

1. Corporate Information

The registered office of Shenzhen Investment Limited is located at 8th Floor, New East Ocean Centre, 9 Science Museum Road, Kowloon, Hong Kong.

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

- Property development
- Property investment
- Property management
- Provision of transportation services
- Manufacture and sale of industrial and commercial products
- Infrastructure investment
- Provision of information technological services

In the opinion of the directors, the ultimate holding company is Shum Yip Holdings Company Limited ("Shum Yip Holdings"), which is a private company incorporated in Hong Kong.

2. Impact of Recently Issued Hong Kong Financial Reporting Standards ("HKFRSs")

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

1. 公司資料

深圳控股有限公司之註冊辦事處位於香港九龍科學館道9號新東海商業中心八樓。

年內，本集團主要從事下列業務：

- 物業發展
- 物業投資
- 物業管理
- 提供運輸服務
- 工業及商業產品之製造及銷售
- 基建投資
- 提供資訊科技服務

董事認為，本公司之最終控股公司為於香港註冊成立之私人公司—深業(集團)有限公司(「深業集團」)。

2. 近期頒佈之香港財務報告準則(「香港財務報告準則」)之影響

香港會計師公會頒佈了一系列之新香港財務報告準則及香港會計準則，在此合稱為新香港財務報告準則，將於二零零五年一月一日或其後開始之會計期間生效。本集團並未在截至二零零四年十二月三十一日止年度之財務報表中提早採用此等新香港財務報告準則。

2. Impact of Recently Issued Hong Kong Financial Reporting Standards (“HKFRSs”)

(continued)

The Group has already commended an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a significant impact on its results of operations and financial position.

3. Summary of Significant Accounting Policies

Basis of preparation

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

Subsidiaries

A subsidiary is a company in which the Company, directly or indirectly, controls more than half of its voting power or issued share capital or controls the composition of its board of directors.

2. 近期頒佈之香港財務報告準則（「香港財務報告準則」）之影響

(續)

本集團已就該等新香港財務報告準則之影響進行評估，惟尚未能確定該等新香港財務報告準則會否對其經營業績及財務狀況造成重大影響。

3. 主要會計政策之概要

編製之基準

本財務報表乃按香港會計師公會頒佈之香港財務報告準則（包括香港會計實務準則及詮釋）、香港公認會計原則及公司條例編製。除投資物業、股票投資及若干固定資產定期作重新衡量（下文作進一步解釋）外，財務報表乃根據歷史成本記賬法編製。

綜合賬目之基準

綜合財務報表收納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。於本年度內所收購或出售附屬公司之業績乃分別由其收購之生效日期起或截至出售之生效日期止計入綜合損益表。所有集團公司間之重大交易及結餘乃於綜合賬目時對銷。

少數股東權益指街外股東佔本公司之附屬公司之業績及淨資產之權益。

附屬公司

附屬公司乃一家由本公司直接或間接控制其過半數投票權或已發行股本或控制其董事會之組成之公司。

3. Summary of Significant Accounting Policies

(continued)

Subsidiaries (continued)

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.

Associates

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

The Group's share of the post-acquisition results and reserves of associates is included in the consolidated profit and loss account and consolidated reserves, respectively. The Group's interests in associates are stated in the consolidated balance sheet at the Group's share of net assets under the equity method of accounting, less any impairment losses. Goodwill or negative goodwill arising from the acquisition of associates, which was not previously eliminated or recognised in the consolidated reserves, is included as part of the Group's interests in associates.

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

3. 主要會計政策之概要 (續)

附屬公司 (續)

計入本公司之損益表之附屬公司業績只限於已收及應收股息。本公司於附屬公司之權益乃以成本減去任何減損後列賬。

聯營公司

聯營公司為除附屬公司及共同控制實體以外本集團持有一般不少於20%投票權之長期權益，並可對其行使重大影響力之公司。

綜合損益表及綜合儲備分別包括本集團分佔其聯營公司於收購後之業績及儲備。在綜合資產負債表上，本集團於聯營公司之權益乃根據會計權益法按本集團所佔資產淨值扣除任何減損後在綜合資產負債表上列賬。未於綜合儲備對銷或確認之因收購聯營公司所產生之商譽或負商譽，已收納作為本集團於聯營公司權益之一部份。

本公司之損益表包括聯營公司之業績，惟不可多於已收股息及應收股息。本公司於聯營公司之權益被視為長期資產，並按成本扣除任何減損列賬。

商譽

收購附屬公司及聯營公司所產生之商譽，乃指收購成本超逾本集團於收購當日應佔所購入可辨別資產及負債之公允價值之數額。

3. Summary of Significant Accounting Policies*(continued)***Goodwill** *(continued)*

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 for a period of not exceeding 20 years. In the case of associates, any unamortised goodwill is included in the carrying amount thereof, rather than as a separately identified asset on the consolidated balance sheet.

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

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

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

3. 主要會計政策之概要 (續)**商譽 (續)**

因收購所產生之商譽乃作為資產於綜合資產負債表內確認，及以直線法按其估計可用年期（不超過二十年）攤銷。至於聯營公司，任何未予攤銷之商譽按賬面值計算，而並非作為分開辨別之資產列入綜合資產負債表內。

於二零零一年採納會計實務準則第30號「企業合併」之前，收購產生之商譽在收購年度之綜合儲備中抵銷。採納會計實務準則第30號時，本集團採用有關會計實務準則之過渡條文，容許商譽留於綜合儲備中抵銷。採納此會計實務準則後因收購而產生之商譽乃按上述會計實務準則第30號商譽之會計政策處理。

於出售附屬公司或聯營公司時，出售所得收益或虧損參考出售當日之資產淨值（包括未經攤銷之商譽應佔數額及其他有關儲備（如適用））計算。以往於收購時在綜合儲備抵銷之任何應佔商譽會獲撥回，用於計算出售之收益或虧損。

商譽（包括已於綜合儲備中抵銷之商譽）之賬面值均每年檢討，並於被認為有需要時為減值作出撇減。之前已確認之商譽減值虧損將不會撥回，除非減值虧損是由於預期不會重演而性質特殊之外在事件所致，而其後發生之其他外在事件將該事件之影響消除。

3. Summary of Significant Accounting Policies

(continued)

Negative goodwill

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

To the extent that negative goodwill relates to expectations of future losses and expenses that are identified in the acquisition plan and that can be measured reliably, but which do not represent identifiable liabilities as at the date of acquisition, that portion of negative goodwill is recognised as income in the consolidated profit and loss account when the future losses and expenses are recognised.

To the extent that negative goodwill does not relate to identifiable expected future losses and expenses as at the date of acquisition, negative goodwill is recognised in the consolidated profit and loss account on a systematic basis over the remaining average useful life of the acquired depreciable/amortisable assets. The amount of any negative goodwill in excess of the fair values of the acquired non-monetary assets is recognised as income immediately.

In the case of associates, any negative goodwill not yet recognised in the consolidated profit and loss account is included in the carrying amount thereof, rather than as a separately identified item on the consolidated balance sheet.

Prior to the adoption of SSAP 30 "Business combinations" in 2001, negative goodwill arising on acquisitions was credited to the capital reserve in the year of acquisition. On the adoption of SSAP 30, the Group applied the transitional provision of the SSAP that permitted such negative goodwill to remain credited to the capital reserve. Negative goodwill on acquisitions subsequent to the adoption of the SSAP is treated according to the SSAP 30 goodwill accounting policy above.

3. 主要會計政策之概要 (續)

負商譽

收購附屬公司及聯營公司產生之負商譽，乃指在收購當日本集團應佔所收購可辨別資產及負債之公允值超出收購成本之數額。

倘負商譽關乎在收購計劃中確定之預計未來虧損及支出，而且能夠可靠地計量(惟並不代表在收購當日之可確認負債)，該部份之負商譽於未來虧損及支出確認時，於綜合損益表中確認為收入。

倘負商譽於收購當日與可確定之預計未來虧損及支出無關，負商譽將有系統地按所收購可折舊／可攤銷資產餘下之平均可使用年期於綜合損益表內確認。任何負商譽之數額超過所收購之非貨幣資產公允價值之數額，將立刻確認為收入。

對於聯營公司而言，任何尚未在綜合損益表內確認之負商譽會計入其賬面值，而非以個別可確定項目於綜合資產負債表呈列。

於二零零一年採納會計實務準則第30號「企業合併」前，因收購產生之負商譽乃計入在收購年度之資本儲備內。採納會計實務準則第30號時，本集團採用有關會計實務準則之過渡條文，容許負商譽計入資本儲備內。採納此會計實務準則後因收購而產生之負商譽乃按上述會計實務準則第30號商譽之會計政策處理。

3. Summary of Significant Accounting Policies*(continued)***Negative goodwill** *(continued)*

On disposal of subsidiaries or associates, the gain or loss on disposal is calculated by reference to the net assets at the date of disposal, including the attributable amount of negative goodwill which has not been recognised in the consolidated profit and loss account and any relevant reserves as appropriate. Any attributable negative goodwill previously credited to the capital reserve at the time of acquisition is written back and included in the calculation of the gain or loss on disposal.

Impairment of assets

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

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

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

3. 主要會計政策之概要 (續)**負商譽 (續)**

出售附屬公司或聯營公司時，出售所得收益或虧損均參考出售當日之淨資產計算（包括尚未在綜合損益賬確認之負商譽應佔數額及任何相關儲備（如適用））。以往於收購時計入資本儲備之任何應佔負商譽乃予以撥回，以計算出售之收益或虧損。

資產減值

在每個結算日會評估任何資產有否任何減值跡象，或有否於任何往年已確認之資產減值虧損可能不再存在或可能減少之跡象。倘出現任何該等跡象，會估計資產之可收回數額。資產之可收回數額乃以使用中之資產價值或其售價淨值之較高者為準。

只有當資產之賬面值超出其可收回值時，減值虧損才予以確認。除非資產以重估值來計算價值（即減值虧損根據該重估資產之相關會計政策計算之時），否則減值虧損將計入其產生期間之損益賬中。

只有當用以確定資產可收回值之估計出現更改時，才可將以往確認之減值虧損撥回，但有關價值並不可高於假設過往年度並無就該資產確認任何減值虧損之情況下，該資產本來確定之賬面值（經扣除任何折舊／攤銷）。除非資產正以重估值來計算價值（即減值虧損撥回根據該重估資產之相關會計政策計算之時），否則減值虧損撥回至其產生期間之損益賬中。

3. Summary of Significant Accounting Policies 3. 主要會計政策之概要 (續)

(continued)

Fixed assets and depreciation

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

Changes in the values of fixed assets, other than investment properties, are dealt with as movements in the asset revaluation reserve. If the total of this reserve is insufficient to cover a deficit, on an individual asset 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 a revalued asset, the relevant portion of the asset revaluation reserve realised in respect of previous valuations is transferred to retained profits as a movement in reserves.

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

Land and buildings	Over the lease terms
Leasehold improvements	20%
Plant and machinery	10% to 25%
Furniture, fixtures and equipment	10% to 25%
Motor vehicles	9% to 20%

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.

固定資產及折舊

除投資物業及在建工程外，固定資產乃按成本值或估值減累計折舊及任何減值虧損列值。資產之成本值包括其購買價及任何令該資產達至現時營運狀況及地點以作原定用途之直接應佔成本。固定資產投入運作後產生之開支（如修理及維修）一般按其產生之期間在損益賬內扣除。倘能清楚顯示費用令固定資產用途取得之預期未來經濟效益有所增加，則該筆費用將撥充資本作為資產之額外成本。

除投資物業外，固定資產價值之變動乃於資產重估儲備變動中處理。倘儲備總額不足以彌補虧絀，則虧絀數額之多出部份將按個別資產於損益賬中扣除。其後任何重估盈餘會按過往扣除之虧絀計入損益表。於出售重估資產時，就過往估值而變現之資產重估儲備之有關部份會轉撥至保留溢利作為儲備變動。

折舊乃按各項資產之估計可使用年期以直線法撇銷其原值或估值計算。折舊之主要年率如下：

土地及樓宇	租賃年期
租賃物業裝修	20%
廠房及機器	10% – 25%
傢俬、裝置及設備	10% – 25%
汽車	9% – 20%

於損益賬中確認之出售或報廢固定資產之收益或虧損乃出售所得款項淨額與相關資產賬面值之差額。

3. Summary of Significant Accounting Policies*(continued)***Fixed assets and depreciation** *(continued)*

Construction in progress represents a building under construction, which is stated at cost less any impairment losses and is not depreciated. Cost comprises direct costs of construction and capitalised borrowing costs on related borrowed funds during the period of construction. Construction in progress is reclassified to the appropriate category of fixed assets when completed and ready for use.

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.

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, for which pre-sales have not yet commenced, are stated at cost less any impairment losses. Cost includes all costs attributable to such development, including financing charges.

3. 主要會計政策之概要 (續)**固定資產及折舊 (續)**

在建工程指興建中之樓宇，乃以成本值減減值虧損列賬，並不予以折舊。成本包括直接建築成本及於建築期內有關借貸資金之資本化借貸成本。在建工程於竣工及備用時將重新分類至適當之固定資產類別。

投資物業

投資物業乃指建築工程及發展已竣工及因其投資潛力而計劃長期持有之土地及樓宇權益，而任何租金收入乃按公平基準磋商。該等物業不作折舊，並按每個財政年度之結算日所作年度專業估值之公開市值入賬。

投資物業價值之變動乃於投資物業重估儲備中作變動處理。按組合基準而言，倘儲備總額不足以彌補虧絀，虧絀數額之多出部份則在損益賬中扣除。任何其後之重估盈餘會按過往扣除之虧絀計入損益表。

於出售投資物業時，就過往估值而變現之投資物業重估儲備之有關部份將撥往損益表。

發展中物業

並未展開預售之發展中物業以成本減任何減值虧損列賬。成本包括應佔該等發展（包括融資費用）之所有成本。

3. Summary of Significant Accounting Policies

(continued)

Properties under development (continued)

Properties under development which have been pre-sold are stated at cost plus attributable profits less sales deposits/instalments received and any foreseeable losses. Properties under development which have been pre-sold are classified under current assets.

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 properties pre-sold during the period 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, limited to the amount of sales deposits/instalments received under legally binding contracts at the balance sheet date, with due allowances for contingencies.

Completed properties for sale

Completed properties for sale are stated at the lower of cost and net realisable value. Cost is determined by an apportionment of the total land and development cost attributable to the unsold properties. Net realisable value is estimated by the directors based on prevailing market prices, on an individual property basis.

Inventories

Inventories are stated 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.

3. 主要會計政策之概要 (續)

發展中物業 (續)

曾作預售之發展中物業以成本加應佔溢利減已收銷售按金/分期款項及任何可預見虧損列賬。曾作預售之發展中物業分類為流動資產。

倘發展中物業已預售，估計溢利總額將按整個建築期間分攤以反映發展進度。就此，於期間預售物業之已確認溢利將參照直至結算日產生之建築成本與估計竣工時之總建築成本之比例計算，惟以於結算日根據具法律約束力之合約已收取之銷售按金/分期款項數額為限，並就或然事項作出適當撥備。

已落成之待銷物業

已落成之待銷物業以成本值及可變現淨值兩者之較低者列賬。成本乃按未出售物業應佔之土地及發展成本總額分攤計算。可變現淨值乃由董事按個別物業當時之現行市場價格估計。

存貨

存貨以成本值及可變現淨值兩者之較低者列賬。成本按加權平均法釐定，而對於在製品及產成品而言，則包括直接材料、直接工資及經常性費用之適當部份。可變現淨值按估計售價減完成及出售產生之任何估計成本而定。

3. Summary of Significant Accounting Policies*(continued)***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.

Intangible assets

Vehicle licences acquired by the Group are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives of 15 to 20 years.

