

財務報表附註

Notes to the Financial Statements

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

1. 一般資料

本公司為於百慕達註冊成立之受豁免有限公司，其股份於香港聯合交易所有限公司（「聯交所」）及新加坡證券交易所有限公司上市，其最終控股公司為天安中國投資有限公司（「天安」）。天安乃於香港註冊成立之公眾公司，其股份於聯交所上市。本公司之註冊辦事處及主要經營地點於本年報「公司資料」一節中披露。

本公司為投資控股公司，其主要附屬公司（「本集團」）主要業務分別載於附註35。

本綜合財務報表以港元列示，港元亦為本公司之功能貨幣。

2. 香港財務報告準則之應用／會計政策的變更

於本年度，本集團首次採納香港會計師公會頒佈之若干新及經修訂香港財務報告準則「香港財務報告準則」、香港會計準則「香港會計準則」及詮釋（詮釋）（以下文統稱為「新香港財務報告準則」），此等會計準則適用於在二零零五年一月一日或之後開始之會計期間。採納新香港財務報告準則導致綜合收益表、綜合資產負債表及綜合權益變動表之呈列方式有所改變，尤其是少數股東權益之呈列方式。此等呈列方式之改變已追溯應用。採納新香港財務報告準則亦導致本集團以下各項會計政策有所改變，此等改變影響本會計年度及過往會計年度之業績編製及呈列方式。

1. GENERAL

The Company is incorporated in Bermuda as an exempted company with limited liability. Its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and The Singapore Exchange Securities Trading Limited. Its ultimate holding company is Tian An China Investments Company Limited ("Tian An"), a public company incorporated in Hong Kong and which shares are listed on the Stock Exchange. The address of the registered office and principal place of business of the Company are disclosed in the corporate information to the annual report.

The Company is an investment holding company. The principal activities of the Company and its subsidiaries (the "Group") are set out in note 35.

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

2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS/ CHANGES IN ACCOUNTING POLICIES

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

2. 香港財務報告準則之應用／會計政策的變更(續)

業務合併

香港財務報告準則第3號「業務合併」適用於協議日期為二零零五年一月一日或之後之業務合併。應用香港財務報告準則第3號對本集團之主要影響概述如下：

商譽

於過往期間，因收購所產生之商譽已資本化及按其可使用年期攤銷。本集團已應用香港財務報告準則第3號之相關過渡性條文。就先前於資產負債表資本化之商譽而言，於二零零五年一月一日，本集團以商譽成本撇銷有關於二零零五年一月一日之累計攤銷額港幣18,510,000元(見附註14)。本集團自二零零五年一月一日起不再將有關商譽攤銷，而商譽將最少於每年作減值之測試。於二零零五年一月一日後進行收購所產生之商譽乃於初次確認時按成本值減累計減值(如有)後衡量。由於此項會計政策之變動，本期間概無扣除商譽攤銷。二零零四年之比較數字並無重列。

於本年度，本集團亦採納香港會計準則第21號「外幣匯率變動的影響」，規定商譽須視作於海外經營的資產及負債，並按照各結算日的收市匯率換算。過往，因收購海外業務而產生的商譽乃按於各結算日的歷史匯率呈報。按照香港會計準則第21號的相關過渡性條文，於二零零五年一月一日前因收購而產生的商譽視作為本集團的非貨幣外幣項目。因此，本集團並無就過往年度作出調整。

2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS/ CHANGES IN ACCOUNTING POLICIES (Continued)

Business combinations

HKFRS 3 “Business Combinations” is effective for business combinations for which the agreement date is on or after 1st January, 2005. The principal effects of the application of HKFRS 3 to the Group are summarised as below:

Goodwill

In previous years, goodwill arising on acquisitions was capitalised and amortised over its estimated useful life. The Group has applied the relevant transitional provisions in HKFRS 3. With respect to goodwill previously capitalised on the balance sheet, the Group on 1st January, 2005 eliminated the carrying amount of the related accumulated amortisation of HK\$18,510,000 with a corresponding decrease in the cost of goodwill (see Note 14). The Group has discontinued amortising such goodwill from 1st January, 2005 onwards and such goodwill will be tested for impairment at least annually. Goodwill arising on acquisitions after 1st January, 2005 is measured at cost less accumulated impairment losses (if any) after initial recognition. As a result of this change in accounting policy, no amortisation of goodwill has been charged in the current year. Comparative figures for 2004 have not been restated.

In the current year, the Group has also applied HKAS 21 “The Effects of Changes in Foreign Exchange Rates” which requires goodwill to be treated as assets and liabilities of the foreign operation and translated at closing rate at each balance sheet date. Previously, goodwill arising on acquisitions of foreign operations was reported at the historical rate at each balance sheet date. In accordance with the relevant transitional provisions in HKAS 21, goodwill arising on acquisition prior to 1st January, 2005 is treated as a non-monetary foreign currency item. Therefore, no prior period adjustment has been made.

2. 香港財務報告準則之應用／ 會計政策的變更 (續)

金融工具

於本年度，本集團已應用香港會計準則第32號「金融工具：披露及呈列」及香港會計準則第39號「金融工具：確認及計量」。香港會計準則第32號規定作追溯應用。於二零零五年一月一日或以後開始之年度期間生效之香港會計準則第39號，基本上不容許對財務資產及負債進行追溯性之確認，不再確認或計量。於本會計期間及以往會計期間，香港會計準則第32號之應用並沒有對本集團之金融工具產生重大影響。因實行香港會計準則第39號而產生之主要影響摘要如下：

財務資產及財務負債分類及計量

本集團已採納香港會計準則第39號有關香港會計準則第39號範圍內之財務資產與財務負債分類及計量之過渡性條文。

2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS/ CHANGES IN ACCOUNTING POLICIES (Continued)

Financial instruments

In the current year, the Group has applied HKAS 32 "Financial Instruments: Disclosure and Presentation" and HKAS 39 "Financial Instruments: Recognition and Measurement". HKAS 32 requires retrospective application. HKAS 39 which are effective for annual periods beginning on or after 1st January, 2005, generally does not permit the recognition, derecognition or measurement of financial assets and liabilities on a retrospective basis. The application of HKAS 32 has had no material impact on how financial instruments of the Group are presented for current or prior accounting periods. The principal effects resulting from the implementation of HKAS 39 are summarised below:

Classification and measurement of financial assets and financial liabilities

The Group has applied the relevant transitional provisions in HKAS 39 with respect to classification and measurement of financial assets and financial liabilities that are within the scope of HKAS 39.

2. 香港財務報告準則之應用／ 會計政策的變更 (續)

金融工具(續)

取消確認

香港會計準則第39號規定，取消確認財務資產應用之準則較過往期間所採用者更為嚴格。根據香港會計準則第39號，一項資產僅會於資產現金流量之合約權利到期時，或已轉讓及轉讓中之資產根據香港會計準則第39號符合資格取消確認時方予取消。混合風險及回報及控制測試之方式乃用以決定有關轉讓是否符合取消確認之資格。本集團已採納相關過渡性條文，並將經修訂之會計政策追溯應用於二零零五年一月一日或之後轉讓之財務資產。因此，本集團並無重列於二零零五年一月一日前已取消確認之附全面追索權之應收票據。於二零零五年十二月三十一日，本集團並未取消確認附全面追索權之應收票據及讓售貿易應收賬款。取而代之，為數港幣17,541,000元及港幣19,231,000元之相關借款已於結算日確認。該項變動對本期間之業績概無重大影響。

2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS/ CHANGES IN ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Derecognition

HKAS 39 provides more rigorous criteria for the derecognition of financial assets than the criteria applied in previous periods. Under HKAS 39, a financial asset is derecognised, when and only when, either the contractual rights to the asset's cash flows expire, or the asset is transferred and the transfer qualifies for derecognition in accordance with HKAS 39. The decision as to whether a transfer qualifies for derecognition is made by applying a combination of risks and rewards and control tests. The Group has applied the relevant transitional provisions and applied the revised accounting policy prospectively for transfers of financial assets from 1st January, 2005 onwards. As a result, the Group's bill receivables discounted with full recourse which were derecognised prior to 1st January, 2005 have not been restated. As at 31st December, 2005, the Group's bills receivables discounted with full recourse and factored trade receivables with full recourse have not been derecognised. Instead, the related borrowings of HK\$17,541,000 and HK\$19,231,000 respectively, had been recognised on the balance sheet date. This change has had no material effect on the results for the current year.

2. 香港財務報告準則之應用／ 會計政策的變更 (續)

金融工具(續)

除債務及股本證券以外之財務資產及 財務負債

自二零零五年一月一日起，本集團根據香港會計準則第39號之規定分類及計量除債務及股本證券以外之財務資產及財務負債(以往未被會計準則第24號「證券投資」所涵蓋)。香港會計準則第39號項下之財務資產乃分類列作「按公允值列賬並在損益表內處理之財務資產」、「可供出售財務資產」、「貸款及應收款項」或「持至到期之財務資產」。財務負債一般分類列作「按公允值列賬並在損益表內處理之財務負債」或「按公允值列賬並在損益表內處理之財務負債以外之財務負債(其他財務負債)」。「其他財務負債」利用實際利息法按已攤銷成本列賬。應用香港會計準則第39號時，本集團已計算應付同系附屬公司及一少數股東之免息款項之隱含利息。因此，應付同系附屬公司及一少數股東款項之賬面值減少港幣3,301,000元。相關之遞延稅項負債為港幣891,000元，已於二零零五年一月一日確認。已於本集團之累計溢利及少數股東權益中作出相關調整(有關財務影響，見附註2A)。

2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS/ CHANGES IN ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets and financial liabilities other than debt and equity securities

From 1st January, 2005 onwards, the Group has classified and measured its financial assets and financial liabilities other than debt and equity securities (which were previously outside the scope of Statement of Standard Accounting Practices 24 "Accounting for investments in securities") in accordance with the requirements of HKAS 39. Financial assets under HKAS 39 are classified as "financial assets at fair value through profit or loss", "available-for-sales financial assets", "loans and receivables" or "held-to-maturity financial assets". Financial liabilities are generally classified as "financial liabilities at fair value through profit or loss" or "financial liabilities other than financial liabilities at fair value through profit or loss (other financial liabilities)". "Other financial liabilities" are carried at amortised cost using the effective interest method after initial recognition. Upon applying HKAS 39, the Group calculated the implied interest of interest-free amounts due to fellow subsidiaries and a minority shareholder. As a result, the carrying amounts of the amounts due to fellow subsidiaries and a minority shareholder have been decreased by HK\$3,301,000. Related deferred tax liabilities of HK\$891,000 have been in aggregate recognised on 1st January, 2005. Corresponding adjustment has been made to the Group's accumulated profits and minority interests (see note 2A for financial impact).

2. 香港財務報告準則之應用／會計政策的變更 (續)

業主自用於土地的租賃權益

於過往期間，業主自用之租賃土地及樓宇乃計入物業、廠房及設備，並使用成本模式計量。於本年內，本集團已應用香港會計準則第17號「租賃」。根據香港會計準則第17號，土地及樓宇之租賃之土地及樓宇成分乃就租賃分類分開考慮，除非土地及樓宇成分之間之租賃付款不能可靠地分配，在該情況下，整項租賃一般均視作融資租賃處理。倘土地及樓宇成分之間之租賃付款能可靠地分配，則於土地之租賃權益乃重新分類至經營租賃項下土地使用權之預付租賃付款，並按成本值列賬並以直線法按租賃年期攤銷。該項會計政策之變動已追溯應用(有關財務影響，見附註2A)。另一方面，倘土地及樓宇成分之間不能可靠地分配，則於土地之租賃權益乃繼續以物業、廠房及設備列賬。該項變動沒有對本年度之業績帶來重大影響。

於共同控制機構之權益

於過往期間，於共同控制機構之權益乃採用股本法列賬。於本期間，本集團採納香港會計準則第31號「於共同控制機構之權益」，該項準則允許使用比例綜合或權益法為共同控制機構之權益列賬。於應用香港會計準則第31號時，本集團已選擇繼續應用權益法為本身於共同控制機構之權益列賬。因此，本集團對於共同控制機構之權益之會計處理方法並無任何變動。

2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS/ CHANGES IN ACCOUNTING POLICIES (Continued)

Owner-occupied leasehold interest in land

In previous years, owner-occupied leasehold land and buildings were included in property, plant and equipment and measured using the cost model. In the current year, the Group has applied HKAS 17 "Leases". Under HKAS 17, the land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease classification, unless the lease payments cannot be allocated reliably between the land and buildings elements, in which case, the entire lease is generally treated as a finance lease. To the extent that the allocation of the lease payments between the land and buildings elements can be made reliably, the leasehold interests in land are reclassified to prepaid lease payments on the land use rights under operating leases, which are carried at cost and amortised over the lease term on a straight-line basis. This change in accounting policy has been applied retrospectively (see note 2A for the financial impact). Alternatively, where the allocation between the land and buildings elements cannot be made reliably, the leasehold interests in land continue to be accounted for as property, plant and equipment. This change has had no material effect on the results for the current year.

Interests in jointly controlled entities

In previous years, interests in jointly controlled entities were accounted for using the equity method. In current year, the Group has applied HKAS 31 "Interests in Jointly Controlled Entities" which allows entities to use either proportionate consolidation or the equity method to account for its interests in jointly controlled entities. Upon the application of HKAS 31, the Group has elected to continue applying the equity method to account for its interests in jointly controlled entities. As a result, there has been no change in accounting method in respect of the Group's interests in jointly controlled entities.

2. 香港財務報告準則之應用／會計政策的變更 (續)

以股份支付之支出

於本年度，本集團已應用香港財務報告準則第2號「以股份支付之支出」，規定本集團以購買之貨品或獲取之服務交換股份或享有股份之權利（「權益結算交易」）或用以交換價值相當於指定數目之股份或享有股份之權利之其他資產（「現金結算交易」）時須確認為支出入賬。香港財務報告準則第2號對於本集團之主要影響乃關乎本公司董事及僱員購股權於授出日期釐定之公平值，須於歸屬期內支銷。在應用香港財務報告準則第2號以前，本集團僅於購股權行使後始確認其財務影響。按照相關的過渡性條文，於二零零五年一月一日前授出的僱員購股權，本集團沒有應用香港財務報告於二零零二年十一月七日前所授出的僱員購股權及於二零零二年十一月七日後授出並於二零零五年一月一日前支銷的僱員購股權。此改變並沒有對本年的業績帶來重大的影響。

2A. 會計政策變動之影響概要

上文所述之會計政策變動對本年及過往年度業績之影響如下：

2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS/ CHANGES IN ACCOUNTING POLICIES (Continued)

Share-based payments

In the current year, the Group has applied HKFRS 2 “Share-based payment” which requires an expense to be recognised where the Group buys goods or obtains services in exchange for shares or rights over shares (“equity-settled transactions”), or in exchange for other assets equivalent in value to a given number of shares or rights over shares (“cash-settled transactions”). The principal impact of HKFRS 2 on the Group is in relation to the expensing of the fair value of directors’ and employees’ share options of the Company determined at the date of grant of the share options over the vesting period. Prior to the application of HKFRS 2, the Group did not recognise the financial effect of these share options until they were exercised. In relation to share options granted before 1st January, 2005, the Group has not applied HKFRS 2 to share options granted on or before 7th November, 2002 and share options that were granted after 7th November, 2002 and had vested before 1st January, 2005 in accordance with the relevant transitional provisions. This change has had no material effect on the results to the current year.

