

# NOTES TO THE ACCOUNTS

## 賬目附註

### 1. PRINCIPAL ACCOUNTING POLICIES

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

#### (a) BASIS OF PREPARATION

The accounts have been prepared under the historical cost convention in accordance with accounting principles generally accepted in Hong Kong and comply with accounting standards issued by the Hong Kong Society of Accountants (“HKSA”).

In the current year, the Group adopted revised Statement of Standard Accounting Practice (“SSAP”) No. 12 “Income taxes” issued by the HKSA which is effective for accounting periods commencing on or after 1st January 2003.

The changes to the Group’s accounting policies and the effect of adopting this revised policy are set out below.

### 1. 主要會計政策

編製此等賬目時所用之主要會計政策載列如下：

#### (a) 編製基準

賬目乃根據歷史成本法按香港普遍採納之會計原則編製，並符合香港會計師公會（「香港會計師公會」）頒佈之會計準則。

於本年度，本集團採納由香港會計師公會頒佈之會計實務準則（「會計實務準則」）第十二條（經修訂）「所得稅」，由二零零三年一月一日或以後之會計期間開始生效。

本集團會計政策之變更及採納此經修訂之政策之影響載列如下。

# NOTES TO THE ACCOUNTS

## 賬目附註

### 1. PRINCIPAL ACCOUNTING POLICIES

(continued)

#### (b) CONSOLIDATION

The consolidated accounts include the accounts of the Company and its subsidiaries made up to 31st December. The results of subsidiaries acquired or disposed of during the year are included in the consolidated profit and loss account from the effective date of acquisition or up to the effective date of disposal, as appropriate.

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

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

A subsidiary is an enterprise in which the Group has the power to govern their financial and operating policies so that the Group obtains benefits from these activities.

### 1. 主要會計政策 (續)

#### (b) 綜合賬目

綜合賬目已計入本公司及其附屬公司編製至十二月三十一日止之賬目。年內收購或出售之附屬公司之業績乃由收購生效當日起計或計至出售生效當日止(如適用)列入綜合損益賬內。

本集團內公司間之一切重大交易及結餘已於綜合賬目時對銷。

在本公司之資產負債表內，於附屬公司之投資按成本減減值虧損撥備列賬。本公司乃按已收及應收之股息將附屬公司之業績列賬。

附屬公司為本集團有權監管其財務及經營政策之企業，致使本集團可從該等業務中獲益。

# NOTES TO THE ACCOUNTS

## 賬目附註

### 1. PRINCIPAL ACCOUNTING POLICIES (continued)

#### (c) FIXED ASSETS

##### (i) LEASEHOLD IMPROVEMENTS

Leasehold improvements are stated at cost less accumulated depreciation and accumulated impairment losses. Cost represents the purchase price of the asset and other costs incurred to bring the asset into its existing use.

Depreciation of leasehold improvements is calculated to write off their carrying amounts over the unexpired periods of the leases or their expected useful lives to the Group, whichever is shorter. The principal annual rates used for this purpose ranged from 20% to 30%.

##### (ii) OTHER TANGIBLE FIXED ASSETS

Other tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation on other tangible fixed assets is calculated to write off their cost less accumulated impairment losses on a straight-line basis over their expected useful lives to the Group. The principal annual rates used for this purpose ranged from 20% to 30%.

##### (iii) RESTORING COSTS

Major costs incurred in restoring fixed assets to their normal working condition are charged to the profit and loss account. Improvements are capitalised and depreciated over their expected useful lives to the Group.

### 1. 主要會計政策 (續)

#### (c) 固定資產

##### (i) 租賃物業裝修

租賃物業裝修按成本減累積折舊及累積減值虧損入賬。成本乃指資產之購買價及使其處於目前使用狀態所產生的其他成本。

計算租賃物業裝修折舊乃用以撇銷該等物業於尚餘租賃期限或其對本集團之估計可用年期限(以較短者為準)之賬面值。為此採用之主要年率介乎20%與30%之間。

##### (ii) 其他有形固定資產

其他有形固定資產按成本減累積折舊及累積減值虧損入賬。以直線法為基準計算其他有形固定資產折舊乃用以撇銷該等資產於其對本集團之估計可用年期限內之成本減累積減值虧損。為此採用之主要年率介乎20%與30%之間。

##### (iii) 維修成本

維修固定資產以使其恢復正常使用狀態之主要成本乃於損益賬中支銷。裝修改良成本均資本化及按其對本集團之估計可用年期折舊。

# NOTES TO THE ACCOUNTS

## 賬目附註

### 1. PRINCIPAL ACCOUNTING POLICIES (continued)

#### (c) FIXED ASSETS (continued)

##### (iv) IMPAIRMENT

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

##### (v) GAIN OR LOSS ON DISPOSAL OF FIXED ASSETS

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

#### (d) ASSETS UNDER OPERATING LEASES

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

#### (e) INVESTMENT

The Group's interest in club membership is shown as an investment and stated at cost less any provision for impairment losses.

### 1. 主要會計政策 (續)

#### (c) 固定資產 (續)

##### (iv) 減值

於每個結算日，內部及外界之資料來源均會用作評估是否有任何跡象顯示固定資產出現減值。如出現任何該等跡象，會估算資產之可收回款額，而在適當情況下，會確認減值虧損以將資產價值降至其可收回款額。有關減值虧損會在損益表確認。

##### (v) 出售固定資產之盈虧

出售固定資產之盈虧為有關資產之銷售所得款項淨額與其賬面值之間之差額，並於損益賬中確認。

#### (d) 經營租約之資產

凡資產擁有權之絕大部份回報及風險屬於出租公司所有之租約均計作經營租約。該等經營租約(扣減任何源自租賃公司之已收金額後)產生之租金按租期以直線法在損益賬中支銷。

#### (e) 投資

本集團於會所會籍之權益列為投資，並按成本減減值虧損撥備列賬。

# NOTES TO THE ACCOUNTS

## 賬目附註

### 1. PRINCIPAL ACCOUNTING POLICIES (continued)

#### (f) TRADING SECURITIES

Trading securities are carried at fair value. At each balance sheet date, the net unrealised gains or losses arising from the changes in fair value of trading securities are recognised in the profit and loss account. Profits or losses on disposal of trading securities, representing the difference between the net sales proceeds and the carrying amounts, are recognised in the profit and loss account as they arise.

