

# Notes to the Financial Statements

## 財務報表附註

for the year ended 31st December, 2005 截至二零零五年十二月三十一日止年度

### 1. General

The Company was incorporated as an exempted company with limited liability in the Cayman Islands with its shares listed on The Stock Exchange of Hong Kong Limited ("Stock Exchange"). The addresses of the registered office and principal place of business of the Company are disclosed in the "Corporate Information" section to the annual report. The Company's ultimate holding company is Real Reward Limited, a company incorporated in the Cayman Islands.

The financial statements are presented in Hong Kong dollars, which is the same as the functional currency of the Company.

The Company acts as an investment holding company. The principal activities of its principal subsidiaries are the operation of retailing business and property investment.

### 2. Application of Hong Kong financial reporting standards/ changes in accounting policies

In the current year, the Group has applied, for the first time, a number of new Hong Kong Financial Reporting Standards ("HKFRS"s), Hong Kong Accounting Standards ("HKAS"s) and Interpretations (hereinafter collectively referred to as "new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") that are effective for accounting periods beginning on or after 1st January, 2005. The application of the new HKFRSs has resulted a change in the presentation of income statement, balance sheet and the statement of changes in equity. In particular, the presentation of share of tax of jointly controlled entity and minority interests has been changed. The adoption of the new HKFRSs has resulted in changes to the Group's accounting policies in the following areas that have an effect on how the results for the current or prior accounting periods are prepared and presented:

### 1. 一般事項

本公司在開曼群島註冊成立為獲豁免有限公司，其股份於香港聯合交易所有限公司（「聯交所」）上市。本公司之註冊辦事處及主要營業地點地址於年報「企業資料」一節披露。於開曼群島註冊成立之Real Reward Limited為本公司之最終控股公司。

財務報表以本公司功能貨幣港元列值。

本公司為投資控股公司，其主要附屬公司之主要業務為經營零售業務及物業投資。

### 2. 應用香港財務報告準則／會計政策變動

於本年度，本集團首次應用由香港會計師公會（「香港會計師公會」）頒布，並於二零零五年一月一日或之後開始會計期間生效之數項新訂香港財務報告準則（「香港財務報告準則」）、香港會計準則（「香港會計準則」）及詮釋（下文統稱「新訂香港財務報告準則」）。應用新訂香港財務報告準則導致收益表、資產負債表及權益變動表之呈報方式有變，特別是共同控制實體應佔稅項及少數股東權益之呈報出現變動。採納新訂香港財務報告準則導致本集團會計政策於下列範疇出現變動，並對現時或先前會計期間業績之編製及呈報方式構成影響：

## 2. Application of Hong Kong financial reporting standards/ changes in accounting policies (continued)

### Investment properties

HKAS 40 Investment Property requires an investment property to be accounted for using the cost model or the fair value model. The Group has elected to use the fair value model to account for its investment properties which requires gains or losses arising from changes in the fair value of investment properties to be recognised directly in the profit or loss for the period in which they arise. In previous periods, investment properties under the predecessor standard were measured at open market values, with revaluation surplus or deficit credited or charged to investment property revaluation reserve unless the balance on this reserve was insufficient to cover a revaluation decrease, in which case the excess of the revaluation decrease over the balance on the investment property revaluation reserve was charged to the income statement. Where a decrease had previously been charged to the income statement and revaluation increase subsequently arose, that increase was credited to the income statement to the extent of the decrease previously charged. The Group has applied the relevant transitional provisions in HKAS 40 and elected to apply HKAS 40 from 1st January, 2005 onwards. The amount held in investment property revaluation reserve at 1st January, 2005 has been transferred to the Group's accumulated loss. (See Note 3 for the financial impact to the current year.)

### Deferred taxes related to investment properties

In previous years, the deferred tax consequences in respect of revalued investment properties were assessed on the basis of the tax consequence that would follow from recovery of the carrying amount of the properties through sale in accordance with the predecessor Interpretation. HK(SIC) Interpretation 21 Income Taxes - Recovery of Revalued Non-Depreciable Assets removes the presumption that the carrying amount of investment properties are to be recovered through sale. Therefore, the deferred tax consequences of the investment properties are now assessed on the basis that reflect the tax consequences that would follow from the manner in which the Group expects to recover the property at each balance sheet date. In the absence of any specific transitional provisions in HK(SIC) Interpretation 21, this change in accounting policy should have been applied retrospectively. However, the adoption of HK(SIC) Interpretation 21 does not have any significant impact on the profit of the prior period and no prior period adjustment is necessary.

## 2. 應用香港財務報告準則／會計政策變動 (續)

### 投資物業

香港會計準則第40號投資物業規定投資物業以成本模式或公平價值模式列賬。本集團選用公平價值模式就其投資物業列賬，該模式規定投資物業公平價值變動所產生盈虧直接於產生期間之溢利或虧損中確認。於過往期間，投資物業按以往標準以公開市值計算，而重估盈餘或虧絀則計入或扣除自投資物業重估儲備，除非此儲備之結餘不足以彌補重估減少，於此情況下，重估減少較投資物業重估儲備結餘多出之金額自收益表扣除。倘減少先前已自收益表扣除及其後出現重估增加，該增幅計入收益表，惟以先前扣除之減幅為限。本集團已應用香港會計準則第40號之有關過渡條文，且自二零零五年一月一日起選用香港會計準則第40號。於二零零五年一月一日之投資物業重估儲備所持金額已轉撥至本集團累計虧損。(對本年度之財務影響可參閱附註3)

### 投資物業遞延稅項

於過往年度，有關重估投資物業之遞延稅項影響乃按根據以往詮釋透過銷售收回物業賬面值之稅務影響評估。香港(常務詮釋委員會)詮釋第21號所得稅－收回重估不可折舊資產撤除投資物業賬面值透過銷售收回之假設。因此，投資物業之遞延稅項影響現時按反映本集團預期於各結算日收回物業之方式所產生稅務影響評估。在香港(常務詮釋委員會)詮釋第21號並無任何特定過渡條文之情況下，此會計政策變動已追溯應用。然而，採納香港(常務詮釋委員會)詮釋第21號並無對先前期間之溢利構成任何重大影響，故毋須作出前期調整。

## 2. Application of Hong Kong financial reporting standards/ changes in accounting policies (continued)

### Financial instruments

#### Classification and measurement of financial assets and financial liabilities

The Group classifies and measures its financial instruments in accordance with HKAS 39 "Financial Instruments: Recognition and Measurement". Under HKAS 39, financial assets are classified as "financial assets at fair value through profit or loss", "available-for-sale financial assets", "loans and receivables" or "held-to-maturity financial assets". The classification depends on the purpose for which the assets are acquired. "Financial assets at fair value through profit or loss" and "available-for-sale financial assets" are carried at fair value, with changes in fair values recognised in profit or loss and equity respectively. "Loans and receivables" and "held-to-maturity financial assets" are measured at amortised cost using the effective interest method. Financial liabilities are generally classified as "financial liabilities at fair value through profit and loss" or "other financial liabilities". Financial liabilities at fair value through profit or loss are measured at fair value, with changes in fair value being recognised in profit or loss directly. Other financial liabilities are carried at amortised cost using the effective interest method after initial recognition. The adoption of HKAS 32 and HKAS 39 does not have any significant impact on the profit of the prior period except for the cost of equity transactions.

#### Cost of equity transactions

Under HKAS 32, the Company records transaction costs of an equity transaction as a deduction from equity. The transaction costs of an equity transaction are accounted for as a deduction from equity to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided. Transaction costs that relate jointly to more than one transaction (for example, costs of a concurrent offering of some shares and a stock exchange listing of other shares) are allocated to these transactions using a basis of allocation that is rational and consistent with similar transactions.

On applying HKAS 32, an adjustment of approximately HK\$27,173,000 relating to listing expenses has been reversed from share premium and included in the net profit for the year ended 31st December, 2004 (see note 3 for the financial impact).

## 2. 應用香港財務報告準則／會計政策變動(續)

### 金融工具

#### 金融資產及金融負債之分類與計量

本集團根據香港會計準則第39號「金融工具：確認與計量」分類及計量其金融工具。根據香港會計準則第39號，金融資產分類為「透過損益以公平值列賬之金融資產」、「可供銷售金融資產」、「貸款及應收款項」或「持有至到期日之金融資產」。分類視乎收購資產之目的而定。「透過損益以公平值列賬之金融資產」及「可供銷售金融資產」乃以公平值列值，而公平值之變動分別於損益及股本確認。「貸款及應收款項」及「持有至到期日之金融資產」以實際權益法按攤銷成本計算。金融負債一般分類為「透過損益以公平值列賬之金融負債」或「其他金融負債」。透過損益以公平值列賬之金融負債按公平值計算，而公平值變動直接於損益確認。其他金融負債於初步確認後以實際權益法按攤銷成本列值。採納香港會計準則第32號及香港會計準則第39號對過往期間之溢利並無任何重大影響，惟股本交易成本除外。

#### 股本交易成本

根據香港會計準則第32號，本公司將股本交易之交易成本記錄為股本扣減項目。股本交易之交易成本以股本扣減項目列賬，並以本應可避免之股本交易直接應佔增幅成本為限。與超過一項交易共同相關之交易成本（例如同時發售若干股份及其他股份於證券交易所上市之成本）按就類似交易而言屬合理貫徹之分配基準分配至有關交易。

應用香港會計準則第32號時，有關上市費用約27,173,000港元調整已自股份溢價撥回，並計入截至二零零四年十二月三十一日止年度純利（有關財務影響可參閱附註3）。

## 2. Application of Hong Kong financial reporting standards/ changes in accounting policies (continued)

### Business combinations

In the current year, the Group has applied HKFRS 3 Business Combinations which is effective for business combination for which the agreement date is on or after 1st January, 2005. The principal effect of the application of HKFRS 3 to the Group are summarised as follows:

#### *Excess of cost over the Group's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities*

In accordance with HKFRS 3, any excess of cost over the Group's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities is treated as goodwill which is measured at cost less accumulated impairment loss. Goodwill will be tested for impairment at least annually.

#### *Excess of the Group's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost*

In accordance with HKFRS 3, any excess of the Group's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over the cost of acquisition ("discount on acquisition") is recognised immediately in profit or loss in the period in which the acquisition takes place.

#### *Contingent liabilities of acquirees*

In accordance with HKFRS 3, contingent liabilities of an acquiree are recognised at the date of the acquisition if the fair value of the contingent liabilities can be measured reliably.

Previously, contingent liabilities of acquirees were not recognised separately from goodwill. The application of HKFRS 3 has no material impact to the Group.

## 2. 應用香港財務報告準則／會計政策變動 (續)

### 業務合併

於本年度，本集團應用香港財務報告準則第3號業務合併，有關準則適用於協議日期於二零零五年一月一日或之後的業務合併。應用香港財務報告準則第3號對本集團之主要影響概述如下：

#### *成本超出本集團應佔被收購公司可辨認資產、負債及或然負債公平淨值權益之差額*

根據香港財務報告準則第3號，成本超出本集團應佔被收購公司可辨認資產、負債及或然負債公平淨值權益之任何差額被視為商譽，乃按成本減累計減值虧損計算。商譽將最少每年檢測減值。

#### *本集團應佔被收購公司可辨認資產、負債及或然負債公平淨值權益超出成本之差額*

根據香港財務報告準則第3號，本集團應佔被收購公司可辨認資產、負債及或然負債公平淨值權益超出收購成本之任何差額（「收購折讓」）於收購進行期間即時在損益確認。

#### *被收購公司之或然負債*

根據香港財務報告準則第3號，倘或然負債公平值能可靠計算，則於收購日期確認被收購公司之或然負債。

先前被收購公司之或然負債並非與商譽分開確認。應用香港財務報告準則第3號不會對本集團造成重大影響。

## 2. Application of Hong Kong financial reporting standards/ changes in accounting policies (continued)

### Interests in joint ventures

Joint venture arrangements that involve the establishment of a separate entity in which each venturer has an interest are referred to as jointly controlled entities. The Group reports its interests in jointly controlled entities using equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for under HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

Any goodwill arising on the acquisition of the Group's interest in a jointly controlled entity is accounted for in accordance with the Group's accounting policy for goodwill arising on the acquisition of a subsidiary (see above).

Where the Group transacts with its jointly controlled entity, unrealised profits and losses are eliminated to the extent of the Group's interest in the jointly controlled entity.

### Share-based payments

In the current year, the Group has applied HKFRS 2 "Share-based Payment" which requires an expense to be recognised where the Group buys goods or obtains services in exchange for shares or rights over shares ("equity-settled transactions"), or in exchange for other assets equivalent in value to a given number of shares or rights over shares ("cash-settled transactions"). The principal impact of HKFRS 2 on the Group is in relation to the expensing of the fair value of share options granted to directors and employees of the Group, determined at the date of grant of the share options, over the vesting period. There is no impact for the prior period as no options were granted in prior years.

