

NOTES TO THE ACCOUNTS

賬目附註

1. GENERAL INFORMATION

The Company is a limited liability company incorporated in Bermuda. The Company has its primary listing on The Stock Exchange of Hong Kong Limited.

These consolidated accounts are presented in thousands of units of Hong Kong dollars (HK\$'000), unless otherwise stated. These consolidated accounts have been approved for issue by the Board of Directors on 19th April 2006.

The principal activity of the Company is investment holding. The activities of the principal subsidiaries are set out in Notes 16 to the account.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated accounts are set out below.

(a) BASIS OF PREPARATION

The consolidated accounts have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS"). The consolidated accounts have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and financial liabilities at fair value through profit or loss and investment properties, which are carried at fair value.

1. 一般資料

本公司乃於百慕達註冊成立之有限公司。本公司以香港聯合交易所有限公司為主要上市市場。

除另有註明者外，此等綜合賬目之呈列單位為港幣千元(千港元)。此等綜合賬目已於二零零六年四月十九日獲董事會批准刊發。

本公司之主要業務為投資控股。主要附屬公司之業務詳情載於賬目附註16。

2. 主要會計政策概要

於編製此等綜合財務報表時採用之主要會計政策載列如下。除另有註明外，該等政策已貫徹應用於所呈列之所有年度。

(a) 編製基準

本綜合賬目乃根據香港財務報告準則(「香港財務報告準則」)編製。綜合賬目按照歷史成本慣例編製，並就重估樓宇、可供出售金融資產、按公平值計入損益表之金融資產及金融負債及投資物業(乃按公平值列賬)作出調整。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) BASIS OF PREPARATION (continued)

The preparation of accounts in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated accounts, are disclosed in Note 4.

In 2005, the Group adopted the following new/revised standards and interpretations of HKFRS below, which are relevant to its operations. The 2004 Comparatives have been amended as required, in accordance with the relevant requirements.

HKAS 1	Presentation of Financial Statements
HKAS 2	Inventories
HKAS 7	Cash Flow Statements
HKAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
HKAS 10	Events after the Balance Sheet Date
HKAS 16	Property, Plant and Equipment
HKAS 17	Leases
HKAS 21	The Effects of Changes in Foreign Exchange Rates
HKAS 23	Borrowing Costs
HKAS 24	Related Party Disclosures
HKAS 32	Financial Instruments: Disclosures and Presentation
HKAS 33	Earnings per Share
HKAS 36	Impairment of Assets
HKAS 39	Financial Instruments: Recognition and Measurement

2. 主要會計政策概要 (續)

(a) 編製基準 (續)

編製符合香港財務報告準則之賬目須採用若干關鍵會計估算。在應用本公司會計政策之過程中，管理層須行使其判斷。涉及大量判斷或繁複之範疇，或假設及估算對綜合賬目而言屬重要之範疇，已於附註4披露。

於二零零五年，本集團已採納下列與其業務相關之全新／經修訂香港財務報告準則之準則及詮釋。二零零四年度之比較數字已根據相關規定按需要予以修訂。

香港會計準則第1號	財務報表之呈列
香港會計準則第2號	存貨
香港會計準則第7號	現金流量表
香港會計準則第8號	會計政策、會計估算及誤差之變更
香港會計準則第10號	結算日後事項
香港會計準則第16號	物業、廠房及設備
香港會計準則第17號	租賃
香港會計準則第21號	外幣匯率變動之影響
香港會計準則第23號	借貸成本
香港會計準則第24號	關連方披露
香港會計準則第32號	金融工具：披露及呈列
香港會計準則第33號	每股盈利
香港會計準則第36號	資產減值
香港會計準則第39號	金融工具：確認及計量

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) BASIS OF PREPARATION (continued)

HKAS 40	Investment property
HKAS-Int 21	Income Taxes – Recovery of Revalued Non-Depreciated Assets
HKFRS 2	Share-base Payments

The adoption of new/revised HKASs 1, 2, 7, 8, 10, 16, 17, 21, 23, 24, 33, and 36 did not result in substantial changes to the Group's accounting policies. In summary:

- HKAS 1 has affected the presentation of accounts and other disclosures.
- HKASs 2, 7, 8, 10, 16, 23 and 36 had no material effect on the Group's policies.
- HKAS 21 had no material effect on the Group's policy. The functional currency of each of the consolidated entities have been re-evaluated based on the guidance to the revised standard.
- HKAS 24 had affected the identification of related parties and some other related-party disclosures.

The adoption of HKASs 32 and 39 has resulted in a change in the accounting policy relating to the classification of financial assets at fair value through profit or loss and available-for-sale financial assets.

The adoption of revised HKAS 40 has resulted in a change in the accounting policy of which the changes in fair values are recorded in the profit and loss account as part of other income. In prior years, the increases in fair value were credited to the investment properties revaluation reserve. Decreases in fair value were first set off against increases on earlier valuations on a portfolio basis and thereafter expensed in the profit and loss account.

2. 主要會計政策概要 (續)

(a) 編製基準 (續)

香港會計準則第40號	投資物業
香港會計準則 – 詮釋第21號	所得稅 – 收回經重估非折舊資產
香港財務報告準則第2號	以股份為基礎之付款

採納全新／經修訂香港會計準則第1、2、7、8、10、16、17、21、23、24、33及36號並無導致本集團之會計政策出現重大轉變。總括而言：

- 香港會計準則第1號對賬目之呈列及其他披露構成影響。
- 香港會計準則第2、7、8、10、16、23及36號對本集團之政策並無重大影響。
- 香港會計準則第21號對本集團之政策並無重大影響。各綜合實體之功能貨幣已根據經修訂準則之指引予以重新定值。
- 香港會計準則第24號對關連方之辨認及若干其他關連方披露構成影響。

採納香港會計準則第32號及第39號導致有關按公平值計入損益表之金融資產及可供出售金融資產之分類之會計政策出現變動。

採納經修訂香港會計準則第40號導致會計政策有所變動，投資物業之公平值變動記入損益表，作為其他收入之一部份。於過往年度，公平值之增加計入投資物業重估儲備。公平值之減少首先按組合基準與先前估值之增加互相抵銷，餘額於損益表內支銷。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) BASIS OF PREPARATION (continued)

The adoption of revised HKAS-Int 21 has resulted in a change in the accounting policy relating to the measurement of deferred tax liabilities arising from the revaluation of investment properties. Such deferred tax liabilities are measured on the basis of tax consequences that would follow from recovery of the carrying amount of that asset through use. In prior years, the carrying amount of that asset was expected to be recovered through sale.

The adoption of HKFRS 2 has resulted in a change in the accounting policy for share-based payments which require 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. The Group has not applied HKFRS 2 to share options that were granted after 7th November 2002 and had vested before 1st January 2005 in accordance with the relevant transitional provisions. Comparative figures have not been restated.

2. 主要會計政策概要 (續)

(a) 編製基準 (續)

採納經修訂香港會計準則－詮釋第21號導致計量重估投資物業所產生之遞延稅項負債之會計政策出現變動。該等遞延稅項負債之計量基準為透過使用該資產而收回其賬面值後所產生之稅務後果。於過往年度，該資產之賬面值預計可透過銷售予以收回。

採納香港財務報告準則第2號導致有關以股份為基礎之付款之會計政策出現變動，香港財務報告準則第2號規定董事及僱員所持本公司購股權之公平值(於購股權授出日釐定)須於歸屬期內支銷。於應用香港財務報告準則第2號前，本集團於該等購股權獲行使時，方會確認該等購股權之財務影響。根據相關過渡條文，本集團並無就於二零零二年十一月七日之後授出及於二零零五年一月一日之前歸屬之購股權應用香港財務報告準則第2號。比較數字並無重列。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) BASIS OF PREPARATION (continued)

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

- HKAS 16 – the initial measurement of an item of property, plant and equipment acquired in an exchange of assets transaction is accounted at fair value prospectively only to future transactions;
- HKAS 39 – does not permit to recognise, derecognise and measure financial assets and liabilities in accordance with this standard on a retrospective basis;
- HKAS 40 – since the Group has adopted the fair value model, there is no requirement for the Group to restate the comparative information, any adjustment should be made to the retained profits as at 1 January 2005, including the reclassification of any amount held in revaluation surplus for investment property.

2. 主要會計政策概要 (續)

(a) 編製基準 (續)

會計政策之所有變動乃根據各相關準則(如適用)之過渡條文作出。本集團所採納之一切準則均須追溯應用，惟以下各項除外：

- 香港會計準則第16號 – 於資產置換交易中購入物業、廠房及設備項目之初次計量，僅就該準則生效期以後進行之交易按公平值列賬；
- 香港會計準則第39號 – 此準則並不容許就金融資產及負債作追溯確認、終止確認及計量；
- 香港會計準則第40號 – 鑒於本集團已採納公平值模式，本集團毋須重列比較資料。任何調整(包括重新分類投資物業重估盈餘之任何金額)已於二零零五年一月一日之保留溢利中作出相應之調整。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) CONSOLIDATION

The consolidated accounts include the financial statements of the Company and all its subsidiaries made up to 31 December.

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

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

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

2. 主要會計政策概要 (續)

(b) 綜合賬目

綜合賬目包括本公司及其所有附屬公司編製至十二月三十一日止之財務報表。

附屬公司指本集團持有其過半數投票權，從而有權監控其整體財務及經營政策之所有實體(包括為特殊目的而成立之實體)。評估本集團是否控制另一實體時，會考慮現時可予行使或可轉換之潛在投票權是否存在及有效。

附屬公司自控制權轉移至本集團之日起全面綜合入賬，並於控制權終止時停止作綜合入賬。

本集團採用收購會計法為本集團所收購之附屬公司列賬。收購成本為於交易當日所獲資產之公平值、所發行之股本工具及所產生或承擔之負債，加上直接歸屬予收購事項之成本。在商業合併過程中所收購之可辨別資產、所承擔之負債及或然負債，均於收購當日按其公平值作出初步計量，而毋須計及任何少數股東權益。收購成本超出本集團應佔所收購之可辨別淨資產之差額乃列作商譽。倘收購成本低於所收購附屬公司淨資產之公平值，則有關差額將直接在損益表內確認。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) CONSOLIDATION (continued)

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

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

(c) FOREIGN CURRENCY TRANSLATION

(i) Functional and presentation currency

Items included in the accounts of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated accounts are presented in thousands of units of Hong Kong dollars, which is the Group's functional and presentation currency.

