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BOARD OF DIRECTORS**Executive Directors:**

HUI Sai Chung (*Chairman*)
HUI Kwok Kwong (*Deputy Chairman and Managing Director*)
Dr WONG Chi Ying, Anthony
LAI Kam Wah
CHING Yu Lung
LIU Sau Lai

Independent Non-executive Directors:

HO Wai Chi, Paul
FONG Pong Hing
CHAN Dit Lung

COMPANY SECRETARY

CHING Yu Lung

AUDIT COMMITTEE

HO Wai Chi, Paul (*Committee Chairman*)
FONG Pong Hing
CHAN Dit Lung

BANKERS

The Hongkong and Shanghai Banking Corporation Limited
The Bank of East Asia, Limited

AUDITORS

PricewaterhouseCoopers
Certified Public Accountants

PUBLIC RELATIONS CONSULTANT

Strategic Financial Relations Limited

董事會**執行董事：**

許世聰 (主席)
許國光 (副主席兼董事總經理)
黃子鑾博士
黎錦華
程如龍
廖秀麗

獨立非執行董事：

何偉志
方邦興
陳秩龍

公司秘書

程如龍

審核委員會

何偉志 (委員會主席)
方邦興
陳秩龍

往來銀行

香港上海滙豐銀行有限公司
東亞銀行有限公司

核數師

羅兵咸永道會計師事務所
香港執業會計師

公共關係顧問

縱橫財經公關顧問有限公司

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Hamilton HM11
Bermuda

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10 Wo Shing Street
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New Territories
Hong Kong

PRINCIPAL REGISTRARS (IN BERMUDA)

Butterfield Fund Services (Bermuda) Limited
Rosebank Centre
Bermudiana Road
Hamilton
Bermuda

BRANCH REGISTRARS (IN HONG KONG)

Abacus Share Registrars Limited
G/F, Bank of East Asia Harbour View Centre
56 Gloucester Road, Wanchai
Hong Kong

STOCK CODE

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WEBSITE

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股份過戶登記總處(於百慕達)

Butterfield Fund Services (Bermuda) Limited
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股份過戶登記分處(於香港)

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東亞銀行港灣中心地下

股票代號

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網址

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EXECUTIVE DIRECTORS

Mr HUI Sai Chung, aged 57, is a co-founder of the Group. He is responsible for formulating and overseeing the implementation of the Group's business strategy. He is also responsible for the marketing and sales functions of the Group. He has more than 34 years' experience in the plastics industry.

Mr HUI Kwok Kwong, aged 55, is a co-founder of the Group. He is responsible for the overall operations and administration of the Group. He has more than 34 years' experience in the plastics industry.

Dr WONG Chi Ying, Anthony, aged 48, is the Vice Chairman and the Chief Operating Officer of Shanghai Ngai Hing Plastic Materials Co., Ltd. and Tsing Tao Ngai Hing Plastic Materials Co., Ltd. He is responsible for overseeing the production operations in Shanghai and Qingdao, in-charging the newly established R&D Centre of the Group, as well as developing business activities and opportunities for the Group. Before joining the Group in the present capacity, Dr Wong was an Associate Professor in the Department of Industrial and Manufacturing Systems Engineering of The University of Hong Kong. He holds a B.Tech (Hons) degree and a Ph.D degree in chemical engineering and is also a Chartered Engineer, Chartered Scientist, a corporate member of The Institution of Chemical Engineers and a member of The Hong Kong Institution of Engineers. He had worked for two multinational chemical companies prior to taking up a lecturer post with The University of Hong Kong in 1986. He is currently a member of the Editorial Advisory Board of the Journal of Adhesion Science and Technology.

Mr LAI Kam Wah, aged 53, is the Deputy Managing Director of the Company and the Chief Operating Officer of Hong Kong Colour Technology Ltd. and Dongguan Ngai Hing Plastic Materials Ltd. He is responsible for overseeing the production operations in Hong Kong and Dongguan. Mr Lai holds a Master of Arts degree and is a member of the Law Society of Hong Kong, England and Wales and Australian Capital Territory. He has been practicing law for over 20 years. He is also an Associate of the Hong Kong Institute of Arbitrators, a Member of the Chartered Institute of Arbitrators, a Fellow of the Hong Kong Institute of Directors, Manager of two secondary schools in Hong Kong, and Member of the Panel of Adjudicators of the Control of Obscene and Indecent Articles Ordinance.

執行董事

許世聰先生，57歲，乃本集團創辦人之一，負責制訂本集團之業務策略及監督其執行，並負責本集團之市場推廣及銷售事宜。彼於塑膠業已積累逾三十四年經驗。

許國光先生，55歲，乃本集團創辦人之一，負責本集團整體之業務運作及行政事宜。彼於塑膠業已積累逾三十四年經驗。

黃子鑒博士，48歲，乃本集團之副主席及上海毅興塑膠原料有限公司和青島毅興塑膠原料有限公司之營運總裁，除負責上海及青島之生產業務外，並主管集團新成立之科研中心及對外拓展事宜。在加入本集團前，黃博士為香港大學工業及製造系統工程系之副教授。彼持有化學工程學士及化學工程博士學位。彼亦是特許工程師、特許科學家、英國化學工程師學會會員及香港工程師學會會員。彼於一九八六年在香港大學出任講師一職以前，曾在兩間跨國化工公司工作。黃博士目前是 Journal of Adhesion Science and Technology 編輯顧問會中的其中一名成員。

黎錦華先生，53歲，本公司之副董事總經理及顏色專業有限公司和東莞毅興塑膠原料有限公司之營運總裁，負責監督香港及東莞之生產業務。彼持有文學碩士學位，亦為香港律師公會，英國律師公會及澳洲首都地區律師公會會員，並已執業為律師達二十年以上。彼同時亦為香港仲裁司學會會員，英國特許仲裁司學會會員，香港董事學會資深會員，香港兩所中學之校董，及淫褻及不雅物品管制條例審裁委員小組成員。

EXECUTIVE DIRECTORS (Cont'd)

Mr CHING Yu Lung, aged 34, is the Finance Director and Company Secretary of the Group. He holds a bachelor degree in Business Administration and is a Fellow Member of the Association of Chartered Certified Accountants, an Associate Member of the Hong Kong Institute of Certified Public Accountants and a member of the American Institute of Certified Public Accountants. He has over 12 years' experience in auditing, finance and accounting and is responsible for the financial and treasury management of the Group.

Madam LIU Sau Lai, aged 46, is responsible for personnel and office administration of the Group. She joined the Group in 1977.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr HO Wai Chi, Paul, aged 53, is the precedent partner of Paul W. C. Ho & Company, Certified Public Accountants. He holds a Bachelor degree in Social Sciences and is an associate member of the Institute of Chartered Accountants in England and Wales, United Kingdom and a fellow member of the Hong Kong Institute of Certified Public Accountants.

Mr FONG Pong Hing, aged 54, is the Managing Director of Cathay Pigments Australasia Pty Ltd ("Cathay Pigments") in Australia. Cathay Pigments specializes in the manufacture and trading of inorganic pigments in the Australian market. Mr. Fong obtained a Master of Philosophy (Chemistry) degree from The Chinese University of Hong Kong in 1975. Before he retired from Du Pont China Limited in July 2003, he had spent most of his career working for multinational chemicals and technology companies covering the Hong Kong and the Greater China area with emphasis in engineering plastics market.

Mr CHAN Dit Lung, aged 54, is the Managing Director of Wellknown Plastic Material Ltd. He holds a Bachelor degree in Social Science and has more than 20 years' experience in plastic trading. He was formerly a lecturer of Hong Kong Plastics Technology Centre in Polytechnic University. He is now the Chairman of Hong Kong Plastic Material Suppliers Association, President of Hong Kong Plastics Recycling Association, Vice President of The Professional Validation Council of Hong Kong Industries, Convener of Hong Kong Business Community Joint Conference and Director of Hong Kong Plastics Technology Centre.

執行董事(續)

程如龍先生，34歲，乃本集團之財務董事兼公司秘書。彼持有工商管理學士學位，並為英國特許公認會計師公會資深會員、香港會計師公會及美國會計師公會會員。彼於核數、財務及會計方面已積累逾十二年經驗，負責本集團之財務及融資管理。

廖秀麗女士，46歲，負責本集團之人事及辦公室行政事宜。彼於一九七七年加入本集團。

獨立非執行董事

何偉志先生，53歲，乃執業會計師何偉志會計師行之合夥人。彼持有社會科學學士學位，並為英國英格蘭及威爾斯特許會計師公會之會員及香港會計師公會之資深會員。

方邦興先生，54歲，乃澳洲Cathay Pigments Australasia Pty Ltd (「Cathay Pigments」)之董事總經理。Cathay Pigments主要於澳洲進行無機色粉之生產和貿易。方先生於一九七五年獲香港中文大學頒發哲學碩士(化學)學位。方先生於二零零三年七月從杜邦中國有限公司退休前，曾於跨國化工公司工作，負責香港和大中華區工程塑料之市場。

陳秩龍先生，54歲，乃偉龍行塑膠原料有限公司之董事總經理，彼持有社會科學學士學位，於塑料貿易積累逾二十年經驗。彼曾任理工大學—香港塑膠科技中心講師，現任香港塑膠原料商會主席、香港塑膠再生原料協會會長、香港工業專業評審局常務副主席、香港各界商會聯席會議召集人及香港塑膠科技中心董事。

SENIOR MANAGEMENT

Mr NG Tat Ching, Ben, aged 49, Director of Ngai Hing Engineering Plastic Materials Limited, is responsible for marketing and product management of engineering plastic materials for the Group. He holds a Bachelor degree in chemistry from The Chinese University of Hong Kong. Mr Ng joined the Group in 1997 and has over 23 years' experience in the plastics industry globally. Prior to joining the Group, Mr Ng has held several key positions in various multinational companies for engineering plastic materials sales and marketing in Asia Pacific regions.

Mr FONG Kwok Mo, aged 45, is the General Manager of Shanghai Ngai Hing Plastic Materials Co., Ltd. and Tsing Tao Ngai Hing Plastic Materials Co., Ltd. He holds a certificate in textile technology from the Hong Kong Polytechnic (The Hong Kong Polytechnic University's predecessor) and is responsible for overseeing the operations of the Group in Shanghai and Qingdao, the People's Republic of China (the "PRC"). He joined the Group in 1992 and has 23 years' experience in production management.

Mr NG Chi Ming, aged 39, is the General Manager of Hong Kong Colour Technology Ltd and Dongguan Ngai Hing Plastic Materials Ltd. He is responsible for overseeing the overall operations of the factories in Hong Kong and Dongguan, PRC. He holds a higher diploma in textile chemistry from the Hong Kong Polytechnic (The Hong Kong Polytechnic University's predecessor). He joined the Group in 1988 and left in 1995. He re-joined the Group in early 1998 and has over 15 years' experience in plastic colouration and plastic injection moulding techniques.

Mr CHUNG Si Leung, Ricky, aged 46, is a Director of Ngai Hing Engineering Plastic Materials Limited and is responsible for sales of engineering plastic materials for the Group. He holds a Bachelor degree in chemistry from The Chinese University of Hong Kong. He joined the Group in 1999 and has over 22 years' experience in the plastics industry.

Mr WONG Chi Hang, Eric, aged 33, is the General Manager of Ngai Hing Hong Plastic Materials Limited and is responsible for the sales and marketing in the Group's trading business. He holds a Bachelor degree in chemistry from The University of Hong Kong and a Master degree in Business Administration from the University of South Australia. He joined the Group in 1994 and has over 10 years' experience in sales & marketing.

高層管理人員

吳達貞先生，49歲，毅興工程塑料有限公司之董事，負責本集團工程塑料市場推廣及銷售業務。彼持有由香港中文大學頒發之理科學士學位。彼於一九九七年加入本集團，於塑膠業已積累逾二十三年經驗。於加入本集團前，吳先生曾於數間跨國企業擔任要職，負責亞太地區工程塑料之銷售及推廣。

方覺武先生，45歲，上海毅興塑膠原料有限公司及青島毅興塑膠原料有限公司之總經理。彼持有由香港理工學院（香港理工大學之前身）頒發之紡織技術證書，並負責監督本集團於中華人民共和國（「中國」）上海及青島之業務。彼於一九九二年加入本集團，於生產管理方面擁有二十三年經驗。

吳志明先生，39歲，顏色專業有限公司及東莞毅興塑膠原料有限公司之總經理，負責監督香港及中國東莞之廠房之整體業務。彼持有由香港理工學院（香港理工大學之前身）頒發之紡織化學高級文憑。彼於一九八八年加入本集團並於一九九五年離職。彼於一九九八年初再加入本集團，並於塑料著色及模具注塑技術方面擁有逾十五年經驗。

鍾斯良先生，46歲，毅興工程塑料有限公司之董事，負責本集團工程塑料銷售業務。彼持有由香港中文大學頒發之理科學士學位。彼於一九九九年加入本集團，於塑膠業已積累逾二十二年經驗。

黃智恆先生，33歲，毅興塑膠原料有限公司之總經理，負責塑膠原料市場推廣及銷售業務。彼持有由香港大學所頒發之化學學士學位及由南澳洲大學所頒發之工商管理碩士學位。彼於一九九四年加入本集團，在管理及市場推廣方面累積逾十年經驗。

SENIOR MANAGEMENT (Cont'd)

Dr LAM Kwok Kin, Joseph, aged 58, is a Director and General Manager of Ngai Hing PlastChem Company Limited. He is responsible for overseeing the operation of PVC compounds. He holds a Ph.D. degree in Chemistry and had worked for a multinational chemical company for 17 years and was responsible for the sales, marketing, technical service and regional management of specialty additives products in the Asia-Pacific region. He is experienced in application and new product development for a range of industries including PVC, plastics, masterbatch, coating, water-base & solvent-base dispersions, hot-melt and cable & wire.

Mr YIP Yik Wai, Roy, aged 48, is a Director of Ngai Hing PlastChem Company Limited. He is responsible for the manufacturing, marketing and sales of PVC compounds. He has over 25 years' experience in the plastics and chemical business covering the greater China and South East Asia region.

高層管理人員 (續)

林國堅博士，58歲，毅興塑化有限公司之董事兼總經理，負責本集團PVC膠粒之業務。彼持有化學博士學位，曾受聘於一家著名國際化學公司十七年，任職特殊添加劑部門的亞太地區總經理，負責市場銷售、技術服務及統籌管理。彼累積了幾十年在化學領域的豐富經驗，尤其專長於聚氯乙烯、塑料、色母料、塗料、熱融性塑膠、水融性和溶劑性原料及電線電纜的科學應用和新產品發展。

葉奕偉先生，48歲，毅興塑化有限公司之董事，負責本集團PVC膠粒之生產、市場推廣及銷售業務。彼於塑料及化工領域尤其在大中華地區及東南亞市場已積累逾二十五年經驗。



CHAIRMAN'S
STATEMENT

主席報告

RESULTS AND DIVIDENDS

I am pleased to announce the audited results of Ngai Hing Hong Company Limited ("the Company") and its subsidiaries (collectively "the Group") for the year ended 30th June 2004. The Group recorded a consolidated turnover of HK\$1,017,775,000 (2003: HK\$874,976,000) and profit attributable to shareholders of HK\$13,279,000 (2003: HK\$40,462,000) during the year. Earnings per share for the year amounted to HK4.43 cents (2003: HK13.49 cents). The Board recommended the payment of a final dividend of HK2.0 cents (2003: HK5.0 cents) per share. Together with the interim dividend of HK1.0 cent (2003: HK3.0 cents) per share, the total dividend payment for the year under review will amount to HK3.0 cents (2003: 8.0 cents) per share.

BUSINESS REVIEW

2004 marks the 10th anniversary of the Group's listing in Hong Kong. Over the past decade, Ngai Hing Hong has managed to seize the many sprouting business opportunities in the market and achieve quick and robust growth. Its consolidated turnover for the year shot through the HK\$1 billion threshold.

The past year was challenging for the Group. The outbreak of the bird flu, the introduction of economic austerity measures in China and the increase in costs of raw materials triggered by the persistently high crude oil price had adversely affected the business environment in Asia. However, with a rock solid foundation and focused business strategies, the Group not only was able to rise above the different challenges, but also turned them into opportunities. During the year, the Group kicked off one important investment, paving the way for the Group's future growth.

