

# Notes to the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)  
(除另有註明者外，以港元為單位)

## 1. Significant accounting policies

### (a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. A summary of the significant accounting policies adopted by the group is set out below.

The HKICPA has issued a number of new and revised HKFRSs that are effective or available for early adoption for accounting periods beginning on or after 1 January 2005. Information on the changes in accounting policies resulting from initial application of these new and revised HKFRSs for the current and prior accounting periods reflected in these financial statements is provided in note 2.

### (b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2005 comprise the company and its subsidiaries (together referred to as the “group”) and the group’s interest in associates.

## 1. 主要會計政策

### (a) 遵例聲明

本財務報表是按照香港會計師公會（「香港會計師公會」）頒佈的所有適用的《香港財務報告準則》（「香港財務報告準則」）（該詞泛指包括所有適用的個別《香港財務報告準則》、《香港會計準則》（「香港會計準則」）及詮釋）、香港公認會計原則及香港《公司條例》的規定編製。本財務報表同時符合適用的《香港聯合交易所有限公司證券上市規則》披露規定。以下是本集團採用的主要會計政策概要。

香港會計師公會已頒佈多項新增及修訂的《香港財務報告準則》，並於二零零五年一月一日或以後開展的會計期間正式生效或提前採納。按本財務報表所反映，於當期及過往會計期間首次應用該等新增及修訂的財務報告準則產生的會計政策變動的資料，載於附註2。

### (b) 財務報表的編製基準

截至二零零五年十二月三十一日止年度的綜合財務報表，包括本公司及其附屬公司（統稱「本集團」），以及本集團於聯營公司的權益。

# Notes to

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### 1. Significant accounting policies

(Continued)

#### (b) Basis of preparation of the financial statements (Continued)

The consolidated financial statements are presented in Hong Kong dollars, which is different from the company's functional currency of United States dollars. The company has used Hong Kong dollars as its presentation currency, in view of the fact that the company's shares are listed on The Stock Exchange of Hong Kong Limited and that the exchange rate of United States dollars and Hong Kong dollars has been relatively stable.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

- financial instruments classified as available-for-sale securities (see note 1(f)); and
- derivative financial instruments (see note 1(g)).

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

### 1. 主要會計政策 (續)

#### (b) 財務報表的編製基準 (續)

綜合財務報表以港元呈列，但本公司的功能貨幣為美元。基於本公司股份在香港聯合交易所有限公司上市，而美元兌港元的匯率亦相對穩定，本公司採納港元作為其呈報貨幣。

除根據下文載列的會計政策所闡釋之下列資產及負債乃按公允價值列賬外，本財務報表是以歷史成本作為編製基準：

- 分類作待售證券的財務工具(見附註1(f))；及
- 衍生財務工具(見附註1(g))。

編製此等符合香港財務報告準則的財務報表需要管理層作出判斷、估計及假設，而該等判斷、估計及假設會影響政策的應用及所申報的資產及負債、收入及開支等數額。該等估計及有關假設乃根據過往經驗及管理層相信於該等情況下乃屬合理的各項其他因素為基準而作出，所得結果構成管理層就目前未能從其他來源而得出的資產及負債的賬面值所作出估計的基準。實際數字或會有別於估計數字。

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## 1. Significant accounting policies

(Continued)

### (b) Basis of preparation of the financial statements (Continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 35.

### (c) Subsidiaries and controlled entities

A subsidiary, in accordance with the Hong Kong Companies Ordinance, is a company in which the group, directly or indirectly, holds more than half of the issued share capital or controls more than half the voting power or controls the composition of the board of directors. Subsidiaries are considered to be controlled if the company has the power, directly or indirectly, to govern the financial and operating policies, so as to obtain benefits from their activities.

An investment in a controlled subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases.

## 1. 主要會計政策 (續)

### (b) 財務報表的編製基準 (續)

本集團持續就所作估計及相關假設作出評估。會計估計的變動如僅影響當期，則有關會計估計變動將於當期確認。如該項會計估計變動影響當期及以後期間，則有關會計估計變動將於當期及以後期間確認。

管理層在應用《香港財務報告準則》時作出的判斷，如對本財務報表有重大影響及估計會在下一年度調整的重大風險，已於附註35披露。

### (c) 附屬公司及受控制企業

按照香港《公司條例》規定，附屬公司是指本集團直接或間接持有其過半數已發行股本，或控制其過半數投票權，或控制其董事會組成的公司。當本公司有權直接或間接支配附屬公司的財務及經營政策，並藉此從其活動中取得利益，則這些附屬公司將視為受本公司控制。

集團於受控制附屬公司的投資自控制開始日期起在綜合財務報表中合併計算，直至控制結束日期為止。

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### 1. Significant accounting policies

(Continued)

#### (c) Subsidiaries and controlled entities

(Continued)

Intra-group balances and transactions and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Minority interests at the balance sheet date, being the portion of the net assets of subsidiaries attributable to equity interests that are not owned by the company, whether directly or indirectly through subsidiaries, are presented in the consolidated balance sheet and statement of changes in equity within equity, separately from equity attributable to the equity shareholders of the company. Minority interests in the results of the group are presented on the face of the consolidated income statement as an allocation of the total profit or loss for the year between minority interests and the equity shareholders of the company.

Where losses applicable to the minority exceed the minority's interest in the equity of a subsidiary, the excess, and any further losses applicable to the minority, are charged against the group's interest except to the extent that the minority has a binding obligation to, and is able to, make additional investment to cover the losses. If the subsidiary subsequently reports profits, the group's interest is allocated all such profits until the minority's share of losses previously absorbed by the group has been recovered.

### 1. 主要會計政策 (續)

#### (c) 附屬公司及受控制企業

(續)

集團內部往來的餘額和集團內部交易及其產生的未變現溢利，均在編製綜合財務報表時全數抵銷。集團內部交易所產生的未變現虧損的抵銷方法與未變現溢利相同，但抵銷額只限於沒有證據顯示已轉讓資產已出現減值。

於結算日的少數股東權益是指並非由本公司直接或透過附屬公司間接擁有的股權所佔附屬公司淨資產的部份；少數股東權益在合併資產負債表及權益變動表的權益項目內區別於本公司股東應佔權益而單獨列示。少數股東應佔溢利作為本年度溢利或虧損在少數股東及本公司股東之間的分配，於綜合損益表內列示。

如果少數股東應佔的虧損超過其所佔附屬公司淨資產的權益，超過部分和任何歸屬於少數股東的進一步虧損便會沖減本集團所佔權益，但如少數股東須承擔具有約束力的義務並有能力增加投資彌補虧損則除外。附屬公司的所有其後溢利均會分配予本集團，直至本集團收回以往承擔的少數股東應佔虧損為止。

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## 1. Significant accounting policies

(Continued)

### (c) Subsidiaries and controlled entities

(Continued)

In the company's balance sheet, an investment in a subsidiary is stated at cost less impairment losses (see note 1(k)).

### (d) Associates

An associate is an entity in which the group or company has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

An investment in an associate is accounted for in the consolidated financial statements under the equity method and is initially recorded at cost and adjusted thereafter for the post acquisition change in the group's share of the associate's net assets. The consolidated income statement includes the group's share of the post-acquisition, post-tax results of the associates for the year, including any impairment loss on goodwill relating to the investment in associates recognised for the year (see notes 1(e) and (k)).

When the group's share of losses exceeds its interest in the associate, the group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the group has incurred legal or constructive obligations or made payments on behalf of the associate. For this purpose, the group's interest in the associate is the carrying amount of the investment under the equity method together with the group's long-term interests that in substance form part of the group's net investment in the associate.

## 1. 主要會計政策 (續)

### (c) 附屬公司及受控制企業

(續)

本公司資產負債表所示於附屬公司的投資，是按成本減去任何減值虧損（見附註1(k)）後入賬。

### (d) 聯營公司

聯營公司是指本集團或本公司可以對其發揮重大影響力，但不是控制或聯合控制其管理層的實體；所謂發揮重大影響力包括參與其財務及經營政策。

於聯營公司的投資是按權益法記入綜合財務報表，並且先以成本列賬，然後就本集團佔該聯營公司淨資產在收購後的變動作出調整。綜合損益表包括年內本集團所佔聯營公司於收購後的稅後業績，包括本年度確認有關於聯營公司投資的商譽減值虧損（見附註1(e)及1(k)）。

當本集團對聯營公司虧損的承擔額超出本集團於該聯營公司的權益時，本集團的權益將會減至零，並且不再確認其他虧損；但如本集團須向該聯營公司承擔法定或推定義務，或代該聯營公司付款則除外。因此，本集團於聯營公司的權益是按權益法投資的賬面金額及本集團的長期權益，等同本集團實質上於聯營公司的淨投資。

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### 1. Significant accounting policies

(Continued)

#### (d) Associates (Continued)

Unrealised profits and losses resulting from transactions between the group and its associates are eliminated to the extent of the group's interest in the associate, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

In the company's balance sheet, its investments in associates are stated at cost less impairment losses (see note 1(k)).

#### (e) Goodwill

Goodwill represents the excess of the cost of a business combination or an investment in an associate over the group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities.

Goodwill is stated at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units and is tested annually for impairment (see note 1(k)). In respect of associates, the carrying amount of goodwill is included in the carrying amount of the interest in the associate.

Any excess of the group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of a business combination or an investment in an associate is recognised immediately in profit or loss.

On disposal of a cash generating unit or an associate during the year, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

### 1. 主要會計政策 (續)

#### (d) 聯營公司 (續)

本集團與聯營公司之間交易所產生的未實現損益，均按本集團於聯營公司所佔的權益抵銷為限；但假如未實現虧損顯示已轉讓資產出現減值，則這些未實現虧損會即時在損益表內確認。

在本公司資產負債表中，於聯營公司的投資以成本減減值虧損（見附註1(k)）列示。

#### (e) 商譽

商譽是指企業合併成本或於聯營公司投資超過本集團佔被收購者的可認定資產、負債及或有負債淨公允價值的數額。

商譽是以成本減累計減值虧損後列示。商譽將分配給現金產生單位及每年進行減值測試（見附註1(k)）。對於聯營公司，商譽的賬面金額包括於聯營公司的權益的賬面金額。

任何企業合併成本或於聯營公司的投資少於本集團佔被收購者的可認定資產、負債及或有負債的淨公允價值會即時在損益表確認。

如在年內出售現金產生單位或聯營公司，任何應佔購入商譽的金額均應包含在計算出售的損益內。

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## 1. Significant accounting policies

(Continued)

### (f) Other investments in debt and equity securities

The group's and the company's policies for investments in debt and equity securities, other than investments in subsidiaries and associates, are as follows:

Non-current bank deposits are initially recognised in the balance sheet at fair value plus transaction costs. Subsequently, they are stated in the balance sheet at amortised cost less impairment losses (see note 1(k)).

Investments in equity securities that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are recognised in the balance sheet at cost less impairment losses (see note 1(k)).

Other investments in securities are classified as available-for-sale securities and are initially recognised at fair value plus transaction costs. At each balance sheet date the fair value is remeasured, with any resultant gain or loss being recognised directly in equity, except for impairment losses (see note 1(k)) and, in the case of monetary items such as debt securities, foreign exchange gains and losses which are recognised directly in profit or loss. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in profit or loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss.

## 1. 主要會計政策 (續)

### (f) 其他債券及股本證券投資

本集團及本公司有關債券及股本證券投資(於附屬公司及聯營公司的投資除外)的政策如下：

非即期銀行存款首先是以公允價值加交易成本於資產負債表確認。隨後會以攤銷成本減減值虧損(見附註1(k))於資產負債表列示。

當證券無法在活躍市場取得報列市價，而且不能可靠地計量公允價值時，這些投資便會以成本減去減值虧損(見附註1(k))後在資產負債表確認。

其他證券投資歸類為待售證券及首先以公允價值加交易成本列賬。公允價值會於每個結算日重計，任何衍生的收益或虧損會直接確認於權益，唯減值虧損(見附註1(k))除外。另外，貨幣性項目如債券和匯兌損益則直接確認為損益。如該投資是帶息的，計算的利息應按有效利息方法並確認在損益。如該投資已停止確認，以前在直接權益中確認的累積損益會確認為損益。

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### 1. Significant accounting policies

(Continued)

#### (f) Other investments in debt and equity securities (Continued)

Investments are recognised/derecognised on the date the group and/or the company commits to purchase/sell the investments or they expire.

#### (g) Derivative financial instruments

Derivative financial instruments are recognised initially at fair value. At each balance sheet date the fair value is remeasured. The gain or loss on remeasurement to fair value is charged immediately to profit or loss.

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

Property, plant and equipment are stated in the balance sheet at cost less accumulated depreciation and impairment losses (see note 1(k)).

The cost of self-constructed items of property, plant and equipment includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads and borrowing costs (see note 1(v)).

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

### 1. 主要會計政策 (續)

#### (f) 其他債券及股本證券投資 (續)

投資會於本集團及／或本公司正式購買／出售該投資或到期當日確認／停止確認。

#### (g) 衍生財務工具

衍生財務工具首先以公允價值列賬。公允價值會於每個結算日重計。由於重計導致的公允價值變化而產生的盈虧會即時計入損益。

#### (h) 物業、工業裝置及設備

物業、工業裝置及設備以成本減去累計折舊及減值虧損(見附註1(k))後記入資產負債表。

自行建設的物業、工業裝置及設備項目的成本包括原料成本、直接工資、分拆費用和搬移項目及回復該地方的面貌的費用初期估算(如適用)，以及恰當比例的生產間接成本及借款費用(見附註1(v))。

報廢或出售物業、工業裝置及設備項目所帶來的收益或虧損，將按該項目的出售所得款項淨額與賬面值之間的差額釐定，並於報廢或出售當日在損益表內確認。





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### 1. Significant accounting policies

(Continued)

#### (i) Intangible assets

Club memberships with indefinite useful lives are stated in the balance sheet at cost less accumulated impairment losses, and are tested annually for impairment (see note 1(k)).

#### (j) Leased assets

##### (i) Classification of assets leased to the group

Leases which do not transfer substantially all the risks and rewards of ownership to the group are classified as operating leases.

##### (ii) Operating lease charges

Where the group has the use of assets held under operating leases, payments made under the leases are charged to profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

The cost of acquiring land held under an operating lease is amortised on a straight-line basis over the period of the lease term.

### 1. 主要會計政策 (續)

#### (i) 無形資產

不設可使用年限的會所會籍按成本值減累計減值虧損於資產負債表列賬並每年測試是否出現減值(見附註1(k))。

#### (j) 租賃資產

##### (i) 租賃予本集團的資產的分類

不會轉移絕大部份擁有權的風險及利益予本集團的租賃乃分類為經營租賃。

##### (ii) 經營租賃費用

如本集團有權使用根據經營租賃持有的資產，則根據租賃作出的付款會在租賃期所涵蓋的會計期間內，以等額在損益表列作費用；但如有其他基準能更清楚地反映租賃資產所產生的收益模式則除外。經營租賃協議所涉及的獎勵措施均會在損益表中確認為租賃淨付款總額的組成部份。或然租金於產生的會計期間在損益表扣減。

根據經營租賃持有的土地的收購成本乃於租約期內以直線法攤銷。

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)

(除另有註明者外，以港元為單位)

## 1. Significant accounting policies

(Continued)

**(k) Impairment of assets****(i) Impairment of investments in debt and equity securities and other receivables**

Investments in debt and equity securities and other current and non-current receivables that are stated at cost or amortised cost or are classified as available-for-sale securities are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. If any such evidence exists, any impairment loss is determined and recognised as follows:

- For unquoted equity securities and current receivables that are carried at cost, the impairment loss is measured as the difference between the carrying amount of the financial asset and the estimated future cash flows, discounted at the current market rate of return for a similar financial asset where the effect of discounting is material. Impairment losses for current receivables are reversed if in a subsequent period the amount of the impairment loss decreases. Impairment losses for equity securities are not reversed.
- For financial assets carried at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets).

## 1. 主要會計政策 (續)

**(k) 資產減值****(i) 債務及股本證券投資及其他應收款的減值**

按成本值或攤銷成本列賬，或列入待售證券的債務及股本證券投資及其他即期及非即期應收款，會於各個結算日進行檢討，以判斷有否存在客觀減值證據。如存在任何上述證據，則會釐定及確認減值虧損如下：

- 就按成本值列賬的無市場報價股本證券及即期應收款而言，減值虧損按財務資產的賬面值與按類似財務資產的現行市場回報率貼現（如貼現影響重大）估計的未來現金流量的差額計算。倘於其後期間減值虧損的金額減少，則即期應收款的減值虧損可予撥回。股本證券的減值虧損概不會撥回。
- 就按攤銷成本列賬的財務資產而言，減值虧損按資產的賬面值與按財務資產最初的實際利率（即此等資產最初確認時計算所得的實際利率）估計的未來現金流量現值的差額計算。

# Notes to

## the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)

(除另有註明者外，以港元為單位)

### 1. Significant accounting policies

(Continued)

#### (k) Impairment of assets (Continued)

##### (i) Impairment of investments in debt and equity securities and other receivables

(Continued)

- If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.
  
- For available-for-sale securities, the cumulative loss that had been recognised directly in equity is removed from equity and is recognised in profit or loss. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that asset previously recognised in profit or loss.

Impairment losses recognised in profit or loss in respect of available-for-sale equity securities are not reversed through profit or loss. Any subsequent increase in the fair value of such assets is recognised directly in equity.

### 1. 主要會計政策 (續)

#### (k) 資產減值 (續)

##### (i) 債務及股本證券投資及其他應收款的減值 (續)

- 倘於其後期間減值虧損金額有所減少，並可客觀地與確認減值虧損後發生的事件有關連，有關減值虧損會撥回損益表。惟撥回減值虧損不可導致資產賬面值高於假設沒有在往年確認減值虧損則應已釐定的資產賬面值。
  
- 就待售證券而言，早前直接於權益內確認的任何累計虧損須從權益內轉回，並在損益表內確認。在損益表內確認的累計虧損為收購成本（已扣除任何本金還款及攤銷）與現行公允值兩者的差額，減去早前已在損益表內就該資產確認的任何減值虧損。

已於損益表確認的待售股本證券的減值虧損並不能轉回損益表。其後該資產公允值的任何增加須直接在權益內確認。

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(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)  
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## 1. Significant accounting policies

(Continued)

### (k) Impairment of assets (Continued)

#### (i) Impairment of investments in debt and equity securities and other receivables

(Continued)

Impairment losses in respect of available-for-sale debt securities are reversed if the subsequent increase in fair value can be objectively related to an event occurring after the impairment loss was recognised. Reversals of impairment losses in such circumstances are recognised in profit or loss.

#### (ii) Impairment of other assets

Internal and external sources of information are reviewed at each balance sheet date to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment;
- pre-paid interests in leasehold land classified as being held under an operating lease;
- intangible assets;
- investments in subsidiaries and associates; and
- goodwill.

## 1. 主要會計政策 (續)

### (k) 資產減值 (續)

#### (i) 債務及股本證券投資及其他應收款的減值 (續)

倘若待售債務證券的公允值其後的增加客觀上可聯繫至一宗發生在確認減值虧損後的事件，該債務證券的減值虧損即予轉回。此等情況下的減值虧損轉回於損益表確認。

#### (ii) 其他資產的減值

本集團於每個結算日對內部及外界資訊進行評估，以決定是否有任何跡象顯示下列資產可能出現減值虧損，或有任何跡象顯示過往已確認的減值虧損不再存在或已經減少：

- 物業、工業裝置及設備；
- 列作按經營租賃持有的租賃土地預付權益；
- 無形資產；
- 於附屬公司及聯營公司的投資；及
- 商譽。

# Notes to the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)  
(除另有註明者外，以港元為單位)

## 1. Significant accounting policies

(Continued)

### (k) Impairment of assets (Continued)

#### (ii) Impairment of other assets (Continued)

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, intangible assets that are not yet available for use and intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment.

– *Calculation of recoverable amount*

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

## 1. 主要會計政策 (續)

### (k) 資產減值 (續)

#### (ii) 其他資產的減值 (續)

倘出現上述任何減值跡象，則該資產的可收回金額須予以評估。此外，就商譽、尚未可使用的無形資產及並無特定可用年限的無形資產而言，其可收回數額會每年估計（不論有否出現減值跡象）。

– *計算可收回金額*

資產的可收回金額按其銷售淨售價與使用價值的較高者釐定。在評估使用價值時，會採用反映當時市場對貨幣的時間值及資產特定風險評估的稅前貼現率，將估計未來現金流量貼現至現值。倘資產的現金流入基本上不能獨立於其他資產的現金流入時，則須就可獨立地產生現金流入的最小資產組合（即一個現金產生單位）確定可收回金額。

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)

(除另有註明者外，以港元為單位)

## 1. Significant accounting policies

(Continued)

## (k) Impairment of assets (Continued)

## (ii) Impairment of other assets (Continued)

## - Recognition of impairment losses

An impairment loss is recognised in profit or loss whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs to sell, or value in use, if determinable.

## - Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

## 1. 主要會計政策 (續)

## (k) 資產減值 (續)

## (ii) 其他資產的減值 (續)

## - 確認減值虧損

當資產或其所屬的現金產生單位的賬面金額高於其可收回金額時，便會在損益表中確認減值虧損。確認的減值虧損會首先減少該現金產生單位（或一組單位）商譽的賬面金額，然後按比例減少該單位（或一組單位）中其他資產的賬面金額，但減值不會使個別資產的賬面金額減至低於其可計量的公允價值減銷售成本，或其使用價值。

## - 減值虧損轉回

除商譽外，倘用以釐定可收回金額的估計數據出現有利變動，則有關資產的減值虧損須予以轉回。

減值虧損轉回僅以該等減值虧損從未於過往年度確認時所釐定的資產賬面值為限。減值虧損轉回於確認轉回的年度計入損益表。

# Notes to

## the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)

(除另有註明者外，以港元為單位)

### 1. Significant accounting policies

(Continued)

#### (l) Inventories

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

#### (m) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost less impairment losses for bad and doubtful debts (see note 1(k)), except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts (see note 1(k)).

### 1. 主要會計政策 (續)

#### (l) 存貨

存貨以成本及可變現淨值兩者中的較低數額入賬。

成本以加權平均成本法計算，其中包括所有採購成本、加工成本及運輸和將存貨變成現狀的其他成本。

可變現淨值是以日常業務過程中的估計售價減去完成生產及銷售所需的估計成本後所得之數。

所出售存貨的賬面金額在相關收入獲確認的期間內確認為支出。存貨數額撇減至可變現淨值及存貨的所有虧損，均在出現減值或虧損的期間內確認為支出。因可變現淨值增加引致存貨的任何減值轉回之數，均在出現轉回的期間內確認為已列作支出的存貨數額減少。

#### (m) 應收賬款及其他應收款

應收賬款及其他應收款首先以公允價值列賬，其後以攤銷成本減呆壞賬的減值虧損(見附註1(k))列賬，但如應收款屬於借予關聯人士的免息及無固定還款期的貸款或貼現影響並不重大者除外。在此等情況下，有關應收款按成本值減呆壞賬減值虧損列賬(見附註1(k))。



# Notes to

## the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)

(除另有註明者外，以港元為單位)

### 1. Significant accounting policies

(Continued)

#### (n) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings using the effective interest method.

#### (o) Trade and other payables

Trade and other payables are initially recognised at fair value and thereafter stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

#### (p) Cash and cash equivalents

For the purpose of presentation in the balance sheet, cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity from the balance sheet date. For the purposes of the consolidated cash flow statement, cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated cash flow statement.

### 1. 主要會計政策 (續)

#### (n) 計息借款

計息借款初步按公允價值減應佔交易成本確認。在初步確認後，計息借款按攤銷成本列賬，而成本與贖回價值的任何差額於借貸期內使用實際利率法在損益表中確認。

#### (o) 應付賬款及其他應付款

應付賬款及其他應付款首先以公允價值列賬，其後以攤銷成本列賬。如貼現的影響並不重大，則以成本列賬。

#### (p) 現金及現金等價物

就資產負債表而言，現金等價物包括銀行存款及手頭現金、存放於銀行及其他財務機構的活期存款，以及短期而流動性極高的投資項目。這些項目可以容易地換算為已知的現金數額，所須承受的價值變動風險甚小，且在結算日後三個月內到期。就編製綜合現金流量表而言，現金及現金等價物包括現金存款及手頭現金、存放於銀行及其他財務機構的活期存款，以及短期而流動性極高的投資項目。這些項目可以容易地換算為已知的現金數額，所須承受的價值變動風險甚小，且在購入後三個月內到期。就編製綜合現金流量表而言，現金及現金等價物亦包括須於通知時償還並構成本集團現金管理一部分的銀行透支。

# Notes to

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(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)

(除另有註明者外，以港元為單位)

### 1. Significant accounting policies

(Continued)

#### (q) Employee benefits

**(i) Short term employee benefits and contributions to defined contribution retirement plans**

Salaries, annual bonuses, paid annual leave, contributions to defined contribution plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

**(ii) Defined benefit retirement plan obligations**

The group's net obligation in respect of defined benefit retirement plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine the present value and the fair value of any plan assets is deducted. The discount rate is the yield at the balance sheet date on high quality corporate bonds that have maturity dates approximating the terms of the group's obligations. The calculation is performed by a qualified actuary using the projected unit credit method.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised as an expense in profit or loss on a straight-line basis over the average period until the benefits become vested. If the benefits vest immediately, the expense is recognised immediately in profit or loss.