## 2. 應用香港財務報告準則／會計政策變動 (續)

### 於合營企業之權益

涉及成立獨立實體而各企業方擁有權益之合營企業安排乃指共同控制實體。本集團使用股本權益會計法呈報其於共同控制實體之權益，惟投資分類為持作出售者除外，於此情況下，按香港財務報告準則第5號以持作出售之非流動資產及已終止業務入賬。

收購本集團於一家共同控制實體之權益產生之任何商譽，根據本集團有關收購一家附屬公司產生商譽（見上文）之會計政策入賬。

倘本集團與其共同控制實體進行交易，未變現溢利與虧損撇銷至本集團於共同控制實體之權益為限。

### 股份付款

於本年度，本集團應用香港財務報告準則第2號「股份付款」，該準則規定倘本集團以股份或股份權利換取購貨或取得服務（「股本結算交易」），或以相當於指定數目股份或股份權利的其他等值資產換取購貨或取得服務（「現金結算交易」），則須確認開支。香港財務報告準則第2號對本集團的主要影響與授予本集團董事及僱員之購股權按購股權授出日期釐定的公平價值於歸屬期間支銷相關。由於過往年度並無授出購股權，故並無對過往期間造成影響。

**3. Summary of the effect of the changes in accounting policies**

The effects of the changes in the accounting policies described above on the results for the current and prior year are as follows:

		<b>2005</b> 二零零五年 <b>HK\$'000</b> 千港元	2004 二零零四年 HK\$'000 千港元
Recognition of share-based payment as expenses	確認股份付款為支出	<b>(1,400)</b>	-
Fair value changes on investment properties	投資物業之公平值變動	<b>4,300</b>	-
Transaction costs attributable to listing of shares	股份上市有關交易成本	-	(27,173)
Increase (decrease) in profit for the year	本年度溢利增加(減少)	<b>2,900</b>	(27,173)

**3. 會計政策變動影響概要**

上述會計政策變動對目前及過往年度業績之影響如下:

The financial effects of the application of the new HKFRSs to the Group's equity at 31st December, 2004 and 1st January, 2005 are summarised below:

應用新訂香港財務報告準則對本集團於二零零四年十二月三十一日及二零零五年一月一日股本權益之財務影響概述如下:

		<b>As at 31.12.2004 (originally stated)</b> 於二零零四年 十二月三十一日 (原先呈列) HK\$'000 千港元	<b>Adjustment</b> 調整 HK\$'000 千港元	<b>As at 31.12.2004 (restated)</b> 於二零零四年 十二月三十一日 (重列) HK\$'000 千港元	<b>Adjustment</b> 調整 HK\$'000 千港元	<b>As at 1.1.2005 (restated)</b> 於二零零五年 一月一日 (重列) HK\$'000 千港元
Accumulated losses	累計虧損	(678,900)	(27,173)	(706,073)	2,882	(703,191)
Investment property revaluation reserve	投資物業 重估儲備	2,882	-	2,882	(2,882)	-
Share premium	股份溢價	2,460,978	27,173	2,488,151	-	2,488,151
Total effects on equity	股本之整體影響	1,784,960	-	1,784,960	-	1,784,960

### 3. Summary of the effect of the changes in accounting policies

(continued)

The Group has not early applied the following standards and interpretations issued by Hong Kong Financial Reporting Interpretations Committee that have been issued but are not yet effective.

HKAS 1 (Amendment)	Capital disclosures <sup>1</sup>
HKAS 19 (Amendment)	Actuarial gains and losses, group plans and disclosures <sup>2</sup>
HKAS 21 (Amendment)	Net investment in a foreign operation <sup>2</sup>
HKAS 39 (Amendment)	Cash flow hedge accounting of forecast intragroup transactions <sup>2</sup>
HKAS 39 (Amendment)	The fair value option <sup>2</sup>
HKAS 39 & HKFRS 4 (Amendments)	Financial guarantee contracts <sup>2</sup>
HKFRS 6	Exploration for and evaluation of mineral resources <sup>2</sup>
HKFRS 7	Financial instruments: Disclosures <sup>1</sup>
HKFRS – INT 4	Determining whether an arrangement contains a lease <sup>2</sup>
HKFRS – INT 5	Rights to interests arising from decommissioning restoration and environmental rehabilitation funds <sup>2</sup>
HK(IFRIC) – INT 6	Liabilities arising from participating in a specific market – waste electrical and electronic equipment <sup>3</sup>
HK(IFRIC) – INT 7	Applying the restatement approach under HKAS 29 Financial Reporting in Hyperinflationary Economies <sup>4</sup>
HK(IFRIC) – INT 8	Scope of HKFRS 2 <sup>5</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1st January, 2007.

<sup>2</sup> Effective for annual periods beginning on or after 1st January, 2006.

<sup>3</sup> Effective for annual periods beginning on or after 1st December, 2005.

<sup>4</sup> Effective for annual periods beginning on or after 1st March, 2006.

<sup>5</sup> Effective for annual periods beginning on or after 1st May, 2006.

### 3. 會計政策變動影響概要 (續)

本集團並無提早應用以下由香港財務報告詮釋委員會 (Hong Kong Financial Reporting Interpretations Committee) 頒佈惟尚未生效之準則及詮釋。

香港會計準則第1號(修訂本)	資本披露 <sup>1</sup>
香港會計準則第19號(修訂本)	精算損益、集團計劃及披露 <sup>2</sup>
香港會計準則第21號(修訂本)	一家外國公司之投資淨額 <sup>2</sup>
香港會計準則第39號(修訂本)	預測集團內公司間交易之現金流量對沖會計處理 <sup>2</sup>
香港會計準則第39號(修訂本)	選擇以公平值入賬 <sup>2</sup>
香港會計準則第39號及香港財務報告準則第4號(修訂本)	財務擔保合約 <sup>2</sup>
香港財務報告準則第6號	礦產資源勘探及評估 <sup>2</sup>
香港財務報告準則第7號	金融工具：披露 <sup>1</sup>
香港財務報告準則－詮釋第4號	釐定安排是否包括租賃 <sup>2</sup>
香港財務報告準則－詮釋第5號	終止運作、復原及環境修復基金產生權益之權利 <sup>2</sup>
香港(國際)財務報告詮釋委員會－詮釋第6號	參與特定市場產生之責任－廢棄電力及電子設備 <sup>3</sup>
香港(國際)財務報告詮釋委員會－詮釋第7號	根據香港會計準則第29號嚴重通脹經濟中之財務報告應用重列方針 <sup>4</sup>
香港(國際)財務報告詮釋委員會－詮釋第8號	香港財務報告準則第2號之範圍 <sup>5</sup>

<sup>1</sup> 於二零零七年一月一日或之後年度期間開始生效。

<sup>2</sup> 於二零零六年一月一日或之後年度期間開始生效。

<sup>3</sup> 於二零零五年十二月一日或之後年度期間開始生效。

<sup>4</sup> 於二零零六年三月一日或之後年度期間開始生效。

<sup>5</sup> 於二零零六年五月一日或之後年度期間開始生效。

### 3. Summary of the effect of the changes in accounting policies

(continued)

The directors of the Company anticipate that the application of the above standards and interpretations will have no material impact on the financial statements of the Group except for the adoption of HKAS 39 & HKFRS 4 (Amendment) "Financial guarantee contracts" which requires financial guarantee contracts within the scope of HKAS 39 to be initially measured at fair value. The Group has commenced considering the potential impact of HKAS 39 & HKFRS 4 (Amendment) but is not yet in a position to determine whether they would have a significant impact on how its results of operations and financial position are prepared and presented.

### 4. Significant accounting policies

The consolidated financial statements have been prepared under the historical cost convention, as modified for investment properties and certain financial instruments, which are measured at fair value, as explained in accounting policies set out below.

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

#### Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Minority interests in the net assets of consolidated subsidiaries are presented separately from the Group's equity therein. Minority interests in the net assets consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

### 3. 會計政策變動影響概要 (續)

本公司董事預期，應用上述準則及詮釋將不會對本集團財務報表造成任何重大影響，惟採納香港會計準則第39號及香港財務報告準則第4號(修訂本)「財務擔保合約」除外，有關準則規定屬香港會計準則第39號範圍以內之財務擔保合約初步按公平值計算。本集團已著手考慮香港會計準則第39號及香港財務報告準則第4號(修訂本)之潛在影響，惟尚未能釐定該等準則會否對經營業績及財務狀況之編製及呈報方式造成重大影響。

### 4. 主要會計政策

綜合財務報表乃根據歷史成本基準編製，誠如以下會計政策所闡釋，惟投資物業及若干金融工具按公平值計算。

綜合財務報表乃根據香港會計師公會頒佈之香港財務報告準則編製。此外，綜合財務報表包括聯交所證券上市規則及香港公司條例規定之適用披露。

#### 綜合基準

綜合財務報表涵蓋本公司及其附屬公司之財務報表。

年內所收購或出售附屬公司自實際收購日期起或直至實際出售日期止(視適用情況而定)之業績計入綜合收益表。

如需要，附屬公司財務報表會作出調整，以符合本集團其他成員公司所用會計政策。

集團內公司間所有交易、結存、收入及開支於綜合賬目時對銷。

綜合附屬公司資產淨值之少數股東權益與本集團股本分開呈列。於資產淨值之少數股東權益包括該等權益於原有業務合併日期之款額及少數股東自合併日期起應佔權益變動。適用於少數股東權益之虧損超出附屬公司權益之少數股東權益之數額分配至本集團股本，惟少數股東權益具有約束責任及可作出額外投資以補償虧損之情況則除外。



#### 4. Significant accounting policies (continued)

##### Revenue recognition

Sales of goods are recognised when goods are sold and title has been passed.

Income from concessionaire sales is recognised upon sales of goods by the relevant shops.

Services income is recognised when services are rendered.

Rental income including rentals invoiced in advance from properties under operating leases, are recognised on a straight-line basis over the terms of the relevant lease.

Minimum guaranteed sales commission is recognised in according to the terms of contracts.

Interest income is accrued on a time proportion basis by reference to the principal outstanding and at the interest rate applicable.

##### Investment properties

On initial recognition, investment properties are measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured using the fair value model. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise.

##### Property, plant and equipment

Property, plant and equipment are stated at cost/deemed cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

Depreciation is provided to write off the cost of items of property, plant and equipment over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method, at the following rates per annum:

Leasehold land	Over the lease terms
Buildings	2.5%
Leasehold improvements	Over the shorter of the lease terms, or 20%
Plant and machinery	10%
Furniture, fixtures and equipment	20%
Motor vehicles	20%

#### 4. 主要會計政策 (續)

##### 收益確認

貨品銷售於貨品售出及擁有權轉移時確認。

特許專櫃銷售收入於有關店舖售出貨品時確認。

服務收入於提供服務時確認。

租金收入包括根據經營租約出租物業之預收租金發票額，於有關租期以直線法確認。

最低保證銷售佣金根據合約條款確認。

利息收入乃參考未償還本金及適用利率按時間比例基準計算。

##### 投資物業

於初步確認時，投資物業按成本計算，包括任何直接應佔開支。於初步確認後，投資物業採用公平值模式計算。投資物業公平值變動產生之收益或虧損計入產生期間之損益。

##### 物業、廠房及設備

物業、廠房及設備乃按成本／視作成本減其後累計折舊及累計減值虧損（如有）列賬。

折舊乃按物業、廠房及設備估計可使用年期與經計及其估計剩餘價值後以直線法按下列年率撇銷其成本計算：

租賃土地	按租約年期
樓宇	2.5%
租賃物業裝修	按租約年期或20% (以較短者為準)
廠房及機器	10%
傢俬、固定裝置及設備	20%
汽車	20%

#### 4. Significant accounting policies (continued)

##### Property, plant and equipment (continued)

Assets held under finance leases are depreciated over their estimated useful lives on the same basis as owned assets, or where shorter, the term of leases.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the year in which the item is derecognised.

##### Jointly controlled entities

Joint venture arrangements that involve the establishment of a separate entity in which venturers have joint control over the economic activity of the entity are referred to as jointly controlled entities.

The results and assets and liabilities of jointly controlled entities are incorporated in the consolidated financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for under HKFRS 5 "Non-current Assets Held for Sale and Discontinued Operations". Under the equity method, investments in jointly controlled entities are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the Group's share of the profit or loss and of changes in equity of the jointly controlled entities, less any identified impairment loss. When the Group's share of losses of a jointly controlled entity equals or exceeds its interest in that jointly controlled entity (which includes any long-term interests that, in substance, form part of the Group's net investment in the jointly controlled entity), the Group discontinues recognising its share of further losses. An additional share of losses is provided for and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that jointly controlled entity.

When a Group entity transacts with a jointly controlled entity of the Group, unrealised profits or losses are eliminated to the extent of the Group's interest in the jointly controlled entity, except to the extent that unrealised losses provide evidence of an impairment of the asset transferred, in which case, the full amount of losses is recognised.

#### 4. 主要會計政策 (續)

##### 物業、廠房及設備 (續)

根據融資租約持有之資產按自置資產之相同基準，於估計可使用年期或按租期（倘屬較短期間）折舊。

物業、廠房及設備項目於出售時或預期日後將不會自持續使用資產獲得經濟利益時剔除確認。剔除確認資產產生之任何收益或虧損（按出售所得款項淨額與有關項目之賬面值間差額計算）於剔除確認有關項目之年度計入收益表。

##### 共同控制實體

涉及成立合營企業商對實體之經濟活動擁有共同控制權之個別實體之合營企業安排稱為共同控制實體。

共同控制實體業績及資產與負債採用權益會計法計入綜合財務報表，惟分類為持作出售投資則除外。在此情況下，有關投資根據香港財務報告準則第5號「持作出售之非流動資產及已終止業務」入賬。根據權益法，於共同控制實體之投資按成本減任何已識別減值虧損於綜合資產負債表列賬，並就本集團應佔損益及共同控制實體權益變動之收購後變動作出調整。倘本集團應佔一家共同控制實體虧損相等於或超出其於該共同控制實體之權益（包括實際組成本集團於該共同控制實體投資淨值其中部分之任何長期權益），則本集團終止確認其應佔之進一步虧損。倘本集團產生法定或推定責任或代表該共同控制實體付款，額外應佔虧損方始就此作出撥備及確認有關責任。

倘本集團旗下實體與本集團之共同控制實體進行交易，則於本集團在共同控制實體之權益撤銷未變現損益，惟未變現虧損證明所轉讓資產出現減值則除外，在此情況下會全數確認虧損。

#### 4. Significant accounting policies (continued)

##### Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of the assets ('disposal groups') previous carrying amount and fair value less costs to sell.

##### Leases

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight-line basis.