2. 主要會計政策概要 (續)

(b) 綜合賬目 (續)

集團旗下公司間之交易、結餘及交易未變現收益互相對銷。除非交易提供已轉讓資產減值之證據，否則未變現虧損亦會對銷。附屬公司之會計政策已於有需要時作出更改，以確保與本集團所採納政策一致。

在本公司之資產負債表內，於附屬公司之投資按成本扣除減值虧損撥備列賬。本公司乃按已收及應收之股息將附屬公司之業績列賬。

(c) 外幣換算

(i) 功能及呈列貨幣

本集團每個實體於賬目所列項目均以有關實體營運之主要經濟環境所用貨幣(「功能貨幣」)列值。綜合賬目以本集團之功能及呈列貨幣港元(以千元為單位)列值。

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賬目附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) FOREIGN CURRENCY TRANSLATION (continued)

(ii) Transactions and balances

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

Translation differences on non-monetary items, such as equity instruments held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation difference on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the fair value reserve in equity.

(iii) Group companies

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

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

2. 主要會計政策概要 (續)

(c) 外幣換算 (續)

(ii) 交易及結餘

外幣交易按交易日期之匯率兌換為功能貨幣。結算該等交易及按年結時匯率兌換以外幣呈列貨幣資產及負債所產生匯兌損益均於損益表確認。

非貨幣項目(例如按公平值計入損益表之股本工具)之換算差額乃呈報為公平值損益之一部份。非貨幣項目(例如分類為可供出售金融資產之股本)之換算差額，計入權益項下公平值儲備。

(iii) 集團旗下公司

集團旗下所有功能貨幣與呈列貨幣不同之實體(均為非高通脹經濟之貨幣)之業績及財務狀況，按以下方式換算為呈列貨幣：

- (i) 各資產負債表所呈列資產及負債，按結算日之收市匯率換算；
- (ii) 各損益表之收入及支出，按平均匯率換算(惟此平均值並非該等交易日期通行匯率具累積效應之合理約數除外，在此情況下，收入及支出乃於交易日期換算)；及

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) FOREIGN CURRENCY TRANSLATION (continued)

(iii) Group companies (continued)

- (iii) all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities are taken to shareholders' equity. When a foreign operation is sold, such exchange differences are recognised in the profit and loss account as part of the gain or loss on sale.

(d) PLANT AND EQUIPMENT

Plant and equipment, comprising leasehold improvements, plant and machinery, equipment, furniture and fixtures and motor vehicles are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical costs includes expenditure that is directly attributable to the acquisition of the items.

Depreciation of plant and equipment is calculated using straight-line method to allocate cost at annual rates ranged from 20% to 30%.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are expensed in the profit and loss account during the financial period in which they are incurred.

2. 主要會計政策概要 (續)

(c) 外幣換算 (續)

(iii) 集團旗下公司 (續)

- (iii) 所有匯兌差額將確認為權益項下獨立項目。

綜合賬目時，換算於外國實體之淨投資所產生之匯兌差額列入股東權益。出售外國業務時，該等匯兌差額於損益表確認為出售收益或虧損之一部份。

(d) 廠房及設備

廠房及設備，包括租賃物業裝修、廠房、機器及設備，以及傢俬及裝置與汽車乃按歷史成本減累計折舊及累計減值虧損列賬。歷史成本包括因收購該等項目而直接產生之支出。

廠房及設備之折舊乃以直線法，按主要年率介乎20%至30%分配成本。

僅在與該項目相關之未來經濟效益有可能歸屬於本集團及能可靠地計算出項目成本之情況下，其後成本方會包括於資產之賬面值或確認為獨立資產(如適用)。所有其他維修及保養於其產生之財政期間內於損益表內支銷。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) PLANT AND EQUIPMENT (continued)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

(e) INVESTMENT PROPERTIES

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the consolidated Group, is classified as investment property.

Investment property comprises land held under operating leases and buildings held under finance leases.

Land held under operating leases are classified and accounted for as investment property when the rest of the definition of investment property is met. The operating lease is accounted for as if it were a finance lease.

Investment property is measured initially at its cost, including related transaction costs.

After initial recognition, investment property is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. These valuations are performed in accordance with the guidance issued by the International Valuation Standards Committee. These valuations are reviewed annually by external valuers.

2. 主要會計政策概要 (續)

(d) 廠房及設備 (續)

資產之剩餘價值及可使用年期將會於各結算日作出檢討及調整(如適用)。

倘資產之賬面值大於其估計可收回金額，則資產之賬面值即時撇減至其可收回金額。

(e) 投資物業

持作長期租金收益或資本增值或兩者兼備且並非本集團旗下各公司所佔用之物業，乃分類為投資物業。

投資物業包括根據經營租約持有之土地及根據融資租約持有之樓宇。

當符合分類為投資物業之其他要求時，以經營租約持有之土地亦分類及入賬作投資物業。該經營租約乃當作融資租約入賬。

投資物業初步按成本(包括相關交易成本)計量。

投資物業於初步確認後按公平值列賬。公平值以活躍市場價格為基準，並在有需要之情況下根據特定資產之性質、地點或條件調整公平值。此等估值方法乃符合國際估值準則委員會(International Valuation Standards Committee)頒佈之指引。此等估值每年由外聘估值師審核。

NOTES TO THE ACCOUNTS

賬目附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) INVESTMENT PROPERTIES (continued)

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed in the profit and loss account during the financial period in which they are incurred.

Changes in fair values are recognised in the profit and loss account.

(f) IMPAIRMENT OF ASSETS

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

2. 主要會計政策概要 (續)

(e) 投資物業 (續)

投資物業之公平值反映 (其中包括) 現時租賃之租金收入及根據現時市況假設可自日後租賃取得之租金收入。

倘投資物業期後支出之相關未來經濟利益有可能流入本集團, 而且能可靠地計量該項目之成本, 則該項支出會計入該項資產之賬面值。所有其他維修及保養成本則在其產生之財政期間在損益表內支銷。

公平值之變動在損益表內確認。

(f) 資產減值

無既定可使用年期之資產毋須攤銷, 並會至少每年就減值進行測試。當出現事件或情況改變顯示未必能收回賬面值時, 則會檢討減值。須攤銷之資產於出現事件或情況改變顯示未必能收回賬面值時檢討減值。減值虧損就資產賬面值超過其可收回金額 (即資產公平值減出售成本及使用價值兩者之較高者) 之差額確認。就評估減值而言, 資產按可獨立辨認現金流量之最低水平 (現金產生單位) 分類。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) OPERATING LEASE

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are expensed in the profit and loss account on a straight-line basis over the period of the lease.

(h) INVESTMENT

From 1 January 2004 to 31 December 2004: The Group classified its investments in securities, other than subsidiaries as trading securities.

Trading securities were carried at fair value. At each balance sheet date, the net unrealised gains or losses arising from the changes in fair value of trading securities were recognised in the profit and loss account. Profits or losses on disposal of trading securities, representing the difference between the net sales proceeds and the carrying amounts, were recognised in the profit and loss account as they arised.

2. 主要會計政策概要 (續)

(g) 經營租約

凡資產擁有權之絕大部份風險及回報由出租人保留之租約均分類為經營租約。該等經營租約(扣減任何源自出租人之已收金額後)產生之租金按租期以直線法在損益表中支銷。

(h) 投資

由二零零四年一月一日至二零零四年十二月三十一日：本集團將其證券投資(不包括附屬公司)分類作買賣證券。

買賣證券乃按公平值列賬。在各結算日，因買賣證券之公平值變動而產生未變現損益淨額於損益表確認。出售買賣證券之盈虧乃指銷售所得款項淨額與賬面值間之差額，並於產生時在損益表內確認。

NOTES TO THE ACCOUNTS

賬目附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(h) INVESTMENT *(continued)*

From 1 January 2005 onwards:

The Group classifies its investments in the following categories: financial assets at fair value through profit or loss and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

(i) Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date.

2. 主要會計政策概要 (續)

(h) 投資 (續)

自二零零五年一月一日起：

本集團將其投資分類為以下類別：按公平值計入損益表之金融資產及可供出售金融資產。分類視乎購入投資之目的而定。管理層於初步確認時釐定其投資分類，並於每個報告日期重新評估該分類。

(i) 按公平值計入損益表之金融資產

此類別再細分為兩類：持作買賣之金融資產以及於起始時指定為按公平值計入損益表之金融資產。倘若購入金融資產之主要目的是於短期內出售或按管理層指定須如此行事，即歸入此類。除非衍生工具被指定為對沖工具，否則亦須歸類為持作買賣之金融資產。此類資產如屬持作買賣或預期於結算日後12個月內變現，則歸類為流動資產。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) INVESTMENT (continued)

- (ii) Available-for-sale financial assets
- Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Purchases and sales of investments are recognised on trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Realised and unrealised gains and losses arising from changes in the fair value of the ‘financial assets at fair value through profit or loss’ category are included in the profit and loss account in the period in which they arise. Unrealised gains and losses arising from changes in the fair value of non-monetary securities classified as available-for-sale are recognised in equity. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the profit and loss account as gains or losses from investment securities.