### 1. 主要會計政策 (續)

#### (q) 僱員福利

**(i) 短期僱員福利及界定供款退休計劃的供款**

薪金、年度獎金、有薪年假、界定供款計劃供款及各項非貨幣福利成本，均在本集團僱員提供相關服務的年度內累計。如延遲付款或結算後構成重大的貨幣時間價值，則上述數額須按現值列賬。

**(ii) 界定利益退休計劃承擔**

本集團就界定利益退休計劃承擔的義務淨額是按每個計劃獨立計算，計算方法是估計僱員在本期和以往期間提供服務所賺取未來福利的數額；將預期累積福利數額貼現以釐定現值；及扣除任何計劃資產的公允價值。貼現率是根據優質公司債券於結算日的收益率釐定；有關債券的到期日與本集團承擔義務的年期相若。計算工作由合資格精算師運用預期累積福利單位法進行。

如計劃所提供的福利增加，關乎僱員以往服務的福利增加部分將按直線法，在直至福利成為既定福利的平均年期內在損益表列支。如既定福利乃即時實現，會即時在損益表確認開支。

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(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)  
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## 1. Significant accounting policies

(Continued)

### (q) Employee benefits (Continued)

#### (ii) Defined benefit retirement plan obligations (Continued)

In calculating the group's obligation in respect of a plan, if any cumulative unrecognised actuarial gain or loss exceeds ten percent of the greater of the present value of the defined benefit obligation and the fair value of plan assets, that portion is recognised in profit or loss over the expected average remaining working lives of the employees participating in the plan. Otherwise, the actuarial gain or loss is not recognised.

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

## 1. 主要會計政策 (續)

### (q) 僱員福利 (續)

#### (ii) 界定利益退休計劃承擔 (續)

在計算本集團於一項計劃所承擔之責任時，倘任何累積之未確認精算損益超出界定利益責任現值或計劃資產公平價值（以兩者中之較高者為準）之百分之十，超額部份須於參加計劃之僱員之預計平均剩餘任職年期在損益賬確認。除此之外，精算損益概不予確認。

倘在計算本集團所承擔之責任淨額時出現負數，予以確認之資產僅限於任何累積之未確認精算虧損淨額加以往服務成本及日後來自計劃之退款或日後削減之計劃供款等各項目之總和。

# Notes to

## the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)

(除另有註明者外，以港元為單位)

### 1. Significant accounting policies

(Continued)

#### (q) Employee benefits (Continued)

##### (iii) Share-based payments

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in a capital reserve within equity. In the company's financial statements, the fair value of share options granted to employees of subsidiaries is recognised as an increase in investments in subsidiaries with a corresponding increase in capital reserve. The fair value is measured at grant date using the binomial model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the share options, the total estimated fair value of the share options is spread over the vesting period, taking into account the probability that the options will vest.

### 1. 主要會計政策 (續)

#### (q) 僱員福利 (續)

##### (iii) 以股份為基礎的支付

授予僱員的購股權公允價值會確認為僱員成本，股本之資本儲備亦相應增加。於本公司之財務報表，授予附屬公司僱員之購股權之公允價值確認為於附屬公司之投資增加，資本儲備亦相應增加。購股權公允價值乃於授出日期使用二項式模式計量，並考慮到授出購股權的條款及條件。若僱員須先履行歸屬條件，方可無條件獲發購股權，則購股權的估計公允價值總額會分配予歸屬期間，並考慮到購股權會歸屬的可能性。

# Notes to

## the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)

(除另有註明者外，以港元為單位)

### 1. Significant accounting policies

(Continued)

#### (q) Employee benefits (Continued)

##### (iii) Share-based payments (Continued)

During the vesting period, the number of share options that is expected to vest is reviewed. Any adjustment to the cumulative fair value recognised in prior years is charged/credited to the profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the capital reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of share options that vest (with a corresponding adjustment to the capital reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the company's shares. The equity amount is recognised in the capital reserve until either the option is exercised (when it is transferred to the share premium account) or the option expires (when it is released directly to retained profits).

##### (iv) Termination benefits

Termination benefits are recognised when, and only when, the group demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

### 1. 主要會計政策 (續)

#### (q) 僱員福利 (續)

##### (iii) 以股份為基礎的支付 (續)

於歸屬期間，預期歸屬的購股權數目會進行檢討。於過往年度確認的任何累計公允價值調整會在檢討年度扣自／計入損益賬（除非原有僱員開支合資格確認為資產），而資本儲備亦會相應調整。於歸屬日期，確認為開支的數額會作出調整，以反映歸屬購股權的實際數目（資本儲備亦會相應調整），惟只會在無法符合與本公司股份市價相關的生效條件時才會放棄行使認股權。權益數額在資本儲備中確認，直至購股權獲行使（轉入股份溢價賬）或購股權到期（直接撥入保留利潤）時為止。

##### (iv) 合約終止補償

合約終止補償只會在本集團根據正式、具體，且不大可能撤回的計劃終止僱員合約或根據該計劃自願遣散僱員而終止合約並作出補償時確認。

# Notes to

## the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)

(除另有註明者外，以港元為單位)

### 1. Significant accounting policies

(Continued)

#### (r) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised directly in equity, in which case they are recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

### 1. 主要會計政策 (續)

#### (r) 所得稅

本年度所得稅包括本期所得稅及遞延所得稅資產和負債的變動。本期所得稅及遞延所得稅資產和負債的變動均在損益表內確認，但與直接確認為股東權益項目有關的，則確認為股東權益。

本期所得稅是按本年度應稅收入根據已執行或在結算日實質上已執行的稅率計算的預計應付稅項，加上以往年度的應付稅項的任何調整。

遞延所得稅資產和負債分別由可抵扣和應稅暫時差異產生。暫時差異是指資產和負債在財務報表上的賬面金額與這些資產和負債的計稅基礎的差異。遞延所得稅資產也可以由未利用可抵扣虧損和未利用稅款抵減產生。

# Notes to the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)  
(除另有註明者外，以港元為單位)

## 1. Significant accounting policies

(Continued)

### (r) Income tax (Continued)

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

## 1. 主要會計政策 (續)

### (r) 所得稅 (續)

除了某些有限的例外情況外，所有遞延所得稅負債和遞延所得稅資產（只限於很可能獲得能利用該遞延所得稅資產來抵扣的未來應稅溢利）都會確認。支持確認由可抵扣暫時差異所產生遞延所得稅資產的未來應稅溢利包括因轉回目前存在的應稅暫時差異而產生的數額；但這些轉回的差異必須與同一稅務機關及同一應稅實體有關，並預期在可抵扣暫時差異預計轉回的同一年間或遞延所得稅資產所產生可抵扣虧損可向後期或向前期結轉的期間內轉回。在決定目前存在的應稅暫時差異是否足以支持確認由未利用可抵扣虧損和稅款抵減所產生的遞延所得稅資產時，亦會採用同一準則，即差異是否與同一稅務機關及同一應稅實體有關，並是否預期在能夠使用未利用可抵扣虧損和稅款抵減撥回的同一年間內轉回。

# Notes to

## the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)

(除另有註明者外，以港元為單位)

### 1. Significant accounting policies

(Continued)

#### (r) Income tax (Continued)

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

### 1. 主要會計政策 (續)

#### (r) 所得稅 (續)

不確認為遞延所得稅資產和負債的暫時差異是產生自以下有限的例外情況：不可在稅務方面獲得扣減的商譽；不影響會計或應稅溢利的資產或負債的初始確認（如屬業務合併的一部分則除外）；以及投資附屬公司（如屬應稅差異，只限於本集團可以控制轉回的時間，而且在可預見的將來不大可能轉回的暫時差異；或如屬可抵扣差異，則只限於很可能在將來轉回的差異）。

遞延所得稅額是按照資產和負債賬面金額的預期實現或清償方式，根據已執行或在結算日實質上已執行的稅率計量。遞延所得稅資產和負債均不貼現計算。

本集團會在每個結算日評估遞延所得稅資產的賬面金額。如果本集團預期不再可能獲得足夠的應稅溢利以利用相關的稅務利益，該遞延所得稅資產的賬面金額便會調低；但是如果日後又可能獲得足夠的應稅溢利，有關減額便會轉回。



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(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)  
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## 1. Significant accounting policies

(Continued)

### (r) Income tax (Continued)

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised. Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the company or the group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the company or the group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
  - the same taxable entity; or
  - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

## 1. 主要會計政策 (續)

### (r) 所得稅 (續)

因分派股息而額外產生的所得稅是在支付相關股息的責任確立時確認。本期和遞延所得稅結餘及其變動額會分開列示，並且不予抵銷。本期和遞延所得稅資產只會在本公司或本集團有法定行使權以本期所得稅資產抵銷本期所得稅負債，並且符合以下附帶條件的情況下，才可以分別抵銷本期和遞延所得稅負債：

- 本期所得稅資產和負債：本公司或本集團計劃按淨額基準結算，或同時變現該資產和清償該負債；或
- 遞延所得稅資產和負債：這些資產和負債必須與同一稅務機關就以下其中一項徵收的所得稅有關：
  - 同一應稅實體；或
  - 不同的應稅實體。這些實體計劃在預期有大額遞延所得稅負債需要清償或遞延所得稅資產可以收回的每個未來期間，按淨額基準實現本期所得稅資產和清償本期所得稅負債，或同時變現該資產和清償該負債。

# Notes to

## the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)

(除另有註明者外，以港元為單位)

### 1. Significant accounting policies

(Continued)

#### (s) Provisions and contingent liabilities

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

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

### 1. 主要會計政策 (續)

#### (s) 準備及或有負債

倘若本集團或本公司須就已發生的事件承擔法律或推定義務，而履行該義務預期會導致含有經濟效益的資源外流，並可作出可靠的估計，便會就該時間或數額不定的負債計提準備。如果貨幣時間價值重大，則按預計履行義務所需資源的現值計列準備。

倘若含有經濟效益的資源外流的可能性不大，或是無法對有關數額作出可靠的估計，便會將該義務披露為或有負債；但假如這類資源外流的可能性極低則除外。須視乎某宗或多宗未來事件是否發生才能確定存在與否的潛在義務，亦會披露為或有負債，但假如這類資源外流的可能性極低則除外。

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## 1. Significant accounting policies

(Continued)

### (t) Revenue recognition

Provided it is probable that the economic benefits will flow to the group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

#### (i) Sale of goods

Revenue is recognised when goods are delivered at the customers' premises which is taken to be the point in time when the customer has accepted the goods and the related risks and rewards of ownership. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

#### (ii) Commission income

Commission income on sales referred to manufacturers is recognised when the goods are delivered by the manufacturers to the ultimate customers.

#### (iii) Interest income

Interest income is recognised as it accrues using the effective interest method.

### (u) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the balance sheet date. Exchange gains and losses are recognised in profit or loss.

## 1. 主要會計政策 (續)

### (t) 收入確認

收入是在經濟效益可能會流入本集團，以及能夠可靠地計算收入和成本(如適用)時，根據下列基準在損益表內確認：

#### (i) 銷售貨品

收入在貨品送達客戶場地，而且客戶接收貨品及其所有權相關的風險及回報時確認。收入不包括增值稅或其他銷售稅，並已扣除任何營業折扣。

#### (ii) 佣金收入

向製造商轉介交易所得的佣金收入是在製造商向最終客戶交付貨品時確認。

#### (iii) 利息收入

利息收入以實際利息法於產生時確認。

### (u) 外幣換算

年內以外幣進行之交易按交易日之兌換率換算。以外幣計算之貨幣性資產及負債按照結算日之市場兌換率換算。外幣換算所產生之損益，均計入損益表。

# Notes to

## the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)

(除另有註明者外，以港元為單位)

### 1. Significant accounting policies

(Continued)

#### (u) Translation of foreign currencies

(Continued)

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was determined.

The results of foreign operations are translated into Hong Kong dollars at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Balance sheet items, including goodwill arising on consolidation of foreign operations acquired on or after 1 January 2005, are translated into Hong Kong dollars at the foreign exchange rates ruling at the balance sheet date. The resulting exchange differences are recognised directly in a separate component of equity. Goodwill arising on consolidation of a foreign operation acquired before 1 January 2005 is translated at the foreign exchange rate that applied at the date of acquisition of the foreign operation.

On disposal of a foreign operation, the cumulative amount of the exchange differences recognised in equity which relate to that foreign operation is included in the calculation of the profit or loss on disposal.

### 1. 主要會計政策 (續)

#### (u) 外幣換算 (續)

按歷史成本法以外幣計量之非貨幣性資產及負債按交易日之兌換率換算。以外幣計算之非貨幣性資產及負債以公允值列賬，並按照釐定公允值當日之市場兌換率換算。

海外業務之業績乃按接近交易日之外幣兌換率之兌換率換算為港元；資產負債表項目（包括合併在二零零五年一月一日或之前收購之海外業務產生之商譽）乃按結算日之兌換率換算為港元。換算所產生的匯兌差額乃直接於權益之個別成份內確認。因合併於二零零五年一月一日或之前收購之海外業務產生之商譽按收購海外業務當日應用之外幣兌換率換算。

出售海外業務時，有關該海外業務之匯兌差額累計額，乃於計算出售之損益時計算在內。

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## 1. Significant accounting policies

(Continued)

### (v) Borrowing costs

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

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

### (w) Related parties

For the purposes of these financial statements, parties are considered to be related to the group if the group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the group and the party are subject to common control or common significant influence. Related parties may be individuals (being members of key management personnel, significant shareholders and/or their close family members) or other entities and include entities which are under the significant influence of related parties of the group where those parties are individuals, and post-employment benefit plans which are for the benefit of employees of the group or of any entity that is a related party of the group.

## 1. 主要會計政策 (續)

### (v) 借貸成本

除直接用作收購、建設或生產而需要相當長時間才可以投入原定用途或銷售的資產的借貸成本予以資本化外，借貸成本均在產生的期間內在損益表列支。

屬於合資格資產成本一部份的借貸成本在資產產生開支、借貸成本產生及使資產投入原定用途或銷售所必須的準備工作進行期間開始資本化。在使未合資格資產投入原定用途或銷售所必須的絕大部分準備工作中止或完成時，借貸成本便會暫停或停止資本化。

### (w) 關聯人士

就本財務報表而言，如果本集團能夠直接或間接控制另一方人士或對另一方人士的財務及經營決策發揮重大的影響力，或另一方人士能夠直接或間接控制本集團或對本集團的財務及經營決策發揮重大的影響力，或本集團與另一方人士均受制於共同的控制或共同的重大影響下，即被視為本集團的關聯人士。關聯人士可以是個別人士(即關鍵管理人員、重要股東及／或與他們關係密切的家族成員)或其他實體，並且包括受到本集團屬於個人身份的關聯方重大影響的實體，以及為本集團或作為本集團關聯人士的任何實體的僱員福利而設的離職後福利計劃。

# Notes to

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(除另有註明者外，以港元為單位)

### 1. Significant accounting policies

(Continued)

#### (x) Segment reporting

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

In accordance with the group's internal financial reporting system, the group has chosen business segment information as the primary reporting format and geographical segment information as the secondary reporting format for the purposes of these financial statements.

Segment revenue, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment. For example, segment assets may include inventories, trade receivables and property, plant and equipment. Segment revenue, expenses, assets, and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between group entities within a single segment. Inter-segment pricing is based on similar terms as those available to other external parties.

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

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

### 1. 主要會計政策 (續)

#### (x) 分部報告

分部是指本集團內可明顯區分的組成部分，並且負責提供單項產品或服務(業務分部)或在一個特定的經濟環境中提供產品或服務(地區分部)，並且承擔着不同於其他分部的風險和回報。

按照本集團的內部財務報告系統，本集團已就編製本財務報表選擇以業務分部為報告分部信息的主要形式，而地區分部則是次要的分部報告形式。

分部收入、支出、經營成果、資產及負債包含直接歸屬某一分部，以及可按合理的基準分配至該分部的項目的數額。例如，分部資產可能包括存貨、應收賬款及物業、機器及設備。分部收入、支出、資產及負債包含須在編製綜合財務報表時抵銷的集團內部往來的餘額和集團內部交易；但同屬一個分部的集團實體之間的集團內部往來的餘額和交易則除外。分部之間的轉移事項定價按與其他外界人士相若的條款計算。

分部資本開支是指在期內購入預計可於超過一個會計期間使用的分部資產(包括有形和無形資產)所產生的成本總額。

未能分配至分部的項目主要包括財務及企業資產、帶息借款、借款、稅項餘額、企業及融資支出。

# Notes to the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)  
(除另有註明者外，以港元為單位)

## 2. Changes in accounting policies

The HKICPA has issued a number of new and revised HKFRSs that are effective for accounting periods beginning on or after 1 January 2005.

The accounting policies of the group and/or company after the adoption of these new and revised HKFRSs have been summarised in note 1. The following sets out information on the significant changes in accounting policies for the current and prior accounting periods reflected in these financial statements.

The group has not applied any new standard or interpretation that is not yet effective for the current accounting period (see note 36).

### (a) Restatement of prior periods and opening balances

The following tables disclose the adjustments that have been made in accordance with the transitional provisions of the respective HKFRSs to each of the line items in the consolidated income statement and balance sheet and the company's balance sheet and other significant related disclosure items as previously reported for the year ended 31 December 2004. The effects of the changes in accounting policies on the balances at 1 January 2004 and 2005 are disclosed in note 28.

## 2. 會計政策變動

香港會計師公會頒佈了多項新訂和經修訂的《香港財務報告準則》。該等準則在由二零零五年一月一日或以後開始之會計期間生效。

本集團及／或本公司採納該等新訂和經修訂的《香港財務報告準則》後的會計政策概要載於附註1。下文載有本財務報表所反映當前和以往會計期間各項重要會計政策修訂的資料。

本集團並無採用任何在當前會計期間尚未生效的新準則或詮釋(見附註36)。

### (a) 以前期間及期初結餘重列

下表載有已按照相關《香港財務報告準則》的過渡性條文對已於截至二零零四年十二月三十一日止年度報告的綜合損益表及綜合資產負債表及本公司的資產負債表中各個項目及其他重要相關披露項目作出的調整。會計政策修訂對二零零四年和二零零五年一月一日結餘的影響載於附註28。

# Notes to

## the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)

(除另有註明者外，以港元為單位)

### 2. Changes in accounting policies

(Continued)

#### (a) Restatement of prior periods and opening balances (Continued)

##### (i) Effect on the consolidated financial statements

Consolidated income statement for the year ended 31 December 2004

### 2. 會計政策變動 (續)

#### (a) 以前期間及期初結餘重列 (續)

##### (i) 對綜合財務報表的影響

截至二零零四年十二月三十一日止年度的綜合損益表

		2004	Effect of new policy			2004
		(as previously reported)	(decrease in profit for the year)			(as restated)
			HKFRS 2	HKAS 17	Sub-total	
			新政策的影響 (年度溢利減少)			
二零零四年 (如前呈報)	香港財務報告準則第2號 (附註2(c))	香港會計準則第17號 (附註2(f))			小計	二零零四年 (重列)
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
千元	千元	千元	千元	千元	千元	千元
Turnover	營業額	1,158,107	-	-	-	1,158,107
Cost of sales	銷售成本	(867,628)	-	-	-	(867,628)
<b>Gross profit</b>	<b>毛利</b>	290,479	-	-	-	290,479
Goodwill amortisation	商譽攤銷	(5,737)	-	-	-	(5,737)
Other revenue	其他收益	18,300	-	-	-	18,300
Other net loss	其他虧損淨額	(13,659)	-	-	-	(13,659)
Selling and distribution costs	銷售及分銷成本	(49,064)	-	-	-	(49,064)
Administrative expenses	行政費用	(173,584)	(3,866)	-	(3,866)	(177,450)
<b>Profit from operations</b>	<b>經營溢利</b>	66,735	(3,866)	-	(3,866)	62,869
Finance costs	融資成本	(830)	-	-	-	(830)
Share of profits less losses of associates	應佔聯營公司溢利減虧損	(142)	-	-	-	(142)
<b>Profit before taxation</b>	<b>除稅前溢利</b>	65,763	(3,866)	-	(3,866)	61,897
Income tax	所得稅	(12,836)	-	(10)	(10)	(12,846)
<b>Profit attributable to equity shareholders of the company</b>	<b>本公司股東應佔溢利</b>	<u>52,927</u>	<u>(3,866)</u>	<u>(10)</u>	<u>(3,876)</u>	<u>49,051</u>
<b>Earnings per share</b>	<b>每股溢利</b>					
Basic	基本	<u>\$0.079</u>	<u>(0.006)</u>	<u>-</u>	<u>(0.006)</u>	<u>\$0.073</u>
Diluted	攤薄	<u>\$0.079</u>	<u>(0.006)</u>	<u>-</u>	<u>(0.006)</u>	<u>\$0.073</u>
<b>Other significant disclosure items:</b>	<b>其他重大披露項目：</b>					
Staff costs	員工成本	(243,432)	(3,866)	-	(3,866)	(247,298)
Depreciation	折舊	(17,666)	-	95	95	(17,571)
Amortisation of land lease premium	土地租賃溢價攤銷	-	-	(95)	(95)	(95)



# Notes to the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)  
(除另有註明者外，以港元為單位)

## 2. Changes in accounting policies

(Continued)

### (a) Restatement of prior periods and opening balances (Continued)

#### (i) Effect on the consolidated financial statements (Continued)

Consolidated balance sheet at 31 December 2004

## 2. 會計政策變動 (續)

### (a) 以前期間及期初結餘重列 (續)

#### (i) 對綜合財務報表的影響 (續)

於二零零四年十二月三十一日的綜合資產負債表

		2004	Effect of new policy				2004
		(as previously reported)	(increase/(decrease) in net assets)				(as restated)
			HKFRS 2	HKAS 17	HKAS 32	Sub-total	
			新政策的影響 (資產淨值增加 / (減少))				
		二零零四年 (如前呈報)	香港財務報告準則第2號 (note 2(c)) (附註2(c))	香港會計準則第17號 (note 2(f)) (附註2(f))	香港會計準則第32號 (note 2(g)) (附註2(g))	小計	二零零四年 (重列)
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元	千元
<b>Non-current assets</b>	<b>非流動資產</b>						
Property, plant and equipment	物業、廠房及設備	116,279	-	(10,930)	-	(10,930)	105,349
Interests in leasehold land held for own use under operating leases	根據經營租約持有自用之租賃土地權益	-	-	10,229	-	10,229	10,229
Deferred tax assets	遞延稅項資產	4,978	-	144	-	144	5,122
Investment securities	投資證券	12,180	-	-	(12,180)	(12,180)	-
Intangible assets	無形資產	-	-	-	12,180	12,180	12,180
Other investments	其他投資	2,734	-	-	(2,734)	(2,734)	-
Other non-current financial assets	其他非流動財務資產	-	-	-	88,022	88,022	88,022
Long-term bank deposit	長期銀行存款	85,288	-	-	(85,288)	(85,288)	-
Other non-current assets	其他非流動資產	96,232	-	-	-	-	96,232
		317,691	-	(557)	-	(557)	317,134
<b>Current assets</b>	<b>流動資產</b>	463,431	-	-	-	-	463,431
<b>Current liabilities</b>	<b>流動負債</b>	135,287	-	-	-	-	135,287
<b>Net current assets</b>	<b>流動資產淨值</b>	328,144	-	-	-	-	328,144
<b>Total assets less current liabilities</b>	<b>資產總值減流動負債</b>	645,835	-	(557)	-	(557)	645,278
<b>Non-current liabilities</b>	<b>非流動負債</b>	41,289	-	-	-	-	41,289
<b>NET ASSETS</b>	<b>資產淨值</b>	604,546	-	(557)	-	(557)	603,989
<b>CAPITAL AND RESERVES</b>	<b>資本及儲備</b>						
<b>Attributable to equity shareholders of the company</b>	<b>本公司股東應佔</b>						
Share capital and share premium	股本及股份溢價	227,755	-	-	-	-	227,755
Capital reserve	資本儲備	-	4,054	-	-	4,054	4,054
Revaluation reserve	重估儲備	589	-	(589)	-	(589)	-
Other reserves	其他儲備	20,686	-	-	-	-	20,686
Retained profits	保留溢利	355,516	(4,054)	32	-	(4,022)	351,494
		604,546	-	(557)	-	(557)	603,989

# Notes to

## the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)

(除另有註明者外，以港元為單位)

### 2. Changes in accounting policies

(Continued)

#### (a) Restatement of prior periods and opening balances (Continued)

##### (ii) Effect on the company's balance sheet

Balance sheet at 31 December 2004

### 2. 會計政策變動 (續)

#### (a) 重列以往期間及期初結餘 (續)

##### (ii) 對本公司資產負債表的影響

於二零零四年十二月三十一日的資產負債表

		2004 (as previously reported)	Effect of new policy (increase/ (decrease) in net assets) HKFRS 2 新政策 的影響 (資產淨 值(增加) /減少) 香港財務 報告準則 第2號 (note 2(c)) (附註2(c))	2004 (as restated)
		\$'000 千元	\$'000 千元	\$'000 千元
Investments in subsidiaries	附屬公司投資	281,361	3,601	284,962
Other non-current assets	其他非流動資產	109,220	-	109,220
Net current assets	流動資產淨值	116,846	-	116,846
<b>Total assets less current liabilities</b>	<b>資產總值減流動負債</b>	<b>507,427</b>	<b>3,601</b>	<b>511,028</b>
<b>Non-current liabilities</b>	<b>非流動負債</b>	<b>(32,367)</b>	<b>-</b>	<b>(32,367)</b>
<b>NET ASSETS</b>	<b>資產淨值</b>	<b>475,060</b>	<b>3,601</b>	<b>478,661</b>
<b>CAPITAL AND RESERVES</b>	<b>資本及儲備</b>			
Share capital and share premium	股本及股份溢價	227,755	-	227,755
Capital reserve	資本儲備	-	4,054	4,054
Retained profits	保留溢利	247,305	(453)	246,852
		<b>475,060</b>	<b>3,601</b>	<b>478,661</b>

# Notes to the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)  
(除另有註明者外，以港元為單位)

## 2. Changes in accounting policies

(Continued)

### (b) Estimated effect of changes in accounting policies on the current period

The following tables provide estimates of the extent to which each of the line items in the consolidated income statement and balance sheet and the company's balance sheet and other significant related disclosure items for the year ended 31 December 2005 is higher or lower than it would have been had the previous policies still been applied in the year, where it is practicable to make such estimates.

