

WONG'S INTERNATIONAL (HOLDINGS) LIMITED

王氏國際（集團）有限公司*

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

Stock Code 股份代號:99

Annual Report 2006 年報

Enduring to

QUALITY
SERVICES

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公司資料

董事會

執行董事

王忠秣先生 (主席兼行政總裁)
王忠樞先生
陳子華先生
譚靜安先生
溫民強先生
王賢敏小姐

獨立非執行董事

李家祥博士，G.B.S.，O.B.E.，太平紳士
楊孫西博士，S.B.S.，太平紳士
葉天養先生，太平紳士

審核委員會

李家祥博士，G.B.S.，O.B.E.，太平紳士 (主席)
楊孫西博士，S.B.S.，太平紳士
葉天養先生，太平紳士

薪酬委員會

楊孫西博士，S.B.S.，太平紳士 (主席)
葉天養先生，太平紳士
陳子華先生

公司秘書

陳子華先生

聯席核數師

均富會計師行
香港執業會計師

信永中和(香港)會計師事務所有限公司
香港執業會計師

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Wong Chung Mat, Ben (Chairman and Chief Executive Officer)
Mr. Wong Chung Ah, Johnny
Mr. Chan Tsze Wah, Gabriel
Mr. Tan Chang On, Lawrence
Mr. Wan Man Keung
Miss Wong Yin Man, Ada

Independent Non-executive Directors

Dr. Li Ka Cheung, Eric, G.B.S., O.B.E., J.P.
Dr. Yu Sun Say, S.B.S., J.P.
Mr. Alfred Donald Yap, J.P.

AUDIT COMMITTEE

Dr. Li Ka Cheung, Eric, G.B.S., O.B.E., J.P. (Chairman)
Dr. Yu Sun Say, S.B.S., J.P.
Mr. Alfred Donald Yap, J.P.

REMUNERATION COMMITTEE

Dr. Yu Sun Say, S.B.S., J.P. (Chairman)
Mr. Alfred Donald Yap, J.P.
Mr. Chan Tsze Wah, Gabriel

COMPANY SECRETARY

Mr. Chan Tsze Wah, Gabriel

JOINT AUDITORS

Grant Thornton
Certified Public Accountants, Hong Kong

SHINEWING (HK) CPA Limited
Certified Public Accountants, Hong Kong

公司資料

律師

羅文錦律師樓
羅夏信律師樓
Farrand, Cooper & Bruiniers

來往銀行

渣打銀行
香港上海滙豐銀行有限公司
美國銀行

註冊辦事處

Clarendon House
Church Street
Hamilton HM 11
Bermuda

總辦事處

香港
九龍
官塘
偉業街180A號
王氏工業中心

主要股份過戶登記處

Butterfield Fund Services (Bermuda) Limited
Rosebank Centre
11 Bermudiana Road
Pembroke
Bermuda

香港股份過戶登記處

標準證券登記有限公司
香港
灣仔
皇后大道東28號
金鐘匯中心26樓

CORPORATE INFORMATION

SOLICITORS

Lo and Lo
Stephenson Harwood & Lo
Farrand, Cooper & Bruiniers

BANKERS

Standard Chartered Bank
The Hongkong and Shanghai Banking Corporation Limited
Bank of America, N.A.

REGISTERED OFFICE

Clarendon House
Church Street
Hamilton HM 11
Bermuda

PRINCIPAL OFFICE

Wong's Industrial Centre
180A Wai Yip Street
Kwun Tong
Kowloon
Hong Kong

PRINCIPAL REGISTRARS

Butterfield Fund Services (Bermuda) Limited
Rosebank Centre
11 Bermudiana Road
Pembroke
Bermuda

REGISTRARS IN HONG KONG

Standard Registrars Limited
26th Floor, Tesbury Centre
28 Queen's Road East
Wanchai
Hong Kong



股東週年大會通告

茲通告本公司謹訂於二零零七年六月六日(星期三)中午十二時正假座香港九龍梳士巴利道18號香港洲際酒店大禮堂，舉行股東週年大會，藉以處理下列事項：

1. 省覽截至二零零六年十二月三十一日止年度之賬目、董事會報告書及獨立聯席核數師報告書；
2. 宣派末期股息；
3. 重選董事並授權董事會釐定其酬金；
4. 委聘聯席核數師並授權董事會釐定其酬金；
5. 作為特別事項，考慮並酌情通過下列決議案為普通決議案：

「動議無條件全面授權本公司之董事發行、配發及處理本公司股本中之額外股份，以及就此作出或授予售股建議、協議及購股權，惟須受下列各項條件限制：

- (A) 該項授權之有效期間不得超逾有關期間(定義見下文)，惟董事可於有關期間內作出或授予可能須於有關期間結束後才行使該等權力之售股建議、協議及購股權；

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at The Ballroom, InterContinental Hong Kong, 18 Salisbury Road, Kowloon, Hong Kong on Wednesday, 6th June, 2007 at 12:00 noon for the following purposes:

1. To receive and consider the Accounts, the Directors' Report and the Independent Joint Auditors' Report for the year ended 31st December, 2006;
2. To declare a final dividend;
3. To re-elect Directors and to authorise the Board of Directors to fix their remuneration;
4. To appoint Joint Auditors and to authorise the Board of Directors to fix their remuneration;
5. As special business, to consider and, if thought fit, pass the following resolution as an Ordinary Resolution:

"THAT there be granted to the Directors an unconditional general mandate to issue, allot and deal with additional shares in the capital of the Company, and to make or grant offers, agreements and options in respect thereof, subject to the following conditions:

- (A) such mandate shall not extend beyond the Relevant Period (as defined below) save that the Directors may during the Relevant Period make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;

股東週年大會通告

NOTICE OF ANNUAL GENERAL MEETING

(B) 除依照(i)配售新股(定義見下文)，(ii)任何本公司發出之認股權證或其他可轉換本公司普通股份之證券之條款行使其認購或轉換股份之權力，及(iii)任何僱員購股權計劃或其他當時採行之類似安排所授予或發給本公司及／或其任何附屬公司之高級職員及／或僱員股份或認購本公司股份之權力等方式外，本公司之董事所配發或有條件或無條件同意配發之本公司股本面值總額(不論根據購股權或其他方式)，不得超過本決議案獲通過之日之本公司已發行股本面值總額之20%；

(C) 該項授權為授予董事因行使任何認股權證之認購權或行使本公司任何僱員購股權計劃之任何購股權而隨時配發及發行本公司股本中額外股份之授權以外之授權；及

(D) 就本決議案而言：

「有關期間」指由本決議案通過之日起至以下日期(以較早者為準)止之期間：

(i) 本公司下屆股東週年大會結束之日；或

(B) the aggregate nominal amount of share capital of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors otherwise than pursuant to (i) a Rights Issue (as defined below), (ii) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company, or any securities which are convertible into ordinary shares of the Company, and (iii) any employee share option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company, shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this resolution;

(C) such mandate shall be additional to the authority given to the Directors at any time to allot and issue additional shares in the capital of the Company arising from the exercise of subscription rights under any warrants or the exercise of any options under any employee share option scheme of the Company; and

(D) for the purposes of this resolution:

“Relevant Period” means the period from the date of passing of this resolution until whichever is the earlier of:

(i) the conclusion of the next annual general meeting of the Company; or



股東週年大會通告**NOTICE OF ANNUAL GENERAL MEETING**

(ii) 依照本公司之公司細則或百慕達適用之法例規定，本公司下屆股東週年大會須予召開之期限屆滿之日；或

(iii) 本公司股東於股東大會上通過普通決議案撤銷或修訂本決議案之日。

「配售新股」指董事於指定期間內，視情況而定，向於指定記錄日期名列本公司股東名冊及認股權證持有人名冊之股份及／或認股權證持有人，按彼等當時所持該等股份及／或認股權證數目之比例建議發售股份（惟董事認為必須或適宜時可就零碎股份或經考慮在香港或香港以外任何地區適用於本公司之法律之任何限制或責任或任何認可管制機構或任何證券交易所之規定後而取消若干股東在此方面之權利或作出其他安排）。」

承董事會命
陳子華
公司秘書

香港，二零零七年四月三十日

(ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or any applicable law of Bermuda to be held; or

(iii) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the Directors made to holders of the shares and/or warrants on, as the case may be, the Register of Members and the Register of Warrantholders of the Company on a fixed record date in proportion to their then holdings of such shares and/or warrants (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, or in any territory outside, Hong Kong).”

By Order of the Board
Chan Tsze Wah, Gabriel
Company Secretary

Hong Kong, 30th April, 2007

股東週年大會通告

附註：

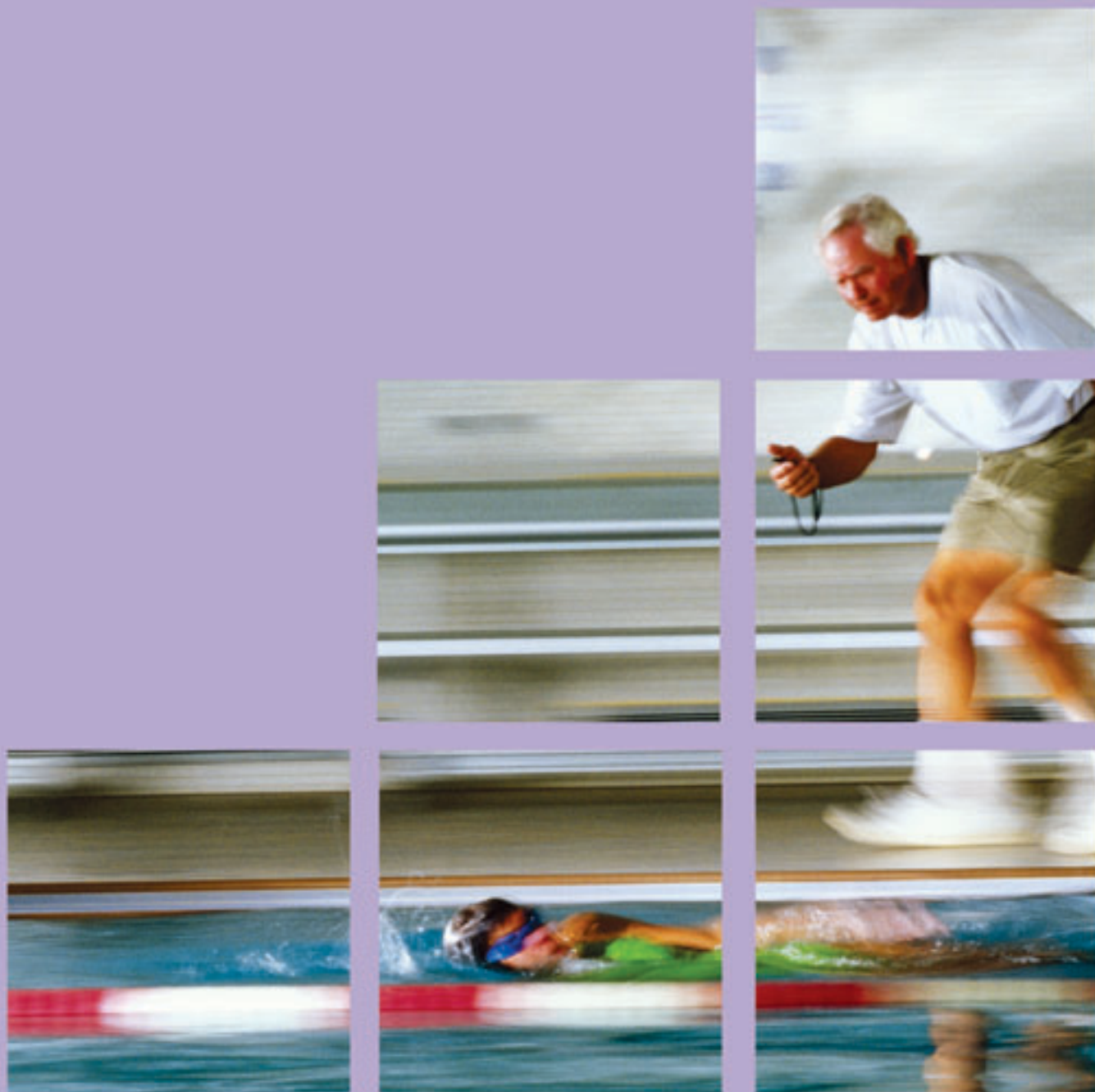
1. 凡有權出席上述大會及於會上投票之股東均有權委任一位或多位代表出席，並於表決時代其投票。受委代表毋須為本公司之股東。
2. 任何股份之聯名登記持有人方面，任何一名該等人士均可親自或委派代表於會上就所持股份投票，猶如彼乃唯一有權投票者，惟倘超過一名該等聯名持有人親自或委派代表出席會議，則只有出席會議而在股東名冊上排名首位之人士方可就有關股份投票。
3. 代表委任表格及已簽署之授權書或其他授權文件（如有）或經公證人簽署證明之授權書或授權文件副本，必須於大會或其任何續會舉行前四十八小時送交香港九龍官塘偉業街180A號王氏工業中心本公司之總辦事處。
4. 本公司將由二零零七年五月三十一日（星期四）至二零零七年六月六日（星期三）止（包括首尾兩天），暫停辦理股份過戶登記手續。如欲獲派上述股息，務須於二零零七年五月三十日（星期三）下午四時前，將所有過戶表格連同有關股票，一併送達香港灣仔皇后大道東28號金鐘匯中心26樓本公司之股份過戶登記處標準證券登記有限公司辦理登記手續。
5. 擬重選連任董事之詳情及股東要求以投票方式表決之程序載於通函內，此通函將連同二零零六年年報寄發予股東。

NOTICE OF ANNUAL GENERAL MEETING

Notes:

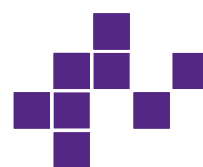
1. Any member entitled to attend and vote at the above meeting is entitled to appoint a proxy or proxies to attend and, on a poll, vote instead of him. A proxy need not be a member of the Company.
2. Where there are joint registered holders of any share, any one of such persons may vote at the meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto but if more than one such joint holders be present at the meeting personally or by proxy, that one of the said persons so present whose name stands first on the Register of Members in respect of such share shall alone be entitled to vote in respect thereof.
3. The form of proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority must be deposited at the principal office of the Company at Wong's Industrial Centre, 180A Wai Yip Street, Kwun Tong, Kowloon, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjourned meeting.
4. The Register of Members will be closed from Thursday, 31st May, 2007 to Wednesday, 6th June, 2007, both days inclusive, during which period no transfer of shares will be effected. To qualify for the above dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's registrars, Standard Registrars Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:00 p.m. on Wednesday, 30th May, 2007.
5. Details of the Directors proposed to be re-elected and the procedures by which members may demand a poll are set out in the Circular, which will be dispatched to the members together with the 2006 Annual Report.





Seek for ahead

力求卓越 時刻向前



主席報告書

股息

於二零零六年，本公司已支付中期股息每股港幣0.02元（二零零五年：無）。董事現建議於二零零七年六月十五日（星期五）派付末期股息每股港幣0.03元（二零零五年：港幣0.02元）予二零零七年六月六日（星期三）名列於股東名冊之股東。

本公司將由二零零七年五月三十一日（星期四）至二零零七年六月六日（星期三）止（包括首尾兩日）暫停辦理股份過戶登記手續。如欲獲派上述股息，務須於二零零七年五月三十日（星期三）下午四時前，將所有過戶表格連同有關股票，一併送達本公司之股份過戶登記處標準證券登記有限公司，地址為香港灣仔皇后大道東28號金鐘匯中心26樓，以辦理登記手續。

業務回顧

本集團於二零零六年之銷售收入及除稅前溢利較二零零五年分別上升34.4%及55.8%，主要由於電子製造服務部門（「EMS部門」）之銷售出現強勁增長所致。

以全年計，EMS部門之銷售收入較二零零五年增加33.8%。該部門位於深圳沙井之廠房之銷售收入增長34.2%，其位於蘇州之廠房之銷售收入亦錄得13.7%增長。兩家廠房在二零零六年之盈利能力均錄得顯著增長，乃因為在某些主要開支方面（如工資成本）得享規模經濟效益。

雖然EMS部門於二零零六年之經營業績增長令人滿意，惟其經營環境依然欠佳。未來數年之工資及其他成本（尤其是在深圳）將持續飆升，而人民幣亦似乎會繼續升值。另外，現時於沙井之廠房已不敷應用。

CHAIRMAN'S STATEMENT

DIVIDENDS

The Company paid an interim dividend of HK\$0.02 per share (2005: Nil) for 2006. The Directors now recommend the payment of a final dividend of HK\$0.03 (2005: HK\$0.02) per share on Friday, 15th June, 2007 to the shareholders on the Register of Members on Wednesday, 6th June, 2007.

The Register of Members will be closed from Thursday, 31st May, 2007 to Wednesday, 6th June, 2007, both days inclusive, during which period no further transfer of shares will be effected. To qualify for the above dividend, all transfers accompanied by the relevant certificates must be lodged with the Company's registrars, Standard Registrars Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:00 p.m. on Wednesday, 30th May, 2007.

REVIEW OF BUSINESS ACTIVITIES

Sales revenue and profit before taxation of the Group for 2006 increased by 34.4% and 55.8%, respectively, compared with 2005. This was primarily because of strong growth in the Electronic Manufacturing Service Division (the "EMS Division").

Sales revenue in the EMS Division increased by 33.8% overall compared with 2005. The sales revenue of its factory in Shajing, Shenzhen grew by 34.2% and the factory in Suzhou also increased in sales revenue of 13.7%. The profitability of the two factories increased significantly for 2006 because of economies of scale being achieved on some major items of expenditures such as payroll costs.

Whilst the results of the EMS Division showed satisfactory growth for 2006, the operating environment remains very unfavourable. It appears that wages and other costs, especially in Shenzhen, will continue to rise rapidly in the next few years and the Renminbi is likely to carry on appreciating in value. There is also insufficient space in the current factory in Shajing.



主席報告書

業務回顧(續)

為因應預計中之經營成本上升，亦為協助改善邊際利潤，EMS部門將竭力加強其預算監控機制，並改善製造工序之生產力及效能，另亦將集中向客戶提供更能提高價值之工程服務。

EMS部門亦正發掘將某些生產移往較低成本地區之可行性。

原設計及市場推廣部門(「ODM部門」)繼續集中開發及推廣擁有SD(保密數碼)槽之流動RFID(無線射頻識別器)讀取器、寫入器及儲存終端。二零零六年間，數以百計樣本及超過100份開發組件已售予系統集成商、開發商及OEM，以供評價及開發應用方案，而ODM部門亦已與多家大公司訂立試行及／或開發協議。部門預期，應用開發一旦完成，將有第三方人士發出大額訂單。利用GPS(全球定位系統)及GSM(環球移動通訊系統)技術(「BOX GPSM」)開發的小型汽車追蹤裝置已延遲至二零零六年最後一季付運。

BOX GPSM之延誤，加上流動RFID終端延遲接獲大額訂單，導致ODM部門在整體上錄得虧損。然而，虧損已較二零零五年明顯減少。

位於半山區之住宅發展項目(「項目」)方面，截至二零零六年十二月三十一日，尚有19所住宅及4所店舖尚未售出。雖然在二零零六年下半年並無售出任何住宅，惟於二零零七年一月有4所住宅以滿意價格售出。董事決定不就有關項目先前於二零零五年底作出之撥備作更多調整。

CHAIRMAN'S STATEMENT

REVIEW OF BUSINESS ACTIVITIES (Continued)

In order to counter these expected increases in operating costs and help improve profit margins, the EMS Division will endeavour to strengthen its budgetary control systems and improve the productivity and efficiency in its manufacturing processes. It will also focus on providing more value-added engineering services to the customers.

The EMS Division is also exploring whether it is feasible to transfer some production to lower cost areas.

The Original Design and Marketing Division (the "ODM Division") continued to focus on the development and marketing of mobile RFID (radio frequency identification) reader, writer and storage terminals with SD (secure digital) slots. During 2006, hundreds of samples and more than 100 development kits were sold to system integrators, developers and OEMs for evaluation and application development, and the ODM Division also entered into trial run and/or development agreements with a number of large companies. The Division expects third parties will place orders in volume once they have completed their application development. The initial shipment of the compact vehicle tracking device using GPS (global positioning system) and GSM (global system for mobile communications) technologies ("BOX GPSM") was delayed to the last quarter of 2006.

The BOX GPSM delay and the delay in receiving volume orders for the mobile RFID terminals contributed to an overall loss for the ODM Division. However, the loss was significantly reduced compared with 2005.

As for the residential development in the Mid-levels (the "Project"), as at 31st December, 2006, 19 apartments and 4 shops remained unsold. Whilst there was no sale of apartments in the second half of 2006, 4 apartments were sold at satisfactory prices in January 2007. The Directors decided not to make any further adjustment on the provision previously made against the Project at the end of 2005.

主席報告書

財務

於二零零六年十二月三十一日，本集團之銀行借貸淨額約港幣219,800,000元（二零零五年：港幣317,000,000元），佔該日之股東權益32.6%（二零零五年：50.4%）。

本集團大部份銷售均以美元進行，成本及開支則主要以美元、港幣、日元及人民幣計算。遠期外匯合約於有需要或實際可行時用以對沖風險。

資本結構

自二零零五年十二月三十一日以來，本集團之資本結構並無變動。

僱員

於二零零六年十二月三十一日，本集團聘用約6,800名僱員，其中約5,300名為生產部工人。除提供年終花紅、醫療及人壽保險外，本集團亦會因應僱員之表現發放酌情花紅。本集團之酬金政策及福利計劃會不時檢討。

本集團亦向其員工提供內部及外間培訓計劃。

CHAIRMAN'S STATEMENT

FINANCE

As at 31st December, 2006, the Group had net bank borrowings of about HK\$219.8 million (2005: HK\$317.0 million), representing 32.6% (2005: 50.4%) of the shareholders' equity at that date.

Most of the Group's sales are conducted in US dollars and costs and expenses are mainly in US dollars, Hong Kong dollars, Japanese Yen and Reminbi. Forward contracts are used to hedge foreign exchange exposures where necessary or practicable.

CAPITAL STRUCTURE

There has been no change in the capital structure of the Group since 31st December, 2005.

EMPLOYEES

As at 31st December, 2006, the Group employed approximately 6,800 employees of whom approximately 5,300 were production workers. In addition to the provision of annual bonuses, medical and life insurances, discretionary bonuses are also available to employees based on individual performance. The remuneration packages and policies are reviewed periodically.

The Group also provides in-house and external training programs to its employees.



主席報告書

前景

根據現有之手頭訂單及預計從客戶獲得之訂單，董事有信心EMS部門於二零零七年將達到溫和之銷售收益增長。即使成本上升及人民幣升值，EMS部門將透過提升效率及生產力，以及實行嚴控成本措施，盡其所能改善盈利能力。

董事亦預期ODM部門於二零零七年之流動資金得以自給自足。

本人謹此代表各董事衷心感謝客戶、供應商及業務夥伴一直對本集團信任及支持。本人亦謹此特別感謝員工之忠誠、勤奮及為本集團提供專業服務。

王忠秣

主席兼行政總裁

香港，二零零七年四月十九日

CHAIRMAN'S STATEMENT

PROSPECTS

Based on the level of orders received and forecasts provided by customers, the Directors expect that the EMS Division will have moderate sales growth in 2007. Notwithstanding rising costs and the appreciation of the Renminbi, the EMS Division will endeavour to improve its margin by enhancing efficiency and productivity and by implementing stringent cost controls.

It is the Directors' target that the ODM Division will achieve break-even in terms of cashflow in 2007.

On behalf of the Directors, I would like to sincerely thank our customers, suppliers and business partners for their continued confidence in and support to the Group. I would also like to pay a special tribute to all of our employees for their loyal, diligent and professional services to the Group.

WONG CHUNG MAT, BEN

Chairman and Chief Executive Officer

Hong Kong, 19th April, 2007

五年財務概要

FIVE-YEAR FINANCIAL SUMMARY

		2006 港幣千元 HK\$'000	2005 港幣千元 HK\$'000	2004 港幣千元 HK\$'000 (重新呈列) (Restated)	2003 港幣千元 HK\$'000	2002 港幣千元 HK\$'000
業績	Results					
營業額	Turnover	3,713,784	2,763,674	2,522,163	2,220,387	1,808,752
經營溢利	Profit from operations	112,152	78,003	40,205	47,975	63,623
融資成本	Finance costs	(26,867)	(21,143)	(9,152)	(10,481)	(10,394)
出售一間附屬公司之收益	Gain on disposal of a subsidiary	—	—	578	—	—
出售聯營公司權益之虧損	Loss on disposal of interests in associates	—	(378)	—	—	(234)
列為可供出售之資產之已確認減值虧損	Impairment loss recognised in respect of asset classified as held for sale	(8,795)	—	—	—	—
應佔聯營公司業績	Share of results of associates	2,526	(1,622)	(1,166)	6,994	3,350
對一間聯營公司已確認減值虧損	Impairment loss recognised in respect of an associate	—	—	(6,264)	—	—
墊支予一間聯營公司貸款撥備之回撥	Write back of allowance for loan advanced to an associate	—	—	10,000	2,589	—
墊支予聯營公司貸款之撥備	Allowance for loans advanced to associates	—	—	—	(14,785)	(12,500)
開發成本資本化已確認減值虧損	Impairment loss recognised in respect of development costs capitalised	(753)	(4,639)	—	—	—
除稅前溢利	Profit before taxation	78,263	50,221	34,201	32,292	43,845
稅項	Taxation	(16,320)	(18,770)	(5,580)	(9,157)	(10,608)
本年度溢利	Profit for the year	61,943	31,451	28,621	23,135	33,237
以下項目應佔： 公司股份持有人	Attributable to: Equity holders of the Company	61,943	31,455	28,672	24,903	33,444
少數股東權益	Minority interests	—	(4)	(51)	(1,768)	(207)
		61,943	31,451	28,621	23,135	33,237
資產及負債	Assets and liabilities					
總資產	Total assets	1,910,546	1,686,979	1,767,873	1,600,950	1,910,246
總負債	Total liabilities	1,235,097	1,057,169	1,163,168	992,949	900,231
少數股東權益	Minority interests	345	345	349	—	192

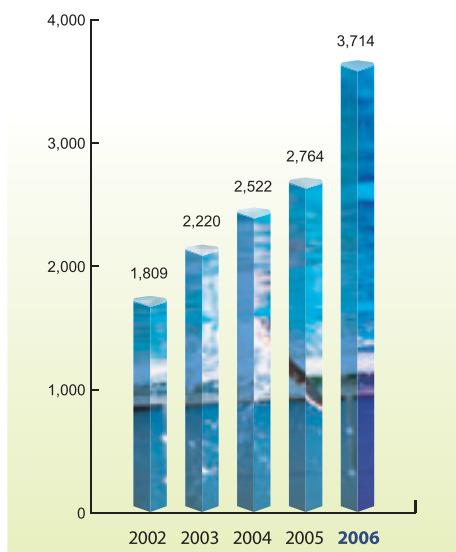


財務摘要

營業額

Turnover

港幣百萬元 HK\$ million

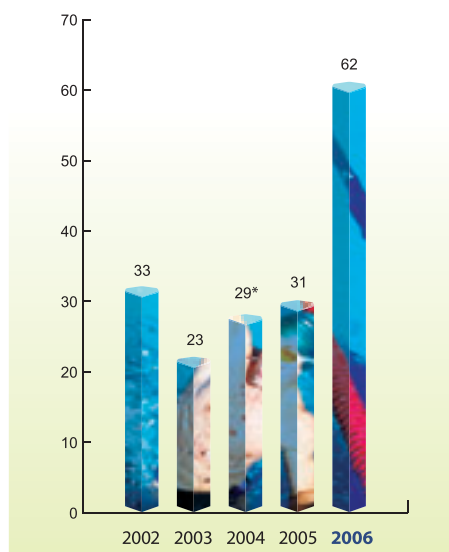


FINANCIAL HIGHLIGHTS

除稅後溢利

Profit after Tax

港幣百萬元 HK\$ million

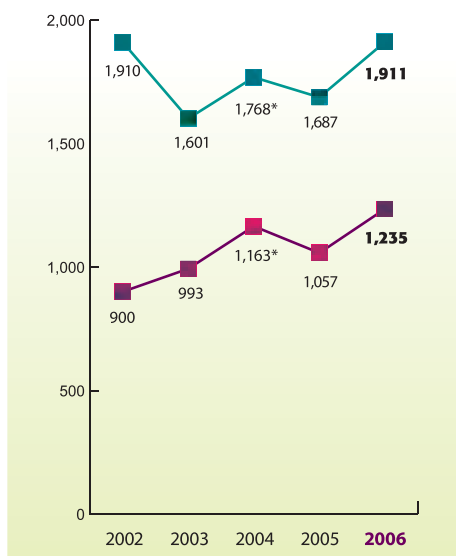


* 重新呈列 Restated

總資產及總負債

Total Assets and Total Liabilities

港幣百萬元 HK\$ million

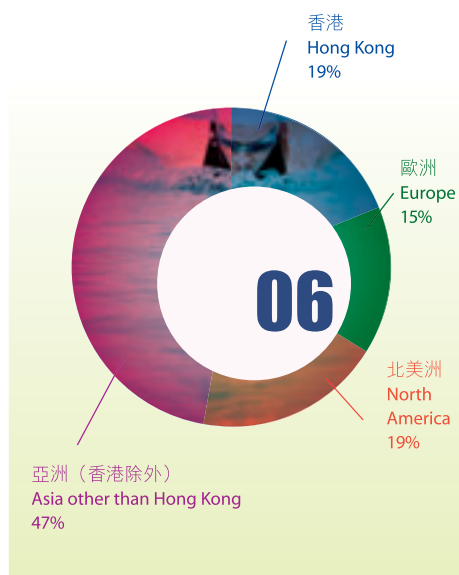


■ 總資產 Total Assets
 ■ 總負債 Total Liabilities

* 重新呈列 Restated

各業務地區之營業額(2006年)

Turnover by Geographical Area (Year 2006)



董事會報告書

董事會同寅現提呈截至二零零六年十二月三十一日止年度之報告及已審核之綜合財務報表，此等綜合財務報表已於本報告日期召開之董事會會議上獲董事會批准。

主要業務

本公司屬控股公司，其附屬公司之主要業務是開發、製造、推廣及分銷電子產品，包括微型電腦、傳訊設備、寬頻通訊產品、互聯網應用器材、無線通訊或網絡設備及其他電子產品。

本集團之營業額及經營溢利主要來自為電子製造服務客戶製造電子產品。

賬目

本集團本年度之溢利與現金流量，以及本集團於二零零六年十二月三十一日結算時之財務狀況刊載於本年報第47頁至116頁內。

分類資料

按主要業務及經營地區詳細分析之本集團營業額及溢利刊載於綜合財務報表附註7。

股息

董事會已宣派中期股息，現擬派發截至二零零六年十二月三十一日止年度之末期股息如下：

DIRECTORS' REPORT

The Directors present their report together with the audited consolidated financial statements for the year ended 31st December, 2006 which were approved by them at the board meeting held on the date of this report.

