

NOTES TO FINANCIAL STATEMENTS

31 December 2004

1. CORPORATE INFORMATION

During the year, the Group was involved in the following principal activities:

- manufacture and retail of jewellery
- wholesale of precious metals
- securities and commodities broking

2. IMPACT OF RECENTLY ISSUED HONG KONG FINANCIAL REPORTING STANDARDS

The Hong Kong Institute of Certified Public Accountants has issued a number of new and revised Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards, herein collectively referred to as the new HKFRSs, which are generally effective for accounting periods beginning on or after 1 January 2005. Therefore, the Group has not adopted these new HKFRSs in the financial statements for the year ended 31 December 2004. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to quantify and state the impact of these new HKFRSs on its results of operations and financial position.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (which also include Statements of Standard Accounting Practice (“SSAPs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for the periodic remeasurement of investment properties and equity investments, as further explained below.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2004. The results of subsidiaries acquired or disposed of during the year are consolidated from or to their effective dates of acquisition or disposal, respectively. All significant intercompany transactions and balances within the Group are eliminated on consolidation.

財務報告附註

2004年12月31日

1. 公司資料

年內本集團從事之主要業務如下：

- 珠寶製造及零售
- 貴金屬批發
- 證券及期貨經紀

2. 新頒布香港財務報告準則之影響

香港會計師公會頒布多項新訂及經修訂的香港財務報告準則及香港會計準則(統稱「新香港財務報告準則」)由2005年1月1日或其後開始的會計期間生效。因此，本集團並未於2004年12月31日止年度採用該等新香港財務報告準則。本集團已開始評估該等新香港財務報告準則所帶來的影響，但在此階段並未能具體說明該等新香港財務報告準則對本集團的業績及財務狀況所帶來的影響。

3. 主要會計政策概要

編製基準

此等財務報告乃根據香港會計師公會頒布之香港財務報告準則(亦包括香港會計實務準則及闡釋)、香港普遍採納之會計原則及香港公司條例之披露規定而編製。除定期重估投資物業及股份投資外，此等報告乃根據歷史成本慣例而編製，詳情載於下文。

綜合基準

綜合財務報告包括本公司及其附屬公司截至2004年12月31日止年度之財務報告。年內收購或出售之附屬公司之業績分別自其收購日期起計入或計至其出售日期止。本集團內部所有重大交易及結餘均在綜合賬目時對銷。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of consolidation (continued)

Minority interests represent the interests of outside shareholders in the results and net assets of the Company's subsidiaries.

Subsidiaries

A subsidiary is a company whose financial and operating policies the Company controls, directly or indirectly, so as to obtain benefits from its activities.

The results of subsidiaries are included in the Company's profit and loss account to the extent of dividends received and receivable. The Company's interests in subsidiaries are stated at cost less any impairment losses.

Joint venture companies

A joint venture company is a company set up by contractual arrangement, whereby the Group and other parties undertake an economic activity. The joint venture company operates as a separate entity in which the Group and the other parties have an interest.

The joint venture agreement between the venturers stipulates the capital contributions of the joint venture parties, the duration of the joint venture and the basis on which the assets are to be realised upon its dissolution. The profits and losses from the joint venture company's operations and any distributions of surplus assets are shared by the venturers, either in proportion to their respective capital contributions, or in accordance with the terms of the joint venture agreement.

A joint venture company is treated as:

- (a) a subsidiary, if the Company has unilateral control, directly or indirectly, over the joint venture company;
- (b) a jointly-controlled entity, if the Company does not have unilateral control, but has joint control, directly or indirectly, over the joint venture company;

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3. 主要會計政策概要(續)

綜合基準(續)

少數股東權益為外間股東於本公司之附屬公司之業績及淨資產權益。

附屬公司

附屬公司乃本公司直接或間接控制其財政及營運政策之公司，以便於從其業務中獲益。

附屬公司之業績已包括在本公司之損益賬內之已收及應收股息。本公司於附屬公司之權益按成本減去任何減值虧損列賬。

合營公司

合營公司乃按合約安排成立，由此本集團及其他訂約方承擔一經濟活動。該合營公司乃本集團及其他訂約方擁有權益之獨立經營實體。

合營各方訂立之合營公司協議訂明合營各方之出資額、合營期限以及於合營公司解散時將予變現資產之基準。合營公司之經營損益及任何盈餘資產由合營各方按彼等各自之出資額比例或按合營公司協議之條款進行分配。

合營公司會被視為：

- (a) 附屬公司，如本公司對合營公司，直接或間接擁有單方面之控制權；
- (b) 共同控權合資公司，如本公司對合營公司沒有單方面控制權，但有直接或間接共同控制權；

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Joint venture companies (continued)

- (c) an associate, if the Company does not have unilateral or joint control, but holds, directly or indirectly, generally not less than 20% of the joint venture company's registered capital and is in a position to exercise significant influence over the joint venture company; or
- (d) a long term investment, if the Company holds, directly or indirectly, less than 20% of the joint venture company's registered capital and has neither joint control of, nor is in a position to exercise significant influence over, the joint venture company.

Associates

An associate is a company, not being a subsidiary or a jointly-controlled entity, in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence.

The Group's share of the post-acquisition results and reserves of associates is included in the consolidated profit and loss account and consolidated reserves, respectively. The Group's interests in associates are stated in the consolidated balance sheet at the Group's share of net assets under the equity method of accounting, less any impairment losses.

Goodwill

Goodwill arising on the acquisition of subsidiaries and associates represents the excess of the cost of the acquisition over the Group's share of the fair values of the identifiable assets and liabilities acquired as at the date of acquisition.

Goodwill arising on acquisition is recognised in the consolidated balance sheet as an asset and amortised on the straight-line basis over its estimated useful life. In the case of associates, any unamortised goodwill is included in the carrying amount thereof, rather than as a separately identified asset on the consolidated balance sheet.

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3. 主要會計政策概要(續)

合營公司(續)

- (c) 聯營公司，如本公司沒有單方面或共同之控制權，但直接或間接持有一般不少於20%之合營公司註冊資本及對其有重大影響力；或
- (d) 長期投資，如本公司直接或間接持有不足20%之合營公司註冊資本，且對合營公司沒有共同控制權，或對其有重大影響力。

聯營公司

聯營公司乃除附屬公司或共同控制合資公司外，本集團長期持有其一般不少於20%之股本投票權，及對其有重大影響力之公司。

本集團所佔聯營公司收購後業績及儲備已分別計入綜合損益賬及綜合儲備內。本集團於聯營公司之權益，按權益會計法計算本集團應佔淨資產，減任何減值虧損，於綜合資產負債表內列賬。

商譽

收購附屬公司及聯營公司產生之商譽乃收購成本超逾於收購當日日本集團應佔指定資產及負債之公平價值。

因收購產生之商譽在綜合資產負債表內確認為資產，及以直線法按可使用年期攤銷。至於聯營公司，任何未攤銷商譽已包括在其賬面值，並無於綜合資產負債表內另行列出。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Goodwill (continued)

Prior to the adoption of SSAP 30 "Business combinations" in 2001, goodwill arising on acquisitions was eliminated against consolidated reserves in the year of acquisition. On the adoption of SSAP 30, the Group applied the transitional provision of the SSAP that permitted such goodwill to remain eliminated against consolidated reserves. Goodwill on acquisitions subsequent to the adoption of the SSAP is treated according to the SSAP 30 goodwill accounting policy above.

On disposal of subsidiaries or associates, the gain or loss on disposal is calculated by reference to the net assets at the date of disposal, including the attributable amount of goodwill which remains unamortised and any relevant reserves, as appropriate. Any attributable goodwill previously eliminated against consolidated reserves at the time of acquisition is written back and included in the calculation of the gain or loss on disposal.

The carrying amount of goodwill, including goodwill remaining eliminated against consolidated reserves, is reviewed annually and written down for impairment when it is considered necessary. A previously recognised impairment loss for goodwill is not reversed unless the impairment loss was caused by a specific external event of an exceptional nature that was not expected to recur, and subsequent external events have occurred which have reversed the effect of that event.

Related parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

3. 主要會計政策概要 (續)

商譽 (續)

於2001年，在採納會計實務準則第30號「企業合併」前，因收購產生之商譽須於收購年度自綜合儲備撇銷。在採納會計實務準則第30號後，本集團應用其過渡性條款，即准許該等商譽繼續自綜合賬撇銷。採納此項會計實務準則後續收購之商譽按上述會計實務準則第30號處理。

出售附屬公司或聯營公司時，出售損益乃按出售當日之淨資產計算，包括應佔未攤銷商譽及相關儲備；以往於收購時自綜合儲備撇銷之任何應佔商譽應予以撥回，並包括在出售損益之計算內。

商譽之賬面值，包括尚在綜合儲備撇銷之商譽需每年檢核，如有需要則作減值。除非引致此減值損失之特殊外在事件已不復存在，及後續發生之外在事件沖轉其影響，否則，以前已確認之商譽減值損失不得撥回。

關連人士

倘一方可直接或間接控制另一方，或在另一方製訂財務及經營決策時可施以重大影響，彼等便被視為關連人士。倘各方均受共同控制或受共同重大影響，亦被視為關連人士。關連人士可指個人或公司。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of assets

An assessment is made at each balance sheet date of whether there is any indication of impairment of any asset, or whether there is any indication that an impairment loss previously recognised for an asset in prior years may no longer exist or may have decreased. If any such indication exists, the asset's recoverable amount is estimated. An asset's recoverable amount is calculated as the higher of the asset's value in use and its net selling price.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. An impairment loss is charged to the profit and loss account in the period in which it arises, unless the asset is carried at a revalued amount, when the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of an asset, however not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation), had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is credited to the profit and loss account in the period in which it arises, unless the asset is carried at a revalued amount, when the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

Fixed assets and depreciation

Fixed assets, other than investment properties, are stated at cost or valuation less accumulated depreciation and any impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after fixed assets have been put into operation, such as repairs and maintenance, is normally charged to the profit and loss account in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of the fixed asset, the expenditure is capitalised as an additional cost of that asset.

3. 主要會計政策概要(續)

資產減值

於每結算日需就任何資產是否出現減值跡象，或是否有跡象於以往年度已確認之資產減值虧損可能不復存在或可能減少，作出評估。如有任何此等現象出現，需就該資產之可收回金額作出估計。資產之可收回金額以使用中資產價值及其淨出售價兩者之較高者為準。

如資產之賬面值超逾其可收回數額時，減值虧損方予確認。除非該資產以重估數額列賬，減值虧損方根據有關會計政策就該重估資產處理，否則任何減值虧損於產生當期之損益賬內扣除。

僅於釐定資產之可收回數額之估計出現變動時，於先前已確認之減值虧損方可撥回：惟倘若於以往年度並無就該資產確認任何減值虧損，高出於此情況下所釐定之賬面值之數額(扣除任何折舊／攤銷)則不得撥回。除非該資產以重估數額列賬，減值虧損之撥回方根據有關會計政策就該重估資產處理，否則，任何減值虧損之撥回於產生當期計入損益賬內。

固定資產及折舊

除投資物業外，固定資產乃按成本或估值減累計折舊及任何減值虧損列賬。資產成本包括其購入價及將資產達至營運狀況及地點以作擬定用途之直接應佔成本。於固定資產運作後產生之支出，如維修及保養，一般均自費用產生當期之損益賬中扣除。倘若可明確顯示該等支出能令日後使用該資產而獲得更大經濟收益，則該等支出將資本化為該資產之額外成本。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fixed assets and depreciation (continued)

The transitional provisions set out in paragraph 80 of SSAP 17 "Property, plant and equipment" have been adopted for fixed assets stated at valuation. As a result, those assets stated at revalued amounts based on revaluations which were reflected in the financial statements for the year ended 31 December 1993 have not been revalued by class at the balance sheet date. On disposal of a revalued asset, the relevant portion of the revaluation reserve realised in respect of previous valuations is transferred to retained profits as a movement in reserves.

