

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

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

### 1. GENERAL

The Company is incorporated in the Cayman Islands as an exempted company with limited liability and its shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 27 October 2003. Its parent and ultimate holding company is i-cf, Inc., a company incorporated in Japan. The address of the registered office and principal place of business of the Company are disclosed in the corporate information of the annual report.

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

The Company is an investment holding company and the principal activities of the Group are the development and distribution of pesticides.

### 2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS

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

#### Business combinations

In the current year, the Group has applied HKFRS 3 "Business Combinations" which is effective for business combinations for which the agreement date is on or after 1 January 2005. The principal effects of the application of HKFRS 3 to the Group is in relation to goodwill.

### 1. 一般資料

本公司於開曼群島註冊成立為獲豁免有限公司，其股份自二零零三年十月二十七日起於香港聯合交易所有限公司（「聯交所」）主板上市。其母公司及最終控股公司為i-cf, Inc.（一家於日本註冊成立之公司）。本公司註冊辦事處及主要營業地點之地址於本年報之公司資料中披露。

綜合財務報表乃以本公司功能貨幣港元呈列。

本公司乃投資控股公司，而本集團的主要業務為開發及分銷農藥。

### 2. 採用香港財務申報準則

現年度，本集團已首次應用多項香港會計師公會（「香港會計師公會」）頒佈之新訂香港財務申報準則（「香港財務申報準則」）及香港會計準則（「香港會計準則」）及詮釋（「詮釋」）（以下統稱「新香港財務申報準則」），該等準則於二零零五年一月一日或以後開始之會計期間生效。應用該等新香港財務申報準則導致綜合損益表、綜合資產負債表及綜合權益變動表之呈列方式變動。呈列方式變動已追溯性應用。採用新香港財務申報準則致使本集團於下列方面之會計政策變動（對現年度或以往會計期間業績編製及呈列方式產生影響）：

#### 業務合併

現年度，本集團已採用香港財務申報準則第3號「業務合併」，對協議簽定日期為二零零五年一月一日或以後之業務合併有效。採用香港財務申報準則第3號對本集團之主要影響乃有關商譽。

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### 2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS (continued)

#### Business combinations (continued)

In previous years, goodwill arising on acquisitions prior to 1 January 2001 was held in reserves, and goodwill arising on acquisitions after 1 January 2001 was capitalised and amortised over its estimated useful life. The Group has applied the relevant transitional provisions in HKFRS 3. Goodwill previously recognised in reserves of HK\$193,000 has been transferred to the Group's accumulated profits on 1 January 2005. No other restatement is required as a result of this change in accounting policy.

#### Share-based payment

In the current year, the Group has applied HKFRS 2 "Share-based Payment" ("HKFRS 2") which requires an expense to be recognised where the Group buys goods or obtains services in exchange for shares or rights over shares ("equity-settled transactions"), or in exchange for other assets equivalent in value to a given number of shares or rights over shares ("cash-settled transactions"). The principal impact of HKFRS 2 on the Group is in relation to the expensing of the fair value of the share options of the Company granted to any employees (whether full time or part time), executive and officers of the Group (including executive and non-executive directors of the Company or any of its subsidiaries) and business consultants, agents and legal and financial advisors of the Group under the share option scheme (the "Scheme"), which are calculated with reference to the market value of shares at the date of grant. Prior to the application of HKFRS 2, the Group did not recognise the financial effect of these share options until they were exercised.

### 2. 採用香港財務申報準則(續)

#### 業務合併(續)

以往年度，於二零零一年一月一日前進行收購所產生商譽於儲備中持有，而於二零零一年一月一日後進行收購所產生商譽則撥充資本，並於估計可使用年年期內攤銷。本集團已採用香港財務申報準則第3號之有關過渡性條文。以往於儲備中確認之商譽為數193,000港元已轉撥入本集團於二零零五年一月一日之累積盈利。本集團毋須因會計政策之此項變動而進行其他重列。

#### 以股份為基礎之支付

現年度，本集團已採用香港財務申報準則第2號「以股份為基礎之支付」(「香港財務申報準則第2號」)。香港財務申報準則第2號規定，倘本集團以股份或有關股份之權利作為交換(「權益交收交易」)，或以價值相當於指定數目股份或有關股份之權利之其他資產作為交換(「現金交收交易」)，購買貨物或取得服務，則須確認開支。香港財務申報準則第2號對本集團之主要影響為有關支銷本公司根據購股權計劃(「該計劃」)授予本集團任何僱員(無論全職或兼職)、行政人員及高級職員(包括本公司或其任何附屬公司之執行及非執行董事)及本集團業務顧問、代理及法律及財務顧問之購股權之公平值(參考授出當日股份市值計算)。採用香港財務申報準則第2號前，本集團於該等購股權獲行使時，方確認其財務影響。

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### 2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS (continued)

#### Share-based payment (continued)

Share options are vested immediately at the date of grant. Following the adoption of HKFRS 2, the costs on the Scheme are calculated with reference to the fair value of shares at the date of grant, and are charged to the income statement at the date of grant.

The Group has applied HKFRS 2 to shares granted on or after 1 January 2005. The Group had no share options outstanding from the adoption of the Scheme to 1 January 2005 and accordingly no retrospective restatement is required.

However, the adoption of HKFRS 2 has had a significant impact on the results of operations and financial position of the Group for accounting periods beginning on 1 January 2005. An amount of HK\$8,018,000 representing the estimated fair value of shares granted in November 2005 under the Scheme was charged to the income statement during the year, with an corresponding increase in share-based compensation reserve of HK\$8,018,000.

#### Financial instruments

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

### 2. 採用香港財務申報準則(續)

#### 以股份為基礎之支付(續)

購股權於授出日期即時行使。採納香港財務申報準則第2號後，該計劃之成本參考授出當日股份公平值計算，並於授出當日自損益表扣除。

本集團對於二零零五年一月一日或以後所授出股份採用香港財務申報準則第2號。本集團由採納該計劃時至二零零五年一月一日並無尚未行使之購股權，故此，毋須作追溯重列。

然而，採納香港財務申報準則第2號已對本集團由二零零五年一月一日開始之會計期間之經營業績及財務狀況產生重大影響。為數8,018,000港元款項(相當於根據該計劃於二零零五年十一月所授出股份之估計公平值)已於年內自損益表扣除，令以股份為基礎之薪金儲備相應增加8,018,000港元。

#### 金融工具

現年度，本集團已採用香港會計準則第32號「金融工具：披露及呈列」(「香港會計準則第32號」)及香港會計準則第39號「金融工具：確認及計量」(「香港會計準則第39號」)。香港會計準則第32號規定作追溯應用。香港會計準則第39號(由二零零五年一月一日或以後開始之年度期間生效)一般不容許按追溯基準確認、撤銷確認或計量金融資產及負債。採用香港會計準則第32號及香港會計準則第39號對本集團之金融工具於現行會計期間及以往會計期間之呈列方式並無重大影響。

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### 2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS (continued)

#### Convertible bonds

The principal impact of HKAS 32 on the Group is in relation to convertible bonds issued by the Company that contain both liability and equity components. HKAS 32 requires an issuer of a compound financial instrument that contains both financial liability and equity components to separate the compound financial instrument into the liability and equity components on initial recognition and to account for these components separately. In subsequent periods, the liability component is carried at amortised cost using the effective interest method. The Group had no convertible bonds in previous years and accordingly no retrospective restatement is required.

#### Investment properties

In the current year, the Group has, for the first time, applied HKAS 40 "Investment Property". The Group has elected to use the fair value model to account for its investment properties which requires gains or losses arising from changes in the fair value of investment properties to be recognised directly in profit or loss for the year in which they arise. In previous years, investment properties under the predecessor Standard were measured at open market values, with revaluation surplus or deficits credited or charged to investment property revaluation reserve unless the balance on this reserve was insufficient to cover a revaluation decrease, in which case the excess of the revaluation decrease over the balance on the investment property revaluation reserve was charged to the income statement. Where a decrease had previously been charged to the income statement and a revaluation surplus subsequently arose, that increase was credited to the income statement to the extent of the decrease previously charged. The adoption of HKAS 40 has no significant impact of the financial statements of the Group and no retrospective replacements is required.

### 2. 採用香港財務申報準則(續)

#### 可換股債券

香港會計準則第32號對本集團之主要影響為有關本公司所發行之可換股債券(包括負債及權益部分)。香港會計準則第32號規定，複合金融工具(包括金融負債及權益部分)發行人於初步確認時將複合金融工具分為負債及權益部分，並分別為該等部分列賬。於其後期間，負債部分採用實際利息法按經攤銷成本列賬。本集團以往年度並無可換股債券，故此，毋須作追溯重列。

#### 投資物業

現年度，本集團首度採用香港會計準則第40號「投資物業」。本集團已選擇採用公平值模式為其投資物業列賬。公平值模式規定投資物業公平值變動所產生損益直接於產生年度於損益中確認。於以往年度，根據原有準則，投資物業按公平市價計量，重估盈餘或虧絀計入投資物業重估儲備或自投資物業重估儲備扣除，除非此一儲備之結餘不足以補足重估減值，在此情況下，重估減值高於投資物業重估儲備結餘之部分自損益表扣除。倘減值以往已自損益表扣除及於其後產生重估盈餘，則該增值計入損益賬，惟以以往扣除之減值為限。採納香港會計準則第40號對本集團之財務報表並無重大影響，且毋須作追溯取締。

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### 2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS (continued)

#### Owner-occupied leasehold interest in land

In previous years, owner-occupied leasehold land and buildings were included in property, plant and equipment and measured using the cost model. In the current year, the Group has applied HKAS 17 "Leases" ("HKAS 17"). Under HKAS 17, the land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease classification, unless the lease payments cannot be allocated reliably between the land and buildings elements, in which case, the entire lease is generally treated as a finance lease. To the extent that the allocation of the lease payments between the land and buildings elements can be made reliably, the leasehold interests in land are reclassified to prepaid lease payments under operating leases, which are carried at cost and amortised over the lease term on a straight line basis. This change in accounting policy has been applied retrospectively. The prepaid lease payment for property interest in land has been separately shown in the consolidated balance sheet.

