

### 1. CORPORATE INFORMATION

The principal place of business of China Haidian Holdings Limited is located at Suite 2701-2705 & 2715-2716, 27th Floor, Two International Finance Centre, 8 Finance Street, Central, Hong Kong.

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

- property development
- manufacture and distribution of watches and timepieces
- manufacture and distribution of timber products
- property investment

There were no significant changes in the nature of the Group's principal activities during the year.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Impact of recently issued Hong Kong Financial Reporting Standards

The Hong Kong Institute of Certified Public Accountants (the "HKICPA") has issued a number of new and revised Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards, hereinafter collectively referred to as the "New HKFRSs", which are generally effective for accounting periods beginning on or after 1 January 2005. The Group has not early adopted the New HKFRSs in the financial statements for the year ended 31 December 2004. The Group has already commenced an assessment of the impact of the New HKFRSs. Except for the impact of Interpretation 24 as further detailed below, the Group is not yet in a position to state whether the New HKFRSs would have a significant impact on its results of operations and financial position.

### 1. 公司資料

中國海澱集團有限公司之主要營業地點位於香港中環金融街8號國際金融中心二期27樓2701-2705及2715-2716室。

年內，本集團從事以下主要業務：

- 物業發展
- 製造及分銷鐘錶及時計產品
- 製造及分銷木材產品
- 物業投資

本集團之主要業務性質於年內並無重大變動。

### 2. 主要會計政策概要

#### 最近頒佈香港財務申報準則之影響

香港會計師公會（「香港會計師公會」）已頒佈一系列新訂及經修訂香港財務申報準則及香港會計準則（下文統稱「新訂香港財務申報準則」），一般於二零零五年一月一日或之後開始之會計期間生效。本集團未有就截至二零零四年十二月三十一日止年度財務報表提早採納新訂香港財務申報準則。本集團已著手評估新訂香港財務申報準則之影響，惟除下文所進一步詳述詮釋24的影響外，本集團現時尚未能確定新訂香港財務申報準則會否對本集團營運及財務狀況構成重大影響。

31 December 2004

二零零四年十二月三十一日

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Impact of recently issued Hong Kong Financial Reporting Standards (continued)

Subsequent to the balance sheet date, in March 2005, the HKICPA issued Interpretation 24, "Revenue – Pre-completion Contracts for the Sale of Development Properties", which is effective for the pre-completion contracts for sale of development properties entered into on or after 1 January 2005. Interpretation 24 generally requires revenue from the sale of properties to be recognised when the significant risks and rewards of ownership of the properties have been transferred to the buyers and the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the properties sold, which is usually at the time when the Group has no further substantial acts to complete under the contracts. The Group's accounting policies for pre-completion contracts prior to adoption of Interpretation 24 are detailed under "Properties under development" and "Revenue recognition" below.

The directors have determined not to early adopt Interpretation 24 and will not apply Interpretation 24 retrospectively to pre-completion contracts for the sale of development properties entered into before 1 January 2005 when adopting Interpretation 24 in the preparation of the financial statements for the year ending 31 December 2005.

Should the Interpretation be early adopted in the financial statements, the turnover and cost of sales would be reduced by HK\$217,920,000 and HK\$172,109,000, respectively. In addition, tax charge would also be reduced by HK\$13,475,000.

## 2. 主要會計政策概要 (續)

### 最近頒佈香港財務申報準則之影響 (續)

結算日後，於二零零五年三月，香港會計師公會頒佈詮釋24「收益－發展物業之完工前銷售合同」，適用於二零零五年一月一日或之後訂立之發展物業完工前銷售合同。詮釋24一般規定，於物業擁有權之重大風險及回報轉移至買方及本集團並無參與一般涉及擁有權之管理，亦無持有所售出物業之實際控制權，且本集團一般並無作出任何進一步重大行動以完成合約之時確認銷售物業之收益。本集團於採納詮釋24前有關完工前合約之會計政策於下文「發展中物業」及「收入確認」兩節詳述。

董事已決定不會提早採納詮釋24，且就編製截至二零零五年十二月三十一日止年度財務報表採納詮釋24時，亦不會就於二零零五年一月一日前訂立之發展物業完工前銷售合同追溯應用詮釋24。

倘詮釋於財務報表提早採納，營業額及銷售成本將分別減少217,920,000港元及172,109,000港元。此外，稅項開支亦將減少13,475,000港元。

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Basis of preparation

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (which also include Statements of Standards Accounting Practice 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 certain 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.

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

## 2. 主要會計政策概要(續)

### 編製基準

財務報表乃根據香港會計師公會頒佈之香港財務申報準則(亦包括會計實務準則及詮釋)、香港公認會計原則及香港公司條例之披露規定,按歷史成本法編製,惟投資物業及若干股本投資定期重新計算,有關資料進一步闡述如下。

### 綜合基準

綜合財務報表包括本公司及其附屬公司截至二零零四年十二月三十一日止年度之財務報表。年內收購或出售之附屬公司業績由實際收購日期起或至實際出售日期止綜合計入賬目。所有集團系內公司間之重大交易及結餘已於綜合賬目時對銷。

少數股東權益指外界股東於本公司附屬公司業績及資產淨值所佔權益。

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 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.

## 2. 主要會計政策概要 (續)

### 附屬公司

附屬公司指本公司直接或間接控制其財務及營運政策，以從其業務獲益之公司。

附屬公司之業績乃就已收及應收股息計入本公司之損益表。本公司於附屬公司之權益乃按成本減任何減值虧損列賬。

### 合營公司

合營公司指按合約安排成立之公司，本集團及其他訂約方藉此進行經濟業務。合營公司按個別實體模式經營，而本集團及該等其他訂約方於當中擁有權益。

合營方之間所訂立之合營協議訂明合營方之注資額、合營企業年期及解散時變現資產之基準。合營公司業務產生之盈虧以及剩餘資產之任何分派均由合營方按其各自之注資比例或按合營協議條款攤分。

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Joint venture companies (continued)

A joint venture company is treated as:

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

## 2. 主要會計政策概要 (續)

### 合營公司 (續)

合營公司被視為:

- (a) 由本集團／本公司單方面直接或間接控制，則合營公司會被視為附屬公司；
- (b) 並非由本集團／本公司單方面控制，惟直接或間接受共同控制，則合營公司會被視作共同控制實體；
- (c) 並非由本集團／本公司單方面控制，亦非由本公司共同控制，惟一般直接或間接持有合營公司註冊資本不少於20%權益，且本公司可對其行使重大影響力者，則合營公司會被視作聯營公司；或
- (d) 由本集團／本公司直接或間接持有其少於20%註冊資本，且無共同控制權，本公司亦不可對其行使重大影響，則合營公司會被視作長期投資。

### 聯營公司

聯營公司並非附屬公司或共同控制實體，本集團擁有其股本投票權一般不少於20%及可對其行使重大影響。

31 December 2004

二零零四年十二月三十一日

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Associates (continued)

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.

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

### Goodwill

Goodwill arising on the acquisition of subsidiaries 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 of 10 years.

## 2. 主要會計政策概要 (續)

### 聯營公司 (續)

本集團應佔聯營公司之收購後業績及儲備分別計入綜合損益表及綜合儲備。本集團於聯營公司之權益，按權益會計法減任何減值虧損計入綜合資產負債表本集團應佔資產淨值內。

聯營公司之業績乃就已收及應收股息計入本公司損益表。本公司於聯營公司之權益視作長期資產，並按成本減任何減值虧損列賬。

### 商譽

收購附屬公司產生之商譽指收購成本超出於收購日期本集團應佔可識別資產及負債公平價值之差額。

收購產生之商譽於綜合資產負債表確認為資產，並於其10年之估計可用年期按直線法攤銷。

### 2. 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 the 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 the consolidated reserves. Goodwill on acquisitions subsequent to the adoption of the SSAP is accounted for according to the goodwill accounting policy above.

On disposal of subsidiaries, 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 the 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 the 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.

### 2. 主要會計政策概要(續)

#### 商譽(續)

於二零零一年採納會計實務準則第30號「業務合併」前，收購產生之商譽乃於收購年度於綜合儲備對銷。採納會計實務準則第30號時，本集團已應用該會計實務準則之過渡規定，容許有關商譽繼續於綜合儲備對銷。採納該會計實務準則後之收購所產生商譽按上述商譽會計政策處理。

出售附屬公司時，出售盈虧乃參考出售日期之資產淨值計算，包括尚未攤銷之商譽及任何有關儲備（倘適用）應佔部分。早前於收購時於綜合儲備對銷之任何應佔商譽將予撥回，並計入出售之盈虧。

商譽之賬面值會每年審閱，當中包括仍於綜合儲備對銷之商譽，並於需要時就減值作出撇減。除非減值虧損因一項特定外來特殊事件產生，而預期有關事件不會再次發生，及其後發生外來事件抵銷該事件之影響，否則早前確認之商譽減值虧損不予撥回。

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 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.

### 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.

## 2. 主要會計政策概要 (續)

### 有關連人士

倘一方有能力直接或間接控制另一方，或對另一方的財務及營運決策行使重大影響力，則該等人士被視為有關連人士。倘若所涉及各方均受同一方控制或受到同一重大影響，則有關各方亦被視為有關連人士。有關連人士可為個人或公司實體。

### 資產減值

將於每個結算日評定各項資產有否出現任何減值跡象，以及有否跡象顯示早前就以往年度確認的資產減值虧損不再存在或減少。倘若出現任何該等跡象，將估計資產的可收回金額。資產的可收回金額按資產的使用價值或售價淨額較高者計算。

當資產的賬面值超過其可收回金額時，減值虧損方予確認。除非資產按重估值列賬，否則減值虧損於產生期間計入損益表。減值虧損根據所重估資產之有關會計政策列賬。



## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Impairment of assets (continued)

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 and construction in progress, are stated at cost 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.

## 2. 主要會計政策概要 (續)

### 資產減值 (續)

除非用以釐定資產的可收回金額的假設出現變動，否則之前確認的減值虧損不予撥回，惟撥回金額不得超過倘過往年度並無就資產確認減值虧損而釐定的賬面值（經扣除任何折舊／攤銷）。撥回的減值虧損於所產生期間的損益表入賬，除非資產按重估值列賬，減值虧損撥回根據所重估資產之有關會計政策列賬。

### 固定資產及折舊

投資物業及在建工程以外之固定資產乃按成本減累積折舊及任何減值虧損列賬。資產成本包括其購買價格及令該項資產達至其擬定用途運作狀況及位置的任何直接應佔成本。固定資產投入運作後產生的支出，如修理與維護費用等，一般均會計入該等支出產生年度的損益表內。倘能清楚證明該等支出可引致因使用該項固定資產而帶來的預期日後經濟利益有所增加，則將該等支出撥充資本，撥作有關固定資產的額外成本。

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Fixed assets and depreciation (continued)

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

Leasehold land	Over the lease terms
Buildings	2% to 15%
Leasehold improvements	10% or over the remaining lease term, whichever is shorter
Plant and machinery	6% to 25%
Furniture, fixtures and office equipment	10% to 25%
Motor vehicles	20% to 25%

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.

Construction in progress represented a building under construction, which was stated at cost less any impairment losses and was not depreciated, was written off during the year. Cost comprised the direct costs of construction and capitalised borrowing costs on related borrowed funds during the period of construction.

### 2. 主要會計政策概要 (續)

#### 固定資產及折舊 (續)

折舊乃按估計可使用年期以直線法撇銷各資產成本後減任何估計剩餘價值計算。就此而言，有關主要年率如下：

租賃土地	按租期
樓宇	2%至15%
租賃物業裝修	10%或尚餘租賃年期 (以較短者為準)
廠房及機器	6%至25%
傢具、裝置及辦公室設備	10%至25%
汽車	20%至25%

在損益表內確認的出售或棄用固定資產盈虧乃指銷售所得款項淨額與有關資產賬面值的差額。

在建工程指建造中樓宇，按成本減任何減值虧損列賬，並無折舊，惟已於年內撇銷。成本包括直接建造成本及於建造期內有關借貸資金經撥充資本之借貸成本。

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 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, except where the unexpired term of the lease is 20 years or less, in which case depreciation is provided on the then carrying amount over the remaining term of the lease.

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.

### Properties under development

Properties under development are stated at cost which includes all development expenditure, interest charges and other costs directly attributable to such properties.

## 2. 主要會計政策概要 (續)

### 投資物業

投資物業指建築及發展工程已經完成，並因其具有投資潛力而擬長期持有之土地及樓宇權益，而有關租金收益乃經公平磋商釐定。投資物業不作折舊，而按每個財政年度結算日之專業估值所定公開市值列值，惟倘若租約尚餘年期為20年或以下，則投資物業將按當時賬面價值及其租約尚餘年期計算折舊撥備。

投資物業價值之變動乃視作投資物業重估儲備之變動處理。倘按整體組合基準計算之儲備總額不足以抵銷虧絀，超出之虧絀數額則於損益表內扣除。其後出現之重估盈餘將撥入損益表，惟最多不得超過早前扣除的虧絀數額。

在出售投資物業時，投資物業重估儲備中與先前估值有關之已變現部分，將轉撥至損益表。

### 發展中物業

發展中的物業按成本值列賬，包括所有發展費用、利息支出及其他直接與該等物業有關之成本。

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Properties under development (continued)

Properties under development which have been sold prior to completion (“pre-sold”) are stated at cost plus attributable profits less any foreseeable losses, and deposits and instalments received.