#### (g) INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost, calculated on the weighted average method, comprises all costs of purchases and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is determined on the basis of anticipated sales proceeds less estimated selling expenses.

#### (h) ACCOUNTS RECEIVABLE

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

#### (i) EMPLOYEE BENEFITS

(i) 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.

### 1. 主要會計政策 (續)

#### (f) 買賣證券

買賣證券乃按公平值列賬。在各結算日，因買賣證券之公平值變動而產生可變現盈虧淨值將在損益賬中確認。出售貿易證券之盈虧乃指銷售淨額與賬面值之差額，並於產生時確認於損益賬內。

#### (g) 存貨

存貨按成本與可變現淨值兩者中之較低者列賬。成本包括購買之所有成本及使存貨達致目前之地點及條件之其他成本，乃按加權平均法計算。可變現淨值則按預期銷售所得款項減預計銷售支出釐定。

#### (h) 應收賬項

對認為屬呆賬之應收賬項均提撥準備。資產負債表內之應收賬項已扣除該等準備。

#### (i) 僱員福利

(i) 僱員可享有之年假及長期服務假期在彼等放假時確認。截至結算日本公司就僱員提供服務而享有年假及長期服務假期之估計負債而提撥準備。

僱員在放病假、產假時，此等假期方獲確認。

# NOTES TO THE ACCOUNTS

## 賬目附註

### 1. PRINCIPAL ACCOUNTING POLICIES (continued)

- (i) **EMPLOYEE BENEFITS** (continued)
- (ii) Bonus plans  
Provision for bonus plans due wholly within twelve months after balance sheet date are recognised as a liability when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.
- (iii) Pensions obligations  
Following the adoption of the Mandatory Provident Fund (“MPF”) Scheme in December 2000, all staff of the Group employed in Hong Kong joined the MPF Scheme. Under this scheme, employees and the Group are required to make contributions to the scheme calculated at 5% of the individual employee’s monthly basic salaries, subject to a cap of HK\$1,000. The Group’s contributions to this scheme were expensed as incurred. The assets of the scheme were held separately from those of the Group in independently administered funds.

### 1. 主要會計政策 (續)

- (i) 僱員福利 (續)
- (ii) 花紅計劃  
倘本集團因僱員所提供之服務而擁有現時之法定或推定責任，並可靠地估計須履行該責任，則在結算日後須於十二個月內償還之花紅計劃撥備將確認為一項負債。
- (iii) 支付退休金之責任  
在二零零零年十二月採納強制性公積金(「強積金」)後，本集團在香港之所有員工已參與強積金計劃。根據此計劃，僱員及本集團均須向計劃作出供款，該筆供款乃按個別僱員每月基本薪金5%計算，上限為1,000港元。本集團向此計劃作出之供款將列入開支，而此計劃之資產與本集團之資產分別持有，並由獨立管理之基金另行持有。

# NOTES TO THE ACCOUNTS

## 賬目附註

### 1. PRINCIPAL ACCOUNTING POLICIES (continued)

#### (j) DEFERRED TAXATION

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

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

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

In prior year, deferred taxation was accounted for at the current taxation rate in respect of timing differences between profit as computed for taxation purposes and profit as stated in the accounts to the extent that a liability or an asset was expected to be payable or recoverable in the foreseeable future. The adoption of the revised SSAP 12 represents a change in accounting policy, which has been applied retrospectively. However, such change in accounting policy does not have material impact on the accounts of prior years.

### 1. 主要會計政策 (續)

#### (j) 遞延稅項

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

遞延稅項資產乃就有可能將未來應課稅溢利與可動用之短暫時差抵銷而確認。

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

往年度，遞延稅項乃因應就課稅而計算之盈利與賬目所示之盈利二者間之時差，根據預期於可預見將來支付或可收回之負債及資產而按現行稅率計算。採納經修訂之會計準則第12號構成會計政策之變動並已追溯應用。然而，此等變動對去年度之賬目並無重大影響。

# NOTES TO THE ACCOUNTS

## 賬目附註

### 1. PRINCIPAL ACCOUNTING POLICIES (continued)

#### (k) TRANSLATION OF FOREIGN CURRENCIES

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

#### (l) REVENUE RECOGNITION

Revenue from the sale of goods, at invoiced value net of sale discounts and returns, is recognised on the transfer of risks and rewards of ownership, which generally coincides with the time when cash is received for retail sales and when the goods are delivered to customers and title has passed for credit sales.

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

Dividend income is recognised when the right to receive payment is established.

Rental income is recognised on an accrual basis.

#### (m) BORROWING COSTS

Borrowing costs are charged to the profit and loss account in the year in which they are incurred.

### 1. 主要會計政策 (續)

#### (k) 外幣換算

外幣交易乃按交易當日之匯率換算。於結算日以外幣計算之貨幣性資產及負債按結算日之匯率換算。上述情況所產生之所有匯兌差額於損益賬內處理。

#### (l) 收益確認

貨品銷售之收益(扣除銷售折扣及退貨之發票淨值)，乃於擁有權之風險及回報轉移時予以確認，就零售而言，通常指收到現金之時，就賒銷而言，通常指將貨品交付客戶及所有權被轉移之時。

利息收入乃根據尚欠本金及適用利率按時間比例基準確認。

股息收入在有權收取有關款項時確認。

租金收入乃按應計基準確認。

#### (m) 借貸成本

借貸成本在彼等產生之年度內列入損益賬內。



# NOTES TO THE ACCOUNTS

## 賬目附註

### 2. TURNOVER, REVENUE AND SEGMENT INFORMATION

The Group is principally engaged in the trading of construction materials, mainly water pipes and fittings. The results of operations by principal activities are summarised as follows:

	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Turnover 營業額		
Sales of water pipes and fittings 銷售喉管及管件	430,010	392,115
Sub-letting of warehouse 貨倉分租	804	1,475
Rental Income 租金收入	804	—
	<b>431,618</b>	<b>393,590</b>
Other revenues 其他收益		
Interest income 利息收入	346	715
Dividend income 股息收入	172	124
	<b>518</b>	<b>839</b>
Total revenue 收益合計	<b>432,136</b>	<b>394,429</b>

Business segment information is not required as the revenue, results and assets of the wholesale business represent more than 90% of the total revenue, results and assets of the Group respectively.

