

1. 一般資料

Giordano International Limited (「本公司」) 及其附屬公司 (統稱「本集團」) 透過一個超過一千六百間店舖並遍佈二十多個國家之零售網絡分銷及銷售 *Giordano*、*Giordano Ladies*、*Giordano Junior* 及 *Bluestar Exchange* 等品牌之便服。本集團亦於中國大陸有限度經營製衣業務。

本公司為一間於百慕達成立的有限責任公司，其註冊辦事處位於 Canon's Court, 22 Victoria Street, Hamilton, HM12, Bermuda。本公司的證券於香港聯合交易所有限公司以第一市場上市 (股份代號：709)。

除特別註明外，本綜合財務報表以港幣百萬元為單位。此綜合財務報表已於二零零六年三月二十一日獲董事會通過。

2. 主要會計政策

財務報表中所採用之主要會計政策現列載如下：

(a) 編製基準

本財務報表乃按照香港會計師公會頒布之香港財務報告準則 (「HKFRSs」)、香港會計準則 (「HKASs」) 及詮釋編製。本財務報表按照歷史成本常規法編製。

在遵照 HKFRSs 及 HKASs 編製財務報表時需要運用一些重要會計估計。管理層亦需要在應用本集團之會計政策時作出判斷。一些需要重要判斷、高度複雜或對綜合財務報表有重大影響的假設和估計的部分於附註四內披露。

1. GENERAL INFORMATION

Giordano International Limited (the "Company") and its subsidiaries (together the "Group") distribute and sell casual apparel under the brand names of *Giordano*, *Giordano Ladies*, *Giordano Junior* and *Bluestar Exchange* through an extensive retailing network with over 1,600 shops spanning over 20 countries. It also operates a limited manufacturing capacity in China.

The Company is a limited liability company incorporated in Bermuda. Its registered office is situated at Canon's Court, 22 Victoria Street, Hamilton, HM12, Bermuda. The Company has its primary listing on The Stock Exchange of Hong Kong Limited (stock code: 709).

The consolidated financial statements are presented in million of units of Hong Kong dollars (HK\$ million) unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on March 21, 2006.

2. PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below:

(a) Basis of preparation

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"), Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants. The financial statements are prepared under the historical cost convention.

The preparation of financial statements in conformity with HKFRSs and HKASs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 4.

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2. 主要會計政策 (續)

(a) 編製基準 (續)

編製此財務報表所採用之會計政策及計算方法與二零零四年度所用相同；除了本集團因採納於二零零五年一月一日或之後開始的會計年度生效之新增及經修訂之HKFRSs及HKASs，需要改變其若干會計政策。

本集團因採納該等新增及經修訂之HKFRSs及HKASs 而作出會計政策上的有關變改於下列附註2(b)內列出。

(b) 新增及經修訂之HKFRSs及HKASs造成的影響

香港會計師公會已頒布多項新增及經修訂HKFRSs、HKASs 及詮釋，並於二零零五年一月一日或之後開始之會計年度生效。本集團已採納適用於其業務之HKFRSs 及HKASs，對比數字已因應需要而作出修正。除了以下所列，採用新增及經修訂的HKFRSs 及HKASs並未令本集團所沿用之會計政策帶來重大改變：

HKAS 1	財務報表的呈列
HKAS 17	租賃
HKAS 32	金融票據：披露及呈列
HKAS 39	金融票據：確認及計量
HKFRS 2	以股份支付的支出

- (i) 採納HKAS 1「財務報表的呈列」影響少數股東權益及應佔聯營公司和共同控制公司除稅後業績之呈列及其他披露。

少數股東權益在集團資產負債表中之權益內呈列，而在綜合損益表中，少數股東應佔溢利則呈列為少數股東及本公司股東之間於年內之溢利分配。

應佔聯營公司及共同控制公司溢利則以除稅後淨業績於綜合損益表內列示。

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(a) Basis of preparation (continued)

The accounting policies and methods of computation used in the preparation of these financial statements are consistent with those used in 2004 except that the Group has changed certain of its accounting policies following its adoption of new and revised HKFRSs and HKASs which are effective for accounting years beginning on or after January 1, 2005.

The relevant changes in the Group's accounting policies resulting from the adoption of these new and revised HKFRSs and HKASs are set out in note 2(b) below.

(b) Impact of new and revised HKFRSs and HKASs

Hong Kong Institute of Certified Public Accountants has issued a number of new and revised HKFRSs, HKASs and Interpretations which are effective for accounting years beginning on or after January 1, 2005. The Group has adopted the HKFRSs and HKASs that are applicable to its operations. The comparative figures have been amended as required. The adoption of new and revised HKFRSs and HKASs did not result in substantial changes to the Group's accounting policies unless otherwise stated below:

HKAS 1	Presentation of Financial Statements
HKAS 17	Leases
HKAS 32	Financial Instruments: Disclosure and Presentation
HKAS 39	Financial Instruments: Recognition and Measurement
HKFRS 2	Share-based Payment

- (i) The adoption of HKAS 1 "Presentation of Financial Statements" has affected the presentation of minority interests and share of after-tax results of associates and jointly controlled companies and other disclosures.

Minority interests are presented in the Group's balance sheet within equity, and minority interests in the consolidated profit and loss account are presented as an allocation of the total profit for the year between the minority interests and the shareholders of the Company.

The share of profit of associates and jointly controlled companies are presented after netting off taxation in the consolidated profit and loss account.

2. 主要會計政策 (續)

(b) 新增及經修訂之HKFRSs及HKASs造成的影響 (續)

- (ii) 採納經修訂之HKAS 17「租賃」後，有關租賃土地及土地使用權之分類的會計政策有所改變。根據HKAS 17，凡土地及樓宇的租約，應在租約開始時參照租賃中土地租賃權益與樓宇租賃權益的相對公平值，按比例分為土地租賃與樓宇租賃兩部分。土地預付款按成本值列賬並於租賃期內攤銷；樓宇則按成本值減累計折舊及減值虧損列賬。
- (iii) 採納HKAS 32「金融票據：披露及呈列」及HKAS 39「金融票據：確認及計量」對財務資產按公平值列賬及於損益表內處理的會計政策有所改變。彼等亦導致衍生金融工具的確認、計量及分類也有所變改。

若干衍生工具(包括不符合對沖會計的外匯兌換合約)先按其於衍生合約訂立日期當日的公平值列賬，再按其後的公平值重新計算。該等衍生工具公平值的變化，會即時於損益表內確認。

- (iv) 採納HKFRS 2「以股份支付的支出」對購股權之會計政策有所改變。於以往年度，購股權並無於損益表內列支。採納HKFRS 2後，購股權在授出日之公平值會於歸屬期間於損益表內攤銷。

根據過渡性條文，所有在二零零二年十一月七日後已授出但於二零零五年一月一日尚未歸屬的購股權成本於相關期間之損益表內追溯列支(附註2(r)(ii))。

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(b) Impact of new and revised HKFRSs and HKASs (continued)

- (ii) The adoption of revised HKAS 17 “Leases” has resulted in a change in the accounting policy relating to the classification of leasehold land and land use rights. In accordance with HKAS 17, a lease of land and building should be split into a lease of land and a lease of building in proportion to the relative fair values of the leasehold interests in the land element and the building element of the lease at the inception of the lease. The up-front prepayment for land is stated at cost and amortized over the period of the lease whereas the building is stated at cost less accumulated depreciation and impairment losses.
- (iii) The adoption of HKAS 32 “Financial Instruments: Disclosure and Presentation” and HKAS 39 “Financial Instruments: Recognition and Measurement” has resulted in a change in the accounting policy relating to the treatment of financial assets at fair value through profit and loss account. These have also resulted in a change in the recognition, measurement and classification of derivative financial instruments.

Certain derivatives, which include foreign exchange contracts, which do not qualify for hedge accounting, are initially recognized at fair value on the date on which a derivative contract is entered into and subsequently re-measured at their fair value. Changes in fair value of the derivatives are recognized immediately in the profit and loss account.

- (iv) The adoption of HKFRS 2 “Share-based Payment” has resulted in a change in the accounting policy for share options. In prior years, the provision of share options did not result in a charge to the profit and loss account. Following the adoption of HKFRS 2, fair value of share options at the grant date is amortized over the relevant vesting periods to the profit and loss account.

As a transitional provision, the cost of share options granted after November 7, 2002 and had not yet vested on January 1, 2005 was expensed retrospectively in the profit and loss account of the respective periods (note 2(r)(ii)).

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2. 主要會計政策 (續)

(b) 新增及經修訂之HKFRSs及HKASs造成的影響 (續)

(v) 所有會計政策根據過渡性條文中有關的準則已在適用的情況下作出變更。除下列外，所有集團採納的標準需要追溯應用：

- HKAS 39：不允許按此標準追溯財務資產及負債之確認、不再確認及計量；
- HKAS 詮釋15：沒有要求對二零零五年一月一日之前生效之租賃獎勵作出確認；
- HKFRS 2：追溯應用只適用於二零零二年十一月七日後授出但於二零零五年一月一日尚未歸屬之購股權；及
- HKFRS 3：於二零零五年一月一日後採用。

(vi) 採納HKFRS 2對綜合損益表之影響如下：

(除每股盈利外，以港幣百萬元為單位)

行政費用增加
(附註2(b)(iv))

本公司股東應佔溢利
減少

每股基本及攤薄盈利
減少

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(b) Impact of new and revised HKFRSs and HKASs (continued)

(v) All changes in the accounting policies have been made in accordance with the transitional provisions in the respective standards, wherever applicable. All standards adopted by the Group require retrospective application other than:

- HKAS 39: does not permit to recognize, derecognize and measure financial assets and liabilities in accordance with this standard on a retrospective basis;
- HKAS Interpretation 15: does not require the recognition of incentives for leases beginning before January 1, 2005;
- HKFRS 2: only retrospective application for all share options granted after November 7, 2002 and not vested at January 1, 2005; and
- HKFRS 3: prospectively after January 1, 2005.

(vi) Effect of adopting HKFRS 2 on the consolidated profit and loss account is as follows:

(In HK\$ millions, except earnings per share)

	2005	2004
Increase in administrative expenses (Note 2(b)(iv))	<u>4</u>	<u>6</u>
Decrease in profit attributable to shareholders of the Company	<u>4</u>	<u>6</u>
Decrease in basic and diluted earnings per share	<u>0.3¢</u>	<u>0.5¢</u>

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2. 主要會計政策 (續)

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(b) 新增及經修訂之HKFRSs及HKASs造成的影響 (續)

(b) Impact of new and revised HKFRSs and HKASs (continued)

(vii) 會計政策之變改對集團資產負債表之影響如下：

(vii) Effect of changes in the accounting policies on the Group's balance sheet is as follows:

於二零零五年十二月三十一日 (以港幣百萬元為單位)	At December 31, 2005 (In HK\$ millions)	HKFRS 2	HKAS 17	合計 Total
非流動資產	Increase/(decrease) in non-current assets			
增加/(減少)	Property, plant and equipment (Note 2(b)(ii))	-	(250)	(250)
物業、機器及設備 (附註2(b)(ii))				
租賃土地及租金預付款項 (附註2(b)(ii))	Leasehold land and rental prepayments (Note 2(b)(ii))	-	242	242
		-	(8)	(8)
流動資產增加	Increase in current assets			
租賃土地及租金預付款項 (附註2(b)(ii))	Leasehold land and rental prepayments (Note 2(b)(ii))	-	8	8
權益增加/(減少)	Increase/(decrease) in equity			
購股權儲備 (附註2(b)(iv))	Share options reserve (Note 2(b)(iv))	10	-	10
滾存溢利(附註2(b)(iv))	Retained profits (Note 2(b)(iv))	(10)	-	(10)
		-	-	-
於二零零四年十二月三十一日 (以港幣百萬元為單位)	At December 31, 2004 (In HK\$ millions)	HKFRS 2	HKAS 17	合計 Total
非流動資產	Increase/(decrease) in non-current assets			
增加/(減少)	Property, plant and equipment (Note 2(b)(ii))	-	(263)	(263)
物業、機器及設備 (附註2(b)(ii))				
租賃土地及租金預付款項 (附註2(b)(ii))	Leasehold land and rental prepayments (Note 2(b)(ii))	-	255	255
		-	(8)	(8)
流動資產增加	Increase in current assets			
租賃土地及租金預付款項 (附註2(b)(ii))	Leasehold land and rental prepayments (Note 2(b)(ii))	-	8	8
權益增加/(減少)	Increase/(decrease) in equity			
購股權儲備 (附註2(b)(iv))	Share options reserve (Note 2(b)(iv))			
— 於二零零四年一月一日	— at January 1, 2004	1	-	1
— 截至二零零四年十二月三十一日止年度	— for the year ended December 31, 2004	6	-	6
		7	-	7
滾存溢利(附註2(b)(iv))	Retained profits (Note 2(b)(iv))	(7)	-	(7)
		-	-	-

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2. 主要會計政策 (續)

(b) 新增及經修訂之HKFRSs及HKASs造成的影響 (續)

(viii) 就若干與本集團業務相關而必須於本集團二零零六年一月一日或以後之會計年度採用之新增準則和現有準則之修改及詮釋已經頒布；本集團並未於截至二零零五年十二月三十一日止年度的財務報表內提早採納該等新增準則、修改及詮釋。

(c) 綜合基準

- (i) 綜合財務報表包括本公司及其附屬公司截至二零零五年十二月三十一日止之財務報表。
- (ii) 所有集團內公司間之重大交易及結餘已於綜合報表內對銷。
- (iii) 於本年度內收購或出售之附屬公司，其業績由收購或直至出售生效日起已計入綜合損益表內。
- (iv) 出售附屬公司之收益或虧損，指出售所得之收入與集團應佔公司資產淨值(連同以前並未在綜合損益表內支銷或入賬之任何未攤銷商譽或負商譽)之差額。
- (v) 少數股東權益指外界股東在附屬公司經營業績及資產淨值中所佔之權益。

(d) 附屬公司

附屬公司指本公司直接或間接持有多於百分之五十投票權或已發行股本或擁有組成董事會之控制權或有權監控其財務及經營政策之公司。

附屬公司之賬目由控制權轉移予本集團當日起完全綜合於本集團賬內；而於控制權終止當日剔除。

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(b) Impact of new and revised HKFRSs and HKASs (continued)

(viii) Certain new standards, amendments and interpretations to existing standards have been published that are relevant to the Group's business and are mandatory for the Group's accounting periods beginning on or after January 1, 2006 or later periods. The Group has not adopted these new standards, amendments and interpretations for the year ended December 31, 2005.

