

Notes to the Accounts

賬目附註

1. ORGANISATION AND OPERATIONS

Raymond Industrial Limited (the “Company”) was incorporated in Hong Kong in 1964. The principal activities of the Company and its subsidiaries (the “Group”) are investment holding, manufacturing and sale of electrical home appliances in North America, Japan, Australia, Europe and the People’s Republic of China (the “PRC”), manufacturing and sale of cigarette paper in the PRC and property leasing in Hong Kong.

2. PRINCIPAL ACCOUNTING POLICIES

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

(a) Basis of presentation

The accounts have been prepared in accordance with accounting principles generally accepted in Hong Kong and comply with accounting standards issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). They have been prepared under the historical cost convention except for investment properties which are stated at fair value.

In the current year, the Group has early adopted Hong Kong Accounting Standard 40 “Investment Property” issued by the HKICPA (“HKAS40”). The changes to the Group’s accounting policy on investment properties and the effect of adopting HKAS40 are set out in note 2(e)(i) below.

The HKICPA has also issued a number of other new and revised Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards (“other new HKFRSs”) which are effective for accounting periods beginning on or after 1st January 2005. The Group has not early adopted these other new HKFRSs in the accounts for the year ended 31st December 2004. The Group has already commenced an assessment of the impact of these other new HKFRSs but is not yet in a position to state whether these other new HKFRSs would have a significant impact on its results of operations and financial position.

1. 架構和經營

利民實業有限公司(「本公司»)在一九六四年於香港註冊。本公司及其附屬公司(「本集團»)之主要業務是投資控股、製造及在北美、日本、澳洲、歐洲及中華人民共和國(「中國»)銷售家用電器、在中國製造及銷售煙紙及在香港進行物業租賃。

2. 主要會計政策

編製此等賬目所採用之主要會計政策列載如下：

(a) 編製基準

本賬目乃按照香港公認會計原則及香港會計師公會頒佈之會計標準編製。賬目並依據歷史成本常規法編製，惟投資物業乃按公平值列賬。

於本年度，本集團提前採納由香港會計師公會頒佈之會計準則第40號「投資物業」，本集團就投資物業改變會計政策及採用香港會計師公會頒佈之會計準則第40號而產生之影響已在下列之附註2(e)(i)中呈列。

香港會計師公會已頒佈多項其他全新及經修訂之香港財務報告準則及香港會計準則(「其他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之財務報表並無採納其他新香港財務報告準則。本集團已開始評估其他新香港財務報告準則之影響，惟尚未能指出該等其他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。

Notes to the Accounts

賬目附註

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

(b) Group accounting

(i) 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 the composition of the board of directors, controls more than half the voting power or holds more than half of the issued share capital.

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.

The gain or loss on the disposal of a subsidiary represents the difference between the proceeds of the sale and the Group's share of its net assets together with any unamortised goodwill/negative goodwill or goodwill/negative goodwill taken to reserves and which was not previously charged or recognised in the consolidated profit and loss account and any related accumulated foreign currency translation reserve.

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.

2. 主要會計政策 (續)

(b) 集團會計

(i) 綜合賬目

綜合賬目包括本公司及其附屬公司截至十二月三十一日止之賬目。

附屬公司指本公司直接或間接控制董事會之組成、超過半數投票權或持有過半數發行股本之公司。

在年內購入或售出之附屬公司，其業績由收購生效日起計或計至出售生效日止列入綜合損益賬內。

所有集團內公司間之重大交易及結餘已於綜合賬目時對銷。

出售附屬公司之收益或虧損指出售所得之收入與本集團應佔該公司資產淨值之差額，連同之前並未在綜合損益賬內支銷或入賬之任何未攤銷商譽／負商譽，或已在儲備記賬之商譽／負商譽，以及任何相關之累積外幣匯兌儲備。

少數股東權益指外界股東在附屬公司之經營業績及資產淨值中擁有之權益。

在本公司之資產負債表內，附屬公司之投資以成本值扣除減值虧損準備入賬。本公司將附屬公司之業績按已收及應收股息入賬。

Notes to the Accounts 賬目附註

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

(b) Group accounting (Continued)

(ii) Jointly controlled entities

A jointly controlled entity is a contractual arrangement whereby the Group and other parties undertake an economic activity which is subject to joint control and none of the participating parties has unilateral control over the economic activity.

The consolidated profit and loss account includes the Group's share of the results of jointly controlled entities for the year, and the consolidated balance sheet includes the Group's share of the net assets of the jointly controlled entities and goodwill/negative goodwill (net of accumulated amortisation) on acquisition.

(iii) Associate

An associate is a company, not being a subsidiary or a jointly controlled entity, in which an equity interest is held for the long-term and significant influence is exercised in its management.

The consolidated profit and loss account includes the Group's share of the result of an associate for the year, and the consolidated balance sheet includes the Group's share of the net assets of the associate and goodwill/negative goodwill (net of accumulated amortisation) on acquisition.

2. 主要會計政策 (續)

(b) 集團會計 (續)

(ii) 共同控制實體

共同控制實體指本集團與其他人士以合約協議方式共同進行經濟活動，該活動受雙方共同控制，任何一方均沒有單方面之控制權。

綜合損益賬包括本集團應佔共同控制實體本年度業績，而綜合資產負債表則包括本集團應佔共同控制實體之資產淨值及收購產生之商譽／負商譽（扣除累計攤銷）。

(iii) 聯營公司

聯營公司為附屬公司或共同控制實體以外，本集團持有其股權作長期投資，並對其管理具有重大影響力之公司。

綜合損益賬包括本集團應佔聯營公司之本年度業績，而綜合資產負債表則包括本集團應佔聯營公司之資產淨值及收購產生之商譽／負商譽（扣除累計攤銷）。

Notes to the Accounts 賬目附註

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

(b) Group accounting (Continued)

(iv) Translation of foreign currencies

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

The balance sheets of subsidiaries, jointly controlled entities and an associate expressed in foreign currencies are translated at the rates of exchange ruling at the balance sheet date whilst the profit and loss accounts are translated at an average rate. Exchange differences are dealt with as movements in reserves.

(c) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net assets of the acquired subsidiaries at the date of the acquisition. Goodwill is recognised as an asset in the balance sheet and is amortised using the straight-line method over its estimated useful life of 10 years.

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

(d) Product development costs

Product development costs are expensed as incurred.

2. 主要會計政策 (續)

(b) 集團會計 (續)

(iv) 外幣換算

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

附屬公司、共同控制實體及聯營公司以外幣顯示之資產負債表均按結算日之匯率折算，而損益賬則按平均匯率折算。由此產生之匯兌盈虧作為儲備變動入賬。

(c) 商譽

商譽指收購成本超出於收購日本集團所佔收購附屬公司之淨資產之數額。商譽在資產負債表列為資產並於其估計可用年期十年以直線法攤銷。

如當有跡象顯示出現耗蝕，則商譽之賬面值需作出評估及即時減至可收回價值。

(d) 產品發展成本

產品發展成本在發生時作為費用支銷。

Notes to the Accounts

賬目附註

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

(e) Fixed assets

(i) Investment properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both.

Investment properties are initially measured at its cost, including related transaction costs. After initial recognition, investment properties are carried at fair value, representing open market value determined annually by independent qualified valuers who have an appropriate recognised professional qualification and recent experience in the location and category of property being valued. Open market value is the best price at which the sale of an interest in a property would have been completed unconditionally for cash consideration on the date of valuation, assuming (a) a willing seller; (b) that, prior to the date of valuation, there had been a reasonable period (having regards to the nature of the property and the state of the market) for the prior marketing of the interest, for the agreement of price and terms and for completion of the sale; (c) that the state of the market, level of values and other circumstances were, on any earlier assumed date of exchange of contracts, the same as the date of valuation; (d) that no account is taken of any additional bid by a purchaser with a special interest; and (e) that both parties to the transaction had acted knowledgeably, prudently and without compulsion. The valuations are also based on the assumption that the properties are sold on the open market without the benefit of deferred term contracts, leasebacks, joint venture, management agreements or any similar arrangements which could affect the values of the properties. No allowance has been made in the valuations for any charges, mortgages or amounts owing on the properties nor any expenses or taxation which may be incurred in effecting a sale.

Changes in fair value are recognised in the profit and loss account.

2. 主要會計政策 (續)

(e) 固定資產

(i) 投資物業

投資物業是持有用作賺取租金收益或資本增值(或兩者皆是)的物業。

投資物業初期按成本計算,包括有關項目成本。在最初確認後,投資物業以公平值列賬,公開市場值乃每年由擁有適當確認專業資格及對該物業所在和類別有近期經驗的獨立估值師作估值。公開市場值是指估價日之最好售價,假設(a)願意買家;(b)在估價日之前,合理期(物業性質及市場情況)之市場興趣,協議價值和條件和完成出售;(c)市場情況,價值水平及其他情況,假設更改合同日期與估價日相同;(d)沒有其他買家出價;(e)交易雙方表現瞭解、慎重及無強迫性。出售物業之估價是按公開市場值是沒有遞延條件合約利益、售後回租、合資、管理協議或其他影響物業售價協議。沒有因費用、抵押或物業借款或稅項而影響出售而計提撥備。

公平值之變更而產生的損益均在損益賬內確認。

Notes to the Accounts 賬目附註

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

(e) Fixed assets (Continued)

(i) Investment properties (Continued)

In prior years, investment properties were stated in the balance sheet at open market value determined by independent qualified valuers at intervals of not more than three years and by professionally qualified executives of the Group in each of the intervening years. Increases in valuation were credited to the investment properties revaluation reserve. Decreases in valuation were first set off against increases on earlier valuations on a portfolio basis and thereafter were debited to operating profit. Any subsequent increases were credited to operating profit up to the amount previously debited.

The adoption of HKAS40 represents a change in accounting policy of which the effect was adjusted to the opening balances at 1st January 2004 in accordance with the transitional provisions of HKAS40. As a result, the comparative figures have not been restated. The adoption of HKAS40 has increased the retained earnings at 1st January 2004 of the Group and the Company by HK\$116,399,483 and HK\$116,373,944 respectively and the Group's profit for the year by HK\$63,741,131.

(ii) Construction in progress

Construction in progress represents machinery pending installation and investment in building where construction work has not been completed. Construction in progress is stated at cost, which includes construction expenditures, installation and other direct costs capitalised during the construction period.

No depreciation is provided on the construction in progress until they are put into use and transferred to fixed assets upon completion.

2. 主要會計政策 (續)

(e) 固定資產 (續)

(i) 投資物業 (續)

在往年，投資物業按公開市場值於資產負債表內列賬。及由獨立估值師最少每隔三年估值一次；相隔期間每年由集團內具專業資格之高級職員負責估值。重估之增值撥入投資物業重估儲備，減值則首先以整個組合為基礎與先前之增值對銷，然後從經營盈利中扣除。其後任何增值將撥入經營盈利，惟最高以先前扣減之金額為限。

採用香港會計準則第40號所帶來的影響，經已在二零零四年一月一日的承前滾存盈利內調整。因此，並無重報比較數字。採用香港會計準則第40號，本集團及本公司於二零零四年一月一日之滾存盈利增加了港幣116,399,483元及港幣116,373,944元及本集團之本年度盈利增加了港幣63,741,131元。

(ii) 在建工程

在建工程是指等待裝置的機器及未建築完成的廠房。在建工程是以在建期間的建築費用、裝置和其他已撥充資本的直接成本列賬。

在建工程不會計提折舊直至完工及結轉為固定資產。

Notes to the Accounts 賬目附註

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

(e) Fixed assets (Continued)

(iii) Other fixed assets

Other fixed assets, comprising properties, plant and machinery, furniture, fixtures and equipment, moulds and motor vehicles are stated at cost less accumulated depreciation and accumulated impairment losses.

(iv) Depreciation

Fixed assets are depreciated at rates sufficient to write off their cost less accumulated impairment losses over their estimated useful lives on a straight-line basis or reducing balance basis. The principal annual rates are as follows:

Leasehold properties	物業
Plant and machinery	廠房及機器
Furniture, fixtures and equipment	傢俬、裝置及工具
Moulds	工模
Motor vehicles	汽車

The useful lives of assets and depreciation method are reviewed periodically.

(v) 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 assets included in construction in progress and other fixed assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated and where relevant, an impairment loss is recognised to reduce the asset to its recoverable amount. Such impairment losses are recognised in the profit and loss account.

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

2. 主要會計政策 (續)

(e) 固定資產 (續)

(iii) 其他固定資產

其他固定資產包括物業、廠房及機器、傢俬、裝置及工具、工模及汽車以成本值減累積折舊及累積減值虧損列賬。

(iv) 折舊

固定資產則以直線法或餘額遞減法於其估計可用年限內將其成本值減累積減值虧損撇銷。主要之折舊年率如下：

2%-4% Straight line	直線法
3%-15% Straight line	直線法
10%-18% Straight line	直線法
10% Reducing balance	餘額遞減法
25% Reducing balance	餘額遞減法

資產使用期及折舊方法將定期覆審。

(v) 減值與出售盈虧

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

出售固定資產之盈利或虧損乃銷售所得款項淨額與有關資產之賬面值之差額，並於損益表列算。

Notes to the Accounts

賬目附註

2. PRINCIPAL ACCOUNTING POLICIES

(Continued)

(f) 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.

(g) Inventories

Inventories comprise stocks and work in progress and are stated at the lower of cost and net realisable value. Cost, calculated on the weighted average cost formula, comprises materials, direct labour and an appropriate proportion of all production overhead expenditure. Net realisable value is determined on the basis of anticipated sales proceeds less estimated selling expenses.

(h) Debtors

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

(i) Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and deposits held at call with banks.

(j) Provisions

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

2. 主要會計政策 (續)

(f) 經營租賃

經營租賃是指擁有資產之風險及回報實質上由出租公司保留之租賃。租賃款額在扣除自出租公司收取之任何獎勵金後，於租賃期內以直線法在損益賬中支銷。

(g) 存貨

存貨包括製成品及在製品，按成本值與可變現淨值兩者之較低者入賬。成本值以加權平均法計算，並包括原材料、直接人工及所有生產經常開支之應佔部份。可變現淨值乃按預計銷售所得款項扣除估計營銷費用計算。

(h) 應收賬項

凡被視為呆賬之應收賬項，均提撥準備。在資產負債表內列賬之應收賬項已扣除有關之準備金。

(i) 現金及現金等價物

現金及現金等價物按成本在資產負債表內列賬。在現金流量表中，現金及現金等價物包括庫存現金及銀行通知存款。

(j) 撥備

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

Notes to the Accounts 賬目附註

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

(k) Employee benefits

(i) Employee leave entitlements

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

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

(ii) Defined contribution plans

Based on local laws and regulations, the Group maintains defined contribution retirement plans for its eligible Hong Kong employees, the assets of which are held in separate trustee administered funds. Contributions to the plan range from 5% to 10% of the employees' salary. The Group's contributions to the plans are expensed as incurred and are reduced by contributions forfeited by those employees who leave the plans prior to vesting fully in the contributions.

Pursuant to PRC laws and regulations, contributions to the defined contribution retirement schemes for the Group's local staff are made to the relevant government authorities in the PRC, which are calculated based on certain percentages of the applicable payroll costs as stipulated under the requirements in the PRC. These contributions are charged to the consolidated profit and loss account as incurred.

