



JF Household Furnishings Limited 捷豐家居用品有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股票編號 : 8310



Annual Report 2006 年報

捷豐

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CORPORATE INFORMATION

Board of Directors

Executive Directors

Mr. Yan Siu Wai (*Chairman*)
Mr. Leung Kwok Yin
Mr. Bao Jisheng

Independent Non-Executive Directors

Mr. Kwan Kai Cheong
Mr. Garry Alides Willinge
Mr. Yu Hon Wing, Allan

Company Secretary

Mr. Cheung Wai Tak (CPA (US), CPA)

Authorised Representatives

Mr. Yan Siu Wai
Mr. Cheung Wai Tak (CPA (US), CPA)

Compliance Officer

Mr. Yan Siu Wai

Qualified Accountant

Mr. Cheung Wai Tak (CPA (US), CPA)

Audit Committee

Mr. Kwan Kai Cheong (*Chairman*)
Mr. Garry Alides Willinge
Mr. Yu Hon Wing, Allan

Registered Office

Cricket Square, Hutchins Drive
P. O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Head Office and Principal Place of Business in Hong Kong

15th Floor, EIB Tower
4-6 Morrison Hill Road
Wanchai, Hong Kong

Cayman Islands Principal Share Registrar And Transfer Office

Bank of Bermuda (Cayman) Limited
P. O. Box 513
2nd Floor, Strathvale House
North Church Street
Grand Cayman KY1-1106
Cayman Islands

Principal Bankers

DBS Bank (Hong Kong) Limited
11th Floor, The Center
99 Queen's Road Central
Central, Hong Kong

Bank of China
No. 58 South Shun Shui Road
Yuyao, Zhejiang, PRC

Hong Kong Branch Share Registrar and Transfer Office

Tricor Investor Services Limited
26th Floor, Tesbury Centre
28 Queen's Road East
Wanchai
Hong Kong

Auditors

RSM Nelson Wheeler
7th Floor
Allied Kajima Building
138 Gloucester Road
Hong Kong

Compliance Adviser

Tanrich Capital Limited
16/F Central Plaza,
18 Harbour Road
Wan Chai
Hong Kong

Legal Adviser

Tracy Ong & Co.
3908A, 39th Floor
Jardine House
1 Connaught Place
Central
Hong Kong

Stock Code

8310

Website of the Company

www.jffurnishings.com

董事會

執行董事

甄兆威先生 (主席)
梁國賢先生
鮑繼聲先生

獨立非執行董事

關啟昌先生
Garry Alides Willinge先生
俞漢榮先生

公司秘書

張偉德先生 (CPA(US), CPA)

授權代表

甄兆威先生
張偉德先生 (CPA(US), CPA)

監察主任

甄兆威先生

合資格會計師

張偉德先生 (CPA(US), CPA)

審核委員會

關啟昌先生 (主席)
Garry Alides Willinge先生
俞漢榮先生

註冊地址

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Cayman Islands

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香港灣仔
摩理臣山道4-6號
經信商業大廈15樓

開曼群島主要股份過戶登記處

Bank of Bermuda (Cayman) Limited
P. O. Box 513
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North Church Street
Grand Cayman KY1-1106
Cayman Islands

主要往來銀行

星展銀行(香港)有限公司
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皇后大道中99號
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中國浙江省餘姚市
舜水南路58號

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香港
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合規顧問

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香港
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股份代號

8310

公司網址

www.jffurnishings.com

CHAIRMAN'S STATEMENT

TO OUR SHAREHOLDERS

On behalf of the board of Directors ("Board"), I am pleased to present the annual report of JF Household Furnishings Limited ("Company") and its subsidiaries (collectively, the "Group") and its audited financial results for the financial year ended 31 December 2006.

For the fiscal year ended 31 December 2006, the Group recorded a turnover of approximately HK\$193.9 million, representing a decrease of approximately 2.9% from the fiscal year ended 31 December 2005. The decline was mainly due to an inventory reduction exercise by a major customer of the Group.

In 2006, the Group's profit attributable to shareholders was approximately HK\$20.7 million, representing a 12.7% decrease as compared to that of 2005. The Group's gross profit margin in 2006 was 18.3%, decreasing from 20.4% in 2005. The slight decline in the gross profit margin percentage was mainly due to the rise in stainless steel prices and the appreciation of the Renminbi ("RMB") currency.

Business Review

Year 2006 was a challenging year for the Group. The Group faced an increasing cost pressure as the prices of stainless steel rose steeply and the RMB currency also rose faster than the year before. The management of the Group has taken steps to minimise the impact, including using alternative materials to lower the costs.

Year 2006 was also a year of investment for the Group. The Group continued to expand its production capacity and to invest time and effort to build a larger platform for more diversified products and customer base.

During the year, the Group completed a new building, adding 5,000 meter square ("m²") to the existing production plant. The Group also started to construct a new plant on the piece of land acquired at the end of 2005 to house the new timber production lines. The new plant will have a floor area of 30,000 m², which is twice the size of the existing plant.

To prepare for an ambitious expansion in the new timber household products, the Group started a new pilot line for timber production. The pilot line had been fully tested and product samples have been approved by customer. Regular delivery of the pilot line started in August 2006 of the year under review and monthly delivery has been steadily increasing to around RMB 3 million per month during the last quarter of year 2006.

In order to expand the Group's business and customer base, 12 new products for sales in the metal area, and 13 new products for sales in the timber area had been successfully developed. In addition, one significant potential European customer had commenced to perform a review process on the Group. The Group will strive to become a qualified supplier of this new potential customer.

During the year, the Group spent substantial efforts and resources to develop a larger product range and customer base. These efforts were cost orientated and created impact on the bottom line results. However, the management is confident that the impact would only affect the Group in short term as the completion of the 30,000 m² new plant will provide the Group with sufficient production capacity and rooms for expansion for both of the stainless steel products and newly developed metal and/or wooden products.

主席報告

致股東

本人謹代表董事會（「董事會」）欣然提呈捷豐家居用品有限公司（「本公司」）及其附屬公司（統稱為「本集團」）的年度報告及截至二零零六年十二月三十一日止財政年度的經審核財務業績。

於截至二零零六年十二月三十一日止財政年度內，本集團錄得營業額約193,900,000港元，較截至二零零五年十二月三十一日止之年內下降約2.9%。該下降主要由於本集團主要客戶存貨減少所致。

於二零零六年，本集團的股東應佔溢利約為20,700,000港元，較二零零五年同期下降12.7%。本集團於二零零六年的邊際毛利率由二零零五年的20.4%下降至約18.3%。邊際毛利率小幅下降，主要由於年內不銹鋼價格上升及人民幣升值所致。

業務回顧

二零零六年對於本集團乃充滿挑戰的一年。不銹鋼價格急劇上升，加之人民幣亦較二零零五年大幅升值，致使本集團成本壓力上升。本集團管理層已採取措施將影響降至最低，包括使用可替代性材料以降低成本。

二零零六年對於本集團亦為大幅投資的一年。本集團不斷擴大產能，投入時間及精力奮力為增加多元化產品和擴大客戶基礎建立更大平臺。

年內，本集團已完成一座新建築物的建造，可為現有生產廠房增加5,000平方米的面積。本集團亦著手於在二零零五年底購置的新土地上建造一座新廠房，以容納新的木材生產線。新廠房的建築面積將達30,000平方米，為現有廠房規模的兩倍。

為大幅擴大新木質家用產品的生產，本集團開始建立木質產品生產試產線。試產線已通過全面測試，產品樣品亦通過客戶審核。於回顧年度內二零零六年八月份試產線開始正常生產，二零零六年第四季度的月產量已穩步上升至每月約3,000,000元人民幣。

為提升業績及擴大客戶基礎，本集團已成功開發了12種金屬領域及13種木材領域的新產品。此外，一位重要的歐洲潛在客戶亦已開始為本集團執行審查程式。本集團將盡力爭取成為此潛在客戶合格的供應商。

本年度，本集團將主要精力及資源用於拓潤產品範圍及客戶基礎，成本及業績因而受到一定影響。但是，管理層相信，30,000平方米新廠房的竣工將會為不銹鋼產品及其他新開發的金屬及／或木製產品提供足夠的產能及空間，因此影響應僅屬短期。

CHAIRMAN'S STATEMENT

Outlook and Future Prospects

Year 2007 is the beginning of a new chapter for the Group. With the expected completion of the 30,000 m² new production plant in March 2007, the Group's production capacities will be substantially increased and a good foundation has been laid for the growth and diversification in the coming years.

The pilot production in the timber line has been very encouraging with satisfactory remarks from the customer. The Group is ready for a significant expansion in this new area. In response to the suggestion of our key customer, the Group had accelerated the order of new equipment and the completion of the new plant. Equipment for the two new lines has arrived in the plant in March 2007. The Group's management is therefore confident that a significant growth of business will come in year 2007.

The completion of the new plant will also be beneficial to the Group as a whole for the following areas:

1. relocation of the timber line to the new location will release space for stainless steel products.
2. additional space will also allow the Group to set up new lines of production for new customers as the Group has a policy of not mixing production for each customer.
3. the Group's plan to diversify into metal products other than stainless steel will also require a new production line in a separate area.

Several new products have been developed for the stainless steel division, and initial indications from the key customer were positive. It is expected that these new products will generate significant growth for the Group in the stainless steel area in year 2007.

The appreciation of RMB continued to affect the costs for the Group. Management will take all necessary and available steps to minimise the costs associated with the appreciation of RMB.

With the necessary investment actions of 2006 behind us, the Directors are optimistic that in year 2007, the Group will retrieve the trend of growth with the mid to long term strategic business development plan being implemented and actualized.

APPRECIATION

On behalf of the Board, I would like to express our sincere appreciation to all our investors, customers, partners and shareholders for their ongoing support to the Group. I would also like to thank my colleagues and staff for their invaluable contributions throughout the year.

Yan Siu Wai
Chairman

Hong Kong, 26 March 2007

主席報告

展望及未來前景

二零零七年本集團將翻開新的一頁。30,000平方米新生產廠房預計於二零零七年三月竣工，屆時本集團的產能將顯著提升，為未來的增長和多元化發展打下良好基礎。

木材生產線的試點產品前景可觀，客戶反映良好。本集團準備在該領域大幅擴產。本集團已善納主要客戶的建議，加快新設備的訂購及新廠房的建設。兩條新生產線的設備已經於二零零七年三月到位。有鑒於此，本集團管理層相信二零零七年業績將會大幅增長。

新廠房的竣工亦將在整體上有利於本集團的發展，如下所述：

1. 木材生產線轉移至新地點將為不銹鋼產品釋放更多空間。
2. 因本集團政策規定不可混淆各客戶之間的产品，因此新增空間亦有助於本集團為新客戶建立新的生產線。
3. 除不銹鋼產品外，本集團計畫推進金屬產品多元化，亦需建立獨立的生產空間。

不銹鋼部門已成功開發數種新產品，來自主要客戶的初步反映相當滿意。預計二零零七年不銹鋼領域的新產品將為本集團帶來大幅的增長。

人民幣升值將繼續影響本集團成本。管理層將會採取一切行之有效的措施將與人民幣升值有關的成本降至最低。

繼二零零六年作出之必要投資後，董事相信隨着中長期戰略發展計劃的實施及實踐，二零零七年本集團將重拾升軌。

致謝

本人謹代表董事會向所有投資者、客戶、合作夥伴及股東對本集團一如既往的支持，及各董事同仁及全體員工於過去一年對本集團作出的無價貢獻，致以深摯謝意。

甄兆威

主席

香港，二零零七年三月二十六日

FINANCIAL HIGHLIGHTS

	Year ended 31 December			
	2003 HK\$	2004 HK\$	2005 HK\$	2006 HK\$
Results				
Turnover	84,087,159	145,431,997	199,625,181	193,902,367
Profit attributable to shareholders of the Company	13,386,962	18,876,904	23,659,231	20,662,883
Assets and Liabilities				
Total assets	63,509,182	84,794,832	116,591,011	132,972,559
Total liabilities	52,553,335	59,490,978	41,436,610	43,448,295
Equity attributable to shareholders of the Company	10,955,847	25,303,854	75,154,401	89,524,264
Earnings per share				
Basic	N/A	0.14	0.17	0.12
Diluted	N/A	N/A	0.17	0.12

財務摘要

	截至十二月三十一日止年度			
	二零零三年 港元	二零零四年 港元	二零零五年 港元	二零零六年 港元
業績				
營業額	84,087,159	145,431,997	199,625,181	193,902,367
本公司股東應佔溢利	13,386,962	18,876,904	23,659,231	20,662,883
資產及負債				
總資產	63,509,182	84,794,832	116,591,011	132,972,559
總負債	52,553,335	59,490,978	41,436,610	43,448,295
本公司股東應佔權益	10,955,847	25,303,854	75,154,401	89,524,264
每股盈利				
基本	不適用	0.14	0.17	0.12
攤薄	不適用	不適用	0.17	0.12

MANAGEMENT DISCUSSION AND ANALYSIS

Results of Operations

For the fiscal year ended 31 December 2006, the Group reported a turnover of approximately HK\$193.9 million, representing a decrease of approximately 2.9% from the fiscal year ended 2005. Gross profit margin dropped to 18.3%, slightly lower than that of 20.4% achieved last year, mainly because of a steep increase in the stainless steel price.

Stainless steel (type 304 ("Type 304")) price increased from an average of RMB19,400 in January 2006 to RMB36,900 in December 2006. To lessen the impact of such steep increase, it was mutually agreed between the Group and the Group's key customer that a more affordable stainless steel material (type 430) was used in place of Type 304. The use of a lower grade material has the effect of a lower turnover for the same quantity of goods shipped.

A major inventory reduction exercise by the Group's key customer also lowered the Group's turnover in 2006. The order lead time for this major customer changed from four weeks previously to one week during the year under review. This shift had slowed down the orders significantly for the first half of the year.

Distribution costs increased to approximately HK\$2.5 million or 61.9%, mainly due to higher transportation costs and new promotional expenses. Transportation costs increased by approximately HK\$590,000, or 57.7% due to higher energy costs and higher transportation costs related to the new timber products. In order to diversify customer base, the Group also spent approximately HK\$220,000 participating in two trade shows; one in Italy and one in Guangzhou.

Administrative expenses increased from approximately HK\$10.8 million in 2005 to approximately HK\$11.5 million during the year under review mainly due to higher staff costs related to expansion and higher exchange losses. A faster appreciation of the RMB resulted in an exchange loss of approximately HK\$2.2 million, compared to the loss of approximately HK\$617,000 in 2005.

Finance charges dropped slightly as funds raised from listing in the Stock Exchange improved the liquidity of the Group.

Liquidity, Financial Resources and Funding and Treasury Policy

As at 31 December 2006, the Group had bank and cash balances of approximately HK\$9.4 million (2005: approximately HK\$13.6 million) and net current assets of approximately HK\$43.0 million, about the same level of 2005: approximately HK\$44.6 million. Non-current assets increased by approximately HK\$15.9 million to approximately HK\$46.5 million in the financial year 2006. The increase was mainly due to the acquisition of a new piece of land and the construction of a new plant.

As at 31 December 2006, the Group had current liabilities of approximately HK\$43.4 million, about the same level as that of year 2005.

Most of the trading transactions, assets and liabilities of the Group were denominated in RMB, US Dollars and Hong Kong Dollars. The Group adopted a conservative treasury policy with no foreign exchange contracts, interest or currency swaps or other financial derivatives for hedging purposes.

Bank Borrowings

Particulars of bank borrowings and charges on the Group's assets are set out in the note 22 to the financial statements.

Gearing Ratio

The Group's gearing ratio, which was derived from the total borrowings to total assets, increased to 19.2%, up from 13.6% in 2005, as the Group had increased its borrowing to finance the construction of the new plant.

管理層討論及分析

經營業績

截至二零零六年十二月三十一日止財政年度，本集團錄得營業額約193,900,000港元，較二零零五年財政年度下降約2.9%。邊際毛利率降至18.3%，較去年取得的20.4%稍為下降，主要由於不銹鋼價格急劇上升所致。

年內不銹鋼(304型)〔「304型」〕平均價格由二零零六年一月份的人民幣19,400元上升至十二月份的人民幣36,900元。為減少不銹鋼價格急劇上升造成的影響，經本集團與主要客戶達成一致意見後，使用成本更為經濟的不銹鋼材料(430型)替代304型。使用低等級材料導致同等數量已交貨商品的營業額下降。

本集團主要客戶存貨的大幅減少亦導致二零零六年本集團營業額下降。於回顧年度內，該主要客戶的訂單交貨期由之前的四週變為一週，此種改變明顯減緩了上半年的訂單。

分銷成本上升至2,500,000港元或上升61.9%，主要由於運輸成本上升及新增推銷開支所致。運輸成本上升約590,000港元或上升57.7%，主要由於能源成本上升及與新木材產品相關之運輸成本增加。為令客戶基礎多元化，本集團亦花費約222,000港元參與於意大利和廣州舉辦的兩場貿易展覽。

於回顧年度行政開支由二零零五年的10,800,000港元上升至11,500,000港元，主要由於業務拓展導致人力成本增加及匯兌虧損增加。人民幣大幅升值導致匯兌損失約達2,200,000港元，而二零零五年損失約為617,000港元。

由於本集團於聯交所上市後流動資金狀況得以改善，本集團財務費用輕微下降。

流動資金、財務資源及融資及財務政策

於二零零六年十二月三十一日，本集團擁有銀行及現金結餘約9,400,000港元(二零零五年：約13,600,000港元)及流動資產淨值約43,000,000港元，與二零零五年約44,600,000港元基本持平。二零零六財政年度的非流動資產上升約15,900,000港元至約46,500,000港元，其主要原因是購置新土地及建造新廠房。

於二零零六年十二月三十一日止，本集團擁有流動負債約43,400,000港元，與二零零五年持平。

本集團的主要貿易、資產及負債以人民幣、美元及港元列值。本集團採用保守之財務政策，並無用於對沖之匯率合同、利息或貨幣交換工具或其他財務衍生工具。

銀行借款

銀行借款及集團資產抵押明細於財務報表附註22列載。

資本負債比率

由於本集團增加借款以為新廠房融資，本集團的資產負債比率(以借款總額與資產總值之比例計算)由二零零五年的13.6%上升至二零零六年的19.2%。

MANAGEMENT DISCUSSION AND ANALYSIS

Future Plans for Material Investments

Save as disclosed in this report and the Company's Prospectus dated 5 October 2005 ("Prospectus"), the Company had no material acquisition or capital expenditure plan as of 31 December 2006.

Contingent Liabilities

As at 31 December 2006, the Group had contingent liabilities in respect of bills of exchange discounted to a bank with recourse amounting to approximately HK\$900,000 (2005: HK\$ Nil).

Segmental information

The information on the geographical segmentation of the Group is set out in note 6 to the financial statements.

Subsequent Events

No subsequent events occurred after 31 December 2006, which may have significant effects on the assets and liabilities of future operations of the Group.

Foreign Exchange Exposure

All transactions of the Group are denominated in Renminbi, Hong Kong Dollars or US Dollars. As RMB has been appreciating faster recently, the Group's exchange losses will be larger as a large part of the Group's revenue are denominated in US Dollars. The Management is taking steps to minimize the losses from the appreciation of the RMB currency.

Employees and Remuneration Policy

As at 31 December 2006, the Group employed approximately 713 staff in the PRC and Hong Kong, representing an increase of 92 staff from 31 December 2005. The increase in staff was mainly attributable to the Group's expansion in the PRC operations. The Group's remuneration to employees, including Directors' emoluments, decreased by approximately HK\$0.87 million to approximately HK\$16.6 million for the current fiscal year, as a result of a charge of HK\$2.35 million from the granting of employee share options. The Group reviews employee remuneration annually and rewards its employee with reference to the length of services and performance. The Group also grants share options and bonuses to employees of the Group at the discretion of the Directors and based on the financial performance of the Group.

Capital Structure

Since the listing of the Company's shares on GEM of the Stock Exchange on 13 October 2005, there has been no change in the capital structure of the Company. The share capital of the Company comprises only ordinary shares.

Compliance Adviser's Interest

During year 2006, the Group had appointed a new compliance adviser. Following the resignation of Deloitte & Touche Corporate Finance Limited with effect on 6 June 2006, Tanrich Capital Limited ("Tanrich") had been appointed a new compliance adviser of the Company with effect on 15 September 2006.

As at 31 December 2006, neither Tanrich nor its directors, employees or associates, as defined in the GEM Listing Rules, had any interest in the securities of the Company or right to subscribe for or to nominate person to subscribe for securities of the Company.

Pursuant to the compliance adviser's agreement dated 15 September 2006 which was entered into between the Company and Tanrich, Tanrich has been appointed as the compliance adviser to the Company as required under the GEM Listing Rules at a fee for the period commenced from 15 September 2006.

Competing Interest

None of the Directors, management shareholders or their respective associates (as defined in GEM Listing Rules), had any interests in any business which compete or may compete with the Company or any other conflicts of interest which any such person may have with the Company.