業績及股息

本人謹此報告毅興行有限公司(「本公司」)及其附屬公司(統稱「本集團」)截至二零零四年六月三十日止年度之經審核業績。本集團經審核之總營業額為1,017,775,000港元(二零零三年：874,976,000港元)，股東應佔溢利為13,279,000港元(二零零三年：40,462,000港元)，每股盈利為4.43港仙(二零零三年：13.49港仙)。董事會已建議派發末期股息每股2.0港仙(二零零三年：5.0港仙)。連同於回顧年內派發之中期股息每股1.0港仙(二零零三年：3.0港仙)，回顧年內全年股息為每股3.0港仙(二零零三年：8.0港仙)。

業務回顧

二零零四年為毅興行上市十週年的日子。在過去十年，毅興行成功把握市場上不斷湧現的商機，令集團的發展一日千里，而二零零三／零四年的總營業額更突破十億港元。

過去一年對毅興行來說仍然充滿挑戰。禽流感的爆發、中國宏觀調控的實施，以及原油價格居高不下帶動相關物料價格上揚，確實對亞洲區內的營商環境產生影響。但憑藉集團穩固的基礎和管理團隊專注的業務策略，集團仍能將這些挑戰轉為機會，於回顧年內展開了一項重要的發展項目，為未來的業務發展奠下堅實的基礎。

During the year, the Group succeeded in expanding into a new business - the manufacture and sale of PVC compounds. In May 2004, our new plant in Dongguan commenced operation to provide to both the overseas and domestic markets PVC compounds for use in the production of electrical wires and cables, sockets and toys. The Group expects this new business segment to emerge as a strong growth driver and start contributing profit in the coming financial year. Through implementing aggressive sales and marketing strategies, the Group successfully broadened its customer base and achieved significant growth in both orders and sales price, increasing the Group's consolidated turnover by 16.3% over that of last year.

Having to weather the substantial increase in the costs of raw materials brought on by the surge in crude oil price, plus the deployment of extra resources into the new plant and in developing the new PVC business, the Group's production and operating costs increased and its overall profit margin narrowed during the year. However, the Group has full confidence that the returns from the new business and new customers will be fully reflected in its results in the coming financial year. In addition, the Group made strategic efforts during the year to expand its production capacity and sales network. These efforts, which included the establishment of new plants in Shanghai and Hong Kong and a new office in Xiamen, are expected to bear fruit in the coming year.

During the period under review, the Group's high margin engineering plastics manufacturing segment reported outstanding performance. Rising market demand for engineering plastics plus the Group's stringent product quality control underscored the persistently strong customer demand for the Group's products, and the strong demand translated into continuous turnover growth. As for the colourants business, riding on the keen market demand for film grade masterbatches, the Group secured many new customers and recorded steady growth in turnover from the business segment.

年內，集團成功開拓了新業務範疇——產銷PVC膠粒，並於二零零四年五月在東莞開設新廠房，為海外及內銷市場提供用以製造電線電纜、插頭及玩具的PVC膠粒。集團預期這項新業務將成為未來強勁的增長動力，並將於下個財政年度為集團帶來盈利貢獻。此外，集團透過積極進取的銷售及市場推廣策略，成功於年內擴闊客戶基礎，無論於訂單數量或售價均取得顯著的增長，令集團的總營業額較去年增長百分之十六點三。

然而，由於原油價飆升影響物料成本價格顯著上升，加上集團於年內為新廠房及新業務投入不少額外資源，令集團的生產及營運成本增加，導致整體毛利率下降。但集團預計新業務及新客戶所帶來的效益將於此投資期過後，即下個財政年度全面反映於集團的業績上。再者，隨著集團於上個財政年度在上海及香港增設廠房，並於廈門設立聯絡處，策略性地提升產能及擴大行銷網絡，集團預期來年的回報將更美滿豐盛。

於回顧期內，毛利率較高的工程塑料業務成功創出亮麗的成績。由於年內市場對工程塑料的需求上升，加上集團對產品質素的嚴密監控，這類產品繼續獲得客戶的支持，令營業額持續錄得增長。至於着色劑方面，吹膜着色劑亦在市場殷切的需求所帶動下取得不少新客戶，營業額方面亦錄得穩定的增長。

During the year, the Group's plastics trading business recorded significant growth in turnover, with Ngai Hing (GZFTZ) Trading Co., Ltd. ("NHGZ") in Guangzhou reporting satisfactory performance. Besides actual financial returns, NHGZ also embodies the Group's determination to expand its business in the PRC market, helping the Group to broaden its customer networks in Southern China and cementing the Group's foundation for long-term development in the market.

PROSPECTS

Although the global economy has yet to fully rebound, it has been recovering at a pace quicker than expected. In the light of continuous improvement in the global economy and consumption sentiment, the Group is optimistic about its prospects in the coming year. Looking forward, the Group will focus on expanding its customer base and trimming production costs so as to achieve maximum production efficiency and economies of scale while at the same time meeting immense market demand for plastics products.

The Group sees vast growth potential in the PRC market and economy. It will actively seek to capture this important market in the coming years leveraging the Closer Economic Partnership Arrangement (CEPA) signed recently between Mainland China and Hong Kong. To ensure continuing optimum returns from the PRC market, the Group will strive to fully exploit its resources in Guangzhou and Shanghai. The move will allow it to further expand its business in the burgeoning China market, in particular eastern China, and to boost its existing competitive advantages.

Meanwhile, to ensure steady business growth, the Group is committed to stepping up its R&D efforts and has scheduled to set up a new R&D center in Shanghai by 2005. It will also continue to recruit professionals with extensive industrial and technical knowledge to assist the development of more innovative products. The Group is dedicated to providing customers with the highest quality products and premium value-added services, which it believes will help to strengthen its competitiveness in the market and expand its income sources.

於回顧期內，塑膠原料貿易業務之營業額錄得顯著的升幅，其中毅興(廣州保稅區)貿易有限公司亦獲得理想的成績。而除實際效益外，毅興(廣州保稅區)貿易有限公司亦象徵著集團銳意拓展中國市場的決心，更為集團在華南地區擴大客戶網絡，以及於中國市場的長遠發展奠下穩健的基礎。

展望

儘管全球經濟有待全面復甦，但其增長步伐實際上較預期快。隨著全球經濟與各地市場的消費意欲繼續上揚，集團對來年的前景感到樂觀。未來，集團計劃將經營重點投放於擴闊客戶基礎及節約生產成本兩方面，以充份發揮集團優越的生產效率及規模經濟效益，並滿足市場對塑料殷切的需求。

集團認為中國擁有龐大的市場及經濟增長潛力，而且與香港特區政府簽訂了「更緊密經貿關係安排」，是集團未來積極爭取的重要市場。承接去年於中國市場取得理想的成績，集團將充份利用現有於廣州及上海的資源，進一步開拓發展蓬勃的中國市場，特別是經濟增長迅速的華東地區，繼續延伸集團原有的優勢。

與此同時，為確保集團業務能穩步發展，毅興行將致力研究及發展工作，並計劃於二零零五年在上海開設研發中心，同時繼續招攬擁有豐富行業知識及技術的專才，以加強研發新產品，務求為客戶提供高質素的产品及增值服務，致力提升集團在市場的競爭力及增加收入來源。

With the Group's new plant progressing into full operation during the year, both the Group's overall production capacity and potential for growth were significantly enhanced. Looking ahead, the Group will continue to use its best endeavour to exercise stringent costs control to increase cost efficiencies in production. The Group will also forge ahead with its promising new PVC compounds business, which is expected to broaden the Group's income base and bump up its overall results in the next financial year.

LIQUIDITY AND FINANCIAL RESOURCES

The Group generally finances its operations with internally generated cashflow and banking facilities provided by its principal bankers. As at 30th June 2004, the Group has available aggregate bank loan facilities of approximately HK\$173,370,000, of which HK\$123,431,000 have been utilised and were secured by corporate guarantee issued by the Company and legal charges on certain leasehold land and buildings in the PRC and Hong Kong owned by the Group (see note 11 to the accounts). The Group's cash and bank balances and short term bank deposits as at 30th June 2004 amounted to approximately HK\$51,303,000. The Group's gearing ratio as at 30th June 2004 was approximately 49.7%, based on the total bank borrowings of approximately HK\$123,431,000, together with obligations under finance leases of HK\$18,663,000 and the shareholders' funds of approximately HK\$286,184,000.

Details of the Group's capital commitments and the Company's contingent liabilities are disclosed in notes 21 and 22 to the accounts respectively.

FOREIGN EXCHANGE RISK

The Group's borrowings and cash balances are primarily denominated in Hong Kong dollars. The Group's purchases were principally denominated in US dollars. The Group closely monitors currency fluctuations and reduces its exchange risk by hedging with forward exchange contracts from time to time.

隨著集團的新廠房於上個財政年度陸續正式投產，集團的整體產能及業務增長空間亦進一步獲得提升。未來，毅興行將積極推行生產成本控制措施，務求令集團的生產更具成本效益。此外，新增的業務範疇亦將擴闊集團的收入基礎，從而為集團於下個財政年度締造更理想的業績。

流動資金及財務資源

本集團一般以內部流動現金及主要銀行提供銀行貸款作為營運資金。於二零零四年六月三十日，本集團可動用銀行貸款約173,370,000港元，經已動用合共約123,431,000港元，該等貸款乃由本公司發出的擔保及本集團擁有之若干中國及香港租賃土地及樓宇之法定抵押作擔保（詳見賬目附註11）。本集團於二零零四年六月三十日之現金及銀行結存與短期銀行存款約為51,303,000港元。根據銀行貸款總額約123,431,000港元、融資租賃責任18,663,000港元及股東資金約286,184,000港元計算，本集團於二零零四年六月三十日之負債資產比率約為百分之四十九點七。

有關本集團之資本承擔及本公司之或有負債已分別刊載於賬目附註21及22。

外匯風險

本集團之借貸及銀行結存主要為港元。本集團的採購主要以美元計算。本集團不時密切監察匯率波動情況及透過對沖遠期外匯合約減低匯率波動風險。

At 30th June 2004, the Group had maximum outstanding commitments in respect of forward contracts in order to hedge the Group's exposure in foreign currencies from its operations as follows:

		2004	2003
		HK\$'000	HK\$'000
		千港元	千港元
Sell HK dollars for US dollars	沽港元以買入美元	436,660	—

為減低營運帶來之外匯風險，本集團訂立外匯遠期合約。於二零零四年六月三十日，未兌現之遠期合約之最大承諾如下：

EMPLOYEE INFORMATION

As at 30th June 2004, the Group had approximately 800 full-time employees. The Group's emolument policies are formulated on the performance of individual employees and are reviewed annually. The Group has an incentive scheme which is geared to the profit of the Group and the performance of its employees, as an incentive to motivate its employees to increase their contribution to the Group. The Group also provides social and medical insurance coverage, and provident fund scheme (as the case may be) to its employees depending on the location of such employees.

僱員資料

於二零零四年六月三十日，本集團有合共約800名全職僱員。本集團之酬金政策乃按個別僱員之表現而制訂，並每年定期檢討。本集團亦為其僱員提供一個獎勵計劃，以鼓勵員工增加對公司之貢獻，惟須視本集團之溢利及僱員之表現而定。本集團不同地區之僱員亦獲提供社會及醫療保險以及公積金計劃。

APPRECIATION

I would like to express my gratitude to our suppliers, customers and shareholders for their unfailing support. My thanks also go to my fellow directors, executives and staff for their outstanding performance and contribution during the past year ridden with challenges. The Group will as always, with prudence and conviction, seek to secure long-term development and the most satisfactory return to shareholders. I am confident that the Group will be able to attain more prosperous results for the coming year.

HUI Sai Chung

Chairman

Hong Kong,

13th October 2004

致謝

本人謹代表董事會藉此機會感謝本集團的供應商、客戶及股東一直以來的支持，並對本集團的董事、管理層及所有員工在過去充滿挑戰的一年的卓越表現和貢獻，致以衷心謝意。毅興行將秉持一貫之穩健與積極的態度，為集團的長遠發展與股東的最大利益而努力，並且寄望來年更美滿豐盛。

主席

許世聰

香港，

二零零四年十月十三日

REPORT OF
THE DIRECTORS
董事會報告書



The Directors submit their report together with the audited accounts for the year ended 30th June 2004.

PRINCIPAL ACTIVITIES AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

The principal activity of the Company is investment holding. The principal activities of its principal subsidiaries are set out in note 25 to the accounts.

An analysis of the Group's performance for the year by geographical segment is set out in note 2 to the accounts.

RESULTS AND APPROPRIATIONS

The results of the Group for the year are set out in the consolidated profit and loss account on page 33.

The Directors have declared an interim dividend of HK1.0 cent per ordinary share, totalling HK\$3,000,000, which was paid on 16th April 2004.

The Directors recommend the payment of a final dividend of HK2.0 cents per ordinary share, totalling HK\$6,000,000.



董事會謹此提呈截至二零零四年六月三十日止年度之報告書及經審核賬目。

主要業務及按地區劃分之經營表現

本公司之主要業務為投資控股，其主要附屬公司之主要業務則載於賬目附註25。

本集團按地區劃分之經營表現分析載於賬目附註2。

業績及分配

本年度業績載於第33頁之綜合損益表。

董事會已於二零零四年四月十六日派發中期股息每股1.0港仙，合共3,000,000港元。

董事會建議派發末期股息每股2.0港仙，合共6,000,000港元。



RESERVES

Movements in the reserves of the Group and the Company during the year are set out in note 17 to the accounts.

FIXED ASSETS

The Company did not own any fixed assets during the year.

Details of the movements in fixed assets of the Group during the year are set out in note 11 to the accounts.

DISTRIBUTABLE RESERVES

At 30th June 2004, the reserves of the Company available for distribution, comprising the contributed surplus and retained earnings, amounted to approximately HK\$69,842,000 (2003: HK\$77,705,000).

Under The Companies Act 1981 of Bermuda (as amended), a company may not declare or pay a dividend, or make a distribution out of contributed surplus, if there are reasonable grounds for believing that (i) the company is, or would after the payment be, unable to pay its liabilities as they become due; (ii) the realisable value of the Company's assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium account.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 78.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-laws and there are no restrictions against such rights under the laws in Bermuda.

儲備

本集團及本公司年內儲備之變動詳情載於賬目附註17。

固定資產

本公司於本年度並無擁有任何固定資產。

本集團於本年度固定資產之變動載於賬目附註11。

可供分派儲備

於二零零四年六月三十日，本公司可供分派之儲備（包括實繳盈餘及保留溢利）約為69,842,000港元（二零零三年：77,705,000港元）。

根據百慕達一九八一年公司法（經修訂），倘有合理理由相信(i)公司於派付股息或作出任何分派後未能或無法清償其到期之負債；或(ii)公司資產之可變現價值會將因而低於其負債及其已發行股本與股份溢價之總值，則該公司不得宣派或派付股息或從實繳盈餘中作出分派。

五年財務概要

本集團於過去五個財政年度之業績、資產及負債載於第78頁。

優先購股權

本公司之公司細則並無關於優先購股權之規定，而百慕達法例亦無對該等權利作出任何限制。

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

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed securities during the year.

SHARE OPTIONS

On 5th December 2002, the Company has adopted a new share option scheme (the "New Scheme") and terminated the old share option scheme. Under the terms of the New Scheme, the Directors may, at their discretion, invite Directors and employees of the Group to take up options (the "Share Options") to subscribe for shares in the Company subject to the terms and conditions stipulated therein.

Details of the New Scheme are as follows:

(i) Purpose

The New Scheme is designed to give Directors and employees of the Company or any of its subsidiaries an equity interest in the Company in order to enhance long-term shareholder value. The granting of Share Options will also help the Company to attract and motivate individuals with experience and ability and to reward individuals for past and future performance.

(ii) Qualifying participants

Any employee including any Director of the Company or any of its subsidiaries.

(iii) Maximum number of shares

The maximum number of shares subject to the New Scheme must not when aggregated with any shares subject to any other share option schemes exceed 10% of the shares in issue from time to time (excluding any shares which have been duly allotted and issued upon the exercise of the Share Options granted pursuant to the New Scheme and any other schemes). The total number of shares available for issue under the New Scheme as at the date of the annual report is 30,000,000, which is 10% of the issued share capital of the Company as of that date.

購買、出售及贖回本公司之上市證券

本公司於本年度並無贖回其股票。本公司或其任何附屬公司於本年度亦無購買或出售本公司之上市證券。

購股權

本公司之股東於二零零二年十二月五日採納了新購股權計劃（「新購股權計劃」），並同時取消了舊購股權計劃。根據新購股權計劃之條款及條件，董事會可酌情邀請本集團之董事及僱員接納可認購本公司股份之購股權（「購股權」）。

新購股權計劃詳情如下：

(i) 目的

新購股權計劃旨在向本公司或其附屬公司之董事及僱員授予權益，使本公司能吸納及激勵經驗豐富之人才，並獎勵過往及日後有所表現之人士，從而長遠增加股東價值。

(ii) 合資格參與者

本公司或其附屬公司之任何僱員（包括任何董事）。

(iii) 股份最高數目

根據新購股權計劃可能予以發行之股份總數，當計及根據任何其他購股權計劃可能予以發行之股份時，不得超過不時已發行股份之百分之十（不包括因行使新購股權計劃及任何其他計劃正式獲配發及發行之任何股份）。於本年報刊發日期，根據新購股權計劃可供發行之股份總數為30,000,000股，相當於當日本公司已發行股本百分之十。

SHARE OPTIONS (Cont'd)**(iii) Maximum number of shares (Cont'd)**

The maximum entitlement for any one qualifying participant is that the total number of shares issued and to be issued upon exercise of the Share Options granted to each qualifying participant under the New Scheme and any other option schemes (including exercised and outstanding Share Options) in any 12-month period shall not exceed 1% of the total number of shares in issue.