2. 主要會計政策 (續)

(k) 僱員福利

(i) 僱員應享假期

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

僱員之病假及產假或陪妻分娩假不作確認，直至僱員正式休假為止。

(ii) 退休金計劃

本集團根據本地法律及規例為香港員工制定界定供款退休計劃，該資產由一獨立信託基金持有。此計劃覆蓋所有全職員工，本集團之供款額範圍由員工薪金的5%至10%。本集團對該退休計劃作出之供款在發生時作為費用支銷，而員工在全數取得既得之利益前退出計劃而被沒收之僱主供款將會用作扣減此供款。

為遵守中國之法律及規例，本集團為當地員工制定的界定供款退休供款計劃中之供款會交與中國政府已授權之有關機構；供款需按中國規定以工資的一定百分比計算。本集團對該退休計劃作出之供款在發生時作為費用支銷。

Notes to the Accounts

賬目附註

2. PRINCIPAL ACCOUNTING POLICIES

(Continued)

(l) 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 substantially 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, an associate and jointly controlled entities, 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.

(m) Contingencies

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 outflow is probable, it will then be recognised as a provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Group.

Contingent assets are not recognised but are disclosed in the notes to the accounts when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognised.

2. 主要會計政策 (續)

(l) 遞延項稅

遞延稅項是以負債法就資產與負債之稅基與其賬面值之暫時差異全數撥備。遞延稅項按結算日之前已頒佈或實質頒佈之稅率釐定。

遞延稅項資產的確認數額乃以可供動用作為抵銷暫時差異的日後應課稅溢利數額為限。

遞延稅項會就有關在附屬公司、聯營公司及共同控制實體的投資所產生的暫時差異作撥備，倘暫時差異之轉回時間可被控制，及不大可能在可預見將來轉回，有關之遞延稅項則不作撥備。

(m) 或然事項

或然負債指因已發生的事件而可能引起之責任，此等責任需就某一宗或多宗事件會否發生才能確認，而集團並不能完全控制這些未來事件會否實現。或然負債亦可能是因已發生的事件引致之現有責任，但由於可能不需要消耗經濟資源，或責任金額未能可靠地衡量而未有入賬。

或然負債不會被確認，但會在賬目附註中披露。假若消耗資源之可能性改變導致可能出現資源消耗，此等負債將被確立為撥備。

或然資產指因已發生的事件而可能產生之資產，此等資產需就某一宗或多宗事件會否發生才能確認，而集團並不能完全控制這些未來事件會否實現。

或然資產不會被確認，但會於可能收到經濟效益時在賬目附註中披露。若實質確定有收到經濟效益時，此等效益才被確立為資產。

Notes to the Accounts

賬目附註

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

(n) Turnover and revenue recognition

Turnover represents (i) the gross invoiced sales by the Group to outside customers, net of discounts and returns; and (ii) gross rental income from leasing of investment properties.

Provided it is probable that the economic benefits associated with a transaction will flow to the Group and the revenue and costs, if applicable, can be measured reliably, turnover and other revenues are recognised on the following bases:

(i) Sale of goods

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

(ii) Interest income

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

(iii) Rental income

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

(o) Borrowing costs

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

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

2. 主要會計政策 (續)

(n) 營業額和收入確認

營業額為(i)本年度集團對外客戶銷貨扣除折扣及退貨所得收入淨額;和(ii)租賃物業租金收入。

凡對本集團有經濟效益的交易,其收入及成本(如適用)能準確計算,營業額及其他收入將按下列基礎入賬:

(i) 銷貨

銷貨收入在擁有權之風險及回報轉移時確認,通常亦即為貨品付運予客戶及所有權轉讓時。

(ii) 利息收入

利息收入依據未償還本金及適用利率按時間比例確認。

(iii) 租金收入

經營租賃之租金收入按直線法確認。

(o) 借貸成本

凡直接與購置、興建或生產某項資產(該資產必須經過頗長時間籌備以作預定用途或出售)有關之借貸成本,均資本化為資產之部分成本。

所有其他借貸成本均於發生年度內在損益賬支銷。

Notes to the Accounts 賬目附註

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

(p) Segment reporting

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

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

In respect of geographical segment reporting, sales are based on the country in which the customer is located. Total assets and capital expenditure are where the assets are located. Segment revenues, segment expenses and segment performance include transfers between geographical segments. Such transfers are accounted for using a markup on cost between geographical segments. Those transfers are eliminated on consolidation.

2. 主要會計政策 (續)

(p) 分部報告

按照本集團之內部財務報告，本集團已決定將地區分部資料作為主要分部報告，而業務分部資料則作為從屬形式呈列。

未分配成本指本集團整體性開支。分部資產主要包括固定資產、存貨、應收款項、經營現金及投資物業，不包括之項目主要為集團整體性之銀行結存。分部負債指經營負債，而不包括例如稅項及若干集團整體性之借款等項目。資本性開支包括購入固定資產的費用。

至於地區分部報告，銷售額乃按照客戶所在國家計算。總資產及資本性開支按資產所在地計算。分部收入、分部支出及分部業績包括地區分部間之轉移。該轉移包括地區分部間之附加成本。此項轉移已在綜合賬中抵銷。

Notes to the Accounts 賬目附註

3. TURNOVER, REVENUES AND SEGMENT INFORMATION 3. 營業額、收入和分部資料

		2004 二零零四年 HK\$ 港元	2003 二零零三年 HK\$ 港元
Turnover	營業額		
Sale of electrical home appliances	銷售家用電器	890,784,727	630,517,016
Sale of cigarette paper	銷售煙紙	164,697,507	163,855,195
Gross rental income from investment properties	投資物業租金收入	13,600,040	10,550,774
		1,069,082,274	804,922,985
Other revenues	其他收入		
Interest income	利息收入	656,140	274,802
Sundry income	其他收入	303,403	198
		959,543	275,000
Total revenues	總收入	1,070,041,817	805,197,985

Notes to the Accounts 賬目附註

3. TURNOVER, REVENUES AND SEGMENT INFORMATION (Continued)

3. 營業額、收入和分部資料 (續)

Primary reporting format - geographical segments

主要分部報告－地區分部資料

The Group's sales are mainly derived from North America, Japan, Australia, Europe and the PRC. All purchases, production and shipment of goods are conducted in the PRC with its head office located in Hong Kong (included in "Others" below). An analysis by geographical segment is as follows:

本集團的銷售主要在北美、日本、澳洲、歐洲及中國。所有採購、生產及貨物出口主要在中國。而總部則設於香港（包括在以下的「其他」內）。地區分部分析如下：

		The U.S. 美國 2004 二零零四年 HK\$'000 港幣千元	Canada 加拿大 2004 二零零四年 HK\$'000 港幣千元	The PRC 中國 2004 二零零四年 HK\$'000 港幣千元	Japan 日本 2004 二零零四年 HK\$'000 港幣千元	Europe 歐洲 2004 二零零四年 HK\$'000 港幣千元	Australia 澳洲 2004 二零零四年 HK\$'000 港幣千元	Others 其他 2004 二零零四年 HK\$'000 港幣千元	Elimination 抵銷 2004 二零零四年 HK\$'000 港幣千元	The Group 本集團 2004 二零零四年 HK\$'000 港幣千元
Turnover	營業額									
External sales	對外銷售	375,340	10,537	169,595	227,536	228,359	14,916	42,799	-	1,069,082
Inter-segment sales	內部銷售	-	-	554,802	-	-	-	464,537	(1,019,339)	-
		375,340	10,537	724,397	227,536	228,359	14,916	507,336	(1,019,339)	1,069,082
Segment results	分部業績	33,590	931	38,175	20,925	16,766	2,387	94,045	(938)	205,881
Interest income	利息收入									656
Unallocated costs	未分配成本									(14,508)
Operating profit	經營盈利									192,029
Finance costs	財務成本									(25,343)
Share of profits less losses of jointly controlled entities	應佔共同控制實體之盈利減虧損			(9,001)	-	-	-	-	-	(9,001)
Profit before taxation	除稅前盈利									157,685
Taxation	稅項									(28,392)
Profit after taxation	除稅後盈利									129,293
Minority interests	少數股東權益									(5,852)
Profit attributable to shareholders	股東應佔盈利									123,441

Notes to the Accounts 賬目附註

3. TURNOVER, REVENUES AND SEGMENT INFORMATION (Continued) 3. 營業額、收入和分部資料 (續)

Primary reporting format - geographical segments (Continued) 主要分部報告 - 地區分部資料 (續)

		The U.S. 美國 2004 二零零四年 HK\$'000 港幣千元	Canada 加拿大 2004 二零零四年 HK\$'000 港幣千元	The PRC 中國 2004 二零零四年 HK\$'000 港幣千元	Japan 日本 2004 二零零四年 HK\$'000 港幣千元	Europe 歐洲 2004 二零零四年 HK\$'000 港幣千元	Australia 澳洲 2004 二零零四年 HK\$'000 港幣千元	Others 其他 2004 二零零四年 HK\$'000 港幣千元	Elimination 抵銷 2004 二零零四年 HK\$'000 港幣千元	The Group 本集團 2004 二零零四年 HK\$'000 港幣千元
Segment assets	分部資產	-	-	856,776	-	-	-	658,045	-	1,514,821
Interests in jointly controlled entities	共同控制實體權益	-	-	28,116	-	-	-	-	-	28,116
Unallocated assets	未分配資產									152
Total assets	總資產									1,543,089
Segment liabilities	分部負債	9,501	-	491,846	-	-	-	137,832	-	639,179
Unallocated liabilities	未分配負債									54,447
Total liabilities	總負債									693,626
Capital expenditure	資本性開支	-	-	57,606	-	-	-	1,650	-	59,256
Depreciation	折舊	-	-	27,959	-	-	-	2,434	-	30,393
Impairment of goodwill	商譽減值									6,953
Amortisation of goodwill	商譽攤銷									1,141
Write-off of fixed assets	固定資產報廢	-	-	50	-	-	-	-	-	50
Provision for inventory obsolescence	過時存貨報廢	-	-	1,159	-	-	-	-	-	1,159
Reversal of provision for bad and doubtful debts	撥回壞賬準備	-	-	(6,383)	-	-	-	-	-	(6,383)

Notes to the Accounts 賬目附註

3. TURNOVER, REVENUES AND SEGMENT INFORMATION (Continued) 3. 營業額、收入和分部資料 (續)

Primary reporting format - geographical segments (Continued) 主要分部報告 - 地區分部資料 (續)

		The U.S. 美國	Canada 加拿大	The PRC 中國	Japan 日本	Europe 歐洲	Australia 澳洲	Others 其他	Elimination 抵銷	The Group 本集團
		2003 二零零三年	2003 二零零三年	2003 二零零三年	2003 二零零三年	2003 二零零三年	2003 二零零三年	2003 二零零三年	2003 二零零三年	2003 二零零三年
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Turnover	營業額									
External sales	對外銷售	344,246	10,313	167,337	114,019	111,788	22,193	35,026	-	804,922
Inter-segment sales	內部銷售	-	-	-	-	-	-	639,823	(639,823)	-
		344,246	10,313	167,337	114,019	111,788	22,193	674,849	(639,823)	804,922
Segment results	分部業績	43,916	345	38,951	13,244	22,827	2,998	97,202	(84,367)	135,116
Interest income	利息收入									275
Unallocated costs	未分配成本									(4,366)
Operating profit	經營盈利									131,025
Finance costs	財務成本									(24,057)
Share of profits less losses of jointly controlled entities	應佔共同控制實體之盈利減虧損									(212)
Profit before taxation	除稅前盈利									106,756
Taxation	稅項									(13,669)
Profit after taxation	除稅後盈利									93,087
Minority interests	少數股東權益									(9,201)
Profit attributable to shareholders	股東應佔盈利									83,886

Notes to the Accounts 賬目附註

3. TURNOVER, REVENUES AND SEGMENT INFORMATION (Continued) 3. 營業額、收入和分部資料(續)

Primary reporting format - geographical segments (Continued) 主要分部報告 - 地區分部資料(續)

		The U.S. 美國	Canada 加拿大	The PRC 中國	Japan 日本	Europe 歐洲	Australia 澳洲	Others 其他	Elimination 抵銷	The Group 本集團
		2003 二零零三年	2003 二零零三年	2003 二零零三年	2003 二零零三年	2003 二零零三年	2003 二零零三年	2003 二零零三年	2003 二零零三年	2003 二零零三年
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Segment assets	分部資產	16	-	826,664	-	-	-	326,058	-	1,152,738
Interests in jointly controlled entities	共同控制實體權益	-	-	31,450	-	-	-	-	-	31,450
Goodwill	商譽	-	-	-	-	-	-	-	-	8,094
Unallocated assets	未分配資產	-	-	-	-	-	-	-	-	239,522
Total assets	總資產									1,431,804
Segment liabilities	分部負債	9,501	-	506,346	-	-	-	836	-	516,683
Unallocated liabilities	未分配負債	-	-	-	-	-	-	-	-	103,648
Total liabilities	總負債									620,331
Capital expenditure	資本性開支	-	-	51,560	-	-	-	4,174	-	55,734
Depreciation	折舊	-	-	24,637	-	-	-	2,217	-	26,854
Amortisation of goodwill	商譽攤銷	-	-	-	-	-	-	-	-	1,141
Write-off of fixed assets	固定資產報廢	-	-	112	-	-	-	1,410	-	1,522
Write-off of obsolete inventories	過時存貨報廢	-	-	575	-	-	-	-	-	575
Provision for inventory obsolescence	過時存貨準備	-	-	3,421	-	-	-	-	-	3,421
Provision for bad and doubtful debts	壞賬準備	-	-	2,555	-	-	-	-	-	2,555
Reversal of provision for an amount due from a related company	撥回應收一關聯公司準備	-	-	(6,955)	-	-	-	-	-	(6,955)

Notes to the Accounts

賬目附註

3. TURNOVER, REVENUES AND SEGMENT INFORMATION (Continued)

3. 營業額、收入和分部資料 (續)

Secondary reporting format - business segments

從屬分部報告－業務分部資料

The Group is principally engaged in the manufacturing and sale of electrical home appliances, manufacturing and sale of cigarette paper and property leasing. An analysis by business segment is as follows:

本集團本年度主要製造及銷售家用電器、製造及銷售煙紙和物業租賃。業務分部分析如下：

		Turnover 營業額 2004 二零零四年 HK\$'000 港幣千元	Segment results 分部業績 2004 二零零四年 HK\$'000 港幣千元	Total assets 總資產 2004 二零零四年 HK\$'000 港幣千元	Capital expenditure 資本性開支 2004 二零零四年 HK\$'000 港幣千元
Electrical home appliances	家用電器	890,785	78,540	548,590	51,757
Cigarette paper	煙紙	164,697	36,699	580,470	—
Property leasing	物業租賃	13,600	90,642	385,761	7,499
		1,069,082	205,881	1,514,821	59,256
Interest income	利息收入		656		
Unallocated costs	未分配成本		(14,508)		
Operating profit	經營盈利		192,029		
Interests in jointly controlled entities	共同控制實體權益			28,116	
Unallocated assets	未分配資產			152	
Total assets	總資產			1,543,089	

Notes to the Accounts

賬目附註

3. TURNOVER, REVENUES AND SEGMENT INFORMATION (Continued) 3. 營業額、收入和分部資料 (續)

Secondary reporting format - business segments (Continued) 從屬分部報告 - 業務分部資料 (續)

	Turnover 營業額 2003 二零零三年 HK\$'000 港幣千元	Segment result 分部業績 2003 二零零三年 HK\$'000 港幣千元	Total assets 總資產 2003 二零零三年 HK\$'000 港幣千元	Capital expenditure 資本性開支 2003 二零零三年 HK\$'000 港幣千元
Electrical home appliances 家用電器	630,517	88,082	222,956	33,566
Cigarette paper 煙紙	163,855	39,086	621,527	13,748
Property leasing 物業租賃	10,550	7,948	308,255	8,420
	<u>804,922</u>	135,116	1,152,738	<u>55,734</u>
Interest income 利息收入		275		
Unallocated costs 未分配成本		<u>(4,366)</u>		
Operating profit 經營盈利		<u>131,025</u>		
Goodwill 商譽			8,094	
Interests in jointly controlled entities 共同控制 實體權益			31,450	
Unallocated assets 未分配資產			<u>239,522</u>	
Total assets 總資產			<u>1,431,804</u>	

There are no sales between the business segments.

