

Notes to the Financial Statements 財務報表附註

for the year ended 31st December, 2004

截至二零零四年十二月三十一日止年度

1. Group reorganisation and basis of Presentation of financial statements

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 29th December, 2003 under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The first director's meeting of the Company was not held until 5th January 2004 in which 1 share was issued and allotted. Accordingly, the Company has not prepared a balance sheet as at 31st December 2003. The Company's ultimate holding company is Real Reward Limited ("Real Reward"), a company incorporated in the Cayman Islands.

The Company acts as an investment holding company. The principal activities of its principal subsidiaries are the operation of retailing business and property investment.

Pursuant to a group reorganisation (the "Group Reorganisation") to rationalise the structure of the Group in preparation for the listing of the Company's shares on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the Company became the holding company of the Group on 26th March, 2004. Details of the Group Reorganisation are set out in the prospectus issued by the Company dated 31st March, 2004 (the "Prospectus").

Dealing of the shares of the Company on the Stock Exchange commenced on 15th April, 2004.

The Group resulting from the Group Reorganisation is regarded as a continuing entity. Accordingly, the consolidated financial statements of the Group for the year ended 31st December, 2004 have been prepared on a merger accounting basis in accordance with Statement of Standard Accounting Practice ("SSAP") 27 "Accounting for Group Reconstructions" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

2. Significant accounting policies

The financial information has been prepared under the historical cost convention, as modified for the revaluation of investment properties and in accordance with the accounting principles generally accepted in Hong Kong.

Revenue recognition

Sales of goods are recognised when goods are sold and title has been passed.

Income from concessionaire sales is recognised upon sales of goods by the relevant shops.

Services income is recognised when services are rendered.

Rental income including rentals invoiced in advance from properties under operating leases, are recognised on a straight-line basis over the terms of the relevant lease.

Interest income is accrued on a time proportion basis by reference to the principal outstanding and at the interest rate applicable.

1. 集團重組及財務報表之呈報基準

本公司為於二零零三年十二月二十九日根據開曼群島法例第22章公司法（一九六一年第三冊，經統一及修訂）在開曼群島註冊成立之獲豁免有限公司。本公司於二零零四年一月五日方舉行首次董事局會議，並發行及配發1股股份。因此，本公司並無編製於二零零三年十二月三十一日之資產負債表。於開曼群島註冊成立之Real Reward Limited（「Real Reward」）為本公司之最終控股公司。

本公司為投資控股公司，其主要附屬公司之主要業務為經營零售業務及物業投資。

根據為籌備本公司股份於香港聯合交易所有限公司（「聯交所」）上市所進行重整本集團架構之重組計劃（「集團重組」），本公司自二零零四年三月二十六日起成為本集團控股公司。有關集團重組詳情已載於本公司所刊發日期為二零零四年三月三十一日之售股章程（「售股章程」）。

本公司股份於二零零四年四月十五日在聯交所開始買賣。

集團重組後成立之本集團被視為持續經營實體。因此，本集團截至二零零四年十二月三十一日止年度之綜合財務報表乃根據香港會計師公會（「香港會計師公會」）頒布之會計實務準則（「會計實務準則」）第27號「有關集團重組的會計處理方法」，以合併會計基準編製。

2. 主要會計政策

財務資料乃根據歷史成本慣例（已就重估投資物業作出修訂）及按照香港公認會計原則編製。

收益確認

貨品銷售於貨品售出及擁有權轉移時確認。

特許專櫃銷售收入於有關店舖售出貨品時確認。

服務收入於提供服務時確認。

租金收入包括根據經營租約出租物業之預收租金發票額，於有關租期以直線法確認。

利息收入乃參考未償還本金及適用利率按時間比例基準計算。

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2. Significant accounting policies (continued)**Investment properties**

Investment properties are completed properties which are held for their investment potential, any rental income being negotiated at arm's length.

Investment properties are stated at their open market value based on professional valuation at the balance sheet date. Any revaluation increase or decrease arising on the revaluation of investment properties is credited or charged to the investment property revaluation reserve unless the balance on this reserve is insufficient to cover a revaluation decrease, in which case the excess of the revaluation decrease over the balance on the investment property revaluation reserves is charged to the income statement. Where a decrease has previously been charged to the income statement and a revaluation increase subsequently arises, this increase is credited to the income statement to the extent of the decrease previously charged.

On disposal of an investment property, the balance on the investment property revaluation reserve attributable to that property is transferred to the income statement.

No depreciation is provided on investment properties except where the unexpired terms is 20 years or less.

Property, plant and equipment

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

Depreciation is provided to write off the cost of items of property, plant and equipment over their estimated useful lives, using the straight-line method, at the following rates per annum:

Leasehold land	Over the lease terms
Buildings	2.5%
Leasehold improvements	Over the shorter of the lease terms, or 20%
Plant and machinery	10%
Furniture, fixtures and equipment	20%
Motor vehicles	20%

Assets held under finance leases are depreciated over their estimated useful lives on the same basis as owned assets, or where shorter, the term of leases.

The gain or loss arising from disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the income statement.

2. 主要會計政策 (續)**投資物業**

投資物業乃因其投資潛力而持有的已落成物業，租金收入以公平基準磋商。

投資物業根據專業估值，以結算日的公開市場價值列賬。投資物業重估所產生任何重估增值或減值，計入或扣除自投資物業重估儲備，除非儲備結餘不足以填補重估減值。在此情況下，重估減值超過投資物業重估儲備結餘的差額，將會自收益表扣除。倘若之前曾自收益表扣除重估減值，而其後又出現重估增值，則此項增值按早前所扣除減值數額撥入收益表。

出售投資物業時，該物業應佔投資物業重估儲備結餘轉撥收益表。

除尚餘年期為二十年或以下者外，並無就投資物業折舊計提撥備。

物業、廠房及設備

物業、廠房及設備乃按成本減折舊及累計減值虧損列賬。

折舊乃按物業、廠房及設備估計可使用年期以直線法按下列年率撇銷其成本計算：

租賃土地	按租約年期
樓宇	2.5%
租賃物業裝修	按租約年期或20% (以較短者為準)
廠房及機器	10%
傢俬、固定裝置及設備	20%
汽車	20%

根據融資租約持有之資產按自置資產之相同基準，於估計可使用年期或按租期（倘屬較短期間）折舊。

出售或報廢資產所產生盈虧按出售該項資產所得款項與其賬面值之差額計算，於收益表確認。

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2. Significant accounting policies (continued)**Impairment**

At each balance sheet date, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment loss is recognised as an expense immediately.

Where an impairment loss subsequent reverses, the carrying amount of the asset 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 had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

Lease

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards of ownership of the assets concerned to the Group. Assets held under finance leases are capitalised at their fair values at the date of acquisition. The corresponding liability to the lessor, net of interest charges, is included in the balance sheet as a finance lease obligation. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are charged to the income statement over the period of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

All other leases are classified as operating leases and the annual rentals are charged to the income statement on a straight-line basis over the terms of the relevant lease.