Depreciation is calculated on the straight-line basis to write off the cost or valuation of each asset over its estimated useful life. The principal annual rates used for this purpose are as follows:

Leasehold land held under long and medium term leases	Over the lease terms
Buildings	2.5%
Plant and machinery	10% — 30%
Furniture, fixtures and equipment	20% — 33%
Motor vehicles	30%

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

For a transfer from fixed assets to investment properties, the related revaluation surplus included in equity is transferred to the investment property revaluation reserve and remains there until subsequent disposal or retirement of the property when the revaluation surplus is transferred to retained profits.

Investment properties

Investment properties are interests in land and buildings in respect of which construction work and development have been completed and which are intended to be held on a long term basis for their investment potential, any rental income being negotiated at arm's length. Such properties are not depreciated and are stated at their open market values on the basis of annual professional valuations performed at the end of each financial year.

3. 主要會計政策概要(續)

固定資產及折舊(續)

固定資產乃採納會計實務準則第17號「物業、機械及設備」第80段之過渡條款之估價列賬。因此，該等按重估基準將重估金額列賬並顯示於1993年12月31日止年度財務報表之資產於結算日並無按其類別再作市值重估。出售以重估價值入賬之資產時，相關之重估儲備須以變現，及由儲備撥往保留溢利內。

折舊乃按個別資產之估計可使用年期以直線法撇銷其成本或估值。計算折舊之主要年率如下：

長期及中期租賃	
土地	按尚餘租期
樓宇	2.5%
廠房設備及機器	10% — 30%
傢俬、裝置及設備	20% — 33%
汽車	30%

於損益賬中確認之出售或報廢固定資產之利潤或虧損乃有關資產淨銷售所得與賬面值之差額。

固定資產轉撥為投資物業，其已計入權益內之有關重估盈餘將撥往投資物業重估儲備中，並保留至該物業日後出售或報廢時，其重估盈餘撥往保留溢利。

投資物業

投資物業指建築及發展工程皆已完成並因其投資潛力而擬長期持有之土地及樓宇權益，任何租金收入乃經公平協商而訂定。此等物業不予折舊，於每財政年度末進行之每年專業評估按公開市值列賬。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investment properties (continued)

Changes in the values of investment properties are dealt with as movements in the investment property revaluation reserve. If the total of this reserve is insufficient to cover a deficit, on a portfolio basis, the excess of the deficit is charged to the profit and loss account. Any subsequent revaluation surplus is credited to the profit and loss account to the extent of the deficit previously charged.

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

Intangible assets

Intangible assets, representing eligibility rights to trade on or through The Stock Exchange of Hong Kong Limited and Hong Kong Futures Exchange Limited, are stated at cost less accumulated amortisation and any impairment losses.

Amortisation is calculated on the straight-line basis over a period of ten years to write off the cost of the rights.

Other assets

Other assets held on a long term basis are stated at cost less any impairment losses on an individual asset basis.

Long term investments

Long term investments are non-trading investments in listed and unlisted equity securities intended to be held on a long term basis.

Listed securities are stated at their fair values on the basis of their quoted market prices at the balance sheet date, on an individual investment basis. Unlisted securities are stated at their estimated fair values, on an individual basis.

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3. 主要會計政策概要(續)

投資物業(續)

投資物業價值之改變以投資物業重估儲備變動處理。倘此儲備之總額不足以抵銷按投資物業組合計算之虧損，超出之虧損自損益賬中扣除。後續任何重估盈餘按先前已扣除之虧損為限計入損益賬。

在出售投資物業時，就先前評估已實現之有關投資物業重估儲備部分轉入損益賬計算。

無形資產

無形資產乃可於或透過香港聯合交易所有限公司及香港期貨交易所有限公司進行交易之權利，按成本減累計攤銷及任何減值虧損列賬。

攤銷乃以直線法計算，按十年攤銷該等權利之成本。

其他資產

長期持有之其他資產乃以個別資產作基準，按成本減任何減值虧損列賬。

長期投資

長期投資乃非作買賣之上市及非上市股本證券投資，擬作長期持有。

上市證券乃按個別投資基準，根據彼等於結算日之市價作公平價值列賬。非上市證券乃按個別基準，按估計公平價值列賬。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Long term investments (continued)

The gains or losses arising from changes in the fair values of securities are dealt with as movements in the long term investment revaluation reserve, until the securities are sold, collected, or otherwise disposed of, or until the securities are determined to be impaired, when the cumulative gain or loss derived from the securities recognised in the long term investment revaluation reserve, together with the amount of any further impairment, is credited or charged to the profit and loss account in the period in which they arise.

Short term investments

Short term investments are investments in listed equity securities held for trading purposes and are stated at their fair values on the basis of their quoted market prices at the balance sheet date, on an individual investment basis. The gains or losses arising from changes in the fair value of a security are credited or charged to the profit and loss account in the period in which they arise.

Inventories

Inventories, principally comprising goods for sale, are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis and comprises direct materials, direct labour and an appropriate proportion of production overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the balance sheet, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

3. 主要會計政策概要(續)

長期投資(續)

證券公平價值變動所產生之收益或虧損於長期投資重估儲備中處理，直至該等證券被出售、收取或以其他方式處理，或直至該等證券被判斷為已減值，屆時該等證券於長期投資重估儲備已確認之累計收益或虧損，連同任何進一步減值數額，於減值出現當期損益賬中計入或扣除。

短期投資

短期投資乃持作買賣用途之股份證券投資，以個別投資基準，按結算日之市價作公平價值入賬。由證券公平價值變動而出現之收益或虧損，於當期之損益賬內計入或扣除。

存貨

存貨主要包括銷售貨品，乃按成本或可變現淨值兩者中之較低者列賬。成本是按先進先出法計算，包括直接原料、直接工資及適當比例之生產費用。可變現淨值是根據估計售價扣除直至完成及出售所需之估計成本。

現金及等同現金

就綜合現金流量表而言，現金及等同現金包括流動現金及活期存款及於購入後三個月內到期，可隨時轉換為已知金額現金但價值改變而風險不大之短期高變現能力投資，扣除需按要求償還之銀行透支，為本集團現金管理之重要部分。

就資產負債表而言，現金及等同現金包括流動現金及銀行存款，包括有條款存款及性質與現金相似而其使用不受限制之資產。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax

Income tax comprises current and deferred tax. Income tax is recognised in the profit and loss account or in equity if it relates to items that are recognised directly in equity.

Deferred tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences:

- except where the deferred tax liability arises from the initial recognition of an asset or liability and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries and associates, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carryforward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax assets and unused tax losses can be utilised:

- except where the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

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3. 主要會計政策概要(續)

所得稅

所得稅包括本期及遞延稅項。所得稅於損益賬確認，或如該項所得稅與於股東權益確認之項目有關，則於股東權益確認。

於結算日之資產及負債之稅基與其在財務報告賬面值之間所有暫時性差異，須按負債法計提遞延稅項撥備。

所有應課稅暫時性差異均會確認為遞延稅項負債：

- 倘若由於在交易時初步確認之資產或負債而產生之遞延稅項負債，對會計利潤或應課稅利潤或虧損均無影響，則屬例外；及
- 對涉及附屬公司及聯營公司投資之應課稅暫時性差異而言，倘若撥回暫時性差異之時間可以控制，以及暫時性差異不大可能在可見將來撥回，則屬例外。

對於所有可於稅務上扣除之暫時性差異、承前未用稅項資產及未用稅項虧損，如日後有可能出現應課稅溢利，可用作抵銷該等可扣除暫時性差異、承前未用稅項資產及未用稅項虧損，則遞延稅項資產一律確認入賬：

- 倘若由於在交易時初步確認資產或負債而產生之有關可扣除暫時性差異之遞延稅項資產，對會計利潤或應課稅溢利或虧損均無影響，則屬例外；及

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax (continued)

- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Conversely, previously unrecognised deferred tax assets are recognised to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;
- from the rendering of services, in the period in which such services are performed;
- commissions and brokerage income on dealings in securities and futures contracts, on the transaction dates when the relevant contract notes are executed;
- rental income, on a time proportion basis over the lease terms;

3. 主要會計政策概要 (續)

所得稅 (續)

- 對涉及附屬公司及聯營公司投資之應課稅暫時性差異而言，只在暫時性差異有可能在可見將來撥回，以及日後可用該等暫時性差異抵銷可能出現之應課稅溢利，才確認遞延稅項資產。

遞延稅項資產之賬面值於每個結算日予以審閱，倘不再可能有足夠應課稅溢利用作抵銷相關稅項資產之全部或部分，則扣除遞延稅項資產賬面值。相反，於可能有足夠應課稅溢利用作抵銷相關稅項之全部或部分時，則確認過往不予確認之遞延稅項資產。

變現資產或償還負債期間預期適用稅率，會用作核算遞延稅項資產及負債，並以此於結算日已經生效或大致上已經生效之稅率（及稅法）為基準。

收入確認

當本集團可能有經濟收益並能作出可靠計算，收入按下列基準予以確認：

- 貨品銷售收入，假使本集團對已售貨品已無一般所有權應有之有效管控，在所有權之主要風險及回報轉予買家後確認；
- 提供服務之收入，於提供服務期內確認；
- 證券及期貨合約交易之佣金及經紀收入，在有關合約執行之交易日期確認；
- 租金收入，於物業出租期內以直線法按租賃年期確認；

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

- (e) interest income, on a time proportion basis taking into account the principal outstanding and the effective interest rate applicable;
- (f) dividend income, when the shareholders' right to receive payment has been established prior to the balance sheet date; and
- (g) proceeds from the sale of short term and long term investments, on the transaction dates when the relevant contract notes are exchanged.

Employee benefits

Paid leave carried forward

The Group provides paid annual leave to its employees under their employment contracts on a calendar year basis. Under certain circumstances, such leave which remains untaken as at the balance sheet date is permitted to be carried forward and utilised by the respective employees in the following year. An accrual is made at the balance sheet date for the expected future cost of such paid leave earned during the year by the employees and carried forward.

Pension schemes and other retirement benefits

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance in Hong Kong, for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the profit and loss account as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme, except for the Group's employer voluntary contributions, which are refunded to the Group when the employee leaves employment prior to the contributions vesting fully, in accordance with the rules of the MPF Scheme.

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3. 主要會計政策概要 (續)

收入確認 (續)

- (e) 利息收入，就未清付之本金及有效適用之利率，按時間比例確認；
- (f) 股息收入，在確定股東於結算日前可收取權利時確認；及
- (g) 出售短期及長期投資所得，於交易日當相關之成交單據交換時確認。

僱員福利

結轉有薪假期

本集團根據僱員的僱傭合約按曆年基準向其僱員提供有薪年假。在若干情況下，各僱員於結算日尚未動用之假期准予結轉至下個年度使用。於結算日，按僱員於年內所賺取有薪假期之預計未來成本已當作一項應計費用並予以結轉。

退休金計劃及其他退休福利

本集團根據香港的強制性公積金計劃條例實施一項界定供款強制性公積金退休利益計劃（「強積金計劃」），供所有合資格之僱員參與。供款按僱員基本薪金之某一百分比提撥，並於根據強積金計劃規定需要支付時自損益賬扣除。強積金計劃資產乃與本集團資產分開之獨立管理基金持有。根據強積金計劃規定，本集團作出之僱主供款利益全數歸屬於僱員，至於本集團作出之僱主自願性供款則除外，當僱員在供款利益完全歸屬於僱員前離職，供款會退回本集團。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Employee benefits (continued)

Pension schemes and other retirement benefits (continued)

The employees of the Group's overseas subsidiaries are required to participate in central pension schemes operated by the local municipal governments. These overseas subsidiaries are required to contribute 2% to 24% of their payroll costs to the central pension schemes. The contributions are charged to the profit and loss account as they become payable in accordance with the rules of the central pension schemes.

