

# Notes to the Financial Statements

## 財務報表附註

### 1 GENERAL INFORMATION

Raymond Industrial Limited (the “Company”) was incorporated in Hong Kong in 1964. The principal activities of the Company and its subsidiaries (the “Group”) are investment holding, and manufacturing and sale of electrical home appliances in North America, Japan, Australia, Europe and the People’s Republic of China (the “PRC”).

The Company is a limited liability company incorporated in Hong Kong. The address of its registered office is Rooms 1801-1813, 18th Floor Grandtech Centre, 8 On Ping Street, Shatin, New Territories, Hong Kong.

The Company is listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

These consolidated financial statements are presented in Hong Kong dollars unless otherwise stated and have been approved for issue by the Board of Directors on 12th April 2006.

### 2 PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### (a) Basis of preparation

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”), Hong Kong Accounting Standards (“HKASs”) and Interpretation (“HK (SIC)-Ints”) (collectively the “new HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) which are effective for accounting periods beginning on or after 1st January 2005. They have been prepared under the historical cost convention except for investment properties which are stated at fair value.

### 1 架構和經營

利民實業有限公司(「本公司」)在1964年於香港註冊。本公司及其附屬公司(「本集團」)之主要業務是投資控股、製造及在北美、日本、澳洲、歐洲及中華人民共和國(「中國」)銷售家用電器。

本公司為一家有限公司，在香港註冊成立。註冊地址為香港、新界、沙田、安平街八號偉達中心十八樓1801-1813室。

本公司的股份主要在香港聯合交易所有限公司上市。

綜合財務報表以港幣列報(除非另有說明)。綜合財務報表已經由董事會在二零零六年四月十二日批准刊發。

### 2 主要會計政策

編制本綜合財務報表採用的主要會計政策載於下文。除另有說明外，此等政策在所呈報的所有年度內貫徹應用。

#### (a) 編製基準

此財務報表按香港會計師公會頒佈之香港財務報告準則(「新香港財務報告準則」)及香港會計準則(「會計準則」)及詮釋關於於二零零五年一月一日或以後開始之會計期間生效之修訂編製。賬目並依據歷史成本常規法編製。賬目並依據歷史成本常規法編製，惟投資物業乃按公平值列賬。

## Notes to the Financial Statements

### 財務報表附註

#### 2 PRINCIPAL ACCOUNTING POLICIES

(continued)

##### (a) Basis of preparation (continued)

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

The Group early adopted HKAS 40 "Investment Property" and HK(SIC) Interpretation ("HK(SIC)-Int") 21 "Income Taxes – Recovery of Revalued Non-depreciated Assets" during the year ended 31st December 2004. In 2005, the Group adopted the following new HKFRSs which are relevant to its operations.

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 14	Segment Reporting
HKAS 16	Property, Plant and Equipment
HKAS 17	Leases
HKAS 18	Revenue
HKAS 19	Employee Benefits
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

#### 2 主要會計政策 (續)

##### (a) 編製基準 (續)

編制符合財務準則的財務報表需要使用若干關鍵會計估計。這亦需要管理層在應用本公司會計政策過程中行使其判斷。涉及高度的判斷或高度複雜性的範疇，或涉及對綜合財務報表屬重大假設和估算的範疇，在附註4中披露。

本集團提前於二零零四年十二月三十一日採納會計準則第40號「投資物業」及會計準則一詮釋21「所得稅－經重估非折舊資產的收回」。於二零零五年，本集團採納下列與其業務相關之新／經修訂之香港財務報告準則。

會計準則1	財務報表之呈報
會計準則2	存貨
會計準則7	現金流量表
會計準則8	會計政策、會計估算更改及錯誤更正
會計準則10	結算日後事項
會計準則14	分部報告
會計準則16	物業、機器及設備
會計準則17	租賃
會計準則18	收入
會計準則19	員工福利
會計準則21	匯率變更之影響
會計準則23	借貸成本
會計準則24	關聯方披露
會計準則27	綜合及獨立財務報表
會計準則28	聯營公司投資
會計準則31	合營企業權益
會計準則32	金融工具：披露及呈報
會計準則33	每股盈利
會計準則36	資產減值
會計準則37	撥備、或然負債及或然資產