(iv) Option period

In respect of any particular Share Option, such period the Board of Directors may in its absolute discretion determine, save that such period shall not expire more than 10 years from the date on which a Share Option is granted and accepted by the grantee.

(v) Amount payable on application or acceptance

An offer of the grant of an option shall remain open for acceptance for a period of 28 days from the date of grant. An offer of the grant of the Share Option shall be deemed to have been accepted and to have taken effect when a letter comprising acceptance of the Share Option duly signed by the grantee is received by the Company.

(vi) Exercise price

The exercise price in respect of any particular option shall be (i) the closing price of the shares of the Company as stated in The Stock Exchange of Hong Kong Limited's (the "Stock Exchange") daily quotations sheet on the date of grant, (ii) the average price of the shares for the five business days immediately preceding the date of grant or (iii) the nominal value of the share (whichever is the greater).

購股權(續)**(iii) 股份最高數目(續)**

於任何十二個月內，每名合資格參與者根據新購股權計劃及任何其他購股權計劃行使所獲之購股權(包括已行使及尚未行使之購股權)而獲發行及將獲發行之股份總數，不得超過已發行股份總數之百分之一。

(iv) 購股權期限

就任何特定購股權而言，董事會可以其絕對酌情權釐定該期限，惟該期限由開始日期起計不超過十年。開始日期被視為於該購股權授出予承授人及承授人接納購股權之日起計生效。

(v) 於申請或接納時須繳付之金額

授出購股權之邀約由授出日期起計二十八日之期間內仍可供接納。當本公司接獲由承授人正式簽署接納購股權之函件副本，授出購股權之邀約已被視為已獲接納。

(vi) 認購價

就任何特定購股權而言，認購價不可低於下列三者之較高者：(i)於授出日期當日按香港聯合交易所有限公司「聯交所」的收市價，(ii)緊接授出日期之前五個交易日之平均收市價或(iii)股份之面值。

SHARE OPTIONS (Cont'd)

(vii) The remaining life of the New Scheme

The Board of Directors shall be entitled at any time within 10 years between 5th December 2002 and 4th December 2012 to offer the grant of an option to any qualifying participants.

Details of the movements of Share Options granted under the New Scheme during the year and outstanding as at 30th June 2004 are as follows:

購股權(續)

(vii) 新購股權計劃之剩餘期限

董事會有權於二零零二年十二月五日至二零一二年十二月四日十年內隨時向任何合資格參與者授出購股權。

根據新購股權計劃授出之購股權於二零零四年六月三十日及年內之變動如下：

	Number of Share Options 購股權之股份數目						
	Date of grant 授出日期	Exercise period 可行使期限	Exercise price 行使價	Beginning of the year 年初	Granted	Exercised	End of the year 年末
					during the year 年內授出	during the year 年內行使	
Executive Directors 執行董事							
Mr HUI Sai Chung 許世聰先生	2nd May 2003 二零零三年 五月二日	2nd May 2004 to 1st May 2009 二零零四年五月二日至 二零零九年五月一日	HK\$0.82 0.82 港元	1,000,000	—	—	1,000,000
	2nd May 2003 二零零三年 五月二日	2nd May 2005 to 1st May 2009 二零零五年五月二日至 二零零九年五月一日	HK\$0.82 0.82 港元	1,000,000	—	—	1,000,000
	2nd May 2003 二零零三年 五月二日	2nd May 2006 to 1st May 2009 二零零六年五月二日至 二零零九年五月一日	HK\$0.82 0.82 港元	1,000,000	—	—	1,000,000
Mr HUI Kwok Kwong 許國光先生	2nd May 2003 二零零三年 五月二日	2nd May 2004 to 1st May 2009 二零零四年五月二日至 二零零九年五月一日	HK\$0.82 0.82 港元	1,000,000	—	—	1,000,000
	2nd May 2003 二零零三年 五月二日	2nd May 2005 to 1st May 2009 二零零五年五月二日至 二零零九年五月一日	HK\$0.82 0.82 港元	1,000,000	—	—	1,000,000
	2nd May 2003 二零零三年 五月二日	2nd May 2006 to 1st May 2009 二零零六年五月二日至 二零零九年五月一日	HK\$0.82 0.82 港元	1,000,000	—	—	1,000,000

SHARE OPTIONS (Cont'd)

購股權(續)

	Date of grant 授出日期	Exercise period 可行使期限	Exercise price 行使價	Beginning of the year 年初	Number of Share Options 購股權之股份數目		End of the year 年末
					Granted during the year 年內授出	Exercised during the year 年內行使	
Executive Directors (Cont'd) 執行董事(續)							
Dr WONG Chi Ying, Anthony 黃子鑾博士	2nd May 2003 二零零三年 五月二日	2nd May 2004 to 1st May 2009 二零零四年五月二日至 二零零九年五月一日	HK\$0.82 0.82 港元	1,000,000	—	—	1,000,000
	2nd May 2003 二零零三年 五月二日	2nd May 2005 to 1st May 2009 二零零五年五月二日至 二零零九年五月一日	HK\$0.82 0.82 港元	1,000,000	—	—	1,000,000
	2nd May 2003 二零零三年 五月二日	2nd May 2006 to 1st May 2009 二零零六年五月二日至 二零零九年五月一日	HK\$0.82 0.82 港元	1,000,000	—	—	1,000,000
Mr LAI Kam Wah 黎錦華先生	2nd May 2003 二零零三年 五月二日	2nd May 2004 to 1st May 2009 二零零四年五月二日至 二零零九年五月一日	HK\$0.82 0.82 港元	1,000,000	—	—	1,000,000
	2nd May 2003 二零零三年 五月二日	2nd May 2005 to 1st May 2009 二零零五年五月二日至 二零零九年五月一日	HK\$0.82 0.82 港元	1,000,000	—	—	1,000,000
	2nd May 2003 二零零三年 五月二日	2nd May 2006 to 1st May 2009 二零零六年五月二日至 二零零九年五月一日	HK\$0.82 0.82 港元	1,000,000	—	—	1,000,000

SHARE OPTIONS (Cont'd)

購股權(續)

	Date of grant 授出日期	Exercise period 可行使期限	Exercise price 行使價	Beginning of the year 年初	Number of Share Options 購股權之股份數目		End of the year 年末
					Granted during the year 年內授出	Exercised during the year 年內行使	
Executive Directors (Cont'd) 執行董事 (續)							
Mr CHING Yu Lung 程如龍先生	2nd May 2003 二零零三年五月二日	2nd May 2004 to 1st May 2009 二零零四年五月二日至 二零零九年五月一日	HK\$0.82 0.82 港元	1,000,000	—	—	1,000,000
	2nd May 2003 二零零三年五月二日	2nd May 2005 to 1st May 2009 二零零五年五月二日至 二零零九年五月一日	HK\$0.82 0.82 港元	1,000,000	—	—	1,000,000
	2nd May 2003 二零零三年五月二日	2nd May 2006 to 1st May 2009 二零零六年五月二日至 二零零九年五月一日	HK\$0.82 0.82 港元	1,000,000	—	—	1,000,000
Madam LIU Sau Lai 廖秀麗女士	2nd May 2003 二零零三年五月二日	2nd May 2004 to 1st May 2009 二零零四年五月二日至 二零零九年五月一日	HK\$0.82 0.82 港元	1,000,000	—	—	1,000,000
	2nd May 2003 二零零三年五月二日	2nd May 2005 to 1st May 2009 二零零五年五月二日至 二零零九年五月一日	HK\$0.82 0.82 港元	1,000,000	—	—	1,000,000
	2nd May 2003 二零零三年五月二日	2nd May 2006 to 1st May 2009 二零零六年五月二日至 二零零九年五月一日	HK\$0.82 0.82 港元	1,000,000	—	—	1,000,000

SHARE OPTIONS (Cont'd)

購股權(續)

	Date of grant 授出日期	Exercise period 可行使期限	Exercise price 行使價	Beginning of the year 年初	Number of Share Options 購股權之股份數目		End of the year 年末
					Granted during the year 年內授出	Exercised during the year 年內行使	
Other continuous contract employees 連續性合約僱員	30th April 2003 二零零三年四月三十日	30th April 2004 to 29th April 2009 二零零四年四月三十日至二零零九年四月二十九日	HK\$0.82 0.82 港元	500,000	—	—	500,000
	30th April 2003 二零零三年四月三十日	30th April 2005 to 29th April 2009 二零零五年四月三十日至二零零九年四月二十九日	HK\$0.82 0.82 港元	500,000	—	—	500,000
	30th April 2003 二零零三年四月三十日	30th April 2006 to 29th April 2009 二零零六年四月三十日至二零零九年四月二十九日	HK\$0.82 0.82 港元	500,000	—	—	500,000
	2nd May 2003 二零零三年五月二日	2nd May 2004 to 1st May 2009 二零零四年五月二日至二零零九年五月一日	HK\$0.82 0.82 港元	2,000,000	—	—	2,000,000
	2nd May 2003 二零零三年五月二日	2nd May 2005 to 1st May 2009 二零零五年五月二日至二零零九年五月一日	HK\$0.82 0.82 港元	2,000,000	—	—	2,000,000
	2nd May 2003 二零零三年五月二日	2nd May 2006 to 1st May 2009 二零零六年五月二日至二零零九年五月一日	HK\$0.82 0.82 港元	2,000,000	—	—	2,000,000
				25,500,000	—	—	25,500,000

No options were granted, exercised or cancelled during the year.

於年內沒有授出、行使或取消購股權。

SUBSIDIARIES

Details of the Company's principal subsidiaries as at 30th June 2004 are set out in note 25 to the accounts.

INTEREST CAPITALISED

No interest has been capitalised by the Group during the year.

DIRECTORS

The Directors during the year were:

Mr HUI Sai Chung (*Chairman*)

Mr HUI Kwok Kwong (*Deputy Chairman and Managing Director*)

Dr WONG Chi Ying, Anthony

Mr LAI Kam Wah

Mr CHING Yu Lung

Madam LIU Sau Lai

Mr HO Wai Chi, Paul *

Mr FONG Pong Hing *

(appointed on 13th October 2003)

Mr CHAN Dit Lung *

(appointed on 28th September 2004)

Dr LAM Kwok Kin, Joseph *

(resigned on 13th October 2003)

* *Independent Non-executive Directors*

Save for the Chairman and the Managing Director, all of the Directors are subject to retirement by rotation in accordance with the Company's Bye-laws.

Mr LAI Kam Wah, Dr WONG Chi Ying, Anthony and Mr CHAN Dit Lung retire by rotation in accordance with clauses 86 and 87 of the Company's Bye-laws and, being eligible, offer themselves for re-election.

The Independent Non-executive Directors have been appointed for a term subject to retirement by rotation in accordance with the Company's Bye-laws.

附屬公司

有關本公司之主要附屬公司於二零零四年六月三十日之詳情載於賬目附註25。

撥作資本之利息

本集團於本年度沒有利息撥作資本。

董事

本年度在任之董事如下：

許世聰先生 (主席)

許國光先生 (副主席兼董事總經理)

黃子鑾博士

黎錦華先生

程如龍先生

廖秀麗女士

何偉志先生 *

方邦興先生 *

(於二零零三年十月十三日獲委任)

陳秩龍先生 *

(於二零零四年九月二十八日獲委任)

林國堅博士 *

(於二零零三年十月十三日辭任)

* *獨立非執行董事*

根據本公司之公司細則，除主席及董事總經理外，所有董事均須輪值告退。

根據本公司之公司細則第86及87條，黎錦華先生、黃子鑾博士及陳秩龍先生須輪流告退，惟符合資格並願意膺選連任。

獨立非執行董事乃根據本公司之公司細則獲委任，惟彼等須輪值告退。

DIRECTORS' SERVICE CONTRACTS

None of the Directors who are proposed for re-election at the forthcoming Annual General Meeting has a service contract with the Company or any of its subsidiaries, which is not determinable by the employer within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTEREST IN CONTRACTS

No contracts of significance in relation to the Group's business to which the Company, its holding company or its subsidiaries was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 30th June 2004, the interests and short positions of each Director and chief executive in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of the Securities and Futures Ordinance ("SFO")), as recorded in the register maintained by the Company under Section 352 of the SFO or as notified the Company were as follows:

(i) ordinary shares of HK\$0.10 each in the Company

Name of Directors 董事姓名			Number of shares of the Company beneficially held 實益持有之本公司股份數目			
			Personal interests 個人權益	Corporate interests 法團權益	Family interests 家屬權益	Other interests 其他權益
Mr HUI Sai Chung	許世聰先生	Long positions 權益	11,970,000	158,000,000 (a)	—	—
Mr HUI Kwok Kwong	許國光先生	Long positions 權益	11,716,000	154,735,000 (b)	—	—
Madam LIU Sau Lai	廖秀麗女士	Long positions 權益	1,102,500	—	—	(c)

董事之服務合約

有意於應屆股東週年大會上膺選連任之董事概無與本公司或其任何附屬公司訂立僱主不可於一年內毋須作出賠償(法定賠償除外)而終止之服務合約。

董事於合約之權益

本公司、其控股公司或其附屬公司並無參與訂立與本集團業務有關並於本年度結束時或本年度內任何時間仍然生效且本公司董事直接或間接擁有重大權益之重要合約。

董事及最高行政人員於本公司或其任何相聯法團股本及債券之權益及淡倉

於二零零四年六月三十日，本公司各董事、最高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(「證券期貨條例」))須向本公司申報之權益或已登記於根據證券期貨條例第352條存置之名冊之股份、相關股份及債券之權益及淡倉如下：

(i) 本公司每股面值0.10港元之普通股

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION (Cont'd)

董事及最高行政人員於本公司或其任何相聯法團股本及債券之權益及淡倉(續)

(ii) derivative to ordinary shares of HK\$0.10 each in the Company

(ii) 本公司每股面值0.10港元之普通股衍生工具

**Unlisted Share Options
(physically settled equity derivatives)**

As at 30th June 2004

非上市購股權
(實質結算之股票衍生工具)
於二零零四年六月三十日

Name of Directors

董事姓名

Mr HUI Sai Chung	許世聰先生	Long positions 權益	3,000,000
Mr HUI Kwok Kwong	許國光先生	Long positions 權益	3,000,000
Dr WONG Chi Ying, Anthony	黃子鑒博士	Long positions 權益	3,000,000
Mr LAI Kam Wah	黎錦華先生	Long positions 權益	3,000,000
Mr CHING Yu Lung	程如龍先生	Long positions 權益	3,000,000
Madam LIU Sau Lai	廖秀麗女士	Long positions 權益	3,000,000

Notes:

附註：

- (a) 153,000,000 of these shares are held by Good Benefit Limited ("Good Benefit"), a company in which Ever Win Limited ("Ever Win") holds a 45.1% interest (note (c)). In addition, 5,000,000 shares are held by Ever Win directly.

- (a) 該等股份中之153,000,000股乃由Good Benefit Limited(「Good Benefit」)持有。Ever Win Limited(「Ever Win」)持有Good Benefit百分之四十五點一權益(附註(c))。此外，5,000,000股股份由Ever Win直接持有。

50,000 ordinary shares of one Canadian dollar each in Ever Win are held by a trustee on behalf of a discretionary trust, the discretionary objects of which include Mr HUI Sai Chung and his family members. Mr HUI Sai Chung and his spouse further own 30,834 and 5 class A non-convertible redeemable preferred shares of no par value in Ever Win respectively.

Ever Win每股面值1加元之普通股份50,000股由一名信託人代表一項全權信託基金持有，該全權信託基金之受益人包括許世聰先生及其家族成員。許世聰先生及其配偶另分別擁有Ever Win A級無面值不可兌換可贖回優先股30,834股及5股。

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION (Cont'd)

董事及最高行政人員於本公司或其任何相聯法團股本及債券之權益及淡倉(續)

- (b) 153,000,000 of these shares are held by Good Benefit, a company in which Evergrow Company Limited ("Evergrow") holds a 45.1% interest (note (c)). In addition, 1,735,000 shares are held by Evergrow directly.

- (b) 該等股份中之153,000,000股乃由Good Benefit持有。Evergrow Company Limited(「Evergrow」)持有Good Benefit 百分之四十五點一權益(附註(c))。此外，1,735,000股股份由Evergrow直接持有。

50,000 ordinary shares of one Canadian dollar each in Evergrow are held by a trustee on behalf of a discretionary trust, the discretionary objects of which include Mr HUI Kwok Kwong and his family members. Mr HUI Kwok Kwong further owns 30,823 class A non-convertible redeemable preferred shares of no par value in Evergrow.

