

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the eighteen months ended 30 June 2005 截至二零零五年六月三十日止十八個月

1. IMPACT OF RECENTLY ISSUED HONG KONG FINANCIAL REPORTING STANDARDS

The Hong Kong Institute of Certified Public Accountants has issued a number of new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) and Hong Kong Accounting Standards (“HKAS”), hereinafter collectively referred to as the “new HKFRSs”, which are generally effective for accounting periods beginning on or after 1 January 2005.

The Group did not early adopt these new HKFRSs in the financial statements for the period ended 30 June 2005. The Group is in the process of making an assessment of the impact of these new HKFRSs and has so far concluded that the adoption of the following new HKFRSs would have the following effect:

HKFRS 3 “Business Combinations”, HKAS 36 “Impairment of Assets” and HKAS 38 “Intangible Assets”

HKFRS 3 applies to accounting for business combination for which the agreement date is on or after 1 January 2005. The adoption of HKFRS 3, HKAS 36 and HKAS 38 will result in a change in the accounting policy for goodwill and excess of the fair values of the identifiable assets, liabilities and contingent liabilities acquired over cost (“Negative Goodwill”). The Group’s negative goodwill at 1 July 2005 with a carrying amount of HK\$16,015,000 will be derecognized, with corresponding adjustment to the opening balance of the Group’s revenue reserve.

HKAS 38 requires the Group to reassess the useful lives of its intangible assets in accordance with the provisions of HKAS 38. No adjustment is expected from this reassessment.

The Group will continue to assess the impact of the other new HKFRSs.

1. 近期頒布之香港財務報告準則的影響

香港會計師公會頒布若干新訂及經修訂的香港財務報告準則及香港會計準則(「新香港財務報告準則」)，適用於二零零五年一月一日或之後開始的會計期間。

本集團並無於截至二零零五年六月三十日止期間的財務報表採納該等新香港財務報告準則。本集團現正評估採納此等財務報告準則之影響。以下是迄今可以預期當採納新香港財務報告準則後的影響：

香港財務報告準則第3號「業務合併」、香港會計準則第36號「資產減值」及香港會計準則第38號「無形資產」

香港財務報告準則第3號適用於二零零五年一月一日或之後所訂定的業務合併。採納香港財務報告第3號、香港會計準則第36號及第38號會改變商譽的會計政策，及可支配資產、負債及或有負債的公平價值高於收購成本的餘額(「負商譽」)。本集團於二零零五年七月一日負商譽的賬面值港幣16,015,000元將不被確認，並在本集團之收益儲備的期初結餘作出相應調整。

香港會計準則第38號要求集團需按準則規定再度評估無形資產的可用年限。預期此項評估結果不須對賬面作出調整。

本集團會繼續評估其他新香港財務報告準則的影響。

NOTES TO THE FINANCIAL STATEMENTS (continued) 財務報表附註 (續)

For the eighteen months ended 30 June 2005 截至二零零五年六月三十日止十八個月

2. PRINCIPAL ACCOUNTING POLICIES**(a) Basis of preparation**

These financial statements have been prepared in accordance with accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance. The financial statements also comply with the Statements of Standard Accounting Practice issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the rules governing the listing of securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). They have been prepared under the historical cost convention modified by the revaluation of certain properties and intangible assets.

On 3 December 2004, the Board of Directors of the Company passed an ordinary resolution to change the financial year end date of the Company from 31 December to 30 June commencing from the year 2004. The reason for the change is to align the financial year end date of the Company with that of its ultimate holding company, Hong Leong Company (Malaysia) Berhad ("HLCM"). As a result, the current financial period covers the period from 1 January 2004 to 30 June 2005.

(b) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the period from 1 January 2004 to 30 June 2005. The results of subsidiaries acquired or disposed of during the period are dealt with in the consolidated income statement from the effective dates of acquisition or to the effective dates of disposal respectively. All significant intra-group transactions and balances have been eliminated on consolidation.

2. 主要會計政策**(a) 編制財務報表的準則**

本財務報表已按照香港普遍採納的會計原則及香港《公司條例》編制。本財務報表亦符合香港會計師公會頒布的會計實務準則及香港聯合交易所有限公司(「聯交所」)證券上市規則的披露規定。財務報表依據歷史成本常規法及對若干物業和無形資產進行重估後而編制。

於二零零四年十二月三日，本公司之董事會通過一項普通決議案，本公司之財政年度結算日自二零零四年起由十二月三十一日改為六月三十日。更改本公司之財政年結之原因乃為配合其最終控股公司Hong Leong Company (Malaysia) Berhad (「HLCM」)之財政年結。因此，本財政年度之覆蓋期間是由二零零四年一月一日至二零零五年六月三十日。

(b) 綜合財務報表的準則

綜合財務報表包括本公司及其附屬公司由二零零四年一月一日至二零零五年六月三十日止年度的財務報表。期間購入或出售的附屬公司之業績則由有效之收購日起或截至有效之出售日止計算於綜合收益表內。所有集團內部的重大交易及結餘均已在綜合賬內抵銷。

NOTES TO THE FINANCIAL STATEMENTS (continued) 財務報表附註 (續)

For the eighteen months ended 30 June 2005 截至二零零五年六月三十日止十八個月

2. PRINCIPAL ACCOUNTING POLICIES

(continued)

(c) Revenue recognition

Revenue from sale of goods is recognized when the significant risks and rewards of ownership of goods have been transferred to the buyer.

Rental income from operating leases is recognized on a straight-line basis over the terms of the respective leases.

Interest income is accrued on a time proportion basis.

Dividend income is recognized at the time when the right to receive payment is established.

Income from management services, advertising and promotion services are recognized at the time when the services are provided.

(d) Translation of foreign currencies

Foreign currency transactions during the period are translated into Hong Kong dollars at the exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into Hong Kong dollars at the market exchange rates ruling at the balance sheet date. Differences on foreign currency translation are dealt with in the income statement.

The consolidated financial statements are prepared by using the net investment method such that the balance sheets of the Company's foreign enterprises are translated into Hong Kong dollars at market exchange rates ruling at the balance sheet date while the income statements are translated into Hong Kong dollars at average rate for the period. Any exchange differences arising on such translation are dealt with in the exchange reserve.

2. 主要會計政策 (續)**(c) 收入的確認**

銷售商品收入按貨物擁有權附帶的重大風險及回報轉移給購買者時入賬。

營業租約的租金收入於其租約期內按直線法入賬。

利息收入按時間比例基礎入賬。

股息收入則在已知有權利收取時入賬。

管理服務、廣告及宣傳服務之收入則在提供服務後入賬。

(d) 外幣的折算

本期間以外幣為單位的交易，按交易日的匯率折算為港幣。以外幣為單位的貨幣性資產及負債則按結算日的市場匯率折算為港幣。兌換差額均計算於收益表內。

綜合財務報表以淨投資方法編制，將本公司之海外企業之資產負債表按資產負債表結算日之市場匯率折算為港幣而該等企業之收益表則按期內之平均匯率折算為港幣。兌換差額均計算於外匯儲備內。

NOTES TO THE FINANCIAL STATEMENTS (continued) 財務報表附註 (續)

For the eighteen months ended 30 June 2005 截至二零零五年六月三十日止十八個月

2. PRINCIPAL ACCOUNTING POLICIES

(continued)

(e) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

In accordance with the Group's internal management reporting, the Group has determined that business segments be presented as the primary reporting format and geographical as the secondary reporting format. Inter-segment transfer pricing is based on cost plus an appropriate margin.

Segment revenue, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment. Segment revenue, expenses, assets and liabilities are determined before inter-segment balances and inter-segment transactions are eliminated as part of the consolidation.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets (both tangible and intangible) that are expected to be used for more than one period.

Unallocated items mainly comprise financial and corporate assets, interest-bearing loans, borrowings, corporate and financing expenses.

2. 主要會計政策 (續)**(e) 分部報告**

分部是指本集團內從事於供應產品或提供服務(業務分部)，或者在一特定的經濟環境內供應產品或提供服務(地區分部)的可分辨部份，而各分部所承受的風險及獲得的回報並不相同。

按照本集團的內部管理報告，本集團已決定將業務分部資料作為主要報告形式，而地區分部資料則以次要報告形式呈報。分部間的轉讓定價乃按成本加上適當的毛利而釐定。

分部收益、支出、業績、資產及負債包括能直接歸類於某一分部及那些能夠按合理標準分配到各分部的項目。分部收益、支出、資產及負債均在綜合賬項須予抵銷分部間的結餘及交易之前列示。

分部資本支出是指在期內購入而預期使用超過一個期間的分部資產(包括有形及無形資產)之總成本。

未分配項目主要包括金融及總部資產、計息貸款、借款、總部及融資支出。

NOTES TO THE FINANCIAL STATEMENTS (continued) 財務報表附註 (續)

For the eighteen months ended 30 June 2005 截至二零零五年六月三十日止十八個月

2. PRINCIPAL ACCOUNTING POLICIES

(continued)

(f) Fixed assets and depreciation

Fixed assets are stated at cost or valuation less accumulated depreciation and impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its present working condition and location for its intended use. Expenditure incurred after a fixed asset has been put into operation, such as repairs and maintenance, is normally charged to the income statement 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 capitalized as an additional cost of the fixed asset.

No depreciation is provided in respect of land held on freehold. Depreciation on other fixed assets is calculated to write down their costs to their estimated residual values on a straight-line basis over their estimated useful lives at the following annual rates:

Leasehold land	5% or over the lease period
Buildings and leasehold improvements	1 $\frac{2}{3}$ %–33 $\frac{1}{3}$ %
Other fixed assets	5%–33 $\frac{1}{3}$ %

2. 主要會計政策 (續)**(f) 固定資產及折舊**

固定資產乃按成本或估值減累積折舊及減值虧損列賬。資產的成本值包括購入的代價，加上將該項資產付運至運作地點及達至擬定現有用途的狀態而支付的費用。在固定資產投入運作後的支出，如維修及保養，均通常於作出該等支出的期間在收益表中列作費用。倘若能清楚顯示出該等支出能增加預計於日後運用該項固定資產而產生的未來經濟效益，則該等支出將撥作該項固定資產的額外成本。

永久持有的土地均沒有作出折舊準備。其他固定資產則按其估計可用年期以直線法按如下的每年折舊率撇減其成本至其估計剩餘價值：

租約土地	5%或租約期限
樓宇及租約物業裝修	1 $\frac{2}{3}$ %–33 $\frac{1}{3}$ %
其他固定資產	5%–33 $\frac{1}{3}$ %

NOTES TO THE FINANCIAL STATEMENTS (continued) 財務報表附註 (續)

For the eighteen months ended 30 June 2005 截至二零零五年六月三十日止十八個月

2. PRINCIPAL ACCOUNTING POLICIES

(continued)

(g) Assets acquired under finance leases

Where assets are acquired under finance leases, the amounts representing the outright purchase price of such assets are included in fixed assets and the corresponding liabilities, net of finance charges, are recorded as obligations under finance leases. Depreciation is provided to write down the cost of the assets on a straight-line basis over their estimated useful lives as set out in Note 2(f) above. Finance charges implicit in the finance lease payments are charged to the income statement over the periods of the finance leases so as to produce an approximately constant periodic rate of charge on the remaining balances of the obligations for each accounting period.

(h) Operating leases

Assets held for operating leases are included in fixed assets and depreciated over their estimated useful lives as set out in Note 2(f) above. Rentals receivable or payable under operating leases are accounted for on a straight-line basis over the periods of the respective leases.

(i) Capitalization of borrowing costs

Borrowing costs incurred in financing the purchase of leasehold land and construction of manufacturing plant including the purchase of related fixed assets prior to commercial operations are capitalized and included in the balance sheet as part of the cost of the fixed assets concerned.

All other borrowing costs are charged to the income statement in the period in which they are incurred.

2. 主要會計政策 (續)**(g) 以融資租賃購買的資產**

以融資租賃購買的資產，其原值會列作固定資產，而其相應的負債，除去融資租賃費用以外，則反映在融資租賃的負債一欄。該類固定資產的折舊乃根據附註2(f)所述按其估計可用年期以直線法撇減其成本計算。融資租賃的費用，則按租約的期限在收益表中扣除，以便就每段會計報告期以負債的餘額計算出一個概約的固定定期收費比率。

(h) 營業租賃

作營業租賃用途的資產均列作固定資產，並根據附註2(f)所述按其估計可用年期計算折舊。營業租賃所應收或應付的租金則於個別租約期內按直線法入賬。

(i) 借貸成本資本化

購買租約土地、興建廠房及購買相關固定資產至商業性運作前所需借貸的成本，均在資產負債表內納入此等固定資產的成本內。

其他借貸成本均在其發生期間的收益表中入賬。

NOTES TO THE FINANCIAL STATEMENTS (continued) **財務報表附註** (續)

For the eighteen months ended 30 June 2005 截至二零零五年六月三十日止十八個月

2. PRINCIPAL ACCOUNTING POLICIES

(continued)

(j) Trademarks

Trademarks are stated at cost or valuation less accumulated amortization and impairment losses. Amortization is calculated to write off the cost or valuation of trademarks on a straight-line basis over their estimated useful lives of 5 years.

(k) Subsidiaries

A subsidiary is a company over which the Company has control either directly or indirectly. Control is the power to govern the financial and operating policies of a company so as to obtain benefits from its activities.

Investments in subsidiaries are stated in the Company's balance sheet at cost less any identified impairment loss. Income from subsidiaries is recognized in the Company's financial statements on the basis of dividends declared by the subsidiaries.

(l) Associates

An associate is one, not being a subsidiary or a joint venture, in which the Group is in a position to exercise significant influence, including participation in financial and operating policy decisions.

Interest in associates is stated in the Company's balance sheet at cost less any identified impairment loss. Income from associates is recognized in the Company's financial statements on the basis of dividends declared by the associates.

2. 主要會計政策 (續)**(j) 商標**

商標乃按成本或估值減累積攤銷及減值虧損列賬。商標之成本或估值以直線法按五年之估計可使用年期攤銷。

(k) 附屬公司

附屬公司為本公司直接或間接控制的公司。控制是指有能力操縱其財務及營運政策，以從其業務中獲取利益。

列於本公司資產負債表內的附屬公司投資乃按成本扣除任何可識別的減值虧損。附屬公司的收入乃按附屬公司已公佈的股息為基礎，並列賬於本公司財務報表內。

(l) 聯營公司

聯營公司為本集團可對其財務及營運決策行使重大影響力的公司，惟並非其附屬公司或合營企業。

列於本公司資產負債表內的聯營公司權益乃按成本扣除任何可識別的減值虧損。投資聯營公司的收入乃按聯營公司已公佈的股息為基礎，列入本公司財務報表內。

NOTES TO THE FINANCIAL STATEMENTS *(continued)* 財務報表附註 (續)*For the eighteen months ended 30 June 2005* 截至二零零五年六月三十日止十八個月**2. PRINCIPAL ACCOUNTING POLICIES***(continued)***(l) Associates** *(continued)*

Interest in associates is stated in the consolidated balance sheet at the Group's share of the net assets under the equity method of accounting, as reduced by any identified impairment loss. The results of the associates are included in the consolidated income statement to the extent of post-acquisition results attributable to the Group.

(m) Jointly controlled entity

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity which is subject to joint control and over which none of the participating parties has unilateral control. Joint venture arrangements which involve the establishment of a separate entity in which each venturer has an interest are referred to as jointly controlled entity.

The consolidated income statement includes the Group's share of the results of its jointly controlled entity for the period. The consolidated balance sheet includes the Group's share of the net assets of the jointly controlled entity, as reduced by any identified impairment loss.