Inventories

Inventories, which represent merchandise held for resale, are stated at the lower of cost and net realisable value. The cost of merchandise is determined by the retail method and is computed by reference to the retail selling price of goods less the average gross profit margins. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Taxation

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

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

2. 主要會計政策 (續)**減值**

本集團於各結算日審閱其資產賬面值，以釐定該等資產有否出現減值虧損跡象。倘資產之可收回金額估計低於其賬面值，則資產之賬面值減至其可收回金額。減值虧損即時確認為支出。

倘減值虧損其後撥回，則將調高資產賬面值至其經修訂估計可收回金額，惟經調高之賬面值不得超逾假設於過往年度並無就資產確認減值虧損而釐定之賬面值。減值虧損撥回即時確認為收入。

租約

凡租約條款將出租資產擁有權絕大部分風險及回報轉移至本集團之租約歸類為融資租約。按融資租約持有之資產按收購資產日期之公平價值撥充資本。出租人的相應負債在扣除利息支出後，列入資產負債表，作為融資租約承擔。融資成本指租約承擔總額與所購入資產公平價值的差額，於有關租期內自收益表扣除，以於各會計期間就承擔結餘產生固定支銷率。

所有其他租約列作經營租約，每年租金於有關租期以直線法自收益表扣除。

存貨

存貨指持有作轉售的商品，以成本及可變現淨值較低者入賬。商品成本以零售法釐定，參考貨品零售價減平均毛利率計算。可變現淨值指在日常業務中估計售價減估計銷貨成本。

稅項

所得稅支出指現行應繳稅項加遞延稅項總和。

現行應繳稅項乃按本年度應課稅溢利計算。應課稅溢利不計入其他年度的應課稅或可扣稅收支項目，亦不計入收益表中毋須課稅或不獲扣稅項目，故有別於收益表所報純利。

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2. Significant accounting policies (continued)**Taxation (continued)**

Deferred tax is the tax expected to be payable or recoverable 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 can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill (or negative goodwill) or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary difference 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 realised. Deferred tax is charged or credited in 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.

Foreign currencies

Transactions in foreign currencies are initially recorded at the approximate rates of exchange prevailing on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are re-translated at the approximate rates prevailing on the balance sheet date. Gains and losses arising on exchange are dealt with in the income statements.

Retirement benefit costs

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

2. 主要會計政策 (續)**稅項 (續)**

遞延稅項指財務報表中資產及負債賬面值與計算應課稅溢利所用相應稅基間差額的預計應繳或可收回稅項，乃按資產負債表負債法計算。所有暫時應課稅差額一般都會確認為遞延稅項負債，惟遞延稅項資產則於應課稅溢利有可能抵銷可扣稅暫時差額時予以確認。但倘若有關暫時差額是由商譽（或負商譽）又或由初步確認（非業務合併）既不影響稅項溢利亦不影響會計溢利的交易的其他資產和負債所引起，則不會確認該等資產和負債。

遞延稅項負債於附屬公司之投資產生暫時應課稅差額時確認，惟本集團可控制暫時差額之撥回及於可見將來暫時差額可能不會撥回者除外。

遞延稅項資產賬面值於每個結算日檢討，並於不可能有足夠應課稅溢利以收回全部或部分資產時作出扣減。

遞延稅項於清償有關負債或變賣有關資產時，按預計有關期間適用稅率計算。遞延稅項扣自或計入收益表，除非遞延稅項關於直接從股本扣除或計入的項目，在該情況下，遞延稅項亦須在股本中處理。

外幣

以外幣進行之交易初步按交易日期之概約匯率記錄。以外幣列值之貨幣資產及負債按結算日之概約匯率重新換算。因匯兌產生之盈虧撥入收益表處理。

退休福利成本

定額供款退休福利計劃供款在到期支付時列作支出。

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3. Turnover and segment information

Turnover represents the net amount received and receivable for goods sold by the Group to outside customers, less returns and allowance, income from concessionaire sales, services income and rental income during the year, and is analysed as follows:

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Sales of goods – direct sales	貨品銷售 – 直接銷售	962,256	774,642
Income from concessionaire sales	特許專櫃銷售收入	579,611	473,322
Services income	服務收入	37,102	27,072
Rental income	租金收入	29,759	28,811
		1,608,728	1,303,847

The cost of sales and direct operating expenses are analysed as follows:

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Direct sales	直接銷售	682,961	565,674
Direct operating expenses	直接經營開支	43,256	43,177
		726,217	608,851

Over 90% of the Group's turnover and contribution to operating profit is attributable to the operation of department store for retailing of merchandise and all of the Group's turnover and contribution to operating profit is attributable to customers in Hong Kong. Accordingly no analysis of segment is presented.

All of the Group's assets are situated in Hong Kong.

3. 營業額及分部資料

營業額指本集團於本年度就向外界客戶售出的貨品已收及應收款項淨額減退貨及優惠，加上特許專櫃銷售收入、服務收入以及租金收入，茲分析如下：

銷售成本及直接經營開支分析如下：

本集團超過90%營業額和經營溢利貢獻來自百貨店商品零售業務，而本集團營業額和經營溢利貢獻全數來自香港客戶。因此並無呈列分部分析。

本集團所有資產均位於香港。

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4. Other operating income

4. 其他經營收入

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Cleaning income	清潔收入	7,772	4,869
Gain on disposal of property, plant and equipment	出售物業、廠房及設備收益	2,421	2,659
Interest income	利息收入	14,082	1,184
Minimum guaranteed sales commission	最低保證銷售佣金	16,099	28,324
Project income	項目收入	564	1,396
Others	其他	6,343	4,757
		47,281	43,189

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5. Profit from operations

5. 經營溢利

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Profit from operations has been arrived at after charging:	經營溢利已扣除下列項目：		
Directors' remuneration:	董事酬金：		
Fees	袍金	304	-
Other emoluments	其他薪酬	2,476	1,608
Retirement benefits scheme contributions	退休福利計劃供款	12	8
Other staff costs	其他員工成本	2,792	1,616
Retirement benefits scheme contributions, net of forfeited contributions	退休福利計劃供款減沒收供款	151,498	120,480
		3,870	60
Total staff costs	總員工成本	158,160	122,156
Auditors' remuneration	核數師酬金	1,121	1,021
Depreciation:	折舊：		
- owned assets	- 自置資產	81,520	76,637
- assets held under finance leases	- 按融資租約持有資產	73	83
Allowance for bad and doubtful debts	呆壞賬撥備	81,593	76,720
Allowance for obsolete stock	滯銷存貨撥備	4,525	-
Minimum lease payments under operating lease in respect of leasehold land and buildings	經營租約項下租賃土地及樓宇最低租約款項	2,220	-
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	65,820	73,579
Cost of inventories recognised as expense	確認為支出之存貨成本	1,747	-
		682,961	565,674
and crediting:	以及計入下列項目：		
Gain on disposal of property, plant and equipment	出售物業、廠房及設備收益	2,421	2,659
Gross rents from investment properties	投資物業租金總額	1,263	2,624
Gross rents from sub-letting of commercial properties	商業物業分租租金總額	28,496	26,187
Less: Outgoings	減：支銷	(22,732)	(22,843)
Net rental income	租金收入淨額	7,027	5,968
Interest income	利息收入	14,082	1,184

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6. Directors' and employees' remuneration (continued)

Of the five highest paid individuals of the Group for the year ended 31st December, 2004, one (2003: nil) is a director of the Company and the other four (2003: five) are employees of the Group, details of whose remuneration are set out as follows:

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Employees:	僱員:		
Salaries, allowances and other benefits	薪金、津貼及其他福利	6,450	3,963
Retirement benefits scheme contributions	退休福利計劃供款	60	48
Performance related incentive payments	與表現掛鈎獎金	715	400
		7,225	4,411

The emolument of the five highest paid individuals were within the following bands:

五名最高薪人士薪酬介乎以下範圍:

		2004 二零零四年 Number of individuals 人數	2003 二零零三年 Number of individuals 人數
Nil to HK\$1,000,000	零至1,000,000港元	1	1
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	3	3
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至2,000,000港元	-	1
HK\$2,000,001 to HK\$2,500,000	2,000,001港元至2,500,000港元	1	-

During the year ended 31st December, 2004, no remuneration was paid by the Group to 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. None of the directors waived any emoluments during the year.

截至二零零四年十二月三十一日止年度，本集團並無向董事或五名最高薪人士支付薪酬以吸引其加入本集團或作為加入本集團之獎金或離職補償。於本年度，董事概無放棄收取任何酬金。

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7. Finance costs

7. 融資成本

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Interest on:	以下項目之利息：		
Bank loans and overdrafts, wholly repayable within five years	須於五年內悉數償還之 銀行貸款及透支	10,884	396
Loans from a fellow subsidiary	一家同系附屬公司提供貸款	-	66,196
Finance leases	融資租約	11	24
Others	其他	554	-
		11,449	66,616

8. Taxation

8. 稅項

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
The charge comprises:	支出包括下列項目：		
Hong Kong Profits Tax for the year	本年度香港利得稅	77,640	44,790
Underprovision in prior years	以往年度撥備不足	478	-
		78,118	44,790
Deferred tax charge for the year	本年度遞延稅項支出	1,317	12,141
		79,435	56,931

The charge represents Hong Kong Profits Tax calculated at 17.5% (2003: 17.5%) of the estimated assessable profit for the year.