### 2. 採用香港財務申報準則(續)

#### 於土地之業主自用租賃權益

以往年度，業主自用租賃土地及樓宇列入物業、廠房及設備，並採用成本模式計量。於現年度，本集團已採用香港會計準則第17號「租賃」(「香港會計準則第17號」)。根據香港會計準則第17號，土地及樓宇租約之土地及樓宇部分在租約分類時須分別考慮，除非租金未能可靠分配為土地及樓宇兩部分，在此情況下，整份租約一般視為融資租約。倘租金能可靠分配為土地及樓宇兩部分，則於土地之租賃權益重新歸類為經營租約下之預付租金(按成本值列賬，並按直線法於租期內攤銷)。會計政策此項變動已追溯應用。於土地之物業權益之預付租金已於綜合資產負債表內分開呈列。

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### 2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS (continued)

#### Effect of adoption of new HKFRSs

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

### 2. 採用香港財務申報準則(續)

#### 採納新香港財務申報準則之影響

採用新香港財務申報準則於二零零四年十二月三十一日及二零零五年一月一日之累積影響概述如下：

		At 31 December 2004 於二零零四年 十二月三十一日 HK\$'000 千港元 (As previously stated) (以往列示)	Effect of HKAS 17 香港會計 準則第17號 之影響 HK\$'000 千港元	At 31 December 2004 於二零零四年 十二月三十一日 HK\$'000 千港元 (As restated) (經重列)	Effect of HKFRS 3 香港 財務申報 準則第3號 之影響 HK\$'000 千港元	At 1 January 2005 於二零零五年 一月一日 HK\$'000 千港元 (As restated) (經重列)
Balance sheet items:	資產負債表項目：					
Property, plant and equipment	物業、廠房及設備	46,634	(10,630)	36,004	-	36,004
Prepaid lease (current and non-current portion)	預付租金(即期及非即期部分)	-	10,630	10,630	-	10,630
Total effects on assets and liabilities	對資產及負債之整體影響	46,634	-	46,634	-	46,634
Share capital and other reserves:	股本及其他儲備：					
Goodwill reserve	商譽儲備	(193)	-	(193)	193	-
Accumulated profits	累積盈利	79,437	-	79,437	(193)	79,244
Total effects on equity	對權益之整體影響	79,244	-	79,244	-	79,244

The adoption of the new HKFRS does not have any material impact on the income statement for current and prior accounting periods.

採納新香港財務申報準則對現會計期間及以往會計期間之損益表並無任何重大影響。

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### 2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS (continued)

#### Effect of adoption of new HKFRSs (continued)

The Group has not early applied the following new standards and interpretations that have been issued but are not yet effective. The directors of the Company anticipate that the application of these Standards or Interpretations will have no material impact on the financial statements of the Group.

HKAS 1 (Amendment)	Capital disclosures <sup>1</sup>
HKAS 19 (Amendment)	Actuarial gains and losses, group plans and disclosures <sup>2</sup>
HKAS 21 (Amendment)	Net investment in a foreign operation <sup>2</sup>
HKAS 39 (Amendment)	Cash flow hedge accounting of forecast intragroup transactions <sup>2</sup>
HKAS 39 (Amendment)	The fair value option <sup>2</sup>
HKAS 39 and HKFRS 4 (Amendments)	Financial guarantee contracts <sup>2</sup>
HKFRS 6	Exploration for and evaluation of mineral resources <sup>2</sup>
HKFRS 7	Financial Instruments: Disclosures <sup>1</sup>
HK(IFRIC) – INT 4	Determining whether an arrangement contains a lease <sup>2</sup>
HK(IFRIC) – INT 5	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds <sup>2</sup>
HK(IFRIC) – INT 6	Liabilities arising from participating in a specific market – waste electrical and electronic equipment <sup>3</sup>

### 2. 採用香港財務申報準則(續)

#### 採納新香港財務申報準則之影響(續)

本集團並無提前應用下列新標準及詮釋(已頒佈惟尚未生效)。本公司董事預期應用該等標準或詮釋對本集團財務報表並無重大影響。

香港會計準則第1號(修訂)	資本披露 <sup>1</sup>
香港會計準則第19號(修訂)	精算盈虧、集團計劃及披露 <sup>2</sup>
香港會計準則第21號(修訂)	於外國業務之投資淨額 <sup>2</sup>
香港會計準則第39號(修訂)	預測集團內公司間交易之現金流量對沖會計處理 <sup>2</sup>
香港會計準則第39號(修訂)	選擇以公平值入賬 <sup>2</sup>
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 <sup>2</sup>
香港財務申報準則第6號	礦產資源開採及評估 <sup>2</sup>
香港財務申報準則第7號	金融工具：披露 <sup>1</sup>
香港(國際財務報告準則詮釋委員會) – 詮釋4	釐定安排是否包括租賃 <sup>2</sup>
香港(國際財務報告準則詮釋委員會) – 詮釋5	終止運作、復原及環境修復基金產生權益之權利 <sup>2</sup>
香港(國際財務報告準則詮釋委員會) – 詮釋6	參與特定市場 – 廢棄電力及電子設備產生之負債 <sup>3</sup>

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### 2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS (continued)

#### Effect of adoption of new HKFRSs (continued)

HK(IFRIC) – INT 7                      Applying the restatement approach under HKAS 29 Financial Reporting in Hyperinflationary Economies<sup>4</sup>

- <sup>1</sup> Effective for annual periods beginning on or after 1 January 2007.
- <sup>2</sup> Effective for annual periods beginning on or after 1 January 2006.
- <sup>3</sup> Effective for annual periods beginning on or after 1 December 2005.
- <sup>4</sup> Effective for annual periods beginning on or after 1 March 2006.

### 3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared under the historical cost convention except for investment properties which are measured at fair value and certain financial instruments which are measured at fair values at initial recognition, as explained in the accounting policies set out below.

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

#### Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. All inter-company transactions and balances within the Group have been eliminated on consolidation.

The results of subsidiaries acquired and disposed of during the year are included in the consolidated income statement from and up to their effective dates of acquisition and disposal respectively.

### 2. 採用香港財務申報準則(續)

#### 採納新香港財務申報準則之影響(續)

香港(國際財務報告準則詮釋委員會) – 詮釋7                      根據香港會計準則第29號「惡性通貨膨脹經濟中的財務報告」採用重列法

- <sup>1</sup> 由二零零七年一月一日或之後開始之年度期間有效。
- <sup>2</sup> 由二零零六年一月一日或之後開始之年度期間有效。
- <sup>3</sup> 由二零零五年十二月一日或之後開始之年度期間有效。
- <sup>4</sup> 由二零零六年三月一日或之後開始之年度期間有效。

### 3. 主要會計政策

綜合財務報表乃按歷史成本常規法編製，惟以公平值計算之投資物業及若干金融工具(初次確認時按公平值計量)除外，如下文之會計政策所闡釋。

綜合財務報表乃按香港會計師公會頒佈之香港財務申報準則編製。此外，綜合財務報表載有聯交所證券上市規則及香港公司條例所規定之適當披露。

#### 綜合基準

綜合財務報表包括本公司及其附屬公司之財務報表。本集團內所有集團內公司間交易及結餘已於綜合入賬時對銷。

年內收購及出售附屬公司之業績分別由實際收購日期起計入綜合損益表，或計至實際出售日期為止。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Revenue recognition (continued)

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

Revenue is measured at the fair value of consideration received or receivable less returns.

Rental income, including rentals invoiced in advance for property let under operating leases, is recognised on a straight-line basis over the terms of the relevant lease.

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

#### Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is provided to write off the cost of items of property, plant and equipment over their estimated useful lives, using the straight-line method, on the following basis:

Buildings	20 years or the prepaid land lease term, if shorter
Leasehold improvement	5 years
Plant and equipment	10 years
Furniture and fixtures	5 years
Office equipment	5 years
Motor vehicles	10 years

### 3. 主要會計政策(續)

#### 收益確認

貨品銷售額於貨品付運及擁有權轉移時確認。

收益按所收取代價之公平值或應收賬款減回報計量。

租金收入包括根據經營租約出租物業預先收取之發票租金，於有關租約租期按直線法確認。

金融資產所得利息收入乃參考未償還本金及按適用實際利率(乃透過金融資產預期年期將估計日後現金收入貼現成資產賬面淨值之確切比率)以時間基準累計。

#### 物業、廠房及設備

物業、廠房及設備乃按成本減累計折舊及累計減損列賬。

折舊乃按物業、廠房及設備之估計可用年期以直線法撇銷其成本，所用之基準如下：

樓宇	20年或預付土地租賃期(倘屬較短期間)
租賃樓宇裝修	5年
廠房及設備	10年
傢俬及固定裝置	5年
辦公室設備	5年
汽車	10年

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from continued use of the asset. The gain or loss arising from derecognition of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the income statement.

#### Investment properties

On initial recognition, investment properties are measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured using the fair value model. Gains or losses arising from changes in fair value of investment properties are included in profit or loss for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn for use or no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the year in which the item is derecognised.

### 3. 主要會計政策(續)

#### 物業、廠房及設備(續)

物業、廠房及設備項目於出售或倘預計日後經濟利益不會因持續使用該資產而產生時撤銷確認。撤銷確認物業、廠房及設備項目所產生盈虧乃按資產的銷售所得款項與賬面值的差額釐定，並於損益表確認。

#### 投資物業

於初次確認時，投資物業按成本值(包括任何直接應佔開支)計量。初次確認後，投資物業採用公平值模式計量。投資物業公平值變動所產生盈虧於其產生期間列入盈利或虧損。

於出售或倘投資物業永久不再使用或日後經濟利益預計不會因其出售而產生時，投資物業撤銷確認。撤銷資產確認所產生任何盈虧(按出售所得款項淨額與資產賬面值之差額計算)於撤銷該項目確認之年度列入損益表。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Impairment (other than goodwill)

At each balance sheet date, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

#### Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average method.

#### Retirement benefit schemes

Payments to the defined retirement benefit plans are charged as expenses as they fall due.

#### Taxation

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

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

### 3. 主要會計政策(續)

#### 減值(商譽除外)

於各結算日，本集團審閱其資產賬面值，以釐定該等資產有否出現任何減損跡象。倘資產的可收回金額估計少於其賬面值，則資產賬面值須減至其可收回金額。減損即時確認作開支。

倘減損其後獲撥回，資產的賬面值將上調至其經修訂估計可收回金額，惟增加的賬面值不會超逾倘並無於過往年度就資產確認減損而釐定的賬面值。減損撥回即時確認為收入。

#### 存貨

存貨按成本或可變現淨值的較低者入賬。成本以加權平均法計算。

#### 退休福利計劃

定額退休福利計劃付款於到期時支銷。

#### 稅項

所得稅開支指即期應付稅項及遞延稅項之總和。

即期應付稅項乃按本年度應課稅盈利計算。應課稅盈利與損益表所報盈利淨額不同，乃由於前者不包括其他期間之應課稅或可扣稅收入或開支，並且不包括毋須課稅或不可扣稅之損益表項目。本集團即期稅項之負債乃按於結算日已實施或基本上已實施之稅率計算。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Taxation (continued)

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

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 asset to be recovered.