When properties under development have been pre-sold, the total estimated profit is apportioned over the entire period of construction to reflect the progress of the development. On this basis, profit recognised on the pre-sold portion of the properties is calculated by reference to the proportion of construction costs incurred up to the balance sheet date, to the estimated total construction costs to completion, but is limited to the amount of sales deposits and instalments received and with due allowance for contingencies.

Properties under development which have either been pre-sold or which are intended for sale, and are expected to be completed within one year from the balance sheet date, are classified as current assets.

### 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.

## 2. 主要會計政策概要 (續)

### 發展中物業 (續)

完工前售出之發展中物業(「預售」)按成本值加應佔溢利減任何可預見虧損以及已收訂金和已收分期付款列賬。

如發展中物業已預售，估計溢利總額會於整個建築期間分攤，以反映發展進度。按此基準，就物業已預售部分確認之溢利，經參考計至會計日期所產生之建築成本佔估計建成物業總成本之比例而計算，惟以銷售訂金及已收分期付款之金額為限，並會對或然負債作出適當撥備。

預期會於年結日起計一年內建成之已預售或擬出售發展中物業會列作流動資產。

### 經營租約

凡資產所有權的絕大部分收益及風險仍歸於出租人的租約，均視作經營租約。倘本集團為出租人，本集團按經營租約租賃之資產列作非流動資產，而應收經營租約租金則按有關租約年期以直線法計入損益表。倘本集團為承租人，應付經營租約租金按有關租約年期以直線法自損益表扣除。

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Investment securities

Investment securities represent investments in listed equity securities intended to be held for a continuing strategic and long term purpose, and are stated at cost less any impairment losses, on an individual investment basis.

When a decline in the fair value of a security below its carrying amount has occurred, unless there is evidence that the decline is temporary, the carrying amount of the security is reduced to its fair value, as estimated by the directors. The amount of the impairment is charged to the profit and loss account for the period in which it arises. When the circumstances and events which led to the impairment in value cease to exist and there is persuasive evidence that the new circumstances and events will persist for the foreseeable future, the amount of the impairment previously charged is credited to the profit and loss account to the extent of the amount previously charged.

#### Long term investment

Long term investment represents the Group's interest in its former subsidiary in the People's Republic of China ("PRC") which is intended to be held on a long term basis and is stated at the Group's share of its net assets value at the time of its transfer to long term investment, less any impairment losses.

### 2. 主要會計政策概要(續)

#### 投資證券

投資證券指本集團擬基於持續策略及長期持有之上市股本證券投資，均因應個別投資基準按成本扣除任何減值虧損列賬。

倘若證券之公平值下降至低於其賬面值，除非有證據顯示減值只是暫時性，否則有關證券之賬面值會撇減至董事估計之公平值。減值金額於產生期間在損益表扣除。倘若導致減值之情況或事件不再存在，而且出現有力證據顯示該情況或事件在可見將來持續，之前在損益表扣除之減值將撥回損益表，惟數額以之前扣除之數額為限。

#### 長期投資

長期投資指本集團於一家前中華人民共和國（「中國」）附屬公司擬長期持有之權益，並按本集團轉撥至長期投資時應佔其資產淨值減任何減值虧損列賬。

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Short term investments

Short term investments are investments in 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 are carried at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of 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, which are not restricted as to use.

## 2. 主要會計政策概要 (續)

### 短期投資

短期投資乃持作買賣用途之股本證券投資，按結算日所報市價之公平值以個別投資基準列賬。證券公平值變動產生之盈虧於產生期間在損益表計入或扣除。

### 存貨

存貨乃按成本及可變現淨值之較低者列賬。成本按加權平均基準釐定，而倘為在製品及製成品，則包括直接原料、直接勞工和適當比例之生產成本。可變現淨值乃按照估計售價減任何估計於完成及出售時產生之成本計算。

### 現金及現金等價物

就綜合現金流量表而言，現金及現金等價物包括手頭現金及活期存款以及可隨時轉換為已知數額現金的短期高度流通投資，有關投資所承受價值風險輕微，一般於購入後三個月內到期，另扣除須按要求償還及構成本集團現金管理一部分的銀行透支。

就資產負債表而言，現金及現金等價物包括手頭及銀行現金，當中包括無使用限制的定期存款。

## 2. 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 in the same or a different period 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 goodwill or the initial recognition of an asset or liability in a transaction that is not a business combination 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.

## 2. 主要會計政策概要 (續)

### 所得稅

所得稅包括即期稅項及遞延稅項。所得稅於損益表中確認，或倘與於同一或不同期間在股東權益中確認之項目有關，則直接在股東權益中確認。

遞延稅項就於結算日資產及負債之稅基與其就財務申報而言的賬面值之所有暫時差額，以負債法作出撥備。

所有應課稅暫時差額均確認為遞延稅項負債：

- 由商譽產生的遞延稅項負債或就一項交易（商業合併除外）初次確認資產或負債，而在交易時並不對會計溢利或應課稅溢利或虧損構成影響者除外；及
- 就有關附屬公司與聯營公司的投資所產生應課稅暫時差額確認，惟可控制撥回暫時差額的時間及暫時差額可能不會於可預見將來撥回則除外。

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Income tax (continued)

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 negative goodwill or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- 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.

## 2. 主要會計政策概要 (續)

### 所得稅 (續)

於可能以應課稅溢利抵扣可扣減暫時差額，及可動用結轉的未動用稅項資產及稅項虧損時，會就所有可扣稅暫時差額及未動用的稅項資產與稅項虧損結轉確認遞延稅項資產：

- 由負商譽產生的可扣減暫時差額的遞延稅項資產或就一項交易（業務合併除外）進行時初次確認資產或負債，而在交易時並不對會計溢利或應課稅溢利或虧損構成影響者除外；及
- 有關附屬公司與聯營公司的投資中產生的可扣減暫時差額，遞延稅項資產只限於暫時差額有可能於可預見將來撥回及可動用應課稅溢利以抵扣暫時性差額時確認。

遞延稅項資產的賬面值於每個結算日檢討，並於不再可能有足夠應課稅溢利以抵銷所有或部分遞延稅項資產時予以扣減。相反，過往未確認遞延稅項資產於可能有足夠應課稅溢利以抵銷所有或部分遞延稅項資產時予以確認。



### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Income tax (continued)

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:

- (a) Income from the pre-sale of properties under development, on the exchange of legally binding sale contracts, provided that the construction work has progressed to a stage where the ultimate realisation of profit can be reasonably determined, and on the basis set out in "Properties under development" above;
- (b) Income 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;
- (c) Rental income, on a time proportion basis over the lease terms;

### 2. 主要會計政策概要 (續)

#### 所得稅 (續)

遞延稅項資產及負債以該期間(當資產變現或負債清還時)預期適用的稅率計算,根據於結算日已頒佈或實際頒佈的稅率及稅務法例計算。

#### 收入確認

當經濟利益可能流入本集團及收入能夠可靠地衡量時,按以下基準確認收入:

- (a) 預售發展中物業之收入,於交換具法定約束力之銷售合約及建造工程之進度已達可合理釐定最終可變現溢利之階段時按上文「發展中物業」所載基準確認;
- (b) 銷售貨品收入於所有權之大部分風險及回報移交予買家,而且本集團對已售出貨品已失去所有權一般相關之管理權或有效控制權之時確認;
- (c) 租金收入按時間比例於租賃期確認;

31 December 2004

二零零四年十二月三十一日

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Revenue recognition (continued)

- (d) Interest income, on a time proportion basis taking into account the principal outstanding and the effective interest rate applicable; and
- (e) Dividend income, when the shareholders' right to receive payment has been established.

### 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.

#### *Employment Ordinance long service payments*

Certain of the Group's employees have completed the required number of years of service to the Group in order to be eligible for long service payments under the Hong Kong Employment Ordinance in the event of the termination of their employment. The Group is liable to make such payments in the event that such a termination of employment meets the circumstances specified in the Hong Kong Employment Ordinance.

## 2. 主要會計政策概要(續)

### 收入確認(續)

- (d) 利息收入按未提取本金及適用實際利率依時間比例確認;及
- (e) 股息收入在確立股東收取款項之權利時確認。

### 僱員福利

#### *有薪假期結轉*

本集團根據僱傭合約按每個曆年向其僱員給予有薪年假。在若干情況下，由於有薪年假可結轉，各僱員可於下一個年度享用，故有些假期於結算日仍未享用。預期僱員於年內可享用的有薪假期及結轉假期之日後成本，於結算日累積計算。

#### *僱傭條例之長期服務金*

本集團若干僱員已於本集團完成規定之服務年期，符合資格於終止僱用時獲得香港僱傭條例規定之長期服務金。倘終止僱用符合香港僱傭條例規定之情況，本集團須支付該款項。

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Employee benefits (continued)

#### *Provident fund schemes and other retirement benefits*

The Group operates a defined contribution staff retirement scheme (the "ORSO Scheme") for certain of its employees, the assets of which are held separately from those of the Group in an independently administered fund. Contributions are made based on a percentage of the eligible employees' basic salaries and are charged to the profit and loss account as they become payable in accordance with the rules of the ORSO Scheme. When an employee leaves the ORSO Scheme prior to his/her interest in the Group's employer contributions vesting fully, the ongoing contributions payable by the Group can be reduced by the relevant amount of forfeited contributions.

The Group also operates a defined contribution retirement benefits scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the MPF Scheme not previously covered by the ORSO 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.

## 2. 主要會計政策概要 (續)

### 僱員福利 (續)

#### 公積金計劃及其他退休福利

本集團為其若干僱員設有定額供款僱員退休計劃(「職業退休計劃」)。該計劃之資產與本集團資產分開由獨立管理基金持有。供款按合資格僱員基本薪金一定百分比作出，於根據職業退休計劃規則應予支付時，在損益表扣除。倘若僱員在本集團之僱主供款完全歸其所有前退出職業退休計劃，本集團可將有關數額之沒收供款用以減低日後應付供款。

本集團亦根據強制性公積金計劃條例，為合資格參與強制性公積金計劃(「強積金計劃」)而之前無參與職業退休計劃之僱員設有定額供款計劃。供款按僱員基本薪金一定百分比作出，於根據強積金計劃規定應予支付時，在損益表扣除。強積金計劃資產與本集團資產分開由獨立管理基金持有。本集團的僱主供款於向強積金計劃作出時全數歸屬僱員。

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Employee benefits (continued)

*Provident fund schemes and other retirement benefits (continued)*

The employees of the Group's subsidiaries which operate in Mainland China of the People's Republic of China ("Mainland China") are required to participate in a central pension scheme operated by the local municipal government. The subsidiaries are required to contribute a certain percentage of the payroll costs to the central pension scheme. The contributions are charged to the profit and loss account as they become payable in accordance with the rules of the central pension scheme.

### Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised.

## 2. 主要會計政策概要 (續)

### 僱員福利 (續)

*公積金計劃及其他退休福利 (續)*

本集團在中華人民共和國(「中國」)經營之附屬公司僱員須參加中國當地市政府設立的中央退休金計劃。該附屬公司須按工資之若干百分比，向中央退休金計劃供款。中央退休金計劃之供款，於根據中央退休金計劃規則應予支付時在損益表扣除。

### 借貸成本

凡必須經過頗長時間以作擬定用途或銷售之資產之直接收購、建造或生產借貸成本，均撥充資本為該等資產之部分成本。當該等資產大致上可作擬定用途或銷售時，則停止將該等借貸成本撥作資本。如特定借貸在用於有關資產前作暫時投資，則投資所得收入將在借貸成本中扣減。

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 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.

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.

### 2. 主要會計政策概要(續)

#### 外幣

外幣交易按交易日之適用匯率入賬。於結算日以外幣結算之貨幣資產及負債按結算日之適用匯率換算。匯兌差額計入損益表。

在綜合賬目時，海外附屬公司及聯營公司之財務報表以投資淨額方法折算為港元。海外附屬公司及聯營公司之損益表乃按年內加權平均匯率折算為港元。該等公司之資產負債表按結算日之匯率折算為港元。由此產生之匯兌差額計入匯兌波動儲備。

就綜合現金流量表而言，海外附屬公司之現金流量按現金流量日期之匯率折算為港元。海外附屬公司於年內不時產生之經常性現金流量，按年內加權平均匯率折算為港元。

### 3. 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) property development (note);
- (b) manufacture and distribution of watches and timepieces;
- (c) manufacture and distribution of timber products;
- (d) property investment (note); and
- (e) corporate and others segment, comprising corporate income and expense items and other businesses.

*Note:*

In last year, the property development business and the property investment business were disclosed together as a single business segment, "Property development and investment". In current year, in order to better reflect the performance of the property development business, which contributed substantially to the Group's results of operations, the segment information of property development business and property investment business are separately disclosed as two business segments.

