

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) ADOPTION OF NEW ACCOUNTING STANDARDS

The Hong Kong Institute of Certified Public Accountants (“HKICPA”) has issued a number of new and revised Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards (“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 accounts for the year ended 31st December 2004. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a significant impact on its results of operations and financial position.

(b) BASIS OF PREPARATION

The accounts have been prepared in accordance with accounting principles generally accepted in Hong Kong and comply with accounting standards issued by the HKICPA. They have been prepared under historical cost convention except that, as disclosed in the accounting policies below, certain properties and investments in securities are stated at fair value.

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) 採納新財務報告準則

香港會計師公會已頒佈多項全新及經修訂之香港財務報告準則及香港會計準則，（其共同詮釋「新香港財務報告準則」），並於二零零五年一月一日或以後之會計期間生效。本集團截至二零零四年十二月三十一日止年度財務報表並無採納新香港財務報告準則。本集團已開始評估新香港財務報告準則之影響，惟尚未能指出該等新香港財務報告準則是否對其經營業績及財務狀況有任何重大影響。

(b) 編製基準

賬目乃根據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」）頒佈之會計標準。賬目乃根據歷史成本法，惟如下文之會計政策所披露者外，若干物業及證券投資乃按公平值列賬。

NOTES TO THE ACCOUNTS

賬目附註

1. PRINCIPAL ACCOUNTING POLICIES (continued)

(c) CONSOLIDATION

The consolidated accounts include the accounts of the Company and its subsidiaries made up to 31st December. Subsidiaries are those entities in which the Company, directly or indirectly, controls more than one half of the voting power; has the power to govern the financial and operating policies; to appoint or remove the majority of the members of the board of directors; or to cast majority of votes at the meetings of the board of directors. The results of subsidiaries acquired or disposed of during the year are included in the consolidated profit and loss account from the effective date of acquisition or up to the effective date of disposal, as appropriate.

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

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

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

The balance sheet of subsidiaries expressed in foreign currencies are translated at the rates of exchange ruling at the balance sheet date whilst the profit and loss account is translated at an average rate. Exchange differences are dealt with as movement in reserves.

1. 主要會計政策 (續)

(c) 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。附屬公司為本公司直接或間接控制超過一半投票權；有權監管財務及營運政策；委任或罷免董事會之過半數成員；或於董事會會議上投決定票過半數之該等實體。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。

少數股東權益乃指於附屬公司之營運業績及資產淨值當中股東以外之權益。

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。

以外幣列示之附屬公司資產負債表乃按結算日之現行匯率換算，而損益賬則按平均匯率換算。匯兌差異乃於儲備中列作變動處理。

NOTES TO THE ACCOUNTS

賬目附註

1. PRINCIPAL ACCOUNTING POLICIES

(continued)

(d) PROPERTY, PLANT AND EQUIPMENT

(i) INVESTMENT PROPERTIES

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

Investment properties are stated at their open market value based on independent professional valuations at the balance sheet date. The valuations are incorporated in the annual accounts. Increases in valuation are credited to the investment properties revaluation reserve. Decreases in valuation are first set off against increases on earlier valuations on a portfolio basis and thereafter are debited to operating profit. Any subsequent increases are credited to operating profit up to the amount previously debited.

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

(ii) PLANT AND EQUIPMENT

Plant and equipment, comprising leasehold improvements, plant and machinery, equipment, furniture and fixtures and motor vehicles are and more vehicles at cost less accumulated depreciation and accumulated impairment losses.

1. 主要會計政策 (續)

(d) 物業、廠房及設備

(i) 投資物業

投資物業乃於土地及樓宇之已竣工建築工程及發展項目之權益及持有作潛在投資用途之土地及樓宇，任何租金收入須經公平原則磋商後始行釐定。

投資物業按於結算日進行之獨立專業估值按公開市值計算後列賬。有關之估值會計入年度賬目。估值增值會撥入投資物業重估儲備，估值減值首先會與早前按投資組合基準計算之估值增值抵銷，並於其後在經營溢利中扣除。任何其後產生之增值將計入經營溢利，惟有關金額以早前所扣除者為限。

在出售投資物業時，自投資物業重估儲備撥回早前估值涉及之已變現重估儲備有關部份已撥入損益賬。

(ii) 廠房及設備

廠房及設備，包括租賃物業裝修、廠房、機器及設備與傢俬及裝置與汽車乃按成本減累計折舊及累計減值虧損列賬。

NOTES TO THE ACCOUNTS

賬目附註

1. PRINCIPAL ACCOUNTING POLICIES (continued)

(d) PROPERTY, PLANT AND EQUIPMENT (continued)

(iii) DEPRECIATION

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

Plant and equipment are depreciated at rates sufficient to write off their cost less accumulated impairment losses over their estimated useful lives on a straight-line basis. The principal annual rates ranged from 20% to 30%.