2A. SUMMARY OF THE EFFECTS OF THE CHANGES IN ACCOUNTING POLICIES

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

	二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000
商譽攤銷減少	5,106	—
應付同系公司及 一少數股東之 免息款項之 隱含利息	(24)	—
	5,082	—

財務報表附註(續)

Notes to the Financial Statements (Continued)

截至二零零五年十二月三十一日止年度

For the year ended 31st December, 2005

2A. 會計政策變動之影響概要 (續)

於二零零四年十二月三十一日及二零零五年一月一日應用新香港財務報告準則之累計影響概述如下：

2A. SUMMARY OF THE EFFECTS OF THE CHANGES IN ACCOUNTING POLICIES (Continued)

The cumulative effects of the application of the new HKFRSs as at 31st December, 2004 and 1st January, 2005 are summarised below:

		於二零零四年		於二零零四年		於二零零五年
		十二月		十二月		一月一日
		三十一日		三十一日		一月一日
		(原先呈列)		(重列)	調整	(重列)
		As at 31st	重新歸類	As at 31st	調整	As at 1st
		December,	香港會計準則	December,	香港會計	January,
		2004	第1號及第17號	2004	準則第39號	2005
		(originally	Reclassification	(restated)	Adjustments	(restated)
		stated)	HKAS 1 & 17	(restated)	HKAS 39	(restated)
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
資產負債表項目	Balance Sheet items					
物業、廠房及設備	Property, plant and equipment	444,656	(14,456)	430,200	-	430,200
土地使用權之預付	Prepaid lease payments on					
租賃款項	land use rights	-	14,456	14,456	-	14,456
應付同系附屬公司	Amounts due to fellow					
之款項	subsidiaries	(1,087)	-	(1,087)	962	(125)
應付一少數股東	Amount due to a minority					
之款項	shareholder	(2,641)	-	(2,641)	2,339	(302)
遞延稅項	Deferred taxation	(22,349)	-	(22,349)	(891)	(23,240)
對資產及負債構成之影響總額	Total effects on assets and liabilities		-		2,410	
累計溢利	Accumulated profits	80,775	-	80,775	1,205	81,980
少數股東權益	Minority interests	-	159,703	159,703	1,205	160,908
對權益構成之影響總額	Total effects on equity		159,703		2,410	
少數股東權益	Minority interests	159,703	(159,703)	-	-	-

2B. 會計政變動之影響概要

本集團並無提早應用下列已頒佈但未生效之新準則或詮釋。除香港會計準則第39號及香港財務報告準則第4號(修訂本)正在評估其影響，本公司董事預期，應用此等準則或詮釋將不會對本集團財務報表造成影響或任何重大影響：

香港會計準則第1號(修訂本)
HKAS 1 (Amendment)
香港會計準則第19號(修訂本)
HKAS 19 (Amendment)
香港會計準則第21號(修訂本)
HKAS 21 (Amendment)
香港會計準則第39號(修訂本)
HKAS 39 (Amendment)
香港會計準則第39號(修訂本)
HKAS 39 (Amendment)
香港會計準則第39號及香港財務報告準則第4號(修訂本)
HKAS 39 and HKFRS 4 (Amendment)
香港財務報告準則第6號
HKFRS 6
香港財務報告準則第7號
HKFRS 7
香港(IFRIC)-詮釋第4號
HK(IFRIC)-Int 4
香港(IFRIC)-詮釋第5號
HK(IFRIC)-Int 5

香港(IFRIC)-詮釋第6號
HK(IFRIC)-Int 6

香港(IFRIC)-詮釋第7號
HK(IFRIC)-Int 7

- 1 於二零零七年一月一日或其後開始之年度期間生效。
- 2 於二零零六年一月一日或其後開始之年度期間生效。
- 3 於二零零五年十二月一日或其後開始之年度期間生效。
- 4 於二零零六年三月一日或其後開始之年度期間生效。

2B. POTENTIAL IMPACT ARISING ON THE NEW OR REVISED ACCOUNTING STANDARDS NOT YET EFFECTIVE

The Group has not early applied the following new standards and interpretations that have been issued but are not yet effective. The directors of the Company anticipate that the application of these new HKFRSs will have no material impact on the financial statements of the Group except for HKAS 39 and HKFRS 4 (Amendment) Financial guarantee contracts for which the directors are still in the process of assessing the impact.

資本披露¹
Capital disclosures¹
精算損益、集團計劃及披露²
Actuarial gains and losses, group plans and disclosures²
境外業務投資淨額²
Net investment in a foreign operation²
預測集團內部交易之現金流量對沖會計處理法²
Cash flow hedge accounting of forecast intragroup transactions³
期權之公平價值²
The fair value option²

財務擔保合約²
Financial guarantee contracts²
礦物資源之勘探及評估²
Exploration for and evaluation of mineral resources²
金融工具：披露¹
Financial instruments: disclosures¹
釐定安排是否包括租賃²
Determining whether an arrangement contains a lease²
解除運作、復原及環境修復基金所產生權益之權利²
Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds²
參與特定市場所產生之負債－廢料、電力及電子設備³
Liabilities arising from participating in a specific market – waste electrical and electronic equipment³
根據香港會計準則第29號惡性通貨膨脹經濟中之財務報告採用重述法⁴
Applying the restatement approach under HKAS 29 financial reporting in hyperinflationary economies⁴

- 1 Effective for annual periods beginning on or after 1st January, 2007
- 2 Effective for annual periods beginning on or after 1st January, 2006
- 3 Effective for annual periods beginning on or after 1st December, 2005
- 4 Effective for annual periods beginning on or after 1st March, 2006

財務報表附註(續)

Notes to the Financial Statements (Continued)

截至二零零五年十二月三十一日止年度

For the year ended 31st December, 2005

3. 主要會計政策

綜合財務報表乃按歷史成本基準編製。

綜合財務報表乃根據由香港會計師公會頒佈之香港財務報告準則編製。此外，綜合財務報表載列香港聯合交易所有限公司證券上市規則及公司條例規定之適用披露。

綜合基準

綜合財務報表包括本公司及其附屬公司之財務報表。

於年內所收購或出售的附屬公司，其業績均自收購生效日期起或截至出售生效日期止(如適用)計入綜合損益表內。

如有需要，本集團會對附屬公司之財務報表作出調整，使其會計政策與本集團其他成員公司所採用者保持一致。

所有集團內交易、結餘、收入及開支均於綜合賬目時對銷。

綜合附屬公司淨資產內之少數股東所佔權益與本集團所佔之權益分開列賬。少數股東於淨資產之權益包括該等權益於原業務合併日期之數額及少數股東應佔該合併日期以來之股本變動。適用於少數股東的虧損超出於附屬公司股權的少數股東權益的數額將與本集團的權益作出分配，惟少數股東具約束力責任及可以其他投資補足虧損者除外。

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared under the historical cost basis.

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

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to the balance sheet date.

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

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

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

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

3. 主要會計政策 (續)

商譽

商譽產生於協議日期為二零零五年一月一日之前

收購一間附屬公司或聯營公司(協議日期為於二零零五年一月一日之前)產生之商譽乃指收購成本超逾本集團於收購當日應佔相關附屬公司或聯營公司可識別資產及負債公平值之權益之差額。

對於原先已資本化之商譽，本集團自二零零五年一月一日起不再繼續攤銷，而有關商譽每年及凡商譽有關之賺取現金單位有可能出現減值之跡象時進行減值測試(見下文會計政策)。

商譽減值測試

就減值測試而言，收購所產生之商譽乃被分配到各有關賺取現金單位，或賺取現金單位之組別，預期彼等從收購之協同效應中受益。已獲配商譽之賺取現金單位每年及凡單位有可能出現減值之跡象時進行減值測試。當賺取現金單位之可收回金額少於該單位之賬面值，則減值虧損被分配，以削減首先分配到該單位，及其後以單位各資產之賬面值為基準按比例分配到該單位之其他資產之任何商譽之賬面值。商譽之減值虧損於其後期間不予撥回。

其後出售附屬公司，則被資本化之商譽之應佔金額於出售時計入釐定損益之金額。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Goodwill

Goodwill arising on acquisitions prior to 1st January, 2005

Goodwill arising on an acquisition of a subsidiary, for which the agreement date is before 1st January, 2005 represents the excess of the cost of the business combination over the Group's interest in the fair value of the identifiable assets and liabilities of the relevant subsidiary, at the date of acquisition.

For previously capitalised goodwill arising on acquisitions after 1st January, 2001, the Group has discontinued amortisation from 1st January, 2005 onwards, and such goodwill is tested for impairment annually, and whenever there is an indication that the cash generating unit to which the goodwill relates may be impaired (see the accounting policy below).

Impairment testing on capitalised goodwill

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

3. 主要會計政策 (續)

於共同控制機構之權益

由合營者成立一間各自擁有權益的獨立企業的合營安排視為共同控制機構。

共同控制機構之業績、資產及負債乃以會計權益法綜合入財務資料。根據權益法，於共同控制機構之投資乃按成本於綜合資產負債表中列賬，並就本集團分佔該共同控制機構之損益及權益變動之收購後變動作出調整，以及減去任何已識別之減值虧損。當本集團分佔某共同控制機構之虧損相等於或超出其於該共同控制機構之權益（其包括任何長期權益，而該長期權益實質上構成本集團於該共同控制機構之投資淨額之一部份），則本集團不再繼續確認其分佔之進一步虧損。額外分佔之虧損乃被撥備，而負債僅以本集團已產生法定或推定責任或代表該共同控制機構作出付款者為限被確認。

於聯營公司之權益

聯營公司之業績、資產及負債乃以會計權益法綜合入財務資料。根據權益法，於聯營公司之投資乃按成本於綜合資產負債表中列賬，並就本集團分佔該聯營公司之損益及權益變動之收購後變動作出調整，以及減去任何已識別之減值虧損。當本集團分佔某聯營公司之虧損相等於或超出其於該聯營公司之權益（其包括任何長期權益，而該長期權益實質上構成本集團於該聯營公司之投資淨額之一部份），則本集團不再繼續確認其分佔之進一步虧損。額外分佔之虧損乃被撥備，而負債僅以本集團已產生法定或推定責任或代表該聯營公司作出付款者為限被確認。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interest in jointly controlled entities

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

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

Interests in associates

The results and assets and liabilities of associates are incorporated in the consolidated financial statements using the equity method of accounting. Under equity method, investments in associates are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the Group's share of the profit or loss and of changes in equity of the associate, less any identified impairment loss. When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. An additional share of losses is provided for and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that associate.

3. 主要會計政策 (續)

收入確認

銷售貨品之收入於貨品出售及權益轉至客戶時入賬。

財務資產產生之利息收入乃按時間基準，並參照尚未償還本金額及按所適用之實際利率孳生，而實際利率為透過財務資產之預期可用年期將估計日後現金收據實際折讓至該資產之賬面淨值之比率。

預付租賃款項

預付租賃款項指土地使用權之預付款項，初步以成本值確認，並按租期以直線基準撥入收益表。

物業、機器及設備

物業、機器及設備(在建工程除外)乃按成本值減累計折舊及攤銷以及減值虧損入賬，在建工程按成本減累計減值虧損入賬。當它們已完成及可供使用時，其折舊與物業、機器及設備相同。

物業、機器及設備(在建工程除外)之折舊按其估計可使用年期並計其估計殘值以直線法按下列年率撇銷其成本或公平值：

樓宇	2.7% - 10%
租賃裝修	4.5% - 10%
	或有關租約年期 (以較短者為準)
廠房及機器	9% - 15%
設備、傢俬及裝置	15% - 20%
汽車	18% - 25%

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition

Sales of goods are recognised when goods are delivered and title has passed.

Interest income from a financial asset is accrued on a time basis by reference to the principal outstanding and at the interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Prepaid lease payment

The prepaid lease payments represent upfront payment for land use right are initially recognised at cost and released to the income statement over the lease term on a straight-line basis.

Property, plant and equipment

Property, plant and equipment, other than construction in progress, are stated at cost less subsequent accumulated depreciation and accumulated impairment losses. Constructions in progress are stated at cost less accumulated impairment losses. Depreciation of these assets, on the same basis as other property, plant and equipment, commences when the assets are ready for their intended use.

Depreciation is provided to write off the cost of property, plant and equipment, other than constructions in progress, over their estimated useful lives and after taking into account their estimated residual values, using the straight line method, at the following rates per annum:

Buildings	2.7% - 10%
Leasehold improvements	4.5% - 10%
	or, if shorter, over the relevant lease term
Plant and machinery	9% - 15%
Furniture, fixtures and equipment	15% - 20%
Motor vehicles	18% - 25%

3. 主要會計政策 (續)

物業、機器及設備(續)

根據融資租賃持有之資產乃於其估計可使用年期或相關租賃年期(取較短者)按與自置資產相同之基準折舊。

物業、廠房及設備項目於出售時或當繼續使用該資產預期不會產生任何日後經濟利益時取消確認。資產取消確認產生之任何收益或虧損(按該項目之出售所得款項淨額及賬面值間之差額計算)於該項目取消確認之年度計入收益表。

採礦權

在初步確認時，所收購之採礦權按成本值分開確認。初步確認後，採礦權以成本值扣減累計攤銷及任何累計減值虧損入賬。採礦權之攤銷乃按其50年之估計可使用年期以直線基準計提。

取消確認採礦權之收益或虧損以出售所得款項淨額與資產之賬面值之間之差額計量，並在取消確認資產時在收益表中確認。

有形及無形資產(不包括無明確可使用年期之商譽及無形資產)之減值

於各結算日，本集團會檢討其有形及無形資產之賬面值，以決定是否有任何跡象顯示有關資產出現減值虧損。倘出現有關跡象，則會估計該項資產之可收回數額，以決定減值虧損(如有)之程度。倘無法估計一項資產之可收回數額，本集團會估計該項資產所屬之現金產生單位之可收回數額。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment (Continued)

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

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

Mining right

On initial recognition, mining right acquired separately is recognised at cost. After initial recognition, mining right is carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for mining right is provided on a straight-line basis over its estimated useful life of 50 years.