##### Inventories

Inventories, which represent merchandise held for resale, are stated at the lower of cost and net realisable value. The cost of merchandise is determined by the retail method and is computed by reference to the retail selling price of goods less the average gross profit margins. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

#### 4. 主要會計政策 (續)

##### 持作出售之非流動資產

倘非流動資產及出售業務之賬面值將主要透過銷售交易而非持續使用而收回，則分類為持作出售。在銷售極可能進行及資產（或出售業務）按現有狀況可即時出售之情況下，方始視作符合此項條件。

分類為持作出售之非流動資產（及出售業務）按資產（出售業務）先前之賬面值或公平值之較低者減出售成本計算。

##### 租約

按融資租約持有之資產於租約開始時按其公平值或（如較低）最低租賃款項現值確認為本集團資產。出租人的相應負債計入資產負債表，列作融資租約承擔。租賃款項於融資開支與租賃承擔減少之間分配，以就承擔結餘得出固定利率。融資開支直接於損益扣除。

根據經營租約應付之租金於有關租約年期按直線法在損益扣除。已收及應收作為訂立經營租約優惠之利益於租賃年期按直線法確認為租金開支減少。

##### 存貨

存貨指持有作轉售的商品，以成本及可變現淨值較低者入賬。商品成本以零售法釐定，參考貨品零售價減平均毛利率計算。可變現淨值指在日常業務中估計售價減估計銷貨所需成本。

#### 4. Significant accounting policies (continued)

##### Financial instruments

Financial assets and financial liabilities are recognised on the balance sheet when a Group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

##### Financial assets

Financial assets are classified into one of the four categories, including financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. The Group's financial assets comprise of loan and receivables and available-for-sale financial assets. The applicable accounting policies are set out below.

##### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At each balance sheet date subsequent to initial recognition, loans and receivables (including trade receivable, deposits, loan receivable, balances due from a jointly controlled entity and other receivable) are carried at amortised cost using the effective interest method, less any identified impairment losses. An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

#### 4. 主要會計政策 (續)

##### 金融工具

當本集團旗下公司成為工具合約條文之訂約方時，於資產負債表確認金融資產及金融負債。金融資產及金融負債初步按公平值計算。收購或發行金融資產及金融負債（透過損益以公平值列賬之金融資產及金融負債除外）直接應佔交易成本於初步確認時，在金融資產或金融負債之公平值加入或扣除（視適用情況而定）。收購透過損益以公平值列賬之金融資產或金融負債直接應佔交易成本即時於損益確認。

##### 金融資產

金融資產分為四類，包括透過損益以公平值列賬之金融資產、貸款及應收款項、持有至到期日之投資及可供出售金融資產。所有以正常方式購買或出售之金融資產按交易日基準確認及剔除確認。正常購買或出售方式規定須於規例或市場慣例設定之時限內以交付資產方式購買或出售金融資產。本集團之金融資產包括貸款及應收款項以及可供出售金融資產。適用會計政策載列如下。

##### 貸款及應收款項

貸款及應收款項為設有固定或待定期款金額之非衍生金融資產，且不會在活躍市場掛牌。於初步確認後各個結算日，貸款及應收款項（包括應收賬款、按金、應收貸款、應收一家共同控制實體結餘及其他應收款項）採用實際利率法按已攤銷成本減任何已識別減值虧損列賬。倘有客觀證據證明資產出現減值，則減值虧損於損益確認，按資產賬面值與按原有實際利率貼現之估計日後現金流量現值間之差額計算。倘資產可收回金額增加客觀上與確認減值後發生之事件相關，則減值虧損於其後期間撥回，惟以於減值日期撥回之資產賬面值不會超出在並無確認減值之情況下原應攤銷之成本為限。

#### 4. Significant accounting policies (continued)

##### Financial assets (continued)

###### Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as any of the other categories. At each balance sheet date subsequent to initial recognition, available-for-sale financial assets are measured at fair value. Changes in fair value are recognised in equity, until the financial asset is disposed of or is determined to be impaired, at which time, the cumulative gain or loss previously recognised in equity is removed from equity and recognised in profit or loss. Any impairment losses on available-for-sale financial assets are recognised in profit or loss. Impairment losses on available-for-sale equity investments will not reverse in subsequent periods. For available-for-sale debt investments, impairment losses are subsequently reversed if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

##### Financial liabilities and equity

Financial liabilities and equity instruments issued by a Group entity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Financial liabilities are classified into financial liabilities at fair value through profit or loss and other financial liabilities. The Group's financial liabilities comprise of only other financial liabilities. The accounting policies are set out below.

###### Other financial liabilities

Other financial liabilities including bank and other borrowings, trade payables, concessionaire sales payable, other payables, deposits, amount due to a jointly controlled entity and accrued charges are subsequently measured at amortised cost, using the effective interest rate method.

###### Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

#### 4. 主要會計政策 (續)

##### 金融資產 (續)

###### 可供出售金融資產

可供出售金融資產為指定或並未分類為任何其他類別之非衍生工具。於初步確認後各個結算日，可供出售金融資產按公平值計算。公平值變動於股本確認，直至金融資產出售或被釐定出現減值為止，屆時先前於股本確認之累計收益或虧損會自股本剔除，並於損益確認。可供出售金融資產之任何減值虧損於損益確認。可供出售股本投資之減值虧損將不會於其後期間撥回。就可供出售債務投資而言，倘投資公平值之增加客觀上與於確認減值虧損後發生之事件相關，則其後撥回減值虧損。

##### 金融負債及股本

本集團旗下實體發行之金融負債及股本工具按所訂立訂約安排內容以及金融負債及股本工具之定義分類。

股本工具為證明本集團資產經扣除所有負債後餘下權益之任何合約。金融負債分類為透過損益以公平值列賬之金融負債及其他金融負債。本集團金融負債僅包括其他金融負債。會計政策載列如下。

###### 其他金融負債

其他金融負債包括銀行及其他借貸、應付賬款、應付特許專權銷售額、其他應付款項、按金、應付一家共同控制實體款項及應計開支，其後採用實際利率法按已攤銷成本計算。

###### 股本工具

本公司發行之股本工具按所收取款項扣除直接發行成本後入賬。

#### 4. Significant accounting policies (continued)

##### Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and the cumulative gain or loss that had been recognised directly in equity is recognised in profit or loss.

For financial liabilities, they are removed from the Group's balance sheet (i.e. when the obligation specified in the relevant contract is discharged, cancelled or expires). The difference between the carrying amount of the financial liability derecognised and the consideration received or receivable is recognised in profit or loss.

##### Impairment losses

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

##### Share-based payment transactions

The fair value of services received determined by reference to the fair value of share options granted at the grant date is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share based payment reserve).

At the time when the share options are exercised, the amount previously recognised in share based payment reserve will be transferred to share premium. When the share options are not exercised at the expiry date, the amount previously recognised in share based payment reserve will be transferred to accumulated profits.

#### 4. 主要會計政策 (續)

##### 剔除確認

金融資產於自資產收取現金流量之權利屆滿或金融資產已轉讓且本集團轉讓金融資產所有權之絕大部分風險及回報時剔除確認。於剔除確認金融資產時，資產賬面值與已收代價及已直接於股本確認之累計收益或虧損之總和間之差額於損益確認。

於有關合約所指定責任遭免除、註銷或屆滿時，金融負債自本集團資產負債表剔除。剔除確認之金融負債賬面值與已收或應收代價間之差額於損益確認。

##### 減值虧損

本集團於各結算日審閱其有形及無形資產賬面值，以釐定該等資產有否出現減值虧損跡象。倘資產之可收回金額估計低於其賬面值，則資產之賬面值減至其可收回金額。減值虧損即時確認為支出。

倘減值虧損其後撥回，則將調高資產賬面值至其經修訂估計可收回金額，惟經調高之賬面值不得超逾假設於過往年度並無就資產確認減值虧損而釐定之賬面值。減值虧損撥回即時確認為收入。

##### 股份付款交易

經參考於授出日期所授出購股權公平值釐定之所獲取服務公平值於歸屬期間以直線法支銷，股本則相應增加（股份付款儲備）。

於購股權獲行使時，先前於股份付款儲備確認之金額將轉撥至股份溢價。倘購股權於到期日尚未行使，則先前於股份付款儲備確認之金額將轉撥至累計溢利。

#### 4. Significant accounting policies (continued)

##### Taxation

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statements 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. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

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 recognised for all taxable temporary differences, and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

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

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable 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 is realised. Deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

#### 4. 主要會計政策 (續)

##### 稅項

所得稅支出指現行應繳稅項與遞延稅項之總和。

現行應繳稅項乃按本年度應課稅溢利計算。應課稅溢利不計入其他年度的應課稅或可扣稅收支項目，亦不計入收益表中毋須課稅或不獲扣稅項目，故有別於收益表所報純利。本集團有關現行稅項之責任按於結算日已實施或大致上已實施之稅率計算。

遞延稅項指財務報表中資產及負債賬面值與計算應課稅溢利所用相應稅基間差額的預計應繳或可收回稅項，乃按資產負債表負債法計算。所有暫時應課稅差額一般都會確認為遞延稅項負債，惟遞延稅項資產則於應課稅溢利有可能抵銷可扣稅暫時差額時予以確認。但倘若有關暫時差額是由商譽又或由初步確認（非業務合併）既不影響稅項溢利亦不影響會計溢利的交易的其他資產和負債所引起，則不會確認該等資產和負債。

遞延稅項負債於附屬公司之投資及於一家共同控制實體之權益產生暫時應課稅差額時確認，惟本集團可控制暫時差額之撥回及於可見將來暫時差額可能不會撥回者除外。

遞延稅項資產賬面值於每個結算日檢討，並於不可能有足夠應課稅溢利以收回全部或部分資產時作出扣減。

遞延稅項於清償有關負債或變賣有關資產時，按預計有關期間適用稅率計算。遞延稅項扣自或計入損益，除非遞延稅項與直接從股本扣除或計入的項目相關，在該情況下，遞延稅項亦須在股本中處理。

#### 4. Significant accounting policies (continued)

##### Foreign currencies

In preparing the financial statements of each individual Group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in its functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise, except for exchange differences arising on a monetary item that forms part of the Group's net investment in a foreign operation, in which case, such exchange differences are recognised in equity in the consolidated financial statements. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity, in which cases, the exchange differences are also recognised directly in equity.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Company (i.e. Hong Kong dollars) at the rate of exchange prevailing at the balance sheet date, and their income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised as a separate component of equity (the exchange reserve). Such exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation on or after 1st January, 2005 are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the balance sheet date. Exchange differences arising are recognised in the exchange reserve.

#### 4. 主要會計政策 (續)

##### 外幣

於編製本集團旗下各個別實體之財務報表時，以該實體之功能貨幣以外貨幣（外幣）進行之交易按交易日期之匯率以其功能貨幣（即該實體經營業務所在主要經濟環境之貨幣）列賬。於各個結算日，以外幣結算之貨幣項目按結算日之匯率重新換算。按公平值列賬且以外幣結算之非貨幣項目按釐定公平值當日匯率重新換算。按過往成本以外幣計算之非貨幣項目不會重新換算。

交收貨幣項目及換算貨幣項目時產生之匯兌差額於產生期間在損益確認，惟組成本集團於海外業務之投資淨額其中部分之貨幣項目產生之匯兌差額則除外，在該情況下，有關匯兌差額於綜合財務報表股本項下確認。重新換算按公平值列賬之非貨幣項目產生之匯兌差額計入期內損益，惟重新換算非貨幣項目產生之差額則除外，有關收益及虧損直接於股本確認，在該情況下，匯兌差額亦直接於股本確認。

就綜合財務報表呈報方式而言，本集團海外業務之資產及負債按結算日之匯率換算為本公司之呈報貨幣（即港元），而其收入及開支則按年內平均匯率換算，除非匯率於期內出現大幅波動，在該情況下，則採用交易日期之匯率換算。所產生匯兌差額（如有）確認為股本之獨立部分（匯兌儲備）。有關匯兌差額於出售海外業務期間在損益確認。

於二零零五年一月一日或之後收購海外業務時產生之所收購可識別資產之商譽及公平值調整被視作該海外業務之資產及負債，按結算日之匯率換算。所產生匯兌差額於匯兌儲備確認。



#### 4. Significant accounting policies (continued)

##### Retirement benefit costs

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

#### 5. Critical accounting judgements and key sources of estimation uncertainty

In the process of applying the entity's accounting policies which are described in note 4, management has made the following judgment that have significant effect on the amounts recognised in the financial statements. The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are also discussed below.

##### Depreciation

The Group's net book value of property, plant and equipment as at 31st December, 2005 was HK\$2,327 million. The Group depreciates the property, plant and equipment other than leasehold land and building on a straight line basis over the estimated useful life, and after taking into account of their estimated residual value, using the straight-line method, at the rate 10% to 20% per annum, commencing from the date the equipment is placed into productive use. The estimated useful life and dates that the Group places the equipment into productive use reflects the directors' estimate of the periods that the Group intend to derive future economic benefits from the use of the Group's plant and equipment.

##### Allowances for bad and doubtful debts

The amount of bad and doubtful debts provided during the year ended 31st December, 2005 was HK\$5,863,000 which relate mainly to rental receivable. The policy for allowance of bad and doubtful debts of the Group is based on the evaluation of collectability and aging analysis of accounts and on management's judgment. A considerable amount of judgment is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each tenant. If the financial conditions of tenant of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

#### 4. 主要會計政策 (續)

##### 退休福利成本

定額供款退休福利計劃供款在到期支付時列作支出。

#### 5. 關鍵會計判斷及主要不確定估計來源

於應用附註4所述有關實體之主要會計政策時，管理層作出以下對財務報表內所確認金額造成重大影響之判斷。下文闡釋就日後作出之主要假設及於結算日後之其他主要不確定來源，該等假設及不確定因素會對下一個財政年度資產及負債之賬面值造成須作出重大調整之重大風險。

##### 折舊

於二零零五年十二月三十一日，本集團物業、廠房及設備之賬面淨值為2,327,000,000港元。本集團按直線法就租賃土地及樓宇以外之物業、廠房及設備之估計可用年期與計及有關物業、廠房及設備估計剩餘價值後計算折舊，並已採用直線法，按年率10%至20%，自該設備可作生產用途起計。估計可用年期及本集團將該設備撥作生產用途之日期反映董事對本集團擬自使用其廠房及設備獲取日後經濟利益之有關期間之估計。

##### 呆壞賬撥備

截至二零零五年十二月三十一日止年度之呆壞賬準備為5,863,000港元，主要是與應收物業租金有關。本集團呆壞賬撥備政策乃以賬目之可收回情況評估及賬齡分析以及管理層判斷為基準。評估此等應收款項最終變現情況時，需要作出大量判斷，當中包括各租戶之現有信譽及過往收回款項記錄。倘本集團租戶之財務狀況轉壞，導致其無力支付款項，則可能需要作出額外撥備。

## 5. Critical accounting judgements and key sources of estimation uncertainty (continued)

### Write-down of for inventories

The management of the Group reviews an aging analysis at each balance sheet date, and allowance for obsolete and slow-moving inventory items identified that are no longer suitable for sales. The Group carries out an inventory review on a item by item basis at each balance sheet date and writes down the value allowance for obsolete items.