Major costs incurred in restoring plant and equipment to their normal working condition to allow continued use of the assets are charged to the profit and loss account. Impairments are capitalized and depreciated over the expected useful lives to the Group.

(iv) IMPAIRMENT AND GAIN OR LOSS ON SALE

At each balance sheet date, both internal and external sources of information are considered to assess whether there is any indication that property, plant and equipment 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.

The gain or loss on disposal of an item of property, plant and equipment other than investment properties 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.

1. 主要會計政策 (續)

(d) 物業、廠房及設備 (續)

(iii) 折舊

按尚未屆滿租賃期20年或以以下持有之投資物業乃按租賃之尚餘租賃年期予以折舊。

廠房及設備乃按足以抵銷其成本減累計減值虧損後之比率，按彼等之估計可使用年期按直線法基準予以折舊。主要年率介乎20%至30%。

因恢復廠房及設備至其正常營運狀況致使可繼續使用該資產所產生之主要成本均計入損益賬內。資產減值均按其於本集團之預計可使用年期予以資本化及折舊。

(iv) 減值及出售之盈虧

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物業、廠房及設備出現減值。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。

出售物業、廠房及設備(不包括投資物業)項目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。

NOTES TO THE ACCOUNTS

賬目附註

1. PRINCIPAL ACCOUNTING POLICIES (continued)

(e) 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.

Assets leased out under operating leases are included in fixed assets in the balance sheet. They are depreciated over their expected useful lives on a basis consistent with similar owned fixed assets. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease terms.

(f) INVESTMENT

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

(g) 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.

1. 主要會計政策 (續)

(e) 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。

根據經營租賃出租之資產乃計入資產負債表之固定資產內，彼等乃按預期之估計可使用年期，並按與本身固定資產之類似基準予以折舊。租金收入(扣除給予承租人之任何優惠)乃按租賃年期按直線法確認入賬。

(f) 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。

(g) 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。

NOTES TO THE ACCOUNTS

賬目附註

1. PRINCIPAL ACCOUNTING POLICIES (continued)

(h) 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.

(i) 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.

(j) 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.

(ii) Bonus plans
The expected cost of bonus payments 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.

Liabilities for bonus plans are expected to be settled within 12 months and are measured at the amounts expected to be paid when they are settled.

1. 主要會計政策 (續)

(h) 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。

(i) 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。

(j) 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。

(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，則預計之花紅支出成本將確認為一項負債。

花紅計劃之負債預期於十二個月內償還，而吾等乃按照預期於償還時將予支付之金額而計算。

NOTES TO THE ACCOUNTS

賬目附註

1. PRINCIPAL ACCOUNTING POLICIES (continued)

(j) EMPLOYEE BENEFITS (continued)

- (iii) Pensions obligations
- Following the adoption of the Mandatory Provident Fund (“MPF”) Scheme in December 2000, all employees 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 are expensed as incurred. The assets of the scheme are held separately from those of the Group in independently administered funds.

(k) DEFERRED TAXATION

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

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

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

1. 主要會計政策 (續)

(j) 僱員福利 (續)

- (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。

(k) 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。

NOTES TO THE ACCOUNTS

賬目附註

1. PRINCIPAL ACCOUNTING POLICIES (continued)

(l) TRANSLATION OF FOREIGN CURRENCIES

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

(m) CONTINGENT LIABILITIES

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the accounts. When a change in the probability of an outflow occurs so that the outflow becomes probable, it will then be recognised as a provision.

(n) 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.

Revenue from service agreements is recognised based on the stage of completion determined by reference to services performed to date as a percentage of total service to be performed.