PRINCIPAL ACTIVITIES

The Company acts as a holding company. The principal activities of its subsidiaries are the development, manufacture, marketing and distribution of electronic products, including micro-computers, telecommunication equipment, broadband communication products, internet appliances, wireless communication or networking equipment and other electronic products.

Substantially all of the turnover and operating profit of the Group are derived from the manufacture of electronic products for electronic manufacturing service customers.

ACCOUNTS

The profit and cash flows of the Group for the year and the state of affairs of the Group as at 31st December, 2006 are set out on pages 47 to 116 of this annual report.

SEGMENTAL INFORMATION

A detailed analysis of the Group's turnover and profit by principal activity and geographical area of operations are set out in note 7 to the consolidated financial statements.

DIVIDENDS

The Directors have declared an interim dividend and now recommend a final dividend in respect of the year ended 31st December, 2006 as follows:

港幣千元
HK\$'000

已派發中期股息，每股為港幣0.02元
擬派末期股息，每股為港幣0.03元

Interim dividend of HK\$0.02 per share paid	9,339
Proposed final dividend of HK\$0.03 per share in issue	14,008
	23,347



董事會報告書

主要客戶及供應商

本集團最大供應商及客戶所佔採購及銷售百分率如下：

		百分率 %
採購額	Purchases	
– 最大供應商	– the largest supplier	7.56
– 五大供應商合併計算	– five largest suppliers combined	16.08
銷售額	Sales	
– 最大客戶	– the largest customer	27.83
– 五大客戶合併計算	– five largest customers combined	64.33

各董事、其聯繫人士或股東(就董事所知擁有本公司股本5%以上)於本年度任何時間均無擁有上述供應商或客戶之權益。

五年財務概要

本集團過去五年之業績、資產及負債撮列於第13頁。

附屬公司及聯營公司詳情

主要附屬公司及聯營公司詳情分別刊載於綜合財務報表附註37及17。

股本

本年度之股本變動情況刊載於綜合財務報表附註30。

儲備

本年度儲備之變動情況刊載於本年報第49頁。

本公司於結算日可供分派予股東之儲備(按百慕達公司法及本公司之細則所規定計算)約為港幣599,170,000元。此外，本公司之股份溢價可以繳足紅股方式派發。

DIRECTORS' REPORT

MAJOR CUSTOMERS AND SUPPLIERS

The percentage of purchases and sales attributable to the Group's largest suppliers and customers are as follows:

		百分率 %
Purchases		
– the largest supplier		7.56
– five largest suppliers combined		16.08
Sales		
– the largest customer		27.83
– five largest customers combined		64.33

No directors, their associates or shareholders (which to the knowledge of the Directors own more than 5% of the Company's share capital) were interested at any time during the year in the above suppliers or customers.

FIVE-YEAR FINANCIAL SUMMARY

The results, assets and liabilities of the Group for the last five years are summarised on page 13.

PARTICULARS OF SUBSIDIARIES AND ASSOCIATES

Particulars of the principal subsidiaries and associates are set out in notes 37 and 17 to the consolidated financial statements respectively.

SHARE CAPITAL

Movements in share capital during the year are set out in note 30 to the consolidated financial statements.

RESERVES

Movements in reserves during the year are set out on page 49 of this Annual Report.

The reserves of the Company available for distribution to the shareholders, as calculated under the Companies Act of Bermuda and the Bye-laws of the Company, as at the balance sheet date amounted to approximately HK\$599,170,000. In addition, the Company's share premium may be distributed in the form of fully-paid bonus shares.

董事會報告書

優先權

本公司之公司細則或百慕達法例並無規定有關發行股份之優先權。

購買、出售或贖回本公司上市證券

於截至二零零六年十二月三十一日止年度內，本公司及其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

物業、廠房及設備

本年度物業、廠房及設備之賬面值變動情況刊載於綜合財務報表附註15。

捐款

本集團於本年度之慈善及其他性質捐款總額為港幣122,000元。

董事

本年度及截至本報告日期之本公司董事為：

執行董事

王忠秣先生 (主席兼行政總裁)
王忠樞先生
陳子華先生
譚靜安先生
溫民強先生
王賢敏小姐

獨立非執行董事

李家祥博士，G.B.S.，O.B.E.，太平紳士
楊孫西博士，S.B.S.，太平紳士
葉天養先生，太平紳士

根據本公司之細則第112條，王忠秣先生、溫民強先生及楊孫西博士 (S.B.S.，太平紳士) 須輪值告退，並合資格及願意膺選連任。

DIRECTORS' REPORT

PRE-EMPTIVE RIGHTS

There are no pre-emptive rights upon the issue of shares which are imposed by the Company's Bye-laws or Bermuda law.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year ended 31st December, 2006, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

PROPERTY, PLANT AND EQUIPMENT

Movements in book values of property, plant and equipment during the year are set out in note 15 to the consolidated financial statements.

DONATIONS

Donations made by the Group for charitable and other purposes during the year amounted to HK\$122,000.

DIRECTORS

The Directors of the Company during the year and up to the date of this report are:

Executive Directors

Mr. Wong Chung Mat, Ben (*Chairman and Chief Executive Officer*)
Mr. Wong Chung Ah, Johnny
Mr. Chan Tsze Wah, Gabriel
Mr. Tan Chang On, Lawrence
Mr. Wan Man Keung
Miss Wong Yin Man, Ada

Independent Non-executive Directors

Dr. Li Ka Cheung, Eric, G.B.S., O.B.E., J.P.
Dr. Yu Sun Say, S.B.S., J.P.
Mr. Alfred Donald Yap, J.P.

In accordance with Bye-law 112 of the Company's Bye-laws, Mr. Wong Chung Mat, Ben, Mr. Wan Man Keung and Dr. Yu Sun Say, S.B.S., J.P. shall retire by rotation and, being eligible, offer themselves for re-election.



董事會報告書

董事及高級管理人員個人資料

執行董事

王忠秣先生，現年55歲，自一九九零年六月出任本公司董事。於二零零三年二月獲委任為本公司主席兼行政總裁。彼於一九七五年加入本集團。王先生現為王氏電子有限公司（「王氏電子」）之董事及總裁，並為本集團其他多間公司之董事。彼亦為王華湘父子有限公司（「王華湘父子」）及 Salop Investment Limited 之董事，兩者皆為本公司之主要股東。彼取得俄亥俄州立大學之營運研究碩士學位，於電子業累積逾32年經驗。彼為高雅國際集團有限公司之獨立非執行董事。王先生是王忠樞先生之弟及王賢敏小姐之父。

王忠樞先生，現年71歲，於一九九零年六月獲委任為本公司董事及主席。於二零零三年二月辭去主席一職，但仍擔任本公司執行董事。彼於一九七六年加入本集團，並為本集團其他多間公司之董事。彼亦為王華湘父子及 Kong King International Limited 之董事，兩者皆為本公司之主要股東。彼於電子業累積逾31年經驗及負責本集團方針及策略之籌劃。彼亦為建業實業有限公司之獨立非執行董事。王先生是王忠秣先生之兄及王賢敏小姐之伯父。

陳子華先生，現年58歲，自一九九零年六月出任本公司董事。彼於一九八五年加入本集團，並為本集團之財務總監。彼亦為本集團其他多間公司之董事。彼為英國特許公認會計師公會之資深會員，取得香港大學之社會科學學士學位。在加入本集團之前，彼曾任職於一間大型國際會計師行約10年。

DIRECTORS' REPORT

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Mr. Wong Chung Mat, Ben, aged 55, has been a Director of the Company since June 1990. In February 2003 he was appointed Chairman and CEO of the Company. He joined the Group in 1975. Mr. Wong is a director and the President of Wong's Electronics Co., Limited ("WEC") and a director of various other companies of the Group. He is also a director of W. S. Wong & Sons Company Limited ("WSW&S") and Salop Investment Limited, both of which are substantial shareholders of the Company. He obtained a Master of Science Degree in Operations Research from Ohio State University and has over 32 years' experience in the electronics industry. He is an Independent Non-executive Director of Elegance International Holdings Limited. Mr. Wong is the brother of Mr. Wong Chung Ah, Johnny and the father of Miss Wong Yin Man, Ada.

Mr. Wong Chung Ah, Johnny, aged 71, was appointed Director and Chairman of the Company in June 1990. In February 2003, he stepped down as Chairman but remained as an Executive Director of the Company. He joined the Group in 1976 and is a director of various other companies of the Group. He is also a director of WSW&S and Kong King International Limited, both of which are substantial shareholders of the Company. He has over 31 years' experience in the electronics industry and is responsible for policy and strategic planning for the Group. He is also an Independent Non-executive Director of Chinney Investments, Limited. Mr. Wong is the brother of Mr. Wong Chung Mat, Ben and the uncle of Miss Wong Yin Man, Ada.

Mr. Chan Tsze Wah, Gabriel, aged 58, has been a Director of the Company since June 1990. He joined the Group in 1985 and is the Group's Financial Controller. He is also a director of various other companies of the Group. He is a fellow member of the Association of Chartered Certified Accountants. He obtained a Bachelor degree in Social Sciences from the University of Hong Kong. Before joining the Group, he had approximately 10 years' experience with a major international firm of accountants.

董事會報告書

董事及高級管理人員個人資料 (續)

執行董事(續)

譚靜安先生，現年57歲，於一九八六年加入本集團及於二零零三年二月獲委任為本公司董事，彼現為Wong's International (USA) Corporation之董事及總裁。彼亦為本集團其他若干公司之董事。彼主要負責將本集團之產品向電子製造服務客戶作海外市場拓展及銷售工作。彼於一九七二年於俄亥俄州大學取得電機工程理學士學位後，再赴Ann Arbor之密芝根大學深造，於一九七四年獲電機工程學碩士學位。畢業後，譚先生在加入本集團前，曾於美國一家大型公司任職約12年。

溫民強先生，現年55歲，於一九八八年一月首次加入本集團。離開本集團約14個月後，彼於一九九三年六月再次加入本集團。於二零零四年一月獲委任為本公司董事。現亦為王氏電子之董事及執行副總裁。彼亦為本集團其他若干公司之董事。彼持有香港大學之機械工程學士學位，於電子製造業累積逾31年經驗。溫先生全盤負責王氏電子之若干客戶。彼管理電子製造服務部門之新銷售及推廣部，並負責開拓新客戶。

王賢敏小姐，現年29歲，於二零零二年加入本集團及於二零零五年十月獲委任為本公司董事，彼負責間接物料之採購及外判部門。彼更負責管理王氏電子之管理資訊系統。彼取得南加州大學工業工程學士學位及工程管理理學碩士學位。王小姐為王忠秣先生之女兒及為王忠楹先生之侄女。

DIRECTORS' REPORT

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (Continued)

Executive Directors (Continued)

Mr. Tan Chang On, Lawrence, aged 57, joined the Group in 1986 and in February 2003 he was appointed Director of the Company. He is a director and the President of Wong's International (USA) Corporation. He is also a director of certain other companies of the Group. He is mainly responsible for the Group's overseas marketing and sales of products to electronic manufacturing service customers. He graduated from Ohio University with a BSEE in 1972 and then went to University of Michigan at Ann Arbor and got his MSEE in 1974. After graduation, he joined a major corporation in the United States for about 12 years before joining the Group.

Mr. Wan Man Keung, aged 55, first joined the Group in January 1988. After leaving the Group for about 14 months, he rejoined the Group in June 1993. In January 2004 he was appointed Director of the Company. He is a director and the Executive Vice President of WEC. He is also a director of certain other companies of the Group. He obtained a Bachelor degree in Mechanical Engineering from the University of Hong Kong and has over 31 years' experience in the electronics manufacturing industry. Mr. Wan has the overall responsibility for serving a portfolio of customers at WEC. He oversees the Electronic Manufacturing Service Division's New Sales and Marketing Department and is responsible for the development of new customers.

Miss Wong Yin Man, Ada, aged 29, joined the Group in 2002 and was appointed Director of the Company in October 2005. She is responsible for the Purchasing of Indirect Material and Outsourcing departments. She is also responsible for managing the Management Information System of WEC. She obtained a Bachelor degree in Industrial Engineering and a Master of Science in Engineering Management from University of Southern California. Miss Wong is the daughter of Mr. Wong Chung Mat, Ben and a niece of Mr. Wong Chung Ah, Johnny.



董事會報告書

董事及高級管理人員個人資料 (續)

獨立非執行董事

李家祥博士，現年53歲，GBS，OBE，太平紳士，LLD，DSocSc，B.A.，FCPA (Practising)，FCA，FCPA (Aust.)，FCIS，FAIA (Hon)，CGA (Hon)，Hon. HKAT，RFP (Hon)，自一九九九年四月加入本公司為獨立非執行董事。李博士為李湯陳會計師事務所首席會計師，執業會計師，並為數碼通電訊集團有限公司、載通國際控股有限公司、中國航空技術國際控股有限公司、恒生銀行有限公司、華潤創業有限公司、路訊通控股有限公司、中化化肥控股有限公司、美維控股有限公司及交通銀行股份有限公司之獨立非執行董事。彼為新鴻基地產發展有限公司之非執行董事。李博士現擔任中國人民政治協商會議第十屆全國委員會委員。彼為香港立法會前任議員、立法會政府帳目委員會前任主席，亦為香港會計師公會前會長。

楊孫西博士，S.B.S.，太平紳士，現年68歲，於一九九九年十月加入本公司為獨立非執行董事。彼為香江國際集團主席，亦為多間製造及投資公司之董事。彼為中聯石油化工國際有限公司之獨立非執行董事。彼曾任香港特別行政區籌備委員會委員及香港事務顧問。現任全國政協常委、香港中華總商會常務會董及香港中華廠商聯合會永遠名譽會長。

葉天養先生，太平紳士，現年68歲，於二零零四年九月加入本公司為獨立非執行董事。彼目前於何君柱、方燕翔律師樓擔任顧問一職。葉先生為香港律師會及亞太法律協會前任主席。彼亦曾擔任香港事務顧問。葉先生曾任職多間公共及社區機構，目前擔任城市規劃委員會會員。彼目前為豐德麗控股有限公司、紅發集團有限公司及鴻興印刷集團有限公司之獨立非執行董事。

DIRECTORS' REPORT

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (Continued)

Independent Non-executive Directors

Dr. Li Ka Cheung, Eric, aged 53, GBS, OBE, JP, LLD, DSocSc, B.A., FCPA (Practising), FCA, FCPA (Aust.), FCIS, FAIA (Hon), CGA (Hon), Hon. HKAT, RFP (Hon), joined the Company as an Independent Non-executive Director in April 1999. Dr. Li is the senior partner of Li, Tang, Chen & Co., Certified Public Accountants and an Independent Non-executive Director of SmarTone Telecommunications Holdings Limited, Transport International Holdings Limited, CATIC International Holdings Limited, Hang Seng Bank Limited, China Resources Enterprise, Limited, Roadshow Holdings Limited, Sinofert Holdings Limited, Meadville Holdings Limited and Bank of Communications Co., Ltd. He is a Non-executive Director of Sun Hung Kai Properties Limited. Dr. Li is presently a member of The 10th National Committee of the Chinese People's Political Consultative Conference. He is a former member of the Legislative Council of Hong Kong, former chairman of its Public Accounts Committee and a past president of the Hong Kong Institute of Certified Public Accountants (formerly Hong Kong Society of Accountants).

Dr. Yu Sun Say, S.B.S., J.P., aged 68, joined the Company as an Independent Non-executive Director in October 1999. He is the Managing Director of the H.K.I. Group of Companies and a director of a number of manufacturing and investment companies. He is an Independent Non-executive Director of Sino Union Petroleum & Chemical International Limited. He served as a member of the Preparatory Committee for the Hong Kong Special Administrative Region and as a Hong Kong Affairs Adviser. He is currently a member of the Standing Committee of the Chinese People's Political Consultative Conference, a member of the Standing Committee of the Chinese General Chamber of Commerce and Permanent Honorary President of the Chinese Manufacturers' Association of Hong Kong.

Mr. Alfred Donald Yap, J.P., aged 68, joined the Company as an Independent Non-executive Director in September 2004. He is presently a consultant at K.C. Ho & Fong, Solicitors and Notaries. Mr. Yap is a former president of The Law Society of Hong Kong and The Law Association for Asia and the Pacific (LAWASIA). He is also a former Hong Kong Affairs Adviser. Mr. Yap has served on various public and community organizations and is presently a member of the Town Planning Board. He is currently an Independent Non-executive Director of eSun Holdings Limited, RBI Holdings Limited, and Hung Hing Printing Group Limited.

董事會報告書

董事及高級管理人員個人資料 (續)

高級管理階層

麥競敏先生，現年55歲，於一九八零年加入本集團及於一九九二年離職，於二零零五年八月再次加入本集團，擔任王氏電子之技術總監，帶領研發部門。彼之職責範圍於二零零五年十月擴大至包括管理並行工程部門。於二零零七年三月，彼獲委任為工程、營運及品質保證部門之執行副總裁。於一九八零年加入本集團前，彼曾任職於一間大型美國半導體公司。麥先生取得美國溫德標大學之電機工程學士學位(高等榮譽)，及美國加州大學柏克萊分校之電機工程理學碩士學位及電腦科學工程碩士學位。

韓克勤先生，現年56歲，於一九八二年加入本集團，現為王氏電子之董事及高級副總裁。彼亦為本集團其他若干公司之董事。彼為英國特許銀行學會會士(ACIB)，並持有澳門東亞大學之工商管理碩士學位及香港中文大學商業經濟理學碩士學位。韓先生全盤負責王氏電子之若干客戶。

周冰玲女士，現年60歲，於一九九五年加入本集團，現為王氏電子之董事及高級副總裁。彼亦為本集團其他若干公司之董事。彼取得香港浸會學院之土木工程文憑、香港理工學院之生產工程高級文憑及澳門東亞大學之工商管理碩士學位。彼於電子製造業累積逾30年經驗，現負責管理王氏電子環球供應管理部門之採購隊伍。

畠山純忠先生，現年64歲，於二零零二年加入本集團，擔任Wong's International Japan, Inc.之總裁。加入本集團之前，彼在日本一間大型電子公司工作約35年，負責海外業務，包括銷售及市場推廣之工作。彼畢業於東京大學(法律系)。

DIRECTORS' REPORT

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (Continued)

Senior Management

Mr. Mak King Mun, Philip, aged 55, joined the Group in 1980, left in 1992, and rejoined the Group in August 2005 as the Chief Technical Officer of WEC to head up the R&D Department. His job responsibility expanded in October 2005 to include managing the Concurrent Engineering Department. In March 2007, he was appointed Executive Vice President of Engineering, Operations, and Quality Assurance. Before joining the Group in 1980, he worked for a major American semiconductor company. Mr. Mak obtained a Bachelor's degree (High Honour) in Electrical Engineering from Vanderbilt University, U.S.A., as well as a Master of Science degree in Electrical Engineering and a Master of Engineering degree in Computer Science from the University of California, Berkeley, U.S.A.

Mr. Hon Hak Kan, Lawrence, aged 56, joined the Group in 1982 and is a director and the Senior Vice President of WEC. He is also a director of certain other companies of the Group. He is an Associate of the Chartered Institute of Bankers (ACIB). He holds a Master degree in Business Administration from the University of East-Asia, Macau and a Master of Science degree in Business Economics from The Chinese University of Hong Kong. Mr. Hon has the overall responsibility for serving a portfolio of customers at WEC.

Ms. Chow Bing Ling, aged 60, joined the Group in 1995 and is a director and the Senior Vice President of WEC. She is also a director of certain other companies of the Group. She obtained a Civil Engineering diploma from the Hong Kong Baptist College, a Production Engineering higher diploma from the Hong Kong Polytechnic and a Master degree in Business Administration from the University of East-Asia, Macau. She has over 30 years' experience in the electronics manufacturing industry and is now responsible for managing the purchasing team of Global Supply Management Department of WEC.

Mr. Sumitada Hatakeyama, aged 64, joined the Group in 2002 as the President of Wong's International Japan, Inc.. Before joining the Group, he worked for a major electronics corporation in Japan for about 35 years where he was involved in overseas operations including sales and marketing. He graduated from the University of Tokyo (faculty of law).



董事會報告書

董事及高級管理人員個人資料 (續)

高級管理階層(續)

Elaine Tang Lee女士，現年53歲，由一九九二年至一九九四年及二零零二年至二零零四年期間服務本集團，並於二零零五年再次加入本集團。彼曾為WISRS (Malaysia) Sdn. Bhd. 及 Welco Technologies Mexico, S.A. de C.V.之總經理。彼現為華高科技(蘇州)有限公司之高級副總裁，負責管理生產設施。彼畢業於加州San Jose State University，取得會計理學學士學位。彼曾出任美國、歐洲及亞洲企業之高級管理職位。

董事及主要行政人員之權益

於二零零六年十二月三十一日，本公司董事及主要行政人員於本公司或其任何相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之股份、相關股份及債券中擁有須記錄於證券及期貨條例第352條規定置存之記錄冊內之權益或淡倉，或須根據上市公司董事進行證券交易的標準守則(「標準守則」)知會本公司及香港聯合交易所有限公司(「聯交所」)之權益或淡倉如下：

DIRECTORS' REPORT

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (Continued)

Senior Management (Continued)

Ms. Elaine Tang Lee, aged 53, was in service with the Group between 1992 to 1994 and 2002 to 2004 and last rejoined the Group in 2005. She was formerly a General Manager of WISRS (Malaysia) Sdn. Bhd. and Welco Technologies Mexico, S.A. de C.V. She is now the Senior Vice President of Welco Technology (Suzhou) Limited and is responsible for management of the manufacturing facility. She graduated from San Jose State University in California with a Bachelor of Science in Accounting. She has held senior management positions in corporations in the United States, Europe and Asia.

INTERESTS OF DIRECTORS AND CHIEF EXECUTIVES

As at 31st December, 2006, the interests or short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), were as follows:

董事會報告書

DIRECTORS' REPORT

董事及主要行政人員之權益(續)

INTERESTS OF DIRECTORS AND CHIEF EXECUTIVES
(Continued)

於本公司股份之好倉

Long positions in shares of the Company

執行董事姓名 Name of Executive Directors	身份 Capacity	普通股數目 Number of ordinary shares	權益百分比 Percentage interests
王忠秣 Wong Chung Mat, Ben	實益擁有人及全權信託之 創辦人(附註1) Beneficial owner and founder of discretionary trust (Note 1)	75,810,699	16.24%
王忠樞 Wong Chung Ah, Johnny	實益擁有人、子女或配偶權益 及全權信託之創辦人(附註2) Beneficial owner, interest of child or spouse and founder of discretionary trust (Note 2)	40,693,487	8.72%
陳子華 Chan Tsze Wah, Gabriel	實益擁有人 Beneficial owner	1,237,500	0.27%
譚靜安 Tan Chang On, Lawrence	實益擁有人 Beneficial owner	10,000	0.00%
王賢敏 Wong Yin Man, Ada	全權信託之受益人(附註3) Beneficiary of a trust (Note 3)	74,810,699	16.02%

附註：

Notes:

1. 王忠秣先生被視為(根據證券及期貨條例)於本公司75,810,699股股份中持有權益。該等股份透過以下身份持有：

(a) 1,000,000股股份由王忠秣先生個人持有。

(b) 74,810,699股股份由Salop Investment Limited(該公司由Batsford Limited全資擁有)根據一項全權信託持有。根據證券及期貨條例，王忠秣先生被視為該信託之創辦人，而王賢敏小姐被視為其中一名受益人。在此提述被視為由王忠秣先生(於本段披露)、Salop Investment Limited(於「主要股東之權益」一節披露)、王賢敏小姐(於下文附註3披露)及Batsford Limited(於「主要股東之權益」一節附註4(a)披露)持有權益之74,810,699股股份乃屬於同一批股份。

1. Mr. Wong Chung Mat, Ben was deemed (by virtue of the SFO) to be interested in 75,810,699 shares in the Company. These shares were held in the following capacity:

(a) 1,000,000 shares were held by Mr. Wong Chung Mat, Ben personally.

(b) 74,810,699 shares were held by Salop Investment Limited (which was in turn wholly owned by Batsford Limited) under a discretionary trust, of which Mr. Wong Chung Mat, Ben was regarded as the founder and Miss Wong Yin Man, Ada was regarded as one of the beneficiaries (by virtue of the SFO). The references to 74,810,699 shares deemed to be interested by Mr. Wong Chung Mat, Ben (as disclosed herein), Salop Investment Limited (as disclosed in the section headed "Interests of substantial shareholders"), Miss Wong Yin Man, Ada (as disclosed in Note 3 below) and Batsford Limited (as disclosed in Note 4(a) under the section headed "Interests of substantial shareholders") relate to the same block of shares.



董事會報告書

董事及主要行政人員之權益(續)

於本公司股份之好倉(續)

附註：(續)

2. 王忠樞先生被視為(根據證券及期貨條例)於本公司40,693,487股股份中持有權益。該等股份透過以下身份持有：
 - (a) 1,000,000股股份由王忠樞先生個人持有。
 - (b) 1,235,000股股份由王忠樞先生之妻子陸潔貞女士持有。
 - (c) 38,458,487股股份由Kong King International Limited根據一項全權信託持有。根據證券及期貨條例，王忠樞先生被視為該信託之創辦人。Kong King International Limited由Mountainview International Limited全資擁有，而該公司則由HSBC Trustee (Cook Islands) Limited全資擁有。HSBC Trustee (Cook Islands) Limited過往一向／有責任根據HSBC International Trustee Limited之指示或指引行事。在此提述被視為由王忠樞先生(於本段披露)、Kong King International Limited、Mountainview International Limited及HSBC Trustee (Cook Islands) Limited(於「主要股東之權益」一節披露)，及HSBC International Trustee Limited(於「主要股東之權益」一節附註3(b)披露)持有權益之38,458,487股股份乃屬於同一批股份。
3. 王賢敏小姐被視為(根據證券及期貨條例)於本公司74,810,699股股份中持有權益，該等股份由Salop Investment Limited(該公司由Batsford Limited全資擁有)根據一項全權信託持有。根據證券及期貨條例，王賢敏小姐被視為該信託其中一名受益人，而王忠秣先生被視為創辦人(請參閱上文附註1(b))。

DIRECTORS' REPORT

INTERESTS OF DIRECTORS AND CHIEF EXECUTIVES (Continued)

Long positions in shares of the Company (Continued)

Notes: (Continued)

2. Mr. Wong Chung Ah, Johnny was deemed (by virtue of the SFO) to be interested in 40,693,487 shares in the Company. These shares were held in the following capacity:
 - (a) 1,000,000 shares were held by Mr. Wong Chung Ah, Johnny personally.
 - (b) 1,235,000 shares were held by Ms. Luk Kit Ching, wife of Mr. Wong Chung Ah, Johnny.
 - (c) 38,458,487 shares were held by Kong King International Limited under a discretionary trust, of which Mr. Wong Chung Ah, Johnny was regarded as the founder (by virtue of the SFO). Kong King International Limited was wholly owned by Mountainview International Limited, which was wholly owned by HSBC Trustee (Cook Islands) Limited. HSBC Trustee (Cook Islands) Limited was accustomed/obliged to act in accordance with the directions or instructions of HSBC International Trustee Limited. The references to 38,458,487 shares deemed to be interested by Mr. Wong Chung Ah, Johnny (as disclosed herein), Kong King International Limited, Mountainview International Limited and HSBC Trustee (Cook Islands) Limited (as disclosed in the section headed "Interests of substantial shareholders"), and HSBC International Trustee Limited (as disclosed in Note 3(b) under the section headed "Interests of substantial shareholders") relate to the same block of shares.
3. Miss Wong Yin Man, Ada was deemed (by virtue of the SFO) to be interested in 74,810,699 shares in the Company, which were held by Salop Investment Limited (which was in turn wholly owned by Batsford Limited) under a discretionary trust, of which Miss Wong Yin Man, Ada was regarded as one of the beneficiaries and Mr. Wong Chung Mat, Ben was regarded as the founder (by virtue of the SFO). Please see Note 1(b) above.

