

Notes to the Financial Statements

財務報表附註

For the year ended December 31, 2004
截至二零零四年十二月三十一日止年度

1. GENERAL

The Company is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company acts as an investment holding company. The principal activities of the Group are the sale and distribution of liquefied petroleum gas, sale of electronic products and leasing of property, plant and equipment.

2. POTENTIAL IMPACT ARISING FROM THE RECENTLY ISSUED ACCOUNTING STANDARDS

In year 2004, the Hong Kong Institute of Certified Public Accountants (the "HKICPA") issued a number of new or revised Hong Kong Accounting Standards and Hong Kong Financial Reporting Standards ("HKFRS") (hereinafter collectively referred to as "new HKFRSs") which are effective for accounting periods beginning on or after January 1, 2005. The Group has not early adopted these new HKFRSs in the financial statements for the year ended December 31, 2004.

The Group has commenced considering the potential impact of these new HKFRSs but is not yet in a position to determine whether these new HKFRSs would have a significant impact on how its results of operations and financial position are prepared and presented. These new HKFRSs may result in changes in the future as to how the results and financial position are prepared and presented.

3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention as modified for the revaluation of investment properties and certain properties and plant and machinery.

The financial statements have been prepared in accordance with accounting principles generally accepted in Hong Kong. The principal accounting policies adopted are set out below:

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to December 31 each year.

1. 概述

本公司乃於百慕達註冊成立之受豁免有限責任公司，公司股份在香港聯合交易所有限公司（「聯交所」）上市。

本公司乃投資控股公司。本集團之主要業務為銷售和分銷液化石油氣，銷售電子產品以及租賃物業、機器及設備。

2. 近期頒佈之會計準則產生之潛在影響

於二零零四年，香港會計師公會頒佈多項新訂或經修訂之香港會計準則及香港財務報告準則（統稱「新訂香港財務報告準則」），由二零零五年一月一日或之後開始之會計期間生效。本公司於截至二零零四年十二月三十一日止年度之財務報表並未提早採納此等新訂香港財務報告準則。

本集團已開始評估此等新訂香港財務報告準則之潛在影響，但目前仍未能釐定此等新訂香港財務報告準則會否對本集團經營業績及財務狀況之編製及呈列造成重大影響。此等香港財務報告準則可能影響日後業績及財務狀況之編製及呈列。

3. 主要會計政策

財務報表乃根據過往成本會計法而編撰，並已就投資物業及若干物業、機器及設備之重估作出調整。

財務報表乃根據香港普遍採納之會計準則而編撰。本公司採納之主要會計政策如下：

綜合基準

綜合財務報表乃綜合本公司及各附屬公司截至每年12月31日止之財務報表。

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3. SIGNIFICANT ACCOUNTING POLICIES (Con't)

Basis of consolidation (Con't)

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Company.

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

Goodwill

Goodwill arising on consolidation represents excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary or associate or jointly controlled entity at the date of acquisition. Goodwill is capitalised and amortised on a straight-line basis method over its useful economic life.

Investments in subsidiaries

Investments in subsidiaries are included in the Company's balance sheet at cost less any identified impairment loss.

Interest in a joint controlled entity

Joint venture arrangements which involve the establishment of a separate entity in which each venturer has an interest are referred to as jointly controlled entities.

The Group's interest in a jointly controlled entity is included in the consolidated balance sheet at the Group's share of the net assets of the jointly controlled entity, less any identified impairment loss. The Group's share of the post-acquisition results of its jointly controlled entities is included in the income statement.

3. 主要會計政策(續)

綜合基準(續)

年內所收購或所出售附屬公司之業績自收購日期起或至出售日期止(視乎情況而定)已計入綜合收益表。為使所用會計政策與集團內其他成員公司使用之會計政策相一致，在適當時已對附屬公司財務報表作出了調整。

本集團內公司間之所有重要交易及結餘已於綜合賬目時抵銷。

商譽

綜合賬目時產生之商譽乃收購成本超出本集團於收購日所佔該附屬公司或聯營公司或共同控制實體之可確認之資產及負債之公平價值。商譽以資產確認並於其可使用期以直線法攤銷。

於附屬公司之投資

於附屬公司之投資以成本扣減已確認之減值計入本公司之資產負債表。

於一共同控制實體之權益

共同控制實體為合營所成立之獨立法人公司，而合營各方均擁有權益。

本集團在共同控制實體之權益已以本集團佔該共同控制實體之淨資產減任何已確認減值虧損列於綜合資產負債表內。本集團於收購其共同控制實體後，分佔之業績已計算在綜合收益表內。

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3. SIGNIFICANT ACCOUNTING POLICIES (Con't)**Revenue recognition**

Sales of goods are recognised when goods are delivered and title has passed.

Interest income from bank deposits is accrued on a timely basis, by reference to the principal outstanding and at the interest rate applicable.

Rental income under operating leases is recognised on a straight-line basis over the respective lease terms.

Property, plant and equipment

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and amortisation and accumulated impairment losses, if any.

Depreciation and amortisation is provided to write off the cost or valuation of property, plant and equipment, other than construction in progress, over their estimated useful lives, using the straight-line method, at the following rates per annum:

Leasehold land	Over the term of the lease
Buildings	Over the term of the lease
Leasehold improvements	20% to 33 1/3%
Toolings	33 1/3%
Plant and machinery	10% to 33 1/3%
Gas plant and facilities	Over the lease term of plant
Gas pumps and equipment	10% to 33 1/3%
Furniture, fixtures and equipment	15% to 16 2/3%
Motor vehicles	16 2/3% to 33 1/3%

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

3. 主要會計政策(續)**收入確認**

貨物銷售乃於貨物已付運及所有權已移交時確認。

銀行存款利息收入根據本金結餘及適用利率按時間比例計算入賬。

經營租約之租金收入按有關租期以直線基準計算入賬。

物業、機器及設備

除在建工程外，物業、機器及設備乃按成本值扣減累計折舊、攤銷及累積減值入賬(如有)。

除在建工程外，物業、機器及設備按估計可使用年期以直線法按下列年率攤銷成本或估值而作出折舊及攤銷撥備：

租賃土地	按租約年期
樓宇	按租約年期
租賃物業裝修	20%至33 1/3%
工具	33 1/3%
機器及設備	10%至33 1/3%
氣庫及設施	按氣庫租約年期
氣泵及設備	10%至33 1/3%
傢俬、裝置及設備	15%至16 2/3%
汽車	16 2/3%至33 1/3%

出售或停用資產之損益按出售所得款項與資產賬面值之差額而釐定，並計入收益表。

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3. SIGNIFICANT ACCOUNTING POLICIES (Con't)

Construction in progress

Construction in progress represents construction cost of factory and is stated at cost less impairment loss identified. Cost includes development expenditure and other attributable expenses capitalised, if any.

When the construction is completed, the factory and plant will be transferred to appropriate asset categories and depreciated in accordance with the Group's accounting policies.

Investment properties

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

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

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

No depreciation is provided on investment properties except where the unexpired term of the relevant lease is 20 years or less.

Coast use rights

The coast use rights are stated in balance sheet at cost less accumulated amortisation and any identified impairment loss. Amortisation of the coast use rights is charged so as to write off the cost of the asset over the estimated useful life using the straight-line method.

3. 主要會計政策(續)

在建工程

在建工程指工廠建築成本，以成本扣減已確認減值入賬。成本包括開發經費和其他經資本化之有關開支(如有)。

當建築工程完成後，有關工廠和機器將轉入適當的資產類別並根據集團的會計政策折舊。

投資物業

投資物業乃指已落成物業因其具有投資潛力而持有，任何租金收入均按公平原則磋商釐定。

投資物業以公開市值為基準列賬。重估投資物業時產生之增減在投資物業重估儲備入賬或扣除，除非有關儲備結餘不足以填補重估減值，在此情況下，重估投資物業時之減值超過重估投資物業結餘之差額，則於損益表中扣除。倘若先前已在損益表扣除重估投資物業減值，但其後又出現投資物業重估增值，則增加之金額將撥入損益表(以先前扣減的金額為限)。

在出售投資物業時，該物業所佔重估物業儲備餘額，將從投資物業重估儲備轉撥至保留溢利。

除非有關物業之未到期租約為二十年或以下，否則投資物業不會作出折舊。

海岸使用權

海岸使用權於資產負債表以成本減攤銷及累計減值虧損列賬。海岸使用權之攤銷按使用權之可使用年期以直線法攤銷資產成本而作出開支。

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3. SIGNIFICANT ACCOUNTING POLICIES (Con't)

Impairment

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount under another HKFRS, in which case the impairment loss is treated as a revaluation decrease under that HKFRS.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount under another HKFRS, in which case the reversal of the impairment loss is treated as a revaluation increase under that HKFRS.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the first-in, first-out method.

Foreign currencies

Transactions in foreign currencies are initially recorded at the rates of exchange prevailing on the dates of the transactions or at the contracted settlement rate, if applicable. Monetary assets and liabilities denominated in such currencies are re-translated at the rates prevailing on the balance sheet date. Profits and losses arising on exchange are included in net profit and loss for the year.

On consolidation, the assets and liabilities of the Group's overseas operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the year. Exchange differences arising, if any, are classified as equity and transferred to the Group's exchange reserve. Such exchange differences are recognised as income or as expense in the period in which the operation is disposed of.

3. 主要會計政策(續)

減值

於每個結算日，本集團重審其有形及無形資產之賬面值以決定該等資產是否已出現減值虧損之預示。如某一項資產之可回收值低於其賬面值，該項資產之賬面值將降至其可回收值。減值虧損將即時以支出計算入賬，除非有關資產已按另一項香港財務報表準則以重估值入賬而該減值虧損則根據該香港財務報表準則已視作重估值減少。

當減值虧損日後逆轉，該資產之賬面值將增加至其經修訂之估計可收回值，但賬面值之增加不能超過該資產有如於過往年度未有確認減值虧損之賬面值。減值虧損之逆轉將即時以收入計算入賬，除非有關資產已按另一項香港財務報表準則以重估值入賬而該減值虧損之逆轉則根據該香港財務報表準則已視作重估值增加。

存貨

存貨按成本值及可變現淨值兩者之較低者入賬。成本以先入先出方法計算。

外幣

外幣結算之交易初步按交易日期之當時匯率或合約訂立之結算匯率(如適用)換算。以外幣結算之貨幣資產及負債均按結算日之當時匯率重新換算。匯兌盈虧計入年內之淨溢利及虧損。

於綜合賬目時，本集團海外業務之資產及負債按結算日當時之匯率換算。收入及支出項目按期內平均匯率換算。匯兌差額(如有)，以股本分類並轉入本集團之外匯儲備。已出售業務之匯兌差額以年內收入或支出確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (Con't)

Taxation

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

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

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill (or negative goodwill) or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and interest in a jointly controlled entity, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

3. 主要會計政策(續)

稅項

所得稅支出為當期應付稅項加上遞延稅項的總和。

當期應付稅項按年度應課稅溢利計算。應課稅溢利由於不包括其他年度的應課稅收入或可扣稅支出項目，亦不計入毋須課稅或不獲扣稅的收益表項目，因而與收益表所示純利數額不同。

遞延稅項為基於資產負債在財務報表的帳面值與計算應課稅溢利的相關稅基之間的差額，而須繳付或可獲退回的數額，按資產負債表負債法入帳。如出現應課稅暫時差額，一般一律確認為遞延稅項負債，而遞延稅項資產則於有可能出現可利用暫時差額扣稅之應課稅溢利時確認。然而，若暫時差額是基於商譽(或負商譽)或因一項既不影響應課稅亦不影響會計溢利的交易(業務合併除外)而首次確認其他資產及負債所導致，則不會確認有關遞延稅務資產和負債。

遞延稅項負債乃按附屬公司之投資及共同控制實體之權益所產生之應繳稅項暫時差額而確認，除非本集團可控制暫時差額之撥回，且該等差額於可見將來可能不會撥回的情況下，則不會確認遞延稅項負債。

遞延稅務資產的帳面值定期在結算日檢討。如應課稅溢利不大可能足以恢復全部或部份資產，則會作出撇減。

遞延稅項按預期適用於清償負債或變賣資產期間之適用稅率計算。遞延稅項在收益表中入賬或扣除。然而，若遞延稅項關乎直接在資本帳中入賬或扣除的項目，則會在資本帳中處理。

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3. SIGNIFICANT ACCOUNTING POLICIES (Con't)**Operating leases**

Rental expenses under operating leases are charged to the income statement on a straight-line basis over the relevant lease term.