Long term investments

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

Held-to-maturity debt securities are redeemable at fixed dates, intended to be held to maturity and are stated at amortised cost less provisions for impairment, on an individual investment basis. Amortised cost is cost plus or minus the cumulative amortisation of the difference between the purchase price and the maturity amount. Provisions for impairment are made when carrying amounts are not expected to be recovered and are charged to the profit and loss account for the period in which they arise.

3. 主要會計政策之概要 (續)**經營租約**

凡資產擁有權帶來之絕大部份回報及風險仍歸出租人所有，則有關租賃乃列為經營租賃。倘本集團為出租人，由本集團於經營租賃項下出租之資產乃計入為非流動資產，而經營租賃項下之應收租金則按租期以直線法計入損益賬。倘本集團為承租人，經營租賃項下之應付租金將按租期以直線法於損益賬扣除。

無形資產

本集團購入之車輛執照乃按成本減任何減值虧損列賬，並按其估計可使用年期15至20年以直線法攤銷。

長期投資

長期投資乃指擬長期持有之非買賣上市投資及非上市股本證券。

持至到期日之債務證券於固定日期贖回，擬持至到期日並按經攤銷成本扣除減值撥備者則按個別投資列賬。經攤銷成本乃成本加或減購買價與到期金額差額之累積攤銷。減值撥備於賬面值預期不可收回時作出，並在其產生期間於損益賬內扣除。

3. Summary of Significant Accounting Policies

(continued)

Long term investments (continued)

Listed securities are stated at their fair values on the basis of their quoted market prices at the balance sheet date, on an individual investment basis. Unlisted securities are stated at their estimated fair values, on an individual basis. The estimated fair values of unlisted investments are determined by the directors having regard to, inter alia, the prices of the most recent reported sales or purchases of the securities or comparison of price/earning ratios and dividend yields of the securities with those similar listed securities, with allowance made for the lower liquidity of the unlisted securities.

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

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 for the period in which they arise.

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.

3. 主要會計政策之概要 (續)

長期投資 (續)

上市證券乃按個別投資於結算日之市價以其公允值列賬。非上市證券乃按個別投資之估計公允值列賬。非上市投資之估計公允值乃由董事經考慮(其中包括)最近期呈報之證券買賣價或就證券之市盈率及股息收益與該等類似上市證券進行比較後釐定,並就流通量較低之非上市證券作出撥備。

證券公允值變動所產生之收益或虧損均於投資重估儲備中處理,直至證券已出售、收回或以其他方式處置或直至證券被釐定為出現減值時,則投資重估儲備中證券所產生之已確認累積收益或虧損連同任何其他減值會於產生之期間自損益表扣除。

短期投資

短期投資乃指持作買賣用途之股本證券投資,並按個別投資於結算日之市價以公平值列賬。證券公允值變動所產生之收益或虧損乃在其產生之期間於損益表中計入或扣除。

所得稅

所得稅包括即期及遞延稅項。所得稅乃於損益賬中確認,或倘其與同期或不同期間所確認之權益項目有關,則於權益中確認。

3. Summary of Significant Accounting Policies*(continued)***Income tax** *(continued)*

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.

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

3. 主要會計政策之概要 (續)**所得稅 (續)**

遞延稅項乃以負債法按於結算日就財務申報而言資產及負債之稅基與彼等賬面值兩者間之所有暫時差異作出撥備。

遞延稅項負債乃就所有應課稅暫時差異而確認：

- 惟倘遞延稅項負債乃因商譽或因並非商業組合交易之資產或負債之初步確認而產生，且於交易時並不影響會計溢利及應課稅溢利或虧損者則除外；及
- 就與在附屬公司及聯營公司投資有關之應課稅暫時差異而言，則倘暫時差異撥回之時間可被控制及暫時差異於可預見將來可能將不能撥回者除外。

遞延稅項資產乃就所有可扣減暫時差異、未動用稅項資產及未動用稅項虧損之轉結而確認，惟以可扣減暫時差異、未動用稅項資產及未動用稅項虧損之轉結可獲動用作抵銷應課稅溢利為限：

- 惟倘可扣減暫時差異之遞延稅項資產乃因負商譽或因並非商業組合交易之資產或負債之初步確認而產生，且於交易時並不影響會計溢利及應課稅溢利或虧損者則除外；及

3. Summary of Significant Accounting Policies

(continued)

Income tax (continued)

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

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

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

Foreign currency transactions

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.

3. 主要會計政策之概要 (續)

所得稅 (續)

- 就與在附屬公司及聯營公司投資有關之可扣減暫時差異而言，遞延稅項資產之確認僅以暫時差異於可預見將來可撥回及暫時差異可獲動用作抵銷應課稅溢利為限。

遞延稅項資產之賬面值於每個結算日作出檢討，並扣減至應課稅溢利不再足以供所有或部份遞延稅項資產可被動用。相反，以往未被確認之遞延稅項資產乃於應課稅溢利足以供所有或部份遞延稅項資產可被動用時確認。

遞延稅項資產及負債乃按預期適用於變現資產或償還負債期間之稅率，按照於結算日已制定或實質制定之稅率（及稅務法）計算。

外幣交易

外幣交易按交易日之適用匯率記錄。於結算日以外幣訂值之貨幣資產及負債乃按結算日之適用匯率換算。匯兌差額均撥入損益表處理。

綜合海外附屬公司及聯營公司之財務報表時，按淨投資法換算為港元。海外附屬公司及聯營公司之損益表按年內之加權平均匯率換算為港元，而資產負債表則按結算日之匯率換算為港元。於綜合時產生之匯兌差額均撥往匯兌變動儲備中處理。

3. Summary of Significant Accounting Policies*(continued)***Foreign currency transactions** *(continued)*

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.

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.

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) from the sale of properties, when the legally binding unconditional sales contracts are signed and exchanged;
- (b) from the sale of industrial and commercial products, when the significant risk 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;

3. 主要會計政策之概要 *(續)***外幣交易** *(續)*

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當日之匯率換算為港元。海外附屬公司在年內恆常產生之現金流按年度之加權平均匯率換算為港元。

借貸成本

因收購、興建或生產有條件資產（即需一段長時間籌備作原定用途或銷售者）所直接產生之借貸成本乃撥作該等資產之部份成本，直至該等資產已大致準備作原定用途或銷售為止。將未用於認可資產開支之特定借貸撥作臨時投資所賺取之投資收入從已撥充資本之借貸成本中扣除。

收入確認

倘經濟利益將可能流入本集團且在收入可作出可靠計算之情況下，收入乃按下列基準予以確認：

- (a) 出售物業之收入乃於簽定及交換具法律約束力之無條件銷售協議時確認；
- (b) 出售工業及商業產品在擁有權之重大風險及報酬已轉讓給買家時確認，惟前提是本集團不再參與一般與擁有權相聯繫之管理，對已出售之貨品亦無實際控制權；

3. Summary of Significant Accounting Policies*(continued)***Revenue recognition** *(continued)*

- (c) from the pre-sale of properties under development, when the construction work has progressed to a stage where the ultimate realisation of profit can be reasonably determined and on the basis set out under the accounting policy headed "Properties under development";
- (d) rental income, in the period in which the properties are let out on the straight-line basis over the lease terms;
- (e) income from the provision of transportation services, when the transportation services are rendered;
- (f) services income, when the relevant services are rendered;
- (g) interest income, on a time proportion basis taking into account the principal outstanding and the effective interest rate applicable; and
- (h) dividend income, when the shareholder's right to receive payment has been established.

Dividends

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

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

3. 主要會計政策之概要 (續)**收入確認 (續)**

- (c) 預售發展中物業所得收入乃於建築工程達至可合理地釐訂最終變現之利潤時，按會計政策「發展中物業」一節所述基準確認；
- (d) 物業出租期間之租金收入按有關租約年期以直線法確認；
- (e) 運輸服務收入於提供運輸服務時予以確認；
- (f) 服務費用收入乃於提供該服務時予以確認；
- (g) 利息收入根據尚未到期本金並以適用利率按時間比例之基準確認；及
- (h) 股息收入於確定股東有權收取款項時予以確認。

股息

董事建議之末期股息歸類為資產負債表中股本及儲備項下獨立分配之保留溢利，直至股東在股東週年大會上批准。當股東批准及宣派該等股息時，該等股息會確認為負債。

因本公司章程大綱及細則授權董事宣派中期股息，故中期股息可同時建議派付並宣派。因此，中期股息在建議派付及宣派時，隨即確認為負債。

3. 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.

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 maturity of generally within three months when acquired, less banks overdrafts which are repayable on demand and from 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.

Retirement benefits scheme

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

3. 主要會計政策之概要 (續)**關連人士**

凡有能力直接或間接控制其他方或對其他方之財務及營運決定有重大影響力者，均被視為關連人士。此外，凡受同一來源控制或受同一重大影響者亦為關連人士。關連人士可為個人或公司實體。

現金及現金等值

就綜合現金流量表而言，現金及現金等值包括手頭現金、活期存款、可隨時轉換為已確定數額現金、價值變動風險極微及自收購起三個月內到期之短期高流動性投資，經扣減須按要求償還之銀行透支額（構成本集團現金管理之一部份）。

就資產負債表而言，現金及現金等值指手頭現金及銀行存款，包括定期存款，並無限定用途。

退休福利計劃

本集團根據強制性公積金計劃條例為合資格參與強積金計劃之僱員實施一項界定供款強積金退休計劃（「強積金計劃」）。所有作出之供款乃按僱員基本薪金之某一百分比計算，並依照強積金計劃之規定在須支付供款時在損益表中扣除。強積金計劃之資產乃與本集團之資產分開由獨立管理之基金持有。根據強積金計劃條例，若僱員於可全數收取供款前離職，則僱主之自願供款將歸本集團所有，惟本集團就強積金計劃作出之僱主供款全數歸僱員所有。

3. Summary of Significant Accounting Policies

(continued)

Retirement benefits scheme (continued)

Each of the subsidiaries operating in Mainland China participates in the central pension scheme (the "CPS") operated by the local municipal government for all of its staff. These subsidiaries are required to contribute 8% to 20% of their payroll costs to the CPS. The contributions are charged to the profit and loss account as they become payable in accordance with the rules of the CPS.

Share option scheme

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. The financial impact of share options granted under the share option scheme is not recorded in the Company's or the Group's balance sheet until such time as the options are exercised, and no charge is recorded in the profit and loss account or balance sheet for their cost. Upon the exercise of share options, the resulting shares issued are recorded by the Company as additional share capital at the nominal value of the shares, and the excess of the exercise price per share over the nominal value of the shares is recorded by the Company in the share premium account. Options which are cancelled prior to their exercise date, or which lapse, are deleted from the register of outstanding options.

4. Segment Information

Segment information is presented by way of the Group's primary segment reporting basis, by business segment. 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. No further geographical segment information is presented as over 90% of the Group's revenue is derived from customers based in Mainland China, and over 90% of the Group's assets are located in Mainland China.

3. 主要會計政策之概要 (續)

退休福利計劃 (續)

所有於中國內地經營之附屬公司參與中央退休金計劃(「中央退休金計劃」)，此計劃由地方市政府為該等公司所有僱員制訂。此等附屬公司必須按其薪金之8%到20%就中央退休金計劃作出供款。根據中央退休金計劃作出之供款會根據中央退休金計劃之條款在須付供款時自損益賬中扣減。

購股權計劃

本公司營辦一項購股權計劃，以給予對本集團經營成功付出貢獻之合資格參與者獎勵。根據購股權計劃授出之購股權之財務影響並不記錄於本公司或本集團之資產負債表，直至購股權獲行使為止，亦不在損益表或資產負債表扣除其成本。行使購股權時，本公司將所發行之股份按股份面值記錄為額外股本，而每股行使價較股份面值多出之數則記入股份溢價賬。在行使日期前註銷或失效之購股權從已發行購股權記錄冊中剔除。

4. 分類資料

分類資料以業務類別為本集團之主要呈報基準。在釐定本集團地區類別時，收入乃按照客戶所在之地區分類，而資產則按照資產所在之地區分類。由於本集團超過90%之收入乃來自中國大陸之客戶，且本集團超過90%之資產均位於中國大陸，因此並無呈報進一步地區分類資料。

4. Segment Information (continued)

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) the property development segment engages in development of residential, industrial and commercial properties;
- (b) the property investment segment invests in residential, industrial and commercial properties for their rental income potential;
- (c) the property management segment engages in the management of both Group developed properties and non-Group developed properties;
- (d) the transportation services segment consists of the provision of passenger and freight transportation services, automobile maintenance and other related services;
- (e) the manufacturing segment engages in manufacture and sale of industrial and commercial products;
- (f) the infrastructure investment segment invests in infrastructure projects of power generation and toll roads;
- (g) the information technology segment engages in the cable television network transmission and the provision of technological services; and
- (h) the "others" segment comprises, principally, building construction and other businesses.

