



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 December 2005  
二零零五年十二月三十一日

### 1. CORPORATE INFORMATION

China Haidian Holdings Limited is a limited liability company incorporated in the Cayman Islands. The principal place of business of the Company is located at Suites 2701-2705 & 2715-2716, 27th Floor, Two International Finance Centre, 8 Finance Street, Central, Hong Kong.

During the year, the Group was involved in the following principal activities:

- property development
- manufacture and distribution of watches and timepieces
- manufacture and distribution of timber products
- property investment
- manufacture and distribution of enamelled copper wires

Except for the manufacture and distribution of enamelled copper wires which commenced operation in the current year, there were no significant changes in the nature of the Group's principal activities during the year.

### 1. 公司資料

中國海澱集團有限公司為於開曼群島註冊成立之有限公司。本公司之主要營業地點位於香港中環金融街8號國際金融中心二期27樓2701-2705及2715-2716室。

年內，本集團從事以下主要業務：

- 物業發展
- 製造及分銷鐘錶及時計產品
- 製造及分銷木材產品
- 物業投資
- 製造及分銷漆包銅線

除於本年度開始製造及分銷漆包銅線外，本集團之主要業務性質於年內並無重大變動。



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### 2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which also include Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties, securities measured at fair value through profit or loss and certain available-for-sale investments, which have been measured at fair value. These financial statements are presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest thousand except when otherwise indicated.

#### Basis of consolidation

The consolidated financial statements include the financial statements of the Company, its subsidiaries and a jointly-controlled entity for the year ended 31 December 2005. The results of subsidiaries and a jointly-controlled entity are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. All significant intercompany transactions and balances within the Group are eliminated on consolidation.

### 2.1 編製基準

財務報表乃根據香港會計師公會頒佈之香港財務申報準則（「香港財務申報準則」，亦包括香港會計準則（「香港會計準則」）及詮釋）、香港公認會計原則及香港公司條例之披露規定，按歷史成本法編製，惟投資物業、按公平值計入溢利或虧損之證券及若干可出售投資按公平值計算。財務報表以港元呈列，除另有指明者外，所有價值均調整至最接近千位。

#### 綜合基準

綜合財務報表包括本公司、其附屬公司及一家共同控制實體截至二零零五年十二月三十一日止年度之財務報表。附屬公司及共同控制實體業績由收購日期（即本集團取得控制權之日）綜合計入賬目，並一直綜合計入賬目，直至該控制權終止之日為止。所有集團系內公司間之重大交易及結餘已於綜合賬目時對銷。

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### 2.1 BASIS OF PREPARATION (continued)

#### Basis of consolidation (continued)

The acquisition of subsidiaries during the year has been accounted for using the purchase method of accounting. This method involves allocating the cost of the business combinations to the fair value of the assets acquired, and liabilities and contingent liabilities assumed at the date of acquisition. The cost of the acquisition is measured at the aggregate of the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

Minority interests represent the interests of outside equity holders in the results and net assets of the Company's subsidiaries.

### 2.2 IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

The following new and revised HKFRSs affect the Group and are adopted for the first time for the current year's financial statements:

HKAS 1	Presentation of Financial Statements
HKAS 2	Inventories
HKAS 7	Cash Flow Statements
HKAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
HKAS 10	Events after the Balance Sheet Date
HKAS 11	Construction Contracts
HKAS 12	Income Taxes
HKAS 14	Segment Reporting
HKAS 16	Property, Plant and Equipment
HKAS 17	Leases
HKAS 18	Revenue
HKAS 19	Employee Benefits

### 2.1 編製基準 (續)

#### 綜合基準 (續)

本集團按收購會計法將年內所收購附屬公司列賬。該項方法涉及分配業務合併成本至所收購資產以及所承擔負債及或然負債於收購日期之公平值。收購成本按於交易日期特定資產、所發行股本工具及所產生或承擔負債之公平值加收購直接應佔成本之總額。

少數股東權益指外界權益持有人於本公司附屬公司業績及資產淨值所佔權益。

### 2.2 新訂及經修訂香港財務申報準則之影響

以下為對本集團造成影響且於本年度財務報表首次採納之新訂及經修訂香港財務申報準則：

香港會計準則第1號	財務報表呈報
香港會計準則第2號	存貨
香港會計準則第7號	現金流量表
香港會計準則第8號	會計政策、會計估計 項目變動及錯誤更正
香港會計準則第10號	結算日後事項
香港會計準則第11號	建築合約
香港會計準則第12號	所得稅
香港會計準則第14號	分類呈報
香港會計準則第16號	物業、廠房及設備
香港會計準則第17號	租賃
香港會計準則第18號	收益
香港會計準則第19號	僱員福利

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### 2.2 IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (continued)

HKAS 20	Accounting for Government Grants and Disclosure of Government Assistance
HKAS 21	The Effects of Changes in Foreign Exchange Rates
HKAS 23	Borrowing Costs
HKAS 24	Related Party Disclosures
HKAS 27	Consolidated and Separate Financial Statements
HKAS 28	Investments in Associates
HKAS 31	Interests in Joint Ventures
HKAS 32	Financial Instruments: Disclosure and Presentation
HKAS 33	Earnings per Share
HKAS 36	Impairment of Assets
HKAS 37	Provisions, Contingent Liabilities and Contingent Assets
HKAS 39	Financial Instruments: Recognition and Measurement
HKAS 39 Amendment	Transition and Initial Recognition of Financial Assets and Financial Liabilities
HKAS 40	Investment Property
HKFRS 2	Share-based Payment
HKFRS 3	Business Combinations
HK(SIC)-Int 21	Income Taxes – Recovery of Revalued Non-depreciable Assets
HK-Int 3	Revenue – Pre-completion Contracts for the Sale of Development Properties
HK-Int 4	Leases – Determination of the Length of Lease Term in respect of Hong Kong Land Leases

### 2.2 新訂及經修訂香港財務申報準則之影響 (續)

香港會計準則第20號	政府撥款之會計處理及政府資助之披露
香港會計準則第21號	匯率變動之影響
香港會計準則第23號	借款成本
香港會計準則第24號	有關連人士之披露
香港會計準則第27號	綜合及獨立財務報表
香港會計準則第28號	於聯營公司之投資
香港會計準則第31號	合營公司權益
香港會計準則第32號	金融工具： 披露及呈報
香港會計準則第33號	每股盈利
香港會計準則第36號	資產減值
香港會計準則第37號	撥備、或然負債 及或然資產
香港會計準則第39號	金融工具：確認及計量
香港會計準則第39號 經修訂	金融資產及金融負債之 過渡及初步確認
香港會計準則第40號	投資物業
香港財務申報準則第2號	股份付款
香港財務申報準則第3號	業務合併
香港(常務詮釋委員會) — 詮釋第21號	所得稅—收回重估 不可折舊資產
香港—詮釋3	收益—銷售發展物業 之完工前合約
香港—詮釋4	租賃—就香港土地租賃 釐定租賃年期



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#### 2.2 IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (continued)

The adoption of HKASs 2, 7, 8, 10, 11, 12, 14, 16, 18, 19, 20, 21, 23, 27, 28, 33, 37, HKFRS 2, and HK-Int 4 has had no material impact on the accounting policies of the Group and the Company and the methods of computation in the Group's and the Company's financial statements.

HKAS 1 has affected the presentation of minority interests on the face of the consolidated balance sheet, consolidated income statement, consolidated statement of changes in equity and other disclosures.

HKAS 24 has expanded the definition of related parties and affected the Group's related party disclosures.

The impact of adopting the other HKFRSs is summarised as follows:

##### (a) HKAS 17 – Leases

In prior years, leasehold land and buildings held for own use were stated at cost less accumulated depreciation and any impairment losses.

#### 2.2 新訂及經修訂香港財務申報準則之影響 (續)

採納香港會計準則第2、7、8、10、11、12、14、16、18、19、20、21、23、27、28、33、37號、香港財務申報準則第2號及香港一詮釋4並無對本集團及本公司會計政策以及本集團及本公司財務報表計算方式造成任何重大影響。

香港會計準則第1號對綜合資產負債表、綜合損益表及綜合權益變動表所示少數股東權益之呈列方式及其他披露事項構成影響。

香港會計準則第24號擴大有關連人士之定義，並對本集團有關連人士之披露事項構成影響。

採納其他香港財務申報準則之影響概述如下：

##### (a) 香港會計準則第17號 – 租賃

於過往年度，持作自用之租賃土地及樓宇乃按成本減累積折舊及任何減值虧損列賬。



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#### 2.2 IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (continued)

##### (a) HKAS 17 – Leases (continued)

Upon the adoption of HKAS 17, the Group's leasehold interest in land and buildings is separated into leasehold land and leasehold buildings. The Group's leasehold land is classified as an operating lease, because the title of the land is not expected to pass to the Group by the end of the lease term, and is classified as prepaid land lease payments, while leasehold buildings will be classified as part of property, plant and equipment. Prepaid land lease payments under operating leases are initially stated at cost and subsequently amortised on the straight-line basis over the lease term. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease payments are included in the cost of the land and buildings as a finance lease in property, plant and equipment.

This change in accounting policy has had no material effect on the consolidated income statement and accumulated losses. The comparative amounts for the year ended 31 December 2004 in the consolidated balance sheet have been restated to reflect the reclassification of the leasehold land.

#### 2.2 新訂及經修訂香港財務申報準則之影響 (續)

##### (a) 香港會計準則第17號 – 租賃 (續)

於採納香港會計準則第17號後，本集團於土地及樓宇之租賃權益獨立分類為租賃土地及租賃樓宇。本集團之租賃土地分類為經營租賃，原因為土地之業權預期於租賃期結束前不會轉移至本集團，並分類至預付土地租賃款項，而租賃樓宇將分類為物業、廠房及設備其中部分。經營租賃項下預付土地租賃款項初步按成本列賬，其後按租期以直線基準攤銷。倘租賃款項未能於土地及樓宇部分間可靠分配，則全部租賃款項會計入土地及樓宇成本，列作物業、廠房及設備之融資租賃。

是項會計政策變動對綜合損益表及累積虧損並無任何重大影響。綜合資產負債表內截至二零零四年十二月三十一日止年度之比較數字已重列，以反映租賃土地之重新分類。



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### 2.2 IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (continued)

#### (b) HKAS 32 and HKAS 39 – Financial Instruments

In prior years, the Group classified its investments in equity securities as investment securities and long term investment held for non-trading purposes and were stated at cost, and the Group's share of the investee company's net assets value (the "Deemed Cost") at the time of its transfer to a long term investment, respectively, less any impairment losses.

Upon the adoption of HKAS 39, these investment securities and long term investment held by the Group at 1 January 2005 of HK\$20,240,000 and HK\$3,477,000, respectively, are designated as available-for-sale investments under the provisions of HKAS 39 and are stated at fair value with gains or losses being recognised as a separate component of equity until subsequent derecognition or impairment and at the Deemed Cost, respectively, as more fully explained in note 2.5.

### 2.2 新訂及經修訂香港財務申報準則之影響 (續)

#### (b) 香港會計準則第32號及香港會計準則第39號 – 金融工具

於過往年度，本集團將股本證券投資分類為投資證券及長期投資，乃持作非買賣用途，並按成本及本集團於轉撥至長期投資時應佔被投資公司之資產淨值（「設定成本」），減任何減值虧損列賬。

於採納香港會計準則第39號後，本集團所持於二零零五年一月一日分別為20,240,000港元及3,477,000港元之該等投資證券及長期投資，根據香港會計準則第39號之條文指定為可出售投資，按公平值列賬，有關損益會確認為股本獨立部分，直至分別其後剔除確認或出現減值及設定成本為止，進一步詳細說明載於附註2.5。





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### 2.2 IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (continued)

#### (b) HKAS 32 and HKAS 39 – Financial Instruments (continued)

In prior years, the Group classified its investment in equity securities for trading purposes as short term investments, and were stated at their fair values on an individual basis with gains and losses recognised in the income statement. Upon the adoption of HKAS 39, these investments held by the Group at 1 January 2005 in the amount of HK\$12,792,000 are designated as financial assets at fair value through profit or loss under the transitional provisions of HKAS 39 and accordingly are stated at fair value with gains or losses being recognised in the income statement.

The effects of the above changes are summarised in note 2.4 to the financial statements. In accordance with the transitional provisions of HKAS 39, comparative amounts have not been restated.

#### (c) HKAS 40 – Investment property

In prior years, changes in the fair values of investment properties were dealt with as movements in the investment property revaluation reserve. If the total of this reserve was insufficient to cover a deficit, on a portfolio basis, the excess of the deficit was charged to the income statement. Any subsequent revaluation surplus was credited to the income statement to the extent of the deficit previously charged.

### 2.2 新訂及經修訂香港財務申報準則之影響 (續)

#### (b) 香港會計準則第32號及香港會計準則第39號 – 金融工具 (續)

於過往年度，本集團將持作買賣用途之股本證券投資分類為短期投資，根據個別基準按其公平值列賬，有關損益會於損益表確認。於採納香港會計準則第39號後，本集團所持於二零零五年一月一日價值12,792,000港元之該等投資，根據香港會計準則第39號之過渡條文指定為按公平值計入溢利或虧損之金融資產，因此按公平值列賬，有關損益會於損益表確認。

上述變動之影響概述於財務報表附註2.4。按照香港會計準則第39號之過渡條文，比較數字未有重列。

#### (c) 香港會計準則第40號 – 投資物業

於過往年度，投資物業公平值之變動列作投資物業重估儲備變動處理。倘按組合基準計算，該儲備總額不足以補償虧絀，剩餘之虧絀自損益表扣除。其後任何重估盈餘則以早前所扣除虧絀為限，計入損益表。





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### 2.2 IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (continued)

#### (c) HKAS 40 – Investment property (continued)

Upon the adoption of HKAS 40, gains or losses arising from changes in the fair values of investment properties are included in the income statement in the year in which they arise.

The adoption of HKAS 40 has had no material impact on the consolidated income statement and accumulated losses.

Investment property is now presented separately on the face of the consolidated balance sheet. Comparative amounts have been reclassified to conform with the current year's presentation.

#### (d) HKFRS 3 – Business Combinations and HKAS 36 – Impairment of Assets

In prior years, goodwill arising on acquisitions prior to 1 January 2001 was eliminated against consolidated reserves in the year of acquisition and was not recognised in the income statement until disposal or impairment of the acquired businesses.

Goodwill arising on acquisitions on or after 1 January 2001 was capitalised and amortised on the straight-line basis over its estimated useful life and was subject to impairment testing when there was any indication of impairment.

### 2.2 新訂及經修訂香港財務申報準則之影響 (續)

#### (c) 香港會計準則第40號 – 投資物業 (續)

採納香港會計準則第40號後，投資物業公平值變動所產生損益會計入有關損益產生年度之損益表。

採納香港會計準則第40號對綜合損益表及累積虧損並無重大影響。

投資物業現於資產負債表個別呈列。比較數字已重新分類，以符合本年之呈列方式。

#### (d) 香港財務申報準則第3號 – 業務合併及香港會計準則第36號 – 資產減值

於過往年度，因於二零零一年一月一日前之收購所產生商譽於收購年度之綜合儲備對銷，於所收購業務出售或減值前不會於損益表確認。

於二零零一年一月一日或之後之收購所產生商譽會撥充資本，並於其估計可使用年期以直線法攤銷，且須於出現減值跡象時檢測減值。



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#### 2.2 IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (continued)

##### (d) HKFRS 3 – Business Combinations and HKAS 36 – Impairment of Assets (continued)

The adoption of HKFRS 3 and HKAS 36 has resulted in the Group ceasing annual goodwill amortisation and commencing testing for impairment at the cash-generating unit level annually (or more frequently if events or changes in circumstances indicate that the carrying value may be impaired).

The transitional provisions of HKFRS 3 have required the Group to eliminate at 1 January 2005 the carrying amounts of accumulated amortisation with a corresponding adjustment to the cost of goodwill. Goodwill previously eliminated against the consolidated reserves remains eliminated against the consolidated reserves and is not recognised in the income statement when all or part of the business to which the goodwill relates is disposed of or when a cash-generating unit to which the goodwill relates become impaired.

The effect of the above changes are summarised in note 2.4 to the financial statements. In accordance with the transitional provisions of HKFRS 3, comparative amounts have not been restated.

#### 2.2 新訂及經修訂香港財務申報準則之影響 (續)

##### (d) 香港財務申報準則第3號 – 業務合併及香港會計準則第36號 – 資產減值 (續)

採納香港財務申報準則第3號及香港會計準則第36號導致本集團不再每年攤銷商譽，並開始按現金產生單位每年檢測減值或倘出現顯示賬面值可能減值之事項或變動時經常進行檢測。

香港財務申報準則第3號之過渡條文規定，本集團須撤銷於二零零五年一月一日之累積攤銷賬面值，並於商譽成本作出相應調整。早前於綜合儲備對銷之商譽，繼續於綜合儲備對銷，出售全部或部分與商譽有關之業務或倘與商譽有關之現金產生單位出現減值時，不會於損益表確認商譽。

上述變動之影響概述於財務報表附註2.4。按照香港財務申報準則第3號之過渡條文，比較數字未有重列。



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#### 2.2 IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (continued)

##### (e) HK-Int 3 – Revenue – Pre-completion Contracts for the Sale of Development Properties

Properties under development are stated at cost which includes all development expenditure, interest charges and other costs directly attributable to such properties.

Properties under development with pre-completion contracts entered into on or before 31 December 2004 for the sale of those properties, are stated at cost plus attributable profits less any foreseeable losses, and deposits and instalments received. The total estimated profit of such properties is apportioned over the entire period of construction to reflect the progress of the development. On this basis, profit recognised on the pre-sold portion of the properties is calculated by reference to the proportion of construction costs incurred up to the balance sheet date, to the estimated total construction costs to completion, but is limited to the amount of sales deposits and instalments received and with due allowance for contingencies (the “Percentage of Completion Method”).

#### 2.2 新訂及經修訂香港財務申報準則之影響 (續)

##### (e) 香港詮釋3—收益—銷售發展物業之完工前合約

發展中物業按成本列賬，成本包括所有開發支出、利息支出及該等物業直接應佔之其他成本。

於二零零四年十二月三十一日或之前就出售該等物業訂立完工前合約之發展中物業，按成本加應佔溢利減任何可預見虧損與所收按金及分期付款項後列賬。該等物業之估計溢利總額會按整個建築期間分配，以反映發展進度。按此基準，就物業預售部分確認之溢利乃參考截至結算日已產生之建築成本相對直至完工估計總建築成本之比例計算，惟限於所收銷售按金以及分期付款項，並就或然項目作出適當撥備（「完工百分比方法」）。



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### 2.2 IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (continued)

#### (e) HK-Int 3 – Revenue – Pre-completion Contracts for the Sale of Development Properties (continued)

HK-Int 3, which is effective for the pre-completion contracts for sale of development properties entered into on or after 1 January 2005, generally requires revenue from the sale of properties to be recognised when the significant risks and rewards of ownership of the properties have been transferred to the buyers and the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the properties sold, which is usually at the time when the Group has no further substantial acts to complete under the contracts.

The Group has not applied HK-Int 3 retrospectively to pre-completion contracts for the sale of development properties entered into before 1 January 2005 in these consolidated financial statements, which continues to be accounted for on the Percentage of Completion Method.

The effect of the above changes are summarised in note 2.4 to the financial statements.

### 2.2 新訂及經修訂香港財務申報準則之影響 (續)

#### (e) 香港詮釋3 – 收益 – 銷售發展物業之完工前合約 (續)

香港詮釋3適用於二零零五年一月一日或之後訂立有關銷售發展物業之完工前合約，一般規定銷售物業所得收益須於物業擁有權之重大風險及回報轉移至買方，且本集團不再涉及其一般與擁有權相關之管理或對所售出物業擁有實際控制權之情況下確認，一般為本集團根據合約再無須予採取之重大行動時。

本集團並無於此等綜合財務報表對於二零零五年一月一日前訂立有關銷售發展物業之完工前合約追溯應用香港詮釋3，繼續以完工百分比方法列賬。

上述變動之影響概要載於財務報表附註2.4。



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#### 2.2 IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (continued)

##### (f) HK(SIC)-Int 21 – Income Taxes – Recovery of Revalued Non-depreciable Assets

In prior periods, deferred tax arising on the revaluation of investment properties was recognised based on the tax rate that would be applicable upon the sale of the investment properties.

Upon the adoption of HK(SIC)-Int 21, deferred tax arising on the revaluation of the Group's investment properties is determined depending on whether the properties will be recovered through use or through sale. The Group has determined that its investment properties will be recovered through use, and accordingly the profits tax rate has been applied to the calculation of deferred tax.

The adoption of HK(SIC)-Int 21 has had no material impact to the previously reported figures of the Group.

#### 2.2 新訂及經修訂香港財務申報準則之影響 (續)

##### (f) 香港(常務詮釋委員會)－詮釋第21號－所得稅－收回重估不可折舊資產

於過往期間，重估投資物業產生之遞延稅項按出售投資物業時適用之稅率確認。

於採納香港(常務詮釋委員會)－詮釋第21號後，重估本集團投資物業產生之遞延稅項視乎該等物業會否透過使用或出售而收回作釐定。本集團決定，其投資物業將會透過使用收回，因此所得稅稅率已用於計算遞延稅項。

採納香港(常務詮釋委員會)－詮釋第21號並無對本集團過往呈報之數據造成任何重大影響。

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### 2.3 IMPACT OF ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements. Unless otherwise stated, these HKFRSs are effective for annual periods beginning on or after 1 January 2006:

HKAS 1 Amendment	Capital Disclosures
HKAS 39 & HKFRS 4 Amendments	Financial Guarantee Contracts
HKFRSs 1 & 6 Amendments	First-time Adoption of Hong Kong Financial Reporting Standards and Exploration for and Evaluation of Mineral Resources
HKFRS 7	Financial Instruments: Disclosures
HK(IFRIC)-Int 4	Determining whether an Arrangement contains a Lease
HKAS 21 Amendment	Net Investment in a Foreign Operation

The HKAS 1 Amendment shall be applied for annual periods beginning on or after 1 January 2007. The revised standard will affect the disclosures about qualitative information about the Group's objective, policies and processes for managing capital; quantitative data about what the Company regards as capital; and compliance with any capital requirements and the consequences of any non-compliance.