Retirement benefit costs

Payments to state-managed retirement benefit schemes and the Mandatory Provident Fund Scheme are charged as expenses as they fall due.

4. TURNOVER

Turnover represents the amounts received and receivable for goods sold by the Group to outside customers, less returns and allowances, for the year, and is analysed as follows:

3. 主要會計政策 (續)**經營租約**

經營租約之租金支出乃以直線法按租約年期在收益賬中扣除。

退休福利成本

國營退休福利計劃及強制性公積金計劃之支出按其到期支付日以支出入賬。

4. 營業額

營業額乃指年內本集團向外界客戶出售貨品收取及應收取之金額減退貨及津貼，其分析如下：

		2004 <i>HK\$'000</i> 千港元	2003 <i>HK\$'000</i> 千港元
Sale and distribution of liquefied petroleum gas ("LPG")	銷售及分銷液化石油氣 (「液化氣」)	949,656	428,714
Sale of electronic products	銷售電子產品	69,496	14,769
Leasing of investment properties, property, plant and equipment	租賃投資物業、物業、 機器及設備	4,630	3,319
		1,023,782	446,802

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5. BUSINESS AND GEOGRAPHICAL SEGMENTS

The Group is principally engaged in sale and distribution of LPG, sale of electronic products and leasing of property, plant and equipment. These businesses are the basis on which the Group reports its primary segment information.

Segment information about these businesses is presented below:

Business segments

Income statement

For the year ended December 31, 2004:

5. 業務及地區分類資料

本集團主要從事液化石油氣的銷售與分銷、電子產品之銷售，以及物業、機器及設備之租賃業務，本集團呈報第一分類資料時，以該等業務為呈報基礎。

該等業務之分類資料呈列如下：

業務分類

收益表

截至2004年12月31日止年度：

		Sale and distribution of LPG 銷售及 分銷液化氣 HK\$'000 千港元	Sale of electronic products 銷售電子 產品 HK\$'000 千港元	Leasing of investment properties, property, plant and equipment 投資物業、 物業、機器及 設備之租賃 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Segment revenues	分類收益	949,656	69,496	4,630	—	1,023,782
Segment results	分類業績	33,676	10,470	(1,732)	1,586	44,000
Amortisation of intangible assets	攤銷無形資產	(2,462)	—	—	—	(2,462)
Recognition of impairment loss on goodwill of a subsidiary	確認一附屬公司之 商譽之減值虧損	(6,555)	—	—	—	(6,555)
Unallocated corporate expenses	未分配企業開支	—	—	—	(5,098)	(5,098)
Profit (loss) from operations	經營溢利(虧損)	24,659	10,470	(1,732)	(3,512)	29,885
Finance costs	融資成本	—	—	—	(3,080)	(3,080)
Share of results of a jointly controlled entity	分佔一家共同控制 實體業績	(644)	—	—	—	(644)
Profit (loss) before taxation	除稅前溢利(虧損)	24,015	10,470	(1,732)	(6,592)	26,161

Notes to the Financial Statements (Con't)

財務報表附註(續)

For the year ended December 31, 2004
截至二零零四年十二月三十一日止年度

5. BUSINESS AND GEOGRAPHICAL SEGMENTS

(Con't)

Business segments (Con't)

Balance sheet

At December 31, 2004:

		Sale and distribution of LPG 銷售及分銷 液化氣 HK\$'000 千港元	Sale of electronic products 銷售 電子產品 HK\$'000 千港元	Leasing of investment properties, property, plant and equipment 投資物業、 物業、機器及 設備之租賃 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Assets	資產				
Segment assets	分類資產	378,228	71,102	49,161	498,491
Interest in a jointly controlled entity	一家共同控制實體 之權益	12,752			12,752
Unallocated corporate assets	未分配企業資產				2,870
Consolidated total assets	綜合總資產				514,113
Liabilities	負債				
Segment liabilities	分類負債	37,356	295	3,198	40,849
Unallocated corporate liabilities	未分配企業負債				113,927
Consolidated total liabilities	綜合總負債				154,776

Other information

For the year ended December 31, 2004:

其他資料

截至2004年12月31日止年度：

		Sale and distribution of LPG 銷售及分銷 液化氣 HK\$'000 千港元	Sale of electronic products 銷售 電子產品 HK\$'000 千港元	Leasing of investment properties, property, plant and equipment 投資物業、 物業、機器及 設備之租賃 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Capital and intangible assets additions	資本及無形資產增加	211,496	—	—	1,990	213,486
Depreciation and amortisation	折舊及攤銷	12,377	205	4,136	430	17,148
Allowances for bad debts	壞賬撥備	2	59	60	—	121
Allowances for obsolete inventories	陳舊存貨撥備	—	1,851	—	—	1,851

Notes to the Financial Statements (Con't)

財務報表附註(續)

For the year ended December 31, 2004
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5. BUSINESS AND GEOGRAPHICAL SEGMENTS

(Con't)

Business segments (Con't)

Income statement

For the year ended December 31, 2003:

5. 業務及地區分類資料(續)

業務分類(續)

收益表

截至2003年12月31日止年度：

		Sale and distribution of LPG 銷售及 分銷液化氣 HK\$'000 千港元	Sale of electronic products 銷售 電子產品 HK\$'000 千港元	Leasing of investment properties, property, plant and equipment 投資物業、 物業、機器及 設備之租賃 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Segment revenues	分類收益	428,714	14,769	3,319	—	446,802
Segment results	分類業績	39,255	(1,689)	(5,496)	2,692	34,762
Amortisation of goodwill	攤銷商譽	(1,406)	—	(206)	—	(1,612)
Recognition of impairment loss in property, plant and equipment	確認物業、機器及 設備之減值虧損	—	—	(1,574)	—	(1,574)
Recognition of impairment loss on goodwill of a subsidiary	確認一附屬公司之 商譽之減值虧損	(6,316)	—	—	—	(6,316)
Unallocated corporate expenses	未分配企業開支	—	—	—	(4,683)	(4,683)
Profit (loss) from operations	經營溢利(虧損)	31,533	(1,689)	(7,276)	(1,991)	20,577
Finance costs	融資成本	—	—	—	(3,430)	(3,430)
Profit (loss) before taxation	除稅前溢利(虧損)	31,533	(1,689)	(7,276)	(5,421)	17,147

Notes to the Financial Statements (Con't)

財務報表附註(續)

For the year ended December 31, 2004
截至二零零四年十二月三十一日止年度

5. BUSINESS AND GEOGRAPHICAL SEGMENTS

(Con't)

Business segments (Con't)

Balance sheet

At December 31, 2003:

5. 業務及地區分類資料(續)

業務分類(續)

資產負債表

於2003年12月31日:

		Sale and distribution of LPG 銷售及分銷 液化氣 HK\$'000 千港元	Sale of electronic products 銷售電子產品 HK\$'000 千港元	Leasing of investment properties, property, plant and equipment 投資物業、 物業、機器 及設備之租賃 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Assets	資產				
Segment assets	分類資產	158,179	455	70,351	228,985
Unallocated corporate assets	未分配企業資產				3,737
Consolidated total assets	綜合總資產				232,722
Liabilities	負債				
Segment liabilities	分類負債	3,481	1,057	5,101	9,639
Unallocated corporate liabilities	未分配企業負債				48,930
Consolidated total liabilities	綜合總負債				58,569

Notes to the Financial Statements (Con't)

財務報表附註(續)

For the year ended December 31, 2004

截至二零零四年十二月三十一日止年度

5. BUSINESS AND GEOGRAPHICAL SEGMENTS

(Con't)

Business segments (Con't)

Other information

For the year ended December 31, 2003:

5. 業務及地區分類資料(續)

業務分類(續)

其他資料

截至2003年12月31日止年度：

	Sale and distribution of LPG 銷售及分銷 液化氣	Sale of electronic products 銷售電子產品	Leasing of investment properties, property, plant and equipment 投資物業、 物業、機器及 設備之租賃	Unallocated 未分配	Consolidated 綜合	
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	
Capital and intangible assets additions	資本及無形資產					
增加	30,236	—	999	4	31,239	
Depreciation and amortisation	折舊及攤銷	4,511	—	5,834	153	10,498
Allowances for bad debts	壞賬撥備	9	647	—	—	656

Notes to the Financial Statements (Con't)

財務報表附註(續)

For the year ended December 31, 2004
截至二零零四年十二月三十一日止年度

5. BUSINESS AND GEOGRAPHICAL SEGMENTS

(Con't)

Geographical segments

The Group's operations, by the geographical location of its customers, are located in other regions in the People's Republic of China (the "PRC"), South East Asia, Europe, United States of America and Africa. The Group's sale and distribution of LPG and leasing of property, plant and equipment are carried out in the PRC. The Group's sale of electronic products was located in Hong Kong.

The following table provides an analysis of the Group's revenue by geographical market, irrespective of the origin of the goods:

		2004	2003
		HK\$'000	HK\$'000
		千港元	千港元
PRC	中國	986,404	446,121
Europe, United States of America and Africa	歐洲、美利堅合眾國及非洲	—	681
South East Asia	東南亞	37,378	—
		1,023,782	446,802

5. 業務及地區分類資料(續)

地區分類

本集團之經營業務按客戶所在地區劃分，位於中華人民共和國(「中國」)其他地區、東南亞、歐洲、美利堅合眾國及非洲。本集團銷售及分銷液化氣，以及物業、機器及設備之租賃業務均於中國進行。本集團銷售電子產品之業務則位於香港。

下表所列為本集團按市場所在地區作收益分析，不分貨物來源地：

Notes to the Financial Statements (Con't)

財務報表附註(續)

For the year ended December 31, 2004
截至二零零四年十二月三十一日止年度

5. BUSINESS AND GEOGRAPHICAL SEGMENTS

(Con't)

Geographical segments (Con't)

The following is an analysis of the carrying amount of segment assets, and additions to property, plant and equipment and intangible assets, analysed by the geographical area in which the assets are located:

		Carrying amount of segment assets 分類資產之賬面值		Additions to property, plant and equipment and intangible assets 物業、機器及設備及 無形資產添置	
		2004 HK\$'000 千港元	2003 HK\$'000 千港元	2004 HK\$'000 千港元	2003 HK\$'000 千港元
PRC	中國	431,327	220,335	211,246	31,235
Hong Kong	香港	82,786	12,387	2,240	4
		514,113	232,722	213,486	31,239

6. OTHER OPERATING INCOME

6. 其他經營收入

		2004 HK\$'000 千港元	2003 HK\$'000 千港元
Interest earned on bank deposits	銀行存款利息	131	15
Waiver of outstanding debts by vendors	賣方豁免未償還債款	1,171	635
Other	其他	284	2,042
		1,586	2,692

5. 業務及地區分類資料(續)

地區分類(續)

下表列示分類資產之賬面值及物業、機器及設備及無形資產之添置，按資產所在地作地區分類分析：

Notes to the Financial Statements (Con't)

財務報表附註(續)

For the year ended December 31, 2004
截至二零零四年十二月三十一日止年度

7. PROFIT FROM OPERATIONS

7. 經營溢利

		2004 HK\$'000 千港元	2003 HK\$'000 千港元
Profit from operations has been arrived at after charging (crediting):	經營溢利已扣除(計入)下列項目：		
Auditors' remuneration	核數師酬金	1,038	750
Allowances for bad and doubtful debts	呆壞賬撥備	121	656
Allowances for obsolete inventories	陳舊存貨撥備	1,851	—
Depreciation and amortisation	折舊及攤銷		
Property, plant and equipment	物業、機器及設備	14,363	8,886
Intangible assets included in administrative expenses	已計入行政支出之無形資產	2,462	1,612
		16,825	10,498
Loss on disposal and write-off of property, plant and equipment	出售及撇銷物業、機器及設備之虧損	198	112
Net exchange loss	外匯淨虧損	347	31
Rental payments under operating leases in respect of premises	樓宇經營租約租金	1,803	2,107
Staff costs	僱員成本		
Directors' fees (note 9)	董事袍金(附註9)	350	200
Directors' other emoluments (note 9)	董事其他酬金(附註9)	3,787	1,738
Contributions to retirement benefits schemes excluding HK\$55,000 (2003: HK\$40,000) included in directors' emoluments	除55,000港元已計入董事酬金(2003: 40,000港元)之退休福利計劃供款	315	115
Others	其他	6,655	5,614
		11,107	7,667
Gross rental income from investment properties	投資物業總租金收入	(2,662)	(2,553)
Less: outgoings	減：支出	906	800
		(1,756)	(1,753)

Notes to the Financial Statements (Con't)

財務報表附註(續)

For the year ended December 31, 2004
截至二零零四年十二月三十一日止年度

8. FINANCE COSTS

The amount represents interest on bank and other borrowings wholly repayable within five years.