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

4. 分類資料 (續)

本集團經營業務按照其業務性質及所提供之產品及服務，以不同的架構及管理模式運作。每個集團業務分類指提供不同產品及服務之策略性業務單位，其個別所受之風險及回報均有別於其他業分類。業務分類之摘要如下：

- (a) 物業發展業務專責發展住宅、工業及商業樓宇；
- (b) 物業投資業務投資至具租務前景之住宅、工業及商業樓宇；
- (c) 物業管理業務專責管理由集團發展及非由集團發展之樓宇；
- (d) 交通運輸服務業務包括提供客運及貨運服務、汽車維修及其他相關服務；
- (e) 製造業務專責製造及銷售工業及商業產品；
- (f) 基建投資業務投資至發電基建項目及收費公路；
- (g) 資訊科技業務指提供有線電視網絡傳輸及提供科技服務；及
- (h) 「其他」分類主要包括樓宇建築工程及提供其他業務。

分類間之銷售及轉撥乃按照當時普遍之市場價格參考銷售予第三方之售價進行交易。

4. Segment Information (continued)

4. 分類資料 (續)

Business segments

業務分類

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

下表呈列本集團業務分類之收入、溢利及若干資產、負債及開支資料：

Group 本集團		For the year ended 31 December 2004 截至二零零四年十二月三十一日止年度								Total 總額
		Property development 物業發展 千港元	Property investment 物業投資 千港元	Property management 物業管理 千港元	Transportation services 運輸服務 千港元	Manufacturing 製造 千港元	Infrastructure investment 基建投資 千港元	Information technology 資訊科技 千港元	Others 其他 千港元	
Segment revenue:	分類收益：									
Sales to external customers	銷售予對外客戶	890,307	279,383	239,604	144,796	375,708	-	-	70,333	2,000,131
Segment results	分類業績	202,281	153,118	13,500	11,043	3,063	-	-	105	383,110
Investment income	投資收入									72,787
Unallocated expenses	未分攤開支									(82,360)
Finance costs	融資成本									(115,034)
Share of profits and losses of associates	應佔聯營公司溢利及虧損	37,582	(565)	762	2,817	14,325	296,082	23,496	-	374,499
Amortisation of negative goodwill recognised as income arising from acquisition of associates	收購聯營公司產生並確認為收入之負商譽攤銷									23,093
Profit before tax	除稅前溢利									656,095
Tax	稅項									(98,530)
Profit before minority interests	未計少數股東權益前溢利									557,565
Minority interests	少數股東權益									(202,786)
Net profit from ordinary activities attributable to shareholders	股東應佔日常業務之純利									354,779

4. Segment Information (continued)

4. 分類資料 (續)

Business segments (continued)

業務分類 (續)

Group 本集團		As at 31 December 2004 於二零零四年十二月三十一日								Total HK\$'000 總額 千港元
		Property development HK\$'000 物業發展 千港元	Property investment HK\$'000 物業投資 千港元	Property management HK\$'000 物業管理 千港元	Transportation services HK\$'000 運輸服務 千港元	Manufacturing HK\$'000 製造 千港元	Infrastructure investment HK\$'000 基建投資 千港元	Information technology HK\$'000 資訊科技 千港元	Others HK\$'000 其他 千港元	
Segment assets	分類資產	1,855,529	2,558,010	114,751	152,249	331,894	27,534	-	238,651	5,278,618
Interests in associates	聯營公司權益	242,876	89,516	6,157	66,017	292,345	1,791,477	180,020	185	2,668,593
Unallocated assets	未分類資產									3,384,560
Total assets	資產總額									11,331,771
Segment liabilities	分類負債	(985,863)	(312,608)	(168,612)	(251,151)	(295,703)	(422,798)	(10)	(310,215)	(2,746,960)
Unallocated liabilities	未分類負債									(4,872,220)
Total liabilities	負債總額									(7,619,180)
Other segment information:	其他分類資料:									
Depreciation	折舊	(3,720)	(7,002)	(5,589)	(33,800)	(15,367)	-	-	(5,722)	(71,200)
Amortisation of vehicle licences/ negative goodwill recognised as income arising from acquisition of subsidiaries	攤銷汽車牌照/收購 附屬公司產生並 確認為收入之 負商譽	13,409	-	-	(2,107)	-	-	-	-	11,302
Capital expenditure	資本支出	796,722	89,189	8,430	19,427	16,251	-	-	11,709	941,728

4. Segment Information (continued)

4. 分類資料 (續)

Business segments (continued)

業務分類 (續)

Group 本集團		For the year ended 31 December 2003 截至二零零三年十二月三十一日止年度								Total 總額
		Property development HK\$'000 物業發展 千港元	Property investment HK\$'000 物業投資 千港元	Property management HK\$'000 物業管理 千港元	Transportation services HK\$'000 運輸服務 千港元	Manufacturing HK\$'000 製造 千港元	Infrastructure investment HK\$'000 基建投資 千港元	Information technology HK\$'000 資訊科技 千港元	Others HK\$'000 其他 千港元	
Segment revenue:	分類收益:									
Sales to external customers	銷售予對外客戶	902,057	236,328	213,051	145,913	324,363	-	-	71,701	1,893,413
Segment results	分類業績	138,173	136,542	29,637	2,784	(31,473)	-	-	4,214	279,877
Investment income	投資收入									64,551
Unallocated expenses	未分攤開支									(52,029)
Finance costs	融資成本									(89,802)
Loss on disposal of an associate	出售一家聯營公司之虧損	(58,727)	-	-	-	-	-	-	-	(58,727)
Share of profits and losses of associates	應佔聯營公司溢利及虧損	58,688	-	-	1,984	13,117	217,288	17,424	(324)	308,177
Amortisation of negative goodwill recognised as income arising from acquisition of associates	收購聯營公司產生並 確認為收入之 負商譽攤銷									427
Profit before tax	除稅前溢利									452,474
Tax	稅項									(99,100)
Profit before minority interests	未計少數股東權益前溢利									353,374
Minority interests	少數股東權益									(117,363)
Net profit from ordinary activities attributable to shareholders	股東應佔日常業務之純利									236,011

4. Segment Information (continued)

4. 分類資料 (續)

Business segments (continued)

業務分類 (續)

Group 本集團		As at 31 December 2003 於二零零三年十二月三十一日								Total HK\$'000 總額 千港元
		Property development HK\$'000 物業發展 千港元	Property investment HK\$'000 物業投資 千港元	Property management HK\$'000 物業管理 千港元	Transportation services HK\$'000 運輸服務 千港元	Manufacturing HK\$'000 製造 千港元	Infrastructure investment HK\$'000 基建投資 千港元	Information technology HK\$'000 資訊科技 千港元	Others HK\$'000 其他 千港元	
Segment assets	分類資產	1,825,307	2,269,754	235,421	203,963	398,563	39,410	7,995	2,938,511	7,918,924
Interests in associates	聯營公司權益	204,495	83,123	3,641	55,904	337,089	1,041,930	171,023	(2,723)	1,894,482
Total assets	資產總額	2,029,802	2,352,877	239,062	259,867	735,652	1,081,340	179,018	2,935,788	9,813,406
Segment liabilities	分類負債	(901,000)	(268,408)	(143,836)	(226,625)	(433,711)	(492,971)	(4,719)	(272,718)	(2,743,988)
Unallocated liabilities	未分類負債									(3,698,272)
Total liabilities	負債總額									(6,442,260)
Other segment information:	其他分類資料:									
Depreciation	折舊	(10,806)	(4,481)	(4,489)	(47,948)	(13,654)	-	-	(5,332)	(86,710)
Amortisation of vehicle licences/ negative goodwill recognised as income arising from acquisition of subsidiaries	攤銷汽車牌照/ 收購附屬公司產生 並確認為收入之 負商譽	14,148	-	-	(1,654)	-	-	-	-	12,494
Capital expenditure	資本支出	344,348	99,438	6,000	93,500	39,011	-	427	27,738	610,462

5. Turnover, Revenue and Gains

5. 營業額、收入及收益

Turnover represents proceeds from the sale of properties, pre-sale of properties under development, sale of commercial and industrial goods, rental income, management fee income, income from the provision of transportation services and others.

營業額指來自銷售物業、預售發展中物業、銷售商業及工業產品所得款項、租金收入、管理費收入、提供運輸服務之收入及其他收入。

5. Turnover, Revenue and Gains (continued)

5. 營業額、收入及收益 (續)

An analysis of turnover, other revenue and gains is as follows:

本集團之營業額、其他收入及收益之分析如下：

		Group 本集團	
		2004 HK\$'000 千港元	2003 HK\$'000 千港元
		Note 附註	
Turnover	營業額		
Sale of properties and pre-sale of properties under development	銷售物業及預售發展中物業		902,057
Sale of commercial and industrial goods	銷售商業及工業產品		324,363
Gross management fee income	總管理費收入		213,051
Gross rental income	總租金收入		236,328
Income from transportation services	運輸服務收入		145,913
Others	其他		71,701
			2,000,131
Other revenue	其他收入		
Rental income	租金收入		21,734
Interest earned on bank deposits	銀行存款所得利息		44,969
Dividends received and receivable from investments:	來自投資之已收及應收股息：		
Listed investments	上市投資		-
Unlisted investments	非上市投資		1,644
Other interest income	其他利息收入		17,938
Others	其他		45,234
			148,332
Gains	收益		
Gain on disposal of fixed assets	出售固定資產收益		2,361
Negative goodwill recognised as income:	已確認負商譽為收入：		
From acquisition of subsidiaries	收購附屬公司	16	10,512
From acquisition of an additional interest in a subsidiary	收購一家附屬公司之額外權益	16	3,636
Gain on disposal of long term investments	出售長期投資收益		1,230
Gain on disposal of short term investments	出售短期投資收益		3,197
			14,623
Other revenue and gains	其他收入及收益		152,455

6. Profit From Operating Activities

6. 經營業務溢利

The Group's profit from operating activities is arrived at after charging:

本集團之經營業務溢利已扣除下列各項後達至：

		Group 本集團	
		2004	2003
		HK\$'000	HK\$'000
		千港元	千港元
	Notes 附註		
Cost of inventories sold	銷售存貨成本	920,722	1,010,475
Cost of services provided	提供服務成本	135,710	128,138
Auditors' remuneration	核數師酬金	6,305	6,482
Depreciation	折舊	71,200	86,710
Provision for bad and doubtful debts	呆壞賬撥備	2,730	2,933
Write-off of bad and doubtful debts	呆壞賬註銷	-	10,577
Impairment of fixed assets	固定資產減值	-	3,249
Loss on disposal of investment properties	出售投資物業之虧損	2,279	-
Loss on disposal of subsidiaries	出售附屬公司之虧損	25,212	-
Minimum lease payments under operating leases in respect of land and buildings	土地及樓宇之經營租約最低租金	7,479	3,801
Amortisation of vehicle licences*	汽車牌照攤銷*	2,107	1,654
Staff costs (excluding directors' remuneration – note 8)	員工成本(不包括董事酬金—附註8)		
Wages and salaries	工資及薪金	273,964	235,353
Pension scheme contributions	退休金計劃供款	26,697	32,084
Less: Forfeited contributions	減:沒收之供款	-	-
Net: Pension scheme contributions**	退休金計劃供款淨額**	26,697	32,084
		300,661	160,747
and after crediting:	已計入下列各項:		
Exchange gains, net	匯兌收益淨額	601	2,291
Bad and doubtful debts recovered	已收回之呆壞賬	2,601	-
Reversal of bad debts write-off	壞賬註銷撥回	9,052	-
Net rental income:	租金收入淨額:		
Investment properties	投資物業	228,169	176,292
Land and buildings	土地及樓宇	17,247	11,961
		245,416	188,253

* The amortisation of vehicle licences for the year is included in "Cost of sales" on the face of the consolidated profit and loss account.

* 本年度攤銷汽車牌照已被納入綜合損益表之中「銷售成本」項目之內。

** At 31 December 2004, the Group had no forfeited contributions available to reduce its contributions to the pension scheme in future years (2003: Nil).

** 於二零零四年十二月三十一日，本集團並無已沒收供款可供減少其於未來數年之退休金計劃供款(二零零三年：無)。

7. Finance Costs

7. 融資成本

		Group 本集團	
		2004 HK\$'000 千港元	2003 HK\$'000 千港元
Interest on:	利息支出:		
Bank loans wholly repayable within five years	須於五年內悉數償還之銀行貸款利息	142,815	110,853
Other loans	其他貸款利息	1,776	5,565
Total interest	利息總額	144,591	116,418
Less: Interest capitalised	減: 資本化利息	(29,557)	(26,616)
		115,034	89,802

8. Directors' Remuneration

8. 董事酬金

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

本年度根據上市規則及公司條例第161條之董事酬金披露如下:

		Group 本集團	
		2004 HK\$'000 千港元	2003 HK\$'000 千港元
Fees:	袍金:		
Executive directors	執行董事	-	-
Independent non-executive directors	獨立非執行董事	700	300
		700	300
Other emoluments (executive directors):	其他酬金(執行董事):		
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	4,382	2,899
Pension scheme contributions	退休金計劃供款	81	100
		4,463	2,999
		5,163	3,299

8. 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	2003
Nil – HK\$1,000,000	零至1,000,000港元	14	12
HK\$1,000,001 – HK\$1,500,000	1,000,001港元至1,500,000港元	1	–
		15	12

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

9. Five Highest Paid Employees

The five highest paid employees during the year included five (2003: five) directors, details of whose remuneration are set out in note 8 above.

10. Tax

No provision for Hong Kong profits tax has been made as the Group had no assessable profits arising in Hong Kong during the year (2003: Nil). Taxes on profits assessable in Mainland China are calculated at the rates of tax prevailing in the locations in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

Major subsidiaries of the Group operate in Shenzhen, Mainland China, which are subject to the corporate income tax rate of 15%.

8. 董事酬金 (續)

酬金屬下列組別之董事人數如下：

		Number of directors 董事人數	
		2004	2003
Nil – HK\$1,000,000	零至1,000,000港元	14	12
HK\$1,000,001 – HK\$1,500,000	1,000,001港元至1,500,000港元	1	–
		15	12

於本年度內，概無任何董事放棄或同意放棄任何酬金之安排。

9. 五名最高薪僱員

本年度之五名最高薪僱員包括五名(二零零三年：五名)董事，該等董事之酬金詳情載列於上文附註8。

10. 稅項

本集團並無在香港產生任何應課稅溢利，因此於年內並無計提香港利得稅撥備(二零零三年：無)。中國大陸應課稅溢利須納稅項根據本集團營運地點當時之稅率按現行有關法例、註釋及慣例計算。

本集團之主要附屬公司在中國大陸深圳營運，按15%繳納企業所得稅。

10. Tax (continued)

10. 稅項 (續)

		2004 HK\$'000 千港元	2003 HK\$'000 千港元
Group:	本集團:		
Current – Hong Kong	即期—香港		
Overprovision in prior years	往年超額撥備	(10,435)	–
Current – Mainland China	即期—中國大陸	79,981	43,364
Deferred Mainland China Corporate Income Tax (note 30)	遞延中國大陸企業所得稅 (附註30)	(20,479)	6,592
		49,067	49,956
Share of tax attributable to: Associates	應佔稅項分擔: 聯營公司	49,463	49,144
Total tax charge for the year	本年度稅項支出總額	98,530	99,100

A reconciliation of the income tax expense applicable to profit before income tax at the statutory income tax rates to the income tax expense at the Group's effective income tax rates for the year is as follows:

下文所載為以法定稅率計算適用於除所得稅前溢利之所得稅稅項開支及按本集團本年度之有效所得稅稅率計算所得稅稅項開支之對賬:

		2004		2003	
		HK\$'000 千港元	%	HK\$'000 千港元	%
Profit before tax	除稅前溢利	656,095		452,474	
Tax at the domestic rates applicable to profits in the provinces concerned	按適用於有關省份溢利之當地稅率計算之稅項	96,039		81,764	
Higher tax rate for specific provinces or local authority	特定省份及地方當局較高之稅率	208		1,421	
Incomes not subject to tax	毋須繳納稅款之收入	(19,984)		(7,433)	
Effect of tax relief granted to an associate's joint venture	一家聯營公司之合營公司所獲稅項寬減之影響	(8,052)		–	
Tax losses not recognised	未確認之稅項虧損	31,730		10,878	
Tax loss utilised	已動用之稅項虧損	(1,229)		–	
Expenses not deductible for tax	不可就稅項扣減之開支	9,985		11,039	
Adjustments in respect of current tax of previous periods	就前期即期稅項作出調整	(10,167)		1,431	
Tax charge at the Group's effective rate	按本集團有效稅率扣除之稅項	98,530	15.0	99,100	22.0

11. Net Profit from Ordinary Activities Attributable to Shareholders

The net profit from ordinary activities attributable to shareholders for the year ended 31 December 2004 dealt with in the financial statements of the Company was HK\$154,316,000 (2003: HK\$347,591,000).