### 2.3 已頒佈但尚未生效之香港財務申報準則影響

本集團並無就財務報表採納以下已頒佈但尚未生效之新訂及經修訂香港財務申報準則。除另有指明者外，該等香港財務申報準則於二零零六年一月一日或之後開始之年度期間生效：

香港會計準則第1號(修訂)	資本披露
香港會計準則第39號及香港財務申報準則第4號(修訂)	財務擔保合約
香港財務申報準則第1及6號(修訂)	首次採納香港財務申報準則及礦產資源勘探及評估
香港財務申報準則第7號	金融工具：披露
香港(國際財務報告詮釋委員會)－詮釋4	釐定安排是否包括租賃
香港會計準則第21號(修訂)	海外業務淨投資

香港會計準則第1號(修訂)適用於二零零七年一月一日或之後開始之年度期間。經修訂準則將對有關本集團管理資金之目標、政策及程序的質量資料披露；有關本公司資金之數量資料；及遵守任何資金規定及未能遵守規定之後果造成影響。



## NOTES TO FINANCIAL STATEMENTS

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#### 2.3 IMPACT OF ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (continued)

HKFRS 7 incorporates the disclosure requirements of HKAS 32 relating to financial instruments. This HKFRS shall be applied for annual periods beginning on or after 1 January 2007.

In accordance with the amendments to HKAS 39 regarding financial guarantee contracts, financial guarantee contracts are initially recognised at fair value and are subsequently measured at the higher of (i) the amount determined in accordance with HKAS 37 and (ii) the amount initially recognised, less, when appropriate, cumulative amortisation recognised in accordance with HKAS 18.

Except as stated above, the Group expects that the adoption of the pronouncements listed above will not have any significant impact on the Group's financial statements in the period of initial application.

#### 2.3 已頒佈但尚未生效之香港財務申報準則影響(續)

香港財務申報準則第7號已載入香港會計準則第32號有關金融工具之披露規定。此項香港財務申報準則適用於二零零七年一月一日或之後開始之年度期間。

根據香港會計準則第39號有關財務擔保合約之修訂，財務擔保合約初步按公平值確認，其後按(i)根據香港會計準則第37號釐定之數額及(ii)初步確認之數額減(如適用)根據香港會計準則第18號確認之累積攤銷的較高者計算。

除上述者外，本集團預期，採納上述準則頒佈將不會於初步應用期間對本集團財務報表造成任何重大影響。



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## 財務報表附註

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### 2.4 SUMMARY OF THE IMPACT OF CHANGES IN ACCOUNTING POLICIES

### 2.4 會計政策變動之影響概要

#### (a) Effect on the consolidated balance sheet

#### (a) 對綜合資產負債表之影響

		Effect of adopting 採納以下之影響		
		HKAS 1# 香港會計準則 第1號#	HKAS 17# 香港會計準則 第17號#	
At 31 December 2004				
Effect of new policies (Increase/(decrease)) 於二零零四年十二月三十一日				
新政策之影響 (增加/(減少))	Presentation 呈列	Prepaid land lease payments 預付土地 租賃款項	Total 總計	
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	
<b>Assets</b>	<b>資產</b>			
Property, plant and equipment	物業、廠房及設備	(84,971)	(54,225)	(139,196)
Investment properties	投資物業	84,971	-	84,971
Prepaid land lease payments	預付土地租賃款項	-	54,225	54,225
				-

# NOTES TO FINANCIAL STATEMENTS

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### 2.4 SUMMARY OF THE IMPACT OF CHANGES IN ACCOUNTING POLICIES (continued)

### 2.4 會計政策變動之影響概要(續)

#### (a) Effect on the consolidated balance sheet (continued)

#### (a) 對綜合資產負債表之影響(續)

	Effect of adopting 採納以下之影響				Total 總計
	HKAS 1# 香港會計準則 第1號#	HKAS 17# 香港會計 準則第17號#	HKASs 32 and 39* 香港會計準則 第32號 及第39號*	Change in classification of equity investments 股本投資 分類變動	
At 1 January 2005 Effect of new policies (Increase/(decrease)) 於二零零五年一月一日 新政策之影響 (增加/(減少))	Presentation 呈列 HK\$'000 千港元	Prepaid land lease payments 預付土地 租賃款項 HK\$'000 千港元	Prepaid land lease payments 預付土地 股本投資 分類變動 HK\$'000 千港元	Prepaid land lease payments 預付土地 股本投資 分類變動 HK\$'000 千港元	Prepaid land lease payments 預付土地 股本投資 分類變動 HK\$'000 千港元
<b>Assets</b>	<b>資產</b>				
Property, plant and equipment	物業、廠房及設備	(84,971)	(54,225)	-	(139,196)
Investment properties	投資物業	84,971	-	-	84,971
Prepaid land lease payments	預付土地租賃款項	-	54,225	-	54,225
Available-for-sale investments	可供出售投資	-	-	20,792	20,792
Long term investment	長期投資	-	-	(3,477)	(3,477)
Investment securities	投資證券	-	-	(20,240)	(20,240)
Securities measured at fair value through profit or loss	按公平值計入溢利 或虧損之證券	-	-	12,792	12,792
Short term investments	短期投資	-	-	(12,792)	(12,792)
					(2,925)
<b>Equity</b>	<b>股本</b>				
Accumulated losses	累積虧損	-	-	(2,925)	(2,925)

\* Adjustments taken effect prospectively from 1 January 2005

\* 預期自二零零五年一月一日生效之調整

# Presentation taken effect retrospectively

# 追溯呈列

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### 2.4 SUMMARY OF THE IMPACT OF CHANGES IN ACCOUNTING POLICIES (continued)

### 2.4 會計政策變動之影響概要 (續)

#### (a) Effect on the consolidated balance sheet (continued)

#### (a) 對綜合資產負債表之影響 (續)

At 31 December 2005 Effect of new policies (Increase/(decrease)) 於二零零五年十二月三十一日 新政策之影響 (增加/(減少))	Effect of adopting 採納以下之影響						Total 總計 HK\$'000 千港元
	Revenue- Pre- completion contracts 收益- 完工前合約 HK\$'000 千港元	HKAS 1 香港會計 準則第1號 Presentation 呈列 HK\$'000 千港元	HKAS 17 香港會計 準則第17號 Prepaid land lease payments 預付土地 租賃款項 HK\$'000 千港元	HKASs 32 and 39 香港會計準則 第32號及 第39號 Change in classification of equity investments 股本投資 分類變動 HK\$'000 千港元	Discontinuation of amortisation of goodwill 終止 攤銷商譽 HK\$'000 千港元	HK(SFC)- Int 21 香港(常務 詮釋委員會) - 詮釋第21號 Deferred tax on revaluation of investment properties 重估投資物業 之遞延稅項 HK\$'000 千港元	
<b>Assets</b>	<b>資產</b>						
Properties under development	(158,425)	-	-	-	-	-	(158,425)
Property, plant and equipment	-	(66,689)	(51,648)	-	-	-	(118,337)
Investment properties	-	66,689	-	-	-	-	66,689
Prepaid land lease payments	-	-	51,648	-	-	-	51,648
Prepayments, deposits and other receivables	(10,925)	-	-	-	-	-	(10,925)
Goodwill	-	-	-	-	584	-	584
Securities measured at fair value through profit or loss	-	-	-	44,210	-	-	44,210
Short term investments	-	-	-	(44,210)	-	-	(44,210)
							<u>(168,766)</u>
<b>Liabilities/equity</b>	<b>負債/股本</b>						
Deposits received from customers	(218,495)	-	-	-	-	-	(218,495)
Other payables	10,291	-	-	-	-	-	10,291
Tax payable	18,138	-	-	-	-	794	18,932
Retained profits	20,716	-	-	-	584	(794)	20,506
							<u>(168,766)</u>



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### 2.4 SUMMARY OF THE IMPACT OF CHANGES IN ACCOUNTING POLICIES (continued)

### 2.4 會計政策變動之影響概要 (續)

(b) Effect on the balances of equity at 1 January 2005

(b) 對二零零五年一月一日股本結餘之影響

		HKAS 39 Designation of available- for-sale investments 香港會計準則 第39號 指定 可出售投資 HK\$'000 千港元
Effect of new policy 新政策之影響		
Increase in accumulated losses at 1 January 2005	於二零零五年一月一日之 累積虧損增加	2,925

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### 2.4 SUMMARY OF THE IMPACT OF CHANGES IN ACCOUNTING POLICIES (continued)

### 2.4 會計政策變動之影響概要 (續)

(c) Effect on the consolidated income statement for the year ended 31 December 2005

(c) 對截至二零零五年十二月三十一日止年度綜合損益表之影響

		Effect of adopting 採納之影響			Total 總計
		HK-Int 3 香港-詮釋3 Revenue- Pre- completion contracts 收益- 完工前合約 HK\$'000 千港元	HKFRS 3 香港財務 申報準則第3號 Discontinuation of amorisation of goodwill 終止 攤銷商譽 HK\$'000 千港元	HK(SIC)-Int 21 香港(常務 詮釋委員會) -詮釋第21號 Deferred tax on revaluation of investment properties 投資物業重估 之遞延稅項 HK\$'000 千港元	
Effect of new policies (Increase/(decrease)) of loss for the year 新政策之影響 年內虧損(增加/(減少))					
Year ended 31 December 2005	截至二零零五年 十二月三十一日止年度				
Revenue	收入	(207,570)	-	-	(207,570)
Cost of sales	銷售成本	168,716	-	-	168,716
Other operating income, net	其他經營收入淨額	-	(584)	-	(584)
Tax	稅項	18,138	-	794	18,932
					187,064
Total increase/(decrease) in loss for the year	年內虧損增加/(減少) 總額	(20,716)	(584)	794	(20,506)
Increase/(decrease) in basic loss per share	每股基本虧損 增加/(減少)	HK(1.33) cents港仙	HK(0.04) cent港仙	HK0.05 cent港仙	HK(1.32) cents港仙



# NOTES TO FINANCIAL STATEMENTS

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### 2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Subsidiaries

A subsidiary is an entity whose financial and operating policies the Company controls, directly or indirectly, so as to obtain benefits from its activities.

The results of subsidiaries are included in the Company's income statement to the extent of dividends received and receivable. The Company's interests in subsidiaries are stated at cost less any impairment losses.

#### Joint ventures

A joint venture is an entity set up by contractual arrangement, whereby the Group and other parties undertake an economic activity. The joint venture operates as a separate entity in which the Group and the other parties have an interest.

The joint venture agreement between the venturers stipulates the capital contributions of the joint venture parties, the duration of the joint venture entity and the basis on which the assets are to be realised upon its dissolution. The profits and losses from the joint venture's operations and any distributions of surplus assets are shared by the venturers, either in proportion to their respective capital contributions, or in accordance with the terms of the joint venture agreement.

### 2.5 主要會計政策概要

#### 附屬公司

附屬公司指本公司直接或間接控制其財務及營運政策，以從其業務獲益之實體。

附屬公司之業績乃就已收及應收股息計入本公司之損益表。本公司於附屬公司之權益乃按成本減任何減值虧損列賬。

#### 合營公司

合營公司指按合約安排成立之公司，本集團及其他訂約方藉此進行經濟業務。合營公司按個別實體模式經營，而本集團及該等其他訂約方於當中擁有權益。

合營方之間訂立之合營協議訂明合營方之注資額、合營企業年期及解散時變現資產之基準。合營公司業務產生之盈虧以及剩餘資產之任何分派均由合營方按其各自之注資比例或按合營協議條款攤分。

# NOTES TO FINANCIAL STATEMENTS

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### 2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Joint ventures (continued)

A joint venture is treated as:

- (a) a subsidiary, if the Group has unilateral control, directly or indirectly, over the joint venture;
- (b) a jointly-controlled entity, if the Group does not have unilateral control, but has joint control, directly or indirectly, over the joint venture;
- (c) an associate, if the Group does not have unilateral or joint control, but holds, directly or indirectly, generally not less than 20% of the joint venture's registered capital and is in a position to exercise significant influence over the joint venture; or
- (d) an equity investment accounted for in accordance with HKAS 39, if the Group holds, directly or indirectly, less than 20% of the joint venture's registered capital and has neither joint control of, nor is in a position to exercise significant influence over, the joint venture.

#### Jointly-controlled entities

A jointly-controlled entity is a joint venture that is subject to joint control, resulting in none of the participating parties having unilateral control over the economic activity of the jointly-controlled entity.

The Group's interests in its jointly-controlled entities are accounted for by proportionate consolidation, which involves recognising its share of the jointly-controlled entities' assets, liabilities, income and expenses with similar items in the consolidated financial statements on a line-by-line basis.

### 2.5 主要會計政策概要 (續)

#### 合營公司 (續)

倘合營公司:

- (a) 由本集團單方面直接或間接控制, 則合營公司會被視為附屬公司;
- (b) 並非由本集團單方面控制, 惟直接或間接受共同控制, 則合營公司會被視作共同控制實體;
- (c) 並非由本集團單方面控制, 亦非共同控制, 惟一般直接或間接持有合營公司註冊資本不少於20%權益, 且可對其行使重大影響力, 則合營公司會被視作聯營公司; 或
- (d) 由本集團直接或間接持有其少於20%註冊資本, 且無共同控制權, 本公司亦不可對其行使重大影響, 則合營公司根據香港會計準則第39號按股本投資列賬。

#### 共同控制實體

共同控制實體為受共同控制之合營公司, 而概無參與方單方面控制共同控制實體之經濟活動。

本集團於共同控制實體之權益按比例綜合入賬, 涉及於綜合財務報表之類似項目按逐項基準確認其應佔共同控制實體資產、負債、收入及開支之貨額。





# NOTES TO FINANCIAL STATEMENTS

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### 2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Jointly-controlled entities (continued)

The results of jointly-controlled entities are included in the Company's income statement to the extent of dividends received and receivable. The Company's interests in jointly-controlled entities are treated as non-current assets and are stated at cost less any impairment losses.

#### Associates

An associate is an entity, not being a subsidiary or a jointly-controlled entity, in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence.

The Group's share of the post-acquisition results and reserves of associates is included in the consolidated income statement and consolidated reserves, respectively. The Group's interests in associates are stated in the consolidated balance sheet at the Group's share of net assets under the equity method of accounting, less any impairment losses.

The results of associates are included in the Company's income statement to the extent of dividends received and receivable. The Company's interests in associates are treated as non-current assets and are stated at cost less any impairment losses.

#### Goodwill

Goodwill arising on the acquisition of subsidiaries represents the excess of the cost of the business combination over the Group's interest in the net fair value of the acquirees' identifiable assets acquired, and liabilities and contingent liabilities assumed as at the date of acquisition.

### 2.5 主要會計政策概要 (續)

#### 共同控制實體 (續)

共同控制實體業績乃就已收及應收股息計入本公司損益表。本公司於共同控制實體之權益被視為非流動資產，按成本減任何減值虧損列賬。

#### 聯營公司

聯營公司並非附屬公司或共同控制實體，本集團擁有其長期股本投票權一般不少於20%及可對其行使重大影響。

本集團應佔聯營公司之收購後業績及儲備分別計入綜合損益表及綜合儲備。本集團於聯營公司之權益，按本集團應佔資產淨值減任何減值虧損以權益會計法計入綜合資產負債表內。

聯營公司之業績乃就已收及應收股息計入本公司損益表。本公司於聯營公司之權益視作非流動資產，並按成本減任何減值虧損列賬。

#### 商譽

收購附屬公司產生之商譽指業務合併成本超出於收購日期本集團於所收購被收購公司可識別資產及所承擔負債與或然負債於收購日期之公平淨值權益之差額。

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

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### 2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Goodwill (continued)

*Goodwill on acquisitions for which the agreement date is on or after 1 January 2005*

Goodwill arising on acquisition is recognised in the consolidated balance sheet as an asset, initially measured at cost and subsequently at cost less any accumulated impairment losses.

The carrying amount of goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units. Each unit or group of units to which the goodwill is so allocated:

- represents the lowest level within the Group at which the goodwill is monitored for internal management purposes; and
- is not larger than a segment based on either the Group's primary or the Group's secondary reporting format determined in accordance with HKAS 14 "Segment Reporting".

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised.

### 2.5 主要會計政策概要 (續)

#### 商譽 (續)

*協議日期於二零零五年一月一日或之後收購所產生商譽*

收購所產生商譽在綜合資產負債表確認為資產，初步按成本計算，其後則按成本減所有累積減值虧損計算。

商譽賬面值每年進行減值審閱，倘發生顯示賬面值可能出現減值之事件或變動時或會更頻密審閱。

就減值檢測而言，業務合併收購之商譽自收購日期起分配至預期可自合併協同效益獲益之本集團各現金產生單位或現金產生單位集合，而不論本集團其他資產或負債是否轉撥至有關單位或單位集合。分配商譽之各單位或單位集合：

- 為於本集團就內部管理目的監管商譽之最低層；及
- 不大於根據香港會計準則第14號「分類呈報」按本集團主要或本集團次要呈報方式釐定之分類。

減值按評估與商譽有關之現金產生單位（現金產生單位集合）可收回數額釐定。倘現金產生單位（現金產生單位集合）可收回數額低於其賬面值，則確認減值虧損。

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### 2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Goodwill (continued)

Where goodwill forms part of a cash-generating unit (group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

An impairment loss recognised for goodwill is not reversed in a subsequent period.

*Applicable to the year ended 31 December 2004*

Prior to the adoption of Statement of Standard Accounting Practice 2.130 "Business Combinations" ("SSAP 30") in 2001, goodwill arising on acquisition was eliminated against the consolidated reserves in the year of acquisition. In 2001, on adoption of SSAP 30, the Group applied the transitional provision of SSAP 30 that permitted such goodwill to remain eliminated against consolidated reserves. Goodwill arising on acquisition on or after 1 January 2001 was recognised in the consolidated balance sheet and amortised on the straight-line basis over its estimated useful life of 10 years. On the adoption of HKFRS 3, such goodwill remains eliminated against the consolidated reserves and is not recognised in the income statement when all or part of the business to which the goodwill relates is disposed of or when a cash-generating unit to which the goodwill relates becomes impaired.

### 2.5 主要會計政策概要 (續)

#### 商譽 (續)

倘商譽組成現金產生單位 (現金產生單位集合), 而該單位內業務部分出售, 於釐定出售業務之損益時, 與出售業務相關之商譽計入業務之賬面值。在該情況下, 售出商譽按售出業務相關價值計算, 而現金產生單位部分則會保留。

就商譽確認之減值虧損不會於其後期間撥回。

*適用於截至二零零四年十二月三十一日止年度*

於二零零一年採納會計實務準則2.130「業務合併」(「會計實務準則第30號」)前, 收購所產生商譽於收購年度在綜合儲備撇銷。於二零零一年, 採納會計實務準則第30號後, 本集團應用該會計實務準則許可商譽繼續於綜合儲備抵銷之過渡條文。於二零零一年一月一日或之後收購所產生商譽於綜合資產負債表內確認, 並於估計可用年期10年以直線法攤銷。於採納香港財務申報準則第3號時, 有關商譽繼續於綜合儲備撇銷, 並於所有或部分與商譽有關之業務售出或與商譽有關之現金產生單位出現減值前, 不會於損益表確認。



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### 財務報表附註

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#### 2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### Impairment of assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets, financial assets, investment properties and goodwill), the asset's recoverable amount is estimated. An asset's recoverable amount is calculated as the higher of the asset's or cash-generating unit's value in use and its fair value less costs to sell, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the income statement in the period in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

#### 2.5 主要會計政策概要 (續)

##### 資產減值

倘資產出現減值的跡象或資產(存貨、遞延稅項資產、金融資產、投資物業及商譽除外)被要求進行年度減值檢測,則會估計資產之可收回數額。資產可收回數額按資產或現金產生單位之使用價值或其公平值之較高者減出售成本計算,並按個別資產釐定,除非資產並無產生大致上與其他資產或資產集合獨立之現金流量,在此情況下,就資產所屬現金產生單位釐定可收回數額。

倘資產賬面值超出其可收回數額,方始確認減值虧損。於評估使用價值時,估計日後現金流量按稅前貼現率貼現至其現值,貼現率反映現時市場對貨幣時間價值之評估及資產之特定風險。減值虧損於產生期間在損益表扣除,除非資產按重估金額列賬。在該情況下,減值虧損根據重估資產相關會計政策列賬。

# NOTES TO FINANCIAL STATEMENTS

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### 2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Impairment of assets (continued)

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, however not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation), had no impairment loss been recognised for the asset in prior years. A reversal of such impairment loss is credited to the income statement in the period in which it arises, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

#### Related parties

A party is considered to be related to the Group if:

- (a) the party, directly or indirectly through one or more intermediaries, (i) controls, is controlled by, or is under common control with, the Group; (ii) has an interest in the Group that gives it significant influence over the Group; or (iii) has joint control over the Group;

### 2.5 主要會計政策概要 (續)

#### 資產減值 (續)

於各申報日期進行評估，以釐定是否有任何跡象顯示早前已確認減值虧損不再存在或可能減少。倘有關跡象出現，則估計可收回數額。除商譽外，早前已確認資產減值虧損僅於釐定資產可收回數額之估計出現變動時方始撥回，惟有關數額不得高於過往並無就資產確認減值虧損之年度原應釐定之賬面值（扣除任何折舊／攤銷）。有關減值虧損撥回於產生期間計入損益表，除非資產按重估金額列賬。在該情況下，減值虧損撥回根據重估資產相關會計政策列賬。

#### 有關連人士

在以下情況，有關人士將視作本集團之有關連人士：

- (a) 透過一家或以上中介公司直接或間接 (i) 控制、受本集團控制或與本集團受共同控制；(ii) 於本集團擁有權益且對本集團發揮重大影響力；或 (iii) 對本集團擁有共同控制權；



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### 2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Related parties (continued)

- (b) the party is an associate;
- (c) the party is a jointly-controlled entity;
- (d) the party is a member of the key management personnel of the Group;
- (e) the party is a close member of the family of any individual referred to in (a) or (d);
- (f) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e); or
- (g) the party is a post-employment benefit plan for the benefit of the employees of the Group, or of any entity that is a related party of the Group.