Geographical segment information is not shown as over 90% of the Group's turnover and operating profit are derived from Hong Kong.

### 2. 營業額、收益及分類資料

本集團主要從事建材(主要為喉管及管件)之貿易。按主要業務劃分之營運業績概要如下：

	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
營業額		
銷售喉管及管件	430,010	392,115
貨倉分租	804	1,475
租金收入	804	—
	<b>431,618</b>	<b>393,590</b>
其他收益		
利息收入	346	715
股息收入	172	124
	<b>518</b>	<b>839</b>
收益合計	<b>432,136</b>	<b>394,429</b>

由於批發業務之收益、業績及資產佔本集團之總收益、業績及資產之90%以上，故毋須呈列業務分部資料。

由於本集團逾90%之營業額及經營溢利均源自香港，故未有呈列地區分部資料。

# NOTES TO THE ACCOUNTS

## 賬目附註

### 3. OPERATING PROFIT

### 3. 經營溢利

	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Operating profit is stated after crediting and charging the following: 經營溢利已計入及扣除下列部份：		
Crediting 計入		
Insurance compensation 保險賠償	416	1,100
Net exchange gains 匯兌收益淨額	1,257	1,059
Gains on disposal of fixed assets 出售固定資產之收益淨額	239	370
Write-back of bad debts provision 撥回壞賬撥備	1,094	480
Realised gain on disposal of trading securities 出售買賣證券所套現之收益	805	—
Unrealised gain on trading securities 買賣證券未套現之收益	721	—
Charging 扣除		
Auditors' remuneration 核數師酬金	374	472
Depreciation 折舊	1,813	2,603
Staff costs (including directors' emoluments) (note 8) 員工成本(包括董事酬金)(附註8)	43,149	43,518
Write-off of bad debts 壞賬撇銷	460	116
Operating lease on land and buildings 土地及樓宇經營租約	10,684	13,193
Bad debt provision 壞賬撥備	398	3,149
Realised loss on disposal of trading securities 出售買賣證券之已變現虧損	—	133
Unrealised loss on trading securities 買賣證券之未變現虧損	—	759
Stock loss of fire accident (note 23) 火警涉及之存貨損失(附註23)	—	18,384

# NOTES TO THE ACCOUNTS

## 賬目附註

### 4. FINANCE COSTS

	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Interest on bank loans 銀行貸款利息	1,386	1,444
Others 其他	1	2
	<b>1,387</b>	<b>1,446</b>

### 4. 財務費用

### 5. TAXATION

Hong Kong profits tax has been provided at the rate of 17.5% (2002: 16%) on the estimated assessable profit for the year. In 2003, the government enacted a change in the profits tax rate from 16% to 17.5% for the fiscal year 2003/2004. Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the counties in which the Group operates.

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

### 5. 稅項

香港利得稅乃按照本年度估計應課稅盈利依稅率17.5%(二零零二年: 16%)提撥準備。二零零三年, 政府將二零零三/零四年財政年度的利得稅稅率由16%提高至17.5%。海外盈利之稅款, 則按照本年度估計應課稅盈利依集團經營業務地匯之現行稅率計算。

在綜合損益表扣除之稅項包括:

	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Current taxation:		
– Hong Kong profits tax 香港利得稅	6,969	3,953
– Under/(over) provision in prior years 上年度不足/(超額)撥備	106	(196)
Deferred taxation relating to the origination and reversal of temporary differences 遞延稅項暫時差異之產生及轉回	(963)	–
Taxation charges 稅項開支	<b>6,112</b>	<b>3,757</b>

# NOTES TO THE ACCOUNTS

## 賬目附註

### 5. TAXATION (continued)

The taxation on the Group's profit before taxation differs from the theoretical amount that would arise using the taxation rate of the principal place of operation of the Company as follows:

	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Profit before taxation 除稅前溢利	39,551	24,848
Calculated at a taxation rate of 17.5% (2002: 16%) 按稅率17.5%(二零零二年: 16%)計算	6,921	3,975
Effect of difference taxation rates in other countries 其他國家不同稅率之影響	79	—
Income not subject to taxation 不可扣稅之收入	(31)	(22)
Under/(over) provision in respect of prior years 去年度不足/(超額)撥備	106	(196)
Adjustment of deferred tax 遞延稅項調整	(963)	—
Taxation charges 稅項支出	6,112	3,757

### 6. PROFIT ATTRIBUTABLE TO SHAREHOLDERS

The profit attributable to shareholders is dealt with in the accounts of the Company to the extent of HK\$3,707,000 (2002: HK\$1,220,000).

### 5. 稅項 (續)

本集團除稅前溢利之稅項與使用本公司主要營業地區稅率計算之理論稅額之差額護如下：

	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Profit before taxation 除稅前溢利	39,551	24,848
Calculated at a taxation rate of 17.5% (2002: 16%) 按稅率17.5%(二零零二年: 16%)計算	6,921	3,975
Effect of difference taxation rates in other countries 其他國家不同稅率之影響	79	—
Income not subject to taxation 不可扣稅之收入	(31)	(22)
Under/(over) provision in respect of prior years 去年度不足/(超額)撥備	106	(196)
Adjustment of deferred tax 遞延稅項調整	(963)	—
Taxation charges 稅項支出	6,112	3,757

### 6. 股東應佔溢利

在本公司賬目內處理之股東應佔溢利為3,707,000港元(二零零二年: 1,220,000港元)。

# NOTES TO THE ACCOUNTS

## 賬目附註

### 7. DIVIDENDS

### 7. 股息

	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Interim, paid, of HK\$0.015 (2002: HK\$0.015) per ordinary share 已派中期股息每股普通股0.015港元(二零零二年: 0.015港元)	3,628	3,628
Final, proposed, of HK\$0.03 (2002: HK\$0.02) per ordinary shares 擬派末期股息每股普通股0.03港元(二零零二年: 0.02港元)	7,256	4,837

At a meeting held on 21st April 2004, the Directors recommended a final dividend of HK\$0.03 per ordinary share. This proposed dividend is not reflected as a dividend payable in these accounts, but will be reflected as an appropriation of retained earnings for the year ending 31st December 2004.