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

### 3. 分類資料

本集團之分類資料乃按兩個分類形式呈報：(i)主要分類匯報基準按業務分類；及(ii)次要分類匯報基準按地區分類。

本集團經營之業務按經營業務之性質及業務提供之產品及服務個別分類及管理。本集團各業務分類均為策略性業務單位，所提供之產品及服務之風險及回報與其他業務分類不同。業務分類之詳情概述如下：

- (a) 物業發展（附註）；
- (b) 製造及分銷鐘錶及時計產品；
- (c) 製造及分銷木材產品；
- (d) 物業投資（附註）；及
- (e) 公司及其他分類包括公司收支項目及其他業務。

*附註：*

去年，物業發展業務及物業投資業務被歸入為單一業務分類「物業發展及投資」披露。於本年度，為更佳地反映對本集團經營業績貢獻重大之物業發展業務的表現，物業發展業務及物業投資業務被分為兩個業務分類披露。

於釐定本集團之地區分類時，收入乃按客戶所在地計入有關分類，資產則按資產所在地計入有關分類。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2004

二零零四年十二月三十一日

### 3. SEGMENT INFORMATION (continued)

### 3. 分類資料 (續)

#### (a) Business segments

#### (a) 業務分類

The following tables present revenue, profit/(loss) and certain asset, liability and expenditure information for the Group's business segments.

下表呈列本集團按業務分類之收入、溢利／(虧損)及若干資產、負債及開支資料。

		Group 本集團											
		Property development 物業發展		Watches and timepieces 鐘錶及時計產品		Timber products 木材產品		Property investment 物業投資		Corporate and others 公司及其他		Consolidated 綜合	
		2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
		二零零四年	二零零三年	二零零四年	二零零三年	二零零四年	二零零三年	二零零四年	二零零三年	二零零四年	二零零三年	二零零四年	二零零三年
		HK\$'000	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	千港元	
Segment revenue:	分類收入:												
Sales to external customers	向外界客戶銷售	217,920	-	104,538	85,133	194,119	195,314	5,212	4,133	2,013	3,298	523,802	287,878
Other revenue	其他收入	30	-	497	833	6,844	10,530	-	15	556	8,658	7,927	20,036
Total	總計	<u>217,950</u>	<u>-</u>	<u>105,035</u>	<u>85,966</u>	<u>200,963</u>	<u>205,844</u>	<u>5,212</u>	<u>4,148</u>	<u>2,569</u>	<u>11,956</u>	<u>531,729</u>	<u>307,914</u>
Segment results	分類業績	<u>32,187</u>	<u>-</u>	<u>9,962</u>	<u>(3,625)</u>	<u>(27,137)</u>	<u>(7,117)</u>	<u>19,662</u>	<u>(5,610)</u>	<u>3,058</u>	<u>(22,404)</u>	<u>37,732</u>	<u>(38,756)</u>
Finance costs	財務費用											(10,382)	(8,851)
Write-back of provision for an other receivable	撥回其他應收賬款撥備											-	16,382
Profit/(loss) before tax	除稅前溢利／(虧損)											27,350	(31,225)
Tax	稅項											(15,933)	(661)
Profit/(loss) before minority interests	扣除少數股東權益前溢利／(虧損)											11,417	(31,886)
Minority interests	少數股東權益											(44)	(108)
Net profit/(loss) from ordinary activities attributable to shareholders	股東應佔一般業務純利／(虧損淨額)											<u>11,373</u>	<u>(31,994)</u>

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2004

二零零四年十二月三十一日

### 3. SEGMENT INFORMATION (continued)

### 3. 分類資料 (續)

#### (a) Business segments (continued)

#### (a) 業務分類 (續)

		Group 本集團											
		Property development 物業發展		Watches and timepieces 鐘錶及時計產品		Timber products 木材產品		Property investment 物業投資		Corporate and others 公司及其他		Consolidated 綜合	
		2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
		二零零四年	二零零三年	二零零四年	二零零三年	二零零四年	二零零三年	二零零四年	二零零三年	二零零四年	二零零三年	二零零四年	二零零三年
		HK\$'000	HK\$'000	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	千港元	千港元
Segment assets	分類資產	402,070	332,046	73,238	72,934	291,582	316,613	86,347	68,943	284,310	373,167	1,137,547	1,163,703
Segment liabilities	分類負債	194,256	231,379	27,852	29,113	39,444	42,372	15,221	5,696	359,760	358,497	636,533	667,057
Other segment information:	其他分類資料:												
Depreciation	折舊	234	-	2,741	3,056	19,046	13,743	-	1,503	1,929	248	23,950	18,550
Amortisation of goodwill	商譽攤銷	-	-	-	-	584	438	-	-	-	-	584	438
Deficit/(surplus) on revaluation of investment properties	重估投資物業虧絀/(盈餘)	-	-	-	-	-	-	(17,224)	2,495	-	-	(17,224)	2,495
Impairment/(reversal of impairment) of fixed assets	固定資產減值/(撥回減值)	-	-	-	2,034	-	-	-	-	(21,671)	-	(21,671)	2,034
Impairment of investment securities	投資證券減值	-	-	-	-	-	-	-	-	-	20,000	-	20,000
Provision for inventories	存貨撥備	-	-	3,298	4,143	8,750	-	-	-	-	-	12,048	4,143
Provision for bad and doubtful debts	呆壞賬撥備	-	-	-	-	-	37,185	-	580	-	-	-	37,765
Capital expenditure	資本開支	2,221	-	1,199	7,334	4,002	316	-	16,382	2,414	321	9,836	24,353



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2004

二零零四年十二月三十一日

### 3. SEGMENT INFORMATION (continued)

### 3. 分類資料 (續)

#### (b) Geographical segments

#### (b) 地區分類

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

下表呈列本集團按地區分類之收入及若干資產與開支資料。

		Group 本集團					
		Hong Kong 香港		Mainland China 中國大陸		Consolidated 綜合	
		2004	2003	2004	2003	2004	2003
		二零零四年	二零零三年	二零零四年	二零零三年	二零零四年	二零零三年
		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
Segment revenue:	分類收入:						
Sales to external customers	向外界客戶銷售	45,411	44,587	478,391	243,291	523,802	287,878
Other segment information:	其他分類資料:						
Segment assets	分類資產	198,406	338,038	939,141	825,665	1,137,547	1,163,703
Capital expenditure	資本開支	2,415	24	7,421	24,329	9,836	24,353

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2004

二零零四年十二月三十一日

### 4. TURNOVER AND REVENUE

Turnover represents the net invoiced value of goods sold, after allowances for returns and trade discounts, an appropriate proportion of revenue from sale of properties under development, interest income and rental income received and receivable.

An analysis of turnover and other revenue is as follows:

### 4. 營業額及收入

營業額乃指扣除退款及貿易折扣之售出貨品發票淨值、銷售發展中物業所得收入適當部分以及已收及應收利息收入及租金收入。

營業額及其他收入及收益之分析如下：

		Group 本集團	
		2004	
		二零零四年	二零零三年
		HK\$'000	HK\$'000
		千港元	千港元
<b>Turnover</b>	<b>營業額</b>		
Sale of goods	貨品銷售	298,657	279,253
Sale of properties under development	發展中物業銷售	217,920	-
Gross rental income	租金收入總額	5,212	5,327
Interest income	利息收入	2,013	3,298
		523,802	287,878
<b>Other revenue</b>	<b>其他收入</b>		
Dividend income from listed investments	上市投資股息收入	537	340
PRC value-added tax refund	退回中國增值稅	5,384	9,816
Claim received (note)	已收索償(附註)	-	8,233
Incentive bonus received from the PRC government	收取自中國政府之獎勵花紅	-	942
Others	其他	2,006	705
		7,927	20,036
		531,729	307,914

#### 4. TURNOVER AND REVENUE (continued)

*Note:*

On 25 June 1997, the Company entered into a sale and purchase agreement (the "Goodnice Agreement") with G. Yean Group Limited ("G Yean"), an independent third party, pursuant to which the Group agreed to acquire the entire issued share capital of Goodnice International Limited ("Goodnice"), a company incorporated in Hong Kong, at a consideration of HK\$140 million, satisfied by the issuance of 107,692,308 ordinary shares of the Company at a price of HK\$1.30 per share.

Goodnice was engaged in the manufacture of computer keyboards. Pursuant to the Goodnice Agreement, G Yean provided profit guarantees in respect of Goodnice to the Company for the three years ended 31 December 1999. Following a shortfall of the net profit after tax of Goodnice compared to the guaranteed amount for the year ended 31 December 1999, the Company claimed from G Yean a total of approximately HK\$50 million (the "Claim") and initiated legal proceedings against G Yean for the Claim in 2001. Due to the uncertainty on the outcome of the Claim, the claimed amount was not reflected as a receivable in prior years' financial statements.

On 8 August 2003, a settlement deed (the "Deed") was entered into between the Company and G Yean in respect of the settlement of the Claim and a total of HK\$8,233,000 was received from G Yean during the year ended 31 December 2003 as full settlement of the Claim.

#### 4. 營業額及收入 (續)

*附註:*

於一九九七年六月二十五日，本公司與獨立第三方資源集團有限公司（「資源集團」）訂立買賣協議（「德麗協議」），據此，本集團同意收購於香港註冊成立之德麗國際有限公司（「德麗」）全部已發行股本，代價為140,000,000港元，按每股1.30港元之價格發行107,692,308股本公司普通股以支付代價。

德麗從事電腦鍵盤製造業務。根據德麗協議，資源集團就德麗截至一九九九年十二月三十一日止三個年度向本公司作出盈利保證。由於德麗截至一九九九年十二月三十一日止年度之除稅後純利低於保證金額，本公司向資源集團追討合共約50,000,000港元（「索償」），並於二零零一年向資源集團展開索償之法律程序。由於不肯定索償結果，索償金額並無於過往年度之財務報表反映為應收賬款。

於二零零三年八月八日，本公司與資源集團就索償和解簽訂和解協議（「協議」），資源集團於截至二零零三年十二月三十一日止年度向本公司支付合共8,233,000港元作為索償之全數清付。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2004

二零零四年十二月三十一日

### 5. PROFIT/(LOSS) FROM OPERATING ACTIVITIES

### 5. 經營溢利／（虧損）

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

本集團之經營溢利／（虧損）已扣除／（計入）下列各項：

		2004 二零零四年	2003 二零零三年
	Notes 附註	HK\$'000 千港元	HK\$'000 千港元
Cost of inventories sold**	售出存貨成本**	426,332	223,046
Depreciation	折舊 12	23,950	18,550
Amortisation of goodwill*	商譽攤銷* 13	584	438
Minimum lease payments under operating leases in respect of land and buildings	土地及樓宇經營租約項下最低租約款項	4,853	2,673
Auditors' remuneration	核數師酬金	1,350	950
Staff costs (excluding directors' remuneration (note 7))	員工成本（不包括董事酬金（附註7））		
Wages and salaries	工資及薪酬	43,596	41,874
Provident fund contributions	公積金供款	2,539	2,056
Less: Forfeited contributions	減：沒收供款	(61)	(31)
Net provident fund contributions	公積金供款淨額	2,478	2,025
Total staff costs	總員工成本	46,074	43,899
Gross rental income	租金收入總額	5,212	5,327
Less: Outgoings	減：支出	(1,450)	(1,173)
Net rental income	租金收入淨額	3,762	4,154
Unrealised gain on short term listed investments*	短期上市投資未變現收益*	(1,699)	-
Gain on disposal of short term listed investments*	出售短期上市投資之收益*	(515)	-
Gain on disposal/write-off of fixed assets, net*	出售／撇銷固定資產收益淨額*	(1,285)	(21,021)
Deficit/(surplus) on revaluation of investment properties*	投資物業重估虧絀／（盈餘）* 12	(17,224)	2,495
Impairment/(reversal of impairment) of fixed assets*	固定資產減值／（減值撥回）* 12	(21,671)	2,034
Impairment of investment securities*	投資證券減值*	-	20,000
Gain on disposal of subsidiaries*	出售附屬公司之收益* 32(a)	(59)	-
Provision for inventories**	存貨撥備**	12,048	4,143
Provision for bad and doubtful debts*	呆壞賬撥備*	-	37,765

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2004

二零零四年十二月三十一日

### 5. PROFIT/(LOSS) FROM OPERATING ACTIVITIES (continued)

\* These amounts are included in "Other operating income/(expenses), net" on the face of the consolidated profit and loss account.

\*\* Cost of inventories sold includes HK\$45,414,000 (2003: HK\$34,052,000) relating to staff costs, depreciation, provision for inventories and minimum lease payments under operating lease in respect of land and buildings, which is also included in the respective total amounts disclosed separately above for these types of expenses.