### 2.5 主要會計政策概要 (續)

#### 有關連人士 (續)

- (b) 為聯繫人士；
- (c) 為共同控制實體；
- (d) 為本集團主要管理人員；
- (e) 為(a)或(d)項所述任何人士之近親；
- (f) 為受直接或間接與(d)或(e)項所述任何人士有關之實體控制、共同控制或受重大影響或行使大量投票權之實體；或
- (g) 為本集團僱員或屬本集團有關連人士之任何實體之福利所設僱用後福利計劃。

# NOTES TO FINANCIAL STATEMENTS

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### 2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Property, plant and equipment and depreciation

Property, plant and equipment, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the income statement in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment, and where the cost of the item can be measured reliably, the expenditure is capitalised as an additional cost of that asset or as a replacement.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Land and buildings	2% to 15%
Leasehold improvements	10% or over the remaining lease term, whichever is shorter
Plant and machinery	6% to 25%
Furniture, fixtures and office equipment	10% to 33 $\frac{1}{3}$ %
Motor vehicles	10% to 25%

### 2.5 主要會計政策概要 (續)

#### 物業、廠房及設備以及折舊

物業、廠房及設備乃按成本減累積折舊及任何減值虧損列賬。物業、廠房及設備項目成本包括其購買價格及令該項資產達至其擬定用途運作狀況及位置的任何直接應佔成本。物業、廠房及設備項目投入運作後產生的支出，如修理與維護費用等，一般均會計入該等支出產生期間的損益表內。倘能清楚證明該等支出可引致因使用該項物業、廠房及設備項目而帶來的預期日後經濟利益有所增加以及能夠可靠計算有關項目成本，則將該等支出撥充資本，撥作有關資產的額外或重置成本。

折舊乃按估計可使用年期以直線法撇銷各物業、廠房及設備成本至其估計剩餘價值計算。就此而言，有關主要年率如下：

土地及樓宇	2%至15%
租賃物業裝修	10%或尚餘租賃年期（以較短者為準）
廠房及機器	6%至25%
傢具、裝置及辦公室設備	10%至33 $\frac{1}{3}$ %
汽車	10%至25%





# NOTES TO FINANCIAL STATEMENTS

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### 2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately.

Residual values, useful lives and depreciation method are reviewed, and adjusted if appropriate, at each balance sheet date.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the income statement in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

#### Investment properties

Investment properties are interests in land and buildings held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the balance sheet date.

### 2.5 主要會計政策概要 (續)

#### 物業、廠房及設備以及折舊 (續)

倘物業、廠房及設備項目之可用年期不同，有關項目成本按合理基準於分別計提折舊之多個部分及各部分間分配。

剩餘價值、可用年期及折舊方法於各結算日檢討及視適當情況調整。

物業、廠房及設備項目於出售或預期不會自使用或出售有關項目獲得日後經濟利益時剔除確認。於收益表確認之出售或廢棄時所產生任何收益或虧損，指出售所得款項淨額與有關資產賬面值之差額。

#### 投資物業

投資物業指於就賺取租金收入及／或資本增值所持有土地及樓宇權益，而非就生產或供應貨品或服務或就行政目的；或就於日常業務中銷售而持有。有關物業初步按成本計算，包括交易成本。於初步確認後，投資物業按公平值列賬，以反映於結算日之市場狀況。



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

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### 2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Investment properties (continued)

Gains or losses arising from changes in the fair values of investment properties are included in the income statement in the year in which they arise.

Any gains or losses on the retirement or disposal of an investment property are recognised in the income statement in the year of the retirement or disposal.

#### Properties under development

Properties under development are stated at cost which includes all development expenditure, interest charges and other costs directly attributable to such properties.

Properties under development with pre-completion contracts for sale of those properties entered into on or before 31 December 2004 are stated at cost plus attributable profits less any foreseeable losses, and deposits and installments received.

For properties under development with pre-completion contracts for sale of those properties entered into on or before 31 December 2004, the total estimated profit is apportioned over the entire period of construction to reflect the progress of the development. On this basis, profit recognised on the pre-sold portion of the properties is calculated by reference to the proportion of construction costs incurred up to the balance sheet date, to the estimated total construction costs to completion, but is limited to the amount of sales deposits and instalments received and with due allowance for contingencies.

### 2.5 主要會計政策概要 (續)

#### 投資物業 (續)

投資物業公平值變動產生之收益或虧損於產生年度計入收益表。

投資物業廢棄或出售產生之收益或虧損於廢棄或出售年度在收益表確認。

#### 發展中物業

發展中的物業按成本值列賬，包括所有發展費用、利息支出及其他直接與該等物業有關之成本。

於二零零四年十二月三十一日或之前，就出售該等物業訂立完工前銷售合約之發展中物業（「預售」）按成本值加應佔溢利減任何可預見虧損以及已收訂金和已收分期付款列賬。

於二零零四年十二月三十一日或之前，就出售該等物業訂立完工前銷售合約之發展中物業，估計溢利總額會於整個建築期間分攤，以反映發展進度。按此基準，就物業已預售部分確認之溢利，經參考計至年結日產生之建築成本佔估計建成物業總成本之比例而計算，惟以銷售訂金及已收分期付款之金額為限，並會對或然負債作出適當撥備。

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 December 2005  
二零零五年十二月三十一日

### 2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Properties under development (continued)

Properties under development which have either been pre-sold or which are intended for sale, and are expected to be completed within one year from the balance sheet date, are classified as current assets.

#### Properties for sale

Properties for sale are stated at the lower of cost and net realisable value. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

#### Leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to the income statement on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under the operating leases are charged to the income statement on the straight-line basis over the lease terms.

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms. When the lease payments cannot be allocated reliably between the land and buildings elements, the entire lease payments are included in the cost of the land and buildings as a finance lease in property, plant and equipment.

### 2.5 主要會計政策概要 (續)

#### 發展中物業 (續)

預期會於年結日起計一年內建成之已預售或擬出售發展中物業會列作流動資產。

#### 待售物業

待售物業按成本或可變現淨值之較低者列賬。可變現淨值按估計售價減完成及出售所產生任何估計成本計算。

#### 租約

凡資產所有權的所有收益及風險仍歸於出租人的租約，均視作經營租約。倘本集團為出租人，本集團按經營租約租賃之資產列作非流動資產，而應收經營租約租金則按有關租約年期以直線法計入損益表。倘本集團為承租人，應付經營租約租金按有關租約年期以直線法自損益表扣除。

經營租約之預付土地租賃款項初步按成本列賬，其後以直線法於租約年期確認。倘租約款項不能於土地及樓宇部分間可靠分配，整項租約計入土地及樓宇成本，列作物業、廠房及設備之融資租約。



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 December 2005  
二零零五年十二月三十一日

### 2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Investments and other financial assets

Applicable to the year ended 31 December 2004

##### *Investment securities*

Investment securities represent investments in listed equity securities intended to be held for a continuing strategic and long term purpose, and are stated at cost less any impairment losses, on an individual investment basis.

When a decline in the fair value of a security below its carrying amount has occurred, unless there is evidence that the decline is temporary, the carrying amount of the security is reduced to its fair value, as estimated by the directors. The amount of the impairment is charged to the income statement in the period in which it arises. When the circumstances and events which led to the impairment in value cease to exist and there is persuasive evidence that the new circumstances and events will persist for the foreseeable future, the amount of the impairment previously charged is credited to the income statement to the extent of the amount previously charged.

##### *Long term investment*

Long term investment represents the Group's interest in its former subsidiary in the People's Republic of China ("PRC") which is intended to be held on a long term basis. It is stated at the Group's share of its net assets value at the time of its transfer to the long term investment, less any impairment losses.

### 2.5 主要會計政策概要 (續)

#### 投資及其他金融資產

適用於截至二零零四年十二月三十一日止年度

##### *投資證券*

投資證券指擬就持續策略長期持有之上市股本證券投資，乃按個別投資基準，以成本減任何減值虧損列賬。

倘證券之公平值降至低於其賬面值，除非有證據顯示該減少屬暫時性質，否則該證券之賬面值會下調至董事所估計之公平值。減值數額於產生期間在損益表扣除。當出現導致減值終止存在之情況及事件，且有具說服力證據顯示新情況及事件於可預見未來持續，則早前扣除之減值數額按早前所扣除數額計入損益表。

##### *長期投資*

長期投資指本集團於其位於中華人民共和國（「中國」）之前附屬公司擬長期持有之權益，乃按本集團轉撥至長期投資之時分佔有關資產淨值減任何減值虧損列賬。



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 December 2005  
二零零五年十二月三十一日

### 2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Investments and other financial assets (continued)

#### Applicable to the year ended 31 December 2004 (continued)

##### *Short term investments*

Short term investments are investments in equity securities held for trading purposes and are stated at their fair values on the basis of their quoted market prices at the balance sheet date, on an individual investment basis. The gains or losses arising from changes in the fair value of a security are credited or charged to the income statement in the period in which they arise.

#### Applicable to the year ended 31 December 2005

Financial assets in the scope of HKAS 39 are classified as either securities measured at fair value through profit or loss, loans and receivables, or available-for-sale financial assets, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Group determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at the balance sheet date.

### 2.5 主要會計政策概要 (續)

#### 投資及其他金融資產 (續)

#### 適用於截至二零零四年十二月三十一日止年度 (續)

##### *短期投資*

短期投資乃持作買賣用途之股本證券投資，按結算日所報市價之公平值以個別投資基準列賬。證券公平值變動產生之盈虧於產生期間在損益表計入或扣除。

#### 適用於截至二零零五年十二月三十一日止年度

屬於香港會計準則第39號範圍內之金融資產分類為按公平值計入溢利或虧損之證券、貸款及應收款項，或可供出售金融資產（視適用情況而定）。初步確認金融資產時，乃按公平值計量，倘屬並非按公平值計入溢利或虧損之投資，則加上直接應佔交易成本。本集團於初步確認後決定其金融資產之分類，倘允許及合適，會於結算日重新評估該分類。



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 December 2005  
二零零五年十二月三十一日

### 2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Investments and other financial assets (continued)

#### Applicable to the year ended 31 December 2005 (continued)

All regular way purchases and sales of financial assets are recognised on the trade date, i.e., the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

#### *Securities measured at fair value through profit or loss*

Financial assets classified as held for trading are included in the category “securities measured at fair value through profit or loss”. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term. Gains or losses on investments held for trading are recognised in the income statement.

#### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in the income statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

### 2.5 主要會計政策概要 (續)

#### 投資及其他金融資產 (續)

#### 適用於截至二零零五年十二月三十一日止年度 (續)

所有一般方式進行之金融資產買賣均於交易日期確認，即本集團承諾購買資產當日。一般方式之買賣指須於一般按規則或市場慣例訂定之期間內付運資產之金融資產買賣。

#### *按公平值計入溢利或虧損之證券*

分類為持作買賣之金融資產列入「按公平值計入溢利或虧損之證券」類別。金融資產於購入作短期內銷售用途之情況下分類為持作買賣。持作買賣投資之收益或虧損於損益表確認。

#### *貸款及應收款項*

貸款及應收款項為並無於活躍市場報價惟具有固定或待定期項之非衍生金融資產。此等資產採用實際利率法，按攤銷成本入賬。當貸款及應收款項剔除確認或出現減值情況，則收益及虧損於收益表確認並攤銷。

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 December 2005  
二零零五年十二月三十一日

### 2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Investments and other financial assets (continued)

Applicable to the year ended 31 December 2005 (continued)

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

Available-for-sale financial assets are non-derivative financial assets in listed and unlisted securities that are designated as available for sale or are not classified in any of the other two categories. After initial recognition, available-for-sale financial assets are measured at fair value, with gains or losses recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the income statement.

When the fair value of unlisted equity securities cannot be reliably measured because (a) the variability in the range of reasonable fair value estimates is significant for that investment or (b) the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value, such securities are stated at cost less any impairment losses.

### 2.5 主要會計政策概要 (續)

#### 投資及其他金融資產 (續)

適用於截至二零零五年十二月三十一日止年度 (續)

##### *可供出售金融資產*

可供出售金融資產乃上市及非上市證券之非衍生工具金融資產，指定作可供出售或並無歸類為其他兩個類別。初步確認後，可供出售金融資產按公平值計算，而收益或虧損則確認為股本獨立部分，直至投資被剔除確認或釐定為減值為止，屆時之前於股本呈報之累計收益或虧損將計入損益表。

倘由於(a)合理公平值估計範圍對投資而言屬重大，或(b)無法合理評估有關範圍內不同估計之可能性或使用有關公平值估計，不能可靠計算非上市股本證券之公平值，則按成本減任何減值虧損列賬。



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 December 2005  
二零零五年十二月三十一日

### 2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Investments and other financial assets (continued)

Applicable to the year ended 31 December 2005 (continued)

##### *Fair value*

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business at the balance sheet date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument which is substantially the same; a discounted cash flow analysis; and option pricing models.

#### Impairment of financial assets (applicable to the year ended 31 December 2005)

The Group assesses at each balance sheet date whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

##### *Assets carried at amortised cost*

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through the use of an allowance account. The amount of the impairment loss is recognised in the income statement.

### 2.5 主要會計政策概要 (續)

#### 投資及其他金融資產 (續)

適用於截至二零零五年十二月三十一日止年度 (續)

##### *公平值*

於有系統金融市場活躍買賣投資之公平值，參考結算日營業時間結束時所報買入市價釐定。至於無活躍市場之投資，則利用估值方法釐定公平值。有關方法包括參考近期公平市場交易、大致相同之另一工具近期市值、折算現金流量分析及期權定價模式。

#### 金融資產減值 (適用於截至二零零五年十二月三十一日止年度)

本集團於各結算日評估有否客觀證據顯示金融資產或一組金融資產出現減值。

##### *按攤銷成本入賬之資產*

倘有客觀證據顯示按攤銷成本入賬之貸款及應收款項出現減值虧損，則虧損數額按資產之賬面值與估計現金流量現值 (不包括尚未出現之日後信貸虧損) 之差額計量，並以金融資產之原定實際利率，即初步確認時計算之實際利率折算。資產之賬面值直接或透過動用撥備減少。減值虧損金額在損益表確認。





## NOTES TO FINANCIAL STATEMENTS

### 財務報表附註

31 December 2005  
二零零五年十二月三十一日

#### 2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### Impairment of financial assets (applicable to the year ended 31 December 2005) (continued)

###### *Assets carried at amortised cost (continued)*

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in the income statement, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

#### 2.5 主要會計政策概要 (續)

##### 金融資產減值 (適用於截至二零零五年十二月三十一日止年度) (續)

###### *按攤銷成本入賬之資產 (續)*

本集團首先評估是否有客觀證據顯示就個別屬重大金融資產個別存在，及就個別並不重大金融資產個別或共同存在之減值。倘並無客觀證據顯示就個別經評估金融資產存在減值，不論重大與否，該資產會列入具類似信貸風險特色之一組金融資產內，而該組別會共同評估減值。個別評估減值或有關減值虧損將繼續確認之資產，並不會計入減值之共同評估內。

倘其後減值虧損金額減少，而該減少可以客觀地與確認減值後發生之事件相關，則撥回早前確認之減值虧損。其後撥回之減值虧損於收益表確認，惟以並無超逾其於撥回日期攤銷成本之資產賬面值為限。



## NOTES TO FINANCIAL STATEMENTS

### 財務報表附註

31 December 2005  
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#### 2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### Impairment of financial assets (applicable to the year ended 31 December 2005) (continued)

###### *Assets carried at cost*

If there is objective evidence that an impairment loss on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Impairment losses on these assets are not reversed.

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

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the income statement, is transferred from equity to the income statement. Impairment losses on equity instruments classified as available-for-sale are not reversed through the income statement.

#### 2.5 主要會計政策概要 (續)

##### 金融資產減值 (適用於截至二零零五年十二月三十一日止年度) (續)

###### *按成本入賬之資產*

倘有客觀證據顯示一項無報價股本工具出現減值虧損，而該項股本工具因其公平值不能可靠計量而並非按公平值列賬，則虧損金額按資產賬面值與估計日後現金流量現值之差額計量，並以現時類似金融資產之市場回報率折算。此等資產之減值虧損不予撥回。

###### *可出售金融資產*

倘可出售金融資產出現減值，其成本（扣除任何本金付款及攤銷）與其現時公平值之差額，減早前於損益表確認之任何減值虧損所得數額，會自股本轉撥至損益表。分類為可出售股本工具之減值虧損不會自損益表撥回。

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 December 2005  
二零零五年十二月三十一日

### 2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Derecognition of financial assets (applicable to the year ended 31 December 2005)

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- the rights to receive cash flows from the asset have expired;
- the Group retains the rights to receive cash flows from the asset, but has assumed an obligation to pay in full without material delay to a third party under a “pass-through” arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group’s continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

### 2.5 主要會計政策概要 (續)

#### 剔除確認金融資產 (適用於截至二零零五年十二月三十一日止年度)

金融資產或 (如適用) 金融資產其中部分或任何一類相若金融資產其中部分, 於下列情況下將被剔除確認:

- 自資產收取現金流量的權利已屆滿;
- 本集團保留自資產收取現金流量的權利, 但有責任按「經手」安排盡快向第三方支付有關現金流量; 或
- 本集團已轉讓其自資產收取現金流量的權利, 且 (a) 已轉讓有關資產絕大部分風險及回報; 或 (b) 並無轉讓或保留有關資產絕大部分風險及回報, 但已轉讓有關資產的控制權。

倘本集團已轉讓其自資產收取現金流量的權利, 但並無轉讓或保留有關資產絕大部分風險及回報, 亦無轉讓有關資產的控制權, 則按本集團繼續涉及有關資產的程度確認該項資產。倘本集團因擔保已轉讓資產繼續涉及有關資產, 則按該項資產的原本賬面值及本集團可能須支付最高代價中之較低者列賬。



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 December 2005  
二零零五年十二月三十一日

### 2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Derecognition of financial assets (applicable to the year ended 31 December 2005) (continued)

Where continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Group's continuing involvement is the amount of the transferred asset that the Group may repurchase, except in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, where the extent of the Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

#### Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the amortisation process.

#### Derecognition of financial liabilities (applicable to the year ended 31 December 2005)

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

### 2.5 主要會計政策概要 (續)

#### 剔除確認金融資產 (適用於截至二零零五年十二月三十一日止年度) (續)

倘本集團因已轉讓資產的書面及／或購入選擇權 (包括現金結算選擇權或類似條文) 繼續涉及有關資產，則本集團的繼續涉及程度按本集團可能購回已轉讓資產的金額計算，惟倘有關資產的書面認沽期權 (包括現金結算選擇權或類似條文) 按公平值計算，則本集團的繼續涉及程度僅限於已轉讓資產的公平值及選擇權行使價中之較低者。

#### 附息貸款及借貸

所有貸款及借貸初步以所收取代價之公平值減直接應佔交易成本確認。

初步確認後，附息貸款及借貸其後以實際利率法按攤銷成本計量。

倘負債被剔除確認，則收益及虧損會於損益表確認及攤銷。

#### 剔除確認金融負債 (適用於截至二零零五年十二月三十一日止年度)

當負債責任獲履行或被註銷或屆滿時，金融負債將被剔除確認。



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 December 2005  
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### 2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Derecognition of financial liabilities (applicable to the year ended 31 December 2005) (continued)

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the income statement.

#### Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

#### Cash and cash equivalents

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

### 2.5 主要會計政策概要 (續)

#### 剔除確認金融負債 (適用於截至二零零五年十二月三十一日止年度) (續)

當同一借款方按大致不同之條款，或大致經修訂現有負債條款處理取代現有金融負債，則有關交換或修訂按剔除確認原有負債及確認新負債處理，而相關賬面值之差額則在損益表確認。

#### 存貨

存貨乃按成本及可變現淨值之較低者列賬。成本按加權平均基準釐定，而倘為在製品及製成品，則包括直接原料、直接勞工和適當比例之生產成本。可變現淨值乃按照估計售價減任何估計於完成及出售時產生之成本計算。

#### 現金及現金等價物

就綜合現金流量表而言，現金及現金等價物包括手頭現金及活期存款以及可隨時轉換為已知數額現金的短期高度流通投資，有關投資所承受價值風險輕微，一般於購入後三個內到期，另扣除須按要求償還及構成本集團現金管理一部分的銀行透支。



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 December 2005  
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### 2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Cash and cash equivalents (continued)

For the purpose of the balance sheets, cash and cash equivalents comprise cash on hand and at banks, including time deposits, which are not restricted as to use.

#### Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the balance sheet date of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the income statement.

#### Income tax

Income tax comprises current and deferred tax. Income tax is recognised in the income statement, or in equity if it relates to items that are recognised in the same or a different period directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities.