8. 融資成本

融資成本指須於5年內全數償還之銀行貸款及其他借款之利息。

9. DIRECTORS' EMOLUMENTS**9. 董事酬金**

		2004 HK\$'000 千港元	2003 HK\$'000 千港元
Directors' fees:	董事袍金：		
Executive	執行董事	—	—
Independent non-executive	獨立非執行董事	350	200
		350	200
Other emoluments (executive directors):	其他酬金(執行董事)：		
Salaries and other benefits	薪金及其他福利	3,732	1,698
Contributions to retirement benefits schemes	退休福利計劃供款	55	40
		3,787	1,738
Total emoluments	酬金總額	4,137	1,938

The emoluments of the directors were within the following band:

董事酬金介乎下列金額範圍之人數如下：

		2004 Number of directors 董事人數	2003 Number of directors 董事人數
Nil to HK\$1,000,000	零至1,000,000港元	8	9
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	1	—
		9	9

No director waived any emoluments during both years.

於兩年內並無董事放棄任何酬金。

Notes to the Financial Statements (Con't)

財務報表附註(續)

For the year ended December 31, 2004
截至二零零四年十二月三十一日止年度

10. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, four (2003: four) were directors of the Company whose emoluments are included in the disclosures in note 9 above. The emoluments of the remaining individual (2003: one) were as follows:

		2004 HK\$'000 千港元	2003 HK\$'000 千港元
Salaries and other benefits	薪金及其他福利	390	470
Contributions to retirement benefits schemes	退休福利計劃供款	13	10
		403	480

For the year ended December 31, 2003, the emoluments of the remaining highest paid individual was a director who resigned during the year and remained as an employee of the Group following his resignation as a director of the Company. Details of the emoluments received by him during his directorship for the year ended December 31, 2003 are disclosed in note 9.

11. TAXATION

The amount of taxation charged to the consolidated income statement represents:

		2004 HK\$'000 千港元	2003 HK\$'000 千港元
Current tax:	即期稅項：		
Hong Kong	香港	(395)	—
Other regions in the PRC	中國其他地區	(6,643)	(685)
		(7,038)	(685)
Deferred tax (note 29)	遞延稅項(附註29)	821	471
		(6,217)	(214)

10. 僱員酬金

本集團5名最高薪人士包括4名本公司董事(2003: 4名)，有關酬金詳情已於上文附註9作出披露。其餘1名人士(2003: 1名)收取之酬金如下：

截至2003年12月31日止年度內，該名最高薪人士為本集團年內請辭之董事，彼辭任本公司董事職務後仍為本集團之僱員。有關該名董事於截至2003年12月31日止年度內擔任董事一職所得酬金詳情，已於附註9披露。

11. 稅項

於綜合損益表內扣除之稅項包括：

Notes to the Financial Statements (Con't)

財務報表附註(續)

For the year ended December 31, 2004
截至二零零四年十二月三十一日止年度

11. TAXATION (Con't)

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

The current tax for other regions in the PRC represents PRC enterprise income tax, which is calculated at the rates prevailing, in respect of the Company's subsidiaries operating in the PRC.

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

11. 稅項 (續)

香港利得稅乃按本年度估計應課稅溢利按 17.5% (2003 : 17.5%) 稅率計算。

中國其他地區的即期稅項乃指有關本公司於中國營運之附屬公司按適用稅率計算之中國企業所得稅。

年內產生可與綜合收益表之溢利對賬之稅項支出如下：

		2004 HK\$'000 千港元	2003 HK\$'000 千港元
Profit before taxation	除稅前溢利	26,161	17,147
Tax at the average income tax rate 9.24% (2003: 12.3%)	按平均所得稅率9.24% (2003 : 12.3%) 計算之稅項	2,417	2,112
Tax effect of share of results of a jointly controlled entity	分佔一共同控制實體業績之稅務影響	213	—
Tax effect of expenses not deductible for tax purpose	不可扣稅支出之稅務影響	2,303	2,922
Tax effect of income not taxable for tax purpose	毋須課稅收入之稅務影響	(1,421)	(6,887)
Tax effect of tax losses/deferred tax assets not recognised	未確認之稅項虧損／遞延稅項資產之稅務影響	4,899	2,067
Utilisation of tax losses previously not recognised	動用先前未確認之稅項虧損	(2,194)	—
Tax expense for the year	年內稅項支出	6,217	214

The average income tax rate for the year ended December 31, 2004 represents the weighted average tax rate of the operations in different jurisdictions on the basis of the relative amounts of net profit (loss) before taxation and the relevant statutory rates.

Details of the deferred tax asset not recognised are set out in note 29.

截至2004年12月31日止之年度內所採用的所得稅平均稅率是指按照在不同法律管轄權下經營的業務所產生的稅前純利(虧損)及相應的法定稅率所計算出之加權平均稅率。

未確認之遞延稅項資產詳情載於附註29。

Notes to the Financial Statements (Con't)

財務報表附註(續)

For the year ended December 31, 2004
截至二零零四年十二月三十一日止年度

12. DIVIDEND

12. 股息

		2004 HK\$'000 千港元	2003 HK\$'000 千港元
Final dividend proposed — HK1 cent per share of HK\$0.10 each (2003: HK0.08 cent per share of HK\$0.01 each)	擬派末期股息 — 每股面值0.10港元 之股份派息1港仙 (2003: 每股面值0.01港元之 股份派息0.08港仙)	4,817	3,853

Subsequent to December 31, 2004, the directors proposed a final dividend of HK1 cent per share of HK\$0.10 each (2003: HK0.08 cent per share of HK\$0.01 each, being equal to HK0.8 cent per share of HK\$0.10 each after the 10 to 1 consolidation of the Company's shares on November 9, 2004) be paid to the shareholders of the Company whose names appear on the register of members on June 13, 2005. This final dividend is subject to approval by the shareholders at the forthcoming annual general meeting. At April 22, 2005, the number of shares issued and fully paid is 481,676,687.

於2004年12月31日後，董事建議向於2005年6月13日名列本公司股東名冊之本公司股東派發末期股息，每股面值0.10港元的股份每股派息1港仙(2003：每股面值0.01港元的股份每股派息0.08港仙，相等於本公司於2004年11月9日十合一股份合併後每股面值0.10港元的股份每股派息0.80港仙)。末期股息須待股東於來屆股東週年大會上通過方會作實。於2005年4月22日，已發行及繳足股份數目為481,676,687股。

13. EARNINGS PER SHARE

13. 每股盈利

The calculation of the basic and diluted earnings per share is based on the following data:

每股基本及攤薄盈利乃按下列數據計算：

		2004 HK\$'000 千港元	2003 HK\$'000 千港元
Profit for the purposes of basic and diluted earnings per share	計算每股基本及攤薄盈利之溢利	20,178	17,051
Weighted average number of shares for the purposes of basic earnings per share	計算每股基本盈利之股份加權平均數	461,143,085	327,288,723
Effect of dilutive potential shares: Options	潛在股份攤薄影響：購股權	4,854,760	—
Weighted average number of shares for the purpose of diluted earnings per share	計算每股攤薄盈利之股份加權平均數	465,997,845	327,288,723

The weighted average number of shares for the year ended December 31, 2003 for the purpose of basic earnings per share has been adjusted for the share consolidation on November 9, 2004.

計算於截至2003年12月31日止每股基本盈利之股份加權平均數已因應2004年11月9日股份合併而作出調整。

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財務報表附註(續)

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13. EARNINGS PER SHARE (Con't)

For the year ended December 31, 2003, the computation of diluted earnings per share did not assume the exercise of the Company's outstanding share options as the exercise price of those options was higher than the average market price for the year.

13. 每股盈利(續)

於截至2003年12月31日止年度，因本公司購股權之行使價高於有關股份之平均市價，故該年度計算每股攤薄盈利時，並無假設本公司年內行使尚未行使之購股權。

14. PROPERTY, PLANT AND EQUIPMENT

14. 物業、機器及設備

		Construction in progress	Land and buildings	Leasehold improvements	Toolings	Plant and machinery	Gas plant and facilities	Gas pumps and equipment	Furniture, fixtures and equipment	Motor vehicles	Total
		在建工程	土地及樓宇	租賃物業裝修	工具	機器及設備	氣庫及設施	氣泵及設備	傢俬、 裝置及設備	汽車	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
THE GROUP	本集團										
COST OR VALUATION	成本值或估值										
At January 1, 2004	於2004年1月1日	2,060	—	6,029	13,510	13,091	27,513	12,199	5,547	1,655	81,604
Acquired on acquisition of subsidiaries	收購附屬公司	—	47,157	—	—	—	69,115	27,925	3,203	472	147,872
Additions	添置	16,599	4,210	1,898	—	—	230	2,157	244	850	26,188
Disposals and write-offs	出售及撇銷	(198)	—	—	—	(2,844)	—	—	—	—	(3,042)
At December 31, 2004	於2004年12月31日	18,461	51,367	7,927	13,510	10,247	96,858	42,281	8,994	2,977	252,622
DEPRECIATION, AMORTISATION AND IMPAIRMENT	折舊、攤銷及減值										
At January 1, 2004	於2004年1月1日	—	—	4,858	9,818	5,936	808	1,500	1,736	531	25,187
Provided for the year	年內撥備	—	1,612	571	2,089	1,447	3,354	3,237	1,384	669	14,363
Eliminated on disposals and write offs	於出售及撇銷時抵銷	—	—	—	—	(2,844)	—	—	—	—	(2,844)
At December 31, 2004	於2004年12月31日	—	1,612	5,429	11,907	4,539	4,162	4,737	3,120	1,200	36,706
NET BOOK VALUES	賬面淨值										
At December 31, 2004	於2004年12月31日	18,461	49,755	2,498	1,603	5,708	92,696	37,544	5,874	1,777	215,916
At December 31, 2003	於2003年12月31日	2,060	—	1,171	3,692	7,155	26,705	10,699	3,811	1,124	56,417

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14. PROPERTY, PLANT AND EQUIPMENT (Con't)

The land and buildings is situation in the PRC and is held under medium term leases.

The gas plant under construction are situated in the PRC and is held under medium term leases.

During the year ended December 31, 2003, the directors conducted a review of the Group's manufacturing assets and determined that a number of those assets were impaired. Accordingly, impairment losses of HK\$1,335,000 and HK\$239,000 respectively, have been recognised in respect of toolings and plant and machinery. The assets had been written down to their recoverable amounts, being the present value of the cash flows anticipated to be generated by the assets. The value in use had been calculated using a discount rate of 8.0%.

The following table discloses details of certain property, plant and equipment of the Group which were held for rental income under operating leases:

	Cost or valuation		Accumulated depreciation, amortisation and impairment		Net book values		Depreciation amortisation and impairment charged for the year	
	2004	2003	2004	2003	2004	2003	2004	2003
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Leasehold improvements 租賃物業裝修	6,029	6,029	5,161	4,858	868	1,171	303	282
Toolings 工具	13,510	13,510	11,907	9,818	1,603	3,692	2,089	4,368
Plant and machinery 機器及設備	10,247	13,091	4,539	5,936	5,708	7,155	1,447	1,762
Furniture, fixtures and equipment 傢俬、裝置及設備	1,666	1,666	878	592	788	1,074	286	206
Motor vehicles 汽車	74	74	51	40	23	34	11	13
Total 合計	31,526	34,370	22,536	21,244	8,990	13,126	4,136	6,631

The Group has pledged gas plant and facilities having an aggregate net book value of HK\$2,082,000 (2003: HK\$2,183,000) to secure general banking facilities granted to the Group.