### 5. 經營溢利／（虧損）（續）

\* 此等數額均計入綜合損益表「其他經營收入／（開支）淨額」內。

\*\* 售出存貨成本包括與員工成本、折舊、存貨撥備與土地及樓宇經營租約項下最低租約款項有關之45,414,000港元（二零零三年：34,052,000港元），上文已就該等開支類別獨立披露有關總額。

### 6. FINANCE COSTS

### 6. 財務費用

		Group 本集團	
		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Interests on bank and other loans wholly repayable within five years	五年內悉數償付之銀行及其他貸款利息	27,795	8,851
Less: Interest capitalised	減：利息撥充資本	(17,413)	—
		<u>10,382</u>	<u>8,851</u>

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2004

二零零四年十二月三十一日

### 7. DIRECTORS' REMUNERATION

Directors' remuneration for the year, disclosed pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and Section 161 of the Hong Kong Companies Ordinance, is as follows:

### 7. 董事酬金

根據香港聯合交易所有限公司證券上市規則（「上市規則」）及香港公司條例第161條披露之年內董事酬金如下：

		Group 本集團	
		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Fees	袍金	158	100
Other emoluments:	其他酬金：		
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	5,470	3,603
Provident fund contributions	退休金計劃供款	14	-
		5,484	3,603
		5,642	3,703

Fees are all payable to the non-executive directors. There were no other emoluments payable to the non-executive directors during the year (2003: Nil).

袍金全數應付非執行董事。年內並無向非執行董事應付其他酬金（二零零三年：零）。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2004

二零零四年十二月三十一日

### 7. DIRECTORS' REMUNERATION (continued)

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

		Number of directors 董事人數	
		2004 二零零四年	2003 二零零三年
Nil – HK\$1,000,000	零至1,000,000港元	10	3
HK\$1,000,001 – HK\$1,500,000	1,000,001港元至1,500,000港元	2	2
HK\$1,500,001 – HK\$2,000,000	1,500,001港元至2,000,000港元	1	–
		<u>13</u>	<u>5</u>

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

### 7. 董事酬金 (續)

酬金介乎下列範圍之董事人數如下：

年內並無董事豁免或同意豁免任何酬金之安排。

### 8. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included four (2003: two) directors, details of whose remuneration are set out in note 7 above. Details of the remuneration of the remaining one (2003: three) non-director, highest paid employee for the year are as follows:

### 8. 五名最高薪酬人士

年內五名最高薪酬人士中，其中四名（二零零三年：兩名）為董事，彼等之酬金已於上文附註7披露。年內其餘一名（二零零三年：三名）最高薪酬非董事人士之酬金詳情如下：

		Group 本集團	
		2004 二零零四年	2003 二零零三年
		HK\$'000 千港元	HK\$'000 千港元
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	785	2,735
Provident fund contributions	退休金計劃供款	–	34
		<u>785</u>	<u>2,769</u>





# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2004

二零零四年十二月三十一日

### 9. TAX (continued)

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.

### 9. 稅項 (續)

於其他地區之應課稅溢利稅項乃按本集團經營業務之國家之現行稅率根據當地之現行法例、詮釋及慣例計算。

		<b>Group</b>	
		<b>本集團</b>	
		<b>2004</b>	<b>2003</b>
		二零零四年	二零零三年
		HK\$'000	HK\$'000
		千港元	千港元
Current tax charge for the year:	年內即期稅項支出：		
Hong Kong	香港	34	-
Elsewhere	其他地區	15,797	1,661
Underprovision of current tax in respect of prior years	過往年度即期稅項撥備不足	102	-
Deferred tax credit	遞延稅項抵免	-	(1,000)
Total tax charge for the year	年內稅項開支總額	<u>15,933</u>	<u>661</u>

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2004

二零零四年十二月三十一日

### 9. TAX (continued)

A reconciliation of the tax expense applicable to profit/(loss) before tax using the statutory rates applicable to the Company and its subsidiaries to the tax expense at the effective tax rate is as follows:

### 9. 稅項 (續)

按本公司及其附屬公司適用之法定稅率計算之除稅前溢利／(虧損)適用之稅項支出，與按實際稅率計算之稅項支出對賬如下：

		Group 本集團	
		2004	2003
		二零零四年	二零零三年
		HK\$'000	HK\$'000
		千港元	千港元
Profit/(loss) before tax	除稅前溢利／(虧損)	27,350	(31,225)
Tax at the applicable rates to profits in the countries concerned	有關國家溢利按適用稅率計算之稅項	15,249	(4,206)
Income not subject to tax	毋須課稅之收入	(11,563)	(3,567)
Expenses not deductible for tax	不可扣稅之開支	1,601	10,310
Lower tax rate for specific provinces	特定省份之較低稅率	(2,239)	-
Adjustments in respect of current tax of previous periods	就過往期間即期稅項作出調整	102	-
Tax benefit from tax holiday	稅項優惠期內的稅項得益	-	163
Tax losses utilised from previous periods	過往期間所用稅項虧損	-	(3,021)
Tax losses not recognised	未確認稅項虧損	12,783	982
Tax charge at the Group's effective rate	以本集團實際稅率計算之稅項開支	15,933	661

Deferred tax asset was made in respect of provision for doubtful debts and inventories made by the Group.

本集團就其所作出呆賬及存貨撥備計算遞延稅項資產。

The Group has tax losses arising in Hong Kong of HK\$31,016,000 (2003: HK\$34,411,000) subject to the agreement of Inland Revenue Department, 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.

本集團於香港產生稅項虧損31,016,000港元(二零零三年:34,411,000港元)，在獲稅務局同意下可無限期使用以抵銷出現虧損公司之日後應課稅溢利。由於有關虧損源自已有一段時間錄得虧損之附屬公司，故其無就該等虧損確認遞延稅項資產。

### 9. TAX (continued)

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 and 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.

### 10. NET PROFIT/(LOSS) FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO SHAREHOLDERS

The net loss from ordinary activities attributable to shareholders for the year ended 31 December 2004 dealt with in the financial statements of the Company, was HK\$19,810,000 (2003: HK\$21,467,000) (note 31(b)).

### 11. EARNINGS/(LOSS) PER SHARE

The calculation of basic earnings/(loss) per share is based on the net profit attributable to shareholders for the year of HK\$11,373,000 (2003: net loss of HK\$31,994,000), and the 1,544,831,000 (2003: 1,544,831,000) ordinary shares in issue during the year.

Diluted earnings/(loss) per share amounts for the years ended 31 December 2004 and 2003 have not been disclosed as no diluting events existed during these years.

### 9. 稅項 (續)

於二零零四年十二月三十一日，由於本集團毋須就本集團若干附屬公司及聯營公司未匯款收益之應繳稅項承擔有關數額匯款後之額外稅項，故並無任何重大未確認遞延稅項負債（二零零三年：無）。

並無因本公司向股東支付股息產生任何所得稅。

### 10. 股東應佔一般業務純利／（虧損淨額）

截至二零零四年十二月三十一日止年度，股東應佔一般業務虧損淨額19,810,000港元（二零零三年：21,467,000港元）已於本公司財務報表內處理（附註31(b)）。

### 11. 每股盈利／（虧損）

每股基本盈利／（虧損）乃根據年內股東應佔純利11,373,000港元（二零零三年：虧損淨額31,994,000港元）及年內已發行普通股1,544,831,000股（二零零三年：1,544,831,000股）計算。

由於截至二零零四年及二零零三年十二月三十一日止年度並無出現攤薄事件，故並無披露該等年度之每股攤薄盈利／（虧損）數額。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2004

二零零四年十二月三十一日

### 12. FIXED ASSETS

### 12. 固定資產

Group	本集團							
	Investment properties 投資物業 HK\$'000 千港元	Leasehold land and buildings 租賃土地 及樓宇 HK\$'000 千港元	Leasehold improvements 租賃物業 裝修 HK\$'000 千港元	Plant and machinery 廠房及機器 HK\$'000 千港元	Furniture, fixtures and office equipment 傢具、裝置及 辦公室設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Construction in progress 在建工程 HK\$'000 千港元	Total 總值 HK\$'000 千港元
<b>Cost or valuation:</b>	<b>成本值或估值:</b>							
At beginning of year	67,747	231,731	4,238	87,587	29,322	15,376	288	436,289
Additions	-	-	1,868	3,803	1,692	2,444	29	9,836
Disposals	-	(1,433)	(616)	(787)	(2,504)	(2,241)	-	(7,581)
Write-off	-	-	-	-	-	-	(317)	(317)
Disposal of a subsidiary (note 32(a))	-	(28)	-	(6,345)	(157)	(1,160)	-	(7,690)
Surplus on revaluation	17,224	-	-	-	-	-	-	17,224
Exchange realignment	-	133	2	71	23	12	-	241
At 31 December 2004	84,971	230,403	5,492	84,329	28,376	14,431	-	448,002
<b>Analysis of cost or valuation:</b>	<b>成本值或估值分析:</b>							
At cost	-	230,403	5,492	84,329	28,376	14,431	-	363,031
At 2004 valuation	84,971	-	-	-	-	-	-	84,971
	84,971	230,403	5,492	84,329	28,376	14,431	-	448,002
<b>Accumulated depreciation and impairment:</b>	<b>累積折舊及減值:</b>							
At beginning of year	-	58,084	1,518	10,436	7,915	4,839	-	82,792
Depreciation provided during the year	-	8,817	833	9,088	3,673	1,539	-	23,950
Impairment reversed to profit and loss account during the year (note 5)	-	(21,671)	-	-	-	-	-	(21,671)
Disposals	-	(475)	(600)	(227)	(2,357)	(1,427)	-	(5,086)
Disposal of a subsidiary (note 32(a))	-	(11)	-	(738)	(27)	(234)	-	(1,010)
Exchange realignment	-	7	1	5	5	3	-	21
At 31 December 2004	-	44,751	1,752	18,564	9,209	4,720	-	78,996
<b>Net book value:</b>	<b>賬面淨值:</b>							
At 31 December 2004	84,971	185,652	3,740	65,765	19,167	9,711	-	369,006
At 31 December 2003	67,747	173,647	2,720	77,151	21,407	10,537	288	353,497

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2004

二零零四年十二月三十一日

### 12. FIXED ASSETS (continued)

### 12. 固定資產(續)

Company		本公司			
		Leasehold improvements	Furniture, fixtures and office equipment	Motor vehicles	Total
		租賃物業裝修	傢具、裝置及辦公室設備	汽車	總值
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Cost:	成本值:				
At beginning of year	年初	626	2,506	907	4,039
Additions	添置	1,757	659	-	2,416
Disposals	出售	(616)	(2,346)	(194)	(3,156)
At 31 December 2004	於二零零四年十二月三十一日	1,767	819	713	3,299
Accumulated depreciation:	累積折舊:				
At beginning of year	年初	583	2,395	524	3,502
Provided during the year	年內撥備	188	85	159	432
Disposals	出售	(600)	(2,313)	(168)	(3,081)
At 31 December 2004	於二零零四年十二月三十一日	171	167	515	853
Net book value:	賬面淨值:				
At 31 December 2004	於二零零四年十二月三十一日	1,596	652	198	2,446
At 31 December 2003	於二零零三年十二月三十一日	43	111	383	537



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2004

二零零四年十二月三十一日

### 12. FIXED ASSETS (continued)

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

At valuation:

Medium term leases

Long term leases

估值：

中期租約

長期租約

### 12. 固定資產(續)

本集團之投資物業乃按下列租期持有：

	Hong Kong 香港	Elsewhere 其他地區	Total 總值
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
	-	22,600	22,600
	47,200	15,171	62,371
	<u>47,200</u>	<u>37,771</u>	<u>84,971</u>

The Group's investment properties were revalued on 31 December 2004 by Chung, Chan & Associates ("CCA"), independent professionally qualified valuers, at HK\$84,971,000 on an open market, existing use basis. A revaluation surplus of HK\$17,224,000 resulting from the above revaluation has been credited to the profit and loss account (note 5). Certain of the Group's investment properties are leased to third parties under operating leases, further summary details of which are included in note 34(a) to the financial statements.

As at 31 December 2004, the Group had an investment property (the "Dongguan Property") located in Dongguan, Guangdong Province of the PRC, with a carrying amount of HK\$22,600,000 (2003: HK\$20,500,000). The Group has not yet obtained the relevant title certificate for the Dongguan Property. As confirmed by the Group's legal advisors, the Group is the rightful and equitable owner of the Dongguan Property.

Further details of the Group's investment properties are included on page 119 of the annual report.

本集團之投資物業於二零零四年十二月三十一日由獨立專業認可估值師衡量行(「衡量行」)按公開市值及現行用途基準重估為84,971,000港元。因上述重估產生之17,224,000港元重估盈餘已計入損益表(附註5)。本集團若干投資物業已按經營租約租賃予多名第三方，進一步概況載於財務報表附註34(a)。

於二零零四年十二月三十一日，本集團於中國廣東省東莞市擁有一投資物業(「東莞物業」)，賬面值為22,600,000港元(二零零三年：20,500,000港元)。本集團仍未取得東莞物業之相關業權證明。本集團之法律顧問已確認，本集團是東莞物業之合法及衡平法上的擁有人。

本集團投資物業之進一步詳情載於年報第119頁。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2004

二零零四年十二月三十一日

### 12. FIXED ASSETS (continued)

On 24 November 2004, the Group entered into a sale and purchase agreement with an independent third party for the disposal of certain of the Group's leasehold land and buildings, and investment properties in Hong Kong for a cash consideration of approximately HK\$93 million in aggregate. The transaction was completed subsequent to the balance sheet date. Based on the contracted price attributable to the land and buildings of approximately HK\$46 million, a previously recognised impairment loss to the extent of HK\$21,671,000 was reversed and credited to the profit and loss account during the year (note 5).