## Notes to the Financial Statements

### 財務報表附註

#### 2 PRINCIPAL ACCOUNTING POLICIES (continued)

##### (a) Basis of preparation (continued)

HKAS 39	Financial Instruments: Recognition and Measurement
HKFRS 2	Share-based Payments
HKFRS 5	Non-current Assets Held for Sale and Discontinued Operations
HK(SIC)-Int 15	Operating Leases – Incentives

The adoption of HKASs 1, 2, 7, 8, 10, 14, 16, 18, 19, 21, 23, 24, 27, 28, 31, 32, 33, 36, 37, 39 and HK(SIC)-Int 15 did not result in substantial changes to the Group's accounting policies. In summary:

- HKAS 1 has affected the presentation of minority interests, share of net after-tax results of associates, jointly controlled entities and other disclosures.
- HKASs 2, 7, 8, 10, 14, 16, 18, 19, 23, 27, 28, 31, 32, 33, 36, 37, 39 and HK(SIC)-Int 15 had no material effect on the Group's policies.
- HKAS 21 had no material effect on the Group's policy. The functional currency of the Group has been re-evaluated based on the guidance to the revised standard.
- HKAS 24 has affected the identification of related parties and some other related party disclosures.

The adoption of HKAS 17 has resulted in a change in the accounting policy relating to the reclassification of leasehold land and land use rights from property, plant and equipment to operating leases. The up-front prepayments made for the leasehold land and land use rights are expensed in the income statement on a straight-line basis over the period of the lease or when there is impairment, the impairment is expensed in the income statement. In prior years, the leasehold land and land use rights were accounted for at cost less accumulated depreciation and accumulated impairment losses.

#### 2 主要會計政策 (續)

##### (a) 編製基準 (續)

會計準則39	金融工具：確認及計量
財務準則2	以股份為基礎的支付
財務準則5	待售非流動資產及不持續經營
會計準則－詮釋15	營運租賃－優惠

採納新訂／經修訂會計準則1, 2, 7, 8, 10, 14, 16, 18, 19, 21, 23, 24, 27, 28, 31, 32, 33, 36, 37, 39以及會計準則－詮釋15並無導致本集團的會計政策出現重大變動。總括而言：

- 會計準則1影響少數股東權益、應佔聯營公司稅後業績及其他披露的呈報形式。
- 會計準則2, 7, 8, 10, 14, 16, 18, 19, 23, 27, 28, 31, 32, 33, 36, 37, 39以及會計準則－詮釋15對本集團的政策並無重大影響。
- 會計準則21對本集團政策並無重大影響。本集團的功能貨幣已根據經修訂準則的指引重新計值。
- 會計準則24影響關聯方的確認和若干其他關聯方披露。

採納經修訂會計準則17導致會計政策改變，涉及將租賃土地及土地使用權由物業、機器及設備重新分類為營運租賃。就租賃土地及土地使用權作出的首期預付款在租賃期間以直線法於損益表支銷，或如有減值，將減值在損益表支銷。在以往年度，租賃土地按公平值或成本減累計折舊及累計減值列賬。

## Notes to the Financial Statements

### 財務報表附註

#### 2 PRINCIPAL ACCOUNTING POLICIES (continued)

##### (a) Basis of preparation (continued)

The adoption of HKFRS 2 has resulted in a change in the accounting policy for share-based payments. In prior years, the provision of share options to employees did not result in an expense in the income statements. Effective on 1st January 2005, the Group expensed the cost of share options in the income statement.

The adoption of HKFRS 5 has resulted in substantial changes to the presentation and disclosures of the Group's property leasing business as discontinuing operations in the financial statements. A discontinuing operation is a component of the Group's business, the operation and cash flows of which can be clearly distinguished from the rest of the Group and which represents a separate major line of business or geographical area of operations.

An operation is classified as discontinuing when it is highly probable that the carrying amount of the assets and liabilities directly associated with the operation will be recovered through a sale transaction rather than through continuing use and the assets/liabilities are available for sale in their present condition, if earlier, or the Group has disposed of the operation. The assets directly associated with discontinuing operations are stated at the lower of carrying amount and fair value less costs to sell, except for investment property which is carried at fair value.

