group are the company's directors as disclosed in note 9 and the highest paid employees as disclosed in note 10, is as follows:

主要管理層人員酬金包括支付本公司董事(於附註9披露)及若干最高薪僱員(於附註10披露)之金額。

		2007 二零零七年 HK\$ 港幣	2006 二零零六年 HK\$ 港幣
Short-term employee benefits	短期僱員福利	5,994,883	5,781,638
Post-employment benefits	後僱用福利	243,000	216,000
		6,237,883	5,997,638

Total remuneration is included in "staff costs" (see note 7(a)).

總薪酬包括在員工成本載於附註7(a)。

(b) Financing arrangement

(b) 財務安排

		The Group 本集團		The Company 本公司	
		2007 二零零七年 HK\$ 港幣	2006 二零零六年 HK\$ 港幣	2007 二零零七年 HK\$ 港幣	2006 二零零六年 HK\$ 港幣
Loan to an associate (note 16)	貸款與聯營公司 (附註16)				
- Principal	- 本金	8,500,000	8,500,000	8,500,000	8,500,000
- Interest receivable	- 應收利息	938,646	533,210	938,646	533,210
		9,438,646	9,033,210	9,438,646	9,033,210

Notes to the Financial Statements

賬目附註

30 MATERIAL RELATED PARTY TRANSACTIONS AND BALANCES

(continued)

(c) Other related party transactions

During the year ended 31st December 2007, the Group entered into the following material related party transactions:

30 關聯方之重大交易及結餘 (續)

(c) 其他關聯方項目

在二零零七年十二月三十一日止，本集團與關聯方有以下交易：

		The Group	
		2007	2006
		二零零七年	二零零六年
		HK\$	HK\$
		港幣	港幣
		Notes	
		附註	
Interest income from an associate (note 6)	來自於聯營公司之利息收入 (附註6)	(i)	405,436
Rental income from a related company (note 6)	來自於關聯方之租金收入 (附註6)	(ii)	120,000
Purchase of motor vehicle from directors	從董事購買汽車	(iii)	-
			350,000

Notes:

- (i) Interest income is received by the Group in connection with the loan to an associate (note 16).
- (ii) Rental income received from a related company, in which Dr. Wong, Philip Kin Hang, and Dr. Wong, Kennedy Ying Ho, have beneficial interests in this related company. Dr. Wong, Philip Kin Hang is a director of the company and Dr. Wong, Kennedy Ying Ho resigned as a director of the company on 13th April 2007.
- (iii) The Group purchased motor vehicles amounted to HK\$300,000 and HK\$50,000 from the directors of the company, Dr. Wong, Philip Kin Hang and Mr. Wong, Wilson Kin Lae, respectively.

Balances with related parties are disclosed in the balance sheet and in notes 16 and 17.

附註：

- (i) 本集團借款與聯營公司之利息收入 (附註16)。
- (ii) 來自於關聯方之租金收入，黃乾亨博士及黃英豪博士持有該關聯公司之實質權益。黃乾亨博士是本公司董事及黃英豪博士在二零零七年四月十三日辭任本公司董事。
- (iii) 本集團分別從本公司董事黃乾亨博士及黃乾利先生購買汽車金額港幣300,000元及港幣50,000元。

與關聯方之結餘已資產負債表之附註16及17中披露。

Notes to the Financial Statements

賬目附註

31 POST BALANCE SHEET EVENTS

(i) Adjusting post balance sheet event

On 15th February 2008, the Group and the Company incurred a financial loss amounted to HK\$7,800,000 (approximately equivalent to US\$1,000,000) in respect of the execution of a corporate guarantee by a bank. As detailed in note 22, a provision for this financial loss amounted to HK\$7,800,000 was recognised by the Group and the Company in the financial statements for the year ended 31st December 2007.

(ii) Non-adjusting post balance sheet event

After the balance sheet date, the directors proposed final and special dividends. Further details disclosed in note 12.

32 COMPARATIVE FIGURES

As a result of adopting HKFRS 7, Financial instruments: Disclosures, and the amendments to HKAS 1, Presentation of financial statements: Capital disclosures, certain comparative figures have been adjusted to conform with changes in disclosures in the current year and to show separately comparative amounts in respect of items disclosed for the first time in 2007. Further details are disclosed in note 3.