業務分部之間並無銷售。

Notes to the Accounts 賬目附註

4. OPERATING PROFIT

4. 經營盈利

Operating profit is stated after charging and crediting the following:

經營盈利已扣除及計入下列項目：

		2004 二零零四年 HK\$ 港元	2003 二零零三年 HK\$ 港元
Charging	扣除		
Cost of inventories sold	存貨銷售成本	840,143,601	583,201,078
Depreciation of fixed assets	固定資產折舊	30,392,756	26,853,647
Loss on disposal of fixed assets	出售固定資產虧損	63,339	492,698
Write-off of fixed assets	固定資產報廢	50,341	1,522,207
Write-off of obsolete inventories	過時存貨報廢	-	574,840
Provision for inventory obsolescence	過時存貨準備	1,159,341	3,421,823
Staff (including directors) costs (note 10)	員工(包括董事)成本(附註10)	92,363,604	71,058,335
Operating lease rentals on	經營租賃		
- Office premises	- 辦公室	324,309	326,472
- Plant and machineries	- 廠房及機器	196,401	412,150
Auditors' remuneration	核數師酬金	1,115,513	1,184,956
Net exchange loss	匯兌損失淨額	931,496	991,977
Provision for bad and doubtful debts	壞賬準備	-	2,555,435
Amortisation of goodwill	商譽攤銷	1,141,116	1,141,116
Impairment of goodwill	商譽減值	6,952,734	-
Product development costs	產品發展成本	3,416,424	2,472,688
Direct property operating cost	物業直接經營成本		
- repair and maintenance	- 維修及保養	123,000	366,131
- others	- 其他	140,168	2,236,286
Crediting	計入		
Reversal of provision for bad and doubtful debts in respect of	撥回壞賬準備		
- Debtors	- 應收賬項	6,382,952	-
- Amount due from a related company	- 應收關聯公司	-	6,955,152

Notes to the Accounts 賬目附註

5. FINANCE COSTS

5. 財務成本

		2004 二零零四年 HK\$ 港元	2003 二零零三年 HK\$ 港元
Interest on bank loans	銀行貸款利息		
Wholly repayable within five years	須於五年內全部償還	25,342,937	24,056,931

6. TAXATION

6. 稅項

Hong Kong profits tax has been provided at the rate of 17.5% (2003: 17.5%) on the estimated assessable profit arising in or derived from Hong Kong for the year. Taxation on overseas and the PRC 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.

香港利得稅乃按照本年度估計應課稅盈利依稅率17.5% (二零零三年: 17.5%) 提撥準備。海外及中國盈利之稅項則按照本年度估計應課稅盈利依本集團經營業務地區之現行稅率計算。

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

在綜合損益表支銷之稅項如下:

		2004 二零零四年 HK\$ 港元	2003 二零零三年 HK\$ 港元
Current taxation:	當期稅項:		
– Hong Kong profits tax	– 香港利得稅	5,407,981	6,874,383
– Overseas and PRC taxation	– 海外及中國稅項	10,758,165	8,999,072
– Over-provisions in prior years	– 往年度準備剩餘	(3,061,210)	(2,362,395)
Deferred taxation relating to the origination and reversal of temporary differences	遞延稅項暫時差異的產生及轉回	15,286,703	22,929
Deferred taxation resulting from an increase in tax rate	稅率提高產生之遞延稅項	–	135,139
Taxation charges	稅項支出	28,391,639	13,669,128

Notes to the Accounts 賬目附註

6. TAXATION (Continued)

The taxation on the Group's profit before taxation differs from the theoretical amount that would arise using the taxation rate of Hong Kong as follows:

6. 稅項 (續)

本集團有關除稅前盈利之稅項與假若採用香港之稅率而計算之理論稅額之差額如下:

		2004 二零零四年 HK\$ 港元	2003 二零零三年 HK\$ 港元
Profit before taxation	除稅前盈利	157,684,817	106,755,541
Calculated at a taxation rate of 17.5% (2003: 17.5%)	按稅率17.5% (二零零三年: 17.5%) 計算之稅項	27,594,843	18,682,220
Effect of different tax rates in other taxation jurisdictions	其他地區不同稅率之影響	(2,916,364)	(3,305,108)
Income not subject to taxation	無須課稅之收入	(107,455)	(471,348)
Expenses not deductible for taxation purposes	不可扣稅之支出	3,418,261	1,222,653
Over-provision in prior years	以往年度準備剩餘	(3,061,210)	(2,362,395)
Utilisation of previously unrecognised tax losses	使用早前未有確認之稅損	(36,289)	(31,346)
Increase in previously unrecognised temporary differences	早前未有確認之暫時差異增加	1,606,010	645,746
Increase in opening net deferred tax liabilities resulting from an increase in tax rate	稅率提高而產生期初遞延稅項負債淨額之增加	-	135,139
Others	其他	1,893,843	(846,433)
Taxation charges	稅項支出	28,391,639	13,669,128

7. PROFIT ATTRIBUTABLE TO SHAREHOLDERS

The profit attributable to shareholders is dealt with in the accounts of the Company to the extent of HK\$200,275,653 (2003: HK\$63,164,861).

7. 股東應佔盈利

計入本公司賬目之股東應佔盈利為港幣200,275,653元 (二零零三年: 港幣63,164,861元)。

Notes to the Accounts 賬目附註

8. DIVIDENDS

		2004 二零零四年 HK\$ 港元	2003 二零零三年 HK\$ 港元
Interim, paid, of 5 HK cents (2003: 4 HK cents) per ordinary share	已派發之中期股息 每股普通股港幣5仙 (二零零三年: 港幣4仙)	18,534,743	13,383,675
Final, proposed, of 11 HK cents (2003: 10 HK cents) per ordinary share	建議派發末期股息 每股普通股港幣11仙 (二零零三年: 港幣10仙)	40,781,935	36,877,186
		59,316,678	50,260,861

At a meeting held on 20th April 2005, the directors proposed a final dividend of 11 HK cents per ordinary share. This proposed dividend is not reflected as a dividend payable in these accounts, but will be reflected as an appropriation of retained earnings for the year ending 31st December 2005. The final dividend proposed was computed based on 370,744,868 ordinary shares of the Company in issue on 20th April 2005.

在二零零五年四月二十日舉行之會議上，董事建議派發末期股息每股普通股港幣11仙。此項擬派股息並無於本賬目中列作應付股息，惟將於截至二零零五年十二月三十一日止年度列作滾存盈利分派。建議派發末期股息按二零零五年四月二十日已發行之370,744,868股普通股計算。

9. EARNINGS PER SHARE

The calculations of basic and diluted earnings per share are based on the Group's profit attributable to shareholders of HK\$123,440,742 (2003: HK\$83,885,614).

9. 每股盈利

每股基本及攤薄盈利之計算是以本集團股東應佔盈利港幣123,440,742元(二零零三年: 港幣83,885,614元)計算。

The basic earnings per share is based on the weighted average number of 369,802,256 (2003: 325,159,696) ordinary shares in issue during the year. The diluted earnings per share for the year ended 31st December 2004 is based on 373,012,781 (2003: 327,725,560) ordinary shares which is the weighted average number of ordinary shares in issue during the year plus the weighted average number of 3,210,525 (2003: 2,565,864) ordinary shares deemed to be issued at no consideration if all outstanding options had been exercised.

每股基本盈利乃根據年內之已發行加權平均股數369,802,256股(二零零三年: 325,159,696股)普通股計算。截止二零零四年十二月三十一日止年度每股攤薄盈利乃根據年內之已發行加權平均股數，加上假設所有未行使之購股權皆已行使而被視作無價發行之加權平均股數3,210,525股(二零零三年: 2,565,864股)普通股計算後之373,012,781股(二零零三年: 327,725,560股)普通股計算。

Notes to the Accounts

賬目附註

10. STAFF COSTS (INCLUDING DIRECTORS' REMUNERATION)

10. 員工成本(包括董事酬金)

		2004 二零零四年 HK\$ 港元	2003 二零零三年 HK\$ 港元
Wages and salaries	工資和薪金	85,952,519	65,711,084
Unutilised annual leave	未用年假	1,083,917	955,415
Pension costs – defined contribution plans	退休成本 — 界定供款計劃	5,327,168	4,391,836
		92,363,604	71,058,335

11. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

11. 董事及高級管理人員酬金

(a) Directors' emoluments

(a) 董事酬金

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

本年度本公司向董事支付之酬金總額如下：

		2004 二零零四年 HK\$ 港元	2003 二零零三年 HK\$ 港元
Fees	袍金	880,000	494,886
Other emoluments:	其他酬金：		
Basic salaries, housing allowances and other benefits	基本薪金、房屋津貼和其他福利	2,026,950	3,118,907
Discretionary bonus	酌情發放之花紅	80,000	120,000
Contributions to pension schemes	退休金供款	116,400	116,400
		3,103,350	3,850,193

Directors' fees disclosed above include HK\$300,000 (2003: HK\$122,443) paid to independent non-executive directors.

上列董事酬金包括支付獨立非執行董事之港幣300,000元(二零零三年:港幣122,443元)。

Notes to the Accounts 賬目附註

11. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (Continued)

(a) Directors' emoluments (Continued)

The emoluments of the directors fell within the following bands:

		Number of directors 董事人數	
		2004 二零零四年	2003 二零零三年
Emolument bands	酬金組別		
HK\$nil – HK\$1,000,000	由港幣零元至港幣1,000,000元	10	7
HK\$1,000,001 – HK\$1,500,000	由港幣1,000,001元至港幣1,500,000元	1	1
HK\$1,500,001 – HK\$2,000,000	由港幣1,500,001元至港幣2,000,000元	–	1

No directors waived the right to receive emoluments during the year.

11. 董事及高級管理人員酬金 (續)

(a) 董事酬金 (續)

董事酬金按人數及金額組別分析如下:

本年度並無董事放棄收取酬金的權利。

(b) Five highest paid individuals

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

(b) 五位最高薪酬人士

本集團五位最高薪酬人士中包括二位(二零零三年:二位)董事,彼等之酬金已載於上文分析,餘下三位(二零零三年:三位)最高薪人士之酬金分析如下:

		2004 二零零四年 HK\$ 港元	2003 二零零三年 HK\$ 港元
Basic salaries, housing allowances and other benefits	基本薪金、房屋津貼及其他福利	1,934,190	2,586,500
Contributions to pension schemes	退休金供款	163,800	163,800
		2,097,990	2,750,300

Notes to the Accounts 賬目附註

11. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (Continued)

(b) Five highest paid individuals (Continued)

The emoluments fell within the following bands:

11. 董事及高級管理人員酬金 (續)

(b) 五位最高薪酬人士 (續)

酬金組別分析如下：

		Number of individuals 個別人數	
		2004 二零零四年	2003 二零零三年
Emolument bands	酬金組別		
HK\$nil – HK\$1,000,000	由港幣零元至港幣1,000,000元	4	3
HK\$1,000,001 – HK\$1,500,000	由港幣1,000,001元至港幣1,500,000元	1	1
HK\$1,500,001 – HK\$2,000,000	由港幣1,500,001元至港幣2,000,000元	–	1

12. GOODWILL

12. 商譽

		The Group 本集團	
		2004 二零零四年 HK\$ 港元	2003 二零零三年 HK\$ 港元
Cost:	成本值：		
At 1st January and 31st December	於一月一日及十二月三十一日	11,411,166	11,411,166
Accumulated amortisation and impairment:	累計攤銷及減值：		
At 1st January	於一月一日	3,317,316	2,176,200
Amortisation during the year	本年度攤銷	1,141,116	1,141,116
Impairment charge	耗蝕支出	6,952,734	–
At 31st December	於十二月三十一日	11,411,166	3,317,316
Net book value:	賬面淨值：		
At 31st December	於十二月三十一日	–	8,093,850

Notes to the Accounts 賬目附註

13. FIXED ASSETS

13. 固定資產

		The Group 本集團								
		Investment properties	Construction in progress	Properties in Hong Kong	Properties outside Hong Kong	Plant and machinery	Furniture, fixtures and equipment	Moulds	Motor vehicles	Total
		投資物業	在建工程	在香港之物業	香港以外 之物業	廠房及機器	傢俬、裝置 及工具	工模	汽車	合計
		HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
		港元	港元	港元	港元	港元	港元	港元	港元	港元
Cost or valuation:	成本值或估值:									
At 1st January 2004	於二零零四年一月一日	308,458,446	30,781,341	27,550,769	182,371,432	417,202,556	34,646,490	3,566,606	14,910,976	1,019,488,616
Additions	添置	-	37,769,646	-	-	10,056,296	9,864,135	-	1,565,609	59,255,686
Transfers	轉撥	-	(47,823,232)	-	9,407,642	38,160,056	255,534	-	-	-
Revaluation	重估	77,303,809	-	-	-	-	-	-	-	77,303,809
Disposals	出售	-	-	-	-	-	(153,382)	-	-	(153,382)
Write-off	報廢	-	-	-	-	(162,995)	(2,586)	-	-	(165,581)
At 31st December 2004	於二零零四年十二月三十一日	385,762,255	20,727,755	27,550,769	191,779,074	465,255,913	44,610,191	3,566,606	16,476,585	1,155,729,148
Accumulated depreciation:	累計折舊:									
At 1st January 2004	於二零零四年一月一日	-	-	8,640,169	53,886,434	109,816,231	26,788,104	1,451,158	11,693,074	212,275,170
Charge for the year	本年度折舊	-	-	995,295	6,475,663	18,431,989	3,288,954	232,188	968,667	30,392,756
Disposals	出售	-	-	-	-	-	(86,273)	-	-	(86,273)
Write-off	報廢	-	-	-	-	(113,689)	(1,551)	-	-	(115,240)
At 31st December 2004	於二零零四年十二月三十一日	-	-	9,635,464	60,362,097	128,134,531	29,989,234	1,683,346	12,661,741	242,466,413
Net book value:	賬面淨值:									
At 31st December 2004	於二零零四年十二月三十一日	385,762,255	20,727,755	17,915,305	131,416,977	337,121,382	14,620,957	1,883,260	3,814,844	913,262,735
At 31st December 2003	於二零零三年十二月三十一日	308,458,446	30,781,341	18,910,600	128,484,998	307,386,325	7,858,386	2,115,448	3,217,902	807,213,446

Notes to the Accounts 賬目附註

13. FIXED ASSETS (Continued)

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

		The Group 本集團								
		Investment properties	Construction in progress	Properties in Hong Kong	Properties outside Hong Kong	Plant and machinery	Furniture, fixtures and equipment	Moulds	Motor vehicles	Total
		投資物業	在建工程	在香港之物業	香港以外之物業	廠房及機器	傢俬、裝置及工具	工模	汽車	合計
		HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
		港元	港元	港元	港元	港元	港元	港元	港元	港元
At cost	成本值	-	20,727,755	27,550,769	191,779,074	465,255,913	44,610,191	3,566,606	16,476,585	769,966,893
At valuation	估值	385,762,255	-	-	-	-	-	-	-	385,762,255
		385,762,255	20,727,755	27,550,769	191,779,074	465,255,913	44,610,191	3,566,606	16,476,585	1,155,729,148

An analysis of the cost or valuation at 31st December 2003 of the above assets is as follows:

		The Group 本集團								
		Investment properties	Construction in progress	Properties in Hong Kong	Properties outside Hong Kong	Plant and machinery	Furniture, fixtures and equipment	Moulds	Motor vehicles	Total
		投資物業	在建工程	在香港之物業	香港以外之物業	廠房及機器	傢俬、裝置及工具	工模	汽車	合計
		HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
		港元	港元	港元	港元	港元	港元	港元	港元	港元
At cost	成本值	-	30,781,341	27,550,769	182,371,432	417,202,556	34,646,490	3,566,606	14,910,976	711,030,170
At valuation	估值	308,458,446	-	-	-	-	-	-	-	308,458,446
		308,458,446	30,781,341	27,550,769	182,371,432	417,202,556	34,646,490	3,566,606	14,910,976	1,019,488,616

13. 固定資產 (續)

上述資產的成本值或估值於二零零四年十二月三十一日分析如下：

上述資產的成本值及估值於二零零三年十二月三十一日分析如下：

Notes to the Accounts 賬目附註

13. FIXED ASSETS (Continued)

13. 固定資產 (續)

		The Company 本公司					
		Investment properties 投資物業	Plant and machinery 廠房及機器	Furniture, fixtures and equipment 傢俬、裝置 及工具	Moulds 工模	Motor vehicles 汽車	Total 合計
		HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元
Cost or valuation:	成本值或估值:						
At 1st January 2004	於二零零四年 一月一日	300,000,000	3,736,590	8,167,879	3,148,324	1,813,320	316,866,113
Additions	添置	-	1,649,936	-	-	-	1,649,936
Revaluation	重估	77,000,000	-	-	-	-	77,000,000
At 31st December 2004	於二零零四年 十二月三十一日	377,000,000	5,386,526	8,167,879	3,148,324	1,813,320	395,516,049
Accumulated depreciation:	累計折舊:						
At 1st January 2004	於二零零四年 一月一日	-	560,489	8,082,285	1,128,511	995,628	10,766,913
Charge for the year	本年度折舊	-	946,359	30,347	201,981	204,423	1,383,110
At 31st December 2004	於二零零四年 十二月三十一日	-	1,506,848	8,112,632	1,330,492	1,200,051	12,150,023
Net book value:	賬面淨值:						
At 31st December 2004	於二零零四年 十二月三十一日	377,000,000	3,879,678	55,247	1,817,832	613,269	383,366,026
At 31st December 2003	於二零零三年 十二月三十一日	300,000,000	3,176,101	85,594	2,019,813	817,692	306,099,200

Notes to the Accounts 賬目附註

13. FIXED ASSETS (Continued)

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

13. 固定資產(續)

上述資產的成本值或估值於二零零四年十二月三十一日分析如下:

		The Company 本公司					
		Investment properties 投資物業	Plant and machinery 廠房及機器	Furniture, fixtures and equipment 傢俬·裝置 及工具	Moulds 工模	Motor vehicles 汽車	Total 合計
		HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元
At cost	成本值	-	5,386,526	8,167,879	3,148,324	1,813,320	18,516,049
At valuation	估值	377,000,000	-	-	-	-	377,000,000
		377,000,000	5,386,526	8,167,879	3,148,324	1,813,320	395,516,049

An analysis of the cost or valuation at 31st December 2003 of the above assets is as follows:

上述資產的成本值及估值於二零零三年十二月三十一日分析如下:

		The Company 本公司					
		Investment properties 投資物業	Plant and machinery 廠房及 機器	Furniture, fixtures and equipment 傢俬·裝置及 工具	Moulds 工模	Motor vehicles 汽車	Total 合計
		HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元
At cost	成本值	-	3,736,590	8,167,879	3,148,324	1,813,320	16,866,113
At valuation	估值	300,000,000	-	-	-	-	300,000,000
		300,000,000	3,736,590	8,167,879	3,148,324	1,813,320	316,866,113

Notes to the Accounts 賬目附註

13. FIXED ASSETS (Continued)

Interests in investment properties and other properties at their net book values are analysed as follows:

13. 固定資產(續)

本集團持有投資物業和其他物業之權益按其賬面淨值分析如下:

		The Group 本集團		The Company 本公司	
		2004 二零零四年 HK\$ 港元	2003 二零零三年 HK\$ 港元	2004 二零零四年 HK\$ 港元	2003 二零零三年 HK\$ 港元
In Hong Kong, held on: Leases of between 10 and 50 years	在香港持有: 十年至五十年 租約	394,915,305	318,910,600	377,000,000	300,000,000
Outside Hong Kong, held on: Leases of between 10 and 50 years	在香港以外持有: 十年至五十年 租約	140,179,232	136,943,444	-	-
		535,094,537	455,854,044	377,000,000	300,000,000

Investment properties were revalued at 31st December 2004 on the basis of their open market values by independent qualified valuers, Vigers Appraisal and Consulting Limited and Sichuan Huaqiang Certified Public Accountants Co., Ltd.

本集團聘請獨立估值師威格斯資產評估顧問有限公司及四川華強會計師事務所於二零零四年十二月三十一日為投資物業按公開市場值基準作出物業評估。

At 31st December 2004, the net book value of fixed assets pledged as security for the Group's bank loans amounted to approximately HK\$650,024,000 (2003: HK\$581,764,000).

於二零零四年十二月三十一日,用作本集團銀行貸款抵押品之固定資產之賬面淨值約為港幣650,024,000元(二零零三年:港幣581,764,000元)。

Notes to the Accounts

賬目附註

14. INVESTMENTS IN SUBSIDIARIES

14. 附屬公司投資

		The Company 本公司	
		2004 二零零四年 HK\$ 港元	2003 二零零三年 HK\$ 港元
Unlisted shares, at cost	非上市股份·按成本入賬	106,741,431	101,018,815
Less: Provision for impairment in value	減:減值準備	(780,567)	(780,567)
Amounts due from subsidiaries	應收附屬公司賬款	124,508,234	125,872,222
Amounts due to subsidiaries	應付附屬公司賬款	(47,698,193)	(112,497,266)
		182,770,905	113,613,204

The amounts due from and to subsidiaries were unsecured, non-interest bearing and not repayable within the next 12 months.

應收及應付附屬公司賬款均無抵押、免息及不須於其後十二個月內償還。

The directors are of the opinion that the underlying value of the subsidiaries is not less than the carrying value at 31st December 2004.

董事認為附屬公司之確實價值不少於其於二零零四年十二月三十一日之賬面價值。

The following is a list of the subsidiaries at 31st December 2004:

於二零零四年十二月三十一日之主要附屬公司詳情如下:

Name 名稱	Place of incorporation and type of legal entity 註冊地點及法定地位	Principal activities and place of operations 主要業務及經營地點	Particulars of registered/ issued share capital 已發行股本詳情	Effective interest held 公司所佔權益	
				Directly 直接	Indirectly 間接
Airborne Holdings Limited	British Virgin Islands, limited liability company 英屬處女島·有限公司	Investment holding, Hong Kong 投資控股·香港	1 ordinary share of US\$1 1股普通股每股1美元	100%	—
Appliance Science Corporation	United States of America, limited liability company 美國·有限公司	Development and trading of electrical home appliances, United States of America 開發及經營家用電器貿易·美國	958,500 ordinary shares of US\$0.01 each 958,500股普通股每股1美仙	—	83.51%

Notes to the Accounts 賬目附註

14. INVESTMENTS IN SUBSIDIARIES (Continued)

14. 附屬公司投資 (續)

Name 名稱	Place of incorporation and type of legal entity 註冊地點及法定地位	Principal activities and place of operations 主要業務及經營地點	Particulars of registered/ issued share capital 已發行股本詳情	Effective interest held 公司所佔權益	
				Directly 直接	Indirectly 間接
Cheung Fung Technology (Holdings) Limited 祥豐科技(集團) 有限公司	Hong Kong, limited liability company 香港·有限公司	Investment holding, Hong Kong 投資控股·香港	100,000,000 Class A (non-voting) shares of HK\$0.5 each and 200,000,000 Class B shares of HK\$0.5 each 100,000,000股A股(無投 票權)每股5角港元和 200,000,000股B股 每股5角港元	—	50.75%
Good Nature Company Limited 海雲有限公司	Hong Kong, limited liability company 香港·有限公司	Trading of electrical home appliances, the PRC 家用電器貿易·中國	2 ordinary shares of HK\$10 each 2股普通股每股10港元	50%	50%
Good Nature International Limited	Cook Islands, limited liability company 科克群島·有限公司	Investment holding, Hong Kong 投資控股·香港	8 ordinary shares of US\$1 each 8股普通股每股1美元	100%	—
Guangzhou Conquest Electric Company Limited (note (a)) 廣州市民凱家用電器 有限公司(附註(a))	The PRC, limited liability company 中國·有限公司	Manufacturing of electrical home appliances, the PRC 生產家用電器·中國	US\$3,233,527 3,233,527美元	100%	—
Mass Top Corporation	British Virgin Islands, limited liability company 英屬處女島·有限公司	Property holding, Hong Kong 物業投資·香港	1 ordinary share of US\$1 1股普通股每股1美元	100%	—
Raymond Electric (China) Limited 利民電機製造(中國) 有限公司	Hong Kong, limited liability company 香港·有限公司	Investment holding, Hong Kong 投資控股·香港	2 ordinary shares of HK\$10 each 2股普通股每股10港元	100%	—

Notes to the Accounts

賬目附註

14. INVESTMENTS IN SUBSIDIARIES

(Continued)

14. 附屬公司投資 (續)

Name 名稱	Place of incorporation and type of legal entity 註冊地點及法定地位	Principal activities and place of operations 主要業務及經營地點	Particulars of registered/ issued share capital 已發行股本詳情	Effective interest held 公司所佔權益	
				Directly 直接	Indirectly 間接
Raymond (Guangzhou) Industrial Limited 廣州利民電器實業 有限公司	The PRC, limited liability company 中國, 有限公司	Manufacturing of electrical home appliances, the PRC 生產家用電器, 中國	RMB14,461,326 14,461,326元人民幣	–	99%
Raymond International Marketing Corp. (note (b)) (附註(b))	British Virgin Islands, limited liability company 英屬處女島, 有限公司	Inactive, the PRC 無營業, 中國	10 ordinary shares of US\$1 each 10股普通股每股1美元	100%	–
Raymond Marketing Corporation of North America (note (b)) (附註(b))	United States of America, limited liability company 美國, 有限公司	Inactive, United States of America 無營業, 美國	1,000 ordinary shares of US\$1 each 1,000股普通股每股1美元	100%	–
Raymond (Panyu Nansha) Electrical Appliances Development Co. Ltd. 利民(番禺南沙)電器 發展有限公司	The PRC, limited liability company 中國, 有限公司	Manufacturing of electrical home appliances, the PRC 生產家用電器, 中國	US\$12,450,000 12,450,000美元	100%	–
Raymond Nansha Development Co. Ltd.	British Virgin Islands, limited liability company 英屬處女島, 有限公司	Property investment, the PRC 物業投資, 中國	2 ordinary shares of US\$1 each 2股普通股每股1美元	100%	–
Sichuan Jinfeng Paper Company Limited 四川錦豐紙業有限公司	The PRC, limited liability company 中國, 有限公司	Manufacturing and trading of cigarette paper, the PRC 製造及銷售煙紙, 中國	208,000,000 ordinary shares of RMB1 each 208,000,000股普通股 每股1元人民幣	–	30.42%
Victory Will Limited 凱心有限公司	Hong Kong, limited liability company 香港, 有限公司	Investment holding, Hong Kong 投資控股, 香港	12,000,000 Class A (non-voting) shares of US\$1 each and 2 Class B shares of US\$1 each 12,000,000股A股(無投 票權)每股1美元和 2股B股每股1美元	–	50.75%

Notes to the Accounts 賬目附註

14. INVESTMENTS IN SUBSIDIARIES (Continued)

None of the subsidiaries had any loan capital outstanding at the end of the year or at any time during the year.

Notes:

- (a) During the year, the registered capital of Guangzhou Conquest Electric Company Limited was increased by US\$733,527 from US\$2,500,000 to US\$3,233,527.
- (b) As at the date of this report, Raymond Marketing Corporation of North America and Raymond International Marketing Corp. have not completed the process of dissolution yet. There is no gain or loss resulting from the dissolution.

15. INTERESTS IN JOINTLY CONTROLLED ENTITIES

14. 附屬公司投資 (續)

各附屬公司於年結日期或是年內任何時間均無借貸資本。

附註:

- (a) 於年內，本集團之附屬公司，廣州市民凱家用電器有限公司之註冊資本增加了美元 733,527 元，由美元 2,500,000 元增至美元 3,233,527 元。
- (b) 於此年報當日，Raymond Marketing Corporation of North America 和 Raymond International Marketing Corp. 仍未完成結業程序。該附屬公司之結業並無產生收益或虧損。

15. 共同控制實體權益

		The Group 本集團	
		2004 二零零四年 HK\$ 港元	2003 二零零三年 HK\$ 港元
Share of net assets	應佔資產淨值	28,115,857	31,449,810
Unlisted shares, at cost	非上市股份，按成本入賬	37,329,363	31,661,937

In February 2004, pursuant to an agreement between a joint venture partner and a non-wholly owned subsidiary of the Group, the joint venture partner transferred its 26.51% interest in one of the jointly controlled entities to the subsidiary for settlement of amounts due by the joint venture partner and a related company to the subsidiary. The transfer had been approved by the relevant government authorities. After the transfer, the effective interest of the Group in the jointly controlled entity increased from 16.73% to 24.80%.

The directors are of the opinion that the underlying value of the jointly controlled entities is not less than the carrying value at 31st December 2004.

於二零零四年二月，本集團之一非全資附屬公司根據與一合營夥伴之合約，以合營夥伴轉讓其於一共同控制實體權益之 26.51% 予附屬公司來繳清合營夥伴及一關聯公司所欠附屬公司款項。轉讓後，本集團在該共同控制實體權益由 16.73% 增加至 24.8%。

董事認為共同控制實體之確實價值不少於其於二零零四年十二月三十一日之賬面價值。

Notes to the Accounts 賬目附註

15. INTERESTS IN JOINTLY CONTROLLED ENTITIES (Continued)

15. 共同控制實體權益 (續)

The following is a list of jointly controlled entities at 31st December 2004:

於二零零四年十二月三十一日之共同控制實體如下：

Name 名稱	Place of incorporation 註冊地點	Principal activities and place of operation 主要業務及經營地點	Percentage of indirect interest in ownership/ profit sharing 間接所佔權益/ 盈利分攤之百分率
Sichuan Jinfeng Innovation Industry Company Limited 四川錦豐創新實業有限公司	The PRC 中國	Manufacturing and trading of cigarette paper, the PRC 製造及銷售煙紙·中國	24.80%
Sichuan Jinfeng Spike Paper Products Company Limited 四川錦豐斯貝克紙品有限公司	The PRC 中國	Manufacturing and trading of cigarette paper, the PRC 製造及銷售煙紙·中國	26.17%

16. INTEREST IN AN ASSOCIATE

16. 聯營公司權益

		The Group 本集團	
		2004 二零零四年 HK\$ 港元	2003 二零零三年 HK\$ 港元
Unlisted shares, at cost	非上市股份·按成本入賬	1,749,713	1,749,713
Share of accumulated losses less distributions	應佔累積虧損減分配	(452,659)	(452,659)
Share of net assets	應佔資產淨值	1,297,054	1,297,054
Provision for impairment in an associate	聯營公司減值準備	(1,297,054)	(1,297,054)
		-	-

Notes to the Accounts 賬目附註

16. INTEREST IN AN ASSOCIATE (Continued) 16. 聯營公司權益 (續)

The following are the particulars of the associate of the Group at 31st December 2004: 於二零零四年十二月三十一日之聯營公司詳情如下:

Name 名稱	Place of incorporation and operation 註冊及經營地點	Principal activity 主要業務	Registered capital 已發行股本	Interest held indirectly 間接所佔權益
Shenzhen Liyuan Electric Company Limited 深圳利源電器實業有限公司	The PRC 中國	Inactive 無營業	RMB 2,040,000 2,040,000元人民幣	50%