14. 物業、機器及設備(續)

土地與樓宇乃位於中國並以中期租約持有。

在建氣庫乃位於中國並以中期租約持有。

於2003年12月31日止年度內，董事重審了本集團之製造資產，認為部份資產價值已減少，據此，已確認有關工具和機器及設備之減值虧損分別為1,335,000港元及239,000港元。該等資產已撇銷至其可回收值，即資產之預計可產生現金流量現值。使用價值以折現率8.0%計算。

下表披露本集團以經營租約持有之若干物業、機器及設備之詳情：

為取得給予本集團之一般銀行貸款，本集團已抵押賬面淨值2,082,000港元(2003：2,183,000港元)之氣庫及設施。

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15. INVESTMENT PROPERTIES

15. 投資物業

The Group
本集團
HK\$'000
千港元

At January 1, 2004 and December 31, 2004

於2004年1月1日及2004年12月31日

35,025

Investment properties were valued at their open market value at December 31, 2004 by Norton Appraisals Limited ("Norton Appraisals"), a professional valuer. Norton Appraisals is not connected with the Group. The carrying value of the investment properties at December 31, 2004 was approximately equal to the open market value.

投資物業由一專業估值師普敦國際評估有限公司(「普敦」)按公開市值基準於2004年12月31日進行估值。普敦與本集團並無關連。董事認為，該等投資物業於2004年12月31日之公平值與公開市值相若。

Most of the Group's investment properties are rented out under operating leases.

本集團大部分投資物業已根據經營租約租出。

The carrying amount of investment properties comprises land held outside Hong Kong in the PRC under medium term leases.

投資物業之賬面值包括在香港境外之中國根據中期租約持有之土地。

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財務報表附註(續)

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16. INTANGIBLE ASSETS

16. 無形資產

		The Group 本集團		
		Goodwill 商譽	Coast use rights 海岸使用權	Total 總額
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
COST		成本		
At January 1, 2004	於2004年1月1日	108,364	—	108,364
Acquisition of subsidiaries	年內收購	18,980	13,984	32,964
At December 31, 2004	於2004年12月31日	127,344	13,984	141,328
AMORTISATION AND IMPAIRMENT		攤銷及減值		
At January 1, 2004	於2004年1月1日	86,318	—	86,318
Provided for the year	年內撥備	1,923	539	2,462
Impairment loss recognised	已確認減值虧損	6,555	—	6,555
At December 31, 2004	於2004年12月31日	94,796	539	95,335
NET BOOK VALUES		賬面淨值		
At December 31, 2004	於2004年12月31日	32,548	13,445	45,993
At December 31, 2003	於2003年12月31日	22,046	—	22,046

Intangible assets are amortised on a straight-line basis over the following periods:

Goodwill	20 years
Coast use rights	Over the contractual terms of rights

無形資產按照如下年期，以直線平均基準進行攤銷：

商譽	20年
海岸使用權	按授予使用權之合約年期

The coast use rights represent the concession rights over a coast in Zhuhai ranging from 20 years to 28 years, starting from January 1, 1999. The land use rights of the coast remain the property of the PRC Government of Zhuhai City Province. The coast comprises sea terminals with berthing facilities suitable for the docking of LPG vessels up to 50,000 metrics tons laden weight.

海岸使用權是指自1999年1月1日開始計算20年至28年內特許使用珠海一段海岸之權利。海岸之土地使用權仍屬中華人民共和國珠海市政府所有。海岸包括可停靠50,000噸級液化氣船之碼頭及相關停泊設施。

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16. INTANGIBLE ASSETS (Con't)

As at December 31, 2004, the directors reassessed the recoverable amount of goodwill of Well Jade Limited ("Well Jade"). Due to continuous losses made by Well Jade, the directors considered that the remaining goodwill of HK\$6,555,000 (2003: HK\$6,316,000) was fully impaired. Accordingly, an impairment loss of approximately HK\$6,555,000 (2003: HK\$6,316,000) is recognised in the income statement in respect of the goodwill arising on the acquisition of Well Jade.

17. INVESTMENTS IN SUBSIDIARIES**16. 無形資產(續)**

於2004年12月31日，董事對好井有限公司(「好井」)的商譽之可回收價值作出價值重估。由於好井錄得持續性的虧損，董事認為好井6,555,000港元(2003年：6,316,000港元)之剩餘商譽需全數予以削減。因此，在損益表內錄得一項與收購好井所產生之商譽相關之6,555,000港元(2003年：6,316,000港元)減值虧損。

17. 於附屬公司投資

		The Company 本公司	
		2004 HK\$'000 千港元	2003 HK\$'000 千港元
Unlisted shares, at cost	非上市股份，按成本值	19,056	19,056
Less: Impairment loss recognised	減：已確認減值虧損	(19,056)	(19,056)
		—	—

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17. INVESTMENTS IN SUBSIDIARIES (Con't)

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

17. 於附屬公司投資(續)

本公司於2004年12月31日之主要附屬公司資料如下：

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration/ operation 成立／註冊／ 營業地	Class of share held 所持股份 類別	Issued and fully paid up share capital/ registered capital 已發行及繳足 股本／註冊資本	Proportion of nominal value of issued/registered capital held by the Company 本公司所持 已發行股本／ 註冊資本面值比例	Principal activities 主要業務
Claymore Developments Limited	British Virgin Islands/PRC 英屬處女島／ 中國	Ordinary 普通股	US\$1 1美元	100	Holding of property, plant and equipment 持有物業、機器及設備
Environmental Energy Investment Limited ("Environmental Energy") 環保能源投資有限公司 (「環保能源」)	British Virgin Islands 英屬處女島	Ordinary 普通股	US\$1 1美元	100	Investment holding 投資控股
NewOcean Energy (Hong Kong) Limited 新海能源(香港)有限公司	Hong Kong 香港	Ordinary 普通股	HK\$2 2港元	100	Investment holding 投資控股
Qingxin Bai Fu Yang Petrol Chemical Company Limited ("BFY") (Note b) 清新縣百富洋石油化工有限公司(「百富洋」)(註b)	PRC # 中國 #	Registered capital 註冊資本	RMB5,000,000 5,000,000人民幣	100	Sale and distribution of LPG 銷售及分銷液化石油氣
Sound Electronics (Shenzhen) Co., Ltd. 海溢電子(深圳)有限公司	PRC # 中國 #	Registered capital 註冊資本	HK\$10,000,000 10,000,000港元	100	Leasing of property, plant and equipment 物業、機器及設備之租賃
Sound Green Energy Limited 新海環保能源有限公司	British Virgin Islands/PRC 英屬處女島／ 中國	Ordinary 普通股	US\$1 1美元	100	Investment holding and sale of liquefied petroleum gas 投資控股及銷售液化氣
Sound Hong Kong Limited 新海香港有限公司	British Virgin Islands 英屬處女島	Ordinary 普通股	US\$1 1美元	100	Investment holding 投資控股

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17. INVESTMENTS IN SUBSIDIARIES (Con't)

17. 於附屬公司投資(續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration/ operation 成立/註冊/ 營業地	Class of share held 所持股份 類別	Issued and fully paid up share capital/ registered capital 已發行及繳足 股本/註冊資本	Proportion of nominal value of issued/registered capital held by the Company 本公司所持 已發行股本/ 註冊資本面值比例	Principal activities 主要業務
Sound Industrial Limited ("Sound Industrial") 新海實業有限公司(「新海實業」)	Hong Kong 香港	Ordinary 普通股	HK\$2 2港元	100	Trading of electronic products 買賣電子產品
Sound Management Services Limited ("Sound Management") 新海管理服務有限公司 (「新海管理」)	Hong Kong 香港	Ordinary 普通股	HK\$2 2港元	100	Providing management services to group companies 向集團公司提供 管理服務
Sound Technologies Limited 新海科技有限公司	Hong Kong 香港	Ordinary 普通股	HK\$2 2港元	100	Investment holding 投資控股
Shunde Sound Electronic Co., Ltd. 佛山市順德區新海電子 有限公司(前稱:順德新海 電子有限公司)(「順德新海」)	PRC # 中國 #	Registered capital 註冊資本	HK\$7,100,000 7,100,000港元	100	Leasing of property, plant and equipment 物業、機器及設備之租賃
Well Jade Limited ("Well Jade") 好井有限公司(「好井」)	British Virgin Islands 英屬處女島	Ordinary 普通股	US\$10,000 10,000美元	70	Investment holding 投資控股
桂林新海能源發展有限公司 (前稱:桂林綠環能源發展 有限公司)	PRC # 中國 #	Registered capital 註冊資本	HK\$6,000,000 6,000,000港元	100	Sale and distribution of LPG 銷售及分銷液化氣
桂林荔浦新海燃氣有限公司 (「桂林荔浦」) (Note a)(附註a)	PRC # 中國 #	Registered capital 註冊資本	HK\$1,400,000 1,400,000港元	100	Sale and distribution of LPG 銷售及分銷液化氣
梧州綠環科技有限公司	PRC # 中國 #	Registered capital 註冊資本	HK\$5,600,000 5,600,000港元	100	Sale and distribution of LPG 銷售及分銷液化氣
梧州市新海燃氣有限公司 ("Wuzhou NewOcean") (Note a) (「梧州新海」)(附註a)	PRC # 中國 #	Registered capital 註冊資本	RMB500,000 500,000人民幣	100	Sale and distribution of LPG 銷售及分銷液化氣

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17. INVESTMENTS IN SUBSIDIARIES (Con't)

17. 於附屬公司投資(續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration/ operation 成立/註冊/ 營業地	Class of share held 所持股份 類別	Issued and fully paid up share capital/ registered capital 已發行及繳足 股本/註冊資本	Proportion of nominal value of issued/registered capital held by the Company 本公司所持 已發行股本/ 註冊資本面值比例	Principal activities 主要業務
新海能源(珠海)有限公司 (formerly known as Zhuhai Iwatani LPG Co. Ltd.) (「新海(珠海)」) (前稱珠海岩谷液化石油氣 有限公司)(「新海(珠海)」)	PRC # 中國 #	Registered capital 註冊資本	USD21,690,000 21,690,000美元	100	Sale and distribution of LPG 銷售及分銷液化氣
桂林新海燃氣有限公司	PRC * 中國 *	Registered capital 註冊資本	RMB600,000 600,000人民幣	70	Sale and distribution of LPG 銷售及分銷液化氣

* Sino-foreign equity joint ventures

* 中外合資企業

Wholly-owned foreign enterprises

全資外資企業

Notes:

註:

(a) During the year ended December 31, 2004, the Group acquired additional registered capital of 5% and 40% from the minority shareholders of 桂林荔浦 and Wuzhou NewOcean respectively for a total consideration of HK\$440,000.

(a) 於2004年12月31日止年度內，本集團以總作價440,000港元收購了桂林荔浦及梧州新海少數股東分別5%及40%的額外註冊資本。

(b) BFY is indirectly held by the Company through the declarations of trust executed by Cen Ziniu and Li Canyuan who held the interest of 90% and 10% respectively.

(b) 百富洋透過由岑子牛及李燦元訂立的信託聲明書由本公司間接持有。岑子牛及李燦元分別持有百富洋90%及10%權益。

The above principal subsidiaries are owned indirectly by the Company with the exception of Sound Hong Kong Limited which is owned directly by the Company.

除本公司直接擁有之新海香港有限公司外，上述各主要附屬公司均由本公司間接擁有。

None of the subsidiaries had any debt securities outstanding at the end of the year or at any time during the year.

各附屬公司於年終或年內任何時間概無任何未償還債務證券。

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

上表載列董事會認為主要影響本集團業績或資產之本公司附屬公司。董事會認為列出其他附屬公司之資料會過於冗長。

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18. INTEREST IN A JOINT CONTROLLED ENTITY

18. 所佔一共同控制實體之權益

		The Group 本集團	
		2004	2003
		HK\$'000	HK\$'000
		千港元	千港元
Share of net assets of a jointly controlled entity	應佔一共同控制實體資產淨額	6,613	—
Goodwill	商譽	6,139	—
		12,752	—

As at December 31, 2004, the Group had interest in the following jointly controlled entity:

於2004年12月31日，本集團擁有下列共同控制實體之權益：

Name of entity 公司名稱	Form of business structure 業務架構類別	Country of incorporation 註冊地	Principal place of operation 主要營業地	Fully paid up registered capital 已繳足註冊資本	Proportion of nominal value of registered capital held by the Group 本集團所持註冊資本面值比例	Nature of business 業務性質
廣州市橋新燃氣有限公司	Incorporated 註冊公司	PRC 中國	PRC 中國	RMB2,250,000 2,250,000人民幣	49%	Sale and distribution of LPG 銷售及分銷液化氣

The Group's entitlement to share in the profits of its jointly controlled entity is in proportion to its ownership interest.