稅項支出為就本年度之估計應課稅溢利按17.5% (二零零三年: 17.5%) 稅率計算之香港利得稅。

Details of the deferred tax (credit) charge for the year are set out in note 22.

本年度遞延稅項(收入)支出詳情載於附註22。

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8. Taxation (continued)

The charge for the year can be reconciled to the profit per consolidated income statement as follows:

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Profit before taxation	除稅前溢利	520,733	331,578
Tax at Hong Kong Profits Tax rates	按香港利得稅稅率計算之稅項	91,128	58,026
Utilisation of tax loss arising in previous year	動用往年出現之稅項虧損	(13,309)	-
Tax effect of utilisation of tax losses not previously recognised	動用先前未有確認稅項虧損之稅務影響	(5,155)	(117)
Tax effect on non-taxable income	毋須課稅收入之稅務影響	(3,770)	(1,867)
Tax effect on non-deductible expenses	不可扣稅支出之稅務影響	2,869	142
Tax losses not recognised	未確認稅項虧損	560	836
Underprovision in prior years	過往年度撥備不足	478	-
Others	其他	6,634	-
Increase in opening deferred tax liability resulting from an increase in Hong Kong Profits Tax rate	香港利得稅稅率調高導致期初遞延稅項負債增加	-	(89)
		79,435	56,931

8. 稅項 (續)

本年度的支出可與綜合收益表之溢利對賬如下：

9. Dividend

An interim dividend of HK cents 3.9 with a special dividend of HK cents 2.7 per share all in cash were paid to the shareholders of the Company during the year. The final dividend of HK cents 12.1 with a special dividend of HK cents 8.6 per share all in cash have been proposed by the directors and is subject to approval by the shareholders in the forthcoming annual general meeting.

9. 股息

本公司於年內以現金向其股東派付中期股息每股3.9港仙及特別股息每股2.7港仙。董事建議以現金派付末期股息每股12.1港仙及特別股息每股8.6港仙，惟有待股東於應屆股東週年大會批准。

10. Earnings per share

The calculation of basic earnings per share for the year ended 31st December, 2004 is based on the net profit for the year of HK\$441,298,000 (2003: HK\$274,647,000) and on the weighted average of 666,404,038 shares (2003: 450,363,269 shares) which is determined on the basis that the issue of shares arising from the Group Reorganisation and capitalisation of non-interest bearing shareholder loan had been completed on 1st January, 2003.

10. 每股盈利

截至二零零四年十二月三十一日止年度，每股基本盈利乃按本年度純利441,298,000港元（二零零三年：274,647,000港元）及股份之加權平均數666,404,038股（二零零三年：450,363,269股）計算，乃按集團重組所發行股份及不計息股東貸款資本化已於二零零三年一月一日完成之基準釐定。

No diluted earnings per share is presented, as the Company did not have any dilutive potential ordinary shares in issue.

由於本公司並無任何已發行具潛在攤薄影響普通股，故並無呈列每股攤薄盈利。

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截至二零零四年十二月三十一日止年度

11. Investment properties

11. 投資物業

2004
二零零四年
HK\$'000
千港元

At 1st January	於一月一日	55,700
Revaluation surplus and released to income statement upon reclassification to leasehold land and building	重估盈餘及於重新分類租賃土地及樓宇後撥入收益表	6,700
Reclassification to leasehold land and building	重新分類為租賃土地及樓宇	(55,700)
Revaluation surplus	重估盈餘	3,000
At 31st December	於十二月三十一日	9,700

The carrying amount of investment properties as at 31st December, 2004 comprises leasehold land in Hong Kong held under long lease.

The investment properties were valued at their open market value at 31st December, 2004 by Norton Appraisals Limited, Registered Professional Surveyors, an independent valuer, on existing use basis.

The valuations as at 31st December, 2004 gave rise to a revaluation surplus of HK\$3,000,000, of which HK\$118,000 and HK\$2,882,000 have been credited to the income statement and the investment property revaluation reserve respectively.

All the Group's investment properties are held for rental under operating leases.

投資物業於二零零四年十二月三十一日之賬面值包括於香港根據長期租約持有之租賃土地。

投資物業由獨立估值師註冊專業測量師普敦國際評估有限公司根據現行用途基準，對其在二零零四年十二月三十一日的公開市場價值進行估值。

二零零四年十二月三十一日之估值導致出現重估盈餘3,000,000港元，其中118,000港元及2,882,000港元分別計入收益表及投資物業重估儲備。

本集團所有投資物業均根據經營租約持有作出租用途。

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截至二零零四年十二月三十一日止年度

12. Property, plant and equipment

12. 物業、廠房及設備

		Leasehold land and buildings 租賃土地 及樓宇 HK\$'000 千港元	Leasehold improvements 租賃物業裝修 HK\$'000 千港元	Plant and machinery 廠房及機器 HK\$'000 千港元	Furniture, fixtures and equipment 傢俬、固定 裝置及設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 總計 HK\$'000 千港元
THE GROUP	本集團						
COST	成本						
At 1st January, 2004	於二零零四年一月一日	2,427,235	230,759	95,481	31,244	996	2,785,715
Additions	添置	-	57,390	15,824	6,405	-	79,619
Reclassified from investment properties	由投資物業重新分類	55,700	-	-	-	-	55,700
Disposals	出售	(1,646)	(11,358)	-	(266)	-	(13,270)
At 31st December, 2004	於二零零四年十二月三十一日	2,481,289	276,791	111,305	37,383	996	2,907,764
DEPRECIATION	折舊						
At 1st January, 2004	於二零零四年一月一日	504,466	167,710	69,684	14,414	204	756,478
Provided for the year	年內折舊	46,112	21,466	8,066	5,750	199	81,593
Eliminated on disposals	出售時撇銷	(486)	(9,645)	-	(166)	-	(10,297)
At 31st December, 2004	於二零零四年十二月三十一日	550,092	179,531	77,750	19,998	403	827,774
NET BOOK VALUES	賬面淨值						
At 31st December, 2004	於二零零四年十二月三十一日	1,931,197	97,260	33,555	17,385	593	2,079,990
At 31st December, 2003	於二零零三年十二月三十一日	1,922,769	63,049	25,797	16,830	792	2,029,237
					2004 二零零四年 HK\$'000 千港元		2003 二零零三年 HK\$'000 千港元
The carrying amount of leasehold land and buildings comprises buildings situated on land in Hong Kong:	租賃土地及樓宇賬面值，包括位於香港土地之樓宇：						
- long lease	- 長期租約				496,924		506,521
- medium term lease	- 中期租約				1,434,273		1,416,248
Property, plant and equipment held under finance lease	按融資租約持有物業、廠房及設備				175		261

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截至二零零四年十二月三十一日止年度

13. Interests in subsidiaries

13. 於附屬公司之權益

		THE COMPANY 本公司	
		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Unlisted shares, at cost	非上市股份·按原值	4,194	—
Amounts due from subsidiaries	應收附屬公司款項	868,295	—
		872,489	—

The amounts due from subsidiaries are unsecured, interest free and have no fixed repayment terms. In the opinion of the directors, the Company will not demand repayment within twelve months from the balance sheet date. Accordingly, the amounts are classified as non-current.

Particulars of the principal subsidiaries are set out in note 32.

應收附屬公司款項乃無抵押、免息及無固定還款期。董事認為，本公司將不會於結算日後十二個月內要求償還款項。因此，該筆款項歸類為非流動款項。

主要附屬公司詳情載於附註32。

14. Inventories

14. 存貨

		THE GROUP 本集團	
		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Merchandise held for resale	持有作轉售商品	33,822	27,650

All inventories were carried at cost at the respective balance sheet dates.