在二零零四年四月二十一日舉行之大會上，董事建議派付末期股息每股普通股0.03港元。有關之擬派股息並未在賬目內反映為應派股息，惟將會反映為截至二零零四年十二月三十一日止年度之保留盈利分派部份。

### 8. STAFF COSTS (INCLUDING DIRECTORS' EMOLUMENTS)

### 8. 員工成本(包括董事酬金)

	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Wages and salaries 工資及薪金	40,973	41,553
Termination benefits 終止僱用福利	1,004	806
Pension costs – Mandatory Provident Fund 退休金成本 – 強制性積金	1,172	1,159
	<b>43,149</b>	<b>43,518</b>

# NOTES TO THE ACCOUNTS

## 賬目附註

### 9. DIRECTORS' EMOLUMENTS

- (a) The aggregate amounts of emoluments paid and payable to the directors of the Company during the year are as follows:

	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Basic salaries, other allowances and benefits in kind 基本薪金、其他津貼及實物福利	7,724	8,260
Performance/discretionary bonus 表現／酌情花紅	795	4,775
Commission 佣金	1,798	1,614
Retirement scheme contribution 退休計劃供款	72	72
	10,389	14,721

The emoluments of the directors fell within the following bands:

	2003 二零零三年	2002 二零零二年
Emoluments bands 酬金組別		
Nil to HK\$1,000,000 零至1,000,000港元	3	3
HK\$1,000,001 to HK\$1,500,000 1,000,001港元至1,500,000港元	1	—
HK\$1,500,001 to HK\$2,000,000 1,500,001港元至2,000,000港元	2	—
HK\$2,000,001 to HK\$2,500,000 2,000,001港元至2,500,000港元	1	1
Over HK\$2,500,000 2,500,000港元以上	1	4
	8	8

### 9. 董事之酬金

- (a) 年內向本公司董事已付及應付予之酬金總額如下：

	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Basic salaries, other allowances and benefits in kind 基本薪金、其他津貼及實物福利	7,724	8,260
Performance/discretionary bonus 表現／酌情花紅	795	4,775
Commission 佣金	1,798	1,614
Retirement scheme contribution 退休計劃供款	72	72
	10,389	14,721

董事酬金介乎以下組別：

	2003 二零零三年	2002 二零零二年
Emoluments bands 酬金組別		
Nil to HK\$1,000,000 零至1,000,000港元	3	3
HK\$1,000,001 to HK\$1,500,000 1,000,001港元至1,500,000港元	1	—
HK\$1,500,001 to HK\$2,000,000 1,500,001港元至2,000,000港元	2	—
HK\$2,000,001 to HK\$2,500,000 2,000,001港元至2,500,000港元	1	1
Over HK\$2,500,000 2,500,000港元以上	1	4
	8	8

# NOTES TO THE ACCOUNTS

## 賬目附註

### 9. DIRECTORS' EMOLUMENTS (continued)

Emoluments paid to independent non-executive directors amounted to HK\$240,000 (2002: HK\$240,000).

- (b) The five individuals whose emoluments were the highest in the Group during the year are the directors of the Company. Details of their emoluments are reflected in the analysis presented above.
- (c) During the year, no directors waived any emoluments and no emoluments had been paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office.

### 10. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the Group's profit attributable to shareholders of HK\$33,439,000 (2002: HK\$21,091,000) and the weighted average of 241,854,000 shares (2002: 241,123,063 shares) in issue during the year.

No diluted earnings per share amounts is presented for the year as there were no dilutive potential ordinary shares in existence during the year.

The weighted average number of shares used in the calculation of diluted earnings per share for the year ended 31st December 2002 is based on the weighted average of 241,123,063 shares in issue during the year ended 31st December 2002 plus the weighted average of 2,120,790 shares deemed to be issued at no consideration as if all the Company's outstanding share options had been exercised.

### 9. 董事之酬金 (續)

付予獨立非執行董事之酬金達240,000港元(二零零二年: 240,000港元)。

- (b) 年內本集團五位最高薪人士均為本公司董事。其酬金詳情反映於上述分析。
- (c) 年內並無董事放棄任何酬金，而本集團並無向董事支付酬金作為加入本集團或加入時之獎勵或作為離職補償。

### 10. 每股盈利

每股基本盈利乃按本集團之股東應佔溢利33,439,000港元(二零零二年: 21,091,000港元)及年內已發行股份之加權平均股數241,854,000股(二零零二年: 241,123,063股)計算。

由於年內並無攤薄潛在普通股，故此並無呈列本年度之每股攤薄盈利。

用以計算截至二零零二年十二月三十一日止年度之每股攤薄盈利之股份之加權平均數乃以截至二零零二年十二月三十一日止已發行股份之加權平均數241,123,063股另加上假設本公司所有未行使之購股權已獲行使而被視作無償發行之普通股之加權平均數2,120,790股計算。

# NOTES TO THE ACCOUNTS

## 賬目附註

### 11. FIXED ASSETS

### 11. 固定資產

	Leasehold improvements	Office furniture, fixtures and fittings	Office equipment	Machinery and equipment	Computer equipment	Motor vehicles	Total
	租賃物業 裝修	傢俬、裝置 及設備	文儀設備	機械及 設備	電腦設備	汽車	合計
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元	千港元
<b>Cost</b>							
<b>成本</b>							
At 1st January 2003							
二零零三年一月一日	3,128	516	65	1,854	4,437	12,901	22,901
Additions							
添置	2,247	—	23	475	—	64	2,809
Disposals							
出售	—	—	—	—	—	(1,890)	(1,890)
At 31st December 2003							
二零零三年十二月三十一日	5,375	516	88	2,329	4,437	11,075	23,820
<b>Accumulated depreciation</b>							
<b>累積折舊</b>							
At 1st January 2003							
二零零三年一月一日	2,696	506	62	1,546	4,343	11,135	20,288
Charge for the year							
本年度折舊	571	10	4	216	47	965	1,813
Disposals							
出售	—	—	—	—	—	(1,890)	(1,890)
At 31st December 2003							
二零零三年十二月三十一日	3,267	516	66	1,762	4,390	10,210	20,211
<b>Net book value</b>							
<b>賬面淨值</b>							
At 31st December 2003							
二零零三年十二月三十一日	2,108	—	22	567	47	865	3,609
At 31st December 2002							
二零零二年十二月三十一日	432	10	3	308	94	1,766	2,613