17. INVENTORIES 17. 存貨

		The Group 本集團		The Company 本公司	
		2004 二零零四年 HK\$ 港元	2003 二零零三年 HK\$ 港元	2004 二零零四年 HK\$ 港元	2003 二零零三年 HK\$ 港元
Raw materials	原材料	107,973,701	90,428,336	924,705	185,230
Work in progress	在製品	8,918,316	11,556,769	–	4,332,190
Finished goods	製成品	55,976,040	46,227,631	13,026,060	3,425,724
		172,868,057	148,212,736	13,950,765	7,943,144

At 31st December 2004, the carrying amount of inventories that were stated at net realisable value amounted to approximately HK\$3,003,000 (2003: HK\$3,445,000). 於二零零四年十二月三十一日，可變現值列賬之存貨之賬面值合共約港幣3,003,000元（二零零三年：港幣3,445,000元）。

Notes to the Accounts 賬目附註

18. DEBTORS, NET

18. 應收賬項，淨值

	The Group 本集團		The Company 本公司	
	2004 二零零四年 HK\$ 港元	2003 二零零三年 HK\$ 港元	2004 二零零四年 HK\$ 港元	2003 二零零三年 HK\$ 港元
Debtors 應收賬項	208,959,614	207,312,030	117,482,444	77,260,150
Less: Provision for bad and doubtful debts 減：壞賬準備	(7,296,793)	(13,679,745)	-	-
	201,662,821	193,632,285	117,482,444	77,260,150

The ageing analysis of debtors after provision for bad and doubtful debts at 31st December 2004 is as follows:

於二零零四年十二月三十一日，應收賬項減除壞賬準備後之賬齡分析如下：

	The Group 本集團		The Company 本公司	
	2004 二零零四年 HK\$ 港元	2003 二零零三年 HK\$ 港元	2004 二零零四年 HK\$ 港元	2003 二零零三年 HK\$ 港元
Within 3 months 三個月內	140,060,108	136,888,984	98,301,356	77,227,378
Over 3 months but less than 6 months 超過三個月但少於六個月	37,066,483	20,993,175	17,571,471	20,064
Over 6 months but less than 1 year 超過六個月但少於一年	18,790,069	26,330,233	976,597	11,897
Over 1 year 超過一年	5,746,161	9,419,893	633,020	811
	201,662,821	193,632,285	117,482,444	77,260,150

The normal credit periods granted by the Group and the Company are on average 1 to 12 months and 1 to 3 months respectively from the date of invoice.

本集團及本公司之一般收款期限為按發票日期平均一至十二個月和一至三個月。

Notes to the Accounts 賬目附註

19. CREDITORS AND ACCRUED CHARGES 19. 應付賬項及應計項目

		The Group 本集團		The Company 本公司	
		2004 二零零四年 HK\$ 港元	2003 二零零三年 HK\$ 港元	2004 二零零四年 HK\$ 港元	2003 二零零三年 HK\$ 港元
Creditors	應付賬項	143,034,347	65,893,282	99,666,214	45,714,117
Accrued charges and other payables	應計項目及 其他應付賬項	59,533,690	47,598,254	11,246,787	19,933,068
		202,568,037	113,491,536	110,913,001	65,647,185

The ageing analysis of the creditors at 31st December 2004 is as follows:

於二零零四年十二月三十一日，應付賬項之賬齡分析如下：

		The Group 本集團		The Company 本公司	
		2004 二零零四年 HK\$ 港元	2003 二零零三年 HK\$ 港元	2004 二零零四年 HK\$ 港元	2003 二零零三年 HK\$ 港元
Within 3 months	三個月內	129,592,724	64,205,468	92,230,259	45,407,252
Over 3 months but less than 6 months	超過三個月但 少於六個月	12,508,653	1,176,287	7,261,620	79,341
Over 6 months but less than 1 year	超過六個月但 少於一年	458,654	67,333	–	67,333
Over 1 year	超過一年	474,316	444,194	173,335	160,191
		143,034,347	65,893,282	99,666,214	45,714,117

Notes to the Accounts 賬目附註

20. LONG-TERM BANK LOANS

20. 長期銀行貸款

		The Group 本集團	
		2004 二零零四年 HK\$ 港元	2003 二零零三年 HK\$ 港元
Secured loans	有抵押貸款	64,327,030	64,327,878
Current portion of long-term liabilities	長期負債在一年內應償還之款項	(14,139,000)	-
		50,188,030	64,327,878
The analysis of the above is as follows: 以上項目之分析如下:			
Bank loans wholly repayable within five years	須於五年內全部償還之銀行貸款	64,327,030	64,327,878

At 31st December 2004, the Group's long-term bank loans were repayable as follows:

於二零零四年十二月三十一日，本集團之銀行貸款之還款期如下：

		The Group 本集團	
		2004 二零零四年 HK\$ 港元	2003 二零零三年 HK\$ 港元
Within one year	一年內	14,139,000	-
In the second year	於第二年	50,188,030	14,139,000
In the third to fifth year	於第三年至第五年	-	50,188,878
		64,327,030	64,327,878

Notes to the Accounts

賬目附註

21. PENSIONS – DEFINED CONTRIBUTION PLANS

The Group operates the Mandatory Provident Fund Scheme (“MPF Scheme”) under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The scheme is administered by an independent trustee.

Under the MPF Scheme, each of the Group and the eligible employees make monthly mandatory contributions to the scheme at 5% of the employees’ relevant income as defined under the Mandatory Provident Fund Schemes Ordinance. The mandatory contributions by each party are subject to a maximum of HK\$1,000 per month. Contributions to the scheme vest immediately upon the completion of service in the relevant service period.

In addition to the MPF Scheme, the employees of the Group’s Hong Kong subsidiaries, after completing half a year of service, have the option to join the Group’s defined contribution provident fund scheme which is managed by an independent trustee. The Group makes monthly contributions of 5%-10% of the employees’ basic salaries to the scheme depending on the employees’ years of service with the Group. The employees also make monthly contributions of 5% of the employees’ basic salaries to the scheme. The employees are entitled to receive their entire contributions together with accrued interest thereon at any time upon leaving the Group, and 100% of the employer’s contributions and the accrued interest upon retirement or leaving the Group after completing sixteen years of service or at a reducing scale of between 5% to 90% after completing three to fifteen years of service. The forfeited contributions made by the Group and related accrued interest can be used to reduce the employer’s contributions. During the year, the aggregate amount of employer’s contributions made by the Group to this scheme was approximately HK\$1,358,000 (2003: HK\$1,372,000). During the year, the total amount of forfeited contributions, which are available to reduce the contributions payable by the Group in future years, was approximately HK\$174,000 (2003: HK\$110,000). At 31st December 2004, the Group’s contributions to the provident fund scheme and the interest accrued thereon amounted to approximately HK\$17,403,000 (2003: HK\$15,709,000).

21. 退休金－界定供款退休計劃

本集團按香港強制性公積金計劃條例為根據香港僱傭條例司法權利保障之香港僱員提供強制性公積金計劃（「強積金計劃」）。該強積金計劃由獨立信託基金管理。

根據強積金計劃，本集團及其合資格僱員均須根據強制性公積金計劃條例之規定，每月按僱員有關薪金5%為強積金計劃供款，有關薪金之定義乃根據強制性公積金計劃條例而計算。雙方的供款上限為每月港幣1,000元。所有供款按服務提供期間完成後繳付。

除上述強積金計劃，本集團香港附屬公司員工在替本集團工作滿六個月後，可選擇加入本集團委托之獨立信託公司管理之公積金計劃。本集團按員工年資及薪金計提5%至10%作為公司供款，而員工則按其薪金計提5%作為員工供款。當員工離職時，該員工將可取回其全數員工供款連應計利息及按年資計算取回公司供款連利息。凡工作滿十六年者，均可取回全數公司供款，而工作滿三年至十五年者，可取回之公司供款則按5%至90%計算。員工離職後被沒收之公司供款及利息可用作抵扣公司之供款。本年度本集團之供款約港幣1,358,000元（二零零三年：港幣1,372,000元）。本年度沒收供款連利息而可在來年之本集團供款中扣除之數額約為港幣174,000元（二零零三年：港幣110,000元）。於二零零四年十二月三十一日本集團對公積金計劃作出之供款及利息滾存約為港幣17,403,000元（二零零三年：港幣15,709,000元）。

Notes to the Accounts

賬目附註

21. PENSIONS – DEFINED CONTRIBUTION PLANS (Continued)

At 31st December 2004, certain employees of the Group had completed the required number of years of service under the Hong Kong Employment Ordinance (the “Ordinance”) and are eligible for long service payments on termination of their employment. The Group is only liable to make such payments when the termination meets the required circumstances specified in the Ordinance and the employees’ entitlement is not covered by the aforesaid provident funds. At 31st December 2004, the Group’s contributions to the provident funds and the accrued interest thereon exceeded the potential liabilities should the required circumstances specified in the Ordinance be met.

The Group’s subsidiaries in the PRC also participate in defined contribution retirement schemes covering its full-time PRC employees. The schemes are administered by the relevant government authorities in the PRC. The Group and the PRC employees are required to make contributions based on certain percentages of the applicable payroll costs as stipulated under the requirements in the PRC and the relevant government authorities undertake to assume the retirement benefit obligations of all existing and future retired employees of the Group’s subsidiaries in the PRC.

21. 退休金－界定供款退休計劃（續）

在二零零四年十二月三十一日，本集團的部份員工的服務年期已達至香港僱傭條例（「條例」）的規定，在其聘用期完結時可享有長期服務金，然而在此條例指定之情形下，本集團須付之數額僅為該員工可得之退休金不足支付其長期服務金的差額。若所有符合此條例之員工離職，本集團於二零零四年十二月三十一日，本集團公積金計劃中滾存之款項已多於香港僱傭條例規定之潛在負債。

本集團在中國的附屬公司需要為中國國內全職員工設立退休供款計劃。此計劃受中國政府有關部門監管。本集團及員工需按此計劃規定各按有關薪金之一定百分比作出供款，而有關政府承諾承擔本集團在中國的附屬公司全體現有及未來退休員工之退休福利責任。

Notes to the Accounts 賬目附註

22. SHARE CAPITAL

22. 股本

		2004 二零零四年		2003 二零零三年	
		Number of shares 股數	Nominal value 面值 HK\$ 港元	Number of shares	Nominal value 面值 HK\$ 港元
Authorised:	法定股本:				
Ordinary shares of HK\$0.50 each	每股港幣五角 普通股				
At 1st January	於一月一日	500,000,000	250,000,000	500,000,000	250,000,000
Increase in authorised ordinary shares	增加法定資本	500,000,000	250,000,000	-	-
At 31st December	於十二月三十一日	1,000,000,000	500,000,000	500,000,000	250,000,000
Issued and fully paid:	已發行及繳足股本:				
Ordinary shares of HK\$0.50 each	每股港幣五角 普通股				
At 1st January	於一月一日	367,001,860	183,500,930	314,300,804	157,150,402
Issue of shares	發行股數	-	-	31,400,000	15,700,000
Exercise of share options	行使購股權	3,693,008	1,846,504	21,301,056	10,650,528
At 31st December	於十二月三十一日	370,694,868	185,347,434	367,001,860	183,500,930

On 2nd June 2004, the authorised share capital of the Company was increased from HK\$250,000,000 to HK\$500,000,000 by the creation of 500,000,000 ordinary shares of HK\$0.50 each.

於二零零四年六月二日，本公司增加了法定股本 500,000,000 股每股港幣 5 角之普通股，由港幣 250,000,000 元增至港幣 500,000,000 元。

Notes to the Accounts 賬目附註

22. SHARE CAPITAL (Continued)

At an Extraordinary General Meeting of the Company held on 6th June 2003, the Share Option Scheme was approved and adopted. Share options are granted to directors, employees and other eligible participants specified under the Share Option Scheme. A nominal consideration of HK\$1 was paid by the participants for each lot of share options granted. Share options can be exercised from the date of grant to 5th June 2013. Movement in the number of share options during the year is as follows:

22. 股本(續)

於二零零三年六月六日之特別股東大會上通過了採用購股權計劃。購股權計劃授出購股權予董事、僱員及其他合資格人士。參予人士以港幣1元之代價以支付認購每一批購股權。購股權行使期限是授出日至二零一三年六月五日。是年度購股權計劃變動如下：

		Number of options 股數	
		2004 二零零四年	2003 二零零三年
At 1st January	於一月一日	10,129,024	–
Granted (note (a))	授出 (附註(a))	–	31,430,080
Exercised (note (b))	行使 (附註(b))	(3,693,008)	(21,301,056)
At 31st December (note (c))	於十二月三十一日 (附註(c))	6,436,016	10,129,024

Notes:

- (a) Share options were granted on 23rd June 2003 at the exercise price of HK\$1.25 per ordinary share and will expire on 5th June 2013. HK\$101 was received by the Company in respect of the share options granted in 2003.
- (b) Options exercised during the year resulted in 3,693,008 (2003: 21,301,056) ordinary shares being issued at HK\$1.25 (2003: HK\$1.25) each, yielding total gross proceeds of HK\$4,616,260 (2003: HK\$26,626,320) (before relevant transaction costs).

附註:

- (a) 購股權於二零零三年六月二十三日授出，其每股行使價為港幣1.25元，並將於至二零一三年六月五日屆滿。本公司就年內授出之購股權收取了之代價為港幣101元。
- (b) 本年度行使之購股權以每股普通股港幣1.25元發行了3,693,008股（二零零三年：21,301,056股），所得款項為港幣4,616,260元（二零零三年：港幣26,626,320元）（扣除有關交易成本前）。

Notes to the Accounts 賬目附註

22. SHARE CAPITAL (Continued)

22. 股本(續)

		2004 二零零四年 HK\$ 港元	2003 二零零三年 HK\$ 港元
Ordinary share capital – at par value	普通股股本 – 每股面值	1,846,504	10,650,528
Share premium	股本溢價	2,769,756	15,975,792
Gross proceeds	所得款項	4,616,260	26,626,320
Market value of ordinary shares issued during the year at exercise date of:	所發行之股份在行使日之市場價值:		
– 2nd January 2004	二零零四年一月二日		182,000
– 16th January 2004	二零零四年一月十六日		3,562,500
– 18th March 2004	二零零四年三月十八日		570,000
– 24th May 2004	二零零四年五月二十四日		4,148,595
– 2nd July 2004	二零零四年七月二日		735,000

(c) Share options outstanding at 31st December 2004 have the following terms: (c) 於二零零四年十二月三十一日未行使之購股權如下:

Category 類別	Grant date 授出日	Exercise period 行使期	Exercise price 行使價 HK\$ 港元	Number of options 股數		Vested percentage 既得百分率	
				2004 二零零四年	2003 二零零三年	2004 二零零四年	2003 二零零三年
Directors 董事	23rd June 2003 二零零三年 六月二十三日	23rd June 2003 to 5th June 2013 二零零三年 六月二十三日至 二零一三年六月五日	1.25	6,286,016	9,429,024	100%	100%
Other employees 其他僱員	23rd June 2003 二零零三年 六月二十三日	23rd June 2003 to 5th June 2013 二零零三年 六月二十三日至 二零一三年六月五日	1.25	50,000	400,000	100%	100%
Suppliers 供應商	23rd June 2003 二零零三年 六月二十三日	23rd June 2003 to 5th June 2013 二零零三年 六月二十三日至 二零一三年六月五日	1.25	100,000	100,000	100%	100%
Other eligible persons 其他合資格人士	23rd June 2003 二零零三年 六月二十三日	23rd June 2003 to 5th June 2013 二零零三年 六月二十三日至 二零一三年六月五日	1.25	–	200,000	100%	100%
				6,436,016	10,129,024		