Evergrow每股面值1加元之普通股份50,000股由一名信託人代表一項全權信託基金持有，該全權信託基金之受益人包括許國光先生及其家族成員。許國光先生另擁有Evergrow A級無面值不可兌換可贖回優先股30,823股。

- (c) The beneficial interests of the Directors in the share capital of Good Benefit, which held 153,000,000 shares of the Company as at 30th June 2004, are as follows:

- (c) 董事在Good Benefit(於二零零四年六月三十日持有本公司153,000,000股股份)股本之實益權益如下：

Name of Directors 董事姓名		Number of shares 股份數目	Percentage of holding 持股百分比
Mr HUI Sai Chung	許世聰先生	4,510	45.1%
Mr HUI Kwok Kwong	許國光先生	4,510	45.1%
Madam LIU Sau Lai	廖秀麗女士	80	0.8%
Others	其他	900	9.0%
		10,000	100.0%

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION (Cont'd)

董事及最高行政人員於本公司或其任何相聯法團股本及債券之權益及淡倉(續)

At 30th June 2004, the following Directors owned interests in non-voting deferred shares in Ngai Hing Hong Plastic Materials Limited, which are subject to an option granted to Ngai Hing (International) Company Limited to acquire the said non-voting deferred shares.

於二零零四年六月三十日，下列董事擁有毅興塑膠原料有限公司無投票權遞延股份權益，而該公司並已授予Ngai Hing (International) Company Limited可購買上述無投票權遞延股份之購股權。

Name of Directors 董事姓名		Number of non-voting deferred shares held 持有無投票權遞延股份數目	
		Personal interests 個人權益	Other interests 其他權益
Mr HUI Sai Chung	許世聰先生	200,000	50,000 (i)
Mr HUI Kwok Kwong	許國光先生	200,000	50,000 (ii)

Notes:

附註：

(i) These shares are held by Ever Win.

(i) 該等股份由Ever Win持有。

(ii) These shares are held by Evergrow.

(ii) 該等股份由Evergrow持有。

Save as disclosed above and other than certain nominee shares in the subsidiaries of the Company held by certain Directors of the Company in trust for the Group as at 30th June 2004, none of the Directors and chief executives have any beneficial or non-beneficial interests in the share capital of the Company and associated corporations required to be disclosed pursuant to the SFO.

除上文所披露及本公司若干董事以信託方式代本集團持有本公司若干附屬公司代理人股份外，於二零零四年六月三十日，各董事及最高行政人員於本公司及相聯法團之股本中概無擁有任何根據證券期貨條例須予披露之實益或非實益權益。

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION (Cont'd)

Save as disclosed under the section headed by "Share Options" above,

- (a) at no time during the year was the Company, its holding company or any of its subsidiaries a party to any arrangements to enable the Directors or chief executives of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate; and
- (b) none of the Directors, chief executives, their spouses or children under the age of 18 had been granted any right to subscribe for shares in or debentures of the Company, or exercised any such right.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES OF THE COMPANY

As at 30th June 2004, the register of substantial shareholders maintained under Section 336 of the SFO shows that the Company had not been notified of any substantial shareholders' interests and short positions, being 5% or more of the Company's issued share capital, other than those of the Directors and chief executives as disclosed above.

MANAGEMENT CONTRACTS

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

董事及最高行政人員於本公司或其任何相聯法團股本及債券之權益及淡倉(續)

除上述「購股權」一段所列外：

- (a) 於本年度任何時間內，本公司、其控股公司或其任何附屬公司並無參與訂立任何安排，致使本公司董事或最高行政人員可藉購買本公司或任何其他法人團體之股份或債券而獲益；及
- (b) 各董事、最高行政人員、其配偶或十八歲以下之子女概無獲授予可認購本公司股份或債券之權利，或已行使此等權利。

主要股東於本公司股本之權益及淡倉

除上文所披露有關董事之權益外，根據本公司按證券期貨條例第336條而存置之主要股東名冊所顯示，本公司概無接獲任何人士於二零零四年六月三十日擁有本公司已發行股本百分之五或以上權益及淡倉之通知。

管理合約

年內並無訂立或存有任何有關本公司業務之全部或任何重要部分之管理及行政合約。

MAJOR CUSTOMERS AND SUPPLIERS

The percentages of purchases for the year attributable to the Group's major suppliers are as follows:

The largest supplier	19%
Five largest suppliers combined	52%

The aggregate percentage of sales attributable to the Group's five largest customers is less than 30% of the Group's total sales for the year ended 30th June 2004 and therefore no additional disclosure with regard to the major customers is made.

None of the Directors, their associates or any shareholders (which to the knowledge of the Directors own more than 5% of the Company's share capital) had an interest in the major suppliers noted above.

COMPLIANCE WITH THE CODE OF BEST PRACTICE

In the opinion of the Directors, the Company has complied with Appendix 14 of the Listing Rules throughout the year ended 30th June 2004 except that the term of office for the Independent Non-executive Directors of the Company are subject to retirement by rotation and re-election at the Annual General Meeting in accordance with the Company's Bye-laws. This does not comply with Paragraph 7 of the Code of Best Practice which suggests that Independent Non-executive Directors should be appointed for a specific term.

主要客戶及供應商

本集團之主要供應商所佔之採購額百分比如下：

最大供應商	19%
五名最大供應商合共	52%

本集團五大客戶於截至二零零四年六月三十日止年度應佔之總銷售額百分比少於本集團總銷售額百分之三十，故沒有額外披露該等主要客戶之資料。

於本年度任何時間內，概無董事、彼等之聯繫人士或股東（據董事所知擁有本公司百分之五以上之股本權益者）於上述主要供應商擁有任何權益。

遵守最佳應用守則

董事認為，除下列所述外，本公司於截至二零零四年六月三十日止年度內一直遵守上市規則附錄14之規定。根據本公司之公司細則，本公司獨立非執行董事須於股東週年大會上輪流告退及膺選連任，於此並無遵守最佳應用守則第7段獨立非執行董事須以固定任期委任之規定。

AUDIT COMMITTEE

The written terms of reference which describe the authority and duties of the Audit Committee were prepared and adopted with reference to "A Guide for The Formation of An Audit Committee" published by the Hong Kong Institute of Certified Public Accountants.

The Audit Committee provides an important link between the Board of Directors and the Company's auditors in matters coming within the scope of the group audit. It also reviews the effectiveness of the external audit and of internal controls and risk evaluation. The Audit Committee comprises three independent non-executive Directors, namely, Mr HO Wai Chi, Paul, Mr FONG Pong Hing and Mr CHAN Dit Lung. Dr IAM Kwok Kin, Joseph, previously Independent Non-executive Director and a member of the Audit Committee, resigned on 13th October 2003 and was replaced by Mr FONG Pong Hing on the same date. Mr CHAN Dit Lung was appointed on 28th September 2004. Meetings of the Audit Committee will be held not less than twice a year and the Audit Committee met the Company's auditors in September 2004 to review the Group's results for the year before it was tabled for the approval of the Board of Directors.

AUDITORS

The accounts have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment.

On behalf of the Board

HUI Sai Chung

Chairman

Hong Kong,

13th October 2004

審核委員會

本公司已參照由香港會計師公會發出之「成立審核委員會指引」編製及採納列明審核委員會之職權及責任之職權範圍書。

審核委員會就集團審計範圍內的事項擔任董事會與公司核數師之間的重要橋樑。審核委員會亦負責檢討公司內部與外部審核工作，以及內部監控與風險評估等方面的效能。審核委員會由三位獨立非執行董事何偉志先生、方邦興先生及陳秩龍先生組成。林國堅博士原為獨立非執行董事及審核委員會成員，於二零零三年十月十三日辭任及於同日由方邦興先生代替成為審核委員會成員。陳秩龍先生於二零零四年九月二十八日成為審核委員會成員。審核委員會每年會召開不少於兩次會議。本財政年度本集團之業績於提交董事會批准前，於二零零四年九月已經由審核委員會與公司核數師會面及檢討。

核數師

本賬目已由羅兵咸永道會計師事務所審核，該核數師任滿告退惟符合資格願意膺選連聘。

代表董事會

主席

許世聰

香港，

二零零四年十月十三日



羅兵咸永道會計師事務所

PricewaterhouseCoopers
22nd Floor Prince's Building
Central, Hong Kong
Telephone (852) 2289 8888
Facsimile (852) 2810 9888

AUDITORS' REPORT TO THE SHAREHOLDERS OF
NGAI HING HONG COMPANY LIMITED
(incorporated in Bermuda with limited liability)

致：毅興行有限公司
(於百慕達註冊成立之有限公司)
全體股東

We have audited the accounts on pages 33 to 77 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

本核數師已完成審核第33至第77頁之賬目，該等賬目乃按照香港普遍採納之會計原則編製。

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Directors of the Company are responsible for the preparation of accounts which give a true and fair view. In preparing accounts which give a true and fair view it is fundamental that appropriate accounting policies are selected and applied consistently.

It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion solely to you, as a body, in accordance with Section 90 of the Companies Act 1981 of Bermuda, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

董事及核數師各自之責任

編製真實兼公平之賬目乃貴公司董事之責任。在編製該等真實兼公平之賬目時，董事必須採用適當之會計政策，並且貫徹應用該等會計政策。

本核數師之責任是根據審核之結果，對該等賬目作出獨立意見，並按照百慕達一九八一年公司法第90條僅向整體股東報告，除此之外本報告別無其他目的。本核數師不會就本報告之內容向任何其他人士負上或承擔任何責任。

BASIS OF OPINION

We conducted our audit in accordance with Statements of Auditing Standards issued by the Hong Kong Institute of Certified Public Accountants. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the circumstances of the Company and the Group, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the accounts are free from material misstatement. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts. We believe that our audit provides a reasonable basis for our opinion.

OPINION

In our opinion the accounts give a true and fair view of the state of affairs of the Company and of the Group as at 30th June 2004 and of the Group's profit and cash flows for the year then ended and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 13th October 2004

意見之基礎

本核數師已按照香港會計師公會所頒佈之核數準則進行審核工作。審核範圍包括以抽查方式查核與賬目所載數額及披露事項有關之憑證，亦包括評審董事於編製賬目時所作之重大估計和判斷，所採用之會計政策是否適合貴公司與貴集團之具體情況，及有否貫徹應用並足夠披露該等會計政策。

本核數師在策劃和進行審核工作時，均以取得所有本核數師認為必需之資料及解釋為目標，以便獲得充分憑證，就該等賬目是否存有重大錯誤陳述，作出合理之確定。在作出意見時，本核數師亦已評估該等賬目所載之資料在整體上是否足夠。本核數師相信我們之審核工作已為下列意見提供合理之基礎。

意見

本核數師認為，上述之賬目足以真實兼公平地顯示貴公司與貴集團於二零零四年六月三十日結算時之財務狀況，及貴集團截至該日止年度之溢利及現金流量，並按照香港公司條例之披露規定妥為編製。

羅兵咸永道會計師事務所

香港執業會計師

香港，二零零四年十月十三日

CONSOLIDATED PROFIT AND LOSS ACCOUNT

綜合損益表

For the year ended 30th June 2004 截至二零零四年六月三十日止年度

		Note	2004 HK\$'000 千港元	2003 HK\$'000 千港元
		附註		
Turnover	營業額	2	1,017,775	874,976
Cost of sales	銷售成本		(907,534)	(749,513)
Gross profit	毛利		110,241	125,463
Other revenues	其他收益	2	818	611
Distribution costs	分銷成本		(28,204)	(27,010)
Administrative expenses	行政支出		(60,529)	(52,337)
Operating profit	經營溢利	3	22,326	46,727
Finance costs	財務費用	4	(2,815)	(1,450)
Profit before taxation	除稅前溢利		19,511	45,277
Taxation	稅項	5(a)	(4,762)	(2,450)
Profit after taxation	除稅後溢利		14,749	42,827
Minority interests	少數股東權益		(1,470)	(2,365)
Profit attributable to shareholders	股東應佔溢利	6 & 17	13,279	40,462
Dividends	股息	7	9,000	24,000
			HK cents 港仙	HK cents 港仙
Earnings per share	每股盈利	8	4.43	13.49

CONSOLIDATED BALANCE SHEET

綜合資產負債表

As at 30th June 2004 於二零零四年六月三十日

		Note 附註	2004 HK\$'000 千港元	2003 HK\$'000 千港元
Fixed assets	固定資產	11	143,199	135,699
Deferred tax assets	遞延稅項資產	19	507	—
Current assets	流動資產			
Inventories	存貨	13	118,853	97,423
Trade receivables	貿易應收款	14	210,045	172,856
Other receivables, prepayments and deposits	其他應收款、 預付款及按金		12,748	12,513
Cash and bank balances	現金及銀行結餘		51,303	63,995
			392,949	346,787
Current liabilities	流動負債			
Trade payables	貿易應付款	15	76,926	62,288
Other payables	其他應付款		5,501	5,985
Accruals	預提費用		10,046	7,185
Taxation	稅項	5(b)	4,320	3,669
Obligations under finance leases - current portion	融資租賃責任 — 即期部份	18	4,820	3,481
Trust receipts loans - secured	信託收據貸款—有抵押	11(e)	83,153	62,886
Short-term bank loans - secured	短期銀行貸款—有抵押	11(e)	40,278	24,145
			225,044	169,639
Net current assets	淨流動資產		167,905	177,148
Total assets less current liabilities	總資產減流動負債		311,611	312,847
Financed by:	資金來源：			
Share capital	股本	16	30,000	30,000
Other reserves	其他儲備	17	36,907	36,724
Retained earnings	保留溢利	17	213,277	208,998
Proposed dividends	建議股息	17	6,000	15,000
Shareholders' funds	股東權益		286,184	290,722
Minority interests	少數股東權益		8,814	6,784
Long-term liabilities	長期負債	18	13,843	14,257
Deferred tax liabilities	遞延稅項負債	19	2,770	1,084
			311,611	312,847

On behalf of the Board

代表董事會

HUI Sai Chung
Chairman
主席
許世聰

HUI Kwok Kwong
Deputy Chairman and Managing Director
副主席兼董事總經理
許國光

BALANCE SHEET

資產負債表

As at 30th June 2004 於二零零四年六月三十日

		Note	2004 HK\$'000 千港元	2003 HK\$'000 千港元
		附註		
Investments in subsidiaries	附屬公司投資	12	128,386	136,173
Deferred tax assets	遞延稅項資產	19	172	—
Current assets	流動資產			
Other receivables	其他應收款		117	389
Cash and bank balances	現金及銀行結餘		61	70
			178	459
Current liabilities	流動負債			
Other payables	其他應付款		419	452
Net current (liabilities)/assets	淨流動（負債）／資產		(241)	7
Total assets less current liabilities	總資產減流動負債		128,317	136,180
Financed by:	資本來源：			
Share capital	股本	16	30,000	30,000
Other reserves	其他儲備	17	90,986	90,986
Retained earnings	保留溢利	17	1,331	194
Proposed dividends	建議股息	17	6,000	15,000
Shareholders' funds	股東權益		128,317	136,180

On behalf of the Board

代表董事會

HUI Sai Chung

Chairman

主席

許世聰

HUI Kwok Kwong

Deputy Chairman and Managing Director

副主席兼董事總經理

許國光

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 30th June 2004 截至二零零四年六月三十日止年度

		Note	2004 HK\$'000 千港元	2003 HK\$'000 千港元
		附註		
Total equity brought forward	承前總權益		290,722	272,960
Surplus on revaluation of investment properties	重估投資物業所產生的 盈餘	17	183	1,300
Net gains not recognised in the profit and loss account	未於損益賬確認之收益 淨額		183	1,300
Profit for the year	本年溢利	17	13,279	40,462
Dividends	股息	17	(18,000)	(24,000)
Total equity carried forward	總權益結轉		286,184	290,722

CONSOLIDATED CASH FLOW STATEMENT

綜合現金流量表

For the year ended 30th June 2004 截至二零零四年六月三十日止年度

		Note	2004 HK\$'000 千港元	2003 HK\$'000 千港元
		附註		
Operating activities	經營業務			
Net cash (outflow)/inflow from operations	經營業務產生之現金 (流出) / 流入淨額	20(a)	(6,937)	27,625
Interest paid on bank borrowings	已付銀行借貸利息		(2,294)	(1,283)
Hong Kong profits tax paid	已繳香港利得稅		(4,180)	(917)
Net cash (outflow)/inflow from operating activities	經營業務之現金 (流出) / 流入淨額		(13,411)	25,425
Investing activities	投資業務			
Purchase of fixed assets	購買固定資產		(14,528)	(43,024)
Sale of fixed assets	出售固定資產		719	3,200
Interest received	已收利息		64	211
Net cash outflow from investing activities	投資業務之現金流出淨額		(13,745)	(39,613)
Net cash outflow before financing	融資前現金流出淨額		(27,156)	(14,188)
Financing activities	融資			
New bank loans raised	新增銀行貸款	20(b)	40,278	16,414
Repayment of bank loans	償還銀行貸款	20(b)	(24,145)	—
Increase in trust receipts loans	增加信託收據貸款	20(b)	20,267	41,367
Repayment of capital element of finance leases	償還融資租賃資本部份	20(b)	(3,975)	(965)
Interest element of finance lease payments	融資租賃利息部份		(521)	(167)
Capital contribution by a minority shareholder	少數股東之資本投入	20(b)	560	—
Dividends paid	支付股息		(18,000)	(24,000)
Dividends paid to minority shareholders	支付少數股東之股息		—	(952)
Net cash inflow from financing	融資之現金流入淨額		14,464	31,697
(Decrease)/increase in cash and cash equivalents	現金及現金等額 (減少) / 增加		(12,692)	17,509
Cash and cash equivalents brought forward	承前現金及現金等額		63,995	46,486
Cash and cash equivalents carried forward	現金及現金等額結轉		51,303	63,995
Analysis of balances of cash and cash equivalents:	現金及現金等額結餘分析:			
Cash and bank balances	現金及銀行結餘		51,303	63,995

I PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these accounts are set out below:

(a) Basis of preparation

The accounts have been prepared in accordance with accounting principles generally accepted in Hong Kong and comply with accounting standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). They have been prepared under the historical cost convention except that, as disclosed in the accounting policies below, investment properties are stated at market value.