#### (i) Effect on the consolidated financial statements

Estimated effect on the consolidated income statement for the year ended 31 December 2005:

## 2. 會計政策變動 (續)

### (b) 會計政策變動對本期間的預期影響

以下報表羅列估計截至二零零五年十二月三十一日止年度之綜合損益表及資產負債表及本公司的資產負債表中各項項目及其他重大關連披露項目之增加或減少，該等數字是按假設以往之會計政策仍於本年被沿用，並在實際情況下可作出之估計。

#### (i) 對綜合財務報表的影響

對截至二零零五年十二月三十一日止年度綜合損益表的預期影響：

		Estimated effect of new policy ((increase)/decrease in loss for the year) 新政策的預期影響(年度虧損(增加)/減少)				Total
		HKFRS 2	HKFRS 3	HKAS 17	HKAS 32 & 39	
		香港財務報告 準則第2號	香港財務報告 準則第3號	香港會計 準則第17號	香港會計 準則第32號 及第39號	總計
		(note 2(c)) (附註2(c))	(note 2(d)) (附註2(d))	(note 2(f)) (附註2(f))	(note 2(g)) (附註2(g))	
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Other net loss	其他虧損淨額	-	-	-	(11,530)	(11,530)
Administrative expenses	行政開支	(1,915)	5,737	-	-	3,822
<b>Loss before taxation</b>	<b>除稅前虧損</b>	<b>(1,915)</b>	<b>5,737</b>	<b>-</b>	<b>(11,530)</b>	<b>(7,708)</b>
Income tax	所得稅	-	-	(10)	-	(10)
<b>Loss for the year</b>	<b>年度虧損</b>	<b>(1,915)</b>	<b>5,737</b>	<b>(10)</b>	<b>(11,530)</b>	<b>(7,718)</b>

# Notes to

## the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)

(除另有註明者外，以港元為單位)

### 2. Changes in accounting policies

(Continued)

#### (b) Estimated effect of changes in accounting policies on the current period (Continued)

##### (i) Effect on the consolidated financial statements (Continued)

Estimated effect on the consolidated income statement for the year ended 31 December 2005:

### 2. 會計政策變動 (續)

#### (b) 會計政策變動對本期間的預期影響 (續)

##### (i) 對綜合財務報表的影響 (續)

對截至二零零五年十二月三十一日止年度綜合損益表的預期影響：

		Estimated effect of new policy (increase)/decrease in loss for the year 新政策的預期影響(年度虧損(增加)/減少)				Total
		HKFRS 2	HKFRS 3	HKAS 17	HKAS 32 & 39	
		香港財務報告 準則第2號	香港財務報告 準則第3號	香港會計 準則第17號	香港會計 準則第32號 及第39號	總計
		(note 2(c)) (附註2(c))	(note 2(d)) (附註2(d))	(note 2(f)) (附註2(f))	(note 2(g)) (附註2(g))	
		\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元
<b>Loss per share</b>	<b>每股虧損</b>					
Basic and diluted (note)	基本及攤薄 (附註)	\$ (0.0029)	\$ 0.0086	-	\$ (0.0173)	\$ (0.0116)
<b>Other significant disclosure items:</b>	<b>其他重大披露項目：</b>					
Staff costs	員工成本	(1,915)	-	-	-	(1,915)
Amortisation of goodwill	商譽攤銷	-	5,737	-	-	5,737
Depreciation	折舊	-	-	(163)	-	(163)
Amortisation of land lease premium	土地租賃溢價攤銷	-	-	163	-	163

Note: Diluted loss per share for the year is the same as the basic loss per share as the potential ordinary shares outstanding during the year were anti-dilutive.

附註：本年度每股攤薄虧損與每股基本虧損一樣，此乃由於年內潛在普通股具反攤薄效應。

# Notes to the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)  
(除另有註明者外，以港元為單位)

## 2. Changes in accounting policies 會計政策變動 (續) (Continued)

### (b) Estimated effect of changes in accounting policies on the current period (Continued)

### (b) 會計政策變動對本期間的預期影響 (續)

#### (i) Effect on the consolidated financial statements (Continued)

#### (i) 對綜合財務報表的影響 (續)

Estimated effect on the consolidated balance sheet at 31 December 2005:

對於二零零五年十二月三十一日的綜合資產負債表的預期影響

		Estimated effect of new policy (increase/(decrease) in net assets) 新政策的預期影響(資產淨值增加/減少)				
		HKFRS 2	HKFRS 3	HKAS 17	HKAS 32 & 39 香港會計 準則第32號 及第39號	Total
		香港財務報告 準則第2號 (note 2(c)) (附註2(c)) \$'000 千元	香港財務報告 準則第3號 (note 2(d)) (附註2(d)) \$'000 千元	香港會計準則 第17號 (note 2(f)) (附註2(f)) \$'000 千元	香港會計 準則第32號 及第39號 (note 2(g)) (附註2(g)) \$'000 千元	總計 總計 千元
<b>Non-current assets</b>	<b>非流動資產</b>					
Property, plant and equipment	物業、廠房及設備	-	-	(11,970)	-	(11,970)
Interests in leasehold land held for own use under operating leases	根據經營租約持作自用之租賃土地權益	-	-	11,269	-	11,269
Intangible assets	無形資產	-	-	-	12,505	12,505
Investment securities	投資證券	-	-	-	(12,505)	(12,505)
Other investments	其他投資	-	-	-	(2,734)	(2,734)
Goodwill	商譽	-	15,332	-	-	15,332
Deferred tax assets	遞延稅項資產	-	-	134	-	134
Other financial assets	其他財務資產	-	-	-	14,393	14,393
		-	15,332	(567)	11,659	26,424
<b>Non-current liabilities</b>	<b>非流動負債</b>					
Other financial liabilities	其他財務負債	-	-	-	(23,189)	(23,189)
<b>NET ASSETS</b>	<b>資產淨值</b>	-	15,332	(567)	(11,530)	3,235
<b>CAPITAL AND RESERVES</b>	<b>資本及儲備</b>					
<b>Effect attributable to equity shareholders of the company</b>	<b>本公司股東應佔影響</b>					
Revaluation reserve	重估儲備	-	-	(551)	-	(551)
Capital reserve	資本儲備	5,969	-	-	-	5,969
Retained profits	保留溢利	(5,969)	15,332	(16)	(11,530)	(2,183)
		-	15,332	(567)	(11,530)	3,235

# Notes to the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)  
(除另有註明者外，以港元為單位)

## 2. Changes in accounting policies

(Continued)

### (b) Estimated effect of changes in accounting policies on the current period (Continued)

#### (i) Effect on the consolidated financial statements (Continued)

Estimated effect on amounts recognised as capital transactions with owners of the group for the year ended 31 December 2005:

Attributable to equity  
shareholders of the company

本公司  
股東應佔

1,915

## 2. 會計政策變動 (續)

### (b) 會計政策變動對本期間的預期影響 (續)

#### (i) 對綜合財務報表的影響 (續)

對截至二零零五年十二月三十一日止年度確認與本集團股東進行股本交易的預期影響：

**Effect of  
new policy  
(increase)  
HKFRS 2  
新政策的  
影響 (增加)  
香港財務報告  
準則第2號  
(note 2(c))  
(附註2(c))  
\$'000  
千元**



# Notes to

## the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)

(除另有註明者外，以港元為單位)

### 2. Changes in accounting policies

(Continued)

#### (b) Estimated effect of changes in accounting policies on the current period (Continued)

##### (ii) Effect on the company's balance sheet

(Continued)

Estimated effect on amounts recognised as capital transactions with owners of the company for the year ended 31 December 2005:

Attributable to equity shareholders  
of the company

本公司  
股東應佔

Effect of  
new policy  
(increase)  
HKFRS 2  
新政策之影響  
(增加)  
《香港財務報告  
準則》第2號  
(note 2(c))  
(附註2(c))  
\$'000  
千元

166

#### (c) Employee share option scheme (HKFRS 2, Share-based payment)

In prior years, no amounts were recognised when employees (which term includes directors) were granted share options over shares in the company. If the employees chose to exercise the options, the nominal amount of share capital and share premium were credited only to the extent of the option's exercise price receivable.

### 2. 會計政策變動 (續)

#### (b) 會計政策變動對本期間的預期影響 (續)

##### (ii) 對本公司資產負債表的影響 (續)

於截至二零零五年十二月三十一日止年度對確認為與本公司股東進行之股本交易的預期影響：

#### (c) 僱員購股權計劃 (《香港財務報告準則》第2號，以股份為基礎的支付款)

在以往年度，本集團毋須就授予僱員 (包括董事) 可認購本公司股份的購股權進行確認。倘僱員選擇行使購股權，股本及股份溢價之賬面值以應收之購股權行價為上限入賬。



# Notes to the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)  
(除另有註明者外，以港元為單位)

## 2. Changes in accounting policies

(Continued)

### (c) Employee share option scheme (HKFRS 2, Share-based payment)

(Continued)

With effect from 1 January 2005, in order to comply with HKFRS 2, the group has adopted a new policy for employee share options. Under the new policy, the group recognises the fair value of such share options as an expense with a corresponding increase recognised in a capital reserve within equity. Further details of the new policy are set out in note 1(q)(iii).

The new accounting policy has been applied retrospectively with comparatives restated, except that the group has taken advantage of the transitional provisions set out in HKFRS 2, under which the new recognition and measurement policies have not been applied to the following grants of options:

- (a) all options granted to employees on or before 7 November 2002; and
- (b) all options granted to employees after 7 November 2002 but which had vested before 1 January 2005.

The adjustments for each financial statement line affected for the years ended 31 December 2004 and 2005 are set out in notes 2(a) and (b).

Details of the employee share option scheme are set out in note 26.

## 2. 會計政策變動 (續)

### (c) 僱員購股權計劃 (《香港財務報告準則》第2號，以股份為基礎的支付款)

(續)

由二零零五年一月一日開始，為符合香港財務報告準則第2號的規定，本集團已就僱員購股權採納新政策。根據此項新政策，本集團將有關購股權的公允價值確認為開支，權益內的資本儲備亦相應增加。新政策之進一步詳情載於附註1(q)(iii)。

本集團已追溯採用新會計政策，並重列比較數字。然而，本集團亦採納了《香港財務報告準則》第2號所列的過渡性條文；據此，新確認及計量政策並不適用於下述授出購股權的情況：

- (a) 在二零零二年十一月七日或之前授予僱員的所有購股權；及
- (b) 在二零零二年十一月七日之後授予僱員但在二零零五年一月一日之前歸屬的所有購股權。

截至二零零四年及二零零五年十二月三十一日止年度，每個受影響的財務報表項目的調整載於附註2(a)及(b)。

僱員購股權的詳情載於附註26。

# Notes to

## the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)

(除另有註明者外，以港元為單位)

### 2. Changes in accounting policies

(Continued)

#### (d) Amortisation of positive and negative goodwill (HKFRS 3, Business combinations and HKAS 36, Impairment of assets)

##### Amortisation of goodwill

In prior periods:

- positive goodwill was amortised on a straight line basis over its useful life and was subject to impairment testing when there were indications of impairment; and
- negative goodwill was amortised over the weighted average useful life of the depreciable/amortisable non-monetary assets acquired, except to the extent it related to identified expected future losses as at the date of acquisition. In such cases it was recognised in the consolidated income statement as those expected losses were incurred.

With effect from 1 January 2005, in order to comply with HKFRS 3 and HKAS 36, the group has changed its accounting policies relating to goodwill. Under the new policy, the group no longer amortises positive goodwill but tests it at least annually for impairment. Also with effect from 1 January 2005 and in accordance with HKFRS 3, if the fair value of the net assets acquired in a business combination exceeds the consideration paid (i.e. an amount arises which would have been known as negative goodwill under the previous accounting policy), the excess is recognised immediately in profit or loss as it arises. Further details of these new policies are set out in note 1(e).

### 2. 會計政策變動 (續)

#### (d) 正商譽和負商譽的攤銷 (《香港財務報告準則》第3號「企業合併」及《香港會計準則》第36號「資產減值」)

##### 商譽攤銷

在以往年度：

- 正商譽是以直線法按可使用年期攤銷，倘出現減值跡象時則進行減值測試；及
- 負商譽按所收購可折舊／可攤銷的非貨幣資產的加權平均可用年限攤銷，以在收購當日已確定的預計未來虧損為限。在此情況下，便會在預計虧損出現時在綜合損益表內確認。

由二零零五年一月一日，為符合《香港財務報告準則》第3號和《香港會計準則》第36號的規定，本集團改變其有關商譽之會計政策。在新政策下，本集團不再攤銷正商譽，惟最少每年進行減值測試。由二零零五年一月一日起，根據香港財務報告準則第3號，倘於業務合併中所收購之資產淨值之公允價值超過已付代價(所產生之數額在之前的會計政策下稱為負商譽)，差額於產生時立即於損益賬確認。新政策之其他詳情載於附註1(e)。

# Notes to the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)  
(除另有註明者外，以港元為單位)

## 2. Changes in accounting policies

(Continued)

### (d) Amortisation of positive and negative goodwill (HKFRS 3, Business combinations and HKAS 36, Impairment of assets) (Continued)

#### Amortisation of goodwill (Continued)

The new policy in respect of the amortisation of positive goodwill has been applied prospectively in accordance with the transitional arrangements under HKFRS 3. The adjustments for each consolidated financial statement line affected for the year ended 31 December 2005 are set out in note 2(b).

In accordance with the transitional arrangements under HKFRS 3, the carrying amount of negative goodwill as at 1 January 2005 of \$9,595,000 has been derecognised at 1 January 2005, with a corresponding adjustment to the opening balance of retained earnings.

## 2. 會計政策變動 (續)

### (d) 正商譽和負商譽的攤銷 (《香港財務報告準則》第3號「企業合併」及《香港會計準則》第36號「資產減值」) (續)

#### 商譽攤銷 (續)

此項新政策已根據香港財務報告準則第3號之過渡性安排只在未來期間應用。截至二零零五年十二月三十一日止年度，每個受影響的綜合財務報表項目的調整載於附註2(b)。

根據香港財務報告準則第3號之過渡性安排，於二零零五年一月一日面值為9,595,000元之負商譽已於二零零五年一月一日撤銷確認，並於保留盈利之期初結餘作相應調整。

# Notes to

## the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)

(除另有註明者外，以港元為單位)

### 2. Changes in accounting policies

(Continued)

#### (e) Changes in presentation (HKAS 1, Presentation of financial statements)

##### Presentation of shares of associates' taxation (HKAS 1, Presentation of financial statements)

In prior years, the group's share of taxation of associates accounted for using the equity method was included as part of the group's income tax in the consolidated income statement. With effect from 1 January 2005, in accordance with the implementation guidance in HKAS 1, the group has changed the presentation and includes the share of taxation of associates accounted for using the equity method in the respective shares of profit or loss reported in the consolidated income statement before arriving at the group's profit or loss before tax. There are no material adjustments arising from the changes in presentation.

#### (f) Leasehold land and buildings held for own use (HKAS 17, Leases)

In prior years, leasehold land and buildings held for own use were stated at revalued amounts less accumulated depreciation and accumulated impairment losses. Movements of revaluation surpluses or deficits were normally taken to the land and buildings revaluation reserve.

### 2. 會計政策變動 (續)

#### (e) 呈列變動 (《香港會計準則》第1號，財務報表之呈列)

分佔聯營公司稅項之呈列 (《香港會計準則》第1號，財務報表之呈列)

於以往年度，本集團分佔聯營公司之稅項乃以權益法計算，並納入於綜合損益表中本集團之所得稅內。由二零零五年一月一日起，根據《香港會計準則》第1號之實施指引，本集團已改變呈列方式，在達致本集團除稅前溢利及虧損前，以權益法計算之分佔聯營公司稅項，將在綜合損益表內於集團分佔聯營公司之盈利減虧損項下扣除。呈列變動並無產生重大調整。

#### (f) 持作自用之租賃土地及樓宇 (《香港會計準則》第17號，租賃)

於以往年度，持作自用之租賃土地及樓宇會按重估值減累計折舊及累計減值虧損列值。重估盈餘及虧絀一般會計入土地及樓宇重估儲備。

# Notes to

## the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)

(除另有註明者外，以港元為單位)

### 2. Changes in accounting policies

(Continued)

#### (f) Leasehold land and buildings held for own use (HKAS 17, Leases)

(Continued)

With effect from 1 January 2005, in order to comply with HKAS 17, the group has adopted a new policy for leasehold land and buildings held for own use. Under the new policy, the leasehold interest in the land held for own use is accounted for as being held under an operating lease where the fair value of the interest in any buildings situated on the leasehold land could be measured separately from the fair value of the leasehold interest in the land at the time the lease was first entered into by the group, or taken over from the previous lessee, or at the date of construction of those buildings, if later.

Further details of the new policy are set out in notes 1(h) and (j). Any buildings held for own use which are situated on such land leases continue to be presented as part of property, plant and equipment. However, as from 1 January 2005 the buildings are also stated at cost less accumulated depreciation, rather than at fair value, to be consistent with the new policy required to be adopted for the land element.

#### Description of transitional provisions and effect of adjustments

All the above new accounting policies relating to leases have been adopted retrospectively. The adjustments for each financial statement line item affected for 31 December 2004 and 2005 are set out in notes 2(a) and (b). In respect of the leasehold land and buildings held for own use, it is not practicable to estimate the effect of the change on the year ended 31 December 2005.

### 2. 會計政策變動 (續)

#### (f) 持作自用之租賃土地及樓宇(《香港會計準則》第17號，租賃) (續)

由二零零五年一月一日開始，為符合《香港會計準則》第17號的規定，本集團採納有關持作自用之租賃土地及房產之新政策。根據新政策，倘若位於租賃土地上的任何樓宇權益的公允價值能夠與本集團於首次訂立租賃時或自前度承租人接收時或有關樓宇興建日期(以較遲的時間為準)的土地使用權公允價值分開計量，則土地使用權便會列作經營租賃列賬。

新政策之進一步詳情已載於附註1(h)及(j)。任何位於該等租賃土地而持作自用之物業繼續呈列為物業、廠房及設備之一部分。然而，由二零零五年一月一日起，樓宇亦以成本減累計折舊列賬，而非以公允價值列賬，以與就土地部分採納之新政策一致。

#### 過渡條文及調整影響之說明

所有上述有關租賃之新會計政策已追溯應用。於二零零四年及二零零五年十二月三十一日之各受影響之財務報表項目載於附註2(a)及(b)。就持作自用之租賃土地及樓宇而言，估計該新會計政策對截至二零零五年十二月三十一日止年度之影響並不實際可行。

# Notes to

## the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)

(除另有註明者外，以港元為單位)

### 2. Changes in accounting policies

(Continued)

#### **(g) Financial instruments (HKAS 32, Financial instruments: Disclosure and presentation and HKAS 39, Financial instruments: Recognition and measurement) and intangible assets (HKAS 38, Intangible assets)**

With effect from 1 January 2005, in order to comply with HKAS 32 and HKAS 39, the group has changed its accounting policies relating to financial instruments to those as set out in notes 1 (f), (g), (k) and (m) to (o). Further details of the changes are as follows.

In prior years, club memberships held on a continuing basis for an identifiable long-term purpose were classified as investment securities and stated at cost less provision. Other investments in securities (including those held for trading and for non-trading purposes) were stated at fair value with changes in fair value recognised in profit or loss.

With effect from 1 January 2005, club memberships with indefinite useful lives are classified as intangible assets and carried at cost less accumulated impairment losses.

Other investments, with the exception of securities held for trading purposes and certain unquoted equity investments, are classified as available-for-sale securities and carried at fair value. Changes in the fair value of available-for-sale securities are recognised in equity, unless there is objective evidence that an individual investment has been impaired. In addition, bank deposits are stated at amortised cost less accumulated impairment losses. Further details of the new policies are set out in note 1(f).

### 2. 會計政策變動 (續)

#### **(g) 財務工具(《香港會計準則》第32號，「財務工具：披露及呈列」及《香港會計準則》第39號，「財務工具：確認及計量」)及無形資產(《香港會計準則》第38號，「無形資產」)**

由二零零五年一月一日起，為符合《香港會計準則》第32號及《香港會計準則》第39號，本集團已將變更載於附註1(f)、(g)、(k)及(m)至(o)，有關財務工具之會計政策。變更之詳情如下。

於以往年度，按長期基準作為可識別資長期目的持有之俱樂部會籍被分類為投資證券，並按成本減撥備列賬。其他證券投資(包括持作買賣及非買賣用途者)，以公允價值入賬，公允價值之變化則於損益賬確認。

由二零零五年一月一日起，不限使用年期之俱樂部會籍被歸類為無形資產，並按成本減累計虧損減值列值。

除持作買賣用途之證券及若干非上市股本投資外，其他投資均歸類為可供出售證券，並按公允價值列值。可供出售證券之公允價值之變動於股本確認，除非有客觀證據證明個別投出現減值。此外，銀行存款按攤銷成本減累計減值虧損列值。新政策之其他資料載於附註1(f)。

## Notes to

## the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)

(除另有註明者外，以港元為單位)

### 2. Changes in accounting policies

(Continued)

#### (g) Financial instruments (HKAS 32, Financial instruments: Disclosure and presentation and HKAS 39, Financial instruments: Recognition and measurement) and intangible assets (HKAS 38, Intangible assets)

(Continued)

As a result of adopting HKAS 39, the group has re-designated other investments with a carrying value of \$2,734,000 at 31 December 2004 as available-for-sale securities at 1 January 2005. The group has also reclassified investment securities with a carrying value of \$12,180,000 at 31 December 2004 as intangible assets at 1 January 2005.

There is no material effect on the opening balance of the fair value reserve or retained earnings at 1 January 2005 as a result of the reclassifications.

The adjustments for each financial statement line item affected for the years ended 31 December 2004 and 2005 are set out in notes 2(a) and (b).

### 2. 會計政策變動 (續)

#### (g) 財務工具(《香港會計準則》第32號，「財務工具：披露及呈列」及《香港會計準則》第39號，「財務工具：確認及計量」)及無形資產(《香港會計準則》第38號，「無形資產」)(續)

由於採用《香港會計準則》第39號，本集團已將於二零零四年十二月三十一日賬面值為2,734,400元之其他投資於二零零五年一月一日重新調配為可供出售證券。本集團亦已將於二零零四年十二月三十一日賬面值為12,180,000元之投資證券於二零零五年一月一日重新歸類為無形資產。

重新歸類對二零零五年一月一日之期初公允價值儲備或保留溢利並無重大影響。

於截至二零零四年及二零零五年十二月三十一日止年度各受影響財務報表項目之調整載於附註2(a)及(b)。

# Notes to

## the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)

(除另有註明者外，以港元為單位)

### 2. Changes in accounting policies

(Continued)

#### (h) Retranslation of goodwill on consolidation of a foreign operation (HKAS 21, The effects of changes in foreign exchange rates)

In prior years, goodwill arising on the acquisition of a foreign operation was translated at the exchange rates ruling at the transaction dates.

With effect from 1 January 2005, in order to comply with HKAS 21, the group has changed its accounting policy relating to retranslation of goodwill. Under the new policy, any goodwill arising on the acquisition of a foreign operation is treated as an asset of the foreign operation and is retranslated at exchange rates ruling at the balance sheet date, together with the retranslation of the net assets of the foreign operation. Further details of the new policy are set out in note 1(u).

In accordance with the transitional provisions in HKAS 21, this new policy has not been adopted retrospectively and is only applied to acquisitions occurring on or after 1 January 2005. As the group has not acquired any new foreign operations since that date, the change in policy has had no impact on the financial statements for the year ended 31 December 2005.