(c) Basis of consolidation

- (i) The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to December 31, 2005.
- (ii) All material inter-company transactions and balances within the Group are eliminated on consolidation.
- (iii) The results of subsidiaries acquired or disposed of during the year are dealt with in the consolidated profit and loss account from or up to the effective dates of acquisition or disposal.
- (iv) The gain or loss on the disposal of a subsidiary represents the difference between the proceeds of the sale and the Group's share of its net assets together with any unamortized goodwill or negative goodwill which was not previously charged or recognized in the consolidated profit and loss account.
- (v) Minority interests represent the interests of outside shareholders in the operating results and net assets of subsidiaries.

(d) Subsidiaries

A subsidiary is a company in which the Company, directly or indirectly, controls more than 50 percent of its voting power or issued share capital or controls the composition of its board of directors or has power to govern its financial and operating policies.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

2. 主要會計政策 (續)

(d) 附屬公司 (續)

本集團收購附屬公司時以購買會計法入賬。收購成本乃按轉讓日所給予資產、所發行股本工具及所引致或承擔的負債的公平值，加收購事項直接引致之成本計算。業務合併時所收購之可識別資產及所承擔之負債及或然負債初步以於收購日之公平值計算，而不計入任何少數股東權益。收購成本超出本集團應佔所收購可識別資產淨值之公平值部分的則記錄為商譽。倘收購成本低於所購附屬公司資產淨值之公平值部分，該差異則直接於損益表中確認。

集團公司之間的交易、結餘及交易之未變現收益乃予對銷。除非該交易提供證據證明所轉移資產出現減值，否則未變現虧損亦予以對銷。附屬公司之會計政策已在需要情況下作修訂，以確保與本集團所採納之政策一致。

附屬公司之投資，以成本值扣除減值虧損之撥備納入本公司之資產負債表內。本公司將附屬公司之業績按已收及應收股息入賬。

(e) 共同控制公司

根據HKAS 31「合營項目投資」(該會計準則已取替會計實務準則第二十一號「合營權益之會計處理」)，共同控制公司乃每位投資者擁有其權益而該公司之財務及營運決策乃根據合約安排由投資者共同控制。

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(d) Subsidiaries (continued)

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the profit and loss account.

Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries are changed where necessary to ensure consistency with the policies adopted by the Group.

Investments in subsidiaries are carried in the Company's balance sheet at cost, less provision for impairment losses. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

(e) Jointly controlled companies

In accordance with HKAS 31 "Interests in Joint Ventures", which supersedes Statement of Standard Accounting Practice 21 "Accounting for Interests in Joint Ventures", a jointly controlled company is an entity in which each venturer has an interest and of which its financial and operating policies are under contractual arrangements jointly controlled by the venturers.

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2. 主要會計政策 (續)**(e) 共同控制公司 (續)**

本集團採納權益法處理於共同控制公司之權益。綜合損益表包括本集團於期內應佔共同控制公司之業績，而集團資產負債表包括本集團所佔共同控制公司之淨資產。當本集團與共同控制公司有交易時，未變現溢利及虧損會根據本集團所佔權益予以抵銷。共同控制公司之會計政策已在需要情況下作修訂，以確保與本集團所採納之政策一致。

於本公司之資產負債表，共同控制公司之權益以成本值扣除減值虧損之撥備入賬。本公司將共同控制公司之業績按已收及應收股息入賬。

(f) 聯營公司

聯營公司是指本集團對其有重大影響但不擁有控制權的公司，一般附帶擁有其百分之二十至百分之五十股本權益。

本集團對收購後應佔聯營公司的利潤或虧損於損益表中確認，而應佔收購後的聯營公司的儲備變動在儲備中確認。收購後的累積變動乃於投資之賬面值作調整。當本集團應佔聯營公司的虧損相等於或大於其佔聯營公司的權益(包括任何其他無擔保之應收賬款)，本集團不再確認額外的損失，除非本集團有此責任或已代聯營公司支付款項。

因本集團與聯營公司之間交易而產生的未變現收益按本集團所佔權益予以抵銷。除非該交易提供證據證明所轉移資產出現減值，否則未變現虧損亦予抵銷。聯營公司之會計政策已在需要情況下作修訂，以確保與本集團所採納之政策一致。

於本公司之資產負債表，聯營公司之投資以成本值扣除減值虧損之撥備入賬。本公司將聯營公司之業績按已收及應收股息入賬。

2. PRINCIPAL ACCOUNTING POLICIES (continued)**(e) Jointly controlled companies (continued)**

The Group adopts the equity method to account for the interests in jointly controlled companies. The consolidated profit and loss account includes the Group's share of the results of jointly controlled companies for the year, and the Group's balance sheet includes the Group's share of net assets of the jointly controlled companies. When the Group transacts with its jointly controlled companies, unrealized profits and losses are eliminated to the extent of the Group's interests in jointly controlled companies. Accounting policies of jointly controlled companies are changed where necessary to ensure consistency with the policies adopted by the Group.

In the Company's balance sheet, the interests in jointly controlled companies are stated at cost less provision for impairment losses. The results of jointly controlled companies are accounted for by the Company on the basis of dividend received and receivable.

(f) Associates

An associate is a company over which the Group has significant influence but does not control, generally accompanying an equity interest of between 20 percent and 50 percent.

The Group's share of its associate's post-acquisition profits or losses is recognized in the profit and loss account, and its share of post-acquisition movements in reserves is recognized in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interests in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates are changed where necessary to ensure consistency with the policies adopted by the Group.

In the Company's balance sheet, the investments in associates are stated at cost less provision for impairment losses. The results of associates are accounted for by the Company on the basis of dividend received and receivable.

2. 主要會計政策 (續)

(g) 分部報表

一個業務分部指從事提供產品或服務之一組資產及業務，而該組資產及業務之風險及回報有別於其他業務分部。一個地區分部乃在某一特定經濟環境下從事提供產品或服務，而該分部之風險及回報有別於在其他經濟環境經營的分部。

按照本集團之內部財務報告，本集團已決定以業務分部資料作為主要報告形式呈列，而地區分部資料則以次要報告形式呈列。

分部資產主要包括物業、機器及設備、租賃土地及租金預付款項、租賃按金及預付款項、存貨、應收款項及經營現金。分部負債指經營負債，而不包括稅項及若干企業借款等項目。資本開支指添置物業、機器及設備，當中包括因收購附屬公司而增加之資產。

至於地區分部報告，銷售額乃按照客戶所在國家計算。總資產及資本開支則按資產所在地計算。

(h) 外幣換算

(i) 功能性及呈列貨幣

本集團內各企業的財務報表內的項目均以該企業經營之主要經濟環境之通行貨幣（「功能性貨幣」）計量。綜合財務報表以港元呈列，而該貨幣為本公司的功能性及呈列貨幣。

(ii) 交易及結餘

外幣交易均按交易當日之匯率折算為功能性貨幣入賬。上述交易結算過程中以及按年終兌換率匯算以外幣為單位之貨幣性資產和負債時出現的匯兌收益及虧損均於損益表中確認。

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(g) Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and return that are different from those of segments operating in other economic environments.

In accordance with the Group's internal financial reporting, the Group has determined that business segments are presented as the primary reporting format and geographical segments as the secondary reporting format.

Segment assets consist primarily of property, plant and equipment, leasehold land and rental prepayments, rental deposits and prepayments, inventories, receivables and operating cash. Segment liabilities comprise operating liabilities but exclude items such as taxation and certain corporate borrowings. Capital expenditure comprises additions to property, plant and equipment, including additions resulting from acquisitions through purchases of subsidiaries.

In respect of geographical segment reporting, sales are based on the country in which customers are located. Total assets and capital expenditures are based on where the assets are located.

(h) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's companies are measured using the currency of the primary economic environment in which the company operates ("the functional currency"). The consolidated financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the transaction dates. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the profit and loss account.

2. 主要會計政策 (續)

(h) 外幣換算 (續)

(iii) 集團公司

所有本集團之公司若其功能性貨幣與呈列貨幣不同(各公司均無極高通脹經濟之貨幣)，其業績及財務狀況均按以下方法換算為呈列貨幣：

- 每份呈列於資產負債表之資產及負債均以該資產負債表結算日之收市匯率換算；
- 每份損益表之收入及支出項目按平均匯率換算(除非該平均匯率並非反映交易日通行匯率累計影響的一個合理的接近匯率，在此情況下收入及支出乃用交易當日的匯率換算)；及
- 所有兌換差異乃於匯兌儲備中確認。

於綜合賬目時，換算境外公司投資淨值，以及借款和作為上述投資之對沖之其他貨幣投資時產生之匯兌差額乃列入匯兌儲備內。當出售境外業務時，該匯兌差額於損益表中確認為出售收益或虧損之部分。

(i) 物業、機器及設備

- (i) 永久業權土地以成本值入賬及不作攤銷。
- (ii) 樓宇、租賃物業裝修及其他固定資產以成本值扣除累積折舊及累積減值虧損列賬。成本值指資產之購買價及將資產達至現行用途之其他有關費用。

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(h) Foreign currency translation (continued)

(iii) Group companies

The results and financial position of all the group companies (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at balance sheet date;
- income and expenses for each profit and loss account are translated at average exchange rates (unless this average rate is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case incomes and expenses are translated at the transaction dates); and
- all resulting exchange differences are recognized in the exchange reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign companies, and of borrowings and other currency instruments designated as hedges of such investments are taken to exchange reserve. When a foreign operation is sold, such exchange differences are recognized in the profit and loss account as part of the gain or loss on sale.

(i) Property, plant and equipment

- (i) Freehold land is stated at cost and is not amortized.
- (ii) Buildings, leasehold improvements and other fixed assets are stated at cost less accumulated depreciation and any accumulated impairment losses. Cost represents the purchase price of the asset and other costs incurred to bring the asset into its existing use.

2. 主要會計政策 (續)

(i) 物業、機器及設備 (續)

- (iii) 僅在與該項目相關之未來經濟效益有可能歸於本集團及能可靠地計算出該項目成本之情況下，其後之成本才會包括於資產賬面值或確認為獨立之資產(如適用)。所有其他維修及保養支出於其產生之財務期間內計入損益表。
- (iv) 物業、機器及設備之折舊乃以資產成本值按其估計於本集團可使用年期以直線方式撇銷如下：
- 永久業權之土地不作折舊。
 - 位於永久業權之土地之上之樓宇是按估計可使用年期，以其完成日不多於五十年計算。
 - 位於租賃之土地之上之樓宇是按估計剩餘租賃年期或其估計可使用年期，以完成日不多於五十年計算，兩者之較短者折舊。
- | | |
|----------|------|
| — 機器 | 五年 |
| — 其他固定資產 | 三至五年 |
- (v) 於每個結算日，資產之剩餘價值及可使用年限，會於適當情況下重新審閱及作出調整。
- (vi) 倘某資產之賬面值大於其估計可收回金額，該資產之賬面值將即時減值至其可收回之金額。
- (vii) 出售固定資產之收益或虧損指出售淨收益與有關資產賬面金額之差額，並於損益表內列賬。

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(i) Property, plant and equipment (continued)

- (iii) Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are expensed in the profit and loss account during the financial period in which they are incurred.
- (iv) Depreciation of property, plant and equipment is calculated using the straight-line method to allocate cost over their estimated useful lives, as follows:
- Freehold land is not depreciated.
 - Buildings situated on freehold land are depreciated over their estimated useful life, being no more than 50 years after the date of completion.
 - Buildings situated on leasehold land are depreciated over the shorter of the unexpired term of lease or their estimated useful lives, being no more than 50 years after the date of completion.
- | | |
|----------------------|-------------|
| — Plant | 5 years |
| — Other fixed assets | 3 – 5 years |
- (v) Assets' residual values and useful lives are reviewed and adjusted if appropriate, at each balance sheet date.
- (vi) An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.
- (vii) Gain or loss on disposal of fixed assets is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognized in the profit and loss account.