### Income taxes

As at 31st December, 2005, a deferred tax asset of HK\$11,477,000 in relation to unused tax losses has been recognised in the Group's balance sheet. The realisability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where the actual future profits generated are less than expected, a material reversal of deferred tax assets may arise, which would be recognised in the income statement for the period in which such a reversal takes place.

## 6. Financial risk management objectives and policies

The Group's major financial assets and liabilities include bank balances and cash, equity investments, borrowings, trade receivables, trade payables, amount due from/to a jointly controlled entity and concessionaire sales payable. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

### Currency risk

Certain subsidiaries of the Company have foreign currency sales and borrowings, which expose the Group to foreign currency risk. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arises.

### Interest rate risk

The Group is exposed to interest rate risk through the impact of interest rate changes on interest bearing bank borrowings (bank borrowings carry interest at variable rate and fixed rate). The interest rates and terms of repayment of bank borrowings of the Group are disclosed in note 28. The Group currently does not have an interest rate hedging policy.

## 5. 關鍵會計判斷及主要不確定估計來源 (續)

### 存貨撇減

本集團管理層會於各結算日檢討賬齡分析，以及確定不再適合用作銷售之陳舊及滯銷存貨項目之撥備。本集團於各結算日按各項目檢討存貨，並撇減陳舊項目之價值撥備。

### 所得稅

於二零零五年十二月三十一日，有關未動用稅項虧損之遞延稅項資產11,477,000港元已於本集團資產負債表確認。遞延稅項資產之可變現情況主要取決於日後是否有充裕溢利或應課稅暫時差額。倘日後所產生實際溢利較預期少，或會對遞延稅項資產作出重大撥回，而有關撥回將於作出撥回之期間內在收益表確認。

## 6. 財務風險管理目的及政策

本集團之主要財務資產及負債包括銀行結存及現金、資本投資、借貸、應收賬款、應付賬款、應收／付一家共同控制實體款項以及應付特許專櫃銷售款項。此等金融工具詳情於相關附註中披露。下文載列與此等金融工具相關之風險及如何減低此等風險之政策。管理層會管理及監控該等風險，以確保及時與有效地採取適當措施。

### 外匯風險

本公司若干附屬公司進行外匯銷售及借貸，故本集團須面對外匯風險。本集團現時並無任何外匯對沖政策。然而，管理層會監控外匯風險，並於需要時考慮對沖重大外匯風險。

### 利率風險

本集團因附息銀行借貸（按浮息及定息計息之銀行借貸）之利率變動而面對利率風險。本集團銀行借貸之利率及還款期於附註28內披露。本集團現時並無採用任何利率對沖政策。

## 6. Financial risk management objectives and policies (continued)

### Credit risk

The Group's maximum exposure to credit risk in the event of the counterparties failure to perform their obligations as at 31st December, 2005 in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated balance sheet. In order to minimise the credit risk, the management of the Group has formulated a defined fixed credit policy and delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade receivable regularly at each balance sheet date to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The Group has no significant concentration of credit risk, with exposure spread over a number of counterparties and customers.

### Price risk

The Group's available-for-sale investments are measured at fair value at each balance sheet date. Therefore, the Group is exposed to equity security price risk. The management manages this exposure by maintaining a portfolio of investments with different risk profiles.

## 7. TURNOVER

Turnover represents the net amount received and receivable for goods sold by the Group to outside customers, less returns and allowance, income from concessionaire sales, services income and rental income during the year, and is analysed as follows:

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Sales of goods – direct sales	貨品銷售 – 直接銷售	1,258,538	962,256
Income from concessionaire sales	特許專櫃銷售收入	726,538	579,611
Services income	服務收入	53,953	37,102
Rental income	租金收入	55,270	29,759
		<b>2,094,299</b>	1,608,728

## 6. 財務風險管理目的及政策 (續)

### 信貸風險

於二零零五年十二月三十一日，本集團就訂約方未能履行其責任而按各類別已確認金融資產所面對之最高信貸風險乃指綜合資產負債表所述該等資產之賬面值。為盡量減低信貸風險，本集團管理層已制定明確之固定信貸政策，並委任一組人員，專責釐定信貸限額、批核信貸額及進行其他監管程序，以確保能跟進有關逾期債務之追討事宜。此外，本集團會於各結算日檢討各項個別應收賬款之可收回金額，以確保就不可收回款項作出足夠減值虧損。就此，本公司董事認為，本集團之信貸風險已大幅減少。

由於信貸風險分散於多名訂約方及客戶，故本集團並無重大信貸風險。

### 價格風險

本集團可供銷售投資乃按各結算日之公平值計量。因此，本集團面對股本證券價格風險。管理層透過維持具不同風險投資組合以管理是項風險。

## 7. 營業額

營業額指本集團於本年度就向外界客戶售出的貨品已收及應收款項淨額減退貨及優惠，加上特許專櫃銷售收入、服務收入以及租金收入，茲分析如下：

**7. TURNOVER** (continued)

The cost of sales and direct operating expenses are analysed as follows:

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Costs of direct sales	直接銷售成本	895,033	682,961
Direct operating expenses	直接經營開支	86,611	43,256
		<b>981,644</b>	726,217

**8. Business and geographical segments**

## (i) Geographical segments

The Group's operations are located in Hong Kong and Shanghai, the People's Republic of China (the "PRC"). The location of the Group's operations are the basis on which the Group reports its primary segment information for the current year. In the previous year, all the Group's turnover, contribution to operating profit and asset was attributable to operations located in Hong Kong. Accordingly no analysis of geographical segments was presented in 2004.

**2005**

## Income statement

		Hong Kong 香港 HK\$'000 千港元	PRC 中國 HK\$'000 千港元	Consolidated total 綜合總額 HK\$'000 千港元
Turnover	營業額			
External sales	對外銷售	1,910,352	183,947	2,094,299
Result	業績			
Segment result	分部業績	715,101	(41,495)	673,606
Share of results of a jointly controlled entity	分佔一家共同控制實體業績		3,624	3,624
Finance costs	融資成本			(51,035)
Profit before tax	除稅前溢利			626,195
Income tax expenses	所得稅開支	(102,299)		(102,299)
Profit for the year	本年度溢利			523,896

**7. 營業額** (續)

銷售成本及直接經營開支分析如下:

**8. 業務及地區分部**

## (i) 地區分部

本集團業務位於香港及中華人民共和國(「中國」)上海。本集團業務所在地點為本集團申報其本年度主要分部資料之基準。過往年度,本集團所有營業額、經營溢利貢獻及資產均源自位於香港之業務,因此二零零四年並無呈列地區分部分析。

**二零零五年**

## 收益表

**8. Business and geographical segments (continued)**

## Balance sheet

		8. 業務及地區分部 (續)		
		資產負債表		
		Hong Kong	PRC	Consolidated total
		香港	中國	綜合總額
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
Assets	資產			
Segment assets	分部資產	4,720,990	377,144	5,098,134
Interest in a jointly controlled entity	於一家共同控制實體之權益		436,728	436,728
Loan to a jointly controlled entity	向一家共同控制實體提供貸款		82,034	82,034
Unallocated corporate assets	未分配公司資產			12,295
Consolidated total assets	綜合資產總值			5,629,191
Liabilities	負債			
Segment liabilities	分部負債	1,847,464	326,834	2,174,298
Unallocated corporate liabilities	未分配公司負債			87,700
Consolidated total liabilities	綜合負債總額			2,261,998
Other information	其他資料			
Capital additions	資本增加	81,735	50,591	132,326
Capital additions on acquisition of subsidiaries	收購附屬公司時之資本增加	–	240,132	240,132
Depreciation and amortisation	折舊及攤銷	94,006	30,965	124,971
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	255	–	255
Allowance for bad and doubtful debts	呆壞賬撥備	431	5,432	5,863
Write-down of obsolete inventories	滯銷存貨撇減	328	654	982

(ii) Over 90% of the Group's turnover and contribution to operating profit is attributable to the operation of department stores for retailing of merchandises. Accordingly no analysis of business segment is presented.

(ii) 本集團超過90%營業額和經營溢利貢獻來自經營百貨店商品零售，故並無呈列業務分部分析。

## 9. Other operating income

## 9. 其他經營收入

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Cleaning income	清潔收入	11,674	7,772
Gain on disposal of investment held for trading	出售持作買賣投資之收益	1,881	-
Gain on disposal of property, plant and equipment	出售物業、廠房及 設備收益	-	2,421
Interest income	利息收入	51,800	14,082
Interest from a jointly controlled entity	收取一家共同控制實體之利息	7,450	-
Minimum guaranteed sales commission	最低保證銷售佣金	40,088	16,099
Project income	項目收入	3,639	564
Others	其他	24,336	6,343
		<b>140,868</b>	<b>47,281</b>

## 10. Finance costs

## 10. 融資成本

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Interest on:	以下項目之利息:		
Bank borrowings and overdrafts and other borrowings wholly repayable within five years	銀行貸款、透支及須於五年內 悉數償還之其他借貸	50,200	10,884
Finance leases	融資租約	10	11
Others	其他	825	554
		<b>51,035</b>	<b>11,449</b>

## 11. Profit before taxation

## 11. 除稅前溢利

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Profit before taxation has been arrived at after charging:	除稅前溢利已扣除下列項目		
Directors' remuneration (note 12):	董事酬金(附註12):		
Fees	袍金	391	304
Other emoluments	其他薪酬	2,486	2,476
Share-based payment	股份付款	180	-
Retirement benefits scheme contributions	退休福利計劃供款	14	12
		<b>3,071</b>	2,792
Other staff costs	其他員工成本	154,879	151,498
Retirement benefits scheme contributions, net of forfeited contributions	退休福利計劃供款減沒收供款	5,810	3,870
Share-based payment	股份付款	1,220	-
Total staff costs	總員工成本	<b>164,980</b>	158,160
Auditors' remuneration	核數師酬金	2,450	1,121
Depreciation:	折舊:		
- owned assets	- 自置資產	124,898	81,520
- assets held under finance leases	- 按融資租約持有資產	73	73
		<b>124,971</b>	81,593
Allowance for bad and doubtful debts	呆壞賬撥備	5,863	4,525
Write-down of obsolete inventories	滯銷存貨撇減	982	2,220
Minimum lease payments made under operating leases in respect of leasehold land and buildings to	就經營租約項下租賃土地及樓宇向以下人士支付之最低租約款項		
- a jointly controlled entity	- 一家共同控制實體	118,845	-
- other parties	- 其他人士	69,394	65,820
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	255	1,747
Cost of inventories recognised as expense	確認為支出之存貨成本	895,033	682,961
Net exchange loss	匯兌虧損淨額	2,236	2,060
Share of tax of a jointly controlled entity	分佔一家共同控制實體稅項	3,999	-
and crediting:	以及計入下列項目:		
Gross rents from investment properties	投資物業租金總額	762	1,263
Gross rents from sub-letting of commercial properties	商業物業分租租金總額	54,508	28,496
Less: Outgoings	減: 支銷	(51,220)	(22,732)
Net rental income	租金收入淨額	<b>4,050</b>	7,027





**12. Directors' and employees' remuneration (continued)**

Of the five highest paid individuals of the Group for the year ended 31st December, 2005, one (2004: one) was a director of the Company and four (2004: four) are employees of the Group, details of whose remuneration were as follows:

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Employees:	僱員:		
Salary, allowances and other benefits	薪金·津貼及其他福利	7,071	6,450
Retirement benefits scheme contributions	退休福利計劃供款	60	60
Performance related incentive payments	與表現掛鈎獎金	1,250	715
Share-based payment	股份付款	580	-
		<b>8,961</b>	<b>7,225</b>

The emolument of the five highest paid individuals were within the following bands:

		2005 二零零五年 Number of individuals 人數	2004 二零零四年 Number of individuals 人數
Nil to HK\$1,000,000	零至1,000,000港元	0	1
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	2	3
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至2,000,000港元	1	-
HK\$2,000,001 to HK\$2,500,000	2,000,001港元至2,500,000港元	1	1
HK\$2,500,001 to HK\$3,000,000	2,500,001港元至3,000,000港元	1	-

During the year ended 31st December, 2005, no remuneration was paid by the Group to the directors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors waived any emoluments during the year.

**12. 董事及僱員酬金 (續)**

截至二零零五年十二月三十一日止年度·本集團五名最高薪人士中·一名(二零零四年:一名)為本公司董事·另外四名(二零零四年:四名)則為本集團僱員·彼等之酬金詳情載列如下:

五名最高薪人士薪酬介乎以下範圍:

截至二零零五年十二月三十一日止年度·本集團並無向董事或五名最高薪人士支付薪酬·以吸引其加入本集團或作為加入本集團之獎金或離職補償·於本年度·董事概無放棄收取任何酬金。

## 13. Taxation

## 13. 稅項

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
The charge comprises:	支出包括下列項目：		
Hong Kong Profits Tax for the year	本年度香港利得稅	99,685	77,640
(Over)underprovision in prior years:	過往年度(超額撥備)／撥備不足：		
Hong Kong	香港	(700)	478
Deferred tax charge for the year (note 29)	本年度遞延稅項支出(附註29)	98,985 3,314	78,118 1,317
		<b>102,299</b>	79,435

The charge represents Hong Kong Profits Tax calculated at 17.5% (2004: 17.5%) of the estimated assessable profit for the year.

支出指按本年度估計應課稅溢利以17.5% (二零零四年：17.5%)之稅率計算之香港利得稅。

Details of the deferred tax charge for the year are set out in note 29.