所有存貨在相關結算日按成本列賬。

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15. Trade and other receivables

15. 應收賬款及其他應收款項

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Trade receivables	應收賬款	31,644	33,644
Other receivables, deposits and prepayments	其他應收款項、按金及預付款項	44,627	56,274
		76,271	89,918

At 31st December, 2003, included in other receivables was an amount of HK\$3,457,000 due from a related party, Great Prosperity Holding Inc. ("Great Prosperity") in which Mr. Thomas Lau has beneficial interest. The maximum amount outstanding during the year ended 31st December, 2004 was HK\$5,917,000. The amount was unsecured, interest-free and settled during the year.

The Group's retail sales to customers are mainly on cash basis, either in cash, debit card or credit card payments. The Group does not have a defined fixed credit policy as its major trade receivables arise from credit card sales. An aged analysis of the Group's trade receivables at respective balance sheet dates is as follows:

於二零零三年十二月三十一日之其他應收款項包括應收有關連人士Great Prosperity Holding Inc. (「Great Prosperity」)之款項3,457,000港元。劉鑾鴻先生持有該公司之實益權益。截至二零零四年十二月三十一日止年度最高未償還款額為5,917,000港元。該筆款項為無抵押及免息，已於年內清還。

本集團向顧客作出的零售銷售主要以現金進行，可以現金、扣賬卡或信用卡付款。由於本集團主要應收賬款來自信用卡銷售，故並無既定限額信貸政策。本集團應收賬款於有關結算日的賬齡分析如下：

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
0 – 30 days	0至30日	27,816	31,138
31 – 60 days	31日至60日	3,187	936
61 – 90 days	61日至90日	48	357
Over 90 days	超過90日	593	1,213
		31,644	33,644

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截至二零零四年十二月三十一日止年度

16. Trade and other payables

16. 應付賬款及其他應付款項

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Trade payables	應付賬款	112,409	89,966
Concessionaire sales payable	應付特許專權銷售款項	256,000	223,490
Other payables, deposits and accrued charges	其他應付款項、按金及應計費用	153,216	87,256
		521,625	400,712

At 31st December, 2004, included in other payables is an amount of HK\$6,430,000 (2003: HK\$9,335,000), due to a related party, Chow Tai Fook Jewellery Co., Ltd. in which Dató Dr. Cheng Yu-tung and Mr. Cheng Kar-shun, Henry, directors of the Company, have beneficial interests. The amount was trading in nature and relate to payables arising from concessionaire sales. These trading balances are unsecured, non-interest bearing and repayable according to the terms of the concessionaire sales contract.

於二零零四年十二月三十一日，其他應付款項中包括6,430,000港元（二零零三年：9,335,000港元）的應付有關連人士周大福珠寶金行有限公司款項。本公司兩名董事拿督鄭裕彤博士及鄭家純先生持有該公司實益權益。該筆款項屬貿易性質，與特許專權銷售所產生應付款項相關。此等賬款結餘為無抵押及免息，須按特許專權銷售合約條款償還。

An aged analysis of the Group's trade payables at the respective balance sheet dates is as follows:

本集團於各結算日之應付賬款賬齡分析如下：

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
0 – 30 days	0至30日	95,743	78,713
31 – 60 days	31日至60日	12,467	10,085
61 – 90 days	61日至90日	1,178	418
Over 90 days	超過90日	3,021	750
		112,409	89,966

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17. Amount due to ultimate holding company

17. 應付最終控股公司款項

	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Real Reward Limited ("Real Reward")	–	69,099

Mr. Thomas Lau, Mr. Joseph Lau, Dató Dr. Cheng Yu-tung and Mr. Cheng Kar-shun, Henry, directors of the Company, have beneficial interests in Real Reward. The amount was unsecured, interest-free and settled during the year.

本公司多名董事劉鑾鴻先生、劉鑾雄先生、拿督鄭裕彤博士及鄭家純先生擁有Real Reward實益權益。該款項乃無抵押及免息，已於年內清還。

18. Amount due to a fellow subsidiary

18. 應付一家同系附屬公司款項

	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Crystal Key Investment Limited ("Crystal Key")	–	41,195

Mr. Thomas Lau, Mr. Joseph Lau, Dató Dr. Cheng Yu-tung and Mr. Cheng Kar-shun, Henry, directors of the Company, have beneficial interests in Crystal Key. The balance was unsecured, interest free and settled during the year.

本公司多名董事劉鑾鴻先生、劉鑾雄先生、拿督鄭裕彤博士及鄭家純先生擁有Crystal Key實益權益。該結餘乃無抵押及免息，已於年內清還。

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截至二零零四年十二月三十一日止年度

19. Obligations under finance leases

19. 融資租約承擔

	Minimum lease payments 最低租約款項		Present value of minimum lease payments 最低租約款項現值	
	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Amounts payable under finance leases: 融資租約項下應付款項:				
Within one year 一年內	82	106	72	95
In the second to fifth year inclusive 第二至第五年(包括首尾兩年)	60	142	49	121
Less: Future finance charges 減:日後融資費用	142 (21)	248 (32)	121 N/A	216 N/A
Present value of lease obligations 租約承擔現值	121	216	121	216
Less: Amounts due within one year shown under current liabilities 減:列入流動負債於一年內到期之款項			(72)	(95)
Amounts due after one year 一年後到期之款項			49	121

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20. Bank borrowings, secured

Secured bank borrowings comprises bank loans and the maturity profile of the bank borrowings is as follows:

20. 有抵押銀行借貸

有抵押銀行借貸由銀行貸款組成，銀行借貸的還款期如下：

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
On demand or within one year	應要求或一年內償還	212,930	1,270
More than one year, but not exceeding two years	一年後但不超過兩年	160,000	19,930
More than two years, but not exceeding five years	兩年後但不超過五年	1,500,000	-
		1,872,930	21,200
Less: Amounts due within one year shown under current liabilities	減：列入流動負債於一年內到期之款項	(212,930)	(1,270)
		1,660,000	19,930

Pursuant to a refinancing arrangement for the purpose of listing of the shares of the Company on the Main Board of the Stock Exchange, the Group obtained new loan facilities of up to HK\$2,300 million. The loan bears interest at market rates and are repayable by instalments over a period of five years. An amount of HK\$2,215 million from the proceeds of the loan was used to repay the amount owing by the Group to Crystal Key.

根據就籌備本公司股份於聯交所主板上市而訂立之再融資安排，本集團獲得最多2,300,000,000港元之新貸款融資。貸款按市場利率計息，按五年期間分期償還。貸款所得款項當中2,215,000,000港元已用作償還本集團欠付Crystal Key之款項。

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21. Loans from fellow subsidiaries

21. 同系附屬公司提供貸款

Name of fellow subsidiaries	同系附屬公司名稱	2004	2003
		二零零四年 HK\$'000 千港元	二零零三年 HK\$'000 千港元
Crystal Key		–	2,691,461
Global Centre Investments Limited ("Global Centre")		–	227,284
		–	2,918,745

Mr. Thomas Lau, Mr. Joseph Lau, Dató Dr. Cheng Yu-tung and Mr. Cheng Kar-shun, Henry, directors of the Company, have beneficial interests in Crystal Key and Global Centre.

HK\$2,025,816,000 out of the balance of loans from Crystal Key as at 31st December, 2003, carried interest at rate, from 1.8% to 4.85% per annum. The remaining balances of loans from Crystal Key and the loans from Global Centre were unsecured, interest-free and had no fixed repayment terms. During the year, an amount of HK\$2,033,376,000 had been repaid to Crystal Key. The remaining amount of HK\$658,085,000 due to Crystal Key and the amount due to Global Centre has been assigned to Real Reward and were subsequently satisfied by the issue and allotment of shares of the Company to Real Reward, details of which are set out in note 23(d).