董事會報告書

DIRECTORS' REPORT

董事及主要行政人員之權益(續)

INTERESTS OF DIRECTORS AND CHIEF EXECUTIVES
(Continued)

於本公司相聯法團股份之好倉

Long positions in shares of associated corporations of the
Company

執行董事姓名 Name of Executive Director	相聯法團 Associated corporation	身份 Capacity	普通股數目 Number of ordinary shares	權益百分比 Percentage interests
王忠樞 Wong Chung Ah, Johnny	王氏地產發展有限公司 Wong's Properties Limited	受控制法團之權益(附註) Interest of controlled corporations (Note)	2	50%

附註：王忠樞先生被視為(根據證券及期貨條例)於王氏地產發展有限公司之2股股份中持有權益。該等股份由鵬海投資有限公司持有。鵬海投資有限公司由Glorious Glow Limited擁有50%權益，而Glorious Glow Limited則由王忠樞先生全資擁有。

Note: Mr. Wong Chung Ah, Johnny was deemed (by virtue of the SFO) to be interested in 2 shares in Wong's Properties Limited. These shares were held by Blessea Investment Limited, which was 50% owned by Glorious Glow Limited, which in turn was wholly owned by Mr. Wong Chung Ah, Johnny.

若干董事以信託方式，代表本公司或本公司其他附屬公司持有本公司若干附屬公司之合資格股份。

Certain Directors held qualifying shares in certain subsidiaries of the Company on trust for the Company or other subsidiaries of the Company.

除本報告披露者外，於二零零六年十二月三十一日，本公司董事或主要行政人員或彼等各自之聯繫人士概無於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份或債券中擁有須記錄於證券及期貨條例第352條規定置存之記錄冊內之權益或淡倉，或須根據標準守則知會本公司及聯交所之權益或淡倉。

Save as disclosed herein, as at 31st December, 2006, none of the Directors or chief executives of the Company or their respective associates had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.



董事會報告書

DIRECTORS' REPORT

主要股東之權益

據任何本公司董事或主要行政人員所知，於二零零六年十二月三十一日，下列人士（本公司董事或主要行政人員除外）於本公司股份或相關股份中擁有須記錄於證券及期貨條例第336條規定置存之記錄冊內之權益或淡倉如下：

INTERESTS OF SUBSTANTIAL SHAREHOLDERS

So far as is known to any Director or chief executive of the Company, as at 31st December, 2006, persons (other than a Director or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO were as follows:

於本公司股份之好倉

Long positions in shares of the Company

主要股東名稱 Name of substantial shareholders	身份 Capacity	普通股數目 Number of ordinary shares	權益百分比 Percentage interests
王華湘父子有限公司 W. S. Wong & Sons Company Limited	實益擁有人 (附註1) Beneficial owner (Note 1)	195,338,803	41.84%
Salop Investment Limited	實益擁有人 (附註2) Beneficial owner (Note 2)	74,810,699	16.02%
HSBC International Trustee Limited	受控制法團之權益及信託人 (附註3) Interest of controlled corporations and trustee (Note 3)	274,754,836	58.84%
Batsford Limited	信託人 (附註4) Trustee (Note 4)	270,949,502	58.03%
其他人士名稱 Name of other persons	身份 Capacity	普通股數目 Number of ordinary shares	權益百分比 Percentage interests
Kong King International Limited	實益擁有人 (附註5) Beneficial owner (Note 5)	38,458,487	8.24%
Mountainview International Limited	信託人 (附註5) Trustee (Note 5)	38,458,487	8.24%
HSBC Trustee (Cook Islands) Limited	信託人 (附註5) Trustee (Note 5)	38,458,487	8.24%
王忠挺 Wong Chung Yin, Michael	全權信託之創辦人 (附註6) Founder of discretionary trust (Note 6)	29,683,960	6.36%

董事會報告書

DIRECTORS' REPORT

主要股東之權益 (續)

INTERESTS OF SUBSTANTIAL SHAREHOLDERS
(Continued)

於本公司股份之好倉 (續)

Long positions in shares of the Company (Continued)

附註：

Notes:

1. 王華湘父子有限公司為一間由王氏家族控制之公司，並於本公司195,338,803股股份中持有權益。

Levy Investment Limited及Salop Investment Limited各自擁有王華湘父子有限公司之19%權益，而該兩間公司則由Batsford Limited全資擁有。因此，根據證券及期貨條例，王華湘父子有限公司被視為Batsford Limited之受控制法團。在此提述由王華湘父子有限公司（於本段披露）及被視為由Batsford Limited（於下文附註4(c)披露）持有權益之195,338,803股股份乃屬於同一批股份。

Kong King International Limited擁有王華湘父子有限公司之19%權益。Floral Inc. 及Sycamore Assets Limited各自擁有王華湘父子有限公司之10%權益。Kong King International Limited過往一向／有責任根據HSBC International Trustee Limited之指示或指引行事。Sycamore Assets Limited及Floral Inc.由HSBC International Trustee Limited全資擁有。因此根據證券及期貨條例，王華湘父子有限公司被視為HSBC International Trustee Limited之受控制法團。根據證券及期貨條例，就王華湘父子有限公司持有之195,338,803股股份而言，HSBC International Trustee Limited亦為多項全權信託之信託人。在此提述由王華湘父子有限公司（於本段披露）及被視為由HSBC International Trustee Limited（於下文附註3(e)披露）持有之195,338,803股股份乃屬於同一批股份。

1. W. S. Wong & Sons Company Limited was a company controlled by the Wong family and was interested in 195,338,803 shares in the Company.

Each of Levy Investment Limited and Salop Investment Limited owned 19% of W. S. Wong & Sons Company Limited, and was in turn wholly owned by Batsford Limited. Accordingly, W. S. Wong & Sons Company Limited was regarded as a controlled corporation of Batsford Limited (by virtue of the SFO). The references to 195,338,803 shares interested by W. S. Wong & Sons Company Limited (as disclosed herein) and deemed to be interested by Batsford Limited (as disclosed in Note 4(c) below) relate to the same block of shares.

Kong King International Limited owned 19% of W. S. Wong & Sons Company Limited. Each of Floral Inc. and Sycamore Assets Limited owned 10% of W. S. Wong & Sons Company Limited. Kong King International Limited was accustomed/obliged to act in accordance with the directions or instructions of HSBC International Trustee Limited. Sycamore Assets Limited and Floral Inc. were wholly owned by HSBC International Trustee Limited. Accordingly, W. S. Wong & Sons Company Limited was regarded as a controlled corporation of HSBC International Trustee Limited (by virtue of the SFO). HSBC International Trustee Limited was also the trustee of various discretionary trusts (by virtue of the SFO) in relation to the 195,338,803 shares interested by W. S. Wong & Sons Company Limited. The references to 195,338,803 shares interested by W. S. Wong & Sons Company Limited (as disclosed herein) and deemed to be interested by HSBC International Trustee Limited (as disclosed in Note 3(e) below) relate to the same block of shares.



董事會報告書

主要股東之權益(續)

於本公司股份之好倉(續)

附註：(續)

2. 請參閱「董事及主要行政人員之權益」一節附註1(b)。
3. HSBC International Trustee Limited被視為(根據證券及期貨條例)於本公司274,754,836股股份中持有權益。該等股份透過以下身份持有：
 - (a) 17,584,960股股份由Levy Pacific Limited(該公司由HSBC International Trustee Limited全資擁有)根據一項全權信託持有。根據證券及期貨條例，王忠樞先生被視為該信託之創辦人。根據證券及期貨條例，HSBC International Trustee Limited為信託人。在此提述被視為由HSBC International Trustee Limited(於本段披露)及王忠樞先生(於下文附註6(b)披露)持有權益之17,584,960股股份乃屬於同一批股份。
 - (b) 38,458,487股股份由Kong King International Limited根據一項全權信託持有。根據證券及期貨條例，王忠樞先生被視為該信託之創辦人。Kong King International Limited由Mountainview International Limited全資擁有，而該公司則由HSBC Trustee (Cook Islands) Limited全資擁有。HSBC Trustee (Cook Islands) Limited過往一向／有責任根據HSBC International Trustee Limited之指示或指引行事。請參閱「董事及主要行政人員之權益」一節附註2(c)。
 - (c) 11,357,150股股份由Floral Inc.(該公司由HSBC International Trustee Limited全資擁有)根據一項全權信託持有。根據證券及期貨條例，HSBC International Trustee Limited為該信託之信託人。

DIRECTORS' REPORT

INTERESTS OF SUBSTANTIAL SHAREHOLDERS
(Continued)

Long positions in shares of the Company (Continued)

Notes: (Continued)

2. Please see Note 1(b) under the section headed "Interests of Directors and chief executives".
3. HSBC International Trustee Limited was deemed (by virtue of the SFO) to be interested in 274,754,836 shares in the Company. These shares were held in the following capacity:
 - (a) 17,584,960 shares were held by Levy Pacific Limited (which was wholly owned by HSBC International Trustee Limited) under a discretionary trust, of which Mr. Wong Chung Yin, Michael was regarded as the founder (by virtue of the SFO) and HSBC International Trustee Limited was the trustee (by virtue of the SFO). The references to 17,584,960 shares deemed to be interested by HSBC International Trustee Limited (as disclosed herein) and Mr. Wong Chung Yin, Michael (as disclosed in Note 6(b) below) relate to the same block of shares.
 - (b) 38,458,487 shares were held by Kong King International Limited under a discretionary trust, of which Mr. Wong Chung Ah, Johnny was regarded as the founder (by virtue of the SFO). Kong King International Limited was wholly owned by Mountainview International Limited, which was wholly owned by HSBC Trustee (Cook Islands) Limited. HSBC Trustee (Cook Islands) Limited was accustomed/obliged to act in accordance with the directions or instructions of HSBC International Trustee Limited. Please see Note 2(c) under the section headed "Interests of Directors and chief executives".
 - (c) 11,357,150 shares were held by Floral Inc. (which was wholly owned by HSBC International Trustee Limited) under a discretionary trust of which HSBC International Trustee Limited was the trustee (by virtue of the SFO).

董事會報告書

DIRECTORS' REPORT

主要股東之權益 (續)

INTERESTS OF SUBSTANTIAL SHAREHOLDERS
(Continued)

於本公司股份之好倉 (續)

Long positions in shares of the Company (Continued)

附註：(續)

Notes: (Continued)

- (d) 12,015,436股股份由Sycamore Assets Limited (該公司由HSBC International Trustee Limited全資擁有) 根據一項全權信託持有。根據證券及期貨條例，HSBC International Trustee Limited為該信託之信託人。
- (e) 195,338,803股股份由王華湘父子有限公司持有權益。根據證券及期貨條例，該公司被視為HSBC International Trustee Limited之受控制法團。根據證券及期貨條例，就王華湘父子有限公司持有之195,338,803股股份而言，HSBC International Trustee Limited亦為多項全權信託之信託人。請參閱上文附註1。
4. Batsford Limited被視為(根據證券及期貨條例) 於本公司270,949,502股股份中持有權益。該等股份透過以下身份持有：
- (a) 74,810,699股股份由Salop Investment Limited (該公司由Batsford Limited全資擁有) 根據一項全權信託持有。根據證券及期貨條例，王忠秣先生被視為該信託之創辦人，而王賢敏小姐被視為其中一名受益人。請參閱「董事及主要行政人員之權益」一節附註1(b)。
- (b) 800,000股股份由Levy Investment Limited (該公司由Batsford Limited全資擁有) 根據一項全權信託持有。根據證券及期貨條例，王忠樁先生被視為該信託之創辦人。在此提述被視為由Batsford Limited (於本段披露) 及王忠樁先生 (於下文附註6(a)披露) 持有權益之800,000股股份乃屬於同一批股份。

- (d) 12,015,436 shares were held by Sycamore Assets Limited (which was wholly owned by HSBC International Trustee Limited) under a discretionary trust of which HSBC International Trustee Limited was the trustee (by virtue of the SFO).
- (e) 195,338,803 shares were interested by W. S. Wong & Sons Company Limited, which was regarded as a controlled corporation of HSBC International Trustee Limited (by virtue of the SFO). HSBC International Trustee Limited was also the trustee of various discretionary trusts (by virtue of the SFO) in relation to the 195,338,803 shares interested by W.S. Wong & Sons Company Limited. Please see Note 1 above.
4. Batsford Limited was deemed (by virtue of the SFO) to be interested in 270,949,502 shares in the Company. These shares were held in the following capacity:
- (a) 74,810,699 shares were held by Salop Investment Limited (which was in turn wholly owned by Batsford Limited) under a discretionary trust, of which Mr. Wong Chung Mat, Ben was regarded as the founder and Miss Wong Yin Man, Ada was regarded as one of the beneficiaries (by virtue of the SFO). Please see Note 1(b) under the section headed "Interests of Directors and chief executives".
- (b) 800,000 shares were held by Levy Investment Limited (which was in turn wholly owned by Batsford Limited) under a discretionary trust, of which Mr. Wong Chung Yin, Michael was regarded as the founder (by virtue of the SFO). The references to 800,000 shares deemed to be interested by Batsford Limited (as disclosed herein) and Mr. Wong Chung Yin, Michael (as disclosed in Note 6(a) below) relate to the same block of shares.



董事會報告書

主要股東之權益(續)

於本公司股份之好倉(續)

附註：(續)

- (c) 195,338,803股股份由王華湘父子有限公司持有權益。根據證券及期貨條例，該公司被視為Batsford Limited之受控制法團。請參閱上文附註1。
5. 請參閱「董事及主要行政人員之權益」一節附註2(c)。
6. 王忠樁先生被視為(根據證券及期貨條例)於本公司29,683,960股股份中持有權益。該等股份透過以下身份持有：
- (a) 800,000股股份由Levy Investment Limited(該公司由Batsford Limited全資擁有)根據一項全權信託持有。根據證券及期貨條例，王忠樁先生被視為該信託之創辦人。請參閱上文附註4(b)。
- (b) 17,584,960股股份由Levy Pacific Limited根據一項全權信託持有。根據證券及期貨條例，王忠樁先生被視為該信託之創辦人。根據證券及期貨條例，HSBC International Trustee Limited為信託人。請參閱上文附註3(a)。
- (c) 11,299,000股股份代表The Pacific Way Unit Trust持有。就同一批股份而言，根據證券及期貨條例，王忠樁先生被視為一項全權信託之創辦人。

除本報告披露者外，於二零零六年十二月三十一日，董事並不知悉任何其他人士於本公司股份或相關股份中擁有須記錄於證券及期貨條例第336條規定置存之記錄冊內之權益或淡倉。

DIRECTORS' REPORT

INTERESTS OF SUBSTANTIAL SHAREHOLDERS
(Continued)

Long positions in shares of the Company (Continued)

Notes: (Continued)

- (c) 195,338,803 shares were interested by W. S. Wong & Sons Company Limited, which was regarded as a controlled corporation of Batsford Limited (by virtue of the SFO). Please see Note 1 above.
5. Please see Note 2(c) under the section headed "Interests of Directors and chief executives".
6. Mr. Wong Chung Yin, Michael was deemed (by virtue of the SFO) to be interested in 29,683,960 shares in the Company. These shares were held in the following capacity:
- (a) 800,000 shares were held by Levy Investment Limited (which was in turn wholly owned by Batsford Limited) under a discretionary trust, of which Mr. Wong Chung Yin, Michael was regarded as the founder (by virtue of the SFO). Please see Note 4(b) above.
- (b) 17,584,960 shares were held by Levy Pacific Limited under a discretionary trust, of which Mr. Wong Chung Yin, Michael was regarded as the founder (by virtue of the SFO) and HSBC International Trustee Limited was the trustee (by virtue of the SFO). Please see Note 3(a) above.
- (c) 11,299,000 shares were held for The Pacific Way Unit Trust. Mr. Wong Chung Yin, Michael was regarded as the founder of the discretionary trust (by virtue of the SFO) in relation to the same block of shares.

Save as disclosed, the Directors are not aware of any other persons who, as at 31st December, 2006, had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

董事會報告書

DIRECTORS' REPORT

購股權

於本年度開始及終結時，並無尚未行使之購股權。

截至二零零六年十二月三十一日止年度內並無已授出、已行使、已註銷或失效之購股權。

僱員購股權計劃概要

根據上市規則，披露於二零零零年七月三十日生效之僱員購股權計劃（「計劃」）概要如下：

SHARE OPTIONS

There were no outstanding options at the beginning and at the end of the year.

During the year ended 31st December, 2006, no options were granted, exercised, cancelled or lapsed.

SUMMARY OF THE EMPLOYEE SHARE OPTION SCHEME

A summary of the Employee Share Option Scheme (the "Scheme") which came into effect on 30th July, 2000, disclosed in accordance with the Listing Rules is as follows:

計劃

The Scheme

- | | |
|---|---|
| 1. 計劃之目的
Purpose of the Scheme | 作為給予僱員之獎勵
As incentive to employees |
| 2. 計劃之參與者
Participants of the Scheme | 合資格僱員（包括本公司或任何附屬公司之任何執行董事，以及為向本公司或附屬公司提供全職或大部分全職服務而僱用之本公司或任何附屬公司之任何高級行政人員、主任或僱員）
Eligible employees including any executive director of the Company or any subsidiary, and any senior executive, officer or employee of the Company or any subsidiary employed to render full-time or substantially full-time service to the Company or a subsidiary |
| 3. 可根據計劃發行之股份總數，以及於本報告日期所佔已發行股本之百分比
Total number of shares available for issue under the Scheme and % of the issued capital that it represents as at the date of this Report | 46,692,179 股股份 (10%)
46,692,179 shares (10%) |



董事會報告書

DIRECTORS' REPORT

僱員購股權計劃概要(續)

SUMMARY OF THE EMPLOYEE SHARE OPTION
SCHEME (Continued)

計劃

The Scheme

4. 各參與者根據計劃之最高權益
Maximum entitlement of each participant under the Scheme

根據計劃，概無參與者獲授予購股權，而將導致向有關參與者所發行或可發行之股份數目超過當時根據計劃已發行或可予發行之股份總數之10%。根據上市規則第17章，除非獲得股東批准，否則每名參與者在任何12個月內獲授出之購股權(包括已行使及未行使之購股權)予以行使時所發行及將發行之股份總數，不得超過已發行股本之1%。

Under the Scheme, no participant shall be granted an option which would result in the number of shares issued or issuable to the relevant participant exceeding 10% of the aggregate number of the shares for the time being issued or issuable under the Scheme. Pursuant to Chapter 17 of the Listing Rules, the total number of shares issued and to be issued upon exercise of the options granted to each participant (including both exercised and outstanding options) in any 12-month period must not exceed 1% of the issued share capital, unless approved by shareholders.

5. 可根據購股權認購股份之期間
The period within which the shares must be taken up under an option

購股權可於董事就該購股權授出條款所指定之期間行使，惟不得早於授出日期起計1年或遲於授出日期起計10年。

An option may be exercised as specified by the Directors in relation to such option in its terms of grant which shall not be earlier than 1 year after its date of grant, nor be more than 10 years from its date of grant.

6. 購股權可獲行使前須持有之最短期限(如有)

The minimum period, if any, for which an option must be held before it can be exercised

不可於授出日期後1年內行使購股權。

No option shall be exercisable earlier than 1 year after its date of grant.

7. 申請或接納購股權須支付之款項(如有)，及須或可能須於期間內付款或催繳股款或必須償還就此作出之貸款

The amount, if any, payable on application or acceptance of the option and the period within which payments or calls must or may be made or loans for such purpose must be repaid

為接納獲授之購股權，須於作出授予購股權之要約日期起計28日(或董事酌情釐定之其他日子)內支付港幣10元予本公司，作為獲授購股權之代價。

To accept the offer of the grant of an option, HK\$10 as consideration for the grant of an option must be paid to the Company within a period of 28 days (or otherwise at the Directors' discretion) from the date upon which an offer of the grant of an option is made.

董事會報告書

DIRECTORS' REPORT

僱員購股權計劃概要(續)

SUMMARY OF THE EMPLOYEE SHARE OPTION SCHEME (Continued)

計劃

The Scheme

8. 釐定行使價之基準

The basis of determining the exercise price

根據上市規則第17章，行使價須最少為下列各項之最高者：

Pursuant to Chapter 17 of the Listing Rules the exercise price must be at least the higher of:

- (a) 股份於授出日期(必須為營業日)於聯交所每日報價表之收市價；
及
the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a business day;
and
- (b) 股份於緊接授出日期前五個營業日於聯交所每日報價表之平均收市價。
the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of the grant.

根據計劃，行使價不得低於股份之面值。

Under the Scheme, the exercise price must not be below the nominal amount of the shares.

9. 計劃之剩餘年期

The remaining life of the Scheme

計劃將於二零一零年七月三十日營業時間結束時到期。

The Scheme will expire at the close of business on 30th July, 2010.



董事會報告書

認購股份或債券之安排

除僱員購股權計劃外，本公司、其附屬公司或其相聯法團於本年度內概無訂立任何安排，致使本公司之董事或主要行政人員或彼等各自之聯繫人士可透過購入本公司或其相聯法團之股份、相關股份或債券而獲取利益。

關連人士交易

倘綜合財務報表附註34內所述任何交易構成關連交易，本公司則已遵守上市規則之有關披露及批准規定（如有）。

董事享有權益之合約

於年底或年內任何時間，各董事並未在任何與本公司或其任何附屬公司所訂立關乎本集團業務之重大合約中取得任何直接或間接利益。

董事服務合約

擬於應屆股東週年大會上提選連任之董事，並無與本公司或其附屬公司訂立任何倘本公司或其附屬公司不支付補償費用（法定補償除外）則不得於一年內終止之服務合約。

集團借貸及利息資本化

於一年內償還或按通知償還之銀行貸款及透支刊載於綜合財務報表附註28內，至於可在超過一年償還之銀行貸款及其他借款則刊載於綜合財務報表附註28內。於年內，本集團並無將利息撥作為資本。

DIRECTORS' REPORT

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Apart from the employee share option scheme, at no time during the year was the Company, its subsidiaries or its associated corporations a party to any arrangement to enable the Directors or chief executives of the Company or their respective associates to acquire benefits by an acquisition of shares or underlying shares in, or debentures of, the Company or its associated corporations.

RELATED PARTY TRANSACTIONS

Where any transaction mentioned in note 34 to the consolidated financial statements constitutes a connected transaction, the disclosure and approval requirements, if any, under the Listing Rules have been complied with.

DIRECTORS' INTERESTS IN CONTRACTS

No contracts 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 had, whether directly or indirectly, a material interest subsisted at the end of the year or at any time during the year.

SERVICE CONTRACTS OF DIRECTORS

There is no service contract, which is not determinable by the Company or its subsidiaries within one year without payment of compensation (other than statutory compensation), with any Director proposed for re-election at the forthcoming annual general meeting.

GROUP BORROWINGS AND INTEREST CAPITALISED

Bank loans and overdrafts repayable within one year or on demand are set out in note 28 to the consolidated financial statements. Bank loans and other borrowings repayable within a period of more than one year are set out in note 28 to the consolidated financial statements. No interest was capitalised by the Group during the year.

董事會報告書

足夠公眾持股量

根據本公司獲得之公開資料並就本公司董事所知，於本報告日期，本公司相信，公眾所持有之本公司證券數目高於有關方面規定之最低百分比。

聯席核數師

於二零零五年十一月十七日，信永中和(香港)會計師事務所有限公司(「信永中和(香港)」)取代何錫麟會計師行(「何錫麟會計師行」)出任本公司其中一名聯席核數師。何錫麟會計師行已與中國信永中和會計師事務所合併，因而成立信永中和(香港)。因此，何錫麟會計師行已於二零零五年十一月十七日辭任，而信永中和(香港)於同日獲委任以填補臨時空缺。德勤•關黃陳方會計師行(「德勤」)仍然留任為另一名聯席核數師。

於二零零六年八月二十一日，德勤辭任為其中一名聯席核數師，而均富會計師行於二零零六年九月一日獲委任以填補臨時空缺。信永中和(香港)仍然留任為另一名聯席核數師。

聯席核數師均富會計師行及信永中和(香港)任滿告退，備聘再任。

承董事會命

王忠秣

主席兼行政總裁

香港，二零零七年四月十九日

DIRECTORS' REPORT

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 Report, the Company believes that the number of securities of the Company which are in the hands of the public is above the relevant prescribed minimum percentage.

JOINT AUDITORS

On 17th November, 2005, SHINEWING (HK) CPA Limited ("SHINEWING (HK)") replaced Ho and Ho & Company ("Ho & Ho") as one of the joint auditors of the Company. SHINEWING (HK) was established as Ho & Ho has joined SHINEWING Certified Public Accountants in China. Accordingly, Ho & Ho resigned on 17th November, 2005 and SHINEWING (HK) was appointed on the same day to fill the casual vacancy. Deloitte Touche Tohmatsu ("Deloitte") remained as the other joint auditors.

On 21st August, 2006, Deloitte resigned as one of the joint auditors and Grant Thornton was appointed on 1st September, 2006 to fill the casual vacancy. SHINEWING (HK) remained as the other joint auditors.

The joint auditors, Grant Thornton and SHINEWING (HK), retire and, being eligible, offer themselves for re-appointment.

On behalf of the Board

WONG CHUNG MAT, BEN

Chairman and Chief Executive Officer

Hong Kong, 19th April, 2007



企業管治報告

本公司致力制定良好的企業管治常規守則及程序，所遵行的企業管治原則著重高質素之董事會、健全之內部監控，以及對全體股東之透明度及問責性。

董事認為，截至二零零六年十二月三十一日止年度內，本公司已遵守香港聯合交易所有限公司證券上市規則（「上市規則」）（附錄14所載「企業管治常規守則」（「守則」）之守則條文，惟以下兩項則除外：(a)主席及行政總裁之職位由同一人擔任，這與守則條文第A.2.1條有所偏離；及(b)獨立非執行董事之委任並無固定任期，惟須根據本公司細則於股東週年大會上輪值告退及膺選連任，這與守則條文第A.4.1條有所偏離。

董事之證券交易

本公司已採納上市規則附錄10所載之上市公司董事進行證券交易的標準守則（「標準守則」）之規定標準。經向所有董事作出特定查詢後，所有董事確認於截至二零零六年十二月三十一日止年度內已遵守標準守則所載之規定。

董事會

董事會（「董事會」）主要負責制定企業策略、通過業務計劃及監管本公司之財政及管理表現。董事會會議上討論之事項包括制定本集團策略及政策；批准重大業務、管理及財政事宜、年度預算、主要收購事項、出售事項及資本承諾；批准有關本公司組織章程及股本之事宜，以及更換董事會成員及核數師；成立董事委員會；審閱企業管治及維持良好的內部監控制度。

董事會向管理層指派多項特定責任，當中包括編製賬目以供董事會批准；實行董事會所批准之策略及政策；日常監控預算；實行特定業務及工作項目；實行企業管治及內部監控程序以及其他遵例事宜。管理層定期向董事會提呈報告以供審閱及作出指引。

CORPORATE GOVERNANCE REPORT

The Company is committed to the establishment of good corporate governance practices and procedures. The corporate governance principles of the Company emphasize a quality board, sound internal control, transparency and accountability to all shareholders.

In the opinion of the Directors, during the year ended 31st December, 2006, the Company has complied with the code provisions of the “Code on Corporate Governance Practices” (the “Code”) as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), except that (a) the positions of Chairman and Chief Executive Officer were occupied by the same person, which deviates from code provision A.2.1; and (b) the Independent Non-executive Directors are not appointed for a specific term but are subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Bye-laws of the Company, which deviates from code provision A.4.1.

DIRECTORS' SECURITIES TRANSACTION

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 to the Listing Rules. Having made specific enquiry of all Directors, all Directors confirmed that they had complied with the required standard set out in the Model Code during the year ended 31st December, 2006.

BOARD OF DIRECTORS

The Board of Directors (the “Board”) is mainly responsible for formulating corporate strategies, approving business plans and supervising the Company's financial and management performance. Matters which may be discussed in Board meetings include the formulation of the Group's strategies and policies; approval of significant business, management and financial matters, annual budgets, major acquisitions, disposals and capital commitments; approval of matters relating to the Company's constitution and share capital, and change of board members and auditors; establishment of board committees; review of corporate governance and the maintenance of a sound internal control system.

The Board delegates specific tasks to the management, which includes the preparation of accounts for the Board's approval; implementation of strategies and policies approved by the Board; day-to-day monitoring of budgets; implementation of specific business and work projects; implementation of corporate governance and internal control procedures and other compliance matters. Management presents regular reports to the Board for their review and guidance.

企業管治報告

CORPORATE GOVERNANCE REPORT

董事會 (續)

董事會現時由六名執行董事及三名獨立非執行董事組成。董事之履歷詳情 (包括董事會成員間之關係) 刊載於本年報第18頁至20頁內。

董事會大約每三個月舉行一次董事會定期會議，每年至少舉行四次，以討論本公司之整體策略、經營及財政狀況。除董事會定期會議外，董事會亦不時舉行會議，以審閱管理層獲指派事務之進度，以及處理董事會定期會議之間之任何重大發展及變動。截至二零零六年十二月三十一日止年度內舉行之董事會會議總數為七次。

四次董事會定期會議之董事出席率如下：

BOARD OF DIRECTORS (Continued)

The Board currently comprises six Executive Directors and three Independent Non-executive Directors. The biographical details of the Directors (including relationships among the members of the Board) are set out on pages 18 to 20 of this Annual Report.