2. 主要會計政策 (續)

(j) 投資物業

- (i) 投資物業乃持有作長期收租或資本增值，或兩者皆是；而該等物業並非主要由本集團之任何公司佔用。
- (ii) 投資物業包括融資租賃之樓宇，以成本值扣除累積折舊及累積減值虧損列賬。成本值指投資物業之購買價及將物業達至現行用途之其他有關費用。投資物業之折舊是按剩餘租賃年期將其成本值撇銷計算。
- (iii) 僅在與該項目相關之未來經濟效益有可能歸於本集團及能可靠地計算出項目成本之情況下，其後的支出才會包括於資產賬面值。所有其他維修及保養支出於其產生之財務期間內計入損益表。

(k) 無形資產

(i) 商譽

商譽指收購成本高於本集團於收購日應佔所收購附屬公司/聯營公司/共同控制公司可確認資產淨值之公平價值的差額。收購附屬公司及共同控制公司所產生之商譽計入無形資產；而收購聯營公司產生之商譽則計入聯營公司權益。

商譽於每年檢討須否減值及按成本減累計減值列賬。出售實體之收益及虧損包括有關已售出實體之商譽賬面值。

為進行減值評估，商譽會被分配至各現金產生單位。

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(j) Investment property

- (i) An investment property is a property which is held for long term rental yield or for capital appreciation, or both and that is not substantially occupied by any Group companies.
- (ii) Investment property comprises buildings held under finance leases. It is stated at cost less accumulated depreciation and any accumulated impairment losses. Cost represents the purchase price of the investment property and other costs incurred to bring the property into its existing use. Depreciation of investment property is calculated to write off its cost over the unexpired period of the lease.
- (iii) Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed in the profit and loss account during the financial period in which they are incurred.

(k) Intangible assets

(i) Goodwill

Goodwill represents the excess of the cost of any acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary/associate/jointly controlled company at the date of acquisition. Goodwill on acquisitions of subsidiaries and jointly controlled companies is included in intangible assets. Goodwill on acquisitions of associates is included in interest in associates.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment test.

2. 主要會計政策 (續)

(k) 無形資產 (續)

(ii) 商標及授權

已收購的商標及授權乃按歷史成本列示。有確定使用年限之已收購的商標及授權乃按成本減累計攤銷列賬。攤銷乃按商標及授權的成本以直線方式於其估計之使用年限而計算。

(iii) 電腦軟件

已購買之電腦軟件乃按購買及使該軟件可運用之成本入賬。此等成本於其估計可使用年期內攤銷。

有關開發及維持電腦軟件程式之成本於產生時確認為支出。

(l) 資產減值

無指定使用年期之資產毋需攤銷，但至少每年或每當有事項或情況轉變顯示不可收回賬面值時檢討是否需要減值。需要攤銷之資產於每年或每當有事項或情況轉變顯示賬面值不可收回時檢討有否要減值。減值虧損即時按資產賬面值超出其可收回金額之差額確認。可收回金額為資產之公平值減銷售成本與使用價值之較高者。於評估減值時，資產應按可分開確認現金流量之最低水平（現金產生單位）分類評估。

(m) 存貨

存貨按成本值與可變現淨值兩者中之較低者入賬。成本值乃按加權平均之基準並按下列方法計算：

- (i) 原料及購入貨品 - 按發票價加採購成本。

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(k) Intangible assets (continued)

(ii) Trademarks and licenses

Acquired trademarks and licenses are shown at historical cost. Acquired trademarks and licenses have a definite useful life and are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method to allocate the cost of trademarks and licenses over their estimated useful lives.

(iii) Computer software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful life.

Cost associated with developing or maintaining computer software programs are recognized as an expense as incurred.

(l) Impairment of assets

Assets that have an indefinite useful life are not subject to amortization, which are at least tested annually for impairment and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows (cash-generating units).

(m) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined on the weighted average basis and is arrived at as follows:

- (i) Raw materials and purchased goods – invoiced prices plus procurement costs.

2. 主要會計政策 (續)

(m) 存貨 (續)

- (ii) 在製貨品及製成品—直接物料成本、直接勞工成本及應佔之生產費用，但不包括借貸成本。

可變現淨值乃存貨在正常業務情況下之售價扣除變賣費用，及(如適用)扣除將其轉換成製成產品之成本。

(n) 應收賬款及其他應收款

應收賬款及其他應收款乃按其公平值入賬，其後以實際利率攤銷成本計量；若在折現的影響是不重要的情況下應收賬款及其他應收款則以成本扣除減值撥備列出。應收賬款及其他應收款之減值撥備在有客觀證據證明將不能按應收款項之原有條款收回全數金額時確立。撥備金額為資產賬面值與估計未來現金流量之現值按實際利率折現之差額。撥備金額於損益表內確認。

(o) 現金及現金等值

現金及現金等值包括手頭現金、銀行通知存款、其他短期高度流通和於三個月內到期之投資及銀行透支。銀行透支於資產負債表流動負債之借貸下顯示。

(p) 借貸成本

所有借貸成本於發生期間內於損益表支銷，除非此等成本直接歸屬於收購、建造或生產資產，而該資產需要長時間達至其預設用途或用作出售，才可作資本化。

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(m) Inventories (continued)

- (ii) Work in progress and finished goods – cost of direct materials, direct labor and an appropriate proportion of production overheads, but excluding borrowing costs.

Net realizable value is the estimated price at which inventories can be sold in the normal course of business after allowing for the costs of realization and, where appropriate, the cost of conversion from their existing state to a finished condition.

(n) Trade and other receivables

Trade and other receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognized in the profit and loss account.

(o) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

(p) Borrowing costs

Borrowing costs are expensed in the profit and loss account in the period in which they are incurred, except to the extent that they are capitalized as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale.

2. 主要會計政策 (續)

(q) 遞延稅項

遞延稅項採用負債法就資產/負債之稅基與它們在財務報表之賬面值兩者之短暫性差異作全數撥備。於結算日已頒布或實質上頒布的稅率，將用作為決定遞延稅項。

因稅務虧損所產生之遞延稅項資產不會確認入賬，除非預期日後應課稅溢利可抵銷此短暫性差異。

遞延稅項就投資於附屬公司、共同控制公司及聯營公司所產生之短暫性差異而撥備，但假若母公司可以控制此時差之撥回，並有可能在可預見未來不會撥回則除外。

(r) 僱員福利

(i) 退休金責任

除台灣之退休計劃安排外，本集團為所有合資格的僱員實行界定供款計劃及(如適用)參與中央界定供款公積金計劃。界定供款計劃資產與本集團資產分開持有，並由獨立基金管理。僱主與僱員雙方均須就該等計劃作供款，而供款額乃取決於僱員薪金之百分比，而該百分比的幅度由百分之二至百分之二十不等。

本集團向該界定供款計劃及強制性公積金計劃所作出之供款在發生時作為費用支銷，而員工在取得全數既得之利益前退出計劃而被沒收之僱主供款將會用作扣減此供款。本集團於作出供款後，便再沒有其他付款的責任。

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(q) Deferred taxation

Deferred taxation is provided in full, using liability method, on temporary differences between the tax base of assets/liabilities and their carrying amounts in the financial statements. Taxation rates enacted or substantially enacted by the balance sheet date are used to determine deferred taxation.

Deferred tax assets generated from taxable losses are not recognized unless it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred taxation is provided on the temporary differences arising on investment in subsidiaries, jointly controlled companies and associates, except where the timing of the reversal of the temporary differences can be controlled by the parent company and it is probable that the temporary difference will not reverse in the foreseeable future.

(r) Employee benefits

(i) Pension obligations

Except for the pension scheme arrangements in Taiwan, the Group operates defined contributions schemes and, if applicable, participates in central defined contribution provident fund schemes for all qualified employees. The assets of the said schemes are held by independently administered funds separated from those of the Group. Contributions to these schemes are made by both the employers and employees at rates ranging from two percent to twenty percent on the employees' salaries.

The Group's contributions to the defined contribution plans and mandatory provident fund scheme are expensed as incurred and, if applicable, are reduced by contributions forfeited by those employees who leave the scheme or the plan prior to vesting fully in the contributions. The Group has no further payment obligations once the contributions have been made.

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2. 主要會計政策 (續)**(r) 僱員福利 (續)****(i) 退休金責任 (續)**

集團全資所屬的台灣分公司依據台灣勞動基準法條例參與「確定給付制」之退休金計劃(「舊制」)；同時，自二零零五年七月一日起，依據台灣勞工退休金條例參與「確定提撥制」之退休金計劃(「新制」)。

在舊制之下，集團有責任確保有足夠的資金支付員工之退休金包含在新制實施前舊年資應保留之退休金及選擇繼續參與舊制的員工之隨後年資，台灣分公司現行按參與員工薪金總額之百分之二提撥退休金，此提撥比率是經相關政府單位批准的，舊制的退休金資產是經中央信託局進行投資。

在新制之下，台灣分公司依據選擇新制員工的每月平均薪金按月提撥百分之六的退休金，並存入員工於勞工保險局之個人帳戶內。

(ii) 以股份支付的補償

本集團設有一項以股權結算、以股份支付之補償計劃。本集團就授出購股權而取得之僱員服務公平價值確認並列作開支。購股權歸屬期間支銷之總額乃參考已授出購股權之公平價值而釐定，惟不計及任何非市場歸屬情況之影響(例如盈利能力及銷售增長目標)。非市場歸屬條件包括於預期可予行使之購股權數目之假設內。於各結算日，本集團均會修改其估計預期可予行使之購股權之數目。修改原來估計數字如有影響，則於損益表內確認，以及在餘下歸屬期間對股東權益作相應調整。

當購股權獲行使時，已收取所得款項於扣除任何直接應佔交易成本後均列入股本(面值)及股份溢價中。

2. PRINCIPAL ACCOUNTING POLICIES (continued)**(r) Employee benefits (continued)****(i) Pension obligations (continued)**

The branches of wholly-owned subsidiaries of the Group in Taiwan have a defined benefit scheme ("Old Scheme") governed by the Labor Standard Law and a defined contribution scheme ("New Scheme") governed by the Labor Pension Act which became effective on July 1, 2005.

Under the Old Scheme, the Group has an obligation to ensure that there are sufficient funds in the scheme to pay the benefits earned for the service years of all employees covered before the New Scheme and the subsequent service years of employees that chose to continue to participate in the Old Scheme. The branches currently contribute at two percent of the total salaries of participating employees as determined and approved by the relevant government authorities. The assets of the Old Scheme are invested by the Central Trust of China.

Under the New Scheme, the branches contribute each month at six percent of the salary of employees that choose to participate in the New Scheme, deposited into individual pension accounts at the Bureau of Labor Insurance.

(ii) Share-based compensation

The Group operates an equity-settled, share-based compensation plan. The fair value of the employee services received in exchange for the grant of the options is recognized as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance sheet date, the Group revises its estimates of the number for options that are expected to become exercisable. It recognizes the impact of the revision of original estimates, if any, in the profit and loss account, and a corresponding adjustment to equity over the remaining vesting period.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

2. 主要會計政策 (續)

(s) 撥備

當本集團對已發生的事件須承擔法律性或推定性的責任，則撥備將會被確認，而解除該責任時可能有資源之流出，並就該數額可確實地估計。

(t) 收入確認

收入包括產品及服務銷售的公平值扣減增值稅、回扣和折扣及減除集團內銷售。收入確認如下：

(i) 產品銷售－批發

貨品之銷售收益在貨品付運予客戶，而客戶已接納貨品及有關應收款項已合理地確定收到時確認。

(ii) 產品銷售－零售

貨品之銷售於出售產品予客戶時確認。零售銷售通常以現金或信用卡結算；而紀錄之收益為銷售總額，其中未扣減交易中應付的信用卡費用；此等費用包括在分銷成本中。

(iii) 服務銷售

於會計期間內，服務銷售根據已提供之服務佔整體服務之比例為參考，於提供服務時確認。

(iv) 利息收入

利息收入根據尚未償還之本金及適用之利率，按時間比例使用實際利率法確認。

(v) 專利權收入

專利權收入按照相關協議之實質以應計基準確認。

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(s) Provision

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

(t) Revenue recognition

Revenue comprises the fair value for the sales of goods and services, net of value-added tax, rebates return and discounts and after eliminating sales within the Group. Revenue is recognized as follows:

(i) Sales of goods – wholesale

Sales of goods are recognized when a Group company has delivered products to the customer, the customer has accepted the products and collectibility of the related receivables is reasonably assured.

(ii) Sales of goods – retail

Sales of goods are recognized when a Group company sells a product to the customer. Retail sales are usually in cash or credit card. The recorded revenue is the gross amount of sales, before netting off credit card fees payable for the transactions. Such fees are included in distribution costs.

(iii) Sales of services

Sales of services are recognized in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

(iv) Interest income

Interest income is recognized on a time-proportion basis using the effective interest method, taking into account the principal amount outstanding and the interest rates applicable.

(v) Royalty income

Royalty income is recognized on an accrual basis in accordance with the substance of the relevant agreements.