本集團在其共同控制實體上所得之利潤分配權乃按其所佔該企業之股權比例計算。

The amortisation period adopted for the goodwill is 20 years and amortisation charged for the period amounting to approximately HK\$323,000 has been included in the amount reported as share of results of a jointly controlled entity in the consolidated income statement.

應用於商譽之攤銷年期為20年。期內所錄得之攤銷數值約為323,000港元，已包含予綜合損益表中分佔一共同控制實體業績之份額內。

In the opinion of the directors, the carrying value of the goodwill arising on acquisition of the jointly controlled entity does not differ significantly from its recoverable amount.

董事認為，由收購共同控制實體所產生並延續的商譽數值與其可回收價值沒有實質性的差距。

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19. OTHER ASSET

At December 31, 2004, the balance represents the deposit paid for the acquisition of the 80% equity interest in Qingxin Yong Long Gas and Chemical Company Limited ("Yong Long"), a company established with limited liability under the laws of PRC. On January 7, 2005, the Company through one of its wholly-owned subsidiaries BFY entered into a sale and purchase agreement ("Purchase Agreement") with Madam Xie Lijun, who is a third party independent of the Group, for the acquisition of 80% equity interest in Yong Long at a cash consideration of RMB33,600,000 (approximately HK\$31,700,000). This proposed acquisition as contemplated under the Purchase Agreement constituted a disclosable transaction for the Company under Chapter 14 of the Listing Rules. The acquisition was completed on January 10, 2005, thus the financial statements of Yong Long were not consolidated into the Group's financial statements for the year ended December 31, 2004.

At December 31, 2003, the balance represented the partial consideration and related costs paid for the acquisition of the entire equity interest in 新海(珠海), a wholly-owned foreign enterprise registered in Zhuhai, the PRC. On December 15, 2003, the Company and a wholly owned subsidiary entered into a sale and purchase agreement with Iwatani International Corporation and Iwatani (China) Limited for the acquisition of the entire equity interest of 新海(珠海) ("Agreement"). This proposed acquisition as contemplated under the Agreement constituted a very substantial acquisition for the Company under Chapter 14 of the Listing Rules. Accordingly, completion of the Agreement is conditional upon, amongst other things, the approval by the shareholders at the Special General Meeting, thus the financial statements of Zhuhai Iwatani were not consolidated into the Group's financial statements for the year ended December 31, 2003 and the cash consideration and related costs paid were recorded as a non-current asset. Details of the acquisition were set out in the Company's circular dated February 13, 2004.

19. 其他資產

於2004年12月31日，有關結餘乃指本公司就收購一間根據中國法例註冊成立為有限責任之公司，清新縣永龍燃化有限公司(「永龍」)之80%股權已付之訂金。2005年1月7日，本公司透過其全資附屬公司百富洋與本集團以外的一獨立第三者謝麗君小姐訂立一份買賣協議(「買賣協議」)，以現金代價33,600,000人民幣(約31,700,000港元)收購永龍之80%權益。根據上市規則第14章規定，收購協議下擬進行此項收購建議，構成本公司一項須予披露交易。該項收購於2005年1月10日完成，故永龍之財務報表並未納入本集團截至2004年12月31日止年度之財務報表內。

於2003年12月31日，有關結餘乃指本公司就收購中國珠海市內一家註冊外商獨資企業新海(珠海)之全部股權之部份代價及相關費用。2003年12月15日，本公司及一家全資附屬公司與岩谷產業株式會社及岩谷(中國)有限公司訂立一份買賣協議(「協議」)，以收購新海(珠海)之全部股權。根據上市規則第14章規定，收購協議下擬進行此項收購建議，構成本公司一項非常重大收購事項。因此，收購協議須(其中包括)股東在股東特別大會上批准後，方為完成，故珠海岩谷之財務報表並未納入本集團截至2004年12月31日止年度之財務報表內，而支付之有關現金代價及相關費用則以非流動資產入賬。有關收購詳情，載於本公司2004年2月13日刊發之通函內。

Notes to the Financial Statements (Con't)

財務報表附註(續)

For the year ended December 31, 2004
截至二零零四年十二月三十一日止年度

20. INVENTORIES

20. 存貨

		The Group 本集團	
		2004 HK\$'000 千港元	2003 HK\$'000 千港元
LPG	液化氣	2,299	1,234
Electronic products:	電子產品：		
Raw materials	原材料	283	1,679
Work in progress	在製品	—	88
Finished goods	成品	—	420
		283	2,187
		2,582	3,421

At December 31, 2004, LPG is stated at costs and raw materials of HK\$283,000 is carried at net realisable value. At December 31, 2003, finished goods of HK\$248,000 were carried at net realisable value.

The cost of inventories charged to the income statement for the year amounted to HK\$936,329,000 (2003: HK\$384,578,000).

21. TRADE DEBTORS

The credit terms of the Group range from 0 to 90 days. The aging analysis of trade debtors is as follows:

於2004年12月31日，液化氣以成本價入賬，283,000港元之原材料以可變現淨值入賬。於2003年12月31日，248,000港元之成品以可變現淨值入賬。

年內計入收益表之存貨成本為936,329,000港元(2003：384,578,000港元)。

21. 應收貿易賬款

本集團之信貸期介乎0至90天。應收貿易賬款按賬齡分析如下：

		The Group 本集團	
		2004 HK\$'000 千港元	2003 HK\$'000 千港元
0 to 30 days	0至30天	65,385	18,588
31 to 60 days	31至60天	9,977	1,420
61 to 90 days	61至90天	321	102
91 to 120 days	91至120天	—	68
More than 120 days	超過120天	1,907	1,545
		77,590	21,723

Notes to the Financial Statements (Con't)

財務報表附註(續)

For the year ended December 31, 2004
截至二零零四年十二月三十一日止年度

22. AMOUNTS DUE FROM MINORITY SHAREHOLDERS OF SUBSIDIARIES/A FORMER SHAREHOLDER OF A SUBSIDIARY

The amounts are unsecured, interest free and have no fixed repayment terms.

22. 應收附屬公司少數股東／一附屬公司前股東之款項

有關款項並無抵押、免息及無特定還款期。

23. PLEDGED BANK DEPOSITS

The amounts represent deposits pledged to banks to secure banking facilities granted to the Group. The deposits have been pledged to secure short-term bank loans, and are therefore classified as current assets.

23. 已抵押銀行存款

有關款項乃指本集團為取得銀行貸款而抵押予銀行之銀行存款。因已抵押之銀行存款乃為取得短期銀行貸款，故以流動資產入賬。

24. TRADE CREDITORS AND BILLS PAYABLE

The aging analysis of trade creditors is as follows:

24. 應付貿易賬款及應付票據

應付貿易賬款按賬齡分析如下：

		2004 HK\$'000 千港元	2003 HK\$'000 千港元
0 to 30 days	0至30天	7,331	1,524
31 to 60 days	31至60天	42	439
61 to 90 days	61至90天	—	541
91 to 120 days	91至120天	14	249
More than 120 days	超過120天	1,756	965
		9,143	3,718
Bills payable	應付票據	14,826	170
		23,969	3,888

Notes to the Financial Statements (Con't)

財務報表附註(續)

For the year ended December 31, 2004
截至二零零四年十二月三十一日止年度

25. BORROWINGS, PARTLY SECURED

25. 借款 — 部份有抵押

		The Group 本集團		The Company 本公司	
		2004	2003	2004	2003
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Bank overdrafts	銀行透支	—	396	—	—
Bank trust receipt loans	銀行信託收據借款	89,810	1,610	—	—
Other bank loans	其他銀行借款	1,443	1,604	—	—
Other short-term loan	其他短期借款	—	37,500	—	37,500
		91,253	41,110	—	37,500
Less: Amount due within one year shown under current liabilities	減：流動負債下 所示須於 一年內償還 之款項	(91,253)	(39,506)	—	(37,500)
Amount due after one year	於一年後償還 之款項	—	1,604	—	—
Analysed as:	分析為：				
Secured	有抵押	65,714	41,110	—	37,500
Unsecured	無抵押	25,539	—	—	—
		91,253	41,110	—	37,500

On July 4, 2002, the Company entered into a loan agreement with an independent financial institution (the "Lender") under which a loan with principal sum of HK\$37,500,000 ("other short-term loan") was granted to the Company at a pre-agreed interest rate. In connection with the loan agreement, the Company granted options to the Lender enabling it to subscribe for 150,000,000 shares of the Company at an exercise price of HK\$0.25 per share ("Option Arrangement"). The other short-term loan was also secured by way of first floating charge over the assets of the Group with negative pledge given to the Lender, and the proceeds from the Option Arrangement. Details of the share options are set out in note 27. On April 1, 2004, the other short-term loan was fully settled by cash and the options were lapsed on the same date.

於2002年7月4日，本公司與一獨立財務機構（「貸款人」）訂立借款協議，據此，本公司取得本金為37,500,000港元之貸款（「其他短期借款」）。貸款利息率按先前協定之息率計算。與貸款協議相關，本公司向貸款人發授購股權，使其可以每股0.25港元行使價認購本公司150,000,000股股份（「購股權安排」）。另外，其他短期借款是以本公司資產作第一手浮動按揭形式，向貸款人發出不抵押保證以及購股權安排所得款項而抵押。有關購股權詳情載於附註27。2004年4月1日，本公司以現金全數清還其他短期借款，有關購股權於同日宣告失效。

Notes to the Financial Statements (Con't)

財務報表附註(續)

For the year ended December 31, 2004
截至二零零四年十二月三十一日止年度

26. SHARE CAPITAL

26. 股本

		Number of shares		Amount	
		股份數目		總值	
		2004	2003	2004	2003
				HK\$'000	HK\$'000
				千港元	千港元
Ordinary shares of HK\$0.10 each (2003: HK\$0.01 each) (note d)	每股面值為0.10港元 之普通股(2003: 每股0.01港元)(註d)				
Authorised share capital:	法定股本				
At the beginning of the year	年初	200,000,000,000	200,000,000,000	2,000,000	2,000,000
Share consolidation (note d)	股份合併(註d)	(180,000,000,000)	—	—	—
At the end of the year	年終	20,000,000,000	200,000,000,000	2,000,000	2,000,000
Issued and fully paid share capital:	已發行及繳足股本:				
At the beginning of the year	年初	3,665,216,873	3,248,936,873	36,652	324,894
Capital reduction	削減股本	—	—	—	(292,405)
Issue of subscription shares (note a)	發行認購股份(註a)	82,800,000	—	828	—
Issue of shares as consideration for acquisition of a subsidiary (note b)	發行股份以作收購一 附屬公司之代價(註b)	468,750,000	—	4,688	—
Placing of new shares (note c)	配售新股(註c)	600,000,000	416,280,000	6,000	4,163
Share consolidation (note d)	股份合併(註d)	(4,335,090,186)	—	—	—
At the end of the year	年終	481,676,687	3,665,216,873	48,168	36,652

Notes:

- (a) On December 15, 2003, the Company has entered into a subscription agreement with Uniocean Investments Limited ("Uniocean"), the substantial shareholder of the Company, pursuant to which Uniocean has conditionally agreed to subscribe and the Company has conditionally agreed to issue and allot of 82,800,000 new shares of the Company at a subscription price of HK\$0.128 per share ("Subscription Agreement"). The subscription Agreement was completed on March 5, 2004.
- (b) On March 5, 2004, the Company issued 468,750,000 new ordinary shares of HK\$0.01 each as part of the consideration for acquisition of the entire registered capital of 新海(珠海). The total market value of the shares issued by the Company on the date of acquisition was HK\$71,720,000. Details of this transaction were set out in the Company's circular dated February 13, 2004.

附註:

- (a) 2003年12月15日,本公司與控股股東海聯控股有限公司(「海聯」)訂立一份認購協議,據此,海聯有條件同意認購而本公司則有條件同意發行及配發82,800,000股本公司新股,認購價為每股0.128港元(「認購協議」)。該認購協議已於2004年3月5日完成。
- (b) 2004年3月5日,本公司以每股面值0.01港元發行468,750,000新普通股以作收購新海(珠海)全部註冊資本部份代價。本公司於收購當日所發行股份之總市值為71,720,000港元。有關此項交易詳情已刊載於2004年2月13日的通函中。

Notes to the Financial Statements (Con't)

財務報表附註(續)

For the year ended December 31, 2004
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26. SHARE CAPITAL (Con't)

Notes: (Con't)

- (c) On March 9, 2004, Uniocean and the Company entered into a placing agreement with a placing agent, pursuant to which the placing agent would on a best effort basis procure purchasers to acquire, and Uniocean would sell 600,000,000 existing shares at a price of HK\$0.145 per share. Pursuant to a subscription agreement entered into by Uniocean and the Company on March 9, 2004, Uniocean has conditionally agreed to subscribe and the Company has conditionally agreed to issue and allot of 600,000,000 new shares of the Company at a subscription price of HK\$0.145 per share. The placement and subscription were completed on March 23, 2004.
- (d) Pursuant to the special resolution passed on November 8, 2004, the Company consolidated every 10 issued and unissued shares of HK\$0.01 each into one share of HK\$0.10 each. The share consolidation took effect on November 9, 2004.