The Board holds at least four regular Board meetings at approximately quarterly intervals to discuss the overall strategy, operation and financial performance of the Company. In addition to the regular Board meetings, the Board also meets from time to time to review the progress of the matters delegated to the management and any major developments or changes taken place during the intervals between regular Board meetings. The total number of Board meetings held during the year ended 31st December, 2006 was seven.

The attendance of the Directors at four regular Board meetings were as follows:

出席率 Attendance

執行董事

王忠秣先生 (主席兼行政總裁)
王忠樞先生
陳子華先生
譚靜安先生
溫民強先生
王賢敏小姐

Executive Directors

Mr. Wong Chung Mat, Ben (Chairman and Chief Executive Officer)	4/4
Mr. Wong Chung Ah, Johnny	4/4
Mr. Chan Tsze Wah, Gabriel	4/4
Mr. Tan Chang On, Lawrence	2/4
Mr. Wan Man Keung	4/4
Miss Wong Yin Man, Ada	4/4

獨立非執行董事

李家祥博士
楊孫西博士
葉天養先生

Independent Non-executive Directors

Dr. Li Ka Cheung, Eric	4/4
Dr. Yu Sun Say	4/4
Mr. Alfred Donald Yap	3/4



企業管治報告

董事會(續)

於舉行董事會會議前，董事會獲提供所有所需資料以考慮將予討論之事項。隨後會就所有董事會會議發出正式議程。季度董事會會議於財政年度開始時排定，確保最多董事可以出席。於董事會會議進行之所有業務均載入有關會議之會議記錄。董事會若干決定乃以全體董事通過書面決議案之方式作出。所有董事會成員可向公司秘書尋求意見及獲取服務。倘有需要，董事亦可向外尋求專業意見，費用由本公司支付。

主席及行政總裁

王忠秣先生為本集團主席兼行政總裁，自二零零三年二月起一直兼任這兩個職位。在容許兩個職位由同一人擔任時，本公司已考慮以下事項：

- (a) 兩個職位均須對本集團業務具備透徹了解及豐富經驗。本集團內外均難以遇到同時具備合適知識、經驗及領導才能之人選。倘任何一個職位由不符合資格之人士擔任，可能會拖累本集團之表現。
- (b) 本公司相信，董事會及其獨立非執行董事之監察可提供一個有效之制衡機制，並確保可足夠代表股東利益。

CORPORATE GOVERNANCE REPORT

BOARD OF DIRECTORS (Continued)

Before the holding of a Board meeting, the Board is supplied with all necessary information to enable it to consider the matters to be discussed. A formal agenda is followed in all Board meetings. The quarterly Board meetings are scheduled at the beginning of the financial year in order to ensure maximum attendance by Directors. All business transacted at the Board meetings is documented in the minutes of such meeting. Some Board decisions are made by way of written resolutions of all Directors. All Board members have access to the advice and services of the Company Secretary. If necessary, Directors also have access to external professional advice at the expense of the Company.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Mr. Wong Chung Mat, Ben is the Group's Chairman and Chief Executive Officer and has occupied these two positions since February 2003. In allowing the two positions to be occupied by the same person, the Company has considered the following:

- (a) Both positions require in-depth knowledge and considerable experience of the Group's business. Candidates with the suitable knowledge, experience and leadership are difficult to find both within and outside the Group. If either of the positions is occupied by an unqualified person, the Group's performance could be gravely compromised.
- (b) The Company believes that the supervision of the Board and its Independent Non-executive Directors can provide an effective check and balance mechanism and ensures that the interests of the shareholders are adequately represented.

企業管治報告

非執行董事

本公司認為獨立非執行董事由工業、財務及法律專才組成，能夠就制定策略及其他財政或監管規定向董事會及管理層提供意見。根據上市規則之規定，獨立非執行董事已分別向本公司提供有關其獨立性之年度確認書。本公司認為所有獨立非執行董事均具獨立性。

本公司現有非執行董事概無固定任期。然而，本公司各董事現時須根據本公司細則第112條輪值告退。由此，本公司認為已採取足夠措施，確保本公司之企業管治常規不遜於守則所載者。

董事之薪酬

本公司已成立薪酬委員會，由兩名獨立非執行董事（楊孫西博士（其亦為委員會主席）及葉天養先生）及一名執行董事（陳子華先生）組成。

薪酬委員會之主要責任包括制定本集團之薪酬政策、通過或建議執行董事及高級管理層之薪酬組合，並按照企業目標及宗旨審閱及批准按表現為衡量基準之薪酬。

委員會於截至二零零六年十二月三十一日止年度內已舉行一次會議，當中所有委員會成員均有出席，而若干決定乃以全體成員通過書面決議案方式作出，以審閱及批准二零零六年增加執行董事及高級管理層之薪酬。

本公司之薪酬政策乃設立並維持合適及具競爭力之酬金以吸引、挽留及激勵僱員成功推動本集團業務。董事之酬金乃根據各董事預計所需付出之時間及努力、彼等於本公司之職責、本公司之薪酬政策及市場價格作基準。

CORPORATE GOVERNANCE REPORT

NON-EXECUTIVE DIRECTORS

The Company is satisfied that its Independent Non-executive Directors comprise a good mix of industrial, financial and legal expertise to advise the Board and the management team on strategy formulation and other financial or regulatory requirements. Pursuant to the requirement in the Listing Rules, each of the Independent Non-executive Directors has provided an annual confirmation of independence to the Company. The Company considers all of the Independent Non-executive Directors to be independent.

None of the existing Non-executive Directors of the Company is appointed for a specific term. However, every Director of the Company is now subject to retirement by rotation under Bye-law 112 of the Bye-laws 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 Code.

REMUNERATION OF DIRECTORS

The Company has established a Remuneration Committee which comprises two Independent Non-executive Directors (Dr. Yu Sun Say, who is also the Chairman of the Committee and Mr. Alfred Donald Yap) and one Executive Director (Mr. Chan Tsze Wah, Gabriel).

The principal responsibilities of the Remuneration Committee include the formulation of the Group's remuneration policy, the approval or recommendation of remuneration packages for the Executive Directors and the senior management, and the review and approval of performance-based remuneration by reference to corporate goals and objectives.

During the year ended 31st December, 2006, the Committee held one meeting, which was attended by all Committee members and made some decisions by way of written resolutions of all members to review and approve the salary increment of the Executive Directors and the senior management for 2006.

The Company's remuneration policy is to establish and maintain an appropriate and competitive level of remuneration to attract, retain and motivate employees to run the Group successfully. The emoluments of Directors are based on the anticipated time and effort required from each Director, duties and responsibilities with the Company, the Company's remuneration policy and market benchmark.



企業管治報告

提名董事

本公司並無成立提名委員會。所有本公司董事均有責任就提名及委任董事以及董事繼任人選，向董事會作出推薦建議，並委任具有合適經驗及能力之董事會成員，以維持及改善本公司之競爭力。

在個別董事作出推薦建議後，董事會對有關人選之專業背景、經驗及往績記錄作出考慮。董事會亦考慮管理層及認識該人選之其他人士所作出之推薦建議。其後，董事會舉行會議以討論該等提名，倘適合，則通過委任有關人選為董事。

內部監控

董事會對本公司及其附屬公司(「本集團」)之內部監控系統負有整體責任，並透過內部審核部門對該等系統之效率進行檢討，當中包括財務、營運及風險管理功能。監管委員會由本集團主要部門主管組成，彼等定期開會，檢討內部審核部門之發現及意見，並考慮曾予匯報之弱點及建議是否已與有關部門有效溝通，又是否已實施所需之修正行動。監管委員會會將內部監控方面之任何主要議題向審核委員會及董事會匯報，供彼等審議。

二零零六年，董事會借外聘顧問之幫助，檢討本集團之管治程序。外聘顧問亦被要求為本集團進行風險評估，並就風險評估結果提供三年內部審核計劃。

本集團內部監控系統旨在就提供合理而非絕對保障；防範出現重大錯誤陳述或損失，並管理而非消除營運系統失效之風險，令本集團可達到其目標。

CORPORATE GOVERNANCE REPORT

NOMINATION OF DIRECTORS

The Company has not established a Nomination Committee. All Directors of the Company are responsible for making recommendations to the Board on nomination and appointment of Directors and Board succession, with a view to appoint to the Board individuals with suitable experience and capabilities to maintain and improve the competitiveness of the Company.

Following recommendations by individual Directors, the Board considers the professional background, experience and track records of the relevant candidates. The Board also considers the recommendations from the management team and other individuals who know the candidates. Subsequently, the Board meets to discuss the nominations and if appropriate, approve the appointment of the relevant candidates as Directors.

INTERNAL CONTROL

The Board has overall responsibility for the system of internal control of the Company and its subsidiary companies (the "Group") and through the Internal Audit Department, conducts review on the effectiveness of these systems covering the financial, operational and risk assessment functions. A Compliance Committee which comprises the heads of major departments of the Group meets regularly to review the findings and opinions of the Internal Audit Department and consider whether any weaknesses and recommendations reported have been effectively communicated to the departments concerned and whether the required corrective actions have been implemented. The Compliance Committee will report any major issues on internal control to the Audit Committee and the Board for consideration.

During 2006, the Board engaged the help of an external consultant to review the Group's governance processes. The external consultant was also asked to conduct for the Group a risk assessment and provide a three-year internal audit plan based on the results of risk assessment.

The purpose of the Group's internal control system is to provide reasonable, but not absolute assurance against material misstatement or loss and to manage rather than eliminate risks of failure in operational systems so that the Group's objectives can be reached.

企業管治報告

核數師酬金

截至二零零六年十二月三十一日止年度，就審核服務已付或應付聯席核數師均富會計師行及信永中和(香港)會計師事務所有限公司之酬金為港幣2,240,000元。截至二零零六年十二月三十一日止年度內，均富會計師行獲委聘進行風險評估，並就風險評估結果提供三年內部審核計劃，並因而已收取約港幣94,000元。均富會計師於年內獲委任為其中一名聯席核數師前，為維持其獨立性，均富會計師行不再向本集團提供上述服務。年內概無支付非審核服務費用予信永中和(香港)會計師事務所有限公司。

審核委員會

本公司已成立審核委員會，由三名獨立非執行董事包括李家祥博士(亦為委員會主席)、楊孫西博士及葉天養先生組成。

審核委員會之主要職責包括監察本集團之財務報告系統及內部監控程序、審閱本集團之財務資料及檢討與本公司核數師之關係。

截至二零零六年十二月三十一日止年度內，審核委員會與外聘核數師會面兩次，當中所有委員會成員均有出席，並已審閱本集團採納之會計原則及慣例，討論核數、內部監控及財務申報事宜，包括審閱本集團二零零五年全年業績及二零零六年中期業績，同時對本公司外聘核數師之委任及辭任進行考慮。審核委員會亦已審閱本集團截至二零零六年十二月三十一日止年度之經審核財務報表。

董事及聯席核數師對賬目之責任

有關董事及聯席核數師編製本集團綜合財務報表之責任刊載於本年報第45頁至46頁之「獨立聯席核數師報告書」。

CORPORATE GOVERNANCE REPORT

AUDITORS' REMUNERATION

For the year ended 31st December, 2006, the remuneration paid or payable to the joint auditors, Grant Thornton and SHINEWING (HK) CPA Limited, for audit services amounted to HK\$2,240,000. During the year ended 31st December, 2006, Grant Thornton was engaged to conduct a risk assessment and provide a three-year internal audit plan based on the results of risk assessment and it received approximately HK\$94,000. Before Grant Thornton was appointed as one of the joint auditors during the year, in order to maintain its independence, Grant Thornton ceased to provide the aforementioned services to the Group. No payments for non-audit services to SHINEWING (HK) CPA Limited were made during the year.

AUDIT COMMITTEE

The Company has established an Audit Committee which comprises three Independent Non-executive Directors, namely, Dr. Li Ka Cheung, Eric (also the Chairman of the Committee), Dr. Yu Sun Say and Mr. Alfred Donald Yap.

The principal duties of the Audit Committee include the oversight of the Group's financial reporting system and internal control procedures, review of the Group's financial information and review of the relationship with the auditors of the Company.

The Audit Committee met with the external auditors twice during the year ended 31st December, 2006 which were attended by all Committee members and reviewed the accounting principles and practices adopted by the Group, discussed auditing, internal control and financial reporting matters including a review of the 2005 final results and 2006 interim results of the Group and considered the appointment and resignation of external auditors of the Company. It has reviewed the audited financial statements of the Group for the year ended 31st December, 2006.

DIRECTORS' AND JOINT AUDITORS' RESPONSIBILITIES FOR ACCOUNTS

The responsibilities of the Directors and the joint auditors for preparing the consolidated financial statements of the Group are set out in the "Independent Joint Auditors' Report" on pages 45 to 46 of this Annual Report.





Perfect team spirit

優質隊伍 團結精神



管理討論及分析

MANAGEMENT DISCUSSIONS AND ANALYSES

於二零零六年十二月三十一日，本集團之總資產達港幣1,910,546,000元，較去年增加港幣223,567,000元。總資產增加分類如下：

The Group's total assets as at 31st December, 2006 amounted to HK\$1,910,546,000 which is HK\$223,567,000 higher compared with last year. The breakdown of the change in total assets is as below:

		增加／(減少) Increase/(Decrease) 港幣千元 HK\$'000
投資物業	Investment properties	3,440
物業、廠房及設備及預付租賃款項	Property, plant and equipment and prepaid lease payments	(6,818)
於聯營公司之權益	Interests in associates	(26,434)
開發成本資本化	Development costs capitalised	(3,170)
存貨	Inventories	(20,795)
貿易及其他應收賬款	Trade and other receivables	209,182
訂金及預付款項	Deposits and prepayments	10,541
列為可供出售之資產	Asset classified as held for sale	6,001
銀行結餘及現金	Bank balances and cash	50,627
其他	Sundries	993
		223,567

投資物業增加主要是由於年內已確認公平價值增加所致。

The increase in investment properties represented the appreciation in their fair value recognised during the year.

物業、廠房及設備及預付租賃款項之減少淨額，主要為年內之折舊開支超過年內所收購之廠房及設備之成本約港幣63,000,000元。

The net decrease in property, plant and equipment and prepaid lease payments represented mainly the excess of depreciation charge for the year of about HK\$63 million over the cost of plant and equipment acquired during the year.

於聯營公司之權益減少主要是由於一間聯營公司償還貸款約港幣9,000,000元，就一間其後可供出售之聯營公司作出約港幣8,800,000元減值虧損之撥備，並轉移該出售聯營公司至可供出售資產所致。上述減少之影響部分被本集團年內應佔另一間聯營公司之溢利所抵銷。

The decrease in interests in associates was mainly caused by the repayment of loans by an associated company of about HK\$9 million, the transfer of an associated company to assets held for sale of which a provision of impairment losses of about HK\$8.8 million was made in respect of that associated company held for sale subsequently. The effect of the above decreases were partly offset by the Group's share of profit of another associated company for the year.

開發成本資本化乃指原設計及市場推廣部門開發產品產生之成本，該等成本預期透過日後之活動收回。

Development costs capitalised represents the cost of development of products incurred by the Original Design and Marketing Division, the recovery of which is anticipated to be through future activities.



管理討論及分析

存貨在銷售收入大幅上升之情況下仍然減少，反映本集團加緊存貨控制之成果。

貿易及其他應收賬款大幅增加，主要由於銷售營業額較二零零五年有所增加所致。另外，增額中約港幣100,000,000元乃因與同為元件供應商之客戶磋商應付款與應收款互抵延遲所致。此對現金流量並無影響，對二零零七年之影響則較輕。

訂金及預付款項增加主要為支付予承包商或供應商有關提升本集團廠房基本設施項目之訂金。

MANAGEMENT DISCUSSIONS AND ANALYSES

The decrease in inventories notwithstanding the significant increase in sales revenue reflects the effect of the Group's effort in tightening its inventory control.

The substantial increase in trade and other receivables was mainly caused by the increase in sales turnover compared with 2005. Also, approximately HK\$100 million of the increase was due to extended negotiations with customers who are also component suppliers about the sums to be offset between payables and receivables. This has had no effect on the cashflow and has had a far smaller effect in 2007.

The increase in deposits and prepayments mainly represents deposits paid to contractors or vendors in relation to projects for the enhancement of the infrastructure of the Group's factories.

獨立聯席核數師報告書



SHINEWING (HK) CPA Limited
20/F., Shui On Centre
6-8 Harbour Road, Hong Kong

致王氏國際(集團)有限公司
各股東

(於百慕達註冊成立之有限公司)

本聯席核數師已將刊於第47頁至第116頁內之王氏國際(集團)有限公司(「貴公司」)及其附屬公司(統稱為「貴集團」)之綜合財務報表審核完竣。綜合財務報表包括於二零零六年十二月三十一日之綜合資產負債表,以及截至該日止年度之綜合收益表、綜合股本變動表及綜合現金流量表連同主要會計政策摘要及其他附註解釋。

董事就綜合財務報表之責任

貴公司之董事須根據由香港會計師公會頒布之香港財務報告準則及香港公司條例之披露規定編制及真實與公正地列報綜合財務報表。此責任包括設計、實施及維持與編製及真實而公正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;選擇及應用適當之會計政策,及按情況下作出合理之會計估計。

聯席核數師之責任

本聯席核數師之責任是根據審核工作之結果,對該等綜合財務報表作出獨立意見,並根據百慕達一九八一年公司法第90條之規定,將此意見僅向整體股東報告,不作其他用途。本聯席核數師並不就本報告之內容向任何其他人士負上責任或承擔法律責任。

本聯席核數師乃根據香港會計師公會頒布之香港審計準則進行審核工作。該準則要求本聯席核數師遵守道德規範,並策劃及執行審核,以合理確定該等綜合財務報表是否不存在任何重大錯誤陳述。

INDEPENDENT JOINT AUDITORS' REPORT

Certified Public Accountants
Member of Grant Thornton International

Grant Thornton 
均富會計師行

TO THE MEMBERS OF
WONG'S INTERNATIONAL (HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of Wong's International (Holdings) Limited (the "Company") and its subsidiaries (collectively referred as the "Group") set out on pages 47 to 116, which comprise the consolidated balance sheet as at 31st December, 2006, 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
CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation and the true and fair presentation of these consolidated financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of 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 the consolidated 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.

JOINT AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body in accordance with section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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 consolidated financial statements are free from material misstatement.



獨立聯席核數師報告書

聯席核數師之責任(續)

審核涉及執程序以取得與綜合財務報表所載數額及披露事項有關之審核憑證。所選用之程序由核數師作判斷，包括評估由於欺詐或錯誤而導致綜合財務報表存有重大錯誤陳述的風險。當聯席核數師作出該等風險評估時，會考慮與該公司編製及真實與公正地列報綜合財務報表相關之內部監控，以設計適合當時情況之審核程序，但並非就公司整體之內部控制之成效發表意見。審核亦包括評價董事所採用之會計政策是否合適，及所作出之會計判斷是否合理，以及評價綜合財務報表之整體呈列方式。

本聯席核數師相信所得之審核憑證足夠及適當，為核數意見建立合理之基礎。

意見

本聯席核數師認為綜合財務報表已根據香港財務報告準則，真實而公正地顯示 貴集團於二零零六年十二月三十一日結算時之事務，及截至該日止年度之溢利及現金流量，並根據香港公司條例之披露規定而妥善編製。

信永中和(香港)會計師 均富會計師行
事務所有限公司
執業會計師 執業會計師
陳永傑
執業證書號碼：P03224

香港 香港
灣仔 中環皇后大道中15號
港灣道6-8號 置地廣場
瑞安中心20樓 告羅士打大廈13樓

香港，二零零七年四月十九日

INDEPENDENT JOINT AUDITORS' REPORT

JOINT AUDITORS' RESPONSIBILITY (Continued)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the joint auditors consider internal control relevant to the entity's preparation and true and fair presentation of the consolidated 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 consolidated 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 Group as at 31st December, 2006 and of the Group's profit 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 disclosure requirements of the Hong Kong Companies Ordinance.

SHINEWING (HK) CPA Limited
Certified Public Accountants
Chan Wing Kit
Practising certificate number: P03224

20/F., Shui On Centre
6-8 Harbour Road
Wanchai
Hong Kong

Hong Kong, 19th April, 2007

Grant Thornton
Certified Public Accountants

13th Floor, Gloucester Tower
The Landmark
15 Queen's Road Central
Hong Kong

綜合收益表

截至二零零六年十二月三十一日止年度

CONSOLIDATED INCOME STATEMENT

For the year ended 31st December, 2006

		附註 Notes	2006 港幣千元 HK\$'000	2005 港幣千元 HK\$'000
收益	Revenue	6	3,713,784	2,763,674
利息收入	Interest income		3,951	4,802
其他收入	Other income		16,310	35,631
製成品及在製品存貨之變動	Changes in inventories of finished goods and work in progress		(4,978)	(22,903)
所使用之原料及消耗品	Raw materials and consumables used		(3,056,421)	(2,228,514)
員工成本	Staff costs		(257,448)	(213,328)
折舊	Depreciation		(61,065)	(55,799)
開發成本資本化之攤銷	Amortisation on development costs capitalised	21	(10,936)	(18,195)
預付租賃款項之攤銷	Amortisation on prepaid lease payments		(2,154)	(2,079)
投資物業公平價值之增加	Increase in fair value of investment properties	14	3,440	4,156
金融工具公平價值之變動	Fair value changes on financial instruments		(707)	(788)
其他經營支出	Other operating expenses		(231,624)	(188,654)
融資成本	Finance costs	8	(26,867)	(21,143)
出售一間聯營公司之虧損	Loss on disposal of an associate		—	(378)
列為可供出售之資產之已確認減值虧損	Impairment loss recognised in respect of asset classified as held for sale	25	(8,795)	—
應佔聯營公司業績	Share of results of associates		2,526	(1,622)
開發成本資本化之已確認減值虧損	Impairment loss recognised in respect of development costs capitalised	21	(753)	(4,639)
除稅前溢利	Profit before taxation	9	78,263	50,221
稅項	Taxation	11	(16,320)	(18,770)
本年度溢利	Profit for the year		61,943	31,451
以下項目應佔：	Attributable to:			
公司股份持有人	Equity holders of the Company		61,943	31,455
少數股東權益	Minority interests		—	(4)
			61,943	31,451
股息	Dividends	12	23,347	9,339
每股盈利	Earnings per share	13		
基本	Basic		港幣HK\$0.13元	港幣HK\$0.07元
攤薄	Diluted		不適用N/A	不適用N/A

綜合資產負債表

於二零零六年十二月三十一日

CONSOLIDATED BALANCE SHEET

At 31st December, 2006

	附註 Notes	2006 港幣千元 HK\$'000	2005 港幣千元 HK\$'000
非流動資產	Non-current assets		
投資物業	Investment properties	27,210	23,770
物業、廠房及設備	Property, plant and equipment	260,154	265,028
預付租賃款項	Prepaid lease payments	86,724	88,670
於聯營公司之權益	Interests in associates	111,477	137,911
可供出售投資	Available-for-sale investments	162	299
持有至到期日投資	Held-to-maturity investments	—	7,958
其他投資	Other investments	7,792	—
開發成本資本化	Development costs capitalised	16,436	19,606
遞延稅項資產	Deferred tax asset	1,884	—
		511,839	543,242
流動資產	Current assets		
預付租賃款項	Prepaid lease payments	2,154	2,152
存貨	Inventories	360,364	381,159
貿易及其他應收賬款	Trade and other receivables	755,624	546,442
儲稅券	Tax reserve certificate	4,557	4,557
訂金及預付款項	Deposits and prepayments	23,480	12,939
衍生金融工具	Derivative financial instruments	—	588
銀行結餘及現金	Bank balances and cash	246,527	195,900
列為可供出售之資產	Asset classified as held for sale	1,392,706 6,001	1,143,737 —
		1,398,707	1,143,737
流動負債	Current liabilities		
貿易及其他應付賬款	Trade and other payables	738,658	518,806
應付票據	Bills payable	3,386	1,460
應付稅項	Tax payable	14,991	12,052
應付一間聯營公司款項	Amount due to an associate	7,008	7,008
衍生金融工具	Derivative financial instruments	1,422	1,376
一年內到期之銀行貸款	Bank borrowings due within one year	272,987	233,979
		1,038,452	774,681
流動資產淨值	Net current assets	360,255	369,056
總資產減流動負債	Total assets less current liabilities	872,094	912,298
非流動負債	Non-current liabilities		
一年後到期之銀行貸款	Bank borrowings due after one year	193,367	278,958
遞延稅項負債	Deferred tax liability	3,278	3,530
		196,645	282,488
		675,449	629,810
資本及儲備	Capital and reserves		
股本	Share capital	46,692	46,692
儲備	Reserves	628,412	582,773
公司股份持有人應佔權益	Equity attributable to equity holders of the Company	675,104	629,465
少數股東權益	Minority interests	345	345
		675,449	629,810

載於第47至116頁之綜合財務報表已於二零零七年四月十九日獲董事會批准及授權刊發，並由下列董事代表簽署：

The consolidated financial statements on pages 47 to 116 were approved and authorised for issue by the Board of Directors on 19th April, 2007 and are signed on its behalf by:

王忠秣
主席兼行政總裁

王忠樞
董事

WONG CHUNG MAT, BEN
Chairman and Chief Executive Officer

WONG CHUNG AH, JOHNNY
Director

綜合股本變動表

截至二零零六年十二月三十一日止年度

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31st December, 2006

		公司股份持有人應佔 Attributable to equity holders of the Company										
		股本 Share capital 港幣千元 HK\$'000	股份溢價 Share premium 港幣千元 HK\$'000	資本 贖回儲備 Capital redemption reserve 港幣千元 HK\$'000	實繳盈餘 Contributed surplus 港幣千元 HK\$'000	投資 重估儲備 Investment revaluation reserve 港幣千元 HK\$'000	股息儲備 Dividend reserve 港幣千元 HK\$'000	匯兌儲備 Translation reserve 港幣千元 HK\$'000	累計溢利 Accumulated profits 港幣千元 HK\$'000	總額 Total 港幣千元 HK\$'000	少數 股東權益 Minority interests 港幣千元 HK\$'000	總額 Total 港幣千元 HK\$'000
於二零零五年一月一日	At 1st January, 2005	46,692	148,864	345	331,559	–	9,339	(64,048)	131,605	604,356	349	604,705
直接於股本內確認 之匯兌差額	Exchange difference directly recognised in equity	–	–	–	–	–	–	2,930	–	2,930	–	2,930
可供出售投資公平 價值變動	Fair value change on available-for-sale investments	–	–	–	–	63	–	–	–	63	–	63
直接於股本內確認 之收入淨額	Net income recognised directly in equity	–	–	–	–	63	–	2,930	–	2,993	–	2,993
年內溢利(虧損)	Profit (loss) for the year	–	–	–	–	–	–	–	31,455	31,455	(4)	31,451
年內已確認收入 (開支)總額	Total recognised income (expenses) for the year	–	–	–	–	63	–	2,930	31,455	34,448	(4)	34,444
撥出之股息	Dividends set aside	–	–	–	–	–	9,339	–	(9,339)	–	–	–
已付股息	Dividends paid	–	–	–	–	–	–	–	–	–	–	–
– 二零零四年末期股息	– for 2004 final dividend	–	–	–	–	–	(9,339)	–	–	(9,339)	–	(9,339)
於二零零五年 十二月三十一日及 二零零六年一月一日	At 31st December, 2005 and 1st January, 2006	46,692	148,864	345	331,559	63	9,339	(61,118)	153,721	629,465	345	629,810
直接於股本內確認 之匯兌差額	Exchange difference directly recognised in equity	–	–	–	–	–	–	2,437	–	2,437	–	2,437
可供出售投資公平 價值變動	Fair value change on available-for-sale investments	–	–	–	–	(63)	–	–	–	(63)	–	(63)
直接於股本內確認 之收入淨額	Net income recognised directly in equity	–	–	–	–	(63)	–	2,437	–	2,374	–	2,374
年內溢利	Profit for the year	–	–	–	–	–	–	–	61,943	61,943	–	61,943
年內已確認收入 (開支)總額	Total recognised income (expenses) for the year	–	–	–	–	(63)	–	2,437	61,943	64,317	–	64,317
撥出之股息	Dividends set aside	–	–	–	–	–	14,008	–	(14,008)	–	–	–
已付股息	Dividends paid	–	–	–	–	–	–	–	–	–	–	–
– 二零零五年末期股息	– for 2005 final dividend	–	–	–	–	–	(9,339)	–	–	(9,339)	–	(9,339)
– 二零零六年中期股息	– for 2006 interim dividend	–	–	–	–	–	–	–	(9,339)	(9,339)	–	(9,339)
於二零零六年 十二月三十一日	At 31st December, 2006	46,692	148,864	345	331,559	–	14,008	(58,681)	192,317	675,104	345	675,449

附註：

本集團之實繳盈餘為本集團於一九九零年重組時所收購附屬公司股份之面值與本公司就收購而發行股份之面值兩者之差額。

Note:

The contributed surplus of the Group represents the difference between the nominal value of the shares of the acquired subsidiaries, and the nominal value of the Company's shares issued for the acquisition at the time of the Group's reorganisation in 1990.