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

### 3. 主要會計政策(續)

#### 稅項(續)

遞延稅項指就財務報表內資產及負債賬面值與計算應課稅盈利所用相應稅基之差額預期應付或可收回之稅項，以資產負債表負債法列賬。遞延稅項負債一般會就所有應課稅暫時差額確認，而遞延稅項資產乃於可能出現可扣稅暫時差額以抵銷應課稅盈利時確認。倘暫時差額因自不影響應課稅盈利或會計盈利之交易項下其他資產及負債之初步確認(業務合併除外)而產生，則不會確認該等資產及負債。

遞延稅項資產之賬面值於各結算日檢討，並於可能不再有足夠應課稅盈利恢復該項資產全部或部分之情況下作出調減。

遞延稅項乃按預期於償還負債或變現資產期間適用之稅率計算。遞延稅項於損益表扣除或計入，惟與直接扣除或計入權益項目相關之遞延稅項亦於權益中處理。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

#### *The Group as lessor*

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised in the income statement on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

#### *The Group as lessee*

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

#### Financial instruments

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

### 3. 主要會計政策(續)

#### 租約

凡擁有權之絕大部分風險及回報屬承租人所有之租約均列為融資租約。所有其他租約均列為經營租約。

#### 本集團作為出租人

承租人根據融資租約應付之款額按本集團於該等租約之投資淨額記作應收賬款。融資租約收入分配予各會計期間，以反映本集團就該等租約尚未完結投資淨額之慣常定期回報率。

經營租約租金收入按直線法於有關租賃年期內於損益表確認。磋商及安排經營租約時所產生初步直接成本附加於租賃資產之賬面值，並按直線法於租期內確認為開支。

#### 本集團作為承租人

根據經營租約應付之租金按直線法於有關租期內自損益賬扣除。於訂立經營租約時作為獎勵已收取及應收取之利益按直線法於租期內確認為租金支出扣減。

#### 金融工具

倘本集團公司為工具合約條文之一方，則金融資產及金融負債於資產負債表內確認。金融資產及金融負債初步按公平值計量。於初次確認時，收購或發行金融資產及金融負債(按公平值透過損益賬處理之金融資產及金融負債除外)直接應佔交易成本附加於金融資產或金融負債(倘適用)公平值或自其公平值扣除。收購按公平值透過損益賬處理之金融資產及金融負債直接應佔交易成本即時於損益賬內確認。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Financial instruments (continued)

##### *Financial assets*

The Group's financial assets are mainly loans and receivables.

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

##### *Financial liabilities and equity*

Financial liabilities and equity instruments issued by a group entity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

The Group's financial liabilities, including trade and other payables, are subsequently measured at amortised cost, using the effective interest rate method. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

### 3. 主要會計政策(續)

#### 金融工具(續)

##### *金融資產*

本集團之金融資產主要為貸款及應收賬款。

貸款及應收賬款屬非衍生金融資產，具固定或可釐定付款而並無活躍市場報價。於初次確認後之各結算日，貸款及應收賬款(包括其他應收賬款及銀行結餘)採用實際利息法按經攤銷成本減任何可識別減損列賬。倘有客觀證據證明資產出現減值，則於損益賬內確認減損，並按資產賬面值與按原有實際利率貼現之估計日後現金流量現值之差額計量。倘資產可收回款項增加客觀地與確認減值後出現之事件相關，則減損於其後期間撥回，惟資產於減損日期之賬面值撥回以不超過倘並無確認減值之經攤銷成本為限。

##### *金融負債及權益*

由集團公司發行之金融負債及權益工具根據所訂立合約安排之實質內容及金融負債及權益工具之定義歸類。權益工具為證明本集團資產經扣減其全部負債後剩餘權益之任何合約。

本集團之金融負債(包括應付賬款及其他應付款項)其後採納實際利率法按經攤銷成本計量。本公司所發行權益工具按所收取之所得款項(經扣除直接發行成本)記賬。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Financial instruments (continued)

##### Convertible bonds

Convertible bonds issued by the Company that contain both financial liability and equity components are classified separately into respective liability and equity components on initial recognition. On initial recognition, the fair value of the liability component is determined using the prevailing market interest of similar non-convertible debts. The difference between the proceeds of the issue of the convertible bonds and the fair value assigned to the liability component, representing the embedded call option for the holder to convert the bonds into equity, is included in equity.

In subsequent periods, the liability component of the convertible bonds is carried at amortised cost using the effective interest method. The equity component, represented by the option to convert the liability component into ordinary shares of the Company, will remain in convertible bonds equity reserve until the embedded option is exercised. No gain or loss is recognised in profit or loss upon conversion or expiration of the option.

Transaction costs that relate to the issue of the convertible bonds are allocated to the liability and equity components in proportion to the allocation of the proceeds. Transaction costs relating to the equity component are charged directly to equity. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the period of the convertible bonds using the effective interest method.

##### Derecognition

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

### 3. 主要會計政策(續)

#### 金融工具(續)

##### 可換股債券

本公司所發行之可換股債券(包括金融負債及權益部分)於初步確認時分別歸類為各自之負債及權益部分。於初步確認時，負債部分之公平值採用相若不可換股債務之通行市場利息釐定。發行可換股債券所得款項與負債部分應佔公平值之差額(相當於持有人將債券轉換成權益之隱含認購期權)列入權益。

於其後期間，可換股債券負債部分採用實際利息法按經攤銷成本列賬。權益部分(由將負債部分轉換成本公司普通股之期權代表)於隱含認購期權獲行使前保存於可換股債券權益儲備。本集團不會就期權獲轉換或屆滿於損益賬內確認盈虧。

發行可換股債券相關交易成本按所得款項分配比率分配予負債及權益部分。權益部分相關交易成本直接自權益中扣除。負債部分相關交易成本列入負債部分之賬面值，並採用實際利息法於可換股債券期間內攤銷。

##### 撤銷確認

倘收取資產所得現金流量之權利屆滿或金融資產轉讓及本集團已轉讓金融資產擁有權之絕大部分風險及回報，則撤銷金融資產確認。於撤銷金融資產確認時，資產賬面值與已收取代價和已直接於權益中確認之累積盈虧之和之差額於損益賬內確認。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Financial instruments (continued)

##### *Derecognition (continued)*

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

#### Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in its functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are re-translated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are dominated in foreign currencies are re-translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in foreign currency are not translated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise, except for exchange differences arising on a monetary item that forms part of the Group's net investment in a foreign operation, in which case, such exchange differences are recognised in equity in the consolidated financial statements (if any).

### 3. 主要會計政策(續)

#### 金融工具(續)

##### *撤銷確認(續)*

就金融負債而言，當及僅當金融負債不再存在(即倘有關合約內之特定責任獲解除、註銷或屆滿)時，方自本集團資產負債表移除。已撤銷確認之金融負債賬面值與已支付代價之差額於損益賬內確認。

#### 外幣

編製集團個別公司之財務報表時，以該公司功能貨幣以外貨幣(外幣)進行之交易按交易當日通行匯率以其功能貨幣記賬(即該公司營運所在主要經濟環境之貨幣)。於各結算日，以外幣為單位之貨幣項目重新按結算日通行匯率換算。按公平值列賬並以外幣為單位之非貨幣項目重新按釐定公平值當日之通行匯率換算。按歷史成本計量以外幣為單位之非貨幣項目不予換算。

貨幣項目交收及貨幣項目換算所產生之匯兌差額於產生期間於損益賬內確認，惟構成本集團於外國業務經營投資淨額一部分之貨幣項目所產生匯兌差額於綜合財務報表(若有)之權益中確認。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Foreign currencies (continued)

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) at the rate of exchange prevailing at the balance sheet date, and their income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised as a separate component of equity (the exchange reserve). Such exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

#### Share-based payment transactions

In respect of the shares granted to any employees (whether full time or part time), executive and officers of the Group (including executive and non-executive directors of the Company or any of its subsidiaries) under the Scheme, the fair value of services received is determined by reference to the fair value of shares granted at the date of grant and recognised as an expense in full at the grant date when the share options granted vest immediately, with a corresponding increase in equity (share-based compensation reserve). Share options granted to business consultant, agents and legal and financial advisors of the Group are measured at the fair value of the services received. In case the fair value of the services cannot be reliably estimated, the fair value of services received will be determined by reference to the fair value of the share options granted at the date of granted and recognised as an expense in full at the grant date when share options granted vest immediately, with a corresponding increase in equity (share based compensation reserve).

At the time when the shares are subsequently issued, the amount previously recognised in the share-based compensation reserve will be transferred to share capital and share premium.

### 3. 主要會計政策(續)

#### 外幣(續)

就呈列綜合財務報表而言，本集團外國業務經營之資產及負債按結算日之通行匯率換算為本集團之呈列貨幣(即港幣)，而其收入及開支按年內平均匯率換算，除非匯率於期內出現重大波動，在此情況下，則採用交易當日之通行匯率。所產生之匯兌差額(若有)作為權益之獨立部分(匯兌儲備)確認。有關匯兌差額於出售外國業務經營期間於損益賬內確認。

#### 以股份為基礎之支付交易

就根據該計劃向本集團任何僱員(無論全職或兼職)、行政人員及高級職員(包括本公司或其任何附屬公司之執行及非執行董事)及本集團業務顧問、代理及法律及財務顧問授出之股份而言，所收到服務之公平值乃參考授出日期所授出股份之公平值釐定，並於授出日期悉數確認為開支(倘所授出購股權即時歸屬)，而權益相應增加(以股份為基礎之薪金儲備)。向本集團業務顧問、代理人及法律及財務顧問授出的購股權按獲取服務之公平值計算。倘服務之公平值不能準確地計算，獲取服務之公平值將參照於授出日期授的購股權之公平值，並於認定其於授出日期當授出之購股權獲即時歸屬時全數確認為開支，而股權亦相應增加(以股份支付的酬金儲備)。

於其後發行股份時，以往於以股份為基礎之薪金儲備中確認之款額撥入股本及股份溢價。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

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

#### 4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying the Group's accounting policies set out in note 3, the management had made the following estimate that have the most significant effect on the amounts recognised in the financial statements.