### 2.5 主要會計政策概要 (續)

#### 現金及現金等價物 (續)

就資產負債表而言，現金及現金等價物包括手頭及銀行現金，當中包括無使用限制的定期存款。

#### 撥備

當過往事件引致當前債務（法定或推定），且有可能需要動用未來資源以償還債務，並能夠可靠估計債務數額時確認撥備。

若貼現影響重大，則確認撥備之數額為預期償還債務所需之未來開支於結算日之現值。隨時間推移而引致之貼現現值增加計入損益表的財務費用中。

#### 所得稅

所得稅包括即期稅項及遞延稅項。所得稅於損益表中確認，或倘與於同一或不同期間在股東權益中確認之項目有關，則直接在股東權益中確認。

於目前或過往期間的即期稅項資產及負債，按預期自稅務機關退回或付予稅務機關的金額計算。



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

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### 2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Income tax (continued)

Deferred tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from goodwill or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

### 2.5 主要會計政策概要 (續)

#### 所得稅 (續)

遞延稅項就於結算日資產及負債之稅基與其就財務申報而言的賬面值之所有暫時差額，以負債法作出撥備。

所有應課稅暫時差額均確認為遞延稅項負債：

- 由商譽產生的遞延稅項負債或就一項交易（商業合併除外）初次確認資產或負債，而在交易時並不對會計溢利或應課稅溢利或虧損構成影響者除外；及
- 就有關附屬公司與聯營公司的投資及於合營企業之權益所產生應課稅暫時差額確認，惟可控制撥回暫時差額的時間及暫時差額可能不會於可預見將來撥回則除外。



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

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### 2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Income tax (continued)

Deferred tax assets are recognised for all deductible temporary differences, carryforward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Conversely, previously unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

### 2.5 主要會計政策概要 (續)

#### 所得稅 (續)

於可能以應課稅溢利抵扣可扣減暫時差額，及可動用結轉的未動用稅項資產及稅項虧損時，會就所有可扣稅暫時差額及未動用的稅項抵免與稅項虧損結轉確認遞延稅項資產：

- 與由就一項交易（業務合併除外）進行時初次確認資產或負債產生的可扣減暫時差額有關的遞延稅項資產，而在交易時並不對會計溢利或應課稅溢利或虧損構成影響者除外；及
- 有關附屬公司與聯營公司的投資及於合營企業之權益中產生的可扣減暫時差額，遞延稅項資產只限於暫時差額有可能於可預見將來撥回及可動用應課稅溢利以抵扣暫時性差額時確認。

遞延稅項資產的賬面值於每個結算日檢討，並於不再可能有足夠應課稅溢利以抵銷所有或部分遞延稅項資產時予以扣減。相反，過往未確認遞延稅項資產於各結算日重新評估，並於可能有足夠應課稅溢利以抵銷所有或部分遞延稅項資產時予以確認。





# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

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### 2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Income tax (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

#### Government grants

Government grants are recognised at their fair values where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the income statement over the expected useful life of the relevant asset.

### 2.5 主要會計政策概要 (續)

#### 所得稅 (續)

遞延稅項資產及負債以該期間(當資產變現或負債清還時)預期適用的稅率計算,根據於結算日已頒佈或實際頒佈的稅率及稅務法例計算。

倘存在容許將即期稅項資產抵銷即期稅項負債的可合法執行權利,且遞延稅項與同一應課稅實體及同一稅務機關有關,則遞延稅項資產可與遞延稅項負債抵銷。

#### 政府撥款

政府撥款於可合理確保將收取有關撥款並已符合所有附帶條件時按公平值確認。倘該撥款與一項開支項目有關,則於該撥款擬用作補償之成本相配所需的期間內按有系統基準確認為收入。倘該撥款與一項資產相關,則公平值計入遞延收入賬目,並就有關資產之預計可用年期計轉撥至損益表。

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

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### 2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- (a) income from the pre-sale of properties under development, on the exchange of legally binding sale contracts, provided that the construction work has progressed to a stage where the ultimate realisation of profit can be reasonably determined, and on the basis set out in “Properties under development” above;
- (b) income from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;
- (c) rental income, on a time proportion basis over the lease terms;
- (d) interest income, on an accrual basis using the effective interest method by applying the rate that discounts the estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset; and
- (e) dividend income, when the shareholders’ right to receive payment has been established.

### 2.5 主要會計政策概要 (續)

#### 收入確認

當經濟利益可能流入本集團及收入能夠可靠地衡量時，按以下基準確認收入：

- (a) 預售發展中物業之收入，於交換具法定約束力之銷售合約及建造工程之進度已達可合理釐定最終可變現溢利之階段時按上文「發展中物業」所載基準確認；
- (b) 銷售貨品收入於所有權之大部分風險及回報移交予買家，而且本集團對已售出貨品已失去所有權一般相關之管理權或有效控制權之時確認；
- (c) 租金收入按時間比例於租賃期確認；
- (d) 利息收入按應計基準，採用實際利率法，以將於金融工具預計年期所收取估計未來現金折算至該金融資產賬面淨值的利率計算；及
- (e) 股息收入在確立股東收取款項之權利時確認。



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### 財務報表附註

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#### 2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### Employee benefits

###### *Paid leave carried forward*

The Group provides paid annual leave to its employees under their employment contracts on a calendar year basis. Under certain circumstances, such leave which remains untaken as at the balance sheet date is permitted to be carried forward and utilised by the respective employees in the following year. An accrual is made at the balance sheet date for the expected future cost of such paid leave earned during the year by the employees and carried forward.

#### 2.5 主要會計政策概要 (續)

##### 僱員福利

###### *有薪假期結轉*

本集團根據僱傭合約按每個曆年向其僱員給予有薪年假。在若干情況下，由於有薪年假可結轉，各僱員可於下一個年度享用，故有些假期於結算日仍未享用。預期僱員於年內可享用的有薪假期及結轉假期之日後成本，於結算日累積計算。



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### 2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Employee benefits (continued)

##### *Pension schemes and other retirement benefits*

The Group operates a defined contribution staff retirement scheme (the “ORSO Scheme”) for certain of its employees, the assets of which are held separately from those of the Group in an independently administered fund. Contributions are made based on a percentage of the eligible employees’ basic salaries and are charged to the income statement as they become payable in accordance with the rules of the ORSO Scheme. When an employee leaves the ORSO Scheme prior to his/her interest in the Group’s employer contributions vesting fully, the ongoing contributions payable by the Group can be reduced by the relevant amount of forfeited contributions.

The Group also operates a defined contribution retirement benefits scheme (the “MPF Scheme”) under the Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the MPF Scheme not previously covered by the ORSO Scheme. Contributions are made based on a percentage of the employees’ basic salaries and are charged to the income statement as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group’s employer contributions vest fully with the employees when contributed into the MPF Scheme.

### 2.5 主要會計政策概要 (續)

#### 僱員福利 (續)

##### *退休金計劃及其他退休福利*

本集團為其若干僱員設有定額供款僱員退休計劃(「職業退休計劃」)。該計劃之資產與本集團資產分開由獨立管理基金持有。供款按合資格僱員基本薪金一定百分比作出，於根據職業退休計劃規則應予支付時，在損益表扣除。倘若僱員在本集團之僱主供款完全歸其所有前退出職業退休計劃，本集團可將有關數額之沒收供款用以減低日後應付供款。

本集團亦根據強制性公積金計劃條例，為合資格參與強制性公積金計劃(「強積金計劃」)而之前無參與職業退休計劃之僱員設有定額供款計劃。供款按僱員基本薪金一定百分比作出，於根據強積金計劃規定應予支付時，在損益表扣除。強積金計劃資產與本集團資產分開由獨立管理基金持有。本集團的僱主供款於向強積金計劃作出時全數歸屬僱員。



## NOTES TO FINANCIAL STATEMENTS

### 財務報表附註

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#### 2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### Employee benefits (continued)

The employees of the Group's subsidiaries which operate in Mainland China of the PRC ("Mainland China") are required to participate in a central pension scheme operated by the local municipal government. The subsidiaries are required to contribute a certain percentage of the payroll costs to the central pension scheme. The contributions are charged to the income statement as they become payable in accordance with the rules of the central pension scheme.

##### Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised.

#### 2.5 主要會計政策概要 (續)

##### 僱員福利 (續)

本集團在中華人民共和國(「中國」)經營之附屬公司僱員須參加中國當地市政府運作的中央退休金計劃。該附屬公司須按工資之若干百分比，向中央退休金計劃供款。中央退休金計劃之供款，於根據中央退休金計劃規則應予支付時在損益表扣除。

##### 借貸成本

凡必須經過頗長時間以作擬定用途或銷售之資產之直接收購、建造或生產借貸成本，均撥充資本為該等資產之部分成本。當該等資產大致上可作擬定用途或銷售時，則停止將該等借貸成本撥作資本。如特定借貸在用於有關資產前作暫時投資，則投資所得收入將在撥作資本之借貸成本中扣減。



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

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### 2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Foreign currencies

These financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions are initially recorded using the functional currency rates ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rates of exchange ruling at the balance sheet date. All differences are taken to the income statement. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The functional currencies of certain overseas subsidiaries and jointly-controlled entities are currencies other than the Hong Kong dollar. As at the balance sheet date, the assets and liabilities of these entities are translated into the presentation currency of the Company at the exchange rates ruling at the balance sheet date and, their income statements are translated into Hong Kong dollars at the weighted average exchange rates for the year. The resulting exchange differences are included in the exchange fluctuation reserve. On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the income statement.

### 2.5 主要會計政策概要(續)

#### 外幣

該等財務報表以港元呈報，港元乃本公司的功能及呈報貨幣。本集團各實體釐定其本身功能貨幣，而各實體於財務報表計入的項目乃按該功能貨幣計算。外幣交易初步按交易日期之功能貨幣匯率記錄。以外幣結算的貨幣資產及負債按結算日的功能貨幣匯率重新換算。所有差額計入損益表。按貨幣過往成本計算的非貨幣項目乃按初步交易日期匯率換算。以外幣按公平值計算的非貨幣項目則按公平值釐定之日期匯率換算作計算。

若干海外附屬公司及共同控制實體並非以港元為功能貨幣。於結算日，該等實體的資產及負債按結算日的匯率換算為本公司呈報貨幣，其損益表則按年內加權平均匯率換算為港元。最終匯兌差額會計入匯兌波動儲備。出售海外實體時，於股本所確認有關該項特定海外業務的遞延累計金額於損益表確認。



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

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### 2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Foreign currencies (continued)

For the purpose of the consolidated cash flow statement, the cash flows of overseas subsidiaries and jointly-controlled entities are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries and jointly-controlled entities which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

#### Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

#### *Operating lease commitments – Group as lessor*

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined that it retains all the significant risks and rewards of ownership of these properties which are leased out on operating leases.

### 2.5 主要會計政策概要 (續)

#### 外幣 (續)

就綜合現金流量表而言，海外附屬公司現金流量乃以現金流動當日的匯率換算為港元。海外附屬公司及共同控制實體於年內產生的經常現金流量，乃以全年加權平均匯率換算為港元。

### 3. 重要會計判斷及估計

#### 判斷

應用本集團會計政策時，除該等涉及估計者外，管理層曾作出下列對財務報表已確認金額影響最大之判斷。

#### *經營租賃承擔 — 本集團作為出租人*

本集團就其投資物業組合訂立商業物業租賃。本集團已決定保留此等按經營租賃租出之物業擁有權之絕大部分風險及回報。



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### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

#### Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

#### *Impairment of goodwill*

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

The carrying amount of goodwill of the Group at 1 January 2005 of HK\$4,816,000 was fully impaired during the year, further details of which are set out in note 16 to the financial statements.

### 3. 重要會計判斷及估計 (續)

#### 估計之不確定性

下文詳述有關日後主要假設及結算日其他主要不確定估計來源，而該等假設及不確定估計會導致下一個財政年度的資產與負債賬面值須作出重大調整之重大風險。

#### *商譽減值*

本集團最少每年釐定商譽是否出現減值。此舉須估計獲分配商譽之現金產生單位之使用價值。本集團估計使用價值須估計預期自該現金產生單位產生之日後現金流量，亦須選用合適貼現率，以計算該等現金流量之現值。

本集團於二零零五年一月一日之商譽賬面值4,816,000港元已於年內全數減值，進一步詳情載於財務報表附註16。





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## 財務報表附註

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### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

#### Estimation uncertainty (continued)

##### *Provision against slow-moving inventories*

Provision for slow-moving inventories is made based on the aging and estimated net realisable value of inventories. The assessment of the provision amount required involves management judgement and estimates. Where the actual outcome or expectation in future is different from the original estimate, such differences will have impact on the carrying value of the inventories and provision charge/write-back in the period in which such estimate has been changed.

##### *Impairment of property, plant and equipment*

The carrying value of the property, plant and equipment is reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable in accordance with the accounting policies as disclosed in note 2.5 to the financial statements. The recoverable amount of items of property, plant and equipment is the higher of fair value less costs to sell and value in use, the calculation of which involves the use of estimates.

### 3. 重要會計判斷及估計 (續)

#### 估計之不確定性 (續)

##### *滯銷存貨撥備*

滯銷存貨按存貨之賬齡及估計可變現淨值作出撥備。評估撥備金額涉及管理層判斷及估計。倘日後實際結果或預期有別於原定估計，則有關差別將影響存貨賬面值，而撥備會於估計有變期間扣除／撥回。

##### *物業、廠房及設備減值*

當發生事故或情況有變，顯示物業、廠房及設備之賬面值或不能根據財務報表附註2.5所披露會計政策收回，則會就物業、廠房及設備賬面值審閱減值。物業、廠房及設備之可收回金額為公平值減出售成本與使用價值兩者之較高者，有關計算涉及估計。

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

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### 4. SEGMENT INFORMATION

Segment information is presented by way of two segment formats: (i) on a primary segment reporting basis, by business segment; and (ii) on a secondary segment reporting basis, by geographical segment.

The Group's operating businesses are structured and managed separately according to the nature of their operations and the products and services they provide. Each of the Group's business segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other business segments. Summary details of the business segments are as follows:

- (a) property development;
- (b) manufacture and distribution of watches and timepieces;
- (c) manufacture and distribution of timber products (the "Timber Business");
- (d) manufacture and distribution of enamelled copper wires;
- (e) property investment; and
- (f) corporate and others segment, comprising corporate income and expense items and other businesses.

In determining the Group's geographical segments, revenues are attributed to the segments based on the location of the customers, and assets are attributed to the segments based on the location of the assets.

### 4. 分類資料

本集團之分類資料乃按兩個分類形式呈報：(i)主要分類匯報基準按業務分類；及(ii)次要分類匯報基準按地區分類。

本集團經營之業務按經營業務之性質及業務提供之產品及服務個別分類及管理。本集團各業務分類均為策略性業務單位，所提供之產品及服務之風險及回報與其他業務分類不同。業務分類之詳情概述如下：

- (a) 物業發展；
- (b) 製造及分銷鐘錶及時計產品；
- (c) 製造及分銷木材產品（「木材業務」）；
- (d) 製造及分銷漆包銅線；
- (e) 物業投資；及
- (f) 公司及其他分類，包括公司收支項目及其他業務。

於釐定本集團之地區分類時，收入乃按客戶所在地計入有關分類，資產則按資產所在地計入有關分類。

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## 財務報表附註

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### 4. SEGMENT INFORMATION (continued)

### 4. 分類資料 (續)

#### (a) Business segments

The following tables present revenue, profit/(loss) and certain asset, liability and expenditure information for the Group's business segments for the years ended 31 December 2005 and 2004.

#### (a) 業務分類

下表呈列本集團截至二零零五年及二零零四年十二月三十一日止年度按業務分類之收入、溢利／(虧損)及若干資產、負債及開支資料。

Group  
本集團

	Property development 物業發展		Watches and timepieces 鐘錶及時計產品		Timber products 木材產品		Enamelled copper wires 漆包銅線		Property investment 物業投資		Corporate and others 公司及其他		Consolidated 綜合	
	2005 二零零五年	2004 二零零四年	2005 二零零五年	2004 二零零四年	2005 二零零五年	2004 二零零四年	2005 二零零五年	2004 二零零四年	2005 二零零五年	2004 二零零四年	2005 二零零五年	2004 二零零四年	2005 二零零五年	2004 二零零四年
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Segment revenue:	分類收入:													
Sales to external customers	299,339	217,920	122,884	104,538	174,010	194,119	18,332	-	6,144	5,212	-	2,013	620,709	523,802
Other revenue	2,605	30	835	497	3,632	6,844	1,778	-	-	-	1,142	556	9,992	7,927
Total	301,944	217,950	123,719	105,035	177,642	200,963	20,110	-	6,144	5,212	1,142	2,569	630,701	531,729
Segment results	15,883	32,187	18,940	9,962	(37,578)	(27,137)	(612)	-	5,060	19,662	(21,124)	3,058	(19,431)	37,732
Finance costs													(2,699)	(10,382)
Profit/(loss) before tax													(22,130)	27,350
Tax													(21,581)	(15,933)
Profit/(loss) for the year													(43,711)	11,417
Segment assets	947,452	402,070	106,312	73,238	284,814	291,582	48,119	-	49,997	86,347	109,562	284,310	1,546,256	1,137,547
Segment liabilities	537,813	194,256	28,102	27,852	64,106	39,444	1,531	-	7,317	15,221	427,492	359,760	1,066,361	636,533
Other segment information:	其他分類資料:													
Depreciation and amortisation of prepaid land lease payment	754	234	2,539	2,741	16,301	19,046	1,553	-	-	-	720	1,929	21,867	23,950
Amortisation of goodwill	-	-	-	-	-	584	-	-	-	-	-	-	-	584
Impairment of goodwill	-	-	-	-	4,816	-	-	-	-	-	-	-	4,816	-
Changes in fair value of investment properties	-	-	-	-	-	-	-	-	(3,378)	(17,224)	-	-	(3,378)	(17,224)
Reversal of impairment of items of property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-	(21,671)	-	(21,671)
Provision against inventories	-	-	-	3,298	3,775	8,750	-	-	-	-	-	-	3,775	12,048
Impairment of available-for-sale investments	-	-	-	-	-	-	-	-	-	-	3,477	-	3,477	-
Capital expenditure	7,044	2,221	570	1,199	393	4,002	35,547	-	25,207	-	110	2,414	68,871	9,836

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

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### 4. SEGMENT INFORMATION (continued)

#### (b) Geographical segments

The following table presents revenue and certain asset and expenditure information for the Group's geographical segments for the years ended 31 December 2005 and 2004.

#### Group 本集團

	Hong Kong 香港		Mainland China 中國大陸		Consolidated 綜合	
	2005 二零零五年	2004 二零零四年	2005 二零零五年	2004 二零零四年	2005 二零零五年	2004 二零零四年
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Segment revenue:	分類收入:					
Sales to external customers	向外界客戶銷售					
	33,785	45,411	586,924	478,391	620,709	523,802
Other segment information:	其他分類資料:					
Segment assets	84,359	198,406	1,461,897	939,141	1,546,256	1,137,547
Capital expenditure	110	2,415	68,761	7,421	68,871	9,836

### 5. REVENUE AND OTHER INCOME

Revenue, which is also the Group's turnover, mainly represents the net invoiced value of goods sold, after allowances for returns and trade discounts, an appropriate proportion of revenue from the sale of properties under development and rental income received and receivable.

### 4. 分類資料 (續)

#### (b) 地區分類

下表呈列本集團截至二零零五年及二零零四年十二月三十一日止年度按地區分類之收入及若干資產與開支資料。

### 5. 收入與其他收入

收入亦即本集團營業額，乃指扣除退款及貿易折扣之售出貨品發票淨值、銷售發展中物業所得收入適當部分以及已收及應收租金收入。

# NOTES TO FINANCIAL STATEMENTS

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### 5. REVENUE AND OTHER INCOME (continued)

An analysis of revenue and other income is as follows:

### 5. 收入與其他收入 (續)

收入及其他收入之分析如下:

		Group	
		本集團	
		2005	2004
		二零零五年	二零零四年
		HK\$'000	HK\$'000
		千港元	千港元
<u>Revenue</u>	<u>收入</u>		
Sale of goods	貨品銷售	315,226	298,657
Sale of properties under development	發展中物業銷售	299,339	217,920
Gross rental income	租金收入總額	6,144	5,212
Interest income	利息收入	—	2,013
		<u>620,709</u>	<u>523,802</u>
<u>Other income</u>	<u>其他收入</u>		
Interest income	利息收入	4,397	—
Dividend income from listed investments	上市投資股息收入	238	537
PRC valued-added tax refund	退回中國增值稅	3,030	5,384
Others	其他	2,327	2,006
		<u>9,992</u>	<u>7,927</u>
		<u>630,701</u>	<u>531,729</u>

# NOTES TO FINANCIAL STATEMENTS

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### 6. PROFIT/(LOSS) BEFORE TAX

The Group's profit/(loss) before tax is arrived at after charging/(crediting):

### 6. 除稅前溢利／（虧損）

本集團之除稅前溢利／（虧損）已扣除／（計入）下列各項：

			2005 二零零五年	2004 二零零四年
		Notes 附註	HK\$'000 千港元	HK\$'000 千港元 (Restated) (重列)
Cost of inventories sold**	售出存貨成本**		537,975	426,332
Depreciation	折舊	13	18,282	20,865
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷	15	3,585	3,085
Goodwill:	商譽：	16		
Amortisation for the year*	年內攤銷*		-	584
Impairment arising during the year*	年內產生減值*		4,816	-
			4,816	584
Minimum lease payments under operating leases in respect of land and buildings	土地及樓宇經營租約項下最低租約款項		4,723	4,853
Auditors' remuneration	核數師酬金		1,480	1,350
Employee benefits expenses (excluding directors' remuneration (note 8))	僱員福利開支（不包括董事酬金（附註8））			
Wages and salaries	工資及薪酬		40,641	43,596
Pension schemes contributions	退休金計劃供款		2,431	2,539
Less: Forfeited contributions	減：供款退還		(18)	(61)
Net pension schemes contributions	退休金計劃供款淨額		2,413	2,478
Total staff costs	總員工成本		43,054	46,074

# NOTES TO FINANCIAL STATEMENTS

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### 6. PROFIT/(LOSS) BEFORE TAX (continued)

### 6. 除稅前溢利／（虧損）（續）

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元 (Restated) (重列)
	Notes 附註		
Gross rental income	租金收入總額	6,144	5,212
Less: Direct operating expenses (including repairs and maintenance) arising on rental-earning investment properties	減：賺取租金投資 物業所產生 之直接經營 開支，包括 維修及保養	(2,342)	(1,450)
Net rental income	租金收入淨額	3,802	3,762
Fair value changes on securities measured at fair value through profit or loss/short term investments, net*	按公平值計入溢利或 虧損之證券／短期 投資之公平值 變動淨額*	2,696	(1,699)
Gain on disposal of securities measured at fair value through profit or loss/short term investments, net*	出售按公平值計入溢利 或虧損之證券／短期 投資收益淨額*	(2,367)	(515)
Gain on disposal of available-for-sale investments*	出售可出售投資之 收益*	(13,145)	-
Gain on disposal/write-off of items of property, plant and equipment, net*	出售／撇銷物業、廠房 及設備項目收益淨額*	(1,429)	(1,285)
Changes in fair value of investment properties*	投資物業公平值變動*	14 (3,378)	(17,224)
Reversal of impairment of items of property, plant and equipment*	物業、廠房及設備項目 減值撥回*	13 -	(21,671)
Impairment of available-for-sale investments*	可出售投資減值*	20 3,477	-
Gain on disposal of a subsidiary*	出售一家附屬公司 之收益*	38 -	(59)
Gain on disposal of an associate*	出售一家聯營公司之收益*	(3,769)	-
Provision for inventories**	存貨撥備**	3,775	12,048

# NOTES TO FINANCIAL STATEMENTS

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### 6. PROFIT/(LOSS) BEFORE TAX (continued)

\* These amounts are included in "Other operating income, net" on the face of the consolidated income statement.