2. 主要會計政策概要 (續)

(h) 投資 (續)

- (ii) 可供出售金融資產
- 可供出售金融資產乃指定為此類別或並無歸入任何其他類別之非衍生工具。除非管理層計劃在結算日後12個月內出售有關投資，否則有關投資會列為非流動資產。

購買及出售投資於貿易日期(即本集團承諾購買或出售資產之日)確認。所有並非按公平值計入損益表之金融資產的投資，初步按公平值加交易成本予以確認。當自投資收取現金流量之權利屆滿或已轉讓，以及當本集團已轉讓所有權之絕大部份風險及回報時，則不再確認該等投資。可供出售金融資產及按公平值計入損益表之金融資產其後以公平值列賬。因「按公平值計入損益表之金融資產」類別之公平值變動所產生已變現及未變現損益，於產生期間列入損益表。分類為可供出售非貨幣證券公平值變動產生之未變現損益，乃於權益中確認。可供出售證券累計公平值調整將於出售或減值時，在損益表中列為投資證券損益。

NOTES TO THE ACCOUNTS

賬目附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) INVESTMENT (continued)

(ii) Available-for-sale financial assets (continued)

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the profit and loss account – is removed from equity and recognised in the profit and loss account. Impairment losses recognised in the profit and loss account on equity instruments are not reversed through the profit and loss account.

2. 主要會計政策概要 (續)

(h) 投資 (續)

(ii) 可供出售金融資產 (續)

上市投資之公平值乃按當時買入價計算。倘若某金融資產之市場並不活躍(及就非上市證券而言)，本集團會採用估值技術訂出公平值，包括採用近期按公平原則進行之交易，參考其他大致相同之工具，現金流量貼現分析，以及經改進以反映發行人特定情況之期權定價模式。

本集團會於各結算日評估是否存在客觀證據證明一項金融資產或一組金融資產出現減值。就分類為可供出售之股本證券而言，於釐定證券有否出現減值時，會考慮證券公平值是否大幅或長時間下跌至低於其成本值。倘若存在任何證據顯示可供出售金融資產出現減值，則其累計虧損(按收購成本與當時公平值之差額，減該金融資產以往於損益表內確認之任何減值虧損計量)會自權益中撤銷，並於損益表內確認。於損益表內就權益性工具確認之減值虧損不會透過損益表撥回。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost, calculated on the weighted average method, comprises all costs of purchases and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is determined on the basis of anticipated sales proceeds less estimated selling expenses.

(j) TRADE AND OTHER RECEIVABLES

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

2. 主要會計政策概要 (續)

(i) 存貨

存貨按成本與可變現淨值兩者中之較低者列賬。成本包括購買之所有成本及使存貨達致目前之地點及狀況之其他成本，乃按加權平均法計算。可變現淨值則按預期銷售所得款項減預計銷售支出釐定。

(j) 貿易及其他應收款項

貿易及其他應收款項初步按公平值及其後採用實際利率法按攤銷成本，扣除減值撥備入賬。在有客觀證據證明本集團將無法按應收款項之原訂條款收回全部款項時，本集團須就貿易及其他應收款項提撥減值準備。準備金額乃資產賬面值與估計未來現金流量現值之差額，以實際利率法貼現。準備金額在損益表中確認。

NOTES TO THE ACCOUNTS

賬目附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) CASH AND CASH EQUIVALENTS

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

(l) SHARE CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(m) EMPLOYEE BENEFITS

(i) Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the balance sheet date.

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

(ii) Bonus plans
The expected cost of bonus payments are recognised as a liability when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

Liabilities for bonus plans are expected to be settled within 12 months and are measured at the amounts expected to be paid when they are settled.

2. 主要會計政策概要 (續)

(k) 現金及現金等值

現金及現金等值包括手頭現金、銀行活期存款、原定到期日為三個月或以下之其他短期高流動性投資，以及銀行透支。銀行透支於資產負債表列作流動負債項下之借貸。

(l) 股本

普通股乃列作權益。與發行新股份或購股權直接有關之增量成本，列入權益作為所得款項的減值(扣除稅項)。

(m) 僱員福利

(i) 僱員可享有之年假及長期服務假期在彼等放假時確認。截至結算日本公司就僱員提供服務而享有年假及長期服務假期之估計負債而提準撥備。

僱員在放病假及產假時，此等假期方獲確認。

(ii) 花紅計劃
倘本集團因僱員所提供之服務而擁有現時之法定或推定責任，並能可靠地估計須履行之該責任，則預計之花紅支出成本將確認為一項負債。

花紅計劃之負債預期於十二個月內償還，而吾等乃按照預期於償還時將予支付之金額而計算。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) EMPLOYEE BENEFITS (continued)

- (iii) Pensions obligations
- Following the adoption of the Mandatory Provident Fund (“MPF”) Scheme in December 2000, all employees of the Group employed in Hong Kong joined the MPF Scheme. Under this scheme, employees and the Group are required to make contributions to the scheme calculated at 5% of the individual employee’s monthly basic salaries, subject to a cap of HK\$1,000. The Group’s contributions to this scheme are expensed as incurred. The assets of the scheme are held separately from those of the Group in independently administered funds.

(n) DEFERRED TAXATION

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

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

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

2. 主要會計政策概要 (續)

(m) 僱員福利 (續)

- (iii) 支付退休金之責任
- 在二零零零年十二月採納強制性公積金(「強積金」)計劃後，本集團在香港之所有員工已參與強積金計劃。根據此計劃，僱員及本集團均須向計劃作出供款，該筆供款乃按個別僱員每月基本薪金5%計算，上限為1,000港元。本集團向此計劃作出之供款將列入開支，而此計劃之資產與本集團之資產分開持有，並由獨立管理之基金另行持有。

(n) 遞延稅項

遞延稅項採用負債法就資產負債之稅基與它們在賬目之賬面值兩者之短暫時差作全數撥備。遞延稅項採用在結算日前已頒佈或實質頒佈之稅率釐定。

遞延稅項資產乃就有可能將未來應課稅溢利與可動用之短暫時差抵銷而確認。

遞延稅項乃就於附屬公司投資所產生之短暫時差而撥備，但假若本集團可以控制短暫時差之撥回，並有可能在可預見未來不會撥回則除外。

NOTES TO THE ACCOUNTS

賬目附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) BORROWINGS

Borrowings are recognised initially at fair value, net of transaction costs incurred. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability, including fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the profit and loss account over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

(p) REVENUE RECOGNITION

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

- (i) Sales of Goods
Sales of goods are recognised when a Group entity has delivered products to the customer, the customer has accepted the products and collectibility of the related receivables is reasonably assured.
- (ii) Sales of Services
Sales of services are recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

2. 主要會計政策概要 (續)

(o) 借貸

借貸初步按公平值(扣除已產生之交易成本)確認。交易成本為直接歸屬予金融資產或金融負債之購買、發行或出售之增量成本,其中包括付予代理、顧問、經紀及交易商之費用和佣金、規管機構及證券交易所之徵費,以及轉讓稅及關稅。借貸其後按攤銷成本列賬;如扣除交易成本後之所得款項及贖回價值出現差額,則於借貸期內以實際利率法在損益表內確認。

除非本集團有權無條件將債務結算日期遞延至結算日後至少十二個月,否則借貸將被劃分為流動負債。

(p) 收益確認

收益包括銷售貨品及提供服務之銷售額之公平值,並已扣除增值稅、回扣及折扣並對銷本集團內公司間之銷售。收益確認如下:

- (i) 貨品銷售
貨品銷售收益於本集團向客戶交付產品而客戶已接納產品,且有關應收款合理確定可予收回時確認。
- (ii) 服務提供
服務提供收益乃參考完成實際所提供服務佔全數將予提供服務之比例之指定交易,於提供有關服務之會計期間內確認。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) REVENUE RECOGNITION (continued)

(iii) Interest Income

Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised either as cash is collected or on a cost-recovery basis as conditions warrant.

(iv) Dividend Income

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

(q) DIVIDEND DISTRIBUTION

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's accounts in the period in which the dividends are approved by the Company's shareholders.

2. 主要會計政策概要 (續)

(p) 收益確認 (續)

(iii) 利息收入

利息收入採用實際利息法按時間比例基準確認。倘應收款項出現減值，本集團會將賬面值減至其可收回金額，即估計未來現金流按該工具之原定實際利率貼現之數額，並繼續解除貼現作為利息收入。已減值之貸款之利息收入乃於收取現金時或按收回成本基準於情況許可時確認。

(iv) 股息收入

股息收入於收取款項之權利確立時確認。

(q) 股息分派

向本公司股東作出之股息分派在有關股息獲本公司股東批准之期間，於本集團賬目內確認為負債。

NOTES TO THE ACCOUNTS

賬目附註

3. FINANCIAL RISK MANAGEMENT

3.1 FINANCIAL RISK FACTORS

The Group's major financial instruments include trade receivables, other receivables, trade payables, other payables and borrowings. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(a) CURRENCY RISK

Several subsidiaries of the Company have foreign currency trade, which expose the Group to foreign currency risk. In order to mitigate the foreign currency risk, foreign currency forward contracts are entered into in respect of highly probable foreign currency forecast transaction in accordance with the Group's risk management policies.

(b) INTEREST RATE RISK

The Group's fair value interest rate risk relates to variable-rate borrowings (see Note 26 for details of these borrowings). Besides, the Group is exposed to interest rate risk through the impact of rate changes on interest bearing bank borrowings. The interest rates and terms of repayment of bank borrowings of the Group are disclosed in note 26 respectively.