12. Dividends

		2004 HK\$'000 千港元	2003 HK\$'000 千港元
Interim – HK2.00 cents (2003: HK1.50 cents) per ordinary share	中期股息 – 每股普通股2.00港仙 (二零零三年: 1.50港仙)	49,648	36,664
Adjustment to prior year's final dividend	上年度末期股息之調整	603	500
Proposed final – HK3.00 cents (2003: HK2.50 cents) per ordinary share	擬派末期股息 – 每股普通股3.00港仙 (二零零三年: 2.50港仙)	74,472	61,107
		124,723	98,271

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

13. Earnings Per Share

The calculation of basic earnings per share is based on the net profit attributable to shareholders for the year of HK\$354,779,000 (2003: HK\$236,011,000), and the weighted average of 2,482,413,966 (2003: 2,434,376,158) ordinary shares in issue during the year.

The calculation of diluted earnings per share is based on the net profit attributable to shareholders for the year of HK\$354,779,000 (2003: HK\$236,011,000). The weighted average number of ordinary shares used in the calculation is the 2,482,413,966 (2003: 2,434,376,158) ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average of 5,952,105 (2003: 19,190,504) ordinary shares assumed to have been issued at no consideration on the deemed exercise of all share options during the year.

11. 股東應佔日常業務純利

截至二零零四年十二月三十一日止年度之股東應佔日常業務純利154,316,000港元(二零零三年: 347,591,000港元)已於本公司之財務報表中處理。

12. 股息

	2004 HK\$'000 千港元	2003 HK\$'000 千港元
中期股息 – 每股普通股2.00港仙 (二零零三年: 1.50港仙)	49,648	36,664
上年度末期股息之調整	603	500
擬派末期股息 – 每股普通股3.00港仙 (二零零三年: 2.50港仙)	74,472	61,107
	124,723	98,271

本年度擬派末期股息有待本公司股東於應屆股東週年大會上批准。

13. 每股盈利

每股基本盈利乃按照本年度股東應佔純利354,779,000港元(二零零三年: 236,011,000港元)及年內已發行普通股加權平均數2,482,413,966股(二零零三年: 2,434,376,158股)計算。

每股攤薄盈利乃按照年內之股東應佔純利354,779,000港元(二零零三年: 236,011,000港元)計算。用以計算之普通股加權平均數為年內已發行普通股2,482,413,966股(二零零三年: 2,434,376,158股)(即用以計算每股基本盈利者)以及視作於年內行使所有購股權而假設已無代價發行普通股加權平均數5,952,105股(二零零三年: 19,190,504股)。

14. Fixed Assets

14. 固定資產

Group		Land and buildings in Hong Kong held under medium term leases	Land and buildings in Mainland China held under medium term leases	Plant and machinery	Furniture, fixtures and equipment	Motor vehicles	Leasehold improvements	Construction in progress	Total
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
本集團		以中期租約於香港持有之土地及樓宇	以中期租約於中國大陸持有之土地及樓宇	廠房及設備	傢俬、裝置及設備	汽車	租賃物業裝修	在建工程	總額
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Cost or valuation:	成本或估值:								
At beginning of year	年初	2,346	469,616	153,137	36,829	261,487	-	35,329	958,744
Additions	添置	-	11,577	8,969	14,259	19,151	1,304	19,731	74,991
Transfer from completed properties for sales (note 24)	轉撥自己落成之待銷物業 (附註24)	-	21,970	-	-	-	-	-	21,970
Disposals	出售	-	(3,559)	(6,721)	(6,350)	(31,579)	-	(4,923)	(53,132)
Transfer to investment properties (note 18)	轉撥至投資物業 (附註18)	-	(29,021)	-	-	-	-	-	(29,021)
Transfer to properties under development (note 17)	轉撥至發展中物業 (附註17)	-	-	-	-	-	-	(42,504)	(42,504)
Disposal of subsidiaries (note 34 (c))	出售附屬公司 (附註34(c))	(316)	(2,891)	(21,392)	(11,471)	(6,479)	-	-	(42,549)
Reclassifications	重新分類	-	(17,321)	82	16,409	830	-	-	-
Exchange realignment	匯兌調整	4	766	380	168	458	-	55	1,831
At 31 December 2004	於二零零四年十二月三十一日	2,034	451,137	134,455	49,844	243,868	1,304	7,688	890,330
Analysis of cost or valuation:	成本或估值分析:								
At cost	成本	-	286,835	134,455	49,844	243,868	1,304	7,688	723,994
At 1997 valuation	一九九七年估值	2,034	164,302	-	-	-	-	-	166,336
		2,034	451,137	134,455	49,844	243,868	1,304	7,688	890,330
Accumulated depreciation and impairment:	累積折舊及減值:								
At beginning of year	年初	81	29,860	31,191	35,491	132,979	-	-	229,602
Depreciation provided during the year	本年度折舊撥備	-	14,710	11,366	9,803	35,191	130	-	71,200
Disposals	出售	-	(1,175)	(4,429)	(5,474)	(26,182)	-	-	(37,260)
Disposal of subsidiaries (note 34 (c))	出售附屬公司 (附註34(c))	(53)	(981)	(4,280)	(3,034)	(4,975)	-	-	(13,323)
Transfer to investment properties (note 18)	轉撥至投資物業 (附註18)	-	(6,860)	-	-	-	-	-	(6,860)
Reclassifications	重新分類	-	(5,716)	5,989	(655)	382	-	-	-
Exchange realignment	匯兌調整	-	173	160	73	250	-	-	656
At 31 December 2004	於二零零四年十二月三十一日	28	30,011	39,997	36,204	137,645	130	-	244,015
Net book value:	賬面淨值:								
At 31 December 2004	於二零零四年十二月三十一日	2,006	421,126	94,458	13,640	106,223	1,174	7,688	646,315
At 31 December 2003	於二零零三年十二月三十一日	2,265	439,756	121,946	1,338	128,508	-	35,329	729,142

14. Fixed Assets (continued)

Certain of the Group's land and buildings were revalued at 31 December 1997 by RHL Appraisal Ltd. (formerly known as Francis Lau & Co., (Surveyors) Ltd.), an independent firm of professionally qualified property valuers. These land and buildings were revalued at their open market values based on their existing use. In the opinion of the directors, there has been no material change in the values of these land and buildings as at 31 December 2004.

Had these land and buildings been carried at historical cost less accumulated depreciation, their carrying amounts would have been approximately HK\$124,000,000 million (2003: HK\$135,000,000), as compared to their carrying amounts included in fixed assets of approximately HK\$107,000,000 (2003: HK\$115,000,000). At 31 December 2004, certain of the Group's land and buildings with a net book value of approximately HK\$28,000,000 (2003: HK\$36,197,000) were pledged to bank loans (note 28).

14. 固定資產 (續)

本集團之若干土地及樓宇已於一九九七年十二月三十一日由獨立專業物業估值師永利行評值顧問有限公司(前稱劉紹鈞產業測量師行有限公司)進行重估。該等土地及樓宇乃根據公開市值基準按其現時之用途進行重估。董事認為於二零零四年十二月三十一日土地及樓宇之價值並無重大變動。

假如該等土地及樓宇按歷史成本減累積折舊列賬，其賬面值會變為約124,000,000港元(二零零三年：135,000,000港元)，相對於固定資產所計之賬面值約107,000,000港元(二零零三年：115,000,000港元)。於二零零四年十二月三十一日，本集團賬面淨值約28,000,000港元(二零零三年：36,197,000港元)之若干土地及樓宇已用作銀行貸款之抵押(附註28)。

Company		Furniture and fixtures	Motor vehicles	Total
		HK\$'000	HK\$'000	HK\$'000
本公司		傢俬及裝置	汽車	總額
		千港元	千港元	千港元
Cost:	成本:			
At beginning of year	年初	585	3,486	4,071
Additions	添置	319	739	1,058
Disposals	出售	(281)	—	(281)
At 31 December 2004	於二零零四年十二月三十一日	623	4,225	4,848
Accumulated depreciation:	累積折舊:			
At beginning of year	年初	366	1,678	2,044
Provided during the year	本年度撥備	76	771	847
Disposals	出售	(264)	—	(264)
At 31 December 2004	於二零零四年十二月三十一日	178	2,449	2,627
Net book value:	賬面淨值:			
At 31 December 2004	於二零零四年十二月三十一日	445	1,776	2,221
At 31 December 2003	於二零零三年十二月三十一日	219	1,808	2,027

15. Intangible Assets

15. 無形資產

		Group HK\$'000 本集團 千港元
Vehicle licences	汽車牌照	
Cost:	成本:	
At beginning of year	年初	42,771
Additions	添置	2,321
Exchange realignment	匯兌調整	68
At 31 December 2004	於二零零四年十二月三十一日	45,160
Accumulated amortisation:	累積攤銷:	
At beginning of year	年初	14,352
Provided during the year	本年度撥備	2,107
Exchange realignment	匯兌調整	22
At 31 December 2004	於二零零四年十二月三十一日	16,481
Net book value:	賬面淨值:	
At 31 December 2004	於二零零四年十二月三十一日	28,679
At 31 December 2003	於二零零三年十二月三十一日	28,419

16. Negative Goodwill

The amounts of the negative goodwill recognised in the consolidated balance sheet, arising from the acquisition of subsidiaries and an additional interest in a subsidiary, are as follows:

16. 負商譽

於收購附屬公司及一家附屬公司之額外權益所產生已於綜合資產負債表中確認之負商譽數額如下：

		Group 本集團 Negative goodwill HK\$'000 負商譽 千港元
Cost:	成本：	
At beginning of year	年初	150,393
Exchange realignment	匯兌調整	46
At 31 December 2004	於二零零四年十二月三十一日	150,439
Accumulated recognition as income:	確認為收入之累積	
At beginning of year	年初	24,024
Recognised as income during the year	本年度確認為收入	13,409
Exchange realignment	匯兌調整	5
At 31 December 2004	於二零零四年十二月三十一日	37,438
Net book value:	賬面淨值：	
At 31 December 2004	於二零零四年十二月三十一日	113,001
At 31 December 2003	於二零零三年十二月三十一日	126,369

As detailed in note 3 to the financial statements, on the adoption of SSAP 30 in 2001, the Group applied the transitional provision of SSAP 30 that permitted goodwill and negative goodwill in respect of acquisitions which occurred prior to the adoption of the SSAP, to remain eliminated against consolidated reserves or credited to the capital reserve, respectively.

誠如財務報表附註3所述，本集團於二零零一年採用了會計實務準則第30號後，採納了會計實務準則第30號當中之過渡條文，容許於採納該會計實務準則前之收購活動中產生之商譽及負商譽，分別繼續於綜合儲備中扣除或計入資本儲備一項中。

At 31 December 2004, the amounts of goodwill and negative goodwill remaining in consolidated reserves, arising from the acquisition of subsidiaries prior to the adoption of SSAP 30 in 2001, was HK\$45,525,000 (2003: HK\$45,525,000).

於二零零四年十二月三十一日，綜合儲備記錄於二零零一年採納會計實務準則第30號前收購附屬公司產生之商譽及負商譽為45,525,000港元（二零零三年：45,525,000港元）。

17. Properties Under Development

17. 發展中物業

		Group 本集團	
		2004 HK\$'000 千港元	2003 HK\$'000 千港元
Land in Mainland China held under medium term leases, at cost:	以中期租約於中國大陸持有之土地，按成本：		
At beginning of year	年初	1,005,343	973,151
Additions	添置	125,840	135,880
Transfer from fixed assets (note 14)	轉撥自固定資產(附註14)	18,906	-
Transfer to properties under development for sale	轉撥至待銷發展中物業	(194,065)	(100,408)
Disposals	出售	(29,079)	-
Disposal of subsidiaries (note 34 (c))	出售附屬公司(附註34(c))	(279,863)	-
Exchange realignment	匯兌調整	1,607	(3,280)
At 31 December	於十二月三十一日	648,689	1,005,343
Development expenditure, at cost:	開發支出，按成本：		
At beginning of year	年初	206,042	71,282
Additions	添置	606,777	169,747
Transfer from fixed assets (note 14)	轉撥自固定資產(附註14)	23,598	-
Transfer to properties under development for sale	轉撥至待銷發展中物業	(561,171)	(8,243)
Transfer to fixed assets	轉撥至固定資產	-	(3,961)
Transfer to investment properties (note 18)	轉撥至投資物業(附註18)	-	(22,543)
Disposals	出售	(6,873)	-
Disposal of subsidiaries (note 34 (c))	出售附屬公司(附註34(c))	(12,682)	-
Exchange realignment	匯兌調整	329	(240)
At 31 December	於十二月三十一日	256,020	206,042
		904,709	1,211,385

At 31 December 2004, the Group's properties under development with a net book value of HK\$51,397,000 (2003: HK\$329,340,000) were pledged to bank loans (note 28).

於二零零四年十二月三十一日，本集團賬面淨值51,397,000港元(二零零三年：329,340,000港元)之發展中物業已用作銀行貸款之抵押(附註28)。

18. Investment Properties

18. 投資物業

		Group 本集團	
		2004 HK\$'000 千港元	2003 HK\$'000 千港元
At beginning of year	年初	2,148,975	1,989,920
Transfer from fixed assets (note 14)	轉撥自固定資產(附註14)	22,161	42,143
Additions, at cost	添置·按成本	20,324	80,290
Disposal of subsidiaries (note 34 (c))	出售附屬公司(附註34(c))	(75,372)	–
Revaluation surplus arising during the year	本年度內產生之重估盈餘	155,844	22,645
Reclassified from completed properties for sales (note 24)	重新分類自己落成之待銷物業(附註24)	87,850	19,501
Transfer from properties under development (note 17)	轉撥自發展中物業(附註17)	–	22,543
Transfer to fixed assets (note 14)	轉撥至固定資產(附註14)	–	(21,346)
Disposals	出售	(6,129)	–
Exchange realignment	匯兌調整	3,441	(6,721)
At 31 December	於十二月三十一日	2,357,094	2,148,975

At the balance sheet date, all the investment properties were revalued on the basis of their open market values by RHL Appraisal Ltd., an independent firm of professionally qualified property valuers. The net surplus arising on revaluation has been credited to the investment property revaluation reserve.

於結算日，所有投資物業已由獨立專業物業估值師永利行評值顧問有限公司按公開市值基準重估。重估盈餘淨額已計入投資物業重估儲備中。

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

本集團所有投資物業均以經營租約方式租出。

The investment properties comprise land and buildings in Mainland China which are held under medium term leases.

投資物業包括以中期租約於中國大陸持有之土地及樓宇。

At 31 December 2004, the Group's investment properties with an aggregate value of approximately HK\$14,070,000 (2003: HK\$13,893,000) were pledged to bank loans (note 28).

於二零零四年十二月三十一日，本集團總值約14,070,000港元(二零零三年:13,893,000港元)之投資物業已用作銀行貸款之抵押(附註28)。

19. Interests in Subsidiaries

19. 附屬公司權益

		Company 本公司	
		2004 HK\$'000 千港元	2003 HK\$'000 千港元
Unlisted shares, at cost	非上市股份·按成本	1,746,719	1,746,719
Due from subsidiaries*	應收附屬公司款項*	1,046,397	399,038
		2,793,116	2,145,757

* The amounts due from subsidiaries are unsecured and are not repayable within one year. Except for the amounts due from subsidiaries of HK\$870,402,477 (2003: HK\$226,772,000) which are interest-free, the remaining balance of HK\$175,994,538 (2003: HK\$172,266,000) bears interest at rates ranging from 3% to 6% (2003: 3% to 6%) per annum.