本年度遞延稅項支出詳情載於附註29。

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

本年度的稅項支出與綜合收益表之除稅前溢利對賬如下：

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元 (Restated) (重列)
Profit before taxation	除稅前溢利	626,195	493,560
Tax at Hong Kong Profits Tax rates	按香港利得稅稅率計算之稅項	109,584	86,373
Tax effect of share of profit of a jointly controlled entity	分佔一家共同控制實體溢利之稅務影響	(634)	-
Tax effect of utilisation of tax losses not previously recognised	動用先前未有確認稅項虧損之稅務影響	(2,166)	(18,464)
Tax effect on non-taxable income	毋須課稅收入之稅務影響	(10,990)	(3,770)
Tax effect on non-deductible expenses	不可扣稅支出之稅務影響	2,107	7,624
Tax losses not recognised	未確認稅項虧損	16,602	560
Effect of different tax rates of subsidiaries operating in other jurisdictions	於其他司法權區經營業務之附屬公司稅率不同之影響	(7,285)	-
(Over)underprovision in prior years	過往年度(超額撥備)撥備不足	(700)	478
Others	其他	(4,219)	6,634
		<b>102,299</b>	79,435

## 14. Dividends

An interim dividend of HK cents 12.5 (2004: HK cents 3.9 with special dividend of HK cents 2.7) in cash per share was paid to the shareholders of the Company during the year. A final dividend of HK cents 14.4 (2004: HK cents 12.1) per share with special dividend of HK cents 3.6 (2004: HK cents 8.6) in cash per share have been proposed by the directors and is subject to approval of the shareholders in forthcoming annual general meeting.

## 15. Earnings per share

The calculation of the basic earnings per share attributable to the ordinary equity holders of the Company is based on the following data:

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元 (Restated) (重列)
Earnings	盈利		
Profit for the year attributable to equity holders of the Company for the purposes of basic earnings per share	就計算每股基本盈利而言之 本公司權益持有人應佔 本年度溢利	<b>539,378</b>	414,125
		2005 二零零五年 '000 千股	2004 二零零四年 '000 千股
Number of shares	股份數目		
Weighted average number of ordinary shares for the purposes of basic earnings per share	就計算每股基本盈利而言之 普通股加權平均數	<b>777,137</b>	666,404

No diluted earnings per share has been presented as the exercise price of the Company's outstanding options, which were granted during the year, was higher than the average market price of the Company's shares during 2005.

No diluted earnings per share is presented for 2004 as the Company did not have any dilutive potential ordinary shares in issue.

Reconciliation of 2004 basic earnings per share:

		HK\$ 港元
Reported figure before adjustment	調整前之申報數字	0.66
Adjustment arising from adoption of HKAS 32	因採納香港會計準則第32號而作出調整	(0.04)
Restated	重列	0.62

## 14. 股息

本公司於年內向其股東以現金派付中期股息每股12.5港仙(二零零四年:3.9港仙另加特別股息2.7港仙)。董事建議派付現金末期股息每股14.4港仙(二零零四年:12.1港仙)及特別股息每股3.6港仙(二零零四年:8.6港仙),惟有待股東於應屆股東週年大會批准。

## 15. 每股盈利

本公司普通股股東應佔每股基本盈利乃按下列數據計算:

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元 (Restated) (重列)
Earnings	盈利		
Profit for the year attributable to equity holders of the Company for the purposes of basic earnings per share	就計算每股基本盈利而言之 本公司權益持有人應佔 本年度溢利	<b>539,378</b>	414,125
		2005 二零零五年 '000 千股	2004 二零零四年 '000 千股
Number of shares	股份數目		
Weighted average number of ordinary shares for the purposes of basic earnings per share	就計算每股基本盈利而言之 普通股加權平均數	<b>777,137</b>	666,404

由於年內授出之本公司尚未行使購股權之行使價較本公司股份於二零零五年平均市價為高,故並無呈列每股攤薄盈利。

由於本公司並無任何已發行潛在攤薄影響之普通股,故並無呈列二零零四年之每股攤薄盈利。

二零零四年每股基本盈利之對賬如下:

## 16. Investment properties

## 16. 投資物業

HK\$'000  
千港元

FAIR VALUE	公平值	
At 1st January, 2004	於二零零四年一月一日	55,700
Revaluation surplus	重估盈餘	9,700
Reclassification to leasehold land and building	重新分類為租賃土地及樓宇	(55,700)
At 1st January, 2005	於二零零五年一月一日	9,700
Reclassification from leasehold land and building	由租賃土地及樓宇重新分類	9,300
Net increase in fair value recognised in the income statement	於收益表確認之公平值增加淨額	4,300
At 31st December, 2005	於二零零五年十二月三十一日	23,300

During the year, certain properties were reclassified from property, plant and equipment at fair value at the date of transfer.

The carrying amount of investment properties as at 31st December 2005 comprises leasehold land in Hong Kong held under long lease.

The fair value of the Group's investment properties at 31st December, 2005 have been arrived at on the basis of a valuation carried out on that date by Norton Appraisals Limited, independent qualified professional valuers not connected with the Group. Norton Appraisals Limited are members of the Institute of Valuers, and have appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations. The valuation, which conforms to International Valuation Standards, was arrived at by reference to market evidence of transaction prices for similar properties.

At 31st December, 2005, the investment properties were valued at their open market value by Norton Appraisals Limited, Registered Professional Surveyors, an independent valuer, on existing use basis. The valuations as at 31st December, 2005 gave rise to a fair value change of HK\$4,300,000, which had been credited to the income statement. At 31 December 2004, the investment properties were valued at their open market value by Norton Appraisals Limited, Registered Professional Surveyors, an independent valuer, on existing use basis. The valuations as at 31 December 2004 gave rise to a revaluation increase of HK\$9,700,000, of which HK\$6,818,000 and HK\$2,882,000 had been credited to the income statement and the investment properties revaluation reserve respectively.

All the Group's investment properties are held for rental under operating leases.

年內，若干物業於轉移日期按公平值自物業、廠房及設備重新分類。

投資物業於二零零五年十二月三十一日之賬面值包括於香港根據長期租約持有之租賃土地。

與本集團並無關連之獨立合資格專業估值師普敦國際評估有限公司已按其於二零零五年十二月三十一日所進行估值為基準，計算本集團投資物業於該日之公平值。普敦國際評估有限公司為估值師學會 (Institute of Valuers) 會員，擁有合適資格，最近亦有評估相關地點類似物業之經驗。該估值與國際估值準則相符，乃參考類似物業成交價之市場例證進行。

投資物業由獨立估值師註冊專業測量師普敦國際評估有限公司根據現行用途基準，對其在二零零五年十二月三十一日的公開市場價值進行估值。二零零五年十二月三十一日之估值導致出現公平值變動 4,300,000 港元，已計入收益表。投資物業由獨立估值師註冊專業測量師普敦國際評估有限公司根據現行用途基準，對其在二零零四年十二月三十一日的公開市場價值進行估值。二零零四年十二月三十一日之估值導致出現重估盈餘 9,700,000 港元，其中 6,818,000 港元及 2,882,000 港元分別計入收益表及投資重估儲備。

本集團所有投資物業均根據經營租約持有作出租用途。

## 17. Property, plant and equipment

## 17. 物業、廠房及設備

		Leasehold land and buildings 租賃土地 及樓宇 HK\$'000 千港元	Leasehold improvements 租賃物業裝修 HK\$'000 千港元	Plant and machinery 廠房及機器 HK\$'000 千港元	Furniture, fixtures and equipment 傢俬、固定 裝置及設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<b>COST</b>	<b>成本</b>						
At 1st January, 2004	於二零零四年一月一日	2,427,235	230,759	95,481	31,244	996	2,785,715
Additions	添置	-	57,390	15,824	6,405	-	79,619
Reclassified from investment properties	由投資物業重新分類	55,700	-	-	-	-	55,700
Disposals	出售	(1,646)	(11,358)	-	(266)	-	(13,270)
At 1st January, 2005	於二零零五年一月一日	2,481,289	276,791	111,305	37,383	996	2,907,764
Exchange adjustment	匯兌調整	-	4,533	76	276	-	4,885
Additions	添置	-	101,947	17,177	12,920	282	132,326
Acquired on acquisition of subsidiaries	收購附屬公司時購入	-	222,877	3,753	13,502	-	240,132
Reclassified to investment properties	重新分類為投資物業	(5,030)	-	-	-	-	(5,030)
Disposals/written off	出售/對銷	-	(10,825)	-	(499)	-	(11,324)
At 31st December, 2005	於二零零五年十二月三十一日	2,476,259	595,323	132,311	63,582	1,278	3,268,753
<b>DEPRECIATION</b>	<b>折舊</b>						
At 1st January, 2004	於二零零四年一月一日	504,466	167,710	69,684	14,414	204	756,478
Provided for the year	年內折舊	46,112	21,466	8,066	5,750	199	81,593
Eliminated on disposals	出售時撇銷	(486)	(9,645)	-	(166)	-	(10,297)
At 1st January, 2005	於二零零五年一月一日	550,092	179,531	77,750	19,998	403	827,774
Exchange adjustment	匯兌調整	-	386	4	40	-	430
Provided for the year	年內折舊	46,388	60,886	7,210	10,269	218	124,971
Reclassified to investment properties	重新分類為投資物業	(214)	-	-	-	-	(214)
Eliminated on disposals/ written off	出售撇銷/對銷	-	(10,825)	-	(244)	-	(11,069)
At 31st December, 2005	於二零零五年十二月三十一日	596,266	229,978	84,964	30,063	621	941,892
<b>NET BOOK VALUES</b>	<b>賬面淨值</b>						
At 31st December, 2005	於二零零五年十二月三十一日	1,879,993	365,345	47,347	33,519	657	2,326,861
At 31st December, 2004	於二零零四年十二月三十一日	1,931,197	97,260	33,555	17,385	593	2,079,990

**17. Property, plant and equipment** (continued)**17. 物業、廠房及設備** (續)

		<b>2005</b>	2004
		二零零五年	二零零四年
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
The carrying amount of leasehold land and buildings comprises buildings situated on land in Hong Kong:	租賃土地及樓宇賬面值，包括位於香港土地之樓宇：		
– long lease	– 長期租約	<b>483,701</b>	496,924
– medium term lease	– 中期租約	<b>1,396,292</b>	1,434,273
Property, plant and equipment held under finance lease	按融資租約持有之物業、廠房及設備	<b>102</b>	175

During the year, certain properties were reclassified to investment properties at fair value at the date of reclassification. The difference of HK\$4,484,000 between the fair value and the carrying amount at the date of transfer was credited to asset revaluation reserve.

年內，若干物業於重新分類日期按公平值重新分類為投資物業。於轉移日期公平值與賬面值之差額4,484,000港元已計入資產重估儲備。

**18. Interests in a jointly controlled entity**

As at 31st December, 2005, the Group had interests in the following jointly controlled entity:

**18. 於一家共同控制實體之權益**

於二零零五年十二月三十一日，本集團於下列共同控制實體擁有權益：

Name of entity	Form of business structure	Place of establishment/ operation	Proportion of nominal value of issued capital held by the Group 本集團所持 已發行股本面值比例	Proportion of voting power held 所持 投票權比例	Principal activity
實體名稱	業務結構模式	成立／經營地點			主要業務
上海九百城市廣場有限公司 (Shanghai Joinbuy City Plaza Co., Ltd.)	Sino-foreign equity joint venture 中外合資 合營企業	PRC 中國	50%	50%	Property holding and leasing 物業持有及租賃

Jointly controlled entity accounted for using the equity method of accounting:

按權益會計法入賬之共同控制實體：

		<b>2005</b>
		二零零五年
		<b>HK\$'000</b>
		千港元
Cost of unlisted investments in a jointly controlled entity	一家共同控制實體非上市投資之成本	<b>433,104</b>
Share of post-acquisition profits	分佔收購後溢利	<b>3,624</b>
		<b>436,728</b>

**18. Interests in a jointly controlled entity (continued)**

The summarised financial information in respect of the Group's jointly controlled entity which is accounted for using the equity method is set out below:

		2005 二零零五年 HK\$'000 千港元
Non-current assets	非流動資產	1,621,931
Current assets	流動資產	121,320
Current liabilities	流動負債	243,297
Non-current liabilities	非流動負債	626,498
Income	收入	141,756
Expenses	開支	134,508

**19. Amount due from a jointly controlled entity**

Amount due from a jointly controlled entity is unsecured, interest free and has no fixed terms of repayment. The fair value of the balance as at 31st December, 2005 approximated to the corresponding carrying amount (note 23).

**20. Available-for-sale investments**

Available-for-sale investments as at 31st December, 2005 comprised equity securities listed in Hong Kong. As at the balance sheet date, all available-for-sale investments were stated at fair value. Fair values of those investments was determined by reference to bid prices quoted in an active market. Increase in fair value of available-for-sale investments of HK\$12,799,000 was credited to the equity of the Group.

**21. Inventories****18. 於一家共同控制實體之權益 (續)**

本集團按權益會計法入賬之共同控制實體財務資料概述如下：

		2005 二零零五年 HK\$'000 千港元
Non-current assets	非流動資產	1,621,931
Current assets	流動資產	121,320
Current liabilities	流動負債	243,297
Non-current liabilities	非流動負債	626,498
Income	收入	141,756
Expenses	開支	134,508

**19. 應收一家共同控制實體款項**

應收一家共同控制實體之款項為無抵押、免息及無固定還款期。有關餘款於二零零五年十二月三十一日之公平值與相關賬面值相若 (見附註23)。

**20. 可供出售投資**

於二零零五年十二月三十一日，可供出售投資包括於香港上市之股本證券。於結算日，所有可供出售投資均按公平值列賬。該等投資之公平值乃參考於交投活躍市場所報買入價後釐定。可供出售投資公平值增加之12,799,000港元已計入本集團股東權益。

**21. 存貨**

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Merchandise held for resale	持有作轉售商品	58,009	33,822

## 22. Trade and other receivables

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Trade receivables	應收賬款	57,408	38,923
Less: Allowance for irrecoverable amounts	減：不可收回款項撥備	(9,289)	(7,279)
		<b>48,119</b>	31,644
Other receivables, deposits and prepayments	其他應收款項、按金及預付款項	70,411	44,627
		<b>118,530</b>	76,271

The Group's retail sales to customers are mainly on cash basis, either in cash, debit card or credit card payments. The Group does not have a defined fixed credit policy as majority of its trade receivables arise from credit card sales. An aged analysis of the Group's trade receivables as at the balance sheet date is as follows:

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
0 - 30 days	0至30日	42,726	27,816
31 - 60 days	31日至60日	5,267	3,187
61 - 90 days	61日至90日	2	48
Over 90 days	超過90日	124	593
		<b>48,119</b>	31,644

The fair value of the Group's trade and other receivables as at 31st December, 2005 approximated to the corresponding carrying amount.