Operating leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets and rentals receivable under the operating leases are credited to the profit and loss account on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under the operating leases are charged to the profit and loss account on the straight-line basis over the lease terms.

Dividends

Final dividends proposed by the directors are classified as a separate allocation of retained profits within the capital and reserves section of the balance sheet, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum of association and Bye-Laws grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

Foreign currencies

Foreign currency transactions are recorded at the applicable exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the applicable exchange rates ruling at that date. Exchange differences are dealt with in the profit and loss account.

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3. 主要會計政策概要 (續)

僱員福利 (續)

退休金計劃及其他退休福利 (續)

本集團海外附屬公司之僱員均須參加由當地市政府運作的中央退休金計劃。此等海外附屬公司須提撥薪金費用之2%至24%為中央退休金計劃供款，並根據中央退休金計劃規定須予供款時於損益賬扣除。

經營租約

當資產擁有權之全部回報及風險絕大部分保留於出租人之租約，以經營租約處理。當本集團為出租人，本集團於經營租約下租出資產包括在非流動資產內，於經營租約下之應收租金以直線法按租期計入損益賬內。當本集團為承租人，於經營租約下之應付租金以直線法按租期於損益賬扣除。

股息

董事擬派之末期股息於資產負債表獨立按股本及儲備項下保留溢利分配列賬，直至此等股息獲股東於股東大會批准。當此等股息獲股東批准及宣派後始確認為負債。

中期股息乃同時予以擬派及宣派，此乃本公司組織章程大綱及附例授予董事宣派中期股息之權力。因此，中期股息於擬派及宣派時即確認為負債。

外幣

外幣交易按交易日之適用匯率記錄。於結算日以外幣為單位之貨幣資產及負債均按結算日之適用匯率換算。匯兌差額撥入損益賬處理。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies (continued)

On consolidation, the financial statements of overseas subsidiaries and associates are translated into Hong Kong dollars using the net investment method. The profit and loss accounts of overseas subsidiaries and associates are translated into Hong Kong dollars at the weighted average exchange rates for the year, and their balance sheets are translated into Hong Kong dollars at the exchange rates ruling at the balance sheet date. The resulting translation differences are included in the exchange fluctuation reserve.

For the purpose of the consolidated cash flow statement, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

4. SEGMENT INFORMATION

Segment information is presented by way of two segment formats: (i) on a primary segment reporting basis, by business segment; and (ii) on a secondary segment reporting basis, by geographical segment.

The Group's operating businesses are structured and managed separately, according to the nature of their operations and the products and services they provide. Each of the Group's business segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other business segments. Summary details of the business segments are as follows:

- (a) manufacture and retail of jewellery;
- (b) wholesale of precious metals; and
- (c) securities broking and other businesses.

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

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

3. 主要會計政策概要(續)

外幣(續)

在綜合賬目時，海外附屬公司及聯營公司之財務報告乃按投資淨額法換算為港元。海外附屬公司及聯營公司之損益賬乃按年內之加權平均匯率換算為港元，該等公司之資產負債表乃按結算日之匯率換算為港元。其產生之換算差額計入外匯變動儲備內。

就綜合現金流量表而言，海外附屬公司之現金流量乃按現金流量當日之匯率換算為港元。年內海外附屬公司日常產生之現金流量乃按年內之加權平均匯率換算為港元。

4. 分部資料

分部資料按以下兩部形式呈報：(i)按業務分部為主要分部呈報基準；及(ii)按地區分部為次要分部呈報基準。

本集團經營之業務乃根據各項業務之性質及所提供之產品及服務分開架構及管理。本集團各項業務分部代表一策略性經營單位，其提供之產品及服務所承擔之風險及回報均有別於其他業務分部。業務分部概要如下：

- (a) 珠寶製造及零售；
- (b) 貴金屬批發；及
- (c) 證券經紀及其他業務。

確定本集團之地區分部時，收益乃按客戶之位置分配予各分部，而資產及資本開支乃按資產之位置分配予各分部。

內部銷售及轉讓乃根據銷售予第三者之售價作為通用市價。

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4. SEGMENT INFORMATION (continued)

(a) Business segments

The following tables present revenue, profit and certain asset, liability and other segment information for the Group's business segments.

4. 分部資料(續)

(a) 業務分部

下列報表為本集團業務分部之收益、溢利及若干資產、負債及其他分部資料。

		Group 集團									
		Manufacture and retail of jewellery 珠寶製造及零售		Wholesale of precious metals 貴金屬批發		Securities broking and other businesses 證券經紀及其他業務		Eliminations 對銷		Consolidated 綜合	
		2004 HK\$'000 千港元	2003 HK\$'000 千港元	2004 HK\$'000 千港元	2003 HK\$'000 千港元	2004 HK\$'000 千港元	2003 HK\$'000 千港元	2004 HK\$'000 千港元	2003 HK\$'000 千港元	2004 HK\$'000 千港元	2003 HK\$'000 千港元
Segment revenue:	分部收益:										
Sales to external customers	銷售予外界客戶	2,469,126	1,998,943	4,502,691	4,292,035	45,274	37,431	—	—	7,017,091	6,328,409
Intersegment sales	內部銷售	301,791	227,555	190,737	103,199	1,058	1,144	(493,586)	(331,898)	—	—
Other revenue from external sources	其他外界收益	13,387	15,614	85	35	11,966	3,332	—	—	25,438	18,981
Intersegment other revenue	內部其他收益	3,647	3,456	—	—	133	5,298	(3,780)	(8,754)	—	—
Total	總收益	2,787,951	2,245,568	4,693,513	4,395,269	58,431	47,205	(497,366)	(340,652)	7,042,529	6,347,390
Segment results	分部業績	188,325	129,112	9,717	10,339	26,864	8,980	—	—	224,906	148,431
Interest income	利息收入									8,313	6,950
Dividend income	股息收入									15,704	4,498
Unallocated expenses	未分配費用									(7,084)	(5,017)
Profit from operating activities	經營業務所得溢利									241,839	154,862
Finance costs	財務費用									(1,895)	(1,718)
Share of profits of associates	應佔聯營公司溢利									266	739
Profit before tax	除稅前溢利									240,210	153,883
Tax	稅項									(37,237)	(35,775)
Profit before minority interests	未計少數股東權益前溢利									202,973	118,108
Minority interests	少數股東權益									(2,773)	(948)
Net profit from ordinary activities attributable to shareholders	股東應佔日常業務淨溢利									200,200	117,160
Segment assets	分部資產	1,921,259	1,767,731	80,885	50,633	1,029,475	974,429	(622,441)	(620,619)	2,409,178	2,172,174
Interests in associates	於聯營公司權益									9,627	7,075
Unallocated assets	未分配資產									199,738	185,721
Total assets	總資產									2,618,543	2,364,970
Segment liabilities	分部負債	(684,194)	(655,240)	(74,427)	(37,545)	(358,425)	(336,227)	622,441	620,619	(494,605)	(408,393)
Unallocated liabilities	未分配負債									(137,294)	(89,823)
Total liabilities	總負債									(631,899)	(498,216)
Other segment information:	其他分部資料:										
Depreciation and amortisation	折舊及攤銷	27,211	36,597	—	1	2,237	3,817	—	—	29,448	40,415
Unrealised loss/(gain) on revaluation of investment properties	重估投資物業之 未變現虧損/(收益)	—	—	—	—	(6,250)	2,720	—	—	(6,250)	2,720
Gain on disposal of long term listed investment	出售長期上市投資收益	—	—	—	—	(8,090)	(853)	—	—	(8,090)	(853)
Capital expenditure	資本開支	31,747	11,012	—	—	1,193	933	—	—	32,940	11,945

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4. SEGMENT INFORMATION (continued)

(b) Geographical segments

The following tables present revenue and certain asset and expenditure information for the Group's geographical segments.

	Hong Kong 香港		Mainland China 中國內地		Group 集團 Taiwan 台灣		Eliminations 對銷		Consolidated 綜合	
	2004 HK\$'000 千港元	2003 HK\$'000 千港元	2004 HK\$'000 千港元	2003 HK\$'000 千港元	2004 HK\$'000 千港元	2003 HK\$'000 千港元	2004 HK\$'000 千港元	2003 HK\$'000 千港元	2004 HK\$'000 千港元	2003 HK\$'000 千港元
Segment revenue:	分部收益：									
Sales to external customers	銷售予外界客戶									
	6,734,921	6,114,740	178,173	100,377	103,997	113,292	—	—	7,017,091	6,328,409
Other segment information:	其他分部資料：									
Segment assets	分部資產									
	2,177,335	2,030,070	286,173	196,910	82,485	89,072	(136,815)	(143,878)	2,409,178	2,172,174
Interests in associates	於聯營公司權益									
Unallocated assets	未分配資產									
									9,627	7,075
									199,738	185,721
Total assets	總資產									
									2,618,543	2,364,970
Capital expenditure	資本開支									
	21,381	4,957	10,208	4,945	1,351	2,043	—	—	32,940	11,945

5. TURNOVER

Turnover represents the net invoiced value of goods sold, after allowances for returns, trade discounts and value-added tax; commission on securities and commodities broking and rental income earned during the year.

Revenue from the following activities has been included in turnover:

	2004 HK\$'000 千港元	2003 HK\$'000 千港元
Sales of goods	6,971,817	6,290,978
Commission on securities and commodities broking	39,354	31,378
Gross rental income	5,920	6,053
	<u>7,017,091</u>	<u>6,328,409</u>

4. 分部資料(續)

(b) 地區分部

下列報表為本集團地區分部之收益、若干資產及開支資料。

5. 營業額

營業額指年內撇除退回、交易折扣與增值稅後售出貨品之發票淨值，證券及期貨經紀佣金收入及租金收入。

以下業務之收益已包括在營業額內：

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6. PROFIT FROM OPERATING ACTIVITIES

The Group's profit from operating activities is arrived at after charging/(crediting):

6. 經營業務所得溢利

本集團之經營業務所得溢利已扣除／(計入)：

		Notes 附註	2004 HK\$'000 千港元	2003 HK\$'000 千港元
Depreciation	折舊	14	29,386	40,353
Amortisation of intangible assets *	無形資產攤銷*	16	62	62
Minimum lease payments under operating leases for land and buildings	土地及樓宇經營租約最低租賃付款		96,560	93,755
Auditors' remuneration	核數師酬金		1,851	1,815
Staff costs (excluding directors' remuneration (note 8)):	員工費用(不包括董事酬金(附註8)):			
Wages and salaries	工資及薪金		230,908	206,108
Pension scheme contributions	退休金計劃供款		10,780	9,288
Less: Forfeited contributions	減：已沒收供款		(129)	(258)
Net pension scheme contributions	退休金計劃供款淨額		10,651	9,030
			241,559	215,138
Loss on disposal of fixed assets	出售固定資產之虧損		1,427	1,158
Unrealised loss/(gain) on revaluation of investment properties	重估投資物業之未變現虧損／(收益)		(6,250)	2,720
Unrealised gain on revaluation of short term investments	重估短期投資之未變現收益		(3,356)	(1,965)
Exchange gains, net	匯兌收益，淨值		(951)	(519)
Provision/(write back of provision) for doubtful debts	壞賬準備／(準備撥回)		220	(1,618)
Net rental income	租金收入淨額		(5,283)	(5,639)
Interest income	利息收入		(8,313)	(6,950)
Dividend income from listed investments	來自上市投資股息收入		(15,291)	(4,085)
Dividend income from unlisted investments	來自非上市投資股息收入		(413)	(413)
Gain on disposal of long term listed investments	出售長期上市投資收益		(8,090)	(853)
Gain on disposal of short term investments	出售短期投資收益		(211)	(269)

* The amortisation of intangible assets for the year is included in "Administrative expenses" on the face of the consolidated profit and loss account.