本公司多名董事劉鑾鴻先生、劉鑾雄先生、拿督鄭裕彤博士及鄭家純先生擁有Crystal Key及Global Centre實益權益。

於二零零三年十二月三十一日，Crystal Key提供的貸款結餘中，2,025,816,000港元須按年息1.8厘至4.85厘計息。Crystal Key之貸款餘額及Global Centre提供之貸款屬無抵押、免息及無固定還款期。年內，本公司已向Crystal Key償還2,033,376,000港元。應付Crystal Key餘額658,085,000港元及應付Global Centre款項已轉讓予Real Reward，其後由本公司向Real Reward發行及配發股份清償，詳情載於附註23(d)。

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22. Deferred taxation

22. 遞延稅項

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Analysis for financial report purpose	就財務申報分析		
Deferred tax liabilities	遞延稅項負債	28,137	12,760
Deferred tax assets	遞延稅項資產	(15,628)	(1,568)
Net position	淨額	12,509	11,192

The following are major deferred tax liabilities and assets recognised by the Group and movements thereon during the year.

以下為本集團確認之主要遞延稅項負債及資產以及於年內的變動。

		Accelerated tax depreciation 加速稅項折舊 HK\$'000 千港元	Tax losses 稅項虧損 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1st January, 2003	於二零零三年一月一日	10,169	(11,118)	(949)
Charge to income for the year	扣除自本年度收入	1,638	10,592	12,230
Effect of change in tax rate	稅率變動之影響	953	(1,042)	(89)
At 31st December, 2003	於二零零三年十二月三十一日	12,760	(1,568)	11,192
Charge (credit) to income for the year	扣除自(計入)本年度收入	15,377	(14,060)	1,317
At 31st December, 2004	於二零零四年十二月三十一日	28,137	(15,628)	12,509

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23. Share capital

23. 股本

		Number of shares 股份數目	Amount 款額 HK\$'000 千港元
Ordinary shares of HK\$0.01 each	每股面值0.01港元之普通股		
Authorised:	法定:		
On the date of incorporation (note a)	註冊成立日期(附註a)	39,000,000	390
Increase during the period (note b)	本期間增加(附註b)	1,961,000,000	19,610
At 31st December, 2004	於二零零四年十二月三十一日	2,000,000,000	20,000
Issued and fully paid:	已發行及繳足:		
Allotted and issued on the date of incorporation (note a)	於註冊成立日期配發及發行(附註a)	1	-
Issue of shares on Group Reorganisation (note c)	集團重組時發行股份(附註c)	419,439,958	4,194
Issue of shares for capitalisation of loans (note d)	貸款撥充資本時發行股份(附註d)	120,560,041	1,206
Issue of shares by placing and public offering (note e)	透過配售及公開發售發行股份(附註e)	180,000,000	1,800
Exercise of over-allotment option (note f)	行使超額配股權(附註f)	27,000,000	270
At 31st December, 2004	於二零零四年十二月三十一日	747,000,000	7,470
Shown in the balance sheet At 31st December, 2003	資產負債表所示 於二零零三年十二月三十一日		4,000

Details of the changes in the Company's share capital during the year are as follows:

年內，本公司之股本變動詳情如下：

- (a) The Company was incorporated on 29th December, 2003 with an authorised share capital of HK\$390,000 divided into 39,000,000 shares of HK\$0.01 each, one share was allotted and issued to the initial subscriber of the Company at par on 5th January, 2004 and was then transferred to Real Reward on the same date.

- (a) 本公司於二零零三年十二月二十九日註冊成立，法定股本為390,000港元，分為39,000,000股每股面值0.01港元股份。本公司於二零零四年一月五日按面值向本公司初步認購人配發及發行1股股份，該股份於同日轉讓予Real Reward。

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23. Share capital (continued)

- (b) Pursuant to a written resolution of the sole shareholder passed on 26th March, 2004, the authorised share capital of the Company was increased from HK\$390,000 to HK\$20,000,000 by the creation of an additional 1,961,000,000 shares of HK\$0.01 each, which rank pari passu in all respects with the then existing shares.
- (c) On 26th March, 2004, an aggregate of 419,439,958 shares of HK\$0.01 each were allotted and issued, credited as fully paid at par, to Real Reward as consideration for the acquisition by the Company from Crystal Key and Real Reward of, and in exchange for, the entire issued share capital of Excellent Empire International Limited, Excellent Global Limited ("Excellent Global") and Glory Ocean Investments Limited.
- (d) On 26th March, 2004, an aggregate of 120,560,041 shares of HK\$0.01 each were allotted and issued, credited as fully paid at par, to Real Reward, by way of capitalisation of loans ("Capitalisation Issue") for an aggregate amount of HK\$885,369,000 owing by the Company to Real Reward.
- (e) On 14th April, 2004, 180,000,000 shares of HK\$0.01 each were issued by way of placing to professional and institutional investors and public offer to the public at a price of HK\$8.30 per share.
- (f) Pursuant to the underwriting agreement dated 30th March, 2004, BNP Paribas Peregrine Capital Limited ("BNP Paribas Peregrine") (for and on behalf of the placing underwriters) was granted an over-allotment option by the Company pursuant to which the Company was required to issue and allot up to 27,000,000 additional shares of HK\$0.01 each in the Company at a price of HK\$8.30 per share. On 23rd April, 2004, BNP Paribas Peregrine on behalf of the placing underwriters exercised in full the over-allotment option. The Company issued 27,000,000 additional new shares at HK\$8.30 per share.

All the shares which were issued by the Company during the year rank pari passu with each other in all respects.

The share capital shown on the balance sheet as at 31st December, 2003 represented the aggregate amount of the capital of companies comprising the Group attributable to the Company as at that date before the Group Reorganisation.

23. 股本 (續)

- (b) 根據唯一股東於二零零四年三月二十六日通過之書面決議案，本公司的法定股本藉增設1,961,000,000股每股面值0.01港元之股份，由390,000港元增至20,000,000港元，該等新股份與當時之現有股份於各方面均享有相同權益。
- (c) 於二零零四年三月二十六日，本公司向Real Reward配發及發行合共419,439,958股每股面值0.01港元按面值入賬列作繳足股份，作為本公司向Crystal Key及Real Reward收購及交換Excellent Empire International Limited、Excellent Global Limited (「Excellent Global」)及Glory Ocean Investments Limited全部已發行股本之代價。
- (d) 於二零零四年三月二十六日，本公司向Real Reward配發及發行合共120,560,041股每股面值0.01港元按面值入賬列作繳足股份，將本公司欠Real Reward合共885,369,000港元款額貸款撥充資本(「資本化發行」)。
- (e) 於二零零四年四月十四日，本公司透過按每股8.30港元之價格向專業及機構投資者配售及向公眾人士公開發售，發行180,000,000股每股面值0.01港元之股份。
- (f) 根據日期為二零零四年三月三十日之包銷協議，法國巴黎百富勤融資有限公司(「法國巴黎百富勤」)(代表配售包銷商)獲本公司授予超額配股權，據此本公司須按每股8.30港元之價格額外發行及配發最多27,000,000股本公司每股面值0.01港元之股份。於二零零四年四月二十三日，法國巴黎百富勤代表配售包銷商全面行使超額配股權。本公司按每股8.30港元之價格額外發行27,000,000股新股份。

本公司於年內發行之所有股份於各方面均與其他股份享有同等權益。

於二零零三年十二月三十一日之資產負債表所示股本為於集團重組前本公司當日應佔本集團成員公司之股本總額。

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24. Share option

The Company's share option scheme (the "Scheme") was adopted for a period of 10 years commencing 27th March, 2004 pursuant to a written resolution of the sole shareholder for the purpose of providing incentives or rewards to selected full-time employees and directors for their contribution. Details of the Scheme was subsequently disclosed in the Company's prospectus dated 31st March, 2004.

Under the Scheme, the Company may grant options to selected full-time employees and directors of the Company and its subsidiaries, to subscribe for shares in the Company. Additionally, the Company may, from time to time, grant share options to eligible advisors and consultants to the Company and its subsidiaries at the discretion of the Board of Directors.