1. 主要會計政策 (續)

(l) 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。

(m) 或然負債

或然負債乃指可能因過往事件而須負上之責任，而該等事件僅將會於出現或不出現一件或以上完全不受本集團控制之不明朗未來事件時確認。此情況亦有可能因預期並無所須之經濟資源流出之尚未確認過往事件而產生之現有責任或有關責任涉及之金額未能可靠地計量。

或然負債並無確認，惟於賬目附註中披露。當出現資源流出之可能性變動而有可能出現資源流出之情況，則或然負債將會確認為一項撥備。

(n) 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，就除銷而言，通常指將貨品交付客戶及所有權被轉移之時。

服務協議之收益為經參考目前所履行服務對須予履行之所有服務之百份比後按照所完成階段確認。

NOTES TO THE ACCOUNTS

賬目附註

1. PRINCIPAL ACCOUNTING POLICIES (continued)

(n) REVENUE RECOGNITION (continued)

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.

Operating lease rental income is recognised on a straight-line basis.

(o) 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)

(n) 收益確認 (續)

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。

經營租賃租金收入乃按直線基準確認。

(o) 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:

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：

	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Turnover 營業額		
Sale of water pipes and fittings 銷售喉管及管件	443,880	430,010
Sub-letting of warehouse 貨倉分租	945	804
Rental income 租金收入	410	804
Transportation income 運輸收入	25	—
	445,260	431,618
Other revenues 其他收益		
Interest income 利息收入	165	346
Dividend income 股息收入	88	172
	253	518
Other income 其他收入		
Insurance compensation 保險賠償	17,395	416
Net exchange gains 匯兌收益淨額	1,453	1,257
Gain on disposal of property held for sale 出售持有作銷售用途物業之收益	4,112	—
Realised gain on disposal of trading securities 出售買賣證券所套現之收益	432	805
Gains on disposal of fixed assets 出售固定資產收益	—	239
Unrealised gain on trading securities 買賣證券未套現之收益	—	721
Others 其他	1,641	1,049
	25,033	4,487
Total revenue 收益合計	470,546	436,623

NOTES TO THE ACCOUNTS

賬目附註

2. TURNOVER, REVENUE AND SEGMENT INFORMATION

(continued)

Business segment information is not presented 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 (續)

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。

3. OPERATING PROFIT

3. 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
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		
Write-back of provision for bad debts 撥回壞賬撥備	2,813	1,094
Write-back of provision for slow-moving inventories 撥回滯銷存貨之撥備	—	492
Charging 扣除		
Auditors' remuneration 核數師酬金	447	374
Depreciation 折舊	1,932	1,813
Staff costs (including directors' emoluments) (note 8) 員工成本(包括董事酬金)(附註8)	59,313	43,449
Write-off of bad debts 壞賬撇銷	2,687	460
Operating lease on land and buildings 土地及樓宇經營租約	10,234	10,684
Bad debt provision 壞賬撥備	560	398
Provision for slow-moving inventories 滯銷存貨之撥備	920	—
Unrealised loss on trading securities 買賣證券之未變現虧損	41	—

NOTES TO THE ACCOUNTS

賬目附註

4. FINANCE COSTS

	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Interest on bank loans 銀行貸款利息	817	1,386
Others 其他	—	1
	817	1,387

4. 財務費用

5. TAXATION

Hong Kong profits tax has been provided at the rate of 17.5% (2003: 17.5%) on the estimated assessable profit for the year. Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

The 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溢利依稅率17.5%(二零零三年:17.5%)提撥準備。海外溢利稅項乃按照截至本年度本集團經營業務國家之估計應課稅溢利按現行稅率計算。

在綜合損益表扣除之稅項包括：

	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Current taxation: 現行稅項：		
– Hong Kong profits tax 香港利得稅	9,970	6,969
– (Over)/under provisions in prior years 上年度(超額)/不足撥備	(54)	106
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	45	(963)
Taxation charge 稅項開支	9,961	6,112

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:

	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	60,236	39,551
Calculated at a taxation rate of 17.5% (2003: 17.5%) 按稅率17.5% (二零零三年：17.5%) 計算	10,541	6,921
Effect of difference taxation rates in other countries 其他國家不同稅率之影響	96	79
Tax effect of income not subject to taxation 毋須課稅之收入	(735)	(31)
Tax effect of expenses not deductible for taxation purposes 不可扣稅之開支	68	—
(Over)/under provision in prior years 去年度(超額)／不足撥備	(54)	106
Adjustment of deferred tax (Note 19) 遞延稅項調整(附註19)	45	(963)
Taxation charge 稅項支出	9,961	6,112

6. PROFIT ATTRIBUTABLE TO SHAREHOLDERS

The profit attributable to shareholders is dealt with in the accounts of the Company to the extent of HK\$14,486,000 (2003: HK\$3,707,000).