##### Impairment of intangible assets

The recoverable amount of intangible assets requires an estimate of value in use calculation of cash generating unit. The key assumptions for the value in use calculation are those regarding the discount rate, growth rates and expected changes to selling prices and direct costs during the year. The management estimates discount rates that reflect current market assessment of the time value of money. The growth rates are based on the industry growth forecasts. Changes in selling price and direct costs are based on past practices and expectations.

The value in use calculation is lower than the carrying amount of cash generating unit, accordingly, impairment loss was recognised to write off the full amount of intangible assets in current year.

#### 5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

#### 4. 估計不確定性之主要來源

管理層在應用附註3所列本集團之會計政策過程中，已對財務報表中確認之數額具最重要影響之重大資產作出判斷。

##### 無形資產減值

無形資產可收回款額須就計算現金產生單位之使用價值作出估計。使用價值計算之主要假設乃有關貼現率、增長率及售價之預期變動及年內直接成本。管理層對貼現率作出估計，以反映對貨幣時間值之現行市場評估。增長率乃基於行業增長預測。售價及直接成本變動乃基於過往慣例及預計。

使用價值計算乃低於現金產生單位之賬面值，故此，確認減損，以撇銷現年度之全數無形資產。

#### 5. 財務風險管理目標及政策

本集團主要金融工具包括銀行結餘及應付賬款。該等金融工具詳情於各自之附註中披露。與該等金融工具相關風險及有關如何減低風險之政策載於下文。管理層對該等風險進行管理及監督，以確保已及時而有效地推行適當措施。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

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

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

#### Currency risk

The Group has minimal currency exposure as the majority of all sales were denominated in Renminbi which is the functional currency of the relevant group entities in the PRC. On the other hand, the disbursements were mainly in Renminbi and Hong Kong dollars, which are the functional currency of the relevant subsidiaries. The management conducted periodical review of exposure and requirements of various currencies, and will consider hedging significant foreign currency exposures should the need arises.

#### Credit risk

The Group's maximum exposure to credit risk in the event of the counterparties failure to perform their obligations as at 31 December 2005 in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated balance sheet. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at each balance sheet date to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

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

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings.

### 6. TURNOVER

Turnover represents the amounts received and receivable for goods sold to outside customers, less returns and allowances during the year.

### 5. 財務風險管理目標及政策(續)

#### 貨幣風險

由於本集團大部分銷售以人民幣(中國境內相關集團實體之功能貨幣)為單位,故本集團承受之貨幣風險甚微。另一方面,本集團主要以人民幣及港幣(本公司有關附屬公司之功能貨幣)付款。管理層對各種貨幣之風險及需求進行定期檢討,並考慮對重大外幣風險進行對沖(倘有需要)。

#### 信貸風險

倘交易對手未能於二零零五年十二月三十一日履行有關各類已確認金融資產之責任,則本集團所承受之最大風險為該等資產於綜合資產負債表所列示之賬面值。為盡量減低信貸風險,本集團管理層已委派釐定信貸限額、信貸批核及其他監管程序之專責小組,以確保採取跟進行動收回逾期債項。此外,本集團於各結算日檢討個別應收債項之可收回款額,以確保就不可收回款額作足夠減損。就此而言,本公司董事認為本集團之信貸風險已大大減低。

本集團並無重大信貸風險,其風險分佈於若干交易對手。

由於交易對手為具高信貸評級之銀行,故流動資金信貸風險不大。

### 6. 營業額

營業額即於年內就售予外界顧客貨品之已收及應收賬款(經扣除退貨及折扣)。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

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

### 7. BUSINESS AND GEOGRAPHICAL SEGMENTS

#### (i) Business segments

For management purposes, the Group is currently organised into two operating divisions – development and distribution of solvent pesticides and property investment. These divisions are the basis on which the Group reports its primary segment information.

Segment information about these businesses is presented below:

### 7. 業務及地域分類

#### (i) 業務分類

就管理而言，本集團現分為兩個經營分類：農藥溶劑開發及分銷以及物業投資。本集團以此等分類作為其主要分類資料報告基準。

該等業務之分類資料呈列如下：

		Development and distribution					
		of solvent pesticides 農藥溶劑開發及分銷		Property investment 物業投資		Consolidation 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
<b>INCOME STATEMENT</b>	<b>損益表</b>						
Revenue	收益	<b>3,120</b>	25,481	<b>1,000</b>	1,000	<b>4,120</b>	26,481
Segment results	分類業績	<b>(16,738)</b>	(7,370)	<b>500</b>	610	<b>(16,238)</b>	(6,760)
Other income	其他收入					<b>2,743</b>	658
Unallocated corporate expenses	未分配公司開支					<b>(18,784)</b>	(5,566)
Loss before taxation	除稅前虧損					<b>(32,279)</b>	(11,668)
Taxation	稅項					<b>(200)</b>	(1,000)
Loss for the year	年內虧損					<b>(32,479)</b>	(12,668)
<b>BALANCE SHEET</b>	<b>資產負債表</b>						
<b>ASSETS</b>	<b>資產</b>						
Segment assets	分類資產	<b>40,002</b>	50,794	<b>46,107</b>	46,607	<b>86,109</b>	97,401
Unallocated corporate assets	未分配公司資產					<b>188,753</b>	151,119
Consolidated total assets	綜合資產總值					<b>274,862</b>	248,520
<b>LIABILITIES</b>	<b>負債</b>						
Segment liabilities	分類負債	<b>2,309</b>	3,089	<b>250</b>	250	<b>2,559</b>	3,339
Unallocated corporate liabilities	未分配公司負債					<b>43,555</b>	929
Consolidated total liabilities	綜合負債總值					<b>46,114</b>	4,268

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

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

### 7. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

#### (i) Business segments (continued)

		Development and distribution of solvent pesticides 農藥溶劑開發及分銷		Property investment 物業投資		Consolidation 綜合	
		2005	2004	2005	2004	2005	2004
		二零零五年	二零零四年	二零零五年	二零零四年	二零零五年	二零零四年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
<b>OTHER INFORMATION</b>	<b>其他資料</b>						
Depreciation of property, plant and equipment	物業、廠房及設備折舊	3,662	3,659	-	-	3,662	3,659
Amortisation of intangible assets	無形資產攤銷	940	940	-	-	940	940
Impairment loss of property, plant and equipment	物業、廠房及設備減損	3,364	8,004	-	-	3,364	8,004
Impairment loss of intangible assets	物業、廠房及設備減損	2,115	1,645	-	-	2,115	1,645
Fair value change in investment properties	投資物業公平值變動	500	-	-	-	500	-

#### (ii) Geographical segments

As over 90% of the consolidated revenue of the Group is derived in the PRC, an analysis of the consolidated turnover and trading results of the Group by geographical location of market is not presented. An analysis of the Group's segment assets in which the assets are located is set out as follows:

### 7. 業務及地域分類(續)

#### (i) 業務分類(續)

#### (ii) 地域分類

本集團超過90%綜合收益源自中國，故並無按市場地域呈列本集團綜合營業額及經營業績之分析。本集團按資產所在地區劃分之分類資產分析如下：

		2005	2004
		二零零五年	二零零四年
		HK\$'000	HK\$'000
		千港元	千港元
Carrying amount of segment assets analysed by location of assets:	按資產所在地劃分之分類資產賬面值分析：		
The PRC	中國	177,100	185,239
Hong Kong	香港	97,762	63,281
		<b>274,862</b>	248,520
Additions to plant and equipment analysed by location of assets:	按資產所在地劃分之廠房及設備添置分析：		
Hong Kong	香港	89	-

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

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

### 8. OTHER INCOME

### 8. 其他收入

		2005	2004
		二零零五年	二零零四年
		HK\$'000	HK\$'000
		千港元	千港元
Interest on bank deposits	銀行存款利息	2,737	658
Rental income	租金收入	1,000	1,000
Sundry income	雜項收入	6	484
		<b>3,743</b>	2,142

### 9. LOSS BEFORE TAXATION

### 9. 除稅前虧損

Loss before taxation has been arrived at after charging:

除稅前虧損已扣除下列各項：

		2005	2004
		二零零五年	二零零四年
		HK\$'000	HK\$'000
		千港元	千港元
Depreciation of property, plant and equipment	物業、廠房及設備折舊	3,662	3,659
Release of prepaid lease payments	解除預付租金	590	590
Amortisation of intangible assets included in cost of sales	無形資產攤銷(已計入銷售成本)	940	940
Auditors' remuneration	核數師酬金	850	550
Operating lease charges in respect of premises	物業經營租約支出	191	158
Staff costs	員工成本		
Directors' remuneration	董事酬金		
– fees	– 袍金	300	300
– other emoluments	– 其他酬金	2,444	1,240
– equity-settled share-based payments expenses	– 權益交收以股份為基礎之支付開支	1,802	–
		<b>4,546</b>	1,540
Staff costs excluding directors' emoluments	員工成本，不包括董事酬金	3,385	3,045
Retirement benefit scheme contributions, excluding amounts included in directors' emoluments	退休福利計劃供款，不包括列入董事酬金之款額	114	178
		<b>8,045</b>	4,763
Other equity-settled share-based payments expenses	其他權益交收以股份為基礎之支付開支	6,216	–
and after crediting:	並已計入下列各項：		
Rental income from investment properties less nil outgoings (2004: HK\$390,000)	投資物業租金收入減支出零(二零零四年：390,000港元)	1,000	610

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

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

### 10. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

### 10. 董事及員工酬金

#### Directors' emoluments

#### 董事酬金

		Kwok							
		Isao	Masashi	Sosuke	Osamu	King Yan	Ryutao	Oe	Akinobu
		Matsushima	Ono	Kawanishi	Nakano	Edmund	Okada	Tadayuki	Kataoka
		松島庸	小野雅司	川西崇介	中野治	郭敬仁	岡田隆太郎	大江匡行	片岡曉伸
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
<b>Directors' fees</b>	<b>董事袍金</b>								
Executive	執行	-	-	-	-	-	-	-	-
Independent non-executive	獨立非執行	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-
<b>Other emoluments</b>	<b>其他酬金</b>								
Salaries and other benefits	薪金及其他福利	909	39	-	-	217	-	39	288
Contributions to retirement benefit schemes	退休福利計劃供款	-	-	-	-	-	-	-	-
Share-based payments	以股份為基礎之支付	901	-	-	-	901	-	-	-
		1,810	39	-	-	1,118	-	39	288
<b>Total emoluments</b>	<b>酬金總額</b>	1,810	39	-	-	1,118	-	39	288