管理層討論及分析

重大投資的未來計畫

除本報告及本公司於二零零五年十月五日刊發之招股章程(「招股章程」)所披露者外，截至二零零六年十二月三十一日，本公司並無任何重大收購或資本開支計畫。

或然負債

於二零零六年十二月三十一日止，本集團有關要求清償匯票之銀行或然負債約為900,000港元(二零零五年：無)。

分類資料

按地區劃分的分類資料載於財務報表附註6。

結算日後事項

於二零零六年十二月三十一日後，並無發生對本集團日後營運的資產及負債有重大影響的結算日後事項。

外匯風險

本集團的所有交易均以人民幣、港元或美元列值。鑒於人民幣近期升值加快，而本集團收入很大部份以美元列值，因此本集團之滙兌損失將會有所上升。管理層正採取措施將由人民幣升值導致的損失降至最低。

僱員及薪酬政策

於二零零六年十二月三十一日，本集團於中國大陸及香港僱用約713名員工，較二零零五年十二月三十一日增加92名。員工人數上升主要由於本集團擴大在中國的營運所致。由於授出顧員購股權支出2,350,000港元費用，在本財政年度，本集團的僱員薪酬(包括董事酬金)下降約870,000港元至約16,600,000港元。本集團按僱員服務年期及表現每年審核僱員薪酬及獎金。本集團亦根據本集團的財務表現由董事酌情決定向本集團僱員授出購股權及花紅。

資本結構

自本公司股份於二零零五年十月十三日於聯交所創業板上市以來，本公司的資本結構並無變動。本公司股本只由普通股組成。

合規顧問利益

於二零零六年，本集團委任新合規顧問。在德勤企業財務顧問有限公司於二零零六年六月六日辭任後，敦沛融資有限公司(「敦沛」)獲委任為本公司合規顧問，於二零零六年九月十五日生效。

於二零零六年十二月三十一日，敦沛之董事、僱員及聯繫人(定義見創業板上市規則)概無於本公司證券中擁有任何權益，或擁有認購或提名他人認購本公司證券的權利。

根據本公司與敦沛於二零零六年九月十五日按照創業板上市規則規定訂立的合規顧問協議，敦沛獲委任為本公司的合規顧問並獲支付一筆費用，任期由二零零六年九月十五日開始。

競爭權益

概無董事、管理層股東或彼等各自的聯繫人(定義見創業板上市規則)於對本公司業務構成或可能構成競爭的任何業務中擁有任何權益，或與本公司構成任何其他利益衝突。

COMPARISON OF THE BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS

In compliance with the GEM Listing Rules, the Company sets out below a summary of actual business progress as measured against the business objectives set out in the Prospectus.

For the period from 1 January 2006 to 30 June 2006 (the "First Relevant Period")

Business Objectives for the First Relevant Period as stated in the Prospectus

Actual Business Progress

Expand production plant and facilities

- Construct the 1st phase of the new production plant with total gross floor area of approximately 15,000 m² on the new piece of land. — A new production plant with 30,000 m² to be completed by end of 2006 is being built on the new 44,105 m² land site.

Product diversification

- Purchase new production machineries and facilities and furnishings and home products and accessories using both stainless steel and other types of steel. — A new PET welding machine has been bought to improve the welding process of the stainless steel product.

- A pilot run wooden furniture production line capable of batch type production has been in place and already in production.

Explore new business opportunities

- Expand sales department to handle the expanding PRC market. — A separate marketing department had been set up to handle new customers group. Has started discussion with more than seven furniture retailers and wholesalers in North America and across Europe, including UK, Germany and Italy.
- Participate in home furnishings trade fairs. — Participated in the Italian furniture trade show and the Guangzhou trade fair.

Improve the overall management systems

- Strengthen the production management system and implement the ISO9000 standard. — Engaged a Chinese consultant firm to implement the ISO 9000 system.
- Purchase new computer hardware and software to facilitate better internal control. — Purchased 17 new computers and set up a new LAN system linking all computers in the Yuyao Factory.

業務目標與實際業務進度的比較

為遵守創業板上市規則，本公司將實際業務進度與載于招股章程的業務目標比較摘錄如下：

由二零零六年一月一日至二零零六年六月三十日期間（「第一有關期間」）

招股章程所列的第一有關期間業務目標

實際業務進度

擴充生產廠房及設施

- 於新地皮上興建總建築樓面面積約15,000平方米的第一期新廠房。 — 將於二零零六年底落成建築面積為30,000平方米之新廠房正於佔地44,105平方米之新土地上興建。

產品多元化

- 就使用不銹鋼及其他類型鋼材的家居用品及配件，購買新生產機器及設施。 — 已購買新PET焊接機以改進不銹鋼產品的焊接過程。
- 可作批量生產之試驗木製家具生產線已設置及投入生產。

開拓新商機

- 擴大銷售部，應付日益擴大的中國市場。 — 已成立獨立市場營銷部處理新客戶群。已與超過七家位於北美及橫跨歐洲，包括英國、德國及意大利之家具零售商及批發商展開磋商。
- 參加家居裝飾展銷會。 — 已參加意大利家具展銷會及廣州展銷會。

改善生產整體管理體系

- 加強生產管理制度及執行ISO9000標準。 — 聘用一家中國顧問公司以實施ISO9000制度。
- 購買新電腦硬件及軟件以促進更好的內部控制。 — 已購買17台新電腦及設置新的局域網系統以連接餘姚工廠內所有電腦。

COMPARISON OF THE BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS

For the period from 1 July 2006 to 31 December 2006 (the “Second Relevant Period”).

Business Objectives for the Second Relevant Period as stated in the Prospectus

Actual Business Progress

Expand production plant and facilities

- | | | |
|--|---|---|
| <ul style="list-style-type: none"> • Purchase new facilities for the first phase of the production plant including power supplies, fire prevention facilities, and office renovation. | — | <p>The construction of the new 30,000m² production plant is in progress and near completion.</p> |
| <ul style="list-style-type: none"> • Set up automatic production facilities. | — | <p>New equipment has been ordered.</p> |

Product diversification

- | | | |
|--|---|---|
| <ul style="list-style-type: none"> • Complete the set up for production using other types of steel. | — | <p>Continue to add various facilities for production using other types of steel and timber.</p> |
|--|---|---|

Explore new business opportunities

- | | | |
|---|---|---|
| <ul style="list-style-type: none"> • Promote the brand name of the Group by advertising in home furnishings magazines. | — | <p>Appoint an American company to be the Group's agent to find new customers and promote the Group's products in the USA.</p> |
|---|---|---|

Improve the overall management systems and control systems

- | | | |
|--|---|---|
| <ul style="list-style-type: none"> • Strengthen the production management system and implement the ISO9000 standard. | — | <p>Appoint a German company to implement the certification of ISO9000 and ISO14000.</p> |
| <ul style="list-style-type: none"> • Purchase new computer hardware and software to facilitate better internal control. | — | <p>Established intranet within the PRC operation, and system for electronic declaration of import/export license.</p> |

業務目標與實際業務進度的比較

由二零零六年七月一日至二零零六年十二月三十一日期間（「第二有關期間」）

招股章程所列的第二有關期間業務目標	實際業務進度
<i>擴充生產廠房及設施</i>	
<ul style="list-style-type: none"> 為生產廠房第一階段增購配套設施，包括電力供應、防火設施及辦公室裝修。 	— 建築面積30,000平方米的新廠房即將竣工。
<ul style="list-style-type: none"> 建立自動生產設施。 	— 已訂購新設備。
<i>產品多元化</i>	
<ul style="list-style-type: none"> 完成使用其他類型鋼材的生產設施。 	— 繼續增加多種使用其他類型鋼材及木材的生產設施。
<i>探索新商機</i>	
<ul style="list-style-type: none"> 通過於國內家居雜誌刊登廣告以推銷本集團品牌。 	— 委任一家美國公司為本集團代理，於美國尋找新客戶及推銷本集團產品。
<i>改善整體管理體系</i>	
<ul style="list-style-type: none"> 強化生產管理體系並執行ISO9000標準。 	— 委任一家德國公司執行ISO9000及ISO14000的認證。
<ul style="list-style-type: none"> 購置新的電腦軟硬件設施，以加強內部管理。 	— 已建立於中國區局域網及進／出口電子報關體系。

DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Mr. Yan Siu Wai, aged 51, is one of the co-founders and Chairman of the Group. Mr. Yan is responsible for the strategic planning, corporate development and supervision of overall management of the Group. Mr. Yan graduated from Hong Kong Polytechnic University (formerly known as the Hong Kong Polytechnic) in 1976 with a higher diploma in production engineering. In 1998, he also obtained a master degree in Science (Engineering Business Management) from the University of Warwick, the United Kingdom. Mr. Yan is a member of the American Institute of Industrial Engineers and American Society of Heating Refrigerating and Air-conditioning Engineers, Inc.. Mr. Yan has approximately 26 years of experience in industrial management and manufacturing.

Mr. Leung Kwok Yin, aged 54, is one of the co-founders of the Group. Mr. Leung is responsible for product development, materials sourcing and marketing of the Group. Mr. Leung graduated from Hong Kong Polytechnic University (formerly known as the Hong Kong Polytechnic) in 1975 with a technician diploma in electrical engineering. Mr. Leung has been partnering with Mr. Yan for investments in the PRC for approximately 26 years and has built substantial manufacturing and distribution experiences in the PRC.

Mr. Bao Jisheng, aged 68, has been the general manager of JF A.C.R. Equipment Supplies (Ningbo) Co., Ltd. ("JF Ningbo") since January 2003. He joined the Group in January 1999. Mr. Bao was previously the factory manager of Yuyao General Machinery Factory. Mr. Bao is responsible for the overall operation of JF Ningbo. He has over 40 years of experience in manufacturing, industrial engineering and business management. Mr. Bao is a qualified engineer and a director of Yuyao Jiefeng Air-Conditioning Equipment Co., Ltd..

Independent non-executive Directors

Mr. Kwan Kai Cheong, aged 57, graduated from the University of Singapore in 1973 with a degree in Accountancy. Mr. Kwan is qualified as a Chartered Accountant in Australia in 1979 and is a member of the Hong Kong Institute of Certified Public Accountants since 1982. He completed the Stanford Executive Program in 1992. He was previously the president and chief operating officer for the Asia Pacific Region of Merrill Lynch & Co.. Mr. Kwan was appointed as an independent non-executive Director in March 2005.

Mr. Garry Alides Willinge, aged 57, is a fellow of the Australian Institute of Company Directors and a fellow of the Hong Kong Institute of Directors. He is also an Adjunct Professor with the Curtin Business School. He graduated from the University of Melbourne, Australia in 1970 with a Bachelor of Science. In 1996, he also obtained a Graduate Diploma in Applied Finance and Investment from the Securities Institute Education in Australia. Mr. Willinge has worked in a number of management roles in a multinational information technology company. Mr. Willinge was appointed as an independent non-executive Director in March 2005.

Mr. Yu Hon Wing Allan, aged 50, graduated from the Hong Kong Polytechnic University (formerly known as the Hong Kong Polytechnic) in 1978 with a higher diploma in Accountancy. Mr. Yu is a Certified Public Accountant (Practising) with the Hong Kong Institute of Certified Public Accountants (formerly known as the Hong Kong Society of Accountants). He is also a fellow of the Chartered Association of Certified Accountants since 1986. Mr. Yu was appointed as an independent non-executive Director in March 2005.

Senior Management

Mr. Bao Xiangqian, aged 41, joined the Group in January 1999 and was promoted from the sales director of the Group to the position of deputy general manager in November 2004 and is in charge of the Group's marketing activities and correspondences with overseas customers. Mr. Bao graduated from East China University of Technical Engineering in 1988 with a bachelor degree major in Scientific English. He has been engaged in international trading for 16 years. Mr. Bao obtained a Master of Business Administration from the University of Canberra, Australia in July 2005. Mr. Bao is the son of Mr. Bao Jisheng.

Mr. Wang Shengkang, aged 65, joined the Group in June 2002 and was promoted to the position of deputy general manager in November 2004. Mr. Wang is responsible for the personnel and daily administrative operations of the Group. He has been engaged in corporate administration for 20 years.

Mr. Wu Dingfeng, aged 43, has been appointed as the technical controller of the Group since January 2003. Mr. Wu is responsible for daily technical and mechanical operations of the Group. Mr. Wu graduated from the faculty of mechanical engineering in (Zhejiang Engineering College, the PRC) in 1983 with a bachelor degree in engineering. Mr. Wu has been in mechanical engineering industry for over 20 years. Prior to joining the Group in January 2003, Mr. Wu had worked for Yuyao General Machinery Factory and Yuyao Jiehua Compressor Ltd., as technical manager and chief engineer.

Mr. Cheung Wai Tak, aged 54, joined the Group as the financial controller in May 2005 and has been working in the finance and accounting field for over 10 years. Mr. Cheung is a Certified Public Accountant in the United States and is a member of the Hong Kong Institute of Certified Public Accountants. He graduated with an MBA degree from the University of California at Berkeley, the United States in 1981.

董事及高級管理層

執行董事

甄兆威先生，51歲，本集團主席兼聯合創辦人之一。甄先生負責本集團的策略規劃、企業發展及監督整體管理。甄先生一九七六年於香港理工大學(前稱香港理工學院)畢業，取得生產工程高級文憑，並於一九九八年取得英國畢威大學(University of Warwick)理學(工程商業管理)碩士學位。甄先生為美國工程師學會及美國製冷學會會員。甄先生在工業管理及製造方面擁有約26年經驗。

梁國賢先生，54歲，本集團聯合創辦人之一。負責本集團產品開發、物料採購及市場推廣。梁先生一九七五年於香港理工大學(前稱香港理工學院)畢業，取得電機工程技術文憑。梁先生與甄先生合夥在中國投資已約26年，在中國進行製造及分銷方面積累了豐富經驗。

鮑繼聲先生，68歲，自二零零三年一月起為寧波捷豐家居用品有限公司(「寧波捷豐」)總經理。彼於一九九九年一月加入本集團，之前曾擔任餘姚通用機器廠廠長。鮑先生負責寧波捷豐的整體營運。彼在製造、工業工程及商業管理方面擁有逾40年經驗。鮑先生為合資格工程師及餘姚捷豐空調設備有限公司的董事。

獨立非執行董事

關啟昌先生，57歲，於一九七三年自新加坡大學畢業，取得會計學學士學位。關先生於一九七九年取得澳洲特許會計師資格，並自一九八二年起為香港會計師公會會員。彼於一九九二年修畢史丹福行政人員課程(Stanford Executive Program)。彼曾擔任美林公司(Merrill Lynch & Co.)亞太區總裁及營運總監。關先生於二零零五年三月獲委任為獨立非執行董事。

Garry Alides Willinge 先生，57歲，為澳洲公司董事學會(Australian Institute of Company Directors)及香港董事學會(Hong Kong Institute of Directors)資深會員及科廷商學院(Curtin Business School)的副教授。彼於一九七零年自澳洲墨爾本大學畢業，取得理學士學位。於一九九六年，彼取得澳洲Securities Institute Education的應用財務及投資深造文憑。彼曾於一家跨國資訊科技公司擔任數個管理職務。Willinge先生於二零零五年三月獲委任為獨立非執行董事。

俞漢榮先生，50歲，於一九七八年自香港理工大學畢業(前稱香港理工學院)，取得會計學高級文憑，俞先生為香港會計師公會(前稱為Hong Kong Society of Accountants)的執業會計師。自一九八六年起，彼亦為特許公認會計師公會資深委員，俞先生於二零零五三月獲委任為獨立非執行董事。

高級管理層

鮑向前先生，41歲，於一九九九年一月加入本集團，於二零零四年十一月由本集團銷售總監晉升為副總經理，負責本集團的市場推廣活動及與海外客戶聯繫，鮑先生於一九八八年畢業於華東理工大學，取得學士學位，主修科學英文。彼已從事國際貿易達16年。鮑先生於二零零五年七月取得澳洲坎培拉大學的工商管理碩士學位。鮑先生為鮑繼聲先生的兒子。

王勝康先生，65歲，二零零二年六月加入本集團，並於二零零四年十一月晉升為副總經理。王先生負責本集團人事及日常行政工作。他從事企業行政工作已有20年。

吳定鋒先生，43歲，於二零零三年一月獲委任為本集團技術總監。吳先生負責本集團日常技術及機械運作。吳先生於一九八三年畢業於中國浙江工學院機械工程系，取得工程學學士學位。吳先生從事機械工程業已逾20年。於二零零三年一月加入本集團前，吳先生曾擔任餘姚通用機器廠及餘姚捷華壓縮機有限公司的技术經理及總工程師。

張偉德先生，54歲，於二零零五年五月加入本集團出任財務總監，並已於財務會計業工作逾10年。張先生為美國執業會計師，並為香港會計師公會會員。彼於一九八一年於美國加州柏克萊大學畢業，取得工商管理碩士學位。

REPORT OF THE DIRECTORS

The Directors have pleasure to present their report together with the audited financial statements of JF Household Furnishings Limited (“the Company”) and its subsidiaries (collectively the “Group”) for the year ended 31 December 2006.

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 19 January 2005 under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands.

Principal Activities

The Company is an investment holding company. The Group is principally engaged in manufacturing and sales of furnishings, home products and accessories primarily used in kitchens and bathrooms. Turnover represents invoiced value of goods sold, net of value-added tax, and after allowance for goods returned and trade discounts.

An analysis of the turnover from the principal activities during the financial year is set out in note 6 to the financial statements.

Major Customers and Suppliers

The information in respect of the Group’s sales and purchases attributable to the major customers and suppliers respectively during the financial year is as follows:

	Percentage of the Group’s total Sales/Purchases
The largest customer	89.7%
Five largest customers in aggregate	97.8%
The largest supplier	12.7%
Five largest suppliers in aggregate	43.6%

None of the Directors or any of their associates or any shareholders of the Company (who or which to the knowledge of the Directors own more than 5.0% of the share capital of the Company) has any beneficial interest in any of the Group’s five largest customers and suppliers.

Dividends

Pursuant to a resolution passed at a Directors’ meeting on 26 March 2007, a final dividend of HK4.90 cents per share was recommended to be paid to the shareholders of the Company, subject to shareholders’ approval at the forthcoming annual general meeting.

Property, Plant and Equipment

Details of movements in property, plant and equipment are set out in note 13 to the financial statements.

Share Capital

Details of movements in share capital of the Company during the year are set out in note 23 to the financial statements. Shares were issued during the year pursuant to the exercise of certain pre-IPO share options during the year.

Distributable Reserves

At 31 December 2006, the Company’s reserves available for cash distribution amounted to approximately HK\$80.0 million. Under the Companies Law (Revised) of the Cayman Islands, the share premium of the Company is distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business. The share premium may also be distributed in the form of fully paid bonus shares.

董事會報告

董事欣然提呈捷豐家具用品有限公司(「本公司」)及其附屬公司(統稱「本集團」)的董事會報告及截至二零零六年十二月三十一日止年度的經審核財務報表。

本公司於二零零五年一月十九日根據開曼群島公司法第22章(一九六一年第3條法律，經綜合及修訂)在開曼群島註冊成立為獲豁免公司。

主要業務

本公司的主要業務為投資控股，本集團主要從事製造及銷售主要用於廚房及浴室的家居用品及配件。營業額指扣除增值稅及退貨備抵和貿易折扣後售出貨品的發票值。

主要業務於本財政年度的營業額分析載於財務報表附註6。

主要客戶及供應商

於本財政年度內，主要客戶及供應商分別佔本集團銷售及採購的資料如下：

	佔本集團銷售／ 採購總額百分比
最大客戶	89.7%
五大客戶合計	97.8%
最大供應商	12.7%
五大供應商合計	43.6%

就董事所知，概無董事、彼等的聯繫人或本公司的任何股東(彼等擁有本公司超過5.0%股本)擁有本集團任何五大客戶及供應商的實益權益。

股息

根據於二零零七年三月二十六日舉行的董事會會議上通過的一項決議案，建議向本公司股東派付末期股息每股4.90港仙，惟須待股東於應屆股東週年大會上批准方可作實。

物業、廠房及設備

物業、廠房及設備的變動詳情載於財務報表附註13。

股本

本公司於年內的股本變動詳情載於財務報表附註23。年內股份乃根據首次公開招股前購股權之行使而發行。

可供分派儲備

截至於二零零六年十二月三十一日，本公司可供現金分配之儲備約為80,000,000港元。根據開曼群島公司法(經修訂)，本公司之股份溢價賬可分派予本公司股東，惟本公司須於緊隨派發股息日之後仍有能力償還在日常業務中到期之債務。股份溢價帳將以繳足紅利股份的形成分派。

REPORT OF THE DIRECTORS

Directors

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

Executive Directors

Mr. Yan Siu Wai (*Chairman*)
 Mr. Leung Kwok Yin
 Mr. Bao Jisheng

Independent Non-Executive Directors

Mr. Kwan Kai Cheong
 Mr. Garry Alides Willinge
 Mr. Yu Hon Wing, Allan

In accordance with the Company's articles of association, Mr. Bao Jisheng and Mr. Yu Hon Wing, Allan will retire by rotation, and being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

Directors' Service Contracts

On 8 September 2005, all the executive Directors entered into a service contract with the Company for an initial term of three years commenced from 8 September 2005 and expiring on 7 September 2008 which term is renewable automatically for successive terms of one year each commencing from the day next after the expiry of the then current term of their appointment, unless terminated by not less than 6 months' notice in writing served by either party at the end of the initial term or at any time thereafter. Each executive Director is committed by the respective service contracts to devote himself exclusively and diligently to the business and interests of the Group and to keep the Board promptly and fully informed of his conduct of business affairs, among other commitments. All executive Directors are also entitled to a bonus depending on the profit of the Group attributable to shareholders of the Company. The bonus shall be determined by the Board but in any case the aggregate amount payable for each financial year to all the executive Directors of the Company shall not exceed 10% of such profit.

The Board appointed three independent non-executive Directors on 8 March 2005 for a term of 30 months commenced from 8 March 2005 and which will be terminable by serving at least 3 months' prior notice in writing unless otherwise mutually agreed between the respective independent non-executive Director and the Company.