Net exchange gain, tax refund from re-investment in a subsidiary, sundry income and net loss on disposal of property, plant and equipment, which are incidental to the main revenue generating activities, were included in as "Other revenue" and "General and administrative expenses" in 2006 and the value-added tax payables was included in "Current taxation" as at 31st December 2006. To conform with the current's year's presentation, income/expenses and other tax payables were reclassified as "Other net (loss)/income" and "Trade and other payables" respectively in the comparative figures. The directors consider that this revised presentation more appropriately reflects the nature of these items.

31 資產負債表後事項

(i) 結算日後事件調整

於二零零八年二月十五日，本集團及本公司就銀行簽訂之公司擔保產生財務虧損港幣7,800,000元（約相等於1,000,000美元）。本集團及本公司於截至二零零七年十二月三十一日止年度之財務報表就金額為港幣7,800,000元之財務虧損確認撥備（詳列於附註22）。

(ii) 不調整資產負債表後事項

資產負債表結算日後，董事建議派發之末期息及特別股息。詳情於附註12披露。

32 比較數據

由於採納香港財務報告準則第7號金融工具：披露事項及香港會計準則第1號（修訂）財務報表之呈報：資本披露，若干比較數字已予調整以符合本年度之披露變動，以及呈示在二零零七年首次披露項目之個別比較數字。有關詳情於附註3披露。

匯兌收益淨額、於附屬公司之再投資、雜項收入及出售物業、廠房及設備之虧損淨額乃主要賺取收入之業務之附帶項目，於二零零六年計入「其他收益」及「一般及行政開支」，於二零零六年十二月三十一日，應付增值稅計入「當期稅項」。為符合本年度之呈報方式，收入／開支及應付其他稅項在比較數字中分別分類為「其他（虧損）／收入淨額」及「應付貿易賬款及其他應付帳款」。董事認為，此經修訂呈報方式更合適地反映此等項目之性質。

33 ACCOUNTING ESTIMATES AND JUDGEMENTS

The methods, estimates and judgements the directors used in applying the Group's accounting policies have a significant impact on the Group's financial position and operating results. Some of the accounting policies require the Group to apply estimates and judgements, on matters that are inherently uncertain. The critical accounting judgements in applying the Group's accounting policies are described below.

(a) Depreciation

Property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives. The Group reviews annually the useful life of an asset and its residual value, if any. The depreciation expense for future periods is adjusted if there are significant changes from previous estimation.

(b) Impairments

In considering the impairment loss that may be required for certain property, plant and equipment, investments in subsidiaries and interests in associates, recoverable amount of the asset needs to be determined. The recoverable amount is the greater of the net selling price and the value in use. It is difficult to precisely estimate selling price because quoted market prices for these assets may not be readily available. In determining the value in use, expected cash flows generated by the asset are discounted to their present value, which requires significant judgement relating to items such as level of turnover and amount of operating costs. The Group uses all readily available information in determining an amount that is reasonable approximation of recoverable amount, including estimates based on reasonable and supportable assumptions and projections of items such as turnover and operating costs.

33 會計估計及判斷

董事應用於本集團之會計政策的方法、估算及判斷對本集團之財務狀況及營運業績有重大影響。某些會計政策要求本集團應用估計及判斷在不確定事件上。關鍵會計判斷應用在本集團之會計政策詳列如下：

(a) 折舊

固定資產以直線法按資產的估計可使用年期折舊。集團會每年檢討對該等資產的可使用年期的及餘值估計，如有，未來的折舊開支會因應過往估計數字的重大變化而調整。

(b) 減值

考慮到若干物業、廠房及設備、於附屬公司之投資及於聯營公司之權益可能出現減值虧損，須釐定資產之可收回金額。可收回金額為淨售價與使用價值兩者之較高者。由於此等資產之所報市價不能可靠地獲取，故難以準確地估計售價。在釐定使用價值時，資產所產生之預期現金流量乃折讓至其現有價值，而須就營業額水平及營運成本金額等項目作出重要評估。本集團在釐定金額時使用所有可靠取得之資料，而金額為可收回金額之合理概約金額，包括根據合理及有支持之假設及預測項目如營業額及營運成本等估計數據。

Notes to the Financial Statements

賬目附註

33 ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

(b) Impairments (continued)

Impairment losses for bad and doubtful debts are assessed and provided based on the directors' regular review of ageing analysis and evaluation of collectability. A considerable level of judgement is exercised by the directors when assessing the credit worthiness and past collection history of each individual customer.