* 應收附屬公司之款項為無抵押·並非須於一年內償還。除應收附屬公司之870,402,477港元(二零零三年: 226,772,000港元)免息款項以外·餘額175,994,538港元(二零零三年: 172,266,000港元)按每年3%至6%(二零零三年: 3%至6%)計算年息。

The amounts due from/to subsidiaries classified under current assets/liabilities are unsecured, interest-free and have no fixed terms of repayment.

應收/應付附屬公司款項分類為流動資產/負債·為無抵押·免息及無固定還款期。

Particulars of the principal subsidiaries are as follows:

主要附屬公司詳情如下:

Name of subsidiaries 附屬公司名稱	Place of incorporation/ registration and operations 成立/註冊 成立及經營地點	Nominal value of issued and fully paid-up capital/ registered capital 已發行及繳足 股本/註冊資本面值	Percentage of equity interest attributable to the Company 本公司應佔 之股本權益百分比		Principal activities 主要業務
			2004 %	2003 %	
Shum Yip Holdings (Shenzhen) Co., Ltd. (Note 3) 深業集團(深圳)有限公司(附註3)	People's Republic of China ("PRC") 中華人民共和國 (「中國」)	HK\$430,320,000 430,320,000港元	100	100	Property development 物業發展
Shum Yip Centre Development (Shenzhen) Co., Ltd. (Notes 1 & 4) 深業中心發展(深圳)有限公司(附註1及4)	PRC 中國	HK\$40,000,000 40,000,000港元	100	100	Property development 物業發展
Shenzhen Shengkong Industrial (Group) Co., Ltd. (Note 5) 深圳深港實業有限公司(附註5)	PRC 中國	RMB95,500,000 人民幣95,500,000元	80	80	Transportation 運輸

19. Interests in Subsidiaries (continued)

19. 附屬公司權益 (續)

Name of subsidiaries 附屬公司名稱	Place of incorporation/ registration and operations 成立/註冊 成立及經營地點	Nominal value of issued and fully paid-up capital/ registered capital 已發行及繳足 股本/註冊資本面值	Percentage of equity interest attributable to the Company 本公司應佔 之股本權益百分比		Principal activities 主要業務
			2004	2003	
			%	%	
Shenzhen Shengkong Taxi Co., Ltd. (Notes 1 & 4) 深圳市深港汽車出租有限公司(附註1及4)	PRC 中國	RMB13,780,000 人民幣13,780,000元	80	80	Vehicle rentals 汽車租賃
Shenzhen Ganglong Transportation Industrial Co., Ltd. (Notes 1 & 4) 深圳市港龍運輸實業發展公司(附註1及4)	PRC 中國	RMB10,000,000 人民幣10,000,000元	80	80	Transportation 運輸
Shenzhen Terra (Holdings) Co., Ltd. (Note 5) 深圳泰然(集團)股份有限公司(附註5)	PRC 中國	RMB200,000,000 人民幣200,000,000元	51	51	Property development 物業發展
Shenzhen Terra Aluminium Alloy Works Co., Ltd. (Notes 1 & 4) 深圳市泰然鋁合金工程有限公司(附註1及4)	PRC 中國	RMB6,200,000 人民幣6,200,000元	49	51	Aluminium engineering 鋁器工程
Shenzhen Terra Property Management Service Co., Ltd. (Notes 1 & 4) 深圳市泰然物業管理服務有限公司(附註1及4)	PRC 中國	RMB5,060,000 人民幣5,060,000元	51	51	Property management 物業管理
Shenzhen Shengkong Winglee Cross Border Bus Co., Ltd. (Notes 1, 2 & 5) 深圳深港榮利直通巴有限公司(附註1、2及5)	PRC 中國	RMB20,000,000 人民幣20,000,000元	40	40	Provision of cross-border bus services and vehicle repairs 直通巴士服務及汽車維修
Shenzhen Shumyip Logistic Holding Co., Ltd. (Note 5) 深業物流集團股份有限公司(附註5)	PRC 中國	RMB160,764,662 人民幣160,764,662元	51	51	Operation of warehouses and property development 經營貨倉及物業發展
Shenzhen Pengji (Holdings) Company Limited (Note 3) 深圳鵬基(集團)有限公司(附註3)	PRC 中國	RMB231,911,337 人民幣231,911,337元	100	100	Property trading investment and development 物業買賣、投資及發展
Shenzhen PJLD Securities Products Co., Ltd. (Notes 1 & 4) 深圳龍電安防工程有限公司(附註1及4)	PRC 中國	RMB75,000,000 人民幣75,000,000元	63.46	63.46	Manufacturing of security products 製造安防產品

19. Interests in Subsidiaries (continued)

Name of subsidiaries 附屬公司名稱	Place of incorporation/ registration and operations 成立/註冊 成立及經營地點	Nominal value of issued and fully paid-up capital/ registered capital 已發行及繳足股本/註冊資本面值	Percentage of equity interest attributable to the Company 本公司應佔之股本權益百分比		Principal activities 主要業務
			2004 %	2003 %	
Shenzhen Pengji Property Management Services Limited (Notes 1 & 4) 深圳鵬基物業管理服務有限公司(附註1及4)	PRC 中國	RMB20,000,000 人民幣20,000,000元	100	100	Property management 物業管理
Huizhou Dayawan Shengkong Sanwei Transportation Industrial Limited (Notes 1 & 4) 惠州大亞灣深港三維交通實業有限公司(附註1及4)	PRC 中國	RMB10,000,000 人民幣10,000,000元	64	64	Transportation 運輸
Shenzhen Shum Yip Steel Centre Limited (Notes 1 & 5) 深圳深業五金有限公司(附註1及5)	PRC 中國	RMB19,920,000 人民幣19,920,000元	100	100	Manufacturing of steel products 製造五金產品
Shenzhen Pengshen Property Industrial Company Limited (Notes 1, 2 & 5) 深圳鵬盛地產實業有限公司(附註1、2及5)	PRC 中國	RMB45,000,000 人民幣45,000,000元	50	50	Property trading investment and development 物業買賣、投資及發展
Shenzhen Wondershine Residence Company Limited (Notes 1 & 4) 深圳萬廈居業有限公司(附註1及4)	PRC 中國	RMB7,114,288 人民幣7,114,288元	100	100	Property management 物業管理
Shum Yip Investment (Shenzhen) Co, Ltd. (Note 3) 深業控股(深圳)有限公司(附註3)	PRC 中國	RMB41,393,574 人民幣41,393,574元	100	100	Investment holding 投資控股
Newton Industrial Limited	BVI 英屬處女群島	US\$34 34美元	55.88	55.88	Investment holding 投資控股

None of the subsidiaries had any loan capital outstanding as at 31 December 2004.

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.

19. 附屬公司權益 (續)

於二零零四年十二月三十一日，各附屬公司概無任何未償還借貸資本。

以上為董事認為對本年度業績構成主要影響或組成本集團資產淨值之主要部份之本公司附屬公司名單。董事認為，列載其他附屬公司詳情將導致資料過於冗長。

19. Interests in Subsidiaries (continued)

Notes:

- Indirectly held by the Company.
- The Company has control of the board of directors of this entity and therefore this entity is regarded as a subsidiary of the Company.
- Established in the PRC as a wholly-foreign owned enterprise.
- Established in the PRC as a domestic enterprise with limited liability.
- Established in the PRC as a co-operative joint venture enterprise.

19. 附屬公司權益 (續)

附註:

- 由本公司間接持有。
- 本公司對該實體之董事會具控制權，故該實體被視為本公司之附屬公司。
- 於中國成立為外商獨資企業。
- 於中國成立為國內有限責任企業。
- 於中國成立為合作經營企業。

20. Interests in Associates

20. 聯營公司權益

		Group		Company	
		本集團		本公司	
		2004	2003	2004	2003
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Unlisted shares, at cost	非上市股份·按成本	—	—	90,053	90,053
Share of net assets	應佔資產淨值	3,125,859	1,892,589	—	—
Negative goodwill on acquisition	收購時產生之負商譽	(436,094)	(5,864)	—	—
Loans from associates	聯營公司給予之貸款	(53,200)	(50,199)	—	—
Loans to associates	給予聯營公司之貸款	32,028	57,956	—	—
		2,668,593	1,894,482	90,053	90,053
Market value of listed shares	上市股份市值	788,773	—	—	—

The loans from/to associates are unsecured, interest-free and are not repayable within one year.

聯營公司所給予／給予聯營公司之貸款為無抵押、免息，且毋須於一年內償還。

The amounts due to associates classified under the Company's current liabilities are unsecured, interest-free and have no fixed terms of repayment.

計入本公司流動負債之應付聯營公司款項為無抵押、免息及無固定還款期。

20. Interests in Associates (continued)

20. 聯營公司權益 (續)

A reconciliation of the above amounts of negative goodwill arising on the acquisition of associates is as follows:

收購聯營公司所產生負商譽之上述金額調整如下：

		Group HK\$'000 本集團 千港元
Cost:	成本：	
At beginning of year	年初	6,397
Acquisition of an associate	收購一家聯營公司	453,323
At 31 December 2004	於二零零四年十二月三十一日	459,720
Accumulated amortisation recognised as income:	確認為收入之累積攤銷：	
At beginning of year	年初	533
Amortisation recognised as income during the year	年內確認為收入之攤銷	23,093
At 31 December 2004	於二零零四年十二月三十一日	23,626
Net book value:	賬面淨值：	
At 31 December 2004	於二零零四年十二月三十一日	436,094
At 31 December 2003	於二零零三年十二月三十一日	5,864

As detailed in note 3 to the financial statements, on the adoption of SSAP 30 in 2001, the Group applied the transitional provision of SSAP 30 that permitted goodwill and negative goodwill in respect of acquisitions which occurred prior to the adoption of the SSAP, to remain eliminated against consolidated reserves or credited to the capital reserve, respectively.

誠如財務報表附註3所述，本集團於二零零一年採用會計實務準則第30號後，採納其過渡性條文，容許於採納該會計實務準則前之收購活動中產生之商譽及負商譽，分別繼續於綜合儲備中扣除或計入資本儲備一項中。

At 31 December 2004, the amount of goodwill remaining in consolidated reserves, arising from the acquisition of associates, was HK\$61,259,000 (2003: HK\$61,259,000).

於二零零四年十二月三十一日，於綜合儲備中記錄因收購聯營公司所產生之商譽為61,259,000港元（二零零三年：61,259,000港元）。

20. Interests in Associates (continued)

20. 聯營公司權益 (續)

Particulars of the principal associates are as follows:

主要聯營公司詳情如下：

Name of associates 聯營公司名稱	Business structure 業務架構	Place of establishment/ incorporation and operations 成立/註冊 成立及經營地點	Nominal value of issued and fully paid-up capital/ registered capital 已發行及繳足股本 /註冊資本面值	Percentage of ownership interest attributable to the Group 本集團應佔 之股本權益百分比		Principal activities 主要業務
				2004 %	2003 %	
Road King Infrastructure Ltd. ("Road King") (b) 路勁基建有限公司(「路勁」)(b)	Corporate 公司	Bermuda 百慕達	HK\$58,414,000 58,414,000港元	24.92	–	Provision of investment and management of toll roads 提供收費公路投資及管理
Shenzhen Mawan Power Company Limited ("Mawan") 深圳媽灣電力有限公司(「媽灣」)	Corporate 公司	PRC 中國	RMB560,000,000 人民幣560,000,000元	19	19	Power generation 發電
Shenzhen Tianan Industrial Development Co., Ltd. 深圳天安工業開發有限公司	Corporate 公司	PRC 中國	US\$18,000,000 18,000,000美元	25.5	25.5	Property trading, investment and development 物業買賣、投資及發展
Shenzhen Topway Video Communication Co., Ltd. 深圳市天威視訊有限公司	Corporate 公司	PRC 中國	RMB200,000,000 人民幣200,000,000元	31.1	31.1	Provision of cable TV and other communication network technology services 有線電視網絡及其他通訊 網絡技術服務
Shenzhen SEG-CNEDC Color Display Device Corp. 深圳市賽格中電彩色顯示器有限公司	Corporate 公司	PRC 中國	RMB300,000,000 人民幣300,000,000元	26.76	26.76	Investment holding 投資控股
Shenzhen Gaofa Investment Holding Ltd. ("Gaofa") (a) 深圳高發投資有限公司(「高發」)(a)	Corporate 公司	PRC 中國	RMB309,200,000 人民幣309,200,000元	29	50	Property development and investment 物業發展及投資

None of above associates are audited by Ernst & Young, Certified Public Accountants, Hong Kong or other Ernst & Young International member firms.

上述聯營公司均非經香港執業會計師安永會計師事務所或安永會計師事務所國際會員公司審核。

20. Interests in Associates (continued)

- (a) During the year, the Group disposed of a 21% interest in Gaofa to an independent third party. Subsequent to the disposal, Gaofa became an associate of the Group and the equity share of Gaofa's net assets is included in interests in associates. Further details of this disposal are included in note 34 (c) to the financial statements.
- (b) During the year, the Group acquired an approximately 25% interest in Road King, a limited liability company incorporated in Bermuda and the shares of which are listed on the Main Board of the Stock Exchange of Hong Kong Limited, from an independent third party.

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.

The following is a condensed summary of certain additional financial information of the major associates:

20. 聯營公司權益 (續)

- (a) 年內，本集團向獨立第三方出售高發之21%權益。出售後，高發成為本集團之聯營公司，本集團應佔高發資產淨值之股本權益計入聯營公司權益項下。有關該項出售之進一步詳情載於財務報表附註34(c)。
- (b) 年內，本集團自獨立第三方收購路勁約25%之權益，該公司乃於百慕達註冊成立之有限公司，其股份在香港聯合交易所有限公司主板上市。

以上為董事認為對本年度業績構成主要影響或組成本集團資產淨值之重大部份之本集團主要聯營公司名單。董事認為，列載其他聯營公司詳情將導致資料過於冗長。

主要聯營公司之若干額外財務資料之簡明摘要如下：

		Road King 路勁		Mawan 媽灣	
		2004 HK\$'000 千港元	2003 HK\$'000 千港元	2004 HK\$'000 千港元	2003 HK\$'000 千港元
Results for year:	本年度業績：				
Turnover	營業額	48,299	119,344	2,164,652	2,159,936
Profit from ordinary activities after tax	除稅後日常業務溢利	368,803	322,665	484,236	552,733
Profit from ordinary activities after tax attributable to the Group	本集團應佔除稅後日常業務溢利	92,053	—	164,640	187,929
Financial position:	財務狀況：				
Non-current assets	非流動資產	4,805,192	4,919,656	1,496,768	1,642,962
Current assets	流動資產	2,199,023	935,510	1,878,317	1,885,623
Current liabilities	流動負債	(195,334)	(97,561)	(434,444)	(424,003)
Non-current liabilities	非流動負債	(1,840,768)	(1,028,605)	(42,268)	(43,422)
Net assets	資產淨值	4,968,113	4,729,000	2,898,373	3,061,160
Share of net assets attributable to the Group	本集團應佔資產淨值	1,238,054	—	985,446	1,040,794

21. Amounts due from Minority Shareholders

Except for the amount due from a minority shareholder of approximately HK\$110,047,000 (2003: HK\$118,732,000) which bears interest at a rate of 9% per annum, the amounts due from minority shareholders are unsecured, interest-free and have no fixed terms of repayment.