\*\* Cost of inventories sold includes HK\$42,318,000 (2004: HK\$45,414,000) relating to staff costs, depreciation, amortisation of prepaid land lease payments, provision for inventories and minimum lease payments under operating leases in respect of land and buildings, which is also included in the respective total amounts disclosed separately above for these types of expenses.

### 6. 除稅前溢利／（虧損）（續）

\* 此等數額均計入綜合損益表「其他經營收入淨額」內。

\*\* 售出存貨成本包括與員工成本、折舊、預付土地租賃款項攤銷、存貨撥備與土地及樓宇經營租約項下最低租約款項有關之42,318,000港元（二零零四年：45,414,000港元），上文已就該等開支類別獨立披露有關總額。

### 7. FINANCE COSTS

### 7. 財務費用

		Group 本集團	
		2005 二零零五年	2004 二零零四年
		HK\$'000 千港元	HK\$'000 千港元
Interests on bank and other loans wholly repayable within five years	須於五年內悉數償付之銀行及其他貸款利息	23,053	27,795
Less: Interest capitalised	減：資本化利息	(20,354)	(17,413)
		<u>2,699</u>	<u>10,382</u>



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### 8. DIRECTORS' REMUNERATION

Directors' remuneration for the year, disclosed pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and Section 161 of the Hong Kong Companies Ordinance is as follows:

#### (a) Non-executive director and independent non-executive directors

The fees paid to non-executive and independent non-executive directors during the year were as follows:

### 8. 董事酬金

年內董事酬金根據香港聯合交易所有限公司證券上市規則（「上市規則」）及香港公司條例第161條披露如下：

#### (a) 非執行董事及獨立非執行董事

年內已付非執行董事及獨立非執行董事之袍金如下：

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Non-executive director:	非執行董事：		
Ms. Sit Lai Hei	薛黎曦女士	100	13
Independent non-executive directors:	獨立非執行董事：		
Mr. Fung Tze Wah	馮子華先生	100	66
Dr. Kwong Chun Wai, Michael	鄺俊偉博士	100	66
Mr. Li Qiang	李強先生	100	13
Mr. Werner Max Michael Maksudski*	麥高祺先生*	—	—
Mr. Yang Zheng Qing*	楊正清先生*	—	—
		300	145
		400	158

\* Resigned during 2004.

\* 於二零零四年內辭任。

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## 財務報表附註

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二零零五年十二月三十一日

### 8. DIRECTORS' REMUNERATION (continued)

#### (a) Non-executive director and independent non-executive directors (continued)

There was no other emoluments payable to the non-executive director and independent non-executive directors during the year.

#### (b) Executive directors

### 8. 董事酬金 (續)

#### (a) 非執行董事及獨立非執行董事 (續)

年內並無應付非執行董事及獨立非執行董事之其他酬金。

#### (b) 執行董事

		Salaries, allowances and benefits in kind	Pension scheme contributions	Total remuneration	
	Fees 袍金	薪金、津貼 及實物福利	退休計劃供款	酬金總額	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
	千港元	千港元	千港元	千港元	
2005					
Executive directors:					
Mr. Hon Kwok Lung	韓國龍先生	-	1,690	12	1,702
Mr. Wang Shaolan	王少蘭先生	-	1,581	11	1,592
Mr. Shang Jianguang	商建光先生	-	1,721	72	1,793
Mr. Shi Tao	石濤先生	-	2,044	-	2,044
Mr. Lam Toi Man	林代文先生	-	1,430	12	1,442
		-	8,466	107	8,573

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 December 2005  
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### 8. DIRECTORS' REMUNERATION (continued)

#### (b) Executive directors (continued)

2004	二零零四年
Executive directors:	執行董事:
Mr. Hon Kwok Lung	韓國龍先生
Mr. Wang Shaolan	王少蘭先生
Mr. Shang Jianguang	商建光先生
Mr. Shi Tao	石濤先生
Mr. Lam Toi Man	林代文先生
Mr. Wang Mingquan	王明權先生
Mr. Zang Qiutao	臧秋濤先生

### 8. 董事酬金 (續)

#### (b) 執行董事 (續)

Fees 袍金	Salaries, allowances and benefits in kind		Pension scheme contributions	Total remuneration 酬金總額
	薪金、津貼 及實物福利		退休計劃供款	
HK\$'000 千港元	HK\$'000 千港元		HK\$'000 千港元	HK\$'000 千港元
-	1,127		8	1,135
-	1,652		-	1,652
-	205		-	205
-	1,386		-	1,386
-	715		6	721
-	-		-	-
-	385		-	385
-	5,470		14	5,484

There was no arrangement under which a director waived or agreed to waive any remuneration during the year.

年內並無董事豁免或同意豁免任何酬金之安排。

### 9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included five (2004: four) directors, details of whose remuneration are set out in note 8 above. The remuneration of the remaining one non-director, highest paid employee for the year ended 31 December 2004 was HK\$785,000 and fell within the band of Nil to HK\$1,000,000.

### 9. 五名最高薪酬人士

年內五名最高薪酬人士中，其中五名（二零零四年：四名）為董事，彼等之酬金已於上文附註8披露。截至二零零四年十二月三十一日止年度，其餘一名最高薪酬非董事人士之酬金為785,000港元，介乎零至1,000,000港元範疇。

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

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### 10. TAX

For the year ended 31 December 2005, Hong Kong profits tax for the Group has been provided at the rate of 17.5% on the estimated assessable profits arising in Hong Kong during the year (2004: 17.5%). The subsidiaries established in the PRC are subject to income taxes at tax rates ranging from 15% to 33%.

Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the tax jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

### 10. 稅項

於截至二零零五年十二月三十一日止年度，本集團就年內於香港產生之估計應課稅溢利按稅率17.5%作出香港利得稅撥備（二零零四年：17.5%）。於中國成立之附屬公司須按15%至33%之稅率繳納所得稅。

於其他地區之應課稅溢利稅項乃按本集團經營業務之稅務司法權區之現行稅率根據當地之現行法例、詮釋及慣例計算。

		Group 本集團	
		2005 二零零五年	2004 二零零四年
		HK\$'000 千港元	HK\$'000 千港元
Current tax charge for the year:	年內即期稅項支出：		
Hong Kong	香港	303	34
Elsewhere	其他地區	20,510	15,797
Underprovision/(overprovision) of current tax in respect of prior years	過往年度即期稅項撥備 不足／（超額撥備）	(26)	102
Deferred tax charge (note 32)	遞延稅項開支（附註32）	794	—
Total tax charge for the year	年內稅項開支總額	<u>21,581</u>	<u>15,933</u>

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

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二零零五年十二月三十一日

### 10. TAX (continued)

A reconciliation of the tax expense applicable to profit/(loss) before tax using the statutory rates applicable to the Company and its subsidiaries are domiciled to the tax expense at the effective tax rates is as follows:

### 10. 稅項 (續)

按本公司及其附屬公司所在地適用之法定稅率計算之除稅前溢利／(虧損) 適用之稅項支出，與按實際稅率計算之稅項支出對賬如下：

		Group 本集團	
		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Profit/(loss) before tax	除稅前溢利／(虧損)	(22,130)	27,350
Tax at the applicable rates to profit/(loss) in the tax jurisdictions concerned	有關稅務司法權區溢利／(虧損) 按適用稅率計算之稅項	968	15,249
Lower tax rate for specific provinces	特定省份之較低稅率	2,944	(2,239)
Income not subject to tax	毋須課稅之收入	(3,653)	(11,563)
Expenses not deductible for tax	不可扣稅之開支	4,766	1,601
Adjustments in respect of current tax of previous periods	就過往期間即期稅項作出調整	(26)	102
Other temporary differences not recognised	其他未確認暫時差額	587	-
Tax losses utilised from previous periods	過往期間所用稅項虧損	(112)	-
Tax losses not recognised	未確認稅項虧損	16,107	12,783
Tax charge at the Group's effective rate	以本集團實際稅率計算之稅項開支	21,581	15,933



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

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二零零五年十二月三十一日

### 11. NET LOSS FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The net loss from ordinary activities attributable to equity holders of the Company for the year ended 31 December 2005 dealt with in the financial statements of the Company, was HK\$48,708,000 (2004: HK\$19,810,000) (note 36(b)).

### 12. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of basic earnings/(loss) per share is based on the net loss for the year attributable to ordinary equity holders of the Company, of HK\$43,275,000 (2004: net profit of HK\$11,373,000), and the 1,544,831,000 (2004: 1,544,831,000) ordinary shares in issue during the year.

Diluted earnings/(loss) per share amounts for the years ended 31 December 2005 and 2004 have not been disclosed as no diluting events existed during these years.

### 11. 本公司權益持有人應佔一般業務虧損淨額

截至二零零五年十二月三十一日止年度，本公司權益持有人應佔一般業務虧損淨額48,708,000港元（二零零四年：19,810,000港元）已於本公司財務報表內處理（附註36(b）。

### 12. 本公司普通權益持有人應佔每股盈利／（虧損）

每股基本盈利／（虧損）乃根據本公司普通權益持有人應佔年內虧損淨額43,275,000港元（二零零四年：純利11,373,000港元）及年內已發行普通股1,544,831,000股（二零零四年：1,544,831,000股）計算。

由於截至二零零五年及二零零四年十二月三十一日止年度並無出現攤薄事件，故並無披露該等年度之每股攤薄盈利／（虧損）數額。

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

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### 13. PROPERTY, PLANT AND EQUIPMENT

### 13. 物業、廠房及設備

#### Group

#### 本集團

		Land and buildings 土地及樓宇 HK\$'000 千港元	Leasehold improvements 租賃物業 裝修 HK\$'000 千港元	Plant and machinery 廠房及機器 HK\$'000 千港元	Furniture, fixtures and office equipment 傢具、裝置及 辦公室設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Construction in progress 在建工程 HK\$'000 千港元	Total 總值 HK\$'000 千港元
<b>31 December 2005</b>	<b>二零零五年 十二月三十一日</b>							
At 31 December 2004 and at 1 January 2005:	於二零零四年 十二月三十一日及 二零零五年一月一日:							
Cost	成本	166,764	5,492	84,329	28,376	14,431	-	299,392
Accumulated depreciation and impairment	累積折舊及減值	(35,337)	(1,752)	(18,564)	(9,209)	(4,720)	-	(69,582)
Net carrying amount	賬面淨值	131,427	3,740	65,765	19,167	9,711	-	229,810
Additions	添置	5,183	510	36,240	947	784	-	43,664
Acquisition of a subsidiary (note 37)	收購一家附屬公司 (附註37)	-	-	-	88	1,154	-	1,242
Disposals	出售	(46,078)	-	(320)	(67)	(412)	-	(46,877)
Depreciation provided during the year	年內折舊撥備	(4,135)	(1,125)	(8,675)	(3,018)	(1,329)	-	(18,282)
Exchange realignment	匯兌調整	1,835	41	1,595	362	197	-	4,030
At 31 December 2005, net of accumulated depreciation and impairment	於二零零五年 十二月三十一日 扣除累積折舊 及減值	88,232	3,166	94,605	17,479	10,105	-	213,587
At 31 December 2005:	於二零零五年 十二月三十一日:							
Cost	成本	102,438	5,578	118,264	29,643	12,870	-	268,793
Accumulated depreciation and impairment	累積折舊及減值	(14,206)	(2,412)	(23,659)	(12,164)	(2,765)	-	(55,206)
Net carrying amount	賬面淨值	88,232	3,166	94,605	17,479	10,105	-	213,587

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 December 2005  
二零零五年十二月三十一日

### 13. PROPERTY, PLANT AND EQUIPMENT (continued) 13. 物業、廠房及設備 (續)

#### Group

#### 本集團

		Land and buildings 土地及樓宇 HK\$'000 千港元	Leasehold improvements 租賃物業裝修 HK\$'000 千港元	Plant and machinery 廠房及機器 HK\$'000 千港元	Furniture, fixtures and office equipment 傢具、裝置及辦公室設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Construction in progress 在建工程 HK\$'000 千港元	Total 總值 HK\$'000 千港元 (Restated) (重列)
31 December 2004	二零零四年十二月三十一日							
At 1 January 2004:	於二零零四年一月一日:							
Cost	成本	172,218	4,238	87,587	29,322	15,376	288	309,029
Accumulated depreciation and impairment	累積折舊及減值	(55,881)	(1,518)	(10,436)	(7,915)	(4,839)	-	(80,589)
Net carrying amount	賬面淨值	116,337	2,720	77,151	21,407	10,537	288	228,440
Additions	添置	-	1,868	3,803	1,692	2,444	29	9,836
Disposals/write-off	出售/撇銷	(958)	(16)	(560)	(147)	(814)	(317)	(2,812)
Disposal of a subsidiary (note 38)	出售一家附屬公司 (附註38)	(17)	-	(5,607)	(130)	(926)	-	(6,680)
Impairment reversed to income statement during the year	年內撥回損益表之減值	21,671	-	-	-	-	-	21,671
Depreciation provided during the year	年內折舊撥備	(5,732)	(833)	(9,088)	(3,673)	(1,539)	-	(20,865)
Exchange realignment	匯兌調整	126	1	66	18	9	-	220
At 31 December 2004, net of accumulated depreciation and impairment	於二零零四年十二月三十一日，扣除累積折舊及減值	131,427	3,740	65,765	19,167	9,711	-	229,810
At 31 December 2004:	於二零零四年十二月三十一日:							
Cost	成本	166,764	5,492	84,329	28,376	14,431	-	299,392
Accumulated depreciation and impairment	累積折舊及減值	(35,337)	(1,752)	(18,564)	(9,209)	(4,720)	-	(69,582)
Net carrying amount	賬面淨值	131,427	3,740	65,765	19,167	9,711	-	229,810



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 December 2005  
二零零五年十二月三十一日

### 13. PROPERTY, PLANT AND EQUIPMENT (continued) 13. 物業、廠房及設備 (續)

Company	本公司				Total 總值 HK\$'000 千港元
	Leasehold improvements 租賃 物業裝修 HK\$'000 千港元	Furniture, fixtures and office equipment 傢具、裝置及 辦公室設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元		
<b>31 December 2005</b>	<b>二零零五年 十二月三十一日</b>				
At 31 December 2004 and at 1 January 2005:	於二零零四年十二月 三十一日及二零零五年 一月一日:				
Cost	1,767	819	713	3,299	
Accumulated depreciation	(171)	(167)	(515)	(853)	
Net carrying amount	1,596	652	198	2,446	
Additions	-	111	-	111	
Disposals	-	(16)	-	(16)	
Depreciation provided during the year	(354)	(158)	(60)	(572)	
At 31 December 2005, net of accumulated depreciation	1,242	589	138	1,969	
At 31 December 2005:	於二零零五年 十二月三十一日:				
Cost	1,767	880	713	3,360	
Accumulated depreciation	(525)	(291)	(575)	(1,391)	
Net carrying amount	1,242	589	138	1,969	

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 December 2005  
二零零五年十二月三十一日

### 13. PROPERTY, PLANT AND EQUIPMENT (continued) 13. 物業、廠房及設備 (續)

Company	本公司			
	Leasehold improvements 租賃物業裝修 HK\$'000 千港元	Furniture, fixtures and office equipment 傢具、裝置及辦公室設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 總值 HK\$'000 千港元
<b>31 December 2004</b>	<b>二零零四年十二月三十一日</b>			
At 1 January 2004	於二零零四年一月一日			
Cost	626	2,506	907	4,039
Accumulated depreciation	(583)	(2,395)	(524)	(3,502)
Net carrying amount	43	111	383	537
Additions	1,757	659	-	2,416
Disposals	(16)	(33)	(26)	(75)
Depreciation provided during the year	(188)	(85)	(159)	(432)
At 31 December 2004, net of accumulated depreciation	<u>1,596</u>	<u>652</u>	<u>198</u>	<u>2,446</u>
At 31 December 2004:	於二零零四年十二月三十一日:			
Cost	1,767	819	713	3,299
Accumulated depreciation	(171)	(167)	(515)	(853)
Net carrying amount	<u>1,596</u>	<u>652</u>	<u>198</u>	<u>2,446</u>

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 December 2005  
二零零五年十二月三十一日

### 13. PROPERTY, PLANT AND EQUIPMENT (continued)

The Group's buildings included above are situated in the Mainland China and are held under the following lease terms:

		HK\$'000 千港元
At cost:	成本值：	
Short term leases	短期租約	2,536
Medium term leases	中期租約	99,902
		<u>102,438</u>

During the year, the Group disposed of certain of its leasehold properties and investment properties with an aggregate carrying value of approximately HK\$93 million for a cash consideration of approximately HK\$93 million.

At 31 December 2005, certain of the Group's buildings with a carrying value of HK\$95,053,000 (2004: HK\$80,689,000), situated in Mainland China were pledged to secure certain banking facilities granted to the Group (note 30).

At 31 December 2005, the Group has not yet obtained the title certificates for certain of its buildings situated in Shenzhen and in Beijing, the PRC with an aggregate carrying value of approximately HK\$24,652,000 (2004: HK\$19,488,000). As confirmed by the Group's legal advisors and the Company's directors, the Group has legally obtained the right to use the buildings and can obtain the relevant title certificates through making applications to the relevant government authorities.

### 13. 物業、廠房及設備 (續)

上文包括之本集團樓宇乃位於中國大陸，並按下列租期持有：

		HK\$'000 千港元
At cost:	成本值：	
Short term leases	短期租約	2,536
Medium term leases	中期租約	99,902
		<u>102,438</u>

年內，本集團出售其若干賬面值合共約93,000,000港元之租賃物業及投資物業，現金代價約為93,000,000港元。

於二零零五年十二月三十一日，本集團於中國大陸所持有賬面值為95,053,000港元（二零零四年：80,689,000港元）之若干樓宇已抵押，以為本集團取得若干銀行融資（附註30）。

於二零零五年十二月三十一日，本集團尚未就其位於中國深圳及北京賬面值合共約24,652,000港元（二零零四年：19,488,000港元）之若干樓宇取得任何業權證明。誠如本集團法律顧問及本公司董事所確認，本集團已取得有關樓宇之合法使用權，並可向有關政府機關申請有關業權證明。

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 December 2005  
二零零五年十二月三十一日

### 14. INVESTMENT PROPERTIES

### 14. 投資物業

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Carrying amount at 1 January	於一月一日之賬面值	84,971	67,747
Additions	添置	25,207	-
Disposals	出售	(47,200)	-
Net profit from fair value adjustments	公平值調整之純利	3,378	17,224
Exchange alignment	匯兌調整	333	-
		<u>66,689</u>	<u>84,971</u>
Carrying amount at 31 December	於十二月三十一日之賬面值	<u>66,689</u>	<u>84,971</u>

The Group's investment properties included above are situated in Mainland China and are held under medium term leases.

上文所載本集團之投資物業位於中國大陸，以中期租賃持有。

The Group's investment properties were revalued on 31 December 2005 by Chung, Chan & Associates ("CCA") and Greater China Appraisal Limited, independent professionally qualified valuers, at HK\$66,890,000 in aggregate on an open market, existing use basis. A revaluation surplus of HK\$3,378,000 resulting from the above revaluation has been credited to the income statement (note 6). Certain of the Group's investment properties are leased to third parties under operating leases, further summary details of which are included in note 40(a) to the financial statements.