## 23. Amounts due from/to a jointly controlled entity

The amounts are unsecured, interest-free and have no fixed terms of repayment. The fair value of the balances with a jointly controlled entity approximated to the corresponding carrying amount (note 19).

## 24. Structured bank deposit

This represents a structured bank deposit with the maturity date on 6th September, 2006 and carries interest at variable rate with reference to HIBOR. The fair value of this deposit as at 31st December, 2005 approximated to the corresponding carrying amount.

## 22. 應收賬款及其他應收款項

2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
----------------------------------	----------------------------------

Trade receivables	應收賬款	57,408	38,923
Less: Allowance for irrecoverable amounts	減：不可收回款項撥備	(9,289)	(7,279)
		<b>48,119</b>	31,644
Other receivables, deposits and prepayments	其他應收款項、按金及預付款項	70,411	44,627
		<b>118,530</b>	76,271

本集團向顧客作出的零售銷售主要以現金進行，可以現金、扣賬卡或信用卡付款。由於本集團大部分應收賬款來自信用卡銷售，故並無既定限額信貸政策。本集團應收賬款於有關結算日的賬齡分析如下：

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
0 - 30 days	0至30日	42,726	27,816
31 - 60 days	31日至60日	5,267	3,187
61 - 90 days	61日至90日	2	48
Over 90 days	超過90日	124	593
		<b>48,119</b>	31,644

本集團應收賬款及其他應收款項於二零零五年十二月三十一日之公平值與相關賬面值相若。

## 23. 應付／收一家共同控制實體款項

該等款項為無抵押、免息及無固定還款期。於一家共同控制實體結餘之公平值與相關賬面值相若（見附註19）。

## 24. 銀行結構性存款

此乃銀行結構性存款，將於二零零六年九月六日到期，參考香港銀行同業拆息之浮動利率計息。此存款於二零零五年十二月三十一日之公平值與相關賬面值相若。



## 25. Bank balances and cash

At the balance sheet date, bank balances and cash comprised mainly short-term deposits which carries interest at market rates. The fair value of the amount as at 31st December, 2005 approximated to the corresponding carrying amount.

## 26. Trade and other payables

At 31st December, 2005, included in concessionaire sales payable are amounts of approximately HK\$6,366,000 and HK\$1,390,000 (2004: HK\$6,430,000 and Nil) due to Chow Tai Fook Jewellery Co., Ltd. and 周大福珠寶行(深圳)有限公司 respectively in which a related party, Dató Dr. Cheng Yu-tung and Dr. Cheng Kar-shun, Henry, directors of the Company, have beneficial interests. The amount was trading in nature and relate to payables arising from concessionaire sales. These trading balances are unsecured, non-interest bearing and repayable according to the terms of the concessionaire dealership agreement.

An aged analysis of the Group's trade payables at the balance sheet date is as follows:

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
0 - 30 days	0至30日	138,417	95,743
31 - 60 days	31日至60日	13,508	12,467
61 - 90 days	61日至90日	3,931	1,178
Over 90 days	超過90日	4,827	3,021
		<b>160,683</b>	112,409

The concessionaire sales payable at the balance sheet date is with the age within 30 days.

The fair value of the Group's trade and other payables at 31st December, 2005 approximated to the corresponding carrying amount.

## 25. 銀行結存及現金

於結算日，銀行結存及現金主要包括短期存款，按市場利率計息。其於二零零五年十二月三十一日之公平值與相關賬面值相若。

## 26. 應付賬款及其他應付款項

於二零零五年十二月三十一日，應付特許專櫃銷售款項中包括應付有關連人士周大福珠寶行有限公司及周大福珠寶行(深圳)有限公司款項分別約6,366,000港元及1,390,000港元(二零零四年：分別6,430,000港元及零港元)。本公司兩名董事拿督鄭裕彤博士及鄭家純博士持有該等公司實益權益。該筆款項屬貿易性質，與特許專櫃銷售所產生應付款項相關。此等賬款結餘為無抵押、免息及須按特許專櫃經營協議條款付款。

本集團於結算日之應付賬款賬齡分析如下：

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
於結算日，應付特許專櫃銷售款項之賬齡在30日以內。			
本集團應付賬款及其他應付款項於二零零五年十二月三十一日之公平值與相關賬面值相若。			

## 27. Obligations under finance leases

The average lease term is 4 years. Interest rates underlying all obligations under finance leases are fixed at respective contract dates ranging from 4% to 18%. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

## 27. 融資租約承擔

平均租期為四年。融資租約項下所有承擔之固定利率於相關租約日期訂定，介乎4至18厘。所有租約均按固定償還基準訂立，並無就或然租金付款訂立任何安排。

		Minimum lease payments		Present value of minimum lease payments	
		最低租約款項	最低租約款項	最低租約款項現值	最低租約款項現值
		2005	2004	2005	2004
		二零零五年	二零零四年	二零零五年	二零零四年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Amounts payable under finance leases:	融資租約項下應付款項：				
Within one year	一年內	48	82	39	72
In more than one year but not more than two years	一年後但不超過兩年	12	48	10	39
In more than two years but not more than three years	兩年後但不超過三年	-	12	-	10
		60	142	49	121
Less: Future finance charges	減：日後融資費用	(11)	(21)	N/A	N/A
Present value of lease obligations	租約承擔現值	49	121	49	121
Less: Amounts due within one year shown under current liabilities	減：列入流動負債於一年內到期之款項			(39)	(72)
Amounts due after one year	一年後到期之款項			10	49

The Group's obligations under finance leases are secured by the lessor's charge over the leased assets.

本集團之融資租約承擔由出租人之租賃資產作抵押。

All finance lease obligations are denominated in Hong Kong dollars, functional currency of the subsidiary which entered into these arrangement.

所有融資租約承擔均以訂立此等安排之附屬公司功能貨幣港元列值。

The directors consider that the carrying amount of the obligations under finance leases approximated their fair value.

董事認為，融資租約承擔之賬面值與公平值相若。

**28. Bank borrowings, secured**

Secured bank borrowings comprised bank loans and the maturity profile of the bank borrowings is as follows:

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
On demand or within one year	應要求或一年內償還	165,688	212,930
More than one year, but not exceeding two years	一年後但不超過兩年	160,000	160,000
More than two years, but not exceeding five years	兩年後但不超過五年	940,000	1,500,000
		<b>1,265,688</b>	1,872,930
Less: Amounts due within one year shown under current liabilities	減: 列入流動負債於一年內到期之款項	<b>(165,688)</b>	(212,930)
		<b>1,100,000</b>	1,660,000

Loan amounted to HK\$1,260,000,000 carries interest at Hong Kong Interbank Offered Rate plus 0.4%. Interest is repriced every one month to three months period. The loan is repayable by instalments over a period of five years commencing 2004.

During the year, the Group obtained new loan in the amount of RMB35.9 million. This loan bears interest at 4.698% per annum. At 31st December, 2005, loan amounted to RMB5,918,000 (equivalent to HK\$5,688,000) is repayable in 2006.

The directors consider that the carrying amount of bank borrowings approximate their fair value.

At the balance sheet date, the Group has undrawn banking facilities with floating rate expiring within 4 years amounting to approximately HK\$400 million (2004: HK\$367 million).

**28. 有抵押銀行借貸**

有抵押銀行借貸由銀行貸款組成，銀行借貸的還款期如下：

	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
On demand or within one year	165,688	212,930
More than one year, but not exceeding two years	160,000	160,000
More than two years, but not exceeding five years	940,000	1,500,000
	<b>1,265,688</b>	1,872,930
Less: Amounts due within one year shown under current liabilities	<b>(165,688)</b>	(212,930)
	<b>1,100,000</b>	1,660,000

貸款1,260,000,000港元按香港銀行同業拆息率加0.4厘計息，利息每一至三個月調整，須自二零零四年起計五年內分期償還。

年內，本集團獲取新造貸款人民幣35,900,000元，貸款按年利率4.698厘計息。於二零零五年十二月三十一日，人民幣5,918,000元（相當於5,688,000港元）之貸款須於二零零六年償還。

董事認為，銀行借貸之賬面值與其公平值相若。

於結算日，本集團於四年內到期之浮息未提取銀行融資額度約400,000,000港元（二零零四年：367,000,000港元）。

## 29. Deferred taxation

## 29. 遞延稅項

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Analysis for financial report purpose	就財務申報分析		
Deferred tax liabilities	遞延稅項負債	30,344	28,137
Deferred tax assets	遞延稅項資產	(11,477)	(15,628)
Net position	淨額	18,867	12,509

The following are major deferred tax liabilities and assets recognised by the Group and movements thereon during the year.

以下為本集團確認之主要遞延稅項負債及資產以及於年內的變動。

		Accelerated tax depreciation 加速稅項折舊 HK\$'000 千港元	Tax losses 稅項虧損 HK\$'000 千港元	Available- for-sale investments 可供出售投資 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1st January, 2004	於二零零四年一月一日	12,760	(1,568)	-	11,192
Charge (credit) to income for the year	扣除自(計入)本年度收入	15,377	(14,060)	-	1,317
At 31st December, 2004	於二零零四年十二月三十一日	28,137	(15,628)	-	12,509
(Credit) charge to income for the year	(計入)扣除自本年度收入	(837)	4,151	-	3,314
Charge to reserve for the year	扣除自本年度儲備	804	-	2,240	3,044
At 31st December, 2005	於二零零五年十二月三十一日	28,104	(11,477)	2,240	18,867

At the balance sheet date, the Group has deferred tax assets not recognised in respect of tax losses of approximately HK\$9.0 million (2004: HK\$14.5 million) available to offset future profits due to the unpredictability of future profit streams.

In addition, at the balance sheet date, one of the subsidiary in the PRC has deferred tax assets not been recognised in respect of tax losses of approximately RMB62,950,000 (equivalent to approximately HK\$60,501,000) (2004: Nil) available to offset future profits due to the unpredictability of future profit streams. An amount of approximately RMB14,060,000 (equivalent to approximately HK\$13,513,000) (2004: Nil) of the total unused tax losses will expire in 2009 and the remaining balance of approximately RMB48,889,000 (equivalent to approximately HK\$46,987,000) (2004: Nil) will expire in 2010. There are no other significant temporary differences.

於結算日，因日後溢利來源不可預測，本集團有未就稅項虧損約9,000,000港元（二零零四年：14,500,000港元）確認之可供用作抵銷未來溢利遞延稅項資產。

此外，於結算日因日後溢利來源不可預測，其中一家於中國之附屬公司有未就稅項虧損約人民幣62,950,000元（約相當於60,501,000港元）（二零零四年：無）確認之可供用作抵銷未來溢利遞延稅項資產。未動用稅項虧損總額中約人民幣14,060,000元（約相當於13,513,000港元）（二零零四年：無）將於二零零九年到期，而餘額約人民幣48,889,000元（約相當於46,987,000港元）（二零零四年：無）將於二零一零年到期，並無其他重大暫時差額。

**30. SHARE CAPITAL**

Details of the changes in the Company's share capital during the year ended 31st December, 2005 are as follows:

		<b>2005</b> 二零零五年 <b>Amount</b> 款項 <b>HK\$'000</b> 千港元	2004 二零零四年 Amount 款項 HK\$'000 千港元
Ordinary shares of HK\$0.01 each	每股面值0.01港元之普通股		
Authorised:	法定:		
On the date of incorporation	註冊成立日期	390	390
Increase during 2004	二零零四年度增加	19,610	19,610
At 31st December, 2004 and 2005	於二零零四年及二零零五年十二月三十一日	20,000	20,000
Ordinary shares of HK\$0.01 each	每股面值0.01港元之普通股		
Issued and fully paid:	已發行及繳足:		
At 1st January (note a)	於一月一日(附註a)	7,470	-
Allotted and issued 1 share on the date of incorporation	於註冊成立日期配發及發行1股股份	-	-
Issued 419,439,958 shares on Group Reorganisation in 2004	於二零零四年集團重組時發行419,439,958股股份	-	4,194
Issued 120,560,041 shares for capitalisation of loans in 2004	於二零零四年貸款撥充資本時發行120,560,041股股份	-	1,206
Issued 180,000,000 shares by placing and public offering in 2004	於二零零四年透過配售及公開發售發行180,000,000股股份	-	1,800
Exercise of over-allotment option to issue 27,000,000 shares in 2004	於二零零四年行使超額配股權發行27,000,000股股份	-	270
Issue of shares by placing and subscription in 2005 (note b)	於二零零五年透過配售及認購發行股份(附註b)	1,000	-
At 31st December	於十二月三十一日	8,470	7,470

(a) The Company was incorporated on 29th December, 2003 with an authorised share capital of HK\$390,000 divided into 39,000,000 shares of HK\$0.01 each. Details of movement of share capital during 2004 was disclosed in the Company's 2004 Annual Report.

(b) On 30th August, 2005, the Company entered into an agreement with Real Reward and the placing agent ("Agreement"). Pursuant to the terms of Agreement, the placing agent placed 100,000,000 existing shares of the Company held by Real Reward at the price of HK\$12.55 per share to independent third parties and Real Reward in turn subscribed for 100,000,000 new shares of the Company at the same price of HK\$12.55 per share. The placing and subscription was completed on 2nd September, 2005 and 13th September, 2005 respectively. As a result, a total of 100,000,000 ordinary shares of HK\$0.01 each were issued and all the shares issued by the Company during the year rank pari passu with each other in all respects.