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

- HKFRS 2 – only retrospective application for all equity instruments granted after 7th November 2002 and not vested at 1st January 2005. The Group's share options granted in previous year have all been vested before 1st January 2005 and hence retrospective application is not required.
- HKFR 5 – only prospective application after 1st January 2005.

#### 2 主要會計政策 (續)

##### (a) 編製基準 (續)

採納財務準則2導致以股份為基礎的支付的會計政策改變。在往年，向僱員提供購股權不構成損益表上的費用。由二零零五年一月一日起，本集團將購股權的成本在損益表支銷。

採納財務準則5主要改變是財務報表編制及集團出租物業業務改變為即將終止業務披露。即將終止業務是集團主要業務其業務及現金流量在集團之主要業務及地區業務已清楚呈報。

若直接與有關業務之資產及負債之賬面值將可透過以現況出售交易比透過持續使用及資產／負債而收回較高，則分類為即將終止業務。如較早，或本集團出售該業務。直接與即將終止業務有關之資產以較低賬面值及公平變值減成本出售列出，投資物業則除外按公平變值作賬面值。

本集團已根據各有關準則的過渡條文對會計政策作出所有變更(如適用)。本集團採納的所有準則均需要追溯應用，惟以下除外：

- 財務準則2—只對二零零二年十一月七日後授予但於二零零五年一月一日仍未歸屬的所有股權工具作追溯應用；本集團於往年授予認股權在二零零五年一月一日前既定則不適用。財務準則5—於二零零五年一月一日後應用。
- 財務準則5—於二零零五年一月一日後應用。

## Notes to the Financial Statements

### 財務報表附註

#### 2 PRINCIPAL ACCOUNTING POLICIES (continued)

##### (a) Basis of preparation (continued)

- (i) The adoption of HKAS 17 resulted in an increase in opening reserves at 1st January 2004 by HK\$732,917.

#### 2 主要會計政策 (續)

##### (a) 編製基準 (續)

- (i) 採納經修訂之會計準則第17號導致於二零零四年一月一日之儲備增加港幣732,917元。

		2005 二零零五年 HK\$ 港幣	2004 二零零四年 HK\$ 港幣
<b>As at 31st December</b>	於十二月三十一日		
Decrease in property, plant and equipment	減少物業、廠房及設備	(13,190,741)	(13,488,500)
Increase in leasehold land and land use rights	增加租用土地及土地使用權	14,133,062	14,326,119
Increase in net assets	增加淨資產	942,321	837,619
<b>For the year ended 31st December</b>	十二月三十一日年度止		
Decrease in depreciation expense	減少折舊費用	545,290	513,873
Increase in amortisation expense	增加攤銷費用	(440,588)	(409,171)
Increase in profit for the year	增加本年盈利	104,702	104,702
Increase in basic earning per share from continuing operations	增加持續經營業務基本每股盈利	HK cents 0.03港仙	HK cents 0.03港仙
Increase in diluted earnings per share from continuing operations	增加持續經營業務攤薄每股盈利	HK cents 0.03港仙	HK cents 0.03港仙

## Notes to the Financial Statements

## 財務報表附註

2 PRINCIPAL ACCOUNTING POLICIES  
(continued)

## (a) Basis of preparation (continued)

(ii) The adoption of HKFRS 2 resulted in:

## 2 主要會計政策(續)

## (a) 編製基準(續)

(ii) 採納香港財務報告準則第2號之結果

		2005 二零零五年 HK\$ 港幣
<b>As at 31st December</b>	於十二月三十一日	
Increase in capital reserve	增加資本儲備	616,132
Increase in share premium	增加股本溢價	111,805
Decrease in retained earnings	減少滾存溢利	(727,937)
		-
<b>For the year ended 31st December</b>	十二月三十一日年度止	
Increase in staff costs	增加員工成本	727,937
Decrease in basic earnings per share from continuing operations	減少持續經營業務基本每股盈利	HK cents 0.19港仙
Decrease in diluted earning per share from continuing operations	減少持續經營業務攤薄每股盈利	HK cents 0.19港仙

Certain new standards, amendments and interpretations to existing HKFRSs (collectively the "Amendments") have been published and are mandatory for accounting periods beginning on or after 1st January 2006. Some of the Amendments may be relevant and applicable to the Group but have not been early adopted in these financial statements. The group has commenced, but not yet completed, an assessment of the impact of the applicable Amendments on the Group's results of operations and financial position. Management are of the view that these Amendments would not have significant impact on the financial statements of the Group.