# NOTES TO THE ACCOUNTS

## 賬目附註

### 12. INVESTMENTS IN SUBSIDIARIES

### 12. 於附屬公司之投資

	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Unlisted shares, at cost 非上市股份成本值	86,938	86,938
Due from subsidiaries 附屬公司欠款	63,916	66,976
	<b>150,854</b>	<b>153,914</b>

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

附屬公司欠款並無抵押，且屬免息及無固定還款期。

# NOTES TO THE ACCOUNTS

## 賬目附註

### 12. INVESTMENTS IN SUBSIDIARIES (continued)

### 12. 於附屬公司之投資 (續)

Particulars of the subsidiaries are as follows:

附屬公司之詳情如下：

Company 公司	Place of incorporation 註冊成立地點	Issued and fully paid-up share capital 已發行及 繳足股本	Percentage of attributable equity 應佔股權 百分比	Principal activities 主要業務
<i>Held directly:</i> 直接持有：				
World Trade Bun Kee (BVI) Ltd.	British Virgin Islands 英屬維爾京群島	Ordinary shares US\$10,000 10,000美元 普通股	100%	Investment holding 投資控股
<i>Held indirectly:</i> 間接持有：				
Bun Kee (International) Limited 彬記(國際)有限公司	Hong Kong 香港	Ordinary shares HK\$100 Non-voting deferred shares HK\$3,000,000 100港元 普通股 3,000,000港元 無投票權遞延股份	100%	Trading of construction materials, mainly pipes and fittings 買賣建築材料， 主要為喉管及 管件
Hamerwind Logistic Company Limited (formerly Hamerwind Building Materials Company Limited) 時風物流有限公司 (前稱時風建材 有限公司)	Hong Kong 香港	Ordinary shares HK\$80,000 80,000港元 普通股	100%	Provision of warehousing and logistic services 提供倉貯及物流服務

# NOTES TO THE ACCOUNTS

## 賬目附註

### 12. INVESTMENTS IN SUBSIDIARIES (continued)

### 12. 於附屬公司之投資 (續)

Company 公司	Place of incorporation 註冊成立地點	Issued and fully paid-up share capital 已發行及 繳足股本	Percentage of attributable equity 應佔股權 百分比	Principal activities 主要業務
Hing's Godown & Transportation Company Limited 興發貨倉有限公司	Hong Kong 香港	Ordinary shares HK\$100,000 100,000港元 普通股	100%	Provision of warehousing services 提供倉貯服務
National Link Investment Limited 紀嚴國際有限公司	Hong Kong 香港	Ordinary shares HK\$600,000 600,000港元 普通股	100%	Provision of agency services and investment holding 提供代理服務 及投資控股
Patterson Engineering Company Limited 德誠行工程有限公司	Hong Kong 香港	Ordinary shares HK\$100,000 100,000港元 普通股	100%	Trading of construction materials, provision of agency services and property investment 買賣建材、 提供代理 服務及 物業投資
Bun Kee Building Material (Shanghai) Co., Ltd. 彬記建材(上海) 有限公司	PRC 中國	Ordinary shares US\$200,000 200,000美元 普通股	100%	Trading of construction materials, mainly pipes and fittings 買賣建築材料， 主要為喉管 及管件

All subsidiaries carry out their business operations in Hong Kong, except Bun Kee Building Material (Shanghai) Co., Ltd., a wholly foreign owned enterprise whose business operation is carried out in the PRC.

除於中國營業之彬記建材(上海)有限公司(一家全外資擁有企業)外，所有附屬公司均在香港營業。

# NOTES TO THE ACCOUNTS

## 賬目附註

### 13. INVENTORIES

	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Merchandises 商品	143,433	126,256

At 31st December 2003, provision for slow-moving inventories amounted to HK\$4,021,000 (2002: HK\$4,513,000).

### 13. 存貨

於二零零三年十二月三十一日，滯銷存貨之撥備為4,021,000港元（二零零二年：4,513,000港元）。

### 14. TRADE RECEIVABLES

Details of the ageing analysis are as follows:

	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Current to 30 days 即期至30天	28,186	26,219
31 days to 60 days 31天至60天	28,757	27,383
61 days to 90 days 61天至90天	21,803	15,933
91 days to 120 days 91天至120天	8,614	7,705
Over 120 days 超過120天	15,823	10,615
	<b>103,183</b>	<b>87,855</b>
Less: provision 減：撥備	(3,999)	(4,695)
	<b>99,184</b>	<b>83,160</b>

Customers are generally granted with credit terms of 30 days to 120 days.

### 14. 應收貨款

賬齡分析之詳情如下：

客戶通常可獲30至120天之信用期。

# NOTES TO THE ACCOUNTS

## 賬目附註

### 15. TRADING SECURITIES

	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Market value of equity securities listed in Hong Kong 在香港上市之權益證券之市價	556	4,958
Market value of equity securities listed outside Hong Kong 在香港以外上市之權益證券之市價	1,322	—
	<b>1,878</b>	<b>4,958</b>

### 15. 買賣證券

### 16. TRADE PAYABLES

Details of the ageing analysis are as follows:

	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Current to 30 days 即期至30天	2,644	3,064
31 days to 60 days 31天至60天	1,567	1,819
61 days to 90 days 61天至90天	28	105
Over 90 days 90天以上	4	10
	<b>4,243</b>	<b>4,998</b>