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2. 主要會計政策 (續)**(t) 收入確認 (續)****(vi) 股息收入**

股息收入於擁有權利收取股息時確認。

(u) 租賃 (作為承租人)**(i) 融資租賃**

凡租賃條款規定本集團將擁有資產之回報及風險大部分均列為融資租賃。當融資租賃開始時，其租賃資產之公平價值或最低租賃支出之現值，以較低者撥作資本化。為了達至基於財務餘額之固定利率，每一租賃支出被分配為負債及財務支出。相應之租賃責任在扣除財務支出後會被納入流動及非流動借貸。財務成本的利息項目會於租賃年期的損益表中確認，以至產生一個基於每期負債餘額的固定利率。

(ii) 經營租賃

凡租賃條款規定將擁有資產之大部分回報及風險由出租公司保留之租賃，皆列為經營租賃。經營租賃之租金在租賃期內以直線法在損益表內支銷。

(v) 派息

向本公司股東派發之股息，於本公司批准派息的財務期間被確認為本集團財務報表中的一項負債。

2. PRINCIPAL ACCOUNTING POLICIES (continued)**(t) Revenue recognition (continued)****(vi) Dividend income**

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

(u) Leases (as the lessee)**(i) Finance leases**

Leases of assets where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, is included in current and non-current borrowings. The interest element of the finance cost is recognized in the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

(ii) Operating leases

Leases where substantially all the rewards and risks of ownership of assets remain with the leasing company are accounted for as operating leases. Rental payments applicable to such operating leases are charged to the profit and loss account on the straight-line basis over the lease periods.

(v) Dividend distribution

Dividend distribution to the Company's shareholders is recognized as a liability in the Group's financial statements in the period in which the dividends are approved.

2. 主要會計政策 (續)

(w) 或然負債

或然負債指因為過往事件而可能引起之承擔，而其存在只能就集團不能完全控制之一宗或多宗不確定未來事件之出現與否而確認。或然負債亦可能因過往事件引致之現有承擔，但由於可能不需要有經濟資源流出，或所須承擔之金額未能可靠衡量而未有記賬。

或然負債不會被確認，但會在財務報表附註中披露。假若資源流出之可能性改變而導致可能出現資源流出，則確認為撥備。

3. 財務風險管理

財務風險因素

本集團之業務使其主要受到貨幣及信貸風險之影響。本集團整體風險管理計劃尋求將對本集團財務報表的潛在風險降至最低限度。如需要時，本集團使用金融衍生工具對沖若干所面對的風險。

(i) 匯兌風險

本集團之國際營運業務易受若干匯兌風險，主要來自不同貨幣換算港元而產生。匯兌風險來自未來商業交易、已確認之資產及負債；和海外經營之投資淨值。

為管理來自未來商業交易和已確認之資產及負債的外匯風險影響，當預期有關貨幣會有重大浮動時，本集團的公司將訂立遠期合約。

本集團於海外業務擁有若干投資，其淨資產易受外匯換算風險。由本集團新設的海外業務；如日本業務所帶來的外匯風險主要是透過以其相關外匯為單位的借貸來管理。

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(w) Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognized because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognized but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that outflow is probable, they will then be recognized as a provision.

3. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities exposed it mainly to currency risk and credit risk. The Group's overall risk management programme seeks to minimize potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposure when necessary.

(i) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Hong Kong dollar. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations.

To manage their foreign exchange risk arising from future commercial transactions, recognized assets and liabilities, companies in the Group use forward contracts when major fluctuation in the relevant foreign currency is anticipated.

The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Group's new foreign operation in new markets such as Japan is managed primarily through borrowings denominated in their relevant foreign currencies.

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3. 財務風險管理 (續)**財務風險因素 (續)****(ii) 信貸風險**

本集團並無主要集中性信貸風險。本集團有既定政策確保產品批發給有良好的信貸紀錄之客戶。零售客戶則須支付現金或使用主流信用卡。現金存款只存放於具有良好信貸之財務機構。

(iii) 流動現金風險

審慎之流動現金風險管理透過維持足夠現金、銀行信貸所提供的金額和償還所有流動負債的能力而顯示。

(iv) 利率風險

因為本集團沒有重大附帶利息的借貸，本集團之營運現金流量不受市場利率轉變之影響。

4. 重要會計估計及判斷

估計及判斷之評估會不斷地進行，並以過往經驗及其他因素作為基礎，包括在目前情況下對未來事件的合理預期。

重要會計估計及假設

本集團對未來作出推算及假設。所得之會計估計理論上難以與相關的實際結果相同。以下所論述之估計及假設有相當風險會引致須於下個財政年度對資產和負債之賬面值作重大調整。

本集團須於多個司法權區繳納利得稅。在為利得稅釐定全球準備時需要運用相當程度的判斷。於日常業務過程中有頗多未能確定最終稅項之交易及計算。本集團以會否有到期應繳額外稅項之估計而確認預期稅務審計項目之負債。倘該等事宜之最終稅務結果與初步記錄之金額不同，有關差異將影響作出釐定之期間內的利得稅及遞延稅項準備。

3. FINANCIAL RISK MANAGEMENT (continued)**Financial risk factors (continued)****(ii) Credit risk**

The Group has no significant concentration of credit risk. It has policies in place to ensure that wholesale of products are made to customers with an appropriate credit history. Sales to retail customers are made in cash or via major credit cards. Cash deposits are limited to high-credit-quality financial institutions.

(iii) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, availability of funding through an adequate amount of credit facilities from banks and the ability to settle all current liabilities.

(iv) Interest rate risk

As the Group has no significant interest-bearing borrowings, the Group's operating cash flows are substantially independent of changes in market interest rates.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The Group is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

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5. 營業額、收益及分部資料

本集團主要業務為零售及分銷其 *Giordano*、*Giordano Ladies*、*Giordano Junior* 及 *Bluestar Exchange* 等品牌之便服及配襯用品。本集團亦同時經營成衣貿易及製造業務，以供應集團零售業務需求，並向本集團以外之人仕供應產品。

本年度已確認之營業額及收益如下：

5. TURNOVER, REVENUE AND SEGMENT INFORMATION

The principal business of the Group is retail and distribution of casual apparel and accessories under *Giordano*, *Giordano Ladies*, *Giordano Junior* and *Bluestar Exchange* brands. The Group also carries on garment trading and manufacturing operation, supporting the Group's retail business and supplying products to third parties.

Turnover and revenue recognized during the year are as follows:

(以港幣百萬元為單位)	(In HK\$ millions)	集團 Group	
		2005	2004
營業額	Turnover		
零售及分銷業務 之銷售收入	Sales revenue from retail and distribution operation	4,002	3,739
成衣貿易及製造業務 之銷售收入	Sales revenue from garment trading and manufacturing operation	411	264
		4,413	4,003
其他收益	Other revenue		
利息收入	Interest income	15	8
佣金收入	Commission income	11	8
租金收入	Rental income	25	17
特許權收入	Royalty income	17	17
其他收入	Other income	32	40
		100	90

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5. 營業額、收益及分部資料 (續) 5. TURNOVER, REVENUE AND SEGMENT INFORMATION (continued)

(a) 主要報告形式－業務分部資料

(a) Primary reporting format – business segments

(以港幣百萬元為單位)	(In HK\$ millions)	零售及 分銷業務 Retail and distribution 2005	成衣貿易及 製造業務 Garment trading and manufacturing 2005	抵銷項 Eliminations 2005	集團 Group 2005
營業額	Turnover				
對外銷售	External sales	4,002	411	-	
分部間銷售	Inter-segment sales	-	632	(632)	
		4,002	1,043	(632)	4,413
分部業績	Segment results				
經營溢利	Operating profit	460	58	-	518
融資費用	Finance expense				(1)
應佔共同控制公司 溢利	Share of profit of jointly controlled companies				20
應佔一聯營公司溢利	Share of profit of an associate				11
除稅前溢利	Profit before taxation				548
稅項	Taxation				(117)
除稅後溢利	Profit after taxation				431
少數股東權益	Minority interests				(25)
股東應佔溢利	Profit attributable to shareholders				406
資產	Assets				
分部資產	Segment assets	1,918	344		2,262
共同控制公司 權益	Interest in jointly controlled companies	307	9		316
一聯營公司權益	Interest in an associate	30	-		30
未分配之資產	Unallocated corporate assets				362
總資產	Total assets				2,970
負債	Liabilities				
分部負債	Segment liabilities	382	133		515
未分配之負債	Unallocated corporate liabilities				240
總負債	Total liabilities				755
其他資料	Other information				
資本開支(附註14)	Capital expenditure (Note 14)	102	18		120
折舊(附註6)	Depreciation (Note 6)	102	13		115
租賃土地預付款項攤銷 (附註6)	Amortization of leasehold land prepayments (Note 6)	8	-		8

分部間銷售是在正常業務範圍內進行，交易價格及條款可與集團其他第三者客戶相比。

Inter-segment sales were conducted in the normal course of business at prices and terms comparable to the other third party customers of the Group.

5. 營業額、收益及分部資料
(續)

5. TURNOVER, REVENUE AND SEGMENT INFORMATION
(continued)

(a) 主要報告形式－業務分部資料
(續)

(a) Primary reporting format – business segments
(continued)

		零售及 分銷業務 Retail and distribution	成衣貿易及 製造業務 Garment trading and manufacturing	抵銷項 Eliminations	(重列) (Restated) 集團 Group
	(以港幣百萬元為單位) (In HK\$ millions)	2004	2004	2004	2004
營業額	Turnover				
對外銷售	External sales	3,739	264	-	
分部間銷售	Inter-segment sales	-	560	(560)	
		3,739	824	(560)	4,003
分部業績	Segment results				
經營溢利	Operating profit	437	51	3	491
融資費用	Finance expense				-
應佔一共同控制公司 溢利	Share of profit of a jointly controlled company				23
應佔一聯營公司溢利	Share of profit of an associate				10
除稅前溢利	Profit before taxation				524
稅項	Taxation				(106)
除稅後溢利	Profit after taxation				418
少數股東權益	Minority interests				(31)
股東應佔溢利	Profit attributable to shareholders				387
資產	Assets				
分部資產	Segment assets	1,774	324		2,098
一共同控制公司 權益	Interest in a jointly controlled company	287	-		287
一聯營公司權益	Interest in an associate	25	-		25
未分配之資產	Unallocated corporate assets				307
總資產	Total assets				2,717
負債	Liabilities				
分部負債	Segment liabilities	350	124		474
未分配之負債	Unallocated corporate liabilities				210
總負債	Total liabilities				684
其他資料	Other information				
資本開支(附註14)	Capital expenditure (Note 14)	128	15		143
折舊(附註6)	Depreciation (Note 6)	90	13		103
租賃土地預付款項攤銷 (附註6)	Amortization of leasehold land prepayments (Note 6)	8	1		9

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5. 營業額、收益及分部資料
(續)

5. TURNOVER, REVENUE AND SEGMENT INFORMATION
(continued)

(b) 次要報告形式 – 地區分部資料

(b) Secondary reporting format – geographical segments

(以港幣百萬元為單位)	(In HK\$ millions)	營業額 Turnover 2005	資本開支 Capital expenditure 2005	總資產 Total assets 2005
中國大陸	Mainland China	1,014	36	982
香港	Hong Kong	949	23	905
台灣	Taiwan	782	25	286
新加坡	Singapore	410	5	107
澳洲	Australia	248	18	65
日本	Japan	184	2	68
韓國	Korea	166	-	-
其他	Others	660	11	187
		4,413	120	2,600
共同控制公司 權益	Interest in jointly controlled companies			316
一聯營公司權益	Interest in an associate			30
未分配之資產	Unallocated corporate assets			24
總資產	Total assets			2,970

(以港幣百萬元為單位)	(In HK\$ millions)	營業額 Turnover 2004	資本開支 Capital expenditure 2004	總資產 Total assets 2004
中國大陸	Mainland China	958	41	967
香港	Hong Kong	838	27	781
台灣	Taiwan	707	36	275
新加坡	Singapore	395	9	100
澳洲	Australia	213	12	66
日本	Japan	189	5	64
韓國	Korea	134	-	-
其他	Others	569	13	134
		4,003	143	2,387
一共同控制公司 權益	Interest in a jointly controlled company			287
一聯營公司權益	Interest in an associate			25
未分配之資產	Unallocated corporate assets			18
總資產	Total assets			2,717

由於按以上地區劃分之營業額與溢利之相對比例值並無重大差異，故此並無列出按照地區劃分之溢利分析。

There is no major disparity in the ratios between turnover and profit in relation to the above geographical locations, hence no analysis was presented on profit contributions from the above geographical locations.