**30. 股本**

截至二零零五年十二月三十一日止年度，本公司之股本變動詳情如下：

		<b>2005</b> 二零零五年 <b>Amount</b> 款項 <b>HK\$'000</b> 千港元	2004 二零零四年 Amount 款項 HK\$'000 千港元
Ordinary shares of HK\$0.01 each	每股面值0.01港元之普通股		
Authorised:	法定:		
On the date of incorporation	註冊成立日期	390	390
Increase during 2004	二零零四年度增加	19,610	19,610
At 31st December, 2004 and 2005	於二零零四年及二零零五年十二月三十一日	20,000	20,000
Ordinary shares of HK\$0.01 each	每股面值0.01港元之普通股		
Issued and fully paid:	已發行及繳足:		
At 1st January (note a)	於一月一日(附註a)	7,470	-
Allotted and issued 1 share on the date of incorporation	於註冊成立日期配發及發行1股股份	-	-
Issued 419,439,958 shares on Group Reorganisation in 2004	於二零零四年集團重組時發行419,439,958股股份	-	4,194
Issued 120,560,041 shares for capitalisation of loans in 2004	於二零零四年貸款撥充資本時發行120,560,041股股份	-	1,206
Issued 180,000,000 shares by placing and public offering in 2004	於二零零四年透過配售及公開發售發行180,000,000股股份	-	1,800
Exercise of over-allotment option to issue 27,000,000 shares in 2004	於二零零四年行使超額配股權發行27,000,000股股份	-	270
Issue of shares by placing and subscription in 2005 (note b)	於二零零五年透過配售及認購發行股份(附註b)	1,000	-
At 31st December	於十二月三十一日	8,470	7,470

(a) 本公司於二零零三年十二月二十九日註冊成立，法定股本為390,000港元，分為39,000,000股每股面值0.01港元股份。有關本公司於二零零四年股本變化的詳情，請參閱二零零四年年報。

(b) 於二零零五年八月三十日，本公司與Real Reward及一名配售代理訂立協議（「該協議」）。根據該協議條款，配售代理按每股12.55港元之價格，向獨立第三方配售100,000,000股由Real Reward所持有之本公司現有股份，而Real Reward則按每股12.55港元之價格認購100,000,000股本公司新股份。配售及認購已分別於二零零五年九月二日及二零零五年九月十三日完成。因此，總數為100,000,000每股面值0.01港元之普通股在本年度發行，而本公司於年內發行之所有股份於各方面均與其他股份享有同等權益。

### 31. SHARE-BASED PAYMENT TRANSACTIONS

The Company's share option scheme (the "Scheme") was adopted for a period of 10 years commencing 27th March, 2004 for the purpose of providing incentives or rewards to selected full-time employees and directors for their contribution.

Under the Scheme, the Company may grant options to selected full-time employees and directors of the Company and its subsidiaries, to subscribe for shares in the Company. Additionally, the Company may, from time to time, grant share options to eligible advisors and consultants to the Company and its subsidiaries at the discretion of the Board of Directors.

The total number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point of time, without prior approval from the Company's shareholders. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. Options granted to substantial shareholders, independent non-executive directors, or any of their respective associates (including a discretionary trust whose discretionary objects include a substantial shareholder or an independent non-executive director or a company beneficially owned by any substantial shareholder or independent non-executive director of the Company) in excess of 0.1% of the Company's share capital or with a value in excess of HK\$5,000,000 must be approved in advance by the Company's shareholders.

Option granted must be taken up within the time limit specified in the offer letter (which shall not be later than 5 days from the date of offer), upon payment of HK\$1 per option. Options may be exercised at any time from the date to be notified by the Board and shall not exceed 10 years from the date upon which the option are accepted. The exercise price is determined by the directors of the Company, and will not be less than the higher of (i) the closing price of the Company's shares on the date of grant, (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's share.

### 31. 股份付款交易

本公司之購股權計劃(「該計劃」)由二零零四年三月二十七日起為期十年,旨在向經甄選之全職僱員及董事就彼等對本集團所作貢獻提供獎勵或獎賞。

根據該計劃,本公司可向本公司及其附屬公司經甄選之全職僱員及董事授出購股權,以認購本公司股份。此外,本公司可不時按董事局酌情決定向本公司及其附屬公司之合資格顧問及諮詢顧問授出購股權。

如未經本公司股東事先批准,根據該計劃可授出購股權所涉及之股份總數,不得超過本公司於任何時間已發行股份10%。如未經本公司股東事先批准,於任何一年,就任何人士所獲授及可獲授之購股權所涉及之已發行及將予發行之股份數目,不得超過本公司於任何時間已發行股份1%。授予主要股東、獨立非執行董事或彼等各自之聯繫人士(包括全權信託,而有關全權受益人包括主要股東或獨立非執行董事或由本公司任何主要股東或獨立非執行董事實益擁有之公司)超過本公司股本0.1%或價值超過5,000,000港元之購股權,必須經本公司股東事先批准。

授出之購股權須於提呈函件所指定時限(不得遲於提呈日期起計5日)內接納,接納時須就每份購股權支付1港元。購股權可於董事知會之日期起隨時行使,惟不可超過接納該購股權日期起計十年。行使價由本公司董事釐定,將不低於(i)授出日期本公司股份收市價;(ii)緊接授出日期前五個營業日股份平均收市價;及(iii)本公司股份面值三者之較高者。

**31. SHARE-BASED PAYMENT TRANSACTIONS** (continued)

Details of specific categories of options are as follows:

Option type 購股權種類	Date of grant 授出日期	Vesting period 歸屬期	Exercise period 行使期	Exercise price 行使價
2005	7.10.2005	7.10.2005 – 7.10.2008	7.10.2006 – 26.3.2014	HK\$12.32
二零零五年	二零零五年十月七日	二零零五年十月七日至 二零零八年十月七日	二零零六年十月七日至 二零一四年三月二十六日	12.32港元

The following table discloses movements of the Company's share options held by certain employees and directors during the year:

Option type 購股權種類	Granted during year 年內授出	Exercised during year 年內行使	Outstanding at 31.12.2005 於二零零五年 十二月三十一日 尚未行使
2005 二零零五年	6,640,000	N/A	6,640,000
Exercisable at the end of the year	於年終可予行使		NIL

No option has been granted under the Scheme in 2004.

During the year ended 31st December, 2005, options were granted on 7th October, 2005. The estimated fair value of the options granted on that date was approximately HK\$18 million.

These fair values were calculated using the Black-Scholes pricing model. The inputs into the model were as follows:

		2005 二零零五年
Weighted average share price	加權平均股價	12.14港元
Exercise price	行使價	12.32港元
Expected volatility	預期波幅	32.47%
Expected life	預計年期	8.5年
Risk-free rate	無風險比率	4.18%
Expected dividend yield	預期股息率	2.73%

**31. 股份付款交易 (續)**

特定類別購股權之詳情如下:

Option type 購股權種類	Date of grant 授出日期	Vesting period 歸屬期	Exercise period 行使期	Exercise price 行使價
2005	7.10.2005	7.10.2005 – 7.10.2008	7.10.2006 – 26.3.2014	HK\$12.32
二零零五年	二零零五年十月七日	二零零五年十月七日至 二零零八年十月七日	二零零六年十月七日至 二零一四年三月二十六日	12.32港元

下表披露年內若干僱員及董事所持本公司購股權之變動:

Option type 購股權種類	Granted during year 年內授出	Exercised during year 年內行使	Outstanding at 31.12.2005 於二零零五年 十二月三十一日 尚未行使
2005 二零零五年	6,640,000	N/A	6,640,000
Exercisable at the end of the year	於年終可予行使		NIL

於二零零四年並無根據該計劃授出任何購股權。

截至二零零五年十二月三十一日止年度，本公司於二零零五年十月七日授出購股權。該等購股權於授出當日之估計公平值約為18,000,000港元。

此等公平值乃按「柏力克－舒爾斯」期權定價模式計算。代入該模式之數字如下:

**31. SHARE-BASED PAYMENT TRANSACTIONS** (continued)

Expected volatility was determined using the historical volatility of the Company's share price in the preceding year. The expected life used in the model has been made, based on management's best estimate and take into account the effects of non transferability, exercise restrictions and other behavioral considerations.

The Group recognised in the income statement as expense a total of approximately HK\$1.4 million for the year ended 31st December, 2005 in relation to the share options granted.

**32. ACQUISITION OF SUBSIDIARIES**

On 30th March, 2004, Excellent Global Limited ("Excellent Global"), a direct wholly-owned subsidiary of the Company, as purchaser entered into the acquisition agreement with Pure Group Limited and Full Partner Limited ("Acquisition Agreement") as vendors. Pursuant to the Acquisition Agreement, Excellent Global has conditionally agreed to acquire:

- (a) the entire issued share capital of Great Prosperity, and
- (b) the face value of the shareholders' loans due from Great Prosperity to Pure Group Limited and Full Partner Limited at completion, which were on-lent to Smart Fortune Assets Limited and Gainbest Assets Limited, subsidiaries of Great Prosperity

at a consideration subject to a cap of HK\$500 million.

Great Prosperity is owned as to 50% by Pure Group Limited and 50% by Full Partner Limited. Pure Group Limited is ultimately owned by Mr. Lau Luen-hung, Thomas, a director of the Company, and a discretionary trust of which certain family members of Mr. Lau Luen-hung, Joseph, a director of the Company, are eligible beneficiaries. Full Partner Limited is ultimately owned by Chow Tai Fook Enterprises Limited.

The acquisition was completed on 7th January, 2005.

**31. 股份付款交易 (續)**

預期波幅以本公司股價於過往年度之歷史波幅釐定。該模式中使用了之預計年期已按管理層經考慮不可轉讓性、行使限制及慣例後作出之最佳估計作出調整。

於截至二零零五年十二月三十一日止年度，本集團就授出購股權於收益表確認開支總額約1,400,000港元。

**32. 收購附屬公司**

於二零零四年三月三十日，本公司直接全資附屬公司 Excellent Global Limited (「Excellent Global」，作為買方) 與 Pure Group Limited 及 Full Partner Limited (作為賣方) 訂立收購協議 (「收購協議」)。根據收購協議，Excellent Global 有條件同意收購：

- (a) Great Prosperity 全部已發行股本；及
- (b) Great Prosperity 結欠 Pure Group Limited 及 Full Partner Limited 股東貸款於完成時之面值，有關貸款再貸予 Great Prosperity 之附屬公司 Smart Fortune Assets Limited 及 Gainbest Assets Limited。

代價上限為 500,000,000 港元。

Great Prosperity 分別由 Pure Group Limited 及 Full Partner Limited 各自擁有 50% 權益。Pure Group Limited 由本公司董事劉鑾鴻先生最終擁有，而本公司董事劉鑾雄先生若干家族成員為該公司一項全權信託之合資格實益擁有人。Full Partner Limited 由周大福企業有限公司最終擁有。

收購已於二零零五年一月七日完成。



**32. ACQUISITION OF SUBSIDIARIES** (continued)

The net assets acquired in the transaction are as follows:

		<b>Acquiree's carrying amount before combination</b>	<b>Fair value adjustment</b>	<b>Fair value</b>
		合併前被 收購方之 賬面值 HK\$'000 千港元	公平值調整 HK\$'000 千港元	公平值 HK\$'000 千港元
Net assets acquired:	所收購資產淨值:			
Property, plant and equipment	物業、廠房及設備	240,132	-	240,132
Interests in/loan to a jointly controlled entity	於一家共同控制實體之權益/ 向一家共同控制實體提供貸款	221,147	291,506	512,653
Inventories	存貨	19,356	-	19,356
Trade and other receivables	應收賬款及其他應收款項	40,018	-	40,018
Bank and cash balances	銀行及現金結存	34,419	-	34,419
Trade and other payables	應付賬款及其他應付款項	(121,392)	-	(121,392)
Amount due to a joint controlled entity	應付一家共同控制實體款項	(235,525)	-	(235,525)
		198,155	291,506	489,661
Minority interests	少數股東權益			10,339
Satisfied by:	以下列方式支付:			
Cash consideration	現金代價			500,000
Net cash outflow arising on acquisition:	收購產生之現金流出淨額:			
Cash consideration paid	已付現金代價			500,000
Cash and cash equivalents acquired	所收購現金及現金等價物			(34,419)
				465,581

The fair value adjustment was mainly attributable to the fair value of the property held by the jointly controlled entity.

Great Prosperity contributed revenue of approximately HK\$226.3 million and incurred loss of approximately HK\$33.2 million for the period between the date of acquisition and the balance sheet date. Had the acquisition been completed on 1st January, 2005, total Group revenue for the period and profit for the period would not be materially different from the amounts reported by the Group after incorporating the amounts as mentioned above.

**32. 收購附屬公司** (續)

於交易中收購之資產淨值如下:

公平值調整主要源自該共同控制實體所持物業之公平值。

於收購日期至結算日期間，Great Prosperity之收益貢獻約為226,300,000港元及產生虧損約33,200,000港元。倘收購於二零零五年一月一日完成，該期間本集團總收益及該期間溢利不會與上述本集團綜合計入賬目後申報之金額出現重大差別。

**33. OPERATING LEASE COMMITMENTS**

At the balance sheet date, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of leasehold land and buildings which are as follows:

		<b>2005</b> 二零零五年 <b>HK\$'000</b> 千港元	2004 二零零四年 HK\$'000 千港元
Within one year	一年內	<b>125,755</b>	47,273
In the second to fifth year inclusive	第二至第五年 (包括首尾兩年)	<b>723,021</b>	7,468
Over five years	超過五年	<b>1,431,639</b>	-
		<b>2,280,415</b>	54,741

Operating lease payments represent rentals payable by the Group for leasing commercial properties. Leases are generally negotiated for an average terms of one to five years and rentals are fixed for an average of two years except the following:

- (a) Lease of Shanghai Joinbuy Cityplaza by Shanghai Ongoing Department Store Limited, a subsidiary of the Company, for the period from 1st October, 2004 to 30th September, 2024, with an option to renew for a further 10 years.
- (b) Lease of the Amazon, No. 12 Salisbury Road, Tsimshatsui, Kowloon by Sogo Hong Kong Company Limited, from Hong Kong Island Development Limited for the period from 15th September, 2005 to 14th September, 2020, with an option to renew for a further 5 years.

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

		<b>2005</b> 二零零五年 <b>HK\$'000</b> 千港元	2004 二零零四年 HK\$'000 千港元
Within one year	一年內	<b>35,390</b>	20,969
In the second to fifth year inclusive	第二至第五年 (包括首尾兩年)	<b>47,207</b>	844
		<b>82,597</b>	21,813

Leases are generally negotiated for an average term of one to five years.