An increase or decrease in the above impairment loss would affect the operating results in the year and in future years.

(c) Income taxes

Determining income tax provisions involves judgement on the future tax treatment of certain transactions and interpretation of tax rules. The Group carefully evaluates tax implications of transactions and tax provisions are set up accordingly. The tax treatment of such transactions is reconsidered periodically to take into account all changes in tax legislation.

Deferred tax assets are recognised for tax losses not yet used and temporary deduction differences. As those deferred tax assets can only be recognised to the extent that it is probable that future profit will be available against which the unused tax credit can be utilised, management's judgement is required to assess the probability of future taxable profits. Management's assessment is constantly reviewed and additional deferred tax assets are recognised if it becomes probable that future taxable profits will allow the deferred tax asset to be recovered.

33 會計估計及判斷 (續)

(b) 減值 (續)

本集團根據管理層定期進行之賬齡分析及可收回評估對呆壞賬減值虧損進行測試。董事於評估每名客戶之信貸質素及過往溢利記錄時行使一定程度之判斷。

上述減值虧損增加或減少均會影響未來之溢利淨額。

(c) 所得稅

釐定所得稅撥備涉及對若干交易未來稅項處理之評估及稅務規則之詮釋。本集團審慎地評估交易之隱含稅項，並據此提撥稅項撥備。該等交易之稅項處理乃定期檢討，以計及稅項法例之所有變動。

遞延稅項資產乃就未動用但臨時扣減差額之稅項虧損確認。由於該等遞延稅項資產僅於未來溢利將可用作抵銷而未動用抵減稅額可動用時方會確認，管理層須評估未來應課稅溢利之可能性。管理層之評估乃定期檢討，倘未來應課稅溢利將允許收回遞延稅項資產，則會確認額外遞延稅項資產。

Notes to the Financial Statements

賬目附註

33 ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

(d) Inventory provision

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

(e) Share-based payments

The estimate of the fair value of the share options granted to employees measured by professional values based on the Black Scholes model with modification to reflect the impact of vesting period and exercise pattern on the option value. The accuracy of the above estimations could affect the amount of share-based payments transactions recognised in the income statement.

34 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31ST DECEMBER 2007

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments, new standards and interpretations which are not yet effective for the year ended 31st December 2007 and which have not been adopted in these financial statements.

33 會計估計及判斷 (續)

(d) 存貨撥備

本集團執行定期檢討按存貨賬齡分析、預期未來銷售、管理經驗及判斷之存貨賬面值。基於此檢討，已因存貨賬面值下跌低於其估算計現價值淨值而作存貨減值。因客戶表現的變動、實際銷售將與此估計有差異及此計亦可能影響溢利或虧損。

(e) 以股份為基礎支出

授予僱員之購股權之公平值估計乃由專業估值師按畢蘇模式計算，並作出修訂以反映購股權價值對歸屬期及行使模式之影響。上述估計值準確性可影響以股份為基礎支出交易在損益表確認之金額。

34 截至二零零七年十二月三十一日止年度已頒佈但未生效之修訂、新準則及詮釋之潛在影響

截至此等財務報表刊發之日，香港會計師公會已頒佈多項修訂、新準則及詮釋，但於截至二零零七年十二月三十一日止年度仍未生效，且仍未於此等財務報表採納。

Notes to the Financial Statements

賬目附註

34 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31ST DECEMBER 2007 (continued)

34 截至二零零七年十二月三十一日止年度已頒佈但未生效之修訂、新準則及詮釋之潛在影響 (續)

Of these developments, the following relate to matters that may be relevant to the Group's operations and financial statements:

在這些條文中，以下為可能有關本集團之經營及財務報表：

				Effective for accounting periods beginning on or after 於以下日期開始 之會計期間 或以後生效
Amendment to HKAS 1	Presentation of financial statements: Comprehensive revision including requiring a statement of comprehensive income	香港會計準則第1號，修訂	財務報表之呈報： 完整版本，包括規定 完整之損益表	1st January 2009 二零零九年一月一日
HKAS 27	Consolidated and separate financial statements – consequential amendments arising from amendments to HKFRS 3	香港會計準則第27號	綜合及各別之財務報表 – 香港財務報告 準則第3號修訂產生之修訂	1st July 2009 二零零九年七月一日
HKAS 28	Investment in associates: consequential amendments arising from amendments to HKFRS 3	香港會計準則第28號	於聯營公司之投資：香港財務 報告準則第3號修訂產生之修訂	1st July 2009 二零零九年七月一日
HKFRS 2	Share-based payment: Amendment relating to vesting conditions and cancellations	香港財務報告準則第2號	以股份為基礎支出：有關歸屬 條件及註銷之修訂	1st January 2009 二零零九年一月一日
HKFRS 3	Business combinations: Comprehensive revision on applying the acquisition method	香港財務報告準則第3號	業務合併：應用收購法之完整修訂	1st July 2009 二零零九年七月一日
HKFRS 8	Operating segments	香港財務報告準則第8號	營運分部	1st January 2009 二零零九年一月一日