2. 主要會計政策 (續)**(l) 聯營公司 (續)**

列於綜合資產負債表內的聯營公司權益乃按權益會計法而計算本集團應佔聯營公司已扣除任何可識別的減值虧損後的淨資產列賬。本集團應佔聯營公司於收購後的業績均計算於綜合收益表內。

(m) 共同控制個體

合營企業乃一項合約性安排，根據安排，本集團與其他各方共同經營一項各方共同控制的經濟活動，任何一方均沒有單方面控制權。任何涉及成立一間各合營者均擁有權益之獨立企業的合營安排乃列為共同控制個體。

綜合收益表已包括本期間本集團應佔共同控制個體的業績。本集團應佔該共同控制個體已扣除任何可識別的減值虧損後的淨資產已列於綜合資產負債表內。

NOTES TO THE FINANCIAL STATEMENTS (continued) 財務報表附註 (續)

For the eighteen months ended 30 June 2005 截至二零零五年六月三十日止十八個月

2. PRINCIPAL ACCOUNTING POLICIES

(continued)

(n) Investment securities

Investment securities are stated at cost less any identified impairment loss.

The carrying amounts of individual investments are reviewed at each balance sheet date to assess whether the fair values have declined below the carrying amounts. When a decline other than temporary has occurred, the carrying amounts of such securities would be reduced to the fair values. The amount of the reduction is recognized as an expense in the income statement.

Income from investment securities is recognized to the extent of dividends received and receivable.

(o) Goodwill and negative goodwill

The Group recognizes goodwill as an asset which is amortized on a straight-line basis over its estimated useful life of 5 years. Negative goodwill which relates to an expectation of future losses and expenses that is identified in the plan of acquisition and can be measured reliably, but which has not yet been recognized, is recognized in the income statement when the future losses and expenses are recognized. Any remaining negative goodwill, but not exceeding the fair values of the non-monetary assets acquired, is recognized in the income statement over the weighted average useful lives of those non-monetary assets that are depreciable or amortizable. Negative goodwill in excess of the fair values of the non-monetary assets acquired is recognized immediately in the income statement. On disposal of a subsidiary or an associate, any attributable amount of purchased goodwill not previously amortized in the income statement is included in the calculation of the profit and loss on disposal.

2. 主要會計政策 (續)**(n) 證券投資**

證券投資乃以成本扣除任何可識別的減值虧損列賬。

個別投資的賬面價值均會在結算日作出檢討，以決定其公平價值是否遞減至其賬面價值之下。若遞減非為暫時性時，是項投資的賬面價值會減少至其公平價值，而所遞減的金額則會在收益表內確認為費用。

投資證券的收入按其已收及應收取的股息入賬。

(o) 商譽及負商譽

本集團確認商譽為資產，並按五年之估計可用年期以直線法攤銷。負商譽涉及本集團收購計劃中已識別之預期未來虧損及支出，並能可靠地量度，但仍未被確認，則在未來虧損及支出可予確認時於收益表內確認。任何剩餘負商譽，但不超過購入非貨幣性資產之公平值，按該等可提折舊或可攤銷之非貨幣性資產之加權平均可用年期在收益表內確認。而超出該等非貨幣性資產公平值之負商譽則即時於收益表中確認。當出售附屬公司或聯營公司時，在計算出售溢利或虧損時則包括未在收益表攤銷的應佔收購商譽。

NOTES TO THE FINANCIAL STATEMENTS (continued) 財務報表附註 (續)

For the eighteen months ended 30 June 2005 截至二零零五年六月三十日止十八個月

2. PRINCIPAL ACCOUNTING POLICIES

(continued)

(p) Impairment of assets

Internal and external sources of information are reviewed at each balance sheet date to identify indications that the following assets may be impaired:

- fixed assets;
- investments in subsidiaries, associates and jointly controlled entity;
- goodwill; and
- trademarks.

If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

(i) Calculation of recoverable amount

The recoverable amount of an asset is the greater of its net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset. Where there are assets that do not generate cash flows largely independent of those from other assets, recoverable amounts are determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

2. 主要會計政策 (續)**(p) 資產減值**

根據內部及外來的資料來源，在每個結算日確認以下資產是否有減值指示：

- 固定資產；
- 於附屬公司、聯營公司及共同控制個體之投資；
- 商譽；及
- 商標。

假若資產有減值指示，則須估計其可收回價值。當一項資產或產生現金單位的賬面價值超過其可收回價值時，減值虧損須予以確認。

(i) 可收回價值之計算

可收回價值是指淨售價或使用價值兩者中之較大值。在評核使用價值時，須將所估計未來的流入現金，以稅前折讓率折合成現值，而其稅前折讓率須能反映現時市場對貨幣時間價值的評估，以及屬於該項資產特有的風險。當某類資產不能在很大程度上獨立於其他資產而產生現金時，可收回價值則以能產生現金之最小單位資產來決定（即現金產生單位）。

NOTES TO THE FINANCIAL STATEMENTS *(continued)* 財務報表附註 (續)*For the eighteen months ended 30 June 2005* 截至二零零五年六月三十日止十八個月**2. PRINCIPAL ACCOUNTING POLICIES***(continued)***(p) Impairment of assets** *(continued)**(ii) Reversals of impairment losses*

In respect of assets other than goodwill, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Impairment loss in respect of goodwill is reversed only if the loss was caused by a specific external event of an exceptional nature that is not expected to recur, and the increase in recoverable amount relates clearly to the reversal of the effect of that specific event.

A reversal of impairment loss is limited to the carrying amount of the asset that would have been determined had no impairment loss been recognized in prior years. Reversals of impairment losses are credited to the income statement in the period in which the reversals are recognized, except where the assets are carried at revalued amounts, in which case the reversal of impairment loss is treated as a revaluation movement.

(q) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined on a first-in, first-out basis and, in the case of work in progress and finished goods, cost comprises direct materials, direct labour and an attributable proportion of production overheads. Net realizable value represents the estimated selling price less all further costs to completion and direct selling costs.

2. 主要會計政策 (續)**(p) 資產減值 (續)***(ii) 減值虧損之撥回*

除商譽外，當資產的可收回價值出現改變時，減值虧損須予以撥回。當商譽減值虧損由一不預期再發生的特殊外在事件引致及可收回價值的增加與該特殊事件的撥回有明確關係時，則須撥回減值虧損。

減值虧損之撥回額以該資產假設在以前年度未曾減值之賬面價值為限。除了以重估值列賬的資產，其減值虧損之撥回已在重估儲備變動中反映的情況外，減值虧損之撥回會在該年度的收益表列賬。

(q) 存貨

存貨乃以成本及可變現淨值之較低者列賬。成本按先進先出法計算，在製品及製成品的成本則包括直接原料、直接人工及應佔的部份生產費用。可變現淨值乃估計的售價扣除一切其他完工成本及直接銷售支出。

NOTES TO THE FINANCIAL STATEMENTS (continued) 財務報表附註 (續)

For the eighteen months ended 30 June 2005 截至二零零五年六月三十日止十八個月

2. PRINCIPAL ACCOUNTING POLICIES

(continued)

(r) Other investments

Other investments representing commercial papers are stated at fair value at balance sheet date.

(s) Employee benefits

(i) Obligations for contributions to defined contribution retirement plans, including contributions payable under the Hong Kong Mandatory Provident Fund Schemes Ordinance and central pension plans applicable to employees in the People's Republic of China, are recognized as an expense in the income statement as incurred.

(ii) The Group's net obligations in respect of defined benefit retirement plans are calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their services in the current and prior periods; that benefit is discounted to determine the present value, and the fair value of any plan assets is deducted. The discount rates are the interest rates at balance sheet date of long term government bonds that have maturity dates approximating the terms of the Group's obligations and Central Trust of China where the pension fund is deposited. The calculation is performed by a qualified actuary using the projected unit credit cost method. When the benefits of a plan are improved, the portion of the increased benefits relating to past services by employees are recognized as an expense in the income statement on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognized immediately in the income statement.

2. 主要會計政策 (續)**(r) 其他投資**

其他投資代表商業票據，按結算日的公平價值列賬。

(s) 僱員福利

(i) 定額供款退休計劃下之供款負債包括香港強制性公積金條例及適用於國內員工之中央退休計劃下之供款，均在其發生年度的收益表中入賬。

(ii) 本集團對定額福利退休計劃下之供款負債乃根據每一項計劃下僱員在本年度及以往年度期間內提供服務而估計往後可得之利益；該利益已折現成現值，並已扣除所有計劃的資產的公平價值。折現率等於政府長期債券於結算日的利率而到期日與集團供款期相若之收益及中央信託局於結算日的利率。此結果是由一合資格精算師按照預算單位成本法計算。當有任何一個計劃的利益有所改善，而由僱員過往提供服務而增加之利益已在利益表的費用按照直線法以平均年期入賬直至該利益成為既定福利。如該利益屬即時的既定福利，有關之費用將會立即錄入收益表。

NOTES TO THE FINANCIAL STATEMENTS (continued) 財務報表附註 (續)

For the eighteen months ended 30 June 2005 截至二零零五年六月三十日止十八個月

2. PRINCIPAL ACCOUNTING POLICIES

(continued)

(s) Employee benefits (continued)

In calculating the Group's obligation in respect of a plan, to the extent that any cumulative unrecognized actuarial gain or loss exceeds ten percent of the greater of the present value of the defined benefit obligation and the fair value of plan assets, that portion is recognized in the income statement over the expected average remaining working lives of the employees participating in the plan. Otherwise, the actuarial gain or loss is not recognized.

Where the calculation of the Group's net obligation results in a negative amount, the asset recognized is limited to the net total of any unrecognized actuarial losses and past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

- (iii) Obligation in respect of unclaimed annual leave of employees is calculated based on the estimated average number of days of unclaimed annual leave, the average amount of basic salary per employee and the total number of employees as at 30 June 2005. When the unclaimed annual leave is utilized, the obligation will be released accordingly.

Employee entitlements to sick leave and maternity leave are not recognized until the time of leave.

2. 主要會計政策 (續)**(s) 僱員福利** (續)

在計算本集團此項計劃的供款時，如有任何累計未入賬之精算損益超出定額福利供款計劃供款之現值或計劃資產的公平價值(以較高者為準)之百分之十，該部分將以參與該計劃之員工的估計餘下年期按期攤分入賬。否則該精算損益則不入賬。

如計算該供款收益結果為負數，該項計劃之認可資產只限於任何未確認之精算損失及過往服務費用及該項計劃之任何未來退款或未來供款之節省金額之現值。

- (iii) 待領的僱員年假的負債是按估計未領取年假的平均日數，每僱員的平均基本薪酬及於二零零五年六月三十日的僱員總數來計算，當待領的年假被領取後，相關的負債亦會被釋放。

僱員之病假及產假不作確認，直至僱員正式休假為止。

NOTES TO THE FINANCIAL STATEMENTS (continued) 財務報表附註 (續)

For the eighteen months ended 30 June 2005 截至二零零五年六月三十日止十八個月

2. PRINCIPAL ACCOUNTING POLICIES

(continued)

(s) Employee benefits (continued)

(iv) When the Group grants employees options to acquire shares of the Company, no employee benefit cost or obligation is recognized at the date of the grant. When the options are exercised, equity is increased by the amount of the proceeds received.

(v) Termination benefits are recognized when and only when the Group demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic probability of withdrawal.

(t) Provisions and contingent liabilities

Provisions are recognized for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

2. 主要會計政策 (續)**(s) 僱員福利 (續)**

(iv) 如本集團授予僱員本公司之購股權，獲授當日將不會確認任何僱員福利成本或負債。當該購股權被行使時，有關之收入則撥入股東權益。

(v) 只有當本集團具體表明停止僱用員工或有詳細正式之自願離職計劃需要提供離職福利時，才把該福利入賬。

(t) 準備及或然負債

當本集團因過往事件須承擔現有之法律或推定責任，而在履行該責任時有可能導致經濟利益流出企業，同時該責任金額能夠可靠地估計時，則會確認不明確時間或金額的負債準備。當貨幣的時間價值重大時，準備將以履行責任時預期的支出的現值列賬。

假若履行該項責任不是很可能導致經濟利益流出或承擔金額未能可靠地估計時，除非利益流出的機會甚微，則該項責任會被視作或然負債。對於潛在責任，若其存在需通過一宗或多宗不確定未來事項之發生或不發生予以證實時，除非利益流出的機會甚微，則該潛在責任亦被視作或然負債披露。

NOTES TO THE FINANCIAL STATEMENTS (continued) 財務報表附註 (續)

For the eighteen months ended 30 June 2005 截至二零零五年六月三十日止十八個月

2. PRINCIPAL ACCOUNTING POLICIES

(continued)

(u) Income tax

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

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

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

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

2. 主要會計政策 (續)**(u) 所得稅**

所得稅支出是當期應付稅項及遞延稅項的總額。

當期應付稅項是根據當年應課稅溢利計算。應課稅溢利不同於收益表上列報的淨溢利，因為其並未計入在其他年度內的應課稅收入或可抵扣支出等項目，並且不包括不需課稅或不可抵扣的收益表項目。

遞延稅項是由於財務報表中資產和負債的賬面金額與其用於計算應課稅溢利的相應稅基之間的差額所產生的預期應付或可收回稅項。遞延稅項採用資產負債表負債法核算。一般情況下，所有應課稅暫時性差異產生的遞延稅項負債均予確認，而遞延稅項資產則只能在未來應課稅溢利足以用作抵銷可抵扣暫時性差異的限度內，才予以確認。如果暫時性差異是由商譽(或負商譽)，或在不影響應課稅溢利及會計溢利的交易(除了企業合併)中的其他資產和負債的初始確認下產生的，則該等遞延稅項資產和負債不予確認。

於附屬公司和聯營公司投資及共同控制個體權益產生的應課稅暫時性差異會確認為遞延稅項負債，但本集團能夠控制這些暫時性差異的轉回，及暫時性差異在可見將來很可能不會轉回的情況則屬例外。

NOTES TO THE FINANCIAL STATEMENTS (continued) 財務報表附註 (續)

For the eighteen months ended 30 June 2005 截至二零零五年六月三十日止十八個月

2. PRINCIPAL ACCOUNTING POLICIES

(continued)

(u) Income tax (continued)

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 profits will be available to allow all or part of the asset to be recovered.

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

(v) Forward foreign exchange contracts

Forward foreign exchange contracts represent forward transactions undertaken by the Group in the foreign exchange market. Such transactions are for hedging purpose and are valued on an equivalent basis to the assets, liabilities or net positions which they are hedging. Net gains or losses are recognized on such transactions in respect of all open contracts existing at the balance sheet date by translating the contract amounts at the prices ruling at the balance sheet date, and on all closed positions on the trade date basis.

(w) Related parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or to 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.

2. 主要會計政策 (續)**(u) 所得稅 (續)**

遞延稅項資產的賬面值於每個結算日進行檢討。若沒有足夠未來應課稅溢利，則按不能應用的部份扣減該部份或全部的遞延稅項資產。

遞延稅項是按預期於實現資產或清償負債時的當期所得稅率計算。遞延稅項於收益表入賬。與直接記入權益項目有關的遞延稅項則計算於權益內。

(v) 遠期外匯合約

遠期外匯合約是指本集團在外匯市場上所進行之遠期交易。該等交易是用作對沖風險，以其對沖的資產、負債或淨財務狀況之等值基準估值。該等交易之盈虧淨額以結算日價格換算合約金額按於結算日現有所有未平倉合約及於交易日所有已平倉合約予以確認。

(w) 有關連人士

當兩者其中一方有能力直接或間接控制其他一方，或能行使重要影響力於其他一方的財務及營運決策；兩者將介定為有關連人士。當兩者皆受控於同一第三者或受同一第三者的重大影響，兩者也將介定為有關連人士。

NOTES TO THE FINANCIAL STATEMENTS (continued) 財務報表附註 (續)

For the eighteen months ended 30 June 2005 截至二零零五年六月三十日止十八個月

2. PRINCIPAL ACCOUNTING POLICIES

(continued)

(x) Cash equivalents

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash equivalents include investments and advances denominated in foreign currencies provided that they fulfill the above criteria.