若干已發表及本集團始於二零零六年一月一日或以後或其他的期間有強制性的新準則、修訂及對現有準則的詮釋。本集團已於本財務報表沒有提早採納有關及應用之修正。本集團已開始對此等新修訂對營運及財政狀況之影響管理層此等修訂不會對本集團之財務報表有重大影響。



## Notes to the Financial Statements

## 財務報表附註

**2 PRINCIPAL ACCOUNTING POLICIES**  
(continued)**(b) Group accounting***(i) Consolidation*

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

Subsidiaries are those entities in which the Company, directly or indirectly, controls the composition of the board of directors, controls more than half the voting power or holds more than half of the issued share capital.

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

All significant intercompany transactions and balances within the Group are eliminated on consolidation.

The gain or loss on the disposal of a subsidiary represents the difference between the proceeds of the sale and the Group's share of its net assets including goodwill on acquisition net of any accumulated impairment loss and any related accumulated foreign currency translation reserve.

Minority interests represent the interests of outside shareholders in the operating results and net assets of subsidiaries.

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

*(ii) Associates*

An associate is a company, not being a subsidiary or a jointly controlled entity, in which an equity interest is held for the long-term and significant influence is exercised in its management generally accompanying a shareholding of between 20% and 50% of the voting rights.

Investments in associates are accounted for by the equity method of accounting and are initially recognised at cost.

**2 主要會計政策 (續)****(b) 集團報表***(i) 綜合財務報表*

綜合財務報表包括本公司及其附屬公司截至十二月三十一日止之財務報表。

附屬公司指本公司直接或間接控制董事會之組成、超過半數投票權或持有過半數發行股本之公司。

在年內購入或售出之附屬公司，其業績由收購生效日起計或計至出售生效日止列入綜合損益表內。

所有集團內公司間之重大交易及結餘已於綜合財務報表時抵銷。

出售附屬公司之收益或虧損指出售所得之收入與本集團應佔該公司資產淨值之差額，連同包括收購減值之淨收購商譽，以及任何相關之累積外幣匯兌儲備。

少數股東權益指外界股東在附屬公司之經營業績及資產淨值中擁有之權益。

在本公司之資產負債表內，附屬公司之投資以成本值扣除減值虧損準備入賬。本公司將附屬公司之業績按已收及應收股息入賬。

*(ii) 聯營公司*

聯營公司為附屬公司或共同控制實體以外，本集團持有其股權作長期投資，並對其管理具有重大影響力之公司，通常附帶有20%–50%投票權的股權。

聯營公司投資以權益會計法入賬，初始以成本確認。

## Notes to the Financial Statements

### 財務報表附註

#### 2 PRINCIPAL ACCOUNTING POLICIES (continued)

##### (b) Group accounting (continued)

###### (ii) Associates (continued)

The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

###### (iii) Jointly controlled entities

A jointly controlled entity is a contractual arrangement whereby the Group and other parties undertake an economic activity which is subject to joint control and none of the participating parties has unilateral control over the economic activity.

The consolidated income statement includes the Group's share of the results of jointly controlled entities for the period, and the consolidated balance sheet includes the Group's share of the net assets of the jointly controlled entities and goodwill/negative goodwill (net of accumulated impairment losses) on acquisition.

##### (c) Translation of foreign currencies

###### (i) Functional and presentation currency

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

#### 2 主要會計政策 (續)

##### (b) 集團報表 (續)

###### (ii) 聯營公司 (續)

本集團應佔收購後聯營公司的溢利或虧損於損益表內確認，而應佔收購後儲備的變動則於儲備賬內確認。投資賬面值會根據累計之收購後儲備變動而作出調整。如本集團應佔一家聯營公司之虧損等於或超過其在該聯營公司之權益，包括任何其他無抵押應收款，本集團不會確認進一步虧損，除非本集團已代聯營公司承擔責任或作出付款。