* 本年度之無形資產攤銷包括在綜合損益賬內「行政費用」中。

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7. FINANCE COSTS

Interest on bank loans and overdrafts wholly repayable within five years
Interest on other loans wholly repayable within five years

須於五年內全數償還之
銀行貸款及透支利息
須於五年內全數償還之
其他貸款利息

7. 財務費用

		Group 集團	
		2004	2003
		HK\$'000	HK\$'000
		千港元	千港元
		1,660	1,545
		235	173
		<u>1,895</u>	<u>1,718</u>

8. DIRECTORS' REMUNERATION

Directors' remuneration for the year, disclosed pursuant to the Listing Rules and Section 161 of the Companies Ordinance, is as follows:

8. 董事酬金

根據上市規則及公司條例第161條之規定，本年度之董事酬金披露如下：

Fees
Other emoluments:
Salaries and allowances
Bonuses paid and payable
Pension scheme contributions

袍金
其他酬金：
薪金及津貼
已付及應付紅利
退休金計劃供款

		Group 集團	
		2004	2003
		HK\$'000	HK\$'000
		千港元	千港元
		692	560
		5,058	5,058
		800	345
		130	130
		<u>5,988</u>	<u>5,533</u>
		<u>6,680</u>	<u>6,093</u>

Fees include HK\$270,000 (2003: HK\$240,000) payable to the independent non-executive directors. There were no other emoluments payable to the independent non-executive directors during the year (2003: Nil).

袍金包括270,000港元(2003年：240,000港元)付予獨立非執行董事。年內並無其他酬金付予獨立非執行董事(2003年：無)。

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8. DIRECTORS' REMUNERATION (continued)

The number of directors whose remuneration fell within the following bands is as follows:

Nil to HK\$1,000,000	零港元 – 1,000,000港元
HK\$1,000,001 to HK\$1,500,000	1,000,001港元 – 1,500,000港元
HK\$1,500,001 to HK\$2,000,000	1,500,001港元 – 2,000,000港元
HK\$2,000,001 to HK\$2,500,000	2,000,001港元 – 2,500,000港元

8. 董事酬金(續)

董事酬金組別分列如下：

Number of directors 董事人數	
2004	2003
7	5
—	1
2	2
1	—
10	8

There was no arrangement under which a director waived or agreed to waive any remuneration during the year.

年內董事並無訂立任何安排放棄或同意放棄任何酬金。

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees of the Group during the year included three (2003: three) directors, details of whose remuneration are set out in note 8 above. The aggregate amount of the remuneration of the five highest paid employees for the year is as follows:

9. 五名最高薪酬僱員

本年度本集團五名最高薪酬僱員包括三名(2003年：三名)董事，其詳細酬金資料於上述附註8披露。本年度五名最高薪酬僱員酬金總額如下：

Fees	袍金
Salaries and allowances	薪金及津貼
Bonuses paid and payable	已付及應付紅利
Pension scheme contributions	退休金計劃供款

Group 集團	
2004 HK\$'000 千港元	2003 HK\$'000 千港元
230	200
7,079	7,033
1,850	1,024
245	245
9,404	8,502

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9. FIVE HIGHEST PAID EMPLOYEES (continued)

The remuneration of the five highest paid employees fell within the following bands:

HK\$1,000,001 to HK\$1,500,000	1,000,001港元 – 1,500,000港元
HK\$1,500,001 to HK\$2,000,000	1,500,001港元 – 2,000,000港元
HK\$2,000,001 to HK\$2,500,000	2,000,001港元 – 2,500,000港元
HK\$2,500,001 to HK\$3,000,000	2,500,001港元 – 3,000,000港元

9. 五名最高薪酬僱員(續)

五名最高薪酬僱員酬金組別分列如下：

Number of employees 僱員人數

2004 2003

		1	2
		2	2
		1	1
		1	—
		<u>5</u>	<u>5</u>

10. TAX

Hong Kong profits tax has been provided at the rate of 17.5% (2003: 17.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

10. 稅項

香港利得稅乃按年內於香港產生之估計應課稅溢利以稅率17.5% (2003年：17.5%)撥備。其他地區之應課利得稅乃按本集團營運地區以現行法則、闡釋及慣例為基礎之通用稅率計算。

2004 2003
HK\$'000 HK\$'000
千港元 千港元

Group:	集團：		
Current — Hong Kong	本期 — 香港		
Charge for the year	年內稅項	31,575	25,465
Under/(over) provision in prior years	以往年度撥備不足／(超額)	(474)	9,949
Current — Elsewhere	本期 — 其他地區	2,672	1,902
Deferred (note 29)	遞延(附註29)	3,427	(1,723)
		<u>37,200</u>	<u>35,593</u>
Share of tax attributable to associates	應佔聯營公司稅項	37	182
		<u>37,237</u>	<u>35,775</u>
Total tax charge for the year	年內稅項總額		

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10. TAX (continued)

A reconciliation of the tax expense applicable to profit before tax using the statutory rate for the countries in which the Company and the majority of its subsidiaries and associates are domiciled to the tax expense at the effective tax rate is as follows:

		Group 集團			
		2004		2003	
		HK\$'000	%	HK\$'000	%
		千港元		千港元	
Profit before tax	除稅前溢利	240,210		153,883	
Tax at the statutory tax rate	按法定稅率計算稅項	42,037	17.5	26,930	17.5
Difference in tax rates applied for specific provinces or local authority	應用於特定省份或地方之稅率差異	(719)		380	
Effect on opening deferred tax of increase in tax rates	稅率增加對年初遞延稅項之影響	—		(69)	
Adjustments in respect of current tax of previous periods	就以往期間之稅項作本期調整	(474)		9,949	
Estimated income not subject to tax	無須繳稅之估計收入	(6,115)		(1,084)	
Estimated expenses not deductible for tax	不可扣稅之估計支出	2,033		3,137	
Tax losses utilised from previous periods	使用以往期間之稅項虧損	(923)		(3,519)	
Estimated tax losses not recognised	尚未確認之估計稅項虧損	1,398		51	
Tax charge at the Group's effective rate	按本集團實際稅率計算之稅項	37,237	15.5	35,775	23.2

11. NET PROFIT FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO SHAREHOLDERS

The net profit from ordinary activities attributable to shareholders for the year ended 31 December 2004 dealt with in the financial statements of the Company, was HK\$122,183,000 (2003: HK\$44,589,000) (note 31(b)).

10. 稅項 (續)

下表是按本公司、其大部分附屬公司及聯營公司註冊成立所在地之法定稅率計算並適用於除稅前溢利之稅項支出，以及按實際稅率計算之稅項支出進行對賬：

11. 股東應佔日常業務淨溢利

於本公司截至2004年12月31日止年度之財務報告中處理之股東應佔日常業務淨溢利為122,183,000港元(2003年：44,589,000港元)(附註31(b))。

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12. DIVIDENDS

Interim — HK6.0 cents (2003: HK4.0 cents) per ordinary share	中期股息 — 每普通股6.0港仙 (2003年：4.0港仙)
Special — HK3.0 cents (2003: Nil) per ordinary share	特別股息 — 每普通股3.0港仙 (2003年：無)
Proposed final — HK14.0 cents (2003: HK11.0 cents) per ordinary share	擬派末期股息 — 每普通股14.0港仙 (2003年：11.0港仙)

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

13. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the net profit attributable to shareholders for the year of HK\$200,200,000 (2003: HK\$117,160,000), and the weighted average of 501,600,000 (2003: 458,058,000) ordinary shares in issue during the year.

Diluted earnings per share for the years ended 31 December 2004 and 2003 have not been presented as no diluting events existed during these years.

12. 股息

2004 HK\$'000 千港元	2003 HK\$'000 千港元
30,096	20,064
15,048	—
70,224	55,176
115,368	75,240

擬派之本年度末期股息須經本公司股東於即將召開之股東週年大會上批准。

13. 每股盈利

每股基本盈利乃按本年度股東應佔淨溢利200,200,000港元(2003年：117,160,000港元)及年內已發行加權平均股份501,600,000(2003年：458,058,000)普通股計算。

由於年內並無攤薄事項，故並無披露截至2004年及2003年12月31日止年度之每股攤薄盈利。

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14. FIXED ASSETS

14. 固定資產

		Group 集團				
		Land and buildings	Plant and machinery	Furniture, fixtures and equipment	Motor vehicles	Total
		土地 及樓宇	廠房 設備 及機器	傢俬、 裝置及 設備	汽車	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Cost or valuation:	成本或估值：					
At beginning of year	年初	310,552	5,168	97,531	2,016	415,267
Additions	添置	—	2,597	29,568	775	32,940
Disposals	出售	—	(1,400)	(54,892)	(475)	(56,767)
Exchange realignment	匯兌調整	5	14	137	1	157
At 31 December 2004	於2004年12月31日	<u>310,557</u>	<u>6,379</u>	<u>72,344</u>	<u>2,317</u>	<u>391,597</u>
Accumulated depreciation:	累計折舊：					
At beginning of year	年初	4,401	2,871	68,739	849	76,860
Provided during the year	年內撥備	8,278	1,217	19,523	368	29,386
Disposals	出售撥回	—	(1,356)	(53,324)	(475)	(55,155)
Exchange realignment	匯兌調整	—	13	96	—	109
At 31 December 2004	於2004年12月31日	<u>12,679</u>	<u>2,745</u>	<u>35,034</u>	<u>742</u>	<u>51,200</u>
Net book value:	賬面淨值：					
At 31 December 2004	於2004年12月31日	<u>297,878</u>	<u>3,634</u>	<u>37,310</u>	<u>1,575</u>	<u>340,397</u>
At 31 December 2003	於2003年12月31日	<u>306,151</u>	<u>2,297</u>	<u>28,792</u>	<u>1,167</u>	<u>338,407</u>

Certain of the Group's leasehold land and buildings were revalued in 1993 by Knight Frank & Kan, independent professionally qualified valuers. The land and buildings were revalued at open market value, based on their existing use. Since 1995, no further revaluations of the Group's leasehold land and buildings have been carried out, as the Group has relied upon the exemption granted under the transitional provisions of SSAP 17, from the requirement to carry out future revaluations of its fixed assets which were stated at valuation at that time.

本集團若干租賃土地及樓宇已於1993年經獨立專業認可測計師簡福飴測量行重估。土地及樓宇根據現時用途按公開市值基準重估。本集團自1995年採納會計實務準則第17號之過渡條款賦予之豁免，根據固定資產之估值列賬，不為其租賃土地及樓宇再作重估。

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14. FIXED ASSETS (continued)

Had these land and buildings been carried at historical cost less accumulated depreciation and impairment losses, their carrying amounts would have been approximately HK\$46,599,000 (2003: HK\$48,083,000).