In the current year, the Group adopted the Statement of Standard Accounting Practice ("SSAP") No. 12 "Income Taxes" issued by the HKICPA which is effective for accounting periods commencing on or after 1st January 2003. The effect of adopting this revised accounting standard is set out in note 1(j) below.

(b) Consolidation

The consolidated accounts include the accounts of the Company and its subsidiaries (the "Group") made up to 30th June.

Subsidiaries are those entities in which the Company, directly or indirectly, controls more than one half of the voting power; has the power to govern the financial and operating policies; to appoint or remove the majority of the members of the board of directors, or to cast majority of votes at the meetings of the board of directors.

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

All significant intercompany transactions and balances within the Group are eliminated on consolidation.

1 主要會計政策

編製此等賬目所採用之主要會計政策列載如下：

(a) 編製基準

本賬目乃根據香港普遍採納之會計原則及香港會計師公會（「會計師公會」）發出的會計實務準則編製而成。賬目乃根據歷史成本法編製，惟投資物業乃按市值列賬（見下文會計政策）。

於本年度，本集團採納由會計師公會頒佈之會計實務準則（「會計實務準則」）第12號「所得稅」，該準則於二零零三年一月一日或以後開始之會計期間生效。採納此經修訂之會計實務準則之影響載列於賬目附註1(j)。

(b) 綜合

綜合賬目包括本公司及其附屬公司（「本集團」）於截至六月三十日止之賬目。

附屬公司乃指本公司直接或間接控制過半數投票權；有權控制財政及營運決策；委任或撤換董事會大多數成員；或在董事會會議上有大多數投票權之公司。

於本年度內收購或出售之附屬公司之業績自收購生效日期起或截至出售生效日期止計入綜合損益表內。

所有集團內公司間之一切重大交易及結餘已於綜合賬目時對銷。

I PRINCIPAL ACCOUNTING POLICIES (Cont'd)**(b) Consolidation (Cont'd)**

The gain or loss on the disposal of a subsidiary represents the difference between the proceeds of the sale and the Group's share of its net assets together with any unamortised goodwill or capital reserve which was not previously charged or recognised in the consolidated profit and loss account.

Minority interests represent the interests of outside shareholders in the operating results and net assets of subsidiaries.

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

(c) Fixed assets**(i) Investment properties**

Investment properties are interests in land and buildings in respect of which construction work and development have been completed and which are held for their investment potential, any rental income being negotiated at arm's length.

Investment properties are valued at intervals of not more than three years by independent valuers; in each of the intervening years valuations are undertaken by professionally qualified valuers. The valuations are on an open market value basis related to individual properties and separate values are not attributed to land and buildings. The valuations are incorporated in the annual accounts. Increases in valuation are credited to the investment properties revaluation reserve. Decreases in valuation are first set off against increases on earlier valuations on a portfolio basis and thereafter are debited to operating profit. Any subsequent increases are credited to operating profit up to the amount previously debited.

1 主要會計政策 (續)**(b) 綜合 (續)**

出售附屬公司之收益或虧損乃指出售收益與本集團攤佔其資產淨值之差額，連同過往並未於綜合損益表內扣除或確認之任何未攤銷商譽或資本儲備。

少數股東權益乃指外界股東於附屬公司之經營業績及資產淨值之權益。

於本公司之資產負債表中附屬公司之投資乃以成本值扣除減值虧損撥備入賬。附屬公司之業績由本公司按已收及應收股息之基準入賬。

(c) 固定資產**(i) 投資物業**

投資物業指建築及發展工程經已完成，並因其具有投資潛力而長期持有之土地及樓宇權益，任何租金收入乃經公平磋商釐定。

投資物業每隔最多三年，由獨立估值師進行估值，於相隔之每個年度內，則由合資格專業估值師進行估值。個別物業之估值乃按公開市值基準進行，而土地及樓宇並無進行任何獨立估值。有關估值均列入年度賬目內。估值增加乃撥入投資物業重估儲備內，而估值減少會先按組合基準與早前之估值增加抵銷，餘額則自經營溢利中扣除。隨後之任何估值增加，將撥作經營溢利，惟以早前所扣除之款額為限。

I PRINCIPAL ACCOUNTING POLICIES (Cont'd)

(c) Fixed assets (Cont'd)

(i) Investment properties (Cont'd)

Upon the disposal of an investment property, the relevant portion of the revaluation reserve realised in respect of previous valuations is released from the investment properties revaluation reserve to the profit and loss account.

(ii) Properties under construction

Properties under construction are investments in land (including land use rights) and buildings on which construction work has not been completed. These properties are carried at cost which includes development and construction expenditure incurred and interest and other direct costs attributable to the development less any accumulated impairment losses. On completion, the properties are transferred to other properties at cost less accumulated impairment losses.

(iii) Other properties

Other properties are interests in land (including land use right) and buildings other than investment properties and properties under construction and are stated at cost less accumulated depreciation and accumulated impairment losses. Cost represents the purchase price of the assets and other costs incurred to bring the asset into its existing use.

(iv) Other fixed assets

Other fixed assets, comprising leasehold improvements, machinery and equipment, furniture, fixtures and office equipment, motor vehicles and tools and moulds are stated at cost less accumulated depreciation and accumulated impairment losses.

1 主要會計政策 (續)

(c) 固定資產 (續)

(i) 投資物業 (續)

出售投資物業時，於早前估值時變現之重估儲備有關部分乃自投資物業重估儲備轉撥入損益表中。

(ii) 建築中物業

建築中物業指建築工程未完成之土地(包括土地使用權)及樓宇之投資。有關投資以成本值列賬，包括發展與建築費用，及屬於發展項目之其他直接成本，扣除任何累計減值虧損。物業於落成後將轉撥為其他物業，並按成本減累計減值虧損列賬。

(iii) 其他物業

其他物業乃投資物業及建築中物業以外之土地(包括土地使用權)及樓宇權益，乃按成本減累計攤銷或折舊及累計減值虧損列賬。成本乃指資產之購入價及使有關資產達致現時用途所涉及之其他費用。

(iv) 其他固定資產

其他固定資產(包括租賃物業裝修、機器及設備、傢俬、裝置及辦公室設備、汽車、工具及模具)乃按成本減累計折舊及累計減值虧損入賬。

I PRINCIPAL ACCOUNTING POLICIES (Cont'd)

(c) Fixed assets (Cont'd)

(v) Depreciation

Investment properties held on leases with unexpired periods of 20 years or less are depreciated over the remaining portion of the leases.

Leasehold land (including land use right) of other properties is depreciated over the period of the lease while other fixed assets are depreciated at rates sufficient to write off their cost less accumulated impairment losses over their estimated useful lives on a straight-line basis. The principal annual rates are as follows:

Land	2%
Buildings	2 - 2.5%
Leasehold improvements	20%
Machinery and equipment	12.5%
Furniture, fixtures and office equipment	20%
Motor vehicles	20%
Tools and moulds	20%

Improvements are capitalised and depreciated over their expected useful lives to the Group.

(vi) Impairment and gain or loss on disposal of fixed assets

At each balance sheet date, both internal and external sources of information are considered to assess whether there is any indication that assets included in properties under construction, other properties and other fixed assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated and where relevant, an impairment loss is recognised to reduce the asset to its recoverable amount. Such impairment losses are recognised in the profit and loss account.

1 主要會計政策 (續)

(c) 固定資產 (續)

(v) 折舊

租賃尚餘年期少於二十年之投資物業乃按其租賃尚餘年期進行折舊。

其他物業的租賃土地(包括土地使用權)之折舊乃按其租賃尚餘年期，而其他固定資產則按其估計可用年期內以直線法將其成本減累計減值虧損撇銷。所採用之主要年率如下：

土地	2%
樓宇	2 - 2.5%
租賃物業裝修	20%
機器及設備	12.5%
傢私、裝置及辦公室設備	20%
汽車	20%
工具及模具	20%

資產改良支出均資本化，並按其對本集團之預計可用年期折舊。

(vi) 減值及出售固定資產之收益或虧損

在每年結算日，建築中物業、其他物業及其他固定資產項內之資產皆透過集團內部及外界所獲得的資訊，評核該等資產有否減值。如有跡象顯示該等資產出現減值，則估算其可收回價值及在合適情況下將減值虧損入賬以將資產減至其可收回價值。此等減值虧損在損益表入賬。

I PRINCIPAL ACCOUNTING POLICIES (Cont'd)**(c) Fixed assets (Cont'd)****(vi) Impairment and gain or loss on disposal of fixed assets (Cont'd)**

The gain or loss on disposal of a fixed asset other than investment properties and properties under construction is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in the profit and loss account.

(d) Assets under leases**(i) Finance leases**

Leases that substantially transfer to the Group all the risks and rewards of ownership of assets are accounted for as finance leases. Finance leases are capitalised at the inception of the leases at the lower of the fair value of the leased assets or the present value of the minimum lease payments. Each lease payment is allocated between the capital and finance charges so as to achieve a constant rate on the capital balances outstanding. The corresponding rental obligations, net of finance charges, are included in long-term liabilities. The finance charges are charged to the profit and loss account over the lease periods.

Assets held under finance leases are depreciated over the shorter of their estimated useful lives or the lease periods.

(ii) Operating leases

Leases where substantially all the risks and rewards of ownership of assets remain with the leasing company are accounted for as operating leases. Payments made under operating leases net of any incentives received from the leasing company are charged to the profit and loss account on a straight-line basis over the lease periods.

1 主要會計政策 (續)**(c) 固定資產 (續)****(vi) 減值及出售固定資產之收益或虧損 (續)**

出售固定資產(不包括投資物業及建築中物業)之收益或虧損乃有關資產之出售所得收益淨額與賬面值之差額，並於損益表內確認。

(d) 租賃資產**(i) 融資租賃**

融資租賃是指將擁有資產之風險及回報實質上全部轉讓予本集團之租賃。融資租賃在開始時按租賃資產之公平值或最低租賃付款之現值(以較低者為準)撥充資本。每期租金均以資本及財務費用分配，以達到固定之資本結欠額。相應租賃承擔在扣除財務費用後計入長期負債內。財務費用於租約期內在損益賬中支銷。

以融資租賃持有之資產按租約期或資產之估計可用年限(以較短者為準)計算折舊。

(ii) 經營租賃

經營租賃是指擁有資產之風險及回報實質上全部由出租公司保留之租賃。根據經營租賃作出之付款在扣除自出租公司收取之任何獎勵金後，於租賃期內以直線法在損益賬中支銷。

I PRINCIPAL ACCOUNTING POLICIES (Cont'd)**(e) Goodwill**

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions that occurred prior to 1st July 2001 was taken directly to reserves.

In accordance with SSAP 30 "Business combinations", goodwill on acquisitions occurring on or after 1st July 2001 is included in intangible assets and is amortised using the straight-line method over its estimated useful life.

Where an indication of impairment exists, the carrying amount of goodwill, including goodwill previously taken to reserves, is assessed and written down immediately to its recoverable amount.

(f) Inventories

Inventories comprise trading stocks, raw materials and finished goods and are stated at the lower of cost and net realisable value. Cost, calculated on the weighted average basis, comprises materials, direct labour and an appropriate proportion of all production overhead expenditure. Net realisable value is determined on the basis of anticipated sales proceeds less estimated selling expenses and, where appropriate, the cost of conversion from their existing state to a finished condition.

(g) Accounts receivable

Provision is made against accounts receivable to the extent that they are considered to be doubtful. Accounts receivable in the balance sheet are stated net of such provision.

(h) Cash and cash equivalents

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise cash and bank balances.

1 主要會計政策 (續)**(e) 商譽**

商譽指收購成本超出於收購日本集團應佔所收購附屬公司之淨資產之數額。於二零零一年七月一日前產生之收購商譽已於儲備中撇銷。

根據會計實務準則第30號「企業合併」，於二零零一年七月一日或以後產生之收購商譽計入無形資產，並於其估計可用年期以直線法攤銷。

如有跡象顯示減值，商譽之賬面值（包括已於儲備中撇銷之商譽）將會作出評估及即時減至其可收回金額。

(f) 存貨

存貨包括貿易業務存貨、原料及製成品，並以成本或可變現淨值兩者中較低者入賬。成本按加權平均法計算，包括原料、直接勞工及所有生產間接費用之適當比例部份。可變現淨值乃按估計銷售收益減去估計出售費用及（如適用）由現有狀況轉變為製成品之轉換成本而釐定。

(g) 應收賬款

凡被視為屬呆賬之應收賬款，均提撥準備。列於資產負債表之應收賬款乃於扣除該項撥備後入賬。

(h) 現金及現金等價物

在綜合現金流量表中，現金及現金等價物指現金及銀行結餘。

I PRINCIPAL ACCOUNTING POLICIES (Cont'd)**(i) Provisions**

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

(j) Deferred taxation

Deferred taxation is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the accounts. Taxation rates enacted or substantively enacted by the balance sheet date are used to determine deferred taxation.

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

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

In prior year, deferred taxation was accounted for at the current taxation rate in respect of timing differences between profit as computed for taxation purposes and profit as stated in the accounts to the extent that a liability or an asset was expected to be payable or recoverable in the foreseeable future. The adoption of the revised SSAP 12 represents a change in accounting policy. However, the adoption has not resulted in any significant changes to the prior years' net assets and results and accordingly, no prior year adjustment is required.

1 主要會計政策 (續)**(i) 撥備**

當本集團因已發生的事件須承擔現有之法律性或推定性的責任，而解除責任時有可能消耗資源，並在責任金額能夠可靠地作出估算的情況下，需確立撥備。當本集團預計撥備款可獲償付，則將償付款確認為一項獨立資產，惟只能在償付款可實質地確定時確認。

(j) 遞延稅項

遞延稅項採用負債法就資產負債之稅基與它們在賬目之賬面值兩者之短暫時差作全數撥備。遞延稅項採用在結算日前已頒佈或實質頒佈之稅率定。

遞延稅項資產乃就有可能將未來應課稅溢利與可動用之短暫時差抵銷而確認。

遞延稅項乃就附屬公司之短暫時差而撥備，但假若可以控制時差之撥回，並有可能在可預見未來不會撥回則除外。

在過往年度，遞延稅項乃因應就課稅而計算之盈利與賬目所示之盈利二者間之時差，根據預期於可預見將來支付或可收回之負債及資產而按現行稅率計算。採納經修訂之會計實務準則第12號構成會計政策之變動。然而，採納會計實務準則第12號（經修訂）並無導致以前期間之資產淨值及業績出現任何重大轉變，因此毋須作出以前期間調整。

I PRINCIPAL ACCOUNTING POLICIES (Cont'd)**(k) Revenue recognition**

Revenue from the sale of goods is recognised on the transfer of risks and rewards of ownership, which generally coincides with the time when the goods are delivered to customers and title has passed.

Rental income is recognised on a straight-line basis over the rental period.

Interest income is recognised on a time proportion basis, taking into account the principal amounts outstanding and the interest rates applicable.

(l) Translation of foreign currencies

Transactions in foreign currencies are translated at exchange rates ruling at the transaction dates. Monetary assets and liabilities expressed in foreign currencies at the balance sheet date are translated at rates of exchange ruling at the balance sheet date. Exchange differences arising in these cases are dealt with in the profit and loss account.

The accounts of subsidiaries expressed in foreign currencies are translated under the net investment method. Exchange differences arising are dealt with as a movement in reserves.

(m) Employee benefits**(i) Employee leave entitlements**

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

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

1 主要會計政策 (續)**(k) 收入確認**

銷貨收入於擁有權之風險及回報轉移(即通常為貨品付運予顧客及所有權移交時)時入賬。

租金收入乃按直線法於租賃期內入賬。

利息收入乃按時間比例基準，計入尚餘本金額及適用利率後入賬。

(l) 外幣換算

以外幣為本位之交易，均按交易當日之匯率折算。於結算日以外幣顯示之貨幣資產與負債則按結算日之匯率折算。由此產生之滙兌盈虧均計入損益表。

附屬公司之外幣賬目均按淨投資法折算。由此產生之滙兌盈虧作為儲備變動入賬。

(m) 僱員福利**(i) 僱員應享假期**

僱員年假之權利在僱員應享有時確認。本集團為截至結算日止僱員已提供之服務而產生之年假之估計負債作出撥備。

僱員之病假及產假不作確認，直至僱員正式休假為止。

I PRINCIPAL ACCOUNTING POLICIES (Cont'd)**(m) Employee benefits (Cont'd)****(ii) Pension obligations**

The Group makes contributions to the mandatory provident fund scheme (the "MPF Scheme") in Hong Kong, the assets of which are generally held in separate trustee-administered fund. The pension plan is generally funded by payments from employees and by the Group.