Gains or losses arising from derecognition of mining right are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

Impairment of tangible and intangible assets excluding goodwill and intangible assets with indefinite useful life

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

3. 主要會計政策 (續)

可收回數額乃公平值減出售成本以及使用價值之較高者。在估計使用價值時，估計未來現金流會以稅前折讓率折讓至其現值，而有關折讓率須反映當時市場對貨幣時間值之評估及有關資產之特定風險。

倘一項資產(或現金產生單位)之可收回數額估計將少於其賬面值，則有關資產(現金產生單位)之賬面值將減至其可收回款項，而減值虧損則即時在損益確認。

倘一項減值虧損其後獲撥回，有關資產(現金產生單位)之賬面值會增至其重新估計之可收回數額，但經增加之賬面值不得超逾有關資產(現金產生單位)在過往年度尚未確認任何減值虧損所應釐定之賬面值。減值虧損之撥回即現在損益確認。

租約

本集團作為承租人

按融資租約持有之資產按租約開始時之公平值或(倘為較低者)按最低租約付款之現值確認為本集團資產。出租人之相應負債於資產負債表列作融資租約承擔。租約付款按比例於融資費用及減少租約承擔之間作出分配，從而使該等負債之應付餘額之息率固定。直接有關於合資格資產之融資費用則根據本集團一般會計政策一借貸成本撥充資本化，其他融資費用於損益中扣除。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

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

Leasing

The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see below).

財務報表附註(續)

Notes to the Financial Statements (Continued)

截至二零零五年十二月三十一日止年度

For the year ended 31st December, 2005

3. 主要會計政策 (續)

租約(續)

本集團作為承租人(續)

根據經營租約之應付租金乃按相關租約年期以直線法於損益賬扣除。因訂立一項經營租約作為獎勵之已收及應收福利乃以直線法按租約年期確認作租金支出減少。

會所債券

無明確可使用年期之會所債券乃以成本減任何已確認減值虧損入賬。

會所債券會每年進行減值測試。

待售物業

待售物業按成本與可變現淨值兩者中較低者入賬。

存貨

存貨按成本與可變現淨值兩者中較低者入賬。成本包括直接材料及(倘適用)直接勞工成本及將存貨運送至其現有地點及具備其現時情況之該等間接開支。成本按加權平均基準計算。可變現淨值乃指估計售價扣除一切估計完成成本及就推廣、銷售及分銷而產生之成本後之價值。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leasing (Continued)

The Group as lessee (Continued)

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

Club debenture

Club debenture with indefinite useful life is carried at cost less any identified impairment loss.

It is tested for impairment annually.

Properties held for sale

Properties held for sale are stated at the lower of cost or net realisable value.

Inventories

Inventories are stated at the lower of cost or net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is computed on a weighted average method. Net realisable value represents the estimated selling price less all estimated cost of completion and costs to be incurred in marketing, selling and distribution.

3. 主要會計政策 (續)

稅項

所得稅開支指現時應付稅項及遞延稅項。

現時應付稅項乃按本年度應課稅溢利計算。應課稅溢利與損益表中所報溢利淨額不同，乃由於前者不包括在其他年度應課稅或可扣稅收入及開支，並且不包括損益表內不能課稅及扣稅之項目。本集團之即期稅項負債乃按結算日已實行或大致上已實行之稅率計算。

遞延稅項指就綜合財務報表資產及負債賬面值與計算應課稅溢利所用相應稅基間之差額而確認，並以資產負債表負債法處理。遞延稅項負債通常會就所有應課稅臨時差額確認，而遞延稅項資產則於可能出現應課稅溢利以抵銷可扣稅之臨時差額時提撥。若於一項交易中，因商譽或因業務合併以外原因開始確認其他資產及負債而引致既不影響應課稅溢利亦不影響會計溢利之臨時差額，則不會確認該等資產及負債。

遞延稅項負債乃按因於附屬公司及聯營公司之投資而引致之應課稅臨時差額而確認，惟若本集團可令臨時差額對沖及臨時差額有可能未必於可見將來對沖之情況除外。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes income statement items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

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

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

財務報表附註(續)

Notes to the Financial Statements (Continued)

截至二零零五年十二月三十一日止年度

For the year ended 31st December, 2005

3. 主要會計政策 (續)

稅項 (續)

遞延稅項資產之賬面值於每個結算日作檢討，並在沒可能於會有足夠應課稅溢利恢復全部或部份資產價值時作調減。

遞延稅項乃按預期於負債償還或資產變現期間適用之稅率計算。遞延稅項於損益表中扣除或計入損益表，惟於遞延稅項直接在股本權益中扣除或計入股本權益之情況下，遞延稅項亦會於股本權益中處理。

借貸成本

與收購、建造或生產合資格資產直接有關之借貸成本加入至該等資產之成本，直至該等資產差不多可供擬定用途或銷售為止。

所有其他借貸成本於產生之期間列入溢利或虧損淨額內。

外幣

集團實體之個別財務報表乃以有關實體營運之主要經濟環境之貨幣呈列(其功能貨幣)。就綜合財務報表而言，各實體之業績及財務狀況以港元呈列，港元為本公司之功能貨幣，亦為綜合財務報表的呈列貨幣。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation (Continued)

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of those assets. Capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale.

All other borrowing cost are recognised in profit or loss in the period in which they are incurred.

Foreign currencies

The individual financial statements of group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Hong Kong dollars, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

3. 主要會計政策 (續)

外幣 (續)

在編製個別實體之財務報表時，以實體功能貨幣以外之貨幣(外幣)進行之交易乃以交易當日之匯率記錄。於各結算日，以外幣計值之貨幣項目以結算日之匯率換算。以外幣之歷史成本計值之非貨幣項目不會進行換算。

以外幣進行之交易及換算產生之盈虧計入期內之溢利或虧損淨額。

就呈列綜合財務報表而言，本集團海外經營業務之資產及負債乃按於結算日之適用匯率換算為本公司之列賬貨幣(如港元)，而其他收入及支出乃按該年度之平均匯率進行換算，除非匯率於該期間內出動大幅波動則作別論，於此情況下，則採用於換算當日之適用匯率。所產生之匯兌差額(如有)乃確認作股本之獨立部分(匯兌儲備)。該等匯兌差額乃於海外業務被出售之期間內於損益賬內確認。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currencies (Continued)

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss in the period.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Company (i.e. Hong Kong dollars) using exchange rates prevailing at the balance sheet date. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are classified as an equity and transferred to the Group's translation reserve. Such translation differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

財務報表附註(續)

Notes to the Financial Statements (Continued)

截至二零零五年十二月三十一日止年度

For the year ended 31st December, 2005

3. 主要會計政策 (續)

政府補助

政府補助於需要與相關成本配合之期間確認為收入。與來自稅務機關之增值稅退款有關之補助在收迄或應收時在收益表確認。

退休福利成本

定額供款退休福利計劃之供款在到期時支銷作開支。向國家管理之退休福利計劃所作之供款乃作定額供款計劃之供款處理，而本集團在有關計劃下之責任相等於自定額供款退休福利計劃所產生者。

財務工具

當集團實體成為文據之訂約條文之訂約方時，財務資產及財務負債於綜合資產負債表確認。財務資產及財務負債初步按公平值計算。因收購或發行財務資產及財務負債(按公平值在損益表內處理之財務資產及財務負債除外)而直接應佔之交易成本於初步確認時按適用情況加入或扣自該項財務資產或財務負債之公平值。因收購按公平值在損益表內處理之財務資產或財務負債而直接應佔之交易成本即時於損益表確認。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government grants

Government grants are recognised as income over the periods necessary to match them with the related costs. Grants related to refund of value added tax from tax authorities are recognised in the income statement when received or receivable.

Retirement benefit costs

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

Financial instruments

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

3. 主要會計政策 (續)

財務工具(續)

應收款項

應收款項(包括貿易及其他應收款項以及應收同系附屬公司款項及銀行存款)為並非於活躍市場報價而具有固定或可釐定款項之非衍生財務資產。於各結算日在初步確認後,應收款項乃利用實際利率法按攤銷成本扣除任何已確定減值虧損列賬。減值虧損於有客觀證據顯示資產出現減值時在損益表確認,並按該項資產賬面值及以原有實際利率折現所得估計未來現金流量現值間之差額計算。當該項資產之可收回數額增加可客觀地與該項減值獲確認後出現之事件關連,則減值虧損可於其後期間撥回,惟於減值撥回日期該項資產之賬面值不得超出倘該項減值未獲確認而應有之攤銷成本。

現金及現金等值

現金及現金等值指庫存現金及活期存款,及可隨時轉換為已知數額現金且沒有重大價值變動風險之短期及高度流通投資。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Receivables

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

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

財務報表附註(續)

Notes to the Financial Statements (Continued)

截至二零零五年十二月三十一日止年度

For the year ended 31st December, 2005

3. 主要會計政策 (續)

財務工具(續)

財務負債及股本

財務負債及集團實體發行之股本文據乃根據所訂立合約安排之實際內容及財務負債與股本文據之釋義分類。

股本文據乃任何可證明扣除本集團所有負債後於本集團資產擁有剩餘權益之合約。本公司發行之股本文據按已收所得款項扣除直接發行成本記錄。

財務負債包括貿易及其他應付款項以及應付最終控股公司／一間同系附屬公司／一位少數股東／關連公司款項、銀行借款及融資租賃項下之責任，其後以實際利率法按攤銷成本計算。

取消確認

當應收資產現金流量之權利屆滿，或財務資產被轉讓而本集團已轉讓該項財務資產擁有權之絕大部分風險及回報時，有關財務資產會被取消確認。於取消確認財務資產時，該項資產賬面值與已收代價及於股本直接確認之累計盈虧總數間之差額會於損益表確認。

就財務負債而言，當有關合約所訂明責任獲解除、註銷或屆滿時，財務負債會自本集團資產負債表剔除。被取消確認之財務負債的賬面值與已付代價間之差額於損益表確認。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial liabilities and equity

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

An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Financial liabilities including trade and other payables and amounts due to ultimate holding company/a fellow subsidiary/a minority shareholder/related companies, bank borrowings and obligations under a finance lease are subsequently measured at amortised cost, using the effective interest rate method.

Derecognition

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

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

3. 主要會計政策 (續)

股本結算並以股份為基礎之付款 交易

授予本公司董事及僱員之購股權

參考所授出購股權於授出日期之公平
值而釐定之已收服務公平值，按歸屬
期以直線基準支銷，股本(購股權儲
備)則相應增加。

當購股權獲行使時，先前於購股權儲
備確認之金額將轉撥至股本／股份溢
價。當購股權遭沒收或於屆滿日期尚
未行使，先前於購股權儲備確認之金
額，將繼續於購股權儲備列賬。

4. 主要不確定估計來源

在應用附註3所述之實體會計政策之
過程中，管理層已作出以下估計，而
有關估計會影響在綜合財務報表確認
之金額。下文詳述有關日後之主要假
設及於結算日其他主要不確定估計來
源，該等假設及不確定估計會造成須
對下一個財政年度內資產及負債賬面
值作出重大調整之重大風險。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equity settled share-based payment transactions

Share options granted to directors and employees of the Company

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

At the time when the share options are exercised, the
amount previously recognised in share options reserve
will be transferred to share capital/share premium. When
the share options are forfeited or are still not exercised
at the expiry date, the amount previously recognised in
share option reserve will continue to be held in share
options reserve.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying the entity's accounting
policies, which are described in note 3, management
has made the following estimation that have effect on
the amounts recognised in the consolidated financial
statements. The key assumptions concerning the future,
and other key sources of estimation uncertainty at the
balance sheet date, that have a significant risk of arising
a material adjustment to the carrying amounts of assets
and liabilities within the next financial year, are discussed
below.

4. 主要不確定估計來源 (續)

壞賬及呆賬撥備

本集團呆壞賬撥備政策以可收回性評估、賬齡分析及管理層判斷為基礎。評估該等應收賬款之最終變現能力需要進行大量判斷，包括客戶之現時信譽及過往收款歷史記錄。倘本集團客戶財務狀況惡化，削弱其付款能力，則須提撥額外撥備。

商譽之預計減值

釐定商譽是否減值須對商譽被分配至之現金單位之使用價值作出估計。使用價值之計算要求本集團估計預期產生自現金單位之日後現金流量及合適之折現率以計算現值。於二零零五年十二月三十一日，商譽之賬面價值為港幣69,479,000元。可收回數額計算方法之詳情於附註14披露。

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Allowances for bad and doubtful debts

The policy for allowance of bad and doubtful debts of the Group is based on the evaluation of collectability and aged analysis of accounts and on management's judgment. A considerable amount of judgment is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each customer. If the financial conditions of customers of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

Estimated impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. As at 31st December 2005, the carrying amount of goodwill was HK\$69,479,000. Details of the recoverable amount calculation are disclosed in note 14.

5. 財務風險管理目標及政策

本集團之主要財務工具包括貿易及其他應收款項、銀行存款、應收同系附屬公司款項、貿易及其他應付款項及應付最終控股公司、一間同系附屬公司、一位少數股東、關連公司款項及銀行借款。該等財務工具之詳情於各附註內披露。該等財務工具之風險及減低有關風險之政策載於下文。管理層管理及監控該等風險，以確保能及時和有效地採取適當措施。

外匯風險

除若干銀行借款及相關利息支出以港幣計值外，本集團大部份交易、資產及負債均以人民幣(「人民幣」)計值。本集團現時並無任何外匯對沖政策。然而，管理層會密切監察相關外匯風險，並將在有需要時考慮對沖重大外匯風險。

利率風險

本集團同時面對有關其銀行借款之固定及浮動息率之公平值及現金流利率風險。為將風險減至最低，管理層已密切監察有關風險。

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's major financial instruments include trade and other receivables, bank deposits, amounts due from fellow subsidiaries, trade and other payables, amount due to ultimate holding company, a fellow subsidiary, a minority shareholder, related companies and bank borrowings. Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

Foreign currency risk

Other than certain bank borrowings and related interest expenses denominating in Hong Kong Dollars, most of the Group's transaction, assets and liabilities are denominated in Reminbi ("RMB"). The Group currently does not have a foreign currency hedging policy. However, the management monitors the related foreign exchange exposure closely and will consider hedging significant foreign currency exposure should the need arise.

Interest rate risk

The Group is exposed to both fair value and cash flow interest rate risk relate to its fixed and variable-rates bank borrowings. In order to minimise the risk, management has closely monitored the exposures.

財務報表附註(續)

Notes to the Financial Statements (Continued)

截至二零零五年十二月三十一日止年度

For the year ended 31st December, 2005

5. 財務風險管理目標及政策 (續)

信貸風險

倘對方於二零零五年十二月三十一日未能履行彼等之承擔，則本集團就每類已確認財務資產而須承受之最大信貸風險為已於綜合資產負債表入賬之資產之賬面值。為將信貸風險降至最低，本集團管理層已委派其主要附屬公司之一之一組人員負責制訂信貸限額、信貸審批及其他監控措施，以確保採取跟進措施收回逾期未付之債項。

本集團之信貸風險並無過份集中，有關風險乃分散於多個他方及客戶。

已抵押銀行存款及銀行結餘之信貸風險為極低，原因為有關款項乃存放於信貸評級極佳之銀行。

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk

The Group's maximum exposure to credit risk in the event that counterparties failure to perform their obligations as at 31st December, 2005 in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated balance sheet. In order to minimise the credit risk, the management of the Group has delegated a team in one of its major subsidiary responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts.