Directors' interests and short positions in shares, underlying shares and debenture of the Company or its associated corporations

As at 31 December 2006, the interests and short positions of the Directors and the chief executives of the Company and each of their respective associates (as defined under the GEM Listing Rules), in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO") which (a) were required, to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of the Part XV of the SFO (including interests and short positions which the Directors were taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

董事

於本財政年度及直至本報告刊發日期止的董事如下：

執行董事

甄兆威先生 (主席)
梁國賢先生
鮑繼聲先生

獨立非執行董事

關啟昌先生
Garry Alides Willinge先生
俞漢榮先生

根據本公司之章程細則，鮑繼聲先生及俞漢榮先生將於應屆股東週年大會上輪值退任，並符合資格膺選連任。

董事服務合約

於二零零五年九月八日，全部執行董事與本公司訂立初步為期三年的服務合約，自二零零五年九月八日生效，並於二零零八年九月七日期滿，除非各方於初步年期或此後任何時間發出六個月書面通知予以終止，否則可自動續期一年，自當時的委任年期到期後翌日起生效。每名執行董事致力就各自的服務合約承諾專心及勤奮地投入到本集團的業務及利益上，並及時及全面通知董事會包括其他承諾的營業事務操守。所有執行董事亦按本公司股東應佔本集團的溢利享有花紅。花紅須由董事會決定，但於任何情況下每個財政年度應付本公司全部執行董事的總額不得超過上述溢利10%。

董事會已於二零零五年三月八日委任三名獨立非執行董事，為期三十個月，自二零零五年三月八日起生效，除非各獨立非執行董事與本公司相互協定，否則可以發出至少三個月的書面通知予以終止。

董事於本公司或其相聯法團的股份、相關股份及債券中的權益及淡倉

於二零零六年十二月三十一日，本公司及其各相關法團(定義見創業板上市規則)之董事及主要行政人員於本公司或其任何相聯法團(定義見香港法例第571章證券及期貨條例第XV部)的股份、相關股份及債券中擁有(a)根據證券及期貨條例第XV部第7及8分部須於股份上市後知會本公司及聯交所的權益或淡倉(包括根據證券及期貨條例有關條文被當作擁有或被視為擁有的權益及淡倉)；(b)或根據證券及期貨條例第352條規定須於股份上市後記錄於該條例所指登記冊的權益或淡倉；(c)或根據創業板上市規則有關董事進行證券交易的第5.46至5.67條須於股份上市後知會本公司及聯交所的權益或淡倉：

REPORT OF THE DIRECTORS

Interests in the shares of the Company

Name of Director	Personal interests	Family interests	Corporate interests	Total	Approximate percentage of the total issued capital of the Company
Mr Yan Siu Wai	12,600,000	—	63,000,000	75,600,000 (Note 1)	44.6%
Mr Leung Kwok Yin	15,120,000	—	35,280,000	50,400,000 (Note 2)	29.7%

Notes:

- Among these 75,600,000 shares, (i) 34,020,000 shares were registered in the name of Excel Strength Investments Limited ("**Excel Strength**"); (ii) 28,980,000 shares were registered in the name of Willhero Investments Limited ("**Willhero**"); and (iii) the remaining 12,600,000 shares were registered in the name of Mr Yan Siu Wai directly. Each of Excel Strength and Willhero is a company incorporated in the BVI and whose entire issued capital is solely owned by Mr Yan Siu Wai. By virtue of the SFO, Mr Yan Siu Wai was deemed to be interested in 63,000,000 shares through his shareholdings in Excel Strength and Willhero.
- Among these 50,400,000 shares, (i) 22,680,000 shares were registered in the name of Hero Talent Investments Limited ("**Hero Talent**"); (ii) 12,600,000 shares were registered in the name of Joyday Consultants Limited ("**Joyday**"); and (iii) the remaining 15,120,000 shares were registered in the name of Mr Leung Kwok Yin directly. Each of Hero Talent and Joyday is a company incorporated in the BVI and whose entire issued capital is solely owned by Mr Leung Kwok Yin. By virtue of the SFO, Mr Leung Kwok Yin was deemed to be interested in 35,280,000 shares through his shareholdings in Hero Talent and Joyday.

Interests in underlying shares of the Company

As at 31 December 2006, three executive Directors have been granted options to subscribe for shares, pursuant to the Pre-IPO Share Option Scheme) as defined in the paragraph headed "Share Options" below), details of which are set out as follows:

Name of Director	Number of Underlying Shares	Date of Grant	Exercise Period (Note)	Exercise price per share
Mr. Yan Siu Wai	4,435,200	8 September 2005	13 April 2006 to 12 October 2010	HK\$0.80
Mr. Leung Kwok Yin	2,956,800	8 September 2005	13 April 2006 to 12 October 2010	HK\$0.80
Mr. Bao Jisheng	3,360,000	8 September 2005	13 April 2006 to 12 October 2010	HK\$0.80

Note: The exercise of the options by the Directors was subject to a moratorium period of 12 months from the date of listing which had expired on 12 October 2006.

董事會報告

於本公司股份之權益

董事姓名	個人權益	家族權益	公司權益	總計	約佔本公司已發行股本總數的百分比
甄兆威先生	12,600,000	—	63,000,000	75,600,000 (附註1)	44.6%
梁國賢先生	15,120,000	—	35,280,000	50,400,000 (附註2)	29.7%

附註：

- 該75,600,000股股份中，(i)34,020,000股股份以Excel Strength Investments Limited(卓能投資有限公司)（「卓能」）名義登記及(ii)28,980,000股股份以Willhero Investments Limited（志雄投資有限公司）（「志雄」）名義登記；及(iii)其餘的12,600,000股股份以甄兆威先生名義直接登記。卓能及志雄均為於英屬處女群島註冊成立的公司，其全部已發行股本由甄兆威先生單獨擁有。根據證券及期貨條例，甄兆威先生被視為通過彼於卓能及志雄的股權而於63,000,000股股份中擁有權益。
- 該50,400,000股股份中，(i)22,680,000股股份以Hero Talent Investments Limited(雄才投資有限公司)（「雄才」）名義登記及(ii)12,600,000股股份以Joyday Consultants Limited(欣日顧問有限公司)（「欣日」）名義登記；及(iii)其餘的15,120,000股股份以梁國賢先生名義直接登記。雄才及欣日均為於英屬處女群島註冊成立的公司，其全部已發行股本由梁國賢先生單獨擁有。根據證券及期貨條例，梁國賢先生被視為通過彼於雄才及欣日的股權而於35,280,000股股份中擁有權益。

本公司相關股份之權益

於二零零六年十二月三十一日，三名執行董事獲授予根據首次公開招股前計劃(定義見下文「購股權」)可認購股份的購股權詳情如下：

董事姓名	相關股份數目	授出日期	行使期間 (附註)	每股行使價
甄兆威先生	4,435,200股	二零零五年 九月八日	二零零六年四月十三日 至二零一零年十月十二日	0.80港元
梁國賢先生	2,956,800股	二零零五年 九月八日	二零零六年四月十三日 至二零一零年十月十二日	0.80港元
鮑繼聲先生	3,360,000股	二零零五年 九月八日	二零零六年四月十三日 至二零一零年十月十二日	0.80港元

附註：然而，董事行使購股權須受自上市日期開始12個月的禁售期所規限(已於二零零六年十月十二日屆滿)。

REPORT OF THE DIRECTORS

Save as disclosed above, as at 31 December 2006, none of the Directors or chief executive of the Company and each of their respective associates (as defined under the GEM Listing Rules) had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which the Directors were taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors, to be notified to the Company and the Stock Exchange.

Substantial Shareholders

As at 31 December 2006, other than the interests disclosed above in respect of certain Directors, the Directors were not aware of any other persons who had interests or short positions in the shares or the underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO.

Share Options

By written resolutions passed on 8 September 2005, the then shareholders of the Company approved and adopted a share option scheme entitling the board of Directors to grant Share options at its discretion before the listing of the Shares (the "Pre-IPO Share Option Scheme"), and conditionally adopted a post-IPO share option scheme (the "Post-IPO Share Option Scheme"). Details of the Share options granted on 8 September 2005 pursuant to the Pre-IPO Share Option Scheme and remained outstanding as at 31 December 2006 are as follows:

	Options held as at 1 January 2006	Options held as at 31 December 2006	Exercise price (HK\$)	Exercisable in April 2006	Exercisable in October 2006
(A) Employees	2,688,000	2,688,000	0.80	2,688,000	
	6,720,000	5,135,000 (note)	0.56	5,135,000	
(B) Directors					
Yan Siu Wai	4,435,200	4,435,200	0.80		4,435,200
Leung Kwok Yin	2,956,800	2,956,800	0.80		2,956,800
Bao Jisheng	3,360,000	3,360,000	0.80		3,360,000
	<u>20,160,000</u>	<u>18,575,000</u>		<u>7,823,000</u>	<u>10,752,000</u>

Note: 1,445,000 share options were exercised in May 2006 and 140,000 share options were exercised in October 2006 by the employees.

Share Option Scheme

Save as disclosed above, as at 31 December 2006, no option has been granted under the Pre-IPO Share Option Scheme and the Post-IPO Share Option Scheme.

Valuation of Share Options

Details of the valuation of share options granted during the year under review are set out in note 24 to the financial statements.

董事會報告

除上文披露者外，於二零零六年十二月三十一日，概無本公司及其各相關法團(定義見創業板上市規則)之董事或主要行政人員於本公司或其任何相聯法團(定義見香港法例第571章證券及期貨條例第XV部)的股份、相關股份及債券中擁有或視為擁有(a)根據證券及期貨條例第XV部第7及8分部須於股份上市後知會本公司及聯交所的權益或淡倉(包括根據證券及期貨條例有關條文被當作擁有或被視為擁有的權益及淡倉)；(b)或根據證券及期貨條例第352條規定須於股份上市後記錄於該條例所指登記冊的權益或淡倉；(c)或根據創業板上市規則有關董事進行證券交易的第5.46至5.67條須於股份上市後知會本公司及聯交所的權益或淡倉。

主要股東

於二零零六年十二月三十一日，除上文所披露有關若干董事的權益外，董事並不知悉任何其他人士於根據證券及期貨條例第336條規定所規定記錄於股東名冊上的本公司股份及相關股份中持有權益或淡倉。

購股權

根據一項於二零零五年九月八日通過的書面決議案，本公司當時的股東批准及採納一項購股權計劃，賦予董事會權力可於股份上市前酌情授出購股權(「首次公開招股前購股權計劃」)，並有條件地採納首次公開招股後購股權計劃(「首次公開招股後購股權計劃」)。有關根據首次公開招股前購股權計劃於二零零五年九月八日授出及於二零零六年十二月三十一日尚未行使的購股權的詳情如下：

	於二零零六年 一月一日 持有的購股權	於二零零六年 十二月三十一日 持有的購股權	行使價 (港元)	於二零零六年 四月可予行使	於二零零六年 十月可予行使
(A) 僱員	2,688,000 6,720,000	2,688,000 5,135,000 (附註)	0.80 0.56	2,688,000 5,135,000	
(B) 董事					
甄兆威	4,435,200	4,435,200	0.80		4,435,200
梁國賢	2,956,800	2,956,800	0.80		2,956,800
鮑繼聲	3,360,000	3,360,000	0.80		3,360,000
	<u>20,160,000</u>	<u>18,575,000</u>		<u>7,823,000</u>	<u>10,752,000</u>

附註： 僱員於二零零六年五月行使1,445,000股購股權及於二零零六年十月行使140,000股購股權。

購股權計劃

於二零零六年十二月三十一日，首次公開招股前購股權及首次公開招股後購股權計劃均未授出購股權。

購股權的估值

於回顧年度授出的購股權估值詳情載於財務報表附註24。

REPORT OF THE DIRECTORS

Connected Transaction

On 29 August 2006, the Group extended a loan (“Loan”) of HK\$1,000,000 to A.C.R Equipment Supplies Limited (“ACR”), a company incorporated in Hong Kong which issued share capital is held as to 30% by Mr. Yan Siu Wai (Chairman of the Group and an executive Director), as to 30% by Madam Mak Man Lee, Manly, spouse of Mr. Yan Siu Wai and as to 40% by Mr. Leung Kwok Yin (an executive Director). The Loan is extended to ACR at an administrative charge of 6% per annum and had been fully repaid to the Group by three installments. The first installment of HK\$800,000.00 was repaid on 14 September 2006, the second installment of HK\$118,500.00 was repaid on 26 October 2006 and the third installment of HK\$81,500.00 was repaid on 6 November 2006.

Directors’ Interests in Contracts

No contract of significance to which the Company or any of its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or any time during the year save and except for the transactions disclosed as connected and/or related party transactions in accordance with the requirements of the GEM Listing Rules and accounting principles generally accepted in Hong Kong.

Purchase, Sale or Redemption of Shares

Since the listing of the Company’s shares on GEM on 13 October 2005, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s shares.

Bank Loans

Particulars of bank loans of the Group as at 31 December 2006 are set out in note 22 to the financial statements.

Retirement Schemes

The Group maintains a mandatory provident fund (“MPF Scheme”) for all qualifying employees in Hong Kong. The Group’s and employee’s contributions to the MPF Scheme are based on 5% of the relevant income of the relevant employee (up to a cap of monthly relevant income of HK\$20,000) and in accordance with the requirements of the Mandatory Provident Fund Schemes Ordinance and related regulations.

Pursuant to the relevant labour rules and regulations in the PRC, the Group participates in defined contribution retirement benefit schemes (“Schemes”) organised by the relevant local government authorities in Yuyao, the PRC whereby the Group is required to make contributions to the Schemes at the rate of 20% of the eligible employees’ salaries. The local government authorities are responsible for the entire pension obligations payable to retired employees.

Application of Proceeds from Capital Raising

The Group raised approximately HK\$23.3 million from the issue of 42,000,000 new shares of the Company at HK\$0.80 per share in October 2005. The Company’s shares were successfully listed on GEM with effect from 13 October 2005. Up to the date of this report, the Group has applied part of the proceeds totaling approximately HK\$17.62 million for the following purposes:

- (i) approximately HK\$13.53 million for the expansion of production capacity;
- (ii) approximately HK\$2.98 million for product diversification;
- (iii) approximately HK\$0.66 million for strengthening the sales and marketing team; and
- (iv) approximately HK\$0.45 million for improving overall management system.

Consistent with the disclosure in the Prospectus, the Group intends to apply the remaining proceeds of approximately HK\$5.68 million for the following purposes:

- (i) as to approximately HK\$4.27 million for the further expansion of production capacity;
- (ii) as to approximately HK\$0.72 million for the further diversification;
- (iii) as to approximately HK\$0.24 million for strengthening the sales and marketing team; and
- (iv) as to approximately HK\$0.45 million for improving overall management system.

關連交易

於二零零六年八月二十九日，本集團向捷豐冷凍器材有限公司（「捷豐冷凍器材」）提供為數1,000,000港元之貸款（「貸款」）。捷豐冷凍器材乃一間於香港註冊成立之公司，其已發行股本由甄兆威先生（本集團主席兼執行董事）、麥曼莉女士（甄兆威先生的配偶）及梁國賢先生（執行董事）分別持有30%、30%及40%。借予捷豐冷凍器材之貸款乃按每年6%之行政費用貸出，並已分三次悉數償還予本集團。首筆為數800,000.00港元之還款於二零零六年九月十四日償還，次筆為數118,500.00港元之還款於二零零六年十月二十六日償還以及第三筆為數81,500.00港元於二零零六年十一月六日償還。

董事於合約的權益

除根據創業板上市規則及香港公認之會計師準則作為關連及／或相關方披露之交易外，概無本公司董事跟本公司或其他任何附屬公司訂立的於本年度內任何時間內或於本年度結束時仍然有效之任何本公司董事直接或間接擁有重大權益重大合約。

買賣或贖回股份

自本公司的股份於二零零五年十月十三日於創業板上市起，本公司或其任何附屬公司概無買賣或贖回任何本公司的股份。

銀行貸款

本集團於二零零六年十二月三十一日的銀行貸款的詳情載於財務報表附註22。

退休金計劃

本集團為其全體香港合資格僱員設立強制性公積金計劃（「強積金計劃」）。本集團及僱員根據強制性公積金計劃條例及相關規例的要求向強積金計劃供款，其相關僱員的供款比率為相關收入的5%（上限為每月相關收入20,000港元）。

根據中國有關勞工條例及規定，本集團參與了由中國餘姚當地政府機構管理的定額退休金供款計劃（「計劃」），據此，本集團須按合資格僱員薪金的20%向該計劃供款。地方政府負責向退休僱員全數發放退休金。

集資所得款項之用途

於二零零五年十月，本集團按每股0.80港元的價格發售42,000,000股本公司新股，籌集約23,300,000港元。本公司股份已於二零零五年十月十三日起在創業板成功上市。直至本年報發表日期，本集團已動用部份所得款合共約17,620,000港元作以下用途：

- (i) 約13,530,000港元作擴大產能；
- (ii) 約2,980,000港元作產品多樣化；
- (iii) 約660,000港元作加強銷售及市場推廣小組；及
- (iv) 約450,000港元作改善本集團的管理系統。

為配合招股章程的披露，本集團有意動用所得款項餘額約5,680,000港元作以下用途：

- (i) 約4,270,000港元作進一步擴大產能；
- (ii) 約720,000港元作進一步多樣化；
- (iii) 約240,000港元作加強銷售及市場推廣小組；及
- (iv) 約450,000港元作改善本集團的管理系統。

CORPORATE GOVERNANCE REPORT

Code of Best Practice

The Group is committed to ensuring high standards of corporate governance and business practices. Subject to the deviations as disclosed in this report, the Group had complied throughout the period from 1 January 2006 to 31 December 2006 with the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 15 of the GEM Listing Rules. The Board will continue to commit itself to achieving a high quality of corporate governance.

Directors' Securities Transactions

The Group has adopted a code of conduct regarding Directors' securities transactions as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry, all Directors have fully complied with the required standard set out in the GEM Listing Rules for the year ended 31 December 2006.

Board of Directors

At 31 December 2006, the Board comprises six members, the chairman and two other executive Directors and three independent non-executive Directors who are independent as defined in the GEM Listing Rules (the biographies of the Directors are set out on page 18).

The Board oversees the Group's strategic development and the overall management of the Group. The Board also monitors the financial performance and internal controls of the Group. The Board members have a broad access to business documents and information about the Group. Two Board committees, namely, the Audit Committee and the Remuneration Committee have been established to oversee particular aspects of the Group's affairs. The Board meets regularly to review the financial and operating performance of the Group and to approve future plans and development.

Four Board meetings were held in 2006 and the average attendance rate was over 75%:

Name of Directors	Number of meetings attended	Attendance rate
Mr. Yan Siu Wai (<i>Chairman</i>)	4/4	100%
Mr. Leung Kwok Yin	4/4	100%
Mr. Bao Jisheng	4/4	100%
Mr. Kwan Kai Cheong	4/4	100%
Mr. Garry Alides Willinge	3/4	75%
Mr. Yu Hon Wing, Allan	4/4	100%

The Chairman and executive Directors also held informal meetings with independent non-executive Directors for the advices on the well being and the long term development of the Group.

All Directors and Board committees have recourse to external legal counsel and other professionals for independent advice at the Group's expense if they require it.

Role of Chairman and General Manager

There is segregation of duties between the Chairman's responsibility for leadership and management of the Board and the Company's strategy, and the General Manager's responsibility to implement the Company's strategy.

The Chairman of the Board is responsible for leading the Board in establishing directions for the Group and monitoring the implementation of corporate strategies and plans for the long term development of the Group and to create value for shareholders.

The General Manager is responsible for managing the operation of the Group's businesses, proposing strategies to the Board, preparing plans and forecast and the implementation of plans and policies adopted by the Board.

企業管治報告

最佳常規守則

本公司致力制訂良好的企業管治及業務常規。除本年報所述之偏離外，於二零零六年一月一日至二零零六年十二月三十一日期間內，本集團已遵守創業板上市規則附錄十五之企業管治常規守則所載原則，董事會將繼續致力達致高質素的企業管治。

董事進行證券交易

本集團已採納載於創業板上市規則第5.48條至5.67條有關董事進行證券交易的操守守則。在向所有董事作出具體查詢後，彼等於截至二零零六年十二月三十一日止年度完全遵守載於規則的規定準則。

董事會

於二零零六年十二月三十一日，董事會由六名成員組成，包括主席、兩名執行董事及三名獨立非執行董事。根據創業板上市規則的界定，該三名獨立非執行董事具有獨立身份(董事之個人資料載於第18頁)。

董事會監察本集團的策略性發展及整體管理。董事會亦監察本公司的財政表現及內部控制。董事會成員可廣泛查閱本集團的業務文件及資料。兩個董事委員會(即審核委員會及薪酬委員會)乃為了監察本集團在有關方面的事務而成立。董事會定期召開會議，檢討本集團的財政及營運表現，以及通過日後的發展策略。

於二零零六年已舉行四次董事會會議，而平均出席率超過75%：

董事姓名	已出席會議次數	出席率
甄兆威先生(主席)	4/4	100%
梁國賢先生	4/4	100%
鮑繼聲先生	4/4	100%
關啟昌先生	4/4	100%
Garry Alides Willinge先生	3/4	75%
俞漢榮先生	4/4	100%

主席及執行董事亦與獨立非執行董事舉行非正式會議，以便獲得有關本集團的利益及長遠發展的意見。

所有董事及董事委員會均可在彼等要求時尋求獨立法律及其他專業意見，相關費用由本集團承擔。

主席及總經理的角色

主席及總經理的職責清楚劃分，主席肩負領導之責及管理董事會及制訂本公司的策略，而總經理則負責執行本公司的策略。

董事會主席負責領導董事會確立本集團的發展方向，並監控企業策略及與本集團長遠發展及為股東創造價值有關的計劃的實施。

總經理負責管理本集團業務的營運、向董事會提呈策略、籌備計劃及預測，以及實行董事會採納的計劃和政策。

CORPORATE GOVERNANCE REPORT

Audit Committee

The Company has established an audit committee with written terms of reference in accordance with Rules 5.28 to 5.33 of the GEM Listing Rules. The primary duties of the audit committee are to review the Company's annual report and accounts, half-year reports and quarterly reports and to provide advice and comments thereon to the Board. The audit committee is also responsible for reviewing internal control procedures of the Group.