3. TURNOVER

The Company is an investment holding company and the principal activities of the subsidiaries are set out on pages 137 to 145.

Turnover represents the net invoiced value of goods supplied to external customers as well as rental income and dividend income earned. An analysis of the Group's turnover is set out below:

2. 主要會計政策 (續)**(x) 現金等值物**

現金等值物為可以即時轉換為確實數額現金的短期及高度流動投資而面對極少價值變動之風險。現金等值物包括已符合上述標準而用外幣結算的投資及預支款項。

3. 營業額

本公司為一間投資控股公司，其附屬公司的主要業務詳列於第137頁至第145頁。

營業額代表售予對外客戶的商品的發票淨值、租金收入和股息收入。本集團的營業額分析如下：

		1.1.2004 to 至 30.6.2005 HK\$'000 港幣千元	1.1.2003 to 至 31.12.2003 HK\$'000 港幣千元
Sales of goods	出售商品	3,049,949	2,033,308
Rental income	租金收入	4,678	2,830
Dividend income	股息收入	-	224
		3,054,627	2,036,362

NOTES TO THE FINANCIAL STATEMENTS (continued) 財務報表附註 (續)

For the eighteen months ended 30 June 2005 截至二零零五年六月三十日止十八個月

4. OTHER INCOME**4. 其他收入**

		1.1.2004	1.1.2003
		to 至	to 至
		30.6.2005	31.12.2003
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Management fee income	管理費收入	5,936	2,600
Reversal of provision for technical service fee	技術服務費用 準備撥回	1,086	-
Prizes and awards	獎賞	2,139	-
Sales of scrap	出售廢料	921	1,118
Forfeited contributions of defined contribution retirement plans	定額供款退休計劃 的沒收供款	1,745	-
Provision for doubtful debts written back	呆賬準備撥回	2,294	-
Compensation and despatch money received	收取賠償及卸貨速遣費	2,619	-
Others	其他	6,285	673
		23,025	4,391

NOTES TO THE FINANCIAL STATEMENTS (continued) 財務報表附註 (續)

For the eighteen months ended 30 June 2005 截至二零零五年六月三十日止十八個月

5. NET INTEREST EXPENSES**5. 淨利息支出**

		1.1.2004	1.1.2003
		to 至	to 至
		30.6.2005	31.12.2003
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Interest on bank loans, overdrafts and other loans wholly repayable within five years	於五年內全部償還 之銀行貸款、透支及 其他貸款的利息支出	10,976	12,566
Interest on finance leases	融資租賃的利息支出	6	11
Total borrowing costs incurred	總實際借貸成本	10,982	12,577
Less: Interest income	減：利息收入	(2,170)	(1,531)
		8,812	11,046

NOTES TO THE FINANCIAL STATEMENTS (continued) 財務報表附註 (續)

For the eighteen months ended 30 June 2005 截至二零零五年六月三十日止十八個月

6. OPERATING PROFIT**6. 經營溢利**

		1.1.2004 to 至 30.6.2005 HK\$'000 港幣千元	1.1.2003 to 至 31.12.2003 HK\$'000 港幣千元
Operating profit is arrived at after charging/(crediting):	經營溢利已扣除/ (計入)下列各項:		
Staff costs (excluding directors' remuneration)	職工成本(不包括董事酬金)		
– Wages and salaries	– 工資及薪金	248,495	190,796
– Pension costs	– 退休金成本		
– Defined contribution retirement plans	– 定額供款退休計劃	13,016	9,544
– Defined benefit retirement plans (Note 30(b)(iii))	– 定額福利退休計劃 (附註30(b)(iii))	3,545	2,022
		265,056	202,362
Auditors' remuneration	核數師酬金	1,512	706
Depreciation	折舊		
– owned assets	– 自置資產	98,096	65,091
– assets held under finance leases	– 以融資租賃購置的資產	–	36
– assets held for use under operating leases	– 以供營業租賃的資產	–	256
		98,096	65,383
Amortization of trademarks	商標攤銷	11,044	7,364
Operating lease rental of properties	營業租賃物業的租金費用	1,950	3,183
Net proceeds from disposal of fixed assets	出售固定資產的 所得款項淨額	(3,857)	(10,671)
Less: Carrying value of fixed assets	減: 固定資產賬面值	4,694	10,106
Loss/(gain) on disposal of fixed assets	出售固定資產的 虧損/(溢利)	837	(565)
Provision for doubtful debts	呆賬準備	–	6,336
Provision for obsolete inventories	呆滯存貨準備	3,970	3,866
Impairment loss on club debentures	會所債券減值虧損	444	–
Rental income less outgoings	租金收入減開支	(4,601)	(2,746)

NOTES TO THE FINANCIAL STATEMENTS (continued) 財務報表附註(續)

For the eighteen months ended 30 June 2005 截至二零零五年六月三十日止十八個月

7. DIRECTORS' AND SENIOR EXECUTIVES' EMOLUMENTS

7. 董事及高級行政人員酬金

(a) The directors' emoluments of the Company and its subsidiaries calculated in accordance with Section 161 of the Hong Kong Companies Ordinance are as follows:

(a) 根據香港公司條例第一百六十一條而計算本公司的董事酬金總額如下：

		Basic salary/ Director's fees 薪金/ 董事袍金 HK\$'000 港幣千元	Bonus 花紅 HK\$'000 港幣千元	Allowances and benefits 津貼及利益 HK\$'000 港幣千元	Retirement schemes contributions 退休福利 計劃供款 HK\$'000 港幣千元	Housing benefits 房屋福利 HK\$'000 港幣千元	1.1.2004 to 30.6.2005 至 港幣千元	1.1.2003 to 31.12.2003 至 港幣千元
Executive directors	執行董事							
TSAO Chen, James	曹震綱(曹震)	4,357	242	366	327	1,584	6,876	4,663
LEUNG Wai Fung	梁偉峰	357	-	28	27	80	492	2,491
Non-executive directors	非執行董事							
WHANG Tar Choung	黃大椿	225	-	-	-	-	225	100
WHANG Sun Tze	黃上哲	150	-	-	-	-	150	50
KWEK Leng Hai	郭令海	150	-	-	-	-	150	50
TAN Lim Heng	陳林興	150	-	-	-	-	150	50
James ENG, Jr.	英正生	150	-	-	-	-	150	50
TSANG Cho Tai	曾祖泰	210	-	-	-	-	210	70
HO King Cheung	何景祥	150	-	-	-	-	150	50
Alternate directors	代行董事							
YONG Weng Chye	楊榮財	-	-	450	-	-	450	300
IKEDA Hiromi	池田浩巳	-	-	-	-	-	-	-
Independent non-executive directors	獨立非執行董事							
NG Ping Kin, Peter	伍秉堅	240	-	-	-	-	240	90
LO Kwong Chi, Clement	羅廣志	210	-	-	-	-	210	70
TAKAGI, Shigeyoshi	高木茂佳	150	-	-	-	-	150	50
DING Wai Chuen	丁偉銓	107	-	-	-	-	107	-
Eighteen months ended	二零零五年六月三十日止							
30 June 2005	十八個月	6,606	242	844	354	1,664	9,710	
Twelve months ended	二零零三年十二月三十一日止							
31 December 2003	十二個月	5,539	384	349	346	1,466		8,084

NOTES TO THE FINANCIAL STATEMENTS (continued) 財務報表附註 (續)

For the eighteen months ended 30 June 2005 截至二零零五年六月三十日止十八個月

7. DIRECTORS' AND SENIOR EXECUTIVES' EMOLUMENTS (continued)

(a) (continued)

Notes:

- (i) Basic salary/Director's fee – The amounts paid to non-executive and alternate directors are directors' fees. Other amounts are basic salaries paid to executive directors.
- (ii) Bonuses paid in the period/year are based on the previous year's results.
- (iii) The emoluments of executive directors represent the amounts received in respect of services rendered to the Company and its Hong Kong and overseas subsidiaries.
- (iv) The emoluments for Mr. Leung Wai Fung represented the amount for his services as executive director in respect of his services for the period from 1 January to 16 March 2004.
- (v) The allowances of Mr. Yong Weng Chye represent the amount received in respect of services rendered to the Company and its Hong Kong and overseas subsidiaries.
- (vi) Apart from the directors' fees, the independent non-executive directors received no other emoluments from the Company or any of its subsidiary companies.
- (vii) There was no arrangement under which a director had waived or agreed to waive any emoluments.

7. 董事及高級行政人員酬金 (續)

(a) (續)

附註：

- (i) 薪金／董事袍金－非執行董事及代行董事以董事袍金方式收取。執行董事以薪金方式收取。
- (ii) 花紅乃按上年度業績釐定。
- (iii) 董事的酬金為彼等服務本公司及本公司在香港及海外附屬公司。
- (iv) 梁偉峰先生自二零零四年一月至三月十六日出任執行董事，並收取是期間提供服務之董事酬金。
- (v) 楊榮財先生之津貼為其服務本公司及本公司在香港及海外附屬公司。
- (vi) 除了董事袍金外，獨立非執行董事並沒有收取本公司或本公司之附屬公司的其他酬金。
- (vii) 並無董事訂立已放棄或同意放棄收取其酬金的安排。

NOTES TO THE FINANCIAL STATEMENTS (continued) 財務報表附註 (續)

For the eighteen months ended 30 June 2005 截至二零零五年六月三十日止十八個月

7. DIRECTORS' AND SENIOR EXECUTIVES' EMOLUMENTS (continued)**(b) The five highest paid individuals**

The five highest paid individuals included one director, details of whose remuneration are set out above. The remaining employees' emoluments are analysed as follows:

7. 董事及高級行政人員酬金 (續)**(b) 五名最高收入的僱員**

五名最高收入的僱員包括一名董事，酬金的詳情已列於上文。餘下僱員的薪金詳情如下：

		1.1.2004	1.1.2003
		to 至	to 至
		30.6.2005	31.12.2003
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Salaries, housing, other allowances and benefits in kind	薪金、宿舍、其他津貼及實物利益	9,342	4,648
Pension scheme contributions	退休金計劃供款	131	98
		9,473	4,746

NOTES TO THE FINANCIAL STATEMENTS (continued) 財務報表附註 (續)

For the eighteen months ended 30 June 2005 截至二零零五年六月三十日止十八個月

7. DIRECTORS' AND SENIOR EXECUTIVES' EMOLUMENTS (continued)**(b) The five highest paid individuals** (continued)

The number of employees whose remuneration fell within the following bands was:

	1.1.2004 to 至 30.6.2005	1.1.2003 to 至 31.12.2003
1,000,001–1,500,000	–	2
2,000,001–2,500,000	3	1
2,500,001–3,000,000	1	–
	4	3

The remuneration of certain individuals represents remuneration received in respect of services rendered to the Company and its Hong Kong and overseas subsidiaries.

7. 董事及高級行政人員酬金 (續)**(b) 五名最高收入的僱員** (續)

酬金屬下列幅度的僱員數目如下：

若干僱員的酬金為彼等服務本公司及本公司在香港及海外附屬公司的報酬。

8. TAXATION

- (a) Hong Kong profits tax has been provided for at the rate of 17.5% (2003: 17.5%) on the respective estimated assessable profits of the companies operating in Hong Kong.

8. 稅項

- (a) 本集團於香港運作之公司之利得稅準備乃根據年內估計應課稅溢利按稅率 17.5% (二零零三年：17.5%) 計算。

NOTES TO THE FINANCIAL STATEMENTS (continued) 財務報表附註 (續)

For the eighteen months ended 30 June 2005 截至二零零五年六月三十日止十八個月

8. TAXATION (continued)

- (b) The income tax expense represents the sum of the tax currently payable and deferred tax. The taxation charge is made up as follows:

8. 稅項 (續)

- (b) 所得稅支出是當期應付稅項及遞延稅項的總額。稅項支出之組成如下：

		1.1.2004	1.1.2003
		to 至	to 至
		30.6.2005	31.12.2003
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Current tax:	本年稅項：		
Hong Kong taxation	香港稅項	14,292	2,614
Under-provision in respect of prior years	過往年度之不足撥備	26,245	139
		40,537	2,753
Overseas taxation	海外稅項	12,031	9,480
Under-provision in respect of prior years	過往年度之不足撥備	102	880
		12,133	10,360
Deferred taxation (Note 9(a)):	遞延稅項 (附註9(a))：		
Current year	當年產生	(4,620)	6,885
Attributable to increase in tax rate	由於稅率上升的影響	-	(738)
		(4,620)	6,147
Jointly controlled entity:	共同控制個體：		
Hong Kong taxation	香港稅項	979	408
		49,029	19,668

NOTES TO THE FINANCIAL STATEMENTS (continued) 財務報表附註 (續)

For the eighteen months ended 30 June 2005 截至二零零五年六月三十日止十八個月

8. TAXATION (continued)

(b) (continued)

During the period, the Hong Kong Inland Revenue Department (“IRD”) raised questions on the deductibility of interest expenses claimed in prior years by certain subsidiaries. Based on professional advice from the Group’s tax advisors, the Group had filed objections to the IRD against the tax assessment issued to the subsidiaries. After taking into account of professional advice and the merit of the case, the directors considered that adequate provision had been made in the accounts in this regard.

(c) Overseas taxation represents tax charge on the estimated taxable profits of certain subsidiaries operating in the Mainland China and Taiwan, calculated at the rates prevailing in the respective regions.

Certain subsidiaries operating in the Mainland China are subject to income tax rate ranged from 15% to 27% (2003: 15% to 27%).

Subsidiaries operating in Taiwan are subject to income tax at a maximum rate of 25% (2003: 25%).