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如下：

6. 股東應佔溢利

在本公司賬目內處理之股東應佔溢利為14,486,000港元(二零零三年：3,707,000港元)。

NOTES TO THE ACCOUNTS

賬目附註

7. DIVIDENDS

Interim, paid, of HK\$0.02 (2003: HK\$0.015) per ordinary share
已派中期股息每股普通股0.02港元(二零零三年：0.015港元)

4,837

3,628

Final, proposed, of HK\$0.03 (2003: HK\$0.03) per ordinary share
擬派末期股息每股普通股0.03港元(二零零三年：0.03港元)

7,256

7,256

At a meeting held on 31st March 2005, the directors declared a final dividend of HK0.03 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 2005.

在二零零五年三月三十一日舉行之大會上，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，惟將會反映為截至二零零五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)

Wages and salaries

工資及薪金

58,337

41,273

Termination benefits

終止僱用福利

275

1,004

Pension costs – Mandatory Provident Fund

退休金成本 – 強制性公積金

701

1,172

59,313

43,449

7. 股息

2004

2003

二零零四年

二零零三年

HK\$'000

HK\$'000

千港元

千港元

8. 員工成本(包括董事酬金)

2004

2003

二零零四年

二零零三年

HK\$'000

HK\$'000

千港元

千港元

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:

	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 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	8,409	8,024
Performance/discretionary bonus 表現／酌情花紅	19,000	1,535
Commission 佣金	1,864	1,798
Retirement scheme contribution 退休計劃供款	72	72
	29,345	11,429

The emoluments of the directors fell within the following bands:

	2004 二零零四年	2003 二零零三年
Emoluments bands 酬金組別		
Nil to HK\$1,000,000 零至1,000,000港元	4	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	—	1
HK\$2,000,001 to HK\$2,500,000 2,000,001港元至2,500,000港元	—	1
Over HK\$2,500,000 2,500,000港元以上	5	2
	9	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：

	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 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	8,409	8,024
Performance/discretionary bonus 表現／酌情花紅	19,000	1,535
Commission 佣金	1,864	1,798
Retirement scheme contribution 退休計劃供款	72	72
	29,345	11,429

董事酬金介乎以下組別：

	2004 二零零四年	2003 二零零三年
Emoluments bands 酬金組別		
Nil to HK\$1,000,000 零至1,000,000港元	4	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	—	1
HK\$2,000,001 to HK\$2,500,000 2,000,001港元至2,500,000港元	—	1
Over HK\$2,500,000 2,500,000港元以上	5	2
	9	8

NOTES TO THE ACCOUNTS

賬目附註

9. DIRECTORS' EMOLUMENTS

(continued)

Emoluments paid to independent non-executive directors amounted to HK\$270,000 (2003: 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\$50,430,000 (2003: HK\$33,439,000) and the weighted average of 241,854,000 shares (2003: 241,854,000 shares) in issue during the year.

Diluted earnings per share is not presented as there were no dilutive potential ordinary shares in years 2004 and 2003.

9. 董事之酬金 (續)

付予獨立非執行董事之酬金達270,000港元(二零零三年: 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50,430,000港元(二零零三年: 33,439,000港元)及年內已發行股份之加權平均股數241,854,000股(二零零三年: 241,854,000股)計算。