The audit committee comprises the three independent non-executive Directors, namely, Mr. Kwan Kai Cheong (chairman), Mr. Garry Alides Willinge and Mr. Yu Hon Wing, Allan.

The audit committee members possess diversified industry experience and the Chairman is an expert on financial and auditing matters. The audit committee meets four times each year. During 2006, the audit committee considered the external auditors' projected audit fees, discussed with the external auditors their independence and the nature and scope of the audit; reviewed the interim and annual financial statements and reviewed the external auditors' management letter and management's response. As a result, they recommended the Board to adopt the quarterly and annual reports for 2006.

Remuneration Committee

The remuneration committee was set up to review the remuneration policies and approved the salary and bonus of the executive Directors and certain key executives, to review the remuneration policy of the Group and to approve the granting of options. One meeting was held in 2006. All committee members are independent non-executive Directors. No executive Director takes part in any discussion about his own remuneration.

Directors' emoluments and retirement benefits are disclosed in note 8 to the financial statement. Details of the granting of options under the Pre-IPO Share Option Scheme and the Post-IPO Share Option Scheme are disclosed on pages 24 to 27.

Auditor's Remuneration

During the year ended 31 December 2006, the remuneration paid and payable to the auditors of the Company, RSM Nelson Wheeler, for the provision of the Group's audit services and taxation services were HK\$470,000 and HK\$5,000 respectively.

Related Party Transactions

The related party transactions are set out in note 30 to the financial statements.

By order of the board
Yan Siu Wai
Chairman

Hong Kong, 26 March 2007

企業管治報告

審核委員會

本公司已成立審核委員會，並根據創業板上市規則第5.28條至第5.33條以書面釐定其職權範圍。審核委員會的主要職責為審閱本公司的年報及賬目、半年報告及季度報告，並就此向董事會提供意見及建議。審核委員會亦負責審閱本集團的內部監控程序。

審核委員會由三名獨立非執行董事，即關啟昌先生(主席)、Garry Alides Willinge先生及俞漢榮先生組成。

審核委員會成員具有不同行業的豐富經驗，而主席亦屬財務及審核工作之專才。審核委員會每年召開四次會議。於二零零六年，審核委員會審核外界核數師之預計核數酬金、與外界核數師審議其獨立性、核數之性質及範圍、審閱中期及年度財務報表、審閱外界核數師致管理層函件以及管理層之回覆。因此，他們建議董事會接納季度報告及二零零六年年報。

薪酬委員會

薪酬委員會的職責為審核薪酬政策及審批所有執行董事及主要高級行政人員之薪金及花紅，並審核集團之薪酬政策及審批授出購股權。二零零六年已舉行了一次會議。所有委員會成員均為獨立非執行董事。並無執行董事參與有關其本身薪酬的討論。

董事酬金及退休福利於財務報表附註8披露。根據首次公開招股前購股權計劃及首次公開招股後購股權計劃授出的購股權詳情於第24頁至第27頁披露。

核數師酬金

於截至二零零六年十二月三十一日止年度，為本集團提供審計服務及稅務服務付及應付予本公司核數師羅申美會計師行之酬金分別為470,000港元及5,000港元。

關聯人士交易

關聯人士交易載於財務報表附註30。

承董事會命
甄兆威
主席

香港，二零零七年三月二十六日

INDEPENDENT AUDITOR'S REPORT

RSM! Nelson Wheeler

羅申美會計師行

Certified Public Accountants

TO THE SHAREHOLDERS OF JF HOUSEHOLD FURNISHINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of JF Household Furnishings Limited (the "Company") set out on pages 36 to 84, which comprise the consolidated balance sheet as at 31 December 2006, and the consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 31 December 2006 and of the Group's results and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

RSM Nelson Wheeler
Certified Public Accountants
Hong Kong

26 March 2007

獨立核數師報告

RSM! Nelson Wheeler

羅申美會計師行

Certified Public Accountants

致捷豐家居用品有限公司全體股東
(於開曼群島註冊成立之有限公司)

本核數師(下稱「吾等」)已審核第36至84頁所載捷豐家居用品有限公司(「貴公司」)之綜合財務報表，包括於二零零六年十二月三十一日之綜合資產負債表、截至該日止年度之綜合收益表、綜合權益變動表及綜合現金流量表，以及主要會計政策概要及其他說明附註。

董事就財務報表之責任

董事須遵照香港會計師公會頒佈之《香港財務報告準則》及《香港公司條例》之披露規定，負責編製並真實兼公平地呈列此等財務報表。此責任包括設計、實行及維持與編製並真實兼公平地呈列財務報表有關之內部監控，以確保其並無重大錯誤陳述(不論其由欺詐或錯誤引起)；選擇並應用適當會計政策；及在不同情況下作出合理之會計估算。

核數師之責任

吾等之責任是根據審核之結果，對此財務報表作出意見。並僅向股東(作為法人)報告，除此以外，別無其他用途。吾等概不就本報告之內容向任何其他人士負責或承擔責任。吾等之審核工作按照香港會計師公會頒佈之《香港審計準則》進行。該等準則要求吾等遵守操守規定以及計劃及進行審核以合理確定此等財務報表是否沒有重大之錯誤陳述。

審核範圍包括進行程序以取得與財務報表所載數額及披露事項有關之審核憑證。選取之程序須視乎核數師之判斷，包括評估財務報表之重大錯誤陳述(不論其由欺詐或錯誤引起)之風險。在作出該等風險評估時，核數師將考慮與公司編製並真實兼公平地呈列財務資料有關之內部監控，以為不同情況設計適當審核程序，但並非旨在就公司內部監控是否有效表達意見。審核範圍亦包括評估所用會計政策之恰當性，董事所作之會計估算之合理性，並就財務報表之整體呈列方式作出評估。

吾等相信，吾等所取得之審核憑證就提出審核意見而言屬充分恰當。

意見

吾等認為，綜合財務報表根據香港財務報告準則足以真實兼公平地顯示 貴集團於二零零六年十二月三十一日之財務狀況及 貴集團截至該日止年度之業績及現金流量，並按照香港公司條例之披露規定妥為編製。

羅申美會計師行
執業會計師
香港

二零零七年三月二十六日

CONSOLIDATED INCOME STATEMENT

綜合收益表

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

		Note 附註	2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元
REVENUE	收益	6	193,902,367	199,625,181
Cost of sales	銷售成本		(158,504,600)	(158,922,912)
Gross profit	毛利		35,397,767	40,702,269
Other income	其他收入	6	4,149,471	868,953
Distribution costs	分銷成本		(2,448,438)	(1,512,091)
Administrative expenses	行政開支		(11,493,403)	(10,826,406)
PROFIT FROM OPERATIONS	經營溢利	7	25,605,397	29,232,725
Finance costs	融資成本	9	(1,079,321)	(1,247,915)
PROFIT BEFORE TAX	除稅前溢利		24,526,076	27,984,810
Income tax expense	所得稅開支	10(a)	(3,863,193)	(4,325,579)
PROFIT FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	本公司股東年內 應佔溢利		20,662,883	23,659,231
DIVIDEND	股息	11	8,309,665	9,488,920
EARNINGS PER SHARE	每股盈利	12		
Basic	基本		0.12	0.17
Diluted	攤薄		0.12	0.17

CONSOLIDATED BALANCE SHEET

綜合資產負債表

At 31 December 2006 於二零零六年十二月三十一日

	Note 附註	2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元	
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	13	29,451,777	13,994,401
Land use rights	土地使用權	14	1,056,784	1,054,752
Deposit paid for acquisition of land use rights	收購土地使用權的已付按金	15	16,015,287	15,553,308
			46,523,848	30,602,461
Current assets	流動資產			
Inventories	存貨	16	42,326,566	32,944,923
Trade receivables	應收貿易賬款	17	26,527,951	31,205,524
Deposits, other receivables and prepayments	按金、其他應收款項及預付款項		5,941,961	6,891,514
Due from a related company	應收一家關聯公司款項	18, 30	19,241	139,920
Pledged bank deposits	已抵押銀行存款		2,235,712	1,170,000
Bank and cash balances	銀行及現金結餘	19	9,397,280	13,636,669
			86,448,711	85,988,550
Current liabilities	流動負債			
Trade payables	應付貿易賬款	20	11,451,980	14,854,039
Other payables and accruals	其他應付款項及應計項目		4,196,345	6,070,846
Dividends payable	應付股息		—	871,876
Due to directors	應付董事款項	21	540,000	571,720
Current tax liabilities	現有稅務負債		1,735,248	3,202,744
Bank borrowings	銀行借款	22	25,524,722	15,865,385
			43,448,295	41,436,610
NET CURRENT ASSETS	淨流動資產		43,000,416	44,551,940
NET ASSETS	淨資產		89,524,264	75,154,401
CAPITAL AND RESERVES	資本及儲備			
Share capital	股本	23	1,695,850	1,680,000
Reserves	儲備		87,828,414	73,474,401
TOTAL EQUITY	總權益		89,524,264	75,154,401

Approved by the Board of Directors on 26 March 2007
董事會於二零零七年三月二十六日批准

Yan Siu Wai
甄兆威
Director
董事

Leung Kwok Yin
梁國賢
Director
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

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

Note	Share capital	Share premium	Merger reserve	Foreign currency translation reserve	Reserve			Retained profits	Proposed final dividend	Total	
					Capital reserve	General reserve	Employee share-based compensation reserve				
附註	股本	股份溢價 (note 26 (a)) (附註 26(a))	合併儲備 (note a) (附註 a)	外匯兌換儲備	資本儲備 (note b) (附註 b)	一般儲備 (note c) (附註 c)	僱員酬金儲備 (note 26(c)) (附註 26(c))	保留溢利	建議末期股息	總值	
	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	
At 1 January 2005	於二零零五年一月一日	-	-	7,358,082	-	131,901	5,338,455	-	12,475,416	-	25,303,854
Exchange difference on translation of financial statements of subsidiaries outside Hong Kong	換算香港境外附屬公司之財務報表而產生之匯兌差異	-	-	567,597	-	-	-	-	-	-	567,597
Share issue expenses	發行股份開支	(10,326,471)	-	-	-	-	-	-	-	-	(10,326,471)
Net expense recognised directly in equity	直接以股本形式確認之淨開支	(10,326,471)	-	567,597	-	-	-	-	-	-	(9,758,874)
Profit for the year	年內溢利	-	-	-	-	-	-	23,659,231	-	-	23,659,231
Total recognised income and expense for the year	年內確認之收入及開支總額	(10,326,471)	-	567,597	-	-	-	23,659,231	-	-	13,900,357
New shares issued on reorganisation	重組時發行之新股份	23(i)&(iv)	20,000	(20,000)	-	-	-	-	-	-	-
Capitalisation of share premium	股本溢價資本化	23(v)	1,240,000	(1,240,000)	-	-	-	-	-	-	-
Shares issued on placing	透過配售發行股份	23(vi)	420,000	33,180,000	-	-	-	-	-	-	33,600,000
Recognition of share-based payment	股份支付確認	24(i)	-	-	-	-	2,350,190	-	-	-	2,350,190
Transfers	轉撥	-	-	-	-	2,799,847	-	(2,799,847)	-	-	-
2005 proposed final dividend	二零零五年建議末期股息	11	-	-	-	-	-	(9,488,920)	9,488,920	-	-
At 31 December 2005	於二零零五年十二月三十一日	1,680,000	21,593,529	7,358,082	567,597	131,901	8,138,302	2,350,190	23,845,880	9,488,920	75,154,401

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

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

Note	Share capital	Share premium	Merger reserve	Foreign currency translation reserve	Reserve			Retained profits	Proposed final dividend	Total	
					Capital reserve	General reserve	Employee share-based compensation reserve				
附註	股本	股份溢價 (note 26 (a)) (附註 26(a))	合併儲備 (note a) (附註 a)	外匯兌換儲備	資本儲備 (note b) (附註 b)	一般儲備 (note c) (附註 c)	僱員酬金儲備 (note 26(c)) (附註 26(c))	保留溢利	建議末期股息	總值	
	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	
At 1 January 2006	於二零零六年一月一日	1,680,000	21,593,529	7,358,082	567,597	131,901	8,138,302	2,350,190	23,845,880	9,488,920	75,154,401
Exchange difference on translation of financial statements of subsidiaries outside Hong Kong	換算香港境外附屬公司之財務報表而產生之匯兌差異	—	—	—	1,897,017	—	—	—	—	—	1,897,017
Net income recognised directly in equity Profit for the year	直接以股本形式確認之淨收入 年內溢利	—	—	—	1,897,017	—	—	—	—	—	1,897,017
Total recognised income and expense for the year	年內確認之收入及開支總額	—	—	—	1,897,017	—	—	—	20,662,883	—	22,559,900
Share issue on exercise of share options	因行使購股權而發行之股份	23(vii)	15,850	1,249,539	—	—	—	(377,789)	—	—	887,600
Recognition of share-based payment	仙股份支付確認	24(i)	—	—	—	—	—	411,283	—	—	411,283
Dividend paid	已付股息	—	—	—	—	—	—	—	(9,488,920)	(9,488,920)	—
Transfers	轉撥	—	—	—	—	814,931	2,162,027	—	(2,976,958)	—	—
2006 proposed final dividend	二零零六年建議末期股息	11	—	—	—	—	—	—	(8,309,665)	8,309,665	—
At 31 December 2006	於二零零六年十二月三十一日	1,695,850	22,843,068	7,358,082	2,464,614	946,832	10,300,329	2,383,684	33,222,140	8,309,665	89,524,264

Note:

附註：

- a. The merger reserve represents the difference between the nominal value of the share capital issued by the Company in exchange for the nominal value of the share capital and share premium of its subsidiaries arising from group reorganisation on 8 September 2005 ("Corporate Reorganisation").
- a. 合併儲備指於二零零五年九月八日進行集團重組時(「集團重組」)產生的本公司已發行股本面值交換其附屬公司之股本及股份溢價面值之差額。
- b. This represents the transfer from retained profits to capital reserve as a result of the write off of certain trade payables by 寧波捷豐家居用品有限公司 (JF A.C.R. Equipment Supplies (Ningbo) Co., Ltd.) ("JF Ningbo"), a subsidiary of the Company. Pursuant to the People's Republic of China ("PRC") accounting principles and financial regulations, any gains arising from debt restructuring which represent the difference between the final settlement and the carrying value of the debt concerned are directly reflected in capital reserve and therefore not distributable. Accordingly, a transfer has been made from retained profits to capital reserve. The capital reserve can only be used to increase capital of this subsidiary.
- b. 資本儲備指因註銷本公司附屬公司寧波捷豐家居用品有限公司(「寧波捷豐」)應付的若干應付貿易款項，轉撥自保留溢利之資本儲備。根據中華人民共和國(「中國」)會計原則及財務規條，因重組債務而產生的任何收益指最後結算與債務帳面值的差額，有關差額直接反映於資本儲備並不可供分派。故此從保留溢利轉撥至資本儲備。資本儲備僅可用作增加此附屬公司之股本。
- c. The general reserve is set up by JF Ningbo by way of appropriation from the profit after tax in accordance with the relevant laws and regulations in the PRC. The rate of appropriation to the general reserve is subject to the decision of the board of directors of JF Ningbo, but the minimum appropriation rate is 10% of the profit after tax for each year, until when the accumulated balance reaches 50% of its registered capital. Pursuant to the relevant laws and regulations of the PRC, if approvals are obtained from the relevant government authorities, the general reserve can be used in setting off accumulated losses or to increase the capital of this subsidiary.
- c. 一般儲備乃由一家於中國成立並營運的附屬公司寧波捷豐，按有關中國的法律及規條由除稅後溢利撥付而成。撥付於一般儲備的比例由寧波捷豐董事會釐定，惟最低撥付比例為每年除稅後溢利的10%，直至累計結餘達其註冊資本的50%。根據中國的有關法律及規條，倘取得有關政府當局的批准，一般儲備可用作抵銷累計虧損或增加此附屬公司之資本。

CONSOLIDATED CASH FLOW STATEMENT

綜合現金流量表

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

		2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元
CASH FLOWS FROM OPERATING ACTIVITIES	經營業務的現金流量		
Profit before tax	除稅前溢利	24,526,076	27,984,810
Adjustments for:	經調整：		
Depreciation	折舊	1,021,559	838,238
Amortisation of land use rights	土地使用權攤銷	29,298	28,452
Loss on disposals of property, plant and equipment	出售物業、廠房及設備損失	—	23,023
Write off of property, plant and equipment	物業、廠房及設備撇賬	2,513	—
Finance costs	融資成本	1,079,321	1,247,915
Interest income	利息收入	(216,374)	(61,403)
Employee share option benefits	僱員購股權福利	411,283	2,350,190
Operating profit before working capital changes	營運資金變動前的經營溢利	26,853,676	32,411,225
Increase in inventories	存貨增加	(9,381,643)	(4,882,866)
Decrease/(Increase) in trade receivables	應收貿易賬款減少／(增加)	4,677,573	(12,308,497)
Decrease in deposits, other receivables and prepayments	按金、其他應收款項及預付款項減少	949,553	4,526,061
(Decrease)/Increase in trade payables	應付貿易賬款(減少)／增加	(3,402,059)	2,292,964
Decrease in deposit received	已收按金減少	—	(1,803,208)
Decrease in amounts due to related companies	應付關連公司款項減少	—	(849,349)
Decrease in bills payable	應付票據減少	—	(1,150,970)
Decrease in other payables and accruals	其他應付款項及應計項目減少	(1,874,501)	(5,528,310)
Decrease in amounts due to directors	應付董事款項減少	(31,720)	—
Cash generated from operations	經營產生的現金	17,790,879	12,707,050
Income tax paid	已付所得稅	(5,330,689)	(2,739,076)
NET CASH FROM OPERATING ACTIVITIES	經營業務產生的現金淨額	12,460,190	9,967,974

CONSOLIDATED CASH FLOW STATEMENT

綜合現金流量表

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

		2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動的現金流量		
Purchase of property, plant and equipment	購置物業、廠房及設備	(16,065,772)	(5,131,359)
Increase in deposit paid for acquisition of land use rights	收購土地使用權的已付按金增加	—	(15,553,308)
(Increase)/decrease in pledged bank deposits	已抵押銀行存款(增加)/減少	(1,065,712)	1,953,264
Sale proceeds from disposals of property, plant and equipment	出售物業、廠房及設備的銷售款項	—	48,077
Decrease/(Increase) in amounts due from related companies	應收關連公司款項減少/(增加)	120,679	(137,070)
Decrease in amounts due to related companies	應付關連公司款項減少	—	(601,469)
Decrease in amounts due from directors	應收董事款項減少	—	1,560
Increase in amounts due to directors	應付董事款項增加	—	79,746
Interest received	已收利息	216,374	61,403
NET CASH USED IN INVESTING ACTIVITIES	投資活動所用的現金淨額	(16,794,431)	(19,279,156)
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動的現金流量		
Proceeds from placing of shares	配售股份所得款項	—	33,600,000
Share issue expenses	發行股份開支	—	(10,326,471)
Proceeds from issue of shares	發行股份所得款項	887,600	—
Inception of new bank loans	新借銀行貸款所得款項	48,420,208	22,596,154
Repayment of bank loans	償還銀行貸款	(38,760,871)	(29,653,127)
Dividend paid	已付股息	(10,360,796)	(5,023,302)
Interest paid	已付利息	(1,079,321)	(1,247,915)
NET CASH (USED IN)/FROM FINANCING ACTIVITIES	融資活動(所用)/產生的現金淨額	(893,180)	9,945,339
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物的(減少)/增加淨額	(5,227,421)	634,157
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	外匯匯率變動的影響	988,032	362,776
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	年初的現金及現金等價物	13,636,669	12,639,736
CASH AND CASH EQUIVALENTS AT END OF YEAR	年末的現金及現金等價物	9,397,280	13,636,669
ANALYSIS OF CASH AND CASH EQUIVALENTS AT END OF YEAR	年末的現金及現金等價物分析		
Bank and cash balances	銀行及現金結餘	9,397,280	13,636,669

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

1. General Information

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The address of its principal place of business is 15th floor, EIB Tower, 4-6 Morrison Hill Road, Wanchai, Hong Kong. The Company's shares are listed on the Growth Enterprise Market (the "GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company is an investment holding company. The principal activities of its subsidiaries are set out in note 27 to the financial statements.

2. Adoption of New and Revised HKFRSs

In the current year, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") that are relevant to its operations and effective for accounting periods beginning on or after 1 January 2006. HKFRSs comprise Hong Kong Financial Reporting Standards ("HKFRS"); Hong Kong Accounting Standards ("HKAS"); and Interpretations. The adoption of these new and revised HKFRSs did not result in substantial changes to the Group's accounting policies and amounts reported for the current year and prior years.

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The application of these new HKFRSs will not have material impact on the financial statements of the Group.

3. Significant Accounting Policies

These financial statements have been prepared in accordance with HKFRSs issued by the HKICPA, accounting principles generally accepted in Hong Kong and the applicable disclosures required by the Rules Governing the Listing of Securities on the GEM of the Stock Exchange and by the Hong Kong Companies Ordinance.

These financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with HKFRSs requires the use of certain key assumptions and estimates. It also requires management to exercise its judgements in the process of applying the accounting policies. The areas involving critical judgements and areas where assumptions and estimates are significant to these financial statements, are disclosed in note 4 to the financial statements.