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6. 經營溢利

6. OPERATING PROFIT

(以港幣百萬元為單位)	(In HK\$ millions)	(重列) (Restated) 集團 Group	
		2005	2004
經營溢利已扣除	The operating profit is stated		
下列各項：	after charging:		
租賃土地預付款項攤銷	Amortization of leasehold land prepayments	8	9
核數師酬金	Auditors' remuneration	3	3
物業、機器及設備折舊	Depreciation of property, plant and equipment	113	103
投資物業折舊	Depreciation of investment property	2	-
出售物業、機器及設備之淨虧損	Net loss on disposal of property, plant and equipment	2	5
土地及樓宇之經營租賃費用	Operating lease rentals in respect of land and buildings		
— 最低租金支出	— minimum lease payments	530	448
— 或然租金費用	— contingent rent	178	171
陳舊存貨準備及存貨撇銷	Provision for obsolete stock and stock written off	10	11
員工成本(附註8)	Staff costs (Note 8)	614	547
並已計入：	and after crediting:		
暫時轉讓出口配額所得之收入淨額	Net income arising from the temporary transfer of export quota entitlements	-	5

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7. 融資費用

7. FINANCE EXPENSE

(以港幣百萬元為單位)	(In HK\$ millions)	集團	
		2005	2004
銀行貸款利息	Interest on bank loans	1	-

8. 員工成本

8. STAFF COSTS

(以港幣百萬元為單位)	(In HK\$ millions)	集團	
		2005	2004
薪金及工資 (包括董事酬金)	Salaries and wages (including directors' emoluments)	578	520
退休金－ 界定供款計劃	Pension cost – defined contribution plans	35	27
退休金－ 界定福利計劃	Pension cost – defined benefit plans	1	-
		614	547

本年度內，僱主運用未能領取之供款為港幣二萬元（二零零四年：無）以減低供款水平。於二零零五年十二月三十一日，此等可供來年使用之未能領取供款為港幣五萬元（二零零四年：港幣七萬元）。

During the year, the unvested benefits utilized by the employers to reduce the level of contributions was HK\$0.02 million (2004: Nil). As at December 31, 2005, the amounts of the unvested benefits available to be utilized for the following year was HK\$0.05 million (2004: HK\$0.07 million).

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9. 董事及高級管理人員
酬金

(a) 董事酬金

截至二零零五年十二月三十一日止年度
內各董事的酬金詳列如下：

9. DIRECTORS' AND SENIOR MANAGEMENT'S
EMOLUMENTS

(a) Directors' emoluments

The remuneration of every director for the year ended December 31,
2005 is set out below:

董事姓名	Name of Directors	袍金 Fees	薪金 Salaries	花紅 Bonuses	其他津貼# Other benefits#	僱主退休金 供款 Employer's contribution	2005 合計 Total	2004 合計 Total
						to pension schemes		
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
劉國權	LAU Kwok Kuen, Peter	-	2,537	10,188	1,197	19	13,941	15,643
馮永昌	FUNG Wing Cheong, Charles	-	1,808	-	78	45	1,931	2,191
馬灼安	MAH Chuck On, Bernard	-	2,132	1,050	239	12	3,433	2,644
歐文柱*	AU Man Chu, Milton*	275	-	-	-	-	275	230
畢滌凡*	Barry John BUTTIFANT*	275	-	-	-	-	275	275
鄭其志*	KWONG Ki Chi*	138	-	-	-	-	138	94
李騰飛*	LEE Peng Fei, Allen*	275	-	-	-	-	275	275
		963	6,477	11,238	1,514	76	20,268	21,352

* 獨立非執行董事。

* Independent non-executive directors.

其他收益包括保險供款，房屋及稅項
津貼。

Other benefits include insurance premium, housing and tax
allowances.

於本年度內，劉國權先生放棄部份酬金
為港幣三百萬元。

During the year, Mr. LAU Kwok Kuen, Peter waived part of the
emoluments amounting to HK\$3 million.

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December 31, 2005

**9. 董事及高級管理人員
酬金 (續)**

(a) 董事酬金 (續)

於本年度內，向本公司董事支付之酬金總額如下：

(以港幣百萬元為單位)

袍金
其他酬金：
基本薪金、房屋津貼、
其他津貼
及實物收益
花紅
退休金供款

**9. DIRECTORS' AND SENIOR MANAGEMENT'S
EMOLUMENTS (continued)**

(a) Directors' emoluments (continued)

The aggregate amounts of emoluments payable to directors of the Company during the year are as follows:

(In HK\$ millions)

	2005	2004
Fees	1	1
Other emoluments:		
Basic salaries, housing allowances, other allowances and benefits in kind	8	8
Bonuses	11	12
Pension contributions	-	-
	20	21

(b) 五位最高薪職員

本集團五位最高薪職員中包括三位(二零零四年：三位)董事，其酬金之詳情已於上文披露。於本年度內，付予餘下兩位(二零零四年：兩位)最高薪職員酬金總額如下：

(以港幣百萬元為單位)

基本薪金、房屋津貼、
其他津貼
及實物收益
花紅
退休金供款

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include three (2004: three) directors whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining two (2004: two) individuals during the year are as follows:

(In HK\$ millions)

	2005	2004
Basic salaries, housing allowances, other allowances and benefits in kind	3	3
Bonuses	-	-
Pension contributions	-	-
	3	3

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9. 董事及高級管理人員
酬金 (續)

(b) 五位最高薪職員 (續)

餘下最高薪職員按酬金
組別歸類如下：

酬金組別 Emolument bands	人數 Number of individuals	
	2005	2004
港幣 HK\$ 1,500,001 – 2,000,000	2	2

10. 稅項

綜合損益表內之稅項
支出為：

(以港幣百萬元為單位)

公司及附屬公司：

所得稅項

本年度所得稅項

– 香港利得稅

– 海外稅項

過往年度準備

(剩餘)/不足

– 香港利得稅

– 海外稅項

扣繳稅項

遞延稅項

關於短暫性差異之

衍生及撥回

稅項支出

9. DIRECTORS' AND SENIOR MANAGEMENT'S
EMOLUMENTS (continued)

(b) Five highest paid individuals (continued)

The emoluments of the remaining highest paid individuals fell within
the following bands:

10. TAXATION

The charge for taxation in the consolidated profit and loss account
represents:

	(重列) (Restated) 集團 Group	
	2005	2004
(In HK\$ millions)		

Company and subsidiaries:

Income tax

Current income tax

– Hong Kong profits tax

– Overseas taxation

(Over)/under provision in

previous year

– Hong Kong profits tax

– Overseas taxation

Withholding tax

Deferred tax

Relating to the origination and

reversal of temporary differences

Taxation charge

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10. 稅項 (續)

10. TAXATION (continued)

本集團之稅項支出與本公司以本港稅率而計算之除稅前溢利稅項之調節表如下：

Reconciliation of Group's profit before taxation at the tax rate of Hong Kong to the taxation charge is as follows:

(以港幣百萬元為單位)	(In HK\$ millions)	(重列) (Restated)	
		集團 Group	2005
除稅前溢利 (不包括應佔共同控制公司及 一聯營公司溢利)	Profit before taxation (before share of profit in jointly controlled companies and an associate)	517	491
按稅率百分之十七點五 (二零零四年：百分之十七點五)計算	Calculated at a taxation rate of 17.5% (2004: 17.5%)	91	86
其他國家不同稅率 之影響	Effect of different tax rates in other countries	24	6
不可扣稅之支出	Expenses not deductible for tax purpose	8	7
未有確認之遞延稅項資產	Deferred tax assets not recognized	3	4
無須課稅之收入	Income not subject to tax	(17)	(13)
使用早前未有確認 之稅損	Utilization of previously unrecognized tax losses	-	(1)
扣繳稅項	Withholding tax	10	17
過往年度準備剩餘	Over provision in previous year	(2)	-
稅項支出	Taxation charge	117	106

10. 稅項 (續)

資產負債表內之稅項為：

(以港幣百萬元為單位)

香港利得稅
海外稅項

10. TAXATION (continued)

The amount of taxation in the balance sheets represents:

	(In HK\$ millions)	集團 Group	
		2005	2004
Hong Kong profits tax		13	14
Overseas taxation		59	44
		72	58

本公司及其香港附屬公司之稅項準備是根據本年度從香港賺取或源自香港之估計應課稅溢利按現稅率百分之十七點五(二零零四年：百分之十七點五)計算。

The provision for taxation of the Company and its Hong Kong subsidiaries is calculated by applying the current rate of taxation of 17.5 percent (2004: 17.5 percent) to the estimated assessable profits earned in or derived from Hong Kong during the year.

其他於海外經營之附屬公司之利得稅項是根據適用於各司法權區之稅率而計算。

Taxation on the profits of other subsidiaries operating overseas is calculated at the rates applicable in the respective jurisdictions.

本集團現正與台灣稅局申辯有關本集團在台灣之若干銷售之稅項處理。預期此申辯不會對本集團之財務狀況有重大影響。

The Group has a dispute with the tax authority in Taiwan with respect to tax treatment on certain of the Group's sales in Taiwan. The dispute is not expected to have any material impact on the financial position of the Group.

11. 股東應佔溢利

股東應佔集團之綜合溢利為港幣四億零六百萬元(二零零四年：港幣三億八千七百萬元(重列))，其中計入本公司之股東應佔溢利為港幣三億零四百萬元(二零零四年：港幣六億九千一百萬元(重列))，其中包括來自附屬公司之股息為港幣三億元(二零零四年：港幣七億零八百萬元)，已在本公司之財務報表內計入。

11. PROFIT ATTRIBUTABLE TO SHAREHOLDERS

Included in the Group's consolidated profit of HK\$406 million (2004: HK\$387 million (restated)), profit attributable to shareholders of the Company is HK\$304 million (2004: HK\$691 million (restated)), including dividends from subsidiaries of HK\$300 million (2004: HK\$708 million) which is dealt with in the Company's own financial statements.

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12. 股息

12. DIVIDENDS

(a) 本年度股息如下：

(a) Dividends attributable to the year:

(以港幣百萬元為單位)	(In HK\$ millions)	2005	2004
已宣布及已派發之中期股息 每股港幣四點五仙 (二零零四年：每股港幣四仙)	Interim dividend declared and paid of 4.5 HK cents (2004: 4.0 HK cents) per share	67	58
已宣布及已派發之特別中期股息 每股港幣二仙 (二零零四年：每股港幣一點五仙)	Special interim dividend declared and paid of 2.0 HK cents (2004: 1.5 HK cents) per share	30	22
		97	80
於結算日後建議之末期股息 每股港幣五仙 (二零零四年：每股港幣四點五仙)	Final dividend proposed after balance sheet date of 5.0 HK cents (2004: 4.5 HK cents) per share	75	65
於結算日後建議之特別末期股息 每股港幣一角五仙 (二零零四年：每股港幣一角三仙)	Special final dividend proposed after balance sheet date of 15.0 HK cents (2004: 13.0 HK cents) per share	223	189
		298	254
		395	334

於二零零六年三月二十一日舉行之董事會會議上，董事建議派發末期及特別末期股息分別為每股港幣五仙及港幣一角五仙。此項擬派股息在結算當日並無確認為負債。

At the board meeting held on March 21, 2006, the directors proposed final and special final dividends of 5.0 HK cents and 15.0 HK cents per share respectively. These proposed dividends have not been recognized as a liability at the balance sheet date.

12. 股息 (續)

(b) 屬於上一年度，並於本年內通過及支付的股息：

(以港幣百萬元為單位)

已批准及已派發二零零四年末期股息
每股港幣四點五仙
(二零零三年：每股港幣四點五仙)

已批准及已派發二零零四年特別末期股息
每股港幣一角三仙
(二零零三年：每股港幣一角二仙)

12. DIVIDENDS (continued)

(b) Dividends attributable to the previous year, approved and paid during the year:

(In HK\$ millions)

		2005	2004
2004 final dividend approved and paid of 4.5 HK cents (2003: 4.5 HK cents) per share		67	65
2004 special final dividend approved and paid of 13.0 HK cents (2003: 12.0 HK cents) per share		193	173
		260	238

13. 每股盈利

每股基本及攤薄盈利乃按本年度股東應佔綜合溢利港幣四億零六百萬元(二零零四年：港幣三億八千七百萬元(重列))計算。

每股基本盈利乃按本年度內已發行股份之加權平均股數十四億七千七百四十七萬零六十六股(二零零四年：十四億四千七百一十八萬四千七百零八股)而計算。

每股攤薄盈利乃按十四億七千七百四十七萬零六十六股(二零零四年：十四億四千七百一十八萬四千七百零八股)，即本年內已發行股份之加權平均股數，加上假設根據本公司購股權計劃授出之所有未行使購股權皆已行使而發行之股份之加權平均股數五百三十四萬九千九百四十六股(二零零四年：一千七百二十一萬一千三百六十六股)計算。

13. EARNINGS PER SHARE

The calculations of basic and diluted earnings per share are based on the consolidated profit attributable to shareholders for the year of HK\$406 million (2004: HK\$387 million (restated)).

The basic earnings per share is based on the weighted average of 1,477,470,066 shares (2004: 1,447,184,708 shares) in issue during the year.

The diluted earnings per share is based on 1,477,470,066 shares (2004: 1,447,184,708 shares) which is the weighted average number of shares in issue during the year plus the weighted average of 5,349,946 shares (2004: 17,211,366 shares) deemed to be issued if all outstanding share options granted under the share option schemes of the Company had been exercised.