由於在二零零四年及二零零三年兩個年度內並無攤薄潛在普通股，故此並無呈列該兩個年度之每股攤薄盈利。

NOTES TO THE ACCOUNTS

賬目附註

11. PROPERTY, PLANT AND EQUIPMENT

11. 物業、廠房及設備

	Investment properties	Leasehold improvements	Office furniture, fixtures and fittings 辦公室傢俬、裝置及設備	Office equipment	Machinery and equipment	Computer equipment	Motor vehicles	Total
	投資物業	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	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Cost or valuation								
成本或重估								
At 1st January 2004 二零零四年一月一日	—	5,375	516	88	2,329	4,437	11,075	23,820
Additions 添置	13,989	1,396	—	23	388	138	1,313	17,247
Revaluation 重估	2,811	—	—	—	—	—	—	2,811
Disposals 出售	—	—	—	—	—	—	(123)	(123)
At 31st December 2004 二零零四年十二月三十一日	16,800	6,771	516	111	2,717	4,575	12,265	43,755
Accumulated depreciation								
累積折舊								
At 1st January 2004 二零零四年一月一日	—	3,267	516	66	1,762	4,390	10,210	20,211
Charge for the year 本年度折舊	—	604	—	6	320	39	963	1,932
Disposals 出售	—	—	—	—	—	—	(123)	(123)
At 31st December 2004 二零零四年十二月三十一日	—	3,871	516	72	2,082	4,429	11,050	22,020
Net book value								
賬面淨值								
At 31st December 2004 二零零四年十二月三十一日	16,800	2,900	—	39	635	146	1,215	21,735
At 31st December 2003 二零零三年十二月三十一日	—	2,108	—	22	567	47	865	3,609

NOTES TO THE ACCOUNTS

賬目附註

11. PROPERTY, PLANT AND EQUIPMENT (continued)

The analysis of the cost or valuation at 31st December 2004 of the above assets is as follows:

	Investment properties	Leasehold improvements	Office furniture, fixtures and fittings 辦公室傢俬、裝置及設備	Office equipment	Machinery and equipment	Computer equipment	Motor vehicles	Total
	投資物業 HK\$'000 千港元	租賃物業 HK\$'000 千港元	HK\$'000 千港元	文儀設備 HK\$'000 千港元	機械及設備 HK\$'000 千港元	電腦設備 HK\$'000 千港元	汽車 HK\$'000 千港元	合計 HK\$'000 千港元
At cost 按成本	-	6,771	516	111	2,717	4,575	12,265	26,955
At valuation 按估值	16,800	-	-	-	-	-	-	16,800
	16,800	6,771	516	111	2,717	4,575	12,265	43,755

At 31st December 2003, the above assets are all stated at cost.

The Group's interests in investment properties at their net book values are analysed as follows:

In Hong Kong, held on:
於香港按下列年期持有：
Leases of between 10 to 50 years
租賃期介乎10至50年

Investment properties were revalued at 31st December 2004 on the basis of their open market value by Lawson David & Sung Surveyors Limited employed by the Group, a firm of independent qualified property valuers. The revaluation surplus was credited to investment properties revaluation reserve in shareholders' equity (Note 18).

Investment properties with a carrying value of HK\$16,800,000 (2003: nil) were pledged to secure the Group's banking facilities (Note 25).

11. 物業、廠房及設備 (續)

於二零零四年十二月三十一日上述資產按成本或估值之分析如下：

於二零零三年十二月三十一日，上述所有資產已按成本列賬。

按賬面淨值計算本集團投資物業之權益分析如下：

2004	2003
二零零四年	二零零三年
HK\$'000	HK\$'000
千港元	千港元

16,800	-
---------------	---

本集團聘請Lawson David & Sung Surveyors Limited (一間獨立之合資格物業估值師行) 按投資物業於二零零四年十二月三十一日之公開市值進行估值。重估盈餘已計入股東權益之投資物業重估儲備項下(附註18)。

賬面值為16,800,000港元(二零零三年：無)之投資物業已作抵押，以取得本集團之一般銀行融資(附註25)。

NOTES TO THE ACCOUNTS

賬目附註

12. INVESTMENTS IN SUBSIDIARIES

12. 於附屬公司之投資

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 非上市股份成本值		86,938	86,938
Due from subsidiaries 附屬公司欠款		83,621	63,916
		170,559	150,854

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。

Particulars of the subsidiaries are as follows:

附屬公司之詳情如下：

Company	Place of incorporation	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\$100 100港元 普通股 Non-voting deferred shares HK\$3,000,000 3,000,000港元 無投票權遞延股份	100% 0%	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 時風物流有限公司	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
Huge Vantage International Industrial Limited 大益國際實業有限公司	Hong Kong 香港	Ordinary shares HK\$100,000 100,000港元 普通股	60%	Trading of sanitary products 買賣潔具產品
Bun Kee Building Material (Shanghai) Co., Ltd. 彬記建材(上海) 有限公司	People's Republic of China ("PRC") 中華人民共和國 (「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 for 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

Merchandises

商品

174,636

143,433

At 31st December 2004, provision for slow-moving inventories amounted to HK\$4,941,000 (2003: HK\$4,021,000).