1. 一般資料

本公司根據開曼群島公司法於開曼群島註冊成立為一家獲豁免公司，其註冊地址為Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands，主要營業地點位於香港灣仔摩利臣山道4-6號經信商業大廈15樓。本公司之股份於香港聯合交易所有限公司（「聯交所」）創業板（「創業板」）上市。

本公司為投資控股公司。本公司各附屬公司的主要業務列載於財務報表附註27。

2. 新訂及經修訂香港財務申報準則的採用

於本年度，本集團已採用經香港會計師公會（「HKICPA」）頒佈的所有與本集團營運有關之新訂及經修訂香港財務申報準則（「HKFRSs」），並於二零零六年一月一日或其後開始的會計期間生效。此財務申報準則包括香港財務申報準則（「HKFRS」）、香港會計準則（「HKAS」）及詮釋。採用此等新訂及經修訂財務申報準則並未導致集團之會計政策及本年度和之前年度的財務報告發生實質性變化。

本集團未採用已頒佈但尚未生效的新訂及經修訂香港財務申報準則。採用此類新訂及經修訂香港財務申報準則將不會對本集團之財務報告產生重大影響。

3. 主要會計政策

本財務報表乃根據香港會計師公會頒佈的新訂及經修訂香港財務申報準則、香港普遍認可的會計原則及創業板上市規則和香港公司條例需要之披露規定而編制。

本財務報表乃按歷史成本法而編制。

編制符合新香港財務申報準則的財務報表，須使用若干主要假設和估計，亦需要管理層在採用會計政策的過程中行使其判斷。涉及重要判斷的內容及對本財務報表產生重要作用之假設和估計的內容披露於財務報表附註4。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

3. Significant Accounting Policies (cont'd)

The significant accounting policies applied in the preparation of these financial statements are set out below.

(a) Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 December. Subsidiaries are entities over which the Group has control. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has control.

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

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 goodwill relating to the subsidiary which was not previously charged or recognised in the consolidated income statement and also any related accumulated foreign currency translation reserve.

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

(b) Foreign currency translation

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

3. 主要會計政策 (續)

編制本財務報表所採用之主要會計政策如下：

(a) 綜合賬項

綜合財務報表包括本公司及其附屬公司編制截至十二月三十一日止的財務報表。附屬公司為本集團控制之實體。透過監管其財務和經營政策，從而自其業務取得利益。評估本集團是否控制另一實體時，會考慮現時可行使或轉換之潛在投票權的存在及其影響。

附屬公司自其控制權轉移予本集團首日起綜合入賬，並於控制權終止當日停止綜合入賬。

出售附屬公司的盈虧指銷售所得款項與本集團所佔資產淨額連同與附屬公司相關的之前未於綜合收益表中入賬或確認的所有商譽以及相關的累計外匯兌換儲備的差額。

集團內公司間交易、結餘及未變現收益予以抵銷。未變現虧損亦予以抵銷，除非交易有證據顯示所轉讓資產出現減值。本公司對附屬公司之會計政策在必要情況下已予修訂，以確保符合本集團所採納之政策。

(b) 外幣兌換

- (i) *功能及呈列貨幣*
本集團各實體之財務報表所包括之項目，乃按該實體經營所在之主要經濟環境之貨幣（「功能貨幣」）計量。綜合財務報表以港元（本公司之功能和呈列貨幣）呈列。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

3. Significant Accounting Policies (cont'd)

(b) Foreign currency translation (cont'd)

(ii) Transactions and balances in each entity's financial statements

Transactions in foreign currencies are translated into the functional currency using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the rates ruling on the balance sheet date. Profits and losses resulting from this translation policy are included in the income statement.

(iii) Translation on consolidation

The results and financial position of all the Group entities that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- Income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and
- All resulting exchange differences are recognised in the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities and of borrowings are recognised in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are recognised in the consolidated income statement as part of the profit or loss on disposal.

3. 主要會計政策 (續)

(b) 外幣兌換 (續)

(ii) 每一實體之財務報表之交易及結餘

外幣交易均按交易日之現行匯率兌換為功能貨幣。外幣之貨幣性資產和負債均按結算日之匯率兌換。按此兌換政策產生的盈虧均包括於收益表內。

(iii) 綜合賬目時兌換

本集團所有實體如持有與呈列貨幣不同之功能貨幣，其業績和財務狀況均按以下方法兌換為公司的呈列貨幣。

- 每項資產負債表之資產與負債均按照該資產負債表結算日之匯率兌換。
- 每項收益表之收入和支出均按照平均匯率兌換(若此平均匯率未能合理反映各交易日匯率所帶來之累計影響，在此情況下，收入和支出則按照交易日之匯率兌換)；及
- 所有匯兌差額均於外幣匯兌儲備中確認。

在編制綜合賬目時，兌換於海外公司投資淨額和借貸產生之匯兌差額於外幣匯兌儲備中確認。當出售海外業務時，此部分匯兌差額將於綜合收益表中確認為出售損益之一部分。

NOTES TO THE FINANCIAL STATEMENTS

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

3. Significant Accounting Policies (cont'd)

(c) Property, plant and equipment

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

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

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost less their residual values over the estimated useful lives on a straight-line basis. The principal useful lives are as follows:

Buildings	20 years
Plant and machinery	10 years
Furniture, fixtures and equipment	5 years
Motor vehicles	5 years

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

Construction in progress represents buildings under construction and plant and machinery pending installation, and is stated at cost less impairment losses. Depreciation begins when the relevant assets are available for use.

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in the income statement.

(d) Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease payments (net of any incentives received from the lessor) are expensed in the income statement on a straight-line basis over the lease term.

3. 主要會計政策 (續)

(c) 物業、廠房及設備

物業、廠房及設備以成本值減累計折舊及減值虧損列賬。

其後的成本包括於資產帳面值內，或當相關之未來經濟利益很可能流入本集團且該成本可靠計量時，可被確認為一項獨立資產(如適用)。其他的所有維修及保養費用均於其產生期間於收益表列支。

物業、廠房及設備乃以直線法於可使用的年期內按足以撇銷其成本減其剩餘價值之比率折舊。主要可使用年限如下：

建築物	20年
廠房及機械	10年
家私、裝置及設備	5年
車輛	5年

資產的剩餘價值、可使用年限及折舊方法將於每個結算日予以檢討及調整(如適用)。

在建工程指在建建築物及待安裝的廠房和機械，以成本值減減值虧損列賬。相關資產投入使用時開始折舊。

出售物業、廠房及設備之盈虧指出售相關資產所得淨額與其帳面值之差額，並於收益表中確認。

(d) 經營租賃

經營租賃乃指出租方承擔資產所有權絕大部分風險及回報之租賃。租賃付款(經扣除自出租方收取之任何獎勵金)於租賃期內以直線法於收益表中列支。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

3. Significant Accounting Policies (cont'd)

(e) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average basis. The cost of finished goods and work in progress comprises raw materials, direct labour and an appropriate proportion of all production overhead expenditure, and where appropriate, subcontracting charges. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(f) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. An allowance for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the allowance is the difference between the receivables' carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate computed at initial recognition. The amount of the allowance is recognised in the income statement.

Impairment losses are reversed in subsequent periods and recognised in the income statement when an increase in the receivables' recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the receivables at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

(g) Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value. Bank overdrafts which are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents.

3. 主要會計政策 (續)

(e) 存貨

存貨以成本值或可變現淨值較低者呈列。成本乃基於加權平均數釐定。製成品及在製品成本包括原材料、直接勞工及適當比例的所有生產間接開支及分判承包費用(如適用)。可變現淨值為日常業務過程中的估計銷售價格減估計完成成本值及估計促成銷售的成本值。

(f) 應收貿易賬款及其他應收款項

應收貿易賬款及其他應收款項初步確認時按公平價格入賬，其後使用實際利率法按攤銷成本減減值撥備釐定。倘有跡象顯示本集團將不能根據應收款項的原有期限收取所有到期金額，將會就應收貿易賬款及其他應收款項作出減值撥備。撥備金額乃應收款項的資產帳面值與估計未來現金流量的現值，按最初確認時的實際利率貼現之差額。撥備金額於收益表中確認入賬。

當應收賬款之可收回金額增加乃客觀地與於確認減值後發生之事件有關時，則減值虧損會於隨後期間撥回並於收益表內確認，惟該應收賬款於撥回減值當日之賬面值不得超過假設未確認減值時之已攤銷成本。

(g) 現金及現金等值物

就現金流量表而言，現金及現金等值物指銀行及手頭現金，銀行及其他財務機構的活期存款及短期高流動性投資(可轉換為現金款項及不受價值變動的高風險所限)。現金及現金等值物亦包括須於要求時清償及屬於本集團現金管理組成部份的銀行透支。

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3. Significant Accounting Policies (cont'd)

(h) Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under HKFRSs. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

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

Trade and other payables

Trade and other payables are stated initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

Equity instruments

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

(i) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably.

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

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

3. 主要會計政策 (續)

(h) 金融負債及權益工具

金融負債及權益工具按就該金融負債及權益工具所訂立的合約安排及香港財務報告準則的定義分類。權益工具為對本集團在扣除所有債務後的資產擁有剩餘權益的任何合約。就特定金融負債及權益工具所採納的會計政策載列如下。

借貸

借貸最初乃按公平值扣除所產生的交易成本確認入賬，其後以實際利率法按攤銷成本釐定。

除非本集團有無條件權利延遲清償負債至結算日後至少十二個月，否則借貸分類為流動負債。

應付貿易賬款及其他應付賬款

應付貿易賬款及其他應付賬款最初按其公平值列賬，其後以實際利率法按攤銷成本釐定，惟倘折扣影響並不重大，則以成本值列賬。

權益工具

由本公司發行的權益工具按發行所得款項扣除直接發行成本入賬。

(i) 確認收益

收益按所收取或應收取代價之公平值計量，並當經濟利益很可能流入本集團且收益數額可靠計量時予以確認。

產成品之銷售收入在擁有權之重大風險及回報轉移時確認，通常亦即為貨品付運及所有權轉讓予客戶時。

利息收入按時間比例基準使用實際利率法確認。

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財務報表附註

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

3. Significant Accounting Policies (cont'd)

(j) Employee benefits

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

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

- (ii) *Pension obligations*
The Group contributes to defined contribution retirement schemes which are available to all employees. Contributions to the schemes by the Group and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charged to the income statement represents contributions payable by the Group to the funds.

- (iii) *Termination benefits*
Termination benefits are recognised when, and only when, the Group demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

(k) Share-based payments

The Group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value (excluding the effect of non market-based vesting conditions) of the equity instruments at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions.

3. 主要會計政策 (續)

(j) 僱員福利

- (i) *僱員可享假期*
僱員可享年假及長期服務休假在僱員應該享有時確認。本集團為截至結算日止僱員已提供之服務而產生之年假及長期服務休假之估計負債作出撥備。

僱員可享病假及產假在僱員正式休假時予以確認。

- (ii) *退休金責任*
本集團向界定供款退休計劃供款，所有僱員均可參與。本集團與僱員之供款按員工基本薪金之百分比計算。在收益表內支銷之退休福利計劃成本指本集團應向基金支付之供款。

- (iii) *合約終止補償*
合約終止補償只會在本集團根據正式、具體，且不大可能撤回的計劃終止僱員合約或根據該計劃自願遣散僱員而終止合約並做出補償時確認。

(k) 以股份支付款項

本集團向若干僱員發放按權益結算以股份支付之款項。按權益結算以股份支付之款項於授出日期按公平價值計量(不包括非市場歸屬條件之影響)。按權益結算以股份支付之款項在授出日釐定之公平價值將依據本集團對最終歸屬之股份作估計，並對非市場歸屬條件之影響作出調整後，以直線法於歸屬期內列作開支。

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財務報表附註

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

3. Significant Accounting Policies (cont'd)

(l) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

All other borrowing costs are recognised in the income statement in the period in which they are incurred.

(m) Government grants

A government grant is recognised when there is reasonable assurance that the Group will comply with the conditions attaching to it and that the grant will be received.

Government grants relating to income are deferred and recognised in the income statement over the period necessary to match them with the costs they are intended to compensate.

(n) Taxation

Income tax represents the sum of the current tax and deferred tax.

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

3. 主要會計政策 (續)

(l) 借貸成本

借貸成本直接與收購、建造或生產合資格資產有關，而該資產須於一段長時間後方可用於其擬定用途或銷售，則此部份借貸成本均撥充為該等資產之成本的一部份，直至該等資產已充份就緒並可作擬定用途或可供出售時為止。在等待將特定借貸款項用在合資格資產上之前，將特定借貸款項作暫時性投資所賺取的投資收入，會用作扣減已資本化的借貸成本。

對於一般性借款用於獲取合資格資產，其借貸成本中可用於資本化的數額乃使用資本化比率對該資產的開支釐定。資本化比率為適用於本公司借貸成本（於相關期間內未償還）的加權平均數，惟為獲取合資格資產而特別作出的借貸除外。

所有其他借貸成本值在產生期間於收益表內確認。

(m) 政府津貼

政府津貼於有合理保證本集團將遵守有關附帶條件及有關津貼將可獲取時予以確認。

與收入有關的津貼延遲，並將需以該等津貼與擬補償的成本值配對的期間內於收益表中確認。

(n) 稅項

所得稅開支指現時稅項及遞延稅項之總額。

現時應付稅項乃按本年度應課稅溢利計算。應課稅溢利不包括其他年度之應課稅或可扣稅之收入或開支項目，亦不包括免稅或不可扣稅之項目，故與收益表所列溢利不同。本集團現時稅項之負債乃使用於結算日已實行或實質已實行之稅率計算。

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3. Significant Accounting Policies (cont'd)

(n) Taxation (cont'd)

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

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

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

3. 主要會計政策 (續)

(n) 稅項 (續)

遞延稅項乃為財務報表內資產及負債賬面值與計算應課稅溢利所用相應稅基間之差異，並採用資產負債表負債法入賬。遞延稅項負債一般按所有應課稅之暫時性差異予以確認，而遞延稅項資產則按可能出現可用以抵銷可扣減之暫時性差異、未使用稅項虧損或未使用稅項抵免之應課稅溢利而予以確認。若暫時性差異乃因商譽或首次確認一項既不影響應課稅溢利亦不影響會計溢利之交易(業務合併除外)中之其他資產及負債而產生，則不予確認有關資產及負債。

遞延稅項負債乃按於附屬公司之投資而引致之應課稅暫時性差異而確認，惟若本集團可控制暫時性差額之回撥及暫時性差額有可能未必於可見將來回撥之情況除外。

遞延稅項資產之賬面值會於每個結算日覆核，倘不再可能有足夠應課稅溢利可用於收回全部或部分遞延稅項資產則會予以扣減。

遞延稅項按預計於負債償還或資產變現期間所採用之稅率計算，所按稅率為於結算日已實行或實質實行之稅率。遞延稅項於收益表內扣除或計入，惟於遞延稅項直接在權益中扣除或計入的情況下，遞延稅項亦會於權益內處理。

當有可合法執行權利許可將即期稅項資產與即期稅項負債互相抵銷，及當其涉及同一稅項機關徵收之所得稅，而本集團計劃以淨額基準處理其即期稅項資產及負債時，則遞延稅項資產可與遞延稅項負債互相抵銷。

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3. Significant Accounting Policies (cont'd)

(o) Related parties

A party is related to the Group if:

- (i) directly or indirectly through one or more intermediaries, the party controls, is controlled by, or is under common control with, the Group; has an interest in the Group that gives it significant influence over the Group; or has joint control over the Group;
- (ii) the party is an associate;
- (iii) the party is a joint venture;
- (iv) the party is a member of the key management personnel of the Company or its parent;
- (v) the party is a close member of the family of any individual referred to in (i) or (iv);
- (vi) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
- (vii) the party is a post-employment benefit plan for the benefit of employees of the Group, or of any entity that is a related party of the Group.

(p) Segment reporting

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

In accordance with the Group's internal financial reporting, the Group has determined that geographical be presented as the primary reporting format and business segments as the secondary reporting format.

3. 主要會計政策(續)

(o) 關聯人士

在下列情況下，有關人士將視為本集團之關聯人士：

- (i) 透過一個或多個中介實體，該方直接或間接控制本集團，或由本集團控制或與本集團受到共同控制；於本集團擁有權益，並可藉此權益對本集團行使重大影響力；或對本集團共同控制；
- (ii) 有關人士為聯營公司；
- (iii) 有關人士為合營企業；
- (iv) 有關人士為本公司或其母公司之主要管理人員；
- (v) 有關人士為(i)或(iv)項所述人士之直系親屬；
- (vi) 有關人士受直接或間接歸屬於(iv)或(v)項所述人士之實體所控制、與他人共同控制或發揮重大影響力，或擁有重大投票權；或
- (vii) 有關人士為本集團或其關連人士之離職後福利計劃之受益人。

(p) 申報分類資料

分類乃指本集團之一個可清楚界定之組成部份，以經營提供產品及服務(業務分類)，或以在一個特定經濟環境經營提供產品或服務之業務(地區分類)作區分，各分類之風險與回報亦與其他分類不同。

根據本集團的內部財務申報，本集團決定以地區分類為首要申報形式，以業務分類為次要申報形式。

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3. Significant Accounting Policies (cont'd)

(p) Segment reporting (cont'd)

Segment revenue, expenses, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to the segment. Unallocated costs mainly represent corporate expenses. Segment assets consist primarily of property, plant and equipment, inventories and trade receivables. Segment liabilities comprise operating liabilities and exclude items such as tax liabilities and corporate borrowings.

Segment revenue, expenses, assets and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between Group enterprises within a single segment.

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

(q) Impairment of assets

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets other than inventories and receivables to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in the income statement, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

3. 主要會計政策 (續)

(p) 申報分類資料 (續)

分類收入、開支、資產及負債包括一個分類直接應佔之項目，以及可按合理基準向有關分類分配之項目。未分配成本主要指企業開支。分類資產主要包括物業、廠房及設備、存貨以及貿易應收賬款。分類負債由經營負債組成，不包括稅項負債及企業借貸等項目。

分類收入、開支、資產及負債在集團成員公司間之結餘款額及集團成員公司間之交易互相對銷(此乃綜合賬目過程之一部份)前釐定，惟倘此等集團成員公司間之結餘款額及交易乃在集團成員公司間某單一分類內產生者，則作別論。

分類資本開支乃於期內購入且預期可使用一個期間以上之分類資產(包括有形及無形資產)所引致之總成本額。

(q) 資產減值

於各結算日，本集團會審閱其有形及無形資產之賬面值(存貨及應收賬款除外)，以釐定是否有任何情況顯示該等資產已出現減值虧損。倘出現任何該等情況，則會估計資產之可收回金額，以釐定減值虧損之數額。如未能對個別資產之可收回金額作出估計，則本集團會評估屬該資產之現金產生單位之可收回金額。

可收回金額乃公平價值減出售成本與使用價值兩者中之較高者。於評估使用價值時，以估計未來現金流量按稅前折現率折現至其現值，稅前折現率反映市場現時對貨幣時間價值及資產特定風險之評估。

倘估計資產或現金產生單位之可收回金額低於其賬面值，則資產或現金產生單位之賬面值將撇減至其可收回金額。減值虧損即時於收益表中確認，除非有關資產乃以重估金額列賬，在該情況下減值虧損將視為重估之減值。

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3. Significant Accounting Policies (cont'd)

(q) Impairment of assets (cont'd)

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised immediately in the income statement, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(r) Provisions and contingent liabilities

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

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

(s) Events after the balance sheet date

Events after the balance sheet date that provide additional information about the Group's position at the balance sheet date or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the financial statements. Events after the balance sheet date that are not adjusting events are disclosed in the notes to the financial statements when material.

3. 主要會計政策 (續)

(q) 資產減值 (續)

倘減值虧損於其後回撥，資產或現金產生單位之賬面值將增加至重新估計之可收回金額，惟增加後之賬面值不得超過於以往年度並無就資產或現金產生單位確認減值虧損而原有之賬面值（扣除攤銷或折舊）。減值虧損之回撥即時於收益表中確認，除非有關資產乃以重估金額列賬，在該情況下減值虧損之回撥將視為重估之增值。

(r) 撥備及或然負債

當本集團因過去的事件負有現有的法律或推定責任，而在履行責任的過程中，很有可能須要付出經濟利益時，對這些在時間及金額上未確定的負債會作出撥備，並作出可靠的評估。當金錢時間值影響重大時，撥備則以預計履行責任時所需支出之現值列賬。

如付出經濟利益的機會不大，或所涉及的金額未能可靠地估計時，除非付出經濟利益的可能性極微，否則這些責任會以或然負債披露。如責任的存在是取決於一件或多件事件將來發生與否時，除非付出經濟利益的可能性極微，否則這些可能的責任亦會以或然負債披露。

(s) 結算日後事項

為本集團於結算日之狀況提供額外資料或顯示持續經營假設於結算日並不合適之結算日後事項，為調整事項並反映於財務報表內。不屬於調整事項之結算日後事項於重要時在附註內作出披露。

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4. Critical Judgements and Key Estimates

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(a) *Property, plant and equipment and depreciation*

The Group determines the estimated useful lives and related depreciation charges for the Group's property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. Management will revise the depreciation charge where useful lives are different to those previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

(b) *Allowances for bad and doubtful debts*

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

5. Financial Risk Management

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

(a) **Foreign currency risk**

The Group has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in Hong Kong dollars, United States dollars and Renminbi. The Group currently does not have a foreign currency hedging policy in respect of foreign currency debt. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

4. 重大判斷及主要估計

估計不明朗因素之主要來源

涉及日後之主要假設及於結算日估計不明朗因素之其他主要來源(彼等均擁有導致下個財政年度之資產及負債面值出現大幅調整之重大風險)討論如下。

(a) *物業、廠房及設備與折舊*

本集團就其物業、廠房及設備釐定估計可用年期及相關折舊開支。此項估計乃根據類似性質及功能之物業、廠房及設備實際可使用年期之過往經驗作出。倘可用年期與先前估計有別，則管理層會修訂折舊開支，或撇銷或撇減已棄用或出售的技術性陳舊或非策略性資產。

(b) *壞帳及呆帳撥備*

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

5. 財務風險管理

本集團之業務活動令其須承受眾多不同之金融風險：外匯風險、信用風險、流動資金風險及利率風險。本集團之整體風險管理計劃主要針對金融市場之不可預測性，旨在將對本集團之財務業績之不利影響減至最低。

(a) **外匯風險**

由於本集團之大部份業務交易、資產及負債主要以港元、美元及人民幣計值，故承受之外匯風險較低。本集團現時並無就外幣債務採納外匯對沖政策。本集團將緊密監察其外匯風險，並將考慮於需要時對沖重大外匯風險。

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5. Financial Risk Management (cont'd)

(b) Credit risk

The Group's principal financial assets are trade and other receivables and bank and cash balances, which represent the Group's maximum exposure to credit risk in relation to financial assets.