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14. 物業、機器及設備

14. PROPERTY, PLANT AND EQUIPMENT

集團	Group	租賃物業 裝修、傢俬及 辦公室設備 Leasehold improvements, furniture & office equipment					汽車 Motor vehicles	合計 Total
		永久業權 之土地及樓宇 Freehold land & building	樓宇 Buildings	機器 Plant				
(以港幣百萬元為單位)	(In HK\$ millions)							
成本值	Cost							
於二零零五年一月一日 (重列)	At January 1, 2005 (restated)	38	125	75	619	19	876	
換算差額	Translation difference	(1)	-	-	(10)	-	(11)	
重新分類至投資物業	Reclassified to investment property	-	(101)	-	-	-	(101)	
添置	Additions	-	-	11	108	1	120	
出售	Disposals	-	-	(3)	(37)	(1)	(41)	
於二零零五年十二月三十一日	At December 31, 2005	37	24	83	680	19	843	
累積折舊	Accumulated depreciation							
於二零零五年一月一日 (重列)	At January 1, 2005 (restated)	6	10	62	439	13	530	
換算差額	Translation difference	-	-	-	(7)	-	(7)	
重新分類至投資物業	Reclassified to investment property	-	(11)	-	-	-	(11)	
本年度折舊	Charge for the year	-	1	5	105	2	113	
出售	Disposals	-	-	(2)	(35)	(1)	(38)	
於二零零五年十二月三十一日	At December 31, 2005	6	-	65	502	14	587	
於二零零五年十二月三十一日 之賬面淨值	Net book value at December 31, 2005	31	24	18	178	5	256	

14. 物業、機器及設備
(續)

14. PROPERTY, PLANT AND EQUIPMENT
(continued)

集團

Group

(以港幣百萬元為單位)	(In HK\$ millions)	永久業權 之土地及樓宇 Freehold land & building	(重列) (Restated) 樓宇 Buildings	機器 Plant	租賃物業 裝修、傢俬及 辦公室設備 Leasehold improvements, furniture & office equipment	汽車 Motor vehicles	(重列) (Restated) 合計 Total
成本值	Cost						
於二零零四年一月一日 (重列)	At January 1, 2004 (restated)	36	124	66	548	18	792
換算差額	Translation difference	2	-	-	11	-	13
添置	Additions	-	1	9	130	3	143
出售	Disposals	-	-	-	(70)	(2)	(72)
於二零零四年十二月三十一日 (重列)	At December 31, 2004 (restated)	38	125	75	619	19	876
累積折舊	Accumulated depreciation						
於二零零四年一月一日 (重列)	At January 1, 2004 (restated)	6	7	57	401	13	484
換算差額	Translation difference	-	-	-	8	-	8
本年度折舊	Charge for the year	-	3	5	93	2	103
出售	Disposals	-	-	-	(63)	(2)	(65)
於二零零四年十二月三十一日 (重列)	At December 31, 2004 (restated)	6	10	62	439	13	530
於二零零四年十二月三十一日 之賬面淨值 (重列)	Net book value at December 31, 2004 (restated)	32	115	13	180	6	346

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14. 物業、機器及設備(續)

14. PROPERTY, PLANT AND EQUIPMENT (continued)

集團

Group

- (a) 於二零零五年及二零零四年十二月三十一日，並無融資物業、機器及設備。
- (b) 永久業權之土地及樓宇位於台灣。
- (c) 樓宇之賬面淨值分析如下：

- (a) At December 31 of 2005 and 2004, no property, plant and equipment was held under finance lease.
- (b) The freehold land and building is situated in Taiwan.
- (c) The analysis of the net book value of buildings is as follows:

(以港幣百萬元為單位)	(In HK\$ millions)	(重列) (Restated)		(重列) (Restated)			
		集團 Group	2005	2004	公司 Company	2005	2004
在香港持有	In Hong Kong, held on						
– 十年至	– leases of between						
五十年租約	10 and 50 years	19	20	10	10		
在香港以外持有	Outside Hong Kong, held on						
– 十年至	– leases of between						
五十年租約	10 and 50 years	2	92	–	–		
– 多於五十年租約	– leases of over 50 years	3	3	–	–		
		5	95	–	–		
於十二月三十一日	At December 31	24	115	10	10		

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14. 物業、機器及設備(續)

14. PROPERTY, PLANT AND EQUIPMENT (continued)

公司	Company	樓宇 Buildings	租賃物業 裝修、傢俬及 辦公室設備 Leasehold improvements, furniture & office equipment	合計 Total
(以港幣百萬元為單位)	(In HK\$ millions)			
成本值	Cost			
於二零零五年一月一日(重列)及 二零零五年十二月三十一日	At January 1, 2005 (restated) and December 31, 2005	11	3	14
累積折舊	Accumulated depreciation			
於二零零五年一月一日(重列)及 二零零五年十二月三十一日	At January 1, 2005 (restated) and December 31, 2005	1	3	4
於二零零五年十二月三十一日 之賬面淨值	Net book value at December 31, 2005	10	-	10
(以港幣百萬元為單位)	(In HK\$ millions)			
成本值	Cost			
於二零零四年一月一日及 二零零四年十二月三十一日 (重列)	At January 1, 2004 and December 31, 2004 (restated)	11	3	14
累積折舊	Accumulated depreciation			
於二零零四年一月一日(重列) 本年度折舊	At January 1, 2004 (restated) Charge for the year	1 -	2 1	3 1
於二零零四年十二月三十一日 (重列)	At December 31, 2004 (restated)	1	3	4
於二零零四年十二月三十一日 之賬面淨值 (重列)	Net book value at December 31, 2004 (restated)	10	-	10

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15. 投資物業

於本年內，本集團持有一物業作長期收租及非由本集團全部佔用作生產或辦公室用途。該物業由樓宇重新分類至投資物業。該物業之租賃土地部分已在附註十九內分類為租賃土地及租金預付款項。

15. INVESTMENT PROPERTY

During the year, the Group has a property which is held for long-term rental yields and not wholly occupied by the Group for use in the production or office purposes. Such property is reclassified from buildings to investment property. The property's leasehold land portion is classified under leasehold land and rental prepayments under note 19.

(以港幣百萬元為單位)	(In HK\$ millions)	集團	
		2005	2004
成本值	Cost		
於一月一日	At January 1	-	-
從自用物業並重新分類	Reclassified from owner-occupied property	101	-
於十二月三十一日	At December 31	101	-
累積折舊	Accumulated depreciation		
於一月一日	At January 1	-	-
從自用物業並重新分類	Reclassified from owner-occupied property	11	-
本年度折舊	Charge for the year	2	-
於十二月三十一日	At December 31	13	-
於十二月三十一日之賬面淨值	Net book value at December 31	88	-

該投資物業於二零零五年十二月三十一日之公平值由持有專業資格之漢華評估有限公司估值。估值乃根據土地現有市價及廠房樓齡、現有狀況及功能老化等因數調整後之重置價而作出估計。於二零零五年十二月三十一日，該物業（包括租賃土地及樓宇部分）之總公平值為港幣一億四千萬元（二零零四年：港幣一億三千九百萬元）。在損益表中已包括該投資物業之租金收入港幣八百萬元。

The fair value of the investment property at December 31, 2005 was assessed by independent professional qualified valuer, Greater China Appraisal Limited. Valuation was based on current market value of the land and on estimate of the replacement cost of building adjusted for age, condition and functional obsolescence. The total fair value of the property, including leasehold land and the building portion, was HK\$140 million as at December 31, 2005 (2004: HK\$139 million). In the profit and loss account, rental income relating to investment property of HK\$8 million was included.

15. 投資物業 (續)

投資物業之賬面淨值分析如下：

15. INVESTMENT PROPERTY (continued)

The net book value of the investment property is analyzed as follows:

(以港幣百萬元為單位)	(In HK\$ millions)	集團 Group	
		2005	2004
在香港以外持有十年 至五十年租約	Outside Hong Kong, held on lease of between 10 and 50 years	88	-

16. 附屬公司權益

16. INTEREST IN SUBSIDIARIES

(以港幣百萬元為單位)	(In HK\$ millions)	公司 Company	
		2005	2004
非上市投資 (成本值)	Unlisted investment (at cost)	898	898
應收附屬公司款項	Amounts due from subsidiaries	980	1,020
應付附屬公司款項	Amounts due to subsidiaries	-	(100)

於二零零五年及二零零四年結算日，應收/(應付)附屬公司款項均為免息、無抵押及按要求還款。

As at the balance sheet date of 2005 and 2004, amounts due from/(to) subsidiaries are non-interest bearing, unsecured and repayable on demand.

主要附屬公司之詳情載於第一百一十頁至一百一十三頁之財務報表附註32。

Details of principal subsidiaries are set out in note 32 to the financial statements on pages 110 to 113.

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17. 共同控制公司權益

於本年度內，本集團投資於兩間共同控制公司及將其中一間聯營公司重新分類為共同控制公司。於過往年度，該分類為聯營公司之投資以權益法處理。於年內，本集團經考慮後，認為由二零零五年一月一日起將此項投資重新分類為共同控制公司較為恰當，惟仍以權益法確認其業績。此項變改對本集團之業績並無影響。於二零零四年十二月三十一日，該聯營公司權益港幣二億八千七百萬元已經重列於共同控制公司權益內，而截至二零零四年十二月三十一日止年度之應佔聯營公司溢利港幣二千三百萬元亦已重列於應佔共同控制公司溢利內。

於二零零五年十二月三十一日，本集團持有以下共同控制公司股份：

17. INTEREST IN JOINTLY CONTROLLED COMPANIES

During the year, the Group made investment in two jointly controlled companies and reclassified one of its associates as a jointly controlled company. In prior years, the investment classified as an associate was accounted for under the equity method. In the current year, the Group considered that it is more appropriate to classify this investment as a jointly controlled company commencing from January 1, 2005 and to recognize its results using the equity method. This change in classification has no effect on the Group's results. The interest in the associate of HK\$287 million at December 31, 2004 has been restated as interest in jointly controlled companies and the share of profit of an associate of HK\$23 million for the year ended December 31, 2004 has been restated as share of profit of jointly controlled companies.

At December 31, 2005, the Group held shares in the following jointly controlled companies:

共同控制公司名稱 Name of jointly controlled company	成立及經營地點 Place of incorporation and operation	持有股份百分比率 Percentage of equity holding		已發行及全數繳足股本 Issued and fully paid share capital	主要業務 Principal activities
		2005	2004		
Giordano Corporation Limited	大韓民國 Republic of Korea	49.5	49.7	一百萬零九千三百六十股 每股面值五千韓圓之 普通股 1,009,360 common stock of WON5,000 each	經營零售服裝 及配襯用品 Retailing of apparel and accessories
Higrowth Ventures Limited	英屬處女群島 British Virgin Islands	49.0	—	四十九股A類別及 五十一股B類別 每股面值各一美元之普通股 49 Class A and 51 Class B ordinary shares of US\$1 each	投資控股 Investment holding
昌耀企業有限公司 Cheong Yiu Enterprises Limited	香港 Hong Kong	49.0	—	二十萬股 每股面值港幣一元 之普通股 200,000 ordinary shares of HK\$1 each	經營包裝物料貿易 Trading of packaging products

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17. 共同控制公司權益
(續)

以下為本集團所佔該等共同控制公司之資產、負債及業績，並已包括在集團資產負債表及綜合損益表內：

17. INTEREST IN JOINTLY CONTROLLED COMPANIES
(continued)

The following amounts, representing the Group's share of the assets, liabilities and results of jointly controlled companies, were included in the Group's balance sheet and consolidated profit and loss account:

		(重列) (Restated)	
		集團 Group	
(以港幣百萬元為單位)	(In HK\$ millions)	2005	2004
流動資產	Current assets	251	193
流動負債	Current liabilities	(67)	(24)
非流動資產	Non-current assets	137	120
非流動負債	Non-current liabilities	(5)	(2)
所佔資產淨值	Share of net assets	316	287
收入	Income	564	444
費用	Expense	(537)	(417)
除稅前溢利	Profit before taxation	27	27
稅項	Taxation	(7)	(4)
應佔除稅後溢利	Share of profit after taxation	20	23
按比例應佔共同控制公司 經營租賃之承擔	Proportionate interest in jointly controlled companies' operating lease commitments	22	24

本集團所持有之共同控制公司之權益並沒有涉及任何或然負債，而該等共同控制公司本身亦無任何或然負債。

There are no contingent liabilities relating to the Group's interest in the jointly controlled companies, and no contingent liabilities of the companies itself.