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

The credit risk for pledged bank deposits and bank balances exposed is considered minimal as such amounts are placed with banks with good credit ratings.

財務報表附註(續)
Notes to the Financial Statements (Continued)

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

6. 分類資料

就管理而言，本集團之業務目前由三項經營業務組成－(1)分銷及製造水泥與熟料，(2)分銷及製造礦渣粉以及(3)分銷瓷磚、花崗石及雲石產品。本集團業務主要集中在香港及中華人民共和國(「中國大陸」或「中國」)其他地區。按業務劃分之本集團收入及分類業績分析如下：

業務分類

(a) 分類收入

截至二零零五年
十二月三十一日

分類收入

分類業績
未能分攤費用
融資成本

除稅前虧損
稅項

除稅後虧損

截至二零零四年
十二月三十一日

分類收入

分類業績
未能分攤費用
融資成本

除稅前溢利
稅項

除稅後溢利

6. SEGMENT INFORMATION

For management purposes, the Group is currently organised into three operating divisions – (1) distribution and manufacturing of cement and clinker, (2) distribution and manufacturing of slag powder and (3) distribution of ceramic tiles, granite and marble products. The Group's operations are principally located in Hong Kong and other areas in the People's Republic of China ("Mainland China" or the "PRC"). An analysis of the Group's revenue and segment results by business segments is as follows:

Business Segments

(a) Segment Revenue

	分銷及製造 水泥與熟料 Distribution and manufacturing of cement and clinker 港幣千元 HK\$'000	分銷及製造 礦渣粉 Distribution and manufacturing of slag powder 港幣千元 HK\$'000	分銷瓷磚、 花崗石 及雲石產品 Distribution of ceramic tiles, granite and marble products 港幣千元 HK\$'000	綜合 Consolidated 港幣千元 HK\$'000
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For the year ended
31st December, 2005

Segment revenue

Segment results
Unallocated expenses
Finance costs

Loss before taxation
Taxation

Loss after taxation

For the year ended
31st December, 2004

Segment revenue

Segment results
Unallocated expenses
Finance costs

Profit before taxation
Taxation

Profit after taxation

333,271	12,029	4,137	349,437
(6,480)	653	(7,064)	(12,891)
			(6,730)
			(12,499)
			(32,120)
			(420)
			(32,540)
358,493	–	19,351	377,844
48,452	–	2,703	51,155
			(8,244)
			(6,563)
			36,348
			(12,750)
			23,598

財務報表附註(續)

Notes to the Financial Statements (Continued)

截至二零零五年十二月三十一日止年度

For the year ended 31st December, 2005

6. 分類資料(續)

業務分類(續)

(b) 資產負債表

6. SEGMENT INFORMATION (Continued)

Business Segments (Continued)

(b) Balance Sheet

		分銷及製造 水泥與熟料 Distribution and manufacturing of cement and clinker 港幣千元 HK\$'000	分銷及製造 礦渣粉 Distribution and manufacturing of slag powder 港幣千元 HK\$'000	分銷瓷磚、 花崗石 及雲石產品 Distribution of ceramic tiles, granite and marble products 港幣千元 HK\$'000	綜合 Consolidated 港幣千元 HK\$'000
二零零五年 資產	2005 ASSETS				
分類資產	Segment assets				
採礦權	Mining right	7,013			7,013
商譽	Goodwill	69,479			69,479
其他資產	Other assets	770,033	20,842	11,803	802,678
未分配 公司資產	Unallocated corporate assets				5,965
綜合資產總值	Consolidated total assets				885,135
負債	LIABILITIES				
分類負債	Segment liabilities	150,829	9,064	919	160,812
未分配 公司負債	Unallocated corporate liabilities				273,861
綜合 負債總值	Consolidated total liabilities				434,673
二零零四年 資產	2004 ASSETS				
分類資產	Segment assets				
商譽	Goodwill	83,618			83,618
其他資產	Other assets	699,277	12,048	22,533	733,858
未分配公司資產	Unallocated corporate assets				9,554
綜合資產總值	Consolidated total assets				827,030
負債	LIABILITIES				
分類負債	Segment liabilities	64,804	2,367	2,641	69,812
未分配 公司負債	Unallocated corporate liabilities				277,376
綜合 負債總值	Consolidated total liabilities				347,188

財務報表附註(續)
Notes to the Financial Statements (Continued)

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

6. 分類資料(續)

業務分類(續)

(b) 其他資料

6. SEGMENT INFORMATION (Continued)

Business Segments (Continued)

(c) Other Information

	分銷及製造 水泥與熟料 Distribution and manufacturing of cement and clinker 港幣千元 HK\$'000	分銷及製造 礦渣粉 Distribution and manufacturing of slag powder 港幣千元 HK\$'000	分銷瓷磚、 花崗石 及雲石產品 Distribution of ceramic tiles, granite and marble products 港幣千元 HK\$'000	其他 Others 港幣千元 HK\$'000	總額 Consolidated 港幣千元 HK\$'000
二零零五年					
增購物業、 廠房及設備	37,015	2,830	1	2	39,848
折舊及攤銷	20,057	478	32	162	20,729
呆壞賬準備	8,998		2,265		11,263
商譽減值	14,139	-	-	-	14,139
二零零四年					
增購物業、 廠房及設備	179,539	9,990	-	255	189,784
折舊及攤銷	19,982	38	35	75	20,130
呆壞賬準備	11,422	-	455	-	11,877

地區分類

本集團之業務主要位於中國大陸。瓷磚、花崗石及雲石產品僅有部份於香港分銷。

超過90%之分類收益乃來自位於中國大陸之客戶。

按資產所屬地區劃分之分類資產賬面值以及增購物業、廠房及設備之分析如下。

Geographical Segments

The Group's operations are mainly located in Mainland China. Only part of the distribution of ceramic tiles, granite and marble products is carried out in Hong Kong.

Over 90% of each segment revenue is derived from customers located in Mainland China.

The following is an analysis of the carrying amount of segment assets, and additions to property, plant and equipment, analysed by geographical area in which the assets are located.

財務報表附註(續)

Notes to the Financial Statements (Continued)

截至二零零五年十二月三十一日止年度

For the year ended 31st December, 2005

6. 分類資料(續)

地區分類(續)

		分類資產帳面值 Carrying amount of segment assets		增購物業、廠房及設備 Additions to property, plant and equipment	
		二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000
中國大陸	Mainland China	878,704	816,961	39,846	189,529
香港	Hong Kong	6,431	10,069	2	255
		885,135	827,030	39,848	189,784

7. 融資成本

7. FINANCE COSTS

		二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000
以下項目之利息：	Interest on:		
須於五年內悉數償還之 銀行借款	Bank borrowings wholly repayable within five years	13,414	6,982
應付同系附屬公司及 少數股東之 隱含利息	Implied interest on amounts due to fellow subsidiaries and a minority shareholder	24	-
融資租約承擔	Obligations under a finance lease	2	3
總借貸成本	Total borrowings costs	13,440	6,985
減：撥充資本之金額	Less: amounts capitalised	(941)	(422)
		12,499	6,563

於年內撥充資本乃由一般借貸組合產生，並按合資格資產之開支採用平均撥充資本率2.82%（二零零四年：2.1%）。

Borrowing costs capitalised during the year arose on the general borrowing pool and are calculated by applying an average capitalisation rate of 2.82% (2004: 2.1%) to expenditure on qualifying assets.

財務報表附註(續)
Notes to the Financial Statements (Continued)

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

8. 董事及僱員酬金

董事及五名最高薪人士之酬金概要如下：

(a) 董事酬金

8. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

The emoluments of the directors and the five highest paid individuals are summarised as follows:

(a) Directors' emoluments

		二零零五年 2005					二零零四年 2004				
		董事袍金 Directors' fees	其他酬金 Other Emoluments			總額 Total	董事袍金 Directors' fees	其他酬金 Other Emoluments			總額 Total
		非執行董事 Non- executive directors	薪金及 其他福利 Salaries and benefits	按表現計算 之花紅 Performance related bonuses	退休福利 計劃供款 Retirement benefits scheme contribution	港幣千元 HK\$'000	非執行董事 Non- executive directors	薪金及 其他福利 Salaries and benefits	按表現計算 之花紅 Performance related bonuses	退休福利 計劃供款 Retirement benefits scheme contribution	港幣千元 HK\$'000
黃清海	Ng Qing Hai	-	1,680	131	32	1,843	-	1,642	1,674	34	3,350
高成明	Ko Sing Ming	-	310	-	12	322	-	310	250	12	572
李志剛	Li Chi Kong	-	60	-	3	63	-	180	-	9	189
李兆忠	Lee Siu Chung, Steven	10	-	-	-	10	9	-	-	-	9
陳靜	Chen Ching	40	-	-	-	40	10	-	-	-	10
金惠志	Jin Hui Zhi	40	-	-	-	40	-	-	-	-	-
李澤雄	Li Chak Hung	60	-	-	-	60	15	-	-	-	15
許業榮	Hui Yip Wing, David	-	-	-	-	-	-	-	-	-	-
賴顯榮	Lai Hin Wing, Henry	-	-	-	-	-	45	-	-	-	45
勞偉安	Lo Wai On	-	-	-	-	-	45	-	-	-	45
總額	Total	150	2,050	131	47	2,378	124	2,132	1,924	55	4,235

若干本公司董事從持有本公司最終控股公司重大實益權益之公司收取酬金。該公司向本公司提供管理服務，並向本公司收取費用，該費用已包括在附註33(iii)所披露之管理費中，就若干董事及其他並非本公司董事之管理層人員提供之服務。為免與附註33(iii)所披露者重複，上文並無將管理費按比例分配而作披露。

Certain directors of the Company received remuneration from a company which has significant beneficial interests in the Company's ultimate holding company. Such company provided management services to the Company and charged the Company a fee which is included in management fee as disclosed in note 33 (iii) for services provided by certain directors as well as other management personnel who are not directors of the Company. In order not to duplicate with the information as disclosed in note 33(iii), no apportionment of the management fee has been made for the disclosure above.

財務報表附註(續)

Notes to the Financial Statements (Continued)

截至二零零五年十二月三十一日止年度

For the year ended 31st December, 2005

8. 董事及僱員酬金
(續)

(b) 僱員酬金

五名最高薪人士當中兩名為本公司董事(二零零四年：兩名董事)，有關酬金詳情載於上文(a)。其餘三名最高薪人士(二零零四年：三名)之酬金(港幣1,000,000元以下)如下：

8. DIRECTORS' AND EMPLOYEES' EMOLUMENTS
(Continued)

(b) Employees' emoluments

The five highest paid individuals included two directors (2004: two directors) of the Company, whose emoluments are included in (a) above. The emoluments of the remaining three highest paid individuals (2004: three), which were individually less than HK\$1,000,000 were as follows:

		二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000
薪金及其他福利	Salaries and other benefits	1,505	1,045
按表現計算之花紅	Performance related bonuses	81	163
退休福利計劃 供款	Contributions to retirement benefit schemes	96	48
		1,682	1,256

於這兩年內，本集團並無支付任何酬金予該五名最高薪之人士及董事，作為鼓勵彼等加入本集團之報酬或離職之賠償。

During both years, no emoluments were paid by the Group to the five highest paid individuals and directors as an inducement to join or upon joining the Group or as compensation for loss of office.

9. 稅項

9. TAXATION

		二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000
本年度稅項－中國所得稅	Current tax – PRC income tax	253	11,293
遞延稅項(附註27)	Deferred tax (Note 27)	167	1,457
		420	12,750

財務報表附註(續)
Notes to the Financial Statements (Continued)

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

9. 稅項(續)

本集團應佔稅項由於在香港經營之公司在該兩個年度內並無任何應課稅溢利，故並無就香港利得稅撥備。

中國所得稅乃按分別適用於各附屬公司之稅率計算。根據適用於外資企業之稅務法例，中國若干附屬公司可由首個經營獲利年度起計兩年內獲豁免繳付中國所得稅，而其後三年則獲寬減50%中國所得稅。

一間附屬公司享有高新技術成果轉化稅收優惠，其應付稅項之金額則限於有關之當地稅務機關所預先釐訂之水平。

9. TAXATION (Continued)

No provision for Hong Kong Profits Tax is made as the group companies operating in Hong Kong do not have any assessable profit for both years.

PRC income tax is calculated at the rates applicable to respective subsidiaries. In accordance with the tax legislations applicable to foreign investment enterprises, certain subsidiaries in the PRC are entitled to exemptions from PRC income tax for the two years commencing from the first profit-making year of operation and thereafter, entitled to a 50% relief from PRC income tax for the following three years.

A subsidiary is entitled to the tax privileges of "converting technology achievements" which limit the amount of local tax payable of such company at a predetermined level as approved by the local tax authority concerned.

		二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000
除稅前(虧損)溢利	(Loss) profit before taxation	(32,120)	36,348
以國內所得稅稅率27%計算之稅項(二零零四年：27%)	Tax at the domestic income tax rate of 27% (2004:27%)	(8,672)	9,814
不可用作扣除稅項支出之稅項影響	Tax effect of expenses not deductible for tax purpose	6,062	3,902
不可用作應課稅收入之稅項影響	Tax effect of income not taxable for tax purpose	(242)	(602)
尚未予以確認之稅項虧損之稅項影響	Tax effect of tax losses not recognised	3,275	3,005
按優惠稅率計算之所得稅在其他司法權區經營之附屬公司之不同稅率影響	Income tax on concessionary rate Effect of different tax rates of subsidiaries operating in other jurisdictions	-	(3,272)
其他	Others	(34)	(43)
		31	(54)
本年度稅項	Taxation for the year	420	12,750

附註：國內稅率指於中國經營之主要集團公司之法定稅率。

Note: The domestic tax rate represents the statutory tax rate of the major group companies operating in the PRC

財務報表附註(續)

Notes to the Financial Statements (Continued)

截至二零零五年十二月三十一日止年度

For the year ended 31st December, 2005

10. 本年(虧損)盈利

10. (LOSS) PROFIT FOR THE YEAR

		二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000
本年(虧損)盈利乃經扣除 以下各項目後計算：	(Loss) profit for the year has been arrived at after charging:		
員工成本	Staff costs		
董事酬金(附註8)	Directors' remuneration (note 8)	2,378	4,235
退休福利計劃供款	Contributions to retirement benefit schemes – other staff	3,753	2,656
– 其他員工			
其他員工成本	Other staff costs	20,563	19,981
		26,694	26,872
核數師酬金	Auditors' remuneration		
本年度	Current year	1,230	1,004
採礦權之攤銷	Amortisation of mining right		
(包括在行政	(included in administrative		
費用)	expenses)	86	–
物業、廠房及設備	Depreciation of property, plant		
之折舊	and equipment	20,349	15,024
攤銷及折舊之總額	Total amortisation and depreciation	20,435	15,024
土地使用權之預付	Release of prepaid lease payments		
租賃款項釋出	on land use rights	294	–
根據經營租約所租用	Rental payment for premises		
物業之租金	under operating leases	1,385	992
根據經營租約廠房及	Rental payment for plant and		
機器之租金	machinery under operating leases	1,295	1,816
出售及撤銷物業、廠房及	Loss on disposal and write-off of		
設備之虧損	property, plant and equipment	–	412
並已計入：	and after crediting:		
利息收入	Interest income	450	543
出售物業、廠房及設備	Gain on disposal of property, plant		
之獲利	and equipment	73	–
匯兌收益淨額	Net foreign exchange gains	2,744	27
已退回增值稅	Refund of value-added tax	15,831	17,475

財務報表附註(續)
Notes to the Financial Statements (Continued)

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

11. 每股(虧損)盈利

每股基本(虧損)盈利乃根據本年內本公司股東應佔虧損港幣35,233,000元(截至二零零四年:溢利港幣10,414,000元)及年內已發行股份729,395,043股(截至二零零四年:729,395,043股)計算。

由於本公司購股權之行使價高出股份平均市價,故並無就該兩個年度呈列每股攤薄盈利。

11. (LOSS) EARNINGS PER SHARE

The calculation of the basic (loss) earnings per share is based on the loss for the year of HK\$35,233,000 (2004: profit for the year of HK\$10,414,000) attributable to the equity holders of the Company and on 729,395,043 (2004: 729,395,043) shares in issue throughout the year.