The Group's land and buildings included above are held under the following lease terms:

14. 固定資產(續)

倘若此等土地及樓宇以歷史成本減累計折舊及減值虧損列賬，其賬面淨值約46,599,000港元(2003年：48,083,000港元)。

本集團上述之土地及樓宇按下列租期持有：

		Hong Kong 香港 HK\$'000 千港元	Elsewhere 其他地區 HK\$'000 千港元	Total 合計 HK\$'000 千港元
At cost:	成本：			
Long term leases	長期租約	666	2,912	3,578
Medium term leases	中期租約	25,666	219	25,885
		<u>26,332</u>	<u>3,131</u>	<u>29,463</u>
At valuation:	估值：			
Long term leases	長期租約	78,757	—	78,757
Medium term leases	中期租約	202,337	—	202,337
		<u>281,094</u>	<u>—</u>	<u>281,094</u>
		<u>307,426</u>	<u>3,131</u>	<u>310,557</u>

At 31 December 2004, certain of the Group's land and buildings with an aggregate net book value of approximately HK\$108,689,000 (2003: HK\$114,600,000) were pledged to secure general bank facilities granted to the Group (note 28).

於2004年12月31日，本集團以若干賬面淨值約108,689,000港元(2003年：114,600,000港元)之土地及樓宇作抵押，為本集團所獲一般銀行信貸作擔保(附註28)。

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15. INVESTMENT PROPERTIES

At beginning of year	年初
Surplus/(deficit) on revaluation	重估盈餘／(虧損)
At 31 December	於12月31日

The Group's investment properties are held under the following lease terms:

Long term leases:	長期租約：
Hong Kong	香港
Medium term leases:	中期租約：
Hong Kong	香港
Elsewhere	其他地區

The Group's investment properties were revalued on 31 December 2004 by DTZ Debenham Tie Leung Limited, independent professionally qualified valuers, at HK\$98,050,000 on an open market, existing use basis. The investment properties are leased to third parties under operating leases, further summary details of which are included in note 33(a) to the financial statements.

At 31 December 2004, the Group's investment properties with a value of HK\$44,000,000 (2003: HK\$37,300,000) were pledged to secure general bank facilities granted to the Group (note 28).

15. 投資物業

		Group 集團	
		2004	2003
		HK\$'000	HK\$'000
		千港元	千港元
At beginning of year	年初	91,800	94,520
Surplus/(deficit) on revaluation	重估盈餘／(虧損)	6,250	(2,720)
At 31 December	於12月31日	<u>98,050</u>	<u>91,800</u>

本集團之投資物業按下列租期持有：

		Group 集團	
		2004	2003
		HK\$'000	HK\$'000
		千港元	千港元
Long term leases:	長期租約：		
Hong Kong	香港	8,550	7,150
Medium term leases:	中期租約：		
Hong Kong	香港	58,500	49,650
Elsewhere	其他地區	31,000	35,000
		<u>98,050</u>	<u>91,800</u>

於2004年12月31日，本集團之投資物業由獨立專業認可測計師戴德梁行有限公司根據現時用途按公開市值重估為98,050,000港元。該等投資物業按經營租約租予第三者，概要載於財務報告附註33(a)項內。

於2004年12月31日，本集團以價值44,000,000港元(2003年：37,300,000港元)之投資物業作抵押，為本集團所獲一般銀行信貸作擔保(附註28)。

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16. INTANGIBLE ASSETS

16. 無形資產

		Group 集團 HK\$'000 千港元
Cost:	成本：	
At beginning of year and at 31 December 2004	年初及於2004年12月31日	620
Accumulated amortisation:	累計攤銷：	
At beginning of year	年初	238
Provided during the year	年內撥備	62
At 31 December 2004	於2004年12月31日	300
Net book value:	賬面淨值：	
At 31 December 2004	於2004年12月31日	320
At 31 December 2003	於2003年12月31日	382

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17. OTHER ASSETS

17. 其他資產

		Group 集團	
		2004	2003
		HK\$'000	HK\$'000
		千港元	千港元
			(Restated)
			(重列)
Cost of membership for a seat at The Chinese Gold and Silver Exchange Society	香港金銀業貿易場會籍費用	1,500	1,500
Deposits with The Stock Exchange of Hong Kong Limited (the "Stock Exchange"):	於香港聯合交易所有限公司(「聯交所」)之按金：		
Compensation fund	賠償基金	311	311
Fidelity fund	信用保證基金	300	300
Stamp duty deposit	印花稅按金	150	75
Contributions in cash to Central Clearing and Settlement System Guarantee Fund	於中央結算及交收系統保證基金之現金供款	300	300
Admission fee paid to Hong Kong Securities Clearing Company Limited	香港中央結算有限公司之入會費用	400	400
Deposit with the Compensation Fund of Hong Kong Futures Exchange Limited (the "Futures Exchange")	於香港期貨交易所有限公司(「期交所」)賠償基金之按金	—	100
Deposit with The Hong Kong Futures Exchange Clearing Corporation Limited	於香港期貨交易所結算有限公司之按金	1,832	1,707
Rental deposits*	租賃按金*	28,490	23,458
		33,283	28,151

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17. OTHER ASSETS (continued)

- * Rental deposits were related to office properties and retail shops leased by the Group (note 33(b)) and the majority of the lease arrangements were over one year. In the previous years, the deposits were included in other receivables under current assets. The directors of the Company consider it more appropriate to include the deposits in the Group's non-current assets in the current year to better reflect the underlying nature of the balance. Accordingly, the comparative amount in respect of other receivables has been reclassified to conform with the current year's presentation.

Included in this total is an aggregate amount of approximately HK\$9 million (2003: approximately HK\$12 million) relating to operating leases expiring within one year. The directors are of the opinion that such deposits are of a long term nature on the basis that the related leases are expected to be renewed upon their respective expiry dates. Accordingly, the directors consider it appropriate to classify such deposits as non-current assets.

18. INTERESTS IN SUBSIDIARIES

Unlisted shares/investments, at cost 非上市股份／投資，按成本
Due from subsidiaries 附屬公司欠款

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

17. 其他資產(續)

- * 本集團之辦公室、零售店租約(附註33(b))之相關租賃按金，大部份租約超越一年。於以往年度，該按金包括在流動資產之其他應收賬款內。本公司董事認為於本年度將該等按金包括在本集團之非流動資產內更為適合，更能反映有關結餘之性質。因此，有關其他應收賬款之比較數字已重新分類，以符合本年度之呈報方式。

約有9,000,000港元(2003: 約12,000,000港元)與到期日少於一年之經營租約相關並包括在此金額內。董事認為，按有關租約於到期時預期續約之基準，此等按金應屬長期性質。因此，董事認為將此等按金分類為非流動資產更為合適。

18. 於附屬公司權益

		Company 公司	
		2004	2003
		HK\$'000	HK\$'000
		千港元	千港元
Unlisted shares/investments, at cost	非上市股份／投資，按成本	1,085,873	1,085,873
Due from subsidiaries	附屬公司欠款	589,218	564,994
		<u>1,675,091</u>	<u>1,650,867</u>

附屬公司欠款為無抵押，不計利息及無固定還款期。

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18. INTERESTS IN SUBSIDIARIES (continued)

Particulars of the subsidiaries are as follows:

18. 於附屬公司權益(續)

附屬公司之詳情如下：

Name 名稱	Place of incorporation/ registration and operations 成立／註冊 及經營地點	Nominal value of issued ordinary share capital/ registered capital 已發行 普通股本／ 註冊股本面值	Percentage of equity attributable to the Company 本公司所佔 股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Acclaim Holdings Limited	British Virgin Islands 英屬處女群島	US\$600,000 600,000美元	—	100	Investment holding 控股投資
Chow Sang Sang Bullion Dealers Limited 周生生金號有限公司	Hong Kong 香港	HK\$5,000,000 5,000,000港元	—	100	Bullion trading 期金買賣
Chow Sang Sang Commodities Limited 周生生商品有限公司	Hong Kong 香港	HK\$5,000,000 5,000,000港元	—	100	Dormant 暫無營業
Chow Sang Sang Corporate Gift Limited 周生生企業禮品有限公司	Hong Kong 香港	HK\$1,000,000 1,000,000港元	—	100	Sale of corporate gift products 企業禮品銷售
Chow Sang Sang Finance Limited 周生生財務有限公司	Hong Kong 香港	HK\$15,000,000 15,000,000港元	—	100	Dormant 暫無營業
Chow Sang Sang Futures Limited 周生生期貨有限公司	Hong Kong 香港	HK\$5,000,000 5,000,000港元	—	100	Commodity broking 期貨經紀
Chow Sang Sang Holdings (BVI) Limited	British Virgin Islands 英屬處女群島	US\$50,000 50,000美元	100	—	Investment holding 控股投資

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18. INTERESTS IN SUBSIDIARIES (continued)

18. 於附屬公司權益(續)

Name 名稱	Place of incorporation/ registration and operations 成立／註冊 及經營地點	Nominal value of issued ordinary share capital/ registered capital 已發行 普通股本／ 註冊股本面值	Percentage of equity attributable to the Company 本公司所佔 股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Chow Sang Sang Holdings Limited 周生生集團有限公司	Hong Kong 香港	HK\$250 250港元	—	100	Investment holding 控股投資
Chow Sang Sang Industrial (Fuzhou) Co., Ltd.* 周生生實業(福州) 有限公司*	People's Republic of China 中華人民共和國	HK\$12,180,000 12,180,000港元	—	100	Property investment 物業投資
Chow Sang Sang International (Shunde) Limited 周生生國際(順德) 有限公司	Hong Kong/ People's Republic of China 香港／ 中華人民共和國	HK\$2 2港元	—	100	Property investment 物業投資
Chow Sang Sang Investments Limited 周生生投資有限公司	Hong Kong 香港	HK\$2,500,000 2,500,000港元	—	100	Investment holding 控股投資
Chow Sang Sang Jewellery (China) Co. Ltd.	British Virgin Islands 英屬處女群島	US\$1 1美元	—	100	Investment holding 控股投資
Chow Sang Sang Jewellery Company Limited 周生生珠寶金行有限公司	Hong Kong 香港	HK\$30,000,000 30,000,000港元	—	100	Manufacture and retail of jewellery 珠寶製造及零售

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18. INTERESTS IN SUBSIDIARIES (continued)

18. 於附屬公司權益 (續)

Name 名稱	Place of incorporation/ registration and operations 成立／註冊 及經營地點	Nominal value of issued ordinary share capital/ registered capital 已發行 普通股本／ 註冊股本面值	Percentage of equity attributable to the Company 本公司所佔 股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Chow Sang Sang Jewellery (Foshan) Co., Ltd.** 周生生珠寶(佛山) 有限公司**	People's Republic of China 中華人民共和國	HK\$71,500,000 71,500,000港元	—	95.1	Manufacture and sale of jewellery 珠寶製造及銷售
Chow Sang Sang Jewellery Pte Ltd	Singapore 新加坡	S\$2 2坡元	—	100	Dormant 暫無營業
Chow Sang Sang Jewellery (Shaanxi) Co., Ltd.* 周生生珠寶金行 (陝西)有限公司*	People's Republic of China 中華人民共和國	HK\$13,000,000 13,000,000港元	—	100	Manufacture and sale of jewellery 珠寶製造及銷售
Chow Sang Sang Jewellery (Shandong) Co., Ltd.** 周生生珠寶(山東) 有限公司**	People's Republic of China 中華人民共和國	RMB40,000,000 40,000,000人民幣	—	70	Manufacture and sale of jewellery 珠寶製造及銷售
Chow Sang Sang Jewellery (Shanghai) Co., Ltd.** 周生生珠寶(上海)有限公司**	People's Republic of China 中華人民共和國	US\$1,000,000 1,000,000美元	—	61	Manufacture and sale of jewellery 珠寶製造及銷售
Chow Sang Sang Jewellery (Taiwan) Limited	British Virgin Islands/ Taiwan 英屬處女群島／ 台灣	US\$50,000 50,000美元	—	100	Sale of jewellery 珠寶銷售
Chow Sang Sang Manufacturing International Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	—	100	Investment holding 控股投資