### 13. GOODWILL

The movements of the goodwill capitalised as an asset in the consolidated balance sheet, arising from the acquisition of certain subsidiaries, are as follows:

### 12. 固定資產 (續)

於二零零四年十一月二十四日，本集團與獨立第三方就按現金代價合共約93,000,000港元出售本集團若干租賃土地及樓宇以及於香港之投資物業訂立買賣協議。此項交易於結算日後完成。按源自有關土地及樓宇之訂約價格約46,000,000港元計算，早前所確認之21,671,000港元減值虧損已撥回，計入年內損益表（附註5）。

### 13. 商譽

因收購若干附屬公司產生之商譽變動已撥充資本，於綜合資產負債表列作資產如下：

		Group 本集團 HK\$'000 千港元
Cost:	成本值：	
At 1 January 2004 and at 31 December 2004	於二零零四年一月一日及 二零零四年十二月三十一日	5,838
Accumulated amortisation:	累積攤銷：	
At 1 January 2004	於二零零四年一月一日	438
Provided during the year	年內撥備	584
At 31 December 2004	於二零零四年十二月三十一日	1,022
Net book value:	賬面淨值：	
At 31 December 2004	於二零零四年十二月三十一日	4,816
At 31 December 2003	於二零零三年十二月三十一日	5,400



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2004

二零零四年十二月三十一日

### 13. GOODWILL (continued)

As detailed in note 2 to the financial statements, on the adoption of SSAP 30 in 2001, the Group applied the transitional provision of SSAP 30, that permitted goodwill in respect of acquisitions which occurred prior to the adoption of the SSAP to remain eliminated against the consolidated reserves.

The amounts of goodwill remaining in the consolidated reserves, arising from the acquisition of subsidiaries prior to the adoption of SSAP 30 in 2001, amounted to HK\$15,300,000 as at 31 December 2004 (2003: HK\$15,300,000).

### 14. INTERESTS IN SUBSIDIARIES

Unlisted investments, at cost	非上市股份·成本值
Due from subsidiaries	應收附屬公司欠款
Provision for impairment	減值撥備

Except for an amount due from a subsidiary of HK\$3,766,000 at 31 December 2003 which bore interest at a rate of 5.4% per annum, the balances with subsidiaries are unsecured, interest-free and are not expected to be repaid within the next twelve months.

### 13. 商譽(續)

誠如財務報表附註2所詳述，本集團於二零零一年採納會計實務準則第30號時，已應用會計實務準則第30號過渡條文，允許於採納會計實務準則前所進行收購之商譽仍於綜合儲備對銷。

於二零零四年十二月三十一日仍於綜合儲備入賬之商譽金額(於二零零一年採納會計實務準則第30號前收購附屬公司所產生)為15,300,000港元(二零零三年: 15,300,000港元)。

### 14. 所佔附屬公司權益

		Company	
		本公司	
		2004	2003
		二零零四年	二零零三年
		HK\$'000	HK\$'000
		千港元	千港元
Unlisted investments, at cost	非上市股份·成本值	128,174	128,174
Due from subsidiaries	應收附屬公司欠款	577,090	541,664
Provision for impairment	減值撥備	705,264 (285,413)	669,838 (311,800)
		419,851	358,038

於二零零三年十二月三十一日，除一間附屬公司一筆按年利率5.4厘計息之3,766,000港元欠款外，附屬公司結餘乃無抵押、免息及預期毋須於未來十二個月償還。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2004

二零零四年十二月三十一日

### 14. INTERESTS IN SUBSIDIARIES (continued)

### 14. 所佔附屬公司權益(續)

Particulars of the principal subsidiaries are as follows:

主要附屬公司詳情如下:

Name 名稱	Place of incorporation/ registration and operations 註冊成立/ 註冊及營業地點	Nominal value of issued ordinary/ paid-up capital 已發行普通/ 繳足股本面值	Percentage of equity attributable to the Company		Principal activities 主要業務
			Direct	Indirect	
			直接	間接	
Qingapen Limited 晴嘉有限公司	Hong Kong/ Mainland China 香港/中國大陸	HK\$2 2港元	100	-	Property investment 物業投資
Wisdom Power Property Limited 智力物業有限公司	Hong Kong 香港	HK\$2 2港元	100	-	Property investment 物業投資
China Everbright Commercial Network Services Limited 中國光大商業網絡服務 有限公司	Hong Kong/ Mainland China 香港/中國大陸	HK\$2 2港元	100	-	Property investment 物業投資
Everbright-Creation International Limited	Hong Kong 香港	US\$1 1美元	100	-	Investment holding 投資控股
EBOHR Luxuries International Company Limited (formerly known as Everbright Watch and Clock (Shenzhen) Co., Ltd.) 依波精品(深圳)有限公司 (前稱光大依波鐘表 (深圳)有限公司)	PRC/ Mainland China# 中國/中國大陸#	HK\$30,000,000 30,000,000港元	-	100	Manufacture and sale of watches and timepieces 製造及銷售鐘錶及 時計產品

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2004

二零零四年十二月三十一日

### 14. INTERESTS IN SUBSIDIARIES (continued)

### 14. 所佔附屬公司權益(續)

Name 名稱	Place of incorporation/ registration and operations 註冊成立/ 註冊及營業地點	Nominal value of issued ordinary/ paid-up capital 已發行普通/ 繳足股本面值	Percentage of equity attributable to the Company 本公司應佔 股本百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Seti Timber Industry (Shenzhen) Co., Ltd (formerly "Everbright Timber Industry (Shengzhen) Co. Ltd")* 森帝木業(深圳)有限公司 (前稱「光大木材工業 (深圳)有限公司」)*	PRC/ Mainland China# 中國/中國大陸#	US\$45,525,860 45,525,860美元	-	100	Manufacture and sale of timber products 製造及銷售木材產品
Beijing Jing Guan Property Development Company Limited* 北京京冠房地產開發 有限公司*	PRC/ Mainland China# 中國/中國大陸#	RMB80,000,000 人民幣80,000,000元	-	100	Property development 物業發展
#	<i>Registered as wholly foreign-owned enterprises in Mainland China.</i>		#		<i>於中國大陸註冊為全外資企業。</i>
*	<i>Not audited by Ernst &amp; Young Hong Kong or other Ernst &amp; Young International member firms.</i>		*		<i>並非由香港安永會計師事務所或其他安 永國際成員公司審核。</i>

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

上表載列董事認為主要影響本集團本年度之業績或構成本集團資產淨值重大部分之本公司附屬公司。董事認為，詳列其他附屬公司之資料將會令有關資料過於冗長。

### 14. INTERESTS IN SUBSIDIARIES (continued)

The Group holds a 51% equity interest in Shunde Everbright Sunto Computer Co. Ltd. ("Sunto"), a company established in the PRC through which the Group had intended to participate in the manufacture and the sale of computer casing products with third parties. Due to the non-disclosure of certain material transactions by the subsidiary's management and its minority shareholder, the Group had reasonable doubt as to the reliability of the financial information provided by the subsidiary. The directors of the Company are of the opinion that the subsidiary is practically in a management dead-lock, and the recoverability of the Group's investment in this subsidiary and the amount due from it of HK\$60.5 million in aggregate is doubtful. Accordingly, the Group's interest in this unconsolidated subsidiary has been fully provided for from the year ended 31 December 1998. In addition, Sunto was put under a compulsory winding up pursuant to a court order issued in 2001 and the winding up process had not yet been completed up to the date of these financial statements. The Group will not make any further investment in this subsidiary.

### 14. 所佔附屬公司權益(續)

本集團持有於中國成立之順德市光大順通電腦有限公司(「順通」)51%股本權益。本集團原擬透過該公司聯同第三方，參與製造及銷售電腦機箱產品。由於該附屬公司之管理層及其少數股東未有披露若干重大交易，本集團對該附屬公司所提供財務資料之可靠性存有合理疑問。本公司董事會認為該附屬公司之管理實際上已陷入僵局，所以本集團於該附屬公司之投資值及該附屬公司之欠款合共60,500,000港元能否收回均成疑問。因此，本集團所佔該未綜合計入賬目之附屬公司權益已由截至一九九八年十二月三十一日止年度起作出全面撥備。此外，順通根據於二零零一年頒佈之一項法院命令被強制清盤，清盤程序於截至本財務報表日期尚未完成。本集團不會對該附屬公司作出任何進一步投資。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2004

二零零四年十二月三十一日

### 15. INTERESTS IN ASSOCIATES

### 15. 所佔聯營公司權益

		Group 本集團		Company 本公司	
		2004 二零零四年	2003 二零零三年	2004 二零零四年	2003 二零零三年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Unlisted investments, at cost	非上市投資·成本值	-	-	39,301	39,301
Share of net assets	應佔資產淨值	-	-	-	-
		-	-	39,301	39,301
Amount due to an associate	應付一家聯營公司欠款	(3,649)	(3,649)	(3,649)	(3,649)
Provision for impairment	減值撥備	-	-	(35,652)	(35,652)
		<u>(3,649)</u>	<u>(3,649)</u>	<u>-</u>	<u>-</u>

The amount due to an associate is interest-free, unsecured, not repayable within one year and is included in long term liabilities.

應付一家聯營公司欠款為免息、無抵押，並毋須於一年內償還。該欠款已包括在長期負債。

The Group's associates had no significant effect on the results or assets of the Group for the year ended 31 December 2004.

截至二零零四年十二月三十一日止年度，本集團之聯營公司於本集團業績或資產並無重大影響力。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2004

二零零四年十二月三十一日

### 15. INTERESTS IN ASSOCIATES (continued)

Particulars of the principal associates are as follows:

Name 名稱	Business structure 業務架構	Place of incorporation/ registration and operations 註冊成立/ 註冊及營業地點	Percentage of ownership interest attributable to the Group 本集團 應佔所有權 權益百分比	Principal activities 主要業務
China Everbright Telecom-Land Network Limited ("CETLN")* 中國光大通信天地網絡系統有限公司(「通訊天地網絡」)*	Corporate 公司	The British Virgin Islands (the "BVI") 英屬處女群島 (「英屬處女群島」)	35	Investment holding 投資控股
Everbright Telecom-Land Network (Shanghai) Co. Ltd.* 光大通信天地網絡系統(上海)有限公司*	Corporate 公司	PRC/Mainland China 中國/中國大陸	35	Retailing 零售

\* Not audited by Ernst & Young Hong Kong or other Ernst & Young International member firms.

### 15. 所佔聯營公司權益(續)

主要聯營公司之詳情如下:

\* 並非由香港安永會計師事務所或其他安永國際成員公司審核。

The above table lists the associates of the Group which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other associates would, in the opinion of the directors, result in particulars of excessive length.

上表載列董事認為主要影響本集團本年度業績或構成本集團資產淨值重大部分之本集團聯營公司。董事認為，詳列其他聯營公司之資料將會令有關資料過於冗長。

During the year, the Company entered into an agreement with the existing shareholders of CETLN for the disposal of the Company's entire interest in CETLN, for a cash consideration of HK\$471,000. The transaction was completed subsequent to the balance sheet date. On 8 March 2005, the Company and CETLN entered into a deed of termination pursuant to which the amount due to CETLN will be waived.

年內，本公司與通訊天地網絡現有股東訂立協議，以按現金代價471,000港元出售本公司於通訊天地網絡全部權益。該項交易已於結算日後完成。於二零零五年三月八日，本公司與通訊天地網絡訂立終止契約，據此，結欠通訊天地網絡之款項將予豁免。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2004

二零零四年十二月三十一日

### 16. INVESTMENT SECURITIES

### 16. 投資證券

		Group 本集團	
		2004	2003
		二零零四年	二零零三年
		HK\$'000	HK\$'000
		千港元	千港元
Listed equity investments in Hong Kong, at cost	香港上市股票投資，成本值	54,440	54,440
Provision for impairment	減值撥備	(34,200)	(34,200)
		<u>20,240</u>	<u>20,240</u>
Market value at 31 December	於十二月三十一日之市值	<u>17,300</u>	<u>39,045</u>

The market value of the Group's long-term listed equity investment at the date of approval of these financial statements was approximately HK\$28.9 million.

於此等財務報表批准日期，本集團長期上市股票投資市值約為28,900,000港元。

### 17. LONG TERM INVESTMENT

### 17. 長期投資

		Group 本集團	
		2004	2003
		二零零四年	二零零三年
		HK\$'000	HK\$'000
		千港元	千港元
Unlisted equity investment in Hefei Everbright	於合肥光大木材工業有限公司（「合肥光大」）之非上市股票投資	<u>3,477</u>	<u>-</u>

### 17. LONG TERM INVESTMENT (continued)

The Company previously held an indirect equity interest of 50% in Hefei Everbright, a joint venture company established in Mainland China which was accounted for by the Group as a subsidiary at 31 December 2003. During the year, the Group disposed of its 24.5% equity interest in Hefei Everbright to independent third parties at a cash consideration of approximately HK\$2,980,000 (note 32(a)). According to the subcontracting agreement entered into between the Group and the joint venture partners of Hefei Everbright, the Group forfeited its rights to exercise any significant influence or control over the financial and operating policies of Hefei Everbright in return for fixed and guaranteed annual subcontracting fees. Accordingly, Hefei Everbright lost its status as a subsidiary of the Group in the current year and is not equity accounted for in accordance with SSAP 10 "Accounting for associates". The Group's investment in Hefei Everbright was reclassified to long term investments accordingly and was stated at the Group's share of the net assets of Hefei Everbright as at the date when the Group's forfeiture of its control/influence became effective, less any impairment losses.