3. 財務風險管理

3.1 財務風險因素

本集團之主要財務工具包括貿易應收款項、其他應收款項、貿易應付款項、其他應付款項及借貸。該等金融工具詳情於各相關附註披露。下文載列與該等金融工具有關之風險及如何降低該等風險之政策。管理層管理及監控該等風險，以確保及時和有效地採取適當之措施。

(a) 貨幣風險

本公司若干附屬公司有以外幣計值之貿易，令本集團承受外幣風險。為降低外幣風險，本集團根據其風險管理政策就預計極可能出售之外幣訂立外幣遠期合約。

(b) 利率風險

本集團之公平值利率風險涉及以浮動利率計息之借貸（該等借貸詳情見附註26）。此外，本集團之計息銀行借貸承受利率變動風險。本集團之銀行借貸之利率及償還條款分別於附註26披露。

3. FINANCIAL RISK MANAGEMENT (continued)

3.1 FINANCIAL RISK FACTORS (continued)

(c) CREDIT RISK

The Group's maximum exposure to credit risk in the event of the counterparties failure to perform their obligations as at 31 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 responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews regularly the recoverable amount of each individual trade receivables to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

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

(d) PRICE RISK

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

3. 財務風險管理 (續)

3.1 財務風險因素 (續)

(c) 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金融資產而須承受之最大信貸風險為已於綜合資產負債表列值之資產之賬面值。為盡量降低信貸風險，本集團管理層已委派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。此外，本集團定期評估每項個別貿易應收款項之可收回金額，以確保就不可收回金額所作出之減值虧損已足夠。就此而言，本公司董事認為本集團之信貸風險已大幅降低。

本集團並無集中之信貸風險，有關風險乃分散至多個其他方及客戶。

(d) 價格風險

於各結算日，本集團之持有作買賣用途投資乃按公平值計量。因此，本集團須承受股本證券價格風險。管理層藉持有不同風險範圍之投資之組合而管理此類風險。

NOTES TO THE ACCOUNTS

賬目附註

3. FINANCIAL RISK MANAGEMENT (continued)

3.2 FAIR VALUE ESTIMATION

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

3. 財務風險管理 (續)

3.2 公平值估算

於活躍市場上交易之金融工具(如公開交易之衍生工具, 以及買賣和可供出售證券), 其公平值是按資產負債表結算日之市場報價計算。集團持有之金融資產以現行買入價作為市場報價; 金融負債則以現行賣出價作為適當市場報價。

貿易應收款項及貿易應付款項之面值減估計信貸調整被假設為與其公平值相若。披露金融負債之公平值乃根據集團同類金融工具之現行市場利率對未來合約現金流量貼現而估算。

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

4.1 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

In the process of applying the entity's accounting policies which are described in note 2, management has made the following judgements that have significant effect on the amounts recognised in the accounts. The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are also discussed below.

USEFUL LIVES OF PLANT AND EQUIPMENT

The Group's net book value of plant and equipment as at 31 December 2005 was HK\$5,025,000. The Group depreciates the plant and machinery on a straight line basis over the estimated useful life of 3 to 5 years, and after taking into account of their estimated residual value, using the straight-line method, at the rate 20% to 30% per annum, commencing from the date the equipment is placed into productive use. The estimated useful life and dates that the Group places the equipment into productive use reflects the directors' estimate of the periods that the Group intend to derive future economic benefits from the use of the Group's plant and equipment.

4. 關鍵會計估算及判斷

估算及判斷會持續作評估，並以過往經驗及其他因素為基礎，包括預期日後出現在有關情況下相信屬合理之事件。

4.1 關鍵會計估算及假設

於應用本集團之會計政策(如附註2所述)時，管理層作出下列對於賬目中已確認之數額產生重大影響之判斷。涉及日後之主要假設及於結算日估計不明朗因素之其他主要來源(彼等均擁有導致下個財政年度之資產及負債之賬面值出現大幅調整之重大風險)亦論述如下。

廠房及設備之可使用年期

本集團於二零零五年十二月三十一日之廠房及設備賬面淨值為5,025,000港元。本集團對其廠房及機器於其估計可使用年期三至五年內進行減值處理，經計及其估計剩餘價值後，採用直線法按年率20%至30%，由設備投入生產之日開始計算。估計可使用年期及本集團將設備投入生產之日期乃反映董事於該期間內之估計，即本集團計劃日後從廠房及設備之使用中可獲取之經濟利益。

NOTES TO THE ACCOUNTS

賬目附註

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

4.1 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS (continued)

PROVISION FOR IMPAIRMENT OF TRADE AND OTHER RECEIVABLES

The policy for provision for impairment of trade and other receivables of the Group is based on the evaluation of collectability and on management's judgement. A considerable amount of judgement 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.

PROVISION FOR INVENTORIES

The management of the Group reviews the marketability of inventory items at each balance sheet date, and makes allowance for obsolete and slow-moving inventory items identified that are no longer suitable for sales. The management estimates the net realisable value for such finished goods and work-in progress based primarily on the latest invoice prices and current market conditions. The Group carries out an inventory review on a product-by-product basis at each balance sheet date and makes provision for obsolete items.

INCOME TAXES

The Group is subject to income taxes in Hong Kong and People's Republic of China ("PRC"). Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

4. 關鍵會計估算及判斷 (續)

4.1 關鍵會計估算及假設 (續)

貿易及其他應收款項之減值撥備

本集團貿易及其他應收款項之減值撥備政策以可收回性評估及管理層判斷為基礎。評估該等應收款項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記錄。倘本集團客戶財務狀況日趨惡化，削弱其付款能力，則須提撥額外準備。

存貨撥備

本集團管理層於各結算日審核存貨項目之銷售前景並對確認為不再適合銷售之過時及滯銷庫存品進行撥備。管理層估計此等製成品及在製品之可變現淨值主要根據最近期之發票價格及目前市況而釐定。本集團於各結算日對每種產品進行盤點，並對過時品種作出撥備。

所得稅

本集團需繳付香港及中華人民共和國（「中國」）之所得稅。於釐定所得稅撥備時須作出重大判斷。日常業務運作過程中有大量交易及計算未能就稅項作最終釐定。本集團根據估計是否須繳付額外稅項而確認預計稅務審核事宜之負債。倘有關事宜之最終評稅結果有異於最初記錄之數額，則有關差額會影響到釐定有關數額之期間之所得稅及遞延稅項撥備。

NOTES TO THE ACCOUNTS

賬目附註

5. TURNOVER, REVENUES AND SEGMENT INFORMATION

The Group is principally engaged in the trading of construction materials, mainly water pipes and fittings. The results of operations by principal activities are summarised as follows:

5. 營業額、收益及分類資料

本集團主要從事建材(主要為喉管及管件)之貿易。按主要業務劃分之營運業績概要如下：

	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Turnover 營業額		
Sales of pipes and fittings 銷售喉管及管件	521,820	443,880
Rental income 租金收入	884	945
Sub-letting of warehouse 貨倉分租	211	410
Transportation income 運輸收入	6	25
	522,921	445,260
Other revenues 其他收益		
Interest income 利息收入	697	165
Dividend income from financial assets at fair value through profit on loss/trading securities 按公平值計入損益表之金融資產／買賣證券之股息收入	151	88
	848	253
Other income 其他收入		
Insurance compensation 保險賠償	1,499	17,395
Net exchange gains 匯兌收益淨額	1,933	1,453
Gain on disposal of property held for sale 出售持有作銷售用途物業之收益	—	4,112
Realised gain on disposal of financial assets at fair value through profit or loss 出售按公平值計入損益表之金融資產所套現之收益	488	—
Realised gain on disposal of trading securities 出售買賣證券所套現之收益	—	432
Gain on disposal of plant and equipment 出售廠房及設備之收益	277	—
Write back of provision for legal compensation 撥回法律賠償撥備	1,500	—
Others 其他	1,877	1,641
	7,574	25,033
Total revenues 收益合計	531,343	470,546

NOTES TO THE ACCOUNTS

賬目附註

5. TURNOVER, REVENUES AND SEGMENT INFORMATION

(continued)

Business segment information is not presented as the revenue, results and assets of the wholesale business represent more than 90% of the total revenue, results and assets of the Group respectively.

Geographical segment information is not shown as over 90% of the Group's turnover and operating profit are derived from Hong Kong.

6. EXPENSES BY NATURE

Expenses included in cost of sales, selling and distribution costs, administrative expenses and other operating expenses are analysed as follows:

5. 營業額、收益及分類資料 (續)

由於批發業務之收益、業績及資產佔本集團之總收益、業績及資產之90%以上，故毋須呈列業務分部資料。

由於本集團逾90%之營業額及經營溢利均源自香港，故未有呈列地區分部資料。

6. 開支性質

計入銷售成本、銷售及分銷成本、行政費用及其他經營支出之開支分析如下：

	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Charging/(crediting) 扣除／(計入)		
Auditors' remuneration 核數師酬金	518	447
Depreciation of plant and equipment 廠房及設備折舊	2,058	1,932
Employee benefit expenses (including directors' emoluments) (note 11) 員工福利開支(包括董事酬金)(附註11)	51,866	59,313
Write-off of bad debts 壞賬撇銷	65	2,687
Operating lease on land and buildings 土地及樓宇經營租約	10,467	10,234
Impairment of trade and other receivables 貿易及其他應收款項之減值	4,000	560
Provision for slow-moving inventories 滯銷存貨之撥備	2,498	920
Fair value loss on financial assets at fair value through profit or loss 就按公平值計入損益表之金融資產之估值虧損	180	—
Unrealised loss on trading securities 買賣證券之未變現虧損	—	41
Write-back of provision for impairment of trade and other receivables 撥回貿易及其他應收款項之減值撥備	—	(2,813)

NOTES TO THE ACCOUNTS

賬目附註

7. FINANCE COSTS

	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Interest on bank borrowings 銀行借貸利息	2,282	817
Others 其他	19	—
	2,301	817

7. 財務費用

8. TAXATION

Hong Kong profits tax has been provided at the rate of 17.5% (2004: 17.5%) on the estimated assessable profit for the year. Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

The amount of taxation charged to the consolidated profit and loss account represents:

8. 稅項

香港利得稅乃按照本年度估計應課稅溢利依稅率17.5%(二零零四年:17.5%)提撥準備。海外溢利稅項乃按照截至本年度之估計應課稅溢利按本集團經營業務國家之現行稅率計算。

在綜合損益表扣除之稅項包括：

	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Current taxation: 現行稅項：		
– Hong Kong profits tax 香港利得稅	8,435	9,970
– Overseas tax 海外稅項	587	—
– Over provisions in prior years 以往年度超額撥備	(135)	(54)
Deferred taxation relating to the origination and reversal of temporary differences 遞延稅項暫時差異之產生及轉回	(298)	45
Taxation charge 稅項支出	8,589	9,961

NOTES TO THE ACCOUNTS

賬目附註

8. TAXATION (continued)

The taxation on the Group's profit before taxation differs from the theoretical amount that would arise using the taxation rate of the principal place of operation of the Company as follows:

	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Profit before taxation 除稅前溢利	51,113	60,236
Calculated at a taxation rate of 17.5% (2004: 17.5%) 按稅率17.5%(二零零四年: 17.5%)計算	8,945	10,541
Effect of difference taxation rates in other countries 其他國家不同稅率之影響	275	96
Utilisation of previously unrecognised tax losses 動用先前未確認之稅項虧損	(35)	—
Unrecognised tax losses 未確認稅項虧損	35	—
Tax effect of income not subject to taxation 毋須課稅收入之稅務影響	(251)	(735)
Tax effect of expenses not deductible for taxation purposes 不可扣稅開支之稅務影響	53	68
Over provision in prior years 以往年度超額撥備	(135)	(54)
Adjustment of deferred tax (Note 25) 遞延稅項調整(附註25)	(298)	45
Taxation charge 稅項支出	8,589	9,961

9. PROFIT ATTRIBUTABLE TO SHAREHOLDERS

The profit attributable to shareholders is dealt with in the accounts of the Company to the extent of HK\$11,447,000 (2004: HK\$14,486,000).