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18. INTERESTS IN SUBSIDIARIES (continued)

18. 於附屬公司權益 (續)

Name 名稱	Place of incorporation/ registration and operations 成立／註冊 及經營地點	Nominal value of issued ordinary share capital/ registered capital 已發行 普通股本／ 註冊股本面值	Percentage of equity attributable to the Company		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Chow Sang Sang Nominees Limited 周生生代理人有限公司	Hong Kong 香港	HK\$1,000,000 1,000,000港元	—	100	Nominee services 租務及 物業發展代理
Chow Sang Sang Property Holdings N.V.	Netherlands Antilles/ Hong Kong 荷屬安的列斯／ 香港	US\$30,000 30,000美元	—	100	Property investment 物業投資
Chow Sang Sang Properties Limited 周生生置業有限公司	Hong Kong 香港	HK\$10,000,000 10,000,000港元	—	100	Property investment 物業投資
Chow Sang Sang Securities Limited 周生生證券有限公司	Hong Kong 香港	HK\$10,000,000 10,000,000港元	—	100	Securities broking 證券經紀
Chow Sang Sang Securities (HK) Limited*** 周生生證券(香港)有限公司***	Hong Kong 香港	HK\$10,000,000 10,000,000港元	—	100	Dormant 暫無營業
Chow Sang Sang Trading (China) Company Limited	British Virgin Islands/ People's Republic of China 英屬處女群島／ 中華人民共和國	US\$1 1美元	—	100	Sale of jewellery 珠寶銷售
Fullink Developments Inc.	British Virgin Islands 英屬處女群島	US\$1 1美元	—	100	Dormant 暫無營業

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18. INTERESTS IN SUBSIDIARIES (continued)

18. 於附屬公司權益(續)

Name 名稱	Place of incorporation/ registration and operations 成立／註冊 及經營地點	Nominal value of issued ordinary share capital/ registered capital 已發行 普通股本／ 註冊股本面值	Percentage of equity attributable to the Company 本公司所佔 股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Leahander International Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	—	100	Investment holding 控股投資
Tsin Chuk Kam Manufactory Ltd.	British Virgin Islands/ People's Republic of China 英屬處女群島／ 中華人民共和國	US\$100,000 100,000美元	—	100	Processing of jewellery 珠寶加工
World Commercial Sales Company Limited	Hong Kong 香港	HK\$2,500,000 2,500,000港元	—	100	Wholesale of precious metals 貴金屬批發
338.Net Limited	Hong Kong 香港	HK\$2 2港元	—	100	Dormant 暫無營業

* The companies are registered as wholly-foreign owned enterprises under the law of the People's Republic of China.

* 根據中華人民共和國法律註冊成立之全外資企業。

** The companies are registered as sino-foreign equity joint ventures under the law of the People's Republic of China.

** 根據中華人民共和國法律註冊成立之中外合資合營公司。

*** The company is in the process of liquidation.

*** 公司正辦理清盤。

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19. INTERESTS IN ASSOCIATES

Share of net assets	所佔淨資產
Loan from an associate	欠聯營公司之貸款
Due to an associate	應付聯營公司欠款

The loan from an associate and the amount due to an associate are unsecured, interest-free and have no fixed terms of repayment.

Particulars of the associates are as follows:

Name 名稱	Business structure 業務架構	Place of incorporation/ registration and operations 成立／註冊及 經營地點	Percentage of ownership interest attributable to the Group 本集團所佔 權益百分比		Principal activities 主要業務
			2004	2003	
Foo Sang Enterprises Company Limited 富生置業有限公司	Corporate 公司	Hong Kong 香港	36.63	36.63	Property investment 物業投資
Qingdao Kang Hua Diamond Co., Ltd. 青島康華鑽石有限公司	Corporate 公司	People's Republic of China 中華人民共和國	32	32	Processing of diamonds 鑽石加工

The above associates are indirectly held by the Company.

19. 於聯營公司權益

	Group 集團	
	2004 HK\$'000 千港元	2003 HK\$'000 千港元
Share of net assets	9,755	7,816
Loan from an associate	(128)	(128)
Due to an associate	—	(613)
	<u>9,627</u>	<u>7,075</u>

欠聯營公司之貸款及應付聯營公司欠款為無抵押，不計利息及無固定還款期。

聯營公司之詳情如下：

上述聯營公司由本公司間接持有。

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20. LONG TERM INVESTMENTS

Listed equity investments in Hong Kong, at market value	香港上市股份投資，按市值
Unlisted equity investments in Hong Kong, at fair value	香港非上市股份投資，按公平價值

20. 長期投資

Group 集團	
2004 HK\$'000 千港元	2003 HK\$'000 千港元
117,593	102,002
<u>8,429</u>	<u>7,030</u>
<u>126,022</u>	<u>109,032</u>

On 6 March 2000, under the Schemes of Arrangements of the exchanges and the Exchanges and Clearing Houses (Merger) Ordinance, the Group received 6,223,500 shares of HK\$1.00 each in Hong Kong Exchanges and Clearing Limited ("HKEC") and six exchange trading rights in the Stock Exchange and one exchange trading right in the Futures Exchange in consideration for the cancellation of its six shares held in the Stock Exchange and one share held in the Futures Exchange. At 1 January 2004, the Group held 6,053,500 shares of HKEC. During the year, the Group sold 400,000 shares of HKEC with a realised gain of HK\$8,090,000 (note 6).

於2000年3月6日，根據交易所及結算所(合併)條例之股份合併計劃，本集團取得香港交易及結算所有限公司(「交易及結算所」)6,223,500股每股1.00港元之股份及六個聯交所及一個期交所交易權，以取代原來在聯交所持有之六股股份及在期交所持有之一股股份。於2004年1月1日，本集團持有交易及結算所6,053,500股股份。於年內，本集團出售交易及結算所400,000股股份，已變現收益為8,090,000港元(附註6)。

At 31 December 2004, the Group's listed equity investments with a value of HK\$56 million (2003: HK\$45 million) were pledged to secure general bank facilities granted to the Group (note 28).

於2004年12月31日，本集團抵押上市股份投資價值56,000,000港元(2003年：45,000,000港元)，為本集團所獲一般銀行信貸作擔保(附註28)。

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21. INVENTORIES

Goods held for sale 持作銷售之貨品

The carrying amount of inventories is arrived at after charging a general provision of HK\$9,101,000 (2003: HK\$9,101,000).

22. ACCOUNTS RECEIVABLE

Manufacture and Retail of Jewellery

The Group's sales are normally made on a cash basis. Credit card receivables from financial institutions in respect of retail sales are aged within one month. There are wholesale customers who have been given credit periods ranging from 15 to 45 days.

Precious Metals Wholesale

The Group's precious metals wholesale are normally conducted on a cash basis.

Securities and Commodities Broking

The settlement terms of accounts receivable arising from the ordinary course of business of dealing in securities are two days after the trade date, and the settlement terms of accounts receivable arising from the ordinary course of business of dealing in futures are normally on a cash basis.

21. 存貨

Group 集團	
2004	2003
HK\$'000	HK\$'000
千港元	千港元

1,165,688	991,536
------------------	----------------

存貨之賬面值已扣除一般撥備9,101,000港元(2003年:9,101,000港元)。

22. 應收賬款

珠寶製造及零售

本集團銷售一般以現金交易。就零售銷貨而來自財務機構的應收信用卡款項賬期少於一個月。現有批發客戶獲提供15至45日的賒賬期。

貴金屬批發

本集團之貴金屬批發一般以現金進行交易。

證券及期貨經紀

在日常業務過程中證券買賣所產生之應收賬款，結算條款期限為交易日後兩天，而在日常業務過程中期貨買賣所產生之應收賬款，結算條款一般以現金交易。

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22. ACCOUNTS RECEIVABLE (continued)

An aged analysis of the accounts receivable as at the balance sheet date, based on invoice date, is as follows:

		Group 集團	
		2004 HK\$'000 千港元	2003 HK\$'000 千港元
Current to 30 days	現在至30日	129,669	178,300
31 to 60 days	31日至60日	7,445	7,269
Over 60 days	超過60日	4,345	1,040
		<hr/>	<hr/>
		141,459	186,609
Margin clients accounts receivable *	應收孖展客戶賬款*	37,482	43,728
		<hr/>	<hr/>
		178,941	230,337
		<hr/>	<hr/>

* The margin clients accounts receivable are secured by the underlying pledged securities, are repayable on demand and bear interest at commercial rates. No aged analysis is disclosed as, in the opinion of the directors, an aged analysis is not relevant in view of the nature of the business of securities margin financing.

Included in the margin clients accounts receivable balance as at 31 December 2004 was an amount of HK\$1,679,000 (2003: HK\$1,110,000) receivable in respect of securities transactions undertaken for the account of an officer of a subsidiary. The maximum amount outstanding during the year was HK\$1,780,000.

22. 應收賬款(續)

應收賬款於結算日根據發票日期之賬齡分析如下：

		Group 集團	
		2004 HK\$'000 千港元	2003 HK\$'000 千港元
Current to 30 days	現在至30日	129,669	178,300
31 to 60 days	31日至60日	7,445	7,269
Over 60 days	超過60日	4,345	1,040
		<hr/>	<hr/>
		141,459	186,609
Margin clients accounts receivable *	應收孖展客戶賬款*	37,482	43,728
		<hr/>	<hr/>
		178,941	230,337
		<hr/>	<hr/>

* 應收孖展客戶賬款以其證券作抵押，須於要求時償還及按商業條款計息。鑑於證券孖展借貸業務性質，賬齡分析作用不大，董事認為無需披露賬齡分析。

已計入2004年12月31日之應收孖展客戶賬款結餘內之數額1,679,000港元(2003年：1,110,000港元)為一附屬公司行政人員進行證券交易之應收賬款。年內最高結欠額為1,780,000港元。

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23. OTHER RECEIVABLES

	Note 附註	Group 集團		Company 公司	
		2004	2003	2004	2003
		HK\$'000 千港元	HK\$'000 千港元 (Restated) (重列)	HK\$'000 千港元	HK\$'000 千港元
Prepayments and deposits		124,385	77,017	75	73
Loans to a minority shareholder of a subsidiary	24	3,760	9,385	—	—
		128,145	86,402	75	73

24. LOANS TO A MINORITY SHAREHOLDER OF A SUBSIDIARY

The loans to a minority shareholder of a subsidiary are unsecured, bear interest at 6% (2003: 6%) per annum and are repayable within one year.