8. 稅項 (續)

(b) (續)

在本期間，本集團之若干附屬公司收到香港稅務局就以往年度之利息開支扣減提出評稅。根據本集團稅務顧問之建議，本集團已向香港稅務局提出及遞交書面通知反對該項評稅。董事會參考稅務顧問建議及考核該評稅後，認為就有關之稅項支出已在賬目內作出足夠撥備。

(c) 海外稅項指於中華人民共和國(「中國」)及於台灣經營之若干附屬公司就估計應課稅溢利按兩地當時各自之稅率計算的稅項支出。

於中國境內營業之若干附屬公司，其所得稅稅率為15%至27%(二零零三年：15%至27%)。

於台灣境內營業之附屬公司，其所得稅稅率最高為25%(二零零三年：25%)

NOTES TO THE FINANCIAL STATEMENTS (continued) 財務報表附註 (續)

For the eighteen months ended 30 June 2005 截至二零零五年六月三十日止十八個月

8. TAXATION (continued)

- (d) The charge for the period/year can be reconciled to the profit before taxation per income statement as follows:

8. 稅項 (續)

- (d) 收益表中除稅前溢利與本期間／年度之稅項支出調節如下：

		1.1.2004	1.1.2003
		to 至	to 至
		30.6.2005	31.12.2003
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Profit before taxation	除稅前溢利	141,019	61,171
Applicable tax rate (%)	適用稅率	17.5	17.5
Tax on profit before taxation, calculated at the applicable tax rate	按適用稅率計算之除稅前溢利之稅項	24,678	10,705
Tax effect of non-deductible expenses in determining taxable profit	稅務上不可扣減的開支之稅務影響	6,764	6,305
Tax effect of non-taxable revenue in determining taxable profit	無需課稅的收入之稅務影響	(5,208)	(889)
Tax effect of current year's tax losses not recognized	未予以確認之本年度稅務虧損之稅務影響	6,840	9,097
Tax effect of prior year's unrecognized tax losses utilized in the period/year	使用於過往年度不予以確認之稅務虧損之稅務影響	(3,491)	(800)
Tax effect of entitlement to tax holiday by overseas subsidiaries	海外附屬公司享有稅務寬減期之稅務影響	(1,733)	(5,265)
Tax effect of realized impairment loss on investment in an overseas subsidiary	投資海外附屬公司的減值虧損之稅務影響	(7,294)	-
Increase in net opening deferred tax assets resulting from an increase in Hong Kong profits tax rate	因香港所得稅稅率增加而產生的期初遞延稅項資產淨值之增加	-	(738)
10% surtax on unappropriated earnings of overseas subsidiaries	按若干海外附屬公司之未分配盈餘加徵10%稅款	2,757	371
Effect of different tax rates of subsidiaries and associates operating in other jurisdictions	在其他地區經營的附屬公司之不同稅率之稅務影響	(416)	(99)
Under-provision in respect of prior years	過往年度之不足撥備	26,347	1,019
Others	其他	(215)	(38)
Tax expense for the period/year	本期間／年度所得稅支出	49,029	19,668

NOTES TO THE FINANCIAL STATEMENTS (continued) 財務報表附註(續)

For the eighteen months ended 30 June 2005 截至二零零五年六月三十日止十八個月

9. DEFERRED TAXATION

(a) The Group

The components of deferred tax assets and liabilities recognized in the consolidated balance sheet and the movements thereon during the current period and prior year:

		Accelerated tax depreciation	Impairment of fixed assets	Provisions	Trademarks	Tax losses	Future benefit of Tax expenses	Others	Total
		加速折舊 免稅額	資產減值	撥備	商標	稅務虧損	帶來未來 利益的支出	其他	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
At 1 January 2003	二零零三年一月一日	21,729	(14,376)	(2,886)	4,486	(11,750)	(5,212)	(724)	(8,733)
Charged/(credited) to income statement	於收益表內支取/ (撥回)	(481)	1,518	(206)	(1,022)	6,995	1,259	(1,178)	6,885
Exchange differences	外匯差異	252	(114)	-	-	-	(116)	-	22
Effect of change in tax rate - charged/(credited) to income statement	稅率變動的影響 - 於收益表內支取/ (撥回)	(161)	-	(67)	420	(920)	-	(10)	(738)
At 31 December 2003	二零零三年十二月三十一日	21,339	(12,972)	(3,159)	3,884	(5,675)	(4,069)	(1,912)	(2,564)
At 1 January 2004	二零零四年一月一日	21,339	(12,972)	(3,159)	3,884	(5,675)	(4,069)	(1,912)	(2,564)
Charged/(credited) to income statement	於收益表內支取/ (撥回)	(7,058)	2,759	1,238	(1,926)	(3,195)	2,072	1,490	(4,620)
Exchange differences	外匯差異	822	(272)	(208)	-	-	(346)	16	12
At 30 June 2005	二零零五年六月三十日	15,103	(10,485)	(2,129)	1,958	(8,870)	(2,343)	(406)	(7,172)

The following is the analysis of the deferred tax balances for financial reporting purposes:

以下的遞延稅項結餘分析乃為財務報告列賬所用：

		30.6.2005	31.12.2003
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Deferred tax liabilities	遞延稅項負債	4,951	20,278
Deferred tax assets	遞延稅項資產	(12,123)	(22,842)
		(7,172)	(2,564)

NOTES TO THE FINANCIAL STATEMENTS (continued) 財務報表附註 (續)

For the eighteen months ended 30 June 2005 截至二零零五年六月三十日止十八個月

9. DEFERRED TAXATION (continued)**(a) The Group** (continued)

At the balance sheet date, the Group has unused tax losses of HK\$492,915,000 (31 December 2003: HK\$478,455,000) available for offset against future taxable profits. A deferred tax asset has been recognized in respect of HK\$35,480,000 (31 December 2003: HK\$32,300,000) of such losses. No deferred tax assets have been recognized in respect of the remaining HK\$457,435,000 (31 December 2003: HK\$446,155,000) due to the unpredictability of future taxable profit streams. Included in unrecognized tax losses are losses of HK\$14,544,000 (31 December 2003: HK\$43,156,000) that will expire within five years. Other losses may be carried forward indefinitely.

At the balance sheet date, the Group has temporary differences of HK\$252,133,000 (31 December 2003: HK\$291,850,000) arising from impairment of certain fixed assets being provided on 31 December 2001. A deferred tax asset has been recognized in respect of HK\$65,059,000 (31 December 2003: HK\$77,126,000) of such differences. No deferred tax assets have been recognized in respect of the remaining HK\$187,074,000 (31 December 2003: HK\$214,724,000) due to the unpredictability of future profit streams arising from such fixed assets.

Temporary differences arising in connection with interests in associates and jointly controlled entities are insignificant.

9. 遞延稅項 (續)**(a) 本集團** (續)

在資產負債表結算日，本集團有港幣492,915,000元(二零零三年十二月三十一日：港幣478,455,000元)的可用於抵扣未來應課稅溢利的稅務虧損。當中就該虧損確認了港幣35,480,000元(二零零三年十二月三十一日：港幣32,300,000元)的遞延稅項資產。剩餘的港幣457,435,000元(二零零三年十二月三十一日：港幣446,155,000元)的可抵扣虧損，因為未來溢利的不可預見性，所以並未就其確認為遞延稅項資產。另外，未確認的稅務虧損中有港幣14,544,000元(二零零三年十二月三十一日：港幣43,156,000元)的虧損將於五年內到期。其他虧損可以無限期地結轉後期。

於二零零一年十二月三十一日，本集團為若干固定資產作減值撥備，該等撥備於資產負債表結算日為集團產生港幣252,133,000元(二零零三年十二月三十一日：港幣291,850,000元)的暫時性差異。當中就該差異確認了港幣65,059,000元(二零零三年十二月三十一日：港幣77,126,000元)的遞延稅項資產。至於剩餘的港幣187,074,000元(二零零三年十二月三十一日：港幣214,724,000元)的差異，因為未來溢利的不可預見性，所以未確認為遞延稅項資產。

與聯營公司和共同控制個體權益相關的暫時性差異並不重大。

NOTES TO THE FINANCIAL STATEMENTS (continued) 財務報表附註 (續)

For the eighteen months ended 30 June 2005 截至二零零五年六月三十日止十八個月

9. DEFERRED TAXATION (continued)**(b) The Company**

The components of deferred tax liabilities recognized in the balance sheet and the movements thereon during the current period and prior year:

		Accelerated tax depreciation 加速折舊免稅額
		<i>HK\$'000</i> 港幣千元
At 1 January 2003	二零零三年一月一日	84
Credited to income statement	於收益表內撥回	(80)
Effect of change in tax rate – charged to income statement	稅率變動的影響 – 於收益表內支取	7
At 31 December 2003	二零零三年十二月三十一日	11
At 1 January 2004	二零零四年一月一日	11
Charged to income statement	於收益表內支取	59
At 30 June 2005	二零零五年六月三十日	70

10. PROFIT ATTRIBUTABLE TO SHAREHOLDERS

Profit attributable to shareholders includes a profit of HK\$4,300,000 (2003: Loss of HK\$16,804,000) which has been dealt with in the financial statements of the Company.

9. 遞延稅項 (續)**(b) 本公司**

在資產負債表中確認的主要遞延稅項負債及其變化如下：

10. 股東應佔溢利

股東應佔溢利已包括計算於本公司財務報表內港幣4,300,000元的溢利(二零零三年：虧損港幣16,804,000元)。

NOTES TO THE FINANCIAL STATEMENTS (continued) 財務報表附註 (續)

For the eighteen months ended 30 June 2005 截至二零零五年六月三十日止十八個月

11. DIVIDEND**11. 股息**

		1.1.2004 to 至 30.6.2005 HK\$'000 港幣千元	1.1.2003 to 至 31.12.2003 HK\$'000 港幣千元
Interim dividend of HK\$0.06 per share paid during the period/year (2003: Nil)	本期間/年度已派發之中期股息每股港幣0.06元(二零零三年：無)	14,601	-
Final dividend proposed after the balance sheet date of HK\$0.07 per share (2003: HK\$0.06 per share)	結算日後擬派之末期股息每股港幣0.07元(二零零三年：每股港幣0.06元)	17,035	14,601
		31,636	14,601

The final dividend proposed after the balance sheet date has not been recognized as liabilities at the balance sheet date.

結算日後擬派之末期股息，並沒有於結算日列為負債項目。

12. EARNINGS PER SHARE**12. 每股盈利****(a) Basic****(a) 基本**

The calculation of basic earnings per share is based on the profit attributable to shareholders of HK\$85,125,000 (31 December 2003: HK\$38,235,000) and the weighted average number of 243,354,165 (31 December 2003: 243,354,165) ordinary shares in issue during the period/year.

每股基本盈利乃根據股東應佔溢利港幣85,125,000元(二零零三年十二月三十一日：港幣38,235,000元)及本公司於本期間/年度內已發行普通股之加權平均數243,354,165股(二零零三年十二月三十一日：243,354,165股)計算。

(b) Diluted**(b) 攤薄後**

There is no diluted earnings per share as all share options have lapsed as at 30 June 2005 (31 December 2003: No dilutive effect).

由於未行使之購股權於二零零五年六月三十日已失效，故每股並無攤薄盈利(二零零三年十二月三十一日：無攤薄影響)。

NOTES TO THE FINANCIAL STATEMENTS (continued) 財務報表附註(續)

For the eighteen months ended 30 June 2005 截至二零零五年六月三十日止十八個月

13. FIXED ASSETS

(a) The Group

		Medium term leasehold properties in Hong Kong and leasehold improvements 香港中期租約 物業及裝修 HK\$'000 港幣千元	Freehold properties outside Hong Kong 海外永久 業權物業 HK\$'000 港幣千元	Long term leasehold properties outside Hong Kong 海外長期 租約物業 HK\$'000 港幣千元	Medium term leasehold properties outside Hong Kong 海外中期 租約物業 HK\$'000 港幣千元	Plant, equipment, furniture and motor vehicles 廠房、設備、 傢俬及汽車 HK\$'000 港幣千元	Total 合計 HK\$'000 港幣千元
Cost or valuation:	成本值或估值：						
At 1 January 2004	二零零四年一月一日	28,639	244,684	3,557	803,306	992,908	2,073,094
Exchange adjustments	外匯調整	-	20,857	-	274	27,400	48,531
Additions	增添	160	723	-	583	25,908	27,374
Disposals	出售	-	(28)	-	(7,931)	(11,076)	(19,035)
At 30 June 2005	二零零五年六月三十日	28,799	266,236	3,557	796,232	1,035,140	2,129,964
Representing:	代表：						
Cost	成本值	439	70,492	3,557	796,232	1,035,140	1,905,860
Valuation - 1994	估值 - 一九九四年	-	195,744	-	-	-	195,744
- 2000	- 二零零零年	28,360	-	-	-	-	28,360
At 30 June 2005	二零零五年六月三十日	28,799	266,236	3,557	796,232	1,035,140	2,129,964
Accumulated depreciation:	累積折舊：						
At 1 January 2004	二零零四年一月一日	2,786	78,243	1,490	212,068	548,379	842,966
Exchange adjustments	外匯調整	-	6,884	-	(64)	20,885	27,705
Charge for the period	本期間折舊	1,420	7,914	265	27,989	60,508	98,096
Written back on disposals	出售後撥回	-	(28)	-	(3,706)	(10,607)	(14,341)
At 30 June 2005	二零零五年六月三十日	4,206	93,013	1,755	236,287	619,165	954,426
Impairment:	減值：						
At 1 January 2004	二零零四年一月一日	-	5,949	-	256,649	95,837	358,435
Exchange adjustments	外匯調整	-	506	-	51	4,727	5,284
At 30 June 2005	二零零五年六月三十日	-	6,455	-	256,700	100,564	363,719
Net book value:	賬面淨值：						
At 30 June 2005	二零零五年六月三十日	24,593	166,768	1,802	303,245	315,411	811,819
At 31 December 2003	二零零三年十二月三十一日	25,853	160,492	2,067	334,589	348,692	871,693

13. 固定資產

(a) 本集團

NOTES TO THE FINANCIAL STATEMENTS (continued) 財務報表附註 (續)

For the eighteen months ended 30 June 2005 截至二零零五年六月三十日止十八個月

13. FIXED ASSETS (continued)**(a) The Group** (continued)

Notes:

- (1) Certain freehold properties outside Hong Kong were revalued, on an open market value basis, by C. Y. Leung & Company Limited in June 1994. In preparing these financial statements, the Group has availed itself of the transitional provision set out in paragraph 80 of the SSAP 17 (revised) "Property, plant and equipment" with the effect that such properties' pre-30 September 1995 professional valuation is retained.
- (2) The net book value of freehold properties outside Hong Kong which have been stated in the balance sheet at valuation would have been HK\$59,787,000 (31 December 2003: HK\$59,874,000) had they been carried at cost less accumulated depreciation and impairment loss.
- (3) Fixed assets with a net book value of HK\$70,969,000 (31 December 2003: HK\$63,714,000) are pledged to banks to secure general banking facilities granted to the Group.
- (4) As at 30 June 2005, the net book value of fixed assets held under finance leases amounted to HK\$492,000 (31 December 2003: HK\$12,250).

13. 固定資產 (續)**(a) 本集團** (續)

附註：

- (1) 若干海外永久業權物業由梁振英測量師行於一九九四年六月按公開市值評估。在編制財務報表時，本集團已根據會計實務準則第17號(修訂後)「物業、廠房及設備」內第80段的過渡性條款，保留海外永久物業在一九九五年九月三十日前的專業估值。
- (2) 按估值列賬於資產負債表之海外永久業權物業若以成本減累積折舊及減值虧損列出，其賬面淨值為港幣59,787,000元(二零零三年十二月三十一日：港幣59,874,000元)。
- (3) 本集團將固定資產賬面淨值共港幣70,969,000元(二零零三年十二月三十一日：港幣63,714,000元)按予銀行以取得銀行信貸額。
- (4) 於二零零五年六月三十日，以融資租賃購買的資產賬面淨值為港幣492,000元(二零零三年十二月三十一日：港幣12,250元)。

NOTES TO THE FINANCIAL STATEMENTS (continued) 財務報表附註 (續)

For the eighteen months ended 30 June 2005 截至二零零五年六月三十日止十八個月

13. FIXED ASSETS (continued)

(b) The Company

		Office equipment, furniture and motor vehicles 辦公室設備、 傢俬及汽車 HK\$'000 港幣千元
Cost:	成本值：	
At 1 January 2004	二零零四年一月一日	10,383
Additions	增添	1,396
At 30 June 2005	二零零五年六月三十日	11,779
Accumulated depreciation:	累積折舊：	
At 1 January 2004	二零零四年一月一日	9,731
Charge for the period	本期間折舊	698
At 30 June 2005	二零零五年六月三十日	10,429
Net book value:	賬面淨值：	
At 30 June 2005	二零零五年六月三十日	1,350
At 31 December 2003	二零零三年十二月三十一日	652

Note: As at 30 June 2005, the net book value of fixed assets held under finance leases amounted to HK\$273,000 (31 December 2003: HK\$12,250).