8. 稅項 (續)

本集團除稅前溢利之稅項與使用本公司主要營業地區稅率計算之理論稅額之差額如下：

9. 股東應佔溢利

在本公司賬目內處理之股東應佔溢利為11,447,000港元(二零零四年: 14,486,000港元)。

NOTES TO THE ACCOUNTS

賬目附註

10. DIVIDENDS

10. 股息

	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Interim, paid, of HK\$0.02 (2004: HK\$0.02) per ordinary share 已派中期股息每股普通股0.02港元(二零零四年: 0.02港元)	4,837	4,837
Final, proposed, of HK\$0.03 (2004: HK\$0.03) per ordinary share 擬派末期股息每股普通股0.03港元(二零零四年: 0.03港元)	7,256	7,256

At a meeting held on 19th April 2006, the directors declared a final dividend of HK\$0.03 per ordinary share. This proposed dividend is not reflected as a dividend payable in these accounts, but will be reflected as an appropriation of retained profits for the year ending 31st December 2006.

在二零零六年四月十九日舉行之大會上，董事建議派付末期股息每股普通股0.03港元。有關之擬派股息並未在賬目內反映為應派股息，惟將會反映為截至二零零六年十二月三十一日止年度之保留溢利分派部份。

11. EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

11. 員工福利開支(包括董事酬金)

	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Wages and salaries 工資及薪金	50,541	58,337
Termination benefits 終止僱用福利	356	275
Pension costs – mandatory provident fund 退休金成本 – 強制性公積金	969	701
	51,866	59,313

NOTES TO THE ACCOUNTS

賬目附註

12. DIRECTORS' EMOLUMENTS

(a) The aggregate amounts of emoluments paid and payable to the directors of the Company during the year are as follows:

Name 姓名	Salaries, Allowances and benefits in kinds 薪金、 津貼及 實物福利		Bonus 花紅	Group's contributions to retirement scheme 退休 計劃之 集團供款	2005	2004
	Fees 袍金				Total emoluments 二零零五年 酬金總計	Total emoluments 二零零四年 酬金總計
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Tsang Chung Yin 曾仲賢	—	1,672	2,492	12	4,176	6,196
Tsang Yin 曾賢	—	2,658	2,503	12	5,173	6,954
Chan Churk Kai 陳焯佳	—	2,142	742	12	2,896	2,641
Tsang Sik Yin, Eric 曾錫賢	—	1,956	2,461	12	4,429	6,530
Tsang Ngan Chung 曾銀鐘	—	1,560	2,453	12	4,025	6,097
Ngai Chui Ling 魏翠玲	—	479	212	12	703	657
Wong Wah On, Edward 黃華安	120	—	—	—	120	120
Chan Yuk Ming 陳旭明	120	—	—	—	120	120
Wong, Samuel Kwok Kay 黃國熹	120	—	—	—	120	30
Total 2005 二零零五年總計	360	10,467	10,863	72	21,762	—
Total 2004 二零零四年總計	270	10,003	19,000	72	—	29,345

12. 董事之酬金

(a) 年內向本公司董事已付及應付予之酬金總額如下：

NOTES TO THE ACCOUNTS

賬目附註

12. DIRECTORS' EMOLUMENTS

(continued)

(a) (continued)

The emoluments of the directors fell within the following bands:

Emoluments bands 酬金組別	2005 二零零五年	2004 二零零四年
Nil to HK\$1,000,000 零至1,000,000港元	4	4
HK\$1,000,001 to HK\$1,500,000 1,000,001港元至1,500,000港元	—	—
HK\$1,500,001 to HK\$2,000,000 1,500,001港元至2,000,000港元	—	—
HK\$2,000,001 to HK\$2,500,000 2,000,001港元至2,500,000港元	—	—
Over HK\$2,500,000 2,500,000港元以上	5	5
	9	9

Emoluments paid to independent non-executive directors amounted to HK\$360,000 (2004: HK\$270,000).

12. 董事之酬金 (續)

(a) (續)

董事酬金介乎以下組別：

2005 二零零五年	2004 二零零四年
4	4
—	—
—	—
—	—
5	5
9	9

付予獨立非執行董事之酬金達360,000港元(二零零四年：270,000港元)。

NOTES TO THE ACCOUNTS

賬目附註

12. DIRECTORS' EMOLUMENTS

(continued)

- (b) The five individuals whose emoluments were the highest in the Group during the year are the directors of the Company. Details of their emoluments are reflected in the analysis presented above.
- (c) During the year, no directors waived any emoluments and no emoluments had been paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office.

13. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the Group's profit attributable to shareholders of HK\$42,524,000 (2004: HK\$50,430,000) and the weighted average of 241,854,000 shares (2004: 241,854,000 shares) in issue during the year.

Diluted earnings per share is not presented as there were no dilutive potential ordinary shares in years 2005 and 2004.

12. 董事之酬金 (續)

- (b) 年內本集團五位最高薪人士均為本公司董事。其酬金詳情反映於上述分析。
- (c) 年內並無董事放棄任何酬金，而本集團並無向董事支付酬金作為加入本集團或加入時之獎勵或作為離職補償。

13. 每股盈利

每股基本盈利乃按本集團之股東應佔溢利42,524,000港元(二零零四年：50,430,000港元)及年內已發行股份之加權平均股數241,854,000股(二零零四年：241,854,000股)計算。

由於在二零零五年及二零零四年兩個年度內並無攤薄潛在普通股，故此並無呈列該兩個年度之每股攤薄盈利。

NOTES TO THE ACCOUNTS

賬目附註

14. PLANT AND EQUIPMENT

At cost:

	Leasehold improvements 租賃物業 裝修 HK\$'000 千港元	Office furniture, fixtures and fittings 辦公室 傢俬、裝置 及設備 HK\$'000 千港元	Office equipment 文儀設備 HK\$'000 千港元	Machinery and equipment 機械及 設備 HK\$'000 千港元	Computer equipment 電腦設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 合計 HK\$'000 千港元
At 1st January 2004 二零零四年一月一日							
Cost 成本	5,375	516	88	2,329	4,437	11,075	23,820
Accumulated depreciation 累積折舊	(3,267)	(516)	(66)	(1,762)	(4,390)	(10,210)	(20,211)
Net book amount 賬面淨值	2,108	—	22	567	47	865	3,609
Year ended 31st December 2004 截至二零零四年 十二月三十一日止年度							
Opening net book amount 年初賬面淨值	2,108	—	22	567	47	865	3,609
Additions 添置	1,396	—	23	388	138	1,313	3,258
Depreciation 折舊	(604)	—	(6)	(320)	(39)	(963)	(1,932)
Net book value 賬面淨值	2,900	—	39	635	146	1,215	4,935
Year ended 31st December 2005 截至二零零五年 十二月三十一日止年度							
Opening net book amount 年初賬面淨值	2,900	—	39	635	146	1,215	4,935
Additions 添置	825	—	64	303	24	932	2,148
Depreciation 折舊	(808)	—	(11)	(395)	(43)	(801)	(2,058)
Net book value 賬面淨值	2,917	—	92	543	127	1,346	5,025
At 31st December 2005 二零零五年十二月三十一日							
Cost 成本	7,596	516	140	3,020	4,599	12,650	28,521
Accumulated depreciation 累積折舊	(4,679)	(516)	(48)	(2,477)	(4,472)	(11,304)	(23,496)
Net book amount 賬面淨值	2,917	—	92	543	127	1,346	5,025

Depreciation expense of HK\$2,058,000 (2004: HK\$1,932,000) has been expensed in administrative expenses.

14. 廠房及設備

按成本：

	Office equipment 文儀設備 HK\$'000 千港元	Machinery and equipment 機械及 設備 HK\$'000 千港元	Computer equipment 電腦設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 合計 HK\$'000 千港元
At 1st January 2004 二零零四年一月一日					
Cost 成本	88	2,329	4,437	11,075	23,820
Accumulated depreciation 累積折舊	(66)	(1,762)	(4,390)	(10,210)	(20,211)
Net book amount 賬面淨值	22	567	47	865	3,609
Year ended 31st December 2004 截至二零零四年 十二月三十一日止年度					
Opening net book amount 年初賬面淨值	22	567	47	865	3,609
Additions 添置	23	388	138	1,313	3,258
Depreciation 折舊	(6)	(320)	(39)	(963)	(1,932)
Net book value 賬面淨值	39	635	146	1,215	4,935
Year ended 31st December 2005 截至二零零五年 十二月三十一日止年度					
Opening net book amount 年初賬面淨值	39	635	146	1,215	4,935
Additions 添置	64	303	24	932	2,148
Depreciation 折舊	(11)	(395)	(43)	(801)	(2,058)
Net book value 賬面淨值	92	543	127	1,346	5,025
At 31st December 2005 二零零五年十二月三十一日					
Cost 成本	140	3,020	4,599	12,650	28,521
Accumulated depreciation 累積折舊	(48)	(2,477)	(4,472)	(11,304)	(23,496)
Net book amount 賬面淨值	92	543	127	1,346	5,025

折舊支出2,058,000港元(二零零四年：1,932,000港元)已於行政費用項下支銷。

NOTES TO THE ACCOUNTS

賬目附註

15. INVESTMENT PROPERTIES

15. 投資物業

	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Beginning of the year 年初	16,800	13,989
Fair value gains 估值收益	—	2,811
End of the year 年末	16,800	16,800

The Group's interests in investment properties at their net book values are analysed as follows:

按賬面淨值計算本集團投資物業之權益分析如下：

	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
In Hong Kong, held on: 於香港按下列年期持有：		
Leases of between 10 to 50 years 租賃期介乎10至50年	16,800	16,800

Investment properties were revalued at 31st December 2005 on the basis of their open market value by Lawson David & Sung Surveyors Limited employed by the Group, a firm of independent qualified property valuers.