25. SHORT TERM INVESTMENTS

Listed equity investments
in Hong Kong, at market value

香港上市股份投資，
按市值

23. 其他應收賬款

	Note 附註	Group 集團		Company 公司	
		2004	2003	2004	2003
		HK\$'000 千港元	HK\$'000 千港元 (Restated) (重列)	HK\$'000 千港元	HK\$'000 千港元
預付款項及按金		124,385	77,017	75	73
附屬公司少數股東 借款	24	3,760	9,385	—	—
		128,145	86,402	75	73

24. 附屬公司少數股東借款

附屬公司少數股東借款為無抵押，按年利率6% (2003年：6%) 計息及須於一年內償還。

25. 短期投資

	Group 集團	
	2004	2003
	HK\$'000 千港元	HK\$'000 千港元
香港上市股份投資， 按市值	20,257	12,889

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26. CASH AND CASH EQUIVALENTS AND PLEDGED TIME DEPOSITS

		Group 集團		Company 公司	
		2004 HK\$'000 千港元	2003 HK\$'000 千港元	2004 HK\$'000 千港元	2003 HK\$'000 千港元
Cash and bank balances	現金及銀行存款	108,621	119,864	278	2,298
Time deposits	定期存款	178,257	165,864	—	—
		286,878	285,728	278	2,298
Less: Pledged time deposits:	減：已抵押定期存款：				
Pledged for short term bank loans	作短期銀行貸款抵押	(58,331)	(15,000)	—	—
Pledged for bank facilities	作銀行信貸抵押	—	(1,000)	—	—
		(58,331)	(16,000)	—	—
Cash and cash equivalents	現金及等同現金	228,547	269,728	278	2,298

27. ACCOUNTS PAYABLE

An aged analysis of the accounts payable as at the balance sheet date, based on invoice date, is as follows:

27. 應付賬款

應付賬款於結算日根據發票日期之賬齡分析如下：

		Group 集團	
		2004 HK\$'000 千港元	2003 HK\$'000 千港元
Current to 30 days	現在至30日	96,485	41,144
31 to 60 days	31日至60日	7,696	4,541
Over 60 days	超過60日	3,187	4,706
		107,368	50,391
Cash clients accounts payable #	應付現金客戶賬款#	276,228	270,351
Margin clients accounts payable *	應付孖展客戶賬款*	10,589	8,828
		394,185	329,570

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27. ACCOUNTS PAYABLE (continued)

Included in the cash clients accounts payable arising from the ordinary course of business of dealing in securities is an amount of approximately HK\$209,978,000 (2003: HK\$164,416,000) representing these clients' undrawn monies/excess deposits placed with the Group. The balances are repayable on demand. No aged analysis is disclosed as, in the opinion of the directors, an aged analysis is not meaningful in view of the nature of the business of dealing in securities.

* The margin clients accounts payable are repayable on demand and bear interest at commercial rates. No aged analysis is disclosed as, in the opinion of the directors, an aged analysis is not relevant in view of the nature of the business of securities margin financing.

28. INTEREST-BEARING BANK BORROWINGS

27. 應付賬款 (續)

已計入證券買賣業務期間產生之應付現金客戶賬款內之數額約209,978,000港元(2003年: 164,416,000港元)為此等客戶存於本集團之備用款項/額外按金。餘額須於要求時償還。鑑於證券買賣業務性質,賬齡分析作用不大,董事認為無需披露賬齡分析。

* 應付孖展客戶賬款須於要求時償還及根據商業條款計息。鑑於證券孖展借貸業務性質,賬齡分析作用不大,董事認為無需披露賬齡分析。

28. 計息銀行貸款

	Notes 附註	Group 集團		Company 公司	
		2004 HK\$'000 千港元	2003 HK\$'000 千港元	2004 HK\$'000 千港元	2003 HK\$'000 千港元
Bank overdrafts — unsecured	銀行透支 — 無抵押	—	421	—	63
Bank loans:	銀行貸款:				
Secured	抵押 (a)	30,980	9,969	—	—
Unsecured	無抵押 (b)	31,020	—	—	—
		62,000	10,390	—	63

Notes:

- (a) The Group's bank facilities are secured by the pledge of the Group's time deposits amounting to HK\$58,331,000 (2003: HK\$16,000,000) (note 26) and certain assets of the Group disclosed in notes 14, 15 and 20 to the financial statements.
- (b) Corporate guarantee has been given by a minority shareholder of a subsidiary of the Group in respect of an unsecured bank loan of HK\$4,700,000 (2003: Nil).

附註:

- (a) 本集團之銀行信貸以定期存款58,331,000港元(2003年: 16,000,000港元)(附註26),及若干於財務報告附註14、15及20披露之資產作抵押。
- (b) 本集團一附屬公司少數股東為一無抵押銀行貸款4,700,000港元(2003年: 無)提供公司擔保。

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29. DEFERRED TAX

The movement in deferred tax liabilities and assets during the year is as follows:

Deferred tax liabilities

Group
集團

At 1 January 2004

Deferred tax charged to the profit and loss account during the year (note 10)

Gross deferred tax liabilities at 31 December 2004

Deferred tax assets

Group
集團

At 1 January 2004

Deferred tax credited/(charged) to the profit and loss account during the year (note 10)

Exchange differences

Gross deferred tax assets at 31 December 2004

Net deferred tax liabilities at 31 December 2004

29. 遞延稅項

年內之遞延稅項負債及資產變動如下：

遞延稅項負債

2004
Accelerated tax depreciation and revaluation of properties
加速稅項折舊及物業重估

HK\$'000
千港元

於2004年1月1日

年內於損益賬扣除之遞延稅項(附註10)

於2004年12月31日之遞延稅項負債總額

遞延稅項資產

2004
Losses available for offset against future taxable profit

Decelerated tax depreciation
減速稅項折舊
HK\$'000
千港元

for offset against future taxable profit
用作抵銷未來應課稅溢利之虧損
HK\$'000
千港元

Total

合計
HK\$'000
千港元

於2004年1月1日

年內於損益賬撥回/(扣除)之遞延稅項(附註10)

匯兌差額

於2004年12月31日之遞延稅項資產總額

於2004年12月31日之遞延稅項負債淨值

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29. DEFERRED TAX (continued)

Deferred tax liabilities

Group
集團

At 1 January 2003

Deferred tax credited to the profit and loss account during the year, including a charge of HK\$144,000 due to the effect of a change in tax rates (note 10)

Deferred tax credited to land and building revaluation reserve account during the year, including a charge of HK\$5,928,000 due to the effect of a change in tax rates

Gross deferred tax liabilities at 31 December 2003

29. 遞延稅項(續)

遞延稅項負債

2003

Accelerated tax depreciation and revaluation of properties
加速稅項折舊及物業重估

HK\$'000
千港元

於2003年1月1日

年內於損益賬撥回之遞延稅項，包括扣除一項受稅率改變而影響之144,000港元(附註10)

年內於土地及樓宇重估儲備撥回之遞延稅項，包括扣除一項受稅率改變而影響之5,928,000港元

於2003年12月31日之遞延稅項負債總額

Deferred tax assets

Group
集團

At 1 January 2003

Deferred tax credited/(charged) to the profit and loss account during the year, including a credit of HK\$213,000 due to the effect of a change in tax rates (note 10)

Exchange differences

Gross deferred tax assets at 31 December 2003

Net deferred tax liabilities at 31 December 2003

遞延稅項資產

2003

	Decelerated tax depreciation	Losses available for offset against future taxable profit		Total
	減速稅項折舊	用作抵銷未來應課稅溢利之虧損		合計
	HK\$'000	HK\$'000		HK\$'000
	千港元	千港元		千港元
於2003年1月1日	2,277	1,083		3,360
年內於損益賬撥回／(扣除)之遞延稅項，包括撥回一項受稅率改變而影響之213,000港元(附註10)	1,366	(334)		1,032
匯兌差額	—	15		15
於2003年12月31日之遞延稅項資產總額	3,643	764		4,407
於2003年12月31日之遞延稅項負債淨值				43,788

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29. DEFERRED TAX (continued)

The Group has tax losses arising in Hong Kong of HK\$8,682,000 (2003: HK\$5,679,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time.

At 31 December 2004, there was no significant unrecognised deferred tax liability (2003: Nil) for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiaries or associates as the Group has no liability to additional tax should such amounts be remitted.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

30. SHARE CAPITAL

Authorised:

1,000,000,000 ordinary shares
of HK\$0.25 each

法定：

1,000,000,000股每股面值
0.25港元之普通股

Issued and fully paid:

501,600,000 (2003: 501,600,000)
ordinary shares of HK\$0.25 each

已發行及繳足：

501,600,000股每股面值
0.25港元之普通股
(2003年：501,600,000股)

29. 遞延稅項(續)

本集團於香港產生之稅務虧損8,682,000港元(2003年：5,679,000港元)可以用作抵銷產生虧損公司之未來應課稅溢利。由於此等虧損乃來自仍在虧損之附屬公司，故並未確認遞延稅項資產。

於2004年12月31日，就本集團若干附屬公司或聯營公司未匯出溢利之稅項，由於該等款額匯出時，本集團並無額外之稅項負債，故並未確認重大遞延稅項負債(2003年：無)。

本公司向其股東派發股息並沒有附任何所得稅之後果。

30. 股本

	2004 HK\$'000 千港元	2003 HK\$'000 千港元
Authorised:		
1,000,000,000 ordinary shares of HK\$0.25 each	<u>250,000</u>	<u>250,000</u>
Issued and fully paid:		
501,600,000 (2003: 501,600,000) ordinary shares of HK\$0.25 each	<u>125,400</u>	<u>125,400</u>

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31. RESERVES

(a) Group

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on pages 30 to 31 of the financial statements.

The amount of goodwill arising on the acquisition of subsidiaries in prior years remains eliminated against consolidated retained profits and the capital reserve amounted to HK\$4,832,000 (2003: HK\$4,832,000).

(b) Company

31. 儲備

(a) 集團

本集團之儲備額及年內及上年度之變動詳情載於財務報告第30頁至第31頁之綜合權益變動表內。

以往年度因收購附屬公司產生之商譽仍於綜合保留溢利及股本儲備撇銷之數值達4,832,000港元(2003年: 4,832,000港元)。

(b) 公司

			Share premium	Contributed surplus	Retained profits	Total
		Note	股份溢價	繳入盈餘	保留溢利	合計
		附註	HK\$'000	HK\$'000	HK\$'000	HK\$'000
			千港元	千港元	千港元	千港元
At 1 January 2003	於2003年1月1日		—	975,582	402,007	1,377,589
Issue of shares	發行股份		125,048	—	—	125,048
Share issue expenses	發行股份費用		(244)	—	—	(244)
Net profit for the year	年內淨溢利		—	—	44,589	44,589
Interim 2003 dividend	2003年中期股息	12	—	—	(20,064)	(20,064)
Proposed final 2003 dividend	擬派2003年末期股息	12	—	—	(55,176)	(55,176)
At 31 December 2003 and 1 January 2004	於2003年12月31日及2004年1月1日		124,804	975,582	371,356	1,471,742
Net profit for the year	年內淨溢利		—	—	122,183	122,183
Interim 2004 dividend	2004年中期股息	12	—	—	(30,096)	(30,096)
Special 2004 dividend	2004年特別股息	12	—	—	(15,048)	(15,048)
Proposed final 2004 dividend	擬派2004年末期股息	12	—	—	(70,224)	(70,224)
At 31 December 2004	於2004年12月31日		124,804	975,582	378,171	1,478,557

The Company's contributed surplus arose in 1992 as a result of the Group's reorganisation and represents the difference between the nominal value of the Company's shares allocated under the reorganisation scheme and the then consolidated net asset value of the acquired subsidiaries.

Under the Bermuda Companies Act 1981, the contributed surplus is distributable to shareholders under certain circumstances.

本公司1992年產生之繳入盈餘來自集團重組，指根據重組計劃配發之本公司股份面值與已收購附屬公司當時之綜合資產淨值之差額。

根據百慕達1981年公司法，在若干情況下，繳入盈餘可分派予股東。

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32. CONTINGENT LIABILITIES

- (a) The Company has provided guarantees to the extent of US\$46 million (approximately HK\$359 million) and HK\$2 million (2003: US\$44 million (approximately HK\$343 million) and HK\$2 million) in respect of gold trading facilities granted to subsidiaries. As at the balance sheet date, the amount drawn against the gold trading facilities amounted to US\$1,444,000 (approximately HK\$11 million) (2003: Nil).
- (b) The Company has provided corporate guarantees to the extent of HK\$391 million (2003: HK\$212 million) to secure the general bank facilities of certain subsidiaries. As at the balance sheet date, the amount drawn against the general bank facilities amounted to HK\$49,780,000 (2003: HK\$9,969,000).