No diluted earnings per share has been presented for both years because the exercise price of the Company's share options was higher than the average market price of shares.

12. 物業、廠房及設備

12. PROPERTY, PLANT AND EQUIPMENT

		樓宇 Buildings 港幣千元 HK\$'000	租賃裝修 Leasehold improvements 港幣千元 HK\$'000	廠房及機器 Plant and machinery 港幣千元 HK\$'000	在建工程 Construction in progress 港幣千元 HK\$'000	傢俬、 裝置及設備 Furniture, fixtures and equipment 港幣千元 HK\$'000	汽車 Motor vehicles 港幣千元 HK\$'000	總額 Total 港幣千元 HK\$'000
成本	COST							
於二零零四年一月一日	At 1st January, 2004	165,439	935	281,491	1,031	2,510	4,882	456,288
應用香港會計準則第17號	Adoption of HKAS 17	(8,485)	-	-	(5,971)	-	-	(14,456)
添置	Additions	8,687	120	3,386	176,517	359	715	189,784
出售及撇銷	Disposals and write-off	-	(521)	(296)	-	(56)	-	(873)
重新分類	Reclassification	772	-	1,208	(1,980)	-	-	-
於二零零四年 十二月三十一日	At 31st December, 2004	166,413	534	285,789	169,597	2,813	5,597	630,743
於二零零五年一月一日	At 1st January, 2005	166,413	534	285,789	169,597	2,813	5,597	630,743
外匯調整	Effect on exchange adjustments	3,350	7	5,496	3,384	47	101	12,385
添置	Additions	549	-	2,379	35,218	349	1,353	39,848
出售及撇銷	Disposals and write-off	(833)	-	(35)	-	(45)	(927)	(1,840)
重新分類	Reclassifications	68,577	-	132,574	(201,188)	37	-	-
於二零零五年 十二月三十一日	At 31st December, 2005	238,056	541	426,203	7,011	3,201	6,124	681,136
折舊及減值	DEPRECIATION AND IMPAIRMENT							
於二零零四年一月一日	At 1st January, 2004	44,211	271	138,161	-	1,320	2,017	185,980
年內撥備	Provided for the year	5,331	90	8,481	-	305	817	15,024
出售時對銷 及撇銷	Eliminated on disposal and write-off	-	(208)	(213)	-	(40)	-	(461)
於二零零四年 十二月三十一日	At 31st December, 2004	49,542	153	146,429	-	1,585	2,834	200,543
於二零零五年一月一日	At 1st January, 2005	49,542	153	146,429	-	1,585	2,834	200,543
- 原先呈列	- as originally stated	49,542	153	146,429	-	1,585	2,834	200,543
外匯調整	Effect on exchange adjustments	944	3	2,816	-	27	50	3,840
年內撥備	Provided for the year	6,299	175	12,638	-	362	875	20,349
出售時對銷 及撇銷	Eliminated on disposals and write-off	(158)	-	(27)	-	(39)	(771)	(995)
於二零零五年 十二月三十一日	At 31st December, 2005	56,627	331	161,856	-	1,935	2,988	223,737
賬面淨值	CARRYING VALUE							
於二零零五年 十二月三十一日	At 31st December, 2005	181,429	210	264,347	7,011	1,266	3,136	457,399
於二零零四年 十二月三十一日	At 31st December, 2004							
- 原先呈列	- originally stated	125,356	381	139,360	175,568	1,228	2,763	444,656
應用香港會計準則第17號	Adoption of HKAS 17	(8,485)	-	-	(5,971)	-	-	(14,456)
於二零零四年 十二月三十一日(重列)	At 31st December, 2004 restated	116,871	381	139,360	169,597	1,228	2,763	430,200

財務報表附註(續)

Notes to the Financial Statements (Continued)

截至二零零五年十二月三十一日止年度

For the year ended 31st December, 2005

12. 物業、廠房及設備
(續)

根據中期租約持有之樓宇之賬面淨值包括：

香港
香港以外

12. PROPERTY, PLANT AND EQUIPMENT
(Continued)

The net book value of buildings which are located on land held under medium-term leases comprises:

		二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000
香港	In Hong Kong	249	259
香港以外	Outside Hong Kong	181,180	116,612
		181,429	116,871

傢俬、裝置及設備之賬面淨值包括根據融資租約持有之資產港幣5,000元(二零零四年：港幣13,000元)。

The net book value of furniture, fixtures and equipment includes an amount of HK\$5,000 (2004: HK\$13,000) in respect of assets held under finance leases.

13. 土地使用權之預付
租賃款項

土地使用權之預付租賃款項包括：

香港以外之租賃土地：

中期租約

按報告目的分析：

流動部份

(於流動資產列示)

非流動部份

13. PREPAID LEASE PAYMENTS ON LAND USE RIGHTS

The prepaid lease payments on land use rights comprise:

Leasehold land outside
Hong Kong:

Medium-term lease

Analysed for reporting purposes as:

Current portion (as stated

under current assets)

Non-current portion

		二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000
香港以外之租賃土地：	Leasehold land outside Hong Kong:		
中期租約	Medium-term lease	14,484	14,456
按報告目的分析：	Analysed for reporting purposes as:		
流動部份	Current portion (as stated		
(於流動資產列示)	under current assets)	348	318
非流動部份	Non-current portion	14,136	14,138
		14,484	14,456

14. 商譽及檢測商譽減值

14. GOODWILL AND IMPAIRMENT TESTING ON GOODWILL

	港幣千元 HK\$'000
成本	COST
於二零零四年一月一日及 二零零五年一月一日	At 1st January, 2004 and 1st January, 2005
註銷於採納香港財務報告準則 第3號前之累計攤銷	Elimination of amortisation accumulated prior to the adoption of HKFRS 3
	102,128 <u>(18,510)</u>
於二零零五年十二月三十一日	At 31st December, 2005
	<u>83,618</u>
攤銷	AMORTISATION
於二零零四年一月一日	At 1st January, 2004
本年度攤銷	Amortisation for the year
	13,404 <u>5,106</u>
於二零零五年一月一日	At 1st January, 2005
註銷於採納香港財務報告準則 第3號前之累計攤銷	Elimination of amortisation accumulated prior to the adoption of HKFRS 3
	18,510 <u>(18,510)</u>
於二零零五年十二月三十一日	At 31st December, 2005
	<u>–</u>
減值	IMPAIRMENT
於截至二零零五年十二月 三十一日止年度確認之減值 虧損及於二零零五年十二月 三十一日之結餘	Impairment loss recognised for the year ended 31st December, 2005 and balance at 31st December, 2005
	14,139
賬面值	CARRYING VALUE
於二零零五年十二月三十一日	At 31st December, 2005
	<u>69,479</u>
於二零零四年十二月三十一日	At 31st December, 2004
	<u>83,618</u>

於二零零四年十二月三十一日前，商譽按20年期(其估計可用年期)攤銷。

Until 31st December, 2004, goodwill had been amortised over 20 years, its estimated useful life.

於業務合併收購之商譽乃於收購時分配至預期將從該業務合併中受惠之現金產生單位。於確認減值虧損前，商譽之賬面值為港幣83,618,000元並全數被分配至一從事水泥及熟料分銷及生產業務之附屬公司之現金產生單位(「該單位」)。

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units that are expected to benefit from that business combination. Before recognition of impairment losses, the carrying amount of goodwill of HK\$83,618,000 was wholly allocated to cash-generating unit in distribution and manufacturing of cement and clinker of a subsidiary (the "Unit").

財務報表附註(續)

Notes to the Financial Statements (Continued)

截至二零零五年十二月三十一日止年度

For the year ended 31st December, 2005

14. 商譽及檢測商譽減值 (續)

根據香港財務報告準則第三號之應用，本集團每年檢測商譽減值，或倘有跡象顯示商譽有減值可能時，則更頻密檢測減值。

該單位之可收回金額乃以在使用價值計算方法釐定。在使用價值計算方法之主要假設乃與年內之折現率、增長率及預期售價及直接成本變動有關。管理層採用除稅前比率，估計折現率為9.49%，該除稅前比率反映該單位之貨幣時間價值及特定風險之現有市場評估。售價及直接成本之變動乃根據過往做法及預期市場未來變動。

本集團編製之現金流量預測，乃取材自經管理層審批涵蓋五年期間之最近期財政預算案。按持平增長率推斷該單位於未來十年之現金流量。

由於過去兩年中國大陸推行宏觀調控措施所造成的影響，加上市場的一些不明朗情況，本集團已修訂其就該單位之現金流量預測。因此，該單位已於二零零五年內透過確認商譽減值港幣14,139,000元，減至其可收回金額。

但是，商譽的減值不會對集團的資金流帶來影響。

14. GOODWILL AND IMPAIRMENT TESTING ON GOODWILL (Continued)

Upon the application of HKFRS 3, the Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

The recoverable amount of the Unit is determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rate, growth rate and expected changes to selling prices and direct costs during the forecasted period. Management estimates discount rate of 9.49% using pre-tax rate that reflect current market assessments of the time value of money and the risks specific to the Unit. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

The Group prepares cash flow forecasts derived from the most recent financial budgets approved by management covering a 5 year period and extrapolates cash flows of the Unit for the following 10 years using zero growth rate.

Due to the effects caused by the macro-economic adjustments in the PRC over the past two years and the uncertainty about the market conditions, the Group has revised its cash flow forecasts for the Unit during the year. The Unit has therefore been reduced to its recoverable amount through recognition of an impairment loss against goodwill of HK\$14,139,000 for the year ended 31st December, 2005.

However, the impairment loss recognised in respect of goodwill by nature does not have any effect on the Group's cash flow.

財務報表附註(續)
Notes to the Financial Statements (Continued)

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

15. 採礦權

15. MINING RIGHT

		港幣千元 HK\$'000
成本	COST	
於二零零四年一月一日及 於二零零五年一月一日	At 1st January 2004 and At 1st January, 2005	-
增加	Additions	7,099
於二零零五年十二月三十一日	At 31st December, 2005	7,099
攤銷	AMORTISATION	
於二零零四年一月一日及 二零零五年一月一日	At 1st January 2004 and At 1st January, 2005	-
年內攤銷	Charge for the year	86
於二零零五年十二月三十一日	At 31st December, 2005	86
賬面值	CARRYING VALUE	
於二零零五年十二月三十一日	At 31st December, 2005	7,013
於二零零四年十二月三十一日	At 31st December, 2004	-

16. 所佔一間共同控制
機構權益

16. INTEREST IN A JOINTLY CONTROLLED ENTITY

		二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000
非上市投資於一間 共同控制機構	Cost of unlisted investment in a jointly controlled entity	23,458	23,458
所佔購入後虧損	Share of post-acquisition losses	(23,458)	(23,458)
		-	-
應收一間共同 控制機構款項	Amount due from a jointly controlled entity	13,230	13,230
減：撥備	Less: Allowance	(13,230)	(13,230)
		-	-

財務報表附註(續)

Notes to the Financial Statements (Continued)

截至二零零五年十二月三十一日止年度

For the year ended 31st December, 2005

16. 所佔一間共同控制
機構權益 (續)

於二零零五年十二月三十一日，於中國大陸成立及經營之共同控制機構詳情如下：

機構名稱 Name of entity	公司成立結構 Form of business structure	註冊資本 Registered capital	本集團所持註冊資本之比例 Proportion of registered capital held by the group %	主要業務 Principal activities
佛山市亨達陶瓷有限公司 Foshan Hunter Ceramic Co., Ltd	成立 Incorporated	5,012,500美元 US\$5,012,500	60	暫無業務 Inactive

應收共同控制機構之款項乃無抵押、免息及無固定還款期。

16. INTEREST IN A JOINTLY CONTROLLED ENTITY
(Continued)

Particulars of the jointly controlled entity at 31st December, 2005, which is established and operates in Mainland China, are as follows:

The amount due from the jointly controlled entity is unsecured, interest-free and has no fixed terms of repayment.

17. 所佔一間聯營公司
權益

		二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000
非上市投資於一間 聯營公司權益	Cost of unlisted investment in an associate	24,911	24,911
所佔收購後虧損	Share of post-acquisition losses	(24,911)	(24,911)
所佔資產淨值	Share of net assets	—	—
應收一間聯營公司款項 減：撥備	Amount due from an associate Less: Allowance	41,479 (41,479)	41,479 (41,479)
		—	—

17. 所佔一間聯營公司權益(續)

於二零零五年十二月三十一日，本集團於中國大陸成立之聯營公司詳情如下：

機構名稱 Name of entity	公司成立結構 Form of business structure	註冊資本 Registered capital	本集團所持註冊資本之比例 Proportion of registered capital held by the group %	主要業務 Principal activities
佛山市三聯陶瓷有限公司 Foshan Three Union Ceramic Co., Ltd	成立 Incorporated	6,652,800美元 US\$6,652,800	48	暫無業務 Inactive

應收聯營公司之款項乃無抵押，免息及無固定還款期。

17. INTEREST IN AN ASSOCIATE (Continued)

Particulars of the Group's associate at 31st December, 2005, which is established in Mainland China, are as follows:

Amount due from an associate represents unsecured, interest free advances and is repayable on demand.

18. 待售物業

結餘乃指一間附屬公司，上海聯合水泥有限公司(「上海水泥」)之貿易債務人轉讓多項物業以代替現金還款，而有關物業已登記至上海水泥名下。

18. PROPERTIES HELD FOR SALE

The balance represents properties transferred from trade debtors of a subsidiary, Shanghai Allied Cement Co., Ltd ("Shanghai SAC") in lieu of cash settlement and registered in the name of Shanghai SAC.