The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables, if any, estimated by the Group's management based on prior experience and their assessment of the current economic environment.

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

The Group has significant concentration of credit risk to its trade receivables as the Group's largest customer contributed over 90% of the turnover and shared over 82% of the trade receivables in the year. The Group has policies and procedures to monitor the collection of the trade receivables to limit the exposure to non-recoverable of the receivables.

(c) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

(d) Interest rate risk

As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

(e) Fair values

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated balance sheet approximate their respective fair values.

5. 財務風險管理 (續)

(b) 信用風險

本集團的主要金融資產為貿易及其他應收賬款及銀行及現金結餘，代表本集團所承載與金融資產有關的最大信用風險。

本集團的信用風險主要來自其應收貿易賬款。資產負債表呈報的款額已扣除呆滯應收款項準備(如有)，該等準備按本集團管理層根據過往經驗及彼等對目前經濟環境的評估而作出估計。

流動資金的信用風險有限，原因為對方主要為國際信貸評級機構給予高信用評級的銀行。

本集團應收貿易賬款的信用風險高度集中，原因是本集團的最大客戶於年內佔營業額逾90%及佔應收貿易賬款逾82%。本集團已設定政策及程序監察應收貿易賬款之追收，已限制就應收款項不可收回部份的風險。

(c) 流動資金風險

本集團的政策為定期監控現行及預期流動資金要求以確保其維持充足現金儲備，使其可配合短期及長期的流動資金需要。

(d) 利率風險

由於本集團並無重大計息資產，本集團的收入及經營現金流量實質上獨立於市場利率的轉變。

(e) 公平值

本集團計入綜合資產負債表的金融資產及金融負債之賬面值與其各自的公平值相若。

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

6. Revenue, Other Income and Segment Information

The Group's turnover represented the net invoiced value of goods sold to customers, after allowances for trade discounts and returns.

6. 收益、其他收入及分類資料

本集團之營業額乃指扣減貿易折扣及退貨後，已售予客戶之貨品之發票淨值。

		2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元
Revenue	收益		
Sales of goods	貨品銷售	193,902,367	199,625,181
Other income	其他收入		
Interest income	利息收入	216,374	61,403
Government grants	政府津貼	2,410,901	729,805
Write off of trade payables	註銷應付貿易款項	1,107,244	—
Others	其他	414,952	77,745
		4,149,471	868,953

Segment information is presented by way of two segment formats:

- (i) on a primary segment reporting basis, by geographical segments; and
- (ii) on a secondary segment reporting basis, by business segments.

The Group is principally engaged in manufacturing and sale of furnishings and home products.

分類資料按以下兩種形式申報：

- (i) 主要分類申報形式為按地區分類；及
- (ii) 次要分類申報形式為按業務分類。

本集團主要從事製造及銷售家具及家居用品。

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

6. Revenue, Other Income and Segment Information (cont'd)

(a) Geographical segments based on the location of customers

In determining the Group's geographical segments, revenues, results, assets and liabilities are attributed to the segments based on the location of the customers.

The following tables present revenue, results, assets, liabilities and capital expenditure information for the Group's geographical segments.

6. 收益、其他收入及分類資料(續)

(a) 按客戶所在地區分類

於釐定本集團的地區分類時，收益、業績、資產及負債乃按客戶所在地區計算。

本集團按地區分類之收益、業績、資產、負債及資本開支的資料載列如下：

		PRC 中國		Hong Kong 香港		Consolidated 綜合	
		2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元	2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元	2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元
Segment revenue:	分類收益：						
Sales to external customers	外部客戶的銷售	<u>40,305,064</u>	29,543,207	<u>153,597,303</u>	170,081,974	<u>193,902,367</u>	199,625,181
Segment results	分類業績	<u>2,899,298</u>	3,182,417	<u>24,863,946</u>	32,263,892	<u>27,763,244</u>	35,446,309
Other income	其他收入					<u>4,149,471</u>	868,953
Unallocated expenses	未分配開支					<u>(6,307,318)</u>	(7,082,537)
Profit from operations	經營溢利					<u>25,605,397</u>	29,232,725
Finance costs	融資成本					<u>(1,079,321)</u>	(1,247,915)
Profit before tax	除稅前溢利					<u>24,526,076</u>	27,984,810
Income tax expense	所得稅開支					<u>(3,863,193)</u>	(4,325,579)
Profit for the year	年內溢利					<u>20,662,883</u>	23,659,231
Segment assets	分類資產	<u>8,146,282</u>	9,673,860	<u>18,389,166</u>	21,605,295	<u>26,535,448</u>	31,279,155
Unallocated assets	未分配資產					<u>106,437,111</u>	85,311,856
Total assets	總資產					<u>132,972,559</u>	116,591,011
Segment liabilities	分類負債	<u>1,065,033</u>	—	<u>—</u>	—	<u>1,065,033</u>	—
Unallocated liabilities	未分配負債					<u>42,383,262</u>	41,436,610
Total liabilities	總負債					<u>43,448,295</u>	41,436,610
Other segment information:	其他分類資料：						
Unallocated depreciation	未分配折舊					<u>1,021,559</u>	838,238
Unallocated capital expenditure	未分配資本開支					<u>16,065,772</u>	5,131,359

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

6. Revenue, Other Income and Segment Information (cont'd)

(b) Geographic segments based on the location of assets

All of the Group's assets are substantially located in the PRC. No additional information in respect of segment assets and capital expenditure information are presented.

(c) Business segments

No business segment information is presented as all the Group's turnover and contribution to operating results were arose from manufacturing and sale of furnishings and home products during the year.

7. Profit from Operations

The Group's profit from operations is stated after charging the following:

6. 收益、其他收入及分類資料 (續)

(b) 按資產所在地區之地區分類
本集團的所有資產主要位於中國。就分類資產及資本開支資料而言概無額外資料呈列。

(c) 業務分類

由於本集團之所有營業額及經營業績貢獻乃於年內因製造及出售家具及家庭用品產生，因此概無業務分類資料呈列。

7. 經營溢利

本集團的經營溢利經扣除下列各項列賬：

		2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元
Auditors' remuneration	核數師之酬金	498,624	415,615
Cost of inventories sold	已出售存貨成本	158,504,600	158,922,912
Depreciation	折舊	1,021,559	838,238
Loss on disposals of property, plant and equipment	出售物業、廠房及設備虧損	—	23,023
Staff costs (including directors' emoluments (note 8))	員工成本(包括董事酬金(附註8))		
Fees	袍金	260,000	211,771
Basic salaries, bonuses, allowances and benefits in kind	基本薪金、花紅、津貼及實物收益	14,428,606	13,297,920
Retirement benefits scheme contributions	退休福利計劃供款	1,507,810	1,613,509
Employee share option benefits (equity settled)	僱員購股權福利(以股本結算)	411,283	2,350,190
Operating lease — land and buildings	經營租約 — 土地及建築物	125,251	71,952
Net exchange losses	淨匯兌虧損	2,223,854	617,374
Write off of property, plant and equipment	註銷物業、廠房及設備	2,513	—

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

7. Profit from Operations (cont'd)

Cost of inventories sold included staff costs and depreciation of approximately HK\$12,268,043 (2005: HK\$11,803,874) which are included in the amounts disclosed separately above.

Note:

According to the Mandatory Provident Fund ("MPF") legislation regulated by the Mandatory Provident Fund Schemes Authority in Hong Kong, with effect from 1 December 2000 the Group is required to participate in MPF Scheme operated by approved trustees in Hong Kong and to make contributions for its eligible employees. The contributions borne by the Group are calculated at 5% of the salaries and wages (monthly contribution is limited to 5% of HK\$20,000 for each eligible employee) as calculated under the MPF legislation.

Employees of the Group in the PRC participate in a retirement benefit plan (社會保險基金) under which the Group is obliged to make monthly defined contributions to the plan at 20% of the employee's basic salary during the year.

7. 經營溢利 (續)

已出售存貨成本包括員工成本及折舊約12,268,043港元(二零零五年: 11,803,874港元)已計入上述分別披露之款項內。

附註:

根據自二零零零年十二月一日起生效的香港強制性公積金計劃管理局監管的強制性公積金(「強積金」)條例, 本集團需參與由香港認可受託人經營的強積金計劃, 並為其合資格僱員作出供款。根據強積金條例, 本集團承擔的供款按薪金及工資的5%(每名合資格僱員的每月供款限於20,000港元之5%)計算。

本集團為其於中國的僱員參與社會保險基金, 據此本集團有責任按年內僱員基本薪金的20%, 向該基金每月定額供款。

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

8. Directors' Emoluments and Five Highest Paid Individuals

Details of emoluments of the directors of the Company disclosed pursuant to the Rules Governing the Listing of Securities on the GEM of the Stock Exchange and Section 161 of the Hong Kong Companies Ordinance are as follows:

For the year ended 31 December 2006

Name of director	Fees	Salaries, allowances and benefits in kind	Discretionary bonus	Share-based payment	Retirement benefits scheme contributions	Total emoluments	
董事姓名	袍金	薪金、津貼及實物利益	酌情花紅	以股份支付款項	退休福利計劃供款	酬金總額	
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	
	港元	港元	港元	港元	港元	港元	
Executive directors	執行董事						
Mr. Yan Siu Wai	甄兆威先生	—	408,000	142,000	57,000	12,000	619,000
Mr. Leung Kwok Yin	梁國賢先生	—	216,000	134,000	38,000	11,150	399,150
Mr. Bao Jisheng	鮑繼聲先生	—	715,986	454,000	43,182	—	1,213,168
Independent non-executive directors	獨立非執行董事						
Mr. Kwan Kai Cheong	關啟昌先生	100,000	—	—	—	—	100,000
Mr. Garry Alides, Willinge	Garry Alides, Willinge先生	100,000	—	—	—	—	100,000
Mr. Yu Hon Wing, Allan	俞漢榮先生	60,000	—	—	—	—	60,000
Total	總額	260,000	1,339,986	730,000	138,182	23,150	2,491,318

8. 董事酬金及五位最高薪酬人士

根據創業板證券上市規則及香港公司條例第161條，本公司董事之酬金詳情披露如下：

截至二零零六年十二月三十一日止年度

For the year ended 31 December 2005

截至二零零五年十二月三十一日止年度

Name of director	Fees	Salaries, allowances and benefits in kind	Discretionary bonus	Share-based payment	Retirement benefits scheme contributions	Total emoluments	
董事姓名	袍金	薪金、津貼及實物利益	酌情花紅	以股份支付款項	退休福利計劃供款	酬金總額	
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	
	港元	港元	港元	港元	港元	港元	
Executive directors	執行董事						
Mr. Yan Siu Wai	甄兆威先生	—	505,428	44,572	325,716	7,000	882,716
Mr. Leung Kwok Yin	梁國賢先生	—	307,939	42,061	217,144	5,810	572,954
Mr. Bao Jisheng	鮑繼聲先生	—	825,892	348,339	246,755	—	1,420,986
Independent non-executive directors	獨立非執行董事						
Mr. Kwan Kai Cheong	關啟昌先生	81,450	—	—	—	—	81,450
Mr. Garry Alides, Willinge	Garry Alides, Willinge先生	81,450	—	—	—	—	81,450
Mr. Yu Hon Wing, Allan	俞漢榮先生	48,871	—	—	—	—	48,871
Total	總額	211,771	1,639,259	434,972	789,615	12,810	3,088,427

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

8. Directors' Emoluments and Five Highest Paid Individuals (cont'd)

During the year ended 31 December 2005, 10,752,000 options were granted to the executive directors, under the share option scheme as stated in note 24 to the financial statements.

There was no arrangement under which a director waived or agreed to waive any emoluments during the year (2005: HK\$Nil).

The five highest paid individuals in the Group for the year ended 31 December 2006 included three (2005: three) directors, details of whose emoluments are disclosed above. Details of the emoluments of the remaining two (2005: two) highest paid individuals for the year ended 31 December 2006, which fell within the "HK\$Nil to HK\$1,000,000" band, are as follows:

Basic salaries, allowances and benefits in kind	基本薪金、津貼、及實物利益
Discretionary bonus	酌情花紅
Share-based payment	以股份支付款項
Retirement benefits scheme contributions	退休福利計劃供款

During the year, no emoluments were paid or payable by the Group to any of the directors or the five highest paid individuals as an inducement to join, or upon joining the Group, or as compensation for loss of office (2005: HK\$Nil).

8. 董事酬金及五位最高薪酬人士 (續)

於截至二零零五年十二月三十一日止年度，根據財務報表附註24所述的購股權計劃，向執行董事授出購股權10,752,000份。

年內，董事概無根據任何安排放棄或同意放棄領取酬金（二零零五年：零港元）。

本集團於截至二零零六年十二月三十一日止年度的五位最高薪酬人士包括三位（二零零五年：三位）董事，彼等的酬金詳情載於上文。其餘兩位「二零零五年：兩位」最高薪酬人士於截至二零零六年十二月三十一日止年度的酬金介乎「零港元至1,000,000港元」之間，詳情如下：

	2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元
	648,515	644,231
	200,000	200,000
	118,324	676,136
	22,373	13,734
	989,212	1,534,101

年內，本集團概無向任何董事或五位最高薪酬人士支付或應支付酬金作為加入本集團或加入本集團後的獎賞或作為離職補償。（二零零五年：零港元）

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

9. Finance Costs

Interest on bank loans 銀行貸款利息
Amount capitalised 資本化款項

2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元
1,220,745	1,247,915
(141,424)	—
1,079,321	1,247,915

Borrowing costs on funds borrowed generally are capitalised at a rate 6.12% per annum (2005: Nil).

一般性借入的資金之借貸成本按年利率6.12厘資本化(二零零五年：零)。

10. Income Tax Expense

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

Current tax — PRC 本期稅項 — 中國
enterprise income tax 企業所得稅
Over-provision in prior year 以前年度超額撥備

2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元
3,879,904	4,325,579
(16,711)	—
3,863,193	4,325,579

No provision for Hong Kong Profits Tax in Hong Kong is required since the Group has no assessable profit for the year (2005: HK\$Nil).

由於本集團於年內並無應課稅溢利(二零零五年：零港元)，故無須就於香港的香港利得稅作出撥備。

Pursuant to the relevant laws and regulations in the PRC, JF Ningbo operating in Zhejiang Province, the PRC, is subject to enterprise income tax rate at 26.4% on its taxable profit in accordance with Income Tax Law of People's Republic of China for Enterprises with Foreign Investment and Foreign Enterprises.

根據中國有關的法律及法規，於中國浙江省經營的寧波捷豐可根據中華人民共和國外商投資企業和外國企業所得稅法，按其應課稅溢利繳納企業所得稅26.4%。

Pursuant to the relevant laws and regulations in the PRC, JF Ningbo is entitled to a 50% reduction for the enterprise income tax as over 70% of the goods sold were exported goods.

根據中國有關的法律及法規，因其超過70%的出售貨品為出口貨品，故寧波捷豐獲寬減50%企業所得稅。

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

10. Income Tax Expense (cont'd)

- (a) Taxation included in the consolidated income statement represents: (cont'd)

Pursuant to the relevant laws and regulations in the PRC, 寧波捷豐金屬製品有限公司 (Ningbo JF Metal Products Co. Ltd.) ("JF Metal") and 寧波捷豐現代家具有限公司 (Ningbo JF Furniture Co., Ltd.) ("JF Furniture"), two subsidiaries of the Company operating in Zhejiang Province, the PRC, are subject to enterprise income tax rate at 26.4% on its taxable profit in accordance with Income Tax Law of People's Republic of China for Enterprises with Foreign Investment and Foreign Enterprises. JF Metal and JF Furniture are entitled to a two-year exemption from enterprise income tax starting from its first profit-making year followed by a 50% reduction for the subsequent three years. No provision for PRC enterprise income tax has been made as JF Metal and JF Furniture incurred tax loss for the year.

- (b) No provision for deferred taxation has been made in the financial statements as the effect of temporary differences is immaterial to the Group.
- (c) The reconciliation between the income tax expense and the product of profit before tax multiplied by the PRC enterprise income tax rate is as follows:

10. 所得稅開支(續)

- (a) 載入綜合收益表的稅項如下：
(續)

根據中國有關的法律及法規，於中國浙江省經營的本公司兩間附屬公司寧波捷豐金屬製品有限公司(「捷豐金屬」)及寧波捷豐現代家具有限公司(「捷豐家具」)可根據中華人民共和國外商投資企業和外國企業所得稅法，按其應課稅溢利繳納企業所得稅26.4%。捷豐金屬及捷豐家具自其首個獲利年度起豁免兩年企業所得稅，並於其後三年獲寬減50%稅項。由於捷豐金屬及捷豐家具於年內產生稅項虧損，故並無就中國企業所得稅作出撥備。

- (b) 由於暫時性差異對本集團的影響並不重大，故並無於財務報表中就遞延稅項作出撥備。
- (c) 所得稅開支與除稅前溢利乘中國企業所得稅稅率之乘積對賬如下：

		2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元
Profit before tax	除稅前溢利	24,526,076	27,984,810
Tax at PRC enterprise income tax rate of 33% (2005: 33%)	按中國企業所得稅稅率33% (二零零五年：33%)計稅	8,093,605	9,234,987
Effect of preferential tax rate	優惠稅率的影響	(4,856,163)	(5,540,992)
Tax effect of income that is not taxable	不用課稅收入的稅務影響	(106,750)	(96,334)
Tax effect of expenses that are not deductible	不可扣稅開支的稅務影響	707,866	945,832
Tax effect of temporary differences not recognised	未確認暫時性差異的稅務影響	—	(225,058)
Tax effect of tax losses not recognised	未確認稅務虧損的稅務影響	41,346	7,144
Over-provision in prior year	以前年度超額撥備	(16,711)	—
Income tax expense	所得稅開支	3,863,193	4,325,579

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

11. Dividend

Proposed final dividend — HK4.9 cents (2005: HK5.6 cents) per ordinary share	建議派付之末期股息— 每股普通股4.9港仙 (二零零五年：5.6港仙)
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The previously reported proposed final dividend for the year ended 31 December 2005 was HK\$9,408,000. The additional amount of HK\$80,920 paid was as a result of the exercise of 1,445,000 share options prior to the transfer books and register of members of the Company being closed for payment of final dividend for the year ended 31 December 2005.

11. 股息

2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元
8,309,665	9,488,920

截至二零零五年十二月三十一日止年度呈報之建議派付之末期股息為9,408,000港元。於本公司過戶登記冊及股東名冊停止登記派付截至二零零五年十二月三十一日止年度末期股息前，1,445,000份購股權獲行使，導致額外支付款項80,920港元。

12. Earnings per Share

The calculation of basic and diluted earnings per share are based on the following:

Earnings Profit attributable to equity holders of the Company, used in the basic and diluted earnings per share calculation	盈利 用於計算每股基本盈利及 攤薄盈利之本公司 股東應佔溢利
---	--

Number of shares Weighted average number of ordinary shares used in basic earnings per share calculation	股份數目 用於計算每股基本盈利之 普通股加權平均數
--	--

Effect of share option	購股權的影響
------------------------	--------

Weighted average number of ordinary shares used in diluted earnings per share calculation	用於計算每股攤薄 盈利之普通股加權 平均數
---	-----------------------------

The basis of calculation of the earnings per share for 2005 have been changed to conform to the current year's basis of calculation.

12. 每股盈利

每股基本盈利及攤薄盈利乃根據下列各項計算：

2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元
20,662,883	23,659,231
168,922,054	135,320,548
1,635,318	635,178
170,557,372	135,955,726

二零零五年每股盈利的計算基準已作出修訂以令其與本年度的計算基準相合。

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

13. Property, Plant and Equipment**13. 物業、廠房及設備**

		Buildings 建築物	Plant and machinery 廠房及機械	Furniture, fixtures and equipment 裝置及設備	Motor vehicles 車輛	Construction in progress 在建工程	Total 總額
		HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元
Cost	成本						
At 1 January 2005	於二零零五年一月一日	7,032,037	2,521,278	212,739	862,792	—	10,628,846
Additions	添置	—	1,674,048	116,614	—	3,340,697	5,131,359
Disposals	出售	—	—	—	(90,000)	—	(90,000)
Exchange difference	匯兌差額	135,231	48,486	4,091	16,592	—	204,400
At 31 December 2005 and 1 January 2006	於二零零五年 十二月三十一日及 二零零六年一月一日	7,167,268	4,243,812	333,444	789,384	3,340,697	15,874,605
Additions	添置	—	3,290,997	360,171	95,010	12,319,594	16,065,772
Write off	註銷	—	(3,802)	—	—	—	(3,802)
Transfer	轉撥	3,784,388	—	—	—	(3,784,388)	—
Exchange difference	匯兌差額	212,889	126,054	9,904	23,448	99,229	471,524
At 31 December 2006	於二零零六年 十二月三十一日	11,164,545	7,657,061	703,519	907,842	11,975,132	32,408,099
Accumulated depreciation	累計折舊						
At 1 January 2005	於二零零五年一月一日	593,660	222,578	40,731	183,881	—	1,040,850
Charge for the year	年內折舊	322,787	308,524	59,438	147,489	—	838,238
Disposals	出售	—	—	—	(18,900)	—	(18,900)
Exchange difference	匯兌差額	11,417	4,280	783	3,536	—	20,016
At 31 December 2005 and 1 January 2006	於二零零五年 十二月三十一日及 二零零六年一月一日	927,864	535,382	100,952	316,006	—	1,880,204
Charge for the year	年內折舊	270,138	523,305	75,306	152,810	—	1,021,559
Write off	註銷	—	(1,289)	—	—	—	(1,289)
Exchange difference	匯兌差額	27,560	15,902	2,999	9,387	—	55,848
At 31 December 2006	於二零零六年 十二月三十一日	1,225,562	1,073,300	179,257	478,203	—	2,956,322
Carrying amount	賬面值						
At 31 December 2006	於二零零六年 十二月三十一日	9,938,983	6,583,761	524,262	429,639	11,975,132	29,451,777
At 31 December 2005	於二零零五年 十二月三十一日	6,239,404	3,708,430	232,492	473,378	3,340,697	13,944,401

The Group's buildings are situated in the PRC.