33. OPERATING LEASE ARRANGEMENTS

(a) As lessor

The Group leases its investment properties (note 15) under operating lease arrangements, with leases negotiated for terms ranging from one to five years. The terms of the leases generally also require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions.

At 31 December 2004, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

Within one year	一年內
In the second to fifth years, inclusive	二至五年(包括首尾兩年)

32. 或然負債

- (a) 本公司為其附屬公司所獲黃金買賣信貸提供46,000,000美元(約為359,000,000港元)及2,000,000港元(2003年: 44,000,000美元(約為343,000,000港元)及2,000,000港元)之擔保。於結算日, 已使用之黃金買賣信貸額為1,444,000美元(約為11,000,000港元)(2003年: 無)。
- (b) 本公司為若干附屬公司所獲一般銀行信貸作391,000,000港元(2003年: 212,000,000港元)之公司擔保。於結算日, 已使用之一般銀行信貸額為49,780,000港元(2003年: 9,969,000港元)。

33. 經營租約承擔

(a) 出租人

本集團根據經營租約租出其投資物業(附註15), 經磋商訂定租期為一至五年。租約條款一般要求租客付保證按金及根據普遍市場環境作定期租金調整。

於2004年12月31日, 本集團就不可撤銷之經營租約而可於未來收取之最低租賃收款如下:

Group 集團	
2004 HK\$'000 千港元	2003 HK\$'000 千港元
4,747	4,937
2,053	2,661
<u>6,800</u>	<u>7,598</u>

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33. OPERATING LEASE ARRANGEMENTS (continued)

(b) As lessee

The Group leases certain of its office properties and retail shops under operating lease arrangements. Leases for properties and shops are negotiated for terms ranging from one to ten years. Certain leases contain a contingent rental element based on various percentages of tenant's sales receipts.

At 31 December 2004, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

Within one year	一年內
In the second to fifth years, inclusive	二至五年(包括首尾兩年)
After five years	五年後

34. COMMITMENTS

In addition to the operating lease commitments detailed in note 33(b) above, the Group had the following capital commitments at the balance sheet date:

Contracted, but not provided for	已簽訂，但未撥備
Authorised, but not contracted for	已批核，但未簽訂

33. 經營租約承擔(續)

(b) 承租人

本集團按經營租約承租若干辦公室物業及零售店舖，物業及店舖租期經磋商訂定為期一至十年。部分租約包含或有租金，以租客銷售收入之某百分比計算。

於2004年12月31日，本集團就不可撤銷之經營租約而須於未來支付之最低租賃款項如下：

Group 集團	
2004 HK\$'000 千港元	2003 HK\$'000 千港元
104,346	62,247
172,304	51,050
63,991	—
<u>340,641</u>	<u>113,297</u>

34. 承擔

除上述附註33(b)詳載之經營租約承擔外，本集團於結算日有以下資本承擔：

Group 集團	
2004 HK\$'000 千港元	2003 HK\$'000 千港元
9,174	39
655	—
<u>9,829</u>	<u>39</u>

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35. CONNECTED AND RELATED PARTY TRANSACTIONS

In addition to the transactions and balances detailed elsewhere in these financial statements, the Group had the following material transactions with connected and/or related parties during the year:

- (a) Chow Sang Sang Jewellery (Foshan) Co., Ltd. ("CSS Foshan"), a 95.1% owned subsidiary, has a credit arrangement with a bank (the "Bank") for providing loans to Foshan Shunde Jinpeng Co., Ltd. ("Jinpeng"), a company controlled by a director of CSS Foshan and a 4.9% minority shareholder of CSS Foshan, through entering into trust lending or trust lending extension agreements between CSS Foshan, Jinpeng and the Bank. The loans to Jinpeng are to finance Jinpeng's operation for providing sub-contracting services to the Group (see (c) below).

In view that the above-mentioned loans will be made on a continuous basis, CSS Foshan entered into a facility agreement with Jinpeng on 14 May 2004 for granting a continuous credit facility to Jinpeng for a period up to 31 December 2005. All loans advanced under the facility agreement are unsecured, bear interest at 6% per annum and are repayable within one year.

As at 31 December 2004, the outstanding balance was RMB4,000,000 (approximately HK\$3,760,000) (2003: RMB10,000,000 (approximately HK\$9,385,000)) (note 24). The maximum amount outstanding during the year was RMB10,000,000.

35. 關連人士交易

除已於財務報告其他部分詳載之交易及結餘外，本集團於年內與關連人士進行以下重要交易：

- (a) 本集團持有95.1%之附屬公司周生生珠寶(佛山)有限公司(「周生生珠寶(佛山)」)與銀行(「該銀行」)訂立一項信託貸款安排，提供貸款予佛山市順德區金鵬珠寶首飾有限責任公司(「金鵬珠寶」)(一間由周生生珠寶(佛山)一名董事操控及持有周生生珠寶(佛山)4.9%股權之少數股東)，由周生生珠寶(佛山)、金鵬珠寶及該銀行訂立信託貸款協議及信託貸款續期協議安排貸款。貸款乃給予金鵬珠寶為本集團提供分包服務之營運資金(見下方(c)項)。

鑑於上述貸款將按持續基準進行，周生生珠寶(佛山)與金鵬珠寶於2004年5月14日訂立融資協議，給予金鵬珠寶一項可於2005年12月31日前動用之持續信貸融資。融資協議所有貸出款項並無抵押，年息6厘及須於一年內償還。

於2004年12月31日，結欠為4,000,000人民幣(約3,760,000港元)(2003年：10,000,000人民幣(約9,385,000港元))(附註24)。年內最高之結欠為10,000,000人民幣。

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35. CONNECTED AND RELATED PARTY TRANSACTIONS (continued)

- (b) The Company and a wholly-owned subsidiary of the Company have provided joint and several corporate guarantees and pledged time deposits to banks for facilities granted to certain non wholly-owned subsidiaries. The utilised amount of such facilities covered by the Company's and its wholly-owned subsidiary's guarantees and pledged time deposits, which also represented the financial exposure of the Group at the balance sheet date, amounted to approximately HK\$52,640,000 (2003: HK\$5,631,000). The total amount of such facilities covered by the Company's and its wholly-owned subsidiary's guarantees and pledged time deposits, amounted to approximately HK\$148,531,000 (2003: HK\$37,540,000).
- (c) Certain subsidiaries of the Company entered into an agreement with Jinpeng on 13 May 2004 whereby Jinpeng would provide sub-contracting services to these subsidiaries for a period up to 31 December 2005. The fees were charged based on terms and conditions agreed between the Group and Jinpeng. The total processing fees paid to and purchase of finished goods from Jinpeng for the year amounted to HK\$5,270,000 (2003: HK\$16,798,000).
- (d) Certain subsidiaries of the Company entered into an agreement on 12 May 2004 with Qingdao Jing Hua Diamond and Jewellery Co. Ltd. ("Jing Hua"), a 21% shareholder of a 70% owned subsidiary of the Company, for the purchase of raw materials for a period up to 31 December 2005. The purchases were made according to the prices and conditions similar to those offered by other unrelated suppliers to the Group. The aggregate purchases from Jing Hua during the year amounted to HK\$7,432,000 (2003: HK\$5,202,000).
- (e) A wholly-owned subsidiary of the Company entered into a tenancy agreement on 26 March 2003 with the respective spouse of Messrs. CHOW Kwen Ling and CHOW Kwen Lim and the administrator of a late director of the Company, for the lease of the Group's retail shop for a period of two years commencing on 1 April 2003 with a monthly rental of HK\$113,000. The lease rental was determined with reference to open market rentals. The total rental paid by the Group for the year amounted to HK\$1,356,000 (2003: HK\$1,395,000).

35. 關連人士交易 (續)

- (b) 本公司及本公司一間全資附屬公司為若干非全資附屬公司所獲銀行信貸提供共同及數項公司擔保及以銀行定期存款作抵押。於結算日，由本公司及其全資附屬公司提供擔保及已抵押定期存款之已動用信貸額約為52,640,000港元(2003年：5,631,000港元)。由本公司及其全資附屬公司提供擔保及已抵押定期存款之信貸總額約為148,531,000港元(2003年：37,540,000港元)。
- (c) 本公司若干附屬公司與金鵬珠寶於2004年5月13日訂立一項協議，據此，金鵬珠寶於截至2005年12月31日止期間內為該等附屬公司提供分包裝服務。收費乃根據本集團及金鵬珠寶雙方協議之條款計算。年內向金鵬珠寶繳付之加工費用及採購製成品之總額為5,270,000港元(2003年：16,798,000港元)。
- (d) 本公司若干附屬公司與本公司一間持有70%之附屬公司的21%股東青島京華飾品有限公司(「京華」)就截至2005年12月31日止期間採購原材料於2004年5月12日訂立一項協議。採購乃根據與其他非關連供應商給予本集團相若之價格及條款進行。年內向京華採購之總計為7,432,000港元(2003年：5,202,000港元)。
- (e) 本公司一間全資附屬公司與周君令先生及周君廉博士各自之配偶及本公司一名已故董事之遺產執行人於2003年3月26日訂立租約，將物業租予本集團作零售店舖，於2003年4月1日起生效，每月租金113,000港元，為期兩年。該租金乃參考市值租金釐定。年內本集團繳付租金總額為1,356,000港元(2003年：1,395,000港元)。

NOTES TO FINANCIAL STATEMENTS

31 December 2004

財務報告附註

2004年12月31日

35. CONNECTED AND RELATED PARTY TRANSACTIONS (continued)

- (f) A wholly-owned subsidiary of the Company entered into a tenancy agreement with the respective spouse of Messrs. CHOW Kwen Ling and CHOW Kwen Lim and the administrator of a late director of the Company on 26 March 2003, for the lease of the Group's sales office for a period of two years commencing on 1 April 2003 with a monthly rental of HK\$7,000. The lease rental was determined with reference to open market rentals. The total rental paid by the Group for the year amounted to HK\$84,000 (2003: HK\$87,000).
- (g) A wholly-owned subsidiary of the Company has entered into leases with related companies in which certain directors and their spouse have interests, for the lease of the Company's directors' quarters. The lease rentals were determined with reference to open market rentals. The total rental paid by the Group for the year amounted to HK\$840,000 (2003: HK\$840,000).

The related party transactions in respect of items (a) and (c) to (g) above also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

36. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 23 March 2005.

35. 關連人士交易 (續)

- (f) 本公司一間全資附屬公司與周君令先生及周君廉博士各自之配偶及本公司一名已故董事之遺產執行人於2003年3月26日訂立租約，將物業租予本集團作營業辦事處，於2003年4月1日起生效，每月租金7,000港元，為期兩年。該租金乃參考市值租金釐定。年內本集團繳付租金總額為84,000港元(2003年：87,000港元)。
- (g) 本公司一間全資附屬公司與若干董事及彼等之配偶持有權益之關連公司訂立租約，將物業租予本集團作董事宿舍。該租金乃參考市值租金釐定。年內本集團繳付租金總額為840,000港元(2003年：840,000港元)。

上述(a)及(c)至(g)項交易，按上市規則第14A章定義，亦構成關連交易或持續關連交易。

36. 財務報告之批核

本財務報告於2005年3月23日經董事會批核。