### 2. 會計政策變動 (續)

#### (h) 重新換算合併境外業務之商譽(《香港會計準則》第21號，「匯率變動之影響」)

於以往年度，因收購境外業務產生之商譽乃按交易當日之匯率換算。

由二零零五年一月一日起，為符合《香港會計準則》第21號，本集團已改變其有關重新換算商譽之會計政策。根據新政策，任何因收購境外業務產生之商譽將被視為境外業務之一項資產，並根據結算日之匯率重新換算，連同境外業務之資產淨值之重新換算一併計算。新政策之詳情載於附註1(u)。

根據《香港會計準則》第21號過渡性條文，該項新政策並未追溯應用，並且僅會應用於二零零五年一月一日或之後進行之收購事項。由於本集團並無於該日期後收購任何新境外業務，政策變更對截至二零零五年十二月三十一日止年度之財務報表並無重大影響。



# Notes to

## the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)

(除另有註明者外，以港元為單位)

### 2. Changes in accounting policies

(Continued)

#### (i) Definition of related parties (HKAS 24, Related party disclosures)

As a result of the adoption of HKAS 24, Related party disclosures, the definition of related parties as disclosed in note 1(w) has been expanded to clarify that related parties include entities that are under the significant influence of a related party that is an individual (i.e. key management personnel, significant shareholders and/or their close family members) and post-employment benefit plans which are for the benefit of employees of the group or of any entity that is a related party of the group. The clarification of the definition of related parties has not resulted in any material changes to the previously reported disclosures of related party transactions nor has it had any material effect on the disclosures made in the current period, as compared to those that would have been reported had SSAP 20, Related party disclosures, still been in effect.

### 3. Turnover

The principal activities of the group are the design, development, manufacturing and sales of plush stuffed toys and steel and plastic toys.

Turnover represents the net invoiced value of toys sold, excludes value added tax and is net of any trade discounts.

### 2. 會計政策變動 (續)

#### (i) 關聯人士之定義 (《香港會計準則》第24號，「關聯人士披露」)

由於採用《香港會計準則》第24號，「關聯人士披露」，於附註1(w)披露之關於關聯人士之定義已擴展至說明「關聯人士」包括受到個人關聯人士(即關鍵管理人員、重要股東及／或與彼等關係密切之家族成員)重大影響的實體，以及為本集團或作為本集團關聯人士的任何實體的僱員福利而設的離職後福利計劃。與原應根據會計實務準則第20號「關聯人士披露」(假設該準則仍然有效)報告的內容比較，對關聯方定義作出澄清並無引致以往所報告關聯人士交易的披露內容出現任何重大變動，也沒有對當期的披露內容構成任何重大的影響。

### 3. 營業額

本集團之主要業務活動為設計、發展、生產及銷售毛絨玩具與金屬及塑膠玩具。

營業額包括售出玩具的發票淨值，不計增值稅，但已扣除任何營業折扣。

# Notes to

## the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)

(除另有註明者外，以港元為單位)

### 4. Other revenue and net loss

### 4. 其他收入及虧損淨額

		2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
<b>Other revenue</b>	<b>其他收入</b>		
Interest income from bank deposits (including related option premium income on dual currency option deposits)	銀行存款利息收入(包括 雙重貨幣期權存款的 相關期權金收入)	6,515	14,531
Sales of scrap materials	出售報廢物料	-	543
Sundry income	雜項收入	1,807	3,226
		<u>8,322</u>	<u>18,300</u>
<b>Other net loss</b>	<b>其他虧損淨額</b>		
Net gain on sale of property, plant and equipment	出售物業、廠房及設備 收益淨額	381	293
Net exchange loss	匯兌虧損淨額	(5,332)	(6,201)
Changes in fair value of financial instruments (note 18)	財務工具公允價值 的變動(附註18)	(10,414)	-
Loss on long-term structured deposit contract (note 18)	長期結構式存款合約 虧損(附註18)	(3,700)	(8,000)
Gain on disposal of associate	出售聯營公司收益	-	259
Others	其他	(864)	(10)
		<u>(19,929)</u>	<u>(13,659)</u>

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(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)

(除另有註明者外，以港元為單位)

### 5. (Loss)/profit before taxation

(Loss)/profit before taxation is arrived at after charging/(crediting):

### 5. 除稅前(虧損)/溢利

除稅前(虧損)/溢利已扣除/(計入):

		2005 二零零五年	2004 二零零四年 (restated) (重列)
		\$'000 千元	\$'000 千元
(a) Finance costs:	融資成本：		
Interest on bank advances and other borrowings wholly repayable within five years	須於五年內悉數償還的銀行貸款及其他借貸利息	3,339	830
(b) Staff costs:	員工成本：		
Contributions to defined contribution retirement plan	界定供款退休計劃的供款	4,795	7,837
Expenses recognised in respect of defined benefit retirement plan (note 25(a))	就界定利益退休計劃確認的費用(附註25(a))	4,161	4,865
Retirement costs	退休計劃成本	8,956	12,702
Equity-settled share-based payment expenses	以股份為基礎之付款開支	1,915	3,866
Salaries, wages and other benefits	薪金、工資及其他福利	248,167	230,730
		<u>259,038</u>	<u>247,298</u>

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(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)

(除另有註明者外，以港元為單位)

### 5. (Loss)/profit before taxation

(Continued)

(Loss)/profit before taxation is arrived at after charging/(crediting) (Continued):

### 5. 除稅前(虧損)/溢利(續)

除稅前(虧損)/溢利已扣除/(計入)(續)：

		2005 二零零五年	2004 二零零四年 (restated) (重列)
		\$'000 千元	\$'000 千元
(c) Other items:	其他項目：		
Amortisation of land lease premium (note)	土地租賃溢價攤銷(附註)	163	95
Amortisation of negative goodwill arising on acquisition of subsidiary	收購附屬公司產生之負商譽攤銷	-	(1,591)
Amortisation of positive goodwill arising on acquisition of subsidiary	收購附屬公司產生之正商譽攤銷	-	7,328
Depreciation (note)	折舊(附註)	21,495	17,571
Impairment losses:	減值虧損		
- trade and other receivables	- 應收賬款及其他應收款	2,285	22,480
Provision for inventories	存貨撥備	2,898	1,714
Auditors' remuneration	核數師酬金		
- audit services	- 核數服務	3,772	3,500
- tax services	- 稅務服務	293	135
Operating lease charges:	經營租賃費用：		
minimum lease payments	最低租賃付款		
- property rentals (note)	- 物業租金(附註)	31,452	28,499
Commission expenses	佣金開支	8,650	6,981
Cost of inventories (note)	存貨成本(附註)	853,523	867,628

Note: Cost of inventories includes \$197,331,000 (2004: \$183,390,000) relating to staff costs, amortisation and depreciation expenses and operating lease charges, which amount is also included in the respective total amounts disclosed separately above or in note 5(b) for each of these types of expenses.

附註：存貨成本包括與員工成本、攤銷及折舊費用及經營租賃費用有關的197,331,000元(二零零四年：183,390,000元)，有關數額亦已記入以上或附註5(b)分開列示的各類開支總額中。

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## the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)

(除另有註明者外，以港元為單位)

### 6. Income tax in the consolidated income statement

(a) Taxation in the consolidated income statement represents:

### 6. 綜合損益表所示的所得稅

(a) 綜合損益表所示的稅項為：

		2005 二零零五年	2004 二零零四年 (restated) (重列)
		\$'000 千元	\$'000 千元
<b>Current tax - Provision for Hong Kong Profits Tax</b>	<b>本期稅項－香港 利得稅準備</b>		
Tax for the year	本年度稅項	4,106	5,184
Under-provision in respect of prior years	以往年度準備不足	-	3
		<u>4,106</u>	<u>5,187</u>
<b>Current tax - Outside Hong Kong</b>	<b>本期稅項－香港以外地區</b>		
Tax for the year	本年度稅項	917	7,155
Under/(over)-provision in respect of prior years	以往年度準備不足 ／(過剩)	878	(86)
		<u>1,795</u>	<u>7,069</u>
<b>Deferred tax</b>	<b>遞延稅項</b>		
Origination and reversal of temporary differences	暫時性差異產生及轉回	(2,485)	590
		<u>3,416</u>	<u>12,846</u>

Provision for Hong Kong Profits Tax is calculated at 17.5% (2004: 17.5%) of the estimated assessable profits for the year. Taxation for subsidiaries outside Hong Kong is charged at the appropriate current rates of taxation ruling in the relevant tax jurisdictions.

香港利得稅準備是按本年度的估計應評稅溢利以17.5%(二零零四年：17.5%)的稅率計算。香港以外地區之附屬公司的稅項以相關司法權區適用的現行稅率計算。

## Notes to

## the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)

(除另有註明者外，以港元為單位)

### 6. Income tax in the consolidated income statement (Continued)

- (a) Taxation in the consolidated income statement represents (Continued):

In accordance with the relevant regulations and the Enterprise Income Tax Law applicable in the PRC, the PRC subsidiaries are exempted from Enterprise Income Tax for two years starting from the first profit making year and thereafter subject to Enterprise Income Tax at 50% of the standard tax rate for the following three years. During the year ended 31 December 2005, the PRC subsidiaries incurred losses and therefore are not subject to Enterprise Income Tax. In 2004, certain PRC subsidiaries were subject to Enterprise Income Tax at 50% of the standard tax rate of 27% income tax in the balance sheets.

- (b) Reconciliation between tax expense and accounting profit at applicable tax rates:

### 6. 綜合損益表所示的所得稅 (續)

- (a) 綜合損益表所示的稅項為 (續)：

根據有關規例及適用於中國的企業所得稅法，中國附屬公司可以在首個獲利營運年度起計獲豁免企業所得稅兩年，並於其後三年獲減免按標準稅率計算的企業所得稅的50%。截至二零零五年十二月三十一日止年度，中國附屬公司產生虧損，因此毋須繳納企業所得稅。於二零零四年，若干中國附屬公司按標準稅率27%的50%繳納企業所得稅。

- (b) 按適用稅率就稅項開支與會計溢利之對賬：

		2005 二零零五年	2004 二零零四年 (restated) (重列)
		\$'000 千元	\$'000 千元
(Loss)/profit before tax	除稅前(虧損)/溢利	(33,054)	61,897
Notional tax on (loss)/profit before tax, calculated at the rates applicable to (losses)/profits in the tax jurisdictions concerned	按照在相關稅項司法權區獲得(虧損)/溢利的適用稅率計算除稅前(虧損)/溢利的名義稅項	(1,019)	9,181
Tax effect of non-deductible expenses	不可扣減支出的稅項影響	6,646	5,446
Tax effect of non-taxable revenue	毋須課稅收入的稅項影響	(3,089)	(1,698)
Under/(over)-provision in prior years	以往年度準備不足/(過剩)	878	(83)
Actual tax expense	實際稅項支出	3,416	12,846

# Notes to the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)  
(除另有註明者外，以港元為單位)

## 7. Directors' remuneration

Directors' remuneration disclosed pursuant to section 161 of the Hong Kong Companies Ordinance is as follows:

## 7. 董事酬金

根據香港《公司條例》第161條列報的董事酬金如下：

		Salaries, allowances and benefits fees	Share- based payments in kind	Retirement scheme contributions	2005 Total
		薪金、津貼 及實物福利	以股份為 基礎的付款	退休 計劃供款	二零零五年 總計
		\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元
<i>Chairman and executive director</i>	主席及執行董事				
Kyoo Yoon Choi	崔奎玼	180	4,377	-	4,557
<i>Executive directors</i>	執行董事				
Chul Hong Min	閔喆泓	-	4,651	-	4,651
Tae Sub Choi	崔泰燮	-	1,368	124	1,492
Young M. Lee	李泳模	-	1,957	-	2,214
James Wang	王傳泳	-	851	-	1,001
<i>Independent non-executive directors</i>	獨立非執行董事				
Valiant, Kin Piu Cheung	張建標	132	-	-	132
Cheong H. Yi	李政憲	120	-	-	120
Chan Yoo	柳贊	120	-	-	120
		<u>552</u>	<u>13,204</u>	<u>124</u>	<u>14,287</u>

# Notes to

## the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)

(除另有註明者外，以港元為單位)

### 7. Directors' remuneration (Continued)

### 7. 董事酬金 (續)

		Salaries, allowances and benefits fees	Share- based payments in kind	Retirement scheme contributions	2004 Total
		薪金、津貼 及實物福利	為基礎的 付款以股份	退休 計劃供款	二零零四年 總計
			(restated) (重列)		(restated) (重列)
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
<i>Chairman and executive director</i>	<i>主席及執行董事</i>				
Kyoo Yoon Choi	崔奎琬	-	5,526	-	5,526
<i>Executive directors</i>	<i>執行董事</i>				
Chul Hong Min	閔詰泓	-	3,662	-	3,662
Tae Sub Choi	崔泰燮	-	1,291	199	1,490
Young M. Lee	李泳模	-	2,102	-	2,131
<i>Independent non-executive directors</i>	<i>獨立非執行董事</i>				
Valliant, Kin Piu Cheung	張建標	132	-	-	132
Cheong H. Yi	李憲政	120	-	-	120
Chan Yoo	柳贊	30	-	-	30
		<u>282</u>	<u>12,581</u>	<u>199</u>	<u>29</u>
					<u>13,091</u>

The above emoluments include the value of share options granted to certain directors under the company's share option scheme as estimated at the date of grant. The value of these share options is measured according to the company's accounting policy for share-based payment transactions as set out in note 1(q).

The details of these benefits in kind, including the principal terms and number of options granted, are disclosed under the paragraph "Share option scheme" in the directors' report and note 26.

上述酬金包括根據本公司購股權計劃授予若干董事的購股權於授出日期估計的價值。該等購股權的價值乃根據載於附註1(q)本公司就以股份為基礎的付款交易的會計政策計量。

實物福利的詳情(包括主要條款及授出購股權數目)於董事會報告書「購股權計劃」一段及附註26內披露。



## Notes to

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(除另有註明者外，以港元為單位)

### 8. Individuals with highest emoluments

Of the five individuals with the highest emoluments, four (2004 (restated): four) are directors whose emoluments are disclosed in note 7. The emoluments in respect of remaining individual are as follows:

Salaries and other emoluments	薪金及其他酬金
Retirement scheme contributions	退休計劃供款

### 8. 最高酬金人士

在五位最高酬金的人士中，四位（二零零四年（重列）：四位）為董事，有關的酬金詳情載於附註7。其餘一位人士的酬金如下：

2005 二零零五年	2004 二零零四年 (restated) (重列)
\$'000 千元	\$'000 千元
1,240	1,438
150	-
<u>1,390</u>	<u>1,438</u>

### 9. (Loss)/profit for the year

The consolidated loss attributable to shareholders includes a loss of \$11,064,000 (2004 (restated): Profit \$38,216,000) which has been dealt with in the financial statements of the company.

### 9. 年度（虧損）／溢利

股東應佔綜合虧損包括一筆已列入本公司財務報表的11,064,000元（二零零四年（重列）：溢利38,216,000元）虧損。

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## the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)

(除另有註明者外，以港元為單位)

### 9. (Loss)/profit for the year (Continued)

Reconciliation of the above amount to the company's profit for the year:

Amount of consolidated (loss)/profit attributable to shareholders dealt with in the company's financial statements	列入本公司財務報表的股東應佔綜合(虧損)/溢利數額	(11,064)
Final dividend from subsidiary attributable to the profit of the previous financial year, approved and paid during the year	附屬公司於年內獲核准及支付的以往財政年度末期股息	14,734
Company's profit for the year (note 28)	本公司本年度溢利(附註28)	3,670

### 9. 年度(虧損)/溢利(續)

上述數額與本公司本年度溢利之對賬如下：

2005 二零零五年	2004 二零零四年 (restated) (重列)
\$'000 千元	\$'000 千元
(11,064)	38,216
14,734	4,680
<u>3,670</u>	<u>42,896</u>

### 10. Dividends

#### (a) Dividends payable to equity shareholders of the company attributable to the year

Interim dividend declared and paid of \$Nil (2004: \$0.030) per share (note 28)	已宣派及支付中期股息每股零元(二零零四年：0.030元)(附註28)	-
Final dividend proposed after the balance sheet date of \$Nil (2004: \$0.060) per share	於結算日後建議分派末期股息每股零元(二零零四年：0.060元)	-

### 10. 股息

#### (a) 本年度應付予本公司股東的股息

2005 二零零五年	2004 二零零四年
\$'000 千元	\$'000 千元
-	20,026
-	40,053
<u>-</u>	<u>60,079</u>

## Notes to

## the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)

(除另有註明者外，以港元為單位)

### 10. Dividends (Continued)

#### (a) Dividends payable to equity shareholders of the company attributable to the year (Continued)

The final dividend proposed after the balance sheet date has not been recognised as a liability at the balance sheet date.

#### (b) Dividends payable to equity shareholders of the company attributable to the previous financial year, approved and paid during the year

Final dividend in respect of the previous financial year, approved and paid during the year, of \$0.060 per share (2004: \$0.060 per share) (note 28)

於年內獲批准及支付的以往財政年度末期股息每股0.060元(二零零四年：每股0.060元)(附註28)

### 10. 股息 (續)

#### (a) 本年度應付予本公司股東的股息 (續)

於結算日後建議分派的末期股息並未於結算日確認為負債。

#### (b) 於年內獲批准及支付之以往財政年度應付予本公司股東的股息

2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
40,111	40,053

### 11. (Loss)/earnings per share

#### (a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to equity shareholders of the company of \$36,348,000 (2004 (restated): Profit \$49,051,000) and the weighted average of 668,264,400 (2004: 666,349,070) ordinary shares in issue during the year.

### 11. 每股(虧損)/盈利

#### (a) 每股基本虧損

每股基本虧損是按照本年度的股東應佔虧損36,348,000元(二零零四年(重列)：溢利49,051,000元)及年內已發行之加權平均普通股股數668,264,400股(二零零四年：666,349,070股)計算。

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(除另有註明者外，以港元為單位)

### 11. (Loss)/earnings per share (Continued)

#### (b) Diluted loss per share

Diluted loss per share for the year ended 31 December 2005 is the same as the basic loss per share as the potential ordinary shares outstanding during the year ended 31 December 2005 were anti-dilutive.

The calculation of diluted earnings per share for the year ended 31 December 2004 is based on the profit attributable to equity shareholders of the company of \$49,051,000 (restated) and the weighted average number of ordinary shares of 670,953,579 shares after adjusting for the effects of all dilutive potential ordinary shares under the company's share option scheme.

#### Weighted average number of shares (diluted)

Weighted average number of shares

at 31 December used in calculating  
basic earnings per share

Effect of deemed issue of shares

under the company's share option  
scheme for nil consideration

Weighted average number of shares  
at 31 December used in calculating  
diluted earnings per share

於十二月三十一日用作計算每股  
基本盈利的加權平均股數

根據本公司購股權計劃視為不計  
價款發行之股份的影響

於十二月三十一日用作計算每股  
攤薄盈利的加權平均股數

### 11. 每股(虧損)/盈利(續)

#### (b) 每股攤薄虧損

截至二零零五年十二月三十一日止年度的每股攤薄虧損與每股基本虧損一樣，此乃由於截至二零零五年十二月三十一日止年度內已發行的潛在普通股具反攤薄影響。

截至二零零四年十二月三十一日止年度的每股攤薄盈利是根據本公司股東應佔溢利49,051,000元(重列)及已就本公司購股權計劃下所有具備潛在攤薄影響的普通股作出調整之加權平均普通股股數670,953,579股計算。

#### 加權平均股數(攤薄)

2004

二零零四年

**Number  
of shares**  
股份數目

666,349,070

4,604,509

670,953,579

# Notes to the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)  
(除另有註明者外，以港元為單位)

## 12. Segment reporting

Segment information is presented in respect of the group's business and geographical segments. Business segment information is chosen as the primary reporting format because this is more relevant to the group's internal financial reporting.

### Business segments

The group comprises two main business segments:

- plush stuffed toys
- steel and plastic toys

## 12. 分部報告

分部資料是按本集團的業務和地區分部作出呈述。由於業務分部資料對本集團的內部財務匯報工作意義較大，故已選為報告分部資料的主要形式。

### 業務分部

本集團的主要業務分部如下：

- 毛絨玩具
- 金屬及塑膠玩具

		Plush stuffed toys		Steel and plastic toys		Unallocated		Consolidated	
		毛絨玩具		金屬及塑膠玩具		未分配數額		綜合數額	
		2005	2004	2005	2004	2005	2004	2005	2004
		二零零五年	二零零四年	二零零五年	二零零四年	二零零五年	二零零四年	二零零五年	二零零四年
			(restated)		(restated)		(restated)		(restated)
			(重列)		(重列)		(重列)		(重列)
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元	千元	千元	千元
Revenue from external customers	來自外界客戶的收入	981,811	1,114,298	58,633	43,809	-	-	1,040,444	1,158,107
Other revenue from external customers	來自外界客戶的其他收入	1,611	3,757	196	12	6,515	14,531	8,322	18,300
<b>Total</b>	<b>總額</b>	<b>983,422</b>	<b>1,118,055</b>	<b>58,829</b>	<b>43,821</b>	<b>6,515</b>	<b>14,531</b>	<b>1,048,766</b>	<b>1,176,407</b>
Segment result	分部業績	(28,980)	61,322	(1,387)	1,547	-	-	(30,367)	62,869
(Loss)/profit from operations	經營(虧損)/溢利							(30,367)	62,869
Finance costs	融資成本							(3,339)	(830)
Share of profits less losses of associates	應佔聯營公司溢利減虧損							652	(142)
Taxation	稅項							(3,416)	(12,846)
(Loss)/profit attributable to equity shareholders	股東應佔(虧損)/溢利							(36,470)	49,051

# Notes to the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)  
(除另有註明者外，以港元為單位)

## 12. Segment reporting (Continued)

### Business segments (Continued)

## 12. 分部報告 (續)

### 業務分部 (續)

		Plush stuffed toys		Steel and plastic toys		Consolidated	
		毛絨玩具		金屬及塑膠玩具		綜合數額	
		2005	2004	2005	2004	2005	2004
		二零零五年	二零零四年	二零零五年	二零零四年	二零零五年	二零零四年
			(restated)		(restated)		(restated)
			(重列)		(重列)		(重列)
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元	千元
Depreciation in respect of property, plant and equipment for the year	本年度物業、廠房及設備折舊	20,811	16,495	684	1,076	21,495	17,571
Amortisation of land lease premium for the year	本年度土地租賃溢價攤銷	163	95	-	-	163	95
Amortisation of goodwill for the year	本年度商譽攤銷	-	5,648	-	89	-	5,737
Significant non-cash expenses (other than depreciation and amortisation)	大額非現金費用 (折舊及攤銷除外)	13,815	30,480	-	-	13,815	30,480
Segment assets	分部資產	566,735	496,004	43,129	43,976	609,864	539,980
Interest in associates	於聯營公司的權益	1,483	809	-	-	1,483	809
Unallocated assets	未分配資產					203,624	239,776
Total assets	資產總值					814,971	780,565
Segment liabilities	分部負債	109,559	102,154	9,981	7,055	119,540	109,209
Unallocated liabilities	未分配負債					137,484	67,367
Total liabilities	負債總額					257,024	176,576
Capital expenditure incurred during the year	本年度內產生的資本開支	58,002	38,266	17,706	241	75,708	38,507

# Notes to the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)  
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## 12. Segment reporting (Continued)

### Geographical segments

The group participates in several principal economic environments as set out below.

In presenting information on the basis of geographical segments, segment turnover is based on the geographical destination of delivery of goods. Segment assets and capital expenditure are based on the geographical location of the assets.

## 12. 分部報告 (續)

### 地區分部

本集團在下列數個主要經濟環境中經營。

在呈述地區分部信息時，分部營業額乃根據交付貨品的目的地釐定。分部資產及資本開支則以資產的所在地為計算基準。

		Turnover		Segment assets		Capital expenditure incurred during the year	
		營業額		分部資產		本年度內產生 的資本開支	
		2005	2004	2005	2004	2005	2004
		二零零五年	二零零四年	二零零五年	二零零四年	二零零五年	二零零四年
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元	千元
North America	北美洲	478,886	514,256	212	425	26	31
Japan	日本	323,473	448,356	4,412	4,580	-	4,603
Europe	歐洲	166,885	129,496	-	-	-	-
South Korea	南韓	28,602	30,598	176,227	175,966	1,087	3,216
Hong Kong	香港	35,498	6,309	78,388	69,606	11,728	350
PRC (other than Hong Kong)	中國(香港除外)	5,316	14,587	306,084	270,190	32,556	23,982
Vietnam	越南	-	8,576	44,541	19,213	30,311	6,325
Others	其他	1,784	5,929	-	-	-	-
		<u>1,040,444</u>	<u>1,158,107</u>	<u>609,864</u>	<u>539,980</u>	<u>75,708</u>	<u>38,507</u>

There is no major disparity in the ratios between turnover and profit in relation to the above geographical locations, hence no analysis is given for the profit contribution from each of the above geographical locations.