綜合現金流量表

截至二零零六年十二月三十一日止年度

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31st December, 2006

		2006 港幣千元 HK\$'000	2005 港幣千元 HK\$'000
營業活動	Operating activities		
除稅前溢利	Profit before taxation	78,263	50,221
就下列各項調整：	Adjustments for:		
融資成本	Finance costs	26,867	21,143
應佔聯營公司業績	Share of results of associates	(2,526)	1,622
出售一間聯營公司之虧損	Loss on disposal of an associate	—	378
折舊	Depreciation	61,065	55,799
開發成本資本化之攤銷	Amortisation on development costs capitalised	10,936	18,195
預付租賃款項之攤銷	Amortisation on prepaid lease payments	2,154	2,079
金融工具公平價值之變動	Fair value changes on financial instruments	707	788
開發成本資本化之已確認減值虧損	Impairment loss recognised in respect of development costs capitalised	753	4,639
呆賬撥備	Allowance for doubtful debts	638	2,576
貿易及其他應付款項之撇銷	Write off of trade and other payables	(10,606)	(18,773)
利息收入	Interest income	(3,951)	(4,802)
投資物業公平價值之增加	Increase in fair value of investment properties	(3,440)	(4,156)
出售物業、廠房及設備之虧損	Loss on disposal of property, plant and equipment	494	64
列為可供出售之資產之已確認減值虧損	Impairment loss recognised in respect of asset classified as held for sale	8,795	—
營運資金變動前之營業現金流量	Operating cash flows before movements in working capital	170,149	129,773
存貨減少	Decrease in inventories	20,795	42,434
貿易及其他應收款項增加	Increase in trade and other receivables	(209,820)	(51,957)
訂金及預付款項(增加)減少	(Increase) decrease in deposits and prepayments	(10,541)	9,476
貿易及其他應付款項增加	Increase in trade and other payables	230,458	27,541
應付票據增加	Increase in bills payable	1,926	12
營業所得現金	Cash generated from operations	202,967	157,279
已付香港利得稅	Hong Kong Profits Tax paid	(15,923)	(14,238)
已退回香港利得稅	Hong Kong Profits Tax refunded	284	413
已退回(已付)其他司法管轄區稅款	Tax refunded (paid) in other jurisdictions	122	(332)
營業活動所得現金淨額	Net cash from operating activities	187,450	143,122

綜合現金流量表

截至二零零六年十二月三十一日止年度

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31st December, 2006

		2006 港幣千元 HK\$'000	2005 港幣千元 HK\$'000
投資活動	Investing activities		
購入物業、廠房及設備	Purchase of property, plant and equipment	(51,794)	(21,620)
預付租賃款項增加	Increase in prepaid lease payments	—	(4,107)
購買其他投資／可供出售投資	Purchase of other investments / available-for-sale investments	(7,792)	(40)
開發成本資本化增加	Increase in development costs capitalised	(8,109)	(17,916)
購買一間聯營公司之額外權益	Purchase of additional interest in an associate	—	(936)
已收取利息	Interest received	3,951	4,887
出售持有至到期日投資所得款項	Proceeds from disposal of held-to-maturity investments	7,958	—
出售物業、廠房及設備所得款項	Proceeds from disposal of property, plant and equipment	17	302
出售一間聯營公司所得款項	Proceeds from disposal of an associate	—	9,250
聯營公司還款	Repayment from associates	8,965	63,562
已收一間聯營公司股息	Dividends received from an associate	5,199	—
投資活動(所耗)所得現金淨額	Net cash (used in) from investing activities	(41,605)	33,382
融資活動	Financing activities		
已付股息	Dividends paid	(18,678)	(9,339)
信託收據貸款減少	Decrease in trust receipts loans	—	(47,216)
籌集新造銀行貸款	New bank loans raised	133,046	236,061
償還銀行貸款	Repayment of bank loans	(184,291)	(316,432)
償還應付一間聯營公司款項	Repayment from amount due to an associate	—	157
已付利息	Interest paid	(26,867)	(21,143)
融資活動所耗現金淨額	Net cash used in financing activities	(96,790)	(157,912)
現金及現金等值項目之增加淨額	Net increase in cash and cash equivalents	49,055	18,592
於一月一日之現金及現金等值項目	Cash and cash equivalents at 1st January	187,932	170,108
匯率變動之影響	Effect of foreign exchange rate changes	(3,090)	(768)
於十二月三十一日之現金及現金等值項目	Cash and cash equivalents at 31st December	233,897	187,932
現金及現金等值項目之結餘分析	Analysis of the balances of cash and cash equivalents		
銀行結餘及現金	Bank balances and cash	246,527	195,900
銀行透支(附註28)	Bank overdrafts (note 28)	(12,630)	(7,968)
		233,897	187,932

綜合財務報表附註

截至二零零六年十二月三十一日止年度

1. 概覽

王氏國際(集團)有限公司(「本公司」)於百慕達註冊成立為獲豁免有限責任公司，其股份於香港聯合交易所有限公司(「聯交所」)上市。本公司之註冊辦事處及主要營業地點於年報之公司資料中作出披露。

綜合財務報表乃以港元(本公司之功能貨幣)呈列。

本公司及其附屬公司(「本集團」)之主要業務為開發、製造、推廣及分銷電子產品，包括微型電腦、傳訊設備、寬頻通訊產品、互聯網應用器材、無線通訊或網絡設備及其他電子產品。

2. 採用新訂及經修訂香港財務報告準則／會計政策變動

本集團已採納香港會計師公會(「香港會計師公會」)頒佈並於二零零六年一月一日起首次生效，且與本集團有關之所有新訂及經修訂香港財務報告準則(「香港財務報告準則」)。香港財務報告準則乃統稱，當中包括所有適用之個別香港財務報告準則、香港會計準則及詮釋。採納該等香港財務報告準則導致本集團有關財務擔保合約之會計政策有變。除此之外，採納該等新訂及經修訂香港財務報告準則並不導致本集團之會計政策有重大變化。採納所有該等新訂及經修訂香港財務報告準則，對本集團現行或以往會計年度之業績及財務狀況之編製及呈列方式並無重大影響。因此，毋須進行往年調整。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2006

1. GENERAL

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

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

The principal activities of the Company and its subsidiaries (the "Group") are the development, manufacture, marketing and distribution of electronic products, including micro-computers, telecommunication equipment, broadband communication products, internet appliances, wireless communication or networking equipment and other electronic products.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS/ CHANGES IN ACCOUNTING POLICIES

The Group has adopted all the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") which are first effective on 1st January, 2006 and relevant to the Group. HKFRSs is a collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations. The adoption of these HKFRSs has resulted in a change in the Group's accounting policy on financial guarantee contracts. Other than this, the adoption of these new and revised HKFRSs did not result in significant changes in the Group's accounting policies. No material effect on how the results and financial positions for the current or prior accounting years have been prepared and presented has resulted upon the adoption of all these new and revised HKFRSs. Accordingly, no prior year adjustment has been required.

綜合財務報表附註

截至二零零六年十二月三十一日止年度

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2006

2. 採用新訂及經修訂香港財務報告準則／會計政策變動 (續)

本集團並無提早應用以下已頒佈但於二零零六年十二月三十一日尚未生效之香港財務報告準則。本公司董事正評估該等香港財務報告準則之影響，故未能就會否對綜合財務報表造成重大財務影響發表意見。

香港會計準則 (「香港會計準則」) 第1號(經修訂)	資本披露 ¹
香港財務報告準則 第7號	金融工具：披露 ¹
香港財務報告準則 第8號	經營分類 ²
香港(國際財務報告 解釋委員會)－ 詮釋第7號	根據香港會計準則第29號 「惡性通貨膨脹經濟中的 財務報告」採用重列法 ³
香港(國際財務報告 解釋委員會)－ 詮釋第8號	香港財務報告準則第2號的 範疇 ⁴
香港(國際財務報告 解釋委員會)－ 詮釋第9號	重估嵌入式衍生工具 ⁵
香港(國際財務報告 解釋委員會)－ 詮釋第10號	中期財務報告及減值 ⁶
香港(國際財務報告 解釋委員會)－ 詮釋第11號	香港財務報告準則第2號－ 集團及庫存股份交易 ⁷
香港(國際財務報告 解釋委員會)－ 詮釋第12號	服務經營權安排 ⁸

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS/ CHANGES IN ACCOUNTING POLICIES (Continued)

The Group has not early adopted the following HKFRSs that have been issued but are not yet effective as at 31st December, 2006. The directors of the Company are currently assessing the impact of these HKFRSs but are not yet in a position to state whether they would have material financial impact on the consolidated financial statements.

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

綜合財務報表附註

截至二零零六年十二月三十一日止年度

2. 採用新訂及經修訂香港財務報告準則／會計政策變動 (續)

- ¹ 由二零零七年一月一日或之後開始的年度期間生效。
- ² 由二零零九年一月一日或之後開始的年度期間生效。
- ³ 由二零零六年三月一日或之後開始的年度期間生效。
- ⁴ 由二零零六年五月一日或之後開始的年度期間生效。
- ⁵ 由二零零六年六月一日或之後開始的年度期間生效。
- ⁶ 由二零零六年十一月一日或之後開始的年度期間生效。
- ⁷ 由二零零七年三月一日或之後開始的年度期間生效。
- ⁸ 由二零零八年一月一日或之後開始的年度期間生效。

3. 主要會計政策

編製基準

本綜合財務報表已按歷史成本慣例法編製，惟投資物業及若干金融工具按公平價值計量則除外，有關詳情在下文之會計政策內說明。

第47頁至116頁之綜合財務報表乃根據香港會計師公會發出之香港財務報告準則編製。此外，綜合財務報表包括聯交所證券上市規則及香港公司條例所規定的適用披露。

務請留意，編製綜合財務報表時曾運用會計估計及假設。雖然該等估計乃以管理層對現時事件及行動之知識及判斷為基準，惟最終之實際結果或會與該等估計不同。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2006

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS/ CHANGES IN ACCOUNTING POLICIES (Continued)

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

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis, except for investment properties and certain financial instruments, which are measured at fair values as explained in the accounting policies set out below.

The consolidated financial statements on pages 47 to 116 have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements included applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and the Hong Kong Companies Ordinance.

It should be noted that accounting estimates and assumptions are used in preparation of the consolidated financial statements. Although these estimates are based on management's best knowledge and judgment of current events and actions, actual results may ultimately differ from those estimates.

綜合財務報表附註

截至二零零六年十二月三十一日止年度

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2006

3. 主要會計政策 (續)

綜合基準

本綜合財務報表合併本公司及其附屬公司截至每年十二月三十一日之財務報表。倘本公司有權管限一實體之財務及營運政策藉以從其業務中獲益，則視為取得控制權論。

少數股東權益指並非由本集團擁有之股本權益應佔一間附屬公司之部分溢利或虧損及資產淨值，亦非本集團之金融負債。

於綜合資產負債表內少數股東權益與本公司股份持有人應佔權益分開呈列。於綜合收益表內少數股東權益應佔之溢利或虧損分開呈列，作為本集團業績之分配。倘適用於少數股東之虧損超過於附屬公司股本之少數股東權益，所超過之金額及適用於少數股東之進一步虧損計入少數股東之權益內，直至少數股東受具約束力之責任所規限並且有能力作出額外投資彌補虧損的程度。否則，虧損乃於本集團之權益內支銷。倘該附屬公司其後錄得溢利，該溢利僅會於先前由本集團吸納之少數股東應佔虧損已予彌補後方計入少數股東權益。

附屬公司

附屬公司乃指本集團有權監控其財務及營運政策藉以從其業務中獲益之所有公司 (包括特別功能公司)。於評估本集團是否控制另一公司時，會考慮現時可行使或可換轉之潛在投票權之存在及影響。附屬公司之賬目自控制權轉讓予本集團之日起全面綜合計算，並自該控制權終止之日起停止綜合計算。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to 31st December each year. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefit from its activities.

Minority interests represent the portion of the profit or loss and net assets of a subsidiary attributable to equity interests that are not owned by the Group and are not the Group's financial liabilities.

Minority interests are presented in the consolidated balance sheet separately from the equity attributable to the equity holders of the Company. Profit or loss attributable to the minority interests are presented separately in the consolidated income statement as an allocation of the Group's results. Where losses applicable to the minority exceeds the minority interests in the subsidiary's equity, the excess and further losses applicable to the minority are allocated against minority interests to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses. Otherwise, the losses are charged against the Group's interests. If the subsidiary subsequently reports profits, such profits are allocated to minority interests only after the minority's share of losses previously absorbed by the Group has been recovered.

Subsidiaries

Subsidiaries are entities (including special purpose entities) over which the Group has the power to control the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are excluded from consolidation from the date that control ceases.

綜合財務報表附註

截至二零零六年十二月三十一日止年度

3. 主要會計政策 (續)

附屬公司 (續)

本年度購入或出售附屬公司之業績，視乎情況按其收購生效日期起或迄至其出售生效日期止，而計入綜合收益表內。

如有需要，會對附屬公司之財務報表作出調整，以使其會計政策與本集團其他成員公司採用之會計政策一致。

所有集團內部交易、結餘、收益及開支已於編製綜合財務報表時撇除。

商譽

因收購附屬公司產生之商譽(收購之協議日期為二零零五年一月一日之前)，乃指在收購日期收購成本超出本集團於有關附屬公司可識別資產及負債中之權益公平價值之差額。

對於原先已資本化之商譽，本集團自二零零五年一月一日起不再繼續攤銷，而有關商譽每年及凡商譽有關之產生現金單位有可能出現減值之跡象時進行減值測試。

因收購附屬公司產生之商譽(收購之協議日期為二零零五年一月一日或之後)，乃指在收購日期收購成本超出本集團於有關附屬公司之可識別資產、負債及或然負債公平價值之差額。有關商譽乃按成本減累計減值虧損列賬。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2006

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsidiaries (Continued)

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

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

All intra-group transactions, balances, income and expenses are eliminated in preparing the consolidated financial statements.

Goodwill

Goodwill arising on an acquisition of a subsidiary for which the agreement date is before 1st January, 2005 represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of the relevant subsidiary at the date of acquisition.

For previously capitalised goodwill, the Group has discontinued amortisation from 1st January, 2005 onwards, and such goodwill is tested for impairment annually, and whenever there is an indication that the cash generating unit to which the goodwill relates may be impaired.

Goodwill arising on an acquisition of a subsidiary for which the agreement date is on or after 1st January, 2005 represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of the relevant subsidiary at the date of acquisition. Such goodwill is carried at cost less any accumulated impairment losses.

綜合財務報表附註

截至二零零六年十二月三十一日止年度

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2006

3. 主要會計政策 (續)

商譽 (續)

就減值測試而言，因收購產生之商譽會分配至預期自收購所產生協同效益之有關現金產生單位或多個現金產生單位。商譽所獲分配之現金產生單位會每年，及當有跡象顯示該單位可能出現減值時進行減值測試。就因收購產生商譽之財政年度而言，商譽所獲分配之現金產生單位會於該財政年度結束前進行減值測試。倘現金產生單位之可收回數額少於其賬面值，則減值虧損會先用作減低任何分配至該單位之商譽之賬面值，其後則按該單位內各項資產賬面值之比例分配至該單位之其他資產。商譽減值虧損乃直接於綜合收益表內確認，商譽減值虧損不會於往後年度撥回。

於往後出售之附屬公司，其資本化商譽應佔金額會用作釐定出售溢利或虧損數額。

收入確認

收益按已收或應收代價之公平價值計量，指正常業務過程中之應收款，扣除退貨或折扣。

貨品銷售乃於貨品付運及擁有權轉移時確認為收入。

服務收入於提供服務時確認。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Goodwill (Continued)

For the purposes of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the acquisition. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication that the unit may be impaired. For goodwill arising on an acquisition in a financial year, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in the consolidated income statement. Impairment loss for goodwill is not reversed in subsequent years.

On subsequent disposal of a subsidiary, the attributable amount of goodwill capitalised is included in the determination of the amount of profit or loss on disposal.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold in the normal course of business, net of returns and discounts.

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

Service income is recognised when the services are rendered.

綜合財務報表附註

截至二零零六年十二月三十一日止年度

3. 主要會計政策 (續)

收入確認 (續)

金融資產產生之利息收入乃按時間比例基準，並參照尚未償還本金額及按所適用之利率入賬，而該利率為透過財務資產之預期可用年期將估計日後現金收據實際折讓至該資產之賬面淨值之比率。

經營租約之租金收入乃以直線法按有關租約之年期於綜合收益表中確認。

物業、廠房及設備

建於租賃土地上之持作自用樓宇，其公平價值可於租賃開始時與租賃土地之公平價值分開計量，其他廠房及設備按成本值減累積折舊及減值虧損列賬。

由資本租賃安排持有之樓宇按其估計可使用年期或租賃年期（以較短為準）將其折舊。

其他資產乃按下列年率，於估計可使用年年期內以直線法計提折舊，以撇減其成本：

樓宇	2.5%
廠房、機器及設備	15% — 20%
傢俬及裝置	15% — 20%
汽車	25%

資產可使用年期須於各結算日重新審核和調整(如需要)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

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

Rental income from operating leases is recognised in the consolidated income statement on a straight-line basis over the terms of the relevant lease.

Property, plant and equipment

Buildings held for own use which are situated on leasehold land, where the fair value of the buildings could be measured separately from the fair value of the leasehold land at the inception of the lease, and other items of plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Buildings held under capital leasing agreements are depreciated over their expected useful lives or over the term of lease, if shorter.

Depreciation on other assets is provided to write off the cost over their estimated useful lives, using the straight-line method at the following rates per annum:

Buildings	2.5%
Plant, machinery and equipment	15% – 20%
Furniture and fixtures	15% – 20%
Motor vehicles	25%

The asset's useful lives are reviewed and adjusted if appropriate, at each balance sheet date.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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3. 主要會計政策 (續)

物業、廠房及設備 (續)

物業、廠房及設備項目於出售時或當繼續使用該資產預期不會產生任何日後經濟利益時取消確認。資產取消確認產生之任何收益或虧損(按該項目出售所得款項淨額及賬面值之間的差額計算)於該項目取消確認之年度計入綜合收益表。

期後成本如可增加本集團預期經濟利益時及該成本值能可靠地計量，有關成本將會加入列作該項資產之賬面值或確認為一項獨立資產(如需要)。所有其他成本如維修及保養費於發生時的財務期間於綜合收益表支銷。

投資物業

投資物業指為獲取租金收入及／或資本增值而擁有或按照租賃權益持有的土地及／或樓宇，其中包括現時未決定未來用途之所持有土地。

若本集團按照營業租賃持有物業權益以獲取租金收入及／或資本增值，有關權益按個別物業基準分類為投資物業。任何該類物業權益被分類為投資物業時，會按照猶如以融資租賃持有的方式入賬。

於初次確認時，投資物業按成本(包括任何直接應佔費用)計量。於初次確認後，投資物業採用公平價值模式計量。因投資物業之公平價值變動或出售投資物業而產生之盈虧於變動產生年度計入溢利或虧損。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment (Continued)

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

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

Investment properties

Investment properties are land and/or buildings which are owned or held under a leasehold interest to earn rental income and/or for capital appreciation. These include land held for a currently undetermined future use.

When the Group holds a property interest under an operating lease to earn rental income and/or for capital appreciation, the interest is classified and accounted for as an investment property on a property-by-property basis. Any such property interest which has been classified as an investment property is accounted for as if it were held under a finance lease.

On initial recognition, investment properties are measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured using the fair value model. Gains or losses arising from changes in the fair value of investment properties or the sale of investment properties are included in profit or loss for the year in which they arise.

綜合財務報表附註

截至二零零六年十二月三十一日止年度

3. 主要會計政策 (續)

於聯營公司之投資

聯營公司是指本集團對其有重大影響，通常持有其20%至50%投票權而既非附屬公司亦非合資企業之實體。

聯營公司之業績，資產與負債以權益會計法計入此等綜合財務報表內。根據權益法，於聯營公司之投資乃按成本，並就本集團於收購後分佔溢利或虧損之變動及聯營公司權益之變動作出調整，再減任何已識別減值虧損計入綜合資產負債表。綜合收益表計入本年度本集團應佔聯營公司收購後稅後業績，包括任何本年度確認，於有關聯營公司投資之商譽之減值虧損。當本集團所佔聯營公司虧損等於或超出於該聯營公司權益(包括任何實質上構成本集團於該聯營公司之投資淨額之長期權益)時，本集團終止確認其所佔之進一步虧損。惟倘本集團須向該聯營公司承擔法律或推定義務，或須代其支付款項，則需就額外虧損撥備或確認負債。

收購成本超過本集團於收購當日應佔有關聯營公司之可識別資產、負債公平淨值的差額均確認為商譽。商譽乃列入投資之帳面值，並就減值進行評估。應用權益會計法後，本集團會釐定是否有必要就本集團於聯營公司之投資確認額外減值虧損。於各結算日，本集團會釐定是否有跡象顯示於聯營公司投資出現減值。如察覺有此跡象，本集團會計算減值額，即聯營公司可收回額(見下文減值之會計政策)與其面值之差額。

重新評估後，任何本集團應佔可識別資產、負債及或然負債公平淨值超過收購成本的差額乃隨即於溢利或虧損內確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2006

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments in associates

Associates are those entities over which the Group is able to exert significant influence, generally accompanying a shareholding of between 20% and 50% of voting rights but which are neither subsidiaries nor investment in a joint venture.

The results, assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, investments in associates are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the Group's share of the profit or loss and of changes in equity of the associate, less any identified impairment loss. The consolidated income statement includes the Group's share of the post-acquisition, post-tax results of the associate for the year, including any impairment loss on goodwill relating to the investment in associate recognised for the year. When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. An additional share of losses is provided for and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities of the associate recognised at the date of acquisition is recognised as goodwill. Such goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. After the application of equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investments in its associates. At each balance sheet date, the Group determines whether there is any objective evidence that the investment in an associate is impaired. If such indications are identified, the Group calculates the amount of impairment as being the difference between the recoverable amount (see accounting policy of impairment below) of the associate and its carrying amount.

Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2006

3. 主要會計政策 (續)

於聯營公司之投資 (續)

當集團實體與本集團聯營公司進行交易時，溢利及虧損會以本集團於相關聯營公司之權益為限予以撇銷。

未變現虧損亦予沖銷，除非交易提供有關所轉讓資產減值之證據。倘聯營公司採用有別於本集團就類似情況下就同類交易及事件採用之會計政策，則必要時須作調整，使本集團應用權益會計法而使用聯營公司之財務報表時聯營公司之會計政策與本集團一致。

存貨

存貨乃按成本值或可變現淨值兩者較低者列賬。成本以加權平均法計算，而在製品及製成品之成本值則包括直接物料、直接工資及適當比例之間接費用。可變現淨值根據於日常業務過程中之估計售價扣除估計完成及出售所需之費用。

減值(並非商譽及金融資產—見上文與商譽有關之會計政策)

本集團於每個結算日覆核其資產之賬面值，以釐定該等資產是否有減值虧損之任何顯示。倘估計資產之可收回款項低於其賬面值，該資產之賬面值將削減至其可收回金額。就評估減值而言，倘資產之現金流入基本上不能獨立於其他資產之現金流入時，則須就可獨立地產生現金流入之最小資產組合(即一個現金產生單位)確定可收回金額。結果是，部分資產個別作減值測試，部分則於現金產生單位水平作測試。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments in associates (Continued)

Where a group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred. Where the associate uses accounting policies other than those of the Group for like transactions and events in similar circumstances, adjustments are made, where necessary, to conform the associate's accounting policies to those of the Group when the associate's financial statements are used by the Group in applying the equity method.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average method, and in the case of work in progress and finished goods, comprise direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and applicable selling expenses.

Impairment (other than goodwill and financial assets- see the accounting policies in respect of goodwill above)

At each balance sheet date, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. For the purposes of assessing impairment, where an asset does not generate cash inflows largely independent from those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e. a cash-generating unit). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

綜合財務報表附註

截至二零零六年十二月三十一日止年度

3. 主要會計政策 (續)

減值(並非商譽及金融資產—見上文與商譽有關之會計政策)(續)

確認之減值虧損會按比例減少該單位中其他資產之賬面金額，但減值不會使個別資產的賬面金額減至低於其公平價值減銷售成本，或(若能確定)其使用價值。

減值虧損即時會確認為開支，除非相關資產根據另一準則以重估值列賬，則其減值虧損可當作以該準則重估減值入賬。可收回金額乃反映市況減銷售成本所得之公平價值與使用價值兩者之較高者。評估使用價值時，估計日後現金流量乃根據除稅前貼現率貼現至現值，而該貼現率須反映市場現行對款項之時間價值及資產獨有風險之評估。

倘用作釐定資產可收回金額之估計出現有利變動，而減值虧損亦於其後撥回，該資產之賬面值乃增加至其可收回金額之經修訂估計，使已增加之賬面值不超過往年尚未確認減值虧損時所釐定之賬面值(扣除折舊及攤銷)。減值虧損之逆轉即時確認為收入，除非有關資產根據另一準則以重估值列賬，則其回撥額可當作以該準則重估增值入賬。

租賃

當租賃條款將所涉及擁有權之絕大部份風險及回報轉讓予承租人時，租賃乃分類為融資租賃。所有其他租賃均分類為經營租賃。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment (other than goodwill and financial assets- see the accounting policies in respect of goodwill above) (Continued)

Impairment losses recognised is charged pro rata to the other assets in the cash generating unit, except that the carrying value of an asset will not be reduced below its individual fair value less cost to sell, or value in use, if determinable.

Impairment loss is recognised as expense immediately, unless the relevant asset is carried at a revalued amount under another standard, in which case the impairment loss is treated as a revaluation decrease under that standard. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessment of time value of money and the risk specific to the asset.

Where there is a favourable change in the estimates used to determine the asset's recoverable amount and impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, such that the increased carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortisation had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount under another standard, in which case the reversal of the impairment loss is treated as a revaluation increase under that other standard.

Leasing

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

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3. 主要會計政策 (續)

租賃 (續)

本集團作為出租人

經營租賃之租金收入乃按相關租賃年期以直線法於綜合收益表確認。根據經營租賃租出之資產乃根據資產性質計量及呈列。於協商及安排時引致之初步直接成本乃加至租賃資產之賬面值，並按租賃年期以直線法確認作一項費用，除非另有較使用租賃資產所得利益之模式更具代表性之基準。

本集團作為承租人

根據經營租賃之應付租金乃按相關租賃年期以直線法於溢利或虧損扣除，除非另有較使用租賃資產所得利益之模式更具代表性之基準。因訂立一項經營租賃作為獎勵之已收及應收福利乃以直線法按租賃年期確認以減少租金支出。

外幣

於編製集團各實體之綜合財務報表時，以該實體之功能貨幣以外幣(外幣)進行之交易乃按交易日期之適用匯率折算為其功能貨幣(即該實體進行經營之主要經濟環境所使用之貨幣)記錄。於各結算日，以外幣列值之貨幣項目按該結算日之適用匯率重新換算。按公平價值入賬及以外幣結算之非貨幣項目按公平價值釐定當日之適用匯率換算及報告為部分公平價值損益。以外幣按歷史成本計算之非貨幣項目不進行重新換算。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leasing (Continued)

The Group as lessor

Rental income from operating leases is recognised in the consolidated income statement on a straight-line basis over the terms of the relevant leases. Assets leased out under operating leases are measured and presented according to the nature of the assets. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease terms except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased assets.

The Group as lessee

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased assets. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight-line basis.

Foreign currencies

In preparing the consolidated financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in its functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined and reported as part of the fair values gain or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

綜合財務報表附註

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3. 主要會計政策 (續)**外幣 (續)**

因結算貨幣項目及換算貨幣項目而產生之匯兌差額，於該等差額產生年度之溢利或虧損內確認，惟因構成本集團於海外業務投資淨額一部分之貨幣項目所產生之匯兌差額除外，於此情況下，該等匯兌差額於綜合財務報表內之權益下確認。因重新換算按公平價值入賬之非貨幣項目而產生之匯兌差額計入當年溢利或虧損，惟重新換算非貨幣項目（其溢利及虧損直接於權益內確認）而產生之差額除外，於此情況下，匯兌差額亦直接於權益中確認。

就綜合財務報表呈列而言，本集團之海外業務之資產及負債乃按於結算日之適用匯率換算為本公司之呈列貨幣（即港幣），以及其收入及開支按該年度之平均匯率換算，除非於該期間之匯率大幅波動則除外，於此情況下，則按各項交易之日所使用之適用匯率換算。產生之匯兌差額（如有）乃按權益中之獨立成分（匯兌儲備）予以確認。該等匯兌差額乃於海外業務獲出售年度之溢利及虧損內確認。

收購海外業務產生之商譽及可識別資產之公平價值調整，乃作為該海外業務之資產及負債處理，並按結算日當時適用之匯率換算為港幣。因此而產生之匯兌差額於匯兌儲備內確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)**Foreign currencies (Continued)**

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the year in which they arise, except for exchange differences arising on a monetary item that forms part of the Group's net investment in a foreign operation, in which case, such exchange differences are recognised in equity in the consolidated financial statements. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity, in which cases, the exchange differences are also recognised directly in equity.