19. 存貨

19. INVENTORIES

		二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000
存貨(按成本) 包括下列項目：	Inventories, at cost, consist of the following:		
原料	Raw materials	25,455	21,792
在製品	Work in progress	1,879	3,786
製成品	Finished goods	5,630	7,798
		32,964	33,376

財務報表附註(續)

Notes to the Financial Statements (Continued)

截至二零零五年十二月三十一日止年度

For the year ended 31st December, 2005

20. 貿易及其他應收款項

本集團給予其貿易客戶之信貸期一般由30日至120日不等。於二零零五年十二月三十一日之貿易及其他應收款項乃包括貿易應收款項港幣178,039,000元(二零零四年：港幣161,900,000元)，其賬齡分析如下：

零—90日
91—180日
181—365日
超過1年

於二零零五年十二月三十一日，貿易應收款項中，包括已貼現及有追索權之應收票據港幣17,541,000元及有追索權之已讓售貿易應收款項港幣19,231,000元。

董事認為應收及其他應收賬款之公平值相等同期之賬面值。

21. 已抵押短期銀行存款

港幣約43,277,000元之存款已抵押予銀行及財務機構以開具短期之應付票據予供應商，因此歸類為流動資產。已抵押短期銀行存款之公平值相等同期之賬面值。

20. TRADE AND OTHER RECEIVABLES

The Group has a policy of allowing its trade customers credit periods normally ranging from 30 days to 120 days. Included in trade and other receivables are trade receivables of approximately HK\$178,039,000 (at 31st December, 2004: HK\$161,900,000) and their aged analysis is as follows:

		二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000
零—90日	0-90 days	133,590	105,761
91—180日	91-180 days	31,128	27,996
181—365日	181-365 days	6,108	12,967
超過1年	Over 1 year	7,213	15,176
		178,039	161,900

As at 31st December, 2005, discounted bills receivable with recourse of approximately HK\$17,541,000 was included in trade receivables. Besides, trade receivables also include an amount of approximately HK\$19,231,000 which had been factored with recourse.

The directors consider that the carrying amount of trade and other receivable approximates their fair values.

21. PLEDGED SHORT-TERM BANK DEPOSITS

Deposits of about HK\$43,277,000 were pledged to banks and financial institution as collateral to secure short-term bills payable issued to suppliers and are therefore classified as current assets. The fair value of pledged short-term bank deposits approximates their carrying amounts.

財務報表附註(續)
Notes to the Financial Statements (Continued)

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

22. 貿易及其他應付款項與按金

貿易及其他應付款項與按金乃包括貿易應付款項港幣93,782,000元(於二零零四年十二月三十一日：港幣28,521,000元)，其帳齡分析如下：

22. TRADE AND OTHER PAYABLES AND DEPOSITS

Included in trade and other payables and deposits are trade payables of approximately HK\$93,782,000 (2004: HK\$28,521,000) and their aged analysis is as follows:

		二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000
零 - 90日	0-90 days	78,697	23,511
91 - 180日	91-180 days	10,809	1,401
181 - 365日	181-365 days	1,019	1,428
超過1年	Over 1 year	3,257	2,181
		93,782	28,521

董事認為應付及其他應付之公平值相同期之賬面值。

The directors consider that the carrying amount of trade payables and other payables approximates their fair values.

23. 融資租約承擔

23. OBLIGATIONS UNDER A FINANCE LEASE

		支付之最低租金 Minimum lease payments		支付之最低租金現值 Present value of minimum lease payments	
		二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000
根據一項融資租約所須支付之金額	Amounts payable under a finance lease				
一年內	Within one year	6	11	5	10
第二年至第五年 (包括首尾年)	In the second to fifth years inclusive	-	7	-	7
		6	18	5	17
減：日後融資費用	Less: Future finance charges	(1)	(1)	-	-
租約承擔之現值	Present value of lease obligations	5	17	5	17
減：須於一年內償還之金額 (已列作流動負債)	Less: Amount due for settlement within one year (shown under current liabilities)			(5)	(10)
須於一年後償還之金額	Amount due for settlement after one year			-	7

財務報表附註(續)

Notes to the Financial Statements (Continued)

截至二零零五年十二月三十一日止年度

For the year ended 31st December, 2005

23. 融資租約承擔(續)

本集團乃根據一項融資租約租用設備。租期為五年，並設固定還款期而沒有或然租金還款安排。截至二零零五年十二月三十一日止年度之平均實質借貸利率為11%(二零零四年:11%)。利率於訂立合約之日期釐定並使本集團面對公平值利率風險。董事認為銀行借款之公平值相等同期之賬面值。

24. 銀行借款

本年度，本集團獲得新造銀行貸款港幣173,875,000元及償還銀行貸款港幣179,387,000元。銀行貸款用作本集團業務之融資。新造銀行借款包括已貼現應收票據及已讓售貿易應收款項分別港幣17,541,000元及港幣19,231,000元。

23. OBLIGATIONS UNDER A FINANCE LEASE (Continued)

The Group holds an equipment under a finance lease. The lease term is 5 years with fixed repayment schedule. For the year ended 31st December, 2005, the effective borrowing rate was 11% (2004: 11%). Interest rates are fixed at the contract dates, and thus expose the Group to the fair value interest rate risk. The lease is on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. The directors consider that the carrying amount of bank borrowings approximates their fair values.

24. BANK BORROWINGS

During the year, the Group obtained new bank loans of HK\$173,875,000 and repaid bank loan of HK\$179,387,000. The bank loans raised are used to finance the operations of the Group. Included in new bank borrowings are amounts of approximately HK\$17,541,000 and HK\$19,231,000 which represent the proceeds from discounted bills receivable and factored trade receivables respectively.

		二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000
銀行借款包括下列各項：	Bank borrowings comprise:		
銀行貸款	Bank loans	226,933	225,401
銀行透支	Bank overdrafts	-	5,017
		226,933	230,418
分析如下：	Analysed as:		
有抵押－於107頁之附註	Secured – note on page 107	105,000	110,017
無抵押	Unsecured	121,933	120,401
		226,933	230,418
銀行借款額於 下列日期償還：	Bank borrowings are repayable as follows:		
應要求或於一年內	On demand or within one year	148,183	125,418
多於一年 但不超過兩年	More than one year, but not exceeding two years	78,750	105,000
		226,933	230,418
減：於一年內償還且 列於流動負債 之金額	Less: Amount repayable within one year and shown under current liabilities	(148,183)	(125,418)
於一年後到期之金額	Amount due after one year	78,750	105,000

24. 銀行借款(續)

本集團借款之賬面值乃以下列貨幣計值：

		人民幣 Reminbi 港幣千元 HK\$'000	港幣 Hong Kong dollars 港幣千元 HK\$'000	美元 US dollars 港幣千元 HK\$'000	總額 Total 港幣千元 HK\$'000
二零零五年	2005				
銀行透支	Bank overdrafts	-	-	-	-
銀行貸款	Bank loans	94,464	118,500	13,969	226,933
		<u>94,464</u>	<u>118,500</u>	<u>13,969</u>	<u>226,933</u>
二零零四年	2004				
銀行透支	Bank overdrafts	-	5,017	-	5,017
銀行貸款	Bank loans	90,566	120,000	14,835	225,401
		<u>90,566</u>	<u>125,017</u>	<u>14,835</u>	<u>230,418</u>

已付平均年息如下：

		二零零五年 2005	二零零四年 2004
銀行透支	Bank overdrafts	1.5%	1.5%
銀行貸款	Bank loans	5%	4.7%

董事認為銀行借款之公平值相等於同期之賬面值。

銀行借款包括年息為4.92%(二零零四年：年息5.26%)之定息借款約港幣108,433,000元(二零零四年：港幣105,401,000元)，並使本集團面對公平值利率風險。餘下銀行貸款為浮息借款，年息由5.72%至8%(2004：年息1.15%至5%)，並使本集團面對現金流利率風險。

附註：本集團已將一間附屬公司，山東聯合王晁水泥有限公司之95%(二零零四年：95%)權益，賬面值港幣69,795,000元(二零零四年：港幣67,553,000元)作為本集團獲授銀行貸款港幣105,000,000元的一部分抵押品(二零零四年：港幣105,000,000元)。

24. BANK BORROWINGS (Continued)

The carrying amounts of the Group's borrowings are denominated in the following currencies:

		人民幣 Reminbi 港幣千元 HK\$'000	港幣 Hong Kong dollars 港幣千元 HK\$'000	美元 US dollars 港幣千元 HK\$'000	總額 Total 港幣千元 HK\$'000
二零零五年	2005				
銀行透支	Bank overdrafts	-	-	-	-
銀行貸款	Bank loans	94,464	118,500	13,969	226,933
		<u>94,464</u>	<u>118,500</u>	<u>13,969</u>	<u>226,933</u>
二零零四年	2004				
銀行透支	Bank overdrafts	-	5,017	-	5,017
銀行貸款	Bank loans	90,566	120,000	14,835	225,401
		<u>90,566</u>	<u>125,017</u>	<u>14,835</u>	<u>230,418</u>

The average interest rates per annum paid were as follows:

		二零零五年 2005	二零零四年 2004
銀行透支	Bank overdrafts	1.5%	1.5%
銀行貸款	Bank loans	5%	4.7%

The directors consider that the carrying amount of bank borrowings approximates their fair values.

Bank borrowings include approximately HK\$108,433,000 (2004: HK\$105,401,000) fixed rate borrowings which carry interest at 4.92% per annum (2004: 5.26% per annum) and expose the Group to fair value interest rate risk. The remaining bank loans are arranged at variable rate borrowings which carry interest ranging from 5.72% to 8% per annum (2004: 1.15% to 5% per annum) and exposing the Group to cash flow interest rate risk.

Note: The Group's 95% (2004: 95%) interest in a subsidiary, Shandong Allied Wangchao Cement Limited with a carrying value of HK\$69,795,000 (2004: HK\$67,553,000) was pledged as part of the security against a bank loan of HK\$105,000,000 (2004: HK\$105,000,000).

財務報表附註(續)

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25. 股本

法定股本：
於二零零四年一月一日、
二零零四年十二月三十一日及
二零零五年十二月三十一日
每股面值港幣0.25元之
普通股

已發行及繳足：
於二零零四年一月一日、
二零零四年十二月三十一日及
二零零五年十二月三十一日
每股面值港幣0.25元之
普通股

25. SHARE CAPITAL

	普通股份數目 Number of ordinary shares	金額 Amount 港幣千元 HK\$'000
Authorised:		
Ordinary shares of HK\$0.25 each At 1st January, 2004 31st December, 2004 and 31st December, 2005	2,000,000,000	500,000
Issued and fully paid:		
Ordinary shares of HK\$0.25 each At 1st January, 2004 31st December, 2004 and 31st December, 2005	729,395,043	182,349

26. 基於股權之付款交易

本公司之購股權計劃(「購股權計劃」)已根據於二零零二年五月二十三日通過之決議案經由本公司股東採納，採納該計劃之主要目的為向參與者提供購入本公司擁有權益之機會，鼓勵參與者朝著提升本公司及其股份之價值，使本公司及全體股東受惠。購股權計劃並將於二零一二年五月二十二日屆滿。

根據購股權計劃及任何其他購股權計劃授出之購股權涉及之股份總數不得超過股東批准購股權計劃之日期之本公司已發行股份10%(「計劃授權限額」)，或倘該10%限制重續，則為股東批准更新計劃授權限額當日之本公司已發行股份10%。根據購股權計劃及任何其他購股權計劃授出但尚未行使購股權及有待行使之所有購股權於行使時可發行之股份總數最多不得超過本公司不時之已發行股份總數之30%。除非獲得本公司股東事先批准，否則任何一年內向任何個人可能授出之購股權涉及之股份不得超過本公司當時已發行股份之1%。每次向本公司任何董事、主要行政人員或主要股東授出購股權均須得到本公司獨立非執行董事批准。倘於截至授出日期前12個月期間向本公司主要股東或獨立非執行董事或彼等各自之聯繫人士授出之購股權將導致因行使已獲授及將獲授之購股權涉及之股份數目合共超過本公司已發行股本之0.1%及其價值超過港幣5,000,000元，則須先得到本公司股東批准。

26. SHARE – BASED PAYMENT TRANSACTIONS

The Company's share option scheme (the "Scheme") was adopted by the shareholders of the Company pursuant to a resolution passed on 23rd May, 2002 for the primary purpose of providing the participants with the opportunity to acquire proprietary interests in the Company and to encourage participants to work towards enhancing the value of the Company and its shares for the benefit of the Company and its shareholders as a whole. The Scheme will expire on 22nd May, 2012.

The total number of shares in respect of which options may be granted under the Scheme and any other schemes is not permitted to exceed 10% of the shares of the Company in issue at the date of shareholders' approval of the Scheme (the "Scheme Mandate Limit") or, if such 10% limit is refreshed, at the date of shareholders' approval of the renewal of the Scheme Mandate Limit. The maximum aggregate number of shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Scheme and any other share option schemes, must not exceed 30% of the total number of shares of the Company in issue from time to time. The number of shares in respect of which options may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company then in issue, without prior approval from the Company's shareholders. Each grant of options to any director, chief executive or substantial shareholder must be approved by independent non-executive directors. Where any grant of options to a substantial shareholder or an independent non-executive director or any of their respective associates would result in the shares of the Company issued and to be issued upon exercise of options already granted and to be granted in excess of 0.1% of the Company's issued share capital and with a value in excess of HK\$5,000,000 in the 12-month period up to the date of grant must be approved in advance by the shareholders of the Company.

26. 基於股權之付款交易 (續)

所授出購股權須於授出日期起計21日內獲接納，並須就每份購股權繳付港幣10元。購股權可於董事會指定之期間內隨時根據購股權計劃之條款行使，惟行使期不得超過獲授購股權後10年。行使價由本公司董事釐定，並不低於本公司股份於授出日期在聯交所之收市價及緊接授出日期前五個營業日股份之平均收市價(以較高者為準)。

下表披露本公司僱員於年內持有之購股權詳情及有關持有情況之變動：

26. SHARE – BASED PAYMENT TRANSACTIONS (Continued)

Options granted must be taken up within 21 days from date of grant, upon payment of HK\$10 per option. An option may be exercised in accordance with the terms of the Scheme at any time during the effective period of the Scheme to be notified by the board of directors which shall not be later than 10 years from date of grant. The exercise price is determined by the directors of the Company, and will not be less than the higher of the closing price of the Company's shares on the date of grant, the average closing price of the shares on the Stock Exchange for the five business days immediately preceding the date of grant.

The following table discloses details of the Company's share option held by employees and movements of such holdings during the year:

		於二零零五年 一月一日 尚未行使之數目 Outstanding at 1st January, 2005	於二零零五年 失效之數目 Lapsed during 2005	於二零零五年 十二月三十一日 尚未行使之數目 Outstanding at 31st December, 2005
由董事持有	Held by directors	6,100,000	–	6,100,000
由僱員持有	Held by employees	15,600,000	600,000	15,000,000
		<u>21,700,000</u>	<u>600,000</u>	<u>21,100,000</u>

有關購股權於二零零四年一月二十八日至二零一三年七月二十七日可以行使價港幣0.70元行使。

The options are exercisable from 28th January, 2004 to 27th July, 2013 with an exercise price of HK\$0.70.