### 17. 長期投資(續)

本公司先前持有合肥光大50%間接股本權益，該公司為於中國大陸成立之合營公司，於二零零三年十二月三十一日列作本集團附屬公司。年內，本集團按現金代價約2,980,000港元向獨立第三方出售其於合肥光大之24.5%股本權益(附註32(a))。根據本集團與合肥光大合營夥伴訂立之轉包協議，本集團放棄其對合肥光大財務及經營決策行使任何重大影響或控制之權利，以換取每年定額保證轉包費用。因此，合肥光大於本年度不再為本集團附屬公司，按照會計實務準則第10號「聯營公司之會計方法」，不會以股本會計法處理。本集團於合肥光大之投資因而重新分類為長期投資，按本集團於放棄其控制／影響生效之日應佔合肥光大資產淨值減任何減值虧損列賬。



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2004

二零零四年十二月三十一日

### 18. PROPERTIES UNDER DEVELOPMENT

### 18. 發展中物業

		Group 本集團	
		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Cost as at 31 December*	於十二月三十一日之成本*	504,868	332,091
Add: Attributable profits on pre-sale of properties	加: 應佔預售物業之溢利	68,958	-
Less: Progress instalments received	減: 已收進度分期付款項	(223,221)	-
		350,605	332,091
Portion classified as current assets	列作流動資產之部分	(289,102)	-
Non-current assets	非流動資產	<u>61,503</u>	<u>332,091</u>

\* Included interest capitalised during the year amounted to HK\$17,413,000 (2003: Nil) (note 6).

\* 包括年內撥充資本之利息17,413,000港元(二零零三年:零)(附註6)。

The properties under development are situated in Beijing, Mainland China. The plot of land (the "Land") where the Group's properties under development were erected was pledged to a bank for a bank loan of approximately HK\$311 million as at 31 December 2004, which is repayable in January 2007 (note 26).

發展中物業位於中國北京。本集團於其上建設發展中物業之土地(「土地」)已就於二零零四年十二月三十一日為數約311,000,000港元之銀行貸款，向一家銀行抵押，該筆貸款須於二零零七年一月償還(附註26)。

No profit has been recognised, certain properties under development because, at the balance sheet date, the construction work of these properties under development was still at the initial stage where the ultimate realisation of profit could not be reasonably determined. Therefore, deposits received from buyers of these properties under development were carried as current liabilities at the balance sheet date.

若干發展中物業之溢利並未確認，原因為該等發展中物業之建設工程於結算日仍處於初階，故無法合理確定最終可實現之溢利。因此，就該等發展中物業收取買家之訂金於結算日列作流動負債。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2004

二零零四年十二月三十一日

### 19. INVENTORIES

### 19. 存貨

		Group 本集團	
		2004	2003
		二零零四年	二零零三年
		HK\$'000	HK\$'000
		千港元	千港元
Raw materials	原材料	23,901	31,730
Work in progress	在製品	12,809	10,582
Finished goods	製成品	58,585	55,470
		95,295	97,782

The carrying amount of inventories carried at net realisable value included in the above balance was HK\$18,036,000 (2003: Nil).

以上結餘包括賬面值為18,036,000港元(二零零三年:零)以可變現淨值列賬之存貨。

### 20. TRADE RECEIVABLES

### 20. 應收賬款

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally for a period of one month, extending up to three months for major customers. Each customer has a maximum credit limit. Trade debtors with balances that are more than three months overdue are required to settle all outstanding balances before any further credit is granted.

除新客戶一般需要預先付款外，本集團與其客戶訂立之買賣條款主要按所訂信貸期繳款，而信貸期一般為期一個月，主要客戶可獲長至最多三個月之信貸期。每名客戶設有信貸上限。逾期三個月以上之應收賬款結餘，須於獲授出任何進一步信貸前清還所有未償還餘額。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2004

二零零四年十二月三十一日

### 20. TRADE RECEIVABLES (continued)

An aging analysis of the trade receivables as at the balance sheet date, based on invoice date, and net of provisions, is as follows:

### 20. 應收賬款(續)

應收賬款於結算日按照發票日期及扣減撥備後之賬齡分析如下:

		Group 本集團	
		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
1 to 3 months	1至3個月	13,601	11,606
4 to 6 months	4至6個月	3,683	475
7 to 12 months	7至12個月	29	51
More than 1 year	1年以上	167	109
		17,480	12,241

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2004

二零零四年十二月三十一日

### 21. SHORT TERM INVESTMENTS

### 21. 短期投資

	Group		Company	
	本集團		本公司	
	2004	2003	2004	2003
	二零零四年	二零零三年	二零零四年	二零零三年
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元
Listed equity investments in Hong Kong, at market value		香港上市股票投資，按市值		
	12,792	-	4,788	-

### 22. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

### 22. 預付款項、按金及其他應收賬款

Prepayments, deposits and other receivables under current assets as at 31 December 2004 included HK\$28,269,000 and HK\$11,308,000, which represented amounts due from two companies established in the PRC. Such balances were fully repaid subsequent to the balance sheet date.

計入於二零零四年十二月三十一日之流動資產之預付款項、按金及其他應收賬款，包括應收兩家於中國成立之公司欠款28,269,000港元及11,308,000港元，該等結餘已於結算日後全數清償。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2004

二零零四年十二月三十一日

### 23. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

### 23. 現金及現金等價物與已抵押存款

		Group 本集團		Company 本公司	
		2004 二零零四年	2003 二零零三年	2004 二零零四年	2003 二零零三年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Cash and bank balances	現金及銀行結存	56,199	84,496	3,464	13,108
Time deposits with original maturity:	原定於以下期間到期之定期存款：				
Less than three months	三個月內	131,703	240,643	51,003	230,197
Over three months	三個月後	3,769	-	-	-
		<u>191,671</u>	<u>325,139</u>	<u>54,467</u>	<u>243,305</u>
Less: Deposits pledged for short term bank loans (note 26)	減：就短期銀行貸款抵押之存款（附註26）	(4,845)	(4,797)	-	-
Cash and cash equivalents	現金及現金等價物	<u>186,826</u>	<u>320,342</u>	<u>54,467</u>	<u>243,305</u>

At the balance sheet date, the cash and bank balances of the Group denominated in Renminbi ("RMB") amounted to HK\$128,453,000 (2003: HK\$53,522,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

於結算日，本集團以人民幣（「人民幣」）為單位之現金及銀行結存合共為128,453,000港元（二零零三年：53,522,000港元）。人民幣不得自由兌換為其他貨幣。然而，根據中國關於外匯管理及結匯、售匯及付匯管理規定，本集團可在獲授權進行外匯業務之銀行將人民幣兌換為其他貨幣。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2004

二零零四年十二月三十一日

### 24. TRADE PAYABLES

An aging analysis of the trade payables as at the balance sheet date, based on invoice date, is as follows:

### 24. 應付賬款

應付賬款於結算日按照發票日期之賬齡分析如下：

		Group 本集團	
		2004	2003
		二零零四年	二零零三年
		HK\$'000	HK\$'000
		千港元	千港元
1 to 3 months	1至3個月	80,372	21,278
4 to 6 months	4至6個月	2,670	4,197
7 to 12 months	7至12個月	1,193	-
More than 1 year	超過1年	5,754	290
		89,989	25,765

### 25. OTHER PAYABLES AND ACCRUALS

### 25. 其他應付賬款及應計費用

		Group 本集團		Company 本公司	
		2004	2003	2004	2003
		二零零四年	二零零三年	二零零四年	二零零三年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Accruals	應計費用	16,242	15,371	3,054	706
Deposits received	已收按金	14,660	4,114	-	-
Other payables	其他應付賬款	60,979	160,617	10,799	110,675
		91,881	180,102	13,853	111,381
Portion classified as current liabilities	列作流動負債之部分	(91,881)	(160,102)	(13,853)	(91,381)
Long term portion	長期部分	-	20,000	-	20,000

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2004

二零零四年十二月三十一日

### 26. INTEREST-BEARING BANK AND OTHER BORROWINGS

### 26. 計息銀行及其他借貸

		本集團	
		2004	2003
		二零零四年	二零零三年
		HK\$'000	HK\$'000
		千港元	千港元
Secured bank loans repayable:	須於以下年期償還之有抵押		
	銀行貸款:		
Within one year	一年內	28,269	242,361
In the third to fifth years, inclusive	第三至第五年(包括首尾兩年)	310,959	—
		<u>339,228</u>	<u>242,361</u>
Unsecured other loans repayable in the second year	須於第二年內償還之其他無抵押貸款	—	201,044
		339,228	443,405
Portion classified as current liabilities	列作流動負債之部分	<u>(28,269)</u>	<u>(242,361)</u>
Long term portion	長期部分	<u>310,959</u>	<u>201,044</u>

The Group's other loans were unsecured, bore interest at rates ranging from nil to 5.49% per annum and were fully settled during the year.

本集團之其他貸款乃無抵押、按介乎零至5.49厘之年利率計息，已於年內全數清償。

31 December 2004

二零零四年十二月三十一日

### 26. INTEREST-BEARING BANK AND OTHER BORROWINGS (continued)

As at 31 December 2004, the Group's bank loans and other banking facilities were secured by:

- (i) the pledge of the Group's time deposits amounting to approximately HK\$4,845,000 (2003: HK\$4,797,000) (note 23);
- (ii) a legal charge over the Group's leasehold land and buildings situated in Mainland China with a net book value amounting to approximately HK\$129,460,000 (2003: HK\$133,446,000) as at 31 December 2004 (note 12); and
- (iii) a legal charge over the Land (note 18).

### 27. DUE TO A SUBSTANTIAL SHAREHOLDER

The amount due to a former substantial shareholder was unsecured, interest-free and had no fixed terms of repayment. Following the change of substantial shareholder during the year, the outstanding balance was reclassified to other payables.

### 28. DUE TO RELATED COMPANIES

The amounts due to related companies are unsecured, interest-free and have no fixed terms of repayment.

### 26. 計息銀行及其他借貸(續)

於二零零四年十二月三十一日，本集團銀行貸款及其他銀行信貸以下列各項作抵押：

- (i) 本集團約4,845,000港元(二零零三年：4,797,000港元)之定期存款之抵押(附註23)；
- (ii) 本集團於二零零四年十二月三十一日賬面淨值約129,460,000港元(二零零三年：133,446,000港元)之中國租賃土地及樓宇之法定押記(附註12)；及
- (iii) 土地之法定押記(附註18)。

### 27. 應付一名主要股東欠款

應付一名主要股東欠款為無抵押、免息，且並無既定還款期。主要股東於年內有所變動，故餘額已列作其他應付賬款。

### 28. 應付有關連公司欠款

應付一有關連公司欠款為無抵押、免息，且並無既定還款期。



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2004

二零零四年十二月三十一日

### 29. SHARE CAPITAL

### 29. 股本

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Authorised:	法定：		
2,000,000,000 ordinary shares of HK\$0.10 each	2,000,000,000股每股 面值0.10港元之普通股	<u>200,000</u>	<u>200,000</u>
Issued and fully paid:	已發行及悉數繳足：		
1,544,831,000 ordinary shares of HK\$0.10 each	1,544,831,000股每股 面值0.10港元之普通股	<u>154,483</u>	<u>154,483</u>

### 30. SHARE OPTION SCHEME

### 30. 優先認購股份權計劃

The Company has a share option scheme which was adopted on 25 May 2001 whereby the directors of the Company are authorised, at their discretion, to invite employees of the Group, including directors of any company in the Group, to take up options to subscribe for shares of the Company. The share option scheme shall be valid and effective for a period of ten years ending on 24 May 2011, after which no further options will be granted. For options granted before 1 September 2001, the exercise price of options was determined by the board and was the higher of the nominal value of the Company's shares and 90% of the average of the closing prices of the Company's shares on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") for the five business days immediately preceding the date of grant. For options granted on or after 1 September 2001, the exercise price of options is the highest of the nominal value of the shares, the closing price of the shares on the Stock Exchange on the date of grant and the average closing price of the shares on the Stock Exchange for the five business days immediately preceding the date of grant. Each option gives the holder the right to subscribe for one share.