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

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

Chen Lawrence 陳維樑 HK\$'000 千港元	Kiyohisa Nanri 南里清久 HK\$'000 千港元	Chiu Ching Katie 趙菁 HK\$'000 千港元	Hin Yat Ha 軒一霞 HK\$'000 千港元	Lao Seng Peng 劉勝平 HK\$'000 千港元	Cai Wei Min 蔡偉民 HK\$'000 千港元	Yeh Tung Ming 葉東明 HK\$'000 千港元	Wong Kin Ping 王建平 HK\$'000 千港元	Sun Juyi 孫聚義 HK\$'000 千港元	Jiang Ming Le 蔣鳴樂 HK\$'000 千港元	Chan Sai Kuai 陳世貴 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
-	-	-	-	-	-	-	-	-	-	-	-
-	-	50	50	-	-	-	-	100	50	50	300
-	-	50	50	-	-	-	-	100	50	50	300
63	-	-	-	243	243	223	168	-	-	-	2,432
-	-	-	-	5	3	-	4	-	-	-	12
-	-	-	-	-	-	-	-	-	-	-	1,802
63	-	-	-	248	246	223	172	-	-	-	4,246
63	-	50	50	248	246	223	172	100	50	50	4,546

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

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

### 10. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (continued)

### 10. 董事及員工酬金(續)

#### Directors' emoluments (continued)

#### 董事酬金(續)

	Lao Seng Peng	Cai Wei Min	Yeh Tung Ming	Wong Kin Ping	Sun Juyi	Lam Ming Yung	Jiang Ming Le	Chan Sai Kuai	2004
	劉勝平	蔡偉民	葉東明	王建平	孫聚義	林明勇	蔣鳴樂	陳世貴	二零零四年
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
<b>Directors' fees</b>	<b>董事袍金</b>								
Executive	執行								
Independent non-executive	獨立非執行								
	-	-	-	-	-	-	-	-	-
	-	-	-	-	100	75	100	25	300
	-	-	-	-	100	75	100	25	300
<b>Other emoluments</b>	<b>其他酬金</b>								
Salaries and other benefits	薪金及其他福利								
Contributions to retirement benefit schemes	退休福利計劃供款								
	350	351	320	195	-	-	-	-	1,216
	12	3	-	9	-	-	-	-	24
	362	354	320	204	-	-	-	-	1,240
<b>Total emoluments</b>	<b>酬金總額</b>								
	362	354	320	204	100	75	100	25	1,540

No directors waived any emoluments in the years end 31 December 2004 and 2005.

於截至二零零四年及二零零五年十二月三十一日止年度，並無董事放棄任何酬金。

# NOTES TO THE FINANCIAL STATEMENTS

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

### 10. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (continued)

#### Employees' emoluments

Of the five highest paid individuals four (2004: three) were directors of the Company. The emoluments of the remaining one (2004: two) individual are as follows:

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Salaries and other benefits	薪金及其他福利	660	812
Retirement benefit scheme contributions	退休福利計劃供款	12	24
		<b>672</b>	<b>836</b>

### 10. 董事及員工酬金(續)

#### 員工酬金

五名最高薪人士包括本公司四名董事(二零零四年:三名)。其餘一名(二零零四年:兩名)最高薪人士之酬金如下:

### 11. TAXATION

The charge comprises: 稅項包括以下各項:

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Current tax	即期稅項		
The PRC – income tax	中國 – 所得稅	200	859
Deferred tax charge	遞延稅項支出	–	141
		<b>200</b>	<b>1,000</b>

### 11. 稅項

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

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

### 11. TAXATION (continued)

The charge for the year can be reconciled to the loss before taxation per the consolidated income statement as follows:

### 11. 稅項(續)

本年度稅項與綜合損益表所示除稅前虧損之對賬如下：

		2005 二零零五年		2004 二零零四年	
		HK\$'000 千港元	%	HK\$'000 千港元	%
Loss before taxation	除稅前虧損	<b>(32,279)</b>		(11,668)	
Tax at PRC income tax rate of 33% (2004: 33%)	按33%(二零零四年: 33%) 中國所得稅稅率 計算之稅項	<b>(10,652)</b>	<b>(33.00)</b>	(3,850)	(33.00)
Tax effect attributable to exempted profit	獲豁免課稅盈利 之稅項影響	-	-	(1,198)	(10.30)
Tax effect of expenses that are not deductible in determining taxable profit	就釐訂應課稅盈利 不可扣稅開支 之稅項影響	<b>3,701</b>	<b>11.46</b>	2,033	17.40
Tax effect of income that is not taxable in determining taxable profit	就釐訂應課稅盈利 毋須課稅收益 之稅項影響	<b>(357)</b>	<b>(1.10)</b>	(32)	(0.20)
Tax effect of deferred tax asset not recognised	未確認遞延稅項資產 之稅項影響	<b>7,176</b>	<b>22.23</b>	3,962	34.00
Others	其他	<b>332</b>	<b>1.02</b>	85	0.70
Tax expense and effective tax rate for the year	年內稅項開支 及實際稅率	<b>200</b>	<b>0.61</b>	1,000	8.60

No provision for Hong Kong Profits Tax has been made as the Group's income neither arises in, nor is derived from, Hong Kong.

由於本集團的收益並非在香港產生或獲得，故並無作出香港利得稅撥備。

Income tax on profits arising from the PRC has been provided based on the prevailing tax rates applicable to the respective companies.

於中國產生之所得稅盈利，乃按當時適用於有關公司之稅率作出撥備。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

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

### 11. TAXATION (continued)

The Company's principal operating subsidiary in the PRC, Fujian Goldigit Fine Chemical Industry Co., Ltd. ("Fujian Goldigit") is subject to a reduced tax rate of 15% for a period of three years commencing from 2003.

No deferred tax asset has been recognised in respect of the tax losses as it is not probable that taxable profit will be available against which the tax losses can be utilised.

### 12. DIVIDENDS

No dividend has been paid or declared by the Company during both years.

### 13. LOSS PER SHARE

The calculation of the loss per share for the year is based on the loss for the year of HK\$32,479,000 (2004: loss of HK\$12,668,000) and on the 1,699,860,000 (2004: 1,699,860,000) shares in issue.

No diluted loss per share has been presented as there is no dilutive effect from the potential ordinary shares during the year.

No diluted loss per share was presented as there were no potential ordinary shares in 2004.

### 11. 稅項(續)

本公司於中國之主要營運附屬公司福建省金澤精細化工有限公司(「福建金澤」)於二零零三年起計三年期間可按15%寬減稅率繳稅。

由於應課稅溢利不可能用於抵銷稅項虧損，故並無就稅項虧損確認遞延稅項資產。

### 12. 股息

本公司於兩個年度內均無派付或宣派股息。

### 13. 每股虧損

年內每股虧損乃根據年內虧損32,479,000港元(二零零四年：虧損12,668,000港元)及已發行股份1,699,860,000股(二零零四年：1,699,860,000股)計算。

由於年內無潛在普通股之攤薄影響，故並無呈列每股攤薄虧損。

由於二零零四年並無任何潛在普通股，故並無呈列每股攤薄虧損。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

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

### 14. PROPERTY, PLANT AND EQUIPMENT

### 14. 物業、廠房及設備

		Furniture and Office Motor						Total
		Buildings	Leasehold improvement	Plant and equipment	fixtures	equipment	vehicles	
		樓宇	租賃樓宇裝修	廠房及設備	傢俬及裝置	辦公室設備	汽車	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
<b>COST</b>	<b>成本</b>							
At 1 January 2004 and 1 January 2005	於二零零四年一月一日及於二零零五年一月一日	29,647	2,262	18,473	191	93	371	51,037
Additions	添置	-	-	-	-	89	-	89
<b>At 31 December 2005</b>	<b>於二零零五年十二月三十一日</b>	<b>29,647</b>	<b>2,262</b>	<b>18,473</b>	<b>191</b>	<b>182</b>	<b>371</b>	<b>51,126</b>
<b>DEPRECIATION AND IMPAIRMENT</b>	<b>折舊及減值</b>							
At 1 January 2004	於二零零四年一月一日	845	352	1,923	113	48	89	3,370
Provided for the year	年內撥備	1,265	452	1,846	39	19	38	3,659
Impairment loss	減損	-	-	8,004	-	-	-	8,004
At 31 December 2004 and 1 January 2005	於二零零四年十二月三十一日及於二零零五年一月一日	2,110	804	11,773	152	67	127	15,033
Provided for the year	年內撥備	1,265	452	1,846	36	26	37	3,662
Impairment loss	減損	-	-	3,364	-	-	-	3,364
<b>At 31 December 2005</b>	<b>於二零零五年十二月三十一日</b>	<b>3,375</b>	<b>1,256</b>	<b>16,983</b>	<b>188</b>	<b>93</b>	<b>164</b>	<b>22,059</b>
<b>CARRYING VALUES</b>	<b>賬面值</b>							
<b>At 31 December 2005</b>	<b>於二零零五年十二月三十一日</b>	<b>26,272</b>	<b>1,006</b>	<b>1,490</b>	<b>3</b>	<b>89</b>	<b>207</b>	<b>29,067</b>
At 31 December 2004	於二零零四年十二月三十一日	27,537	1,458	6,700	39	26	244	36,004

During the year, the directors reviewed the carrying amount of the Group's property, plant and equipment and identified that certain of the production assets have been impaired due to the operating loss of the business. Accordingly, the carrying amounts of those assets are reduced to their respective recoverable amounts, which represent the valuation made by an independent professional valuer on their fair market value in continued use as at the balance sheet date. The fair value market value in continued use means the estimated amount expressed in terms of money that may be reasonably expected for assets in exchange between a willing buyer and a willing seller with equity to both, neither being under any compulsion to sell or buy, both fully aware of all relevant facts, as of an appraisal date, and assuming that the earnings support the value reported.