No share options were cancelled during the year (2003: Nil). 年內並無認股權被註銷(二零零三年:無)。

Notes to the Accounts 賬目附註

23. RESERVES

23. 儲備

		The Group 本集團							
		Share premium	Investment properties revaluation reserve	Exchange reserve	Capital reserve	Retained earnings	The PRC statutory reserve	Other reserve	Total
		股本溢價	投資物業重估儲備	外幣匯兌儲備	資本儲備	滾存盈利	中國法定儲備	其他儲備	合計
		HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
		港元	港元	港元	港元	港元	港元	港元	港元
At 1st January 2004, as previously reported	於二零零四年 一月一日·如前呈報	139,290,076	141,084,865	(6,090,748)	3,079,972	239,264,446	11,472,969	(757,396)	527,344,184
Change in accounting policy (notes 2 (e)(i) & 23)	會計政策改變 (附註2(e)(i)及23)								
- gross	- 毛值	-	(141,084,865)	-	-	141,084,865	-	-	-
- taxation	- 稅項	-	-	-	-	(24,685,382)	-	-	(24,685,382)
At 1st January 2004, as restated	於二零零四年 一月一日·重列	139,290,076	-	(6,090,748)	3,079,972	355,663,929	11,472,969	(757,396)	502,658,802
Exercise of share options	發行股份	2,769,756	-	-	-	-	-	-	2,769,756
Appropriation to the PRC statutory reserve (note)	中國法定儲備撥款 (附註)	-	-	-	-	(4,499,478)	4,499,478	-	-
Profit for the year	本年度盈利	-	-	-	-	123,440,742	-	-	123,440,742
Dividends	股息	-	-	-	-	(55,576,230)	-	-	(55,576,230)
At 31st December 2004	於二零零四年 十二月三十一日	142,059,832	-	(6,090,748)	3,079,972	419,028,963	15,972,447	(757,396)	573,293,070
Representing:	組成如下:								
2004 final dividend proposed	二零零四年擬派 末期股息					40,781,935			
Others	其他					378,247,028			
Retained earnings at 31st December 2004	於二零零四年 十二月三十一日 滾存盈利					419,028,963			
The Company and subsidiaries	本公司和 附屬公司	142,059,832	-	(6,090,748)	3,079,972	428,695,128	15,972,447	(757,396)	582,959,235
Jointly controlled entities	共同控制實體	-	-	-	-	(9,213,506)	-	-	(9,213,506)
Associate	聯營公司	-	-	-	-	(452,659)	-	-	(452,659)
At 31st December 2004	於二零零四年 十二月三十一日	142,059,832	-	(6,090,748)	3,079,972	419,028,963	15,972,447	(757,396)	573,293,070

Notes to the Accounts 賬目附註

23. RESERVES (Continued)

23. 儲備 (續)

		The Group 本集團							
		Share premium	Investment properties revaluation reserve	Exchange reserve	Capital reserve	Retained earnings	The PRC statutory reserve	Other reserve	Total
		股本溢價	投資物業 重估儲備	外幣 匯兌儲備	資本儲備	滾存盈利	中國 法定儲備	其他儲備	合計
		HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
		港元	港元	港元	港元	港元	港元	港元	港元
At 1st January 2003	於二零零三年一月一日								
	如前呈報	62,669,173	116,361,897	(6,093,914)	3,079,972	193,051,650	9,184,882	(757,396)	377,496,264
Exercise of share options	行使認股權	15,975,792	-	-	-	-	-	-	15,975,792
Issue of shares	發行股份	62,800,000	-	-	-	-	-	-	62,800,000
Surplus on revaluation of investment properties	投資物業重估 盈餘								
- gross	一毛值	-	10,038,118	-	-	-	-	-	10,038,118
- taxation	一稅項	-	(12,579)	-	-	-	-	-	(12,579)
Increase in revaluation surplus arising from the adjustment to the construction costs of investment property upon completion of all related construction works	投資物業建築工程 完成之建築成本 調整產生之 重估盈餘		14,697,429						14,697,429
Share issue expenses	發行股份費用	(2,154,889)	-	-	-	-	-	-	(2,154,889)
Exchange differences	匯兌差額	-	-	3,166	-	-	-	-	3,166
Appropriation to the PRC statutory reserve (note)	中國法定儲備撥款 (附註)	-	-	-	-	(2,288,087)	2,288,087	-	-
Profit for the year	本年度盈利	-	-	-	-	83,885,614	-	-	83,885,614
Dividends	股息	-	-	-	-	(35,384,731)	-	-	(35,384,731)
At 31st December 2003	於二零零三年 十二月三十一日	139,290,076	141,084,865	(6,090,748)	3,079,972	239,264,446	11,472,969	(757,396)	527,344,184

Notes to the Accounts 賬目附註

23. RESERVES (Continued)

23. 儲備 (續)

		The Group 本集團							
		Share premium	Investment properties revaluation reserve	Exchange reserve	Capital reserve	Retained earnings	The PRC statutory reserve	Other reserve	Total
		股本溢價	投資物業重估儲備	外幣匯兌儲備	資本儲備	滾存盈利	中國法定儲備	其他儲備	合計
		HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
		港元	港元	港元	港元	港元	港元	港元	港元
Representing:	組成如下:								
2003 final dividend proposed	二零零三年擬派末期股息					36,877,186			
Others	其他					202,387,260			
Retained earnings at 31st December 2003	於二零零三年十二月三十一日滾存盈利					239,264,446			
The Company and subsidiaries	本公司和附屬公司	139,290,076	141,084,865	(6,090,748)	3,079,972	239,929,232	11,472,969	(757,396)	528,008,970
Jointly controlled entities	共同控制實體	-	-	-	-	(212,127)	-	-	(212,127)
Associate	聯營公司	-	-	-	-	(452,659)	-	-	(452,659)
At 31st December 2003	於二零零三年十二月三十一日	139,290,076	141,084,865	(6,090,748)	3,079,972	239,264,446	11,472,969	(757,396)	527,344,184

Notes to the Accounts 賬目附註

23. RESERVES (Continued)

23. 儲備(續)

		The Company 本公司			
		Share premium 股本溢價 HK\$ 港元	Investment properties revaluation reserve 投資物業 滾存盈利 HK\$ 港元	Retained earnings 合計 HK\$ 港元	Total 重估儲備 HK\$ 港元
At 1st January 2004, as previously reported	於二零零四年一月一日， 如前呈報	139,290,076	141,059,326	84,426,698	364,776,100
Change in accounting policy (notes 2(e)(i) & 23)	會計政策改變 (附註2(e)(i)及23)				
– gross	– 毛值	–	(141,059,326)	141,059,326	–
– taxation	– 稅項	–	–	(24,685,382)	(24,685,382)
At 1st January 2004, as restated	於二零零四年一月一日， 重列	139,290,076	–	200,800,642	340,090,718
Exercise of share options	行使購股權	2,769,756	–	–	2,769,756
Profit for the year	本年度盈利	–	–	200,275,653	200,275,653
Dividends	股息	–	–	(55,576,230)	(55,576,230)
At 31st December 2004	於二零零四年 十二月三十一日	142,059,832	–	345,500,065	487,559,897
Representing:	組成如下:				
2004 final dividend proposed	二零零四年擬派 末期股息			40,781,935	
Others	其他			304,718,130	
Retained earnings at 31st December 2004	於二零零四年 十二月三十一日滾存盈利			345,500,065	

Notes to the Accounts 賬目附註

23. RESERVES (Continued)

23. 儲備 (續)

		The Company 本公司			
		Share premium 股本溢價 HK\$ 港元	Investment properties revaluation reserve 投資物業 滾存盈利 HK\$ 港元	Retained earnings 合計 HK\$ 港元	Total 重估儲備 HK\$ 港元
At 1st January 2003	於二零零三年一月一日	62,669,173	116,361,897	56,646,568	235,677,638
Exercise of share options	投資物業重估盈餘	15,975,792	-	-	15,975,792
Issue of shares	發行股份	62,800,000	-	-	62,800,000
Surplus on revaluation of investment properties	投資物業重估盈餘	-	10,000,000	-	10,000,000
Increase in revaluation surplus arising from the adjustment to the construction costs of investment property upon completion of all related construction works	投資物業建築工程完成 之建築成本調整產生 之重估盈餘	-	14,697,429	-	14,697,429
Share issue expenses	發行股份費用	(2,154,889)	-	-	(2,154,889)
Profit for the year	本年度盈利	-	-	63,164,861	63,164,861
Dividends	股息	-	-	(35,384,731)	(35,384,731)
At 31st December 2003	於二零零三年 十二月三十一日	139,290,076	141,059,326	84,426,698	364,776,100
Representing:	組成如下:				
2003 final dividend proposed	二零零三年擬派末期股息			36,877,186	
Others	其他			47,549,512	
Retained earnings at 31st December 2003	於二零零三年 十二月三十一日滾存盈利			84,426,698	

At 31st December 2004, reserve of the Company amounting to approximately HK\$345,500,000 (2003: HK\$84,427,000) is available for distribution to shareholders.

於二零零四年十二月三十一日，可供分派儲備約為港幣345,500,000元（二零零三年：港幣84,427,000元）。

Notes to the Accounts

賬目附註

23. RESERVES (Continued)

Note:

Pursuant to the laws and regulations governing the PRC enterprises, certain of the Group's PRC subsidiaries, which are wholly foreign-owned enterprises, are required to allocate at least 10% of their after-tax profit but before dividend distribution to the general reserve until the reserve have reached 50% of their registered capital. The general reserve can only be used, upon approval by the relevant authority, to offset accumulated losses or increase capital. Appropriation to general reserve during the year amounted to approximately HK\$4,499,000 (2003: HK\$2,288,000). The enterprise expansion fund can only be used to increase capital upon approval by the relevant authority. Appropriation to enterprise expansion fund is at the discretion of the board of directors of the PRC subsidiaries.

The staff welfare and bonus fund can only be used for the welfare of the PRC subsidiaries' employees. Appropriation to the staff welfare and bonus fund is at the discretion of the board of directors of the PRC subsidiaries. For Hong Kong reporting purposes, this appropriation is charged to expenses and included in creditors and accrued charges in the consolidated accounts.

23. 儲備 (續)

附註:

依照中華人民共和國之法律及規定對企業之要求，本集團之中國附屬公司屬外商獨資企業，須把最少10%分之稅後盈利分配到普通儲備，直至該儲備達註冊資本的50%為止。普通儲備只可經有關當局批准用於抵銷累積虧損或增加資本。本年度分配至普通儲備之數額約為港幣4,499,000元（二零零三年：港幣2,288,000元）。企業發展基金只可經有關當局批准用以增加資本。分配到企業發展基金之撥款由該等中國附屬公司之董事局自行決定。職工福利及花紅基金只可作該中國附屬公司員工之福利之用。分配到職工福利及花紅基金之撥款由該等中國附屬公司之董事局自行決定。為香港報告所需，該撥款會於綜合財務報表中支銷費用，並列作應付賬項及應計項目。

股息包括於本財務年度內已宣佈或提議之股息。在本年度結算日後所宣佈或建議之股息並不列作負債及不列入本年度分派款項。

Notes to the Accounts 賬目附註

24. DEFERRED TAXATION

Deferred taxation is calculated in full on temporary differences under the liability method. The movement on the net deferred tax liabilities account is as follows:

24. 遞延稅項

遞延稅項採用負債法就短暫時差作全數撥備。遞延稅項負債／(資產)變動如下：

		The Group 本集團		The Company 本公司	
		2004 二零零四年 HK\$ 港元	2003 二零零三年 HK\$ 港元	2004 二零零四年 HK\$ 港元	2003 二零零三年 HK\$ 港元
At 1st January, as previously reported	於一月一日，如前呈報	8,200,162	8,029,515	2,785,559	1,580,483
Change in accounting policy (notes 2(e)(i) & 23)	會計政策改變 (附註2(e)(i)及23)	24,685,382	-	24,685,382	-
At 1st January, as restated	於一月一日，重列	32,885,544	8,029,515	27,470,941	1,580,483
Deferred taxation charged to profit and loss account (note 6)	遞延稅項在損益賬支銷 (附註6)	15,286,703	158,068	14,637,290	1,205,076
Taxation charged to equity	稅項在權益支銷	-	12,579	-	-
At 31st December	於十二月三十一日	48,172,247	8,200,162	42,108,231	2,785,559

The deferred taxation charged to equity in 2003 was as follows:

於二零零三年遞延稅項在權益中扣除如下：

		The Group 本集團 2003 二零零三年 HK\$ 港元
Fair value reserves in shareholders' equity – investment properties (note 23)	股東權益中公平值儲備 – 投資物業 (附註23)	12,579

Deferred income tax assets are recognised for tax losses carried forwards to the extent that realisation of the related tax benefit through the future taxable profit is probable. At 31st December 2004, the Group has unrecognised tax losses of HK\$17,436,556 (2003: HK\$14,589,855) to carry forward against future taxable profit. There is no expiry date for the tax losses.

遞延所得稅資產乃因應相關稅務利益可透過未來應課稅溢利變現而就所結轉之稅損作確認。於二零零四年十二月三十一日本集團可結轉以抵銷未來應課稅溢利之未確認稅務虧損港幣17,436,556元(二零零三年：港幣14,589,855元)，該未確認稅務虧損無期限。

Notes to the Accounts 賬目附註

24. DEFERRED TAXATION (Continued)

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

Deferred tax assets

		The Group 本集團							
		Accelerated accounting 加速會計折舊				Other temporary differences 其他短暫差異		Total 總計	
		Tax losses 稅務虧損		depreciation 加速會計折舊		differences 其他短暫差異		Total 總計	
		2004 二零零四年	2003 二零零三年	2004 二零零四年	2003 二零零三年	2004 二零零四年	2003 二零零三年	2004 二零零四年	2003 二零零三年
		HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元
At 1st January	於一月一日	(375,299)	(385,370)	(143,143)	(138,996)	(17,709)	-	(536,151)	(524,366)
Charged/(credited) to profit and loss account	在損益賬扣除/(記賬)	-	10,071	8,552	(4,147)	(652,960)	(17,709)	(644,408)	(11,785)
At 31st December	於十二月三十一日	(375,299)	(375,299)	(134,591)	(143,143)	(670,669)	(17,709)	(1,180,559)	(536,151)

24. 遞延稅項 (續)

年內遞延稅項資產及負債之變動(與同一徵稅地區之結餘抵銷前)如下:

遞延稅項資產

Deferred tax liabilities

		The Group 本集團									
		Accelerated tax depreciation 加速會計折舊				Revaluation 估值		Other temporary differences 其他短暫差異		Total 總計	
		2004 二零零四年	2003 二零零三年	2004 二零零四年	2003 二零零三年	2004 二零零四年	2003 二零零三年	2004 二零零四年	2003 二零零三年	2004 二零零四年	2003 二零零三年
		HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元
At 1st January, as previously reported	於一月一日·如前呈報	2,785,559	1,580,483	12,579	-	5,938,175	6,973,398	8,736,313	8,553,881		
Change in accounting policy (notes 2(e)(i) & 23)	會計政策改變 (附註2(e)(i)及23)	-	-	24,685,382	-	-	-	24,685,382	-		
At 1st January, as restated	於一月一日·重列	2,785,559	1,580,483	24,697,961	-	5,938,175	6,973,398	33,421,695	8,553,881		
Charged/(credited) to profit and loss account	在損益賬扣除/(記賬)	1,162,290	1,205,076	13,562,678	-	1,206,143	(1,035,223)	15,931,111	169,853		
Charged to equity	在權益扣除	-	-	-	12,579	-	-	-	12,579		
At 31st December	於十二月三十一日	3,947,849	2,785,559	38,260,639	12,579	7,144,318	5,938,175	49,352,806	8,736,313		