**33. 經營租約承擔**

於結算日，本集團就不可撤銷經營租約之租賃土地及樓宇所承擔日後最低租約款項如下：

	<b>2005</b> 二零零五年 <b>HK\$'000</b> 千港元	2004 二零零四年 HK\$'000 千港元
Within one year	<b>125,755</b>	47,273
In the second to fifth year inclusive	<b>723,021</b>	7,468
Over five years	<b>1,431,639</b>	-
	<b>2,280,415</b>	54,741

經營租約款項乃本集團就租用商業物業應付之租金。租約一般按平均租賃期一至五年協商，租金平均每兩年釐定，惟以下各項則除外：

- (a) 本公司附屬公司上海久光百貨有限公司所訂立有關上海九百城市廣場之租約，租期由二零零四年十月一日至二零二四年九月三十日，可選擇進一步續期十年。
- (b) 崇光(香港)百貨有限公司與香島發展有限公司所訂立有關九龍尖沙咀梳士巴利道12號亞瑪遜之租約，租期由二零零五年九月十五日至二零二零年九月十四日，可選擇進一步續期五年。

於結算日，本集團已與租戶訂約的日後最低租約款項如下：

	<b>2005</b> 二零零五年 <b>HK\$'000</b> 千港元	2004 二零零四年 HK\$'000 千港元
Within one year	<b>35,390</b>	20,969
In the second to fifth year inclusive	<b>47,207</b>	844
	<b>82,597</b>	21,813

租約一般按平均租賃期一至五年協商。

**34. CAPITAL COMMITMENTS**

Capital expenditure in respect of the acquisition of property, plant and equipment contracted for but not provided in the financial statements	有關購入已訂約物業、廠房及設備未於財務報表撥備之資本開支	1,739	2,266
Capital expenditure in respect of the acquisition of property, plant and equipment authorised but not contracted for	有關購入物業、廠房及設備已授權惟未訂約之資本開支	15,000	—

**35. CONTINGENT LIABILITIES**

Pursuant to two sales and purchase agreements entered into among the subsidiaries in 1985 and 1996, certain properties were transferred within the Group. The assignments of these properties have not been executed. If no exemption for stamp duty is granted under the Stamp Duty Ordinance, upon execution of the assignment of the properties, the Group will be subject to an aggregate stamp duty of approximately HK\$38.9 million.

**36. PLEDGE OF ASSETS**

At 31st December, 2005, the Group has pledged certain leasehold land and buildings with carrying value of approximately HK\$1,769 million (2004: HK\$1,848 million), together with certain shares of the Company's subsidiaries, to secure the banking facilities of HK\$2,300 million (2004: HK\$2,300 million) granted to the Group of which HK\$1,260 million (2004: HK\$1,853 million) has been utilised.

**34. 資本承擔**

2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
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**35. 或然負債**

根據附屬公司間於一九八五年及一九九六年訂立之兩份買賣協議，若干物業於本集團內公司間轉讓，惟該等物業轉讓至今仍未執行。倘未能根據印花稅條例獲豁免印花稅，則本集團於轉讓該等物業時，將須繳付合共約38,900,000港元印花稅。

**36. 資產抵押**

於二零零五年十二月三十一日，本集團將賬面值約為1,769,000,000港元（二零零四年：1,848,000,000港元）之若干租賃土地及樓宇，連同本公司附屬公司若干股份抵押，作為本集團獲授銀行融資額2,300,000,000港元（二零零四年：2,300,000,000港元）之抵押，其中1,260,000,000港元（二零零四年：1,853,000,000港元）已動用。

**37. RELATED PARTY DISCLOSURE****(a) Transactions**

Apart from the transactions as disclosed in notes, 26 and 32 above, during the year, the Group had the following significant transactions with the following related parties.

Name of related party 有關連人士名稱	Nature of transaction 交易性質	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Chow Tai Fook Jewellery Co., Ltd. ("CTF Jewellery") 周大福珠寶金行有限公司(「周大福珠寶」)	Income from concessionaire sales (note i) 特許專櫃銷售收入(附註i)	6,373	6,436
周大福珠寶金行(深圳)有限公司 (「周大福深圳」)	Income from concessionaire sales (note i) 特許專櫃銷售收入(附註i)	884	-
Hong Kong Island Development Limited ("HK Island") 香島發展有限公司(「香島」)	Rental, vetting fee, air-conditioning charges and management fee paid (note ii) 已付租金、審批費用、空調費及管理費(附註ii)	14,917	-
Pollution & Protection Services Limited ("PPS") 寶聯防污服務有限公司(「寶聯防污」)	Cleaning service (note ii) 清潔服務(附註ii)	768	-
New World PCS Limited ("New World PCS") 新世界流動電話有限公司 (「新世界流動電話」)	Licence fee received (note i) 已收特許費(附註i)	452	450
Sunny Ocean Investments Limited ("Sunny Ocean")	Lightbox licence fee paid (note iii) 已付燈箱特許費(附註iii)	385	462
Viewide Properties Limited ("Viewide") and Sunny Ocean	Rental and service charges paid (note iii) 已付租金及服務費(附註iii)	36,138	43,374
Shanghai Joinbuy City Plaza Co. Ltd. ("Property JV") 上海九百城市廣場有限公司 (「物業合營企業」)	Interest income (note iv) 利息收入(附註iv)	7,450	-
Property JV 物業合營企業	Rental and management fee paid (note iv) 已付租金及管理費(附註iv)	139,730	-

Notes:

- (i) CTF Jewellery, 周大福深圳 and New World PCS are companies in which Dató Dr. Cheng Yu-tung and Dr. Cheng Kar-shun, Henry, directors of the Company, have beneficial interests.
- (ii) HK Island and PPS are companies in which Dató Dr. Cheng Yu-tung and Dr. Cheng Kar-shun, Henry, directors of the Company, have beneficial interests.
- (iii) Sunny Ocean and Viewide are companies in which Mr. Lau Luen-hung, Thomas and Mr. Lau Luen-hung, Joseph, directors of the Company, have beneficial interests. Sunny Ocean and Viewide are indirect wholly owned subsidiaries of Chinese Estates Holdings Limited.
- (iv) Property JV is a jointly controlled entity in which the Group has 50% interest. During the year, the Group paid rental and management fee of HK\$118,650,000 and HK\$21,080,000 respectively to the Property JV. In additions, the Group charged interest on the balance with the Property JV.

附註:

- (i) 周大福珠寶、周大福深圳及新世界流動電話為本公司董事拿督鄭裕彤博士及鄭家純博士持有實益權益的公司。
- (ii) 香島及寶聯防污為本公司董事拿督鄭裕彤博士及鄭家純博士持有實益權益的公司。
- (iii) Sunny Ocean及Viewide乃本公司董事劉鑾鴻先生及劉鑾雄先生持有實益權益的公司。Sunny Ocean及Viewide乃華人置業集團之間接全資附屬公司。
- (iv) 物業合營企業為本集團擁有50%權益之共同控制實體。年內，本集團分別向物業合營企業支付租金及管理費118,650,000港元及21,080,000港元。此外，本集團就與物業合營企業之結餘收取利息。

**37. 有關連人士披露****(a) 交易**

除上文附註26及32所披露交易外，年內，本集團曾與以下有關連人士進行下列重大交易。

### 37. RELATED PARTY DISCLOSURE (continued)

#### (b) Loan

Pursuant to a loan agreement dated 18th November, 2004 entered into between Billion Empire Limited (“Billion Empire”), a wholly-owned subsidiary of the Company and Dragon Sign Limited (“Dragon Sign”), Billion Empire granted a loan facility of HK\$2,000,000 to Dragon Sign (“Loan Facility”). The Loan Facility was secured by 50% of the issued share capital of Dragon Sign.

The Loan Facility is interest bearing and repayable on or before 31st March, 2006. As at 31st December, 2005, an amount of HK\$1,130,000 (2004: HK\$240,000), which represents the maximum amount outstanding during the year, of the Loan Facility was utilised and included in the trade and other receivables. Mr. Thomas Lau, a director of the Company, is one of the four directors of Dragon Sign. Subsequent to the year end the amount has been repaid in full.

#### (c) Guarantee

The Property JV, together with the Company, provides a joint and several guarantee up to an amount of RMB30 million in favour of a bank to secure an aggregate RMB30 million loan facility granted to Shanghai Ongoing Department Store Limited. The amount utilised as at 31st December, 2005 amounted to RMB30 million.

#### (d) Compensation of key management personnel

The remuneration of executive directors during the year was determined by the remuneration committee having regard to the performance of the individuals and market conditions, details of which together with the other 4 highest paid management personnel are disclosed in note 12 above.

### 37. 有關連人士披露 (續)

#### (b) 貸款

根據本公司全資附屬公司億冠有限公司(「億冠」)與龍信有限公司(「龍信」)所訂立日期為二零零四年十一月十八日之貸款協議，億冠授出貸款融資2,000,000港元予龍信(「貸款融資」)。貸款融資乃以龍信已發行股本50%作抵押。

貸款融資為計息貸款及須於二零零六年三月三十一日或之前償還。於二零零五年十二月三十一日，貸款融資中已動用1,130,000港元(二零零四年：240,000港元)，相當於年內最高未償還款額，並於應收賬款及其他應收款項列賬。本公司董事劉鑾鴻先生為龍信四名董事之一。於結算日後，該貸款已全數歸還。

#### (c) 擔保

物業合營企業連同本公司共同及個別向銀行提供為數最多人民幣30,000,000元之擔保，作為上海久光百貨有限公司獲授貸款融資額合共人民幣30,000,000元之抵押。於二零零五年十二月三十一日，該筆款項中已動用人民幣30,000,000元。

#### (d) 主要管理人員薪酬

年內，執行董事之酬金乃由薪酬委員會按個別表現及市場狀況釐定。其酬金與及其餘四名最高收入管理層成員之酬金於上文附註12披露。

**38. PARTICULARS OF PRINCIPAL SUBSIDIARIES**

As at 31st December, 2005, details of the Company's principal subsidiaries are as follows:

**38. 主要附屬公司詳情**

於二零零五年十二月三十一日，本公司主要附屬公司之詳情如下：

<b>Name of company</b>	<b>Place and date of incorporation</b>	<b>Issued and fully paid share capital</b>	<b>Attributable equity interest of the Group</b>	<b>Principal activities</b>
<b>公司名稱</b>	<b>註冊成立地點及日期</b>	<b>已發行及繳足股本</b>	<b>本集團應佔股本權益</b>	<b>主要業務</b>
Asia Kinetic Limited 明振有限公司	Hong Kong 27th February, 2002 香港 二零零二年二月二十七日	HK\$2 2港元	100%	Retailing and investment holding 零售及投資控股
Congenial Company Limited	Hong Kong 24th April, 1981 香港 一九八一年四月二十四日	HK\$10,000,000 10,000,000港元	100%	General trading and property holding 一般貿易及物業持有
Eastlord Development Limited 加諾發展有限公司	Hong Kong 21st August, 1987 香港 一九八七年八月二十一日	HK\$500,000 500,000港元	100%	Property holding and leasing 物業持有及租賃
Everwin Worldwide Limited 永盛環球有限公司	Hong Kong 17th November, 2000 香港 二零零零年十一月十七日	HK\$2 2港元	100%	Property leasing 物業租賃
Fine Shine Limited 遠耀有限公司	Hong Kong 11th September, 2003 香港 二零零三年九月十一日	HK\$2 2港元	100%	Restaurant, retail and supermarket 食肆、零售及超級市場
Forceworld Investments Limited 可偉投資有限公司	Hong Kong 15th July, 1988 香港 一九八八年七月十五日	HK\$500,000 500,000港元	100%	Property holding 物業持有
Future Develop Limited	British Virgin Islands 12th December, 2003 英屬處女群島 二零零三年十二月十二日	US\$3 3美元	100%	Investment holding 投資控股
Glory Line Management Limited 偉業管理有限公司	Hong Kong 5th September, 1995 香港 一九九五年九月五日	HK\$500,000 500,000港元	100%	Provision of property security and management services 提供物業保安及管理服務

## 38. PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued)

## 38. 主要附屬公司詳情 (續)

Name of company	Place and date of incorporation	Issued and fully paid share capital	Attributable equity interest of the Group 本集團應佔股本權益	Principal activities 主要業務
公司名稱	註冊成立地點及日期	已發行及繳足股本		
Grand Kinetic Limited 堅享有限公司	Hong Kong 7th February, 2001 香港 二零零一年二月七日	HK\$2 2港元	100%	Property holding and leasing 物業持有及租賃
Pacific Trump Development Limited 沛駿發展有限公司	Hong Kong 6th July, 1995 香港 一九九五年七月六日	HK\$2 2港元	100%	Property letting and investment holding 物業租賃及投資控股
Public Might Limited 群量有限公司	Hong Kong 30th August, 1984 香港 一九八四年八月三十日	HK\$1,000 1,000港元	100%	Property investment and provision of building management services 物業投資及提供大廈管理服務
Ronson Kwok Asia Pacific Limited	Hong Kong 5th October, 1993 香港 一九九三年十月五日	HK\$1,000,000 1,000,000港元	100%	Building management and club operator 大廈管理及會所營運
Sogo Hong Kong Company Limited 崇光(香港)百貨有限公司	Hong Kong 23rd September, 1983 香港 一九八三年九月二十三日	HK\$4,000,000 4,000,000港元	100%	Retailing business 零售業務
Superlite Limited	British Virgin Islands 3rd April, 2001 英屬處女群島 二零零一年四月三日	US\$1 1美元	100%	Property holding 物業持有
上海久光百貨有限公司 (Shanghai Ongoing Department Store Limited) (sino-foreign equity joint venture) (中外合營企業)	People's Republic of China 26th July, 2004 中華人民共和國 二零零四年七月二十六日	US\$6,200,000 6,200,000美元	65%	Retailing business 零售業務
創格商務諮詢(上海)有限公司	People's Republic of China 27th September, 2005 中華人民共和國 二零零五年九月二十七日	US\$21,000 21,000美元	100%	Consulting business 諮詢業務