The total number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point of time, without prior approval from the Company's shareholders. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. Options granted to substantial shareholders, independent non-executive directors, or any of their respective associates (including a discretionary trust whose discretionary objects include a substantial shareholder or an independent non-executive director or a company beneficially owned by any substantial shareholder or independent non-executive director of the Company) in excess of 0.1% of the Company's share capital or with a value in excess of HK\$5,000,000 must be approved in advance by the Company's shareholders.

Option granted must be taken up within the time limit specified in the offer letter (which shall not be later than 5 days from the date of offer), upon payment of HK\$1 per option. Options may be exercised at any time from the date of grant of the share option to the 10 anniversary of the date of accepted. The exercise price is determined by the directors of the Company, and will not be less than the higher of (i) the closing price of the Company's shares on the date of grant, (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's share.

No option has been granted under the Scheme since its adoption.

24. 購股權

本公司根據唯一股東之書面決議案採納購股權計劃(「該計劃」)，由二零零四年三月二十七日起為期十年，旨在向經甄選之全職僱員及董事就彼等對本集團所作貢獻提供獎勵或獎賞。該計劃詳情其後於本公司日期為二零零四年三月三十一日之售股章程披露。

根據該計劃，本公司可向本公司及其附屬公司經甄選之全職僱員及董事授出購股權，以認購本公司股份。此外，本公司可不時按董事局酌情權向本公司及其附屬公司之合資格顧問及諮詢顧問授出購股權。

如未經本公司股東事先批准，根據該計劃可授出購股權所涉及之股份總數，不得超過本公司於任何時間已發行股份10%。如未經本公司股東事先批准，於任何一年，就任何人士所獲授及可獲授之購股權已發行及將發行之股份數目，不得超過本公司於任何時間已發行股份1%。授予主要股東、獨立非執行董事或彼等各自之聯繫人士(包括全權信託，而有關全權受益人包括主要股東或獨立非執行董事或由本公司任何主要股東或獨立非執行董事實益擁有之公司)超過本公司股本0.1%或價值超過5,000,000港元之購股權，必須經本公司股東事先批准。

授出之購股權須於提呈函件所指定時限(不得遲於提呈日期起計5日)內接納。接納時須就每份購股權支付1港元。購股權可於授出購股權日期起至接納日期十年屆滿之日止期間內隨時行使。行使價由本公司董事釐定，將不低於(i)授出日期本公司股份收市價；(ii)緊接授出日期前五個營業日股份平均收市價；及(iii)本公司股份面值三者之較高者。

自採納以來，並無根據該計劃授出購股權。

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25. Reserves

25. 儲備

		Share premium 股份溢價 HK\$'000 千港元	Accumulated profit 累計溢利 HK\$'000 千港元	Total 總計 HK\$'000 千港元
THE COMPANY	本公司			
Issue of shares on capitalisation of shareholder loans	股東貸款撥充資本時發行股份	884,163	–	884,163
Issue of shares by placing and public offering	透過配售及公開發售發行股份	1,492,200	–	1,492,200
Issue of shares on exercise of over-allotment option	行使超額配股權時發行股份	223,830	–	223,830
Expenses incurred in connection with the issue of shares	發行股份所產生開支	(89,913)	–	(89,913)
Net profit for the year	本年度純利	–	8,926	8,926
Dividend paid	已付股息	(49,302)	–	(49,302)
		2,460,978	8,926	2,469,904

Under the Companies Law of the Cayman Islands, share premium is distributable to shareholders, subject to the condition that the Company cannot declare or pay a dividend, or make a distribution out of share premium and capital redemption reserve, unless immediately following the date on which distributions or dividend is proposed to be paid, the Company shall be able to pay its debts as they fall due in the ordinary course of business.

At the balance sheet date, the Company's reserves available for distribution to shareholders amounted to HK\$2,469,904,000.

根據開曼群島公司法，股份溢價可分派予股東，條件為本公司不得以股份溢價及資本贖回儲備宣派或派付股息或作出分派，除非於緊隨建議派付分派或股息之日後，本公司將有能力於日常業務中支付到期債項。

於結算日，本公司可供分派予股東之儲備為2,469,904,000港元。

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26. Operating lease commitments

At the balance sheet date, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of leasehold land and buildings which are as follows:

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Within one year	一年內	47,273	57,332
In the second to fifth year inclusive	第二至第五年 (包括首尾兩年)	7,468	39,947
		54,741	97,279

Operating lease payments represent rentals payable by the Group for leasing commercial properties for rental purpose. Leases are generally negotiated for an average terms of one to five years and rentals are fixed for an average of two years.

At the balance sheet date, the Group had contracted with tenants for the following future minimum lease payments:

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Within one year	一年內	20,969	17,731
In the second to fifth year inclusive	第二至第五年 (包括首尾兩年)	844	3,683
		21,813	21,414

Leases are generally negotiated for an average term of one to five years.

26. 經營租約承擔

於結算日，本集團就不可撤銷經營租約之租賃土地及樓宇所承擔日後最低租約款項如下：

經營租約款項乃本集團就租用商業出租物業應付之租金。租約一般按平均租賃期一至五年協商，租金平均每兩年調整。

於結算日，本集團已與租戶訂約的日後最低租約款項如下：

租約一般按平均租賃期一至五年協商。

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27. Capital commitments

27. 資本承擔

		THE GROUP 本集團	
		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Capital expenditure in respect of the acquisition of property, plant and equipment committed but not provided for in the financial statements	有關購入物業、廠房及設備已承諾惟未於財務報表撥備之資本開支	2,266	6,151

28. Contingent liabilities

THE GROUP

Pursuant to two property sales and purchase agreements entered into among the subsidiaries in 1985 and 1996, certain properties were transferred within the Group. The assignments of such properties have not been executed. If no exemption for stamp duty is granted under the Stamp Duty Ordinance, upon execution of the assignment of the properties, the Group will be subject to an aggregate stamp duty of about HK\$38.9 million.

THE COMPANY

As at 31st December, 2004, the Company has provided guarantee to various banks to secure banking facilities of an aggregated amount of HK\$2,300,000,000 granted to certain subsidiaries of the Company.

29. Pledge of assets

THE GROUP

At 31st December, 2003, the Group has pledged certain leasehold land and buildings and investment properties, together with certain other assets, to secure banking facilities granted to the Group and a fellow subsidiary, Crystal Key. On 26th March, 2004, Future Develop Limited, a wholly-owned subsidiary of the Company, entered into a loan agreement with the syndicate lenders of the then syndicated loans granted to Crystal Key for new loan facilities of up to HK\$2,300,000,000.

28. 或然負債

本集團

根據附屬公司間於一九八五年及一九九六年訂立之兩份物業買賣協議，若干物業於本集團內公司間轉讓，惟該等物業轉讓至今並未執行。倘未能根據印花稅條例獲豁免印花稅，則本集團於轉讓該等物業時，將須繳付合共約38,900,000港元印花稅。

本公司

於二零零四年十二月三十一日，本公司向多間銀行提供擔保，作為銀行授予本公司若干附屬公司合共2,300,000,000港元之銀行融資額之抵押。

29. 資產抵押

本集團

於二零零三年十二月三十一日，本集團已抵押若干租賃土地及樓宇以及投資物業連同若干其他資產，作為本集團及同系附屬公司Crystal Key獲授銀行融資額之抵押。於二零零四年三月二十六日，本公司全資附屬公司Future Develop Limited與Crystal Key當時既有銀團貸款之銀團放貸人訂立貸款協議，以取得最多2,300,000,000港元之新貸款融資。

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29. Pledge of assets (continued)**THE GROUP (continued)**

The carrying value of the pledged leasehold land and buildings and investment properties at the balance sheet date are as follows:

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Leasehold land and buildings	租賃土地及樓宇	1,848,386	1,837,131
Investment properties	投資物業	-	49,700
		1,848,386	1,886,831

30. Related party disclosure**(i) Transactions**

In addition to the transactions as disclosure in note 15, 16, 17, 18 and 21 above, during the year, the Group had entered into the following significant transactions with related parties.