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

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and translated into Hong Kong dollars at the rate of exchange prevailing at the balance sheet date. Exchange differences arising are recognised in the translation reserve.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2006

3. 主要會計政策 (續)

研究及開發支出

研究活動之支出於產生之年度確認為開支。

開發支出產生之內部產生無形資產僅於符合以下確認要求時確認：

- 證明研發中產品自用或出售之技術可行性；
- 無形資產將通過自用或出售產生可能經濟利益；
- 具備完工所需足夠之技術、財政及其他資源；及
- 無形資產能可靠地計量。

因而產生之資產按其可使用年期以直線法攤銷，並按成本值減隨後之累計攤銷及減值虧損列賬。

倘並無內部一般無形資產可確認時，開發支出於產生之年度確認為開支。

倘有跡象顯示資產可能出現減值時，具有限可使用年期之無形資產會作減值測試（見上文有關商譽以外之減值虧損會計政策）。

取消確認一項無形資產所產生之盈虧，乃按出售所得款項淨額與資產之賬面值之差額計算，並於取消確認該項資產時在綜合收益表內確認。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Research and development expenditure

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

An internally-generated intangible asset arising from development expenditure is recognised only if they meet the following recognition requirements:

- demonstration of technical feasibility of the prospective product for internal use or sale;
- the intangible asset will generate probable economic benefits through internal use or sale;
- sufficient technical, financial and other resources are available for completion; and
- the intangible asset can be reliably measured.

The resultant asset is amortised on a straight-line basis over its useful life, and carried at cost less subsequent accumulated amortisation and impairment loss.

Where no internally-generated intangible asset can be recognised, development expenditure is recognised as expense in the year in which it is incurred.

Intangible assets with finite useful lives are tested for impairment when there is an indication that an asset may be impaired (see the above accounting policy in respect of impairment losses other than goodwill).

Gains or losses arising from derecognition of an intangible asset are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated income statement when the asset is derecognised.

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3. 主要會計政策 (續)**金融工具**

倘集團實體成為工具合約條文之訂約方，則於資產負債表中確認金融資產及金融負債。金融資產及金融負債初步按公平價值計算。因收購或發行金融資產及金融負債（不包括透過溢利或虧損按公平價值計算之金融資產及金融負債）而直接產生之交易成本，於初次確認時加入金融資產及金融負債（如適用）之公平價值或自金融資產及金融負債（如適用）之公平價值扣除。因收購按公平價值計入溢利或虧損之金融資產或金融負債而直接產生之交易成本即時於溢利或虧損內確認。於各結算日，金融資產乃經檢討以評估是否有客觀減值證據。如有此跡象，則釐定減值虧損並基於金融資產分類予以確認。

金融資產

本集團之金融資產分為四種類其中之一，包括透過溢利或虧損按公平價值計算之金融資產、貸款及應收賬款、持有至到期日投資及可供出售金融資產。所有一般性購買或銷售金融資產按交易日期基準確認或取消確認。一般性購買或銷售為按於市場規定或慣例確立之時間期限內交付資產之金融資產之購買或銷售。每類金融資產採納之會計政策載列如下。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)**Financial instruments**

Financial assets and financial liabilities are recognised on the balance sheet when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss. At each balance sheet date, financial assets are reviewed to assess whether there is objective evidence of impairment. If any such evidence exists, impairment loss is determined and recognised based on the classification of the financial asset.

Financial assets

The Group's financial assets are classified into one of four categories, including financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. The accounting policies adopted in respect of each category of financial assets are set out below.

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3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

透過溢利或虧損按公平價值計算之金融資產

透過溢利或虧損按公平價值計算之金融資產再細分為兩類，包括持作交易金融資產及於初次確認時被指定為透過溢利或虧損按公平價值計算之金融資產。於首次確認後之各結算日，透過溢利或虧損按公平價值計算之金融資產按公平價值計量。公平價值之變動於變動產生年度直接在溢利或虧損內確認。

貸款及應收款項

貸款及應收款項為附帶固定或可釐定付款之非衍生性質金融資產，且並無在活躍市場計算報價。於初次確認後各結算日，貸款及應收款項 (包括貿易及其他應收款項以及按金) 採用實際利息法計算其攤銷成本，減任何已識別減值虧損列賬。攤銷成本乃考慮到收購時之任何折讓或溢價，並包括作為實際利率及交易成本不可或缺部分之費用。倘客觀證明資產出現減值，則減值虧損會於溢利或虧損確認，並按資產賬面值與按原實際利率折讓之估計未來現金流量 (不包括尚未產生之未來信貸損失) 現值之差額計算。虧損額於出現減值年內之溢利或虧損中確認。當資產之可收回金額增加可客觀地與確認減值後所發生之事件聯繫，則減值虧損於其後之期間撥回，惟於撥回減值日之資產賬面值並非超出倘沒有確認減值之原有攤銷成本，方可進行撥回。撥回額於出現撥回年內之溢利或虧損中確認。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss has two subcategories, including financial assets held for trading and those designated at fair value through profit or loss on initial recognition. At each balance sheet date subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value, with changes in fair value recognised directly in profit or loss in the year in which they arise.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At each balance sheet date subsequent to initial recognition, loans and receivables (including trade and other receivables, and deposits) are carried at amortised cost using the effective interest method, less any identified impairment losses. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction cost. Impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the original effective interest rate. The amount of the loss is recognised in profit or loss for the year in which the impairment occurs. Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. The amount of the reversal is recognised in profit or loss of the year in which the reversal occurs.

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截至二零零六年十二月三十一日止年度

3. 主要會計政策 (續)**金融工具 (續)****金融資產 (續)***持有至到期日投資*

持有至到期日投資屬非衍生金融資產，具固定或可釐定支付款額及固定到期日，而本集團管理層有明確意圖及能力持有至到期日。於初步確認後各結算日，持有至到期日投資計算，乃採用實際利息法攤銷其成本，再減去可識別的減值虧損。計算攤銷成本時乃計入收購時任何折讓或溢價，並包括作為實際利率及交易成本一部分之費用。減值虧損於有客觀證據證明資產減值時在溢利或虧損確認，並按初步確認時計算之該項資產賬面值與估計未來現金流量(不包括已產生之未來信貸損失)按於初次確認時計算之實際利率折算之現值之間的差額計算。虧損額於產生減值之年度之溢利或虧損中確認。當投資之可收回數額增幅可客觀地與在確認減值後發生之事件聯繫，則減值虧損在其後撥回，惟在撥回減值當日之資產賬面值不得超過如無確認減值原有之攤銷成本，方可進行撥回。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)**Financial instruments (Continued)****Financial assets (Continued)***Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. At each balance sheet date subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method, less any identified impairment losses. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction cost. Impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have been incurred) discounted at the effective interest rate computed on initial recognition. The amount of loss is recognised in profit or loss of the year in which the impairment occurs. Impairment losses are reversed in subsequent periods when an increase in the investment's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

綜合財務報表附註

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2006

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

可供出售金融資產及其他投資

可供出售金融資產及其他投資為非衍生項目，被指定為此類別或不被劃分為其他類別 (載於上文)。

於初步確認後各結算日，可供出售金融資產按公平價值計算。公平價值之變動於權益確認，直至該金融資產被出售或決定被減值，屆時過往於權益確認之累計盈虧會自權益剔除，並於溢利或虧損確認。可供出售金融資產之任何減值虧損於溢利或虧損確認。可供出售之股本投資之減值虧損將不會於以後期間撥回。

就股本投資而言，倘並無活躍市場之市場報價，而其公平價值未能可靠計算，及與該等非上市股本工具有關並須以交付該等工具之方式結算之衍生工具，則可供出售之股本投資於首次確認後之各個結算日按成本值減任何已識別減值虧損計算。倘具備客觀證明資產減值，則減值虧損於溢利或虧損確認。減值虧損數額按資產賬面值與按類似金融資產之現行市場回報率折現估計未來現金流量之現值之間的差額計算。該等減值虧損之撥回直接於股本確認。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Available-for-sale financial assets and other investments

Available-for-sale financial assets and other investments are non-derivatives that are either designated to this category or not classified as any of the other categories (set out above).

At each balance sheet date subsequent to initial recognition, available-for-sale financial assets are measured at fair value. Changes in fair value are recognised in equity, until the financial asset is disposed of or is determined to be impaired, at which time, the cumulative gain or loss previously recognised in equity is removed from equity and recognised in profit or loss. Any impairment losses on available-for-sale financial assets are recognised in profit or loss. Impairment losses on available-for-sale equity investments will not reverse in subsequent periods.

Equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, are measured at cost less any identified impairment losses at each balance sheet date subsequent to initial recognition. Impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired. The amount of the impairment loss is measured as the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Any reversal of such impairment losses is recognised directly in equity.

綜合財務報表附註

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For the year ended 31st December, 2006

3. 主要會計政策 (續)**金融工具 (續)****金融負債及股本權益**

由集團實體發行之金融負債及股本工具按所訂立之合約安排性質，以及金融負債及股本工具之定義而分類。股本工具為證明集團資產剩餘權益（經扣除其所有負債）之任何合約。本集團之金融負債一般分類為透過溢利或虧損按公平價值計算之金融負債以及其他金融負債。倘現有金融負債被另一由同一放款人按不同條款之負債取代，或現有負債之條款經過大幅修訂，則此交換或修訂被視為取消確認原負債並確認新負債。就金融負債及股本工具而採納之會計政策載列如下。

透過溢利或虧損按公平價值計算之金融負債

透過溢利或虧損按公平價值計算之金融負債再細分為兩類，包括持作交易金融負債及於初次確認時被指定為透過溢利或虧損按公平價值計算之金融負債。於首次確認後之各結算日，透過溢利或虧損按公平價值計算之金融資產按公平價值計量。公平價值之變動於變動產生年度內直接在溢利或虧損內確認。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)**Financial instruments (Continued)****Financial liabilities and equity**

Financial liabilities and equity instruments issued by a group entity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The Group's financial liabilities are generally classified into financial liabilities at fair value through profit or loss and other financial liabilities. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The accounting policies adopted in respect of financial liabilities and equity instruments are set out below.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss has two subcategories, including financial liabilities held for trading and those designated at fair value through profit or loss on initial recognition. At each balance sheet date subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value, with changes in fair value recognised directly in profit or loss in the year in which they arise.

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3. 主要會計政策 (續)**金融工具 (續)****金融負債及股本權益 (續)****其他金融負債**

其他金融負債(包括銀行貸款、貿易及其他應付款項和應付票據)隨後按攤銷成本採用實際利息法計量。

股本工具

由本公司發行之股本工具按收取之款項，扣除直接發行成本列賬。

衍生金融工具

本集團使用衍生金融工具(主要包括遠期外幣合約)對沖其匯率波動風險。該等衍生工具乃按公平價值計算，而不會考慮彼等是否被列作有效對沖工具。

香港會計準則第39號將對沖關係分為三類，包括公平價值對沖、現金流量對沖及海外業務投資淨額對沖。用作對沖已確認資產及負債之公平價值變動風險或未確認公司承擔或該資產、負債或公司承擔中可辨認與特定風險有關並可影響溢利或虧損之部分之風險，則列作公平價值對沖。相反地，用作對沖與已確認資產或負債或預計交易有關之特定風險，或公司承擔中可影響溢利或虧損之外匯風險所引起之現金流量變化風險，則列作現金流量對沖。本集團僅有不符合對沖會計處理法之衍生工具，該等衍生工具被視為持作買賣之金融資產或持作買賣之金融負債。有關衍生工具公平價值之變動乃直接於溢利或虧損中確認。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)**Financial instruments (Continued)****Financial liabilities and equity (Continued)****Other financial liabilities**

Other financial liabilities including bank borrowings, trade and other payables and bills payable are subsequently measured at amortised cost, using the effective interest method.

Equity instruments

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

Derivative financial instruments

The Group uses derivative financial instruments primarily forward currency contracts, to hedge its exposure against foreign exchange rate fluctuation. Such derivatives are measured at fair value regardless of whether they are designated as effective hedging instruments.

There are three types of hedge relationships under HKAS 39, including fair value hedges, cash flow hedges and hedge of a net investment in a foreign operation. Hedges are classified as fair value hedges when hedges are made to hedge against exposure to changes in fair value of a recognised asset and liability or an unrecognised firm commitment or an identifiable portion of such an asset, liability or firm commitment, that is attributable to a particular risk and could affect profit or loss. Alternatively, hedges are classified as cash flow hedges when hedges are made to hedge against exposure to variability in cash flows that are attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction, or a foreign currency risk of a firm commitment and could affect profit or loss. The Group only has derivatives that do not qualify for hedge accounting and they are deemed as financial assets held for trading or financial liabilities held for trading. Changes in fair values of such derivatives are recognised directly in profit or loss.

綜合財務報表附註

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3. 主要會計政策 (續)

金融工具 (續)

財務擔保合約

財務擔保合約為當特定債務人未能根據債務工具內原有或經修改之條款於到期日償還債務，以致發行人須給予特定款項以償還另一方之損失之合約。倘本集團發出財務擔保，該擔保的公平價值最初確認為貿易及其他應付款項內的遞延收入。倘在發行該擔保時收取或可收取代價，該代價則根據適用於該類資產的本集團政策而予確認。如無收取或可收取代價，則於最初確認任何遞延收入時，即時開支於溢利或虧損內確認。

最初確認為遞延收入之擔保款額按擔保年期於溢利或虧損內攤銷為所發出的財務擔保收入。此外，倘擔保持有人有可能根據擔保傳召本集團，而本集團的申索款額預期超過現時列於該擔保的應付賬款及其他應付款（即最初確認的金額減累計攤銷），則確認撥備。

取消確認

若從資產收取現金流量之權利已屆滿，或金融資產已轉讓及本集團已將其於金融資產擁有權之絕大部分風險及回報轉移，則金融資產將被取消確認。於取消確認金融資產時，資產賬面值與已收代價及已直接於權益確認之累計盈虧之總和之差額，將於溢利或虧損中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2006

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. Where the Group issues a financial guarantee, the fair value of the guarantee 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 if and when it becomes probable that the holder of the guarantee will call upon the Group under the guarantee and the amount of that claim on the Group is expected to exceed the current carrying amount i.e. the amount initially recognised less accumulated amortisation, where appropriate.

Derecognition

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

綜合財務報表附註

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2006

3. 主要會計政策 (續)**金融工具 (續)****取消確認 (續)**

當有關合約所訂明責任獲解除、註銷或屆滿時，金融負債會被取消確認。倘一項現有金融負債被相同借款人按基本上不同之條款提供之其他債項取代，或現有負債條款被重大修改，該取代或修改會被視作取銷確認原有負債及確認一項新負債。被取消確認之金融負債之賬面值與已付或應付代價間差額於溢利或虧損中確認。

撥備

倘本集團因過往事件而承擔現有責任時，而本集團可能須履行該項責任時及一個可靠估計可作出時則會確認撥備。撥備指董事於結算日對履行有關責任所需開支之最佳估計，並於有重大影響時折算至現值。

退休福利費用及短期僱員福利**退休福利費用**

強制性公積金計劃及中央公積金計劃供款於到期應付時列為開支處理，詳情見附註36。

短期僱員福利

僱員可享有之年假於僱員應享有時確認。非累計薪休假(如病假及分娩假期)於提取假期時方予確認。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)**Financial instruments (Continued)****Derecognition (Continued)**

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognised and the consideration received or receivable is recognised in profit or loss.

Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation and a reliable estimate can be made. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material.

Retirement benefits costs and short-term employee benefits**Retirement benefits costs**

Payments to the Mandatory Provident Fund Scheme and state-managed retirement benefit schemes are charged as expenses as they fall due as detailed in note 36.

Short-term employee benefits

Employee entitlements to annual leave are recognised when they accrue to employees. Non-accumulating compensated absences such as sick leave and maternity leave are not recognised until the time of leave.

綜合財務報表附註

截至二零零六年十二月三十一日止年度

3. 主要會計政策(續)

稅項

所得稅開支指現時應付稅項及遞延稅項總額。

現時所得稅資產及／或負債包括稅收部門要求繳納的、涉及現時或以往報告年度但於結算日尚未支付的納稅責任，乃基於該年度應課稅溢利，根據有關財務年度適用之稅率及稅法計算。現時稅項資產或負債之所有變動均於綜合收益表內，確認為稅項開支之一部分。

現時應付稅項乃按本年度應課稅溢利計算。應課稅溢利不包括已撥往其他年度的應課稅或應扣減之收入及開支項目，亦不包括從未課稅或可扣稅之綜合收益表項目，故與綜合收益表所列純利不同。

遞延稅項指預期從綜合財務報表內資產及負債賬面值與計算應課稅溢利所採用相應稅基之差額所應付或可收回之稅項，以資產負債表負債法處理。遞延稅項負債一般就所有應課稅暫時差額確認，遞延稅項資產則於可能出現可利用暫時差額、可予結轉之稅項虧損，以及其他沒動用稅項抵扣作對銷應課稅溢利時予以確認。如暫時差額由商譽或由初次確認一項不影響稅項溢利或會計溢利之交易之其他資產及負債(業務合併除外)所產生，有關資產及負債則不會確認。

遞延稅項負債就於附屬公司及聯營公司之投資所產生應課稅暫時差額予以確認，除非本集團有能力控制暫時差額還原，而暫時差額很可能不會於可見將來還原。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2006

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation

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

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting year, that are unpaid at the balance sheet date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in the consolidated income statement.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes consolidated income statement items that are never taxable or deductible.

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

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2006

3. 主要會計政策 (續)

稅項 (續)

遞延稅項資產之賬面值乃於各個結算日進行檢討，並予以相應扣減，直至並無足夠應課稅溢利可供全部或部分遞延稅項資產可予應用為止。

遞延稅項按預期適用於負債清償或資產變現年度之稅率不予貼現而計算，惟該稅率須於結算日時制定或大致上被制定。遞延稅項從綜合收益表扣除或計入綜合收益表，除非遞延稅項關乎直接從股本扣除或直接計入股本之項目，在該情況下遞延稅項亦於股本中處理。

現金及現金等值項目

現金及現金等值項目包括銀行及手頭現金，減須應要求償還及構成本集團現金管理中不可或缺部分之銀行透支。

持作出售之非流動資產

非流動資產及出售組別之賬面值倘若乃透過出售交易而非透過持續使用而收回，則會分類為持作銷售類別。此條件只會於很可能達成出售及資產(或出售組別)可於現況下供即時出售時方告符合。

分類為持作出售之非流動資產(及出售組別)乃以資產(出售組別)先前之賬面值及公平價值減出售成本(以較低者為準)計量。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation (Continued)

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

Deferred tax is calculated, without discounting, at the tax rates that are expected to apply in the year when the liability is settled or the asset is realised, provided they are enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited to the consolidated income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of the assets' (disposal groups') previous carrying amount and fair value less costs to sell.

綜合財務報表附註

截至二零零六年十二月三十一日止年度

4. 關鍵會計判斷及估計不確定性之主要來源

於採用本集團之會計政策(如上文附註3所述)時,管理層作出下列對於綜合財務報表中已確認之數額產生重大影響之判斷。涉及日後之主要假設及於結算日估計不明朗因素之其他主要來源(彼等均擁有導致下個財政年度之資產及負債之賬面值出現大幅調整之重大風險)亦討論如下。

折舊及攤銷

本集團於二零零六年十二月三十一日之物業、廠房及設備之賬面淨值約為港幣260,154,000元。本集團以直線法對其物業、廠房及設備於其估計可使用年期四至四十年內經考慮到其估計剩餘價值,採用直線法以年率2.5%至25%,由物業、廠房及設備可供使用之日開始計算進行折舊處理。估計可使用年期為本集團將物業、廠房及設備達致生產使用之年期,反映董事對本集團擬使用物業、廠房及設備以獲取未來經濟利益所估計之期間。

壞賬及呆賬撥備

本集團呆壞賬撥備政策以可收回性評估、賬齡分析及管理層判斷為基礎。評估該等應收賬款之最終變現能力需要進行大量判斷,包括每一客戶之現時信譽及過往收款歷史記錄。倘本集團客戶財務狀況日趨惡化,削弱其付款能力,則須提撥額外準備。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2006

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying the Group's accounting policies which are described in note 3 above, management has made the following judgments that have significant effect on the amounts recognised in the consolidated financial statements. The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are also discussed below.

Depreciation and amortisation

The Group's net carrying value of property, plant and equipment as at 31st December, 2006 were approximately HK\$260,154,000. The Group depreciates its property, plant and equipment on a straight-line basis over the estimated useful lives of four to forty years, and after taking into account of their estimated residual value, using the straight-line method, at the rate of 2.5 - 25% per annum, commencing from the date the property, plant and equipment are available for use. The estimated useful lives that the Group places the property, plant and equipment into productive use reflects the directors' estimate of the periods that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment.

Allowance for bad and doubtful debts

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

綜合財務報表附註

截至二零零六年十二月三十一日止年度

4. 關鍵會計判斷及估計不確定性之主要來源 (續)

投資物業之估計公平價值

如附註14所述，投資物業於結算日按獨立專業估值師在現行用途下之公開市價估值進行重估。該等估值乃基於若干假設，該等假設乃受不明朗因素所影響及實際結果可能存在重大偏差。在作出判斷時，本集團考慮相似物業在活躍市場之現行價格之資料，並使用主要基於各結算日之市場狀況作出之假設。

存貨撥備

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

所得稅

本集團須繳交不同司法權區之所得稅。釐定所得稅撥備時須作重大判斷，因交易量大而其最終稅務釐定於日常業務過程中並不確定。於二零零六年十二月三十一日，有兩家附屬公司被稅務局稅檢。董事有信心，除於二零零六年十二月三十一日作出之稅項撥備外，本集團無須因是次稅檢而須交更多的稅。然而，倘稅檢之最後結果與起初記錄之款額有出入，則差額將影響釐定稅項之年度之所得稅及遞延稅項撥備。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2006

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Estimate of fair value of investment properties

As described in note 14, the investment properties were revalued at the balance sheet date on an open market value existing use basis by independent professional valuers. Such valuations were based on certain assumptions, which are subject to uncertainty and might materially differ from the actual results. In making the judgment, the Group considers information from current prices in an active market for similar properties and uses assumptions that are mainly based on market conditions existing at each balance sheet date.

Allowance for inventories

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

Income taxes

The Group is subject to income taxes in different jurisdictions. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. As at 31st December, 2006, two subsidiaries were subject to tax review by the Inland Revenue Department. The directors are confident the Group will not be subject to any further tax arising from this review other than the tax provision made as at 31st December, 2006. However, where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the year in which such determination is made.

綜合財務報表附註

截至二零零六年十二月三十一日止年度

4. 關鍵會計判斷及估計不確定性之主要來源(續)

所得稅(續)

於二零零六年十二月三十一日，本集團之綜合資產負債表就未動用估計稅項虧損確認遞延稅項資產約港幣2,463,000元。遞延稅項資產之可變現程度主要視乎是否有足夠未來溢利或日後是否有應課稅暫時差額而定。倘實際產生之未來溢利少於預期，則可能產生重大遞延稅項資產沖回，此等沖回將於產生之年度在綜合收益表內確認。

研究及開發活動

本集團之管理層於決定開發成本是否已達到確認條件時作出審慎判斷。由於任何產品開發之經濟成功與否尚屬未知數，或會受確認時之未來技術問題所影響，故此舉乃屬必需。判斷乃以各結算日時所得之最齊備資料為基準。另外，一切與研究及開發新產品有關之內部活動乃經本集團管理層持續監察。

5. 財務風險管理目標及政策

本集團之主要財務工具包括貿易及其他應收賬款、按金、銀行貸款、貿易及其他應付賬款、應付票據及應收／應付聯營公司款項。該等金融工具詳情於各附註披露。下文載列與該等金融工具有關之風險及如何降低該等風險之政策。管理層管理及監控該等風險，以確保及時和有效地採取適當之措施。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2006

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Income taxes (Continued)

As at 31st December, 2006, a deferred tax asset of approximately HK\$2,463,000 in relation to unused estimated tax losses has been recognised in the Group's consolidated balance sheet. The realisability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where the actual future profits generated are less than expected, a material reversal of deferred tax assets may arise, which would be recognised in the consolidated income statement for the year in which such a reversal takes place.

Research and development activities

Careful judgment by the Group's management is applied when deciding whether the recognition requirements for development costs have been met. This is necessary as the economic success of any product development is uncertain and may be subject to future technical problems at the time of recognition. Judgments are based on the best information available at each balance sheet date. In addition, all internal activities related to the research and development of new products is continuously monitored by the Group's management.

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's major financial instruments include trade and other receivables, deposits, bank borrowings, trade and other payables, bills payable and amounts due from/to associates. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

綜合財務報表附註

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2006

5. 財務風險管理目標及政策 (續)

市場風險

貨幣風險

本公司若干附屬公司有以外幣計值之銷售及採購，令本集團承受外幣風險。為降低外幣風險，本集團根據其風險管理政策就極可能預期用外幣結算銷售及採購訂立外幣遠期合約。

本集團之若干應收貿易賬款及借貸乃以外幣計值。本集團已訂立外幣對沖合約，以於必要時對沖重大外幣風險。

利率風險

本集團之利率風險主要與可變動利率之銀行借貸有關(該等借貸之詳情見附註28)。本集團之政策為將其貸款利率保持浮動，以盡量降低利率風險。

價格風險

本集團之持作出售投資乃於各結算日按公平價值計量。因此，本集團承受股本及債務證券價格風險。管理層維持具備不同風險之投資組合，以管理此項風險。

信貸風險

於二零零六年十二月三十一日，因交易對方或債務人未能履行責任而為本集團帶來財務虧損乃本集團最大信貸風險，乃來自綜合資產負債表所列各已確認金融資產之賬面值。

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Market risk

Currency risk

Several subsidiaries of the Company have foreign currency sales and purchases, which expose the Group to foreign currency risk. In order to mitigate the foreign currency risk, foreign currency forward contracts are entered into in respect of highly probable foreign currency forecast sales and purchases in accordance with the Group's risk management policies.

Certain trade receivables and borrowings of the Group are denominated in foreign currencies. The Group has entered into foreign currency forward contracts to hedge significant foreign currency exposure when necessary.

Interest rate risk

The Group's interest rate risk relates primarily to variable-rate bank borrowings (see note 28 for details of these borrowings). It is the Group's policy to keep its borrowings at floating rate of interest so as to minimise the interest rate risk.

Price risk

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

Credit risk

As at 31st December, 2006, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties or debtors is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated balance sheet.

綜合財務報表附註

截至二零零六年十二月三十一日止年度

5. 財務風險管理目標及政策 (續)

信貸風險(續)

為盡量減低信貸風險，本集團管理層已委任一組人員，專責釐定信貸保險、信貸限額、信貸批核及進行其他監管程序，以確保能跟進有關逾期債務之追討事宜。此外，本集團會於各結算日檢討各項個別貿易債務之可收回金額，以確保就不可收回款項作出足夠減值虧損。就此，本公司董事認為，本集團之信貸風險已大幅減少。

本集團因大部分營業額及應收款來自少數客戶而有信貸集中之風險。然而，該等客戶均為業界領袖或跨國公司，財力雄厚且信譽昭著，故管理層認為不存在重大信貸風險。

流動資金之信貸風險不高，乃因交易對方為國際評級機構評為良好信貸級別之銀行。

流動資金風險

為管理流動資金風險，本集團對現金及現金等值項目進行監管，並將其維持於管理層視作足夠之水平，以就本集團經營業務提供資金及現金流量波動之影響轉移。管理層監管銀行貸款之動用情況以確保符合貸款契約。

本集團依賴銀行借貸作為流動資金之主要來源。於二零零六年十二月三十一日，本集團有未經動用之透支及銀行貸款總額約港幣971,268,000元(二零零五年：港幣978,305,000元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2006

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk (Continued)

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit insurance, credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at each balance sheet date to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

Credit risk of the Group is concentrated as a major portion of turnover and receivables is from a few customers. However, these customers are industry leaders or multinational customers with solid financial background and with good creditability, the management considers there is no significant credit risk.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. As at 31st December, 2006, the Group have an aggregate available unutilised overdrafts and bank loan facilities of approximately HK\$971,268,000 (2005: HK\$978,305,000).

綜合財務報表附註

截至二零零六年十二月三十一日止年度

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2006

6. 收益及營業額

收益(即本集團之營業額)指本集團就售予外界客戶之貨品已收及應收之款額減退貨及折扣。

7. 業務及地區分類

業務分類

就管理分類申報而言，本集團分為兩個經營部門—EMS* 電子產品及ODM** 電子產品。此等部門為本集團申報其基本分類資料之基礎。

主要活動如下：

EMS電子產品—為EMS顧客製造及分銷電子產品。

ODM電子產品—為ODM顧客提供原產品開發及市場推廣。

* EMS指電子製造服務

** ODM指原產品開發及推廣

6. REVENUE AND TURNOVER

Revenue, which is also the Group's turnover represents the amounts received and receivable for goods sold by the Group to outside customers, less returns and discounts.

7. BUSINESS AND GEOGRAPHICAL SEGMENTS

Business segments

For management segment reporting purposes, the Group was organised into two operating divisions – EMS* electronic products and ODM** electronic products. These divisions are the basis on which the Group reports its primary segment information.

Principal activities are as follows:

EMS electronic products – manufacture and distribution of electronic products for EMS customers.

ODM electronic products – original product development and marketing for ODM customers.