### 16. 應付貨款

賬齡分析之詳情如下：

### 17. SHARE CAPITAL

#### (a) SHARE CAPITAL

	2003 二零零三年		2002 二零零二年	
	Number of shares 股份數目 '000 千股	Nominal value 面值 HK'000 千港元	Number of shares 股份數目 '000 千股	Nominal value 面值 HK'000 千港元
Ordinary shares of HK\$0.10 each 每股面值0.01港元之普通股				
Authorised: 法定股本				
At 1 January and 31 December 於一月一日至十二月三十一日	500,000	50,000	500,000	50,000
Issued and fully paid: 已發行及繳足股本：				
At 1 January 於一月一日	241,854	24,185	240,000	24,000
Issued of shares under the Share Option Scheme during the year 年內根據購股權計劃之已發行股份	—	—	1,854	185
At 31 December 於十二月三十一日	<b>241,854</b>	<b>24,185</b>	<b>241,854</b>	<b>24,185</b>

### 17. 股本

#### (a) 股本

# NOTES TO THE ACCOUNTS

## 賬目附註

### 17. SHARE CAPITAL (continued)

#### (b) SHARE OPTIONS

- (i) Under the terms of the share option scheme (the "Scheme") adopted by the Company on 27th November 2000, the directors of the Company are authorised at their absolute discretion, to invite any full-time employee of the Company or any of its subsidiaries, including any executive director of the Company or any such subsidiary, to take up options to subscribe for shares in the Company. The Subscription price will be determined by the directors, but shall not be less than the higher of 80% of the average of the closing price of the shares on the Stock Exchange for the five trading days immediately preceding the date of the offer of the share options. A consideration of HK\$10 is payable on acceptance of the grant of an option. The maximum number of shares in respect of which options may be granted under the Scheme may not exceed 10% of the issued share capital of the Company from time to time which has been duly allotted and issued. The Scheme became effective for a period of ten years commencing upon the listing of the Company's shares on the Stock Exchange.
- (ii) No option had been granted during the year. As at 31st December 2003, there is no share option outstanding.

### 17. 股本 (續)

#### (b) 購股權

- (i) 根據本公司於二零零零年十一月二十七日採納之購股權計劃(「該計劃」)之條款，本公司董事獲授權全權酌情邀請本公司或其任何附屬公司之任何全職僱員(包括本公司或其任何該等附屬公司之任何執行董事)接納可認購本公司股份之購股權。認購價將由董事釐定，惟不得低於股份於購股權授出日期前五個交易日在聯交所之平均收市價之80%(以較高者為準)。接納授出之購股權時，承授人須支付10港元之代價。根據該計劃授出之購股權涉及之股份數目，最多以已正式配發及發行之本公司不時已發行股本10%之面額為限。該計劃由本公司股份在聯交所上市起計十年內有效。
- (ii) 年內，本公司並無授出購股權。於二零零三年十二月三十一日，亦無任何尚未行使之購股權。

# NOTES TO THE ACCOUNTS

## 賬目附註

### 18. RESERVES

#### (a) GROUP

	Share premium 股份溢價	Capital reserve 資本儲備	Merger reserve (note (b)(i)) 合併儲備 (附註(b)(i))	Retained profits 保留溢利	Total 合計
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1st January 2002 二零零二年一月一日	27,758	34,115	3,700	96,965	162,538
Shares issued under share option scheme 根據購股權計劃發行股份	1,587	—	—	—	1,587
Profit attributable to shareholders 股東應佔溢利	—	—	—	21,091	21,091
Dividends paid (note 7) 已派股息 (附註7)					
2001 final dividend 二零零一年末期股息	—	—	—	(9,600)	(9,600)
Dividend on shares issued upon the exercise of share options after declaration of 2001 final dividend 在宣派二零零一年末期股息後因 行使購股權而發行股份之股息	—	—	—	(71)	(71)
2002 interim dividend 二零零二年中期股息	—	—	—	(3,628)	(3,628)
At 31st December 2002 二零零二年十二月三十一日	29,345	34,115	3,700	104,757	171,917
Proposed final dividend (note 7) 擬派末期股息 (附註7)	—	—	—	(4,837)	(4,837)
	29,345	34,115	3,700	99,920	167,080
At 1st January 2003 二零零三年一月一日	29,345	34,115	3,700	104,757	171,917
Profit attributable to shareholders 股東應佔溢利	—	—	—	33,439	33,439
Dividends paid (note 7) 已派股息 (附註7)					
2002 final dividend 二零零二年末期股息	—	—	—	(4,837)	(4,837)
2003 interim dividend 二零零三年中期股息	—	—	—	(3,628)	(3,628)
At 31st December 2003 二零零三年十二月三十一日	29,345	34,115	3,700	129,731	196,891
Proposed final dividend (note 7) 擬派末期股息 (附註7)	—	—	—	(7,256)	(7,256)
	29,345	34,115	3,700	122,475	189,635

### 18. 儲備

#### (a) 本集團

# NOTES TO THE ACCOUNTS

## 賬目附註

### 18. RESERVES (continued)

#### (b) COMPANY

	Contributed surplus (note ii) 繳入盈餘 (附註ii) HK\$'000 千港元	Share premium 股份溢價 HK\$'000 千港元	Retained profits 保留溢利 HK\$'000 千港元	Total 合計 HK\$'000 千港元
At 1st January 2002 二零零二年一月一日	86,759	27,758	24,880	139,397
Shares issued under share option scheme 根據購股權計劃發行股份	—	1,587	—	1,587
Profit attributable to shareholders 股東應佔溢利	—	—	1,220	1,220
Dividends paid (note 7) 已派股息 (附註7)				
2001 final dividend 二零零一年末期股息	—	—	(9,600)	(9,600)
Dividend on shares issued upon the exercise of share options after declaration of 2001 final dividend 在宣派二零零一年末期股息後 因行使購股權而發行股份之 股息	—	—	(71)	(71)
2002 interim dividend 二零零二年中期股息	—	—	(3,628)	(3,628)
At 31st December 2002 二零零二年十二月三十一日	86,759	29,345	12,801	128,905
Proposed final dividend (note 7) 擬派末期股息 (附註7)	—	—	(4,837)	(4,837)
	86,759	29,345	7,964	124,068
At 1st January 2003 二零零三年一月一日	86,759	29,345	12,801	128,905
Profit attributable to shareholders 股東應佔溢利	—	—	3,707	3,707
Dividends paid (note 7) 已派股息 (附註7)				
2002 final dividend 二零零二年末期股息	—	—	(4,837)	(4,837)
2003 interim dividend 二零零三年中期股息	—	—	(3,628)	(3,628)
At 31st December 2003 二零零三年十二月三十一日	86,759	29,345	8,043	124,147
Proposed final dividend (note 7) 擬派末期股息 (附註7)	—	—	(7,256)	(7,256)
	86,759	29,345	787	116,891