30. 有關連人士披露**(i) 交易**

除上述附註15、16、17、18及21所披露之交易外，年內，本集團曾與有關連人士進行下列重大交易。

Name of related party 有關連人士名稱	Nature of transaction 交易性質	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Chow Tai Fook Jewellery Co., Ltd. ("CTF Jewellery") 周大福珠寶金行有限公司(「周大福珠寶」)	Income from concessionaire sales (note 1) 特許專櫃銷售收入(附註1)	6,436	5,480
Crystal Key	Interest and finance charges paid (note 2) 已付利息及融資費用(附註2)	-	66,196
New World PCS Limited ("New World PCS") 新世界流動電話有限公司 (「新世界流動電話」)	Licence fee received (note 1) 已收特許費(附註1)	450	450
Pingan. com Limited ("Pingan")	Consultancy service fee paid (note 3) 已付顧問服務費(附註3)	-	62
Pingan	Purchase of equipment (note 3) 設備採購(附註3)	-	855
Sunny Ocean Investments Limited ("Sunny Ocean")	Lightbox licence fee paid (note 3) 已付燈箱特許費(附註3)	462	462
Viewide Properties Limited ("Viewide") and Sunny Ocean	Rental, service charges and air-conditioning fee paid (note 3) 已付租金、服務費及空調費(附註3)	43,374	43,370
Great Prosperity	Reimbursement of services (note 4) 償付服務費用(附註4)	-	2,568

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30. Related party disclosure (continued)

(i) Transactions (continued)

Notes:

- (1) CTF Jewellery and New World PCS are companies in which Dató Dr. Cheng Yu-tung and Mr. Cheng Kar-shun, Henry, directors of the Company, have beneficial interests. The income is charged at rates according to the terms of the relevant agreements.
- (2) Interest was charged at rates from 1.8% to 4.85% per annum and the finance charges were reimbursed from the Group.
- (3) Pingan, Sunny Ocean and Viewide are companies in which Mr. Thomas Lau and Mr. Joseph Lau, directors of the Company, have beneficial interests. Sunny Ocean and Viewide are indirect wholly owned subsidiaries of Chinese Estates Holdings Limited. Rental, service charges, air-conditioning fee, lightbox licence fee and consultancy service fee paid were charged at the prevailing market rates. Purchase of equipment were carried out according to the terms of the relevant agreements.
- (4) Sogo Hong Kong Company Limited, a subsidiary of the Company, provides services to Great Prosperity by designating certain staff members to assist in the establishment of a department store in Shanghai. The reimbursement was determined at cost.

(ii) Guarantee

Real Reward has provided guarantee to a bank to secure facilities granted to Grand Kinetic Limited ("Grand Kinetic"), a subsidiary of the Company. At 31st December, 2003, the extent of the facilities utilised by Grand Kinetic amounted to about HK\$22 million. The guarantee given by Real Reward was released and replaced by the same terms under a corporate guarantee given by the Company upon the listing of the Company's shares on the Main Board of the Stock Exchange.

(iii) Loan

Pursuant to a loan agreement dated 18th November, 2004 entered into between Billion Empire Limited ("Billion Empire"), a wholly-owned subsidiary of the Company, and Dragon Sign Limited ("Dragon Sign"), Billion Empire granted a loan facility of HK\$2,000,000 to Dragon Sign ("Loan Facility"). The Loan Facility was secured by 50% of the issued share capital of Dragon Sign.

The Loan Facility is interest bearing and repayable on or before 31st March, 2006. As at 31st December, 2004, an amount of HK\$240,000, which represents the maximum amount outstanding during the year, of the Loan Facility is utilised. Mr. Thomas Lau, a director of the Company, is one of the four directors of Dragon Sign.

30. 有關連人士披露 (續)

(i) 交易 (續)

附註:

- (1) 周大福珠寶及新世界流動電話為本公司兩名董事拿督鄭裕彤博士及鄭家純先生持有實益權益的公司。收入乃按有關協議條款所訂比率收取。
- (2) 利息按年息1.8厘至4.85厘收取，而融資費用由本集團償付。
- (3) Pingan、Sunny Ocean及Viewide乃本公司兩名董事劉鑾鴻先生及劉鑾雄先生持有實益權益的公司。Sunny Ocean及Viewide乃華人置業集團之間接全資附屬公司。已付租金、服務費用、空調費、燈箱特許費及顧問服務費乃按當時市場水平支付。設備採購乃按有關協議條款進行。
- (4) 本公司附屬公司崇光(香港)百貨有限公司向Great Prosperity提供服務，指派若干員工協助於上海成立百貨店，償付有關費用時按成本釐定。

(ii) 擔保

Real Reward向一家銀行提供擔保，以便本公司附屬公司堅享有限公司(「堅享」)獲授銀行融資額。於二零零三年十二月三十一日，堅享已動用融資額約22,000,000港元。於本公司股份在聯交所主板上市後，由Real Reward作出之擔保已獲解除，並由本公司按相同條款作出之公司擔保取代。

(iii) 貸款

根據本公司全資附屬公司億冠有限公司(「億冠」)與龍信有限公司(「龍信」)所訂立日期為二零零四年十一月十八日之貸款協議，億冠授出貸款融資2,000,000港元予龍信(「貸款融資」)。貸款融資乃以龍信已發行股本50%作抵押。

貸款融資為計息貸款及須於二零零六年三月三十一日或之前償還。於二零零四年十二月三十一日，貸款融資中已動用240,000港元，相當於年內最高未償還款額。本公司董事劉鑾鴻先生為龍信四名董事之一。

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31. Post balance sheet events

- (i) As disclosed in the Company's prospectus dated 31st March, 2004, Excellent Global, a direct wholly-owned subsidiary of the Company, had contracted with Pure Group Limited ("Pure Group") and Full Partner Limited ("Full Partner") for a conditional agreement to acquire:

- (a) the entire issued share capital of Great Prosperity, and
- (b) the face value of the shareholders' loans owed by Great Prosperity to Pure Group and Full Partner at completion

at a consideration subject to the cap of HK\$500 million.

Upon completion, the Company would have an effective equity interest of 65% in the operating joint venture company 上海久光百貨有限公司 (Shanghai Ongoing Department Store Limited) ("Operating JV") and 50% in the property joint venture company 上海九百城市廣場有限公司 (Shanghai Joinbuy City Plaza Co. Limited) ("Property JV") which owns the whole 10-storey shopping complex at Shanghai JoinBuy City Plaza (the "Shopping Complex"), both at the PRC.

Great Prosperity was owned as to 50% by Pure Group (ultimately owned by Mr. Thomas Lau and Mr. Joseph Lau's family discretionary trust) and 50% by Full Partner (ultimately owned by CTF which has 50% indirect interest in a controlling shareholder of the Company).

With all the conditions precedent of the acquisition agreement fulfilled, the acquisition was completed on 7th January, 2005. An aggregate consideration of HK\$500 million was paid, which is subject to downward adjustment, if any, with reference to the professional confirmation on the construction cost in the completion accounts in respect of the Shopping Complex.

- (ii) Following completion of the acquisition agreement as referred to in (i) above, the Operating JV has become a non-wholly owned subsidiary of the Group and pursuant to a tenancy agreement dated 26th November, 2004 entered into between the Operating JV and the Property JV, the Group is committed to lease, for a period of 20 years with an option to renew for a further 10 years upon expiry of the initial term, the Shopping Complex at an annual basic rental of RMB125 million (equivalent to approximately HK\$117.5 million). Details of other terms of the tenancy agreement have been set out in the Company's circular dated 14th December, 2004.