附註：於二零零五年六月三十日，以融資租賃購買的資產賬面淨值為港幣273,000元(二零零三年十二月三十一日：港幣12,250元)。

NOTES TO THE FINANCIAL STATEMENTS (continued) 財務報表附註 (續)

For the eighteen months ended 30 June 2005 截至二零零五年六月三十日止十八個月

14. INTANGIBLE ASSETS**14. 無形資產**

		Group 本集團			
		Negative goodwill 負商譽 HK\$'000 港幣千元	Goodwill 商譽 HK\$'000 港幣千元	Trademarks 商標 HK\$'000 港幣千元	Total 合計 HK\$'000 港幣千元
Cost or valuation:	成本值或估值：				
At 1 January 2004 and at 30 June 2005	二零零四年 一月一日及 二零零五年 六月三十日	(50,084)	12,539	38,809	1,264
Representing:	代表：				
Cost	成本值	(50,084)	12,539	36,809	(736)
At directors' valuation in 1972	董事於一九七二年 作出的估值	-	-	2,000	2,000
At 30 June 2005	二零零五年六月三十日	(50,084)	12,539	38,809	1,264
Accumulated amortization:	累積攤銷：				
At 1 January 2004	二零零四年一月一日	(19,105)	-	16,731	(2,374)
Charge/(release) for the period	本期間攤銷/(變現)	(14,964)	-	11,044	(3,920)
At 30 June 2005	二零零五年六月三十日	(34,069)	-	27,775	(6,294)
Impairment:	減值：				
At 1 January 2004 and at 30 June 2005	二零零四年 一月一日及 二零零五年 六月三十日	-	12,539	-	12,539
Net book value:	賬面淨值：				
At 30 June 2005	二零零五年六月三十日	(16,015)	-	11,034	(4,981)
At 31 December 2003	二零零三年 十二月三十一日	(30,979)	-	22,078	(8,901)

The amortization charge for trademarks for the period is included in "other operating expenses" in the consolidated income statement.

本期間商標之攤銷支出已包括在綜合收益表中其他經營費用之中。

NOTES TO THE FINANCIAL STATEMENTS (continued) 財務報表附註 (續)

For the eighteen months ended 30 June 2005 截至二零零五年六月三十日止十八個月

15. INTEREST IN SUBSIDIARIES**15. 附屬公司權益**

		Company 本公司	
		30.6.2005 HK\$'000 港幣千元	31.12.2003 HK\$'000 港幣千元
Unlisted shares, at cost	非上市股份成本值	1,470,329	1,470,329
Impairment loss	減值虧損	(215,532)	(215,532)
		1,254,797	1,254,797
Amounts due from subsidiaries	應收附屬公司款項	238,309	206,007
		1,493,106	1,460,804
Amounts due to subsidiaries	應付附屬公司款項	(5,984)	(66,520)
		1,487,122	1,394,284

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

應收及應付附屬公司款項均為免息、無抵押及沒有固定償還條款。

Details of the subsidiaries are listed on pages 137 to 145.

各附屬公司的資料詳列於第137頁至第145頁。

During the year ended 31 December 2001, Camintonn Corporation, which had previously been consolidated, was subject to bankruptcy proceedings under the jurisdiction of its country of incorporation. The principal activity of its holding company, Lam Soon America Inc., is its investment in Camintonn Corporation. Consequently, the two subsidiaries operate under severe long-term restrictions which significantly impair their ability to transfer funds back to the parent company. Accordingly, the financial statements of these subsidiaries are not consolidated in the Group's financial statements and no further accrual has been made for the subsidiaries' losses after the commencement of bankruptcy proceedings (the "Effective Date").

於二零零一年十二月三十一日，Camintonn Corporation，此附屬公司曾計入綜合財務報表，現已於其註冊地進行申請破產的程序。其控股公司，Lam Soon America Inc.的主要業務是於其的控股投資。因此，此兩附屬公司現正處於嚴重而長期的限制情況下運作，大大地影響其轉出資金予母公司的能力。有見及此，該等附屬公司的財務報表並不計入本集團的綜合財務報表，而且並不計提該等附屬公司於申請破產日（「有效日」）起之虧損作撥備。

NOTES TO THE FINANCIAL STATEMENTS (continued) 財務報表附註 (續)

For the eighteen months ended 30 June 2005 截至二零零五年六月三十日止十八個月

15. INTEREST IN SUBSIDIARIES (continued)

However, a full provision amounting to HK\$25,951,000 had been made against the carrying value of the subsidiaries and disclosed in the 1999 income statement. As a result, the net asset value of the unconsolidated subsidiaries attributable to the Group was nil at the Effective Date. No financial information in respect of the results and net assets of the respective subsidiaries is available subsequent to the Effective Date.

Details of the unconsolidated subsidiaries are set out below:

Name of company 公司名稱	Issued and fully paid up capital 已發行及 繳足之股本	Place of incorporation/ operation 註冊/經營地點	Percentage of equity holding 股權擁有 百分率		Principal activities 主要業務
			Group 本集團	Company 本公司	
Lam Soon America Inc.	US\$1,700,000 1,700,000美元	United States of America 美國	100	100	In liquidation 清盤中
Camintonn Corporation	Ordinary US\$500,000 普通股 500,000美元 Preferred US\$1,200,000 優先股 1,200,000美元	United States of America 美國	60	-	Liquidated 已清盤

Goodwill and negative goodwill arising from acquisition of these subsidiaries, to the extent not taken to the income statement, amounted to HK\$948,000 and HK\$1,581,000 respectively. However, the goodwill was eliminated against a special reserve created out of the share premium account after obtaining sanction from the Supreme Court in 1992.

15. 附屬公司權益 (續)

但對於該等附屬公司之賬面價值已作出全數之減值準備達港幣25,951,000元，並披露於一九九九年的收益表。因此，該等未計入綜合財務報表內之附屬公司於有效日之資產淨值為零。而於有效日後未能取得該等附屬公司的業績及淨資產之財務資料。

該等未計入綜合財務報表內之附屬公司之詳情如下：

因收購該等附屬公司而產生的商譽及負商譽，其並未計入收益表的金額分別為港幣948,000元及港幣1,581,000元。然而，於一九九二年獲最高法院批准，從股份溢價賬另行產生一特別儲備，並將該商譽與該特別儲備抵銷。

NOTES TO THE FINANCIAL STATEMENTS (continued) 財務報表附註 (續)

For the eighteen months ended 30 June 2005 截至二零零五年六月三十日止十八個月

15. INTEREST IN SUBSIDIARIES (continued)

No dividend has ever been declared by the subsidiaries and the aggregate amount of the losses attributable to the Group up to the Effective Date, all of which have been dealt with in the consolidated financial statements, is as follows:

Current period 本年度 HK\$'000 港幣千元	Prior years 以往年度 HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元
—	30,125	30,125

15. 附屬公司權益 (續)

該等附屬公司從未公佈派發股息。直至有效日，本集團應佔的累積虧損已全數計入綜合財務報表內，並詳列如下：

16. INTEREST IN ASSOCIATES**16. 聯營公司權益**

	Group 本集團	
	30.6.2005 HK\$'000 港幣千元	31.12.2003 HK\$'000 港幣千元
Share of net assets 應佔淨資產	24,581	24,581

Details of the associates are as follows:

聯營公司的資料詳列如下：

Name of company 公司名稱	Place of incorporation and operation 註冊／經營地點	Percentage of equity holding 股權擁有百分率		Principal activities 主要業務
		Group 本集團	Company 本公司	
Omeron Profits Limited*	British Virgin Islands 英屬維爾京群島	50	—	Dormant 暫無業務
Tepac Profits Limited*	British Virgin Islands 英屬維爾京群島	50	—	Dormant 暫無業務

* Companies not audited by PKF

* 該等公司非由梁學濂會計師事務所審核

NOTES TO THE FINANCIAL STATEMENTS (continued) 財務報表附註 (續)

For the eighteen months ended 30 June 2005 截至二零零五年六月三十日止十八個月

17. INTEREST IN A JOINTLY CONTROLLED ENTITY 17. 共同控制個體權益

		Group 本集團	
		30.6.2005	31.12.2003
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Share of net assets	應佔淨資產	57,389	55,576

Details of the jointly controlled entity are as follows:

共同控制個體的資料詳列如下：

Name of company 公司名稱	Place of incorporation/ operation 註冊／經營地點	Percentage of equity holding indirectly 間接股權 擁有百分率	Principal activities 主要業務
Evergreen Oils & Fats Limited*	Cayman Islands/ Hong Kong 開曼群島／香港	50	Blending and distribution of edible oils, vegetable fats, and shortenings 混合及分銷食油、植物 脂肪及白乳油

* Company not audited by PKF

* 該公司非由梁學濂會計師事務所審核

NOTES TO THE FINANCIAL STATEMENTS (continued) 財務報表附註 (續)

For the eighteen months ended 30 June 2005 截至二零零五年六月三十日止十八個月

18. INVESTMENT SECURITIES**18. 證券投資**

		Group 本集團		Company 本公司	
		30.6.2005 HK\$'000 港幣千元	31.12.2003 HK\$'000 港幣千元	30.6.2005 HK\$'000 港幣千元	31.12.2003 HK\$'000 港幣千元
Listed securities, at cost	上市證券成本				
– in Hong Kong	– 香港	50	50	50	50
– outside Hong Kong	– 海外	17	17	17	17
		67	67	67	67
Unlisted investments	非上市投資				
Unlisted securities, at cost	非上市證券成本	43,341	43,341	34,829	34,829
Impairment loss	減值虧損	(43,341)	(43,341)	(34,829)	(34,829)
		–	–	–	–
		67	67	67	67
Market value of listed securities at period/year end	上市證券於期/年末 的市值	105	92	105	92

NOTES TO THE FINANCIAL STATEMENTS (continued) 財務報表附註 (續)

For the eighteen months ended 30 June 2005 截至二零零五年六月三十日止十八個月

19. LOAN RECEIVABLE

An analysis of the maturity profile of loan receivable, at the balance sheet date by remaining periods to their contractual maturity date is as follows:

19. 應收貸款

應收貸款從結算日至到期還款日的剩餘時期分析如下：

		Group	
		本集團	
		30.6.2005	31.12.2003
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Receivable:			
More than three months but not exceeding one year	於三個月後至一年內償還	2,752	–
More than one year but not exceeding five years	於一年後至五年內償還	9,638	–
		12,390	–
Analyzed as:			
		分析如下：	
Non-current loan receivable	非流動應收貸款	9,638	–
Current loan receivable	流動應收貸款	2,752	–
		12,390	–

The loan receivable is secured and interest bearing at 3.2% per annum.

應收貸款為抵押貸款並按3.2%年息計算利息。

NOTES TO THE FINANCIAL STATEMENTS (continued) 財務報表附註 (續)

For the eighteen months ended 30 June 2005 截至二零零五年六月三十日止十八個月

20. INVENTORIES**20. 存貨**

		Group 本集團	
		30.6.2005	31.12.2003
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Raw materials	原料	128,561	132,170
Work in progress	在製品	16,077	11,457
Finished goods	製成品	84,525	80,078
Inventories in transit	在途貨品	29,257	12,503
Packing materials	包裝料	7,792	7,674
Spare parts	備件	13,154	15,095
		279,366	258,977

21. DEBTORS, DEPOSITS AND PREPAYMENTS**21. 應收賬款、按金及預付款**

The ageing analysis of trade debtors (net of provisions for bad and doubtful debts) is as follows:

應收賬款(已扣除呆壞賬準備)賬齡分析如下:

		Group 本集團	
		30.6.2005	31.12.2003
		HK\$'000	HK\$'000
		港幣千元	港幣千元
0-3 months	零至三個月	165,227	173,369
4-6 months	四至六個月	2,336	3,901
Total trade debtors	應收賬款總額	167,563	177,270
Deposits and prepayments	按金及預付款	151,512	142,894
		319,075	320,164

NOTES TO THE FINANCIAL STATEMENTS (continued) 財務報表附註 (續)

For the eighteen months ended 30 June 2005 截至二零零五年六月三十日止十八個月

21. DEBTORS, DEPOSITS AND PREPAYMENTS (continued)

The credit terms given to the customers vary and are generally based on the financial strengths of individual customers. In order to effectively manage the credit risks associated with trade debtors, credit evaluations of customers are performed periodically.

22. AMOUNT DUE FROM A JOINTLY CONTROLLED ENTITY

The amount is interest-free, unsecured and repayable on demand.

23. BANK LOANS, OVERDRAFTS AND OTHER BORROWINGS**21. 應收賬款、按金及預付款** (續)

給予顧客之信貸條款各異，一般按個別顧客之財政狀況衡量。為更有效地管理與應收賬款相關之信貸風險，本集團均定期進行顧客信用評估。

22. 應收共同控制個體款項

此款項為免息、無抵押及需按要即時償還。

23. 銀行貸款、透支及其他借款

		Group 本集團		Company 本公司	
		30.6.2005 HK\$'000 港幣千元	31.12.2003 HK\$'000 港幣千元	30.6.2005 HK\$'000 港幣千元	31.12.2003 HK\$'000 港幣千元
Bank loans and overdrafts	銀行貸款及透支				
- Secured	- 有抵押	-	17,937	-	12,000
- Unsecured	- 無抵押	225,486	220,043	145,226	12
		225,486	237,980	145,226	12,012
Other unsecured loans	其他無抵押貸款	-	4,568	-	-
		225,486	242,548	145,226	12,012

NOTES TO THE FINANCIAL STATEMENTS (continued) 財務報表附註 (續)

For the eighteen months ended 30 June 2005 截至二零零五年六月三十日止十八個月

24. CREDITORS, DEPOSITS RECEIVED AND ACCRUALS

The ageing analysis of trade creditors is as follows:

		Group 本集團	
		30.6.2005 港幣千元	31.12.2003 港幣千元
0-3 months	零至三個月	214,001	172,147
4-6 months	四至六個月	19,800	24,016
Over 6 months	六個月以上	665	7,245
Total trade creditors	應付賬款總額	234,466	203,408
Deposits received and accruals	已收按金及應付費用	104,200	143,234
		338,666	346,642

24. 應付賬款、已收按金及應付費用

應付賬款賬齡分析如下：

25. OTHER CURRENT LIABILITIES

		Group 本集團		Company 本公司	
		30.6.2005 HK\$'000 港幣千元	31.12.2003 HK\$'000 港幣千元	30.6.2005 HK\$'000 港幣千元	31.12.2003 HK\$'000 港幣千元
Amounts due to associates	應付聯營公司款項	23,952	24,018	853	891
Employee benefit obligations (Note 30(a))	僱員福利負債(附註30(a))	4,291	4,450	-	-
Obligations under finance leases	融資租賃的負債	98	10	54	10
Other payable	其他應付款項	-	9,424	-	-
		28,341	37,902	907	901

The amounts due to associates are interest-free, unsecured and repayable on demand.

應付聯營公司款項為免息、無抵押及需按要求即時償還。

NOTES TO THE FINANCIAL STATEMENTS (continued) 財務報表附註 (續)

For the eighteen months ended 30 June 2005 截至二零零五年六月三十日止十八個月

26. SHARE CAPITAL**26. 股本**

		Number of shares 股份數量	Nominal value 股份面值 HK\$'000 港幣千元
Authorized:	法定股本：		
At 1 January 2004 and at 30 June 2005	於二零零四年一月一日及 二零零五年六月三十日		
Shares of HK\$1 each	每股港幣1元	300,000,000	300,000
Issued and fully paid:	已發行及已繳足股本：		
At 1 January 2004 and at 30 June 2005	於二零零四年一月一日及 二零零五年六月三十日	243,354,165	243,354

Share options**購股權**

Details of the Old Share Option Scheme and New Share Option Scheme of the Company are as follows:

舊購股權計劃及新購股權計劃之詳情如下：

*Old Share Option Scheme**舊購股權*

Pursuant to the share option scheme approved by the shareholders on 26 May 2000 (the "Old Share Option Scheme"), the directors of the Company may invite employees and directors (other than non-executive directors) of the Company or any of its subsidiaries from time to time to take up options to subscribe for shares of HK\$1 each in the capital of the Company. Under the Old Share Option Scheme, 3,950,000 share options were granted. On 23 May 2003, the Old Share Option Scheme was cancelled and terminated, but without prejudice to any share options previously granted prior to such termination.