21. 應收少數股東賬款

除約110,047,000港元(二零零三年:118,732,000港元)應收少數股東賬款以9%年息率計息外,應收少數股東之其餘款項均為無抵押、免息及無固定還款期。

22. Long Term Receivables**22. 長期應收款項**

		Group 本集團		Company 本公司	
		2004 HK\$'000 千港元	2003 HK\$'000 千港元	2004 HK\$'000 千港元	2003 HK\$'000 千港元
Long term receivables	長期應收款項	10,340	14,547	-	-

23. Investments**23. 投資**

Long term investments		長期投資			
		Group 本集團		Company 本公司	
		2004 HK\$'000 千港元	2003 HK\$'000 千港元	2004 HK\$'000 千港元	2003 HK\$'000 千港元
At amortised cost:	按攤銷成本:				
Unlisted held-to-maturity debt securities in Mainland China	在中國大陸持至到期日之非上市債務證券:	1,198	1,196	-	-
At market value:	按市值:				
Listed equity investments in Mainland China	在中國大陸之上市股票投資	19,622	19,320	-	-
At fair value:	按公允價值:				
Unlisted equity investments in Mainland China	在中國大陸之非上市股票投資	8,031	8,019	-	-
At cost:	按成本:				
Club membership	俱樂部會籍	2,340	2,340	1,720	1,720
		31,191	30,875	1,720	1,720

23. Investments (continued)

23. 投資 (續)

Short term investments

短期投資

	Group 本集團		Company 本公司	
	2004 HK\$'000 千港元	2003 HK\$'000 千港元	2004 HK\$'000 千港元	2003 HK\$'000 千港元
At market value:				
Listed equity investments in Hong Kong	2,900	—	2,900	—

24. Inventories

24. 存貨

	Group 本集團		Company 本公司	
	2004 HK\$'000 千港元	2003 HK\$'000 千港元	2004 HK\$'000 千港元	2003 HK\$'000 千港元
Raw materials	30,933	32,146	—	—
Work in progress	9,975	11,262	—	—
Finished goods	48,273	46,729	—	—
Completed properties for sales	358,503	426,675	—	—
	447,684	516,812	—	—

The carrying amount of inventories carried at net realisable value included in the above balance was nil (2003: Nil) at the balance sheet date.

於結算日，計入上列數額並以可變現淨值列賬之存貨賬面值為零（二零零三年：零）。

During the year, completed properties for sales amounted to HK\$21,970,000 (2003: Nil) and HK\$87,850,000 (2003: HK\$19,501,000) were transferred to fixed assets and investment properties for the purposes of office premises and investment properties of the Group, respectively.

年內，已落成之待銷物業21,970,000港元（二零零三年：零）及87,850,000港元（二零零三年：19,501,000港元）已轉撥至固定資產及投資物業，分別用作本集團之辦公室及投資物業。

25. Properties Under Development for Sales

25. 發展中待銷物業

		Group 本集團	
		2004 HK\$'000 千港元	2003 HK\$'000 千港元
Costs incurred	產生成本	404,699	93,141
Add: Attributable profits on incomplete projects	加：未落成項目之應佔溢利	14,993	10,562
		419,692	103,703
Less: Sale deposits/instalments received	減：已收銷售訂金／分期款項	(44,211)	(18,864)
		375,481	84,839

The properties under development for sale are located in Mainland China and are held under medium term leases.

於中國大陸發展中待銷物業乃以中期租約持有。

26. Accounts Receivable

26. 應收賬款

An aged analysis of the accounts receivable as at balance sheet date is as follows:

於結算日之應收賬款之賬齡分析如下：

		Group 本集團	
		2004 HK\$'000 千港元	2003 HK\$'000 千港元
Within 1 year	一年內	150,141	163,637
1 to 2 years	一年至兩年內	26,629	9,563
2 to 3 years	兩年至三年內	3,987	11,868
Over 3 years	三年以上	3,528	1,917
		184,285	186,985
Less: Provision for bad and doubtful debts	減：呆壞賬撥備	(20,954)	(20,825)
		163,331	166,160

Under normal circumstances, the Group does not grant credit terms to its customers. The Group seeks to maintain strict control over its outstanding receivables and to minimise credit risk. Overdue balances are regularly reviewed by management.

在正常情況下，本集團不會向其客戶授出信貸期。本集團設法對其未收回之應收款項保持嚴格控制及減低信貸風險。逾期款項餘額由管理層作定期檢討。

27. Cash and Cash Equivalents

27. 現金及現金等值

		Group 本集團		Company 本公司	
		2004 HK\$'000 千港元	2003 HK\$'000 千港元	2004 HK\$'000 千港元	2003 HK\$'000 千港元
Cash and bank balances	現金及銀行結存	882,594	1,350,215	104,323	25,796
Time deposits	定期存款	2,501,966	1,230,175	1,207,672	1,130,459
Cash and cash equivalents	現金及現金等值	3,384,560	2,580,390	1,311,995	1,156,255

At the balance sheet date, the cash and bank balances of the Group denominated in Renminbi ("RMB") amounted to HK\$2,008,429,000 (2003: HK\$1,368,324,000). 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 the other currencies through banks authorised to conduct foreign exchange business.

於結算日，本集團以人民幣訂值之現金及銀行結存共2,008,429,000港元（二零零三年：1,368,324,000港元）。人民幣並不可自由兌換為其他貨幣。然而，根據中國外匯管制條例及結匯、售匯及付匯管理規定，本集團獲准透過有權進行外匯業務之銀行將人民幣兌換為其他貨幣。

28. Interest-bearing Bank Loans

28. 帶息銀行貸款

		Group 本集團		Company 本公司	
		2004 HK\$'000 千港元	2003 HK\$'000 千港元	2004 HK\$'000 千港元	2003 HK\$'000 千港元
Bank loans:	銀行貸款：				
Secured	有抵押	63,360	125,856	-	-
Unsecured	無抵押	4,808,668	3,572,416	3,147,903	2,329,500
		4,872,028	3,698,272	3,147,903	2,329,500
Bank loans repayable:	須償還之銀行貸款：				
Within one year	一年內	2,058,233	1,347,666	388,630	77,650
In the second year	兩年內	676,330	370,531	621,808	271,775
In the third to fifth years, inclusive	三年至五年內 (包括首尾兩年)	2,137,465	1,980,075	2,137,465	1,980,075
		4,872,028	3,698,272	3,147,903	2,329,500
Portion classified as current liabilities	列為流動負債之部份	(2,058,233)	(1,347,666)	(388,630)	(77,650)
Long term portion	長期部份	2,813,795	2,350,606	2,759,273	2,251,850

28. Interest-bearing Bank Loans (continued)

Bank loans amounting to HK\$63,360,000 (2003: HK\$125,856,000) were secured by:

- (i) certain of the Group's land and buildings which have an aggregate net book value of approximately HK\$28,000,000 (2003: HK\$36,197,000), and investment properties of the Group with an aggregate value of approximately HK\$14,070,000 (2003: HK\$13,893,000) (notes 14 & 18 respectively); and
- (ii) certain of the Group's properties under development with a net book value of HK\$51,397,000 (2003: HK\$329,340,000) (note 17).

29. Accounts and Notes Payables

An aged analysis of the accounts and notes payables as at the balance sheet date is as follows:

		Group 本集團	
		2004 HK\$'000 千港元	2003 HK\$'000 千港元
Within 1 year	一年內	140,317	267,923
1 to 2 years	一年至兩年內	24,394	20,093
2 to 3 years	兩年至三年內	18,272	7,248
Over 3 years	三年以上	26,513	20,985
		209,496	316,249

28. 帶息銀行貸款 (續)

銀行貸款金額為63,360,000港元(二零零三年: 125,856,000港元)·由以下資產作抵押:

- (i) 本集團若干土地及樓宇(其總賬面淨值約28,000,000港元(二零零三年: 36,197,000港元))及本集團投資物業(其總值約14,070,000港元(二零零三年: 13,893,000港元))(附註14及18);及
- (ii) 賬面淨值51,397,000港元(二零零三年: 329,340,000港元)(附註17)之若干本集團發展中之物業。

29. 應付賬款及應付票據

於結算日之應付賬款及應付票據之賬齡分析如下:

30. Deferred Tax

30. 遞延稅項

The movements in deferred tax liabilities and assets during the year are as follows:

本年度遞延稅項負債及資產之變動如下：

Group		Timing differences on sales recognition	Revaluation of investment properties	Revaluation of assets	Fair value adjustment arising from acquisition of a subsidiary	Accelerated tax depreciation on investment properties	Total
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
本集團		銷售	投資		因收購一家	投資物業	
遞延稅項負債：		確認之時差	物業重估	資產重估	附屬公司產生之公允價值調整	加速稅項折舊	合計
		千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2004	於二零零四年一月一日	28,657	30,575	7,707	11,717	24,764	103,420
Deferred tax charged to the profit and loss account during the year (note 10)	本年度於損益表中扣除之遞延稅項(附註10)	(27,879)	-	-	-	7,400	(20,479)
Deferred tax credited to equity during the year	本年度計入權益之遞延稅項	-	8,811	-	-	-	8,811
At 31 December 2004	於二零零四年十二月三十一日	778	39,386	7,707	11,717	32,164	91,752

Deferred tax assets:		Revaluation of investments	Others	Total
		HK\$'000	HK\$'000	HK\$'000
遞延稅項資產：		投資重估	其他	合計
		千港元	千港元	千港元
At 1 January 2004	於二零零四年一月一日	1,179	326	1,505
Deferred tax charged to equity during the year	本年度於權益扣除之遞延稅項	(34)	-	(34)
At 31 December 2004	於二零零四年十二月三十一日	1,145	326	1,471

30. Deferred Tax (continued)

30. 遞延稅項 (續)

Group		Timing differences on sales recognition	Revaluation of investment properties	Revaluation of assets	Fair value adjustment arising from acquisition of a subsidiary	Accelerated tax depreciation on investment properties	Total
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
本集團		銷售 確認之時差	投資 物業重估	資產重估	因收購一家 附屬公司產生 之公允值調整	投資物業 加速稅項折舊	合計
遞延稅項負債：		千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2003	於二零零三年一月一日	28,072	30,920	7,707	11,717	18,431	96,847
Deferred tax charged to the profit and loss account during the year (note 10)	本年度往損益表中扣除遞延稅項(附註10)	585	-	-	-	6,333	6,918
Deferred tax credited to equity during the year	本年度計入權益之遞延稅項	-	(345)	-	-	-	(345)
At 31 December 2003	於二零零三年十二月三十一日	28,657	30,575	7,707	11,717	24,764	103,420

Deferred tax assets:		Revaluation of investments	Others	Total
		HK\$'000	HK\$'000	HK\$'000
遞延稅項資產：		投資重估	其他	合計
		千港元	千港元	千港元
At 1 January 2003	於二零零三年一月一日	1,183	-	1,183
Deferred tax credited to the profit and loss account during the year (note 10)	本年度計入損益表之遞延稅項(附註10)	-	326	326
Deferred tax charged to equity during the year	本年度於權益中扣除之遞延稅項	(4)	-	(4)
At 31 December 2003	於二零零三年十二月三十一日	1,179	326	1,505

The Group has tax losses arising in Hong Kong of HK\$216,591,000 (2003: HK\$87,430,868) and in Mainland China of HK\$120,861,000 (2003: HK\$64,713,910) that are available 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 years.

本集團於香港之稅務虧損為216,591,000港元(二零零三年: 87,430,868港元), 而於中國大陸之稅務虧損為120,861,000港元(二零零三年: 64,713,910港元) 可用作抵銷產生虧損之公司之未來應課稅溢利。由於該等虧損乃來自虧蝕多年之附屬公司, 故並無就該等虧損確認遞延稅項資產。

30. Deferred Tax (continued)

At 31 December 2004, there was no significant unrecognised deferred tax liability (2003: Nil).

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

30. 遞延稅項 (續)

於二零零四年十二月三十一日，並無任何重大未確認遞延稅項負債（二零零三年：零）。

本公司向其股東派付股息，不會附帶任何所得稅後果。

31. Share Capital**31. 股本**

		2004 HK\$'000 千港元	2003 HK\$'000 千港元
Authorised:	法定：		
3,000,000,000 (2003: 3,000,000,000) ordinary shares of HK\$0.05 (2003: HK\$0.05) each	每股面值0.05港元（二零零三年：0.05港元） 之普通股3,000,000,000股 （二零零三年：3,000,000,000股）	150,000	150,000
Issued and fully paid:	已發行及繳足：		
2,482,413,966 (2003: 2,444,293,966) ordinary shares of HK\$0.05 each	每股面值0.05港元之普通股 2,482,413,966股 （二零零三年：2,444,293,966股）	124,121	122,215

During the year, the movements in share capital were as follows:

- (i) On 18 March 2004, a total of 14,000,000 share options were exercised at a price of HK\$0.665 per share, resulting in the issue of 14,000,000 new shares of HK\$0.05 each for a total cash consideration before expenses of HK\$9,310,000.
- (ii) On 24 March 2004, a total of 10,120,000 share options were exercised at a price of HK\$0.665 per share, resulting in the issue of 10,120,000 new shares of HK\$0.05 each for a total cash consideration before expenses of HK\$6,729,800.
- (iii) On 2 July 2004, a total of 14,000,000 share options were exercised at a price of HK\$0.595 per share, resulting in the issue of 14,000,000 new shares of HK\$0.05 each for a total cash consideration before expenses of HK\$8,330,000.

本年度內，錄得以下股本變動：

- (i) 於二零零四年三月十八日，14,000,000份購股權已按每股0.665港元價格行使，導致發行14,000,000股每股面值0.05港元之新股，未扣除開支前之總現金代價為9,310,000港元。
- (ii) 於二零零四年三月二十四日，10,120,000份購股權已按每股0.665港元價格行使，導致發行10,120,000股每股面值0.05港元之新股，未扣除開支前之總現金代價為6,729,800港元。
- (iii) 於二零零四年七月二日，14,000,000份購股權已按每股0.595港元價格行使，導致發行14,000,000股每股面值0.05港元之新股，未扣除開支前之總現金代價為8,330,000港元。

31. Share Capital (continued)

A summary of the transactions during the year with reference to the above movements in the Company's issued ordinary share capital is as follows:

31. 股本 (續)

參照本公司已發行普通股股本上述變動之年內交易概要如下：

		Number of shares in issue	Issued share capital	Share premium account	Total
		發行 股份數目	已發行 股本 千港元	股份溢價賬 千港元	合計 千港元
			HK\$'000	HK\$'000	HK\$'000
At 1 January 2003	於二零零三年一月一日	2,414,293,966	120,715	1,456,153	1,576,868
Share options exercised	已行使購股權	30,000,000	1,500	16,770	18,270
Share issue expenses	股份發行開支	-	-	(17)	(17)
At 31 December 2003 and 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	2,444,293,966	122,215	1,472,906	1,595,121
Share options exercised	已行使購股權	38,120,000	1,906	22,464	24,370
		2,482,413,966	124,121	1,495,370	1,619,491
Share issue expenses	股份發行開支	-	-	(22)	(22)
At 31 December 2004	於二零零四年十二月三十一日	2,482,413,966	124,121	1,495,348	1,619,469

32. Share Option Scheme

The Company operates a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Scheme include the Company's directors, including independent non-executive directors, other employees of the Group, suppliers of goods or services to the Group, customers of the Group, the Company's shareholders, and any minority shareholder in the Company's subsidiaries. The Scheme became effective on 5 June 2002 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

32. 購股權計劃

本公司設有一項購股權計劃(「該計劃」)，為對本集團業務作出貢獻之合資格參與者提供鼓勵及獎勵。該計劃之合資格參與者包括本公司之董事(包括獨立非執行董事)、本集團其他僱員、本集團產品及服務供應商、本集團客戶及本公司股東及本公司附屬公司之少數股東。該計劃於二零零二年六月五日生效，惟除非獲註銷或修訂，該計劃將於當日起計十年內維持有效。

32. Share Option Scheme (continued)

The maximum number of ordinary shares which may be issued upon exercise of all options to be granted under the Scheme and any other share option schemes of the Company shall not in aggregate exceed 10% of the total number of shares in issue as at the date of approval of the Scheme unless the Company obtains a fresh approval from its shareholders. Options lapsed in accordance with the terms of the Scheme will not be counted for the purpose of calculating such 10% limit. Notwithstanding the above, the maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other share option schemes of the Company shall not exceed 30% of the shares in issue from time to time. As at the date of this report, the total number of shares available for issue under the Scheme was 61,800,000 shares (including options for 50,600,000 shares that have been granted but not yet lapsed or exercised) which represented 2.49% of the issued share capital of the Company as at the date of this Annual Report.