由於來自上述地區的營業額與溢利的比例並無重大差異，故此並無對上述地區的溢利貢獻作出分析。

# Notes to

## the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)

(除另有註明者外，以港元為單位)

### 13. Fixed assets

#### (a) The group

### 13. 固定資產

#### (a) 本集團

	Freehold land and buildings held for own use	Buildings held for own use	Leasehold improve-ments	Plant and machinery	Office equipment, furniture and fixtures	Motor vehicles	Sub-total	Interests in leasehold land held for own use under operating leases	Total fixed assets	
	持作自用享有永久業權土地及建築物	持作自用建築物	租賃物業裝修	工業裝置及機器	辦公室設備、傢具及固定裝置	汽車	小計	根據經營租賃於持作自用租賃土地的權益	固定資產總計	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
	千元	千元	千元	千元	千元	千元	千元	千元	千元	
<b>Cost:</b>	<b>成本：</b>									
At 1 January 2004 (restated)	於二零零四年一月一日(重列)	-	36,611	19,245	85,073	17,592	9,062	167,583	10,682	178,265
Exchange adjustments	匯兌調整	-	-	-	(3)	228	315	540	-	540
Additions	增置	4,603	2,142	2,353	17,693	4,472	2,380	33,643	-	33,643
Disposals	出售	-	-	(115)	(472)	(447)	(287)	(1,321)	-	(1,321)
At 31 December 2004 (restated)	於二零零四年十二月三十一日(重列)	4,603	38,753	21,483	102,291	21,845	11,470	200,445	10,682	211,127
At 1 January 2005 (restated)	於二零零五年一月一日(重列)	4,603	38,753	21,483	102,291	21,845	11,470	200,445	10,682	211,127
Exchange adjustments	匯兌調整	-	860	61	979	193	137	2,230	75	2,305
Additions	增置	-	6,813	1,004	17,349	3,679	966	29,811	1,137	30,948
Disposals	出售	-	-	(137)	(4,342)	(667)	(269)	(5,415)	-	(5,415)
Transfer from construction in progress (note 14)	從在建工程轉撥(附註14)	-	14,983	-	7,753	414	602	23,752	-	23,752
At 31 December 2005	於二零零五年十二月三十一日	4,603	61,409	22,411	124,030	25,464	12,906	250,823	11,894	262,717
<b>Aggregate amortisation and depreciation:</b>	<b>攤銷及折舊總額：</b>									
At 1 January 2004 (restated)	於二零零四年一月一日(重列)	-	4,838	12,477	44,066	11,579	5,536	78,496	358	78,854
Exchange adjustments	匯兌調整	-	-	-	(3)	98	115	210	-	210
Charge for the year	本年度開支	23	2,146	2,647	8,827	2,305	1,623	17,571	95	17,666
Written back on disposal	出售時撥回	-	-	(98)	(460)	(336)	(287)	(1,181)	-	(1,181)
At 31 December 2004 (restated)	於二零零四年十二月三十一日(重列)	23	6,984	15,026	52,430	13,646	6,987	95,096	453	95,549
At 1 January 2005 (restated)	於二零零五年一月一日(重列)	23	6,984	15,026	52,430	13,646	6,987	95,096	453	95,549
Exchange adjustments	匯兌調整	-	169	40	416	93	69	787	9	796
Charge for the year	本年度開支	168	2,475	2,576	11,225	3,557	1,494	21,495	163	21,658
Written back on disposal	出售時撥回	-	-	(136)	(4,342)	(400)	(266)	(5,144)	-	(5,144)
At 31 December 2005	於二零零五年十二月三十一日	191	9,628	17,506	59,729	16,896	8,284	112,234	625	112,859
<b>Net book value:</b>	<b>賬面淨值：</b>									
At 31 December 2005	於二零零五年十二月三十一日	4,412	51,781	4,905	64,301	8,568	4,622	138,589	11,269	149,858
At 31 December 2004 (restated)	於二零零四年十二月三十一日(重列)	4,580	31,769	6,457	49,861	8,199	4,483	105,349	10,229	115,578



# Notes to the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)  
(除另有註明者外，以港元為單位)

## 13. Fixed assets (Continued)

### (b) The company

## 13. 固定資產 (續)

### (b) 本公司

		Freehold	Leasehold	Plant and	Motor	Office	Total
		land and buildings held for own use	improve- ments	machinery	vehicles	equipment, furniture and fixtures	
		持作自用 業權土地 及建築物	租賃 物業裝修	工業裝置 及機器	汽車	辦公室 設備、 傢具及 固定裝置	固定 資產總計
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元	千元
<b>Cost:</b>	<b>成本：</b>						
At 1 January 2004	於二零零四年一月一日	-	16,245	25,673	3,364	11,389	56,671
Additions	增置	4,603	653	6,917	189	350	12,712
Disposals	出售	-	(115)	(441)	(167)	(7)	(730)
At 31 December 2004	於二零零四年 十二月三十一日	4,603	16,783	32,149	3,386	11,732	68,653
At 1 January 2005	於二零零五年一月一日	4,603	16,783	32,149	3,386	11,732	68,653
Additions	增置	-	372	6,650	226	881	8,129
Disposals	出售	-	(136)	(4,342)	-	(58)	(4,536)
At 31 December 2005	於二零零五年 十二月三十一日	4,603	17,019	34,457	3,612	12,555	72,246
<b>Aggregate depreciation:</b>	<b>折舊總額：</b>						
At 1 January 2004	於二零零四年一月一日	-	10,229	19,080	2,513	7,913	39,735
Charge for the year	本年度開支	23	2,341	2,725	578	1,278	6,945
Written back on disposal	出售時撥回	-	(98)	(441)	(166)	(6)	(711)
At 31 December 2004	於二零零四年 十二月三十一日	23	12,472	21,364	2,925	9,185	45,969
At 1 January 2005	於二零零五年一月一日	23	12,472	21,364	2,925	9,185	45,969
Charge for the year	本年度開支	168	1,561	3,535	322	1,065	6,651
Written back on disposal	出售時撥回	-	(136)	(4,343)	-	(36)	(4,515)
At 31 December 2005	於二零零五年 十二月三十一日	191	13,897	20,556	3,247	10,214	48,105
<b>Net book value:</b>	<b>賬面淨值：</b>						
At 31 December 2005	於二零零五年 十二月三十一日	4,412	3,122	13,901	365	2,341	24,141
At 31 December 2004	於二零零四年 十二月三十一日	4,580	4,311	10,785	461	2,547	22,684

# Notes to

## the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)

(除另有註明者外，以港元為單位)

### 13. Fixed assets (Continued)

(c) The analysis of net book value of properties is as follows:

### 13. 固定資產 (續)

(c) 物業賬面淨值的分析如下：

		The group 本集團		The company 本公司	
		2005 二零零五年	2004 二零零四年 (restated) (重列)	2005 二零零五年	2004 二零零四年
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Outside Hong Kong	香港境外				
- medium-term leases	- 中期租賃	63,050	41,998	-	-
Freehold outside Hong Kong	香港境外永久擁有	4,412	4,580	4,412	4,580
		<u>67,462</u>	<u>46,578</u>	<u>4,412</u>	<u>4,580</u>

		The group 本集團		The company 本公司	
		2005 二零零五年	2004 二零零四年 (restated) (重列)	2005 二零零五年	2004 二零零四年
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
<b>Representing:</b>	<b>代表：</b>				
Freehold land and buildings	永久擁有的 土地及建築物	4,412	4,580	4,412	4,580
Buildings carried at cost	以成本列值的 建築物	51,781	31,769	-	-
		<u>56,193</u>	<u>36,349</u>	<u>4,412</u>	<u>4,580</u>
Interest in leasehold land held for own use under operating leases	根據經營租賃於 持作自用租賃 土地的權益	11,269	10,229	-	-
		<u>67,462</u>	<u>46,578</u>	<u>4,412</u>	<u>4,580</u>

# Notes to the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)  
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## 14. Construction in progress

## 14. 在建工程

		The group 本集團	
		2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
At 1 January	於一月一日	4,864	-
Exchange adjustments	匯兌調整	93	-
Additions	增置	27,296	4,864
Transfer to fixed assets (note 13(a))	轉撥往固定資產	(23,752)	-
At 31 December	於十二月三十一日	<u>8,501</u>	<u>4,864</u>

# Notes to

## the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)

(除另有註明者外，以港元為單位)

### 15. Goodwill

### 15. 商譽

		The group		
		Negative goodwill	Positive goodwill	Total
		負商譽	正商譽	總計
		\$'000	\$'000	\$'000
		千元	千元	千元
<b>Cost:</b>	<b>成本：</b>			
At 1 January 2004 and 31 December 2004	於二零零四年一月一日及二零零四年十二月三十一日	(18,960)	109,469	90,509
At 1 January 2005	於二零零五年一月一日	(18,960)	109,469	90,509
Opening balance adjustment to eliminate accumulated amortisation	調整期初結餘以對銷累計攤銷	9,365	(9,315)	50
Opening balance adjustment to derecognise negative goodwill	調整期初結餘以取消確認負商譽	9,595	-	9,595
At 31 December 2005	於二零零五年十二月三十一日	-	100,154	100,154
<b>Accumulated amortisation and impairment losses:</b>	<b>累計攤銷及減值虧損：</b>			
At 1 January 2004	於二零零四年一月一日	7,774	(1,987)	5,787
Amortisation for the year	本年度攤銷	1,591	(7,328)	(5,737)
At 31 December 2004	於二零零四年十二月三十一日	9,365	(9,315)	50
At 1 January 2005	於二零零五年一月一日	9,365	(9,315)	50
Eliminated against cost at 1 January 2005	對銷於二零零五年一月一日的成本	(9,365)	9,315	(50)
At 31 December 2005	於二零零五年十二月三十一日	-	-	-
<b>Carrying amount:</b>	<b>賬面值：</b>			
At 31 December 2005	於二零零五年十二月三十一日	-	100,154	100,154
At 31 December 2004	於二零零四年十二月三十一日	(9,595)	100,154	90,559

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(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)  
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## 15. Goodwill (Continued)

In 2004, negative goodwill is amortised on a straight-line basis over ten years and positive goodwill is amortised on a straight-line basis over ten to fifteen years. The amortisation of negative and positive goodwill for the year ended 31 December 2004 was included in "Administrative expenses" in the consolidated income statement.

As explained further in note 2(d), with effect from 1 January 2005 the group no longer amortises goodwill. In accordance with the transitional provisions set out in HKFRS 3, the accumulated amortisation of goodwill as at 1 January 2005 has been eliminated against the cost of goodwill as at that date. The carrying amount of negative goodwill at 1 January 2005 has been derecognised.

### Impairment tests for cash-generating units containing goodwill

Positive goodwill is allocated to the group's cash-generating units ("CGU") identified according to country of operation and business segment as follows:

Plush stuffed toys – Korea	毛絨玩具－南韓
Multiple units without significant goodwill	多個並無重大商譽的單位

## 15. 商譽 (續)

於二零零四年，負商譽乃按直線法基準以十年期攤銷，而正商譽乃按直線法基準以十至十五年期攤銷。截至二零零四年十二月三十一日止年度的負商譽及正商譽攤銷已納入於綜合損益表內的「行政開支」。

誠如於附註2(d)進一步闡釋，本集團自二零零五年一月一日起已不再攤銷商譽。根據《香港財務報告準則》第3號的過渡性條文，於二零零五年一月一日的累計商譽攤銷已用作對銷於當日的商譽成本。於二零零五年一月一日的負商譽面值已取消確認。

### 擁有商譽的現金產生單位的減值測試

正商譽乃分配到本集團的現金產生單位（「現金產生單位」），根據經營國家及業務分部辨識如下：

2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
99,532	99,532
622	622
<u>100,154</u>	<u>100,154</u>

# Notes to

## the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)

(除另有註明者外，以港元為單位)

### 15. Goodwill (Continued)

#### Impairment tests for cash-generating units containing goodwill (Continued)

##### Plush stuffed toys - Korea

The recoverable amount of the CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimate rates stated below. The growth rate does not exceed the long-term average growth rate for the business in which the CGU operates.

Key assumptions used for value-in-use calculations:

- Gross margin	15%
- Growth rate	1% to 3%
- Discount rate	15%

Management determined the budgeted gross margin based on past performance and its expectation for market development. The weighted average growth rates used are consistent with the forecasts for the plush stuffed toy industry. The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

### 15. 商譽 (續)

#### 擁有商譽的現金產生單位的減值測試 (續)

##### 毛絨玩具 - 南韓

現金產生單位的可收回數額乃按使用價值計算。該等計算運用根據管理層批准涵蓋五個年度的財政預算的現金流量預測。超過五年期的現金流量乃運用下列估計百分率估計。增長率並不超過現金產生單位所經營業務的長期平均增長率。

使用價值計算所用的主要假設：

- 毛利率	15%
- 增長率	1% 至 3%
- 貼現率	15%

管理層根據過往表現及其對市場發展的預期釐定預算毛利率。所運用的加權平均增長率與毛絨玩具工業的預測一致。所用貼現率為除稅前的貼現率，並反映與相關分部有關的特定風險。

# Notes to the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)  
(除另有註明者外，以港元為單位)

## 16. Investments in subsidiaries

Unlisted shares, at cost  
Loans to subsidiaries

The loans to subsidiaries are unsecured, interest free and have no fixed repayment term.

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the group. The class of shares held is ordinary unless otherwise stated.

All of these are controlled subsidiaries as defined under note 1(c) and have been consolidated into the group financial statements.

## 16. 於附屬公司的投資

The company

本公司

2005 二零零五年	2004 二零零四年 (restated) (重列)
\$'000 千元	\$'000 千元
165,659	132,528
138,585	152,434
<u>304,244</u>	<u>284,962</u>

授予附屬公司之貸款乃無抵押、免息及無固定還款期。

下表只載列對本集團的業績、資產或負債有重大影響的附屬公司詳情。除另有註明者外，所持有的股份均為普通股。

這些附屬公司均為附註1(c)所界定的受控制附屬公司，並已在本集團的財務報表中綜合計算。

# Notes to

## the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)

(除另有註明者外，以港元為單位)

### 16. Investments in subsidiaries (Continued) 16. 於附屬公司的投資 (續)

Company name	Place of incorporation and operation	Particulars of issued and fully paid up capital/ registered capital	Proportion of ownership interest			Principal activity
			Group's effective interest	Held by the company	Held by a subsidiary	
公司名稱	註冊成立及營業地點	已發行及繳足股本／註冊資本詳情	本集團實際權益	本公司持有	附屬公司持有	主要業務
Dream International USA, Inc. (formerly C & H Toy of America, Inc.) #	United States of America	US\$1,000,000	100%	100%	-	Trading of plush stuffed toys
Dream International USA, Inc. (前稱C & H Toy of America, Inc.) #	美國	1,000,000美元				買賣毛絨玩具
J.Y. Toys Co., Limited	Hong Kong	US\$1,500,000	100%	100%	-	Trading and manufacture of steel and plastic toys
香港正潤玩具有限公司	香港	1,500,000美元				買賣及製造金屬及塑膠玩具
J.Y. International Company Limited	Hong Kong	US\$500,000	100%	100%	-	Trading of plush stuffed toys and investment holding
	香港	500,000美元				買賣毛絨玩具及投資控股
* Jung Yoon Toys (Shanghai) Co., Limited #	PRC	US\$420,000	100%	100%	-	Manufacture of plush stuffed toys
* 正潤玩具(上海)有限公司 #	中國	420,000美元				製造毛絨玩具



# Notes to the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)  
(除另有註明者外，以港元為單位)

## 16. Investments in subsidiaries (Continued) 16. 於附屬公司的投資 (續)

Company name	Place of incorporation and operation	Particulars of issued and fully paid up capital/ registered capital	Proportion of ownership interest			Principal activity
			Group's effective interest	Held by the company	Held by a subsidiary	
公司名稱	註冊成立及營業地點	已發行及繳足股本／註冊資本詳情	本集團實際權益	本公司持有	附屬公司持有	主要業務
* C & H Toys (Suzhou) Co., Ltd. #	PRC	US\$9,200,000	100%	100%	-	Manufacture of plush fabrics and plush stuffed toys
* 希安琦玩具(蘇州)有限公司 #	中國	9,200,000美元				製造毛絨布料及毛絨玩具
Dream Inko Co., Ltd	South Korea	KRW100,000,000	100%	-	100%	Design, development and trading of plush stuffed toys
	南韓	100,000,000韓圓				設計、開發及買賣毛絨玩具
Dream Vina Co., Ltd	Vietnam	US\$1,690,000	100%	100%	-	Manufacture of plush stuffed toys
	越南	1,690,000美元				製造毛絨玩具
* C & H Toys (Shuyang) Co., Ltd #	PRC	US\$600,000	100%	100%	-	Manufacture of plush stuffed toys
	中國	600,000美元				製造毛絨玩具

# Notes to the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)  
(除另有註明者外，以港元為單位)

## 16. Investments in subsidiaries (Continued) 16. 於附屬公司的投資 (續)

Company name	Place of incorporation and operation	Particulars of issued and fully paid up capital/ registered capital	Proportion of ownership interest			Principal activity
			Group's effective interest	Held by the company	Held by a subsidiary	
公司名稱	註冊成立及營業地點	已發行及繳足股本／註冊資本詳情	本集團實際權益	本公司持有	附屬公司持有	主要業務
C & H HK Corp., Ltd	Hong Kong	HK\$10,000	61.8%	61.8%	-	Trading of steel and plastic toys and investment holding
	香港	10,000港元				買賣金屬及塑膠玩具及投資控股
* J.Y. Plasteel (Suzhou) Co., Ltd #	PRC	US\$3,100,000	61.8%	-	100%	Manufacture of bicycles and steel and plastic toys
	中國	3,100,000美元				製造單車及金屬及塑膠玩具
* Guangxi Beiliu Zhengrun Toys Co., Ltd #	PRC	HK\$500,000	100%	100%	-	Manufacture of plush stuffed toys
	中國	500,000港元				製造毛絨玩具
* C & H Toys (Mingguang) Co., Ltd #	PRC	US\$100,000	100%	100%	-	Manufacture of plush stuffed toys
	中國	100,000美元				製造毛絨玩具

\* These are wholly-owned foreign investment enterprises registered under the Laws of the PRC.

\* 根據中國法例註冊成立的全資外商投資企業。

# Subsidiaries not audited by KPMG.

# 並非由畢馬威會計師事務所審核的附屬公司。

# Notes to the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)  
(除另有註明者外，以港元為單位)

## 17. Interest in associates

## 17. 於聯營公司的權益

	The group 本集團		The company 本公司	
	2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元	2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
Unlisted shares, at cost 非上市股份 (按成本值)	-	-	1,248	1,248
Share of net assets 應佔資產淨值	1,483	809	-	-
	<u>1,483</u>	<u>809</u>	<u>1,248</u>	<u>1,248</u>

Details of the associates are as follows:

聯營公司之詳情如下：

Name of associate	Form of business structure	Place of incorporation and operation	Particulars of issued and paid up capital	Proportion of ownership interest				Principal activity
				group's effective interest	held by the company	held by subsidiary	held by associate	
聯營公司名稱	商業架構形式	註冊成立及經營地點	已發行及繳足股本詳情	本集團的實際權益	本公司所持有	附屬公司所持有	聯營公司所持有	主要業務
Kedington Enterprises Inc.	Incorporated	British Virgin Islands	800,000 ordinary shares of US\$1 each	20%	20%	-	-	Investment holding
	法團	英屬處女群島	800,000股每股面值1美元之普通股					投資控股
Yuan Lin Toys (Suzhou) Co., Ltd	Incorporated	PRC	Registered capital of US\$1,000,000	20%	-	-	100%	Manufacture of plush stuffed toys
元林玩具(蘇州)有限公司	法團	中國	1,000,000美元之註冊股本					製造毛絨玩具

# Notes to the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)  
(除另有註明者外，以港元為單位)

## 17. Interest in associates (Continued)

Summary financial information on associates:

## 17. 於聯營公司的權益 (續)

聯營公司的財務資料概要：

		Assets	Liabilities	Equity	Revenues	Profit/ (loss)
		資產	負債	權益	收益	溢利/ (虧損)
		\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元
<b>2005</b>	<b>二零零五年</b>					
100 per cent	100 %	16,545	(9,129)	7,416	43,544	3,260
Group's effective interest	本集團的實際權益	<u>3,309</u>	<u>(1,826)</u>	<u>1,483</u>	<u>8,709</u>	<u>652</u>
<b>2004</b>	<b>二零零四年</b>					
100 per cent	100 %	18,966	(14,921)	4,045	38,100	(710)
Group's effective interest	本集團的實際權益	<u>3,793</u>	<u>(2,984)</u>	<u>809</u>	<u>7,620</u>	<u>(142)</u>

## 18. Other non-current financial assets 18. 其他非流動財務資產

		The group 本集團		The company 本公司	
		2005 二零零五年	2004 二零零四年	2005 二零零五年	2004 二零零四年
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Long-term bank deposit (note (i))	長期銀行存款 (附註 (i))	93,036	85,288	93,036	85,288
Unlisted available-for-sale equity securities (2004: Other investments) (note (ii))	非上市可供出售 股本證券 (2004年：其他 投資) (附註 (ii))	1,823	2,734	-	-
		<u>94,859</u>	<u>88,022</u>	<u>93,036</u>	<u>85,288</u>

# Notes to the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)  
(除另有註明者外，以港元為單位)

## 18. Other non-current financial assets 18. 其他非流動財務資產 (續)

(Continued)

Notes:

- (i) The balance as at 31 December 2004 includes a long-term structured deposit contract with a bank in the amount of \$85,288,000. Interest was payable in the first year at 6% per annum and in subsequent years at rates based on LIBOR.

The long-term structured deposit contract was early terminated by the group during 2005 and a penalty was incurred as a result. It was written down by \$8,000,000 to its carrying value of \$85,288,000 at 31 December 2004. A further loss of \$3,700,000 was recognised in the 2005 income statement on termination of the contract.

During the year, the group entered into another long-term structured deposit contract with the bank. The contract will mature in 2017 and the principal amount is US\$12,000,000 (equivalent to \$93,036,000). Interest is payable quarterly in the first year at 6.5% per annum and in subsequent years at rates based on the spread between the 30 year and 10 year United States dollar swap rates. The bank may elect to early terminate the contract on any interest payment date before the maturity date by repaying the full principal amount plus accrued interest up to the termination date. The long-term structured deposit contract has been split into a non-derivative host contract and its embedded derivative components at initial recognition. The non-derivative host contract is subsequently carried at amortised cost using the effective interest method. The embedded derivative components are carried at fair value, with changes in fair value recognised in the consolidated income statement. At 31 December 2005, the carrying amounts of the non-derivative host contract and the embedded derivatives are \$93,036,000 and \$23,189,000 respectively. The non-derivative host contract and the embedded derivatives are included on the consolidated balance sheet under "other financial assets" and "other financial liabilities" respectively.

附註：

- (i) 二零零四年十二月三十一日的結餘包括存於一間銀行的長期結構式存款85,288,000元，第一年的應付利息以年利率6厘計算，其後年度的利息則以倫敦銀行同業拆借利率為基準計算。

本集團於期內提早終止該長期結構式存款合約，並因而承擔一筆罰款。於二零零四年十二月三十一日，有關款項已撇減8,000,000元至其賬面值85,288,000元。因終止合約，於二零零五年在損益表內確認的虧損為3,700,000元。

本集團年內與銀行訂立另一份長期結構式存款合約。該合約將於二零一七年到期，本金額為12,000,000美元（相當於93,036,000元）。第一年的應付利息會按年利率6.5厘計算及於每季支付，其後年度的利息則以30年期與10年期美元掉期合約的差價為基準計算。銀行可選擇於到期日之前之任何付息日，藉償付全數本金額連同截至終止日期前應計之利息提前終止合約。該長期結構式存款在初次確認時已分拆為非衍生主體合約及其嵌入式衍生工具部份。非衍生主體合約及後運用實際利率法以攤銷成本入賬，而嵌入式衍生工具部份則以公允價值列賬，任何公允價值變動於綜合損益表確認。於二零零五年十二月三十一日，非衍生主體合約及嵌入式衍生工具的賬面值分別為93,036,000元及23,189,000元。非衍生主體合約及嵌入式衍生工具分別列於綜合資產負債表內「其他財務資產」及「其他財務負債」項下。

# Notes to

## the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)

(除另有註明者外，以港元為單位)

### 18. Other non-current financial assets 18. 其他非流動財務資產 (續)

(Continued)

Notes: (Continued)

- (ii) The fair value of the unlisted equity investments cannot be measured reliably because they are not traded in an open market and there were no transactions for the investments during the year. The unlisted investments are stated at cost less accumulated impairment losses.

附註：(續)

- (ii) 因非上市股本投資並非於公開市場中買賣，且年內並無有關投資之交易，故其公平值不能可靠地計量。非上市投資乃按成本值減累計減值虧損列賬。

### 19. Intangible assets

### 19. 無形資產

		The group 本集團 \$'000 千元
<b>Cost and carrying amount:</b>	<b>成本及賬面值</b>	
At 1 January 2004 (restated)	於二零零四年一月一日(重列)	10,556
Exchange adjustments	匯兌調整	1,624
		<hr/>
At 31 December 2004 and 1 January 2005 (restated)	於二零零四年十二月三十一日 及二零零五年一月一日(重列)	12,180
Exchange adjustments	匯兌調整	325
		<hr/>
At 31 December 2005	於二零零五年十二月三十一日	<u>12,505</u>

Intangible assets represent club memberships with indefinite useful lives.

The club memberships currently have resale market values and have no foreseeable limit to their useful lives. The directors review the useful lives of club memberships at each balance sheet date to determine whether events or circumstances continue to support the view of indefinite useful lives. The club memberships have been tested for impairment in the current year by reference to their resale market values and no impairment losses were charged for the current year.