本公司於二零零一年五月二十五日採納一項優先認購股份權計劃，據此，本公司董事獲授權，可酌情邀請本集團僱員（包括本集團任何成員公司之董事）接納優先認購股份權，以認購本公司股份。優先認購股份權計劃於直至二零一一年五月二十四日前十年一直有效，該日後不可再授出優先認購股份權。就於二零零一年九月一日前授出之優先認購股份權而言，優先認購股份權之行使價乃由董事會釐定，相當於本公司股份面值或緊接授出優先認購股份權當日前五個營業日本公司股份在香港聯合交易所有限公司（「聯交所」）之平均收市價之90%（以較高者為準）。就於二零零一年九月一日或以後授出之優先認購股份權而言，優先認購股份權之行使價為股份面值、於授出優先認購股份權當日股份在聯交所之收市價以及緊接授出優先認購股份權當日前五個營業日股份在聯交所之平均收市價之最高者。每份優先認購股份權賦予持有人權利認購一股股份。

31 December 2004

二零零四年十二月三十一日

### 30. SHARE OPTION SCHEME (continued)

Pursuant to the amendments (the "New Rules") to Chapter 17 of the Listing Rules, any options granted after September 2001 must comply with the provisions of the New Rules. If the Company wishes to grant options to its directors or other eligible participants in future, a new share option scheme in compliance with the New Rules is to be approved and adopted by the shareholders of the Company in a general meeting. Since the adoption of the New Rules, no new share option scheme has been approved nor adopted.

During the year, no share options were granted or exercised and there were no outstanding options at 31 December 2004 (2003: Nil).

### 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 page 40 of the financial statements.

The Group's share premium account mainly arose from shares issued at a premium.

In accordance with Mainland China regulations, certain of the Group's subsidiaries registered in Mainland China are required to transfer part of their profits after tax to the statutory reserve fund, before profit distributions are made. The amounts of the transfers are subject to the approval of the boards of directors of these companies, in accordance with their joint venture agreements and/or articles of association. The statutory reserve fund is non-distributable and restricted as to use.

### 30. 優先認購股份權計劃 (續)

根據上市規則第17章之修訂(「新規則」), 所有於二零零一年九月後授出之優先認購股份權均須符合新規則之條文。倘本公司擬於將來向其董事或其他合資格參與者授出優先認購股份權, 則必須經本公司股東於股東大會批准及採納符合新規則之新優先認購股份權計劃。自採納新規則以來, 並無批准或採納任何新優先認購股份權計劃。

年內, 概無優先認購股份權獲授出或行使, 於二零零四年十二月三十一日, 概無任何尚未行使優先認購股份權(二零零三年: 無)。

### 31. 儲備

#### (a) 本集團

本集團於目前及過往年度之儲備數額及有關變動已載於財務報表第40頁之綜合股權變動報表中。

本集團股份溢價賬主要包括按溢價發行之股份。

按照中國規例, 若干於中國註冊之本集團附屬公司於作出溢利分派前, 須將其部分除稅後溢利轉撥至法定儲備基金。轉撥款額須由該等公司之董事會按各自之合營協議及/或公司章程細則批准。法定儲備基金不可分派, 且其用途是有所限制。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2004

二零零四年十二月三十一日

### 31. RESERVES

#### (a) Group

Certain amounts of goodwill arising on the acquisition of subsidiaries in prior years remain eliminated against the consolidated reserves as explained in notes 2 and 13 to the financial statements.

#### (b) Company

### 31. 儲備

#### (a) 本集團

誠如財務報表附註2及13所闡釋，於過往年度收購附屬公司所產生商譽之若干數額仍於綜合儲備對銷。

#### (b) 本公司

		Share premium account	Accumulated losses	Total
		股份溢價賬	累積虧損	總額
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
At 1 January 2003	於二零零三年一月一日	677,882	(319,868)	358,014
Net loss for the year (note 10)	年內虧損淨額 (附註10)	-	(21,467)	(21,467)
At 31 December 2003 and at 1 January 2004	於二零零三年十二月 三十一日及二零零四年 一月一日	677,882	(341,335)	336,547
Net loss for the year (note 10)	年內虧損淨額 (附註10)	-	(19,810)	(19,810)
At 31 December 2004	於二零零四年 十二月三十一日	<u>677,882</u>	<u>(361,145)</u>	<u>316,737</u>

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2004

二零零四年十二月三十一日

### 32. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT      32. 綜合現金流量表附註

#### (a) Disposal of subsidiaries

#### (a) 出售附屬公司

			2004 二零零四年	2003 二零零三年
		Notes 附註	HK\$'000 千港元	HK\$'000 千港元
Net assets disposed of:	售出資產淨值：			
Fixed assets	固定資產	12	6,680	-
Cash and bank balances	現金及銀行結存		378	-
Inventories	存貨		3,102	-
Prepayments, deposits and other receivables	預付款項、按金及其他應收賬款		5,151	-
Trade payables	應付賬款		(450)	-
Other payables and accruals	其他應付賬款及應計費用		(1,049)	-
Tax payable	應繳稅項		(169)	-
Dividend payable	應付股息		(67)	-
Minority interests	少數股東權益		(7,178)	-
			<u>6,398</u>	<u>-</u>
Gain on disposal of subsidiaries	出售附屬公司之收益	5	59	-
			<u>6,457</u>	<u>-</u>
Satisfied by:	以下列方式支付：			
Reclassified as a long term investment	重新分類為長期投資	17	3,477	-
Cash	現金	17	2,980	-
			<u>6,457</u>	<u>-</u>

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2004

二零零四年十二月三十一日

### 32. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (continued)

### 32. 綜合現金流量表附註(續)

#### (a) Disposal of subsidiaries (continued)

#### (a) 出售附屬公司(續)

An analysis of the net outflow of cash and cash equivalents in respect of the disposal of subsidiaries is as follows:

有關出售附屬公司之現金及現金等價物流出淨值分析如下:

		2004	2003
		二零零四年	二零零三年
		HK\$'000	HK\$'000
		千港元	千港元
Cash consideration	現金代價	2,980	-
Cash and bank balances disposal of	售出現金及銀行結存	(378)	-
Net inflow of cash and cash equivalents in respect of the disposal of subsidiaries	有關出售附屬公司之現金及現金等價物流入淨額	<u>2,602</u>	<u>-</u>

The subsidiaries disposed of during the year contributed HK\$10.1 million to turnover and loss of HK\$1.4 million to the consolidated profit after tax and before minority interests for the year ended 31 December 2004.

年內售出之附屬公司對截至二零零四年十二月三十一日止年度之綜合除稅但未計少數股東權益前溢利分別貢獻營業額10,100,000港元及虧損1,400,000港元。

Further details of such disposal are set out in note 17 to the financial statements.

有關是項出售之進一步詳情載於財務報表附註17。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2004

二零零四年十二月三十一日

### 32. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (continued)

### 32. 綜合現金流量表附註(續)

#### (b) Acquisition of subsidiaries

#### (b) 收購附屬公司

		2004	2003
		二零零四年	二零零三年
		HK\$'000	HK\$'000
		千港元	千港元
Net assets acquired:	購入資產淨值：		
Fixed assets	固定資產	-	269,037
Properties under development	發展中物業	-	332,091
Cash and bank balances	現金及銀行結存	-	24,014
Trade receivables	應收賬款	-	53,123
Inventories	存貨	-	57,673
Prepayments, deposits and other receivables	預付款項、按金及其他應收賬款	-	18,302
Trade payables	應付賬款	-	(18,188)
Other payables and accruals	其他應付賬款及應計費用	-	(63,652)
Due to a substantial shareholder	應付一名主要股東欠款	-	(3,926)
Due to related companies	應付有關連公司欠款	-	(4,917)
Bank loans	銀行貸款	-	(350,421)
Other loans	其他貸款	-	(201,044)
Minority interests	少數股東權益	-	(8,960)
		-	103,132
Goodwill on acquisition	收購時產生之商譽	-	5,838
		-	108,970
Satisfied by:	以下列方式支付：		
Cash	現金	-	108,970

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2004

二零零四年十二月三十一日

### 32. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (continued)

### 32. 綜合現金流量表附註(續)

#### (b) Acquisition of subsidiaries (continued)

#### (b) 收購附屬公司(續)

An analysis of the net outflow of cash and cash equivalents in respect of the acquisition of subsidiaries is as follows:

有關收購附屬公司之現金及現金等價物流出淨額分析如下:

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Cash consideration	現金代價	-	(108,970)
Unsettled amount as at 31 December 2003*	於二零零三年十二月三十一日 未清償之款項*	-	99,800
Cash and bank balances acquired	購入現金及銀行結存	-	24,014
Net inflow of cash and cash equivalents in respect of the acquisition of subsidiaries	有關收購附屬公司之現金 及現金等價物流入淨額	-	14,844

\* The unsettled consideration as at 31 December 2003 was included in other payables (current portion of HK\$79.8 million and non-current portion of HK\$20 million) in the Group's consolidated balance sheet.

\* 於二零零三年十二月三十一日尚未清償之代價計入本集團綜合資產負債表之其他應付賬款之內，即期部分為79,800,000港元，而非即期部分則為20,000,000港元。

The subsidiaries acquired in the prior year contributed HK\$195.3 million to the Group's turnover and loss of HK\$16.0 million to the consolidated loss after tax and before minority interests for the year ended 31 December 2003.

於去年收購之附屬公司對本集團截至二零零三年十二月三十一日止年度之綜合除稅但未計少數股東權益前溢利分別帶來營業額195,300,000港元及虧損16,000,000港元。

31 December 2004

二零零四年十二月三十一日

### 32. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (continued)

#### (c) Major non-cash transaction

- (i) Following the change of substantial shareholder during the year, an amount due to the substantial shareholder as at 31 December 2003 was reclassified to other payables which resulted in no cash flow.
- (ii) In last year, the Group received certain investment properties in aggregate of HK\$16,382,000 from China Everbright Holdings Company Limited ("CEH"), a former substantial shareholder of the Company, for the settlement of amount owed by a subsidiary of CEH to the Group, which had been fully written off in prior years. Therefore the additions to investment properties of the Group in last year did not result in any cash flow.

### 33. CONTINGENT LIABILITIES

During the year, the Group provided guarantees in favour of certain banks for mortgage loans granted by the banks to the buyers of the Group's properties under development to the extent of approximately HK\$289 million in aggregate. As at the balance sheet date, mortgage loans in aggregate of approximately HK\$78 million were utilised by the buyers of the Group's properties under development.

The Company had no material contingent liabilities as at the balance sheet date.

### 32. 綜合現金流量表附註(續)

#### (c) 主要非現金交易

- (i) 年內主要股東有變，故於二零零三年十二月三十一日之應付主要股東欠款重新分類為其他應付賬款，並無錄得任何現金流量。
- (ii) 去年，本集團自其前度主要股東中國光大集團有限公司（「光大集團」）獲得若干總值16,382,000港元之投資物業，以償付光大集團一間附屬公司欠付本集團之款項（該筆款項已於過往年度全數撇銷）。因此，本集團去年添置投資物業並無產生任何現金流量。

### 33. 或然負債

年內，本集團就若干銀行向本集團發展中物業之買家授出之按揭貸款，向該等銀行作出擔保合共約289,000,000港元。於結算日，本集團發展中物業之買家已動用按揭貸款當中合共約78,000,000港元。

於結算日，本公司並無任何重大或然負債。



31 December 2004

二零零四年十二月三十一日

### 34. OPERATING LEASE ARRANGEMENTS

#### (a) As lessor

The Group and the Company lease their investment properties (note 12) under operating lease arrangements, with leases negotiated for terms ranging from one to twenty years.

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

### 34. 經營租約安排

#### (a) 作為出租人

本集團及本公司根據經營租約安排出租其投資物業(附註12)，該等租約之議定期期介乎一至二十年不等。

於二零零四年十二月三十一日，本集團及本公司根據不可取消經營租約之未來最低應收租金總額將於下列期間到期：

		<b>2004</b>	<b>2003</b>
		二零零四年	二零零三年
		HK\$'000	HK\$'000
		千港元	千港元
Within one year	一年內	3,895	4,297
In the second to fifth years, inclusive	第二至第五年 (包括首尾兩年)	15,118	14,946
After five years	五年後	53,819	57,433
		<u>72,382</u>	<u>76,676</u>

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2004

二零零四年十二月三十一日

### 34. OPERATING LEASE ARRANGEMENTS (continued)

#### (b) As lessee

The Group leases certain of its office and factory premises under operating lease arrangements. Leases for properties are negotiated for terms ranging from one to ten years.

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

		Group 本集團		Company 本公司	
		2004	2003	2004	2003
		二零零四年	二零零三年	二零零四年	二零零三年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Within one year	年內	5,523	1,492	3,985	-
In the second to fifth years, inclusive	第二至第五年 (包括首尾兩年)	9,785	1,925	7,677	-
After five years	五年後	774	1,545	-	-
		<u>16,082</u>	<u>4,962</u>	<u>11,662</u>	<u>-</u>

In addition, the Group is required to pay an annual fee of approximately HK\$280,000 in respect of a leasehold land in Mainland China from the year 1992 up to the year 2042 with a 20% increment for every five years. During the year, an annual fee of HK\$392,000 was charged to the Group (2003: HK\$404,000).