18. 聯營公司權益

於二零零五年十二月三十一日，本集團持有以下聯營公司股份：

18. INTEREST IN AN ASSOCIATE

At December 31, 2005, the Group held shares in the following associate:

聯營公司名稱 Name of associate	成立及經營地點 Place of incorporation and operation	持有股份百分比率 Percentage of equity holding		已發行及全數繳足股本 Issued and fully paid share capital	主要業務 Principal activities
		2005	2004		
Giordano Fashions L.L.C.	阿拉伯 聯合酋長國 United Arab Emirates	20.0	20.0	三千股每股面值 一千沙地阿拉伯聯合 酋長國迪拉姆之股份 3,000 shares of AED1,000 each	經營零售服裝 及配襯用品 Retailing of apparel and accessories

本集團持有之非上市聯營公司權益如下：

The Group's interest in its unlisted associate was as follows:

(以港幣百萬元為單位)	(In HK\$ millions)	(重列) (Restated) 集團 Group	
		2005	2004
資產	Assets	39	34
負債	Liabilities	(9)	(9)
所佔資產淨值	Share of net assets	30	25
收入	Income	66	58
除稅前溢利	Profit before taxation	11	10
稅項	Taxation	-	-
應佔除稅後溢利	Share of profit after taxation	11	10

19. 租賃土地及租金預付款項 19. LEASEHOLD LAND AND RENTAL PREPAYMENTS

集團	Group	租賃土地 預付款項 Leasehold land prepayments	租金 預付 款項 Rental prepayments	合計 Total	2004
(以港幣百萬元為單位)	(In HK\$ millions)	2005	2005	2005	
於一月一日之	Net book value at				
賬面淨值(重列)	January 1 (restated)	263	79	342	355
換算差額	Translation difference	-	2	2	1
出售	Disposal	(5)	-	(5)	-
本年度攤銷	Amortization for the year	(8)	(5)	(13)	(14)
於十二月三十一日之	Net book value at				
賬面淨值(重列)	December 31 (restated)	250	76	326	342
短期部分	Current portion	(8)	(5)	(13)	(13)
長期部分	Long-term portion	242	71	313	329

公司 Company

本公司之租賃土地預付款項分析如下：

Leasehold land prepayments of the Company is analyzed as follows:

(以港幣百萬元為單位)	(In HK\$ millions)	2005	2004
於一月一日之	Net book value at		
賬面淨值(重列)	January 1 (restated)	176	181
本年度攤銷	Amortization for the year	(5)	(5)
於十二月三十一日之	Net book value at		
賬面淨值(重列)	December 31 (restated)	171	176
短期部分	Current portion	(5)	(5)
長期部分	Long-term portion	166	171

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**19. 租賃土地及租金預付款項
(續)**

租賃土地預付款項乃指已預付的經營租賃支出。該等成本值是按剩餘租賃年期攤銷，其賬面淨值分析如下：

(以港幣百萬元為單位)

在香港以內持有
- 十年至
五十年租約
在香港以外持有
- 十年至
五十年租約
- 多於五十年租約

**19. LEASEHOLD LAND AND RENTAL PREPAYMENTS
(continued)**

Leasehold land prepayments represent prepaid operating lease payments. The costs are amortized over the leasehold period and their net book values are analyzed as follows:

(In HK\$ millions)

In Hong Kong, held on
- leases of between
10 to 50 years
Outside Hong Kong, held on
- leases of between
10 to 50 years
- leases of over 50 years

集團 Group		公司 Company	
2005	2004	2005	2004
180	185	171	176
44	51	-	-
26	27	-	-
250	263	171	176

20. 存貨

20. INVENTORIES

(以港幣百萬元為單位)

原料
在製貨品
製成品

(In HK\$ millions)

Raw materials
Work in progress
Finished goods

集團 Group	
2005	2004
50	51
39	31
280	249
369	331

存貨值已被確認為費用並記賬在銷售成本中為港幣二十一億七千萬(二零零四年：港幣十九億六千八百萬元)。

The cost of inventories were recognized as expense and included in cost of goods sold amounted to HK\$2,170 million (2004: HK\$1,968 million).

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21. 應收賬款及其他應收款

21. TRADE AND OTHER RECEIVABLES

(以港幣百萬元為單位)	(In HK\$ millions)	(重列) (Restated)			
		集團 Group		公司 Company	
		2005	2004	2005	2004
應收賬款	Trade receivables	273	223	-	-
減：減值撥備	Less: Provision for impairment	(10)	(10)	-	-
應收賬款淨值	Trade receivables – net	263	213	-	-
其他應收款、訂金 及預付款項	Other receivables, deposits and prepayments	144	147	3	1
		407	360	3	1

除現金及信用卡銷售外，本集團在正常情況下給予其貿易客戶平均六十日信貸期。

Other than cash and credit card sales, the Group normally allows an average credit period of 60 days to its trade customers.

以下為應收賬款之賬齡分析：

The ageing analysis of trade receivables is as follows:

(以港幣百萬元為單位)	(In HK\$ millions)	集團 Group	
		2005	2004
零至三十日	0 – 30 days	202	147
三十一至六十日	31 – 60 days	36	50
六十一至九十日	61 – 90 days	14	10
逾九十日	Over 90 days	11	6
合計	Total	263	213

應收賬款之賬面值約以公平值列賬。因集團之顧客分散於世界各地，故有關之應收賬款並無集中性之信貸風險。

The carrying amount of trade receivables are stated approximately at fair value. There is no concentration of credit risk with respect to trade receivables as the Group has a large number of internationally dispersed customers.

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22. 股本

22. SHARE CAPITAL

(以港幣百萬元為單位)	(In HK\$ millions)	2005	2004
法定：	Authorized:		
二十億股每股	2,000,000,000 ordinary shares of		
面值港幣五仙之普通股	HK\$0.05 each	100	100
已發行及全數繳足：	Issued and fully paid:		
十四億八千九百六十三萬零五百	1,489,630,518 ordinary shares		
一十八股(二零零四年：十四億	(2004: 1,450,591,518 ordinary		
五千零五十九萬一千五百一十八股)	shares) of HK\$0.05 each	74	73
每股面值港幣五仙之普通股			

於本年度內，已發行股本之變動情況如下：

Details of the movement in the issued share capital during the year are set out below:

		股份數目	
		Number of shares	
		2005	2004
每股面值港幣五仙之普通股	Ordinary shares of HK\$0.05 each		
於一月一日	At January 1	1,450,591,518	1,442,198,518
發行股份	Issue of shares	39,039,000	8,393,000
於十二月三十一日	At December 31	1,489,630,518	1,450,591,518

(a) 發行股份

按本公司之購股權計劃，於本年度內，本公司因購股權持有人行使購股權附予之權利而發行了每股面值港幣五仙之新普通股股份共三千九百零三萬九千股。

本公司於本年度內發行之所有新發行普通股與本公司當時已有之股份在各方面均享有同等權益。

(a) Issue of shares

Pursuant to the share option schemes of the Company, the Company issued 39,039,000 new ordinary shares of HK\$0.05 each in the capital of the Company to option-holders who exercised their rights attached to share options during the year.

All the new ordinary shares issued by the Company in the year ranked pari passu with the then existing shares of the Company in all respects.

(b) 購股權資料

購股權計劃之摘要及本公司購股權於本年度內之變動詳情載於第一百一十四至一百一十九頁。

(b) Share option information

A summary of the share option schemes and details of the movement in share options of the Company during the year are set out on pages 114 to 119.

(c) 回購股份

本公司於本年度內並無購回任何其股份。

(c) Repurchase of shares

During the year, the Company did not repurchase any of its shares.

(d) 一共同控制公司所持有的股份

於二零零五年十二月三十一日，一共同控制公司持有本公司一百八十萬股普通股股份(二零零四年：一百八十萬股)。

(d) Shares held by a jointly controlled company

At December 31, 2005, 1,800,000 ordinary shares (2004: 1,800,000 shares) were held by a jointly controlled company.

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23. 儲備

於二零零五年十二月三十一日，本集團及本公司之儲備分析如下：

23. RESERVES

The reserves of the Group and the Company as at December 31, 2005 are analyzed as follows:

(以港幣百萬元為單位)	(In HK\$ millions)	(重列) (Restated)		(重列) (Restated)	
		集團 Group	2004	公司 Company	2004
繳入盈餘	Contributed surplus	383	383	540	540
資本贖回儲備	Capital redemption reserve	3	3	3	3
股份溢價	Share premium	602	489	602	489
購股權儲備	Share options reserve	10	7	10	7
匯兌儲備	Exchange reserve	(30)	(32)	-	-
其他儲備	Other reserves	119	118	-	-
滾存溢利	Retained profits	663	659	478	575
		1,750	1,627	1,633	1,614
擬派末期及特別末期股息 (附註12(a))	Proposed final and special final dividends (Note 12(a))	298	254	298	254
總儲備	Total reserves	2,048	1,881	1,931	1,868

其他儲備之詳情如下：

Details of other reserves are as follows:

- (a) 根據中國大陸有關法律及財務法規，中國大陸之附屬公司之法定儲備基金可用於彌補往年虧損(如有)及用以增加該等附屬公司之資本額。
- (a) According to the relevant laws and financial regulations, the statutory reserve funds of the subsidiaries in Mainland China may be used to make up prior years' losses, if any, and to increase the capital of the subsidiaries.
- (b) 根據韓國稅務獎勵限制法例及韓國商業準則，大韓民國之共同控制公司之法定儲備基金及其他儲備只可以用作抵銷未來虧損或轉作資本，而不可用作現金股息派發。
- (b) In accordance with the Korean Tax Incentive Limitation Law and Korean Commercial Code, the statutory reserve fund and other reserves of the jointly controlled company in the Republic of Korea may only be used to offset a future deficit or be transferred to capital stock, but not for cash dividends.
- (c) 根據阿拉伯聯合酋長國商業公司法例，阿拉伯聯合酋長國之聯營公司之法定儲備基金，除聯邦法規定外，不可作分配之用。
- (c) According to the United Arab Emirates Commercial Companies Law, the statutory reserve fund of the associate in United Arab Emirates is not available for distribution except as provided in the Federal Law.

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24. 遞延稅項

遞延稅項採用負債法就短暫性差異按基本稅率百分之十七點五(二零零四年：百分之十七點五)作全數撥備。

本集團於年內的遞延稅項資產及負債之變動(在同一徵稅地區之結餘抵銷前)如下：

遞延稅項(資產)/負債

(以港幣百萬元為單位)

於二零零五年一月一日

於損益表中

列支/(計入)

於權益中計入

撥回扣繳稅項之

短暫性差異

於二零零五年十二月三十一日

於二零零四年一月一日

於損益表中

列支/(計入)

於權益中列支

撥回扣繳稅項之

短暫性差異

於二零零四年十二月三十一日

24. DEFERRED TAXATION

Deferred taxation is calculated in full on temporary differences under the liability method using a principal taxation rate of 17.5% (2004: 17.5%).

The movement in the Group's deferred tax assets and liabilities (prior to offsetting of balances within the same taxation jurisdiction) during the year is as follows:

Deferred tax (assets)/liabilities

		加速 稅項折舊 Accelerated tax depreciation	未分派之 滾存溢利 Unremitted profits	其他 Others	合計 Total
(以港幣百萬元為單位)	(In HK\$ millions)				
於二零零五年一月一日	At January 1, 2005	4	73	(6)	71
於損益表中	Charged/(credited) to				
列支/(計入)	profit and loss account	(4)	7	(3)	-
於權益中計入	Credited to equity	-	-	(1)	(1)
撥回扣繳稅項之	Reversal of temporary difference				
短暫性差異	on withholding tax	-	(2)	-	(2)
於二零零五年十二月三十一日	At December 31, 2005	-	78	(10)	68
於二零零四年一月一日	At January 1, 2004	5	61	(4)	62
於損益表中	Charged/(credited) to				
列支/(計入)	profit and loss account	(1)	14	(3)	10
於權益中列支	Charged to equity	-	-	1	1
撥回扣繳稅項之	Reversal of temporary difference				
短暫性差異	on withholding tax	-	(2)	-	(2)
於二零零四年十二月三十一日	At December 31, 2004	4	73	(6)	71

24. 遞延稅項 (續)

年內於權益中計入的遞延稅項內包含長期貸款予一附屬公司之未變現外匯兌換收益而引至之稅項。

本集團有未確認遞延稅項資產港幣四千萬元(二零零四年:港幣三千八百萬元)主要源於稅損。此等未確認遞延稅項資產當中港幣二千七百萬元(二零零四年:港幣二千五百萬元)將於二零零五年十二月三十一日起兩至五年內屆滿。餘下之部分主要由德國附屬公司之無限期稅損引致。

在法定權利許可下,若遞延所得稅涉及同一財政機關,遞延稅項資產可與遞延稅項負債互相抵銷。下列金額是在計入適當抵銷後,於資產負債表內列賬。

24. DEFERRED TAXATION (continued)

The deferred taxation credited to equity during the year comprised the tax on the unrealized exchange gain of a long-term loan to a subsidiary company.

The Group has unrecognized deferred tax assets of HK\$40 million (2004: HK\$38 million) arising mainly from tax losses. These unrecognized deferred tax assets to the extent of HK\$27 million (2004: HK\$25 million) will expire within 2 to 5 years from December 31, 2005. The remaining portion is mainly related to the losses of subsidiaries in Germany, such tax losses has no expiry date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The following amounts, determined after appropriate offsetting, are shown in the balance sheet.