本集團的建築物位於中國。

At 31 December 2006, the Group's buildings with carrying value of approximately HK\$7,678,000 (2005: HK\$5,516,000) were pledged as security to a bank for the Group's banking facilities (note 22).

於二零零六年十二月三十一日，本集團賬面值約7,678,000港元(二零零五年：5,516,000港元)的建築物已質押予銀行，作為本集團銀行信貸的抵押品(附註22)。

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

14. Land Use Rights

14. 土地使用權

		HK\$ 港元
Cost	成本	
At 1 January 2005	於二零零五年一月一日	1,395,780
Exchange difference	匯兌差額	26,842
At 31 December 2005 and 1 January 2006	於二零零五年十二月三十一日及 二零零六年一月一日	1,422,622
Exchange difference	匯兌差額	42,256
At 31 December 2006	於二零零六年十二月三十一日	1,464,878
Accumulated amortisation	累計攤銷	
At 1 January 2005	於二零零五年一月一日	333,013
Charge for the year	年內攤銷	28,452
Exchange difference	匯兌差額	6,405
At 31 December 2005 and 1 January 2006	於二零零五年十二月三十一日及 二零零六年一月一日	367,870
Charge for the year	年內攤銷	29,298
Exchange difference	匯兌差額	10,926
At 31 December 2006	於二零零六年十二月三十一日	408,094
Carrying amount	賬面值	
At 31 December 2006	於二零零六年十二月三十一日	1,056,784
At 31 December 2005	於二零零五年十二月三十一日	1,054,752

The Group's land use rights are situated in the PRC under medium term leases expiring in 2043 and pledged as security to a bank for the Group's banking facilities (note 22).

本集團在中國的土地使用權以中期租約持有，於二零四三年到期，並已質押予銀行作為本集團銀行信貸的抵押品(附註22)。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

15. Deposit Paid for Acquisition of Land Use Rights**15. 收購土地使用權的已付按金**HK\$
港元

At 1 January 2005	於二零零五年一月一日	—
Addition	添置	15,553,308
At 31 December 2005 and 1 January 2006	於二零零五年十二月三十一日及 二零零六年一月一日	15,553,308
Exchange difference	匯兌差額	461,979
At 31 December 2006	於二零零六年十二月三十一日	16,015,287

The consideration for acquisition of the land use rights of a parcel of land located in the PRC for a term of 50 years commencing from the date of issue of the State-owned Land Use Rights Certificate. The Group is in the process of obtaining the relevant State-owned Land Use Rights Certificate.

收購一幅位於中國的地塊的土地使用權代價，由國有土地使用權證發出日期起計為期50年。本集團正在取得有關國有土地使用權證。

16. Inventories**16. 存貨**

		2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元
Raw materials	原材料	29,468,069	19,532,738
Work in progress	在製品	11,029,307	12,326,220
Finished goods	製成品	1,829,190	1,085,965
		42,326,566	32,944,923

17. Trade Receivables**17. 應收貿易賬款**

		2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元
Trade receivables	應收貿易賬款	22,264,462	23,913,826
Trade receivables from a related company	應收一間關聯公司貿易賬款	4,263,489	7,291,698
		26,527,951	31,205,524

Particulars of the trade receivables from a related company are as follows:

應收一間關聯公司貿易賬款的詳情如下：

		2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元
浙江帥康電器股份有限公司 (Zhejiang Shuaikang Electric Stock Co. Ltd.) ("Zhejiang Shuaikang") (note 30)	浙江帥康電器股份有限公司 (「浙江帥康」) (附註30)	4,263,489	7,291,698
Maximum balance	最高結餘	7,757,179	8,183,628

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

17. Trade Receivables (cont'd)

The Group normally granted customers with credit terms of 30 to 90 days. The ageing analysis of the Group's trade receivables is as follows:

		2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元
0 - 30 days	0至30日	23,594,740	18,507,628
31 - 60 days	31日至60日	1,521,422	10,946,081
61 - 90 days	61至90日	1,376,771	1,751,815
Over 90 days	超過90日	35,018	—
		26,527,951	31,205,524

18. Due from a Related Company

The amount due from a related company represents expenses paid on behalf of 餘姚捷豐空調設備有限公司 (Yuyao Jiefeng Air Conditioning Equipment Co. Ltd.) ("Yuyao Jiefeng") by the Group. The balances outstanding at 31 December 2005 and 31 December 2006 respectively are unsecured, interest-free and have no fixed terms of repayment (note 30).

19. Bank and Cash Balances

At 31 December 2006, bank and cash balances of the Group denominated in Renminbi ("RMB") amounted to approximately HK\$7,200,000 (2005: HK\$12,517,000). Conversion of RMB into foreign currencies is subject to PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations.

20. Trade Payables

Trade payables	應付貿易賬款
Trade payables to related companies	應付關聯公司貿易賬款

17. 應收貿易賬款 (續)

本集團一般給予客戶30至90天的信貸期。本集團應收貿易賬款的賬齡分析如下：

18. 應收一間關聯公司款項

應收一間關聯公司款項指本集團代餘姚捷豐空調設備有限公司(「餘姚捷豐」)支付的開支。分別於二零零五年十二月三十一日及二零零六年十二月三十一日的未償還結餘均為無抵押、免息及並無固定還款期(附註30)。

19. 銀行及現金結餘

於二零零六年十二月三十一日，本集團以人民幣(「人民幣」)列值的銀行及現金結餘約7,200,000港元(二零零五年：12,517,000港元)。人民幣兌換外幣受中國外匯管制條例及結匯、售匯及付匯管理條例所規限。

20. 應付貿易賬款

		2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元
Trade payables	應付貿易賬款	11,161,220	14,843,784
Trade payables to related companies	應付關聯公司貿易賬款	290,760	10,255
		11,451,980	14,854,039

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

20. Trade Payables (cont'd)

Particulars of the trade payables to related companies are as follows:

		2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元
Yuyao Jiefeng (note 30)	餘姚捷豐 (附註30)	263,533	—
餘姚港舜現代印務有限公司 (Yuyao Kongshun Modern Printing Service Co. Ltd.) (note 30)	餘姚港舜現代印務有限公司 (附註30)	27,227	10,255
		290,760	10,255

The credit terms of trade payables varies according to terms of different suppliers which generally ranging from letter of credit at sight to 90 days. The ageing analysis of trade payables is as follows:

		2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元
0 - 30 days	0至30日	7,784,539	5,759,646
31 - 60 days	31至60日	2,315,599	2,562,711
61 - 90 days	61至90日	579,442	2,141,831
Over 90 days	超過90日	772,400	4,389,851
		11,451,980	14,854,039

21. Due to Directors

		2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元
Mr. Yan Siu Wai	甄兆威先生	320,000	343,032
Mr. Leung Kwok Yin	梁國賢先生	220,000	228,688
		540,000	571,720

The amounts due to directors represent the temporary cash advance from the directors. The amounts are interest-free, unsecured and have no fixed terms of repayment.

20. 應付貿易賬款 (續)

應付關聯公司貿易賬款的詳情如下：

		2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元
Yuyao Jiefeng (note 30)	餘姚捷豐 (附註30)	263,533	—
餘姚港舜現代印務有限公司 (Yuyao Kongshun Modern Printing Service Co. Ltd.) (note 30)	餘姚港舜現代印務有限公司 (附註30)	27,227	10,255
		290,760	10,255

應付貿易賬款的信貸期按不同供應商的條款而有所不同，一般介乎即期信用證至90日。應付貿易賬款的賬齡分析如下：

		2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元
0 - 30 days	0至30日	7,784,539	5,759,646
31 - 60 days	31至60日	2,315,599	2,562,711
61 - 90 days	61至90日	579,442	2,141,831
Over 90 days	超過90日	772,400	4,389,851
		11,451,980	14,854,039

21. 應付董事款項

		2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元
Mr. Yan Siu Wai	甄兆威先生	320,000	343,032
Mr. Leung Kwok Yin	梁國賢先生	220,000	228,688
		540,000	571,720

應付董事款項指董事提供的臨時現金墊款。該款項為免息、無抵押及無固定還款期。

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

22. Bank Borrowings

Bank loans are repayable on demand or within one year	於要求時或一年內償還的銀行貸款
— secured	— 有抵押
— unsecured	— 無抵押
Amounts due for settlement within 12 months	於12個月內到期結算的款項金額

The carrying amounts of the Group's bank borrowings are denominated in the following currencies:

RMB	人民幣
US\$	美元

The effective interest rates per annum at the balance sheet date are as follows:

Bank loans	銀行貸款
------------	------

Bank loans of HK\$24,710,587 (2005: HK\$15,865,385) are arranged at fixed interest rates and expose the Group to fair value interest rates risk. Other borrowings are arranged at floating rates, thus exposing the Group to cash flow interest rate risk.

At 31 December 2006, the Group has been granted bank facilities totalling approximately HK\$25 million (2005: HK\$16 million) which were secured by the following:

- legal charge on land use rights and certain buildings owned by the Group;
- corporate guarantees given by the Company and a subsidiary; and
- all monies charge over deposits executed by subsidiaries of the Company in favour of the two banks of HK\$1,000,000 (2005: HK\$Nil) and in an amount of not less than US\$150,000 (2005: US\$150,000).

22. 銀行借款

2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元
------------------------------------	-----------------------------

7,702,940	2,403,846
17,821,782	13,461,539

25,524,722	15,865,385
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本集團銀行借款的賬面值以下列貨幣列值：

2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元
------------------------------------	-----------------------------

23,267,327	15,865,385
2,257,395	—

25,524,722	15,865,385
-------------------	------------

於結算日實際年利率如下：

2006 二零零六年	2005 二零零五年
----------------------	---------------

6.096% - 8.10%	5.742% - 6.138%
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銀行貸款24,710,587港元(二零零五年：15,865,385港元)按固定利率取得，並使本集團承擔公平值利率風險。其他借款均按浮動利率取得，故使本集團承擔現金流量利率風險。

於二零零六年十二月三十一日，本集團獲授銀行信貸合共約25,000,000港元(二零零五年：16,000,000港元)，並由以下項目作抵押：

- 本集團擁有的土地使用權及若干樓宇的法定抵押；
- 本公司及附屬公司所提供的公司擔保；及
- 本公司附屬公司向兩家銀行作出1,000,000港元(二零零五年：無)以及不少於150,000美元(二零零五年：150,000美元)的存款全面抵押。

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

23. Share Capital**23. 股本**

		Ordinary shares of HK\$0.01 each	
		Number of	
		每股面值0.01港元的普通股	
		shares	Par value
		股份數目	面值
		HK\$	
		港元	
		Note	
		附註	
Authorised:	法定：		
Upon incorporation on 19 January 2005	於二零零五年一月十九日 註冊成立時	(i)	20,000,000
Increase in authorised share capital	法定股本增加	(iii)	480,000,000
At 31 December 2005, 1 January 2006 and 31 December 2006	於二零零五年十二月三十一日、 二零零六年一月一日及 二零零六年十二月三十一日		<u>500,000,000</u>
Issued and fully paid:	已發行及已繳足：		
Allotted and issued nil-paid on 23 February 2005	於二零零五年二月二十三日 配發及發行未繳股款	(ii)	1,000,000
Arising from Corporate Reorganisation	公司重組所產生	(iv)	10,000
Shares credit as fully paid	入賬列作繳足的股份	(iv)	—
Issue of shares by capitalisation of share premium account	將股份溢價脹資本化 而發行的股份	(v)	124,000,000
New issue on placing	配售所發行的新股	(vi)	42,000,000
At 31 December 2005 and 1 January 2006	於二零零五年十二月三十一日及 二零零六年一月一日		<u>168,000,000</u>
Shares issued on exercise of share options	行使購股權時發行的股份	(vii)	1,585,000
At 31 December 2006	於二零零六年十二月三十一日		<u>169,585,000</u>

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

23. Share Capital (cont'd)

Note:

- (i) The Company was incorporated in the Cayman Islands on 19 January 2005 with an authorised share capital of HK\$200,000 divided into 20,000,000 shares of HK\$0.01 each.
- (ii) On 23 February 2005, one share of HK\$0.01 was allotted and issued nil-paid. On the same date, 999,999 shares of HK\$0.01 was allotted and issued nil-paid.
- (iii) On 8 September 2005, written resolutions of all shareholders of the Company were passed pursuant to which the authorised share capital of the Company was increased from HK\$200,000 to HK\$5,000,000 by the creation of an additional 480,000,000 ordinary shares of HK\$0.01 each.
- (iv) Pursuant to the Corporate Reorganisation (a) 1,000,000 ordinary shares of HK\$0.01 each allotted and issued, credited as fully paid and (b) 1,000,000 ordinary shares of HK\$0.01 each issued nil-paid, as mentioned in note (ii) above were credited as fully paid, in consideration for transfer the entire issued shares in JF Household Furnishings (Asia) Ltd. ("JF Asia") to the Company.
- (v) Pursuant to a resolution of all shareholders of the Company passed on 8 September 2005, 124,000,000 ordinary shares of the Company were allotted and issued, credited as fully paid at par value of HK\$0.01 each to the holders of the share of the Company whose names appear on the register of members of the Company at the close of business on 8 September 2005 in proportion as nearly as possible without involving fractions to their then existing shareholdings in the Company. Such allotment and capitalisation were conditional on the share premium account of the Company being credited as a result of conditional placing of new shares as mentioned in the prospectus of the Company dated 5 October 2005.
- (vi) On 12 October 2005, 42,000,000 ordinary shares of the Company were issued on placing at a premium of HK\$0.79 for cash totalling HK\$33,600,000. The excess of the issued price over the par value of the shares, net of share issue expenses, was credited to the share premium account of the Company.
- (vii) During the year, 1,585,000 (2005: Nil) ordinary shares of HK\$0.01 each were issued in relation to share options exercised by staff and senior management under the pre-IPO share option scheme of the Company at HK\$0.56 for a total cash consideration of approximately HK\$887,600. The excess of the subscription consideration received over the nominal values issued, amounted to approximately HK\$871,750, was credited to the share premium account.

23. 股本 (續)

附註：

- (i) 本公司於二零零五年一月十九日在開曼群島註冊成立，法定股本為200,000港元，分為20,000,000股每股面值0.01港元股份。
- (ii) 於二零零五年二月二十三日，配發及發行一股面值0.01港元的未繳股款股份。同日，配發及發行合共999,999股每股面值0.01港元的未繳股款股份。
- (iii) 於二零零五年九月八日，本公司所有股東通過書面決議案，據此，通過額外增設480,000,000股每股面值0.01港元的普通股，本公司法定股本由200,000港元增至5,000,000港元。
- (iv) 根據公司重組，(a)配發及發行的1,000,000股每股面值0.01港元入賬列為繳足的普通股及(b)1,000,000股每股面值0.01港元的未繳股款普通股如上文第(ii)點所述入賬列為繳足，作為轉讓捷豐家居用品(亞洲)有限公司(「捷豐亞洲」)的全部已發行股份予本公司的代價。
- (v) 根據本公司所有股東於二零零五年九月八日通過決議案，本公司並按於二零零五年九月八日辦公時間結束時名列本公司股東名冊之本公司股東，根據彼等當時於本公司之股權比例(盡量不涉及碎股)，配發及發行124,000,000股每股面值0.01港元入賬列為繳足的普通股予彼等，如本公司於二零零五年十月五日刊發的招股章程所述，上述配發及資本化須待本公司的股份溢價賬因有條件配售新股而錄得進賬後，方可作實。
- (vi) 於二零零五年十月十二日，本公司於配售時按溢價0.79港元發行42,000,000股普通股股份，以換取現金共33,600,000港元。發行價高出所發行股份的面值(扣減股份發行開支後)計入本公司的股份溢價賬。
- (vii) 年內，因員工及高級管理層根據本公司的首次公開招股前購股權計劃按0.56港元的價格行使購股權而發行1,585,000股(二零零五年：無)每股面值0.01港元的普通股，現金代價共約887,600港元。收到的認購代價高出發行面值的超額部分約871,750港元計入股份溢價賬。

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

24. Share-based Payment

Equity-settled share option scheme

(i) *Pre-IPO share option scheme*

Pursuant to the written resolution passed by all shareholders of the Company on 8 September 2005, the pre-IPO share option scheme ("Pre-IPO Share Option Scheme") was approved.

The purpose of the Pre-IPO Share Option Scheme is to recognise the contribution of certain persons to the growth of the Group and/or to the listing of shares of the Company on the GEM of the Stock Exchange. The total number of the shares of the Company subject to the Pre-IPO Share Option Scheme is 20,160,000 representing 12% of the issued share capital of the Company upon completion of the placing of the shares of the Company and capitalisation issue and no further options will be granted under the Pre-IPO Share Option Scheme. Upon acceptance of the option, each grantee shall pay HK\$1 to the Company by way of consideration for the grant. All of these options granted under the Pre-IPO Share Option Scheme will only be exercised after the expiry of six months from 13 October 2005 ("Listing Date") but in any event not later than five years from the Listing Date.

24. 以股份支付款項

以股本結算的購股權計劃

(i) *首次公開招股前購股權計劃*

根據本公司全體股東二零零五年九月八日通過的書面決議案，首次公開招股前購股權計劃（「首次公開招股前購股權計劃」）獲得批准。

首次公開招股前購股權計劃旨在表揚若干人士對本集團發展及／或本公司股份於聯交所創業板上市作出的貢獻。首次公開招股前購股權計劃涉及的本公司股份總數為20,160,000股，佔完成配售本公司股份及資本化發行後本公司已發行股本約12%，且本公司不會根據首次公開招股前購股權計劃授出其他購股權。接納購股權後，各承授人須向本公司繳付1港元，作為批授購股權的代價。根據首次公開招股前購股權計劃授出的所有購股權，在二零零五年十月十三日（「上市日期」）起滿六個月後方可行使，惟無論如何須於上市日期起計五年內行使。

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

24. Share-based Payment (cont'd)

Equity-settled share option scheme (cont'd)

(i) Pre-IPO share option scheme (cont'd)

Details of the specific categories of options are as follows:

	Date of grant 授出日期	Vesting date 歸屬日	Exercise period 行使期	Exercise price 行使價 HK\$ 港元
Executive directors	8 September 2005	13 April 2006	13 April 2006 to 12 October 2010	0.80
執行董事	二零零五年九月八日	二零零六年 四月十三日	二零零六年四月十三日至 二零一零年十月十二日	0.80
Senior management	8 September 2005	13 April 2006	13 April 2006 to 12 October 2010	0.80
高級管理層	二零零五年九月八日	二零零六年 四月十三日	二零零六年四月十三日至 二零一零年十月十二日	0.80
Other employees and senior management	8 September 2005	13 April 2006	13 April 2006 to 12 October 2010	0.56
其他僱員及高級管理層	二零零五年九月八日	二零零六年 四月十三日	二零零六年四月十三日至 二零一零年十月十二日	0.56

If the options remain unexercised after a period of 5 years from the date of grant, the options expire. Options are forfeited on the date which is 3 months after the date on which the eligible employee ceases to be an employee of the Group.

24. 以股份支付款項 (續)

以股本結算的購股權計劃 (續)

(i) 首次公開招股前購股權計劃 (續)

購股權分類之詳情如下：

倘若自授出日期起五年期滿後購股權仍未獲行使，購股權將終止。當有關員工不再成為本集團之員工，繼於其離職日起三個月後，購股權將喪失。

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財務報表附註

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

24. Share-based Payment (cont'd)**Equity-settled share option scheme (cont'd)**

(i) Pre-IPO share option scheme (cont'd)

Details of the share options outstanding during the year are as follows:

		2006 二零零六年		2005 二零零五年	
		Number of share options 購股權 數目	Weighted average exercise price HK\$ 加權平均 行使價 港元	Number of share options 購股權 數目	Weighted average exercise price HK\$ 加權平均 行使價 港元
Outstanding at the beginning of the year	年初尚未行使	20,160,000	0.72	—	—
Granted during the year	年內授出	—	—	20,160,000	0.72
Exercised during the year	年內已行使	(1,585,000)	0.56	—	—
Outstanding at the end of the year	年末尚未行使	18,575,000	0.73	20,160,000	0.72
Exercisable at the end of the year	年末可予行使	18,575,000	0.73	20,160,000	0.72

The weighted average share price at the date of exercise for share options exercised during the year was HK\$0.75. The options outstanding at the end of the year have a weighted average remaining contractual life of 3.79 years (2005: 4.79 years) and the exercise prices range from HK\$0.56 to HK\$0.80 (2005: HK\$0.56 to HK\$0.80). In 2005, options were granted on 8 September 2005. The estimated fair value of options on this date were HK\$2,761,473. The amounts of HK\$411,283 and HK\$2,350,190 were recognised in 2006 and 2005 respectively.