本集團之投資物業於二零零五年十二月三十一日由獨立專業認可估值師衡量行（「衡量行」）及漢華評估有限公司按公開市值及現行用途基準重估總額為66,890,000港元。因上述重估產生之3,378,000港元重估盈餘已計入損益表（附註6）。本集團若干投資物業已按經營租約租賃予多名第三方，進一步概況載於財務報表附註40(a)。

At 31 December 2005, the Group had certain investment properties located in Dongguan, Guangdong Province of the PRC and in Beijing, the PRC with an aggregate carrying value of HK\$51,113,000 (2004: HK\$22,600,000). The Group has not yet obtained the relevant title certificates for these properties. As confirmed by the Group's legal advisors and the Company's directors, the Group is the rightful and equitable owner of these properties.

於二零零五年十二月三十一日，本集團於中國廣東省東莞市擁有若干投資物業，賬面總值合共51,113,000港元（二零零四年：22,600,000港元）。本集團仍未取得該等物業之相關業權證明。本集團之法律顧問及本公司董事已確認，本集團是該等物業之合法及衡平法上的擁有人。

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## 財務報表附註

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### 14. INVESTMENT PROPERTIES (continued)

Further details of the Group's investment properties are included on page 177 of the annual report.

At 31 December 2005, certain of the Group's investment properties with a value of HK\$27,613,000 (2004: Nil) were pledged to secure banking facilities granted to the Group (note 30).

### 14. 投資物業(續)

本集團投資物業之進一步詳情載於年報第177頁。

於二零零五年十二月三十一日，本集團價值27,613,000港元(二零零四年：無)之若干投資物業已抵押，以為本集團取得銀行融資(附註30)。

### 15. PREPAID LAND LEASE PAYMENTS

### 15. 預付土地租賃款項

		Group 本集團	
		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元 (Restated) (重列)
Carrying amount at 1 January	於一月一日之賬面值		
As previously reported	先前呈報	-	-
Effect of adopting HKAS 17 (note 2.4(a))	採納香港會計準則第17號 之影響(附註2.4(a))	54,225	57,310
As restated	重列	54,225	57,310
Amortisation recognised during the year (note 6)	年內確認攤銷(附註6)	(3,585)	(3,085)
Exchange realignment	匯兌調整	1,008	-
Carrying amount at 31 December	於十二月三十一日之賬面值	51,648	54,225
Current portion	即期部分	(3,619)	(3,546)
Non-current portion	非即期部分	48,029	50,679

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## 財務報表附註

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### 15. PREPAID LAND LEASE PAYMENTS (continued)

At 31 December 2005, certain of the Group's prepaid land lease payments with carrying value of HK\$46,382,000 (2004: HK\$48,771,000), situated in Mainland China were pledged to secure certain banking facilities granted to the Group (note 30).

The Group's leasehold land included above are situated in Mainland China and are held under the following lease terms:

### 15. 預付土地租賃款項(續)

於二零零五年十二月三十一日，本集團於中國大陸所持有賬面值為46,382,000港元(二零零四年：48,771,000港元)之若干預付土地租賃款項已抵押，以為本集團取得若干銀行融資(附註30)。

上文包括之本集團租賃土地位於中國大陸，乃按下列租期持有：

		HK\$'000 千港元
At cost:	成本值：	
Short term leases	短期租約	46,382
Medium term leases	中期租約	5,266
		<u>51,648</u>

# NOTES TO FINANCIAL STATEMENTS

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### 16. GOODWILL

The movements of the goodwill capitalised as an asset in the consolidated balance sheet, arising from the acquisition of certain subsidiaries, are as follows:

### 16. 商譽

因收購若干附屬公司產生之商譽變動已撥充資本，於綜合資產負債表列作資產如下：

		Group 本集團 HK\$'000 千港元
<b>31 December 2005</b>	<b>二零零五年十二月三十一日</b>	
At 1 January 2005	二零零五年一月一日	
Cost:	成本：	
As previously reported	先前呈報	5,838
Effect of adopting HKFRS 3 (note 2.2 (d))	採納香港財務申報準則第3號之影響 (附註2.2(d))	(1,022)
As restated	重列	4,816
Accumulated amortisation and impairment:	累積攤銷及減值：	
As previously reported	先前呈報	1,022
Effect of adopting HKFRS 3 (note 2.2 (d))	採納香港財務申報準則第3號之影響 (附註2.2(d))	(1,022)
As restated	重列	-
Net carrying amount	賬面淨值	4,816
Impairment during the year	年內減值	(4,816)
Carrying amount at 31 December 2005	於二零零五年十二月三十一日之賬面值	-
At 31 December 2005	於二零零五年十二月三十一日	
Cost	成本	4,816
Accumulated impairment	累積減值	(4,816)
Net carrying amount	賬面淨值	-

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 December 2005  
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### 16. GOODWILL (continued)

### 16. 商譽(續)

		Group 本集團 HK\$'000 千港元
<b>31 December 2004</b>	<b>二零零四年十二月三十一日</b>	
At 1 January 2004:	於二零零四年一月一日:	
Cost	成本	5,838
Accumulated amortisation	累積攤銷	(438)
		<u>5,400</u>
Net carrying amount	賬面淨值	5,400
Amortisation provided during the year	年內攤銷撥備	(584)
		<u>(584)</u>
Cost and carrying amount at 31 December 2004	於二零零四年十二月三十一日之 成本及賬面值:	<u>4,816</u>
At 31 December 2004:	於二零零四年十二月三十一日:	
Cost	成本	5,838
Accumulated amortisation	累積攤銷	(1,022)
		<u>(1,022)</u>
Net carrying amount	賬面淨值	<u>4,816</u>

In 2004, goodwill not previously eliminated against the consolidated reserves was amortised on the straight-line basis over its estimated useful life of 10 years.

於二零零四年，先前並未於綜合儲備對銷之商譽乃於其10年之估計可使用年期以直線法攤銷。

As further detailed in note 2.2(d) to the financial statements, the Group applied the transitional provisions of HKFRS 3 that permitted goodwill in respect of business combinations which occurred prior to 2001, to remain eliminated against the consolidated reserves.

根據財務報表附註2.2(d)所詳述，本集團已應用香港財務申報準則第3號過渡條文，允許於二零零一年前所進行業務合併之商譽仍於綜合儲備對銷。



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 December 2005  
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### 16. GOODWILL (continued)

The amount of goodwill remaining in the consolidated reserves, arising from the acquisition of subsidiaries prior to the adoption of SSAP 30 in 2001, was HK\$15,300,000 (2004: HK\$15,300,000) as at 31 December 2005.

Due to the consecutive losses incurred by the Timber Business in recent years and the directors expected that further losses will be incurred by the Timber Business, the directors considered that the carrying amount of goodwill attributable to the Timber Business of HK\$4,816,000 at 1 January 2005 was fully impaired. Accordingly, an impairment of goodwill of HK\$4,816,000 was charged to the consolidated income statement of the current year.

### 17. INTERESTS IN SUBSIDIARIES

Unlisted investments, at cost	非上市股份·成本值
Due from subsidiaries	應收附屬公司欠款
Provision for impairment	減值撥備

The amounts due from subsidiaries are unsecured, interest-free and are not expected to be repaid within the next 12 months. The carrying amounts of the amounts due from subsidiaries approximate to their fair values.

### 16. 商譽(續)

於二零零五年十二月三十一日仍於綜合儲備入賬之商譽金額(於二零零一年採納會計實務準則第30號前收購附屬公司所產生)為15,300,000港元(二零零四年:15,300,000港元)。

由於木材業務近年連續出現虧損,而董事預期木材業務將持續出現虧損,故董事認為,木材業務於二零零五年一月一日應佔之商譽賬面值4,816,000港元已全數減值。因此,商譽減值4,816,000港元已於本年度綜合損益表扣除。

### 17. 所佔附屬公司權益

		Company	
		本公司	
		2005	2004
		二零零五年	二零零四年
		HK\$'000	HK\$'000
		千港元	千港元
Unlisted investments, at cost	非上市股份·成本值	128,174	128,174
Due from subsidiaries	應收附屬公司欠款	473,300	577,090
		601,474	705,264
Provision for impairment	減值撥備	(303,703)	(285,413)
		297,771	419,851

應收附屬公司欠款乃無抵押、免息及預期毋須於未來十二個月償還。應收附屬公司欠款之賬面值與其公平值相若。

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 December 2005  
二零零五年十二月三十一日

### 17. INTERESTS IN SUBSIDIARIES (continued)

### 17. 所佔附屬公司權益 (續)

Particulars of the principal subsidiaries are as follows:

主要附屬公司詳情如下:

Name 名稱	Place of incorporation/ registration and operations 註冊成立/ 註冊及營業地點	Nominal value of issued ordinary/ paid-up capital 已發行普通/ 繳足股本面值	Percentage of equity attributable to the Company 本公司應佔 股本百分比		Principal activities 主要業務
			Direct	Indirect	
			直接	間接	
Qingapen Limited 晴嘉有限公司	Hong Kong/ Mainland China 香港/中國大陸	HK\$2 2港元	100	-	Property investment 物業投資
China Haidian Commercial Network Services Limited	Hong Kong/ Mainland China 香港/中國大陸	HK\$2 2港元	100	-	Property investment 物業投資
Haidian-Creation International Limited	British Virgin Islands/ Hong Kong 英屬處女群島/香港	US\$1 1美元	100	-	Investment holding 投資控股
Sure Best Management Limited	Hong Kong 香港	HK\$1 1港元	100	-	Property investment 物業投資
EBOHR Luxuries International Co., Limited* ("Ebohr") 依波精品(深圳)有限公司* (「依波精品」)	PRC/ Mainland China# 中國/中國大陸#	HK\$30,000,000 30,000,000港元	-	100	Manufacture and sale of watches and timepieces 製造及銷售鐘錶及 時計產品

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## 財務報表附註

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### 17. INTERESTS IN SUBSIDIARIES (continued)

### 17. 所佔附屬公司權益 (續)

Particulars of the principal subsidiaries are as follows:

主要附屬公司詳情如下:

Name 名稱	Place of incorporation/ registration and operations 註冊成立/ 註冊及營業地點	Nominal value of issued ordinary/ paid-up capital 已發行普通/ 繳足股本面值	Percentage of equity attributable to the Company 本公司應佔 股本百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Seti Timber Industry (Shenzhen) Co., Ltd* 森帝木業(深圳)有限公司*	PRC/ Mainland China# 中國/中國大陸#	US\$45,525,860 45,525,860美元	-	100	Manufacture and sale of timber products 製造及銷售木材產品
Beijing Jing Guan Property Development Company Limited* 北京京冠房地產開發 有限公司*	PRC/ Mainland China# 中國/中國大陸#	RMB80,000,000 人民幣80,000,000元	-	100	Property development 物業發展
Beijing Xin Yang Property Development Company Limited ("Xin Yang")*	PRC/ Mainland China## 中國/中國大陸##	RMB26,000,000 人民幣26,000,000元	-	80	Property development 物業發展
#	<i>Registered as wholly-foreign-owned enterprises in the PRC</i>	#	於中國大陸註冊為全外資企業		
##	<i>Registered as a foreign investment enterprise in the PRC</i>	##	於中國大陸註冊為一家外商投資企業		
*	<i>Not audited by Ernst &amp; Young Hong Kong or other Ernst &amp; Young International member firms.</i>	*	並非由香港安永會計師事務所或其他安 永國際成員公司審核。		



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

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### 17. INTERESTS IN SUBSIDIARIES (continued)

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

The Group holds a 51% equity interest in Shunde Everbright Sunto Computer Co. Ltd. ("Sunto"), a company established in the PRC through which the Group had intended to participate in the manufacture and sale of computer casing products with third parties. Due to the non-disclosure of certain material transactions by the subsidiary's management and its minority shareholder, the Group had reasonable doubt as to the reliability of the financial information provided by the subsidiary. The directors of the Company are of the opinion that the subsidiary is practically in a management dead-lock, and the recoverability of the Group's investment in this subsidiary and the amount due from it of HK\$60.5 million in aggregate is doubtful. Accordingly, the Group's interest in this unconsolidated subsidiary has been fully provided for from the year ended 31 December 1998. In addition, Sunto was put under a compulsory winding up pursuant to a court order issued in 2001 and the winding up process has not yet been completed up to the date of these financial statements. The Group will not make any further investment in this subsidiary.

### 17. 所佔附屬公司權益 (續)

上表載列董事認為主要影響本集團本年度之業績或構成本集團資產淨值重大部分之本公司附屬公司。董事認為，詳列其他附屬公司之資料將會令有關資料過於冗長。

本集團持有於中國成立之順德市光大順通電腦有限公司(「順通」)51%股本權益。本集團原擬透過該公司聯同第三方，參與製造及銷售電腦機箱產品。由於該附屬公司之管理層及其少數股東未有披露若干重大交易，本集團對該附屬公司所提供財務資料之可靠性存有合理疑問。本公司董事會認為該附屬公司之管理實際上已陷入僵局，所以本集團於該附屬公司之投資值及該附屬公司之欠款合共60,500,000港元能否收回均成疑問。因此，本集團所佔該未綜合計入賬目之附屬公司權益已由截至一九九八年十二月三十一日止年度起作出全面撥備。此外，順通根據於二零零一年頒佈之一項法院命令被強制清盤，清盤程序於截至本財務報表日期尚未完成。本集團不會對該附屬公司作出任何進一步投資。

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### 18. INTERESTS IN A JOINTLY-CONTROLLED ENTITY

### 18. 所佔一家共同控制實體權益

		Company 本公司	
		2005 二零零五年	2004 二零零四年
		HK\$'000 千港元	HK\$'000 千港元
Unlisted investment, at cost	非上市投資, 成本值	46,030	-
Amount due from a jointly-controlled entity	應收一家共同控制實體欠款	169	-
		<u>46,199</u>	<u>-</u>

The amount due from the jointly-controlled entity is unsecured, interest-free and has no fixed terms of repayment. The carrying amount of the amount due from jointly-controlled entity approximate to its fair value.

應收一家共同控制實體欠款為免息、無抵押，且無固定還款期。應收一家共同控制實體欠款之賬面值與其公平值相若。

Particulars of the jointly-controlled entity is as follows:

共同控制實體之詳情如下：

Name 名稱	Place of incorporation/ registration 註冊成立/ 註冊地點	Percentage of			Principal activities 主要業務
		Ownership interest 擁有權益 百分比	Voting power 投票權 百分比	Profit sharing 應佔溢利 百分比	
Fuzhou Dartong Mechanic and Electronic Company Limited ("Fuzhou Dartong")* 福州大通機電股份有限公司 (「福州大通」)*	PRC/Mainland China 中國/中國大陸	49	50	49	Manufacture and sale of enamelled copper wire 製造及銷售漆包銅線

The investment in Fuzhou Dartong is directly held by the Company.

本公司直接持有於福州大通之投資。

\* Not audited by Ernst & Young Hong Kong or other Ernst & Young International member firms and registered as a foreign investment enterprise in Mainland China.

\* 並非由香港安永會計師事務所或其他安永國際成員公司審核，於中國大陸註冊為外資企業。

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### 18. INTERESTS IN A JOINTLY-CONTROLLED ENTITY (continued)

The following table illustrates the summarised financial information of the Group's jointly-controlled entity:

### 18. 所佔一家共同控制實體權益(續)

下表顯示本集團共同控制實體之財務資料概要:

		2005 二零零五年 HK\$'000 千港元
<hr/>		
Share of the jointly-controlled entity's assets and liabilities:	應佔共同控制實體資產及負債:	
Non-current assets	非流動資產	35,697
Current assets	流動資產	12,422
Current liabilities	流動負債	(1,616)
Net assets	資產淨值	<u>46,503</u>
Share of the jointly-controlled entity's results:	應佔共同控制實體業績:	
Revenue	收入	18,333
Other income	其他收入	1,777
Total revenue	總收入	20,110
Total expenses	總開支	(20,723)
Tax	稅項	-
Loss after tax	除稅後虧損	<u>(613)</u>

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### 19. INTERESTS IN ASSOCIATES

### 19. 所佔聯營公司權益

		Group		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
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Unlisted investments, at cost	非上市投資·成本值	-	-	-	39,301
Share of net assets	應佔資產淨值	-	-	-	-
		-	-	-	39,301
Amount due to an associate	應付一家聯營公司欠款	-	(3,649)	-	(3,649)
Provision for impairment	減值撥備	-	-	-	(35,652)
		-	(3,649)	-	-

The amount due to an associate at 31 December 2004 was interest-free, unsecured and not repayable within one year.

於二零零四年十二月三十一日，應付一家聯營公司欠款為免息、無抵押，並毋須於一年內償還。

The Group's associates had no significant effect on the results or assets of the Group for the year ended 31 December 2005.

截至二零零五年十二月三十一日止年度，本集團之聯營公司於本集團業績或資產並無重大影響力。

During the year, the Company entered into an agreement with the existing shareholders of the Company's associate for the disposal of the Company's entire interest in that associate, for a net cash consideration of HK\$120,000. On 8 March 2005, the Company and that associate entered into a deed of termination pursuant to which the amount due to that associate was waived.

年內，本公司與本公司聯營公司現有股東訂立協議，以按現金淨額120,000港元出售本公司於該聯營公司全部權益。於二零零五年三月八日，本公司與該聯營公司訂立終止契約，據此，結欠該聯營公司之款項已豁免。

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### 20. AVAILABLE-FOR-SALE INVESTMENTS

### 20. 可出售投資

		Group 本集團	
		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Listed equity investments, at fair value: 上市股本投資, 公平值:			
Hong Kong	香港	—	20,240
Unlisted equity investment, at cost 非上市股本投資, 成本值			
Provision for impairment	減值撥備	3,477 (3,477)	3,477 —
		—	3,477
		—	23,717

During the year, the gross gain on disposal of the Group's available-for-sale listed equity investments recognised in the income statement amounted to HK\$13,664,000 (2004: nil) (note 6).

The above investments consist of investments in equity securities which were designated as available-for-sale financial assets on 1 January 2005 and have no fixed maturity date or coupon rate.

The fair value of listed equity investments are based on quoted market prices.

年內, 出售本集團可出售上市股本投資之總收益13,664,000港元(二零零四年: 無)已於損益表確認(附註6)。

上述投資包括於股本證券之投資, 於二零零五年一月一日, 該等投資指定作可出售金融資產, 且無固定到期日或票面利率。

上市股本投資之公平值乃按所報市價計算。





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#### 20. AVAILABLE-FOR-SALE INVESTMENTS (continued)

The Company previously held an indirect equity interest of 50% in 合肥光大木材工業有限公司 (“Hefei Everbright”), an unlisted joint venture established in the PRC which was accounted for by the Group as a subsidiary at 31 December 2003. In the prior year, the Group disposed of its 24.5% equity interest in Hefei Everbright to independent third parties at a cash consideration of approximately HK\$2,980,000 (note 38). According to the subcontracting agreement entered into between the Group and the joint venture partners of Hefei Everbright, the Group forfeited its rights to exercise any significant influence or control over the financial and operating policies of Hefei Everbright in return for fixed and guaranteed annual subcontracting fees. Accordingly, Hefei Everbright lost its status as a subsidiary of the Group and was not equity accounted for in accordance with HKAS 28 “Investments in Associates”. The Group’s investment in Hefei Everbright was reclassified to the long term investment accordingly and was stated at the Group’s share of the net assets of Hefei Everbright as at the date when the Group’s forfeiture of its control/influence became effective, less any impairment losses. During the year, the investment in Hefei Everbright is designated as an available-for-sale investment upon the adoption of HKAS 39.

Having regard to the deteriorating financial position of Hefei Everbright during the year, the directors are in the opinion that the investment in Hefei Everbright is not likely to be recoverable and accordingly, an impairment loss of HK\$3,477,000 has been charged to current year’s consolidated income statement.

#### 20. 可出售投資 (續)

本公司先前持有合肥光大木材工業有限公司(「合肥光大」)50%間接股本權益，該公司為於中國大陸成立之非上市合營公司，於二零零三年十二月三十一日列作本集團附屬公司。於過往年度，本集團按現金代價約2,980,000港元向獨立第三方出售其於合肥光大之24.5%股本權益(附註38)。根據本集團與合肥光大合營夥伴訂立之轉包協議，本集團放棄其對合肥光大財務及經營決策行使任何重大影響或控制之權利，以換取每年定額保證轉包費用。因此，合肥光大於本年度不再為本集團附屬公司，按照香港會計準則第28號「於聯營公司之投資」，不會以股本會計法處理。本集團於合肥光大之投資因而重新分類為長期投資，按本集團於放棄其控制／影響生效之日應佔合肥光大資產淨值減任何減值虧損列賬。年內，採納香港會計準則第39號後，於合肥光大之投資指定作可出售投資。

基於合肥光大年內財務狀況轉壞，董事認為不大可能可收回於合肥光大之投資，故在本年度綜合損益表中扣除減值虧損3,477,000港元。

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### 21. PROPERTIES UNDER DEVELOPMENT

### 21. 發展中物業

		Group 本集團	
		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Cost as at 31 December*	於十二月三十一日之成本*	555,509	504,868
Add: Attributable profits from the pre-sale of properties	加：應佔預售物業之溢利	-	68,958
Less: Progress instalments received	減：已收進度分期付款項	-	(223,221)
		555,509	350,605
Transferred to properties for sale	轉讓可出售物業	(70,330)	-
Portion classified as current assets	列作流動資產之部分	(194,133)	(289,102)
		291,046	61,503

\* Included interest capitalised amounting to HK\$6,873,000 (2004: HK\$17,413,000).

\* 包括撥充資本之利息6,873,000港元(二零零四年：17,413,000港元)。

The properties under development are situated in Beijing, Mainland China. A plot of land (the "Land") where certain of the Group's properties under development and properties for sale were erected was pledged to a bank for a bank loan of approximately HK\$317 million as at 31 December 2005. Such bank loan is repayable in 2007 (note 30).