本集團聘請Lawson David & Sung Surveyors Limited(一間獨立之合資格物業估值師行)按投資物業於二零零五年十二月三十一日之公開市值進行估值。

Investment properties with the carrying values of HK\$16,800,000 (2004: HK\$16,800,000) were pledged to secure the Group's banking facilities (Note 26).

賬面值為16,800,000港元(二零零四年：16,800,000港元)之投資物業已作抵押，以取得本集團之一般銀行融資(附註26)。

NOTES TO THE ACCOUNTS

賬目附註

16. INVESTMENTS IN SUBSIDIARIES

16. 於附屬公司之投資

Company	本公司	2005	2004
		二零零五年 HK\$'000 千港元	二零零四年 HK\$'000 千港元
Unlisted shares, at cost 非上市股份成本值		86,938	86,938
Due from subsidiaries 附屬公司欠款		70,301	83,621
		157,239	170,559

The amounts due from subsidiaries are unsecured, interest-free and are repayable on demand.

附屬公司欠款並無抵押，且屬免息及須於要求時償還。

Particulars of the subsidiaries are as follows:

附屬公司之詳情如下：

Company 公司	Place of incorporation and kind of legal entity 註冊成立地點及法律實體類別	Issued and fully paid-up share capital 已發行及繳足股本	Percentage of attributable equity 應佔股權百分比	Principal activities 主要業務
<i>Held directly:</i> 直接持有：				
World Trade Bun Kee (BVI) Ltd.	British Virgin Islands, limited liability company 英屬維爾京群島，有限責任公司	Ordinary shares US\$10,000 10,000美元 普通股	100%	Investment holding 投資控股
<i>Held indirectly:</i> 間接持有：				
Bun Kee (International) Limited 彬記(國際)有限公司	Hong Kong, limited liability company 香港，有限責任公司	Ordinary shares HK\$100 100港元 普通股	100%	Trading of construction materials, mainly pipes and fittings 買賣建築材料，主要為喉管及管件
		Non-voting deferred shares HK\$3,000,000 3,000,000港元 無投票權遞延股份	0%	
Hamerwind Logistic Company Limited 時風物流有限公司	Hong Kong, limited liability company 香港，有限責任公司	Ordinary shares HK\$80,000 80,000港元 普通股	100%	Provision of warehousing and logistic services 提供倉貯及物流服務

NOTES TO THE ACCOUNTS

賬目附註

16. INVESTMENTS IN SUBSIDIARIES (continued)

Company 公司	Place of incorporation and kind of legal entity 註冊成立地點及法律實體類別	Issued and fully paid-up share capital 已發行及繳足股本	Percentage of attributable equity 應佔股權百分比	Principal activities 主要業務
Hing's Godown & Transportation Company Limited 興發貨倉有限公司	Hong Kong, limited liability company 香港，有限責任公司	Ordinary shares HK\$100,000 100,000港元 普通股	100%	Provision of warehousing services 提供倉貯服務
National Link Investment Limited 紀嚴國際有限公司	Hong Kong, limited liability company 香港，有限責任公司	Ordinary shares HK\$600,000 600,000港元 普通股	100%	Provision of agency services and investment holding 提供代理服務及投資控股
Patterson Engineering Company Limited 德誠行工程有限公司	Hong Kong, limited liability company 香港，有限責任公司	Ordinary shares HK\$100,000 100,000港元 普通股	100%	Trading of construction materials, provision of agency services and property investment 買賣建材、提供代理服務及物業投資
Huge Vantage International Industrial Limited 大益國際實業有限公司	Hong Kong, limited liability company 香港，有限責任公司	Ordinary shares HK\$100,000 100,000港元 普通股	100%	Trading of sanitary products, fluorescent lamps and stainless steel products 買賣潔具產品、光管及不銹鋼產品
Bun Kee Building Material (Shanghai) Co., Ltd. 彬記建材(上海)有限公司	People's Republic of China ("PRC"), limited liability company 中華人民共和國(「中國」)，有限責任公司	Ordinary shares US\$200,000 200,000美元 普通股	100%	Trading of construction materials, mainly pipes and fittings 買賣建築材料，主要為喉管及管件

All subsidiaries carry out their business operations in Hong Kong, except for Bun Kee Building Material (Shanghai) Co., Ltd., a wholly foreign owned enterprise whose business operation is carried out in the PRC.

16. 於附屬公司之投資 (續)

除於中國營業之彬記建材(上海)有限公司(一家全外資擁有企業)外，所有附屬公司均在香港營業。

NOTES TO THE ACCOUNTS

賬目附註

17. AVAILABLE-FOR-SALE FINANCIAL ASSETS

17. 可供出售金融資產

	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Beginning of the year 年初	629	629
Additions 添置	150	—
End of the year 年末	779	629

The Group's interest in club membership is shown as available-for-sale financial assets and stated at cost less any provision for the impairment losses.

本集團之會籍權益乃列作可供出售金融資產及按成本減任何減值虧損撥備列賬。

18. INVENTORIES

18. 存貨

	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Merchandises 商品	202,588	174,636

At 31st December 2005, provision for slow-moving inventories amounted to HK\$7,440,000 (2004: HK\$4,941,000).

於二零零五年十二月三十一日，滯銷存貨之撥備為7,440,000港元（二零零四年：4,941,000港元）。

The cost of inventories recognised as expenses and included in cost of goods sold amounted to HK\$382,460,000 (2004: HK\$314,329,000).

已確認為支出並列入銷貨成本項下之存貨成本為382,460,000港元（二零零四年：314,329,000港元）。

NOTES TO THE ACCOUNTS

賬目附註

19. TRADE AND OTHER RECEIVABLES

19. 貿易及其他應收款項

	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Trade receivables 貿易應收款項	120,718	116,401
Less: provision for impairment of receivables 減：應收款項減值撥備	(5,707)	(1,746)
Trade receivables – net 貿易應收款項 – 淨額	115,011	114,655
Prepayments 預付款項	11,991	12,032
Rental deposits 租約按金	2,281	2,328
Other receivables 其他應收款項	1,940	2,625
	131,223	131,640
Less: non-current portion 減：非即期部份	(2,058)	(176)
Current Portion 即期部份	129,165	131,464

The fair values of trade and other receivables are as follows:

貿易及其他應收款項之公平值如下：

	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Trade receivables 貿易應收款項	115,011	114,655
Prepayments 預付款項	11,991	12,032
Rental deposits 租約按金	223	2,152
Other receivables 其他應收款項	1,940	2,625
	129,165	131,464

NOTES TO THE ACCOUNTS

賬目附註

19. TRADE AND OTHER RECEIVABLES (continued)

Details of the ageing analysis are as follows:

	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Current to 30 days 即期至30天	41,480	39,489
31 days to 60 days 31天至60天	31,307	35,090
61 days to 90 days 61天至90天	23,279	20,655
91 days to 120 days 91天至120天	11,309	11,279
Over 120 days 超過120天	13,343	9,888
	120,718	116,401

There is no concentration of credit risk with respect to trade receivables, as the Group has a large number of customers.

賬齡分析之詳情如下：

本集團有大量客戶，因此其貿易應收款項之信貸風險並不集中。

NOTES TO THE ACCOUNTS

賬目附註

20. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

20. 按公平值計入損益表之金融資產

	2005 二零零五年 HK\$'000 千港元
Market value of equity securities listed in Hong Kong 在香港上市之權益證券之市價	3,038

The carrying amounts of the above financial assets are classified as follows:

上述金融資產之賬面值分類如下：

	2005 二零零五年 HK\$'000 千港元
Held for trading 持有作買賣用途	160
Designated as fair value through profit or loss on initial recognition 於初步確認時劃分為按公平值計入損益表	2,878
	3,038

Changes in fair values of other financial assets at fair value through profit or loss are recorded in other gains/ (losses) in the profit and loss account.

按公平值計入損益表之其他金融資產之公平值變更記入損益表內之其他收益／(虧損)項下。

21. CASH AND CASH EQUIVALENTS

21. 現金及現金等值

	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Cash at bank and in hand 銀行及手頭現金	63,824	41,847
Short-term bank deposits 短期銀行存款	—	24,691
	63,824	66,538

The effective interest rate on short-term bank deposits was 1.95% (2004: 0.69%) these deposits have an average maturity of 24 days (2004: 32 days).