The maximum entitlement of each participant under the Scheme is that the total number of shares issued and to be issued upon exercise of the options granted to each Participant (including both exercised and outstanding options) in any 12-month period shall not exceed 1% of the total number of shares in issue.

The period under which an option may be exercised will be determined by the directors at their absolute discretion and notified by the directors to each grantee as being the period during which an option may be exercised, and shall expire no later than 10th Anniversary of the date upon which the option is granted and accepted in accordance with the Scheme.

The amount payable on acceptance of an option is HK\$1. The full amount of exercise price for the subscription for shares has to be paid upon exercise of an option.

32. 購股權計劃 (續)

除非本公司獲其股東另外批准，否則因悉數行使根據該計劃及任何其他本公司之購股權計劃授出之購股權而可能予以發行之普通股股數上限不得超過於批准該計劃當日已發行股份總數之10%。根據該計劃條款失效之購股權將不作為計算該10%限額之目的。除上文所披露者外，因悉數行使根據該計劃及任何其他本公司之購股權計劃授出而將予行使之尚未行使購股權而可能予以發行之股份數目上限不得超過已發行股份總數之30%。於本報告日期，根據該計劃可予發行之股份總數為61,800,000股（包括已授出但尚未失效或行使之可認購50,600,000股股份之購股權），佔本公司於本年報日期已發行股本之2.49%。

每名參與者於該計劃項下之授權上限為因行使於任何12個月期間授予各參與者之購股權（包括已獲行使及尚未行使之購股權）而已發行及將予以發行之股份總數不得超過已發行股份總數之1%。

購股權之可行使期間由董事全權決定，並由董事通知各承授人可行使購股權之期間；另根據該計劃，該購股權之行使期限應於其被授出及被接納當日起計10週年內屆滿。

接納購股權時應付款項為1港元。認購股份之行使價全數須於行使購股權時支付。

32. Share Option Scheme (continued)

The exercise price shall be a price determined by the directors and notified to a participant and shall be at least the highest of (i) the closing price of the shares as stated in The Stock Exchange of Hong Kong Limited's daily quotations sheet on the date of offer of grant, which must be a business day, (ii) a price being the average of the closing prices of the shares as stated in The Stock Exchange of Hong Kong Limited's daily quotations sheets for the 5 business days immediately preceding the date of offer of grant, and (iii) the nominal value of a share in the Company.

The following share options were outstanding under the Scheme during the year:

32. 購股權計劃 (續)

行使價乃由董事釐定並通知參與者之價格。行使價須至少為以下之最高者：(i)於授出要約當日(必須為營業日)在香港聯合交易所有限公司每日報價表所載之股份收市價；(ii)於緊接授出要約當日前5個營業日在香港聯合交易所有限公司每日報價表所載之平均股份收市價；及(iii)本公司股份之面值。

在本年度內，該計劃項下尚未行使之購股權如下：

	Number of share options 購股權數目					Other changes during the year	At 31 December 2004	Date of grant of share options*	Exercise period of share options	Price of Company's shares* 本公司股份之價格*		
	At 1 January 2004	Granted during the year	Exercised during the year	Lapsed during the year	Cancelled during the year					Exercise price of share options HK\$	At grant date of options HK\$	At exercise date of options HK\$
	於二零零四年一月一日	於年內授出	於年內行使	於年內失效	於年內註銷	於年內之其他變動	於二零零四年十二月三十一日	授出購股權日期*	行使購股權期間	行使購股權價格 港元	於購股權授出之日期 港元	於購股權行使之日期 港元
Directors 董事												
LIU Zixian (Note 1) 劉子先(附註1)	2,400,000	-	-	-	-	-	2,400,000	27/6/2002	27/6/2002 – 26/6/2007	1.265	-	-
LIU Jianhua (Note 2) 劉建華(附註2)	2,000,000	-	-	-	-	-	2,000,000	5/7/2002	5/7/2002 – 4/7/2007	1.265	-	-
ZHU Qiji (Note 3) 朱其懿(附註3)	2,400,000	-	-	2,400,000	-	-	-	27/6/2002	27/6/2002 – 26/6/2007	1.265	-	-
YANG Yefang (Note 4) 楊業方(附註4)	2,000,000	-	-	2,000,000	-	-	-	9/7/2002	9/7/2002 – 8/7/2007	1.265	-	-
ZHANG Luzheng (Note 5) 張路正(附註5)	2,000,000	-	-	-	-	2,000,000 (Note 9) (附註9)	-	27/6/2002	27/6/2002 – 26/6/2007	1.265	-	-
XU Ruxin 徐汝心	2,000,000	-	-	-	-	-	2,000,000	27/6/2002	27/6/2002 – 26/6/2007	1.265	-	-
ZHU Huoyang 朱火養	2,000,000	-	-	-	-	-	2,000,000	27/6/2002	27/6/2002 – 26/6/2007	1.265	-	-
WONG Po Yan 黃保欣	2,000,000	-	-	-	-	-	2,000,000	27/6/2002	27/6/2002 – 26/6/2007	1.265	-	-
LEE Yip Wah, Peter 李業華	2,000,000	-	-	-	-	-	2,000,000	27/6/2002	27/6/2002 – 26/6/2007	1.265	-	-
WU Wai Chung, Michael 吳偉聰	1,200,000	-	-	-	-	-	1,200,000	5/7/2002	5/7/2002 – 4/7/2007	1.265	-	-
	20,000,000	-	-	4,400,000	-	2,000,000	13,600,000					

32. Share Option Scheme (continued)

32. 購股權計劃 (續)

	Number of share options 購股權數目					Other changes during the year	At 31 December 2004	Date of grant of share options*	Exercise period of share options	Price of Company's shares* 本公司股份之價格*		
	At 1 January 2004	Granted during the year	Exercised during the year	Lapsed during the year	Cancelled during the year					Exercise price of share options HK\$	At grant date of options HK\$	At exercise date of options HK\$
	於二零零四年 一月一日	於年內授出	於年內行使	於年內失效	於年內註銷	於年內之 其他變動	於二零零四年 十二月 三十一日	授出購股權 日期*	行使購股權 期間	行使購股權 價格 港元	於購股權 授出之日期 港元	於購股權 行使之日期 港元
Other employees 其他僱員												
In aggregate 總計	24,120,000	-	24,120,000 (Notes 6&7) (附註6及7)	-	-	-	-	29/9/2000	29/3/2001 - 28/3/2004	0.665	-	1.150
	14,000,000	-	14,000,000 (Note 8) (附註8)	-	-	-	-	8/1/2001	8/7/2001 - 7/7/2004	0.595	-	0.990
	-	-	-	-	-	2,000,000 (Note 9) (附註9)	2,000,000	27/6/2002	27/6/2002 - 26/6/2007	1.265	-	-
	16,400,000	-	-	-	-	-	16,400,000	3/7/2002	3/7/2002 - 2/7/2007	1.265	-	-
	20,000,000	-	-	-	-	-	20,000,000	5/7/2002	5/7/2002 - 4/7/2007	1.265	-	-
	1,000,000	-	-	-	-	-	1,000,000	8/7/2002	8/7/2002 - 7/7/2007	1.265	-	-
	75,520,000	-	38,120,000	-	-	2,000,000	39,400,000					
	95,520,000	-	38,120,000	4,400,000	-	-	53,000,000					

Notes:

- Mr. LIU Zixian resigned as a director of the Company on 12 November 2004. His share options lapsed on 12 February, 2005.
- Mr. LIU Jianhua was appointed as director on 12 March 2004.
- Mr. ZHU Qiyi resigned as a director of the Company on 12 March 2004. His share options lapsed on 12 June 2004.
- Mr. YANG Yefang resigned as a director of the Company on 12 March 2004. His share options lapsed on 12 June 2004.
- Mr. ZHANG Luzheng retired as a director of the Company on 3 June 2004.
- On 18 March 2004, a total of 14,000,000 share options were exercised at a price of HK\$0.665 each. These share options were granted on 29 September 2000. The weighted average closing price of this Shares on 17 March 2004 was HK\$1.287.
- On 24 March 2004, a total of 10,120,000 share options were exercised at a price of HK\$0.665 each. These share options were granted on 29 September 2000. The weighted average closing price of this Shares on 23 March 2004 was HK\$1.281.
- On 2 July 2004, a total of 14,000,000 share options were exercised at a price of HK\$0.595 each. These share options were granted on 8 January 2001. The weighted average closing price of this Shares on 30 June 2004 was HK\$1.146.
- Although Mr. ZHANG Luzheng retired as a director of the Company, he still remain as an employee of the Company so the share options held by him still exist.

* The price of the Company's shares disclosed as at the date of the grant of the share options is the Stock Exchange closing price on the trading day immediately prior to the date of the grant of the options during the year. The price of the Company's shares disclosed as at the date of the exercise of the share options is the weighted average of the Stock Exchange closing prices over all of the exercises of options within the disclosure line during the year.

附註:

- 劉子先先生於二零零四年十一月十二日辭任本公司董事一職。其購股權於二零零五年二月十二日失效。
- 劉建華先生於二零零四年三月十二日獲委任為董事。
- 朱其懿先生於二零零四年三月十二日辭任本公司董事一職。其購股權於二零零四年六月十二日失效。
- 楊業方先生於二零零四年三月十二日辭任本公司董事一職。其購股權於二零零四年六月十二日失效。
- 張路正先生於二零零四年六月三日退任本公司董事一職。
- 於二零零四年三月十八日，合共14,000,000份購股權按每份行使價0.665港元行使。該等購股權於二零零零年九月二十九日授出。該等股份於二零零四年三月十七日之加權平均收市價為1.287港元。
- 於二零零四年三月二十四日，合共10,120,000份購股權按每份行使價0.665港元行使。該等購股權於二零零零年九月二十九日授出。該等股份於二零零四年三月二十三日之加權平均收市價為1.281港元。
- 於二零零四年七月二日，合共14,000,000份購股權按每份行使價0.595港元行使。該等購股權於二零零一年一月八日授出。該等股份於二零零四年六月三十日之加權平均收市價為1.146港元。
- 張路正先生雖退任本公司董事一職，惟彼仍為本公司之僱員，故彼持有之購股權仍然存在。

* 於購股權授出日期所披露本公司股份之價格乃緊接有關購股權於本年度內授出日期前一個交易日聯交所之收市價。於購股權行使日期所披露本公司股份之價格乃聯交所收市價與於披露範圍內購股權於本年度內獲行使之全數之加權平均值。

33. 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 47 of the financial statements.

Certain amounts of goodwill and negative goodwill arising on the acquisition of subsidiaries and associates in prior years, remain eliminated against and credited consolidated reserves, respectively, as explained in notes 16 and 20 to the financial statements.

(b) Company

		Note	Share premium account HK\$'000 股份溢價賬 千港元	Retained profits HK\$'000 保留溢利 千港元	Total HK\$'000 總額 千港元
		附註			
At 1 January 2003	於二零零三年一月一日		1,456,153	392,277	1,848,430
Shares issued at premium	以溢價發行股份	31	16,753	–	16,753
Net profit for the year	本年度純利		–	347,591	347,591
Interim 2003 dividend	二零零三年中期股息		–	(36,664)	(36,664)
Adjustment to prior year's final dividend	上年度末期股息之調整		–	(500)	(500)
Proposed final 2003 dividend	二零零三年度擬派末期股息		–	(61,107)	(61,107)
At 31 December 2003	於二零零三年十二月三十一日		1,472,906	641,597	2,114,503
Shares issued at premium	以溢價發行股份	31	22,442	–	22,442
Net profit for the year	本年度純利		–	154,316	154,316
Interim 2004 dividend	二零零四年中期股息		–	(49,648)	(49,648)
Adjustment to prior year's final dividend	上年度末期股息之調整		–	(603)	(603)
Proposed final 2004 dividend	二零零四年度擬派末期股息		–	(74,472)	(74,472)
At 31 December 2004	於二零零四年十二月三十一日		1,495,348	671,190	2,166,538

The aggregate amount of reserves available for distribution to shareholders of the Company at 31 December 2004 was HK\$671,190,000 (2003: HK\$641,597,000), which represents the retained profits at that date.