31. 結算日後事項

- (i) 誠如本公司日期為二零零四年三月三十一日之售股章程披露，本公司直接全資附屬公司Excellent Global與Pure Group Limited (「Pure Group」)及Full Partner Limited (「Full Partner」)訂約，有條件收購：

- (a) Great Prosperity全部已發行股本，及
- (b) 於完成時Great Prosperity應付Pure Group及Full Partner之股東貸款面值

代價可予調整，上限為500,000,000港元。

完成後，本公司將分別擁有營運合營企業上海久光百貨有限公司(「營運合營企業」)及擁有上海久百城市廣場全部10層購物廣場(「購物廣場」)之物業合營企業上海九百城市廣場有限公司(「物業合營企業」)之65%及50%實際股權。兩家公司均位於中國。

Great Prosperity由Pure Group及Full Partner各自擁有50%。Pure Group由劉鑾鴻先生及劉鑾雄先生家族信託最終擁有。Full Partner由擁有本公司控股股東50%間接權益之周大福最終擁有。

當收購協議之所有先決條件達成後，收購於二零零五年一月七日完成，所支付總代價為500,000,000港元，可於參考購物廣場完成賬目所載建築成本之專業確認後作出下調(如有)。

- (ii) 上文(i)項所述收購協議完成後，營運合營企業成為本集團非全資附屬公司。根據營運合營企業與物業合營企業所訂立日期為二零零四年十一月二十六日之租賃合同，本集團承諾租賃購物廣場，為期20年，可於初步年期屆滿時，續約10年，基本年租為人民幣125,000,000元(約相當於117,500,000港元)。租賃合同其他條款詳情載於本公司日期為二零零四年十二月十四日之通函。

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31. Post balance sheet events (continued)

(iii) Pursuant to the lease dated 24th February, 2005 (the "Lease") entered into between Sogo Hong Kong Company Limited as tenant and Hong Kong Island Development Limited ("HK Island"), an associate of CTF, as landlord in relation to Portion of Ground Floor, Portion of Podium 1 and the entire Podium 2 of The Amazon, No. 12 Salisbury Road, Tsimshatsui, Kowloon, Hong Kong (the "Premises") for a term of 15 years, a turnover rent shall be payable by Sogo Hong Kong Company Limited on a monthly basis in arrears at the rate of 6% for the 1st to the 10th years of the term and 7% for the 11th to the 15th years of the term on all sales generated and/or received from the business carried on at the Premises. Other terms of the Lease have been detailed in the Company's circular dated 11th March, 2005.

32. Particulars of principal subsidiaries

As at 31st December, 2004, the details of the Company's principal subsidiaries are as follows:

31. 結算日後事項 (續)

(iii) 根據崇光(香港)百貨有限公司作為租戶與周大福之聯繫人士香島發展有限公司(「香島」)作為業主所訂立日期為二零零五年二月二十四日有關租賃香港九龍尖沙咀梳士巴利道12號亞瑪遜地下之部分、地庫1部分及地庫2全部(「該物業」)為期15年之租約(「該租約」),崇光(香港)百貨有限公司須按營業額每月繳付租金,租期第1至10年為自該物業營業所產生及/或收取所有銷售額6%;第11至15年則為7%。該租約其他條款詳情載於本公司日期為二零零五年三月十一日之通函。

32. 主要附屬公司詳情

於二零零四年十二月三十一日,本公司主要附屬公司之詳情如下:

Name of company	Place and date of incorporation	Issued and fully paid share capital	Attributable equity interest of the Group 本集團應佔股本權益	Principal activities
公司名稱	註冊成立地點及日期	已發行及繳足股本		主要業務
Asia Kinetic Limited 明振有限公司	Hong Kong 27th February, 2002 香港 二零零二年二月二十七日	HK\$2 2港元	100%	Retailing and investment holding 零售及投資控股
Congenial Company Limited	Hong Kong 24th April, 1981 香港 一九八一年四月二十四日	HK\$10,000,000 10,000,000港元	100%	General trading and property holding 一般貿易及物業持有
Eastlord Development Limited 加諾發展有限公司	Hong Kong 21st August, 1987 香港 一九八七年八月二十一日	HK\$500,000 500,000港元	100%	Property holding and leasing 物業持有及租賃
Everwin Worldwide Limited 永盛環球有限公司	Hong Kong 17th November, 2000 香港 二零零零年十一月十七日	HK\$2 2港元	100%	Property leasing 物業租賃

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32. Particulars of principal subsidiaries (continued)

32. 主要附屬公司詳情 (續)

Name of company	Place and date of incorporation	Issued and fully paid share capital	Attributable equity interest of the Group 本集團應佔股本權益	Principal activities
公司名稱	註冊成立地點及日期	已發行及繳足股本		主要業務
Fine Shine Limited 遠耀有限公司	Hong Kong 11th September, 2003 香港 二零零三年九月十一日	HK\$2 2港元	100%	Restaurant, retail and supermarket 食肆、零售及超級市場
Forceworld Investments Limited 可偉投資有限公司	Hong Kong 15th July, 1988 香港 一九八八年七月十五日	HK\$500,000 500,000港元	100%	Property holding 物業持有
Future Develop Limited	British Virgin Islands 12th December, 2003 英屬處女群島 二零零三年十二月十二日	US\$3 3美元	100%	Investment holding 投資控股
Glory Line Management Limited 偉業管理有限公司	Hong Kong 5th September, 1995 香港 一九九五年九月五日	HK\$500,000 500,000港元	100%	Provision of property security and management services 物業保安及管理服務
Grand Kinetic Limited 堅享有限公司	Hong Kong 7th February, 2001 香港 二零零一年二月七日	HK\$2 2港元	100%	Property holding and leasing 物業持有及租賃
Pacific Trump Development Limited 沛駿發展有限公司	Hong Kong 6th July, 1995 香港 一九九五年七月六日	HK\$2 2港元	100%	Property letting and investment holding 物業租賃及投資控股
Public Might Limited 群量有限公司	Hong Kong 30th August, 1984 香港 一九八四年八月三十日	HK\$1,000 1,000港元	100%	Property investment and provision of building management services 物業投資及大廈管理服務
Ronson Kwok Asia Pacific Limited	Hong Kong 5th October, 1993 香港 一九九三年十月五日	HK\$1,000,000 1,000,000港元	100%	Building management and club operator 大廈管理及會所營運

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32. Particulars of principal subsidiaries (continued)

32. 主要附屬公司詳情 (續)

Name of company	Place and date of incorporation	Issued and fully paid share capital	Attributable equity interest of the Group 本集團應佔股本權益	Principal activities 主要業務
公司名稱	註冊成立地點及日期	已發行及繳足股本		
Sogo Hong Kong Company Limited 崇光(香港)百貨有限公司	Hong Kong 23rd September, 1983 香港 一九八三年九月二十三日	HK\$4,000,000 4,000,000港元	100%	Retailing business 零售業務
Superlite Limited	British Virgin Islands 3rd April, 2001 英屬處女群島 二零零一年四月三日	US\$1 1美元	100%	Property holding 物業持有

Note: The interests in the above subsidiaries are indirectly held by the Company.

附註：上述附屬公司之權益由本公司間接持有。

33. Potential impact arising from the recently issued accounting standards

In 2004, the HKICPA issued a number of new or revised Hong Kong Accounting Standards ("HKASs") and Hong Kong Financial Reporting Standards ("HKFRSs") (herein collectively referred to as "new HKFRSs") which are effective for accounting periods beginning on or after 1st January, 2005. The Group has not early adopted these new HKFRSs in the financial statements for the year ended 31st December, 2004. These new HKFRSs may result in changes in the future preparation and presentation of the Group's results and financial position.

33. 近期頒布之會計準則所產生潛在影響

於二零零四年，香港會計師公會頒布多項新訂或經修訂香港會計準則（「香港會計準則」）及香港財務申報準則（「香港財務申報準則」）（本文統稱「新香港財務申報準則」），於二零零五年一月一日或之後開始之會計期間生效。本集團並無提前於截至二零零四年十二月三十一日止年度之財務報表採納該等新香港財務申報準則。該等新香港財務申報準則或會導致本集團業績及財務狀況之日後編製及呈報方法有所變動。