The Group's contributions to the MPF Scheme are expensed as incurred.

(iii) Equity compensation benefits

Share options are granted to Directors and employees of the Group. No compensation cost is recognised on the date of the grant of the options. When the options are exercised, the proceeds received net of any transaction costs are credited to share capital (nominal value) and share premium.

(n) Borrowing costs

Borrowing costs that are directly attributable to the construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset.

All other borrowing costs are charged to the profit and loss account in the year in which they are incurred.

(o) Segment reporting

In accordance with the Group's internal financial reporting the Group has determined that geographical segments be presented as the primary reporting format. Business segments are not presented as the secondary reporting format because over 90% of the Group's turnover and operating profit were contributed by manufacturing and trading of plastic products.

1 主要會計政策 (續)**(m) 僱員福利 (續)****(ii) 退休金責任**

本集團於香港向強制性公積金計劃(「強積金計劃」)供款，強積金計劃之資產與本集團之資產分開，由一獨立管理基金持有，並由集團及員工供款。

本集團向強積金計劃之供款乃於產生時列作支出。

(iii) 權益補償福利

本集團向董事及僱員授出購股權。於購股權授出日不會確認補償成本。購股權被行使時，所得款項扣除任何交易成本後撥入股本(面值)及股份溢價。

(n) 借貸成本

建造需要一段頗長時間方可投入擬定用途或銷售之資產直接有關之借貸成本，會撥作資本並列為該資產之部分成本。

其他借貸成本於其實際產生年度計入損益表。

(o) 分部報告

按照本集團之內部財務報告，本集團已決定將區域分部資料作為主要分部報告，業務分部資料並沒有作為從屬形式列示，因本集團超過百分之九十之營業額和經營溢利皆源於塑料製品之生產和貿易。

I PRINCIPAL ACCOUNTING POLICIES (Cont'd)**(o) Segment reporting (Cont'd)**

In respect of geographical segment reporting, turnover are based on the operating locations of group companies.

Unallocated costs represent corporate expenses. Segment assets consist primarily of investment properties, properties under development, fixed assets, inventories, receivables and operating cash. Segment liabilities comprise operating liabilities and exclude items such as taxation and deferred taxation. Capital expenditure comprises additions to fixed assets.

2 REVENUES AND TURNOVER

The principal activity of the Company is investment holding. The principal activities of its principal subsidiaries are set out in note 25 to the accounts. Revenues recognised during the year are as follows:

1 主要會計政策 (續)**(o) 分部報告 (續)**

有關地區分部報告，營業額乃按照集團公司所在位置計算。

未分配成本指集團整體性開支。分部資產主要包括投資物業、建築中物業、固定資產、存貨、應收款項及經營現金。分部負債指經營負債，而不包括例如稅項及遞延稅項等項目。資本性開支指購入固定資產的費用。

2 收益及營業額

本公司之主要業務為投資控股，其主要附屬公司之主要業務則載於賬目附註25。年內確認之收益如下：

		Group 集團	
		2004 HK\$'000 千港元	2003 HK\$'000 千港元
Turnover	營業額		
Sale of goods, net of returns and discounts	銷售貨品（扣除退貨及折扣）	1,017,775	874,976
Other revenues	其他收益		
Rental income	租金收入	754	400
Interest income	利息收入	64	211
		818	611
Total revenues	總收益	1,018,593	875,587

NOTES TO THE ACCOUNTS

賬目附註

2 REVENUES AND TURNOVER (Cont'd)

An analysis of the Group's segment information by geographical segment is as follows:

2 收益及營業額 (續)

本集團按主要地區劃分之分部資料分析如下：

		2004			
		The People's Republic of China excluding Hong Kong (the "PRC") 中華人民共和國		Elimination 抵銷	Group 集團
		Hong Kong (不包括香港) 香港	(「中國」) 「中國」		
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Turnover	營業額	920,744	224,576	(127,545)	1,017,775
Other revenues	其他收益	795	23	—	818
Total revenues	總收益	921,539	224,599	(127,545)	1,018,593
Segment results	分部業績	7,776	13,540		21,316
Unallocated costs	未分配成本				(1,805)
Profit before taxation	除稅前溢利				19,511
Taxation	稅項				(4,762)
Profit after taxation	除稅後溢利				14,749
Minority interests	少數股東權益				(1,470)
Profit attributable to shareholders	股東應佔溢利				13,279
Segment assets	分部資產	331,371	205,094		536,465
Unallocated assets	未分配資產				190
Total assets	總資產				536,655
Segment liabilities	分部負債	170,268	70,970		241,238
Unallocated liabilities	未分配負債				419
Total liabilities	總負債				241,657
Capital expenditure	資本支出	12,866	6,562		19,428
Depreciation	折舊	7,371	5,613		12,984

NOTES TO THE ACCOUNTS

賬目附註

2 REVENUES AND TURNOVER (Cont'd)

2 收益及營業額 (續)

		2003			Group 集團 HK\$'000 千港元
		Hong Kong 香港 HK\$'000 千港元	The PRC 中國 HK\$'000 千港元	Elimination 抵銷 HK\$'000 千港元	
Turnover	營業額	825,981	233,977	(184,982)	874,976
Other revenues	其他收益	468	143	—	611
Total revenues	總收益	826,449	234,120	(184,982)	875,587
Segment results	分部業績	18,310	28,501		46,811
Unallocated costs	未分配成本				(1,534)
Profit before taxation	除稅前溢利				45,277
Taxation	稅項				(2,450)
Profit after taxation	除稅後溢利				42,827
Minority interests	少數股東權益				(2,365)
Profit attributable to shareholders	股東應佔溢利				40,462
Segment assets	分部資產	298,856	183,167		482,023
Unallocated assets	未分配資產				463
Total assets	總資產				482,486
Segment liabilities	分部負債	137,870	44,208		182,078
Unallocated liabilities	未分配負債				2,902
Total liabilities	總負債				184,980
Capital expenditure	資本支出	28,757	32,883		61,640
Depreciation	折舊	4,021	4,376		8,397

Over 90% of the Group's turnover, operating profit and assets are attributable to the manufacturing and trading of plastic products and accordingly no analysis of the Group's turnover, contribution to operating profit and assets by business segment is provided.

本集團超過百分之九十之營業額、經營溢利及資產皆源於塑料製品之生產和貿易，所以並沒有提供按主要業務劃分營業額、經營溢利及資產之分析。

NOTES TO THE ACCOUNTS

賬目附註

3 OPERATING PROFIT

Operating profit is stated after crediting and charging the following:

3 經營溢利

經營溢利乃經計入及扣除下列各項後列賬：

		Group 集團	
		2004 HK\$'000 千港元	2003 HK\$'000 千港元
Crediting	計入		
Gross rental income from investment properties	投資物業總租金收入	754	400
Less: Outgoings	減：雜費	(103)	(36)
Net rental income from investment properties	投資物業租金收入淨額	651	364
Gain on disposal of fixed assets	出售固定資產之收益	344	501
Charging	扣除		
Auditors' remuneration	核數師酬金	867	830
Depreciation:	折舊：		
Owned fixed assets	自置固定資產	10,604	7,705
Leased fixed assets	租賃固定資產	2,380	692
Operating lease rentals in respect of land and buildings	土地及樓宇之經營租賃租金	7,228	5,534
Staff costs, including directors' emoluments (note 9)	員工成本（包括董事酬金）（附註9）	60,742	50,816

4 FINANCE COSTS

4 財務費用

		Group 集團	
		2004	2003
		HK\$'000	HK\$'000
		千港元	千港元
Interest on bank borrowings wholly repayable within five years	需於五年內全數償還之銀行 借貸之利息	2,294	1,783
Interest element of finance leases	融資租賃利息部份	521	167
		2,815	1,950
Less: borrowing costs capitalised in properties under development	減：借貸成本資本化作為 建築中物業之成本	—	(500)
		2,815	1,450

5 TAXATION

- (a) Hong Kong profits tax has been provided at the rate of 17.5% (2003: 17.5%) on the estimated assessable profit for the year. Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates. The Group's subsidiaries operating in the PRC are fully exempted from PRC income tax for two years starting from their first profit-making years and are entitled to a 50% income tax reduction for a further three years.

The amount of taxation charged to the consolidated profit and loss account represents:

		Group 集團	
		2004	2003
		HK\$'000	HK\$'000
		千港元	千港元
Current taxation:	本年度稅項		
Hong Kong profits tax	香港利得稅	2,260	1,672
PRC income tax	中國所得稅	2,500	—
Under/(over) provision in previous years	以往年度撥備不足／ (超額撥備)	71	(20)
		4,831	1,652
Deferred taxation (note 19)	遞延稅項 (附註 19)	(69)	798
		4,762	2,450

- (b) Taxation in the balance sheet represents the amount of Hong Kong profits tax and PRC income tax provided for the current and previous years less the amounts of provisional profits tax paid.

5 稅項

- (a) 香港利得稅乃按本集團於本年內之估計應課稅溢利按稅率百分之十七點五 (二零零三年：百分之十七點五) 計算。海外盈利之稅款，則按照本年度估計應課稅盈利依集團經營業務地區之現行稅率計算。本集團在中國營運之附屬公司可於首個獲利年度起計兩年內獲全面豁免繳納中國所得稅，而於其後三年，則可獲寬減百分之五十之所得稅。

綜合損益表之稅項支出為：

- (b) 資產負債表內之稅項乃指本集團本年度及以往年度香港利得稅撥備減去已繳納之暫繳稅款之數額。

5 TAXATION (Cont'd)

- (c) The taxation on the Group's profit before taxation differs from the theoretical amount that would arise using the taxation rate of the home country of the Company as follows:

		2004 HK\$'000 千港元	2003 HK\$'000 千港元
Profit before taxation	除稅前溢利	19,511	45,277
Calculated at a taxation rate of 17.5% (2003: 17.5%)	按稅率 17.5% (二零零三年：17.5%) 計算之稅項	3,414	7,923
Effect of different taxation rates in PRC	中國不同稅率之影響	889	(4,582)
Income not subject to taxation	無須課稅之收入	—	(756)
Expenses not deductible for taxation purposes	不可扣稅之支出	451	573
Under/(over) provision in previous years	以往年度撥備不足/ (超額撥備)	71	(20)
Utilisation of previously unrecognised tax losses	扣除過往並未確認之 稅項虧損	(169)	(594)
Others	其他	106	(94)
Taxation charge	稅項支出	4,762	2,450

6 PROFIT ATTRIBUTABLE TO SHAREHOLDERS

Included in the profit attributable to shareholders is profit of HK\$10,137,000 (2003: HK\$23,476,000) which is dealt with in the Company's own accounts.

5 稅項 (續)

- (c) 本集團有關除稅前溢利之稅項與假若採用本公司本土國家之稅率而計算之理論稅額之差額如下：

6 股東應佔溢利

計入本公司賬目之股東應佔溢利為 10,137,000 港元 (二零零三年：23,476,000 港元)。

7 DIVIDENDS

		2004 HK\$'000 千港元	2003 HK\$'000 千港元
Interim, paid, of HK 1.0 cent (2003: HK 3.0 cents) per ordinary share	已派中期股息每股 1.0 港仙 (二零零三年：3.0 港仙)	3,000	9,000
Final, proposed, of HK 2.0 cents (2003: HK 5.0 cents) per ordinary share (note)	擬派末期股息每股 2.0 港仙 (二零零三年：5.0 港仙) (附註)	6,000	15,000
		9,000	24,000

Note:

At a meeting held on 13th October 2004, the Directors proposed a final dividend of HK2.0 cents per ordinary share. This proposed dividend is not reflected as a dividend payable in these accounts, but will be reflected as an appropriation of retained earnings for the year ending 30th June 2005.

附註：

於二零零四年十月十三日舉行之會議上，董事建議派發末期股息每股2.0港仙。此項擬派股息並無於本賬目中列作應付股息，惟將於截至二零零五年六月三十日止年度列作保留盈餘分派。

8 EARNINGS PER SHARE

The calculation of basic and diluted earnings per share is based on the Group's profit attributable to the shareholders of HK\$13,279,000 (2003: HK\$40,462,000).

The basic earnings per share is calculated based on 300,000,000 (2003: 300,000,000) ordinary shares in issue during the year. For the year ended 30th June 2004, no diluted earnings per share is presented as there is no dilutive potential ordinary share during the year.

8 每股盈利

每股基本及攤薄盈利乃根據本集團本年度股東應佔溢利13,279,000港元(二零零三年：40,462,000港元)計算。

每股基本盈利乃根據年內已發行普通股300,000,000股(二零零三年：300,000,000股)計算。由於本年度並無潛在攤薄普通股，故此沒有呈示每股攤薄盈利。

NOTES TO THE ACCOUNTS

賬目附註

9 STAFF COSTS (INCLUDING DIRECTORS' EMOLUMENTS)

9 員工成本(包括董事酬金)

		2004 HK\$'000 千港元	2003 HK\$'000 千港元
Salaries, wages and other allowances	薪酬、工資及其他津貼	58,644	47,067
Pension costs - defined contribution plans (note)	退休金成本－界定供款計劃（附註）	2,098	2,222
Termination benefits	解僱補償	—	1,527
		60,742	50,816

Note:

Prior to 1st December 2000, the Group contributed to a defined contribution retirement benefit scheme (the "Scheme") which was available to all qualifying employees. The assets of the Scheme are held separately from those of the Group in an independently administered fund. Contributions to the Scheme by the Group are calculated as a percentage of the employees' basic salaries. No contribution has been made by the Group to the Scheme since 1st December 2000 as the Group elected to contribute to the MPF Scheme as detailed below.

With effect from 1st December 2000, the MPF Scheme was made compulsory as enforced by the Mandatory Provident Fund Schemes Authority of Hong Kong. The MPF Scheme is a defined contribution retirement benefit scheme administered by independent trustees. Each of the employer and the employee has to contribute an amount equal to 5% of the relevant income (plus cashable allowances) of the employee to the MPF Scheme. Contributions from the employer are 100% vested in the employees as soon as they are paid to the relevant MPF Scheme but all benefits derived from the mandatory contribution must be preserved until the employee reaches the retirement age 65 subject to a few exception.

There were no forfeited contributions (2003: Nil) under the Scheme during the year. The aggregate employer's contributions net of the forfeited contributions amount to approximately HK\$2,098,000 (2003: HK\$2,222,000) have been dealt with in the consolidated profit and loss account of the Group during the year.

附註：

於二零零零年十二月一日前，本集團為所有合資格僱員可參與之界定供款退休福利計劃（「退休計劃」）支付供款。退休計劃之資產由一獨立管理基金持有，與本集團之資產分開。本集團就退休計劃作出之供款乃按僱員基本薪金之某個百分比計算。由於本集團選擇向強積金計劃供款，所以本集團並沒有於二零零零年十二月一日後向退休計劃供款。

自二零零零年十二月一日開始，香港強制性公積金計劃管理局實施強積金計劃。強積金計劃為一界定供款退休金計劃及由獨立信託人管理。僱主與僱員均須各按有關收入（包括現金津貼）的百分之五向強積金計劃供款。僱主之供款投入有關強積金計劃後，即全數歸僱員所有，除若干情況外，強制性供款涉及之利益須保留至僱員年屆65歲退休時才予發還。

本年度並無於退休計劃下被沒收之供款（二零零三年：無）。本集團在本年度綜合損益表記錄之供款約為2,098,000港元（二零零三年：2,222,000港元）。

NOTES TO THE ACCOUNTS

賬目附註

10 DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

(a) Directors' emoluments

The aggregate amounts of the emoluments payable to Directors of the Company during the year are as follows:

10 董事及高層管理人員之酬金

(a) 董事酬金

於本年度應付本公司之董事酬金總額如下：

		Group 集團		Company 公司	
		2004	2003	2004	2003
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Executive Directors	執行董事				
Fees	袍金	—	—	—	—
Basic salaries, allowances and other benefits in kinds	基本薪酬、津貼及其他實物利益	9,744	9,329	—	—
Discretionary bonuses	自行酌定的花紅	1,547	—	—	—
Pensions	退休金	710	636	—	—
Ex-gratia payments as compensation for loss of office	離任補償				
- as director	— 作為董事	—	1,471	—	—
- in connection with management of the Group	— 作為本集團之管理層	—	—	—	—
Independent Non-executive Directors	獨立非執行董事				
Fees	袍金	201	232	201	232
Basic salaries, allowances and other benefits in kind	基本薪酬、津貼及其他實物利益	—	—	—	—
		12,202	11,668	201	232

10 DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (Cont'd)

(a) Directors' emoluments (Cont'd)

The number of Directors of the Company whose emoluments fell within the following bands are set out as below:

Emoluments band 酬金級別			Number of directors 董事人數	
			2004	2003
Nil	- HK\$1,000,000	無 - 1,000,000 港元	3*	5*
HK\$1,000,001	- HK\$1,500,000	1,000,001 港元 - 1,500,000 港元	2	1
HK\$1,500,001	- HK\$2,000,000	1,500,001 港元 - 2,000,000 港元	2	—
HK\$2,000,001	- HK\$2,500,000	2,000,001 港元 - 2,500,000 港元	—	—
HK\$2,500,001	- HK\$3,000,000	2,500,001 港元 - 3,000,000 港元	2	2
HK\$3,000,001	- HK\$3,500,000	3,000,001 港元 - 3,500,000 港元	—	1

* Include emoluments of Independent Non-executive Directors

No Directors waived emoluments in respect of the years ended 30th June 2004 and 2003.