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27. 遞延稅項

於資產負債表日及往年內有關暫時差額之已確認遞延稅項負債(資產)詳情如下：

		物業、 廠房及設備 (附註) Property, plant and equipment (Note) 港幣千元 HK\$'000	呆賬準備 Allowance for doubtful debts 港幣千元 HK\$'000	其他 Others 港幣千元 HK\$'000	總額 Total 港幣千元 HK\$'000
於二零零四年一月一日	At 1st January, 2004	26,079	(5,175)	(12)	20,892
扣除(計入)	Charge (credit) to				
本年內收入	income for the year	2,762	(1,317)	12	1,457
於二零零四年 十二月三十一日	At 31st December, 2004	28,841	(6,492)	-	22,349
應用香港會計準則 第39號(附註2A)	Adoption of HKAS39 (note 2A)	-	-	891	891
於二零零五年一月一日	At 1st January, 2005	28,841	(6,492)	891	23,240
匯兌差額	Exchange differences	557	(125)	-	432
扣除(計入)	Charge (credit) to				
本年內收入	income for the year	2,843	(2,668)	(8)	167
於二零零五年 十二月三十一日	At 31st December, 2005	32,241	(9,285)	883	23,839

附註：主要指有關 All-Shanghai Inc. 收購之物業、廠房及設備之公平價值調整及隨後之加速稅項折舊兩者間之臨時差額之稅務影響。

於二零零五年十二月三十一日，本集團之港幣142,817,000元(二零零四年：港幣130,687,000元)之尚未使用稅項虧損可予抵銷將來溢利。由於將來溢利流量難以估計，因此並無確認遞延稅項資產。

28. 主要非現金交易

年內，本集團收購港幣16,789,000元(二零零四年：港幣14,951,000元)物業、廠房及設備而有關金額乃尚未支付，惟已計入於結算日之貿易及其他應付款項以及按金。年內，本集團從貿易債務人接收港幣626,000元(二零零四年：無)之物業，以代替現金還款。

27. DEFERRED TAXATION

At the balance sheet date and during the year, deferred tax liabilities (assets) have been recognised in respect of the temporary differences attributable to the following:

		物業、 廠房及設備 (附註) Property, plant and equipment (Note) 港幣千元 HK\$'000	呆賬準備 Allowance for doubtful debts 港幣千元 HK\$'000	其他 Others 港幣千元 HK\$'000	總額 Total 港幣千元 HK\$'000
At 1st January, 2004	At 1st January, 2004	26,079	(5,175)	(12)	20,892
Charge (credit) to	Charge (credit) to				
income for the year	income for the year	2,762	(1,317)	12	1,457
At 31st December, 2004	At 31st December, 2004	28,841	(6,492)	-	22,349
Adoption of HKAS39 (note 2A)	Adoption of HKAS39 (note 2A)	-	-	891	891
At 1st January, 2005	At 1st January, 2005	28,841	(6,492)	891	23,240
Exchange differences	Exchange differences	557	(125)	-	432
Charge (credit) to	Charge (credit) to				
income for the year	income for the year	2,843	(2,668)	(8)	167
At 31st December, 2005	At 31st December, 2005	32,241	(9,285)	883	23,839

Note: This mainly represents the tax effect of the temporary differences in relation to the fair value adjustments of property, plant and equipment in connection with the acquisition of All-Shanghai Inc. and the subsequent accelerated tax depreciation.

At 31st December, 2005, the Group has unused tax losses of HK\$142,817,000 (2004: HK\$130,687,000) available for offset against future profits. No deferred tax asset has been recognised due to the unpredictability of future profit streams.

28. MAJOR NON-CASH TRANSACTIONS

During the year, the Group acquired property, plant and equipment of HK\$16,789,000 (2004: HK\$14,951,000) which was not yet paid and was included in trade and other payable and deposit as at the balance sheet date. During the year, the Group also received properties of HK\$626,000 (2004: Nil) from other debtors in lieu of cash settlement.

29. 退休福利計劃

本集團為香港合資格僱員安排參與強積金計劃。該計劃之資產與本集團資產分開持有，並以受託人控制之基金持有。本集團向該計劃按有關薪金成本作出5%供款，而僱員亦作出相同分比之供款。

本集團之中國僱員乃中國大陸政府運作之國家管理退休福利計劃之成員。本集團須向該退休福利計劃按僱員之薪金成本作出定額百分比之供款。本集團就該退休福利計劃之承擔僅為作出定額供款。

於年內，本集團向退休福利計劃作出供款港幣3,800,000元(二零零四年：港幣2,711,000元)。

30. 經營租約承擔

於二零零一年六月，本集團與中國大陸第三者訂立協議租用其水泥生產設施，為期二十年。根據與該中國大陸第三者訂立之補充協議，本集團有權於二零零三年六月及其後每兩年內終止上述租約。現時本集團並無意終止該租約。

29. RETIREMENT BENEFIT SCHEMES

The Group operates a Mandatory Provident Fund Scheme for all qualifying employees in Hong Kong. The assets of the scheme are held separately from those of the Group, in funds under the control of trustees. The Group contributes 5% of relevant payroll costs to the scheme, which contribution is matched by employees.

The PRC employees of the Group are members of a state-managed retirement benefit scheme operated by the local government. The Group is required to contribute a specified percentage of their payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contributions.

During the year, the Group made contributions to the retirement benefits schemes of HK\$3,800,000 (2004: HK\$2,711,000).

30. OPERATING LEASE COMMITMENTS

In June 2001, the Group entered into an arrangement with a third party in the PRC to lease the production facilities for manufacture of cement with a term of twenty years. Under a supplemental agreement with the third party in the PRC, the Group has an option to terminate the said lease in June 2003 and at the end of every two years after June 2003. The Group has no current intention to terminate the lease.

	二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000
經營租賃項下 於年內確認為 支出之最低 租賃款項	Minimum lease payments under operating leases recognised as an expense in the year 1,424	 2,086

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截至二零零五年十二月三十一日止年度

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30. 經營租約承擔(續)

於二零零五年十二月三十一日，本集團根據上述安排及不可撤銷之物業經營租約而須支付之承擔如下：

30. OPERATING LEASE COMMITMENTS (Continued)

At 31st December, 2005, the Group had commitments for future minimum lease payments under the above arrangement and other non-cancellable operating leases for premises which fall due as follows:

		二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000
一年內	Not later than one year	1,942	1,424
超過一年 但少於五年	Later than one year and not later than five years	1,831	1,557
超過五年	Later than five years	371	656
		4,144	3,637

31. 其他承擔

於二零零五年十二月三十一日，本集團之承擔載列如下：

31. OTHER COMMITMENTS

At 31st December, 2005 the Group had the following commitment:

		二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000
就物業、廠房及設備之已訂約但未於財務報表中撥備之資本開支	Capital expenditure contracted for but not provided for in the consolidated financial statements in respect of property, plant and equipment	5,533	34,921

32. 或然負債

32. CONTINGENT LIABILITIES

		二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000
因以下事項而向銀行與財務機構作出擔保：	Guarantees given to banks and financial institutions in respect of:		
因下列公司動用信貸：	Banking facilities utilised by:		
同系附屬公司	Fellow subsidiaries	57,692	75,472
附追索權之貼現票據	Bills of exchange discounted with recourse	-	18,208
		57,692	93,680

33. 有關連人士交易

- (1) 於一九九五年十二月十六日，上海水泥與持有上海水泥40%權益之上海水泥廠（「上海水泥廠」）訂立租約。根據租約，上海水泥每年應向上海水泥廠支付租用費，其中包括(1)固定資產租用費（主要根據按租約租用之物業、廠房及設備之折舊另加約10%溢價計算）；及(2)使用費（主要根據訂約各方於簽署租約時同意出售之原料數量及有關原料之適當單價計算）。截至二零零五年十二月三十一日止年度內，上海水泥支付之租用費總額為港幣5,852,000元（二零零四年：港幣5,230,000元）。
- (2) 於二零零二年七月，本公司與天安中國投資有限公司（「天安」）就作出對應擔保安排訂立總協議。本集團向於中國大陸之天安附屬公司（「天安集團」）之若干借款提供若干擔保，而天安集團則向於中國大陸之本集團若干借款提供擔保。有關公司可按擔保本金總額收取年息1厘之擔保費。於二零零五年十二月三十一日，上海水泥為天安集團於中國之借款提供港幣57,692,000元（二零零四年：港幣75,472,000元）之擔保，而天安集團則為上海水泥於中國之借款提供港幣28,846,000元（二零零四年：港幣45,283,000元）之擔保。所收取及支付之擔保費收入詳情載於下表。於年內，本公司兩名董事亦為天安之董事。

33. RELATED PARTY TRANSACTIONS

- (1) On 16th December, 1995, a leasing agreement was entered into between Shanghai SAC and Shanghai Cement Factory ("SCF"), which held a 40% interest in Shanghai SAC. According to the leasing agreement, Shanghai SAC should pay to SCF an annual leasing fee which consisted of (1) a fixed asset leasing fee mainly based on the depreciation of the property, plant and equipment leased under the leasing agreement plus a mark-up of about 10%; and (2) an usage fee mainly based on the volume of raw materials off-load and the applicable unit rate for the relevant raw materials agreed by the parties when the leasing agreement was signed. During the year ended 31st December, 2005, Shanghai SAC paid a total leasing fee of HK\$5,852,000 to SCF (2004: HK\$5,230,000).
- (2) In July 2002, the Company entered into a master agreement with Tian An China Investments Company Limited ("Tian An") for a reciprocal arrangement of guarantee. Accordingly, the Group provides guarantees to secure certain borrowings of subsidiaries of Tian An (the "Tian An Group") in Mainland China and Tian An Group provides guarantees to secure certain borrowings of the Group in Mainland China. A guarantee fee of 1% per annum on the principal amount of the guarantees is chargeable between the relevant parties. At 31st December, 2005, Shanghai SAC provided guarantees of HK\$57,692,000 (2004: HK\$75,472,000) to secure borrowings of the Tian An Group in the PRC and the Tian An Group provided guarantees of HK\$28,846,000 (2004: HK\$45,283,000) to secure borrowings of Shanghai SAC in the PRC. Details of the guarantee fee income and paid are set out in the table below. During the year, two directors of the Company were also directors of Tian An.

財務報表附註(續)

Notes to the Financial Statements (Continued)

截至二零零五年十二月三十一日止年度

For the year ended 31st December, 2005

33. 有關連人士交易
(續)

再者，本集團曾進行之
其他關連交易如下：

33. RELATED PARTY TRANSACTIONS
(Continued)

In addition, the Group has entered into the following related party transactions:

		二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000
(i) 同系附屬公司	(i) Fellow subsidiaries		
利息開支	Interest charge	546	—
管理費	Management fee	690	688
保證費用收入	Guarantee fee income	665	738
保證費用	Guarantee fee payment	454	341
銷售瓷磚、花崗石 以及雲石產品	Sales of ceramic tiles, granite and marble products	2,095	6,753
(ii) 持有本公司 最終控股公司 重大實益權益之 公司的附屬公司	(ii) Subsidiaries of a company which has significant beneficial interests in the Company's ultimate holding company		
保險支出	Insurance paid	188	204
利息開支	Interest charge	4	—
租金開支、冷氣費、 維修及保養	Rental expenses, air conditioning charges, repairs and maintenance	579	708
(iii) 持有本公司 最終控股公司 重大實益權益 之公司	(iii) Company which has significant beneficial interests in the Company's ultimate holding company		
管理費	Management fee	880	100
(iv) 前獨立非執行董事為 合伙人之律師行	(iv) A law firm in which a former independent non-executive director is a partner		
法律及專業費用	Legal and professional fees	306	150
(v) 主要管理層補償 薪金及其他短期僱員福利	(v) Key management compensation Salaries and other short-term employee benefits	2,756	5,068
僱員福利成本	Employment benefit costs	123	89

董事及主要行政人員之
薪酬乃由薪酬委員會按
各人之表現及市場趨勢
釐定。

The remuneration of directors and key executive is determined by the remuneration committee having regard to the performance of individuals and market trends.

財務報表附註(續)
Notes to the Financial Statements (Continued)

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

33. 有關連人士交易(續) 33. RELATED PARTY TRANSACTIONS (Continued)

於二零零五年十二月三十一日，本集團有以下重大餘額：

As at 31st December, 2005, the Group has the following significant balances:

	附註 Notes	二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000
流動資產			
應收同系附屬公司款項			
Current assets			
Amounts due from fellow subsidiaries	a	707	3,381
流動負債			
應付最終控股公司款項			
應付一間同系附屬公司款項			
應付一位少數股東款項			
應付關連公司款項			
Current liabilities			
Amount due to ultimate holding company	a	6,150	5,555
Amount due to a fellow subsidiary	b	9,322	–
Amount due to a minority shareholder	a	2,623	5,106
Amounts due to related companies	c	4,958	116
非流動負債			
應付同系附屬公司款項			
應付一位少數股東款項			
Non-current liabilities			
Amounts due to fellow subsidiaries	d	152	1,087
Amount due to a minority shareholder	d	368	2,641

附註：

- (a) 該結餘為無抵押、免息及須於要求時償還。
- (b) 該結餘為貸款港幣9,000,000元及其相關利息。該貸款乃借自天安之一間附屬公司作營運用途，並為無抵押、年息為香港最優惠利加3.5厘及須於一年內償還。
- (c) 該結餘包括貸款港幣4,000,000元，乃借自一間於本公司最終控股公司擁有重大實益權益之公司之一間附屬公司並作一般營運目的，該貸款為無抵押、年息為香港最優惠利率加3.5厘及須於一年內償還。餘下結餘為無抵押、免息及須於要求時償還。
- (d) 應付同系附屬公司款項及應付一位少數股東款項為無抵押、免息及於合資經營協議屆滿時償還，故有關款項列為非流動。該等金額之有效利率為每年5.58厘。

Notes:

- (a) The balances are unsecured, non-interest bearing and repayable on demand.
- (b) The balance represents a loan of HK\$9,000,000 and its related interest. The loan is borrowed from a subsidiary of Tian An for operating purpose and is unsecured, interest bearing at Hong Kong prime rate plus 3.5% per annum and repayable within one year.
- (c) Included in the balance is a loan of HK\$4,000,000 which is borrowed from a subsidiary of a company which has significant beneficial interests in the Company's ultimate holding company for general working capital purpose and is unsecured, interest bearing at Hong Kong prime rate plus 3.5% per annum and is repayable within one year. The remaining balance is unsecured, non-interest bearing and repayable on demand.
- (d) The amounts due to fellow subsidiaries and the amount due to a minority shareholder are unsecured, interest-free and repayable by the expiry of the joint venture agreement and the amounts are therefore shown as non-current. The effective interest rate of these amounts is 5.58% per annum.

於結算日與關連方之其他結餘及交易之詳情載於綜合資產負債表及附註16及17。

Details of other balances and transactions with related parties at the balance sheet date are set out in the consolidated balance sheet and in notes 16 and 17.