###### (iii) 共同控制實體

共同控制實體指本集團與其他人士以合約協議方式共同進行經濟活動，該活動受雙方共同控制，任何一方均沒有單方面之控制權。

綜合損益賬包括本集團應佔共同控制實體本年度業績，而綜合資產負債表則包括本集團應佔共同控制實體之資產淨值及收購產生之商譽／負商譽（扣除累計攤銷）。

##### (c) 外幣匯兌

###### (i) 功能和列賬貨幣

本集團每個實體的財務報表所列項目均以該實體營運所在的主要經濟環境的貨幣計量（「功能貨幣」）。綜合財務報表以港幣呈報，港幣為本公司的功能及列賬貨幣。



## Notes to the Financial Statements

## 財務報表附註

**2 PRINCIPAL ACCOUNTING POLICIES**  
(continued)**(c) Translation of foreign currencies** (continued)*(ii) Transactions and balances*

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

*(iii) Group companies*

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

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of equity.

**(d) Product development costs**

Product development costs are expensed as incurred.

**2 主要會計政策 (續)****(c) 外幣匯兌 (續)***(ii) 交易及結餘*

外幣交易採用交易日的匯率換算為功能貨幣。結算此等交易產生的匯兌盈虧以及將外幣計值的貨幣資產和負債以年終匯率換算產生的匯兌盈虧在損益表確認。

*(iii) 集團公司*

功能貨幣與列賬貨幣不同的所有集團實體(當中沒有嚴重通脹貨幣)的業績和財務狀況按如下方法換算為列賬貨幣：

- 每份呈報的資產負債表內的資產和負債按該資產負債表日期的收市匯率換算；
- 每份損益表內的收入和費用按平均匯率換算(除非此匯率並不代表交易日期匯率的累計影響的合理約數；在此情況下，收支項目按交易日期的匯率換算)；及
- 所有由此產生的匯兌差額確認為權益的獨立組成項目。

**(d) 產品發展成本**

產品發展成本在發生時作為費用支銷。

## Notes to the Financial Statements

### 財務報表附註

#### 2 PRINCIPAL ACCOUNTING POLICIES (continued)

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

###### (i) Construction in progress

Construction in progress represents machinery pending installation and investment in building where construction work has not been completed. Construction in progress is stated at cost, which includes construction expenditures, installation and other direct costs capitalised during the construction period.

No depreciation is provided on the construction in progress until they are put into use and transferred to property, plant and equipment upon completion.

###### (ii) Other property, plant and equipment

Other property, plant and equipment, comprising properties, plant and machinery, furniture, fixtures and equipment, moulds and motor vehicles are stated at cost less accumulated depreciation and accumulated impairment losses.

###### (iii) Depreciation

Property, plant and equipment are depreciated at rates sufficient to write off their cost less accumulated impairment losses over their estimated useful lives on a straight-line basis or reducing balance basis. The principal annual rates are as follows:

Leasehold properties	物業	2% – 4% Straight line 直線法
Plant and machinery	廠房及機器	3% – 15% Straight line 直線法
Furniture, fixtures and equipment	傢俬、裝置及設備	10% – 18% Straight line 直線法
Moulds	工模	10% Reducing balance 餘額遞減法
Motor vehicles	汽車	25% Reducing balance 餘額遞減法

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

#### 2 主要會計政策 (續)

##### (e) 物業，廠房及設備

###### (i) 在建工程

在建工程是指等待裝置的機器及未建築完成的廠房。在建工程是以在建期間的建築費用、裝置和其他已撥充資本的直接成本列賬。

在建工程不會計提折舊直至完工及結轉為固定資產。

###### (ii) 其他物業，廠房及設備

其他物業，廠房及設備包括物業、廠房及設備、傢俬、裝置及工具、工模及汽車以成本值減累積折舊及累積減值虧損列賬。

###### (iii) 折舊

固定資產則以直線法或餘額遞減法於其估計可用年限內將其成本值減累積減值虧損撇銷。主要之折舊年率如下：

資產的剩餘價值及可使用年期在每個結算日進行檢討，及在適當時調整。

## Notes to the Financial Statements

## 財務報表附註

**2 PRINCIPAL ACCOUNTING POLICIES**  
(continued)**(e) Property, plant and equipment** (continued)*(iv) Gain or loss on sale*

The gain or loss on disposal of an item of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in the income statement.