At 31st December 2004, the carrying amount of inventories that are carried at net realisable value amounted to HK\$69,000 (2003: HK\$87,000)

13. 存貨

2004
二零零四年
HK\$'000
千港元

2003
二零零三年
HK\$'000
千港元

於二零零四年十二月三十一日，滯銷存貨之撥備為4,941,000港元（二零零三年：4,021,000港元）。

於二零零四年十二月三十一日，按可變現淨值列賬之存貨賬面值為69,000港元（二零零三年：87,000港元）。

14. TRADE RECEIVABLES

Details of the ageing analysis are as follows:

Current to 30 days

即期至30天

39,489

28,186

31 days to 60 days

31天至60天

35,090

28,757

61 days to 90 days

61天至90天

20,655

21,803

91 days to 120 days

91天至120天

11,279

8,614

Over 120 days

超過120天

9,888

15,823

116,401

103,183

Less: provision

減：撥備

(1,746)

(3,999)

114,655

99,184

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

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

	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 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	2,253	556
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
	2,253	1,878

15. 買賣證券

16. TRADE PAYABLES

Details of the ageing analysis 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
Current to 30 days 即期至30天	4,772	2,644
31 days to 60 days 31天至60天	1,874	1,567
61 days to 90 days 61天至90天	—	28
Over 90 days 90天以上	9	4
	6,655	4,243

16. 應付貨款

賬齡分析之詳情如下：

17. SHARE CAPITAL

(a) SHARE CAPITAL

	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0.10港元之普通股		
Authorised: 法定股本		
At 1st January and 31st December, 2003 and 2004 於二零零三年及二零零四年 一月一日及十二月三十一日	500,000	50,000
Issued and fully paid: 已發行及繳足股本：		
At 1st January, 2003 and 2004 於二零零三年及二零零四年一月一日	241,854	24,185
At 31st December, 2003 and 2004 於二零零三年及二零零四年 十二月三十一日	241,854	24,185

17. 股本

(a) 股本

17. SHARE CAPITAL (continued)

(b) SHARE OPTIONS

- (i) Under the terms of the share option scheme (the “Scheme”) adopted by the Company on 24th June 2004, the directors of the Company are authorised at their absolute discretion, to invite any Eligible Person as defined in the Report of the Directors, to take up options to subscribe for shares in the Company. The Subscription price will be determined by the Board, but shall be at least the highest of (a) the closing price of the shares as stated in the Stock Exchange’s daily quotation sheet on the date on which the relevant options are deemed to be granted and accepted in accordance with the terms of the Scheme (the “Commencement Date”), which must be a day on which the Stock Exchange is open for the business of dealing in securities (“Trading Day”); (b) the average closing price of the shares as stated in the Stock Exchange’s daily quotation sheet for the five Trading Days immediately preceding the Commencement Date; and (c) the nominal value of the shares. 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 as at the date of adoption of the Scheme. The Scheme became effective for a period of ten years commencing 24th June 2004 which is the date of adoption of the Scheme.
- (ii) No option was granted during the year. As at 31st December 2004, there are no share options outstanding.

17. 股本 (續)

(b) 購股權

- (i) 根據本公司於二零零四年六月二十四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任何合資格人士(見董事會報告之定義)接納可認購本公司股份之購股權。認購價將由董事會釐定，惟不得低於(a)股份於有關購股權被視為按照計劃條款將予授出及獲接納當日(「開始日期」)(須為聯交所經營證券交易業務之營業日(「交易日」))在聯交所每日報價表所報之收市價；(b)股份於緊接開始日期前連續五個交易日在聯交所每日報價表所報之平均收市價；及(c)股份面值三者中之最高者。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最高數目，不得超過採納該計劃之日本公司已發行股本之10%為限。該計劃由二零零四年六月二十四日(採納該計劃之日)起計十年內有效。
- (ii) 年內，本公司並無授出購股權。於二零零四年十二月三十一日，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))	Investment properties revaluation reserve 投資物業 重估儲備	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	HK\$'000 千港元
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
At 1st January 2004 二零零四年一月一日	29,345	34,115	3,700	—	129,731	196,891
Profit attributable to shareholders 股東應佔溢利	—	—	—	—	50,430	50,430
Surplus on revaluation of investment properties 重估投資物業盈餘	—	—	—	2,811	—	2,811
Dividends paid (note 7) 已派股息(附註7)						
2003 final dividend 二零零三年末期股息	—	—	—	—	(7,256)	(7,256)
2004 interim dividend 二零零四年中期股息	—	—	—	—	(4,837)	(4,837)
At 31st December 2004 二零零四年十二月三十一日	29,345	34,115	3,700	2,811	168,068	238,039
Proposed final dividend (note 7) 擬派末期股息(附註7)	—	—	—	—	(7,256)	(7,256)
	29,345	34,115	3,700	2,811	160,812	230,783