根據股東於二零零零年五月二十六日通過的購股權計劃(「該舊購股權計劃」)，本公司的董事可邀請本公司或其任何附屬公司的僱員及董事(非執行董事除外)接納購股權，認購本公司股本中每股面值港幣1元之股份。該舊購股權計劃共授出3,950,000股購股權。該舊購股權計劃於二零零三年五月二十三日取消及終止，但不會影響於此日期前已獲授之購股權之人士。

NOTES TO THE FINANCIAL STATEMENTS (continued) 財務報表附註 (續)

For the eighteen months ended 30 June 2005 截至二零零五年六月三十日止十八個月

26. SHARE CAPITAL (continued)**Share options** (continued)*Old Share Option Scheme* (continued)

As at 1 January 2004, there was a total of 3,950,000 outstanding share options granted pursuant to the Old Share Option Scheme. During the Period all the aforesaid share options lapsed. It included 1,250,000 share options granted to an executive director of the Company, Mr. LEUNG Wai Fung, 2,000,000 share options granted to an executive director of the Company, Mr. TSAO Chen, James and 700,000 share options granted to employees. As at 30 June 2005, there were no share options outstanding.

The purpose of the Old Share Option Scheme is to provide better incentives to employees to participate in the growth of the Group.

The maximum entitlement of each participant under the Old Share Option Scheme would not exceed 25% of the aggregate number of shares for the time being issued and issuable under the Old Share Option Scheme.

Upon acceptance of the option, the grantees shall inform the Company together with a remittance in favour of the Company of HK\$1 by way of consideration for the grant within 21 days from the date of making offer of option.

Options granted are exercisable 2 years following notification of entitlement to confirm quantum of options exercisable but in any event not later than 10 years from the date of grant.

There is no minimum period for which an option must be held before it can be exercised.

26. 股本 (續)**購股權** (續)*舊購股權* (續)

於二零零四年一月一日，共有 3,950,000 股按舊購股權計劃授出而未行使之購股權。於本期間內所有上述購股權已作廢，當中包括授予本公司執行董事梁偉峰先生之 1,250,000 股購股權及授予本公司執行董事曹宸綱先生之 2,000,000 股購股權與授予僱員之 700,000 股購股權。於二零零五年六月三十日並無未行使之購股權。

該舊購股權計劃之目的是提供僱員更佳之推動力使他們積極參與本集團的發展。

按該舊購股權計劃授予每一位購股權持有人之股數不得超過當時根據該計劃已發行及可發行之股份總數之 25%。

獲授人於發出購股權邀請後二十一天內通知本公司以及支付港幣 1 元予本公司作為接納購股權之代價。

所授出之購股權可以於通知日起計兩年後行使，惟不可超過至獲授日期起之十年內。

獲授人可於接納購股權後即時行使。

NOTES TO THE FINANCIAL STATEMENTS (continued) 財務報表附註 (續)

For the eighteen months ended 30 June 2005 截至二零零五年六月三十日止十八個月

26. SHARE CAPITAL (continued)**Share options** (continued)*Old Share Option Scheme* (continued)

The price per share payable on the exercise of an option is determined by the directors and being not less than 80% of the average closing price of a share on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") for the five business days immediately preceding the date of offer of such option, or the nominal value of one share, whichever is greater.

New Share Option Scheme

Pursuant to the new share option scheme approved by the shareholders on 23 May 2003 (the "New Share Option Scheme"), the directors of the Company may invite any director (including non-executive director and independent non-executive director) or employee of the Company or any of its subsidiaries or any employee of any of its associated companies (the "Eligible Employee") to take up options to subscribe for shares of HK\$1 each in the capital of the Company.

The purpose of the New Share Option Scheme is to motivate the Eligible Employee and to allow them to participate in the growth of the Company.

The option price per share payable on the exercise of an option as determined by the directors and being not less than the higher of (a) the average closing price of a share as stated in the daily quotation sheets issued by the Stock Exchange for the five business days immediately preceding the day of offer of such option and (b) the closing price of a share as stated in the Stock Exchange's daily quotation sheet on the day of offer of such option, which must be a business day and (c) the nominal value of a share.

26. 股本 (續)**購股權** (續)*舊購股權* (續)

每股股份之認購價將由董事會釐訂，價格將不少於緊接購股權授出之日前五個營業日股份在香港聯合交易所有限公司(「聯交所」)之平均收市價之80%或每一股股份之面值(以較高者為準)。

新購股權計劃

根據股東於二零零三年五月二十三日通過的購股權計劃(「該新購股權計劃」)，本公司的董事可邀請本公司或其任何附屬公司的僱員及董事(包括非執行董事及獨立非執行董事)或其聯營公司的僱員(「合資格僱員」)接納購股權，認購本公司股本中每股面值港幣1元之股份。

該新購股權計劃旨在激勵合資格僱員，使彼等可參與本公司之發展。

每股股份認購價由董事會釐訂，價格將不少於(以最高者為準)(a)緊接授出該購股權之日前五個營業日聯交所之每日報價表所示之每股股份平均收市價；(b)授出該購股權當日(必須為營業日)聯交所之每日報價表所示之每股股份收市價及(c)每股面值。

NOTES TO THE FINANCIAL STATEMENTS (continued) 財務報表附註 (續)

For the eighteen months ended 30 June 2005 截至二零零五年六月三十日止十八個月

26. SHARE CAPITAL (continued)**Share options** (continued)*New Share Option Scheme* (continued)

The total number of shares available for issue under the New Share Option Scheme is 24,335,416 which represents 10% of the issued share capital of the Company at the date of this report. The maximum entitlement for any Eligible Employee is that the total number of shares issued and to be issued upon exercise of options granted and to be granted in any 12 months period does not exceed one per cent of the relevant class of shares in issue.

Upon acceptance of the option, the grantees shall inform the Company together with a remittance in favour of the Company of HK\$1 by way of consideration for the grant within 21 days from the date of making offer of option.

There is no minimum period for which an option must be held before it can be exercised.

No option was granted to any Eligible Employee pursuant to the New Share Option Scheme for the eighteen months ended 30 June 2005.

The New Share Option Scheme will remain in force for a period of 10 years commencing on 23 May 2003 to 22 May 2013.

26. 股本 (續)**購股權** (續)*新購股權計劃* (續)

根據該新購股權計劃可予發行之股份授出之購股權總數為**24,335,416**股，佔本報告書日期止本公司已發行股份之**10%**。任何合資格僱員之配額，最多為因行使於直至最後一次授出購股權當日上午任何十二個月期間已授出之購股權而已發行及將予發行股份之總數，不得超逾已發行相關類別股份之**1%**。

獲授人於發出購股權邀請後二十一天內通知本公司以及支付港幣**1**元予本公司作為接納購股權之代價。

獲授人可於接納購股權後即時行使。

截至二零零五年六月三十日，本公司並無根據該新購股計劃向任何合資格僱員授出購股權。

該新購股權計劃有效期為十年即由二零零三年五月二十三日至二零一三年五月二十二日止。

NOTES TO THE FINANCIAL STATEMENTS (continued) 財務報表附註(續)

For the eighteen months ended 30 June 2005 截至二零零五年六月三十日止十八個月

27. RESERVES

(a) The Group

		Share premium 股份溢價 HK\$'000 港幣千元	Capital reserve 資本儲備 HK\$'000 港幣千元	Property revaluation reserve 物業重估 儲備 HK\$'000 港幣千元	Exchange reserve 外匯儲備 HK\$'000 港幣千元	General reserve 一般儲備 HK\$'000 港幣千元	Revenue reserve 收益儲備 HK\$'000 港幣千元	Total 合計 HK\$'000 港幣千元
At 1 January 2003	二零零三年一月一日	429,423	41,363	34,401	(45,085)	50,000	70,507	580,609
Realization of property revaluation reserve on disposal of properties	出售物業而變現的物業重估儲備	-	-	(4,799)	-	-	4,799	-
Net transfer from capital reserve to revenue reserve by subsidiaries	附屬公司由資本儲備撥入收益儲備淨額	-	(356)	-	-	-	356	-
Exchange differences arising on translation of financial statements of overseas subsidiaries and associates	折算海外附屬公司和聯營公司財務報表所產生的外匯差額	-	-	-	4,318	-	-	4,318
Profit for the year	是年度溢利	-	-	-	-	-	38,235	38,235
At 31 December 2003	二零零三年十二月三十一日	429,423	41,007	29,602	(40,767)	50,000	113,897	623,162
Attributable to:	保留於:							
Company and subsidiaries	本公司及其附屬公司	429,423	40,749	29,602	(39,795)	50,000	73,936	583,915
Associates	聯營公司	-	258	-	(972)	-	34,249	33,535
Jointly controlled entity	共同控制個體	-	-	-	-	-	5,712	5,712
At 31 December 2003	二零零三年十二月三十一日	429,423	41,007	29,602	(40,767)	50,000	113,897	623,162
At 1 January 2004	二零零四年一月一日	429,423	41,007	29,602	(40,767)	50,000	113,897	623,162
Net transfer from revenue reserve to capital reserve by subsidiaries	附屬公司由收益儲備撥入資本儲備淨額	-	2,182	-	-	-	(2,182)	-
Exchange differences arising on translation of financial statements of overseas subsidiaries and associates	折算海外附屬公司和聯營公司財務報表所產生的外匯差額	-	-	-	17,632	-	-	17,632
Offset accumulated deficit with capital and property revaluation reserves by a subsidiary	附屬公司以資本儲備及物業重估儲備抵銷收益儲備之虧損	-	(1,967)	(242)	-	-	2,209	-
Profit for the period	期間溢利	-	-	-	-	-	85,125	85,125
2003 final dividend paid	付二零零三年末期股息	-	-	-	-	-	(14,601)	(14,601)
Current period interim dividend paid	付本期間中期股息	-	-	-	-	-	(14,601)	(14,601)
At 30 June 2005	二零零五年六月三十日	429,423	41,222	29,360	(23,135)	50,000	169,847	696,717
Attributable to:	保留於:							
Company and subsidiaries	本公司及其附屬公司	429,423	40,964	29,360	(22,163)	50,000	128,073	655,657
Associates	聯營公司	-	258	-	(972)	-	34,249	33,535
Jointly controlled entity	共同控制個體	-	-	-	-	-	7,525	7,525
At 30 June 2005	二零零五年六月三十日	429,423	41,222	29,360	(23,135)	50,000	169,847	696,717

NOTES TO THE FINANCIAL STATEMENTS (continued) 財務報表附註 (續)

For the eighteen months ended 30 June 2005 截至二零零五年六月三十日止十八個月

27. RESERVES (continued)**(b) The Company**

		Share premium 股份溢價 HK\$'000 港幣千元	General reserve 一般儲備 HK\$'000 港幣千元	Revenue reserve 收益儲備 HK\$'000 港幣千元	Total 合計 HK\$'000 港幣千元
At 1 January 2003	二零零三年一月一日	429,423	50,000	642,915	1,122,338
Loss for the year	是年度虧損	-	-	(16,804)	(16,804)
At 31 December 2003	二零零三年十二月三十一日	429,423	50,000	626,111	1,105,534
At 1 January 2004	二零零四年一月一日	429,423	50,000	626,111	1,105,534
Profit for the period	期間溢利	-	-	4,300	4,300
2003 final dividend paid	付二零零三年末期股息	-	-	(14,601)	(14,601)
Current period interim dividend paid	付本期間中期股息	-	-	(14,601)	(14,601)
At 30 June 2005	二零零五年六月三十日	429,423	50,000	601,209	1,080,632

Notes:

- (i) The distributable reserves of the Company as at 30 June 2005 amounted to HK\$601,209,000 (31 December 2003: HK\$626,111,000).
- (ii) According to the applicable law in Taiwan, the Group's subsidiaries in Taiwan have to transfer 10% of the annual profit, if any, to capital reserve.
- (iii) Pursuant to a shareholders' resolution of a subsidiary, the subsidiary reduced its capital and property revaluation reserves to offset accumulated deficit.

27. 儲備 (續)**(b) 本公司**

附註：

- (i) 本公司於二零零五年六月三十日的可分派儲備為港幣601,209,000元(二零零三年十二月三十一日：港幣626,111,000元)。
- (ii) 根據台灣現行法例，本集團的台灣附屬公司必需將每年溢利的10%撥作及保留在資本儲備內。
- (iii) 按照一附屬公司的股東決議，該附屬公司減低其資本儲備及物業重估儲備以抵銷收益儲備的虧損。

NOTES TO THE FINANCIAL STATEMENTS (continued) 財務報表附註 (續)

For the eighteen months ended 30 June 2005 截至二零零五年六月三十日止十八個月

27. RESERVES (continued)

Notes: (continued)

- (iv) Goodwill and negative goodwill arising from acquisitions of subsidiaries and associates prior to 1 January 2001 which are still carried in reserves of the Group are as follows:

		Goodwill 商譽 HK\$'000 港幣千元	Negative goodwill 負商譽 HK\$'000 港幣千元
Balance as at 1 January 2004 and at 30 June 2005	二零零四年一月一日及 二零零五年六月三十日結餘	572	(24,768)

27. 儲備 (續)

附註：(續)

- (iv) 於二零零一年一月一日前因收購附屬公司及聯營公司所產生並保留在本集團儲備內的商譽及負商譽詳列如下：

28. BANK LOANS**28. 銀行貸款**

		Group 本集團		Company 本公司	
		30.6.2005 HK\$'000 港幣千元	31.12.2003 HK\$'000 港幣千元	30.6.2005 HK\$'000 港幣千元	31.12.2003 HK\$'000 港幣千元
Secured bank loans repayable	有抵押銀行貸款				
– After one year but within two years	– 一年後至兩年內償還	–	12,000	–	12,000
– After two years but within five years	– 兩年後至五年內償還	–	11,000	–	11,000
Unsecured bank loans repayable	無抵押銀行貸款				
– After one year but within two years	– 一年後至兩年內償還	36,100	47,250	36,100	–
– After two years but within five years	– 兩年後至五年內償還	2,600	–	2,600	–
		38,700	70,250	38,700	23,000

NOTES TO THE FINANCIAL STATEMENTS (continued) 財務報表附註 (續)

For the eighteen months ended 30 June 2005 截至二零零五年六月三十日止十八個月

29. OTHER NON-CURRENT LIABILITIES**29. 其他非流動負債**

		Group 本集團		Company 本公司	
		30.6.2005 HK\$'000 港幣千元	31.12.2003 HK\$'000 港幣千元	30.6.2005 HK\$'000 港幣千元	31.12.2003 HK\$'000 港幣千元
Obligations under finance lease payable	融資租賃的負債				
- After one year but within two years	- 一年後至兩年內償還	98	-	54	-
- After two years but within five years	- 兩年後至五年內償還	279	-	156	-
Other payable	其他賬項				
- After one year but within two years	- 一年後至兩年內償還	-	250	-	-
- After five years	- 五年後償還	7,855	-	-	-
		8,232	250	210	-

30. EMPLOYEE BENEFIT OBLIGATIONS**30. 僱員福利負債**

The Group operates a number of staff retirement benefit plans comprising two defined contribution retirement plans covering its employees in Hong Kong and two defined benefit retirement plans covering its employees in Taiwan.