**(f) Investment properties**

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

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

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

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

After initial recognition, investment property is carried at fair value. Fair value is based on active market prices, adjusted if necessary, for any difference in the nature, location or condition of the specific asset as determined annually by independent qualified valuers.

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

**2 主要會計政策 (續)****(e) 物業，廠房及設備 (續)***(iv) 出售盈虧*

出售物業，廠房及設備之盈利或虧損乃銷售所得款項淨額與有關資產之賬面值之差額，並於損益表予列算。

**(f) 投資物業**

為獲得長期租金收益或資本增值或兩者兼備而持有，且並非由綜合集團內的公司佔用的物業列為投資物業。

投資物業包括以營運租賃持有的土地及以融資租賃持有之樓宇。

以營運租賃持有的土地，如符合投資物業其餘定義，按投資物業分類及記賬。營運租賃猶如其為融資租賃而記賬。

投資物業初步按其成本計量，包括相關的交易成本。

在初步確認後，投資物業按公平值列賬。公平值每年由獨立估值師根據活躍市場價格計算，如有需要就個別資產的性質、地點或狀況的任何差異作出調整。

投資物業的公平值反映(包括其他)來自現有租賃的租金收入，及在現時市場情況下未來租賃的租金收入假設。

## Notes to the Financial Statements

### 財務報表附註

#### 2 PRINCIPAL ACCOUNTING POLICIES (continued)

##### (f) Investment properties (continued)

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

Changes in fair values are recognised in the income statement.

Investment property subject to a sale transaction entered during the year but not yet completed at the year end is classified within assets directly associated with discontinuing operations.

##### (g) Operating leases

Leases where substantially all the risks and rewards of ownership of assets remain with the lessor are accounted for as operating leases. Payments made under operating leases (including leasehold land and land use rights) net of any incentives received from the lessor are charged to the income statement on a straight-line basis over the lease periods.

##### (h) Inventories

Inventories comprise stocks and work in progress and are stated at the lower of cost and net realisable value. Cost, calculated on the weighted average cost formula, comprises materials, direct labour and an appropriate proportion of all production overhead expenditure. Net realisable value is determined on the basis of anticipated sales proceeds less estimated selling expenses.

#### 2 主要會計政策 (續)

##### (f) 投資物業 (續)

其後支出只有在與該項目有關的未來經濟利益有可能流入本集團，而該項目的成本能可靠衡量時，才計入在資產的賬面值中。所有其他維修及保養成本在產生的財政期間內於損益表支銷。

公平值變動在損益表列賬。

於本年有關投資物業銷售交易未能在本年度完成將分類為有關即將終止業務之資產。

##### (g) 經營租賃

經營租賃是指擁有資產之風險及回報實質上由出租公司保留之租賃。租賃款額在扣除自出租公司收取之任何獎勵金後，於租賃期內以直線法在損益表中支銷。

##### (h) 存貨

存貨包括製成品及在製品，按成本值與可變現淨值兩者之較低者入賬。成本值以加權平均法計算，並包括原材料、直接人工及所有生產經常開支之應佔部份。可變現淨值乃按預計銷售所得款項扣除估計營銷費用計算。

## Notes to the Financial Statements

## 財務報表附註

**2 PRINCIPAL ACCOUNTING POLICIES**  
(continued)**(i) Trade and other receivables**

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

**(j) Cash and cash equivalents**

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and deposits held at call with banks.

**(k) Provisions**

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

**(l) Employee benefits***(i) Employee leave entitlements*

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

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

**2 主要會計政策 (續)****(i) 貿易及其他應收款**

貿易及其他應收款初步以公平值確認，其後利用實際利息法按攤銷成本扣除減值撥備計量。當有客觀證據證明本集團將無法按應收款的原有條款收回所有款項時，即就貿易及其他應收款設定減值撥備。撥備金額為資產賬面值與按實際利率貼現的估計未來現金流量的現值兩者的差額。撥備金額在損益表確認。