財務報表附註(續)

Notes to the Financial Statements (Continued)

截至二零零五年十二月三十一日止年度

For the year ended 31st December, 2005

34. 本公司之資產負債表資料 34. BALANCE SHEET INFORMATION OF THE COMPANY

於結算日，本公司之資產負債表資料包括：

Balance sheet information of the Company at the balance sheet date includes:

		附註 Notes	二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000
非流動資產	NON-CURRENT ASSET			
所佔附屬公司權益	Interests in subsidiaries	a	314,075	316,452
流動資產	CURRENT ASSETS			
其他應收款項及預付款項	Other receivables and prepayments		226	81
銀行結存及現金	Bank balances and cash		91	4,535
			317	4,616
流動負債	CURRENT LIABILITIES			
其他應付款項	Other payables		755	1,000
應付最終控股公司款項	Amount due to ultimate holding company		1,467	1,544
應付附屬公司款項	Amount due to subsidiaries	a	7,758	7,724
應付一間關連公司款項	Amount due to a related company		–	116
短期銀行貸款，無抵押	Short term bank loan, unsecured		13,500	15,000
			23,480	25,384
流動負債淨額	NET CURRENT LIABILITIES		(23,163)	(20,768)
總資產減流動負債	TOTAL ASSETS LESS CURRENT LIABILITIES		290,912	295,684
股本及儲備	CAPITAL AND RESERVES			
股本	Share capital		182,349	182,349
儲備	Reserves	b	108,563	113,335
			290,912	295,684

財務報表附註(續)
Notes to the Financial Statements (Continued)

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

34. 本公司之資產負債
表資料(續)

a. 於附屬公司之
權益／應付附
屬公司款項

非上市投資
應收附屬公司款項減撥備

應付附屬公司款項

董事認為應收附屬公司
款項之賬面值減撥備及
應付附屬公司款項與其
公平值相近。

本公司主要附屬公司於
二零零五年十二月三十
一日之詳情載於附註
35。

應收附屬公司款項為無
抵押、免息及無固定還
款期。董事認為，有關
款項不會於結算日後十
二個月內償還，故列為
非流動。

並無任何附屬公司於年
結時或年內任何其他時
間擁有任何債務證券。

34. BALANCE SHEET INFORMATION OF THE COMPANY
(Continued)

a. Interests in Subsidiaries/Amounts due to
Subsidiaries

		本公司 THE COMPANY	
		二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000
非上市投資	Unlisted investments	47,642	16,003
應收附屬公司款項減撥備	Amounts due from subsidiaries less allowances	266,433	300,449
		314,075	316,452
應付附屬公司款項	Amounts due to subsidiaries	7,758	7,724

The directors consider that the carrying amounts of amounts due from subsidiaries less allowances and amounts due to subsidiaries approximate their fair values.

Particulars of the principal subsidiaries of the Company at 31st December, 2005 are set out in note 35.

The amounts due from subsidiaries are unsecured, interest-free and have no fixed terms of repayment. In the opinion of the directors, the amounts will not be repayable in the next twelve months from the balance sheet date and the amounts are therefore shown as non-current.

None of the subsidiaries had any debt securities outstanding at the end of the year or any time during the year.

財務報表附註(續)

Notes to the Financial Statements (Continued)

截至二零零五年十二月三十一日止年度

For the year ended 31st December, 2005

34. 本公司之資產負債表資料(續)

b. 本公司之儲備

	股本贖回儲備 Capital redemption reserve 港幣千元 HK\$'000	實繳盈餘 Contributed surplus 港幣千元 HK\$'000	累計溢利 Accumulated profits 港幣千元 HK\$'000	總額 Total 港幣千元 HK\$'000
本公司				
於二零零四年一月一日	918	94,585	22,945	118,448
本年溢利	-	-	24,063	24,063
已付二零零三年之股息	-	(29,176)	-	(29,176)
於二零零四年十二月三十一日	918	65,409	47,008	113,335
本年虧損	-	-	(4,772)	(4,772)
於二零零五年十二月三十一日	918	65,409	42,236	108,563

本公司之實繳盈餘指以下兩項之總和：

- (a) All Gold Investments Limited及其附屬公司於公司重組生效日期之綜合股東資金與本公司根據重組所發行股份面值之差額；
- (b) 於二零零二年削減已發行股本及抵銷本公司累計虧損之股份溢價而產生之結餘淨額；及扣除向股東支付之累計股息(由實繳盈餘)派發。

34. BALANCE SHEET INFORMATION OF THE COMPANY (Continued)

b. Reserves of the Company

	股本贖回儲備 Capital redemption reserve 港幣千元 HK\$'000	實繳盈餘 Contributed surplus 港幣千元 HK\$'000	累計溢利 Accumulated profits 港幣千元 HK\$'000	總額 Total 港幣千元 HK\$'000
THE COMPANY				
At 1st January, 2004	918	94,585	22,945	118,448
Profit for the year	-	-	24,063	24,063
Dividend paid for 2003	-	(29,176)	-	(29,176)
At 31st December, 2004	918	65,409	47,008	113,335
Loss for the year	-	-	(4,772)	(4,772)
At 31st December, 2005	918	65,409	42,236	108,563

The contributed surplus of the Company represents the aggregate of:

- (a) the difference between the consolidated shareholders' funds of All Gold Investments Limited and its subsidiaries at the date on which the corporate reorganisation became effective and the nominal amount of the Company's shares issued under the reorganisation;
- (b) a net balance arising from reduction of issued share capital and share premium after setting off accumulated losses of the Company during 2002 and after deducting the accumulated dividend paid from contributed surplus to shareholders.

34. 本公司之資產負債表資料(續)

b. 本公司之儲備(續)

根據百慕達一九八一年公司法(修訂本)，本公司之實繳盈餘可供分派。然而，倘出現下列情況，則本公司不得從實繳盈餘中宣派或派付股息或作出分派：

- (a) 本公司現時或於付款後無力償還到期債務；或
- (b) 本公司資產之可變現值將因此而低於其負債、已發行股本與股份溢價賬之總和。

本公司可供分派予股東之儲備如下：

34. BALANCE SHEET INFORMATION OF THE COMPANY
(Continued)

b. Reserves of the Company
(Continued)

Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus of the Company is available for distribution. However, the Company cannot declare or pay a dividend or make a distribution out of contributed surplus if:

- (a) it is, or would after the payment be, unable to pay its liabilities as they become due; or
- (b) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

The Company's reserves available for distribution to shareholders are as follows:

		二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000
實繳盈餘	Contributed surplus	65,409	65,409
累計溢利	Accumulated profits	42,236	47,008
		107,645	112,417

財務報表附註(續)

Notes to the Financial Statements (Continued)

截至二零零五年十二月三十一日止年度

For the year ended 31st December, 2005

35. 主要附屬公司之詳情

35. PARTICULARS OF PRINCIPAL SUBSIDIARIES

附屬公司名稱 Name of subsidiary	註冊成立/ 登記地點 Place of incorporation/ registration	已發行及 繳足股本/ 註冊資本 Issued and fully paid share capital/ registered capital	本公司所持 已發行股本/ 註冊資本之比例 Proportion of issued share capital/registered capital held by the Company		主要業務 Principal activities
			直接 Directly	間接 Indirectly	
			%	%	
All-cement Limited	英屬處女群島 British Virgin Islands	普通股 1美元 Ordinary US\$1	—	100	投資控股 Investment holding
All-Shanghai Inc.	英屬處女群島 British Virgin Islands	普通股 15,376,500美元 Ordinary US\$15,376,500	—	83.3	投資控股 Investment holding
Interform Building Material Supplies Limited	英屬處女群島 British Virgin Islands	普通股 100美元 Ordinary US\$100	—	100	買賣建材 Trading of building materials
Interform Construction Supplies Limited	英屬處女群島 British Virgin Islands	普通股 2美元 Ordinary US\$2	—	100	投資控股及 買賣建材 Investments holding and trading of building materials
Interform Strategic Holdings Limited	英屬處女群島 British Virgin Islands	普通股 2美元 Ordinary US\$2	—	100	投資控股 Investment holding
上聯建材集團有限公司 SAC Building Material Holdings Limited	香港 Hong Kong	普通股 港幣5,000,000元 Ordinary HK\$5,000,000	100	—	投資控股 Investment holding

財務報表附註(續)
Notes to the Financial Statements (Continued)

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

35. 主要附屬公司之詳情
(續)

35. PARTICULARS OF PRINCIPAL
SUBSIDIARIES (Continued)

附屬公司名稱 Name of subsidiary	註冊成立/ 登記地點 Place of incorporation/ registration	已發行及 繳足股本/ 註冊資本 Issued and fully paid share capital/ registered capital	本公司所持 已發行股本/ 註冊資本之比例 Proportion of issued share capital/registered capital held by the Company		主要業務 Principal activities
			直接 Directly	間接 Indirectly	
			%	%	
SAC Engineering Limited	英屬處女群島 British Virgin Islands	普通股 50,000美元 Ordinary US\$50,000	—	100	投資控股 Investment holding
上聯工程有限公司 SAC Engineering Company Limited	香港 Hong Kong	普通股 港幣10,000,000元 Ordinary HK\$10,000,000	—	100	買賣建材 Trading of building materials
SAC Enterprises Limited	香港 Hong Kong	普通股 港幣1,000元 Ordinary HK\$1,000	100	—	為集團公司提供 管理服務 Provision of management services to group companies
上聯財務責任有限公司 SAC Finance Company Limited	香港 Hong Kong	普通股 港幣100元 Ordinary HK\$100	—	100	為集團公司提供 財務服務 Provision of financing services to group companies
山東上聯水泥發展 有限公司 Shandong Shanghai Allied Cement Co., Ltd	中國大陸 (附註a) Mainland China (Note a)	註冊資本 1,000,000美元 Registered capital US\$1,000,000	—	100	生產及分銷水泥及 熟料 Manufacture and distribution of cement and clinker

財務報表附註(續)

Notes to the Financial Statements (Continued)

截至二零零五年十二月三十一日止年度

For the year ended 31st December, 2005

35. 主要附屬公司之詳情
(續)

35. PARTICULARS OF PRINCIPAL
SUBSIDIARIES (Continued)

附屬公司名稱 Name of subsidiary	註冊成立/ 登記地點 Place of incorporation/ registration	已發行及 繳足股本/ 註冊資本 Issued and fully paid share capital/ registered capital	本公司所持 已發行股本/ 註冊資本之比例 Proportion of issued share capital/registered capital held by the Company		主要業務 Principal activities
			直接 Directly	間接 Indirectly	
			%	%	
上海聯合水泥有限公司 Shanghai Allied Cement Limited	中國大陸 (附註b) Mainland China (Note b)	註冊資本 24,000,000美元 Registered capital US\$24,000,000	—	60	生產及分銷水泥及 熟料 Manufacture and distribution of cement and clinker
上聯水泥集團有限公司 Shanghai Allied Cement Holdings Limited	香港 Hong Kong	普通股 港幣10,000,000元 Ordinary HK\$10,000,000	100	—	投資控股 Investment holding
山東聯合王晁水泥 有限公司 Shandong Allied Wangchao Cement Limited	中國大陸 (附註b) Mainland China (Note b)	註冊資本 9,200,000美元 Registered capital US\$9,200,000	—	95	生產及分銷水泥及 熟料 Manufacturing and distribution of cement and clinker
深圳市賽華順升建材 有限公司 (「深圳賽華」) ("SZ TRIWA")	中國大陸 (附註c) Mainland China (Note c)	註冊資本 人民幣1,500,000元 Registered capital RMB1,500,000	—	—	買賣建材 Trading of building materials
上海賽華順升建材 有限公司 (「上海賽華」) ("SH TRIWA")	中國大陸 (附註c) Mainland China (Note c)	註冊資本 人民幣5,000,000元 Registered capital RMB5,000,000	—	—	買賣建材 Trading of building materials

財務報表附註(續)
Notes to the Financial Statements (Continued)

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

35. 主要附屬公司之詳情
(續)

35. PARTICULARS OF PRINCIPAL
SUBSIDIARIES (Continued)

附屬公司名稱 Name of subsidiary	註冊成立/ 登記地點 Place of incorporation/ registration	已發行及 繳足股本/ 註冊資本 Issued and fully paid share capital/ registered capital	本公司所持 已發行股本/ 註冊資本之比例 Proportion of issued share capital/registered capital held by the Company		主要業務 Principal activities
			直接 Directly %	間接 Indirectly %	
北京上聯首豐建材 有限公司 Beijing Shanglian Shoufeng Construction Materials Limited	中國大陸 (附註d) Mainland China (Note d)	註冊資本 人民幣4,000,000元 Registered capital RMB4,000,000	—	—	生產及分銷礦渣粉 Manufacture and distribution of slag powder

附註：

- 該附屬公司乃一間外資全資企業。
- 該等附屬公司乃非全資中外合資企業。
- 深圳賽華及上海賽華分別由三名人士及兩名人士擁有，本公司於彼等之註冊資本並無擁有任何實益權益。根據由深圳賽華及上海賽華，深圳賽華及上海賽華之擁有人與本集團訂立之若干協議，深圳賽華及上海賽華之擁有人同意向本集團轉讓可委任及撤換賽華董事會全體董事之權力，以及可監察深圳賽華及上海賽華之財務及經營政策權力；同時亦將深圳賽華及上海賽華之全部業績轉讓本集團。因此，深圳賽華及上海賽華乃為本公司之附屬公司處理，而彼等之業績，資產及負債均綜合計算入本集團業績，資產及負債，深圳賽華及上海賽華之註冊資本乃由本集團出資。
- 該附屬公司為深圳賽華之非全資附屬公司，其80%註冊資本乃由本集團出資。

上表只載入董事認為主要影響本集團本年度業績或構成本集團大部份資產與負債之本公司附屬公司。董事認為，如載列其他附屬公司之詳情，則會導致資料過份冗長。

Note:

- The subsidiary is a wholly owned enterprise with foreign capital.
- The subsidiaries are non-wholly owned Sino-foreign joint venture.
- The Company does not have any equity interest in the registered capital of SZ TRIWA and SH TRIWA as they are owned by three individuals and two individuals respectively. Pursuant to certain agreements among SZ TRIWA and SH TRIWA, the owners of SZ TRIWA and SH TRIWA and the Group, the owners of SZ TRIWA and SH TRIWA agreed to assign the power to appoint and remove all the members of the board of directors of and to govern the financial and operating policies of SZ TRIWA and SH TRIWA to the Group and to transfer all results of SZ TRIWA and SH TRIWA to the Group. Accordingly, SZ TRIWA and SH TRIWA are treated as subsidiaries of the Company and their results, assets and liabilities are consolidated with those of the Group. The registered capital of SZ TRIWA and SH TRIWA were contributed by the Group.
- The subsidiary is a non-wholly owned subsidiary of SZ TRIWA, of which 80% registered capital was contributed by the Group.

The above list includes the subsidiaries of the Company which, in the opinion of the directors, principally affect the results of the Group for the year or form a substantial portion of the assets and liabilities of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.