All shares issued by the Company during the year rank pari passu with the existing shares in all respects.

26. 股本(續)

附註：(續)

- (c) 2004年3月9日，海聯及本公司與一配售代理訂立一份配售協議，據此，該配售代理將會盡最大努力促使海聯出售600,000,000股每股面值0.145港元之現有股份。根據海聯與本公司於2004年3月9日訂立一份認購協議，海聯有條件同意認購而本公司則有條件同意發行及配售600,000,000股本公司新股，每股認購價為0.145港元。該配售及認購協議已於2004年3月23日完成。
- (d) 根據2004年11月8日通過之特別決議案，本公司將已發行及未發行之每十股面值0.01港元股份合併為每一股面值0.10港元之股份。股份合併已於2004年11月9日開始生效。

本公司年內發行之股份在各方面均與現在股份享有同等權益。

Notes to the Financial Statements (Con't)

財務報表附註(續)

For the year ended December 31, 2004
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27. SHARE OPTION SCHEMES

(i) Old Share Option Scheme

(a) Old Employee Share Option Scheme

The old employee share option scheme (the "Old Option Scheme"), was adopted by the Company on April 9, 1999 for the primary purpose of providing incentives to directors and eligible employees, and will expire on April 8, 2009. Under the Old Option Scheme, the Board of Directors of the Company may at their discretion grant options to directors or employees of the Company and its subsidiaries to subscribe for shares in the Company in accordance with the terms of the Old Option Scheme. The subscription price (subject to adjustments as provided therein) is the higher of the nominal value of the shares and an amount which is not less than 80 percent of the average of the closing price per share on the Stock Exchange for the five trading days immediately preceding the date the option is granted. The maximum number of option shares in respect of which options may be granted under the Old Option Scheme shall not exceed 10 percent of the share capital of the Company in issue from time to time. At December 31, 2004, the numbers of shares in respect of which options had been granted and remained outstanding under the Old Option Scheme was 26,155,000 (2003: 262,050,000), representing 5.4% (2003: 7.1%) of the shares of the Company in issue at that date.

27. 購股權計劃

(i) 原有購股權計劃

(a) 原有僱員購股權計劃

本公司原有僱員購股權計劃(「原有計劃」)於1999年4月9日採納，主要目的為向董事及合資格員工提供激勵。該計劃將於2009年4月8日期滿，根據原有計劃，本公司董事會可酌情決定向本公司及各附屬公司之董事或僱員授出可根據原有計劃條款認購本公司股份之購股權。認購價(或會作出按原有計劃規定之調整)為股份面值或不低於授出該購股權當日前5個交易日股份在聯交所之每股平均收市價80%(以較高者為準)。根據原有計劃所授出購股權可認購之股份總數不得超過本公司不時已發行股本10%。於2004年12月31日，根據原有計劃，有關已發授但仍未行使之購股權之股份數目為26,155,000(2003: 262,050,000)，為本公司於該日期已發行股份之5.4%(2003: 7.1%)。

Notes to the Financial Statements (Con't)

財務報表附註(續)

For the year ended December 31, 2004
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27. SHARE OPTION SCHEMES (Con't)

(i) Old Share Option Scheme (Con't)

(a) Old Employee Share Option Scheme (Con't)

The following tables disclose details of the Company's share options held by employees (including directors) and movements in such holdings during the year:

Option type	Date of grant	Vesting period	Exercisable period	Exercise price	Number of share options			Outstanding at 12.31.2004
					Outstanding at 1.1.2004	Adjusted on 11.9.2004	Lapsed upon resignation	
購股權類別	發授日期	歸屬期	行使期	行使價 HK\$ 港元	於1.1.2004尚未行使之數目	於11.9.2004調整	離職時失效	於12.31.2004尚未行使之數目
2000A	3.3.2000	3.4.2000 to 9.3.2000	9.4.2000 to 9.2.2005	1.80	80,550,000	(72,495,000)	—	8,055,000
2001	6.20.2001	6.21.2001 to 12.20.2001	12.21.2001 to 12.20.2006	1.00	85,000,000	(76,500,000)	—	8,500,000
2002A	3.14.2002	3.15.2002 to 9.14.2002	9.15.2002 to 9.14.2007	1.30	65,500,000	(58,500,000)	(500,000)	6,500,000
2002B	6.26.2002	6.27.2002 to 11.25.2002	12.26.2002 to 12.25.2007	1.12	31,000,000	(27,900,000)	—	3,100,000
					262,050,000	(235,395,000)	(500,000)	26,155,000

27. 購股權計劃(續)

(i) 原有購股權計劃(續)

(a) 原有僱員購股權計劃(續)

下表披露由僱員(包括董事)持有本公司購股權之詳情及年內該等持有情況之變動:

Notes to the Financial Statements (Con't)

財務報表附註(續)

For the year ended December 31, 2004
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27. SHARE OPTION SCHEMES (Con't)

(i) Old Share Option Scheme (Con't)

(a) Old Employee Share Option Scheme (Con't)

Option type 購股權類別	Date of grant 發授日期	Vesting period 歸屬期	Exercisable period 行使期	Exercise price 行使價 HK\$ 港元	Number of share options 購股權數目		
					Outstanding at 1.1.2003 於1.1.2003尚未行使之數目	Lapsed upon resignation 離職時失效	Outstanding at 12.31.2003 於12.31.2003尚未行使之數目
2000A	3.3.2000	3.4.2000 to 9.3.2000	9.4.2000 to 9.2.2005	0.180	80,550,000	—	80,550,000
2000B	6.20.2000	6.21.2000 to 12.20.2000	12.21.2000 to 12.20.2005	0.112	20,000,000	(20,000,000)	—
2001	6.20.2001	6.21.2001 to 12.20.2001	12.21.2001 to 12.20.2006	0.100	85,000,000	—	85,000,000
2002A	3.14.2002	3.15.2002 to 9.14.2002	9.15.2002 to 9.14.2007	0.130	92,000,000	(26,500,000)	65,500,000
2002B	6.26.2002	6.27.2002 to 12.25.2002	12.26.2002 to 12.25.2007	0.112	31,000,000	—	31,000,000
					308,550,000	(46,500,000)	262,050,000

27. 購股權計劃(續)

(i) 原有購股權計劃(續)

(a) 原有僱員購股權計劃(續)

Number of share options

購股權數目

Outstanding at

Lapsed upon

Outstanding at

1.1.2003

resignation

於12.31.2003

於1.1.2003

離職時

於12.31.2003

尚未行使

失效

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財務報表附註(續)

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27. SHARE OPTION SCHEMES (Con't)**(i) Old Share Option Scheme (Con't)****(a) Old Employee Share Option Scheme (Con't)**

Details of the share options held by the directors and other key management included in the above table are as follows:

		Outstanding at beginning of the year 於年初尚未 行使之數目	Adjusted on 11.9.2004 於11.9.2004 調整	Lapsed during the year 於年內失效	Outstanding at ending of the year 於年終尚未 行使之數目
1.1.2004 to 12.31.2004	1.1.2004至12.31.2004	225,000,000	(202,500,000)	—	22,500,000
1.1.2003 to 12.31.2003	1.1.2003至12.31.2003	225,000,000	—	—	225,000,000

(b) Other Share Options

As detailed in note 25, the Company granted option (2002C options) to the Lender to subscribe for 150,000,000 share of the Company at an exercise price of HK\$0.25 per share exercisable from July 4, 2002 to July 4, 2003. On July 10, 2003, the Company and the Lender executed a supplemental agreement whereby both parties agreed to extend the option exercise period to January 5, 2004. On January 15, 2004, the Company and the Lender executed a further supplemental agreement whereby both parties agreed to extend the option exercise period to July 5, 2004. The option was not exercised during the year ended December 31, 2003. On April 1, 2004, the loan was fully repaid to the lender and the option was lapsed on the same date.

The exercise price and number of options which remained outstanding on November 9, 2004 have been adjusted due to share consolidation for 10 shares into 1 share with effect from the close of business on November 9, 2004.

27. 購股權計劃(續)**(i) 原有購股權計劃(續)****(a) 原有僱員購股權計劃(續)**

上表已包括下列由董事及其他主要管理層持有購股權之詳情：

(b) 其他購股權

如附註25所述，本公司向貸款人發授購股權(2002C項購股權)，使其可由2002年7月4日至2003年7月4日期間以每股0.25港元作價認購本公司150,000,000股股份。2003年7月10日，本公司與貸款人訂立一份補充協議，據此，訂約雙方均已同意將購股權行使期押後至2004年1月5日。2004年1月15日，本公司與貸款人再訂立另一份補充協議，據此，訂約雙方均已同意將購股權行使期押後至2004年7月5日。有關購股權於截至2003年12月31日止年度未獲行使。於2004年4月1日，本公司已向貸款人全數清償該筆借款，有關購股權亦已告失效。

行使價及於2004年11月9日尚未行使購股權數目已因應於2004年11月9日收市後生效之股份十合一合併而作出調整。

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27. SHARE OPTION SCHEMES (Con't)

(ii) New Share Option Scheme

Pursuant to an ordinary resolution passed at the Special General Meeting of the Company held on June 18, 2003, the Company adopted a new option scheme ("New Option Scheme") to replace the Old Option Scheme. All the options granted under the Old Option Scheme shall remain valid and unchanged and shall be treated in accordance with the terms under the Old Option Scheme.

The purpose of the New Option Scheme is to provide incentives or rewards to participants including directors, employees, suppliers and customers etc. Under the New Option Scheme, the Board of Directors of the Company, may at their discretion grant options to participants to subscribe for shares in the Company in accordance with the terms of the New Option Scheme. The subscription price shall be a price determined by the directors, but shall not be less than the highest of (i) the closing price of shares as stated in the Stock Exchange's daily quotation sheet on the date of offer for grant of options, which must be a trading day; (ii) the average closing price of shares as stated in the Stock Exchange's daily quotation sheet for the five trading days immediately preceding the date of the offer for grant of options; and (iii) the nominal value of a share. The total number of shares which may be issued upon exercise of all options to be granted under the New Option Scheme and any other share option scheme of the Group must not in aggregate exceed 10% of the shares in issue. Based on the 481,676,687 shares (2003: 3,665,216,873 shares) in issue as at December 31, 2004 and taking into account 26,155,000 options (2003: 262,050,000 options) outstanding under the Old Option Scheme, the total number of shares which may be issued upon exercise of all options to be granted under the New Option Scheme and any other schemes must not in aggregate exceed 22,012,669 shares (2003: 104,471,687 shares). There were no options granted under the New Option Scheme for both years.