33. 儲備

(a) 本集團

本集團本年度及過往年度之儲備之金額及其變動乃於財務報表第47頁綜合權益變動表內呈列。

誠如財務報表附註16及20之解釋，過往年度收購附屬公司及聯營公司所產生之商譽及負商譽之若干數額，分別繼續於綜合儲備中扣除及入賬。

(b) 本公司

於二零零四年十二月三十一日，可供分派予本公司各股東之儲備總額為671,190,000港元（二零零三年：641,597,000港元），指於該日之保留溢利。

34. Notes to the Consolidated Cash Flow Statement

34. 綜合現金流量表附註

(a) Acquisition of a subsidiary

(a) 收購一家附屬公司

		2004 HK\$'000 千港元	2003 HK\$'000 千港元
Net assets acquired:	所收購淨資產：		
Fixed assets	固定資產	-	26,067
Cash and bank balances	現金及銀行結存	-	4,986
Accounts receivable	應收賬款	-	4,979
Prepayments and other receivables	預付款項及其他應收款項	-	5,185
Inventories	存貨	-	411
Accounts payable	應付賬款	-	(475)
Other payables and accruals	其他應付款項及應計費用	-	(3,864)
Tax payable	應付稅項	-	(36)
Short term bank loans	短期銀行貸款	-	(4,866)
Long term bank loans	長期銀行貸款	-	(12,376)
		-	20,011
Negative goodwill on acquisition	於收購時產生之負商譽	-	(2,549)
		-	17,462
Satisfied by:	支付方式：		
Cash	現金	-	17,462

34. Notes to the Consolidated Cash Flow Statement (continued)

(a) Acquisition of a subsidiary (continued)

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

		2004 HK\$'000 千港元	2003 HK\$'000 千港元
Cash consideration	現金代價	-	(17,462)
Cash and bank balances acquired	所收購現金及銀行結存	-	4,986
Net outflow of cash and cash equivalents in respect of the acquisition of a subsidiary	就收購一家附屬公司之現金及現金等值流出淨額	-	(12,476)

(b) Acquisition of an additional interest in a subsidiary

(a) 收購一家附屬公司 (續)

就收購一家附屬公司之現金及現金等值流出淨額之分析如下：

		2004 HK\$'000 千港元	2003 HK\$'000 千港元
Fair value of interest acquired	已收購權益之公允值	-	31,816
Negative goodwill on acquisition	於收購時產生之負商譽	-	(28,821)
Net cash outflow	現金流出淨額	-	2,995

(b) 收購一家附屬公司之額外權益

34. Notes to the Consolidated Cash Flow Statement (continued)

34. 綜合現金流量表附註 (續)

(c) Disposal of subsidiaries

(c) 出售附屬公司

		Notes 附註	2004 HK\$'000 千港元	2003 HK\$'000 千港元
Net assets disposed of:	出售淨資產：			
Fixed assets	固定資產	14	29,226	—
Properties under development	發展中物業	17	292,545	—
Investment properties	投資物業	18	75,372	—
Cash and cash equivalents	現金及現金等值		10,182	—
Accounts receivable	應收賬款		1,420	—
Prepayments and other receivables	預付款項及其他應收款項		30,897	—
Inventories	存貨		3,863	—
Accounts payable	應付賬款		(6,649)	—
Accruals and other payables	應計費用及其他應付款項		(9,355)	—
Tax payable	應付稅項		(3)	—
Interest-bearing bank loans	帶息銀行貸款		(107,163)	—
Minority interests	少數股東權益		(142,566)	—
			177,769	—
Loss on disposal of subsidiaries	出售附屬公司之虧損	6	(25,212)	—
			152,557	—
Satisfied by:	支付方式：			
Cash	現金		66,896	—
Interests in an associate	聯營公司權益		85,661	—
			152,557	—

34. Notes to the Consolidated Cash Flow Statement (continued)

(c) Disposal of subsidiaries (continued)

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

		2004 HK\$'000 千港元	2003 HK\$'000 千港元
Cash consideration	現金代價	66,896	-
Cash and cash equivalents disposed of	出售現金及現金等值	(10,182)	-
Net inflow of cash and cash equivalents in respect of the disposal of subsidiaries	就出售附屬公司之現金及現金等值流入淨額	56,714	-

The results of the subsidiaries disposed of in the year ended 31 December 2004 had no significant impact on the Group's consolidated turnover or profit after tax for that year.

35. Operating Lease Arrangements

(i) As lessor

The Group leases its investment properties (note 18 to the financial statements) under operating lease arrangements, with leases negotiated for terms ranging from two to eighteen years. The terms of the leases generally also require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions.

34. 綜合現金流量表附註 (續)

(c) 出售附屬公司 (續)

就出售附屬公司之現金及現金等值流入淨額之分析如下：

		2004 HK\$'000 千港元	2003 HK\$'000 千港元
Cash consideration	現金代價	66,896	-
Cash and cash equivalents disposed of	出售現金及現金等值	(10,182)	-
Net inflow of cash and cash equivalents in respect of the disposal of subsidiaries	就出售附屬公司之現金及現金等值流入淨額	56,714	-

於截至二零零四年十二月三十一日止年度，出售附屬公司之業績對本集團該年度之綜合營業額或稅後溢利並無重大影響。

35. 經營租約安排

(i) 作為出租者

根據經營租賃安排，本集團租出旗下投資物業（財務報表附註18），租期議定為兩年至十八年不等。租約條款亦一般要求租戶先繳付保證金及規定視乎當時市場環境而週期性調整租金。

35. Operating Lease Arrangements (continued)

35. 經營租約安排 (續)

(i) As lessor (continued)

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

(i) 作為出租者 (續)

於二零零四年十二月三十一日，本集團於以下期間屆滿之不可取消經營租約在未來之最少應收租約總額如下：

		Group 本集團	
		2004 HK\$'000 千港元	2003 HK\$'000 千港元
Within one year	一年內	215,367	164,596
In the second to fifth years, inclusive	第二年至第五年 (包括首尾兩年)	284,025	262,643
After five years	超逾五年	151,890	54,295
		651,282	481,534

(ii) As lessee

The Group leases certain of its properties under operating lease arrangements. Leases for properties are negotiated for terms ranging from three to twenty years.

(ii) 作為租戶

本集團根據經營租賃安排租入若干物業，物業租期議定為三年至二十年不等。

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

於二零零四年十二月三十一日，本集團及本公司於以下期間屆滿之不可取消經營租約在未來之最少應付租約承擔總額如下：

		Group 本集團		Company 本公司	
		2004 HK\$'000 千港元	2003 HK\$'000 千港元	2004 HK\$'000 千港元	2003 HK\$'000 千港元
Within one year	一年內	6,855	4,260	2,602	2,374
In the second to fifth years, inclusive	第二年至第五年 (包括首尾兩年)	18,001	8,235	4,648	6,909
After five years	超逾五年	29,011	—	—	—
		53,867	12,495	7,250	9,283

36. Capital Commitments

In addition to the operating lease commitments detailed in note 35(i) above, the Group and the Company had the following commitments at the balance sheet date:

36. 資本承擔

除上文附註35(i)所述之經營租約承擔外，於結算日，本集團及本公司之資本承擔如下：

		Group 本集團		Company 本公司	
		2004	2003	2004	2003
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
(i) Commitments in respect of acquisition of land and buildings, and development costs attributable to properties under development: Contracted, but not provided for	(i) 就收購土地及樓宇以及發展中物業應佔發展成本之承擔： 已訂約惟尚未撥備	516,446	132,404	-	-
(ii) Commitments in respect of a capital injection to a joint venture in Mainland China: Contracted, but not provided for	(ii) 就於中國合營企業注資之承擔： 已訂約惟尚未撥備	-	21,116	-	-

In addition, the Group's and the Company's shares of the associates' own capital commitments, which are not included in the above, were as follows:

除上述資本承擔事項以外，本集團及本公司應佔聯營公司本身之資本承擔如下：

		Group 本集團		Company 本公司	
		2004	2003	2004	2003
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Contracted, but not provided for Investment cost to be injected into a subsidiary	已訂約惟尚未撥備 就於一家附屬公司注資之承擔	9,863	-	-	-
Investment cost to be injected into infrastructure joint ventures	就於基建合營企業注資之承擔	8,517	-	-	-
		18,380	-	-	-

37. Contingent Liabilities

37. 或然負債

At the balance sheet date, contingent liabilities not provided for in the financial statements were as follows:

於結算日，財務報表並無撥備之或然負債如下：

	Group 本集團		Company 本公司	
	2004 HK\$'000 千港元	2003 HK\$'000 千港元	2004 HK\$'000 千港元	2003 HK\$'000 千港元
(i) Guarantees for credit facilities granted to: Subsidiaries Associates				
(i) 為下列公司獲授信貸而作出之擔保： 附屬公司 聯營公司				
	-	-	211,480	234,450
	15,698	7,039	-	-
	15,698	7,039	211,480	234,450

(ii) At 31 December 2004, the Group had given guarantees to a maximum extent of approximately HK\$915,016,000 (2003: HK\$950,790,000) to banks for housing loans extended by the banks to the purchasers of the Group's properties.

(ii) 於二零零四年十二月三十一日，本集團給銀行約915,016,000港元（二零零三年：950,790,000港元）之最高擔保額，作為銀行授予本集團物業買家之房屋貸款之抵押。

(iii) Pending litigation

(iii) 待決之法律訴訟

(1) A statement of claim dated 27 August 2002 was issued by Fancheng Property Development Co., Limited (the "Plaintiff") as the plaintiff against Shum Yip Group (Shenzhen) Co., Ltd. ("Shumyip Shenzhen"), a wholly-owned subsidiary of the Company as the first defendant and Yaoheng Development Co., Ltd. as the second defendant in a civil claim at the court in Mainland China.

(1) 在中國大陸一宗民事訴訟中，原告凡成物業發展有限公司（「原告」）於二零零二年八月二十七日向本公司之全資附屬公司深業集團（深圳）有限公司（「深業深圳」）（第一被告）及躍恒發展有限公司（第二被告）提出起訴。

37. Contingent Liabilities (continued)

(iii) Pending litigation (continued)

The Plaintiff claimed against Shumyip Shenzhen for, inter alia, damages suffered by the Plaintiff as a result of the breach by Shumyip Shenzhen of the terms of a cooperation agreement dated 8 July 1991 entered into between the Plaintiff and Shumyip Shenzhen, which include (i) Shumyip Shenzhen's deliberately registering the properties called Shenfa Garden under the name of Shumyip Shenzhen and refusal to give the properties to the Plaintiff and (ii) Shumyip Shenzhen's appropriating the Plaintiff's sales proceeds to compensate the individual owners and the construction party of Shenfa Garden and keeping the income in relation to certain car parks and the kindergarten situated within the area of Shenfa Garden. The Plaintiff claimed a total compensation of approximately RMB170 million against Shumyip Shenzhen. Shumyip Shenzhen lodged a defence and counter claim for compensation of RMB1.3 million against the Plaintiff on 22 October 2002. This case was heard in court on 26 March 2003 and 5 November 2004, the arbitration process is complicated and time-consuming. Up to date, the parties are still waiting for the delivery of the arbitration award. Mainland China lawyers are of the view that the outcome of the case is not determinable at this stage.

As advised by the Hong Kong lawyers, pursuant to a deed (the "Deed") entered into on 12 February 1997 by Shum Yip Holdings as covenantor in favour of the Company as covenantee in connection with the listing of the Company, the Company may be able to claim indemnity from Shum Yip Holdings if the Plaintiff and/or the Applicant are successful in their claims against Shumyip Shenzhen on the ground that Shumyip Shenzhen had materially breached the cooperation agreement, and the circumstances which gave rise to the above litigation was already in existence at the time of execution of the Deed.

37. 或然負債 (續)

(iii) 待決之法律訴訟 (續)

原告對深業深圳提出起訴，指稱其本身因深業深圳違反雙方於一九九一年七月八日訂立之合作協議之條款而蒙受損失，該等指控包括：(i)深業深圳故意將一項名為深發花園之物業登記其名下，並拒絕向原告交出該物業；(ii)深業深圳挪用原告出售物業所得之款項，用以補償個別之業主及深發花園之建築商，並扣留與若干位於深發花園內之停車場及幼稚園有關之收入。原告向深業深圳索償合共約人民幣170百萬元。深業深圳於二零零二年十月二十二日提交民事答辯暨反訴狀，對原告反索償人民幣1.3百萬元。此案於二零零三年三月二十六日及二零零四年十一月五日聆訊。仲裁過程既複雜且費時，各方至今尚在等待仲裁裁決。中國大陸律師認為，現時無法預料此案之裁決結果。

據香港律師給予之意見，根據深業集團（作為契諾承諾人）於一九九七年二月十二日為本公司（作為契諾受益人）之利益而訂立之契據（「該契據」），此乃因應本公司上市而給予之契諾，倘若原告人及／或申請人在深業深圳之申索中勝訴，本公司或可就上述事宜向深業集團申索補償，理據為深業深圳嚴重違反合作協議，而引致上述訴訟之情況於簽訂該契據時早已存在。

37. Contingent Liabilities (continued)

(iii) Pending litigation (continued)

- (2) An application for arbitration dated 9 August 2002 was issued by Shenzhen Special Economic Zone Estate (Group) Co., Ltd. (the "Applicant") as the applicant and Shumyip Shenzhen as the respondent in an arbitration case. The Applicant claimed against Shumyip Shenzhen for damages suffered by the Applicant as a result of the breach Shumyip Shenzhen of the terms of a co-operation agreement entered into between the Applicant and Shumyip Shenzhen on 9 November 1993 which include (i) the late payment by Shumyip Shenzhen of the land cost/premium in respect of the properties called Yitai Centre to the relevant government authority; (ii) the late application for the certificate for building approval of Yitai Centre (iii) the delay in the application of the pre-sale approval in relation to Yitai Centre and (iv) the failure to assist the Applicant in the application for property certificates for the individual owners of Yitai Centre. The Applicant has requested for a compensation loss from Shumyip Shenzhen aggregating to approximately RMB137 million. This case was heard on 21 March 2003 and the award of the arbitration was delivered in June 2004. According to the arbitration award, Shumyip Shenzhen is required to pay a compensation loss and arbitration costs aggregating to RMB25.7 million (equivalent to approximately HK\$24.2 million). Pursuant to a deed entered into on 12 February 1997 between the Company and Shum Yip Holdings, the ultimate holding company of the Company, Shum Yip Holdings is required to indemnify the Company and such indemnification was approved by the board of Shum Yip Holdings on 9 July 2004. No provision of such compensation loss was made in these financial statements.

37. 或然負債 (續)

(iii) 待決之法律訴訟 (續)

- (2) 在一宗仲裁案件中，深圳經濟特區房地產(集團)股份有限公司(「申請人」)作為申請人於二零零二年八月九日申請仲裁，當中之被申請人為深業深圳。申請人對深業深圳提出申索，指稱其本身因深業深圳違反雙方於一九九三年十一月九日訂立之合作協議之條款而蒙受損失，該等指控包括：(i) 深業深圳未有依期支付名為怡泰中心之物業之地價／土地補價予有關政府部門；(ii) 未有依期申請怡泰中心之建築批文；(iii) 未有依期申請怡泰中心之房地產預售許可證；及(iv) 未有協助申請人為怡泰中心個別業主辦理產權證書。申請人向深業深圳索償共約人民幣137百萬元。此案於二零零三年三月二十一日聆訊並於二零零四年六月作出裁決。根據仲裁裁決，深業深圳須賠償損失及支付仲裁費用合共人民幣25.7百萬元(相等於約24.2百萬港元)。根據本公司與本公司之最終控股公司深業集團於一九九七年二月十二日訂立之契據，深業集團須向本公司作出彌償，而有關彌償已於二零零四年七月九日獲深業集團董事會批准。該等財務報表並無就有關損失賠償計提撥備。

38. Related Party Transactions

The Group had the following material transactions with a related party during the year:

		Group 本集團	
		2004	2003
		HK\$'000	HK\$'000
		千港元	千港元
		Notes 附註	
Shum Yip Holdings	深業集團		
Rental expenses paid	已付租金開支	(i)	2,892
Acquisition of a subsidiary	收購一家附屬公司	(ii), 34(a)	15,720

Notes:

- (i) The rentals were determined by the directors with reference to the market prices of similar transactions.
- (ii) The consideration was arrived at based on the discounted estimated net asset value acquired.

於年內，本集團與關連人士進行以下重大交易：

附註：

- (i) 租金經董事參考當時之同類交易市價後釐訂。
- (ii) 代價乃根據所收購折現估計資產淨值計算。

39. Comparative Amounts

During the current year, the presentation of certain items in the financial statements has been revised and certain comparative amounts have been reclassified to conform with the current year's presentation.

40. Approval of the Financial Statements

The financial statements were approved and authorised for issue by the board of directors on 15 April 2005.

39. 比較數額

由於本年度財務報表內若干項目呈列均作出修訂，若干比較數額經已重新分類以與本年度之呈列貫徹一致。

40. 批准財務報表

財務報表已於二零零五年四月十五日獲董事會批准及授權刊發。