10 董事及高層管理人員之酬金 (續)

(a) 董事酬金 (續)

介乎下列各酬金級別之本公司董事人數載列如下：

* 包括獨立非執行董事之酬金

概無董事放棄收取截至二零零四年及二零零三年六月三十日止年度之酬金。

10 DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (Cont'd)

(b) Five highest paid individuals

The five individuals whose emoluments were highest in the Group for the year include four (2003: three) Directors whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining one (2003: two) individual during the year are as follows:

		Group 集團	
		2004	2003
		HK\$'000	HK\$'000
		千港元	千港元
Basic salaries, allowances and other benefits in kinds	基本薪酬、津貼及其他實物利益	1,286	2,548
Discretionary bonuses	自行酌定的花紅	368	—
Pensions	退休金	77	127
		1,731	2,675

The emoluments fell within the following bands:

酬金級別如下：

Emoluments band 酬金級別		Number of individuals 人數	
		2004	2003
HK\$1,000,001 - HK\$1,500,000	1,000,001 港元 - 1,500,000 港元	—	2
HK\$1,500,001 - HK\$2,000,000	1,500,001 港元 - 2,000,000 港元	1	—

NOTES TO THE ACCOUNTS

賬目附註

II FIXED ASSETS - GROUP

11 固定資產－集團

		Investment properties 投資物業 HK\$'000 千港元	Other properties 其他物業 HK\$'000 千港元	Properties under development 建築中物業 HK\$'000 千港元	Leasehold improvements 租賃物業裝修 HK\$'000 千港元	Machinery and equipment 機器及設備 HK\$'000 千港元	Furniture, fixtures and office equipment 傢俬、裝置及 辦公室設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Tools and moulds 工具及模具 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Cost or valuation	成本或估值									
At 1st July 2003	於二零零三年七月一日	7,845	72,755	16,868	7,569	131,104	20,815	8,296	3,698	268,950
Additions	增加	—	271	1,999	3,244	11,131	1,338	1,372	73	19,428
Revaluation	重估	893	—	—	—	—	—	—	—	893
Reclassification	重新分類	2,007	14,959	(18,763)	—	1,701	96	—	—	—
Disposals	出售	—	(104)	—	(225)	(1,991)	(1,415)	(183)	(34)	(3,952)
At 30th June 2004	於二零零四年六月三十日	10,745	87,881	104	10,588	141,945	20,834	9,485	3,737	285,319
Accumulated depreciation	累計折舊									
At 1st July 2003	於二零零三年七月一日	—	13,499	—	2,799	92,553	15,733	5,916	2,751	133,251
Charge for the year	本年度折舊	—	1,785	—	1,596	6,800	1,625	891	287	12,984
Revaluation	重估	(538)	—	—	—	—	—	—	—	(538)
Reclassification	重新分類	538	(538)	—	—	—	—	—	—	—
Disposals	出售	—	(14)	—	(203)	(1,753)	(1,393)	(183)	(31)	(3,577)
At 30th June 2004	於二零零四年六月三十日	—	14,732	—	4,192	97,600	15,965	6,624	3,007	142,120
Net book value	賬面淨值									
At 30th June 2004	於二零零四年六月三十日	10,745	73,149	104	6,396	44,345	4,869	2,861	730	143,199
At 30th June 2003	於二零零三年六月三十日	7,845	59,256	16,868	4,770	38,551	5,082	2,380	947	135,699

NOTES TO THE ACCOUNTS

賬目附註

II FIXED ASSETS - GROUP (Cont'd)

The analysis of the cost or valuation at 30th June 2004 of the above assets is as follows:

		Investment properties 投資物業 HK\$'000 千港元	Other properties 其他物業 HK\$'000 千港元	Properties under development 建築中物業 HK\$'000 千港元	Leasehold improvements 租賃物業裝修 HK\$'000 千港元	Machinery and equipment 機器及設備 HK\$'000 千港元	Furniture, fixtures and office equipment 傢俬、裝置及 辦公室設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Tools and moulds 工具及模具 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At cost	按成本	—	87,881	104	10,588	141,945	20,834	9,485	3,737	274,574
At 2004 professional valuation	二零零四年 專業估值	10,745	—	—	—	—	—	—	—	10,745
		10,745	87,881	104	10,588	141,945	20,834	9,485	3,737	285,319

The analysis of the cost or valuation at 30th June 2003 of the above assets is as follows:

11 固定資產－集團（續）

上述資產於二零零四年六月三十日之成本或估值分析如下：

		Investment properties 投資物業 HK\$'000 千港元	Other properties 其他物業 HK\$'000 千港元	Properties under development 建築中物業 HK\$'000 千港元	Leasehold improvements 租賃物業裝修 HK\$'000 千港元	Machinery and equipment 機器及設備 HK\$'000 千港元	Furniture, fixtures and office equipment 傢俬、裝置及 辦公室設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Tools and moulds 工具及模具 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At cost	按成本	—	72,755	16,868	7,569	131,104	20,815	8,296	3,698	261,105
At 2003 professional valuation	二零零三年 專業估值	7,845	—	—	—	—	—	—	—	7,845
		7,845	72,755	16,868	7,569	131,104	20,815	8,296	3,698	268,950

上述資產於二零零三年六月三十日之成本或估值分析如下：

NOTES TO THE ACCOUNTS

賬目附註

II FIXED ASSETS - GROUP (Cont'd)

- (a) The Group's interests in investment properties and other properties at their net book values are analysed as follows:

		2004	2003
		HK\$'000	HK\$'000
		千港元	千港元
Held on leases of between	按年期介乎十年至五十年之		
10 to 50 years:	租約持有：		
- in Hong Kong	— 香港	27,329	26,449
- outside Hong Kong	— 香港以外地區	56,565	40,652
		83,894	67,101

- (b) Certain other properties of the Group were reclassified as investment properties on 30th June 2004.
- (c) All investment properties of the Group were revalued as at 30th June 2004 on the basis of their open market values by Chung, Chan & Associates, an independent firm of professional valuers. The surplus arising on revaluation of HK\$1,431,000 (2003: HK\$1,300,000) was taken directly to the investment properties revaluation reserve (note 17).
- (d) As at 30th June 2004, the cost and accumulated depreciation of fixed assets held by the Group under finance leases amounted to approximately HK\$24,671,000 (2003: HK\$14,881,000) and HK\$2,886,000 (2003: HK\$971,000) respectively.
- (e) As at 30th June 2004, certain investment and other properties of the Group with an aggregate net book value of approximately HK\$18,875,000 (2003: HK\$47,894,000) have been pledged to banks to secure for banking facilities granted to the Group.

11 固定資產－集團 (續)

- (a) 本集團於投資物業及其他物業之權益之賬面淨值分析如下：

		2004	2003
		HK\$'000	HK\$'000
		千港元	千港元
Held on leases of between	按年期介乎十年至五十年之		
10 to 50 years:	租約持有：		
- in Hong Kong	— 香港	27,329	26,449
- outside Hong Kong	— 香港以外地區	56,565	40,652
		83,894	67,101

- (b) 本集團某部份其他物業於二零零四年六月三十日重新分類為投資物業。
- (c) 本集團全部投資物業於二零零四年六月三十日由獨立專業估值師行衡量行按公開市值基準重估。投資物業重估盈餘1,431,000港元(二零零三年：1,300,000港元)已直接計入投資物業重估儲備內(賬目附註17)。
- (d) 於二零零四年六月三十日，本集團根據融資租賃持有之固定資產之成本及累計折舊分別約為24,671,000港元(二零零三年：14,881,000港元)及2,886,000港元(二零零三年：971,000港元)。
- (e) 於二零零四年六月三十日，本集團賬面淨值總額約18,875,000港元(二零零三年：47,894,000港元)之若干投資物業及其他物業已抵押予銀行，為本集團取得銀行信貸。

12 INVESTMENTS IN SUBSIDIARIES

12 附屬公司投資

		Company 公司	
		2004	2003
		HK\$'000	HK\$'000
		千港元	千港元
Unlisted shares, at cost	非上市股份，按成本	62,711	62,711
Amounts due from subsidiaries	應收附屬公司款項	65,675	74,665
Amount due to a subsidiary	應付附屬公司款項	—	(1,203)
		128,386	136,173

Particulars of the principal subsidiaries of the Company as at 30th June 2004 are set out in note 25 to the accounts.

The amounts due from and due to subsidiaries are unsecured, interest-free and have no fixed terms of repayment.

本公司於二零零四年六月三十日各主要附屬公司之詳情載於賬目附註25。

應收及應付附屬公司款項並無抵押、免息，且無固定之還款期限。

13 INVENTORIES

13 存貨

		Group 集團	
		2004	2003
		HK\$'000	HK\$'000
		千港元	千港元
Trading stocks	貿易業務存貨	43,236	48,255
Raw materials	原料	47,679	32,108
Finished goods	製成品	27,938	17,060
		118,853	97,423

At 30th June 2004, the carrying amount of inventories that are carried at net realisable value amounted to HK\$4,425,000 (2003: HK\$1,407,000).

於二零零四年六月三十日，按可變現淨值列賬之存貨賬面值為4,425,000港元（二零零三年：1,407,000港元）。

NOTES TO THE ACCOUNTS

賬目附註

14 TRADE RECEIVABLES

The aging analysis of trade receivables is as follows:

		Group 集團	
		2004	2003
		HK\$'000	HK\$'000
		千港元	千港元
Below 90 days	0 – 90 日	187,778	152,047
91 - 180 days	91 – 180 日	16,604	15,325
Over 180 days	超過 180 日	5,663	5,484
		210,045	172,856

The majority of the Group's sales are with credit terms of 30 to 90 days. The remaining amounts are on letter of credit or documents against payment.

14 貿易應收款

貿易應收款的賬齡分析如下：

本集團大部份銷售的信貸期為三十至九十日，其餘以信用狀或付款交單方式進行。

15 TRADE PAYABLES

The aging analysis in trade payables is as follows:

		Group 集團	
		2004	2003
		HK\$'000	HK\$'000
		千港元	千港元
Below 90 days	0 – 90 日	75,433	61,263
91 - 180 days	91 – 180 日	557	156
Over 180 days	超過 180 日	936	869
		76,926	62,288

15 貿易應付款

貿易應付款的賬齡分析如下：

NOTES TO THE ACCOUNTS

賬目附註

16 SHARE CAPITAL

16 股本

		Company 公司	
		2004 HK\$'000 千港元	2003 HK\$'000 千港元
Authorised:	法定股本：		
800,000,000 (2003: 800,000,000)	800,000,000 (二零零三年：800,000,000)		
ordinary shares of HK\$0.10 each	每股面值 0.10 港元之普通股	80,000	80,000
Issued and fully paid:	已發行及繳足股本：		
300,000,000 (2003: 300,000,000)	300,000,000 (二零零三年：300,000,000)		
ordinary shares of HK\$0.10 each	每股面值 0.10 港元之普通股	30,000	30,000

Note:

Pursuant to the share option scheme approved and adopted on 5th December 2002, the Board of Directors of the Company may offer eligible employees (including Executive Directors) rights to subscribe for shares of the Company (the "Share Option"). Movements in the number of Share Options outstanding during the year are as follows:

附註：

根據二零零二年十二月五日批准並採納之購股權計劃，本公司之董事會可向合資格僱員（包括執行董事）授與認購本公司股份之權利（「購股權」）。於本年度尚未行使之購股權變動如下：

		Number of Share Options 購股權數目	
		2004	2003
At the beginning of the year	年初	25,500,000	—
Granted on 30th April 2003 (Note (i))	於二零零三年四月三十日授出（附註(i)）	—	1,500,000
Granted on 2nd May 2003 (Note (ii))	於二零零三年五月二日授出（附註(ii)）	—	24,000,000
At the end of the year	年末	25,500,000	25,500,000

(i) On 30th April 2003, the Company granted 1,500,000 Share Options to certain employees. The Share Options are exercisable at HK\$0.82 per share.

(ii) On 2nd May 2003, the Company granted 24,000,000 Share Options to certain directors and employees. The Share Options are exercisable at HK\$0.82 per share.

(i) 於二零零三年四月三十日，本公司向僱員授出1,500,000股購股權，其行使價為每股0.82港元。

(ii) 於二零零三年五月二日，本公司向董事及僱員授出24,000,000股購股權，其行使價為每股0.82港元。

16 SHARE CAPITAL (Cont'd)

(iii) Share Options outstanding at the end of the year have the following terms:

16 股本 (續)

(iii) 於年末尚未行使之購股權條款如下：

Expiry Date		Exercise price		Number of Share Options	
到期日		行使價		購股權數目	
				2004	2003
Directors	董事				
— 1st May 2009	— 二零零九年五月一日	HK\$0.82	0.82 港元	18,000,000	18,000,000
Employees	僱員				
— 29th April 2009	— 二零零九年四月二十九日	HK\$0.82	0.82 港元	1,500,000	1,500,000
— 1st May 2009	— 二零零九年五月一日	HK\$0.82	0.82 港元	6,000,000	6,000,000
				25,500,000	25,500,000

NOTES TO THE ACCOUNTS

賬目附註

17 RESERVES

17 儲備

		Group 集團		Company 公司	
		2004 HK\$'000 千港元	2003 HK\$'000 千港元	2004 HK\$'000 千港元	2003 HK\$'000 千港元
Share premium	股份溢價				
Brought forward and carried forward	承前及結轉	28,475	28,475	28,475	28,475
Capital reserve	資本儲備				
Brought forward and carried forward (note 17(a))	承前及結轉 (附註 17(a))	408	408	—	—
Contributed surplus	實繳盈餘				
Brought forward and carried forward (note 17(b))	承前及結轉 (附註 17(b))	—	—	62,511	62,511
Exchange fluctuation reserve	滙兌波動儲備				
Brought forward and carried forward	承前及結轉	5,229	5,229	—	—
Investment properties revaluation reserve	投資物業重估儲備				
Brought forward	承前	2,612	1,312	—	—
Surplus on revaluation	重估盈餘				
- gross (note 11)	- 總額 (附註 11)	1,431	1,300	—	—
- taxation (note 19)	- 稅項 (附註 19)	(1,248)	—	—	—
Carried forward	結轉	2,795	2,612	—	—
Other reserves	其他儲備	36,907	36,724	90,986	90,986
Retained earnings	保留溢利				
Brought forward	承前	223,998	207,536	15,194	15,718
Profit for the year	本年溢利	13,279	40,462	10,137	23,476
2002/2003 (2003: 2001/2002) final dividends paid	二零零二/二零零三年度 (二零零三年: 二零零一/ 二零零二年度) 已付末期股息	(15,000)	(15,000)	(15,000)	(15,000)
2003/2004 (2003: 2002/2003) interim dividends paid	二零零三/二零零四年度 (二零零三年: 二零零二/ 二零零三年度) 已付中期股息	(3,000)	(9,000)	(3,000)	(9,000)
Carried forward	結轉	219,277	223,998	7,331	15,194
Representing:	組成如下:				
Retained earnings	保留溢利	213,277	208,998	1,331	194
Proposed final dividends	建議末期股息	6,000	15,000	6,000	15,000
		219,277	223,998	7,331	15,194

NOTES TO THE ACCOUNTS

賬目附註

17 RESERVES (Cont'd)

- (a) The capital reserve of the Group represents the aggregate amount of the non-voting deferred shares of Ngai Hing Hong Plastic Materials Limited and the difference between the nominal amount of the share capital issued by the Company in exchange for the aggregate nominal amount of the share capital of the subsidiaries acquired pursuant to the group reorganisation in 1994 (the "Reorganisation").
- (b) The contributed surplus of the Company represents the difference between the consolidated shareholders' funds of Ngai Hing (International) Company Limited at the date on which the Reorganisation became effective and the nominal amount of the Company's shares issued under the Reorganisation. At group level the contributed surplus is reclassified into its components of reserves of the underlying subsidiaries.