無形資產指並無使用年限之會籍。

會籍現時具備轉售價值，且並無預見彼等之可使用年限。董事已審閱每個結算日審閱會籍之可使用年期，以釐訂是否有事件或情況繼續支持該無使用年限之觀點。於本年度，已參考會籍之轉售市價對其進行減值測試，而年內亦無確認任何減值虧損。

# Notes to the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)  
(除另有註明者外，以港元為單位)

## 20. Inventories

## 20. 存貨

		The group 本集團		The company 本公司	
		2005 二零零五年	2004 二零零四年	2005 二零零五年	2004 二零零四年
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Raw materials	原材料	85,069	83,914	35,678	35,938
Work in progress	在製品	32,720	31,134	10,734	14,875
Finished goods	製成品	42,693	27,474	17,420	15,007
		<u>160,482</u>	<u>142,522</u>	<u>63,832</u>	<u>65,820</u>

Raw materials and finished goods are stated net of the following provisions made in order to state the inventories at the lower of their cost and estimated net realisable value:

本集團及本公司之原材料分別已扣減下列準備，以求按成本或估計可變現淨值兩者中的較低數額列示這些存貨：

		The group 本集團		The company 本公司	
		2005 二零零五年	2004 二零零四年	2005 二零零五年	2004 二零零四年
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
General provision	一般準備				
- raw materials	- 原材料	5,423	3,146	3,316	2,313
Specific provision	特定準備				
- finished goods	- 製成品	2,335	1,714	1,629	1,714
		<u>7,758</u>	<u>4,860</u>	<u>4,945</u>	<u>4,027</u>

## Notes to

## the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)

(除另有註明者外，以港元為單位)

### 21. Trade and other receivables

### 21. 應收賬款及其他應收款

		The group		The company	
		本集團		本公司	
		2005	2004	2005	2004
		二零零五年	二零零四年	二零零五年	二零零四年
		\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元
Trade debtors, bills receivable, deposits and prepayments	應收賬款、應收票據、按金及預付款	173,680	157,681	65,389	69,486
Amount due from ultimate holding company	應收最終控股公司款項	1,254	-	-	-
Amounts due from fellow subsidiaries	應收同系附屬公司款項	101	8,883	-	5,852
Amounts due from associates	應收聯營公司款項	1,506	4,979	-	-
Amounts due from subsidiaries	應收附屬公司款項	-	-	50,579	19,512
		<u>176,541</u>	<u>171,543</u>	<u>115,968</u>	<u>94,850</u>

Amounts due from ultimate holding company, fellow subsidiaries, subsidiaries and associates are unsecured, interest free and repayable on demand.

Deposits include an amount of \$18,080,000 (2004: \$17,763,000) paid to the ultimate holding company in respect of a lease entered into by Dream Inko Co., Ltd, a subsidiary.

應收最終控股公司、同系附屬公司、附屬公司及聯營公司款項為無抵押、免息及須於要求時償還。

按金包括就與附屬公司 Dream INKO Co., Ltd 訂立之租約支付予最終控股公司之 18,080,000 元 (二零零四年：17,763,000 元)。



## Notes to

## the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)

(除另有註明者外，以港元為單位)

### 21. Trade and other receivables

(Continued)

Included in trade and other receivables are trade debtors and bills receivable (net of impairment losses for bad and doubtful debts) with the following ageing analysis as of the balance sheet date:

		The group 本集團		The company 本公司	
		2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元	2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
<b>From the date of billing:</b>	<b>由發票日期起計：</b>				
Current	本期	76,745	72,696	44,082	39,762
1 to 3 months	1至3個月	18,483	19,186	10,828	12,032
More than 3 months but less than 12 months	超過3個月 但少於12個月	3,783	8,910	2,045	4,917
Over 1 year	超過一年	233	797	89	-
		<u>99,244</u>	<u>101,589</u>	<u>57,044</u>	<u>56,711</u>

The group's credit policy is set out in note 29(a).

Included in trade and other receivables are the following amounts denominated in a currency other than the functional currency of the entity to which they relate:

		The group 本集團		The company 本公司	
		2005 二零零五年 '000 千	2004 二零零四年 '000 千	2005 二零零五年 '000 千	2004 二零零四年 '000 千
Japanese Yen	日圓	JPY121,667 121,667日圓	JPY143,272 143,272日圓	JPY103,802 103,802日圓	JPY119,578 119,578日圓
Renminbi	人民幣	RMB25,015 人民幣25,015元	RMB23,008 人民幣23,008元	RMB6,087 人民幣6,087元	RMB6,536 人民幣6,536元
Korean Won	韓圓	KRW3,312,080 3,312,080韓圓	KRW2,822,011 2,822,011韓圓	KRW-	KRW-
Vietnam Dong	越南盾	VND5,012,005 5,012,005越南盾	VND-	VND-	VND-

### 21. 應收賬款及其他應收款

(續)

應收賬款及其他應收款包括應收賬款及應收票據（已扣除呆壞賬準備），於結算日其賬齡分析如下：

本集團之信貸政策載於附註29(a)。

應收賬款及其他應收款中包括下列以有關實體之功能貨幣以外貨幣計值之金額：

## Notes to

## the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)

(除另有註明者外，以港元為單位)

### 22. Cash and cash equivalents

### 22. 現金及現金等價物

		The group 本集團		The company 本公司	
		2005 二零零五年	2004 二零零四年	2005 二零零五年	2004 二零零四年
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Deposits with banks and other financial institutions	銀行及其他財務機構存款	16,063	85,182	9,611	72,454
Cash at bank and in hand	銀行存款及現金	87,065	56,684	17,010	20,133
Cash and cash equivalents in the balance sheet	於結算日之現金及現金等價物	103,128	141,866	26,621	92,587
Bank overdrafts (note 24)	銀行透支(附註24)	(7,155)	-	-	-
Cash and cash equivalents in the consolidated cash flow statement	於綜合現金流量表之現金及現金等價物	95,973	141,866	26,621	92,587

Included in cash and cash equivalents in the balance sheet are the following amounts denominated in a currency other than the functional currency of the entity to which they relate:

現金及現金特價物中包括下列以有關實體之功能貨幣以外貨幣計值之金額：

		The group 本集團		The company 本公司	
		2005 二零零五年	2004 二零零四年	2005 二零零五年	2004 二零零四年
		'000 千	'000 千	'000 千	'000 千
Japanese Yen	日圓	JPY67,031 67,031日圓	JPY163,230 163,230日圓	JPY4,989 4,989日圓	JPY104,832 104,832日圓
Renminbi	人民幣	RMB14,293 人民幣14,293元	RMB9,878 人民幣9,878元	RMB338 人民幣338元	RMB1,175 人民幣1,175元
Korean Won	韓圓	KRW125,818 125,818韓圓	KRW1,057,119 1,057,119韓圓	KRW- -韓圓	KRW- -韓圓

# Notes to the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)  
(除另有註明者外，以港元為單位)

## 23. Trade and other payables

## 23. 應付賬款及其他應付款

		The group 本集團		The company 本公司	
		2005 二零零五年	2004 二零零四年	2005 二零零五年	2004 二零零四年
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Creditors and accrued charges	應付賬款及應計費用	98,421	85,933	26,021	23,481
Amount due to ultimate holding company	應付最終控股公司款項	-	686	-	-
Amounts due to fellow subsidiaries	應付同系附屬公司款項	4,389	4,344	-	-
Amounts due to subsidiaries	應付附屬公司款項	-	-	56,891	86,876
Amounts due to associates	應付聯營公司款項	5,910	4,483	5,910	4,483
		<u>108,720</u>	<u>95,446</u>	<u>88,822</u>	<u>114,840</u>

Amounts due to ultimate holding company, fellow subsidiaries, subsidiaries and associates are unsecured, interest free and repayable on demand.

應付最終控股公司、同系附屬公司、附屬公司及聯營公司款項為無抵押、免息及須於要求時償還。

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## the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)

(除另有註明者外，以港元為單位)

### 23. Trade and other payables

(Continued)

Included in creditors and accrued charges are trade creditors and bills payable with the following ageing analysis as of the balance sheet date:

		The group 本集團		The company 本公司	
		2005 二零零五年	2004 二零零四年	2005 二零零五年	2004 二零零四年
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
<b>From the date of billing:</b>	<b>自發票日期起：</b>				
Within 1 month	1個月內	39,589	30,585	6,298	6,338
After 1 month but within 3 months	1個月後 但3個月內	7,870	7,496	858	1
After 3 months but within 6 months	3個月後 但6個月內	1,311	484	283	-
After 6 months but within 1 year	六個月後 但一年內	911	89	-	-
Over 1 year	超過一年	1,260	1,013	-	-
		<u>50,941</u>	<u>39,667</u>	<u>7,439</u>	<u>6,339</u>

### 23. 應付賬款及其他應付款

(續)

應付賬款及應計費用包括應付賬款及應付票據，於結算日其賬齡分析如下：

Included in trade and other payables are the following amounts denominated in a currency other than the functional currency of the entity to which they relate:

應付賬款及其他應付款中包括下列以有關實體之功能貨幣以外貨幣計值之金額：

		The group 本集團		The company 本公司	
		2005 二零零五年	2004 二零零四年	2005 二零零五年	2004 二零零四年
		'000 千	'000 千	'000 千	'000 千
Renminbi	人民幣	RMB69,006 人民幣69,006元	RMB50,149 人民幣50,149元	RMB14,307 人民幣14,307元	RMB13,015 人民幣13,015元
Japanese Yen	日圓	JPY19,124 19,124日圓	JPY14,569 14,569日圓	JPY-	JPY-
Korean Won	韓圓	KRW603,650 603,650韓圓	KRW1,209,862 1,209,862韓圓	KRW-	KRW-
Vietnam Dong	越南盾	VND3,907,455 3,907,455越南盾	VND2,409,898 2,409,898越南盾	VND-	VND-
		<u>3,907,455越南盾</u>	<u>2,409,898越南盾</u>	<u>-越南盾</u>	<u>-越南盾</u>

# Notes to the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)  
(除另有註明者外，以港元為單位)

## 24. Bank loans and overdrafts

At 31 December 2005, the bank loans and overdrafts were secured as follows:

## 24. 銀行貸款及透支

於二零零五年十二月三十一日，銀行貸款及透支之抵押如下：

		The group 本集團		The company 本公司	
		2005 二零零五年	2004 二零零四年	2005 二零零五年	2004 二零零四年
		'000 千	'000 千	'000 千	'000 千
Bank overdrafts	銀行透支	7,155	-	-	-
Bank loans	銀行貸款				
- secured	- 有抵押	42,284	-	7,753	-
- unsecured	- 無抵押	56,129	53,616	50,600	38,000
		<u>105,568</u>	<u>53,616</u>	<u>58,353</u>	<u>38,000</u>

Included in bank loans and overdrafts are the following amounts denominated in a currency other than the functional currency of the entity to which they relate:

銀行貸款及透支中包括下列以有關實體之功能貨幣以外貨幣計值之金額：

		The group 本集團		The company 本公司	
		2005 二零零五年	2004 二零零四年	2005 二零零五年	2004 二零零四年
		'000 千	'000 千	'000 千	'000 千
Korean Won	韓圓	KRW1,180,931 1,180,931韓圓	KRW- -韓圓	KRW- -韓圓	KRW- -韓圓

# Notes to

## the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)

(除另有註明者外，以港元為單位)

### 24. Bank loans and overdrafts

(Continued)

At 31 December 2005, the banking facilities of certain subsidiaries were secured by mortgages over their land use rights, buildings and deposit with an aggregate carrying value of \$4,268,000 (2004: \$Nil), \$36,151,000 (2004: \$Nil) and \$69,847,000 (net of embedded derivatives) (2004: \$Nil) respectively. Such banking facilities amounted to \$57,790,000 (2004: \$Nil). The facilities were utilised to the extent of \$42,284,000 (2004: \$Nil).

Some of the group's banking facilities are subject to the fulfilment of financial covenants, as are commonly found in lending arrangements with financial institutions. If the group were to breach the covenants the drawn down facilities would become payable on demand. The group regularly monitors its compliance with these covenants. Further details of the group's management of liquidity risk are set out in note 29(b). As at 31 December 2005 the group was not in compliance with one of the covenants in relation to these certain banking facilities, which require that the interest coverage ratio should exceed 5.0:1. Accordingly, the group's long-term bank loans under such banking facilities have been reclassified as a current liability at 31 December 2005. However, subsequent to the balance sheet date, the group has obtained the bank's waiver from declaring an event of default with respect to the breach of this covenant for the year ended 31 December 2005.

### 24. 銀行貸款及透支 (續)

於二零零五年十二月三十一日，若干附屬公司之銀行信貸乃以彼等賬面總值分別達4,268,000元(二零零四年：零元)、36,151,000元(二零零四年：零元)及69,847,000元(扣除附帶衍生工具)(二零零四年：零元)之土地使用權、樓宇及按金作出之按揭作擔保。有關銀行信貸達57,790,000元(二零零四年：零元)。可動用之信貸額為42,284,000元(二零零四年：零元)。

本集團之若干銀行信貸須達成若干財務契諾方能取用，此做法於與財務機構訂立之借貸安排中非常普遍。倘本集團違反契諾，所提取之信貸將須應要求償還。本集團定期監察其是否已遵守該等契諾。本集團之流動資金風險管理詳情載於附註29(b)。於二零零五年十二月三十一日，本集團並無遵守其中一項與若干銀行信貸有關之契諾，其要求利息覆蓋比率應超逾5.0:1。因此，本集團與有關銀行信貸下之長期銀行貸款已於二零零五年十二月三十一日重新分類為流動負債。然而，於結算日後，本集團已獲銀行豁免把截至二零零五年十二月三十一日止年度內違反本契諾一事宣佈為失責事件。

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(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)  
(除另有註明者外，以港元為單位)

## 25. Employee retirement benefits

### (a) Defined benefit retirement plan

The group participates in a defined benefit retirement plan which covers the group's Korean employees. A portion of the group's liability under this plan is covered by deposits with an insurance company in South Korea.

The latest independent actuarial valuation of the plan was at 31 December 2005 prepared by qualified staff of Watson Wyatt Hong Kong Limited, who are members of the Society of Actuaries of the United States of America, using the projected unit credit method. The actuarial valuation indicates that the group's obligation under the defined benefit retirement plan is 34% (2004: 34%) covered by the plan assets.

(i) The amounts recognised in the balance sheets are as follows:

## 25. 僱員退休福利

### (a) 界定利益退休計劃

本集團為其韓國僱員參與一項界定利益退休計劃。本集團於該計劃下之部分負債乃以存放於一間南韓保險公司之款項支付。

最近期之獨立精算估值報告乃由華信惠悅顧問有限公司之合資格僱員(彼等均為Society of Actuaries of the United States of America之會員)於二零零五年十二月三十一日使用預期累積福利單位法進行。精算估值報告顯示本集團於界定利益退休計劃項下之責任之34%(二零零四年: 34%)獲計劃資產支持。

(i) 於資產負債表內確認之數額如下:

		The group 本集團		The company 本公司	
		2005 二零零五年	2004 二零零四年	2005 二零零五年	2004 二零零四年
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Present value of obligations	義務之現值	15,081	23,791	4,816	4,909
Fair value of plan assets	計劃資產之公允價值	(5,907)	(8,198)	-	-
Net unrecognised actuarial (loss)/gain	未確認精算(虧損)/收益淨額	1,646	(1,830)	-	-
		<u>10,820</u>	<u>13,763</u>	<u>4,816</u>	<u>4,909</u>

# Notes to the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)  
(除另有註明者外，以港元為單位)

## 25. Employee retirement benefits

(Continued)

### (a) Defined benefit retirement plan

(Continued)

The plan assets represent the deposits placed with the insurance company.

A portion of the above liability is expected to be settled after more than one year. However, it is not practicable to segregate this amount from the amounts payable in the next twelve months, as future contributions will also relate to future services rendered and future changes in actuarial assumptions and market conditions.

(ii) Movements in the net liability recognised in the balance sheets are as follows:

## 25. 僱員退休福利 (續)

### (a) 界定利益退休計劃 (續)

計劃資產指存放於保險公司之存款。

部分上述負債預期將於一年之後清償。然而，由於未來供款亦與日後提供的服務和日後精算假設與市況的變動有關，故將有關數額從未來十二個月的應付數額中分開並不可行。

(ii) 於資產負債表內確認之負債淨額變動如下：

		The group 本集團		The company 本公司	
		2005 二零零五年	2004 二零零四年	2005 二零零五年	2004 二零零四年
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
At 1 January	於一月一日	13,763	11,772	4,909	4,505
Payments to employees and insurance company	支付予僱員及保險公司之款項	(7,525)	(5,175)	(799)	(567)
Exchange adjustments	匯兌調整	421	2,301	120	693
Expense recognised in profit or loss (note 5(b))	於損益確認之支出 (附註5(b))	4,161	4,865	586	278
At 31 December	於十二月三十一日	10,820	13,763	4,816	4,909



# Notes to the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)  
(除另有註明者外，以港元為單位)

## 25. Employee retirement benefits

(Continued)

### (a) Defined benefit retirement plan

(Continued)

(iii) Expense recognised in profit or loss is as follows:

Current service cost	本年度服務成本
Interest cost	利息費用
Actuarial expected return on plan assets	計劃資產之 預期精算回報

The expense is recognised in the following line item in the consolidated income statement:

Administrative expenses	行政開支
-------------------------	------

The actual return on plan assets (taking into account all changes in the fair value of the plan assets excluding contributions paid and received) was net income of \$176,000 (2004: \$284,000).

## 25. 僱員退休福利 (續)

### (a) 界定利益退休計劃 (續)

(iii) 於損益確認之支出如下：

The group	
本集團	
2005	2004
二零零五年	二零零四年
\$'000	\$'000
千元	千元
3,662	4,307
810	890
(311)	(332)
<u>4,161</u>	<u>4,865</u>

支出於綜合損益表內確認為以下項目：

The group	
本集團	
2005	2004
二零零五年	二零零四年
\$'000	\$'000
千元	千元
4,161	4,865

計劃資產之實際回報(經計及計劃資產公允價值之變動(不包括已付及已收之供款))為收入淨額176,000元(二零零四年：284,000元)。

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## the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)

(除另有註明者外，以港元為單位)

### 25. Employee retirement benefits

(Continued)

#### (a) Defined benefit retirement plan

(Continued)

- (iv) The principal actuarial assumptions used as at 31 December 2005 (expressed as weighted average) are as follows:

Discount rate	貼現率
Expected rate of return on plan assets	計劃資產之 預期回報率
Future salary increases	未來薪酬升幅

#### (b) Defined contribution retirement plan

- (i) The group operates a Mandatory Provident Fund Scheme ("the MPF scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement scheme administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the scheme at 5% of the employees' relevant income, subject to a cap of monthly relevant income of \$20,000. Contributions to the scheme vest immediately.

### 25. 僱員退休福利 (續)

#### (a) 界定利益退休計劃 (續)

- (iv) 於二零零五年十二月三十一日使用之主要精算假設按加權平均數列示如下：

The group and the company 本集團及本公司	
2005 二零零五年	2004 二零零四年
6%	4.25%
3.5%	5.0%
2% - 4%	4% - 8%

#### (b) 界定供款退休計劃

- (i) 本集團按照香港《強制性公積金計劃條例》的規定為根據香港《僱傭條例》聘用的僱員設立強制性公積金計劃（「強積金計劃」）。強積金計劃是一個界定供款退休計劃，由獨立受託人管理。根據強積金計劃，僱主及僱員均須按照僱員之相關入息的5%向計劃作出供款，而每月相關入息之上限為20,000元。向計劃作出的供款即時成為既定僱員福利。

## Notes to

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(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)

(除另有註明者外，以港元為單位)

### 25. Employee retirement benefits

(Continued)

#### (b) Defined contribution retirement plan

(Continued)

- (ii) As stipulated by the regulations of the PRC, the group participates in various defined contribution retirement plans organised by the relevant authorities for its PRC employees. The group is required to make contributions to the retirement plans which are calculated based on certain prescribed rates and the salaries, bonuses and certain allowances of its PRC employees. The group has no other material obligation for the payment of pension benefits associated with these plans beyond the annual contributions described above.

### 25. 僱員退休福利 (續)

#### (b) 界定供款退休計劃 (續)

- (ii) 根據中國法規，本集團參與與相關機關為其中國僱員所營辦的各項界定供款退休計劃。本集團須就該等退休計劃，按若干指定比率及其中國僱員之薪金、花紅及若干津貼作出供款。除上文所述於每年就該等計劃作出供款外，本集團並無其他支付退休福利的重大承擔。

### 26. Equity settled share-based transactions

The company has a share option scheme which was adopted on 22 January 2002 whereby the directors of the company are authorised, at their discretion, to invite employees of the group, including directors of any company in the group, to take up options to subscribe for shares of the company. The exercise price of the options is the highest of (i) the nominal value of the shares, (ii) the closing price of the shares on the SEHK on the date of grant and (iii) the average closing price of the shares on the SEHK for the five business days immediately preceding the date of grant. The options are exercisable progressively between one to three years from the date of grant and will expire at the end of a period to be notified by the directors to each option-holder upon the grant of option, such period not to exceed ten years from the date on which the option is granted. Each option gives the holder the right to subscribe for one share and the consideration paid by each holder for each grant is \$1.00.

### 26. 權益結算之股份交易

本公司於二零零二年一月二十二日採納一項購股權計劃。據此，本公司董事獲授權酌情邀請本集團僱員（包括本集團任何成員公司之董事）接受購股權以認購本公司股份。購股權之行使價為(i)股份票面值、(ii)股份於購股權授予當日於香港聯交所錄得的收市價及(iii)股份於緊接購股權授予當日前五個營業日在香港聯交所錄得的平均收市價三者之最高數額。購股權可在授予日期起計一至三年後逐步行使，並於董事授出購股權時知會各購股權持有人之期間結束後失效，該期間不超過授出購股權當日起計十年。持有人有權憑每項購股權認購一股份，而每名持有人須就每宗獲授之購股權繳付1.00元之代價。

# Notes to

## the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)

(除另有註明者外，以港元為單位)

### 26. Equity settled share-based transactions (Continued)

**(a) The terms and conditions of the grants that existed during the years are as follows, whereby all options are settled by physical delivery of shares:**

### 26. 權益結算之股份交易 (續)

**(a) 年內之授出條款及條件如下，而所有購股權均以交付實質股份之方式結算：**

		Number of instruments  工具數目	Contractual life of options 購股權之 合約年期
Options granted to directors:	授予董事之購股權：		
- on 7 February 2002	- 於二零零二年二月十七日	4,480,000	10 years
- on 15 April 2003	- 於二零零三年四月十五日	1,365,000	10 years
Options granted to employees:	授予僱員之購股權：		
- on 7 February 2002	- 於二零零二年二月七日	4,681,000	10 years
- on 15 April 2003	- 於二零零三年四月十五日	455,000	10 years
- on 2 January 2004	- 於二零零四年一月二日	11,650,000	10 years
Total share options	購股權總數	<u>22,631,000</u>	

In respect of the options granted, the maximum percentage of the share options which may be exercised is determined in stages as follows:

就所授出之購股權而言，於各階段可行使之購股權最高百分比載列如下：

On or after 1st year anniversary	30%	1週年或以後	30%
On or after 2nd year anniversary	another 30%	2週年或以後	另外30%
On or after 3rd year anniversary	another 40%	3週年或以後	另外40%

# Notes to the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)  
(除另有註明者外，以港元為單位)

## 26. Equity settled share-based transactions (Continued)

## 26. 權益結算之股份交易 (續)

**(b) The number and weighted average exercise prices of share options are as follows:**

**(b) 購股權之數目及加權平均行使價載列如下：**

		2005		2004	
		Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
		加權平均行使價	購股權數目	加權平均行使價	購股權數目
			'000 千		'000 千
Outstanding at the beginning of the period	於期初尚未行使	\$1.54	23,611	\$1.21	21,030
Exercised during the period	於期內行使		(980)		(9,069)
Granted during the period	於期內授出		-		11,650
Outstanding at the end of the period	於期末尚未行使	\$1.56	<u>22,631</u>	\$1.54	<u>23,611</u>
Exercisable at the end of the period	於期末行使		<u>13,436</u>		<u>1,000</u>

The weighted average share price at the date of exercise for shares options exercised during the year was \$1.20 (2004: \$2.37).

年內行使之購股權於行使當日之加權平均價為1.20元(二零零四年：2.37元)。

The options outstanding at 31 December 2005 had an exercise price of \$1.18, \$1.43 or \$1.87 (2004: \$1.18, \$1.43 or \$1.87) and a weighted average remaining contractual life of 8 years (2004: 9 years).

於二零零五年十二月三十一日，未行使購股權之行使價分別為1.18元、1.43元或1.87元(二零零四年：1.18元、1.43元或1.87元)，而餘下合約年期之加權平均數為8年(二零零四年：9年)。

# Notes to

## the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)

(除另有註明者外，以港元為單位)

### 26. Equity settled share-based transactions (Continued)

#### (c) Fair value of share options and assumptions

The fair value of services received in return for share options granted are measured by reference to the fair value of share options granted. The estimate of the fair value of the services received is measured based on a binomial model. The contractual life of the option is used as an input into this model. Expectations of early exercise are incorporated into the binomial model.

Fair value at measurement date	於計算日期之公平值
Share price	股價
Exercise price	行使價
Expected volatility	預計波幅
Expected option life	購股權之預計年期
Expected dividends	預計股息
Risk-free interest rate	無風險息率

The expected volatility is based on the historic volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility due to publicly available information. Expected dividends are based on historical dividends. Changes in the subjective input assumptions could materially affect the fair value estimate.