# NOTES TO THE ACCOUNTS

## 賬目附註

### 18. RESERVES (continued)

#### (b) COMPANY (continued)

- (i) The merger reserve of the Group arising from the group reconstruction is determined by the difference between the nominal value of shares of the subsidiaries acquired pursuant to the group reconstruction and the nominal value of the Company's shares deemed to have been issued.
- (ii) The contributed surplus of the Company represents the difference between the nominal value of the shares issued by the Company in exchange for all the issued ordinary shares of World Trade (BVI) and the value of net assets of the underlying subsidiaries acquired by the Company on 22nd November 2000. Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus is distributable to the shareholders, subject to a solvency test. At the group level, the contributed surplus is reclassified into its component of reserves of the underlying subsidiaries.
- (iii) At 31st December 2003, reserves of the Company available for distribution, including the contributed surplus, amounted to HK\$94,802,000 (2002: HK\$99,560,000).

### 18. 儲備 (續)

#### (b) 本公司 (續)

- (i) 因集團重組而帶來之本集團合併儲備，乃按集團重組購入之附屬公司股份面值與視作已發行之本公司股份面值間之差額而釐定。
- (ii) 本公司之繳入盈餘乃指本公司為換取World Trade (BVI)全部已發行普通股而發行之股份面值與本公司所收購有關附屬公司於二零零零年十一月二十二日之資產淨值兩者間之差額。根據百慕達一九八一年公司法(經修訂)，繳入盈餘在符合有關無力償還債務之測試之情況下，可供分派予股東。在集團之賬目上，繳入盈餘重新分類為各有關附屬公司之儲備組成部分。
- (iii) 於二零零三年十二月三十一日，可作為分派之本公司儲備(包括繳入盈餘)達94,802,000港元(二零零二年：99,560,000港元)。

# NOTES TO THE ACCOUNTS

## 賬目附註

### 19. DEFERRED TAXATION

Deferred taxation are calculated in full on temporary differences under the liability method using a principal taxation rate of 17.5% (2002: 16%).

The movement on the deferred tax assets account is as follows:

	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
At 1st January 於一月一日	—	—
Deferred taxation credited to profit and loss account 於損益表中計入之遞延稅項	(963)	—
At 31st December 於十二月三十一日	(963)	—

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

#### Deferred tax assets

#### 遞延稅項資產

	Accelerated tax depreciation 加速稅項折舊		Provisions 撥備		Total 合計	
	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
At 1st January 於一月一日	—	—	—	—	—	—
Credited to profit and loss account 計入損益表	(259)	—	(704)	—	(963)	—
At 31st December 於十二月三十一日	(259)	—	(704)	—	(963)	—

	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Deferred tax assets 遞延稅項資產	(963)	—

### 19. 遞延稅項

遞延稅項乃按主要稅率17.5% (二零零二年：16%) 以負債法作全數撥備。

遞延稅項資產之變動如下：

	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
於一月一日	—	—
於損益表中計入之遞延稅項	(963)	—
於十二月三十一日	(963)	—

本集團之遞延稅項資產 (在同一徵稅地區之結餘抵銷前) 於年內之變動如下：

#### Deferred tax assets

#### 遞延稅項資產

	Accelerated tax depreciation 加速稅項折舊		Provisions 撥備		Total 合計	
	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
於一月一日	—	—	—	—	—	—
計入損益表	(259)	—	(704)	—	(963)	—
於十二月三十一日	(259)	—	(704)	—	(963)	—

	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
遞延稅項資產	(963)	—

# NOTES TO THE ACCOUNTS

## 賬目附註

### 20. CONSOLIDATED CASH FLOW STATEMENT

Reconciliation of profit before taxation to net cash inflow generated from operations:

### 20. 綜合現金流量表

除稅前溢利與經營活動產生之現金流入淨額之對賬：

	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Profit before taxation 除稅前溢利	39,551	24,848
Depreciation 折舊	1,813	2,603
Dividend income from trading securities 源自買賣證券之股息收入	(172)	(124)
Interest expenses 利息支出	1,387	1,446
Interest income 利息收入	(346)	(715)
Gain on sale of fixed assets 出售固定資產之收益	(239)	(370)
Unrealised (gain)/loss on trading securities 買賣證券之未變現(盈利)/虧損	(721)	759
<b>Operating profit before changes in working capital 營運資金變動前之經營溢利</b>	<b>41,273</b>	<b>28,447</b>
Increase in inventories 存貨增加	(17,177)	(13,248)
(Increase)/decrease in trade and other receivables 貿易及其他應收貨款(增加)/減少	(15,439)	22,643
Increase/(decrease) in trade and other payables 貿易及其他應付貨款增加/(減少)	10,240	(3,602)
<b>Net cash inflow generated from operations 經營業務之現金流入淨額</b>	<b>18,897</b>	<b>34,240</b>

# NOTES TO THE ACCOUNTS

## 賬目附註

### 21. OPERATING LEASES

#### (A) AS LESSEE

At 31st December 2003, the Group had future aggregate minimum lease payments under non-cancellable operating leases in respect of land and buildings as follows:

	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Not later than one year 一年內	9,469	9,137
Later than one year and not later than five years 第二至第五年 (包括首尾兩年)	6,957	14,447
	16,426	23,584

#### (B) AS LESSOR

The Group leases its property held for sale under operating lease. At 31st December 2003, the total future minimum lease payment receivable under non-cancellable operating leases within one year is HK\$315,000 (2002: Nil).