* EMS denotes electronic manufacturing service

** ODM denotes original product development and marketing

綜合財務報表附註

截至二零零六年十二月三十一日止年度

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2006

7. 業務及地區分類(續)

業務分類(續)

此等業務之分類資料呈列如下。

二零零六年

2006

		EMS 部門 EMS division 港幣千元 HK\$'000	ODM 部門 ODM division 港幣千元 HK\$'000	其他部門# Other divisions# 港幣千元 HK\$'000	未分配 Unallocated 港幣千元 HK\$'000	撇銷 Eliminations 港幣千元 HK\$'000	綜合 Consolidated 港幣千元 HK\$'000
收益	Revenue						
外部銷售	External sales	3,708,348	3,405	2,031	-	-	3,713,784
分類之間銷售	Inter-segment sales	-	2	-	-	(2)	-
總額	Total	3,708,348	3,407	2,031	-	(2)	3,713,784
業績	Result						
分類業績	Segment result	150,299	(17,753)	3,418	580		136,544
未分配企業開支	Unallocated corporate expenses						(45,406)
利息收入	Interest income						3,951
未分配其他收入	Unallocated other income						16,310
融資成本	Finance costs						(26,867)
列為可供出售之資產之 已確認減值虧損	Impairment loss recognised in respect of asset classified as held for sale						(8,795)
應佔聯營公司業績	Share of results of associates	-	-	3,473	(947)		2,526
除稅前溢利	Profit before taxation						78,263
稅項	Taxation						(16,320)
本年度溢利	Profit for the year						61,943

其他部門包括物業投資及貨品銷售(並不包括EMS及ODM產品)。

各業務類別間之交易按本公司董事釐定之估計市價完成。

7. BUSINESS AND GEOGRAPHICAL SEGMENTS
(Continued)

Business segments (Continued)

Segment information about these businesses is presented below.

Other divisions included property investment and sales of goods other than EMS and ODM products.

The transactions with inter-segments were carried out at the estimated market prices determined by the Company's directors.

綜合財務報表附註

截至二零零六年十二月三十一日止年度

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2006

7. 業務及地區分類 (續)

7. BUSINESS AND GEOGRAPHICAL SEGMENTS
(Continued)

業務分類 (續)

Business segments (Continued)

二零零六年

2006

資產負債表

Balance sheet

		EMS 部門 EMS division 港幣千元 HK\$'000	ODM 部門 ODM division 港幣千元 HK\$'000	其他部門 Other divisions 港幣千元 HK\$'000	未分配 Unallocated 港幣千元 HK\$'000	綜合 Consolidated 港幣千元 HK\$'000
資產	Assets					
分類資產	Segment assets	1,569,145	8,656	32,433	-	1,610,234
於聯營公司之權益	Interests in associates	200	4,897	106,380	-	111,477
企業資產	Corporate assets					188,835
綜合資產總額	Consolidated total assets					1,910,546
負債	Liabilities					
分類負債	Segment liabilities	639,291	220	1	-	639,512
企業負債	Corporate liabilities					595,585
綜合負債總額	Consolidated total liabilities					1,235,097
其他資料	Other information					
資產增添	Capital additions	51,661	8,597	32	23	60,313
折舊及攤銷開支	Depreciation and amortisation expenses	52,009	13,093	12	9,041	74,155
開發成本資本化之減值虧損	Impairment loss on development costs capitalised	-	753	-	-	753
呆賬撥備	Allowance for doubtful debts	632	6	-	-	638
投資物業公平價值之增加	Increase in fair value of investment properties	-	-	(2,860)	(580)	(3,440)
出售物業、廠房及設備之虧損	Loss on disposal of property, plant and equipment	424	56	-	14	494

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截至二零零六年十二月三十一日止年度

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2006

7. 業務及地區分類(續)

業務分類(續)

二零零五年

2005

		EMS 部門 EMS division 港幣千元 HK\$'000	ODM 部門 ODM division 港幣千元 HK\$'000	其他部門 Other divisions 港幣千元 HK\$'000	未分配 Unallocated 港幣千元 HK\$'000	撇銷 Eliminations 港幣千元 HK\$'000	綜合 Consolidated 港幣千元 HK\$'000
收益	Revenue						
外部銷售	External sales	2,753,592	9,054	1,028	–	–	2,763,674
分類之間銷售	Inter-segment sales	18,052	–	–	–	(18,052)	–
總額	Total	2,771,644	9,054	1,028	–	(18,052)	2,763,674
業績	Result						
分類業績	Segment result	104,399	(45,767)	(813)	–		57,819
未分配企業開支	Unallocated corporate expenses						(24,888)
利息收入	Interest income						4,802
未分配其他收入	Unallocated other income						35,631
融資成本	Finance costs						(21,143)
出售一間聯營公司之虧損	Loss on disposal of an associate	–	–	(378)	–		(378)
應佔聯營公司業績	Share of results of associates	–	(1,621)	(1)	–		(1,622)
除稅前溢利	Profit before taxation						50,221
稅項	Taxation						(18,770)
本年度溢利	Profit for the year						31,451

7. BUSINESS AND GEOGRAPHICAL SEGMENTS
(Continued)

Business segments (Continued)

綜合財務報表附註

截至二零零六年十二月三十一日止年度

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2006

7. 業務及地區分類 (續)

業務分類 (續)

二零零五年	2005
資產負債表	Balance sheet

7. BUSINESS AND GEOGRAPHICAL SEGMENTS
(Continued)

Business segments (Continued)

		EMS 部門 EMS division 港幣千元 HK\$'000	ODM 部門 ODM division 港幣千元 HK\$'000	其他部門 Other divisions 港幣千元 HK\$'000	未分配 Unallocated 港幣千元 HK\$'000	綜合 Consolidated 港幣千元 HK\$'000
資產	Assets					
分類資產	Segment assets	1,343,777	33,470	39,208	–	1,416,455
於聯營公司之權益	Interests in associates	200	1,950	135,761	–	137,911
企業資產	Corporate assets					132,613
綜合資產總額	Consolidated total assets					1,686,979
負債	Liabilities					
分類負債	Segment liabilities	520,287	72,450	8,443	–	601,180
企業負債	Corporate liabilities					455,989
綜合負債總額	Consolidated total liabilities					1,057,169
其他資料	Other information					
資產增添	Capital additions	21,478	18,757	–	17	40,252
折舊及攤銷開支	Depreciation and amortisation expenses	50,758	20,715	54	4,546	76,073
呆賬撥備	Allowance for doubtful debts	–	2,426	–	150	2,576
出售物業、廠房及設備之(收益)虧損	(Gain) loss on disposal of property, plant and equipment	(2)	18	–	48	64

綜合財務報表附註

截至二零零六年十二月三十一日止年度

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2006

7. 業務及地區分類(續)

地區分類

下表提供本集團按地區市場劃分之銷售分析(不考慮貨品或服務之來源地)：

7. BUSINESS AND GEOGRAPHICAL SEGMENTS
(Continued)

Geographical Segments

The following table provides an analysis of the Group's sales by geographical market, irrespective of the origin of the goods or services:

		按地區市場劃分之銷售收益 Sales revenue by geographical market	
		2006 港幣千元 HK\$'000	2005 港幣千元 HK\$'000
北美洲(包括美國、墨西哥及加拿大)	North America including USA, Mexico and Canada	704,544	833,502
亞洲(包括中華人民共和國(「中國」)及日本，香港除外)	Asia including the People's Republic of China ("PRC") and Japan other than Hong Kong	1,751,163	1,409,298
歐洲(包括法國、英國、芬蘭及德國)	Europe including France, UK, Finland and Germany	561,693	361,985
香港	Hong Kong	696,384	158,889
		3,713,784	2,763,674

綜合財務報表附註

截至二零零六年十二月三十一日止年度

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2006

7. 業務及地區分類 (續)

地區分類 (續)

以下為按資產所在地區分析之分類資產賬面金額，以及增添物業、廠房及設備及開發成本資本化之分析：

7. BUSINESS AND GEOGRAPHICAL SEGMENTS (Continued)

Geographical segments (Continued)

The following is an analysis of the carrying amount of segment assets and additions to property, plant and equipment and development costs capitalised, analysed by the geographical areas in which the assets are located:

		分類資產之 賬面金額 Carrying amount of segment assets		增添物業、廠房及 設備及開發 成本資本化 Additions to property, plant and equipment and development costs capitalised	
		2006 港幣千元 HK\$'000	2005 港幣千元 HK\$'000	2006 港幣千元 HK\$'000	2005 港幣千元 HK\$'000
北美洲 (包括美國、 墨西哥及加拿大)	North America including USA, Mexico and Canada	47,508	53,548	6,642	5,601
亞洲 (包括中國 及日本，香港除外)	Asia including PRC and Japan other than Hong Kong	532,343	489,586	16,608	6,683
歐洲 (包括法國、英國、 芬蘭及德國)	Europe including France , UK, Finland and Germany	285	402	—	6
香港	Hong Kong	1,330,410	1,143,443	37,063	27,962
		1,910,546	1,686,979	60,313	40,252

8. 融資成本

8. FINANCE COSTS

		2006 港幣千元 HK\$'000	2005 港幣千元 HK\$'000
須於五年內悉數償還之 銀行貸款及透支之利息	Interest on bank loans and overdrafts wholly repayable within five years	26,867	21,143

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For the year ended 31st December, 2006

9. 除稅前溢利

除稅前溢利乃經扣除(計入)：

9. PROFIT BEFORE TAXATION

Profit before taxation has been arrived at after charging (crediting):

		2006 港幣千元 HK\$'000	2005 港幣千元 HK\$'000
核數師酬金	Auditors' remuneration		
本年度	Current year	2,184	1,808
往年撥備不足(超額撥備)	Under (over)-provision in prior years	425	(99)
董事酬金(附註10(a)及(b))	Directors' emoluments (notes 10 (a) and (b))		
袍金	Fees	570	613
管理層酬金	Management remuneration		
基本薪金、	Basic salaries, allowances and		
津貼及實物福利	benefits in kind	8,988	9,136
酌情花紅	Discretionary bonus	2,400	1,322
退休福利計劃供款	Retirement benefits schemes contributions	48	39
		12,006	11,110
員工成本	Staff costs (including directors' emoluments disclosed above)	264,292	221,743
(包括上文披露之董事酬金)			
減：已資本化至開發成本之款額	Less: amount capitalised to development costs	(6,844)	(8,415)
計入綜合收益表之數額	Amount charged to the consolidated income statement	257,448	213,328
折舊	Depreciation	61,475	56,515
減：已資本化至開發成本之款額	Less: amount capitalised to development costs	(410)	(716)
計入綜合收益表之數額	Amount charged to the consolidated income statement	61,065	55,799
租賃物業之經營租賃租金	Operating lease charges on rented premises	10,485	13,786
研發支出(附註)	Research and development expenditure (note)	8,522	19,880
減：已資本化至開發成本之款額	Less: amount capitalised to development costs	(8,109)	(17,916)
計入綜合收益表之數額	Amount charged to the consolidated income statement	413	1,964
呆賬撥備	Allowance for doubtful debts	638	2,576
出售物業、廠房及設備之虧損淨額	Loss on disposal of property, plant and equipment, net	494	64
貿易及其他應付款項之撇銷	Write off of trade and other payables	(10,606)	(18,773)
匯兌收益	Exchange gain	(7,820)	(407)
租賃收入毛額	Gross rental income	(1,694)	(755)
減：支銷	Less: Outgoings	74	121
租賃收入淨額	Net rental income	(1,620)	(634)

附註：有關員工成本的款項約港幣6,844,000元(二零零五年：港幣8,415,000元)已包括在研發支出內。

Note: Included in research and development expenditure was an amount of approximately HK\$6,844,000 (2005: HK\$8,415,000) relating to staff costs.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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10. 董事及僱員酬金董事酬金

(a) 董事酬金

已付或應付予九名(二零零五年:十名)董事之酬金如下:

二零零六年 2006

10. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

(a) Directors' emoluments

The emoluments paid or payable to each of the nine (2005: ten) directors were as follows:

		其他酬金 Other emoluments				
		基本薪金、津貼及實物福利 Basic salaries, allowances and benefits in kind	酌情花紅 Discretionary bonus	退休福利計劃供款 Retirement benefits contributions	總酬金 Total emoluments	
董事袍金 Directors' fees		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
王忠秣	Wong Chung Mat, Ben	50	2,789	400	12	3,251
王忠楹	Wong Chung Ah, Johnny	50	723	400	-	1,173
陳子華	Chan Tsze Wah, Gabriel	50	2,016	400	12	2,478
譚靜安	Tan Chang On, Lawrence	50	1,286	400	-	1,736
溫民強	Wan Man Keung	50	1,719	400	12	2,181
王賢敏	Wong Yin Man, Ada	50	455	400	12	917
李家祥	Li Ka Cheung, Eric	90	-	-	-	90
楊孫西	Yu Sun Say	90	-	-	-	90
葉天養	Alfred Donald Yap	90	-	-	-	90
二零零六年總計	Total for 2006	570	8,988	2,400	48	12,006

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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10. 董事及僱員酬金董事酬金
(續)

(a) 董事酬金 (續)

二零零五年 2005

		其他酬金				
		Other emoluments				
		基本薪金、津貼及實物福利		退休福利計劃供款		
		Basic salaries, allowances and benefits in kind	酌情花紅	Retirement benefits contributions	總酬金	
		Directors' fees	Discretionary bonus	schemes	Total emoluments	
		港幣千元	港幣千元	港幣千元	港幣千元	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	
王忠秣	Wong Chung Mat, Ben	50	2,740	195	12	2,997
王忠樞	Wong Chung Ah, Johnny	50	771	195	–	1,016
陳子華	Chan Tsze Wah, Gabriel	50	1,976	347	12	2,385
譚靜安	Tan Chang On, Lawrence	50	1,286	195	–	1,531
溫民強	Wan Man Keung	50	1,685	195	12	1,942
王賢敏 ¹	Wong Yin Man, Ada ¹	13	105	65	3	186
陳榮光 ²	Chan Wing Kwong, Paulus ²	33	573	130	–	736
李家祥	Li Ka Cheung, Eric	110	–	–	–	110
楊孫西	Yu Sun Say	110	–	–	–	110
葉天養	Alfred Donald Yap	97	–	–	–	97
二零零五年總計	Total for 2005	613	9,136	1,322	39	11,110

¹ 於二零零五年十月一日獲委任¹ Appointed on 1st October, 2005² 於二零零五年九月一日辭任² Resigned on 1st September, 2005

截至二零零六年及二零零五年十二月三十一日止年度，概無董事放棄或同意放棄任何酬金。

No directors waived or agreed to waive any emoluments in any of the years ended 31st December, 2006 and 2005.

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10. 董事及僱員酬金董事酬金
(續)

(b) 僱員酬金

年內，本集團五名最高薪人士包括本公司四名執行董事(二零零五年：四名)，彼等之酬金詳情載於上文。其餘一名(二零零五年：一名)最高薪人士之酬金如下：

		2006 港幣千元 HK\$'000	2005 港幣千元 HK\$'000
薪金及其他福利	Salaries and other benefits	1,396	1,590
退休計劃供款	Contributions to pension schemes	12	12

彼之酬金分佈如下：

分佈 Range		僱員人數 No. of employee	
港幣 HK\$	港幣 HK\$	2006	2005
1,000,001	– 1,500,000	1	–
1,500,001	– 2,000,000	–	1

本集團概無支付酬金予董事或任何最高薪酬五位人士，以作為吸引彼等加入本集團之獎勵或作為彼等離職之補償。

10. DIRECTORS' AND EMPLOYEES' EMOLUMENTS
(Continued)

(b) Employees' emoluments

During the year, five highest paid individuals in the Group, four (2005: four) were executive directors of the Company whose emoluments are set out above. The emoluments of the remaining one (2005: one) highest paid individuals were as follows:

His emolument was within the following range:

No emoluments was paid by the Group to the directors or any of the five highest paid individual as an inducement to join or upon joining the Group, or as compensation for loss of office.

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11. 稅項

11. TAXATION

		2006 港幣千元 HK\$'000	2005 港幣千元 HK\$'000
利得稅	Profits tax:		
香港	Hong Kong		
— 本年度	– current year	11,184	12,614
— 以往年度撥備不足	– under-provision in prior years	6,605	5,604
		17,789	18,218
其他司法管轄區	Other jurisdictions		
— 本年度	– current year	675	99
— 以往年度撥備過剩	– over-provision in prior years	(8)	(3)
		667	96
遞延稅項 (附註29)	Deferred tax (note 29):		
— 已扣除折舊與折舊 免稅額之差額	– difference between depreciation charged and depreciation allowances	(2,217)	972
— 稅務虧損	– taxation losses	81	(516)
		(2,136)	456
		16,320	18,770

香港利得稅就兩個年度之估計應課稅溢利按稅率17.5%計算。其他司法管轄區之稅項乃按有關司法管轄區之現行稅率計算。

若干附屬公司獲豁免50%之香港利得稅。根據中國有關稅法，位於中國之若干附屬公司在經抵銷所有以前年度虧損後之首個獲利年度起兩年內獲享全數豁免繳付企業所得稅，並在其後三個年度獲減稅50%。

Hong Kong Profits Tax is calculated at 17.5% on the estimated assessable profits for both years. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

Certain subsidiaries are eligible for 50% exemption from Hong Kong Profits Tax. Pursuant to the relevant tax laws in the PRC, certain subsidiaries in the PRC are entitled to full exemption from Enterprise Income Tax for two years starting from their first profit-making year, after offsetting all losses brought forward, followed by a 50% reduction for the next three years thereafter.

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11. 稅項(續)

本年度稅項支出可與綜合收益表之除稅前溢利調節如下：

11. TAXATION (Continued)

The taxation for the years can be reconciled to the profit before taxation per the consolidated income statement as follows:

		2006 港幣千元 HK\$'000	2005 港幣千元 HK\$'000
除稅前溢利	Profit before taxation	78,263	50,221
稅項(以本地所得稅率17.5%計算)	Tax at the domestic income tax rate of 17.5%	13,696	8,788
不可扣減支出之稅務影響	Tax effect of expenses not deductible for tax purpose	10,686	6,188
毋須課稅收入之稅務影響	Tax effect of income not taxable for tax purpose	(3,396)	(5,896)
以往年度撥備不足	Under-provision in prior years	6,597	5,601
未確認稅務虧損之遞延稅項資產	Deferred tax asset in respect of tax losses not recognised	2,115	17,578
於其他司法管轄區經營之 附屬公司之稅率差異影響	Effect of different tax rates of subsidiaries operating in other jurisdictions	(3,854)	(1,497)
按寬減稅率計算之所得稅	Income tax on concessionary rate	(9,529)	(11,463)
其他	Others	5	(529)
本年度之稅項	Taxation for the year	16,320	18,770

12. 股息

12. DIVIDENDS

		2006 港幣千元 HK\$'000	2005 港幣千元 HK\$'000
已付中期股息每股港幣0.02元 (二零零五年：無)	Interim dividend paid – HK\$0.02 (2005: Nil) per share	9,339	–
擬派末期股息每股港幣0.03元 (二零零五年：港幣0.02元)	Proposed final dividend – HK\$0.03 (2005: HK\$0.02) per share	14,008	9,339
		23,347	9,339

末期股息每股港幣0.03元(二零零五年：港幣0.02元)由董事建議派付，惟須待股東於股東週年大會上批准。

The final dividend of HK\$0.03 (2005: HK\$0.02) per share has been proposed by the directors and is subject to approval by the shareholders at annual general meeting.

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13. 每股盈利

每股基本盈利乃根據本集團之公司股份持有人本年度應佔溢利約港幣61,943,000元(二零零五年:港幣31,455,000元)及以年內已發行普通股466,921,794股(二零零五年:466,921,794股)之數目計算。

由於兩個年度均無發行潛在普通股，故並無呈列每股攤薄盈利。

13. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the Group's profit for the year attributable to equity holders of the Company of approximately HK\$61,943,000 (2005: HK\$31,455,000) and the number of ordinary shares of 466,921,794 (2005: 466,921,794) in issue during the year.

No diluted earnings per share have been presented as there were no potential ordinary shares in issue in both years.

14. 投資物業

本集團所有根據經營租賃持有以賺取租金或作資本增值用途之物業權益乃按公平價值模式計量，並分類為及列作投資物業。

14. INVESTMENT PROPERTIES

All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are classified and accounted for as investment properties and are measured using the fair value model.

港幣千元
HK\$'000

公平價值	FAIR VALUE	
於二零零五年一月一日	At 1st January, 2005	11,490
自物業、廠房及設備及 預付租賃款項轉撥	Transfer from property, plant and equipment and prepaid lease payments	8,124
於綜合收益表確認 之公平價值淨增加	Net increase in fair value recognised in the consolidated income statement	4,156
於二零零五年十二月三十一日 及二零零六年一月一日	At 31st December, 2005 and 1st January, 2006	23,770
於綜合收益表確認 之公平價值淨增加	Net increase in fair value recognised in the consolidated income statement	3,440
於二零零六年十二月三十一日	At 31st December, 2006	27,210

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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14. 投資物業(續)

本集團之投資物業於二零零六年十二月三十一日之公平價值乃按與本集團並無關連之獨立合資格專業估值師永利行評值顧問有限公司於該日進行之估值而釐定。永利行評值顧問有限公司為估值師學會之成員，具備對有關地點的類似物業之估值有適當資格及近期經驗。估值符合國際估值準則，乃參考市場上類似物業之交易價格後作出。

本集團於投資物業之權益(以其賬面值計算)分析如下：

14. INVESTMENT PROPERTIES (Continued)

The fair value of the Group's investment properties at 31st December, 2006 has been arrived at on the basis of valuations carried out on that date by, RHL Appraisal Limited, independent qualified professional valuers not connected with the Group. RHL Appraisal Limited are members of the Institute of Valuers, and have appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations. The valuations, which conform to International Valuation Standards, were arrived at by reference to market evidence of transaction prices for similar properties.

The Group's interests in investment properties at their carrying amounts are analysed as follows:

		2006 港幣千元 HK\$'000	2005 港幣千元 HK\$'000
於香港持作租賃，為期多於50年	In Hong Kong, held on leases of over 50 years	23,810	20,370
於中國(不包括香港)持作租賃，為期少於50年	In PRC (excluding Hong Kong), held on leases of less than 50 years	3,400	3,400
		27,210	23,770

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15. 物業、廠房及設備

15. PROPERTY, PLANT AND EQUIPMENT

		於中國 (不包括香港) 以中期租賃 持有之樓宇 Buildings in PRC (excluding Hong Kong) under medium-term leases 港幣千元 HK\$'000	廠房、 機器及設備 Plant, machinery and equipment 港幣千元 HK\$'000	傢俬及裝置 Furniture and fixtures 港幣千元 HK\$'000	汽車 Motor vehicles 港幣千元 HK\$'000	總計 Total 港幣千元 HK\$'000	
成本值	COST						
於二零零五年 一月一日	At 1st January, 2005	78,637	26,563	548,012	142,221	9,509	804,942
轉移至投資物業	Transfer to investment properties	(16,185)	(1,472)	-	-	-	(17,657)
增添	Additions	-	-	15,912	4,111	1,597	21,620
出售／撇銷	Disposals/written off	-	(186)	(12,038)	(11,407)	(1,401)	(25,032)
外匯調整	Exchange adjustment	-	536	3,839	(73)	1	4,303
於二零零五十二月 三十一日及 二零零六年 一月一日	At 31st December, 2005 and 1st January, 2006	62,452	25,441	555,725	134,852	9,706	788,176
增添	Additions	-	-	49,000	1,998	796	51,794
出售／撇銷	Disposals/written off	-	-	(1,683)	(48)	-	(1,731)
外匯調整	Exchange adjustment	-	1,603	5,737	65	4	7,409
於二零零六年 十二月三十一日	At 31st December, 2006	62,452	27,044	608,779	136,867	10,506	845,648

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15. 物業、廠房及設備(續)

15. PROPERTY, PLANT AND EQUIPMENT
(Continued)

		於香港以 中期租賃 持有之樓宇 Buildings in Hong Kong under medium-term leases 港幣千元 HK\$'000	於中國 (不包括香港) 以中期租賃 持有之樓宇 Buildings in PRC (excluding Hong Kong) under medium-term leases 港幣千元 HK\$'000	廠房、 機器及設備 Plant, machinery and equipment 港幣千元 HK\$'000	傢俬及裝置 Furniture and fixtures 港幣千元 HK\$'000	汽車 Motor vehicles 港幣千元 HK\$'000	總計 Total 港幣千元 HK\$'000
累計折舊、攤銷 及減值虧損	ACCUMULATED DEPRECIATION, AMORTISATION AND IMPAIRMENT LOSSES						
於二零零五年 一月一日	At 1st January, 2005	41,581	1,945	352,044	102,037	8,023	505,630
於本年度扣除	Charge for the year	1,825	1,274	48,488	3,974	954	56,515
轉移至投資物業	Transfer to investment properties	(14,601)	(384)	-	-	-	(14,985)
出售／撇銷 之對銷	Eliminated on disposals/ written off	-	(18)	(11,907)	(11,370)	(1,371)	(24,666)
外匯調整	Exchange adjustment	-	35	688	(65)	(4)	654
於二零零五年 十二月三十一日 及二零零六年 一月一日	At 31st December, 2005 and 1st January, 2006	28,805	2,852	389,313	94,576	7,602	523,148
於本年度扣除	Charge for the year	1,826	1,330	52,521	4,759	1,039	61,475
出售／撇銷 之對銷	Eliminated on disposals/ written off	-	-	(1,190)	(30)	-	(1,220)
外匯調整	Exchange adjustment	-	100	1,961	27	3	2,091
於二零零六年 十二月三十一日	At 31st December, 2006	30,631	4,282	442,605	99,332	8,644	585,494
賬面淨值	NET CARRYING VALUES						
於二零零六年 十二月三十一日	At 31st December, 2006	31,821	22,762	166,174	37,535	1,862	260,154
於二零零五年 十二月三十一日	At 31st December, 2005	33,647	22,589	166,412	40,276	2,104	265,028

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16. 預付租賃款項

16. PREPAID LEASE PAYMENTS

		2006 港幣千元 HK\$'000	2005 港幣千元 HK\$'000
本集團之預付租賃款項包括：	The Group's prepaid lease payments comprise:		
在香港以中期租賃持有之土地	Medium term leasehold land in Hong Kong	79,433	81,370
在中國(不包括香港)以中期租賃持有之土地	Medium term leasehold land in PRC (excluding Hong Kong)	9,445	9,452
		88,878	90,822
為申報而分析：	Analysed for reporting purposes as:		
流動資產	Current asset	2,154	2,152
非流動資產	Non-current asset	86,724	88,670
		88,878	90,822

17. 於聯營公司之權益

17. INTERESTS IN ASSOCIATES

		2006 港幣千元 HK\$'000	2005 港幣千元 HK\$'000
非上市聯營公司之投資成本	Cost of investment in unlisted associates	18,637	46,693
應佔收購後溢利及儲備 (扣除已收股息)	Share of post-acquisition profits and reserves, net of dividends received	2,083	(8,504)
應佔資產淨值	Share of net assets	20,720	38,189
減除撥備後應收 聯營公司款項	Amounts due from associates, less allowance	90,757	99,722
		111,477	137,911

應收聯營公司款項為無抵押、免息及無固定還款期。董事認為，應收聯營公司之款項中並無任何部分須於結算日起計一年內償還，因此將欠款歸類為非流動資產。董事認為，應收聯營公司之款項之賬面值與其公平價值相若。

於二零零四年因收購 Dinastech Holdings Limited 而產生之商譽為港幣 1,990,000 元(二零零五年：港幣 1,990,000 元)，已計入投資成本內。

The amounts due from associates are unsecured, interest-free and have no fixed terms of repayment. In the opinion of the directors, no part of the amounts due from associates will be repayable within one year from the balance sheet date and accordingly, the amounts are grouped as non-current assets. The directors consider that the carrying amounts of the amounts due from associates approximate their fair values.

Goodwill of HK\$1,990,000 (2005: HK\$1,990,000) was arising on acquisition of Dinastech Holdings Limited in 2004 and was included in cost of investment.

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17. 於聯營公司之權益 (續)

下文載列為本集團聯營公司之財務資料概要：

		2006 港幣千元 HK\$'000	2005 港幣千元 HK\$'000
總資產	Total assets	295,183	336,449
總負債	Total liabilities	(296,422)	(302,635)
(負債) 資產淨值	Net (liabilities) assets	(1,239)	33,814
收益	Revenue	98,430	215,961
本年度溢利	Profit for the year	(5,561)	(17,099)

本集團於若干聯營公司應佔之虧損超出於該等聯營公司之投資淨額，故本集團終止確認應佔此等聯營公司之業績。摘錄自相關聯營公司之有關經審核財務報表之未確認應佔聯營公司金額 (年內及累計) 如下：

The Group has discontinued recognition of its share of result of certain associates as the Group's share of losses in these associates exceed its net investments in these associates. The amounts of unrecognised share of these associates, extracted from the relevant audited financial statements of associates, both for the year and cumulatively, are as follows:

		2006 港幣千元 HK\$'000	2005 港幣千元 HK\$'000
年內未確認應佔 聯營公司虧損 (溢利)	Unrecognised share of loss (profit) of associates for the year	319	(11,952)
累計未確認應佔 聯營公司虧損	Accumulated unrecognised share of losses of associates	27,651	30,150

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17. 於聯營公司之權益(續)

於二零零六年十二月三十一日，本集團於以下主要聯營公司擁有權益：

17. INTERESTS IN ASSOCIATES (Continued)

As at 31st December, 2006, the Group had interests in the following principal associates:

公司名稱 Name of company	業務架構形式 Form of business structure	註冊成立／ 營業地點 Place of incorporation/ operation	所持 股份類別 Class of shares held	擁有權 權益比例 Proportion of ownership interest %	主要業務 Principal activities
Dinastech Holdings Limited	註冊成立 Incorporated	英屬處女群島 ／香港 BVI/Hong Kong	每股0.01美元 普通股 Ordinary shares of US\$0.01 each	30.00	發展技術，以支持 寬頻網絡之映像服務 Developing technologies to support video services on broadband networks
Ming Dragon Limited	註冊成立 Incorporated	香港 Hong Kong	每股港幣1元 普通股 Ordinary shares of HK\$1 each	42.50	物業投資 Property investment
旭電－王氏(惠州) 工業有限公司# (前稱惠州西麥 王氏工業有限公司) Solelectron-Wong's (Huizhou) Industries Co., Ltd. # (formerly known as Huizhou C-MAC- Wong's Industries Co. Ltd.)	註冊成立 Incorporated	中國 PRC	註冊資本 3,800,000美元 Registered capital of US\$3,800,000	46.25	生產已插針背板 及組裝背板 Manufacture of back panel pinning assembly

中外合資企業

Sino-foreign equity enterprise

綜合財務報表附註

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17. 於聯營公司權益 (續)

董事認為，完整載列有關聯營公司之詳情將過份冗長，因此上表僅載列主要對本集團業績或資產淨值有重要影響之聯營公司詳情。

18. 可供出售投資

於二零零六年十二月三十一日，可供出售投資包括：

17. INTERESTS IN ASSOCIATES (Continued)

In the opinion of the directors, a complete list of the particulars of associates will be of excessive length and therefore the above list contains only the particulars of those associates which principally affect the results or net assets of the Group.