發展中物業位於中國北京。本集團於其上建設發展中物業及可出售物業之土地(「土地」)已就於二零零五年十二月三十一日為數約317,000,000港元之銀行貸款，向一家銀行抵押，該筆銀行貸款須於二零零七年償還(附註30)。

During the period, the Group has adopted HK-Int 3 to the pre-completion contracts for the sale of development properties entered into on or after 1 January 2005. Further details of the accounting treatments are set out in note 2.2(e). Deposits received from the buyers of the Group's properties under development in respect of which no profit has been recognised were carried as a current liability at the balance sheet date.

期內，本集團就於二零零五年一月一日或之後訂立有關銷售發展物業之完工前合約採納香港詮釋3。有關該等會計處理方法進一步詳情載於附註2.2(e)。就本集團發展中物業向買家收取而其溢利未予確認之訂金於結算日列作流動負債。

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### 21. PROPERTIES UNDER DEVELOPMENT (continued)

Further details of the Group's properties under development are included on page 178 of the annual report.

### 22. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

### 21. 發展中物業(續)

本集團發展中物業之進一步詳情載於年報第178頁。

### 22. 預付款項、按金及其他應收款

	Group 本集團		Company 本公司	
	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Deposits for the acquisition of:	以下收購訂金：			
An associate	38,054	-	27,000	-
Property interests	9,845	-	-	-
Other receivables	10,509	57,427	1,183	981
Prepayments	24,381	11,343	1,333	919
Deposits	2,551	2,395	1,619	1,621
Carrying amount at 31 December	85,340	71,165	31,135	3,521
Current portion	(37,212)	(68,539)	(4,135)	(3,521)
Non-current portion	48,128	2,626	27,000	-



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### 財務報表附註

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#### 22. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (continued)

On 29 November 2004, the Group entered into certain share purchase agreements with two independent third parties (the "Vendors") for the acquisition of an aggregate of 21% equity interests in Beijing Haidian Science Park Development Co., Ltd. ("Beijing Haidian") for an aggregate consideration of approximately HK\$126 million. During the year, deposits of HK\$38,054,000 had been paid to the Vendors. On 10 April 2006, the Company made an press announcement for extending the completion date of the proposed acquisition to 28 June 2006. Further details of the proposed acquisition were set out in the Company's various press announcements made from 2 December 2004 to 10 April 2006 and a circular dated 25 April 2005 to the Company's shareholders. The deposits paid were carried as non-current assets in the consolidated balance sheet.

On 5 December 2005, the Group entered into a sale and purchase agreement for the acquisition of a property interest in Hong Kong at a consideration of HK\$98,426,000. The deposits paid of HK\$9,845,000 were carried as non-current assets in the consolidated balance sheet.

Included in the other receivables under current assets as at 31 December 2004 were HK\$28,269,000 and HK\$11,308,000, which represented the amounts due from two companies established in the PRC. Such balances were fully repaid during the year.

#### 22. 預付款項、按金及其他應收款(續)

於二零零四年十一月二十九日，本集團與兩名獨立第三方（「賣方」）訂立股份購買協議，收購北京海澱科技園建設股份有限公司（「北京海澱」）合共21%股本權益，總代價約為126,000,000港元。年內，賣方已支付訂金38,054,000港元。於二零零六年四月十日，本公司就延展建議收購之完成日期至二零零六年六月二十八日作出公佈。建議收購之詳情載於本公司於二零零四年十二月二日至二零零六年四月十日期間作出之各報章公佈以及寄發予本公司股東日期為二零零五年四月二十五日之通函。已付訂金於綜合資產負債表列作非流動資產。

於二零零五年十二月五日，本集團就收購香港物業權益訂立買賣協議，代價為98,426,000港元。已付訂金9,845,000港元於綜合資產負債表列作非流動資產。

計入於二零零四年十二月三十一日之流動資產之其他應收款包括應收兩家於中國成立之公司欠款28,269,000港元及11,308,000港元，該筆餘款已於年內全數償還。

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### 23. INVENTORIES

		Group 本集團	
		2005 二零零五年	2004 二零零四年
		HK\$'000 千港元	HK\$'000 千港元
Raw materials	原材料	16,746	23,901
Work in progress	在製品	9,384	12,809
Finished goods	製成品	79,792	58,585
		<u>105,922</u>	<u>95,295</u>

### 24. TRADE AND BILLS RECEIVABLES

The Group's trading terms with its customers are mainly on credit, except for certain customers, where payment in advance is required. The credit period is generally for a period of one month, extending up to three months for major customers except for customers of the Group's property development business whose settlements are made in accordance with the sales contract entered into between the Group and the customers. Each customer has a maximum credit limit. Trade debtors with balances that are more than three months overdue are required to settle all outstanding balances before any further credit is granted. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest-bearing.

### 23. 存貨

### 24. 應收賬款及票據

除若干客戶需要預先付款外，本集團與其客戶訂立之買賣條款主要為記賬方式，信貸期一般為期一個月，主要客戶可獲長至最多三個月之信貸期，惟本集團物業發展業務客戶之結算乃按本集團與客戶訂立之銷售合約作出。每個客戶設有信貸上限。逾期三個月以上之應收賬款結餘，須於獲授出任何進一步信貸前清還所有未償還餘額。鑑於上述事項及本集團應收賬款涉及大量不同的客戶，故並無高度集中信貸風險。應收賬款並不計息。

# NOTES TO FINANCIAL STATEMENTS

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### 24. TRADE AND BILLS RECEIVABLES (continued)

An aging analysis of the trade and bills receivables as at the balance sheet date, based on the invoice date, and net of provisions, is as follows:

		Group 本集團	
		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
1 to 3 months	1至3個月	24,827	13,601
4 to 6 months	4至6個月	-	3,683
7 to 12 months	7至12個月	461	29
More than 1 year	1年以上	-	167
		25,288	17,480

The carrying amounts of trade and bills receivable approximate to their fair values.

### 24. 應收賬款及票據(續)

應收賬款及票據於結算日按照發票日期及扣減撥備後之賬齡分析如下:

應收賬款及票據之賬面值與其公平值相若。

### 25. SECURITIES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS/SHORT TERM INVESTMENTS

		Group 本集團		Company 本公司	
		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Listed equity investments in Hong Kong, at market value	香港上市股票投資, 市值	44,210	12,792	28,297	4,788

The above equity investments at 31 December 2004 were classified as short term investments held for trading.

### 25. 按公平值計入溢利或虧損之證券/短期投資

於二零零四年十二月三十一日, 上述股本投資分類為持作買賣之短期投資。

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### 26. DUE FROM MINORITY EQUITY HOLDERS

The amounts due from the minority equity holders are unsecured, interest-free and settled subsequent to the balance sheet date.

### 26. 應收少數股東權益持有人欠款

應收少數股東權益持有人欠款為無抵押、免息，及已於結算日後償還。

### 27. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

### 27. 現金及現金等價物與已抵押存款

		Group 本集團		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
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Cash and bank balances	現金及銀行結存	339,439	56,199	4,188	3,464
Time deposits with original maturity:	原定於以下期間到期之定期存款：				
Less than three months	三個月內	50,123	131,703	26,550	51,003
Over three months	三個月後	-	3,769	-	-
		<u>389,562</u>	<u>191,671</u>	<u>30,738</u>	<u>54,467</u>
Less: Deposits pledged for short term banking facilities (note 30)	減：就短期銀行貸款抵押之存款（附註30）	(18,653)	(4,845)	(7,500)	-
Cash and cash equivalents	現金及現金等價物	<u>370,909</u>	<u>186,826</u>	<u>23,238</u>	<u>54,467</u>



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#### 27. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS (CONTINUED)

At the balance sheet date, the cash and bank balances of the Group denominated in Renminbi (“RMB”) amounted to HK\$358,421,000 (2004: HK\$128,453,000). The RMB is not freely convertible into other currencies, however, under Mainland China’s Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for various periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The carrying amounts of the cash and cash equivalents and the pledged deposits approximate to their fair values.

#### 27. 現金及現金等價物與已抵押存款(續)

於結算日，本集團以人民幣（「人民幣」）為單位之現金及銀行結存合共為358,421,000港元（二零零四年：128,453,000港元）。人民幣不得自由兌換為其他貨幣。然而，根據中國關於外匯管理及結匯、售匯及付匯管理規定，本集團可在獲授權進行外匯業務之銀行將人民幣兌換為其他貨幣。

銀行現金按每日銀行存款利率計算之浮動利率計息。短期定期存款的存款期由一日至三個月不等，視本集團之即時現金需求而定，並按相關短期定期存款利率計息。現金及現金等價物與已抵押存款之賬面值與其公平值相若。



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### 28. TRADE PAYABLES

An aging analysis of the trade payables as at the balance sheet date, based on the invoice date, is as follows:

1 to 3 months	1至3個月
4 to 6 months	4至6個月
7 to 12 months	7至12個月
More than 1 year	超過1年

### 28. 應付賬款

應付賬款於結算日按照發票日期之賬齡分析如下：

		Group 本集團	
		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
		97,763	80,372
		2,811	2,670
		935	1,193
		7,251	5,754
		<u>108,760</u>	<u>89,989</u>

The trade payables are non-interest-bearing and are normally settled on 60-day terms. The carrying amounts of the trade payables approximate to their fair values.

應付賬款並不計息，一般按60日期限支付。應付賬款之賬面值與其公平值相若。

### 29. OTHER PAYABLES AND ACCRUALS

Accruals	應計費用
Deposits received	已收按金
Other payables	其他應付款

### 29. 其他應付款及應計費用

		Group 本集團		Company 本公司	
		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
		16,414	16,242	2,740	3,054
		7,616	14,660*	-	-
		74,105	60,979	10,857	10,799
		<u>98,135</u>	<u>91,881</u>	<u>13,597</u>	<u>13,853</u>

Other payables are non-interest-bearing and have an average term of three months.

其他應付款並不計息，期限平均為三個月。

\* Last year's balance included a deposit received of HK\$9,288,000 in respect of the disposal of certain items of property, plant and equipment, which was completed during the year.

\* 去年結餘包括就出售年內完成之若干物業、廠房及設備所收訂金9,288,000港元。

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### 30. INTEREST-BEARING BANK BORROWINGS

### 30. 計息銀行借貸

				Group 本集團	
		Effective interest rate (%) 實際利率(%)	Maturity 到期日	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Current	即期				
Bank loans – secured	銀行貸款 – 有抵押	5.5 – 7.0	2006	96,154	28,269
Non-current	非即期				
Bank loans – secured	銀行貸款 – 有抵押	6.3	2007	317,308	310,959
				<u>413,462</u>	<u>339,228</u>

				Group 本集團	
		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元		
Analysed into:					
Bank loans repayable:					
Within one year or on demand	一年內或按要求	96,154	28,269		
In the second year	第二年	317,308	–		
In the third to fifth years, inclusive	第三至第五年(包括首尾兩年)	–	310,959		
				<u>413,462</u>	<u>339,228</u>

Analysed into:

分析:

Bank loans repayable:

應償還銀行貸款:

Within one year or on demand

一年內或按要求

96,154

28,269

In the second year

第二年

317,308

–

In the third to fifth years, inclusive

第三至第五年(包括首尾兩年)

–

310,959

413,462

339,228

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### 30. INTEREST-BEARING BANK BORROWINGS (continued)

As at 31 December 2005, the Group's bank loans were secured by:

- (i) the pledge of the Group's time deposits amounting to approximately HK\$18,653,000 (2004: HK\$4,845,000) (note 27);
- (ii) a legal charge over certain of the Group's leasehold buildings situated in Mainland China (note 13);
- (iii) a legal charge over certain of the Group's leasehold land situated in Mainland China (note 15);
- (iv) a legal charge over the Land (note 21);
- (v) a legal charge over certain of the Group's investment properties (note 14); and
- (vi) a legal charge over certain properties of an independent third party.

### 31. DUE TO RELATED COMPANIES

The amounts due to related companies are unsecured, interest-free and have no fixed terms of repayment. The carrying amounts of the amounts due to related companies approximate to their fair values.

### 30. 計息銀行借貸(續)

於二零零五年十二月三十一日，本集團銀行貸款以下列各項作抵押：

- (i) 本集團約18,653,000港元(二零零四年:4,845,000港元)之定期存款抵押(附註27)；
- (ii) 本集團若干中國租賃樓宇之法定押記(附註13)；
- (iii) 本集團若干中國租賃土地之法定押記(附註15)；
- (iv) 土地法定押記(附註21)；
- (v) 本集團若干投資物業之法定押記(附註14)；及
- (vi) 獨立第三方若干物業之法定押記。

### 31. 應付有關連公司欠款

應付有關連公司之欠款為無抵押、免息，及並無既定還款期。應付有關連公司欠款之賬面值與其公平值相若。

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

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### 32. DEFERRED TAX

The movement in the Group's deferred tax liabilities and assets during the year are as follows:

#### Deferred tax liabilities

		Revaluation of properties 重估物業 HK\$'000 千港元
At 1 January 2004, 31 December 2004 and 1 January 2005	於二零零四年一月一日、 十二月三十一日及二零零五年一月一日	-
Deferred tax charged to the income statement during the year (note 10)	年內自損益表扣除之 遞延稅項 (附註10)	794
At 31 December 2005	於二零零五年十二月三十一日	794

#### Deferred tax assets

	遞延稅項資產	Provision 撥備 HK\$'000 千港元
At 1 January 2004, 31 December 2004 and 1 January 2005	於二零零四年一月一日、 十二月三十一日及二零零五年一月一日	1,000
Exchange differences	匯兌差額	21
At 31 December 2005	於二零零五年十二月三十一日	1,021

### 32. 遞延稅項

本集團於年內之遞延稅項負債及資產變動載列如下：

#### 遞延稅項負債

		遞延稅項負債
At 1 January 2004, 31 December 2004 and 1 January 2005	於二零零四年一月一日、 十二月三十一日及二零零五年一月一日	-
Deferred tax charged to the income statement during the year (note 10)	年內自損益表扣除之 遞延稅項 (附註10)	794
At 31 December 2005	於二零零五年十二月三十一日	794

#### 遞延稅項資產

	遞延稅項資產	遞延稅項資產
At 1 January 2004, 31 December 2004 and 1 January 2005	於二零零四年一月一日、 十二月三十一日及二零零五年一月一日	1,000
Exchange differences	匯兌差額	21
At 31 December 2005	於二零零五年十二月三十一日	1,021



## NOTES TO FINANCIAL STATEMENTS

### 財務報表附註

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#### 32. DEFERRED TAX (continued)

The Group has tax losses arising in Hong Kong of HK\$72,710,000 (2004: HK\$31,016,000), subject to the agreement of the Inland Revenue Department, that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as they have arisen in companies that have been loss-making for some time.

At 31 December 2005, there was no significant unrecognised deferred tax liability (2004: Nil) for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiaries as the Group has no liability to additional tax should such amounts be remitted.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

#### 33. DEFERRED INCOME

During the year, the Group received government grants of HK\$177,906,000 which represented partial refund of land premium in respect of a piece of land for a property redevelopment project situated in Beijing, the PRC. As at 31 December 2005, the project was still in progress and the related costs incurred by the Group for the project were included under "Properties under development" in non-current assets.

The Group had obtained proper approval from the relevant government authority for the grants. No other contingencies are attached to such grants.

The government grants were not recognised as income during the year and were accounted for as non-current liabilities at the balance sheet date.

#### 32. 遞延稅項(續)

本集團於香港產生稅項虧損為72,710,000港元(二零零四年:31,016,000港元),有待與稅務局協議,可用作抵銷產生虧損公司之日後應課稅溢利。由於產生稅項虧損之公司已錄得虧損一段時間,故並無就該等虧損確認任何遞延稅項資產。

於二零零五年十二月三十一日,本集團並無任何重大未確認遞延稅項負債(二零零四年:無),原因為倘匯款已匯出,本集團概無就此進一步繳付額外稅項之責任,故毋須就其若干附屬公司未有匯出之盈利應付任何稅項。

本公司並無因向其股東支付股息而具有任何所得稅責任。

#### 33. 遞延收入

年內,本集團獲政府發出為數177,906,000港元之補助金,此乃就位於中國北京一項物業重建項目之地塊部分地價退回。於二零零五年十二月三十一日,該項目仍在興建中,而本集團就該項目產生之相關成本已列作非流動資產項下之「發展中物業」。

本集團就該等補助金已取得政府有關當局正式的批准。該等補助金並無附有其他或然條件。

年內,政府補助金並無確認為收入,並於結算日列作非流動負債。

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

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### 34. SHARE CAPITAL

### 34. 股本

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
<i>Authorised:</i>	<i>法定:</i>		
2,000,000,000 ordinary shares of HK\$0.10 each	2,000,000,000股每股 面值0.10港元之普通股	<u>200,000</u>	<u>200,000</u>
<i>Issued and fully paid:</i>	<i>已發行及悉數繳足:</i>		
1,544,831,000 ordinary shares of HK\$0.10 each	1,544,831,000股每股 面值0.10港元之普通股	<u>154,483</u>	<u>154,483</u>

### 35. SHARE OPTION SCHEME

### 35. 優先認購股份權計劃

The Company has a share option scheme which was adopted on 25 May 2001 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 share option scheme shall be valid and effective for a period of ten years ending on 24 May 2011, after which no further options will be granted. For options granted before 1 September 2001, the exercise price of options was determined by the board and was the higher of the nominal value of the Company's shares and 90% of the average of the closing prices of the Company's shares on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") for the five business days immediately preceding the date of grant. For options granted on or after 1 September 2001, the exercise price of the options is the highest of the nominal value of the shares, the closing price of the shares on the Stock Exchange on the date of grant and the average closing price of the shares on the Stock Exchange for the five business days immediately preceding the date of grant. Each option gives the holder the right to subscribe for one share.

本公司於二零零一年五月二十五日採納一項優先認購股份權計劃，據此，本公司董事獲授權，可酌情邀請本集團僱員（包括本集團任何成員公司之董事）接納優先認購股份權，以認購本公司股份。優先認購股份權計劃於直至二零一一年五月二十四日前十年一直有效，該日後不可再授出優先認購股份權。就於二零零一年九月一日前授出之優先認購股份權而言，優先認購股份權之行使價乃由董事會釐定，相當於本公司股份面值或緊接授出優先認購股份權當日前五個營業日本公司股份在香港聯合交易所有限公司（「聯交所」）之平均收市價之90%（以較高者為準）。就於二零零一年九月一日或以後授出之優先認購股份權而言，優先認購股份權之行使價為股份面值、於授出優先認購股份權當日股份在聯交所之收市價以及緊接授出優先認購股份權當日前五個營業日股份在聯交所之平均收市價之最高者。每份優先認購股份權賦予持有人權利認購一股股份。



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 December 2005  
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### 35. SHARE OPTION SCHEME (continued)

Pursuant to the amendments (the “New Rules”) to Chapter 17 of the Listing Rules, any options granted after September 2001 must comply with the provisions of the New Rules. If the Company wishes to grant options to its directors or other eligible participants in future, a new share option scheme in compliance with the New Rules is to be approved and adopted by the shareholders of the Company in a general meeting. Since the adoption of the New Rules, no new share option scheme has been approved or adopted.

During the year, no share options were granted or exercised and there were no outstanding options at 31 December 2005 (2004: Nil).

### 36. RESERVES

#### (a) Group

The amounts of the Group’s reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on page 55 of the financial statements.

The Group’s share premium account mainly arose from shares issued at a premium. Pursuant to a special resolution of the shareholders of the Company passed on 29 September 2005, the share premium account was cancelled and utilised to eliminate the accumulated losses of the Group.

### 35. 優先認購股份權計劃 (續)

根據上市規則第17章之修訂(「新規則」), 所有於二零零一年九月後授出之優先認購股份權均須符合新規則之條文。倘本公司擬於將來向其董事或其他合資格參與者授出優先認購股份權, 則必須經本公司股東於股東大會批准及採納符合新規則之新優先認購股份權計劃。自採納新規則以來, 並無批准或採納任何新優先認購股份權計劃。

年內, 概無優先認購股份權獲授出或行使, 於二零零五年十二月三十一日, 概無任何尚未行使優先認購股份權(二零零四年: 無)。

### 36. 儲備

#### (a) 本集團

本集團於目前及過往年度之儲備數額及有關變動已載於財務報表第55頁之綜合權益變動表中。

本集團股份溢價賬主要包括按溢價發行之股份。根據本公司於二零零五年九月二十九日通過之股東特別決議案, 股份溢價賬已註銷, 並用作撇銷本集團累積虧損。



## NOTES TO FINANCIAL STATEMENTS

### 財務報表附註

31 December 2005  
二零零五年十二月三十一日

#### 36. RESERVES (continued)

##### (a) Group (continued)

In accordance with the PRC regulations, certain of the Group's subsidiaries registered in the PRC are required to transfer part of their profits after tax to the statutory reserve fund, before profit distributions are made. The amounts of the transfers are subject to the approval of the boards of directors of these companies, in accordance with their joint venture agreements and/or articles of association. The statutory reserve fund is non-distributable and restricted as to use.

Certain amounts of goodwill arising on the acquisition of subsidiaries in prior years remain eliminated against the consolidated reserves as explained in notes 2.5 and 16 to the financial statements.

#### 36. 儲備 (續)

##### (a) 本集團 (續)

按照中國大陸規例，若干於中國大陸註冊之本集團附屬公司作出溢利分派前，須將其部分除稅後溢利轉撥至法定儲備基金。轉撥款額須由該等公司之董事會按各自之合營協議及／或公司章程細則批准。法定儲備基金不可分派，且其用途是有所限制。

誠如財務報表附註2.5及16所闡釋，於過往年度收購附屬公司所產生商譽之若干數額仍於綜合儲備對銷。



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

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### 36. RESERVES (continued)

#### (b) Company

		Share premium account 股份溢價賬 HK\$'000 千港元	Retained profits/ (accumulated losses) 保留溢利/ (累積虧損) HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1 January 2004	於二零零四年一月一日	677,882	(341,335)	336,547
Net loss for the year (note 11)	年內虧損淨額 (附註11)	-	(19,810)	(19,810)
At 31 December 2004 and at 1 January 2005	於二零零四年十二月 三十一日及二零零五年 一月一日	677,882	(361,145)	316,737
Cancellation of share premium	註銷股份溢價	(677,882)	677,882	-
Net loss for the year (note 11)	年內虧損淨額 (附註11)	-	(48,708)	(48,708)
At 31 December 2005	於二零零五年 十二月三十一日	-	268,029	268,029

Pursuant to a special resolution of the shareholders of the Company passed on 29 September 2005, the share premium account of the Company was cancelled and utilised to eliminate the accumulated loss of the Company.