18 LONG-TERM LIABILITIES

17 儲備 (續)

- (a) 本集團之資本儲備乃指毅興塑膠原料有限公司之無投票權遞延股份總值及於一九九四年本公司根據集團重組(「重組」)所發行之股本面值以交換所收購附屬公司之股本面值總額兩者之差額。
- (b) 本公司之實繳盈餘乃指Ngai Hing (International) Company Limited於重組生效日期之綜合股東資金與本公司根據重組所發行之股份面值兩者之差額。本集團之實繳盈餘乃重新撥入有關附屬公司之儲備組合內。

18 長期負債

		Group 集團	
		2004 HK\$'000 千港元	2003 HK\$'000 千港元
Obligations under finance leases (note)	融資租賃責任(附註)	18,663	17,738
Current portion of long-term liabilities	長期負債之即期部分	(4,820)	(3,481)
		13,843	14,257

Note:

At 30th June 2004, the Group's finance lease liabilities were repayable as follows:

附註：

於二零零四年六月三十日，本集團的融資租賃負債如下：

		2004 HK\$'000 千港元	2003 HK\$'000 千港元
Within one year	一年內	5,311	3,956
In the second year	第二年	5,311	4,032
In the third to fifth year	第三年至第五年	9,124	11,060
		19,746	19,048
Future finance charges on finance leases	融資租賃之未來財務費用	(1,083)	(1,310)
Present value of obligations under finance leases	融資租賃責任之現值	18,663	17,738

NOTES TO THE ACCOUNTS

賬目附註

18 LONG-TERM LIABILITIES (Cont'd)

The present value of obligations under finance leases is as follows:

		2004 HK\$'000 千港元	2003 HK\$'000 千港元
Within one year	一年內	4,820	3,481
In the second year	第二年	4,966	3,654
In the third to fifth year	第三年至第五年	8,877	10,603
		18,663	17,738

19 DEFERRED TAXATION

Deferred taxation is calculated in full on temporary differences under the liability method using a principal taxation rate of 17.5% (2003: 17.5%).

The movement on the deferred tax liabilities/(assets) account is as follows:

18 長期負債 (續)

融資租賃責任之現值如下：

19 遞延稅項

遞延稅項採用負債法就短暫時差按主要稅率百分之十七點五(二零零三年：百分之十七點五)作全數撥備。

遞延稅項負債／(資產)賬目之變動如下：

		Group 集團		Company 公司	
		2004 HK\$'000 千港元	2003 HK\$'000 千港元	2004 HK\$'000 千港元	2003 HK\$'000 千港元
At 1st July	於七月一日	1,084	286	—	—
Deferred taxation (credited)/charged to profit and loss account (note 5)	(計入)／扣除損益賬之遞延稅項(附註 5)	(69)	798	(172)	—
Deferred taxation charged to investment properties revaluation reserve (note 17)	在投資物業重估儲備扣除之遞延稅項(附註 17)	1,248	—	—	—
At 30th June	於六月三十日	2,263	1,084	(172)	—

Deferred income tax assets are recognised for tax losses carry forward to the extent that realisation of the related tax benefit through the future taxable profits is probable.

遞延所得稅資產乃因應相關稅務利益可透過未來應課稅溢利變現而就所結轉之稅項虧損作確認。

NOTES TO THE ACCOUNTS

賬目附註

19 DEFERRED TAXATION (Cont'd)

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

Deferred tax liabilities - Group

		Accelerated taxation depreciation 加速稅務折舊	
		2004	2003
		HK\$'000	HK\$'000
		千港元	千港元
At 1st July	於七月一日	1,084	286
Charged to profit and loss account	在損益賬扣除	2,235	798
Charged to investment properties revaluation reserve	在投資物業重估 儲備扣除	1,248	—
At 30th June	於六月三十日	4,567	1,084

Deferred tax assets - Group

遞延稅項資產－集團

		Provision 準備		Tax losses 稅務虧損		Total 總額	
		2004	2003	2004	2003	2004	2003
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
At 1st July	於七月一日	—	—	—	—	—	—
Credited to profit and loss account	已計入 損益賬	75	—	2,229	—	2,304	—
At 30th June	於六月三十日	75	—	2,229	—	2,304	—

NOTES TO THE ACCOUNTS

賬目附註

19 DEFERRED TAXATION (Cont'd)

Deferred tax assets - Company

		Tax losses 稅務虧損	
		2004 HK\$'000 千港元	2003 HK\$'000 千港元
At 1st July	於七月一日	—	—
Credited to profit and loss account	已計入損益賬	172	—
At 30th June	於六月三十日	172	—

Deferred tax assets and liabilities - after offsetting of balances within the same jurisdiction

19 遞延稅項 (續)

遞延稅項資產－公司

遞延稅項資產及負債－與同一徵稅地區之結餘抵銷後

		Group 集團		Company 公司	
		2004 HK\$'000 千港元	2003 HK\$'000 千港元	2004 HK\$'000 千港元	2003 HK\$'000 千港元
Deferred tax assets	遞延稅項資產	(507)	—	(172)	—
Deferred tax liabilities	遞延稅項負債	2,770	1,084	—	—
		2,263	1,084	(172)	—

NOTES TO THE ACCOUNTS

賬目附註

20 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

(a) Reconciliation of profit before taxation to net cash (outflow)/inflow from operations

20 綜合現金流量表附註

(a) 經營溢利與經營產生之現金(流出)／流入淨額調節

		Group 集團	
		2004	2003
		HK\$'000	HK\$'000
		千港元	千港元
Operating profit	經營溢利	22,326	46,727
Depreciation of fixed assets	固定資產折舊	12,984	8,397
Gain on disposal of fixed assets	出售固定資產之收益	(344)	(501)
Interest income	利息收入	(64)	(211)
Operating profit before working capital changes	營運資金改變前之經營溢利	34,902	54,412
Increase in inventories	存貨之增加	(21,430)	(27,178)
Increase in trade receivables, other receivables, prepayments and deposits	貿易應收款、其他應收款、預付款及按金之增加	(37,424)	(5,425)
Increase in trade payables, other payables and accruals	貿易應付款、其他應付款及預提費用之增加	17,015	5,816
Net cash (outflow)/inflow from operations	經營產生之現金(流出)／流入淨額	(6,937)	27,625

NOTES TO THE ACCOUNTS

賬目附註

20 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (Cont'd)

20 綜合現金流量表附註(續)

(b) Analysis of changes in financing during the year

(b) 年內融資變動分析

		Short-term bank loans 短期銀行貸款		Minority interests 少數股東權益		Obligations under finance leases 融資租賃責任		Trust receipts loans 信託收據貸款	
		2004	2003	2004	2003	2004	2003	2004	2003
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Brought forward	承前	24,145	7,731	6,784	5,371	17,738	87	62,886	21,519
New bank loans raised	新增銀行借款	40,278	16,414	—	—	—	—	—	—
Repayment during the year	本年度償還	(24,145)	—	—	—	—	—	—	—
Increase in trust receipts loans	增加信託 收據貸款	—	—	—	—	—	—	20,267	41,367
Capital contribution by a minority shareholder	少數股東之 資本投入	—	—	560	—	—	—	—	—
Dividend paid to minority shareholders	支付少數股東 之股息	—	—	—	(952)	—	—	—	—
Inception of finance leases	融資租賃開始	—	—	—	—	4,900	18,616	—	—
Capital element of finance lease payments	融資租賃支出 的資本部份	—	—	—	—	(3,975)	(965)	—	—
Share of profit by minority shareholders	少數股東 應佔溢利	—	—	1,470	2,365	—	—	—	—
Carried forward	結轉	40,278	24,145	8,814	6,784	18,663	17,738	83,153	62,886

NOTES TO THE ACCOUNTS

賬目附註

21 COMMITMENTS

(a) Capital commitments for property, plant and equipment

		2004 HK\$'000 千港元	2003 HK\$'000 千港元
Contracted but not provided for	已簽約但未撥備	3,253	1,148
Authorised but not contracted for	已授權但未簽約	—	—
		3,253	1,148

(b) Commitment under operating leases

As at 30th June 2004, the Group had future aggregate minimum lease payments under non-cancellable operating leases in respect of land and buildings as follows:

		2004 HK\$'000 千港元	2003 HK\$'000 千港元
Not later than one year	一年內	5,896	5,580
Later than one year and not later than five years	一年後但不遲於五年	5,712	10,635
Later than five years	第五年後	5,780	1,477
		17,388	17,692

(c) At 30th June 2004, the Group had maximum outstanding commitments in respect of forward contracts in order to hedge the Group's exposure in foreign currencies from its operations as follows:

		2004 HK\$'000 千港元	2003 HK\$'000 千港元
Sell HK dollars for US dollars	沽港元以買入美元	436,660	—

21 承擔

(a) 有關物業、機器及設備之資本承擔

	2004 HK\$'000 千港元	2003 HK\$'000 千港元
Contracted but not provided for	3,253	1,148
Authorised but not contracted for	—	—
	3,253	1,148

(b) 經營租賃承擔

於二零零四年六月三十日，本集團有於下列期間到期之有關土地及樓宇之不可撤銷經營租賃之未來最少租賃付款：

	2004 HK\$'000 千港元	2003 HK\$'000 千港元
Not later than one year	5,896	5,580
Later than one year and not later than five years	5,712	10,635
Later than five years	5,780	1,477
	17,388	17,692

(c) 為減低營運有關之外匯風險，本集團訂立外匯遠期合約。於二零零四年六月三十日，未結算之遠期合約之最高承擔如下：

	2004 HK\$'000 千港元	2003 HK\$'000 千港元
Sell HK dollars for US dollars	436,660	—

22 CONTINGENT LIABILITIES

As at 30th June 2004, the Company and the Group had the following contingent liabilities:

- (a) Guarantee in respect of the due performance of a subsidiary under a contract manufacturing agreement to the extent of HK\$20,000,000 (2003: HK\$20,000,000);
- (b) Guarantees given to banks for banking facilities granted to its subsidiaries to the extent of approximately HK\$255,569,000 (2003: HK\$205,360,000); and
- (c) In April 2003, a customer (the "Customer") issued a Writ of Summons in the High Court of the Hong Kong Special Administrative Region against a subsidiary of the Company (the "Subsidiary") and filed a Statement of Claim in June 2003 claiming against the Subsidiary of US\$589,590.53 (the "Claim") for losses and damages alleged to have been suffered by the Customer as a result of alleged breach of contract entered into between the Customer and the Subsidiary for goods sold by the Subsidiary to the Customer (the "Goods"). On basis of Independent legal advice, the Subsidiary has (i) filed a defence and counterclaim to the Claim and (ii) taken out Third Party Proceedings against the company, which supplied Goods to the Subsidiary for resale to the Customer (the "Third Party"). The Third Party has also taken out the Fourth Party Proceedings against the company, which supplied the Goods to the Third Party for resale to the Subsidiary. In opinion of the Directors, the Subsidiary is unlikely to suffer any loss for the Claim, therefore, no provision is considered necessary.

23 ULTIMATE HOLDING COMPANY

The Directors regard Good Benefit Limited, a company incorporated in the British Virgin Islands, as being the ultimate holding company.

22 或有負債

於二零零四年六月三十日，本公司及本集團之或有負債如下：

- (a) 本公司根據一項承包製造協議就一附屬公司之履約保證提供最高20,000,000港元(二零零三年：20,000,000港元)之擔保；
- (b) 本公司就其附屬公司之銀行信貸，向銀行提供最高約255,569,000港元(二零零三年：205,360,000港元)之擔保；及
- (c) 於二零零三年四月，一名客戶(「該客戶」)向本公司一家附屬公司(「該附屬公司」)於香港特別行政區高等法院發出傳訊令狀，並於二零零三年六月發出申索陳述書，指稱該附屬公司違反與該客戶簽訂之貨物買賣合同(「該貨物」)而申索589,590.53美元(「該申索」)之損失及賠償。根據獨立法律意見，該附屬公司已(i)就該申索發出抗辯及反申索書及(ii)向供應該貨物予該附屬公司以供轉售予該客戶之公司(「第三方」)進行第三方的法律程序。第三方亦已向供應該貨物予第三方以供轉售予該附屬公司之公司進行第四方的法律程序。本公司董事認為該附屬公司不大可能會因該索償而招致任何損失，故此無需作出撥備。

23 最終控股公司

董事認為本公司最終控股公司為Good Benefit Limited(在英屬處女群島註冊成立之公司)。

NOTES TO THE ACCOUNTS

賬目附註

24 APPROVAL OF ACCOUNTS

The accounts were approved by the board of directors on 13th October 2004.

24 批准賬目

賬目已於二零零四年十月十三日獲董事會批准。

25 PRINCIPAL SUBSIDIARIES

The following is a list of the principal subsidiaries as at 30th June 2004:

25 主要附屬公司

於二零零四年六月三十日，本公司之主要附屬公司如下：

Name 名稱	Place of incorporation or establishment/operation * kind of legal entity 註冊成立／ 成立及經營地點 * 法人類別	Issued and fully paid up share capital/ registered capital 已發行及 繳足股本／註冊資本	Principal activities 主要業務	Effective percentage of equity held indirectly by the Company 本公司間接持有 之實際股本百分比
Dongguan Ngai Hing Plastic Materials Ltd. 東莞毅興塑膠原料 有限公司	The PRC * wholly foreign- owned enterprise 中國 * 外商獨資企業	HK\$90,000,000 90,000,000 港元	Manufacture and sale of colorants and compounded plastic resins 製造及銷售着色劑及 着色合成樹脂	100
Hong Kong Colour Technology Limited 顏色專業有限公司	Hong Kong 香港	500,000 ordinary shares of HK\$1 each 500,000 普通股 每股 1 港元	Manufacture and trading of colorants and compounded plastic resins 製造及買賣着色劑及 着色合成樹脂	100
Ngai Hing Engineering Plastic Materials Limited 毅興工程塑料有限公司	Hong Kong 香港	2,000,000 ordinary shares of HK\$1 each 2,000,000 普通股 每股 1 港元	Manufacture, trading, marketing and promotion of engineering plastic products 製造、買賣、市場 推廣及推銷工程 塑膠產品	76.2

帳目附註

25 主要附屬公司(續)

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25 PRINCIPAL SUBSIDIARIES (Cont'd)

Notes:

- (a) The holders of the non-voting deferred shares in Ngai Hing Hong Plastic Materials Limited ("NHH") shall not be entitled to any participation in the profits or surplus assets of NHH and they are not entitled to receive notice of or attend or vote at any general meeting of NHH in respect of their holdings of such deferred shares.

Ngai Hing (International) Company Limited has been granted an option by the holders of the non-voting deferred shares to acquire these shares for an aggregate cash consideration of HK\$4.

- (b) The above table includes the subsidiaries of the Company which, in the opinion of the Directors, principally affected the results of the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.
- (c) The aggregate net assets of subsidiaries not audited by PricewaterhouseCoopers under statutory requirements amounted to approximately 27.7% (2003: 30.3%) of the Group's total net assets.

25 主要附屬公司 (續)

附註：

- (a) 毅興塑膠原料有限公司(「毅興」)無投票權遞延股份之持有人無權參與毅興之溢利或剩餘資產分派，亦無權就其持有之遞延股份收取毅興股東大會通告或出席毅興股東大會或於會上投票。

Ngai Hing (International) Company Limited以現金總代價4港元獲無投票權遞延股份持有人授出可購買該等股份之購股權。

- (b) 上表列出董事認為對本年度業績構成重要影響或構成本集團資產淨值之主要部分之本公司附屬公司。董事認為如載列其他附屬公司之詳情會令資料過於冗長。
- (c) 並非由香港羅兵咸永道會計師事務所法定審核之附屬公司之資產淨值總額佔本集團資產淨值總額約百分之二十七點七(二零零三年：百分之三十點三)。

FIVE-YEAR FINANCIAL SUMMARY

五年財務概要

The results, assets and liabilities of the Group for the last five financial years are as follows:

本集團於過去五個財政年度之業績、資產及負債如下：

		2004 HK\$'000 千港元	2003 HK\$'000 千港元	2002 HK\$'000 千港元	2001 HK\$'000 千港元	2000 HK\$'000 千港元
Results	業績					
Profit attributable to shareholders	股東應佔溢利	13,279	40,462	38,408	15,798	33,884
Assets and liabilities	資產及負債					
Total assets	資產總值	536,655	482,486	380,530	342,761	331,396
Total liabilities	負債總值	(241,657)	(184,980)	(102,199)	(93,928)	(91,559)
Minority interests	少數股東權益	(8,814)	(6,784)	(5,371)	(3,505)	(1,150)
Shareholders' funds	股東權益	286,184	290,722	272,960	245,328	238,687

NGAI HING HONG COMPANY LIMITED*(Incorporated in Bermuda with limited liability)***Ngai Hing Hong Plastic Materials Limited****Hong Kong Colour Technology Limited****Ngai Hing (GZFTZ) Trading Co., Ltd.****Ngai Hing Engineering Plastic Materials Limited****Ngai Hing PlastChem Company Limited****Hong Kong Office:**

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毅興行有限公司*(於百慕達註冊成立之有限公司)***毅興塑膠原料有限公司****顏色專業有限公司****毅興(廣州保稅區)貿易有限公司****毅興工程塑料有限公司****毅興塑化有限公司****香港辦事處:**

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