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 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
At 1st January 2004 二零零四年一月一日	86,759	29,345	8,043	124,147
Profit attributable to shareholders 股東應佔溢利	—	—	14,486	14,486
Dividends paid (note 7) 已派股息 (附註7)				
2003 final dividend 二零零三年末期股息	—	—	(7,256)	(7,256)
2004 interim dividend 二零零四年中期股息	—	—	(4,837)	(4,837)
At 31st December 2004 二零零四年十二月三十一日	86,759	29,345	10,436	126,540
Proposed final dividend (note 7) 擬派末期股息 (附註7)	—	—	(7,256)	(7,256)
	86,759	29,345	3,180	119,284

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 Bun Kee (BVI) Ltd. 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 2004, reserves of the Company available for distribution, including the contributed surplus, amounted to HK\$97,195,000 (2003: HK\$94,802,000).

19. DEFERRED TAXATION

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

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

At 1st January 於一月一日		
Deferred taxation charged/(credited) to profit and loss account (Note 5) 於損益表中扣除／(計入)之遞延稅項(附註5)	45	(963)
At 31st December 於十二月三十一日	(918)	(963)

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 Bun Kee (BVI) Ltd.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) 於二零零四年十二月三十一日，可作為分派之本公司儲備(包括繳入盈餘)達97,195,000港元(二零零三年：94,802,000港元)。

19. 遞延稅項

遞延稅項乃按主要稅率17.5%(二零零三年：17.5%)以負債法就暫時差異作全數撥備。

遞延稅項負債／(資產)賬之變動如下：

	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
At 1st January 於一月一日	(963)	—
Deferred taxation charged/(credited) to profit and loss account (Note 5) 於損益表中扣除／(計入)之遞延稅項(附註5)	45	(963)
At 31st December 於十二月三十一日	(918)	(963)

NOTES TO THE ACCOUNTS

賬目附註

19. DEFERRED TAXATION (continued)

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	
	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	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
At 1st January 於一月一日	(259)	—	(704)	—	(963)	—
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)	(259)	(704)	(704)	(963)	(963)

Deferred tax liabilities 遞延稅項負債

	Accelerated tax depreciation 加速稅項折舊	
	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
As 1st January 於一月一日	—	—
Charged to profit and loss account 扣除損益表	45	—
As at 31st December 於十二月三十一日	45	—
Deferred tax assets 遞延稅項資產	(963)	(963)
Deferred tax liabilities 遞延稅項負債	45	—
	(918)	(963)

19. 遞延稅項 (續)

遞延稅項資產之變動如下：
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：

NOTES TO THE ACCOUNTS

賬目附註

20. CONSOLIDATED CASH FLOW STATEMENT

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

Profit before taxation

除稅前溢利

Depreciation

折舊

Dividend income from trading securities

源自買賣證券之股息收入

Interest expenses

利息支出

Interest income

利息收入

Gain on disposal of property, plant and equipment

出售物業、廠房及設備之收益

Gain on disposal of property held for sale

出售持有作銷售用途物業之收益

Unrealised loss/(gain) on trading securities

買賣證券之未變現虧損／(盈利)

Operating profit before changes in working capital

營運資金變動前之經營溢利

Increase in inventories

存貨增加

Increase in trade and other receivables

貿易及其他應收貨款增加

Increase in trade and other payables and accrued charges

貿易及其他應付貨款及應計費用增加

Net cash inflow generated from operations

經營業務之現金流入淨額

20. 綜合現金流量表

(a) 除稅前溢利與經營活動產生之現金流入淨額之對賬：

2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
----------------------------------	----------------------------------

60,236 39,551

1,932 1,813

(88) (172)

817 1,387

(165) (346)

— (239)

(4,112) —

41 (721)

58,661 41,273

(31,203) (17,177)

(22,292) (15,439)

16,654 10,240

21,820 18,897

(b) Analysis of changes in financing during the year:

(b) 年度內的融資變動分析：

2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
----------------------------------	----------------------------------

At 1st January

於一月一日

4,290 —

New bank loan raised

新籌集銀行貸款

4,000 5,000

Repayment of bank loans

償還銀行貸款

(5,290) (710)

At 31st December

於十二月三十一日

3,000 4,290

(c) Movement of minority interests

(c) 少數股東權益之變動

During the year, the share of loss of a subsidiary by a minority shareholder of approximately HK\$155,000 is settled through the current account with the minority shareholder which is included in other receivables.