27. 購股權計劃(續)

(ii) 新購股權計劃

根據本公司於2003年6月18日舉行股東特別大會通過之普通決議案，本公司採納新購股權計劃（「新購股權計劃」），以取代原有購股權計劃。根據原有購股權計劃授出之所有購股權仍屬有效及保持不變，且須根據原有購股權計劃條款處置。

新購股權計劃主要目的為向董事、僱員、供應商及客戶等參與者提供激勵或回報。根據新購股權計劃，本公司董事會可酌情決定向參與者授出可根據新購股權計劃條款認購本公司股份之購股權。認購價須由董事釐定，惟不得低於(i)提出授予購股權之日(必須為交易日)，股份在聯交所每日報價表所報之每股收市價(ii)緊接提出授予購股權之日前5個交易日，股份在聯交所每日報價表所報之平均收市價及(iii)股份面值。全數行使新購股權計劃或本集團任何其他購股權計劃所授出購股權而將予發行之股份總數，不得超過本公司已發行股份之10%。按2004年12月31日之已發行股份為481,676,687股(2003: 3,665,216,873股)計算，並計入根據原有購股權計劃下尚未行使之26,155,000(2003: 262,050,000)份購股權，本公司新購股權計劃及任何其他購股權計劃授出之全部購股權獲行使時，本公司可予發行之股份總數合共不得超過22,012,669(2003: 104,471,687)股。這兩年內並沒有發授任何新購股權計劃。

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28. SHARE PREMIUM AND RESERVES

28. 股份溢價及儲備

		Share premium	Special reserve	Asset revaluation reserve	Exchange reserve	Contributed surplus accounts	Deficit	Total
		股份溢價	特別儲備	資產 重估儲備	匯兌儲備	繳入盈餘賬	虧絀	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
THE GROUP	本集團							
At December 31, 2002	於2002年12月31日	459,593	122,085	612	1,225	—	(802,439)	(218,924)
Capital reduction	削減股本	(459,593)	—	—	—	751,998	—	292,405
Elimination of deficit	抵銷虧絀	—	—	—	—	(750,331)	750,331	—
Released upon disposal of property, plant and equipment	出售物業、機器及 設備時解除	—	—	(74)	—	—	74	—
Premium arising from placing of new shares	配售新股之股份 溢價	45,791	—	—	—	—	—	45,791
Share issue expenses	發行股份費用	(1,292)	—	—	—	—	—	(1,292)
Profit for the year	年內溢利	—	—	—	—	—	17,051	17,051
At December 31, 2003	於2003年12月31日	44,499	122,085	538	1,225	1,667	(34,983)	135,031
Dividend paid	已付股息	—	—	—	—	—	(3,853)	(3,853)
Exchange differences arising from translation of financial statements of overseas subsidiaries	換算海外附屬公司 財務報表時產生 之匯兌差額	—	—	—	304	—	—	304
Released upon write-offs of property, plant and equipment	撤銷物業、機器及 設備時解除	—	—	(538)	—	—	538	—
Premium arising from issuing subscriptions shares	發行認購股份產生 之溢價	9,770	—	—	—	—	—	9,770
Premium arising from placing of new shares	配售新股份產生 之溢價	81,000	—	—	—	—	—	81,000
Premium arising from issuing shares as consideration for acquisition of a subsidiary	發行股份作收購 一附屬公司之代價 時產生之溢價	67,032	—	—	—	—	—	67,032
Share issue expenses	發行股份費用	(3,002)	—	—	—	—	—	(3,002)
Profit for the year	年內溢利	—	—	—	—	—	20,178	20,178
At December 31, 2004	於2004年12月31日	199,299	122,085	—	1,529	1,667	(18,120)	306,460

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28. SHARE PREMIUM AND RESERVES (Con't)

28. 股份溢價及儲備(續)

		Share premium 股份溢價 HK\$'000 千港元	Contributed surplus 繳入盈餘 HK\$'000 千港元	Retained profits (deficit) 保留溢利/ (虧絀) HK\$'000 千港元	Total 總額 HK\$'000 千港元
THE COMPANY	本公司				
At December 31, 2002	於2002年12月31日	459,593	—	(750,331)	(290,738)
Capital reduction	削減股本	(459,593)	751,998	—	292,405
Elimination of deficit	抵銷虧絀	—	(750,331)	750,331	—
Premium arising from placing of shares	配售股份產生 之溢價	45,791	—	—	45,791
Share issue expenses	發行股份費用	(1,292)	—	—	(1,292)
Profit for the year	年內溢利	—	—	4,351	4,351
At December 31, 2003	於2003年12月31日	44,499	1,667	4,351	50,517
Dividend paid	已付股息	—	—	(3,853)	(3,853)
Premium arising from issuing subscription shares	發行認購股份產生 之溢價	9,770	—	—	9,770
Premium arising from placing of shares	配售股份產生 之溢價	81,000	—	—	81,000
Premium arising from issuing shares as consideration for acquisition of a subsidiary	發行股份收購一 附屬公司之代價時 產生之溢價	67,032	—	—	67,032
Share issue expenses	發行股份費用	(3,002)	—	—	(3,002)
Profit for the year	年內溢利	—	—	4,346	4,346
At December 31, 2004	於2004年12月31日	199,299	1,667	4,844	205,810

As at December 2004, the reserves of the Company available for distribution to its shareholders are HK\$6,511,000 (2003: HK\$6,018,000) being the contributed surplus of HK\$1,667,000 (2003: HK\$1,667,000) and the retained profits of HK\$4,844,000 (2003: HK\$4,351,000).

於2004年12月31日，本公司可供分派予股東之儲備為6,511,000港元(2003: 6,018,000港元)，即繳入盈餘1,667,000港元(2003: 1,667,000港元)及保留溢利4,844,000港元(2003: 4,351,000港元)。

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28. SHARE PREMIUM AND RESERVES (Con't)

The special reserve of the Group represents the difference between the share capital, share premium and capital redemption reserve of the Group's former ultimate holding company whose shares were exchanged for the Company's shares and the nominal amount of the share capital issued by the Company pursuant to a scheme of arrangement dated April 14, 1999.

29. DEFERRED TAXATION

The following is the major deferred liability recognised by the Group and movements thereon during the year.

THE GROUP

		Accelerated tax depreciation 加速稅項折舊
		<i>HK\$'000</i> 千港元
At January 1, 2003	於2003年1月1日	—
Acquired on acquisition of a subsidiary	收購一附屬公司時所得	4,509
Credit to the income statement of the year	於本年度收益表入賬	(471)
At January 1, 2004	於2004年1月1日	4,038
Acquired on acquisition of subsidiaries	收購一附屬公司時所得	6,641
Credit to the income statement for the year	於本年度收益表入賬	(821)
At December 31, 2004	於2004年12月31日	9,858

At the balance sheet date, the Group has estimated unused tax losses of approximately HK\$87,881,000 (2003: HK\$50,349,000) available for offset against future profits. No deferred tax asset has been recognised of the losses due to the unpredictability of future profit streams. The unrecognised tax losses of approximately HK\$42,064,000 will expire before 2007. Other losses may be carried forward indefinitely.

At the balance sheet date, the Group has deductible temporary differences of approximately HK\$26,069,000 (2003: HK\$25,040,000). No deferred tax asset has been recognised in relation to such deductible temporary differences as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

28. 股份溢價及儲備 (續)

本集團之特別儲備指本集團前任最終控股公司之股本、股本溢價及資本贖回儲備，與本公司根據1999年4月14日訂立之債務償還安排計劃而向該公司發行本公司股份之面值之差額。

29. 遞延稅項

年內，本集團已確認之主要遞延負債及相關變動如下：

本集團

於結算日，本集團估計可供抵銷未來溢利之未動用稅項虧損約為87,881,000港元(2003: 50,349,000港元)。由於未能預測日後之溢利來源，故並無確認遞延稅項資產。該筆未動用稅項虧損約42,064,000港元將於2007年期滿，其他虧損可無限期予以結轉。

於結算日，本集團有可扣稅暫時差額約26,069,000港元(2003: 25,040,000港元)。由於本公司可利用可扣稅暫時差額以抵銷日後出現的應課稅溢利之可能性不大，故並無就該等可扣稅暫時差額確認遞延稅項資產。

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29. DEFERRED TAXATION

No provision for deferred taxation has been recognised in the financial statements of the Company as the amount involved is insignificant.

29. 遞延稅項

由於本公司遞延稅項撥備之金額不多，故並無在財務報表予以確認。

30. ACQUISITION OF SUBSIDIARIES

On March 1, 2004 and July 12, 2004, the Group acquired 100% of the registered capital of 新海(珠海) and 70% of the registered capital of 桂林新海燃氣有限公司 respectively. The acquisitions have been accounted for by the acquisition method of accounting.

30. 收購附屬公司

於2004年3月1日及2004年7月12日，本集團分別收購了新海(珠海)及桂林新海燃氣有限公司100%及70%之註冊資本。有關收購已按會計收購法入賬。

		2004	2003
		HK\$'000	HK\$'000
		千港元	千港元
Net assets acquired:	所得淨資產：		
Property, plant and equipment	物業、機器及設備	147,872	17,798
Intangible assets	無形資產	13,984	—
Trade debtors	應收貿易賬款	1,601	—
Other debtors, deposits and prepayments	其他應收賬款、按金及預付款項	135	14
Inventories	存貨	10	—
Bank balances and cash	銀行結餘及現金	4,093	171
Other creditors and accrued charges	其他應付賬款及應計費用	(615)	(185)
Deferred tax liability	遞延稅項負債	(6,641)	(4,509)
Minority interests	少數股東權益	(2,913)	—
		157,526	13,289
Goodwill	商譽	18,980	11,239
		176,506	24,528
Satisfied by:	支付形式：		
Shares allotted	配售股份	71,720	—
Cash paid (note)	支付現金(註)	104,786	24,528
		176,506	24,528

Note: During the year ended December 31, 2003, a cash consideration of approximately HK\$53,051,000 for the acquisition of 新海(珠海) was paid and the amount was disclosed as other asset in the consolidated balance sheet. Details of the other asset are disclosed in note 19.

註：於2003年12月31日止年度內，收購新海(珠海)所需現金代價約53,051,000港元已支付，有關金額已於綜合資產負債表內披露。有關其他資產之詳情，已於附註19披露。

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財務報表附註(續)

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30. ACQUISITION OF SUBSIDIARIES (Con't)

Analysis of the net cash (outflow) inflow of cash and cash equivalents in respect of the acquisition of subsidiaries is as follows:

		2004 HK\$'000 千港元	2003 HK\$'000 千港元
Cash consideration paid	已付現金代價	(51,735)	—
Bank balances and cash acquired	所得銀行結餘及現金	4,093	171
Net (outflow) inflow of cash and cash equivalents in respect of the acquisition of subsidiaries	收購附屬公司之現金及等同現金項目之現金(流出)流入淨額	(47,642)	171

The subsidiaries acquired during the year contributed HK\$446,793,000 (2003: HK\$16,424,000) to the Group's turnover and a loss of HK\$3,037,000 (2003: HK\$1,591,000) to the Group's profit from operations.

31. MAJOR NON-CASH TRANSACTIONS

On March 5, 2004, the Company issued 468,750,000 new ordinary shares of HK\$0.01 each as part of the consideration for acquisition of the entire registered capital of 新海(珠海) as disclosed in note 30. The total market value of the shares issued by the Company on the date of acquisition was HK\$71,720,000.

During the year ended December 31, 2003, the cash consideration for the acquisition of BFY was fully paid during the period from October 1, 2001 to December 31, 2002 and the amount was disclosed as other asset in the consolidated balance sheet as at December 31, 2002.

30. 收購附屬公司(續)

收購附屬公司之現金及等同現金項目之現金(流出)流入淨額分析如下:

		2004 HK\$'000 千港元	2003 HK\$'000 千港元
Cash consideration paid	已付現金代價	(51,735)	—
Bank balances and cash acquired	所得銀行結餘及現金	4,093	171
Net (outflow) inflow of cash and cash equivalents in respect of the acquisition of subsidiaries	收購附屬公司之現金及等同現金項目之現金(流出)流入淨額	(47,642)	171

年內收購附屬公司為本集團帶來446,793,000港元(2003: 16,424,000港元)營業額,並於本集團經營溢利中帶來虧損3,037,000港元(2003: 1,591,000港元)。

31 重大非現金交易

於2004年3月5日,本公司發行了468,750,000股每股面值0.01港元新普通股,作為收購新海(珠海)全部註冊資本的部份代價,詳情於附註30披露。本公司於收購當日所發行之股份總市值為71,720,000港元。

於2003年12月31日止年度內,收購百富洋所需現金代價已於2001年10月1日至2002年12月31日止期間內全數支付,有關金額已於2002年12月31日之綜合資產負債表內披露列為其他資產。

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32. CONTINGENT LIABILITIES

The Company

At December 31, 2004, the Company has given corporate guarantees to the extent of total HK\$54,151,000 (2003: HK\$1,000,000) to two (2003: one) financial institutions and five (2003: two) unlimited guarantees to financial institutions in respect of general facilities granted to the subsidiaries of the Company. The facilities utilised by the Group at December 31, 2004 amounted to HK\$104,636,000 (2003: HK\$1,780,000).

At December 31, 2004 and 2003, the Company was a guarantor to an agent for import of LPG under an agency agreement entered into between a subsidiary of the Company and the agent. The guarantee was not utilised by the agent at both balance sheet dates.