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

董事已確認本集團正評估預期此等修訂、新準則及新詮釋在初始應用期間之影響。迄今之結論為採納此等修訂、新準則及新詮釋將不會對本集團之營運業績及財務狀況造成重大影響。

Five Years Financial Summary

五年財務摘要

CONSOLIDATED INCOME STATEMENTS

綜合損益表

		2003	2004	2005	2006	2007
		二零零三年	二零零四年	二零零五年	二零零六年	二零零七年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Continuing operations	持續經營業務					
Turnover	營業額	794,372	1,055,482	1,008,712	954,572	842,856
Profit/(loss) before taxation and share of losses of jointly controlled entities and associates	除稅及共同控制實體及佔聯營公司虧損前溢利/(虧損)	99,124	76,787	23,366	51,552	(1,217)
Share of losses of jointly controlled entities	所佔共同控制實體虧損	(212)	(9,001)	(3,299)	–	–
Share of losses of associates	所佔聯營公司虧損	–	–	(12,645)	(1,137)	(52,868)
Profit/(loss) before taxation	除稅前盈利/(虧損)	98,912	67,786	7,422	50,415	(54,085)
Income tax expense/(credit)	所得稅支出/(計入)	(11,282)	(12,583)	(2,056)	(5,567)	8,591
Profit/(loss) from continuing operations	持續經營業務之溢利/(虧損)	87,630	55,203	5,366	44,848	(45,494)
Discontinued operations	已終止經營業務					
Profit from discontinued operations	已終止經營業務之溢利	5,561	74,195	157,648	3,386	–
Profit/(loss) after taxation	除稅後溢利/(虧損)	93,191	129,398	163,014	48,234	(45,494)
Attributable to:	可歸屬於:					
Equity shareholders of the Company	本公司股東	83,990	123,546	161,018	48,234	(45,494)
Minority interests	少數股東權益	9,201	5,852	1,996	–	–
		93,191	129,398	163,014	48,234	(45,494)

Five Years Financial Summary

五年財務摘要

CONSOLIDATED BALANCE SHEET

綜合資產負債表

		2003	2004	2005	2006	2007
		二零零三年	二零零四年	二零零五年	二零零六年	二零零七年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Goodwill	商譽	8,094	-	-	-	-
Property, plant and equipment	物業、廠房及設備	492,887	514,012	195,110	188,888	179,173
Interests in leasehold land held for own use under operating leases	根據經營租賃持作自用之土地權益	14,430	14,326	14,133	14,019	14,321
Investment properties	投資物業	300,000	385,762	-	-	-
Interests in jointly controlled entities	共同控制實體權益	31,450	28,116	-	-	-
Interests in associates	聯營公司權益	-	-	53,222	52,868	-
Deferred tax assets	遞延稅項資產	161	152	152	100	4,223
Net current assets	流動資產淨值	37,829	7,523	147,733	475,055	399,466
Non-current rental deposit payables	應付非流動現金訂金	(585)	(1,078)	-	-	-
Long-term bank loans	長期銀行貸款	(64,328)	(50,188)	-	-	-
Deferred tax liabilities	遞延稅項負債	(8,361)	(48,325)	(8,865)	(8,810)	(3,313)
Net assets directly associated with discontinued operations	直接與已終止業務有關之資產	-	-	480,274	-	-
Net assets	資產淨值	811,577	850,300	881,759	722,120	593,870
Share capital	股本	183,501	185,347	189,040	196,932	196,932
Reserves	儲備	527,448	574,130	692,719	525,188	396,938
Total equity attributable to equity shareholders of the Company	本公司股東應佔權益	710,949	759,477	881,759	722,120	593,870
Minority interests	少數股東權益	100,628	90,823	-	-	-
Total equity	總權益	811,577	850,300	881,759	722,120	593,870