Share options were granted under a service condition. This condition has not been taken into account in the grant date fair value measurement of the services received. There were no market conditions associated with the share option grants.

### 26. 權益結算之股份交易 (續)

#### (c) 購股權之公平值及假設

就換取已授出購股權而提供之服務之公平值乃參考所授出購股權之公平值釐訂。所獲提供服務之估計公平值乃根據二項式模型計算，使用該模型時將會輸入購股權之合約年期。二項式模型已包括預期出現之提前行使。

Grant date	
授出日期	
15 April	2 January
2003	2004
二零零三年	二零零四年
四月十五日	一月二日

\$	0.36	\$	0.53
\$	1.42	\$	1.85
\$	1.43	\$	1.87
	50.83%		44.90%
	10 years		10 years
	6.48%		5.06%
	3.68%		4.37%

預計波幅乃根據歷史波幅計算（根據購股權餘下可使用年期之加權平均數計算），並就日後因公眾可取得之資料已導致之任何預計波幅作出調整。預計股息乃根據過往股息計算。主觀性輸入假設之變動會導致公平值估算出現重大變動。

購股權乃根據服務條件授出。於計算所獲提供服務於授出日期之公平值時並無考慮有關條件。購股權並無涉及任何市場條件。

# Notes to the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)  
(除另有註明者外，以港元為單位)

## 27. Income tax in the balance sheets 27. 資產負債表所示之 所得稅

(a) Current taxation in the balance  
sheets represent:

(a) 資產負債表所示之本期  
稅項為：

		The group 本集團		The company 本公司	
		2005 二零零五年	2004 二零零四年	2005 二零零五年	2004 二零零四年
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Provision for Hong Kong Profits Tax for the year	本年度香港利得稅準備	4,106	5,184	4,100	5,000
Provisional Profits Tax paid	已付暫繳利得稅	-	(492)	-	-
		4,106	4,692	4,100	5,000
Balance of Profits Tax provision relating to prior years	以往年度利得稅準備結餘	19,952	21,654	20,259	21,653
Taxation outside Hong Kong	香港以外地區稅項	410	2,961	-	-
Less: Tax reserve certificates purchased under order of the Commissioner of Inland Revenue (note)	減：按稅務局局長指令購入之儲稅券 (附註)	(16,482)	(16,482)	(16,482)	(16,482)
		7,986	12,825	7,877	10,171

# Notes to

## the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)

(除另有註明者外，以港元為單位)

### 27. Income tax in the balance sheets

(Continued)

*Note:* As at 31 December 2005, tax reserve certificates totalling \$16,482,000 were purchased by the company pending the resolution of certain enquiries raised by the Hong Kong Inland Revenue Department ("IRD") in connection with the company's offshore claims relating to the years of assessment 1998/99 to 2002/2003. The agreement of the company's tax affairs for subsequent years of assessment is also subject to the outcome of these enquiries. Based on the information available to date, the directors of the company consider the tax provisions included in the financial statements in the aggregate amount of \$24,058,000 for the years of assessment 1998/99 to 2005/06 are adequate after taking into account the nature of the enquiries raised by the IRD, the documentation available to support the claims and the bases upon which the company's assessable profits for the years of assessment prior to 1998/99 have been agreed with the IRD.

### 27. 資產負債表所示之 所得稅 (續)

附註：於二零零五年十二月三十一日，本公司購買總額達16,482,000元之儲稅券，以待香港稅務局（「稅局」）就本公司於一九九八／九九課稅年度至二零零二／零三課稅年度之離岸索償提出的部分質詢定案。本公司往後各課稅年度之稅務事項協議亦須取決於有關質詢之結果。根據截至本日止可取得之資料所示，本公司董事經考慮稅局提出質詢之性質，支持申索之文件，以及本公司於一九九八／九九課稅年度前應評稅溢利所採納獲稅局同意的基準後，認為就一九九八／九九課稅年度至二零零五／零六課稅年度於財務報表內作出總數達24,058,000元之準備乃屬充足。



# Notes to the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)  
(除另有註明者外，以港元為單位)

## 27. Income tax in the balance sheets 27. 資產負債表所示之 (Continued) 所得稅 (續)

### (b) Deferred tax assets and liabilities recognised:

#### (i) The group

The components of deferred tax (assets)/ liabilities recognised in the balance sheet and the movements during the year are as follows:

### (b) 已確認遞延稅項資產及負債

#### (i) 本集團

於資產負債表內確認之遞延稅項(資產)/負債項目，以及於年內之變動如下：

		Depreciation allowances		Other		Total
		in excess of depreciation related	Tax losses brought forward	Defined benefit liability	short-term temporary differences	
	超過相關	折舊的折舊免稅額	稅項虧損結轉	界定利益負債	其他短期暫時差異	總計
		\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元
<b>Deferred tax arising from:</b>	<b>來自下列各項之遞延稅項：</b>					
At 1 January 2004 (restated)	於二零零四年一月一日(重列)	237	(3,868)	(1,007)	(101)	(4,739)
Exchange adjustments	匯兌調整	38	-	(58)	(27)	(47)
Charged/(credited) to consolidated income statement	於綜合損益表內列支/(計入)	366	(68)	392	(100)	590
		<u>641</u>	<u>(3,936)</u>	<u>(673)</u>	<u>(228)</u>	<u>(4,196)</u>
At 31 December 2004 (restated)	於二零零四年十二月三十一日(重列)	641	(3,936)	(673)	(228)	(4,196)
At 1 January 2005 (restated)	於二零零五年一月一日(重列)	641	(3,936)	(673)	(228)	(4,196)
Exchange adjustments	匯兌調整	(5)	(11)	(13)	(9)	(38)
Charged/(credited) to consolidated income statement	於綜合損益表內列支/(計入)	301	(1,251)	(96)	(1,439)	(2,485)
		<u>301</u>	<u>(1,251)</u>	<u>(96)</u>	<u>(1,439)</u>	<u>(2,485)</u>
At 31 December 2005	於二零零五年十二月三十一日	937	(5,198)	(782)	(1,676)	(6,719)
		<u>937</u>	<u>(5,198)</u>	<u>(782)</u>	<u>(1,676)</u>	<u>(6,719)</u>

# Notes to the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)  
(除另有註明者外，以港元為單位)

## 27. Income tax in the balance sheets 27. 資產負債表所示之 (Continued) 所得稅 (續)

### (b) Deferred tax assets and liabilities recognised: (Continued)

#### (ii) The company

The components of deferred tax (assets)/ liabilities recognised in the balance sheet and the movements during the year are as follows:

### (b) 已確認遞延稅項資產及 負債 (續)

#### (ii) 本公司

於資產負債表內確認之遞延稅項(資產)/負債項目，以及於年內之變動如下：

		Depreciation allowances in excess of related depreciation 超過相關折舊 的折舊免稅額	Defined benefit liability 界定利益 負債	Other short-term temporary differences 其他短期 暫時差異	Total 總計
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
<b>Deferred tax arising from:</b>	<b>來自下列各項之 遞延稅項：</b>				
At 1 January 2004	於二零零四年 一月一日	730	(394)	(325)	11
Charged to income statement	於損益表內列支	330	394	123	847
At 31 December 2004	於二零零四年 十二月三十一日	1,060	-	(202)	858
At 1 January 2005	於二零零五年一月一日	1,060	-	(202)	858
Credited to income statement	於損益表內列支	(29)	-	(88)	(117)
At 31 December 2005	於二零零五年 十二月三十一日	1,031	-	(290)	741

# Notes to the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)  
(除另有註明者外，以港元為單位)

## 27. Income tax in the balance sheets 27. 資產負債表所示之 (Continued) 所得稅 (續)

### (b) Deferred tax assets and liabilities recognised: (Continued)

### (b) 已確認遞延稅項資產及 負債 (續)

		The group 本集團		The company 本公司	
		2005 二零零五年	2004 二零零四年	2005 二零零五年	2004 二零零四年
			(restated) (重列)		
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Net deferred tax asset recognised on the balance sheet	於資產負債表 確認之遞延 稅項資產 淨值	(7,460)	(5,122)	-	-
Net deferred tax liability recognised on the balance sheet	於資產負債表 確認之遞延 稅項負債 淨額	741	926	741	858
		<u>(6,719)</u>	<u>(4,196)</u>	<u>741</u>	<u>858</u>

# Notes to

## the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)

(除另有註明者外，以港元為單位)

### 28. Share capital and reserves

#### (a) The group

### 28. 股本及儲備

#### (a) 本集團

	Share capital	Share premium	Capital reserve	General reserve fund	Exchange reserve	Revaluation		Retained profits	Minority interests	Total equity	
						Land and buildings	Fair value reserve				
						土地及建築物	公平				
	股本	股份溢價	資本儲備	一般儲備	匯兌儲備	重估儲備	價值儲備	保留溢利	總額	少數股東權益	總權益
Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	千元	千元	千元	千元	千元	千元	千元	千元	千元	千元	千元
At 1 January 2004											
於二零零四年一月一日											
- as previously reported	51,235	165,624	-	14,485	116	627	-	363,190	595,277	-	595,277
— 過往呈報	51,235	165,624	-	14,485	116	627	-	363,190	595,277	-	595,277
- prior period adjustments in respect of:											
— 就下列各項作出之前期調整											
- HKFRS 2	-	-	188	-	-	-	-	(188)	-	-	-
— 香港財務報告準則第2號	-	-	188	-	-	-	-	(188)	-	-	-
- HKAS 17	-	-	-	-	-	(627)	-	80	(547)	-	(547)
— 香港會計準則第17號	-	-	-	-	-	(627)	-	80	(547)	-	(547)
- as restated	51,235	165,624	188	14,485	116	-	-	363,082	594,730	-	594,730
— 重列	51,235	165,624	188	14,485	116	-	-	363,082	594,730	-	594,730
Dividends approved in respect of the previous year	10(b)	-	-	-	-	-	-	(40,053)	(40,053)	-	(40,053)
本年度內批准屬於上一年度的股息	10(b)	-	-	-	-	-	-	(40,053)	(40,053)	-	(40,053)
Transfer between reserves		-	-	560	-	-	-	(560)	-	-	-
儲備間轉撥		-	-	560	-	-	-	(560)	-	-	-
Shares issued under share option scheme	28(c)(i)	707	10,189	-	-	-	-	-	10,896	-	10,896
根據購股權計劃發行股份	28(c)(i)	707	10,189	-	-	-	-	-	10,896	-	10,896
Equity settled share-based transactions (restated)		-	3,866	-	-	-	-	-	3,866	-	3,866
權益結算之股份交易(重列)		-	3,866	-	-	-	-	-	3,866	-	3,866
Profit for the year (restated)		-	-	-	-	-	-	49,051	49,051	-	49,051
本年度溢利(重列)		-	-	-	-	-	-	49,051	49,051	-	49,051
Dividends declared in respect of the current year	10(a)	-	-	-	-	-	-	(20,026)	(20,026)	-	(20,026)
本年度已宣派股息	10(a)	-	-	-	-	-	-	(20,026)	(20,026)	-	(20,026)
Exchange differences on translation of financial statements of overseas subsidiaries		-	-	-	5,525	-	-	-	5,525	-	5,525
換算海外附屬公司財務報表產生之匯兌差額		-	-	-	5,525	-	-	-	5,525	-	5,525
At 31 December 2004 (as restated)		51,942	175,813	4,054	15,045	5,641	-	351,494	603,989	-	603,989
於二零零四年十二月三十一日(重列)		51,942	175,813	4,054	15,045	5,641	-	351,494	603,989	-	603,989

# Notes to the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)  
(除另有註明者外，以港元為單位)

## 28. Share capital and reserves (Continued) 28. 股本及儲備 (續)

### (a) The group (Continued)

### (a) 本集團 (續)

	Share Capital	Share premium	Capital reserve	General reserve fund	Exchange reserve	Revaluation		Retained profits	Total	Minority interests	Total equity
						Land and buildings	reserve-				
	股本	股份溢價	資本儲備	一般儲備	匯兌儲備	土地及 建築物 重估儲備	保留溢利	總額	權益	總權益	
Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
附註	千元	千元	千元	千元	千元	千元	千元	千元	千元	千元	千元
At 1 January 2005											
於二零零五年一月一日											
- as previously reported	51,942	175,813	-	15,045	5,641	589	355,516	604,546	-	604,546	
— 過往呈報	51,942	175,813	-	15,045	5,641	589	355,516	604,546	-	604,546	
- prior period adjustments											
— 就下列各項作出之 前期調整											
in respect of:											
— 香港財務報告 準則第2號	2(a)(i)	-	-	4,054	-	-	(4,054)	-	-	-	
— 香港會計 準則第17號	2(a)(i)	-	-	-	-	(589)	32	(557)	-	(557)	
- as restated, before opening balance adjustments	51,942	175,813	4,054	15,045	5,641	-	351,494	603,989	-	603,989	
— 重列，作出期 初調整前	51,942	175,813	4,054	15,045	5,641	-	351,494	603,989	-	603,989	
- HKFRS 3	2(d)	-	-	-	-	-	9,595	9,595	-	9,595	
— 香港財務報告 準則第3號	2(d)	-	-	-	-	-	9,595	9,595	-	9,595	
- as restated, after opening balance adjustments	51,942	175,813	4,054	15,045	5,641	-	361,089	613,584	-	613,584	
— 重列，作出期 初調整後	51,942	175,813	4,054	15,045	5,641	-	361,089	613,584	-	613,584	
Dividends approved											
本年度內批准屬於 上一年度的股息	10(b)	-	-	-	-	-	(40,111)	(40,111)	-	(40,111)	
Shares issued under share option scheme	28(c)(ii)	77	1,080	-	-	-	-	1,157	-	1,157	
根據購股權 計劃發行股份	28(c)(ii)	77	1,080	-	-	-	-	1,157	-	1,157	
Exchange difference on translation of financial statements of overseas subsidiaries											
換算海外附屬公司 財務報表 產生之匯兌差額											
					2,752	-	-	2,752	-	2,752	
Equity settled share-based transactions											
權益結算之股份交易											
			1,915	-	-	-	-	1,915	-	1,915	
Capital contributions from minority shareholders											
少數股東出資									15,120	15,120	
Loss for the year							(36,348)	(36,348)	(122)	(36,470)	
本年度虧損							(36,348)	(36,348)	(122)	(36,470)	
Dividends declared											
本年度已宣派股息	10(a)	-	-	-	-	-	-	-	-	-	
At 31 December 2005											
於二零零五年 十二月三十一日											
	52,019	176,893	5,969	15,045	8,393	-	284,630	542,949	14,998	557,947	

# Notes to

## the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)

(除另有註明者外，以港元為單位)

### 28. Share capital and reserves (Continued) 28. 股本及儲備 (續)

#### (b) The company

#### (b) 本公司

		Share capital 股本	Share premium 股份溢價	Capital reserve 資本儲備	Retained profits 保留溢利	Total 總額
	Note 附註	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
At 1 January 2004	於二零零四年一月一日					
- previously reported	- 過往呈報	51,235	165,624	-	264,223	481,082
- prior period adjustments in respect of HKFRS 2	- 香港財務報告準則 第2號之前期調整	-	-	188	(188)	-
- as restated	- 重列	51,235	165,624	188	264,035	481,082
Dividends approved in respect of the previous year	本年度內批准屬於 上一年度的股息	10(b)	-	-	(40,053)	(40,053)
Equity settled share-based transactions (restated)	權益結算 股份交易(重列)	-	-	3,866	-	3,866
Shares issued under share option scheme	根據購股計劃 發行股份	28(c)(ii)	707	10,189	-	10,896
Profit for the year (restated)	本年度溢利(重列)	-	-	-	42,896	42,896
Dividends declared in respect of the current year	本年度已宣派股息	10(a)	-	-	(20,026)	(20,026)
At 31 December 2004 (as restated)	於二零零四年十二月 三十一日(重列)	<u>51,942</u>	<u>175,813</u>	<u>4,054</u>	<u>246,852</u>	<u>478,661</u>
At 1 January 2005	於二零零五年一月一日					
- previously reported	- 過往呈報	51,942	175,813	-	247,305	475,060
- prior period adjustments in respect of HKFRS 2	- 香港財務報告準則 第2號之前期調整	2(a)(ii)	-	4,054	(453)	3,601
- as restated	- 重列	51,942	175,813	4,054	246,852	478,661
Dividends approved in respect of the previous year	本年度內批准屬於 上一年度的股息	10(b)	-	-	(40,111)	(40,111)
Equity settled share-based transactions	權益結算股份 交易(重列)	-	-	1,915	-	1,915
Shares issued under share option scheme	根據購股計劃 發行股份	28(c)(ii)	77	1,080	-	1,157
Profit for the year	本年度溢利(重列)	-	-	-	3,670	3,670
Dividends declared in respect of the current year	本年度已宣派股息	10(a)	-	-	-	-
At 31 December 2005	於二零零五年 十二月三十一日	<u>52,019</u>	<u>176,893</u>	<u>5,969</u>	<u>210,411</u>	<u>445,292</u>

# Notes to

## the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)

(除另有註明者外，以港元為單位)

### 28. Share capital and reserves (Continued) 28. 股本及儲備 (續)

#### (c) Share capital

##### (i) Authorised and issued share capital

		2005 二零零五		2004 二零零四
		No. of shares 股份數目	Amount 金額 \$'000 千元	No. of shares 股份數目
<i>Authorised:</i>	法定股本：			
Ordinary shares of US\$0.01	每股面值 0.01美元普通股	5,000,000	390,000	5,000,000
<i>Issued and fully paid:</i>	已發行及 繳足股本：			
At 1 January	於一月一日	667,549	51,942	658,480
Shares issued under share option scheme	根據購股權計劃 發行股份	980	77	9,069
At 31 December	於十二月三十一日	668,529	52,019	667,549

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company. All ordinary shares rank equally with regard to the company's residual assets.

##### (ii) Shares issued under share option scheme

On 7 April 2005, options were exercised to subscribe for 980,000 ordinary shares in the company at a consideration of \$1,156,400 of which \$77,000 was credited to share capital and the balance of \$1,079,400 was credited to the share premium account. No capital reserve has been transferred to the share premium account as these options were granted on or before 7 November 2002 and the group has taken advantage of the transitional provision set out in HKFRS 2 (see note 2(c)).

#### (c) 股本

##### (i) 法定及已發行股本

		2005 二零零五		2004 二零零四
		No. of shares 股份數目	Amount 金額 \$'000 千元	No. of shares 股份數目
<i>Authorised:</i>	法定股本：			
Ordinary shares of US\$0.01	每股面值 0.01美元普通股	5,000,000	390,000	5,000,000
<i>Issued and fully paid:</i>	已發行及 繳足股本：			
At 1 January	於一月一日	667,549	51,942	658,480
Shares issued under share option scheme	根據購股權計劃 發行股份	980	77	9,069
At 31 December	於十二月三十一日	668,529	52,019	667,549

普通股持有人有權收取不時宣派之股息，並可於本公司大會上就每股投出一票。就本公司之餘下資產而言，所有普通股均享有同權利。

##### (ii) 根據購股權計劃發行股份

於二零零五年四月七日，已行使可認購980,000股本公司普通股之購股權，代價為1,156,400元，當中77,000已計入股本中，而餘下之1,079,400元已計入股份溢價賬中。因該等購股權乃於二零零二年十一月七日前授出，且本集團已引用《香港財務報告準則》第2號之過渡性條文（見附註2(c)），因此，並無股本被轉至股份溢價賬中。

# Notes to

## the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)

(除另有註明者外，以港元為單位)

### 28. Share capital and reserves (Continued)

#### (c) Share capital (Continued)

##### (iii) Terms of unexpired and unexercised share options at balance sheet date

Exercise period 行使期間		Exercise price 行使價	2005 二零零五年 Number 數目	2004 二零零四年 Number 數目
7 February 2003 to 7 February 2012	於二零零三年二月七日至 二零一二年二月七日	\$ 1.18	9,161,000	10,141,000
15 April 2004 to 15 April 2013	二零零四年四月十五日至 二零一三年四月十五日	\$ 1.43	1,820,000	1,820,000
2 January 2005 to 2 January 2014	二零零五年一月二日至 二零一四年一月二日	\$ 1.87	11,650,000	11,650,000
			<u>22,631,000</u>	<u>23,611,000</u>

Each option entitles the holder to subscribe for one ordinary share in the company. Further details of these options are set out in note 26.

#### (d) Nature and purpose of reserves

##### (i) Share premium

The application of the share premium account is governed by Sections 48B of the Hong Kong Companies Ordinance.

##### (ii) Capital reserve

The capital reserve comprises the fair value of the actual or estimated number of unexercised share options granted to employees of the company recognised in accordance with the accounting policy adopted for share-based payments in note 1(q)(iii).

### 28. 股本及儲備 (續)

#### (c) 股本 (續)

##### (iii) 於結算日未屆滿及尚未行使之購股權之條款

Exercise price 行使價	2005 二零零五年 Number 數目	2004 二零零四年 Number 數目
\$ 1.18	9,161,000	10,141,000
\$ 1.43	1,820,000	1,820,000
\$ 1.87	11,650,000	11,650,000
	<u>22,631,000</u>	<u>23,611,000</u>

每股購股權均賦予持有人權力認購一股本公司普通股。該等購股權之進一步詳情載於附註26。

#### (d) 儲備性質及目的

##### (i) 股份溢價

股份溢價賬的用途受到香港《公司條例》第48B條所管轄。

##### (ii) 資本儲備

資本儲備包括根據附註1(q)(iii)所列就以股份支付採用的會計政策，確認實際或估計已授予本公司僱員但尚未行使的認股權數目的公允價值。



# Notes to the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)  
(除另有註明者外，以港元為單位)

## 28. Share capital and reserves (Continued) 28. 股本及儲備 (續)

### (d) Nature and purpose of reserves

(Continued)

#### (iii) General reserve fund

According to the PRC laws applicable to wholly-owned foreign investment enterprises, the PRC subsidiaries of the company are required to set up a general reserve fund and appropriate at least 10% of their annual net profits after taxation, as determined under PRC accounting regulations, to the general reserve fund until the balance of the fund equals to 50% of the respective enterprise's registered capital. This fund can be used to make good losses and to convert into paid-up capital.

#### (iv) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in note 1(u).

#### (v) Revaluation reserves

The revaluation reserves have been set up and are dealt with in accordance with the accounting policies adopted for land and buildings in notes 1(h) and 2(f).

### (e) Distributability of reserves

At 31 December 2005, the aggregate amount of reserves available for distribution to equity shareholders of the company was \$210,411,000 (2004 (restated): \$246,852,000).

### (d) 儲備性質及目的 (續)

#### (iii) 一般儲備

根據適用於全資外國投資企業適用之中國法律，本公司之中國附屬公司須設立一般儲備，並至少須將年度除稅後純利（按中國會計規例計算）之10%轉撥往儲備金內，直至儲備之結餘相等於各有關企業註冊資本之50%為止。此項儲備可用作彌補虧損及轉換為繳足資本用途。

#### (iv) 匯兌儲備

匯兌儲備包括所有因換算境外業務財務報表所產生之匯兌差額。該等儲備根據附註1(u)所載之會計政策處理。

#### (v) 重估儲備

本公司已設立重估儲備，及根據載於附錄1(h)及2(f)為土地及樓宇採用之會計政策處理。

### (e) 可供分派儲備

於二零零五年十二月三十一日，可供分派予本公司股東之儲備總額為210,411,000元（二零零四年（重列）：246,852,000元）。

# Notes to

## the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)

(除另有註明者外，以港元為單位)

### 29. Financial instruments

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the group's business. These risks are limited by the group's financial management policies and practices described below.

#### (a) Credit risk

The group's credit risk is primarily attributable to cash and deposits, and trade and other receivables. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

Trade and other receivables are due within 14 to 90 days from the date of billing. Debtors with long overdue balances are requested to settle all outstanding balances before any further credit is granted. Normally, the group does not obtain collateral from customers. The group reviews regularly the recoverable amount of each individual trade and other receivable to ensure that adequate impairment losses are made for irrecoverable amounts.

The group's cash and deposits are placed with major financial institutions. Transactions involving derivative financial instruments are with counterparties with major financial institutions and with whom the group has a signed netting agreement. Given their high credit ratings, management does not expect any investment counterparty to fail to meet its obligations.

At the balance sheet date, the group has a certain concentration of credit risk as 17% (2004: 15%) and 37% (2004: 31%) of the total trade and other receivables was due from the group's largest customer and the five largest customers respectively within the plush stuffed toys business segment.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, in the balance sheet.