### 34. 經營租約安排 (續)

#### (b) 作為承租人

本集團根據經營租約安排租用其若干辦公室及工廠物業，該等租約之議定期間介乎一至十年不等。

於二零零四年十二月三十一日，本集團根據不可取消經營租約之未來最低應付租金總額將於下列期間到期：

此外，本集團自一九九二年起至二零四二年止，須就其在中國之一幅租賃土地支付年費約280,000港元，年費每五年增加20%。年內，本集團支付年費約392,000港元（二零零三年：404,000港元）。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2004

二零零四年十二月三十一日

### 35. COMMITMENTS

In addition to the operating lease commitments detailed in note 34(b) above, the Group and the Company had the following commitments at the balance sheet date:

### 35. 承擔

除上文附註34(b)所述經營租約承擔外，於結算日，本集團及本公司尚有下列資本承擔：

		Group		Company	
		本集團		本公司	
		2004	2003	2004	2003
		二零零四年	二零零三年	二零零四年	二零零三年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Authorised, but not contracted for:	已授權但未訂約：				
Construction works in respect of properties under development	發展中物業之建築工程	159,123	-	-	-
Contracted, but not provided for:	已訂約但未撥備：				
Acquisition of an associate (note 37(b))	收購一家聯營公司 (附註37(b))	126,000	-	90,000	-
Construction works in respect of properties under development	發展中物業之建築工程	93,808	43,762	-	-
Capital contributions payable to a subsidiary	應向一家附屬公司注資	-	56,490	-	-
Purchases of fixed assets	購買固定資產	-	404	-	-
		219,808	100,656	90,000	-
		378,931	100,656	90,000	-

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2004

二零零四年十二月三十一日

### 36. RELATED PARTY TRANSACTIONS AND CONNECTED TRANSACTION

(a) In addition to the transactions and balances detailed elsewhere in these financial statements, the Group also had the following material transactions with related parties during the year:

### 36. 有關連人士交易及關連交易

(a) 除本財務報表其他部分所載列之交易及結餘外，本集團於年內曾與有關連人士進行以下重大交易：

		Group 本集團		
		2004	2003	
		二零零四年	二零零三年	
		Notes	HK\$'000	HK\$'000
		附註	千港元	千港元
Commission fees paid	已付佣金費用	(i)	4,524	-
Interest expenses paid	已付利息開支	(ii)	436	1,873
Rental paid for staff quarters	已付員工宿舍租金	(iii)	-	117
Purchases of raw materials	購買原材料	(iv)	-	1,823
Rental income from leasing of an investment property	出租一項投資物業之租金收入	(v)	-	(1,641)

Notes:

- (i) The commission fees were paid to a real estate agent, in which a director of the Company had an equity interest, for services provided in respect of the sale of the Group's properties under developments. The directors considered that the commission rate was comparable to commission rates charged by other real estate agents.
- (ii) During the period from 1 January 2004 to 25 March 2004, being the date CEH ceased to be the substantial shareholder of the Company, the Group paid interest expenses to China Everbright Bank Company Limited, a subsidiary of CEH, of HK\$436,000 (year ended 31 December 2003: HK\$1,873,000).

附註：

- (i) 有關佣金費用乃就銷售本集團發展中物業所提供服務向一家本公司一名董事持有股本權益之房地產代理支付之佣金。董事認為，有關佣金比率與其他房地產代理收取者相若。
- (ii) 於二零零四年一月一日至光大集團終止為本公司主要股東之日二零零四年三月二十五日止期間，本集團向光大集團附屬公司中國光大銀行有限公司支付利息開支436,000港元（截至二零零三年十二月三十一日止年度：1,873,000港元）。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

31 December 2004

二零零四年十二月三十一日

### 36. RELATED PARTY TRANSACTIONS AND CONNECTED TRANSACTION (continued)

(a) (continued)

Notes: (continued)

- (iii) The rental expenses were paid to CEH for a staff quarters. The rental expenses were based on the agreements signed.
- (iv) The Group purchased raw materials from 中國光大南方對外貿易有限公司(“南方光大”), a wholly-owned subsidiary of the ultimate holding company of CEH. The directors of the Company considered that the purchases of raw materials were charged with reference to the cost of 南方光大.
- (v) On 23 November 2001, a tenancy agreement was entered into between the Group and CEH, under which the Group agreed to let and CEH agreed to lease a portion (with saleable area of approximately 4,586 square feet) of an investment property of the Group situated in Hong Kong at a monthly rental of HK\$185,000 (inclusive of management fee, insurance, government rent and rates) for a term of two years commencing from 28 November 2001 (the “CEH Tenancy Agreement”). The directors considered that the monthly rentals were charged by the Group with reference to the prevailing market prices. No renewal of the tenancy agreement was made between the Group and CEH upon expiry of the CEH Tenancy Agreement in the prior year.

### 36. 有關連人士交易及關連交易(續)

(a) (續)

附註:(續)

- (iii) 租金支出乃支付予光大集團,以租用員工宿舍。租金支出根據已簽訂協議計算。
- (iv) 本集團向光大集團最終控股公司之全資附屬公司中國光大南方對外貿易有限公司(「南方光大」)採購原料。本公司董事認為採購原料之價格乃參考南方光大之成本釐定。
- (v) 於二零零一年十一月二十三日,本集團與光大集團訂立租賃協議。據此,本集團同意出租,而光大集團同意租賃本集團位於香港之投資物業部分面積(實用面積約4,586平方呎),月租185,000港元,包括管理費、保險、地稅及差餉,由二零零一年十一月二十八日起為期兩年(「光大租賃協議」)。董事認為,月租乃由本集團參考現行市場租金後釐定。本集團與光大集團並無於光大租賃協議於去年屆滿時續訂有關租賃協議。

31 December 2004

二零零四年十二月三十一日

### 36. RELATED PARTY TRANSACTIONS AND CONNECTED TRANSACTION (continued)

- (b) On 21 March 2003, the Company entered into an agreement (the "CEIL Agreement") with a subsidiary of CEH, China Everbright International Limited ("CEIL"), a company incorporated in Hong Kong and listed on the Stock Exchange. Pursuant to the CEIL Agreement, the Company agreed to purchase and CEIL agreed to sell its 100% interests in each of Tung On Assets Limited ("Tung On") and Bright Merit Investments Limited ("Bright Merit") at an aggregate cash consideration of HK\$7,000,000. Tung On and Bright Merit together held an aggregate 72.01% interest in Wellpeck International Group Limited ("Wellpeck").

The principal activities of Wellpeck and its subsidiaries (the "Wellpeck Group") are the manufacture and sale of timber products, the development and servicing of machineries, investment holding, and the trading and export of timber products.

- (c) As at 31 December 2003, certain of the Group's bank loans of HK\$209,879,000 (the "Guaranteed Loan") were supported by the corporate guarantee executed by CEH. The Guaranteed Loans were fully repaid during the year.

### 36. 有關連人士交易及關連交易(續)

- (b) 於二零零三年三月二十一日，本公司與光大集團之附屬公司中國光大國際有限公司(「光大國際」)訂立協議(「光大國際協議」)。光大國際於香港註冊成立，於聯交所上市。根據光大國際協議，本公司同意購買，而光大國際同意出售於Tung On Assets Limited(「Tung On」)及Bright Merit Investments Limited(「Bright Merit」)各自之100%股權，現金代價合共7,000,000港元。Tung On及Bright Merit合共持有Wellpeck International Group Limited(「Wellpeck」)72.01%股權。

Wellpeck及其附屬公司(「Wellpeck集團」)之主要業務為製造及銷售木材產品、開發及維修機器、投資控股，以及買賣及出口木材產品。

- (c) 於二零零三年十二月三十一日，本集團為數209,879,000港元之若干銀行貸款(「擔保貸款」)乃由光大集團所提供之公司擔保作抵押。擔保貸款已於年內悉數償還。

### 36. RELATED PARTY TRANSACTIONS AND CONNECTED TRANSACTION (continued)

- (d) In 2000, the Group advanced a total of approximately HK\$16 million (the "Advance") to a former subsidiary of the Company (the "Borrower"). The advance was supported by a corporate guarantee provided by China Everbright Group Limited ("CEG"), a related company of the Company as at 31 December 2003. In view of the uncertainties affecting its recoverability, the directors considered that it was appropriate to fully write off the Advance during the year ended 31 December 2000. On 15 April 2003, an agreement was entered into between the Group and CEG pursuant to which CEG agreed to compensate the Group for the Advance by means of the transfer of certain of the CEG's properties located in Mainland China to the Group. During the year ended 31 December 2003, CEG transferred certain properties located in Shenzhen and Zhuhai, Mainland China, to the Group at an agreed value of approximately HK\$16,382,000 arrived at with reference to the valuation report issued by CCA, which was valued on an open market vacant possession basis. As a result of the transfer, a write-back of provision amounting to HK\$16,382,000 has been credited to the consolidated profit and loss account for the year ended 31 December 2003.

Details of the connected transaction of the Group are set out in the Report of the Directors.

### 36. 有關連人士交易及關連交易(續)

- (d) 於二零零零年，本集團向本公司前附屬公司（「借方」）墊付合共約16,000,000港元之款項（「墊付款項」），該項墊款獲於二零零三年十二月三十一日為本公司有關連公司之中國光大（集團）總公司（「光大總公司」）提供公司擔保。鑑於未能肯定能夠收回墊款，董事認為於截至二零零零年十二月三十一日止年度全數撇銷墊付款項乃為恰當之做法。於二零零三年四月十五日，本集團與光大總公司訂立一項協議，據此，光大總公司同意將其位於中國之若干物業轉讓予本集團，以就墊付款項向本集團作出賠償。於截至二零零三年十二月三十一日止年度，光大總公司向本集團轉讓若干位於中國深圳及珠海之物業，協定價值約為16,382,000港元，乃經參考衡量行按公開市場及交吉基準編製之估值報告釐定。轉讓導致16,382,000港元之撥回金額已計入截至二零零三年十二月三十一日止年度之綜合損益表。

本集團之關連交易詳情載於董事會報告。

31 December 2004

二零零四年十二月三十一日

### 37. POST BALANCE SHEET EVENTS

Save as disclosed elsewhere in the financial statements, the Group also has the following significant post balance sheet events:

- (a) Subsequent to the balance sheet date, in January 2005, the disposal of certain of the Group's leasehold land and buildings and investment properties as set out in note 12 to the financial statements was completed.
- (b) On 29 November 2004, the Company and Jian Guan (collectively the "Acquirers"), entered into agreements (the "Provisional Agreements") with Beijing Haikai Real Estate Group Company, and Commercial Facility Construction and Managing Company of Haidian District of Beijing (collectively the "Vendors"), two companies established in Mainland China and independent to the Group, whereby the Acquirers agreed to conditionally acquire from the Vendors a 21% equity interest in Beijing Haidian Science Park Development Co., Ltd. ("Beijing Haidian"), a company established in the PRC, at an aggregate cash consideration of RMB133,560,000 (approximately HK\$126,000,000), subject to adjustment as detailed in the Company's announcement dated 2 December 2004.

Further details of the above transaction are set out in the announcement of the Company dated 2 December 2004.

Subsequent to the balance sheet date, the Group paid a refundable deposit of approximately HK\$38 million in respect of the proposed acquisition of a 21% equity interest in Beijing Haidian. Such proposed acquisition is still not yet completed at the date of these financial statements.

### 37. 結算日後事項

除財務報表其他部分披露者外，本集團另曾於結算日後進行以下重大事項：

- (a) 結算日後，於二零零五年一月，財務報表附註12所述本集團出售若干租賃土地及樓宇以及投資物業已告完成。
- (b) 於二零零四年十一月二十九日，本公司及京冠（統稱「收購方」）與於中國成立且獨立於本集團之北京海開房地產集團公司及北京市海澱區商業設施建設經營公司（統稱「賣方」）訂立協議（「臨時協議」），據此，收購方同意按總現金代價人民幣133,560,000元（約126,000,000港元）（可根據本公司日期為二零零四年十二月二日之公佈所詳述者予以調整）向賣方有條件收購於中國成立之北京海澱科技園建設股份有限公司（「北京海澱」）21%股本權益。

以上交易進一步詳情載於本公司日期為二零零四年十二月二日之公佈。

結算日後，本集團就建議收購北京海澱21%股本權益，支付可退回訂金約38,000,000港元。有關收購建議於財務報表日期尚未完成。



### 37. POST BALANCE SHEET EVENTS (continued)

- (c) Subsequent to the balance sheet date in March 2005, the disposal of the Group's associates and the waiver of amount due to the associate as set out in note 15 to the financial statements were completed.

### 38. COMPARATIVE AMOUNTS

As further explained in note 3 to the financial statements, the property development business and the property investment business are reclassified as two separate business segments. The directors are of the opinion that such reclassification is necessary in order to give a better understanding of the performance of the Group. Also, certain comparative figures have been reclassified to conform with the current year's presentation.

### 39. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 22 April 2005.

### 37. 結算日後事項(續)

- (c) 結算日後於二零零五年三月，財務報表附註15所載出售本集團聯營公司及額免應付聯營公司欠款已告完成。

### 38. 比較數字

誠如財務報表附註3所述，物業發展業務及物業投資業務已重新分為兩個獨立業務分類。董事認為，為能夠更佳地理解本集團表現，該項分類乃屬必要。若干比較數字亦已重新分類，以符合本年度之呈列方式。

### 39. 批准財務報表

財務報表已於二零零五年四月二十二日獲董事會批准及授權刊發。