The Group's contributions to the defined contribution retirement plan are based on a specified percentage on the basic salary and completed years of service of employees. The Group's contributions under the principal plan covering its employees in Hong Kong are charged to the income statement and are reduced by the amount of forfeited contributions. Any unutilized forfeited balances are set aside as a reserve held in independently administered funds for any future potential long service payments payable by the Group. The total amount of these reserves available for use at 30 June 2005 was nil (31 December 2003: HK\$1,350,000).

本集團設有多項僱員退休福利計劃，其中包括兩項為香港僱員提供的定額供款退休計劃及兩項為台灣附屬公司的僱員提供的定額福利退休計劃。

本集團對定額供款退休計劃的供款乃按僱員的基本薪金及服務年資以一特定百分率計算。在該計劃下，本集團為香港僱員的供款額減去遭沒收的供款金額後在收益表中列作費用。任何未動用而遭沒收的供款餘額已撥為儲備，並由一獨立管理的基金持有，用以支付本集團日後可能支付的長期服務金。於結算日該等儲備並無可動用餘額(二零零三年十二月三十一日：港幣1,350,000元)。

NOTES TO THE FINANCIAL STATEMENTS (continued) 財務報表附註 (續)

For the eighteen months ended 30 June 2005 截至二零零五年六月三十日止十八個月

30. EMPLOYEE BENEFIT OBLIGATIONS

(continued)

Under the defined benefit retirement plans, the calculation of the retirement benefits to the employees is based on years of service and average monthly salary at the time of retirement. The Group's contributions to the defined benefit retirement plans are calculated as certain percentages of salaries paid to employees and charged to the income statement as incurred. The assets of the plans are held separately from those of the Group in a central fund administered by the relevant government body in Taiwan.

In addition to the retirement plans operated by the Group, the Group is required to contribute respectively to Mandatory Provident Fund and central pension plans for certain Group's employees in Hong Kong and the People's Republic of China based on applicable rates of monthly salary in accordance with government regulations.

(a) Short-term employee benefit**30. 僱員福利負債 (續)**

在定額福利退休計劃下，僱員的退休福利根據服務年資及退休時的平均月薪計算。本集團向該定額福利計劃的供款乃根據向職員發放的薪金的某一百分率計算，並在發生時於收益表中列入費用。該等計劃的資產並非與本集團的資產混合管理，乃由台灣有關政府部門所管理的中央基金代為持有。

除本集團以上設立的退休計劃外，本集團須為其在香港及中華人民共和國內的若干僱員分別供款予強制性公積金及中央公積金。根據政府規例，供款率按月薪計算。

(a) 短期員工福利

		Group 本集團	
		30.6.2005	31.12.2003
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Unclaimed annual leaves	待領年假	4,291	4,450

NOTES TO THE FINANCIAL STATEMENTS (continued) 財務報表附註 (續)

For the eighteen months ended 30 June 2005 截至二零零五年六月三十日止十八個月

30. EMPLOYEE BENEFIT OBLIGATIONS

(continued)

(b) Defined benefit retirement plans

The Group makes contributions to two defined benefit plans that provide pension benefits for employees in Taiwan.

- (i) The amount recognized in the balance sheet is as follows:

30. 僱員福利負債 (續)**(b) 定額福利退休計劃**

本集團向兩項定額福利退休計劃作出供款。該等計劃提供台灣僱員退休金福利。

- (i) 於資產負債表中已確認之金額如下：

		Group 本集團	
		30.6.2005	31.12.2003
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Present value of funded obligations	預計給付 負債現值	31,677	23,204
Fair value of plan assets	退休基金資產公平價值	(19,048)	(9,781)
Net unrecognized actuarial losses	未確認淨額之 精算虧損	(8,360)	(4,896)
		4,269	8,527

NOTES TO THE FINANCIAL STATEMENTS (continued) 財務報表附註 (續)

For the eighteen months ended 30 June 2005 截至二零零五年六月三十日止十八個月

30. EMPLOYEE BENEFIT OBLIGATIONS

(continued)

(b) Defined benefit retirement plans (continued)

- (ii) Movements in the net liability recognized in the balance sheet are as follows:

30. 僱員福利負債 (續)**(b) 定額福利退休計劃** (續)

- (ii) 於資產負債表中已確認之淨負債變動如下：

		Group 本集團	
		1.1.2004 to 至 30.6.2005 HK\$'000 港幣千元	1.1.2003 to 至 31.12.2003 HK\$'000 港幣千元
At the beginning of the period/year	期／年初餘額	8,527	8,643
Contributions paid to the fund	向基金供款金額	(8,611)	(2,299)
Expense recognized in the income statement	於收益表中已確認之費用	3,545	2,022
Exchange difference	外匯差額	808	161
At the end of the period/year	期／年末餘額	4,269	8,527

NOTES TO THE FINANCIAL STATEMENTS (continued) 財務報表附註 (續)

For the eighteen months ended 30 June 2005 截至二零零五年六月三十日止十八個月

30. EMPLOYEE BENEFIT OBLIGATIONS

(continued)

(b) Defined benefit retirement plans (continued)

- (iii) Expense recognized in the income statement is as follows:

Current service cost	當期／年服務成本
Interest cost	利息成本
Expected return on plan assets	基金資產預期回報
Amortization of loss	虧損攤銷

30. 僱員福利負債 (續)**(b) 定額福利退休計劃** (續)

- (iii) 於收益表中已確認之費用明細如下：

		Group 本集團	
		1.1.2004 to 至 30.6.2005 HK\$'000 港幣千元	1.1.2003 to 至 31.12.2003 HK\$'000 港幣千元
		2,542	1,562
		1,401	713
		(679)	(295)
		281	42
		3,545	2,022

NOTES TO THE FINANCIAL STATEMENTS (continued) 財務報表附註 (續)

For the eighteen months ended 30 June 2005 截至二零零五年六月三十日止十八個月

30. EMPLOYEE BENEFIT OBLIGATIONS

(continued)

(b) Defined benefit retirement plans (continued)

(iii) (continued)

The expense is recognized in the following line items in the income statement:

		Group 本集團	
		1.1.2004 to 至 30.6.2005 HK\$'000 港幣千元	1.1.2003 to 至 31.12.2003 HK\$'000 港幣千元
Cost of sales	銷售成本	2,526	1,312
Selling and distribution expenses	銷售及分銷費用	221	96
Administrative expenses	行政費用	798	614
		3,545	2,022

30. 僱員福利負債 (續)**(b) 定額福利退休計劃** (續)

(iii) (續)

該費用已在下列收益表項目中被確認：

NOTES TO THE FINANCIAL STATEMENTS (continued) 財務報表附註 (續)

For the eighteen months ended 30 June 2005 截至二零零五年六月三十日止十八個月

30. EMPLOYEE BENEFIT OBLIGATIONS (CONTINUED) 30. 僱員福利負債 (續)

(b) Defined benefit retirement plans (continued)

- (iv) The cost of the plans to the Group is calculated based upon funding recommendations arising from actuarial valuations. Details of the latest actuarial valuations of the plans are as follows:

(b) 定額福利退休計劃 (續)

- (iv) 本集團計算該等計劃成本乃按精算估值之供款建議。該等最新之精算估值詳情載列如下：

Name of subsidiaries which operate the plans 設立計劃之附屬公司名稱	Lam Soon Industries Inc. 南順工業股份有限公司	Lam Soon Ball Yamamura Inc. 寶順製罐股份有限公司
Latest actuarial valuation 最新精算評估日	30 June 2005 二零零五年六月三十日	30 June 2005 二零零五年六月三十日
Actuaries 精算師	KTMC Actuaries Co., Ltd. 悅田精算顧問有限公司	KTMC Actuaries Co., Ltd. 悅田精算顧問有限公司
Discount rate at date of actuarial valuation 精算評估日折現率	3.5% (31 December 2003: 3.5%) (二零零三年十二月三十一日：3.5%)	3.5% (31 December 2003: 3.5%) (二零零三年十二月三十一日：3.5%)
Expected rate of return on plan assets 退休基金資產預期回報率	3.5% (31 December 2003: 3.5%) (二零零三年十二月三十一日：3.5%)	3.5% (31 December 2003: 3.5%) (二零零三年十二月三十一日：3.5%)
Future salary increases 未來薪資調整率		
– Next year	1% (31 December 2003: 0%) (二零零三年十二月三十一日：0%)	1% (31 December 2003: 0%) (二零零三年十二月三十一日：0%)
– 1 year	0% (31 December 2003: 0%) (二零零三年十二月三十一日：0%)	0% (31 December 2003: 0%) (二零零三年十二月三十一日：0%)
– Next 2–3 years	0% (31 December 2003: 0%) (二零零三年十二月三十一日：0%)	0% (31 December 2003: 0%) (二零零三年十二月三十一日：0%)
– 2 to 3 years	1% (31 December 2003: 0%) (二零零三年十二月三十一日：0%)	1% (31 December 2003: 0%) (二零零三年十二月三十一日：0%)
– Thereafter	0% (31 December 2003: 0%) (二零零三年十二月三十一日：0%)	0% (31 December 2003: 0%) (二零零三年十二月三十一日：0%)
– 其後	0% (31 December 2003: 0%) (二零零三年十二月三十一日：0%)	0% (31 December 2003: 0%) (二零零三年十二月三十一日：0%)
Future pension increases 未來退休金調整率	0% (31 December 2003: 0%) (二零零三年十二月三十一日：0%)	0% (31 December 2003: 0%) (二零零三年十二月三十一日：0%)
Market value of plan assets at date of valuation (HK\$'000) 退休基金資產市場價值 (港幣千元)	11,800 (31 December 2003: 6,600) (二零零三年十二月三十一日：6,600)	7,500 (31 December 2003: 3,200) (二零零三年十二月三十一日：3,200)
Asset market valuation as a percentage of the present value of past service liabilities 計劃資產市值與預測過往服務負債之現有價值之百分比	60% (31 December 2003: 46%) (二零零三年十二月三十一日：46%)	60% (31 December 2003: 35%) (二零零三年十二月三十一日：35%)

NOTES TO THE FINANCIAL STATEMENTS (continued) 財務報表附註 (續)

For the eighteen months ended 30 June 2005 截至二零零五年六月三十日止十八個月

30. EMPLOYEE BENEFIT OBLIGATIONS (CONTINUED) 30. 僱員福利負債 (續)**(b) Defined benefit retirement plans (continued)****(iv) (continued)**

Note: The differences between the market values of the plans' assets and the present value of the accrued past services liabilities at the date of an actuarial valuation are taken into consideration when determining future funding levels in order to ensure that the plans will be able to meet these liabilities as they become due.

(c) Equity compensation benefits

Details of movements of share options:

(b) 定額福利退休計劃 (續)**(iv) (續)**

附註：在釐定未來供款率以確保該等計劃能夠償還到期之負債時，該等計劃資產之市場價格與於精算估值日所計算的過往服務負債之現有價值間之差額會予以計及。

(c) 股本報酬福利

購股權的變動如下：

		The Company ("LSHK") 本公司 (「南順香港」)	Flourtech International Holdings Limited	Total 合計
Balance at 1 January 2003	二零零三年 一月一日結餘	3,950,000	270,000	4,220,000
Lapsed	失效	-	(270,000)	(270,000)
Balance at 31 December 2003	二零零三年十二月 三十一日結餘	3,950,000	-	3,950,000
Balance at 1 January 2004	二零零四年 一月一日結餘	3,950,000	-	3,950,000
Lapsed	失效	(3,950,000)	-	(3,950,000)
Balance at 30 June 2005	二零零五年六月 三十日結餘	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (continued) 財務報表附註 (續)

For the eighteen months ended 30 June 2005 截至二零零五年六月三十日止十八個月

30. EMPLOYEE BENEFIT OBLIGATIONS (CONTINUED) 30. 僱員福利負債 (續)

(c) Equity compensation benefits (continued)

Terms of share options at balance sheet date:

Name of company 公司名稱	Date of grant 獲授日期	Exercise period 可行使日期	Number of share options 購股權認購股份之數目	
			30.6.2005	31.12.2003
LSHK 南順香港	5 June 2002 二零零二年 六月五日	2 years following notification of entitlement to confirm quantum of options exercisable but in any event not later than 10 years from the date of grant 授予購股權數量之通知日起計兩年後，惟不會超過至獲授日期起之十年內	Exercise price 行使認購價 HK\$ 港元	
			2.53	-
				3,950,000

The Share Option Scheme adopted by LSHK on 26 May 2000 was terminated on 23 May 2003 but without prejudice to any share option previously granted prior to such termination.

As at 1 January 2004, there was a total of 3,950,000 outstanding share options granted pursuant to the Option Scheme. During the period all the aforesaid share options lapsed.

(c) 股本報酬福利 (續)

於結算日的購股權條款：

二零零零年五月二十六日採納之購股權計劃於二零零三年五月二十三日終止，但不會影響於終止前所授出之購股權。

於二零零四年一月一日，共有 3,950,000 股按購股計劃授出而未行使之購股權。於本期間內所有上述購股權已失效。

NOTES TO THE FINANCIAL STATEMENTS (continued) 財務報表附註 (續)

For the eighteen months ended 30 June 2005 截至二零零五年六月三十日止十八個月

31. COMMITMENTS

- (a) As at 30 June 2005, the Group had commitment to make payment in respect of guaranteed profits payable to the joint venture partners under a joint venture agreement amounted to HK\$1,715,000 (31 December 2003: HK\$3,293,000) in aggregate over the unexpired term of the joint venture agreement of one and a half year. In return, the Group is entitled to all the residual profits of the joint venture.
- (b) The Group had the following commitment not provided for in the financial statements at the balance sheet date:

31. 承擔項目

- (a) 於二零零五年六月三十日，本集團根據合營企業協議，須承擔合營企業股東於合營企業協議尚未終止的一年半年期內可獲保證利潤合共港幣1,715,000元(二零零三年十二月三十一日：港幣3,293,000元)。而此合營企業的剩餘利潤則按此協議全歸於本集團。
- (b) 本集團在結算日有以下資本承擔未反映在財務報表中：

	Group 本集團	
	30.6.2005 <i>HK\$'000</i> 港幣千元	31.12.2003 <i>HK\$'000</i> 港幣千元
Authorized capital expenditure 已批准並已訂約 and contracted for 之資本支出	399	68

(c) Forward foreign exchange contracts

The notional amounts of the Group's forward foreign exchange contracts are as follows:

(c) 遠期外匯合約

本集團的遠期外匯合約的概念金額如下：

	Group 本集團	
	30.6.2005 <i>HK\$'000</i> 港幣千元	31.12.2003 <i>HK\$'000</i> 港幣千元
Forward foreign exchange 遠期外匯合約 contracts	146,385	173,198

NOTES TO THE FINANCIAL STATEMENTS (continued) 財務報表附註 (續)

For the eighteen months ended 30 June 2005 截至二零零五年六月三十日止十八個月

31. COMMITMENTS (continued)

- (d) As at 30 June 2005, the Group committed to supply 97.9 million (31 December 2003: 34.4 million) aluminium cans to a customer in Taiwan at a fixed price. Such commitment was covered by a bank guarantee issued to the customer, which amounted to approximately HK\$5,722,000 (31 December 2003: HK\$6,589,000).
- (e) As at 30 June 2005, the Group has several non-cancelable purchase orders for certain materials with its suppliers with an amount of HK\$132,728,000 (31 December 2003: HK\$31,104,000).