Notes to the Accounts 賬目附註

24. DEFERRED TAXATION (Continued)

24. 遞延稅項 (續)

Deferred tax liabilities

遞延稅項負債

		The Company 本公司							
		Accelerated tax depreciation 加速會計折舊		Revaluation 估值		Other temporary differences 其他短暫差異		Total 總計	
		2004 二零零四年	2003 二零零三年	2004 二零零四年	2003 二零零三年	2004 二零零四年	2003 二零零三年	2004 二零零四年	2003 二零零三年
		HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元
At 1st January, as previously reported	於一月一日·如前呈報	2,785,559	1,580,483	-	-	-	-	2,785,559	1,580,483
Change in accounting policy (notes 2(e)(i) & 23)	會計政策改變 (附註2(e)(i)及23)	-	-	24,685,382	-	-	-	24,685,382	-
At 1st January, as restated	於一月一日·重列	2,785,559	1,580,483	24,685,382	-	-	-	27,470,941	1,580,483
Charged to profit and loss account	在損益賬扣除	1,162,290	1,205,076	13,475,000	-	-	-	14,637,290	1,205,076
At 31st December	於十二月三十一日	3,947,849	2,785,559	38,160,382	-	-	-	42,108,231	2,785,559

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The following amounts, determined after appropriate offsetting, are shown in the balance sheet:

當有法定權利可將現有稅項資產與現有稅務負債抵銷，而遞延所得稅涉及同一財政機關，則可將遞延所得稅資產與遞延所得稅負債互相抵銷。在計入適當抵銷後，下列金額在資產負債表內列賬：

		The Group 本集團		The Company 本公司	
		2004 二零零四年	2003 二零零三年	2004 二零零四年	2003 二零零三年
		HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元
Deferred tax assets	遞延稅項資產	(152,299)	(160,852)	-	-
Deferred tax liabilities	遞延稅項負債	48,324,546	8,361,014	42,108,231	2,785,559
		48,172,247	8,200,162	42,108,231	2,785,559

Notes to the Accounts 賬目附註

25. CONSOLIDATED CASH FLOW STATEMENT

25. 綜合現金流量表

(a) Reconciliation of operating profit to net cash inflow from operations:

(a) 經營盈利與經營活動之現金流入淨值對賬表

		2004 二零零四年 HK\$ 港元	2003 二零零三年 HK\$ 港元
Operating profit	經營盈利	192,029,133	131,024,599
Depreciation	折舊	30,392,756	26,853,647
Amortisation of goodwill	商譽攤銷	1,141,116	1,141,116
Impairment of goodwill	商譽減值	6,952,734	-
Loss on disposal of fixed assets	出售固定資產虧損	63,339	492,698
Write-off of fixed assets	固定資產報廢	50,341	1,522,207
Write-off of obsolete inventories	過時存貨報廢	-	574,840
Provision for inventory obsolescence	過時存貨準備	1,159,341	3,421,823
Reversal of provision for bad and doubtful debts in respect of:	撥回壞賬準備包括		
- Debtors	- 應收賬項	(6,382,952)	-
- Amount due from a related company	- 應收關聯公司	-	(6,955,152)
Provision for bad and doubtful debts	壞賬準備	-	2,555,435
Interest income	利息收入	(656,140)	(274,802)
Increase in fair value of investment properties	增加投資物業公平值	(77,303,809)	-
Operating profit before working capital changes	營運資金變動前經營盈利	147,445,859	160,356,411
Decrease in non-current deposit receivables	應收非流動訂金款減少	-	450,000
Increase in inventories	存貨增加	(25,814,662)	(28,304,318)
Increase in debtors	應收賬項增加	(1,647,584)	(64,696,966)
Decrease/(increase) in bills receivable	應收票據減少/(增加)	5,042,910	(2,827,800)
Decrease/(increase) in deposits, prepayments and other receivables	訂金、預付款項及其他應收賬減少/(增加)	17,420,871	(22,371,890)
(Increase)/decrease in amounts due from related companies	應收關聯公司(增加)/減少	(628,864)	3,060,244
Increase in amounts due from jointly controlled entities	應收共同控制實體增加	(28,725,908)	-
Increase in creditors and accrued charges	應付賬項及應計項目增加	89,076,501	25,412,034
Increase in bills payable	應付票據增加	11,164,067	605,502
Increase/(decrease) in amounts due to related companies	應付關聯公司增加/(減少)	1,861,814	(1,339,727)
Decrease in amounts due to jointly controlled entities	應付共同控制實體減少	(42,345,860)	(23,023,481)
Increase/(decrease) in non-current rental deposit payables	應付非流動租金訂金增加/(減少)	492,850	(237,582)
Net cash inflow from operations	經營活動產生之現金流入淨值	173,341,994	47,082,427

Notes to the Accounts

賬目附註

25. CONSOLIDATED CASH FLOW STATEMENT (Continued)

25. 綜合現金流量表 (續)

(b) Analysis of changes in financing during the year

(b) 是年度融資項目變動分析

		Share capital (including share premium)		Dividends payable		Minority interests		Short-term bank loans		Long-term bank loans	
		股本 (包括溢價)		應付股息		少數股東權益		短期銀行貸款		長期銀行貸款	
		2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
		二零零四年 HK\$ 港元	二零零三年 HK\$ 港元	二零零四年 HK\$ 港元	二零零三年 HK\$ 港元	二零零四年 HK\$ 港元	二零零三年 HK\$ 港元	二零零四年 HK\$ 港元	二零零三年 HK\$ 港元	二零零四年 HK\$ 港元	二零零三年 HK\$ 港元
At 1st January	於一月一日	322,791,006	219,819,575	323,592	239,881	100,628,367	91,427,568	362,165,384	327,728,584	64,327,878	71,023,694
Exchange differences	匯兌差額	-	-	-	-	-	-	-	-	(848)	-
Exercise of share options	行使購股權	4,616,260	26,626,320	-	-	-	-	-	-	-	-
Issue of shares	發行股份	-	78,500,000	-	-	-	-	-	-	-	-
Share issue expenses	發行股份費用	-	(2,154,889)	-	-	-	-	-	-	-	-
Minority interests' share of profits	少數股東應佔盈利	-	-	-	-	5,852,436	9,200,799	-	-	-	-
Minority interests' share of receivables converted to equity interest in a jointly controlled entity (note 15)	少數股東應佔應收賬項轉變為共同控制實體權益	-	-	-	-	(12,960,330)	-	-	-	-	-
Dividends paid	支付股息	-	-	(55,471,465)	(35,301,020)	-	-	-	-	-	-
Additions of new loans	增加新貸款	-	-	-	-	-	-	323,287,207	287,546,000	-	36,148,003
Repayment of loans	償還貸款	-	-	-	-	-	-	(346,763,634)	(253,109,200)	-	(42,843,819)
Dividends declared	宣佈股息	-	-	55,576,230	35,384,731	(2,697,962)	-	-	-	-	-
At 31st December	於十二月三十一日	327,407,266	322,791,006	428,357	323,592	90,822,511	100,628,367	338,688,957	362,165,384	64,327,030	64,327,878

(c) Major non-cash transaction

(c) 主要非常現金交易

Details of major non-cash transaction are set out in note 15.

主要非現金交易詳情請參閱附註15。

26. BANKING FACILITIES

26. 銀行信貸額度

At 31st December 2004, the Group had aggregate banking facilities of approximately HK\$504,849,000 (2003: HK\$434,860,000) for trade financing, loans and overdrafts. Unused facilities as at the same date amounted to approximately HK\$53,805,000 (2003: HK\$22,724,000). These facilities were secured by pledging the fixed assets and certain accounts receivable in total sum of approximately HK\$668,876,000 (2003: HK\$619,468,000) held by the Group, cross guarantees among the subsidiaries and corporate guarantees provided by related and third party companies of the Group.

在二零零四年十二月三十一日，本集團向銀行獲得之信貸額度約為港幣504,849,000元（二零零三年：港幣434,860,000元）以用作貿易融資、貸款及透支。同時期用信貸額度約為港幣53,805,000元（二零零三年：港幣22,724,000元）。用作本集團信貸額度之抵押品是為約值港幣668,876,000元（二零零三年：港幣619,468,000元）的固定資產及應收賬款，附屬公司之互相擔保，一非全資擁有附屬公司之少數股東及第三者公司之企業擔保。

Notes to the Accounts

賬目附註

27. CONTINGENT LIABILITIES

(a) At 31st December 2004, the Group has provided guarantees in respect of bank loans granted to third party companies amounting to approximately HK\$301,809,000 (2003: HK\$296,764,000).

(i) Among such guarantees, three amounts totalling approximately HK\$237,712,000 (2003: HK\$232,667,000) (the "Guarantees"), which represented approximately 15% (2003: 16%) of the Group's total assets at 31st December 2004, were provided by a subsidiary of the Company, Sichuan Jinfeng Paper Company Limited ("Jinfeng"), and two jointly controlled entities of the Group in the PRC, Sichuan Jinfeng Spike Paper Products Company Limited (四川錦豐斯貝克紙品有限公司) ("Spike") and Sichuan Jinfeng Innovation Industry Company Limited (四川錦豐創新實業有限公司) ("Innovation"), in favour of the Bank of China (the "BOC") to secure the repayment of three banking facilities (the "Bank Loan") granted to 四川劍南春融信投資有限公司 (Sichuan Jian Nan Chun Finance and Credit Investment Company Limited) ("Jian Nan Chun").

27. 或然負債

(a) 於二零零四年十二月三十一日，本集團為第三者公司銀行貸款共作出約港幣301,809,000元（二零零三年：港幣296,764,000元）的擔保。

(i) 在上述擔保當中，三項為數合共約港幣237,712,000元（二零零三年：港幣232,667,000元）的金額（「該等擔保」），相當於本集團於二零零四年十二月三十一日之總資產值之15%（二零零三年：16%），乃由本公司之附屬公司四川錦豐紙業股份有限公司（「錦豐」）及兩間共同控制實體四川錦豐斯貝克紙品有限公司（「斯貝克」）及四川錦豐創新實業有限公司（「創新實業」），以中國銀行（「中銀」）為受益人而提供，以保證四川劍南春融信投資有限公司（「劍南春」）之三項信貸額度（「銀行貸款」）。

Notes to the Accounts 賬目附註

27. CONTINGENT LIABILITIES (Continued)

27. 或然負債 (續)

The details of the banking facilities are as follows:

該等銀行信貸額度詳情如下：

Date of agreement 協議日期	Guaranteed by 擔保人	Amount 金額		Interest rate 利率
		2004 二零零四年	2003 二零零三年	
11th July 2002 二零零二年七月十一日	Jinfeng, Spike and Innovation 錦豐、斯貝克及創新實業	US\$14,600,000 (HK\$113,903,000) 美元 14,600,000 元 (相等於港幣 113,903,000 元)	US\$14,600,000 (HK\$113,903,000) 美元 14,600,000 元 (相等於港幣 113,903,000 元)	Annual rate 4.1343% 年利率 4.1343%
30th October 2002 二零零二年十月三十日	Jinfeng, Spike and Innovation 錦豐、斯貝克及創新實業	RMB65,000,000 (HK\$61,269,000) 人民幣 65,000,000 元 (相等於港幣 61,269,000 元)	RMB65,000,000 (HK\$61,269,000) 人民幣 65,000,000 元 (相等於港幣 61,269,000 元)	Annual rate 6.696% 年利率 6.696%
12th August 2003 二零零三年八月十二日	Jinfeng, Spike and Innovation 錦豐、斯貝克及創新實業	EUR5,900,000 (HK\$62,540,000) 歐元 5,900,000 元 (相等於港幣 62,540,000 元)	EUR5,900,000 (HK\$57,495,000) 歐元 5,900,000 元 相等於港幣 (57,495,000 元)	6-month interest rate LIBOR/ HIBOR + 1.3% 六個月之 LIBOR/HIBOR 利率加 1.3%

Jian Nan Chun is a licensed financier in the PRC and is a provider of credit and finance as well as the lessor of production facilities required by the manufacturing business (the "Production Facilities") of Spike and Innovation. In order to finance the acquisition by Jian Nan Chun on behalf of Spike and Innovation of the Production Facilities, at the request of the BOC, Spike, Innovation and Jinfeng each entered into an arrangement with Jian Nan Chun to whom the BOC granted banking facilities that were to be guaranteed by Spike, Innovation and Jinfeng.

劍南春乃中國持牌融資人兼信貸及融資供應商暨斯貝克與創新實業製造業務各自所需生產設施(「生產設施」)的出租人。劍南春代表斯貝克及創新實業購入生產設施，為籌集所需資金，應中銀要求，斯貝克、創新實業及錦豐各自與劍南春訂立安排，由中銀向劍南春授出銀行融通額，並由斯貝克、創新實業及錦豐提供擔保。

Notes to the Accounts 賬目附註

27. CONTINGENT LIABILITIES (Continued)

Pursuant to agreements among Jian Nan Chun, Spike and Innovation, Jian Nan Chun leased the Production Facilities to Spike and Innovation for a term of six years after which title to the respective Production Facilities will be assigned to Spike and Innovation (the "Lease Arrangement"). The rentals of the Lease Arrangement mirror the respective loan repayment schedules of the Bank Loan. The aggregate rental payments under the Lease Arrangement for Spike and Innovation comprise (i) the principal of the respective Bank Loan; and (ii) the respective interests payment. Both the Production Facilities acquired for Spike and Innovation by Jian Nan Chun have been pledged to the BOC as collateral.

The outstanding lease payable by Spike and Innovation at 31st December 2004 amounted to HK\$220,549,000 (2003: HK\$232,667,000).

- (ii) The remaining guarantee in the amount of HK\$64,097,000 (RMB68,000,000) at 31st December 2004 (2003: HK\$64,097,000 (RMB68,000,000)) was provided by Jinfeng to another third party company. Details are set out below.

After the group reorganisation was completed on 25th March 2002, Cheung Fung Technology (Holdings) Limited ("Cheung Fung") became a subsidiary of the Company.

Cheung Fung is at all material times an investment holding company holding a majority share interests in its subsidiary Jinfeng. Jinfeng in turn holds the majority share interests in an equity joint venture enterprise, namely, Innovation. The principal business activities of Innovation are the manufacture and sale of cigarette tipping paper.