### 21. 經營租約

#### (a) 作為承租人

於二零零三年十二月三十一日，本集團根據土地及樓宇不可撤銷經營租約之日後最低租金總額如下：

	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Not later than one year 一年內	9,469	9,137
Later than one year and not later than five years 第二至第五年 (包括首尾兩年)	6,957	14,447
	16,426	23,584

#### (b) 作為出租人

本集團出租其用作銷售之物業，於二零零三年十二月三十一日，根據一年內不可撤銷經營租約之日後最低應收總額為315,000港元(二零零二年：無)。

### 22. CONTINGENT LIABILITIES

#### (a)

Indemnities in respect of shipping guarantees given by banks  
就銀行提供之船務擔保所作賠償保證

	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
	3,271	1,126

(b) At 31st December 2003, the Group has outstanding commitment to buy Australian dollar by Hong Kong dollar under forward contracts of HK\$8,745,000 (2002: HK\$317,000) in order to hedge the Group exposure in Australian dollar arising from purchases in Australia.

### 22. 或然負債

(b) 於二零零三年十二月三十一日，本集團根據價值8,745,000港元(二零零二年：317,000港元)之遠期合約項下尚未履行之承擔，須以港元購買澳元，以對沖因於澳洲購貨而產生之澳元風險。

# NOTES TO THE ACCOUNTS

## 賬目附註

### 23. CONTINGENT ASSETS AND POST BALANCE SHEET DATE EVENTS

In November 2002, a fire broke out in one of the Group's warehouses and stocks with a total book value of approximately HK\$18,384,000 were damaged. The Group has made an insurance claim of HK\$16 million for loss of stock of goods covered under insurance policy. As of the accounts approval date, the Group has not reached a settlement agreement with the insurance company and the claim has been undergoing an arbitration process. In January 2004, the Group received approximately HK\$5,667,000 from the insurance company. However, as the final settlement has yet to be agreed, no insurance compensation has been recognised in the accounts.

### 24. PENDING LITIGATION

Bun Kee (International) Limited was cited as a defendant in an action brought by a customer. The Group has filed a statement of defence. The sum included in the claim amounted to approximately HK\$645,000 plus other related costs. No further action has been taken by the customer since November 1999. The directors are of the opinion that the Group is unlikely to suffer any losses from the claim and no provision is considered necessary.

### 25. RELATED PARTY TRANSACTIONS

During the year, the Group had the following significant transactions with related parties:

Recurring transactions

Rental expenses paid to:  
租賃開支支付予：

Bun Kee (H.K.) Limited  
彬記(香港)有限公司  
Bun Kee (China) Limited  
彬記(中國)有限公司  
Powerful Agents Limited

### 23. 或然資產及結算日後事項

於二零零二年十一月，本集團其中一個貨倉發生火警，而賬面總值約18,384,000港元之存貨損毀。本集團就其保單可為損毀存貨作出賠償而申請16,000,000港元之保險賠償。於賬目核准日期，本集團尚未與保險公司達成共識，而有關申請之仲裁程序現正進行。於二零零四年一月，本集團收到保險公司付出約5,667,000港元。然而，由於尚未得出最後結果，賬目內並無確認任何保險賠償。

### 24. 待決訴訟

彬記(國際)有限公司被傳訊為一客戶提出之訴訟之被告。本集團已呈遞答辯書。索賠之款項約為645,000港元另加其他相關費用。自一九九九年十一月起，該客戶並無採取進一步行動。董事認為本集團不會因該索賠蒙受任何損失，故並無需要作出撥備。

### 25. 關連人士交易

於年內，本集團與關連人士曾進行下列重大交易：

經常交易

Note 附註	2003	2002
	二零零三年 HK\$'000 千港元	二零零二年 HK\$'000 千港元
(i)	2,993	4,507
(i)	1,284	1,467
(i)	3,604	5,410

# NOTES TO THE ACCOUNTS

## 賬目附註

### 25. RELATED PARTY TRANSACTIONS

(continued)

- (i) These companies are beneficially owned and controlled by certain directors of the Company. Rentals were paid to these companies for leasing office premises, retail outlets and warehouses of the Group.
- (ii) Rental agreements were entered into between the Group and Bun Kee (H.K.) Limited, Bun Kee (China) Limited and Powerful Agents Limited under which these properties were rented to the Group based on market rates as determined by a firm of independent property valuers.

Apart from the above, there were no other material related party transactions entered into by the Group during the year.

### 26. BANKING FACILITIES

The Group had aggregate banking facilities of approximately HK\$225,125,000 as at 31st December 2003 (2002: HK\$199,625,000) for overdrafts, term loans and other trade finance facilities. Banking facilities utilised as at 31st December 2003 amounted to approximately HK\$74,566,000 (2002: HK\$72,472,000).

### 25. 關連人士交易 (續)

- (i) 該等公司由本公司若干董事實益擁有及控制。為租賃本集團之辦公室、零售店及貨倉，本公司向該等公司支付租金。
- (ii) 本集團與彬記(香港)有限公司、彬記(中國)有限公司及Powerful Agents Limited訂立租約，有關物業按獨立物業估值師行釐定之市場租金租予本集團。

除上文所述外，本集團於年內並無進行其他重大關連人士交易。

### 26. 銀行融資

於二零零三年十二月三十一日，本集團之銀行融資共約225,125,000港元(二零零二年：199,625,000港元)，其中包括透支、定期貸款及其他貿易融資。於二零零三年十二月三十一日，已動用之銀行融資約達74,566,000港元(二零零二年：72,472,000港元)。

# NOTES TO THE ACCOUNTS

## 賬目附註

### 27. SECURED BANK LOAN

### 27. 有抵押銀行貸款

	Group 本集團	
	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
The analysis of the above is as follows: 有關以上貸款之分析如下：		
Secured bank loan 有抵押銀行貸款		
Wholly repayable within one year 須於一年內全數償還	4,290	—

At 31st December 2003, the bank loan was secured by the property held for sale.

於二零零三年十二月三十一日，本集團之銀行貸款以用作銷售之物業作抵押。

### 28. ULTIMATE HOLDING COMPANY

The Directors regard On Top Industrial Limited, a company incorporated in the British Virgin Islands, as being the ultimate holding company.

### 28. 最終控股公司

董事視於英屬維爾京群島註冊成立之公司— On Top Industrial Limited為最終控股公司。

### 29. APPROVAL OF ACCOUNTS

The accounts were approved by the board of directors on 21st April 2004.

### 29. 賬目批核

董事會已於二零零四年四月二十一日批核賬目。