年內，董事審閱本集團物業、廠房及設備之賬面值，並確認若干生產資產因業務產生經營虧損而出現減值。因此，該等資產之賬面值已減至其各自之可收回款額，即獨立專業估值師以持續使用基準計算於結算日之公平市值作出之估值。按持續使用基準計算之公平市值，指於估值日自願買方與自願賣方之間，於買賣雙方並無被逼買賣，且完全察覺所有有關事實，並假設盈利可支持所申報價值情況下，就交換資產可能合理預期支付之金額列示之估計款額。

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

15. PREPAID LEASE PAYMENTS

15. 預付租金

		Land are rights in the PRC 中國土地使用權 HK\$'000 千港元
<b>COST</b>	<b>成本</b>	
At 1 January 2004, 1 January 2005 and 31 December 2005	於二零零四年一月一日、於二零零五年一月一日 及於二零零五年十二月三十一日	11,797
<b>RELEASE TO INCOME STATEMENT</b>	<b>撥入損益表</b>	
At 1 January 2004	於二零零四年一月一日	577
Charge for the year	年內支出	590
At 31 December 2004 and 1 January 2005	於二零零四年十二月三十一日 及於二零零五年一月一日	1,167
Charge for the year	年內支出	590
<b>At 31 December 2005</b>	<b>於二零零五年十二月三十一日</b>	<b>1,757</b>
<b>CARRYING VALUES</b>	<b>賬面值</b>	
<b>At 31 December 2005</b>	<b>於二零零五年十二月三十一日</b>	<b>10,040</b>
At 31 December 2004	於二零零四年十二月三十一日	10,630

Analysed for reporting purposes as follows:

為申報目的分析如下：

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Current portion	即期部分	590	590
Non-current portion	非即期部分	9,450	10,040
		<b>10,040</b>	10,630

The land use rights in the PRC are under medium term leases.

中國土地使用權以中期租約持有。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

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

### 16. INVESTMENT PROPERTIES

### 16. 投資物業

		HK\$'000 千港元
At 1 January 2004 and 1 January 2005	於二零零四年一月一日及 二零零五年一月一日	46,607
Fair value change	公平值變動	(500)
At 31 December 2005	於二零零五年十二月三十一日	46,107

The investment properties were revalued on a market value at the continued use basis as at 31 December 2004 and 31 December 2005 by Greater China Appraisal Limited, a firm of independent professional property valuers. The continued use basis assumes the properties will be used for the purposes for which the properties are designed and built, or to which they are currently adopted.

獨立專業物業估值師漢華評值有限公司於二零零四年十二月三十一日及於二零零五年十二月三十一日按持續使用基準以市值重估有關投資物業。持續使用基準假設物業將按其設計及興建之目的或現行採用之目的使用。

All the Group's investment properties are leased out under operating leases.

本集團所有投資物業均根據經營租約出租。

Investment properties represent the land use right and buildings in the PRC with a medium term lease.

投資物業指本集團於中國以中期租約持有之土地使用權及樓宇。

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### 17. INTANGIBLE ASSETS

### 17. 無形資產

		<b>Licence</b> 特許權 HK\$'000 千港元	<b>Knowhow</b> 技術 HK\$'000 千港元	<b>Total</b> 總計 HK\$'000 千港元
<b>COST</b>	<b>成本</b>			
At 1 January 2004, 1 January 2005 and at 31 December 2005	於二零零四年一月一日、 於二零零五年一月一日 及於二零零五年 十二月三十一日	1,880	7,520	9,400
<b>AMORTISATION AND IMPAIRMENT</b>	<b>攤銷及減值</b>			
At 1 January 2004	於二零零四年一月一日	1,128	2,632	3,760
Provided for the year	年內撥備	188	752	940
Impairment loss	減損	–	1,645	1,645
At 1 January 2005	於二零零五年一月一日	1,316	5,029	6,345
Provided for the year	年內撥備	188	752	940
Impairment loss	減損	376	1,739	2,115
<b>At 31 December 2005</b>	<b>於二零零五年十二月三十一日</b>	<b>1,880</b>	<b>7,520</b>	<b>9,400</b>
<b>CARRYING VALUES</b>	<b>賬面值</b>			
<b>At 31 December 2005</b>	<b>於二零零五年十二月三十一日</b>	–	–	–
At 31 December 2004	於二零零四年十二月三十一日	564	2,491	3,055

The costs of licence and knowhow are amortised on a straight-line basis over 10 years.

During the year, the directors reviewed the carrying amount of the Group's intangible assets and identified that the intangible assets have been impaired due to the operating loss of the business. Accordingly, the carrying amounts of the assets are written off in full in current year income statement.

### 18. RESTRICTED BANK DEPOSIT

The balance represented restricted bank deposit made to a bank for guarantee granted by that bank to the landlord of one of the Group's rental premises. The term of such rental premise is from 3 January 2006 to 31 December 2008 and accordingly, the restricted bank deposit is classified as non-current.

特許權及技術成本乃按直線法於十年攤銷。

年內，董事審閱本集團無形資產之賬面值，並確認若干無形資產因業務產生經營虧損出現減值。因此，該等資產之賬面值已悉數於現年度損益表內撇銷。

### 18. 有限制銀行存款

該結餘指向銀行作出之有限制銀行存款，以由該銀行向本集團其中一項租賃物業業主授出擔保。該等租賃物業之年期由二零零六年一月三日至二零零八年十二月三十一日止，故此，有限制銀行存款歸類為非流動。

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### 19. INVENTORIES

		2005	2004
		二零零五年	二零零四年
		HK\$'000	HK\$'000
		千港元	千港元
Raw materials and consumables	原料及消耗品	-	4
Work in progress	在製品	-	66
		-	70

### 20. CASH AND BANK BALANCES

Cash and bank balances comprise cash held by the Group and short-term bank deposits with maturity of three months or less. The fair value of these assets approximates to the carrying amounts.

### 21. TRADE AND OTHER PAYABLES

The following is an aged analysis of trade and other payables at the reporting date:

		THE 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
0 to 180 days	0 至180日	953	-
181 to 365 days	181至 365日	-	1,284
Over 365 days	365 日以上	250	517
		<b>1,203</b>	<b>1,801</b>

The fair value of trade and other payables approximates to the carrying amounts.

### 19. 存貨

		2005	2004
		二零零五年	二零零四年
		HK\$'000	HK\$'000
		千港元	千港元
Raw materials and consumables	原料及消耗品	-	4
Work in progress	在製品	-	66
		-	70

### 20. 現金及現金結餘

現金及現金結餘包括本集團所持現金及三個月或以下到期之短期銀行存款。該等資產之公平值與賬面值相近。

### 21. 應付賬款及其他應付款項

應付賬款及其他應付款項於報告日之賬齡分析如下：

		THE 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
0 to 180 days	0 至180日	953	-
181 to 365 days	181至 365日	-	1,284
Over 365 days	365 日以上	250	517
		<b>1,203</b>	<b>1,801</b>

應付賬款及其他應付款項之公平值大致為賬面值。

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### 22. CONVERTIBLE BONDS

On 11 November 2005, the Company issued convertible bonds (the "Bonds") with a principal amount of HK\$51,000,000. The Bonds mature on the third anniversary from the date of first issue and bear zero coupons. The Bonds entitle the holders to convert the Bonds into the Company's ordinary shares at conversion price of HK\$0.2713 per share.

The convertible bonds contain two components, liability and equity elements. Upon the application of HKAS 32 Financial Instruments: Disclosure and Presentation (see Note 3 for details), the convertible bond were split between the liability and equity elements. The equity element is presented in equity heading "convertible bonds – equity reserve".

The fair value of the liability component of the convertible bonds at 31 December 2005, determined based on the present value of the estimated future cash outflows discounted at the prevailing market rate for an equivalent non-convertible bonds at the balance sheet date, was approximately HK\$42,043,000.

### 22. 可換股債券

於二零零五年十一月十一日，本公司發行本金額為51,000,000港元之可換股債券（「債券」）。債券於首次發行日期起計第三週年到期，且屬零票息。債券賦予持有人權利按兌換價每股0.2713港元將債券兌換成本公司普通股。

可換股債券包括兩部分：負債及權益部分。採用香港會計準則第32號金融工具：披露及呈列（詳情見附註3），可換股債券將分為負債及權益部分。權益部分於權益標題下「可換股債券－權益儲備」中呈列。

可換股債券負債部分於二零零五年十二月三十一日之公平值（按相若不可換股債券於結算日之通行市場比率貼現之估計日後現金流出之現值釐定）約為42,043,000港元。

### 23. SHARE CAPITAL OF THE COMPANY

### 23. 本公司股本

		No. of shares 股份數目	HK\$'000 千港元
Authorised:	法定：		
Shares of HK\$0.05 each At 1 January 2004, 31 December 2004 and 31 December 2005	每股面值0.05港元之股份 於二零零四年一月一日、 二零零四年十二月三十一日 及二零零五年十二月三十一日	10,000,000,000	500,000
Issued and fully paid:	已發行及繳足：		
Shares of HK\$0.05 each At 1 January 2004, 31 December 2004 and 31 December 2005	每股面值0.05港元之股份 於二零零四年一月一日、 二零零四年十二月三十一日 及二零零五年十二月三十一日	1,699,860,000	84,993

There were no changes in the Company's authorised, issued and fully paid share capital for both years.

本公司之法定、已發行及繳足股本於兩個年度均無變動。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

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

### 24. SHARE OPTION SCHEME

The Company has a share option scheme (the "Scheme"), which was approved and adopted by the Company on 15 October 2003. The Scheme is for the purpose of enabling the Company to grant options to any employees (whether full time or part time), executives and officers of the Group (including executive and non-executive directors of the Company or any of its subsidiaries) and business consultants, agents and legal and financial advisors of the Group to subscribe for shares in the Company as incentives and rewards for their contribution to the Group. The Scheme will expire in 2013.

Subject to the condition that the total number of shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Scheme and any other schemes of the Company must not exceed 30% of the shares of the Company in issue from time to time, the total number of shares in respect of which options may be granted under the Scheme when aggregated with any shares subject to any other schemes is not permitted to exceed 10% of the shares of the Company, without prior approval from the Company's shareholders. The number of shares in respect of which options may be granted to any individual in aggregate in any 12-month period is not permitted to exceed 1% of the shares of the Company in issue, without prior approval from the Company's shareholders. Options granted to substantial shareholders or independent non-executive directors in any one year exceeding the higher of 0.1% of the Company's shares in issue and with a value in excess of HK\$5 million must be approved by the Company's shareholders.