於本年度內，一名少數股東應佔一間附屬公司之虧損約155,000港元乃透過少數股東之現有賬目償還，該賬目已計入其他應收賬款。

NOTES TO THE ACCOUNTS

賬目附註

21. OPERATING LEASES

(A) AS LESSEE

At 31st December 2004, the Group had future aggregate minimum lease payments under non-cancellable operating leases in respect of land and buildings as follows:

	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Not later than one year 一年內	8,381	9,469
Later than one year and not later than five years 第二至第五年 (包括首尾兩年)	709	6,957
	9,090	16,426

(B) AS LESSOR

The Group leases its investment properties (2003: property held for sale) under operating leases. At 31st December 2004, the total future minimum lease payment receivable under non-cancellable operating leases within one year is HK\$756,000 (2003: HK\$315,000).

22. COMMITMENT

At 31st December 2003, there was outstanding commitment of HK\$8,745,000 to buy Australian dollar by Hong Kong dollar under forward contracts in order to hedge the Group's exposure in Australian dollar arising from purchases in Australia. There was no outstanding forward exchange contract at 31st December 2004.

21. 經營租約

(A) 作為承租人

於二零零四年十二月三十一日，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：

	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
一年內	8,381	9,469
第二至第五年 (包括首尾兩年)	709	6,957
	9,090	16,426

(B) 作為出租人

本集團出租其投資物業 (二零零三年：持有作銷售用途物業)，於二零零四年十二月三十一日，根據一年內不可撤銷經營租約之日後最低應收總額為 756,000 港元 (二零零三年：315,000 港元)。

22. 承擔

於二零零三年十二月三十一日，遠期合約尚未履行之承擔 8,745,000 港元，須以港元購買澳元，以對沖本集團因於澳洲購貨而產生之澳元風險。於二零零四年十二月三十一日，本集團概無尚未履行之遠期外匯合約。

NOTES TO THE ACCOUNTS

賬目附註

23. 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.

24. 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. 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。

24. 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	2004	2003
	二零零四年	二零零三年
	HK\$'000	HK\$'000
	千港元	千港元
(i) & (ii)	2,993	2,993
(i) & (ii)	1,284	1,284
(i) & (ii)	3,604	3,604

(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.

(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。

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

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。

NOTES TO THE ACCOUNTS

賬目附註

25. BANKING FACILITIES

The Group had aggregate banking facilities of approximately HK\$239,125,000 as at 31st December 2004 (2003: HK\$225,125,000) for overdrafts, term loans and other trade finance facilities. Banking facilities utilised as at 31st December 2004 amounted to approximately HK\$84,801,000 (2003: HK\$74,566,000). The banking facilities were secured by corporate guarantees from the Company, and investment properties with a carrying value of approximately HK\$16,800,000.

26. SECURED BANK LOAN

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

1,333

4,290

More than two years, but not exceeding five years

兩年以上但不超過五年

1,667

—

3,000

4,290

At 31st December 2004, the bank loan was secured by the investment properties. At 31st December 2003, the bank loan was secured by the property held for sale.

25. 銀行融資

於二零零四年十二月三十一日，本集團之銀行融資共約239,125,000港元（二零零三年：225,125,000港元），其中包括透支、定期貸款及其他貿易融資。於二零零四年十二月三十一日，已動用之銀行融資約達84,801,000港元（二零零三年：74,566,000港元）。銀行融資由本公司提供的公司擔保及其賬面值約16,800,000港元的投資物業作抵押。

26. 有抵押銀行貸款

2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
----------------------------------	----------------------------------

於二零零四年十二月三十一日，本集團之銀行貸款以投資物業作抵押。於二零零三年十二月三十一日，銀行貸款由持有作銷售用途物業作抵押。

NOTES TO THE ACCOUNTS

賬目附註

27. 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. APPROVAL OF ACCOUNTS

The accounts were approved by the board of directors on 31st March 2005.

27. 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。

28. 賬目批核

董事會已於二零零五年三月三十一日批核賬目。