### 29. 財務工具

本集團會在正常業務過程中出現信貸、流動資金、利率和外幣風險。本集團透過下述財務管理政策和慣常做法，對該等風險加以限制。

#### (a) 信貸風險

本集團之信貸風險主要來自現金及存款及應收賬款及其他應收款。管理層備有信貸政策，並按持續基準對該等信貸風險進行監察。

應收賬款及其他應收款項一般具備由發票日期計14天至90天之信貸期。長期負有到期未付結餘的債務人須先行清償所有未付餘額方可獲授予其他信貸。一般而言，本集團並不向客戶收取抵押品。本集團定期檢討各獨立應收賬款及其他應收款項之可收回數額以確保已為不可收回數額作出充足減值虧損。

本集團之現金及存款置於主要財務機構。涉及衍生財務工具之交易乃與主要財務機構，本集團並與該等機構簽定淨額結算協議。鑑於該等機構有高信貸評級，管理層並不預期對方不能履行合約。

於結算日，本集團有若干信貸風險集中之情況，於毛絨玩具業務分部，應收本集團最大客戶及五名最大客戶之信貸風險分別佔總應收賬款及其他應收款項17% (二零零四年15%) 及37% (二零零四年：31%)。

信貸風險之最大風險由資產負債表各財務資產之賬面值 (包括衍生財務工具) 代表。

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(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)  
(除另有註明者外，以港元為單位)

## 29. Financial instruments (Continued)

### (b) Liquidity risk

Individual operating entities within the group are responsible for their own cash management, including the raising of loans to cover expected cash demands, subject to approval by the parent company's senior management when the borrowings exceed certain predetermined levels of authority. The group's policy is to regularly monitor current and expected liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

During the year, the group entered into a long-term structured deposit contract with a bank which has a maturity date in 2017 (see note 18).

### (c) Interest rate risk

The group's cash flow interest rate risk relates to floating rate bank borrowings.

Besides, the group is exposed to cash flow interest rate risk through the impact of rate changes on income-earnings financial assets. The majority of the group's cash and cash equivalents of \$103,128,000 (2004: \$141,866,000) is placed in short-term deposits with major financial institutions, with effective interest rates ranging from 0.05% to 4.50% (2004: 0.05% to 6.35%).

The long-term structured deposit contract and its embedded derivatives outstanding at 31 December 2005 of \$69,847,000 (2004: \$85,288,000) are also exposed to fair value and cash flow interest rate risks. At 31 December 2005, it is estimated that a narrowing of the spread between the 30 year and 10 year United States dollar swap rates of 5 basis points would increase the group's loss before tax by approximately \$4,000,000.

## 29. 財務工具 (續)

### (b) 流動資金風險

本集團內之獨立經營實體負責各自之現金管理，包括籌集貸款以應付現金需求，倘借貸超出當局事先定之若干水平，則須事先獲得母公司高級管理層之批准。本集團之政策為定期監察現時及預期流動資金要求及其符合借貸契諾，以確保其具備充足現金儲備及維持足夠主要金融機關之信貸額度預備以應付其於短期及長期之流動資金需要。

年內，本集團與一間銀行訂立長期結構式存款合約，存款合約於二零一七年到期(見附註18)。

### (c) 利率風險

本集團之現金流量利率風險乃涉及浮息之銀行借貸。

此外，本集團之現金流量利率風險來自賺取收入之財務資產之利率變動。本集團之主要現金及現金等價物103,128,000元(二零零四年：141,866,000元)乃作為短期存款存於主要財務機構，並按實際利率介乎0.05厘至4.5厘(二零零四年：0.05厘至6.35厘)計息。

於二零零五年十二月三十一日之長期結構式存款合約及其尚餘之嵌入式衍生工具69,847,000元(二零零四年：85,288,000元)亦會面對公允價值及現金流量利率風險。於二零零五年十二月三十一日，估計三十年期美元掉期利率與十年期利率之間的息差每收窄5點子，將令本集團之稅前虧損增加約4,000,000元。

# Notes to

## the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)

(除另有註明者外，以港元為單位)

### 29. Financial instruments (Continued)

#### (c) Interest rate risk (Continued)

##### Effective interest rates and repricing analysis

In respect of income-earning financial assets and interest-bearing financial liabilities, the following table indicates their effective interest rates at the balance sheet date and the periods in which they reprice or the maturity dates, if earlier.

#### The group

##### 本集團

	2005 二零零五年						2004 二零零四年					
	Effective interest rate	Total	1 year or less	1 - 2 years	2 - 5 years	More than 5 years	Effective interest rate	Total	1 year or less	1 - 2 years	2 - 5 years	More than 5 years
	實際利率	\$'000	\$'000	\$'000	\$'000	\$'000	實際利率	\$'000	\$'000	\$'000	\$'000	\$'000
	%	千元	千元	千元	千元	千元	%	千元	千元	千元	千元	千元
<b>Repricing dates for assets/ (liabilities) which reprice before maturity</b>	<b>會於到期前重新定價之資產/(負債)重新定價日期</b>											
Long-term bank deposit and its embedded derivatives	長期銀行存款及其嵌入式衍生工具	1.81%	69,847	-	-	-	3.44%	85,288	-	-	-	85,288
Bank savings accounts	銀行存款賬	1.02%	34,820	34,820	-	-	1.04%	29,407	29,407	-	-	-
Bank overdrafts	銀行透支	7.50%	(7,155)	(7,155)	-	-	-	-	-	-	-	-
Bank loans	銀行貸款	5.04%	(98,413)	(98,413)	-	-	2.04%	(53,616)	(27,016)	(26,600)	-	-
			(901)	(70,748)	-	-		61,079	2,391	(26,600)	-	85,288
<b>Maturity dates for assets/ (liabilities) which do not reprice before maturity</b>	<b>於到期前並不重新定價之資產/(負債)之到期日</b>											
Deposits with banks which matured within 3 months after the balance sheet date	結算日後三個月內到期之銀行存款	4.16%	14,107	14,107	-	-	2.97%	72,454	72,454	-	-	-
Time deposits	定期存款	-	-	-	-	-	1.50%	7,500	7,500	-	-	-
			14,107	14,107	-	-		79,954	79,954	-	-	-

### 29. 財務工具 (續)

#### (c) 利率風險 (續)

##### 實際利率及重新定價分析

就賺取收入之財務資產及計息財務負債而言，下表載列其於結算日及其重新定價之期間或到期日(倘較早)之實際利率。

# Notes to the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)  
(除另有註明者外，以港元為單位)

## 29. Financial instruments (Continued)

## 29. 財務工具 (續)

### (c) Interest rate risk (Continued)

### (c) 利率風險 (續)

#### The company

#### 本公司

		2005 二零零五年					2004 二零零四年				
		Effective interest rate		More than			Effective interest rate		More than		
		Total	1 year or less	1 - 2 years	2 - 5 years	5 years	Total	1 year or less	1 - 2 years	2 - 5 years	5 years
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		%	千元	千元	千元	千元	%	千元	千元	千元	千元
<b>Repricing dates for assets/ (liabilities) which reprice before maturity</b>	<b>會於到期前重新定價之資產/(負債)重新定價日期</b>										
Long-term bank deposit and its embedded derivatives	長期銀行存款及其嵌入式衍生工具	1.81%	69,847	-	-	-	3.44%	85,288	-	-	-
Bank savings accounts	銀行存款賬	1.57%	3,129	3,129	-	-	0.38%	3,342	3,342	-	-
Bank loans	銀行貸款	4.84%	(58,353)	(58,353)	-	-	1.50%	(38,000)	(11,400)	(26,600)	-
			14,623	(55,224)	-	-		50,630	(8,058)	(26,600)	-
						69,847					85,288
<b>Maturity dates for assets/ (liabilities) which do not reprice before maturity</b>	<b>於到期前並不重新定價之資產/(負債)之到期日</b>										
Deposits with banks which matured within 3 months after the balance sheet date	於結算日後三個月到期之銀行存款	4.32%	9,611	9,611	-	-	2.97%	72,454	72,454	-	-

# Notes to the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)  
(除另有註明者外，以港元為單位)

## 29. Financial instruments (Continued)

### (d) Foreign currency risk

#### (i) Forecast transactions

The group is exposed to foreign currency risk primarily through sales and purchases that are denominated in a currency other than the functional currency of the operations to which they relate. The currencies giving rise to this risk are primarily Euros, Japanese Yen and Renminbi.

The group currently does not have a foreign currency hedging policy. However, management monitors the group's exposure to foreign currency risk and will consider hedging significant foreign currency exposure should the need arise.

#### (ii) Recognised assets and liabilities

In respect of trade receivables and payables held in currencies other than the functional currency of the operations to which they relate, the group ensures that the net exposure is kept to an acceptable level, by buying or selling foreign currencies at spot rates where necessary to address short-term imbalances.

All the group's borrowings are denominated in the functional currency of the entity taking out the loan or, in the case of group entities whose functional currency is United States dollars, in either Hong Kong dollars or United States dollars. Given this, management does not expect that there will be any significant currency risk associated with the group's borrowings.

## 29. 財務工具 (續)

### (d) 外匯風險

#### (i) 預期交易

本集團面對之外匯風險主要源自並非以相關業務的功能貨幣為單位進行之銷售及採購。導致此項風險之主要貨幣為歐元、日圓及人民幣。

本集團目前並無任何外幣對沖政策。然而，管理層密切監察本集團所面對之外匯風險，倘有需要時將考慮對沖重大外匯風險。

#### (ii) 確認資產及負債

就以並非以相關業務之功能貨幣持有之應收賬款及應付款項，在有需要時，本集團藉按即期匯率買賣外幣處理短期不平衡以確保淨風險維持於可接受程度。

本集團所有借貸均以提取貸款之實體之功能貨幣計值，倘集團實體之功能貨幣為美元，則以港元或美元計劃。因此，管理層不預期有任何關於本集團借貸之重大貨幣風險。

## Notes to

## the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)

(除另有註明者外，以港元為單位)

### 29. Financial instruments (Continued)

#### (d) Foreign currency risk (Continued)

##### (ii) Recognised assets and liabilities

(Continued)

During the year, the company entered into dual currency option deposit contracts with certain banks and consequently was exposed to foreign exchange risk in respect of such deposits. As at 31 December 2005, the company had placed deposits under such contracts in the total amount of US\$1,017,000 (equivalent to \$7,888,000) (2004: US\$1,346,000 (equivalent to \$10,461,000) and JPY100,000,000 (equivalent to \$7,580,000)) with banks.

The dual currency option deposits were placed to enhance the return on the company's surplus cash while the exchange risk in relation to the deposits was within an acceptable level.

#### (e) Fair values

All financial instruments are carried at amounts not materially different from their fair values as at 31 December 2005 and 2004 except for investment in unquoted equity securities whose fair value cannot be reliably measured.

The loans to subsidiaries are unsecured, interest free and have no fixed repayment terms. Given these terms it is not meaningful to disclose their fair values.

### 29. 財務工具 (續)

#### (d) 外匯風險 (續)

##### (ii) 確認資產及負債 (續)

年內，本公司與若干銀行訂立雙重貨幣期權存款合約，因此就該等存款面對外匯風險。於二零零五年十二月三十一日，本公司已根據該等合約於銀行存入總共1,346,000美元（相當於約7,888,000元）（二零零四年：1,346,000美元（相當於10,461,000元））及100,000,000日圓（相當於7,580,000元）。

雙重貨幣期權存款乃為提高本公司盈餘現金而設，而有關存款之風險屬於可接受水平。

#### (e) 公允價值

於二零零五年及二零零四年十二月三十一日，所有財務工具之賬面值均與其公允價值無重大分別，惟公允價值不能可靠地計量之非上市股本證券除外。

借予附屬公司之貸款為無抵押、免息及無固定還款期。鑑於該等條款，披露其公允價值實無意義。

# Notes to

## the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)

(除另有註明者外，以港元為單位)

### 29. Financial instruments (Continued)

#### (e) Fair values (Continued)

##### Estimation of fair values

The fair value of the embedded derivatives associated with long-term structured deposit contract (note 18) is estimated by applying simulation techniques to discounted cash flow method. The discount rate is a market related rate for a similar instrument at the balance sheet date and the inputs to the simulation model are based on market related data at the balance sheet date. Expectations of early exercise of the early termination option by the counter party are incorporated into the model.

### 29. 財務工具 (續)

#### (e) 公允價值

##### 公允價值估算

與長期結構式存款合約(附註18)有關之附帶衍生工具之公平值乃藉着將刺激技術應用到折現現金流量法而估算。折現率為於結算日同類工具之市場相關比率，而刺激法之輸入數據乃以結算日之市場相關比率為基礎。有關方面提早行使或提早終止購股權之解釋已納入有關模型內。

### 30. Commitments

#### (a) Capital commitments outstanding at 31 December 2005 not provided for in the financial statements were as follows:

### 30. 承擔

#### (a) 於二零零五年十二月三十一日未償付而又未在財務報表內提撥準備的資本承擔如下：

		The group 本集團		The company 本公司	
		2005 二零零五年	2004 二零零四年	2005 二零零五年	2004 二零零四年
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Contracted for	已訂約	26,313	680	-	-
Authorised but not contracted for	已獲授權 但未訂約	-	-	-	-
		<b>26,313</b>	<b>680</b>	<b>-</b>	<b>-</b>



# Notes to the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)  
(除另有註明者外，以港元為單位)

## 30. Commitments (Continued)

**(b) At 31 December 2005, the total future minimum lease payments under non-cancellable operating leases in respect of properties are payable as follows:**

## 30. 承擔 (續)

**(b) 於二零零五年十二月三十一日，根據不可解除的經營租賃在日後應付的最低租賃付款總數如下：**

		The group 本集團		The company 本公司	
		2005 二零零五年	2004 二零零四年	2005 二零零五年	2004 二零零四年
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Within 1 year	一年內	21,760	19,659	13,127	13,677
After 1 year but within 5 years	一年後但5年內	23,580	35,533	18,967	24,981
		<u>45,340</u>	<u>55,192</u>	<u>32,094</u>	<u>38,658</u>

Significant leasing arrangements in respect of land held under operating leases are described in note 13.

就根據經營租賃持有之重大租賃安排載述附註13。

Apart from these leases, the group is the lessee in respect of a number of properties held under operating leases. The leases typically run for an initial period of one to seven years, with an option to renew the lease when all terms are renegotiated. Lease payments are usually increased every year to reflect market rentals. None of the leases includes contingent rentals.

除該等租約外，本集團為多個根據經營租賃持有之物業之承租人。該等租賃初步一般為期一年至七年，經所有條款重新商討後可選擇重續。租賃付款通常每年增加以反映市場租金。租賃概不包括或然租金。

At 31 December 2004, the company had commitment to make a further deposit of US\$3,000,000 (equivalent to \$23,322,000) to a bank under the long-term structured deposit contract disclosed in note 18. However, this contract was terminated by the group subsequent to the balance sheet date.

於二零零四年十二月三十一日，本公司根據附註18披露之長期結構式存款合約承諾於一間銀行額外存款3,000,000美元（相當於23,322,000元。然而，本集團於結算日後終止該合約。

# Notes to

## the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)

(除另有註明者外，以港元為單位)

### 31. Material related party transactions

In addition to the transactions and balances disclosed elsewhere in these financial statements, the group entered into the following material related party transactions.

#### Key management personnel remuneration

Remuneration for key management personnel, including amounts paid to the company's directors as disclosed in note 7 and certain of the highest paid employees as disclosed in note 8, is as follows:

Short-term employee benefits	短期僱員福利
Retirement scheme contributions	退休計劃供款
Share-based payments	股份為基礎的支付

Total remuneration is included in "staff costs" (see note 5(b)).

### 31. 重大關聯人士交易

除於該等財務報表其他地方披露之交易及結餘外，本集團曾與其關聯人士進行下列交易。

#### 主要管理人員薪酬

主要管理人員之薪酬，包括支付予本公司董事（載於附註7）及若干最高薪僱員之款項（載於附註8）如下：

2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
17,263	18,118
579	53
124	199
<u>17,966</u>	<u>18,370</u>

總薪酬被納入「員工成本」內（見附註5(b)）。

## Notes to

## the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)

(除另有註明者外，以港元為單位)

### 31. Material related party transactions 31. 重大關聯人士交易 (續)

(Continued)

#### Other material related party transactions

During the year, the group entered into the following transactions with its related parties:

#### 其他重大關聯人士交易

年內，本集團與其關聯人士訂立以下交易：

	2005 二零零五年 \$'000 千元	2004 二零零四年 \$'000 千元
(i) Sales to:		
Fellow subsidiaries:		
- Jung Yoon Textiles (Private) Ltd	794	935
- Yujin Robot Co., Ltd (formerly known as Gina World Co., Ltd) (note)		
	12,279	10,898
	<u>13,073</u>	<u>11,833</u>
Associate:		
- Yuan Lin Toys (Suzhou) Co., Ltd	2,618	4,240
(ii) Purchases from:		
Fellow subsidiary:		
- Jung Yoon Textiles (Private) Ltd	773	-
Associate:		
- Yuan Lin Toys (Suzhou) Co., Ltd	33,108	27,901
(iii) Rental paid/payable to:		
The ultimate holding company:		
- C & H Co., Ltd	7,038	5,438
(iv) Processing fees paid/payable to:		
Associate:		
- Yuan Lin Toys (Suzhou) Co., Ltd	5,609	10,149

Note: Yujin Robot Co., Ltd ceased to be a fellow subsidiary on 2 December 2005 following its merger with a non-related company. The balance of \$3,204,000 due from Yujin Robot Co., Ltd as at 31 December 2005 is included under "trade and other receivables" in the balance sheet.

附註：Yujin Robot Co., Ltd 於二零零五年十二月二日與一間非關連公司合併後不再為同系附屬公司。Yujin Robot Co., Ltd 於二零零五年十二月三十一日之結餘 3,204,000 元在資產負債表包括在「應收賬款及其他應收款項」內。

## Notes to

## the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)

(除另有註明者外，以港元為單位)

### 32. Non-adjusting post balance sheet events 32. 非調整結算日後事項

On 28 September 2005, C & H HK Corp., Ltd and J.Y. Plasteel (Suzhou) Co., Ltd, two subsidiaries of the group entered into a series of sales and purchase agreements with a third party to acquire certain tangible and intangible assets related to the business of manufacturing tricycles, bicycles, scooters, infant carts, plastic wheels and inline skates. The tangible and intangible assets acquired include machinery and equipment, moulds, trademarks, business logos, patents and distribution channels. The total consideration was US\$3,000,000 (equivalent to \$23,259,000). The acquisition was completed in January 2006. Further details of the acquisition are set out below:

於二零零五年九月二十八日，本集團兩間附屬公司C & H HK Corp., Ltd及J.Y. Plasteel (Suzhou) Co., Ltd與一名獨立第三方訂立一系列買賣協議，收購若干關於製造三輪車、自行車、踏板車、嬰兒車、膠輪及單線滾軸溜冰鞋之有形及無形資產。所收購之有形及無形資產包括機器及設備、模具、商標、業務標誌、專利權及分銷渠道。總代價為3,000,000美元(相當於23,259,000元)。收購事項已於二零零六年一月完成。其他詳情載列如下：

		Fair value 公允價值 \$'000 千元
<b>Net assets acquired</b>	<b>所收購資產淨值</b>	
Non-current assets:	非流動資產：	
- Intangible assets	- 無形資產	3,923
- Property, plant and equipment	- 物業、廠房及設備	19,937
Net assets acquired	所收購資產淨值	23,860
Discount on acquisition	收購時折現	(601)
		<u>23,259</u>
Discharged by:	償付：	
Cash paid to vendor	支付予賣方之現金	<u>23,259</u>

The initial accounting for the acquisition has not been finalised. This is the result of significant uncertainties surrounding the valuation of property, plant and equipment at acquisition date.

收購事項之初步會計尚未最後落實。此乃由於物業、廠房及設備及之估值於收購日存在重大不確定因素。

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(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)  
(除另有註明者外，以港元為單位)

## 33. Comparative figures

Certain comparative figures have been adjusted or re-classified as a result of the changes in accounting policies. Further details are disclosed in note 2.

## 33. 比較數字

若干比較數字已因會計政策變動而作出調整或重新歸類。詳情載於附註2。

## 34. Parent and ultimate holding company

At 31 December 2005, the directors consider the parent and ultimate controlling party of the group to be C & H Co., Ltd., which is incorporated in the Republic of Korea.

## 34. 母公司及最終控股公司

於二零零五年十二月三十一日，董事認為母公司及最終控股公司為於大韓民國註冊成立之C&H Co., Ltd.。

## 35. Accounting estimates and judgements

Notes 15, 25(a), 26 and 29 contain information about the assumptions and their risk factors relating to goodwill impairment, defined benefit retirement obligations, fair value of share options granted and financial instruments.

## 35. 會計估計及判斷

附註15、25(a)、26及29包括有關商譽減值、定額福利退休責任、已授出之購股權之公允值及財務工具之假設及其風險因素之資料。

# Notes to

## the Financial Statements 財務報表附註

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)

(除另有註明者外，以港元為單位)

### 36. Possible impact of amendments, new standards and interpretations issued but not yet effective for the annual accounting period ended 31 December 2005

Up to the date of issue of these financial statements, the HKICPA has issued the following amendments, new standards and interpretations which are not yet effective for the accounting period ending 31 December 2005 and which have not been adopted in these financial statements:

### 36. 於截至二零零五年十二月三十一日止會計年度已頒佈但未實行之修訂、新準則及詮釋之可能影響

直至該等財務報表日期，香港會計師公會已頒佈以下尚未於截至二零零五年十二月三十一日止會計期間實行之修訂、新準則及詮釋：

		Effective for accounting periods beginning on or after 於以下日期或以後之 會計期間開始生效
HKFRS 6	Exploration for and evaluation of mineral resources	1 January 2006
香港財務報告準則第6號	礦產資源開採及估值	二零零六年一月一日
HK(IFRIC) 4	Determining whether an arrangement contains a lease	1 January 2006
香港(國際財務報告準則詮釋委員會)第4號	釐定一項安排是否包含租賃	二零零六年一月一日
HK(IFRIC) 5	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds	1 January 2006
香港(國際財務報告準則詮釋委員會)第5號	終止運作、復原及環境修復基金所產生權益之權利	二零零六年一月一日
HK(IFRIC) 6	Liabilities arising from participating in a specific market - Waste electrical and electronic equipment	1 December 2005
香港(國際財務報告準則詮釋委員會)第6號	參與特定市場－廢棄電力及電子設備所產生之負債3	二零零五年十二月一日
HK(IFRIC) 7	Applying the restatement approach under HKAS 29 Financial reporting in hyperinflationary economies	1 March 2006
香港(國際財務報告準則詮釋委員會)－詮釋第7號	根據香港會計準則第29號「惡性通貨膨脹經濟中的財務報告」採用重報法	二零零六年三月一日
Amendment to HKAS 19	Employee benefits - actuarial gains and losses, group plans and disclosures	1 January 2006
香港會計準則第19號修訂	員工福利－精算損益、集團計劃及披露	二零零六年一月一日

## Notes to

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(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)

(除另有註明者外，以港元為單位)

### 36. Possible impact of amendments, new standards and interpretations issued but not yet effective for the annual accounting period ended 31 December 2005 (Continued)

### 36. 於截至二零零五年十二月三十一日止會計年度已頒佈但未實行之修訂、新準則及詮釋之可能影響 (續)

		<b>Effective for accounting periods beginning on or after</b>
		<b>於以下日期或以後之 會計期間開始生效</b>
Amendment to HKAS 21	The effects of changes in foreign exchange rate - Net investment in a foreign operation	1 January 2006
香港會計準則第21號修訂	匯兌變動之影響－境外業務之投資淨值	二零零六年一月一日
Amendments to HKAS 39	Financial instruments:	
香港會計準則第39號修訂	財務工具：	
	Recognition and measurement:	
	- Cash flow hedge accounting of forecast intragroup transactions	1 January 2006
	- The fair value option	1 January 2006
	- Financial guarantee contracts	1 January 2006
	確認及計量：	
	－ 預測集團內公司間交易之現金流量對沖會計處理	二零零六年一月一日
	－ 公允價值之選擇	二零零六年一月一日
	－ 財務擔保合約	二零零六年一月一日
Amendments, as a consequence of the Hong Kong Companies (Amendment) Ordinance 2005, to:		
根據香港公司(修訂)條例2005作出之修訂：		
- HKAS 1	Presentation of financial statements	1 January 2006
－ 香港會計準則第1號	財務報表呈列	二零零六年一月一日
- HKAS 27	Consolidated and separate financial statements	1 January 2006
－ 香港會計準則第27號	綜合及獨立財務報表	二零零六年一月一日
- HKFRS 3	Business combinations	1 January 2006
－ 香港財務報告準則第3號	業務合併	二零零六年一月一日
HKFRS 7	Financial instruments: disclosures	1 January 2007
香港財務報告準則第7號	財務工具：披露	二零零七年一月一日
Amendment to HKAS 1 capital disclosures	Presentation of financial statements:	1 January 2007
香港會計準則第1號修訂	財務報表呈列：資本披露	二零零七年一月一日

## Notes to

## the Financial Statements 財務報表附註

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(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)

(除另有註明者外，以港元為單位)

### 36. Possible impact of amendments, new standards and interpretations issued but not yet effective for the annual accounting period ended 31 December 2005 *(Continued)*

In addition, the Hong Kong Companies (Amendment) Ordinance 2005 came into effect on 1 December 2005 and would be first applicable to the group's financial statements for the period beginning 1 January 2006.

The group is in the process of making an assessment of what the impact of these amendments, new standards and new interpretations is expected to be in the period of initial application.

### 36. 於截至二零零五年十二月三十一日止會計年度已頒佈但未實行之修訂、新準則及詮釋之可能影響 (續)

此外，香港公司(修訂)條例2005於二零零五年十二月一日生效，將適用於由二零零六年一月一日開始之本集團財務報表。

本集團正在衡量該等修訂、新準則及新詮釋之於初步應用期間所帶來之影響。