18. AVAILABLE-FOR-SALE INVESTMENTS

Available-for-sale investments as at 31st December, 2006 comprise:

		2006 港幣千元 HK\$'000	2005 港幣千元 HK\$'000
上市投資：	Listed investment:		
— 於香港以外上市之股本證券	– equity securities listed outside Hong Kong	—	259
非上市證券：	Unlisted securities:		
— 股本證券	– equity securities	162	40
總額	Total	162	299
為申報而分析：	Analysed for reporting purposes as:		
非流動資產	Non-current asset	162	299

於結算日，除該等公平價值無法可靠計量之非上市股本投資外，所有可供出售投資均按公平價值列賬。該等上市投資之公平價值乃經參考於活躍市場上所報之買價而釐定。

As at the balance sheet date, all available-for-sale investments are stated at fair value, except for those unlisted equity investments of which their fair values cannot be measured reliably. Fair values of listed investments have been determined by reference to bid prices quoted in active market.

綜合財務報表附註

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18. 可供出售投資(續)

上述非上市投資指於日本註冊成立之私人實體所發行之非上市股本證券之投資。其於各結算日按成本減減值計量，此乃由於合理的公平價值估計差距屬重大，故本公司之董事認為無法可靠計量其公平價值。

19. 持有至到期日投資

於二零零五年十二月三十一日之持有至到期日投資指於香港以外上市及使用實際利息法按攤銷成本列值之債務證券。

董事認為，持有至到期日投資之賬面值與其公平價值相若。

20. 其他投資

於二零零六年十二月三十一日之其他投資包括：

非上市證券：
— 股本證券

上述非上市投資指於開曼群島註冊成立之一間私人實體發行之非上市股本證券。該等證券乃以原值減結算日之減值計量，原因是合理公平價值估計之範圍太大，致使本公司董事認為其公平價值不能可靠地計量。

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18. AVAILABLE-FOR-SALE INVESTMENTS
(Continued)

The above unlisted investments represent investments in unlisted equity securities issued by private entities incorporated in Japan. They are measured at cost less impairment at each balance sheet date because the range of reasonable fair value estimates is significant that the directors of the Company are of the opinion that their fair values cannot be measured reliably.

19. HELD-TO-MATURITY INVESTMENTS

Held-to-maturity investments as at 31st December, 2005 represented debt securities listed outside Hong Kong and were carried at amortised cost using effective interest method.

The directors considered that the carrying amount of held-to-maturity investments approximated their fair values.

20. OTHER INVESTMENTS

Other investments as at 31st December, 2006 comprise:

		2006 港幣千元 HK\$'000	2005 港幣千元 HK\$'000
非上市證券：	Unlisted securities:		
— 股本證券	— equity securities	7,792	—

The above unlisted investments represent investment in unlisted equity securities issued by a private entity incorporated in the Cayman Islands. They are measured at cost less impairment at the balance sheet date because the range of reasonable fair value estimates is significant that the directors of the Company are of the opinion that their fair values cannot be measured reliably.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2006

21. 開發成本資本化

21. DEVELOPMENT COSTS CAPITALISED

		開發成本 Development costs 港幣千元 HK\$'000
成本值	COST	
於二零零五年一月一日	At 1st January, 2005	39,163
增添	Additions	18,632
於二零零五年十二月三十一日及 二零零六年一月一日	At 31st December, 2005 and 1st January, 2006	57,795
增添	Additions	8,519
於二零零六年十二月三十一日	At 31st December, 2006	66,314
攤銷及減值	AMORTISATION AND IMPAIRMENT	
於二零零五年一月一日	At 1st January, 2005	15,355
於本年度扣除	Charge for the year	18,195
於綜合收益表內確認 之減值虧損	Impairment loss recognised in the consolidated income statement	4,639
於二零零五年十二月三十一日及 二零零六年一月一日	At 31st December, 2005 and 1st January, 2006	38,189
於本年度扣除	Charge for the year	10,936
於綜合收益表內確認 之減值虧損	Impairment loss recognised in the consolidated income statement	753
於二零零六年十二月三十一日	At 31st December, 2006	49,878
賬面值	CARRYING VALUES	
於二零零六年十二月三十一日	At 31st December, 2006	16,436
於二零零五年十二月三十一日	At 31st December, 2005	19,606

開發成本乃內部產生及在兩年之期間內按直線法攤銷。

董事辨認若干已資本化之開發成本並無未來經濟利益，因此認為有關之開發成本已完全減值，並於綜合收益表內確認約港幣753,000元(二零零五年：港幣4,639,000元)之扣項。

The development costs are internally generated and are amortised on a straight-line basis over a period of 2 years.

During the year, the directors identified certain development costs capitalised have no future economic benefits. Accordingly, the relevant development costs were considered to be fully impaired and approximately HK\$753,000 (2005: HK\$4,639,000) was recognised as a charge in the consolidated income statement.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2006

22. 存貨

22. INVENTORIES

		2006 港幣千元 HK\$'000	2005 港幣千元 HK\$'000
原料	Raw materials	287,788	313,561
在製品	Work in progress	34,136	31,911
製成品	Finished goods	38,440	35,687
		360,364	381,159

23. 貿易及其他應收賬款

23. TRADE AND OTHER RECEIVABLES

本集團給予其貿易顧客之賒賬期多介乎30至90日不等。

The credit period allowed by the Group to its trade customers mainly ranges from 30 days to 90 days.

以下為本集團之貿易應收賬款於申報日期之賬齡分析：

The following is an aged analysis of the Group's trade receivables at the reporting date:

		2006 港幣千元 HK\$'000	2005 港幣千元 HK\$'000
應收貿易賬款	Trade receivables		
0至60日	0 – 60 days	591,273	505,592
61至90日	61 – 90 days	26,574	6,704
超過90日	Over 90 days	119,004	13,958
		736,851	526,254
其他應收賬款	Other receivables	18,773	20,188
		755,624	546,442

因到期日屬短期，本集團於二零零六年十二月三十一日之貿易及其他應收賬款之公平價值與相對之賬面值相若。

The fair values of the Group's trade and other receivables at 31st December, 2006 approximate to the corresponding carrying amounts due to short-term maturities.

綜合財務報表附註

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2006

24. 衍生金融工具

本集團於二零零六年十二月三十一日之衍生金融工具之公平價值淨額如下：

24. DERIVATIVE FINANCIAL INSTRUMENTS

The Group's net fair values of derivative financial instruments at 31st December, 2006 were as follows:

		2006		2005	
		資產 Asset 港幣千元 HK\$'000	負債 Liability 港幣千元 HK\$'000	資產 Asset 港幣千元 HK\$'000	負債 Liability 港幣千元 HK\$'000
流動 外匯遠期合約	Current Foreign currency forward contracts	-	(1,422)	588	(1,376)

外匯遠期合約之主要條款如下：

The major terms of the foreign currency forward contracts are as follows:

名義金額 Notional amount	到期日 Maturity	匯率 Exchange rate
買入4,000,000美元之日圓 Sell US\$4,000,000 for JPY	二零零七年一月十一日 11/1/2007	118.10日圓／美元 JPY 118.10/US\$
買入5,700,000美元之日圓 Sell US\$5,700,000 for JPY	二零零七年二月二十一日 21/2/2007	116.10日圓／美元 JPY 116.10/US\$
買入4,800,000美元之日圓 Sell US\$4,800,000 for JPY	二零零七年三月二十日 20/3/2007	116.25日圓／美元 JPY 116.25/US\$

上述衍生工具乃於各結算日按公平價值列賬。該等工具之公平價值按於結算日同類工具之報出市價釐定。

The above derivatives are measured at fair value at each balance sheet date. Their fair values are determined based on the quoted market prices for equivalent instruments at the balance sheet date.

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25. 列為可供出售之資產

25. ASSET CLASSIFIED AS HELD FOR SALE

		2006 港幣千元 HK\$'000	2005 港幣千元 HK\$'000
一間列為可供出售資產之 聯營公司之賬面值	Carrying amount of an associate classified as held for sale	14,796	—
減：於綜合收益表確認之減值虧損	Less: Impairment loss recognised in the consolidated income statement	(8,795)	—
		6,001	—

可供出售資產之詳情如下：

Details of the asset held for sale are as follows:

公司名稱 Name of company	業務 架構形式 Form of business structure	註冊成立/ 營業地點 Place of incorporation/ operation	所持 股份類別 Class of shares held	擁有權 權益比例 Proportion of ownership interest	主要業務 Principal activities
南京普天王芝通信 有限公司(「南京普天」) # Nanjing Postel Wong Zhi Telecommunications Co. Ltd. ("Nanjing Postel") #	註冊成立 Incorporated	中國 PRC	註冊資本 10,090,000美元 Registered capital of US\$10,090,000	33%	開發、製造及 分銷CDMA手機 Development, manufacture and distribution of CDMA handphones

中外合資企業

Sino-foreign equity enterprise

二零零六年八月，本集團與一獨立第三方就出售本集團於聯營公司一南京普天全部權益訂立買賣協議，因此，該權益被列為可供出售資產。於二零零六年十二月三十一日，經參考協議之銷售代價及預期完成交易之成本，已就該資產之賬面值作出減值約港幣8,795,000元。該交易之完成須待地方中國政府機關批准股份轉讓後，方可作實。於報告日期，並未取得有關批准。

In August 2006, the Group had signed a sale and purchase agreement with an independent third party regarding the disposal of the Group's entire interest in an associate - Nanjing Postel, and accordingly, this interest has been classified as an asset held for sale. As at 31st December, 2006, impairment of approximately HK\$8,795,000 was made against the carrying amount of the asset with reference to the sale consideration per the agreement and the expected costs to complete the transaction. The completion of the transaction is subject to the approval of the share transfer by the local PRC government authorities. As at the report date, no such approval has been obtained.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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26. 貿易及其他應付賬款

以下為本集團之貿易應付賬款於申報日期之賬齡分析：

		2006 港幣千元 HK\$'000	2005 港幣千元 HK\$'000
應付貿易賬款	Trade payables		
0至60日	0 – 60 days	474,061	399,578
61至90日	61 – 90 days	37,601	2,412
超過90日	Over 90 days	124,683	52,387
		636,345	454,377
其他應付賬款	Other payables	102,313	64,429
		738,658	518,806

因到期日屬短期，本集團於二零零六年十二月三十一日之貿易及其他應付賬款之公平價值與相對之賬面值相若。

The fair values of the Group's trade and other payables at 31st December, 2006 approximate to the corresponding carrying amounts due to short-term maturities.

27. 應付一間聯營公司款項

該筆款項為無抵押、免息及須按要求還款。

董事認為，應付一間聯營公司之款項之賬面值與其公平價值相若。

27. AMOUNT DUE TO AN ASSOCIATE

The amount is unsecured, interest-free and repayable on demand.

The directors consider that the carrying amount of amount due to an associate approximates its fair value.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2006

28. 銀行貸款

28. BANK BORROWINGS

		2006 港幣千元 HK\$'000	2005 港幣千元 HK\$'000
銀行透支	Bank overdrafts	12,630	7,968
銀行貸款	Bank loans	453,724	504,969
		466,354	512,937
有抵押	Secured	354,204	398,953
無抵押	Unsecured	112,150	113,984
		466,354	512,937
銀行貸款償還期：	Bank borrowings are repayable as follows:		
— 一年	– within one year	272,987	233,979
— 介乎一年至兩年	– after one but within two years	69,027	86,582
— 介乎兩年至五年	– after two but within five years	124,340	192,376
		466,354	512,937
減：列於流動負債下須於 一年內到期償還之金額	Less: Amounts due within one year shown under current liabilities	(272,987)	(233,979)
於一年後到期償還之金額	Amounts due after one year	193,367	278,958

所有上述銀行借貸為浮息借貸，實際之年利率(亦相等於合約利率)介乎約4.73%至7.75%，乃以港幣結算。利率一般於每一至六個月重訂。

All the above bank borrowings are variable-rate borrowings with effective interest rates (which are also equal to contracted interest rates) ranging from approximately 4.73% to 7.75% per annum. Interest is normally refixed at every one to six months.

綜合財務報表附註

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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28. 銀行貸款(續)

本集團以有關集團實體之功能貨幣以外之貨幣結算之借貸如下：

28. BANK BORROWINGS (Continued)

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

		美元 US\$
於二零零六年十二月三十一日	As at 31st December, 2006	3,700,000

於二零零五年十二月三十一日	As at 31st December, 2005	7,900,000
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年內，本集團取得約港幣133,046,000元之新貸款。該貸款按市場利率計息，並須於二零零七年償還。

During the year, the Group obtained new loans in the amount of approximately HK\$133,046,000. The loans bear interest at market rates and will be repayable in 2007.

董事認為，該等銀行借貸之賬面值與其公平價值相若。

The directors consider that the carrying amount of bank borrowings approximates their fair values.

29. 遞延稅項

以下為本集團確認之主要遞延稅項(負債)資產以及年內之有關變動：

29. DEFERRED TAXATION

The followings are the major deferred tax (liability) asset recognised by the Group and movements thereon during the year:

		加速 稅項折舊 Accelerated tax depreciation 港幣千元 HK\$'000	估計 稅項虧損 Estimated tax losses 港幣千元 HK\$'000	總額 Total 港幣千元 HK\$'000
於二零零五年一月一日	At 1st January, 2005	(5,102)	2,028	(3,074)
於本年度綜合收益表(扣除)計入 (附註11)	(Charged) credited to the consolidated income statement for the year (note 11)	(972)	516	(456)
於二零零五年十二月三十一日 及二零零六年一月一日	At 31st December, 2005 and 1st January, 2006	(6,074)	2,544	(3,530)
於本年度綜合收益表(扣除)計入 (附註11)	(Charged) credited to the consolidated income statement for the year (note 11)	2,217	(81)	2,136
於二零零六年十二月三十一日	At 31st December, 2006	(3,857)	2,463	(1,394)

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29. 遞延稅項(續)

以下為遞延稅項餘額用作財務報告用途之分析：

		2006 港幣千元 HK\$'000	2005 港幣千元 HK\$'000
遞延稅項資產	Deferred tax asset	1,884	–
遞延稅項負債	Deferred tax liability	(3,278)	(3,530)
		(1,394)	(3,530)

於二零零六年十二月三十一日，本集團可用以抵銷未來溢利之估計未動用稅務虧損為港幣約504,000,000元(二零零五年：港幣484,000,000元)。遞延稅項資產港幣約14,000,000元(二零零五年：港幣15,000,000元)已就該等虧損確認。由於無法預測未來溢利來源，故未就餘下之港幣約490,000,000元(二零零五年：港幣469,000,000元)確認遞延稅項資產。未動用之稅務虧損包括將於二零一一年於中國屆滿之虧損為港幣約75,000,000元(二零零五年：港幣74,000,000元)。其他稅務虧損或會無限期結轉。

The following is the analysis of the deferred tax balances for financial reporting purposes:

At 31st December, 2006, the Group has estimated unused tax losses of approximately HK\$504 million (2005: HK\$484 million) available for offsetting against future profits. A deferred tax asset has been recognised in respect of approximately HK\$14 million (2005: HK\$15 million) of such losses. No deferred tax asset has been recognised in respect of the remaining approximately HK\$490 million (2005: HK\$469 million) due to the uncertainty of future profit streams. Included in unused tax losses are losses in the PRC of approximately HK\$75 million (2005: HK\$74 million) that will expire in 2011. Other tax losses may be carried forward indefinitely.

30. 股本

30. SHARE CAPITAL

		股份數目 Number of shares	港幣千元 HK\$'000
每股面值港幣0.10元之普通股	Ordinary shares of HK\$0.10 each		
法定股本：	Authorised:		
於二零零五年一月一日，	At 1st January, 2005 and		
二零零五年及二零零六年	31st December, 2005		
十二月三十一日	and 2006	700,000,000	70,000
已發行及繳足股本：	Issued and fully paid:		
於二零零五年一月一日，	At 1st January, 2005 and		
二零零五年及二零零六年	31st December, 2005		
十二月三十一日	and 2006	466,921,794	46,692

年內，本公司及其任何附屬公司概無購入、出售或贖回本公司任何上市證券。

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

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For the year ended 31st December, 2006

31. 資產抵押

於結算日，本集團於香港之若干物業、廠房及設備、投資物業及預付租賃款項賬面值分別約為港幣29,000,000元、港幣7,000,000元及港幣79,000,000元（二零零五年：港幣31,000,000元、港幣6,000,000元及港幣81,000,000元），已作為授予本集團約港幣813,000,000元（二零零五年：港幣867,000,000元）之銀行融資之抵押品。

31. PLEDGE OF ASSETS

At the balance sheet date, certain of the Group's property, plant and equipment, investment properties, and prepaid lease payments in Hong Kong, with carrying amounts of approximately HK\$29 million, HK\$7 million and HK\$79 million (2005: HK\$31 million, HK\$6 million and HK\$81 million) respectively were pledged to secure banking facilities granted to the Group to the extent of approximately HK\$813 million (2005: HK\$867 million).

32. 承擔

於結算日，本集團沒有在綜合財務報表內撥備之承擔如下：

32. COMMITMENTS

At the balance sheet date, the Group had the following commitments, so far as not provided for in the consolidated financial statements, in respect of:

		2006 港幣千元 HK\$'000	2005 港幣千元 HK\$'000
(a) 購買物業、廠房及設備之資本承擔	(a) Capital commitments contracted for in respect of acquisition of property, plant and equipment		
— 已訂約但未於綜合財務報表撥備	— contracted for but not provided in the consolidated financial statements	422	—
— 已授權但未訂約	— authorised but not contracted for	—	6,769
		422	6,769
(b) 根據不可撤銷之租賃樓宇經營租賃所須履行之日後最低租金款項承擔於下列年期屆滿：	(b) Operating lease commitments for future minimum lease payments under non-cancellable operating leases in respect of rented premises which fall due as follows:		
— 一年內	Within one year	9,749	1,772
— 第二至第五年（包括首尾兩年）	In the second to fifth year inclusive	6,830	—
		16,579	1,772

經營租賃款項指本集團就其若干寫字樓物業須付之租金。租約及租金按平均年期三年磋商及釐定。

Operating lease payments represent rentals payable by the Group for certain of its office premises. Leases and rentals are negotiated and fixed for an average of three years.

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32. 承擔(續)

32. COMMITMENTS (Continued)

		2006 港幣千元 HK\$'000	2005 港幣千元 HK\$'000
(c) 與租客訂約之日後 最低租金款項： 一年內 第二至第五年 (包括首尾兩年)	(c) Future minimum lease payments contracted with tenants: Within one year In the second to fifth year inclusive	673 —	934 634
		673	1,568

經營租賃款項指本集團就出租其投資物業應收之租金。租約及租金按平均年期兩年磋商及釐定。

Operating lease payments represent rental receivable by the Group for leasing its investment properties. Leases and rentals are negotiated and fixed for an average of two years.

33. 或然負債

33. CONTINGENT LIABILITIES

於結算日，本集團並無任何重大或然負債。

At the balance sheet date, the Group did not have any significant contingent liabilities.

34. 關連人士交易

34. RELATED PARTY TRANSACTIONS

除財務報表其他地方披露之關連人士交易外，於本年內，本集團與其聯營公司進行以下交易。此等交易按本公司董事釐定之估計市值進行。

In addition to those related party transactions disclosed elsewhere in the financial statements, during the year, the Group entered into the following transactions with its associates. The transactions were carried out at estimated market prices determined by the Company's directors.

		2006 港幣千元 HK\$'000	2005 港幣千元 HK\$'000
已收租金收入	Rental income received	544	253

應收／應付聯營公司之款項載於第48頁之綜合資產負債表。該等條款分別載於附註17及27。

The amounts due from/to associates are set out in the consolidated balance sheet on page 48. The terms are set out in notes 17 and 27.

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35. 僱員購股權計劃

本公司之僱員購股權計劃(「該計劃」)乃於二零零零年七月三十日生效，主要作為給予合資格僱員(包括本公司或任何附屬公司之任何執行董事，以及為向本公司或附屬公司提供全職或大部分全職服務而僱用之本公司或任何附屬公司之任何高級行政人員、主任或僱員)之獎勵，該計劃將於二零一零年七月三十日營業時間結束時到期。

購股權可於董事就該購股權授出條款所指定之期間行使，惟不得早於授出日期起計1年或遲於授出日期起計10年。購股權不可於授出日期後1年內行使。

根據該計劃，可供發行之股份總數為本公司已發行股本之10%。行使價至少必須為聯交所於授出日期(必須為營業日)之每日報價表所載之股份收市價，及緊隨授出日期前五個營業日聯交所每日報價表之平均收市價(以最高者為準)。根據該計劃行使價不得低於股份之面值。每份授出之購股權須支付之代價為港幣10元。

自採納計劃以來並無購股權授出或尚未行使。

36. 退休福利計劃

本集團為香港所有合資格僱員設立強制性公積金計劃(「公積金計劃」)。公積金計劃之資產與本集團之資產分開持有，以基金方式由受託人管理。本集團按每月港幣1,000元或有關薪酬成本5%之較低者向公積金計劃供款。

中國附屬公司之僱員為中國政府設立之退休福利計劃之成員。

35. EMPLOYEE SHARE OPTION SCHEME

The Company's Employee Share Option Scheme (the "Scheme") came into effect on 30th July, 2000 for the primary purpose of providing incentives to eligible employees, including any executive director of the Company or any subsidiary, and any senior executive, officer or employee of the Company or any subsidiary employed to render full-time or substantially full-time service to the Company or any subsidiary. The Scheme will expire at the close of business on 30th July, 2010.

An option may be exercised as specified by the directors in relation to such option in its terms of grant which shall not be earlier than 1 year after its date of grant, nor be more than 10 years from its date of grant. No option shall be exercisable earlier than 1 year after its date of grant.

Total number of shares available for issue under the Scheme is 10% of the issued share capital of the Company. The exercise price must be at least the higher of the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a business day, and the average closing price of the shares as stated in Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of the grant. Under the Scheme, the exercise price must not be below the nominal amount of the shares. Consideration to be paid on each grant of option is HK\$10.

No share options were granted or outstanding since the adoption of the Scheme.

36. RETIREMENT BENEFITS PLANS

The Group operates a Mandatory Provident Fund Scheme (the "Fund Scheme") for all qualifying employees in Hong Kong. The assets of the Fund Scheme are held separately from those of the Group, in funds under the control of trustees. The Group contributes the lower of HK\$1,000 per month or 5% of relevant payroll costs to the Fund Scheme.

The employees of the subsidiaries in the PRC are members of retirement benefits schemes operated by the PRC government.

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36. 退休福利計劃(續)

有關中國附屬公司須按現有僱員月薪之7%至12%向中國之國家退休計劃供款，以為該項福利提供資金。根據有關政府法規，僱員可享有按退休時之基本薪金及服務年期計算之退休金。中國政府負責退休員工之退休金。

列入綜合收益表處理之總成本約港幣8,002,000元(二零零五年：港幣5,908,000元)，為本集團就本財政年度向該等計劃應付之供款。

36. RETIREMENT BENEFITS PLANS (Continued)

The relevant PRC subsidiaries are required to make contributions to the state retirement schemes in the PRC based on 7% to 12% of the monthly salaries of their current employees to fund the benefits. The employees are entitled to retirement pension calculated with reference to their basic salaries on retirement and their length of service in accordance with the relevant government regulations. The PRC government is responsible for the pension liability to the retired staff.

The total cost charged to the consolidated income statement of approximately HK\$8,002,000 (2005: HK\$5,908,000) represents contributions payable to the schemes by the Group in respect of the current financial year.

37. 主要附屬公司

於二零零六年十二月三十一日主要附屬公司詳情如下：

37. PRINCIPAL SUBSIDIARIES

Details of the principal subsidiaries as at 31st December, 2006 are as follows:

公司名稱 Name of company	已發行普通股 股本面值 Nominal value of issued ordinary share capital	擁有權 權益比例 Proportion of ownership interest		所持 投票權比例 Proportion of voting power held %	註冊成立/ 營業地點 Place of incorporation/ operation	主要業務 Principal activities
		直接 Directly %	間接 Indirectly %			
Catel (B.V.I.) Limited	港幣110元 HK\$110	100	–	100	英屬處女群島 British Virgin Islands	投資控股 Investment holding
Wong's International Japan, Inc.	20,000,000日圓 JPY20,000,000	100	–	100	日本 Japan	銷售及市場拓展 Sales and marketing
邦緯有限公司 Bondwide Limited	港幣2元 HK\$2	–	100	100	香港 Hong Kong	投資控股 Investment holding
Luckyweal Company Limited	港幣2元 HK\$2	–	100	100	香港 Hong Kong	物業投資 Property investment

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37. 主要附屬公司 (續)

於二零零六年十二月三十一日主要附屬公司詳情如下：(續)

37. PRINCIPAL SUBSIDIARIES (Continued)

Details of the principal subsidiaries as at 31st December, 2006 are as follows: (Continued)

公司名稱 Name of company	已發行普通股 股本面值 Nominal value of issued ordinary share capital	擁有權 權益比例 Proportion of ownership interest		所持 投票權比例 Proportion of voting power held %	註冊成立/ 營業地點 Place of incorporation/ operation	主要業務 Principal activities
		直接 Directly %	間接 Indirectly %			
兆偉實業有限公司 Siu Wai Industrial Limited	港幣2元 HK\$2	–	100	100	香港／中華人民 共和國(「中國」) Hong Kong/ People's Republic of China ("PRC")	製造電子產品 Electronic products manufacture
Wapdon Company Limited	港幣2元 HK\$2	–	100	100	香港 Hong Kong	投資控股 Investment holding
華高科技(蘇州) 有限公司* Welco Technology (Suzhou) Limited*	11,606,529美元 US\$11,606,529	–	100	100	中國 PRC	製造電子產品 Electronic products manufacture
Wong's Circuits (Holdings) Pte Ltd.	83,500,000新加坡元 S\$83,500,000	–	100	100	新加坡 Singapore	投資控股 Investment holding
王氏電子有限公司 Wong's Electronics Co., Limited	港幣1,000,000元 HK\$1,000,000	–	100	100	香港 Hong Kong	製造電子產品 Electronic products manufacture
王氏工業(集團) 有限公司 Wong's Industrial (Holdings) Limited	港幣500元 HK\$500	–	100	100	香港 Hong Kong	投資控股 Investment holding

* 此公司為全資外國企業。

* The company is a wholly owned foreign enterprise.

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37. 主要附屬公司(續)

於二零零六年十二月三十一日附屬公司詳情如下：(續)

公司名稱 Name of company	已發行普通股 股本面值 Nominal value of issued ordinary share capital	擁有權 權益比例 Proportion of ownership interest		所持 投票權比例 Proportion of voting power held %	註冊成立/ 營業地點 Place of incorporation/ operation	主要業務 Principal activities
		直接 Directly %	間接 Indirectly %			
BroadMax Technology Limited	港幣1,000,000元 HK\$1,000,000	-	100	100	香港 Hong Kong	設計及推廣寬頻及互聯網應用器材產品 Design and marketing of broadband and internet appliances products
Emerging Technologies Limited	港幣1,000,000元 HK\$1,000,000	-	100	100	香港 Hong Kong	開發、推廣及分銷無線通訊產品 Development, marketing and distribution of wireless communication products
標致信息科技有限公司 Bridge Technology Limited	港幣1,000,000元 HK\$1,000,000	-	60	60	香港 Hong Kong	暫無業務 Dormant
Wong's International (USA) Corporation	10,000美元 US\$10,000	-	100	100	美國 United States of America	市場拓展 Marketing

董事認為，完整載列所有附屬公司詳情會使篇幅過於冗長，因此上表只列出對本集團業績或資產淨值有重大影響之附屬公司。

於年終時或年內任何時間概無附屬公司發行任何存續之債務證券。

37. PRINCIPAL SUBSIDIARIES (Continued)

Details of the principal subsidiaries as at 31st December, 2006 are as follows: (Continued)

In the opinion of the directors, a complete list of the particulars of subsidiaries will be of excessive length and therefore the above list contains only the particulars of those subsidiaries which principally affect the results or net assets of the Group.

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

Wong's International (Holdings) Limited
王氏國際(集團)有限公司*

(Incorporated in Bermuda with limited liability)
(於百慕達註冊成立之有限公司)

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* For identification purpose only
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