27. 或然負債 (續)

根據劍南春與斯貝克及創新實業訂立之協議，劍南春將分別向斯貝克及創新實業出租生產設施，為期六年，其後，有關之生產設施的所有權將轉讓予斯貝克及創新實業（「租賃協議」）。租賃協議中的租金反映貸款的償還時間表。斯貝克及創新實業的租賃協議的總租金付款將包括(i)有關之貸款的本金額；及(ii)有關之利息付款。該兩項生產設施均質押予中銀作為抵押品。

於二零零四年十二月三十一日，斯貝克及創新實業對劍南春之應付租金結欠為約港幣220,549,000元（二零零三年：港幣232,667,000元）。

- (ii) 餘下之擔保金額約港幣64,097,000元（人民幣68,000,000元）（二零零三年：港幣64,097,000元（人民幣68,000,000元））為錦豐為第三者公司作出之擔保。見詳情如下：

繼二零零二年三月二十五日集團重組完成後，祥豐科技（集團）有限公司（「祥豐」）成為本公司之附屬公司。

祥豐乃一間投資控股公司，持有其附屬公司—錦豐之大多數股權。錦豐則持有其共同控制實體—創新實業之大多數股權。創新實業之主要業務為製造及銷售香煙水松原紙。

Notes to the Accounts

賬目附註

27. CONTINGENT LIABILITIES (Continued)

In order to finance the acquisition of the machinery and production facilities for the manufacture of the cigarette tipping paper (the "Innovation Production Facilities"), Jinfeng and Innovation have made the following arrangements:

Innovation

- i. entered into the 銀企合作協議 (Cooperation Agreement) with中國農業銀行成都市總府支行 (the Agricultural Bank of China, Chengdu Branch) (the "Bank") and 四川金融租賃股份有限公司 (Sichuan Finance and Lease Joint Stock Company Limited) (the "Finance Company") dated 11th June 2002 pursuant to which the Bank will provide banking facilities not exceeding the amount of HK\$65,982,000 (RMB70,000,000) to the Finance Company for the acquisition of the Innovation Production Facilities and in the event that the Finance Company is in default of repayment of the loan, the Bank is authorised to deduct the overdue amount of the loan owed by the Finance Company from the bank account of Innovation. Pursuant to the Cooperation Agreement, the Finance Company has entered into seven借款合同 loan agreements dated 11th June 2002, 8th July 2002, 21st March 2003, 31st March 2003, 23rd May 2003, 20th June 2003 and 23rd June 2003 with the Bank and has borrowed a total sum of HK\$64,097,000 (RMB68,000,000) (the "Loan Agreements"); and
- ii. entered into the 融資租賃合同 (Finance and Lease Agreement) with the Finance Company, dated 11th June 2002 under which the Finance Company shall lease the Innovation Production Facilities to Innovation for a 57-month period at a total rent of HK\$64,097,000 (RMB68,000,000) and interests of HK\$8,483,400 (RMB9,000,000). At the end of the lease period, Innovation has an option to purchase the Innovation Production Facilities at RMB1.

27. 或然負債 (續)

為籌措資金以供購買香煙水松原紙機器及生產設備(「創新實業生產設備」)之用，錦豐及創新實業作出了下列的安排：

創新實業

- i. 與中國農業銀行成都市總府支行(「銀行」)及四川金融租賃股份有限公司(「金融公司」)於二零零二年六月十一日簽訂《銀企合作協議》(「合作協議」)。其中，銀行將為金融公司提供不超過港幣65,982,000元(人民幣70,000,000元)的信貸額度以購買創新實業生產設備之用，若當金融公司不履行貸款償還責任時，銀行有權從創新實業的銀行帳戶中扣除該逾期償還金額。根據合作協議，金融公司已與銀行於二零零二年六月十一日、二零零二年七月八日、二零零三年三月二十一日、二零零三年三月三十一日、二零零三年五月二十三日、二零零三年六月二十日及二零零三年六月二十三日簽訂七份《借款合同》(「借款合同」)並共向銀行借款港幣64,097,000元(人民幣68,000,000元)。
- ii. 與金融公司於二零零二年六月十一日簽訂《融資租賃合同》(「融資租賃合同」)。其中，金融公司將出租創新實業生產設備予創新實業，為期五十七個月，租金合共港幣64,097,000元(人民幣68,000,000元)及利息合共港幣8,483,400元(人民幣9,000,000元)。於租約期滿，創新實業可選擇以人民幣1元購買創新實業生產設備。

Notes to the Accounts 賬目附註

27. CONTINGENT LIABILITIES (Continued)

Jinfeng

- i. entered into a total of seven 保證合同 guarantees respectively dated 11th June 2002, 8th July 2002, 21st March 2003, 31st March 2003, 23rd May 2003, 20th June 2003 and 23rd June 2003 in favour of the Bank to secure the repayment of the loan in the aggregate amount of HK\$64,097,000 (RMB68,000,000) by the Finance Company under the Loan Agreements.

On 3rd September 2004, as a result of a 民事判定書 (Civil Verdict) involving the Finance Company and 四川通信服務公司 (Sichuan Communication Services Company, the guarantor of another loan owed by the Finance Company) (“Communication Services Company”), the People’s Court of the Sichuan Province issued a 協助執行通知書 (Notice of Execution Assistance) to Innovation requesting that any rental payment payable to the Finance Company under the Finance and Lease Agreement shall be suspended and any part of the HK\$64,097,000 (RMB68,000,000) payable to the Finance Company shall not be paid to the Finance Company or any third party.

Innovation obtained PRC legal advice and filed an application for the withdrawal of the Notice of Execution Assistance on 10th September 2004 on grounds that (i) the Communication Services Company has no legal rights to apply for such Notice of Execution Assistance; (ii) the issue of the Notice of Execution Assistance did not comply with the procedural rules; and (iii) the Finance Company is not the beneficial owner of the rent payable to it.

27. 或然負債 (續)

錦豐

- i. 於二零零二年六月十一日、二零零二年七月八日、二零零三年三月二十一日、二零零三年三月三十一日、二零零三年五月二十三日、二零零三年六月二十日及二零零三年六月二十三日簽訂七份《保證合同》，以銀行為受益人以保證金融公司償還在借款合同中共港幣64,097,000元（人民幣68,000,000元）之貸款。

於二零零四年九月三日，根據一份涉及金融公司及其另一貸款之擔保人—四川通信服務公司（「通信服務公司」）之《民事判定書》，四川省高級人民法院（「法院」）向創新實業發出《協助執行通知書》，要求創新實業協助扣留創新實業應付金融公司之港幣64,097,000元（人民幣68,000,000元）租金之任何部份。

創新實業經諮詢國內法律意見後，於二零零四年九月十日以(i)通信服務公司並無合法權利申請該《民事判定書》；(ii)《民事判定書》之發出乃違反法定程序；及(iii)應付租金並非由金融公司實益擁有為理由，向法院提交了撤銷該《民事判定書》之申請書。

Notes to the Accounts

賬目附註

27. CONTINGENT LIABILITIES (Continued)

Also in September 2004, the Bank, the Finance Company, Jinfeng and Innovation entered into a four-party agreement (Four-Party Agreement). Under the Four-Party Agreement, in consideration of the assignment to Innovation of the outstanding loan in the amount of HK\$40,343,000 (RMB42,800,000) and interest thereon owed by the Finance Company to the Bank under the Loan Agreements, the Finance Company shall release Innovation of its liability to repay the outstanding rent payable under the Finance and Lease Agreement in the same amount of HK\$40,343,000 (RMB42,800,000) and interest thereon. By assignment of the outstanding loan to Innovation, the rights and obligations under the Loan Agreements between the Bank and the Finance Company would be extinguished. The Finance Company also agreed that the property rights of the Innovation Production Facilities under the Finance and Lease Agreement shall be transferred to Innovation and the HK\$2,509,000 (RMB2,662,000) security money paid to the Finance Company by Innovation shall be converted into share interests, representing approximately 0.528% of the enlarged share capital of the Finance Company held by Innovation in the Finance Company and the rights and obligations between Innovation and the Finance Company under the Finance and Lease Agreement shall be extinguished. Jinfeng agreed that it shall guarantee the repayment of the outstanding loan by Innovation to the Bank.

According to PRC legal opinions, the Four-Party Agreement shall only take effect after the Notice of Execution Assistance has been withdrawn.

At 20th April 2005, the Court has not responded to the application by Innovation for the withdrawal of the Notice of Execution Assistance. At 31st December 2004 and subsequently up to the date hereof, payments in the sums of HK\$7,918,000 (RMB8,400,000) and an amount of HK\$3,959,000 (RMB4,200,000), have been made respectively by Innovation to the Bank after the issuance of the Notice of Execution Assistance.

27. 或然負債 (續)

二零零四年九月，銀行、金融公司、錦豐及創新實業簽訂《四方協議書》。根據《四方協議書》，由創新實業承接金融公司在銀行於借款合同下的港幣40,343,000元（人民幣42,800,000元）及相關利息之債務，金融公司將解除創新實業在融資租賃合同相同金額的港幣40,343,000元（人民幣42,800,000元）及相關利息之債務責任。當債務轉移後，金融公司與銀行之間的借款合同將被解除，金融公司亦同意提前把創新實業生產設備的所有權轉予創新實業及把創新實業保存在金融公司之港幣2,509,000元（人民幣2,662,000元）之保證金轉換為約0.528%的金融公司股權，而創新實業與金融公司之間的融資租賃合同亦會被解除。錦豐同意為創新實業的該項銀行貸款提供擔保。

根據國內法律意見，《四方協議書》於《協助執行通知書》撤銷後方可生效。

於二零零五年四月二十日，法院並未對創新實業提交之撤銷《協助執行通知書》之申請書作出回應。在《協助執行通知書》發出後，於二零零四年十二月三十一日及其後至今，創新實業分別償還了總數港幣7,918,000元（人民幣8,400,000元）及港幣3,959,000元（人民幣4,200,000元）予銀行。

Notes to the Accounts

賬目附註

27. CONTINGENT LIABILITIES (Continued)

Upon consideration of the advice from two PRC legal firms that the Notice of Execution Assistance is without legal grounds, the directors are of the opinion that any related provision was considered to be unnecessary at 31st December 2004.

The outstanding lease payable by Innovation to the Finance Company at 31st December 2004 amounted to HK\$36,384,000 (RMB38,600,000) (2003: HK\$52,220,000 (RMB55,400,000)).

Both Jian Nan Chun and the Finance Company are independent third parties not connected with the Company, directors, chief executives or substantial shareholders of the Company or any of its subsidiaries or any of their respective associates within the definition of the Listing Rules.

- (b) At 31st December 2004, the Group has provided counter guarantees for bank loans granted to a third party company amounting to approximately HK\$42,417,000 (2003: HK\$42,417,000).
- (c) At 31st December 2004, Jinfeng has provided guarantees amounting to approximately HK\$169,941,000 (2003: HK\$160,799,000) (representing approximately 11% (2003: 11%) of the Group's total assets at 31st December 2004) for two jointly controlled entities of the Group, Spike and Innovation. The guarantee is to secure the repayment of certain loans/banking facilities provided to Spike and Innovation and Jinfeng did not receive any interest or monetary returns from Spike or Innovation in consideration of the guarantees. The amount drawn and remained outstanding under the loans/banking facilities by Spike and Innovation amounted to HK\$169,941,000 (2003: HK\$118,382,000) at 31st December 2004.

27. 或然負債 (續)

經考慮兩所國內律師事務所認為《協助執行通知書》並無法律依據之法律意見後，董事們認為無需於二零零四年十二月三十一日作出相關撥備。

於二零零四年十二月三十一日，創新實業對金融公司之應付租金結欠約為港幣36,384,000元（人民幣38,600,000元）（二零零三年：港幣52,220,000元（人民幣55,400,000元））。

劍南春及金融公司均為獨立第三方，與本公司或其任何附屬公司的董事、行政總裁或主要股東或彼等各自之任何聯繫人士（定義見《上市規則》）概無關連。

- (b) 於二零零四年十二月三十一日，本集團為第三者公司銀行貸款作出互相擔保之金額約為港幣42,417,000元（二零零三年：港幣42,417,000元）。
- (c) 於二零零四年十二月三十一日，錦豐為二間共同控制實體－斯貝克及創新實業提供擔保，該等擔保金額約港幣169,941,000元（二零零三年：港幣160,799,000元），相當於本集團於二零零四年十二月三十一日之總資產值之11%（二零零三年：11%）。該等擔保乃用於償還某些提供予斯貝克或創新實業之貸款／信貸額度，錦豐就該等擔保並無向斯貝克及創新實業收取利息或現金回報。於二零零四年十二月三十一日，斯貝克及創新實業已用之銀行貸款／信貸額度約為港幣169,941,000元（二零零三年：港幣118,382,000元）。

Notes to the Accounts 賬目附註

28. COMMITMENTS

28. 承擔

(a) Capital commitments

(a) 資本承擔

		The Group 本集團	
		2004 二零零四年 HK\$ 港元	2003 二零零三年 HK\$ 港元
Commitments for capital contribution to subsidiaries Authorised but not contracted for	注資予附屬公司之資本承擔已批准但未簽約	32,428,598	–
Commitments for construction costs Contracted but not provided for	建築成本之資本承擔已簽約但未撥備	5,455,605	16,213,823
		37,884,203	16,213,823
The Group's share of capital commitments of the jointly controlled entities not included in the above are as follows:	本集團佔共同控制實體資本承擔如下：		
Contracted but not provided for	已簽約但未撥備	2,761,419	8,152,931
Authorised but not provided for	已批准但未簽約	6,972,869	6,972,869
		9,732,288	15,125,800

(b) Commitments under operating leases

(b) 經營租賃承擔

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

於二零零四年十二月三十一日，本集團根據不可撤消之經營租賃而於未來支付之最低租賃付款總額如下：

		The Group 本集團		The Company 本公司	
		Land and buildings 土地及樓宇		Land and buildings 土地及樓宇	
		2004 二零零四年 HK\$ 港元	2003 二零零三年 HK\$ 港元	2004 二零零四年 HK\$ 港元	2003 二零零三年 HK\$ 港元
Not later than one year	一年內	156,480	312,960	1,200,000	1,200,000
Later than one year and not later than five years	超過一年但不超過五年	–	156,480	–	1,200,000
		156,480	469,440	1,200,000	2,400,000

Notes to the Accounts

賬目附註

29. FUTURE OPERATING LEASE ARRANGEMENTS

At 31st December 2004, the Group and the Company had future aggregate minimum lease receipts under non-cancellable operating leases as follows:

		The Group and the Company 本集團及本公司	
		2004 二零零四年 HK\$ 港元	2003 二零零三年 HK\$ 港元
Not later than one year	第一年內	12,960,639	13,495,861
Later than one year and not later than five years	超過一年但不超過五年	8,149,138	16,351,314
		21,109,777	29,847,175

30 RELATED PARTY TRANSACTIONS AND BALANCES

Except for those disclosed elsewhere in the accounts, the following significant related party transactions have been entered into by the Group:

- During the year, the Group sold raw materials, net of returns of approximately HK\$9,675,000 (2003: HK\$441,000) to jointly controlled entities.
- At 31st December 2004, certain banking facilities of the Group were secured by corporate guarantees of HK\$72,722,000 (2003: HK\$72,723,000) provided by minority shareholders of a non-wholly owned subsidiary (see note 26).
- During the year, rental income receivable from a related company amounted to approximately HK\$139,000 (2003: Nil).

The directors of the Company are of the opinion that all the transactions above have been entered into in the normal course of the Group's business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

The balances with related companies and jointly controlled entities were interest free, unsecured and payable within one year.

31. APPROVAL OF ACCOUNTS

The accounts were approved by the board of directors on 20th April 2005.

29. 未來經營租賃安排

於二零零四年十二月三十一日，本集團及本公司根據不可撤銷之經營租賃而於未來支付之最低租賃款項總額如下：

		The Group and the Company 本集團及本公司	
		2004 二零零四年 HK\$ 港元	2003 二零零三年 HK\$ 港元
Not later than one year	第一年內	12,960,639	13,495,861
Later than one year and not later than five years	超過一年但不超過五年	8,149,138	16,351,314
		21,109,777	29,847,175

30. 關聯公司交易及結餘

除了在本賬目其他部份所披露外，本集團進行了下列關聯公司交易：

- 於年內，本集團銷售約值港幣9,675,000元（二零零三年：港幣441,000元）之原材料予（扣除退貨後）共同控制實體。
- 於二零零四年十二月三十一日，本集團部份銀行信貸額度是由本集團非全資擁有附屬公司之少數股東提供港幣72,722,000元（二零零三年：港幣72,723,000元）之企業擔保（見附註26）。
- 於年內，應收關聯公司租金約港幣139,000元（二零零三年：無）。

本公司之董事認為以上所有交易均為本集團日常之業務及處理上述交易之條例與處理無關聯公司交易無異。

與關聯公司和共同控制實體的賬項是免息、免抵押及須於一年內償還。

31. 賬目通過

本年度賬目已於二零零五年四月二十日由董事會通過。