Options granted must be taken up within 30 days of the date of grant, upon payment of HK\$1 per grant. Options may be exercised at any time from the date of grant of the share option to such date as determined by the board of directors but in any event not exceeding 10 years. The exercise price is determined by the directors of the Company, and will not be less than the higher of the closing price of the Company's shares on the date of grant, the average closing price of the shares for the five business days immediately preceding the date of grant and the nominal value of the Company's shares.

### 24. 購股權計劃

本公司於二零零三年十月十五日批准及採納購股權計劃(「計劃」)，旨在讓本公司向本集團任何全職或兼職僱員、行政人員及高級職員(包括本公司或其任何附屬公司之執行董事及非執行董事)以及本集團業務顧問、代理與法律及財務顧問授予可認購本公司股份之購股權，獎勵及獎賞彼等對本集團所作出貢獻。計劃將於二零一三年屆滿。

根據計劃及本公司任何其他計劃已授出及有待行使之所有尚未行使購股權獲行使而可發行之股份總數，不得超過本公司不時已發行股份30%，在此條件下，未獲本公司股東事先批准前，根據計劃可予授出購股權涉及之股份總數，連同任何其他計劃涉及之股份總數，不得超過本公司股份10%。未獲本公司股東事先批准前，於任何十二個月期間向任何個別人士授出之購股權涉及之股份總數，不得超過本公司已發行股份之1%。於任何一年向主要股東或獨立非執行董事授出之購股權，倘超出本公司已發行股份0.1%或其價值超出5,000,000港元之較高者，則必須獲本公司股東批准。

授出之購股權須於授出日期起計三十日內接納，於接納時須就每份獲授購股權支付1港元。購股權可由授出日期起至董事會所釐定之日期止期間隨時行使，惟行使期不得超過十年。行使價由本公司董事釐定，但不得低於下列三者之最高者：本公司股份於授出日期之收市價；緊接授出日期前五個營業日之股份平均收市價及本公司股份面值。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

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

### 24. SHARE OPTION SCHEME (continued)

The number of options, which have been granted to the directors of the Company and consultants of the Group under the share option scheme, during the year is as follows:

	Date of grant 授出日期	Exercisable period 可行使期間	Exercise price 行使價	Granted during the year and outstanding at 31.12.2005 年內已授出及於二零零五年十二月三十一日尚未行使
Directors 董事	15.11.2005	15.11.2005 – 14.11.2015	0.305	33,997,200
Consultants 顧問	15.11.2005	15.11.2005 – 14.11.2015	0.305	1,699,860
Consultants 顧問	15.11.2005	15.11.2005 – 14.11.2015	0.315	115,590,480
				151,287,540

The fair values of options granted were calculated using the Black-Scholes pricing model. The inputs into the models are as follows:

Share price at date of grant	HK\$0.31
Expected volatility	38.8%
Expected life in year	1
Risk free rate	4.01%
Expected dividend yield	nil

The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restitutions and behavioural considerations.

The fair value of each option was HK\$0.053 at the date of grant.

### 24. 購股權計劃(續)

年內，根據購股權計劃授予本公司董事及本集團顧問之購股權數目如下：

年內已授出及於二零零五年十二月三十一日尚未行使

所授出購股權之公平值採用畢蘇期權定價模式(Black-Scholes Option Pricing Model)計算。按以下方式輸入該模式：

授出日期之股價	0.31 港元
預計波幅	38.8%
預計年期	1
無風險比率	4.01%
預計股息收益率	零

該模式所採用之預計年期已按管理層之最佳估計就不可轉讓性、恢復行使及行為考慮因素作出調整。

於授出日期，每份購股權之公平值為0.053港元。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

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

### 25. RESERVES

#### (a) Special reserve

The special reserve represents the difference between the fair values of the underlying net assets of the subsidiaries at the date on which they were acquired by the Company and the nominal amount of the Company's shares issued under the group reorganisation in June 2001.

#### (b) Statutory reserve funds

As stipulated by the relevant laws and regulations for foreign investment enterprises in the PRC, the subsidiaries in the PRC are required to maintain three statutory reserves, being a statutory surplus reserve fund, an enterprise expansion fund and a staff welfare and incentive bonus fund which are non-distributable. Appropriations to such reserves are made out of net profit after taxation of the statutory financial statements of the subsidiaries in the PRC while the amounts and allocation basis are decided by their board of directors annually. The statutory surplus reserve fund can be used to make up prior year losses, if any, and can be applied in conversion into capital by means of capitalisation issue. The enterprise expansion fund is used for expanding the capital bases of the subsidiary in the PRC by means of capitalisation issue.

No appropriations as made to the staff welfare and incentive bonus fund in prior or current periods.

### 26. CONTINGENT LIABILITIES

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

### 25. 儲備

#### (a) 特別儲備

特別儲備指本公司收購附屬公司當日有關資產淨值公平值與本公司根據集團重組於二零零一年六月所發行股份面值之差額。

#### (b) 法定儲備基金

如中國有關外資企業之法律及規例所訂定，中國附屬公司須設有三項法定儲備，即法定盈餘儲備基金、企業擴充基金及員工福利及獎勵花紅基金（屬不可分派）。該等儲備自中國附屬公司之法定財務報表之除稅後盈利淨額撥款，而款額及分配基準每年由董事會決定。法定盈餘儲備基金可用於補足上年度虧損（若有），並可以資本化發行方式用於轉換成資本。企業擴充基金可以資本化發行方式用於擴充中國附屬公司之資本基礎。

於以往期間或現期間，並無向員工福利及獎勵花紅基金撥款。

### 26. 或然負債

本集團於結算日並無任何重大或然負債。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

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

### 27. OPERATING LEASES

#### The Group as lessee

At the balance sheet date, the Group had commitments for future minimum lease payments in respect of properties under non-cancellable operating leases which fall due as follows:

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Within one year	一年內	1,829	39
In the second to fifth years inclusive	第二至第五年，包括首尾兩年	1,774	-
		<b>3,603</b>	<b>39</b>

#### The Group as lessor

At the balance sheet date, the Group has contracted with a tenant for the following future minimum lease payments:

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Within one year	一年內	1,000	1,000
In the second to fifth years inclusive	第二至第五年，包括首尾兩年	1,000	2,000
		<b>2,000</b>	<b>3,000</b>

The Group's investment properties are held for rental purposes and committed the tenant for a period of four years, commencing from January 2004 to December 2007.

### 28. COMMITMENTS

The Group had no material commitment at the balance sheet date.

### 27. 經營租約

#### 本集團作為承租人

於結算日，本集團就有關物業之不可撤銷經營租約承擔之日後最低租賃款項於下列年期到期：

	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Within one year	1,829	39
In the second to fifth years inclusive	1,774	-
	<b>3,603</b>	<b>39</b>

#### 本集團作為出租人

於結算日，本集團已就下列日後最低租賃款項與租戶訂立合約：

	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Within one year	1,000	1,000
In the second to fifth years inclusive	1,000	2,000
	<b>2,000</b>	<b>3,000</b>

本集團之投資物業持作出租用途，租戶獲承諾之租期由二零零四年一月起至二零零七年十二月止，為期四年。

### 28. 承擔

本集團於結算日並無任何重大承擔。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

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

### 29. RELATED PARTY TRANSACTIONS

Details of key management compensation are set out in note 10 to the financial statements. The Group had no other significant related party transactions for both years.

### 30. RETIREMENT BENEFIT SCHEME

The group companies operating in the PRC participate in defined contribution retirement schemes organised by the relevant local government authorities in the PRC. All PRC employees are entitled to an annual pension equal to a fixed portion of their ending basic salaries at their retirement dates. The Group is required to make specific contributions to the retirement schemes at a rate of 18% (2004: 18%) of basic salary of its PRC employees and has no further obligation for post-retirement benefits beyond the annual contributions made. Pursuant to these arrangements, the retirement plan contributions paid for the year ended 31 December 2005 amounted to approximately HK\$75,000 (2004: HK\$110,000).

The Group has a Mandatory Provident Fund Scheme ("MPF Scheme") for all its non-PRC employees. The MPF Scheme is registered with the Mandatory Provident Fund Scheme Authority under the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the rules of the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at rates specified in the rules. The only obligation of the Group with respect of the MPF Scheme is to make the required contributions under the MPF Scheme. The retirement benefit scheme contributions arising from the MPF Scheme charged to the income statement represent contributions payable to the funds by the Group. During the year, the Group made retirement benefit scheme contributions to the MPF Scheme amounting to HK\$51,000 (2004: HK\$92,000).

### 29. 關連人士交易

主要管理層之酬金詳情載於財務報表附註10，於兩個年度，本集團並無其他重大關連人士交易。

### 30. 退休福利計劃

本集團於中國經營之公司參與由中國有關地方政府機關設立的定額供款退休計劃。所有中國僱員均可享有根據彼等於退休日期之底薪按固定比例計算的年度退休金。本集團須就退休計劃按其中國僱員底薪之18% (二零零四年：18%) 作出特定供款，除年度供款外，本集團對退休後之福利並無進一步責任。根據該等安排，截至二零零五年十二月三十一日止年度之退休計劃供款約75,000港元 (二零零四年：110,000港元)。

本集團就所有非中國僱員加入強制性公積金計劃(「強積金計劃」)。強積金計劃已根據強制性公積金計劃條例向強制性公積金管理局註冊。強積金計劃之資產與本集團資產分開處理，並由獨立信託人管理。根據強積金計劃規則，僱主及其僱員各自均須按規則所規定之比率向該計劃作出供款。本集團在強積金計劃下之唯一責任為支付強積金計劃規定之供款。強積金計劃產生之退休福利計劃供款於損益表扣除，乃指由本集團向該基金支付的供款。年內，本集團向強制性公積金計劃作出之退休福利計劃供款為51,000港元 (二零零四年：92,000港元)。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