24. 以股份支付款項 (續)**以股本結算的購股權計劃 (續)**

(i) 首次公開招股前購股權計劃 (續)

年內尚未行使的購股權的詳情如下：

		2006 二零零六年		2005 二零零五年	
		Number of share options 購股權 數目	Weighted average exercise price HK\$ 加權平均 行使價 港元	Number of share options 購股權 數目	Weighted average exercise price HK\$ 加權平均 行使價 港元
Outstanding at the beginning of the year	年初尚未行使	20,160,000	0.72	—	—
Granted during the year	年內授出	—	—	20,160,000	0.72
Exercised during the year	年內已行使	(1,585,000)	0.56	—	—
Outstanding at the end of the year	年末尚未行使	18,575,000	0.73	20,160,000	0.72
Exercisable at the end of the year	年末可予行使	18,575,000	0.73	20,160,000	0.72

年內已獲行使的購股權於行使日的加權平均股價為0.75港元。於年末尚未行使的購股權的加權平均剩餘合約年期為3.79年(二零零五年：4.79年)及行使價介於0.56港元至0.80港元(二零零五年：0.56港元至0.80港元)之間。於二零零五年，購股權乃於二零零五年九月八日授出。於授出當日購股權的估計公平值為2,761,473港元。於二零零五年及二零零六年分別認列2,350,190港元及411,283港元。

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

24. Share-based Payment (cont'd)

Equity-settled share option scheme (cont'd)

(i) Pre-IPO share option scheme (cont'd)

These fair values were calculated using the Black-Scholes pricing model. The inputs into the model were as follows:

		2006 二零零六年	2005 二零零五年
Weighted average share price	加權平均股價	—	HK\$0.80
Weighted average exercise price	加權平均行使價	—	HK\$0.72
Expected volatility for exercise price of HK\$0.80	行使價0.80港元的預計波幅	—	25.97%
Expected volatility for exercise price of HK\$0.56	行使價0.56港元的預計波幅	—	24.71%
Expected life	預計年期	—	5 years
Risk free rate for exercise price of HK\$0.80	行使價0.80港元的無風險息率	—	3.5%
Risk free rate for exercise price of HK\$0.56	行使價0.56港元的無風險息率	—	3.34%
Expected dividend yield	預計派息率	—	3%

The expected volatility is assumed to be the adjusted average historical volatilities of the comparable companies in the industry.

預計波幅乃假定為行內相若公司的經調整平均歷史波幅。

(ii) Post-IPO share option scheme

Pursuant to the written resolution passed by all shareholders of the Company on 8 September 2005, the post-IPO share option scheme ("Post-IPO Share Option Scheme") was approved.

(ii) 首次公開招股後購股權計劃

根據本公司全體股東二零零五年九月八日通過的書面決議案，首次公開招股後購股權計劃（「首次公開招股後購股權計劃」）獲得批准。

The purpose of the Post-IPO Share Option Scheme is to enable the Company to recognise the contributions of the participants to the Group and to motivate the participants to continuously work to the benefit of the Group by offering to the participants and opportunity to have personal interest in the share capital of the Company. Eligible participants of the Post-IPO Share Option Scheme ("Participants") include employee (including directors of the Company), consultants and/or advisers who in the sole discretion of the directors of the Company have contributed or will contribute to the Group.

首次公開招股後購股權計劃旨在方便本公司表揚參與者對本集團的貢獻，並藉著使參與者有機會於本公司股本中擁有個人權益，以激勵參與者繼續為本集團的利益而努力。首次公開招股後購股權計劃的合資格參與者（「參與者」）包括本公司董事全權認為曾對本集團作出貢獻的僱員（包括本公司董事）、諮詢人士及／或顧問。

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24. Share-based Payment (cont'd)

Equity-settled share option scheme (cont'd)

(ii) Post-IPO share option scheme (cont'd)

The overall limit on the number of shares of the Company which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Post-IPO Share Option Scheme and other share option scheme of the Group (including the Pre-IPO Share Option Scheme) must not exceed 30% of the shares of the Company in issue from time to time. A nominal consideration of HK\$1 is payable by the grantee upon acceptance of an option.

Under the Post-IPO Share Option Scheme, the Company may grant options, at its discretion, to Participants to subscribe for such number of new shares at any exercise price determined by the board of directors of the Company in its absolute discretion. The price will be the highest of (i) the closing price of the share of the Company as stated in the Stock Exchange daily quotations sheet on the date of grant of the option (which must be a business day), (ii) the average closing prices of the share of the Company as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant of the option and (iii) the nominal value of a share of the Company on the date of the option.

An option under the Post-IPO Share Option Scheme may be exercised in accordance with the terms of the Post-IPO Share Option Scheme at any time during the period to be determined and notified by the board of directors of the Company to each grantee which period of time shall commence on the expiration of three years of the date of grant of the option and expire on such date as determined by the board of directors of the Company provided that the option may not be exercised after the expiration of 10 years from the date of grant of the option.

The Post-IPO Share Option Scheme does not require a minimum period for which an option must be held nor a performance target which must be achieved before an option can be exercised, unless the board of directors of the Company otherwise determined and stated in the offer of the grant of options to the grantee.

During the year, no option (2005: Nil) was granted under the Post-IPO Share Option Scheme.

24. 以股份支付款項 (續)

以股本結算的購股權計劃 (續)

(ii) 首次公開招股後購股權計劃 (續)

因行使根據本集團首次公開招股後購股權計劃及其他購股權計劃 (包括首次公開招股前購股權計劃) 所授出但尚未獲行使的所有未行使購股權而可能發行的本公司股份數目，整體不得超過本公司不時已發行股份的30%。承授人接納購股權時須繳付1港元的象徵式代價。

根據首次公開招股後購股權計劃，本公司可酌情授出購股權予參與者，按本公司董事會全權釐定之行使價認購該等數目之新股，價格將為以下三者之較高者，(i) 股份於購股權授出日期 (必須為營業日) 在聯交所日報表所報之收市價；(ii) 於緊接購股權日期前五個營業日聯交所日報表所報股價之平均收市價及(iii) 本公司股份於購股權日期之面值。

根據首次公開招股後購股權計劃授出之購股權可於本公司董事會釐定並知會各承授人之期間內任何時間根據首次公開招股後購股權計劃之條款行使，該期間應於購股權授出日期起計三年期屆滿起，直至本公司董事釐定之日期為止，惟購股權不可於購股權授出日期起十年期屆滿後行使。

首次公開招股後購股權計劃並無規定必須持有購股之最短期間，以及購股權行使前必需達到的表現目標，惟本公司董事會另有決定及於授出購股權予承授人時聲明者除外。

年內(二零零五年：無)，概無根據首次公開招股後購股權計劃授出任何購股權。

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25. BALANCE SHEET OF THE COMPANY

25. 本公司之資產負債表

		2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元
Investments in subsidiaries	於附屬公司之投資	42,967,020	42,967,020
Due from subsidiaries	應收附屬公司款項	45,637,112	44,658,602
Other current assets	其他流動資產	9,097	258,166
Due to subsidiaries	應付附屬公司款項	(3,814,989)	(3,814,989)
Other current liabilities	其他流動負債	(729,497)	(1,368,461)
Due to directors	應付董事款項	(10,000)	(10,000)
NET ASSETS	資產淨值	<u>84,058,743</u>	<u>82,690,338</u>
Share capital	股本	1,695,850	1,680,000
Reserves	儲備	82,362,893	81,010,338
TOTAL EQUITY	權益總額	<u>84,058,743</u>	<u>82,690,338</u>

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

26. Reserves Company

26. 儲備 本公司

	Note	Share premium	Contributed surplus	Employee share-based compensation reserve	Retained profits	Proposed final dividend	Total
	附註	以股份 股份溢價 (note (a)) (附註(a))	繳入盈餘 (note (b)) (附註(b))	支付僱員 酬金儲備 (note (c)) (附註(c))	保留溢利	建議末期股息	總計
		HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元
New shares issued on reorganisation 重組時發行之新股份	23(ii) & (iv)	(20,000)	—	—	—	—	(20,000)
Capitalisation of share premium 股份溢價資本化	23(v)	(1,240,000)	—	—	—	—	(1,240,000)
Shares issued on placing 透過配售發行股份	23(vi)	33,180,000	—	—	—	—	33,180,000
Share issue expenses 發行股份的開支		(10,326,471)	—	—	—	—	(10,326,471)
Effect of reorganisation 重組的影響		—	42,967,020	—	—	—	42,967,020
Recognition of share-based payment 確認以股份支付款項	24(i)	—	—	2,350,190	—	—	2,350,190
Profit for the year 年內溢利		—	—	—	14,099,599	—	14,099,599
2005 proposed final dividend 二零零五年建議末期股息	11	—	—	—	(9,488,920)	9,488,920	—
At 31 December 2005 於二零零五年十二月三十一日		<u>21,593,529</u>	<u>42,967,020</u>	<u>2,350,190</u>	<u>4,610,679</u>	<u>9,488,920</u>	<u>81,010,338</u>
At 1 January 2006 於二零零六年一月一日		21,593,529	42,967,020	2,350,190	4,610,679	9,488,920	81,010,338
Share issued on exercise of shares options 行使購股權時發行的股份	23(vii)	1,249,539	—	(377,789)	—	—	871,750
Recognition of share-based payment 確認以股份支付款項	24(i)	—	—	411,283	—	—	411,283
Dividend paid 已付股息	11	—	—	—	—	(9,488,920)	(9,488,920)
Profit for the year 年內溢利		—	—	—	9,558,442	—	9,558,442
2006 proposed final dividend 二零零六年建議末期股息	11	—	—	—	(8,309,665)	8,309,665	—
At 31 December 2006 於二零零六年十二月三十一日		<u>22,843,068</u>	<u>42,967,020</u>	<u>2,383,684</u>	<u>5,859,456</u>	<u>8,309,665</u>	<u>82,362,893</u>

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

26. Reserves (cont'd) Company (cont'd)

Note:

- (a) Under the Companies Law of the Cayman Islands, the share premium of the Company is available for paying distributions or dividends to shareholders subject to the provisions of its Memorandum and Articles of Association and provided that immediately following the distribution or dividend the Company is able to pay its debts as they fall due in the ordinary course of business.
- (b) The contributed surplus of the Company arose as a result of the Corporate Reorganisation and represents the excess of the then combined net assets of the subsidiaries acquired, over the nominal value of the Company's shares issued in exchange therefor.
- (c) The employee share-based compensation reserve of the Company and the Group arises on the grant of share options of employees under the Pre-IPO Share Option Scheme. Further information about share-based payment to employees set out in note 24 to the financial statements. The fair value of the actual or estimated number of unexercised share options granted to employees of the Company recognised in accordance with the accounting policy adopted for share-based payment in note 3(k) to the financial statements.

26. 儲備 本公司 附註：

- (a) 根據開曼群島公司法，本公司的股份溢價可根據本公司的公司組織章程大綱及細則的規定，用於向股東作出分派或派付股息，惟本公司在緊隨分派或派付股息後仍須有能力支付在日常業務過程中到期應付之債務。
- (b) 本公司的繳入盈餘因公司重組而產生，為所收購附屬公司當時的合併資產淨值超過為該等收購而發行的本公司股份面值的數額。
- (c) 本公司及本集團之僱員以股份支付補償儲備於按首次公開發售前計劃將購股權授予僱員時產生。有關以股份支付予僱員之款項的詳情載列於財務報表附註24。根據財務報表附註3(k)所列就以股份支付採用的會計政策，確認實際或估計已授出本公司僱員但尚未行使的購股權數目的公平值。

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27. Subsidiaries

Particulars of the subsidiaries as at the balance sheet date are as follows:

27. 附屬公司

附屬公司於結算日的詳情如下：

Company	Place of incorporation/ establishment and operation 註冊成立／ 成立及經營地點	Attributable interest 應佔權益	Issued and paid up capital/ registered capital 已發行及繳足 股本／註冊資本	Principal activities 主要業務
<i>Directly held</i> 直接持有				
JF Asia 捷豐亞洲	British Virgin Islands 英屬處女群島	100%	Ordinary shares US\$300 普通股300美元	Investment holding 投資控股
<i>Indirectly held</i> 間接持有				
JF Household Furnishings (BVI) Ltd. ("JF BVI") 捷豐家居用品(維爾京群島)有限公司(「捷豐維爾京」)	British Virgin Islands 英屬處女群島	100%	Ordinary shares US\$100 普通股100美元	Investment holding 投資控股
Keylink Technology Limited ("Keylink") 機靈科技有限公司(「機靈」)	British Virgin Islands 英屬處女群島	100%	Ordinary shares US\$100 普通股100美元	Investment holding 投資控股
JF Household Furnishings (Macau) Holdings Ltd. ("JF Macau Holdings") 捷豐家居用品(澳門)控股有限公司(「捷豐澳門控股」)	British Virgin Islands 英屬處女群島	100%	Ordinary shares US\$100 普通股100美元	Investment holding 投資控股
JF Ningbo * #	PRC	100%	Registered capital US\$7,000,000	Manufacturing and sale of furnishings and home products and accessories
寧波捷豐* #	中國	100%	註冊資本 7,000,000美元	生產及銷售家居用品及配件
JF Metal * #	PRC	100%	Registered capital US\$140,000	Manufacturing and processing of stainless steel rods and other accessories
捷豐金屬* #	中國	100%	註冊資本 140,000美元	生產及加工不銹鋼桿及其他配件
JF Furniture * #	PRC	100%	Registered capital US\$2,000,000	Manufacturing and sale of wooden furnishings and home products
捷豐傢俱* #	中國	100%	註冊資本 2,000,000美元	生產及銷售木製傢俬及家居用品
JF Household Furnishings Macao Commercial Offshore Limited #	Macau	100%	Ordinary shares MOP100,000	General trading
捷豐家居用品澳門離岸商業服務有限公司 #	澳門	100%	普通股 100,000澳門	一般貿易

Statutory financial statements not audited by RSM Nelson Wheeler

* Wholly foreign owned enterprise established in the PRC.

法定財務報表未經羅申美會計師行審核

* 在中國成立的外商獨資企業

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28. Contingent Liabilities

At 31 December 2006, the Group had contingent liabilities in respect of bills of exchange discounted to a bank with recourse amounting to approximately HK\$900,000 (2005: HK\$Nil).

29. Commitments

(a) Operating lease commitments

At the balance sheet date, the Group had total future minimum lease payments under non-cancellable operating leases for leasehold land and buildings falling due as follows:

		2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元
Within one year	一年內	42,887	—
In the second to fifth years, inclusive	第二至第五年 (包括首尾兩年)	10,396	—
		53,283	—

(b) Capital commitments

Construction of the factory premises and acquisition of plant and machinery	興建工廠物業及購買廠房及機器
— Contracted but not provided for	— 已訂約但未撥備

2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元
15,736,872	1,725,101

28. 或然負債

於二零零六年十二月三十一日，本集團持有要求清償匯票之銀行的或然負債合共約900,000港元(二零零五年：零港元)。

29. 承擔

(a) 經營租賃承擔

於結算日，本集團就租賃土地及樓宇之不可撤銷經營租賃之未來最低租金總額如下：

(b) 資本承擔

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30. Related Party Transactions

In addition to those transactions and balances disclosed elsewhere in the financial statements, during the year, in the normal course of business, the Group had the following transactions with its related parties, of which certain directors of the Company are also directors of these companies or held beneficial interests therein, as follows:

		2006 HK\$ 港元	2005 HK\$ 港元
Purchases from	向以下公司購買		
— 餘姚港舜現代印務有限公司 (Yuyao Kongshun Modern Printing Services Co. Ltd.)	— 餘姚港舜現代印務有限公司	34,649	56,766
Sales to	向以下公司銷售		
— Zhejiang Shuaikang	— 浙江帥康	12,178,261	13,235,361
Leasing charges paid to	向以下公司支付租賃支出		
— Yuyao Jiefeng	— 餘姚捷豐	24,752	77,462
Processing charges paid to	向以下公司支付加工費		
— Yuyao Jiefeng	— 餘姚捷豐	90,607	285,643
Purchases from	向以下公司購買		
— Yuyao Jiefeng	— 餘姚捷豐	263,533	—
License fee paid to	向以下公司支付特許費		
— A.C.R. Equipment Supplies Limited (“A.C.R. Equipment”)	— 捷豐冷凍器材有限公司 (「捷豐冷凍器材」)	54,000	43,500
Administrative charges received from	自以下公司收到管理費收入		
— Yuyao Jiefeng	— 餘姚捷豐	2,517	—
— 餘姚捷豐空調風機有限公司 (Yuyao Jiefeng Fan and Air-conditioning Co. Ltd.)	— 餘姚捷豐空調風機有限公司	12,689	—
— A.C.R. Equipment	— 捷豐冷凍器材	4,369	—
Rental expenses paid to	向以下公司支付租金		
— Senior management	— 高級管理層	42,000	—

The executive directors, Mr. Yan Siu Wai and Mr. Leung Kwok Yin, have beneficial interests in the above companies except for Zhejiang Shuaikang. The executive director, Mr. Bao Jisheng, has the beneficial interests in Zhejiang Shuaikang.

30. 關聯人士交易

除財務報表其他部分所披露的彼等交易及結餘外，於年內，本集團在正常業務過程中與其關聯人士進行以下交易，本公司若干董事亦為該等公司的董事或持有其實益權益，有關資料載列如下：

		2006 HK\$ 港元	2005 HK\$ 港元
Purchases from	向以下公司購買		
— 餘姚港舜現代印務有限公司 (Yuyao Kongshun Modern Printing Services Co. Ltd.)	— 餘姚港舜現代印務有限公司	34,649	56,766
Sales to	向以下公司銷售		
— Zhejiang Shuaikang	— 浙江帥康	12,178,261	13,235,361
Leasing charges paid to	向以下公司支付租賃支出		
— Yuyao Jiefeng	— 餘姚捷豐	24,752	77,462
Processing charges paid to	向以下公司支付加工費		
— Yuyao Jiefeng	— 餘姚捷豐	90,607	285,643
Purchases from	向以下公司購買		
— Yuyao Jiefeng	— 餘姚捷豐	263,533	—
License fee paid to	向以下公司支付特許費		
— A.C.R. Equipment Supplies Limited (“A.C.R. Equipment”)	— 捷豐冷凍器材有限公司 (「捷豐冷凍器材」)	54,000	43,500
Administrative charges received from	自以下公司收到管理費收入		
— Yuyao Jiefeng	— 餘姚捷豐	2,517	—
— 餘姚捷豐空調風機有限公司 (Yuyao Jiefeng Fan and Air-conditioning Co. Ltd.)	— 餘姚捷豐空調風機有限公司	12,689	—
— A.C.R. Equipment	— 捷豐冷凍器材	4,369	—
Rental expenses paid to	向以下公司支付租金		
— Senior management	— 高級管理層	42,000	—

執行董事甄兆威先生及梁國賢先生於上述除浙江帥康外的公司持有實益權益。執行董事鮑繼聲先生於浙江帥康電器股份有限公司持有實益權益。

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30. Related Party Transactions (cont'd)

During the year, the Group advanced cash to the following related parties which were fully settled as at the balance sheet date. The cash advanced to these related parties are interest-free, unsecured and have no fixed terms of repayment, except for administrative charges at 6% to 6.44% per annum to the following parties:

Name of related parties	Total advanced during the year	Maximum balance 最大結餘		Balance 結餘	
		2006	2005	At 1 January 2006 於二零零六年 一月一日	At 31 December 2006 於二零零六年 十二月三十一日
關聯人士名稱	年內墊款總額 HK\$ 港元	二零零六年 HK\$ 港元	二零零五年 HK\$ 港元	HK\$ 港元	HK\$ 港元
– A.C.R. Equipment	– 捷豐冷凍器材	1,000,000	1,000,000	–	–
– Yuyao Jiefeng	– 餘姚捷豐	3,465,347	1,284,998	1,452,136	19,241
– 餘姚捷豐空調風機有限公司 (Yuyao Jiefeng Fan and Air-conditioning Co. Ltd.)	– 餘姚捷豐空調 風機有限公司	3,952,886	2,376,238	–	–

In addition, the Group advanced the cash from the following related parties which were fully repaid at the balance sheet date.

Name of related parties	關聯人士名稱	Total advanced during the year 年內墊款總額 HK\$ 港元
Yuyao Jiefeng	餘姚捷豐	1,980,198
餘姚港舜現代印務有限公司 (Yuyao Kongshun Modern Printing Services Co. Ltd.)	餘姚港舜現代印務有限公司	2,574,257
寧波鑫龍空調器材有限公司 (Ningbo Xinlong Air-Conditioner Equipment Co., Ltd.)	寧波鑫龍空調器材有限公司	3,366,337

In the opinion of the directors, these transactions with the related parties have been conducted on normal commercial terms and the terms are fair and reasonable.

During the year, the key management personnel compensation paid by the Group were disclosed in note 8 to the financial statements.

31. Events after the Balance Sheet Date

On 26 March 2007, the Company proposed to declare a final dividend of HK4.9 cents per ordinary share to its shareholders, as further detailed in note 11 to the financial statements.

32. Approval of the Financial Statements

The financial statements were approved and authorised for issue by the board of directors on 26 March 2007.

30. 關聯人士交易 (續)

於年內，本集團向下列關聯人士預付現金墊款且該等款項已於結算日全數清償。向該等關聯人士預付之現金墊款為免息、無抵押及無固定還款期，惟以下人士支付之管理費年息率為6%至6.44%：

此外，本集團自以下關連人士取得現金墊款，並已於結算日全部償還。

Total advanced during the year
年內墊款總額
HK\$
港元

董事認為，該等與關聯人士的交易是按正常商業條款進行，其條款屬公平合理。

於年內，本集團支付予主要管理層人員的酬金於財務報表附註8披露。

31. 結算日後事項

於二零零七年三月二十六日，本公司擬宣派每股普通股4.9港仙的末期股息，進一步詳情見財務報表附註11所進一步詳述。

32. 財務報表的批准

董事會已於二零零七年三月二十六日批准及授權發表財務報表。



JF Household Furnishings Limited
捷豐家居用品有限公司

(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立的有限公司)