(以港幣百萬元為單位)	(In HK\$ millions)	集團 Group	
		2005	2004
遞延稅項資產	Deferred tax assets	(24)	(18)
遞延稅項負債	Deferred tax liabilities	92	89
		68	71

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25. 應付賬款及其他應付款

25. TRADE AND OTHER PAYABLES

(以港幣百萬元為單位)	(In HK\$ millions)	集團		公司	
		Group	2005	2004	Company
應付賬款	Trade payables	246	230	-	-
其他應付款及 應付費用	Other payables and accrued expenses	269	244	2	2
		515	474	2	2

以下為應付賬款之賬齡分析：

The ageing analysis of trade payables is as follows:

(以港幣百萬元為單位)	(In HK\$ millions)	集團	
		Group	2005
零至三十日	0 – 30 days	192	190
三十一至六十日	31 – 60 days	40	24
六十一至九十日	61 – 90 days	8	9
逾九十日	Over 90 days	6	7
合計	Total	246	230

26. 淨流動資產

26. NET CURRENT ASSETS

本集團之淨流動資產指流動資產扣除流動負債。本集團於二零零五年及二零零四年之淨流動資產分別為港幣十億二千九百萬元及港幣八億六千一百萬元(重列)。本公司於二零零五年及二零零四年之淨流動資產分別為港幣九億三千一百萬元及八億六千二百萬元(重列)。

The Group's net current assets, defined as current assets less current liabilities, amounted to HK\$1,029 million and HK\$861 million (restated) in 2005 and 2004 respectively. The Company's net current assets was HK\$931 and HK\$862 million (restated) in 2005 and 2004 respectively.

27. 總資產扣除流動負債

27. TOTAL ASSETS LESS CURRENT LIABILITIES

本集團於二零零五年及二零零四年之總資產扣除流動負債分別為港幣二十三億零七百萬元及港幣二十一億二千二百萬元。本公司於二零零五年之總資產扣除流動負債為港幣二十億零五百萬元，而二零零四年則為港幣十九億四千一百萬元。

The Group's total assets less current liabilities amounted to HK\$2,307 million and HK\$2,122 million in 2005 and 2004 respectively. The Company's total assets less current liabilities was HK\$2,005 million in 2005 compared with HK\$1,941 million in 2004.

二零零五年十二月三十一日
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28. 現金及現金等值結存之
分析

28. ANALYSIS OF BALANCES OF CASH AND CASH
EQUIVALENTS

(以港幣百萬元為單位)	(In HK\$ millions)	集團 Group	
		2005	2004
現金及銀行結存	Cash and bank balances	903	752
減：存款日起三個月以上到期 之銀行定期存款	Deduct: Bank deposits with maturity over three months from date of deposits	(3)	(3)
		900	749
銀行貸款及透支	Bank loans and overdrafts	(76)	(63)
淨現金及現金等值結存	Net cash and cash equivalents	824	686

本集團以上之現金及銀行結存包括等值港幣二億九千萬(二零零四年：港幣二億五千八百萬元)之人民幣現金及銀行結存。

Included in the cash and bank balances of the Group are cash and bank balances totaling HK\$290 million (2004: HK\$258 million) denominated in Renminbi.

29. 承擔

29. COMMITMENTS

經營租賃之承擔

Commitments under operating leases

(i) 於二零零五年十二月三十一日，本集團及本公司就零售店舖、辦公室、工廠及貨倉之不可於未來撤銷之經營租賃的最低應付租賃費用如下：

(i) At December 31, 2005, the Group and the Company had future aggregate minimum lease charges payable under non-cancelable operating leases in respect of retail shops, office premises, factories and warehouses as set out below:

(以港幣百萬元為單位)	(In HK\$ millions)	集團 Group		公司 Company	
		2005	2004	2005	2004
一年內	Within one year	507	470	4	1
一年後但五年內	After one year but within five years	613	573	5	—
五年以上	Over five years	43	20	—	—
		1,163	1,063	9	1

經營租賃合約包含不同種類條款，租金遞升協定及續租權。若干門市之經營租賃租金乃根據最低保證租金或以銷售額計算之租金(以較高者為準)。上述承擔乃按最低保證租金計算。

The leases have varying terms, escalation clauses and renewal rights. The operating lease rentals of certain outlets are based on the higher of a minimum guaranteed rental or a sales level based rental. The minimum guaranteed rental has been used to arrive at the above commitments.

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December 31, 2005

29. 承擔 (續)

經營租賃之承擔 (續)

(ii) 於二零零五年十二月三十一日，本集團及本公司就零售店舖、辦公室及工廠之不可於未來撤銷之經營租賃的最低應收租賃收入如下：

(以港幣百萬元為單位)

一年內
一年後但五年內

29. COMMITMENTS (continued)

Commitments under operating leases (continued)

(ii) At December 31, 2005, the Group and the Company had future aggregate minimum lease income receivable under non-cancelable operating leases in respect of retail shops, office premises and factories as set out below:

		集團		公司	
		Group		Company	
		2005	2004	2005	2004
	(In HK\$ millions)				
一年內	Within one year	25	20	17	14
一年後但五年內	After one year but within five years	26	40	10	24
		51	60	27	38

30. 或然負債

於二零零五年十二月三十一日，本集團及本公司有以下並無包括在財務報表內之或然負債：

(以港幣百萬元為單位)

代替租賃及水電按金
之銀行擔保
關於一全資附屬公司租客
之租賃按金之銀行擔保

30. CONTINGENT LIABILITIES

At December 31, 2005, the Group and the Company had contingent liabilities not included in the financial statements in respect of the following:

		集團		公司	
		Group		Company	
		2005	2004	2005	2004
	(In HK\$ millions)				
代替租賃及水電按金 之銀行擔保	Bank guarantees in lieu of rental and utility deposits	9	9	-	-
關於一全資附屬公司租客 之租賃按金之銀行擔保	Bank guarantee in respect of rental deposit of a tenant of a wholly-owned subsidiary	-	-	4	5
		9	9	4	5

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31. 重要關聯人士交易

於本年度內，本集團若干附屬公司按一般及日常業務過程與若干共同控制公司及一聯營公司進行正常商業條款交易。有關該等交易詳述如下：

31. MATERIAL RELATED PARTIES TRANSACTIONS

During the year, certain subsidiaries traded with jointly controlled companies and an associate in the ordinary and usual course of business and on normal commercial terms. Details relating to these transactions are as follows:

(以港幣百萬元為單位)	(In HK\$ millions)	集團	
		2005	2004
銷售給：	Sales to:		
共同控制公司	a jointly controlled company	169	148
聯營公司	an associate	148	115
		317	263
購貨自：	Purchases from:		
共同控制公司	jointly controlled companies	105	–

於十二月三十一日應收關聯公司款項：

Amounts due from these related parties at December 31 were:

(以港幣百萬元為單位)	(In HK\$ millions)	集團	
		2005	2004
共同控制公司	Jointly controlled companies	17	6
聯營公司	An associate	10	11

於二零零五年十二月三十一日，上述應收共同控制公司及一聯營公司等款項已反映在應收賬款及其他應收款。

At December 31, 2005, the above amounts due from jointly controlled companies and an associate were reflected in trade and other receivables.

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December 31, 2005

32. 主要附屬公司

本公司於二零零五年十二月三十一日之
主要附屬公司如下：

32. PRINCIPAL SUBSIDIARIES

The following is a list of the principal subsidiaries of the Company as
at December 31, 2005:

附屬公司名稱 Name of subsidiary	成立地點 Place of incorporation	持有股份之 實際百分率 Effective percentage of equity holding		已發行及全數繳足 股本或註冊資本 Issued and fully paid share capital or registered capital	主要業務/經營地區 Principal activities/ place of operation
		2005	2004		
寶斯特有限公司* Bluestar Exchange Limited *	香港 Hong Kong	100	100	三百萬股 每股面值港幣一元 之普通股 3,000,000 ordinary shares of HK\$1 each	經營零售服裝 及配襯用品/香港 Retailing of apparel and accessories/ Hong Kong
捷達環球貿易有限公司* Bluestar Exchange Worldwide Limited*	香港 Hong Kong	100	100	六十五萬股 每股面值港幣一元 之普通股 650,000 ordinary shares of HK\$1 each	從事服裝及配襯用品之 零售及批發/台灣 Retail and wholesale of apparel and accessories/Taiwan
East Jean Limited*	香港 Hong Kong	100	100	十萬股 每股面值港幣十元 之普通股 100,000 ordinary shares of HK\$10 each	經營零售服裝 及配襯用品/台灣 Retailing of apparel and accessories/ Taiwan
智源澳門離岸商業服務 有限公司* G & B Sourcing Macao Commercial Offshore Limited*	澳門 Macau	100	-	澳門幣十萬元 MOP100,000	貿易/澳門 Trading/Macau
Giordano (Australia) Pty. Limited*	澳洲 Australia	79	79	七十萬股 每股面值一澳元 之普通股 700,000 ordinary shares of AUD1 each	經營零售服裝 及配襯用品/澳洲 Retailing of apparel and accessories/ Australia

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32. 主要附屬公司 (續)

32. PRINCIPAL SUBSIDIARIES (continued)

附屬公司名稱 Name of subsidiary	成立地點 Place of incorporation	持有股份之 實際百分率 Effective percentage of equity holding		已發行及全數繳足 股本或註冊資本 Issued and fully paid share capital or registered capital	主要業務/經營地區 Principal activities/ place of operation
		2005	2004		
Giordano (Japan) Limited*	日本 Japan	100	100	一千零二十股 每股面值五萬日元 之普通股 1,020 ordinary shares of JPY50,000 each	經營零售服裝 及配襯用品/日本 Retailing of apparel and accessories/ Japan
佐丹奴有限公司* Giordano Limited*	香港 Hong Kong	100	100	五萬股 每股面值港幣一百元 之普通股 50,000 ordinary shares of HK\$100 each	經營零售及分銷 服裝及配襯用品/香港 Retail and distribution of apparel and accessories/Hong Kong
Giordano (M) Sdn. Bhd.	馬來西亞 Malaysia	100	100	三十五萬股 每股面值馬來西亞幣一元 之普通股 350,000 ordinary shares of RM1 each	經營零售服裝及 配襯用品/馬來西亞 Retailing of apparel and accessories/ Malaysia
佐丹奴澳門有限公司* Giordano (Macau) Limited *	澳門 Macau	100	100	澳門幣五萬元 以兩股出資份額代表 MOP50,000 represented by 2 quotas	經營零售服裝 及配襯用品/澳門 Retailing of apparel and accessories/ Macau
Giordano Originals (Singapore) Private Limited	新加坡 Singapore	100	100	一百九十萬零二股 每股面值新加坡幣一元 之普通股 1,900,002 ordinary shares of S\$1 each	從事服裝及配襯用品之 零售及貿易/新加坡 Retailing and trading of apparel and accessories/Singapore

32. 主要附屬公司 (續)

32. PRINCIPAL SUBSIDIARIES (continued)

附屬公司名稱 Name of subsidiary	成立地點 Place of incorporation	持有股份之 實際百分率 Effective percentage of equity holding		已發行及全數繳足 股本或註冊資本 Issued and fully paid share capital or registered capital	主要業務/經營地區 Principal activities/ place of operation
		2005	2004		
Giordano (Thai) Co., Ltd. *	泰國 Thailand	100	100	一百萬股 每股面值十泰銖 之普通股 1,000,000 ordinary shares of THB10 each	從事服裝及配襯用品之 零售及批發/泰國 Retail and wholesale of apparel and accessories/Thailand
亮志服裝(香港) 有限公司* Gloss Mind Apparel (Hong Kong) Limited*	香港 Hong Kong	51	51	二股 每股面值港幣一元 之普通股 2 ordinary shares of HK\$1 each	從事服裝貿易及 提供相關服務/香港 Trading of apparel products and providing apparel services/ Hong Kong
PT. Giordano Indonesia*	印尼 Indonesia	40	40	一千五百股 每股面值一百萬印尼盾 之普通股 1,500 ordinary shares of IDR1,000,000 each	從事服裝、配襯用品及 其有關產品之零售/印尼 Retailing of apparel, accessories and related products/Indonesia
深圳虎威製衣 有限公司*(附註) Shenzhen Tiger Garment Ltd.* (Note)	中國大陸 Mainland China	100	100	人民幣一千五百一十萬元 RMB15,100,000	投資控股、製造及銷售 服裝及配襯用品/ 中國大陸 Investment holding, manufacturing and retailing of apparel and accessories/ Mainland China

附註： 深圳虎威製衣有限公司乃一間中外合作經營公司。

Note: Shenzhen Tiger Garment Ltd. is a sino-foreign co-operative joint venture.

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32. 主要附屬公司 (續)

32. PRINCIPAL SUBSIDIARIES (continued)

附屬公司名稱 Name of subsidiary	成立地點 Place of incorporation	持有股份之 實際百分率 Effective percentage of equity holding		已發行及全數繳足 股本或註冊資本 Issued and fully paid share capital or registered capital	主要業務/經營地區 Principal activities/ place of operation
		2005	2004		
虎威企業有限公司 Tiger Enterprises Limited	香港 Hong Kong	100	100	一千股 每股面值港幣一元 之普通股、六千萬股 每股面值港幣一元 之無投票權遞延股 1,000 ordinary shares of HK\$1 each, 60,000,000 non-voting deferred shares of HK\$1 each	投資控股/中國大陸 Investment holding/ Mainland China
Walton International Ltd.*	開曼群島 Cayman Islands	100	100	一百零二股 每股面值一美元 之普通股 102 ordinary shares of US\$1 each	批授商標專利權 Licensing of trademarks

* 間接附屬公司

* subsidiaries held indirectly

33. 財務報表通過

33. APPROVAL OF FINANCIAL STATEMENTS

本年度財務報表已於二零零六年三月二十一日獲董事會通過。

The financial statements were approved by the board of directors on March 21, 2006.