短期銀行存款之實際利率為1.95% (二零零四年：0.69%)；該等存款之到期日平均為24天 (二零零四年：32天)。

NOTES TO THE ACCOUNTS

賬目附註

22. TRADE AND OTHER PAYABLES

22. 貿易及其他應付款項

	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Trade payables 貿易應付款項	5,690	6,655
Accrued expenses and other payables 應計費用及其他應付款項	53,214	58,137
	58,904	64,792

Details of the ageing of the trade payables are as follows:

貿易應付款項賬齡分析之詳情如下：

	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Current to 30 days 即期至30天	2,680	4,772
31 days to 60 days 31天至60天	1,793	1,874
61 days to 90 days 61天至90天	1,054	—
Over 90 days 超過90天	163	9
	5,690	6,655

NOTES TO THE ACCOUNTS

賬目附註

23. SHARE CAPITAL

(a) SHARE CAPITAL

Ordinary shares of HK\$0.10 each
每股面值0.10港元之普通股

Authorised:

法定股本

At 1st January and 31st December, 2004 and 2005

於二零零四年及二零零五年

一月一日及十二月三十一日

500,000

50,000

Issued and fully paid:

已發行及繳足股本：

At 1st January, 2004 and 2005

於二零零四年及二零零五年一月一日

241,854

24,185

At 31st December, 2004 and 2005

於二零零四年及二零零五年

十二月三十一日

241,854

24,185

23. 股本

(a) 股本

Number of shares 股份數目	Nominal value 面值
'000	HK'000
千股	千港元

Ordinary shares of HK\$0.10 each
每股面值0.10港元之普通股

Authorised:

法定股本

At 1st January and 31st December, 2004 and 2005

於二零零四年及二零零五年

一月一日及十二月三十一日

500,000

50,000

Issued and fully paid:

已發行及繳足股本：

At 1st January, 2004 and 2005

於二零零四年及二零零五年一月一日

241,854

24,185

At 31st December, 2004 and 2005

於二零零四年及二零零五年

十二月三十一日

241,854

24,185

23. SHARE CAPITAL (continued)

(b) SHARE OPTIONS

- (i) Under the terms of the share option scheme (the “Scheme”) adopted by the Company on 24th June 2004, the directors of the Company are authorised at their absolute discretion, to invite any Eligible Person as defined in the Report of the Directors, to take up options to subscribe for shares in the Company. The Subscription price will be determined by the Board, but shall be at least the highest of (a) the closing price of the shares as stated in the Stock Exchange’s daily quotation sheet on the date on which the relevant options are deemed to be granted and accepted in accordance with the terms of the Scheme (the “Commencement Date”), which must be a day on which the Stock Exchange is open for the business of dealing in securities (“Trading Day”); (b) the average closing price of the shares as stated in the Stock Exchange’s daily quotation sheet for the five Trading Days immediately preceding the Commencement Date; and (c) the nominal value of the shares. A consideration of HK\$10 is payable on acceptance of the grant of an option. The maximum number of shares in respect of which options may be granted under the Scheme may not exceed 10% of the issued share capital of the Company as at the date of adoption of the Scheme. The Scheme became effective for a period of ten years commencing 24th June 2004 which is the date of adoption of the Scheme.
- (ii) No option was granted during the year. As at 31st December 2005, there are no share options outstanding.

22. 股本 (續)

(b) 購股權

- (i) 根據本公司於二零零四年六月二十四日採納之購股權計劃(「該計劃」)之條款，本公司董事獲授權全權酌情邀請任何合資格人士(見董事會報告之定義)接納可認購本公司股份之購股權。認購價將由董事會釐定，惟不得低於(a)股份於有關購股權被視為按照該計劃條款將予授出及獲接納當日(「開始日期」)(須為聯交所經營證券交易業務之營業日(「交易日」))在聯交所每日報價表所報之收市價；(b)股份於緊接開始日期前連續五個交易日在聯交所每日報價表所報之平均收市價；及(c)股份面值三者中之最高者。接納授出之購股權時，承授人須支付10港元之代價。根據該計劃授出之購股權涉及之股份最高數目，不得超過採納該計劃之日本公司已發行股本之10%為限。該計劃由二零零四年六月二十四日(採納該計劃之日)起計十年內有效。
- (ii) 年內，本公司並無授出購股權。於二零零五年十二月三十一日，亦無任何尚未行使之購股權。

NOTES TO THE ACCOUNTS

賬目附註

24. RESERVES

(a) GROUP

	Share premium 股份溢價	Capital reserve 資本儲備	Merger reserve (note (b)(i)) 合併儲備 (附註(b)(i))	Investment properties revaluation reserve 投資物業 重估儲備	Retained profits 保留溢利	Total 合計
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1st January 2004 二零零四年一月一日	29,345	34,115	3,700	—	129,731	196,891
Profit attributable to shareholders 股東應佔溢利	—	—	—	—	50,430	50,430
Surplus on revaluation of investment properties 投資物業重估盈餘	—	—	—	2,811	—	2,811
Dividends paid (note 10) 已派股息 (附註10)						
2003 final dividend 二零零三年末期股息	—	—	—	—	(7,256)	(7,256)
2004 interim dividend 二零零四年中期股息	—	—	—	—	(4,837)	(4,837)
At 31st December 2004 二零零四年十二月三十一日	29,345	34,115	3,700	2,811	168,068	238,039
Proposed final dividend (note 10) 擬派末期股息 (附註10)	—	—	—	—	(7,256)	(7,256)
	29,345	34,115	3,700	2,811	160,812	230,783
At 1st January 2005 (as previous reported) 二零零五年一月一日 (如前呈報)	29,345	34,115	3,700	2,811	168,068	238,039
Adjustment on adoption of HKAS 40 就採納香港會計準則第40號而作出之調整	—	—	—	(2,811)	2,811	—
At 1st January 2005 (as restated) 二零零五年一月一日 (如重列)	29,345	34,115	3,700	—	170,879	238,039
Profit attributable to shareholders 股東應佔溢利	—	—	—	—	42,524	42,524
Dividends paid (note 10) 已派股息 (附註10)						
2004 final dividend 二零零四年末期股息	—	—	—	—	(7,256)	(7,256)
2005 interim dividend 二零零五年中期股息	—	—	—	—	(4,837)	(4,837)
At 31st December 2005 二零零五年十二月三十一日	29,345	34,115	3,700	—	201,310	268,470
Proposed final dividend (note 10) 擬派末期股息 (附註10)	—	—	—	—	(7,256)	(7,256)
	29,345	34,115	3,700	—	194,054	261,214

24. 儲備

(a) 本集團

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24. RESERVES (continued)

(b) COMPANY

	Contributed surplus (note ii) 繳入盈餘 (附註ii) HK\$'000 千港元	Share premium 股份溢價 HK\$'000 千港元	Retained profits 保留溢利 HK\$'000 千港元	Total 合計 HK\$'000 千港元
At 1st January 2004 二零零四年一月一日	86,759	29,345	8,043	124,147
Profit attributable to shareholders 股東應佔溢利	—	—	14,486	14,486
Dividends paid (note 10) 已派股息 (附註10)				
2003 final dividend 二零零三年末期股息	—	—	(7,256)	(7,256)
2004 interim dividend 二零零四年中期股息	—	—	(4,837)	(4,837)
At 31st December 2004 二零零四年十二月三十一日	86,759	29,345	10,436	126,540
Proposed final dividend (note 10) 擬派末期股息 (附註10)	—	—	(7,256)	(7,256)
	86,759	29,345	3,180	119,284
At 1st January 2005 二零零五年一月一日	86,759	29,345	10,436	126,540
Profit attributable to shareholders 股東應佔溢利	—	—	11,447	11,447
Dividends paid (note 10) 已派股息 (附註10)				
2004 final dividend 二零零四年末期股息	—	—	(7,256)	(7,256)
2005 interim dividend 二零零五年中期股息	—	—	(4,837)	(4,837)
At 31st December 2005 二零零五年十二月三十一日	86,759	29,345	9,790	125,894
Proposed final dividend (note 10) 擬派末期股息 (附註10)	—	—	(7,256)	(7,256)
	86,759	29,345	2,534	118,638

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賬目附註

24. RESERVES (continued)

(b) COMPANY (continued)

- (i) The merger reserve of the Group arising from the group reconstruction is determined by the difference between the nominal value of shares of the subsidiaries acquired pursuant to the group reconstruction and the nominal value of the Company's shares deemed to have been issued.
- (ii) The contributed surplus of the Company represents the difference between the nominal value of the shares issued by the Company in exchange for all the issued ordinary shares of World Trade Bun Kee (BVI) Ltd. and the value of net assets of the underlying subsidiaries acquired by the Company on 22nd November 2000. Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus is distributable to the shareholders, subject to a solvency test. At the group level, the contributed surplus is reclassified into its component of reserves of the underlying subsidiaries.
- (iii) At 31st December 2005, reserves of the Company available for distribution, including the contributed surplus, amounted to HK\$96,549,000 (2004: HK\$97,195,000).

25. DEFERRED TAXATION

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

The movement on the deferred tax liabilities/(assets) account is as follows:

	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
At 1st January 於一月一日	(918)	(963)
Deferred taxation (credited)/charged to profit and loss account (Note 8) 於損益表中(計入)/扣除之遞延稅項(附註8)	(298)	45
At 31st December 於十二月三十一日	(1,216)	(918)

24. 儲備(續)

(b) 本公司(續)

- (i) 因集團重組而帶來之本集團合併儲備，乃按集團重組購入之附屬公司股份面值與視作已發行之本公司股份面值間之差額而釐定。
- (ii) 本公司之繳入盈餘乃指本公司為換取World Trade Bun Kee (BVI) Ltd.全部已發行普通股而發行之股份面值與本公司所收購有關附屬公司於二零零零年十一月二十二日之資產淨值兩者間之差額。根據百慕達一九八一年公司法(經修訂)，繳入盈餘在符合有關無力償還債務之測試之情況下，可供分派予股東。在集團之賬目上，繳入盈餘重新分類為各有關附屬公司之儲備組成部分。
- (iii) 於二零零五年十二月三十一日，可作為分派之本公司儲備(包括繳入盈餘)達96,549,000港元(二零零四年：97,195,000港元)。

25. 遞延稅項

遞延稅項乃按主要稅率17.5%(二零零四年：17.5%)以負債法就暫時差異作全數撥備。

遞延稅項負債/(資產)賬之變動如下：

NOTES TO THE ACCOUNTS

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25. DEFERRED TAXATION (continued)

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

Deferred tax assets 遞延稅項資產

	Accelerated tax depreciation 加速稅項折舊		Provisions 撥備		Total 合計	
	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
At 1st January 於一月一日	(259)	(259)	(704)	(704)	(963)	(963)
Charged/(credited) to profit and loss account 扣除自/(計入)損益表	170	-	(598)	-	(428)	-
At 31st December 於十二月三十一日	(89)	(259)	(1,302)	(704)	(1,391)	(963)

Deferred tax liabilities 遞延稅項負債

	Accelerated tax depreciat 加速稅項折舊	
	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
As 1st January 於一月一日	45	-
Charged to profit and loss account 扣除自損益表	130	45
As at 31st December 於十二月三十一日	175	45
Deferred tax assets 遞延稅項資產	(1,391)	(963)
Deferred tax liabilities 遞延稅項負債	175	45
	(1,216)	(918)

25. 遞延稅項 (續)

遞延稅項資產(在同一徵稅地區之結餘抵銷前)於年內之變動如下:

NOTES TO THE ACCOUNTS

賬目附註

26. BORROWINGS

26. 借貸

	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Non-current 非即期		
Bank borrowings 銀行借貸	—	1,667
	—	1,667
Current 即期		
Bank borrowings 銀行借貸	1,686	1,333
Trust receipt loans 信託收據貸款	70,408	63,723
	72,094	65,056
Total borrowings 總借貸	72,094	66,723

The borrowings of the Group are in Hong Kong dollars and interest is payable at a floating rate. The average effective interest rate per annum of the borrowings at 31st December 2005 was 5.18% (2004: 1.65%).