32. CONTINGENT LIABILITIES

- (a) As at 30 June 2005, the Company had contingent liabilities in respect of guarantees given by the Company to banks to secure banking facilities granted to certain subsidiaries of which amount utilized by the subsidiaries amounted to HK\$70,410,000 (31 December 2003: HK\$182,286,000).
- (b) As at 30 June 2005, the Group had contingent liabilities in respect of several guarantees given to banks to secure banking facilities of a jointly controlled entity to the extent of HK\$18,853,000 (31 December 2003: HK\$45,544,000).

31. 承擔項目 (續)

- (d) 於二零零五年六月三十日，本集團與一台灣客戶簽定合約，以固定價格供應97,900,000片(二零零三年十二月三十一日：34,400,000片)鋁罐。本集團就是項合約向有關客戶提出銀行擔保。其擔保金額約為港幣5,722,000元(二零零三年十二月三十一日：港幣6,589,000元)。
- (e) 於二零零五年六月三十日，本集團與供應商訂立數張不可取消的採購訂單，金額為港幣132,728,000元(二零零三年十二月三十一日：港幣31,104,000元)。

32. 或然負債

- (a) 於二零零五年六月三十日，本公司的或然負債為本公司向銀行提出的擔保，以便若干附屬公司取得銀行信貸額。而有關附屬公司已動用之信貸金額共港幣70,410,000元(二零零三年十二月三十一日：港幣182,286,000元)。
- (b) 於二零零五年六月三十日，本集團的或然負債為多項由本集團向銀行提出的擔保，以便有關共同控制個體取得銀行信貸額共港幣18,853,000元(二零零三年十二月三十一日：港幣45,544,000元)。

NOTES TO THE FINANCIAL STATEMENTS (continued) 財務報表附註 (續)

For the eighteen months ended 30 June 2005 截至二零零五年六月三十日止十八個月

32. CONTINGENT LIABILITIES (continued)

- (c) As at 30 June 2005, the Group sold to financial companies its notes receivable with recourse, which amounted to HK\$34,061,000 (31 December 2003: HK\$14,004,000).

32. 或然負債 (續)

- (c) 於二零零五年六月三十日，本集團向財務機構出售有追索權之應收票據，總值港幣34,061,000元(二零零三年十二月三十一日：港幣14,004,000元)。

33. RELATED PARTY TRANSACTIONS

Apart from the transactions as disclosed in Notes 22, 25 and 32(b) to the financial statements, the Group had the following material transactions with its related parties during the period/year:

33. 有關連人士的交易

除財務報表在附註22、25及32(b)所列出的交易外，本期間／年度本集團有以下重要的有關連人士的交易：

Related party 有關連人士	Nature of transactions 交易性質	Notes 附註	1.1.2004 to 至 30.6.2005 HK\$'000 港幣千元	1.1.2003 to 至 31.12.2003 HK\$'000 港幣千元
Jointly controlled entity 共同控制個體	Purchases of small package oil 購買小包裝食油	(i)	6,041	4,586
	Sales of aroma oil 香味油銷售	(ii)	103,895	58,262
	Transfer of machines 機器轉讓	(ii)	-	1,200
	Bottling and refinery income of small package oil 小包裝食油裝罐及精煉收入	(iii)	53,202	32,727
	Management fee income 管理費收入	(iii)	2,000	2,000
GIMC Limited ("GIMC")	Royalties received for the use of trademarks 商標使用版權費收入	(iv)	15,723	14,810
	Management fee expenses 管理費支出	(v)	4,538	1,647

NOTES TO THE FINANCIAL STATEMENTS (continued) 財務報表附註 (續)

For the eighteen months ended 30 June 2005 截至二零零五年六月三十日止十八個月

33. RELATED PARTY TRANSACTIONS

(continued)

Notes:

- (i) Purchases of small package oil were carried out at cost plus a percentage of profit mark-up.
- (ii) Sales of aroma oil and transfer of machines were made with reference to the market price.
- (iii) Bottling and refinery income of small package oil and management fee income were determined on the basis of the cost and the amount of services performed by the Group.
- (iv) Under the trademark license agreement, the royalties received for the use of the trademarks are calculated based on a percentage as may be agreed between the parties from time to time of the gross sales value of licensed products sold by the licensee within Hong Kong and Macau.
- (v) GIMC is an indirect wholly-owned subsidiary of Hong Leong Company (Malaysia) Berhad ("HLCM"), a substantial shareholder which is deemed to be interested in 73.11% shareholdings in the Company pursuant to Part XV of the Securities and Futures Ordinance. Pursuant to the service agreement signed between the Company and GIMC, the Company should pay a monthly fee of HK\$50,000 (or such other amount as may be agreed from time to time between GIMC and the Company) and an annual fee equal to 3% of the annual consolidated profits before tax of the Company for each financial year. The service agreement is for a term of half year from 1 July 2003 to 31 December 2003 and thereafter shall be automatically renewable, on the same terms, for additional consecutive terms of one year each, unless either party provides the other with prior written notice of at least six months.

33. 有關連人士的交易 (續)

附註：

- (i) 購買小包裝食油是以成本加利潤百分率作價進行。
- (ii) 香味油和機器轉讓均按照市場價格進行。
- (iii) 小包裝食油裝罐及精煉收入、管理費收入均以有關成本及本集團所提供的服務而釐定。
- (iv) 商標使用版權費收入是根據商標租用合同，以商標使用者在香港及澳門銷售可使用商標產品的總銷售金額按已訂百分率徵收。此已訂百分率可在雙方同意下定期更改。
- (v) GIMC乃Hong Leong Company (Malaysia) Berhad (「HLCM」)之間接全資附屬公司，而根據證券及期貨條例第十五部，HLCM為佔本公司73.11%之被視為擁有股份權益之主要股東。根據由本公司與GIMC所簽訂之服務協議，本公司須每月支付GIMC港幣50,000元及年費相等於本公司在每財政年度除稅前綜合溢利之3%。此服務協議為期半年，由二零零三年七月一日至二零零三年十二月三十一日止，並於每年到期時按相同條款自動續一年，惟任何一方需給予另一方最少六個月的書面通知則除外。

NOTES TO THE FINANCIAL STATEMENTS (continued) 財務報表附註 (續)

For the eighteen months ended 30 June 2005 截至二零零五年六月三十日止十八個月

34. SEGMENT REPORTING**Business segments**

The Group principally operates in four segments and the specific products of each segment are as follows:

- (1) Food – Manufacturing and distribution of a broad range of food products including flour, edible oils, vegetable fats, frozen dough and other processed foods for the catering industries
- (2) Detergent – Manufacturing and distribution of household cleaning products including liquid dish washing detergent, laundry powder, fabric softener and floor cleaner
- (3) Packaging – Manufacturing and supply of easy-open-ends and two-piece aluminium cans for beverage industry
- (4) Distribution – Trading and distribution of a wide range of products such as flour, detergent, bakery, frozen food, drinks and agency products in Hong Kong

All other operating segments represent the operating segments which do not meet the quantitative threshold for determining reportable segments. These include investment holding, internet service and property holding activities.

34. 分部報告**業務分部**

本集團主要經營四個分部。各分部的產品如下：

- (1) 食品 – 製造及分銷一系列食品，包括麵粉、食油、植物脂肪、冷凍麵團及其他加工食品供飲食業使用
- (2) 清潔用品 – 製造及分銷家居清潔用品，包括碗碟清潔劑、洗衣粉、衣物柔順劑及地板清潔劑
- (3) 包裝產品 – 製造及供應「易拉蓋」及兩片鋁罐，供飲品工業使用
- (4) 產品分銷 – 於香港買賣及分銷一系列產品，包括麵粉、清潔劑、烘焙食品、冷凍食品、飲料及代理產品

其他業務分部代表那些規模不足以作出獨立報告的營業分部。這些分部包括投資控股、互聯網服務及物業持有活動。

NOTES TO THE FINANCIAL STATEMENTS (continued) 財務報表附註 (續)

For the eighteen months ended 30 June 2005 截至二零零五年六月三十日止十八個月

34. SEGMENT REPORTING (continued)**Geographical segments**

The Group's business is managed on a worldwide basis, but participates in three principal geographical areas:

- (1) Mainland China – Manufacturing and distribution of flour, edible oils, detergent and packaging products
- (2) Hong Kong – Trading and distribution of flour, detergent, bakery, frozen food, drinks and agency products
- (3) Taiwan – Manufacturing and supply of easy-open-ends and two-piece aluminium cans for beverage industry

34. 分部報告 (續)**地區分部**

本集團的業務是世界性的，但主要集中於三個地區：

- (1) 中國大陸 – 製造及分銷麵粉、食油、清潔用品及包裝產品
- (2) 香港 – 買賣及分銷麵粉、清潔用品、烘焙食品、冷凍食品、飲料及代理產品
- (3) 台灣 – 製造及供應「易拉蓋」及兩片鋁罐，供飲品工業使用

NOTES TO THE FINANCIAL STATEMENTS (continued) 財務報表附註(續)

For the eighteen months ended 30 June 2005 截至二零零五年六月三十日止十八個月

34. SEGMENT REPORTING (continued)

34. 分部報告(續)

For the eighteen months ended 30 June 2005

截至二零零五年六月三十日止十八個月

(A) Business segments

(A) 業務分部

		Food 食品 HK\$'000 港幣千元	Detergent 清潔用品 HK\$'000 港幣千元	Packaging 包裝產品 HK\$'000 港幣千元	Distribution 產品分銷 HK\$'000 港幣千元	Others 其他 HK\$'000 港幣千元	Inter-segment elimination 各分部間 的抵銷 HK\$'000 港幣千元	Consolidated 綜合 HK\$'000 港幣千元
(i) Revenue	收入							
Revenue from external customers	對外客戶收入	1,540,264	106,853	892,187	513,997	1,326	-	3,054,627
Inter-segment sales	各分部間的銷售	256,763	44,571	-	2,695	9,706	(313,735)	-
Other income	其他收入	10,771	1,262	6,886	993	3,113	-	23,025
Total revenue	總收入	1,807,798	152,686	899,073	517,685	14,145	(313,735)	3,077,652
(ii) Segment results	分部業績	44,325	23	77,636	74,653	(73,102)	-	123,535
Net interest expenses	淨利息支出	-	-	-	-	-	-	(8,812)
Release of negative goodwill	負商譽的變現	-	-	-	-	14,964	-	14,964
Reversal of provision for Group restructuring costs	集團重組費用準備撥回	-	-	-	-	-	-	6,540
Share of results of a jointly controlled entity	應佔共同控制個體的業績	4,792	-	-	-	-	-	4,792
Taxation	稅項	-	-	-	-	-	-	(49,029)
Minority interests	少數股東權益	-	-	-	-	-	-	(6,865)
Profit attributable to shareholders	股東應佔溢利							85,125
(iii) Depreciation and amortization for the period	本期間折舊及攤銷	65,191	2,612	25,044	1,225	15,068	-	109,140
(iv) Provision for doubtful debts written back/ (Charge)	呆賬準備撥回/(支取)	1,503	(1)	1,224	(432)	-	-	2,294
(v) Segment assets	分部資產	826,295	38,500	590,958	64,602	145,796	-	1,666,151
Interests in jointly controlled entity and associates	共同控制個體及聯營公司權益	57,389	-	-	-	24,581	-	81,970
Unallocated assets	未分配資產							8,090
Total assets	總資產							1,756,211
(vi) Segment liabilities	分部負債	146,583	19,231	167,341	11,598	33,264	-	378,017
Unallocated liabilities	未分配負債							358,620
Total liabilities	總負債							736,637
(vii) Capital expenditure incurred during the period	本期間資本支出	3,395	211	21,543	543	1,682	-	27,374

NOTES TO THE FINANCIAL STATEMENTS (continued) 財務報表附註 (續)

For the eighteen months ended 30 June 2005 截至二零零五年六月三十日止十八個月

34. SEGMENT REPORTING (continued)**34. 分部報告** (續)**(B) Geographical segments****(B) 地區分部**

		Mainland China 中國大陸 HK\$'000 港幣千元	Hong Kong 香港 HK\$'000 港幣千元	Taiwan 台灣 HK\$'000 港幣千元	Consolidated 綜合 HK\$'000 港幣千元
Revenue from external customers	對外客戶收入	1,988,417	546,294	519,916	3,054,627
Segment assets	分部資產	821,135	485,242	449,834	1,756,211
Capital expenditure incurred during the period	本期間資本支出	20,845	2,391	4,138	27,374

NOTES TO THE FINANCIAL STATEMENTS (continued) 財務報表附註 (續)

For the eighteen months ended 30 June 2005 截至二零零五年六月三十日止十八個月

34. SEGMENT REPORTING (continued)

For the twelve months ended 31 December 2003

(A) Business segments

34. 分部報告 (續)

截至二零零三年十二月三十一日止十二個月

(A) 業務分部

		Food 食品 HK\$'000 港幣千元	Detergent 清潔用品 HK\$'000 港幣千元	Packaging 包裝產品 HK\$'000 港幣千元	Distribution 產品分銷 HK\$'000 港幣千元	Others 其他 HK\$'000 港幣千元	Inter-segment elimination 各分部間 的抵銷 HK\$'000 港幣千元	Consolidated 綜合 HK\$'000 港幣千元
(i) Revenue	收入							
Revenue from external customers	對外客戶收入	1,118,588	61,426	523,252	331,434	1,662	-	2,036,362
Inter-segment sales	各分部間的銷售	176,463	26,611	-	3,658	6,437	(213,169)	-
Other income	其他收入	976	-	497	299	2,619	-	4,391
Total revenue	總收入	1,296,027	88,037	523,749	335,391	10,718	(213,169)	2,040,753
(ii) Segment results	分部業績	5,176	(2,188)	40,020	61,719	(44,503)	-	60,224
Net interest expenses	淨利息支出	-	-	-	-	-	-	(11,046)
Release of negative goodwill	負商譽的變現	-	-	-	-	9,976	-	9,976
Share of results of a jointly controlled entity	應佔共同控制個體的業績	2,017	-	-	-	-	-	2,017
Taxation	稅項	-	-	-	-	-	-	(19,668)
Minority interests	少數股東權益	-	-	-	-	-	-	(3,268)
Profit attributable to shareholders	股東應佔溢利							38,235
(iii) Depreciation and amortization for the year	是年度折舊及攤銷	40,901	2,808	16,776	996	11,266	-	72,747
(iv) Provision for doubtful debts	呆賬準備	3,191	44	2,367	548	186	-	6,336
(v) Segment assets	分部資產	963,003	33,042	523,002	71,982	105,009	-	1,696,038
Interests in jointly controlled entity and associates	共同控制個體及聯營公司權益	55,576	-	-	-	24,581	-	80,157
Unallocated assets	未分配資產							43,645
Total assets	總資產							1,819,840
(vi) Segment liabilities	分部負債	251,807	21,021	135,860	19,498	49,934	-	478,120
Unallocated liabilities	未分配負債							409,045
Total liabilities	總負債							887,165
(vii) Capital expenditure incurred during the year	是年度資本支出	33,266	1,167	6,610	1,586	400	-	43,029

NOTES TO THE FINANCIAL STATEMENTS (continued) 財務報表附註 (續)

For the eighteen months ended 30 June 2005 截至二零零五年六月三十日止十八個月

34. SEGMENT REPORTING (continued)**34. 分部報告** (續)**(B) Geographical segments****(B) 地區分部**

		Mainland China 中國大陸 HK\$'000 港幣千元	Hong Kong 香港 HK\$'000 港幣千元	Taiwan 台灣 HK\$'000 港幣千元	Consolidated 綜合 HK\$'000 港幣千元
Revenue from external customers	對外客戶收入	1,380,387	358,764	297,211	2,036,362
Segment assets	分部資產	1,125,326	300,955	393,559	1,819,840
Capital expenditure incurred during the year	是年度資本支出	39,145	2,521	1,363	43,029