根據於二零零五年九月二十九日通過之特別決議案，本公司之股份溢價賬已註銷及動用，以對銷本公司之累積虧損。

### 37. BUSINESS COMBINATION

On 22 July 2005, the Group acquired a 80% equity interest in Xin Yang for Nil consideration. Xin Yang is engaged in property development.

### 37. 業務合併

於二零零五年七月二十二日，本集團無償收購鑫陽80%股本權益。鑫陽從事物業發展業務。

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

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### 37. BUSINESS COMBINATION (continued)

The fair values of the identifiable assets and liabilities of Xin Yang as at the date of acquisition and the corresponding carrying amounts immediately before the acquisition were as follows:

			Fair value recognised on acquisition 收購時確認 之公平值 HK\$'000 千港元	Carrying amount 賬面值 HK\$'000 千港元
		Note 附註		
Property, plant and equipment	物業、廠房及設備	13	1,242	1,242
Cash and bank balances	現金及銀行結存		1,510	1,510
Properties under development	發展中物業		8,457	8,457
Prepayments and other receivables	預付款項及其他應收賬款		553	553
Amounts due from equity holders	應收股本持有人欠款		7,480	7,480
Accruals and other payables	應計費用及其他應付賬款		(95)	(95)
Minority interests	少數股東權益		(19,147)	(19,147)
			-	-

An analysis of the net inflow of cash and cash equivalents in respect of the acquisition of a subsidiary is as follows:

		HK\$'000 千港元
Cash and bank balances acquired and net inflow of cash and cash equivalents in respect of the acquisition of a subsidiary	購入現金及銀行結存以及有關收購附屬公司之現金及現金等價物流入淨額	1,510

Since its acquisition, Xin Yang contributed HK\$1,736,000 to the consolidated loss attributable to the equity holders of the Company for the year ended 31 December 2005. Xin Yang had not contributed any revenue to the Group for the current year.

### 37. 業務合併(續)

鑫陽於收購日期之可識別資產及負債公平值及緊接收購前之相應賬面值如下:

有關收購附屬公司之現金及現金等價物流入淨額分析如下:

自收購以來，鑫陽於截至二零零五年十二月三十一日止年度帶來1,736,000港元本公司股本持有人應佔綜合虧損。鑫陽於本年度並無對本集團貢獻任何收入。

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 December 2005  
二零零五年十二月三十一日

### 37. BUSINESS COMBINATION (continued)

Should the acquisition took place at 1 January 2005, Xin Yang would contribute HK\$3,218,000 to the consolidated loss attributable to the equity holders of the Company for the year ended 31 December 2005.

### 37. 業務合併(續)

倘收購於二零零五年一月一日進行，鑫陽應向截至二零零五年十二月三十一日止年度本公司權益持有人應佔綜合虧損貢獻3,218,000港元。

### 38. NOTE TO THE CONSOLIDATED CASH FLOW STATEMENT

#### Disposal of a subsidiary

### 38. 綜合現金流量表附註

#### 出售一家附屬公司

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Net assets disposed of:	售出資產淨值：		
Property, plant and equipment	物業、廠房及設備	-	6,680
Cash and bank balances	現金及銀行結存	-	378
Inventories	存貨	-	3,102
Prepayments, deposits and other receivables	預付款項、按金及 其他應收款	-	5,151
Trade payables	應付賬款	-	(450)
Other payables and accruals	其他應付款 及應計費用	-	(1,049)
Tax payable	應繳稅項	-	(169)
Dividend payable	應付股息	-	(67)
Minority interests	少數股東權益	-	(7,178)
		-	6,398
Gain on disposal of a subsidiary	出售附屬公司之收益	-	59
		-	6,457
Satisfied by:	以下列方式支付：		
Reclassified as a long term investment	重新分類為長期投資	-	3,477
Cash	現金	-	2,980
		-	6,457

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 December 2005  
二零零五年十二月三十一日

### 38. NOTE TO THE CONSOLIDATED CASH FLOW STATEMENT (continued)

#### Disposal of a subsidiary (continued)

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of a subsidiary is as follows:

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Cash consideration	現金代價	-	2,980
Cash and bank balances disposed of	售出現金及銀行結存	-	(378)
Net inflow of cash and cash equivalents in respect of the disposal of a subsidiary	有關出售一家附屬公司之現金及現金等價物流入淨額	-	2,602

### 39. CONTINGENT LIABILITIES

During the year, the Group provided guarantees in favour of certain banks for mortgage loans granted by the banks to the buyers of the Group's properties under development to the extent of approximately HK\$242 million in aggregate. As at the balance sheet date, mortgage loans in aggregate of approximately HK\$200 million were utilised by the buyers of the Group's properties under development and properties for sale.

The Company had no material contingent liabilities as at the balance sheet date.

### 38. 綜合現金流量表附註(續)

#### 出售一家附屬公司(續)

有關出售一家附屬公司之現金及現金等價物流入淨額分析如下:

### 39. 或然負債

年內,本集團就若干銀行向本集團發展中物業之買家授出之按揭貸款,向該等銀行作出擔保合共約242,000,000港元。於結算日,本集團發展中物業及待售物業之買家已動用按揭貸款當中合共約200,000,000港元。

於結算日,本公司並無任何重大或然負債。

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

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### 40. OPERATING LEASE ARRANGEMENTS

#### (a) As lessor

The Group leases certain of its investment properties (note 14) under operating lease arrangements, with leases negotiated for terms ranging from one to twenty years.

At the balance sheet dates, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

		2005	2004
		二零零五年	二零零四年
		HK\$'000	HK\$'000
		千港元	千港元
Within one year	一年內	6,457	3,895
In the second to fifth years, inclusive	第二至第五年 (包括首尾兩年)	19,186	15,118
After five years	五年後	51,301	53,819
		<u>76,944</u>	<u>72,382</u>

#### (b) As lessee

The Group leases certain of its office and factory premises under operating lease arrangements. Leases for properties are negotiated for terms ranging from one to ten years.

### 40. 經營租約安排

#### (a) 作為出租人

本集團根據經營租約安排出租其若干投資物業(附註14)，該等租約之議定年期介乎一至二十年不等。

於結算日，本集團根據不可取消經營租約之未來最低應收租金總額將於下列期間到期：

#### (b) 作為承租人

本集團根據經營租約安排租用其若干辦公室及工廠物業，該等租約之議定年期介乎一至十年不等。

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

31 December 2005  
二零零五年十二月三十一日

### 40. OPERATING LEASE ARRANGEMENTS (continued)

#### (b) As lessee (continued)

At the balance sheet dates, the Group and the Company had total future minimum lease payments under non-cancellable operating leases falling due as follows:

		Group 本集團		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
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Within one year	一年內	5,669	5,523	3,987	3,985
In the second to fifth years, inclusive	第二至第五年 (包括首尾兩年)	5,602	9,785	3,740	7,677
After five years	五年後	778	774	-	-
		<u>12,049</u>	<u>16,082</u>	<u>7,727</u>	<u>11,662</u>

In addition, the Group is required to pay an annual fee of approximately HK\$280,000 in respect of a leasehold land in Mainland China from the year 1992 up to the year 2042 with a 20% increment for every five years. During the year, an annual fee of HK\$397,000 was charged to the consolidated income statement of the Group (2004: HK\$392,000).

### 40. 經營租約安排 (續)

#### (b) 作為承租人 (續)

於結算日，本集團及本公司根據不可取消經營租約之未來最低應付租金總額將於下列期間到期：

此外，本集團自一九九二年起至二零四二年止，須就其在中國之一幅租賃土地支付年費約280,000港元，年費每五年增加20%。年內，本集團支付年費約397,000港元已於綜合損益表反映（二零零四年：392,000港元）。

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

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### 41. COMMITMENTS

In addition to the operating lease commitments detailed in note 40(b) above, the Group and the Company had the following commitments at the balance sheet dates:

### 41. 承擔

除上文附註40(b)所述經營租約承擔外，於結算日，本集團及本公司尚有下列承擔：

	Group 本集團		Company 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
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Authorised, but not contracted for: 已授權但未訂約：				
Acquisition of an associate 收購一家聯營公司	24,038	-	24,038	-
Construction works 發展中物業之 in respect of properties 建築工程 under development	1,745,145	159,123	-	-
	<u>1,769,183</u>	<u>159,123</u>	<u>24,038</u>	<u>-</u>
Contracted, but not provided for: 已訂約但未撥備：				
Acquisition of Beijing Haidian 收購北京海澱 (note 22) (附註22)	89,896	126,000	64,731	90,000
Construction works 發展中物業之 in respect of properties 建築工程 under development	75,523	93,808	-	-
Purchases of items of property, 購買物業、廠房 plant and equipment 及設備項目	10,332	-	-	-
Purchase of an investment 購買投資物業 property	88,581	-	-	-
	<u>264,332</u>	<u>219,808</u>	<u>64,731</u>	<u>90,000</u>
	<u><u>2,033,515</u></u>	<u><u>378,931</u></u>	<u><u>88,769</u></u>	<u><u>90,000</u></u>

# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

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### 42. RELATED PARTY TRANSACTIONS

- (a) In addition to the transactions and balances detailed elsewhere in these financial statements, the Group also had the following material transactions with related parties during the year:

		Group 本集團	
		2005 二零零五年	2004 二零零四年
Notes 附註		HK\$'000 千港元	HK\$'000 千港元
Commission fees paid	已付佣金費用	–	4,524
Sales to the joint venturer	對合營方之銷售	18,332	–
Purchases of plant and machinery from joint venturer	向合營方購買廠房及機器	11,703	–
Rental expenses paid to minority equity holders	已付少數股東租金開支	305	–
Rental income received	已收租金收入	626	–

Notes:

- (i) The commission fees of last year were paid to a real estate agent, in which a director of the Company had an equity interest, for services provided in respect of the sale of the Group's properties under development. The directors considered that the commission rate was comparable to the commission rates charged by other real estate agents.
- (ii) Sales to the joint venturer (the "Joint Venturer") of the Group's jointly-controlled entity, in which a director of the Company is also a director, were made at the selling prices the Joint Venturer charged its customers.
- (iii) The consideration for the plant and machinery was determined with reference to the market values of the relevant assets estimated by independent professional valuers.

### 42. 有關連人士交易

- (a) 除本財務報表其他部分所載列之交易及結餘外，本集團於年內曾與有關連人士進行以下重大交易：

		Group 本集團	
		2005 二零零五年	2004 二零零四年
Notes 附註		HK\$'000 千港元	HK\$'000 千港元
Commission fees paid	已付佣金費用	–	4,524
Sales to the joint venturer	對合營方之銷售	18,332	–
Purchases of plant and machinery from joint venturer	向合營方購買廠房及機器	11,703	–
Rental expenses paid to minority equity holders	已付少數股東租金開支	305	–
Rental income received	已收租金收入	626	–

附註：

- (i) 去年之佣金費用乃就銷售本集團發展中物業所提供服務向本公司一名董事持有股本權益之一家房地產代理支付之佣金。董事認為，有關佣金比率與其他房地產代理收取者相若。
- (ii) 本公司一名董事亦為其董事之本集團共同控制實體之合營方（「合營方」）所作銷售，乃按合營方向其客戶收取之售價進行。
- (iii) 廠房及機器之代價乃參考獨立專業估值師就有關資產估計之市值釐定。



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## 財務報表附註

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### 42. RELATED PARTY TRANSACTIONS (continued)

(a) Notes: (continued)

- (iv) The rentals were charged at HK\$76,190 per month commencing from September 2005. The directors considered that the rental charged was comparable to the rentals of similar properties.
- (v) The rentals from companies in which a director of the Company is also directors were charged at HK\$52,000 per month during the year. The directors considered the rental charge was comparable to market rates.

(b) Other transactions with related parties:

- (i) During the year, the jointly-controlled entity of the Group leased its factory premises and the piece of land where the factory premises was erected from the Joint Venturer free of charge.
- (ii) On 29 December 2005, Ebohr executed a guarantee for a term of one year commencing from 25 January 2006 in favour of the Joint Venturer for a bank loan of approximately of HK\$16.3 million granted to the Joint Venturer by a bank. The bank loan was not utilised by the Joint Venturer at the balance sheet date and was fully drawn down by the Joint Venturer subsequent to the balance sheet date.

### 42. 有關連人士交易 (續)

(a) 附註：(續)

- (iv) 租金自二零零五年九月起為每月76,190港元。董事認為，所收取租金與同類物業租金相若。
- (v) 年內，來自本公司一名董事亦為其董事之若干公司之租金為每月52,000港元。董事認為，所收取租金與市場租值相若。

(b) 與有關連人士之其他交易：

- (i) 年內，本集團共同控制實體無償向合營方租賃其廠房物業及廠房物業所在土地。
- (ii) 於二零零五年十二月二十九日，依波就銀行授予合營方約16,300,000港元銀行貸款為合營方簽立擔保，自二零零六年一月二十五日起為期一年。截至結算日，合營方並無動用有關銀行貸款，但已於結算日後全數提取貸款。

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## 財務報表附註

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### 42. RELATED PARTY TRANSACTIONS (continued)

(c) Outstanding balances with related parties:

(i) As disclosed in the consolidated balance sheet, the Group had outstanding advances payable to a company, in which a director of the Company had equity interests of HK\$134,000 (2004: HK\$3,374,000), as at the balance sheet date. The advances are unsecured, interest free and have no fixed terms of repayment.

(ii) As disclosed in the consolidated balance sheet, the Group had outstanding receivables from the minority equity holders of Xin Yang of HK\$7,480,000 (2004: Nil), as at the balance sheet date. The advances are unsecured, interest-free and settled subsequently to the balance sheet date.

(d) Compensation of key management personnel of the Group:

### 42. 有關連人士交易 (續)

(c) 與有關連人士之未償付結餘:

(i) 誠如綜合資產負債表所披露，於結算日，本集團應付本公司一名董事擁有其權益之一家公司未償還墊款為134,000港元（二零零四年：3,374,000港元）。有關墊款為無抵押、免息及無固定還款期。

(ii) 誠如綜合資產負債表所披露，於結算日，本集團應收鑫陽少數股東之未償還應收賬款為7,480,000港元（二零零四年：無）。有關墊款為無抵押、免息及已於結算日後清還。

(d) 本集團主要管理人員之補償:

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Short term employee benefits	短期僱員福利	8,466	5,470
Post-employment benefits	離職後福利	107	14
Total compensation paid to key management personnel	已付主要管理人員補償總額	<u>8,573</u>	<u>5,484</u>



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

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### 42. RELATED PARTY TRANSACTIONS (continued)

- (d) Compensation of key management personnel of the Group (continued)

Further details of directors' emoluments are included in note 8 to the financial statements.

### 43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise bank loans and cash and short term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables, trade payables, other receivables and other payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are cash flow interest rate risk, foreign currency risk, credit risk and liquidity risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

### 42. 有關連人士交易 (續)

- (d) 本集團主要管理人員之補償 (續)

有關董事酬金之進一步詳情載於財務報表附註8。

### 43. 財務風險管理目標及政策

本集團之主要金融工具包括銀行貸款、現金及短期存款。此等金融工具之主要用途乃為本集團業務籌集資金。本集團有其他直接源自業務之金融資產及負債，例如應收賬款、應付賬款、其他應收款及其他應付款。

本集團金融工具所產生主要風險為現金流量利率風險、外匯風險、信貸風險及流動資金風險。董事會檢討及協定管理上述各項風險之政策，有關政策概述如下。



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#### 43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

##### Cash flow interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with a floating interest rate.

The Group's policy is to manage its interest cost using a mix of fixed and variable rate debts. The Group's policy is to maintain between 35% and 65% of its interest-bearing borrowings at fixed interest rates. The Group currently has not implemented any procedures to hedge its cashflow interest rate risk.

##### Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from sales or purchases by operating units in currencies other than the units' functional currency. Approximately 6% (2004: 11.7%) of the Group's sales are denominated in currencies other than the functional currency of the operating units making the sale, whilst approximately 5.2% (2004: 5.7%) of costs and expenses are denominated in other than the functional currency of the operating units incurring these costs and expenses. The Group currently has not implemented any procedures to hedge its foreign currency risk.

#### 43. 財務風險管理目標及政策(續)

##### 現金流量利率風險

本集團所面對市場利率波動風險主要與其浮動利率債務責任有關。

本集團之政策為同時運用定息及浮息債務管理其利息成本。本集團之政策為將保持35%至65%計息借貸為定息借貸。本集團現時並無實行任何程序對沖其現金流量利率風險。

##### 外匯風險

本集團之交易面對外匯風險。有關風險來自進行買賣交易的營運單位之功能貨幣以外貨幣列值。本集團約6% (二零零四年:11.7%) 之銷售以進行銷售營運單位之功能貨幣以外貨幣列值,約5.2% (二零零四年:5.7%) 之成本及開支以產生該等成本及開支之營運單位之功能貨幣以外貨幣列值。本集團現時並無實行任何程序對沖其外匯風險。



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#### 43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

##### Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, available-for-sale investments and securities measured at fair value through profit or loss, arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral.

##### Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, convertible bonds, other interest-bearing loans and finance leases. The Group's policy is that not more than 75% of borrowings should mature in any 12-month period. 23.3% of the Group's debts would mature in less than one year as at 31 December 2005 (2004: 8.3%).

#### 43. 財務風險管理目標及政策 (續)

##### 信貸風險

本集團僅與信譽良好之第三方進行買賣。本集團之政策為全部獲授信貸期之客戶均須通過信貸評核程序。此外，本集團不斷監控應收賬款結餘，且其所面對壞賬風險並不重大。

本集團其他金融資產包括現金及現金等價物、可出售投資及按公平值計入溢利或虧損之證券，有關信貸風險源自第三方失責，最高款額相等於該等工具賬面值。

由於本集團僅與信譽良好之認可第三方進行買賣，故毋須抵押品。

##### 流動資金風險

本集團之目標為透過運用銀行透支、銀行貸款、可換股債券、其他計息貸款及融資租約，平衡備用資金與靈活彈性。本集團之政策為任何12個月內屆滿之借貸須佔總借貸不超過75%。截至二零零五年十二月三十一日，本集團23.3% (二零零四年：8.3%) 借貸將於一年內到期。



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## 財務報表附註

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### 44. POST BALANCE SHEET EVENTS

Save as disclosed elsewhere in the financial statements, the Group also has the following subsequent events:

- (a) On 9 January 2006, the registered capital of Xin Yang was increased from HK\$25,000,000 to HK\$85,100,000. The increase in registered capital were contributed by the equity holders on a pro rata basis to their respective equity holding in Xin Yang.
- (b) On 25 January 2006, the Group provided a loan guarantee given in favour of Fuzhou Dartong, the jointly-controlled entity of the Group, regarding a loan facility of HK\$17.3 million granted by a bank to Fuzhou Dartong for a period of one year commencing from January 2006. Further details of which are set out in the Company's press announcement dated 26 January 2006.
- (c) On 6 April 2006, the Company entered into a joint venture agreement with Citychamp Dartong Company Limited and Jiangsu Qingjiang M&E Company Limited ("Jiangsu M&E"), whereby the Company will invest HK\$24,000,000 in cash for a 25% interest in the registered capital of the Jiangsu M&E. Further details of which are set out in the Company's press announcement dated 10 April 2006.

### 37. 結算日後事項

除財務報表其他部分披露者外，本集團另曾於結算日後進行以下重大事項：

- (a) 於二零零六年一月九日，鑫陽之註冊股本由25,000,000港元增至85,100,000港元。註冊股本增加來自股本持有人按彼等各自於鑫陽股權比例所作注資。
- (b) 於二零零六年一月二十五日，本集團就銀行授予其共同控制實體福州大通之17,300,000港元貸款融資為福州大通作出貸款擔保，自二零零六年一月起為期一年。有關詳情載於本公司於二零零六年一月二十六日刊發之報章公佈。
- (c) 於二零零六年四月六日，本公司與冠城大通股份有限公司及江蘇大通清江機電有限公司（「江蘇機電」）訂立合營協議，據此，本公司將就於江蘇機電註冊股本之25%權益注資現金24,000,000港元。有關詳情載於本公司於二零零六年四月十日刊發之報章公佈。



# NOTES TO FINANCIAL STATEMENTS

## 財務報表附註

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### 45. COMPARATIVE AMOUNTS

As further explained in notes 2.2 and 2.4 to the financial statements, due to the adoption of new HKFRSs during the current year, the accounting treatment and presentation of certain items and balances in the financial statements have been revised to comply with the new requirements. Accordingly, certain opening balance adjustments have been made and certain comparative amounts have been reclassified to conform with the current year's presentation and accounting treatment.

### 46. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 26 April 2006.

### 45. 比較數字

誠如財務報表附註2.2及2.4所述，由於年內採納新香港財務申報準則，財務報表若干項目及結餘之會計處理方法及呈列方式已修訂，以符合新規定。因此，若干期初結餘已調整及若干比較數字已重新分類，以符合本年度之呈列方式及會計處理方法。

### 46. 批准財務報表

財務報表已於二零零六年四月二十六日獲董事會批准及授權刊發。