The Group had aggregate banking facilities of approximately HK\$284,125,000 as at 31st December 2005 (2004: HK\$239,125,000) for overdrafts, term loans and other trade finance facilities. Banking facilities utilised as at 31st December 2005 amounted to approximately HK\$93,577,000 (2004: HK\$84,801,000). The banking facilities were secured by corporate guarantees from the Company, and investment properties with carrying values of approximately HK\$16,800,000.

本集團之借貸以港元為單位及按浮動利率計息。於二零零五年十二月三十一日，借貸之平均實際年利率為5.18%（二零零四年：1.65%）。

於二零零五年十二月三十一日，本集團之銀行融資共約284,125,000港元（二零零四年：239,125,000港元），其中包括透支、有期貨款及其他貿易融資。於二零零五年十二月三十一日，已動用之銀行融資約達93,577,000港元（二零零四年：84,801,000港元）。銀行融資由本公司提供的公司擔保及賬面值約16,800,000港元的投資物業作抵押。

NOTES TO THE ACCOUNTS

賬目附註

26. BORROWINGS (continued)

At 31st December 2005, the bank loan was secured by the investment properties.

The analysis of the above is as follows:

有關以上貸款之分析如下：

Wholly repayable within one year 須於一年內全數償還	72,094	65,056
More than two years, but not exceeding five years 兩年以上但不超過五年	—	1,667
	72,094	66,723

26. 借貸 (續)

於二零零五年十二月三十一日，本集團之銀行貸款以投資物業作抵押。

2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
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NOTES TO THE ACCOUNTS

賬目附註

27. CONSOLIDATED CASH FLOW STATEMENT

(a) Reconciliation of profit for the year to cash generated from operations:

	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Profit for the year 年度溢利	42,524	50,275
Adjustment for: 就以下項目作出調整：		
– Taxation 稅項	8,589	9,961
– Depreciation of plant and equipment 廠房及設備之折舊	2,058	1,932
– Gain on disposal of plant and equipment 出售廠房及設備之收益	(277)	–
– Gain on disposal of property held for sales 出售持有作銷售物業之收益	–	(4,112)
– Write back of provision for legal compensation 撥回法律賠償撥備	(1,500)	–
– Unrealised loss on trading securities 買賣證券之未變現虧損	–	41
– Fair value loss on financial assets at fair value through profit or loss 就按公平值計入損益表之金融資產之估值虧損	180	–
– Realised gain on disposal of financial assets at fair value through profit or loss 出售按公平值計入損益表之金融資產所套現之收益	(488)	–
– Realised gain on disposal of trading securities 出售買賣證券所套現之收益	–	(432)
– Interest income 利息收入	(697)	(165)
– Dividend income from financial assets at fair value through profit or loss/trading securities 按公平值計入損益表之金融資產／買賣證券之股息收入	(151)	(88)
– Interest expenses 利息支出	2,301	817
Change in working capital 營運資金變動		
– Increase in inventories 存貨增加	(27,922)	(31,203)
– Decrease/(increase) in trade and other receivables 貿易及其他應收款項減少／(增加)	417	(22,292)
– (Decrease)/increase in trade and other payables 貿易及其他應付款項(減少)／增加	(4,388)	16,654
Cash generated from operations 經營業務之現金流入	20,646	21,388

27. 綜合現金流量表

(a) 年度溢利與經營活動產生之現金流入之對賬：

NOTES TO THE ACCOUNTS

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27. CONSOLIDATED CASH FLOW STATEMENT *(continued)*

- (a) Reconciliation of profit for the year to cash generated from operations *(continued)*

In the cash flow statement, proceeds from sales of plant and equipment comprise:

	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Net book amount 賬面淨值	—	—
Gain on disposal of plant and equipment 出售廠房及設備之收益	277	—
Proceeds from disposal of plant and equipment 出售廠房及設備之所得款項	277	—

- (b) Analysis of changes in financing during the year:

	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
At 1st January 於一月一日	3,000	4,290
New bank loan raised 新籌集銀行貸款	—	4,000
Repayment of bank loans 償還銀行貸款	(1,314)	(5,290)
At 31st December 於十二月三十一日	1,686	3,000

27. 綜合現金流量表 (續)

- (a) 年度溢利與經營活動產生之現金流入之對賬 (續)

於現金流量表內，銷售廠房及設備之所得款項包括：

	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
賬面淨值	—	—
出售廠房及設備之收益	277	—
出售廠房及設備之所得款項	277	—

- (b) 年度內之融資變動分析：

	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
於一月一日	3,000	4,290
新籌集銀行貸款	—	4,000
償還銀行貸款	(1,314)	(5,290)
於十二月三十一日	1,686	3,000

NOTES TO THE ACCOUNTS

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28. OPERATING LEASES

(a) AS LESSEE

At 31st December 2005, the Group had future aggregate minimum lease payments under non-cancellable operating leases in respect of land and buildings as follows:

	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Not later than one year 一年內	13,726	8,381
Later than one year and not later than five years 第二至第五年 (包括首尾兩年)	10,875	709
	24,601	9,090

(b) AS LESSOR

At 31st December 2005, the Group had future aggregate minimum lease receivables under non-cancellable operating leases in respect of its investment properties as follows:

	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Not later than one year 一年內	960	756
Later than one year and not later than five years 第二至第五年 (包括首尾兩年)	760	—
	1,720	756

28. 經營租約

(a) 作為承租人

於二零零五年十二月三十一日，本集團根據土地及樓宇不可撤銷經營租約之日後最低租金總額如下：

	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Not later than one year 一年內	13,726	8,381
Later than one year and not later than five years 第二至第五年 (包括首尾兩年)	10,875	709
	24,601	9,090

(b) 作為出租人

於二零零五年十二月三十一日，本集團根據投資物業不可撤銷經營租約之日後最低應收租賃賬款總額如下：

	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Not later than one year 一年內	960	756
Later than one year and not later than five years 第二至第五年 (包括首尾兩年)	760	—
	1,720	756

NOTES TO THE ACCOUNTS

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29. COMMITMENT

There was no outstanding forward exchange contract at 31st December 2005 and 31st December 2004.

30. PENDING LITIGATION

Bun Kee (International) Limited was cited as a defendant in an action brought by a customer. The Group has filed a statement of defence. The sum included in the claim amounted to approximately HK\$645,000 plus other related costs. No further action has been taken by the customer since November 1999. The directors are of the opinion that the Group is unlikely to suffer any losses from the claim and no provision is considered necessary.

31. RELATED PARTY TRANSACTIONS

During the year, the Group had the following significant transactions with related parties:

(a) Rental expenses paid to:
租賃開支支付予：

Bun Kee (H.K.) Limited
彬記(香港)有限公司
Bun Kee (China) Limited
彬記(中國)有限公司
Powerful Agents Limited

29. 承擔

於二零零五年十二月三十一日及二零零四年十二月三十一日，本集團概無尚未履行之遠期外匯合約。

30. 待決訴訟

彬記(國際)有限公司被傳訊為一客戶提出之訴訟之被告。本集團已呈遞答辯書。索賠之款項約為645,000港元另加其他相關費用。自一九九九年十一月起，該客戶並無採取進一步行動。董事認為本集團不會因該索賠蒙受任何損失，故並無需要作出撥備。

31. 關連人士交易

於年內，本集團與關連人士曾進行下列重大交易：

<i>Note</i> 附註	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
(i) & (ii)	3,266	2,993
(i) & (ii)	1,320	1,284
(i) & (ii)	3,925	3,604

(i) These companies are beneficially owned and controlled by certain directors of the Company. Rentals were paid to these companies for leasing office premises, retail outlets and warehouses of the Group.

(ii) Rental agreements were entered into between the Group and Bun Kee (H.K.) Limited, Bun Kee (China) Limited and Powerful Agents Limited under which these properties were rented to the Group based on market rates as determined by a firm of independent property valuers.

(i) 該等公司由本公司若干董事實益擁有及控制。為租賃本集團之辦公室、零售店及貨倉，本公司向該等公司支付租金。

(ii) 本集團與彬記(香港)有限公司、彬記(中國)有限公司及 Powerful Agents Limited 訂立租約，有關物業按獨立物業估值師行釐定之市場租金租予本集團。

NOTES TO THE ACCOUNTS

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31. RELATED PARTY TRANSACTIONS (continued)

(b) Key management compensation

	2005 二零零五年	2004 二零零四年
Salaries and other short-term employee benefits 薪金及其他短期僱員福利	23,781	31,151
Pension costs – mandatory provident fund 退休金成本 – 強制性公積金	108	108
	23,889	31,259

There were no year-end balance arising from rental expense payables from related parties for the year end 2005 and 2004.

31. 關連人士交易 (續)

(b) 主要管理人員補償

於二零零五年及二零零四年末，並無來自關連人士應付租金所產生之年終結餘。

32. ULTIMATE HOLDING COMPANY

The Directors regard On Top Industrial Limited, a company incorporated in the British Virgin Islands, as being the ultimate holding company.

33. APPROVAL OF ACCOUNTS

The accounts were approved by the board of directors on 19th April 2006.

32. 最終控股公司

董事視於英屬維爾京群島註冊成立之公司 – On Top Industrial Limited 為最終控股公司。

33. 賬目批核

董事會已於二零零六年四月十九日批核賬目。