The Group

At December 31, 2004 and 2003, the Company was a guarantor to an agent for import of LPG under an agency agreement entered into between a subsidiary of the Company and the agent. The guarantee was not utilised by the agent at both balance sheet dates.

The Group had no significant contingent liabilities at the balance sheet date.

32. 或然負債

本公司

於2004年12月31日，本公司就本公司之附屬公司所獲一般信貸向兩家(2003：一家)財務機構作出總限額為54,151,000港元(2003：1,000,000港元)之擔保以及五項(2003：兩項)無上限數額之擔保。於2004年12月31日，本集團就該等信貸已動用之金額為104,636,000港元(2003：1,780,000港元)。

本公司之一間附屬公司曾與代理訂立一項代理協議，進口液化氣。於2004及2003年12月31日，本公司為該代理之擔保人。於兩個資產負債表日，該代理並無動用該項擔保。

本集團

本公司之一間附屬公司曾與代理訂立一項代理協議，進口液化氣。於2004及2003年12月31日，本公司為該代理之擔保人。於兩個資產負債表日，該代理並無動用該項擔保。

截至資產負債表日期止，本集團並無其他重大或然負債。

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33. LEASE COMMITMENTS**The Group*****The Group as lessee***

At the balance sheet date, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

		The Group	
		本集團	
		2004	2003
		HK\$'000	HK\$'000
		千港元	千港元
Within one year	一年內	1,058	1,105
In the second to fifth years inclusive	二至五年內(包括首尾兩年)	3,547	3,665
Over five years	超過5年	28,548	29,175
		33,153	33,945

Operating lease payments mainly represent rentals payable by the Group for leasehold land in the PRC. Leases are negotiated for terms ranged from 1 to 40 years. Rentals are fixed for an average of 5 years.

The Group as lessor

Rental income from investment properties and property, plant and equipment earned during the year was HK\$4,630,000 (2003: HK\$3,319,000). Most of the investment properties held have committed tenants for the next two years. The property, plant and equipment have committed lease terms of average seven years.

33. 租賃承擔**本集團****本集團為承租人**

於結算日，本集團根據不可撤銷經營租賃須支付之日後最少租金支出，到期日如下：

		The Group	
		本集團	
		2004	2003
		HK\$'000	HK\$'000
		千港元	千港元
Within one year	一年內	1,058	1,105
In the second to fifth years inclusive	二至五年內(包括首尾兩年)	3,547	3,665
Over five years	超過5年	28,548	29,175
		33,153	33,945

經營租賃付款乃主要指本集團就中國租用土地應付之租金。協議租期平均為1至40年，有關的租金固定期平均為5年。

本集團為出租人

年內，投資物業及物業、機器及設備租金收入為4,630,000港元(2003: 3,319,000港元)。大部份投資物業於未來2年內已承諾出租。物業、機器及設備已承擔租期平均為7年。

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33. LEASE COMMITMENTS (Con't)**The Group (Con't)****The Group as lessor (Con't)**

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

		The Group 本集團	
		2004 HK\$'000 千港元	2003 HK\$'000 千港元
Within one year	一年內	2,515	3,310
In the second to fifth year inclusive	二至五年(包括首尾兩年)	3,439	4,479
Over five years	超過五年	3,107	3,393
		9,061	11,182

The Company

The Company had no significant lease commitments at the balance sheet date.

本公司

本公司於結算日並無重大租賃承擔。

34. OTHER COMMITMENTS**The Group**

Capital expenditure contracted for but not provided in the financial statements in respect of:

		2004 HK\$'000 千港元	2003 HK\$'000 千港元
Investments in subsidiaries	附屬公司之投資	9,695	40,688
Investment in an investee company	於一公司之投資	1,885	1,885
Purchase of plant and machinery	購置機器及設備	10,751	13,442
		22,331	56,015

The Company

The Company had no significant other commitments at the balance sheet date.

33. 租賃承擔(續)**本集團(續)****本集團為出租人(續)**

於結算日，本集團與承租人簽訂下列日後最少租金收入：

34. 其他承擔**本集團**

已訂約但未於財務報表撥備之資本開支之承擔如下：

本公司

本公司於結算日並無其他重大承擔。

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35. BANK BALANCES AND CASH

The Group

At the balance sheet date, the bank balances and cash of approximately HK\$15,071,000 (2003: HK\$3,274,000) were denominated in Renminbi which is not freely convertible into other currencies.

The Company

At the balance sheet date, no bank balances and cash were denominated in Renminbi which is not freely convertible into other currencies.

36. RETIREMENT BENEFITS PLANS

The Group operates a Mandatory Provident Fund Scheme for all qualifying employees in Hong Kong. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees. The Group contributes 5% of relevant payroll costs to the scheme, which contribution is matched by employees.

The employees of the Group's subsidiaries in the PRC are members of state-managed retirement benefit schemes operated by the PRC government. The subsidiaries are required to contribute fixed percentage of payroll costs to the retirement benefit schemes to fund the benefits. The only obligation of the Group with respect to the retirement benefit schemes is to make the specified contributions.

35. 銀行結餘及現金

本集團

於結算日，約有相等於15,071,000港元(2003年：3,274,000港元)、屬不可自由兌換其他貨幣的人民幣銀行結餘及現金。

本公司

於結算日，並沒有任何不可自由兌換其他貨幣的人民幣銀行結餘及現金。

36. 退休福利計劃

本集團為其於香港之全體合資格僱員提供強制性公積金計劃。強積金計劃之資產與本集團資產分開持有，由信託人以基金形式控制。本集團每月按僱員有關薪金收入的5%作為強積金供款。而僱員則作出相同數額之供款。

本集團於中國附屬公司之僱員參加中國政府中央管理之退休金計劃。該等附屬公司按要求向退休金計劃以僱員收入的固定比例供款。本集團對退休金計劃的唯一責任是作指定供款。

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37. RELATED PARTY TRANSACTIONS

During the year, the Group entered into the following transactions with related parties:

		2004 HK\$'000 千港元	2003 HK\$'000 千港元
Sales to a jointly controlled entity	向一共同控制實體銷售	531	—
Royalty fee paid to Gold Decade	向金紀元支付分特許權費	—	—
Rental expenses paid to Hunsworth	向坤泰支付租金	360	1,000
Rental expenses paid to Shum Ho, Neo	向岑浩支付租金	285	—
Purchase of a motor vehicle from Tong Shiu Ming	向唐小明購入一車輛	250	—

Both Shum Siu Hung and Tong Shiu Ming are the substantial shareholders of the Company and have beneficial interest in Hunsworth. Shum Siu Hung is the director of Hunsworth.

Shum Siu Hung is a director of and has a beneficial interest in Gold Decade.

Shum Ho, Neo is the son of Shum Siu Hung and Tong Shiu Ming.

On October 31, 2000, Sound Industrial, a wholly-owned subsidiary of the Company entered into an agreement with Gold Decade Limited ("Gold Decade"). Pursuant to the agreement, Gold Decade has granted to Sound Industrial an exclusive sub-licence to use the trademarks of "華寶" and "HUABAO" (the "Trademarks"), well-known brand names for electrical appliance in the PRC, on all the electronic products manufactured and sold by the Group for an initial term of one year. A royalty fee of 1.5% of the net sale proceeds of the Group's products sold under the Trademarks shall be payable as sub-licence fee subject to a maximum annual payment of HK\$8,000,000 and a minimum annual payment of HK\$10,000. On October 30, 2001, the agreement was renewed for one year to October 30, 2002 at a fixed royalty fee of HK\$1. On October 31, 2002, the agreement was renewed for another two years to October 31, 2004 with the same terms. On October 31, 2004, the agreement was renewed for another two years to October 31, 2006 with the same terms.

37. 關連人士交易

年內，本集團與關連人士進行下列交易：

		2004 HK\$'000 千港元	2003 HK\$'000 千港元
Sales to a jointly controlled entity	向一共同控制實體銷售	531	—
Royalty fee paid to Gold Decade	向金紀元支付分特許權費	—	—
Rental expenses paid to Hunsworth	向坤泰支付租金	360	1,000
Rental expenses paid to Shum Ho, Neo	向岑浩支付租金	285	—
Purchase of a motor vehicle from Tong Shiu Ming	向唐小明購入一車輛	250	—

岑少雄及唐小明均為本公司主要股東及擁有坤泰之實際權益。岑少雄乃坤泰之董事。

岑少雄是金紀元之董事，亦擁有金紀元之實際權益。

岑浩乃岑少雄及唐小明之子。

於2000年10月31日，本公司之全資附屬公司新海實業與金紀元訂立協議。根據協議，金紀元向新海實業授予使用中華人民共和國（「中國」）電器業著名商標「華寶」及「HUABAO」（「該等商標」）之獨家分特許權，許可本集團生產及出售之所有電子產品使用該等商標，年期初步定為一年。出售冠以該等商標產品所得銷售淨款項之1.5%作為分特許權費，惟該費用之上限為每年8,000,000港元，而下限則為10,000港元。於2001年10月30日，該協議以1港元固定分特許權費續期一年至2002年10月30日。於2002年10月31日，該協議按相同條款另續期兩年至2004年10月31日。於2004年10月31日，該協議按相同條款另續期兩年至2006年10月31日。

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37. RELATED PARTY TRANSACTIONS (Con't)

On March 1, 2003, Sound Management, a wholly owned subsidiary of the Company, renewed an office tenancy agreement with Hunsworth for the use of office premises provided by Hunsworth located on the 8th Floor, Suite A, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong at HK\$80,000 per calendar month for a period of one year commencing March 1, 2003. On March 1, 2004, both parties entered into a new tenancy agreement, the agreed rental was HK\$80,000 per calendar month for two and a half month commencing March 1, 2004.

On May 16, 2004, Sound Management, entered into an office tenancy agreement with Shum Ho, Neo for the use of office premises provided by Shum Ho, Neo located on 20th Floor, Times Tower, 393 Jaffe Road, Wanchai, Hong Kong at HK\$38,000 per calendar month for a period of one year commencing May 16, 2004.

In the opinion of the Company's directors, the rental amount were based on market rates at the time when the tenancy agreements were signed, the purchase price of the motor vehicle was determined by price agreed between the parties, the royalty was calculated in accordance with the terms of agreement entered into with Gold Decade.

The goods were sold to a jointly controlled entity at prices similar to those prices offered to third party customers.

Save as disclosed above and note 22, there were no other significant transactions with related parties during the year or significant balances with them at the end of the year.

38. POST BALANCE SHEET EVENT

On January 7, 2005, the Company's wholly-owned subsidiary BFY entered into a conditional sale and purchase agreement ("Purchase Agreement") with Madam Xie Lijun, who is a third party independent of the Group, for the acquisition of 80% equity interest in Qingxin Yong Long Gas and Chemical Company Limited for a cash consideration of RMB33,600,000 (approximately HK\$31,700,000). The proposed acquisition as contemplated under the Purchase Agreement constituted a disclosable transaction for the Company under chapter 14 of the Listing Rules. The acquisition was completed on January 10, 2005. Details of the acquisition were set out in the Company's circular dated February 1, 2005.

37. 關連人士交易(續)

於2003年3月1日，本公司全資附屬公司新海管理與坤泰續訂辦公室租約，以月租80,000港元租用坤泰位於香港灣仔告士打道56號東亞銀行港灣中心8A之辦公室物業。租期於2003年3月1日起，為期1年。於2004年3月1日，雙方訂立一份新租約，議定租金為每月80,000港元，自2004年3月1日起計，為期2個半月。

於2004年5月16日，新海管理與岑浩訂立辦公室租約，以月租38,000港元租用岑浩位於香港灣仔謝斐道393號新時代中心20樓之辦公室物業。租用期於2004年5月16日起計，為期1年。

本公司董事認為，租金乃以租約簽訂時之市場值為基準，車輛之購入價乃由雙方議定，而商標分特許權費則根據與金紀元之協議條款計算而得。

售予一共同控制實體之貨品之價錢乃與售予第三者相近。

除以上及於附註22所披露者外，期內與關連人士並無重大交易，或於期終時亦未有與彼等相關之重大結餘。

38. 結算日後事項

於2005年1月7日，本公司全資附屬公司百富洋與本集團以外的一獨立第三者謝麗君小姐訂立一份有條件買賣協議(「買賣協議」)，以33,600,000人民幣(約31,700,000港元)之現金代價收購清新縣永龍燃化有限公司80%股權權益。根據上市規則第14條，買賣協議建議構成須予披露之交易。有關收購載於本公司2005年2月1日之通函內。