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

### 31. FINANCIAL INFORMATION OF THE COMPANY

### 31. 本公司之財務資料

		2005	2004
		二零零五年	二零零四年
		HK\$'000	HK\$'000
		千港元	千港元
Non-current assets	非流動資產		
Property, plant and equipment (note a)	物業、廠房及設備(附註a)	88	10
Investments in subsidiaries (note b)	於附屬公司之投資(附註b)	28,475	28,475
		<b>28,563</b>	28,485
Current assets	流動資產		
Prepayments and deposits	預付款項及存款	244	-
Amounts due from subsidiaries	附屬公司欠款	26,680	110,626
Cash and bank balances	現金及銀行結餘	177,946	33,181
		<b>204,870</b>	143,807
Current liabilities	流動負債		
Accruals	應計款項	953	723
Amount due to a subsidiary	結欠附屬公司款項	17,485	150
		<b>18,438</b>	873
Net current assets	流動資產淨值	<b>186,432</b>	142,934
Total assets less current liabilities	總資產減流動負債	<b>214,995</b>	171,419
Non-current liabilities	非流動負債		
Convertible bonds (note 22)	可換股債券(附註22)	42,043	-
Net assets	資產淨值	<b>172,952</b>	171,419
Capital and reserves	資本及儲備		
Share capital (note 23)	股本(附註23)	84,993	84,993
Reserves (note c)	儲備(附註c)	87,959	86,426
		<b>172,952</b>	171,419

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

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

### 31. FINANCIAL INFORMATION OF THE COMPANY (continued)

Notes:

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

		Furniture and fixtures 傢俬 及裝置 HK\$'000 千港元	Office equipment 辦公室 設備 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<b>COST</b>	<b>成本</b>			
At 1 January 2004	於二零零四年一月一日及			
and 1 January 2005	於二零零五年一月一日	6	23	29
Additions	添置	–	89	89
At 31 December 2005	於二零零五年十二月三十一日	6	112	118
<b>DEPRECIATION</b>	<b>折舊</b>			
At 1 January 2004	於二零零四年一月一日	3	11	14
Provided for the year	年內撥備	1	4	5
At 31 December 2004	於二零零四年十二月三十一日			
and 1 January 2005	及於二零零五年一月一日	4	15	19
Provided for the year	年內撥備	1	10	11
At 31 December 2005	於二零零五年十二月三十一日	5	25	30
<b>NET BOOK VALUES</b>	<b>賬面淨值</b>			
<b>At 31 December 2005</b>	<b>於二零零五年十二月三十一日</b>	<b>1</b>	<b>87</b>	<b>88</b>
At 31 December 2004	於二零零四年十二月三十一日	2	8	10

#### (b) Investments in subsidiaries

#### (b) 於附屬公司之投資

		2005 & 2004 二零零五年及二零零四年 HK\$'000 千港元
Unlisted shares	非上市股份	28,475

The carrying value of the unlisted shares is based on the fair values of the underlying net assets of the subsidiaries at the time they became members of the Group under the reorganisation of the Group for listing of its shares on the Stock Exchange.

非上市股份之賬面值乃按附屬公司根據本集團就其股份於聯交所上市而進行重組成為本集團成員公司時之有關資產淨值公平值計算。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

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

### 31. FINANCIAL INFORMATION OF THE COMPANY (continued)

Notes: (continued)

#### (b) Investments in subsidiaries (continued)

Particulars of the Company's subsidiaries, all of which are wholly-owned at 31 December 2005 are as follows:

Name of subsidiary/ kind of legal entity 附屬公司名稱/ 法人實體類別	Place/ country of incorporation/ establishment 註冊成立/ 成立地點/國家	Issued and fully paid ordinary share capital/ registered capital 已發行及繳足 普通股本/註冊資本	Proportion of nominal value of issued capital held by the Company 本公司持有已發行 股本面值之比例		Principal activities 主要業務
			Directly	Indirectly	
			直接	間接	
			%	%	
Goldigit Limited/ limited liability 有限責任公司	British Virgin Islands ("BVI") 英屬處女群島 (「英屬處女群島」)	US\$10,000 10,000美元	100	–	Investment holding 投資控股
Master Tailor Investments Limited/ limited liability 有限責任公司	BVI 英屬處女群島	US\$1 1美元	–	100	Investment holding 投資控股
Spring New Developments Limited/ limited liability 有限責任公司	BVI 英屬處女群島	US\$1 1美元	–	100	Investment holding 投資控股
Fujian Goldigit/ wholly foreign- owned enterprise 福建金澤/全外資企業	PRC 中國	HK\$3,000,000 3,000,000港元	–	100	Development and distribution of solvent pesticides 開發及分銷農藥溶劑

### 31. 本公司之財務資料(續)

附註：(續)

#### (b) 於附屬公司之投資(續)

本公司全資附屬公司於二零零五年十二月三十一日之詳情如下：

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

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

### 31. FINANCIAL INFORMATION OF THE COMPANY (continued)

Notes: (continued)

#### (b) Investments in subsidiaries (continued)

Name of subsidiary/ kind of legal entity 附屬公司名稱/ 法人實體類別	Place/ country of incorporation/ establishment 註冊成立/ 成立地點/國家	Issued and fully paid ordinary share capital/ registered capital 已發行及繳足 普通股本/註冊資本	Proportion of nominal value of issued capital held by the Company 本公司持有已發行 股本面值之比例		Principal activities 主要業務
			Directly 直接 %	Indirectly 間接 %	
Fuzhou Development Zone Goldigit Fine Chemical Industry Co., Ltd./wholly foreign-owned enterprise 福州開發區金澤精細 化工有限公司/全外資企業	PRC 中國	HK\$10,000,000 10,000,000港元	–	100	Property holding 持有物業
Quanzhou Quangang Fine Chemical Co., Ltd./wholly foreign-owned enterprise 泉州泉港金澤精細化工 有限公司/全外資企業	PRC 中國	US\$1,000,000 1,000,000美元	–	100	Inactive 暫無營業
Richpro Group Limited/ limited liability company 英屬處女群島 有限責任公司	BVI 英屬處女群島	US\$1 1美元	100	–	Investment holding 投資控股

### 31. 本公司之財務資料(續)

附註：(續)

#### (b) 於附屬公司之投資(續)

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

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

### 31. FINANCIAL INFORMATION OF THE COMPANY (continued)

Notes: (continued)

#### (b) Investments in subsidiaries (continued)

Name of subsidiary/ kind of legal entity 附屬公司名稱/ 法人實體類別	Place/ country of incorporation/ establishment 註冊成立/ 成立地點/國家	Issued and fully paid ordinary share capital/ registered capital 已發行及繳足 普通股/註冊資本	Proportion of nominal value of issued capital held by the Company 本公司持有已發行 股本面值之比例		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
			%	%	
Direct Offer Limited/ limited liability 有限責任公司	BVI 英屬處女群島	US\$1 1美元	100	–	Investment holding 投資控股
Profit Now Investment Limited/limited liability 有限責任公司	Hong Kong 香港	HK\$1 1港元	100	–	Inactive 暫無營業
Signalmedia Networks Hong Kong Limited/ limited liability 有限責任公司	Hong Kong 香港	HK\$1 1港元	–	100	Inactive 暫無營業

All the subsidiaries incorporated in the British Virgin Islands operate in Hong Kong and all the PRC subsidiaries operate in the PRC.

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

### 31. 本公司之財務資料(續)

附註：(續)

#### (b) 於附屬公司之投資(續)

所有於英屬處女群島註冊成立之附屬公司於香港經營，而所有中國附屬公司均於中國經營。

於年結日或年內任何時間，並無任何附屬公司有任何發行在外之債務證券。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

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

### 31. FINANCIAL INFORMATION OF THE COMPANY (continued)

Notes: (continued)

#### (c) Reserves

		Share premium	Shared-based compensation reserve 以股份為基礎之薪金儲備	Convertible bonds reserve 可換股債券儲備	Special reserve 特別儲備	Accumulated losses 累計虧損	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2004	於二零零四年一月一日	72,657	-	-	28,470	(9,242)	91,885
Loss for the year	年內虧損	-	-	-	-	(5,459)	(5,459)
At 1 January 2005	於二零零五年一月一日	72,657	-	-	28,470	(14,701)	86,426
Loss for the year	年內虧損	-	-	-	-	(15,442)	(15,442)
Recognition of equity component of convertible bonds	確認可換股債券之權益部分	-	-	8,957	-	-	8,957
Recognition of equity settled share-based payments	確認權益交收以股份為基礎之支付	-	8,018	-	-	-	8,008
<b>At 31 December 2005</b>	<b>於二零零五年十二月三十一日</b>	<b>72,657</b>	<b>8,018</b>	<b>8,957</b>	<b>28,470</b>	<b>(30,143)</b>	<b>87,959</b>

### 31. 本公司之財務資料(續)

附註：(續)

#### (c) 儲備

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

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

### 32. POST BALANCE SHEET EVENTS

- (a) On 3 January 2006, the Company entered into a sale and purchase agreement with Jovian Communication Group Limited to acquire the entire issued share capital of Jovian Financial Communications Limited ("Jovian") at the consideration of HK\$23,600,000. The consideration is to be satisfied as to HK\$14,160,000 by cash and HK\$9,440,000 by the Company allotting and issuing 31,466,666 new shares to Jovian Communication Group Limited, credited as fully paid, at an issue price of HK\$0.30 per share.

Details of the acquisition is set out in the circular dated 10 March 2006.

The Group is in the process of assessing of the fair values of the identifiable assets and liabilities of Jovian and accordingly, the financial effects of the acquisition is not presented.

The acquisition has been completed as at the date of this report.

- (b) On 11 April 2006, the Company entered into a subscription agreement in relation to the subscription by four subscribers of an aggregate of 959,000,000 new shares at the price of HK\$0.20 per new share. The estimated net proceeds from the subscription amount to approximately HK\$191.2 million and are intended to be used for future investment purposes. Such subscription of new shares is subject to the approval at an extraordinary general meeting on 12 May 2006.

### 32. 結算日後事項

- (a) 於二零零六年一月三日，本公司與溢星傳播集團有限公司訂立買賣協議，以購入溢星財經傳播有限公司（「溢星」）全部已發行股本，代價23,600,000港元。代價中14,160,000港元將以現金支付，而9,440,000港元將由本公司向溢星傳播集團有限公司配發及發行31,466,666新股（按發行價每股0.30港元入賬列作繳足）方式支付。

有關是項收購詳情載於日期為二零零六年三月十日之通函。

本集團正在評估溢星可識別資產及負債之公平值，故此，並無呈列收購之財務影響。

於本報告刊發日期，是項收購已完成。

- (b) 於二零零六年四月十一日，本公司與四位認購人訂立一項認購協議，按每股新股份0.20港元價格認購合共959,000,000股新股份。估計認購所得款項淨額約為191,200,000港元，並擬用於日後投資用途。此項新股份認購須待二零零六年五月十二日舉行之股東特別大會批准，方可作實。