**(j) 現金及現金等價物**

現金及現金等價物按成本在資產負債表內列賬。在現金流量表中，現金及現金等價物包括現金及銀行通知存款。

**(k) 撥備**

當本集團因已發生的事件須承擔現有之法律性或推定性的責任，而解除責任時有可能消耗資源，並在責任金額能夠可靠地作出估算的情況下，需確立撥備。當本集團預計撥備款可獲償付，例如有保險合約作保障，則將償付款確認為一項獨立資產，惟只能在償付款可實質地確定時確認。

**(l) 僱員福利***(i) 僱員應享假期*

僱員年假之權利在僱員應享有時確認。本集團為截至結算日止僱員已提供之服務而產生之年假之估計負債作出撥備。

僱員之病假及產假或陪妻分娩假不作確認，直至僱員正式休假為止。

## Notes to the Financial Statements

### 財務報表附註

#### 2 PRINCIPAL ACCOUNTING POLICIES (continued)

##### (I) Employee benefits (continued)

##### (ii) Defined contribution plans

Based on local laws and regulations, the Group maintains defined contribution retirement plans for its eligible Hong Kong employees, the assets of which are held in separate trustee administered funds. Contributions to the plan range from 5% to 10% of the employees' salary. The Group's contributions to the plans are expensed as incurred and are reduced by contributions forfeited by those employees who leave the plans prior to vesting fully in the contributions.

Pursuant to PRC laws and regulations, contributions to the defined contribution retirement schemes for the Group's local staff are made to the relevant government authorities in the PRC, which are calculated based on certain percentages of the applicable payroll costs as stipulated under the requirements in the PRC. These contributions are charged to the consolidated income statement as incurred.

##### (iii) Share-based compensation

The Group operates an equity-settled, share-based compensation plan. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance sheet date, the Company revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of the original estimates, if any, in the income statement, and a corresponding adjustment to equity over the remaining vesting period.

#### 2 主要會計政策 (續)

##### (I) 僱員福利 (續)

##### (ii) 退休金計劃

本集團根據本地法律及規例為香港員工制定界定供款退休計劃，該資產由一獨立信託基金持有。此計劃覆蓋所有全職員工，本集團之供款額範圍由員工薪金的5%至10%。本集團對該退休計劃作出之供款在發生時作為費用支銷，而員工在全數取得既得之利益前退出計劃而被沒收之僱主供款將會用作扣減此供款。

為遵守中國之法律及規例，本集團為當地員工制定的界定供款退休供款計劃中之供款會交與中國政府已授權之有關機構；供款需按中國規定以工資的一定百分比計算。本集團對該退休計劃作出之供款在綜合損益表作為費用支銷。

##### (iii) 以股份為基礎的補償

本集團設有一項以權益償付、以股份為基礎的補償計劃。僱員為獲取授予認股權而提供的服務的公平值確認為費用。在歸屬期間內將予支銷的總金額參考授予的認股權的公平值釐定，不包括任何非市場既定條件(例如盈利能力和銷售增長目標)的影響。非市場既定條件包括在有關預期可予以行使的認股權數目的假設中。在每個結算日，本集團修訂其對預期可予以行使認股權數目的估計。本集團在損益表確認對原估算修訂(如有)的影響，並按餘下歸屬期對權益作出相應調整。



## Notes to the Financial Statements

## 財務報表附註

**2 PRINCIPAL ACCOUNTING POLICIES**  
(continued)**(l) Employee benefits** (continued)*(iii) Share-based compensation* (continued)

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

**(m) Deferred taxation**

Deferred taxation is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Taxation rates enacted or substantially enacted by the balance sheet date are used to determine deferred taxation.

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

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

**(n) Contingencies**

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

**2 主要會計政策 (續)****(l) 僱員福利 (續)***(iii) 以股份為基礎的補償*

在認股權行使時，收取的所得款扣除任何直接應佔的交易成本後，撥入股本（面值）和股本溢價。

**(m) 遞延稅項**

遞延所得稅利用負債法就資產和負債的稅基與在資產和負債在綜合財務報表的賬面值之差產生的暫時差異全數撥備。然而，若遞延所得稅來自在交易（不包括企業合併）中對資產或負債的初步確認，而在交易時不影響會計損益或應課稅盈虧，則不作記賬。遞延稅項採用在結算日前已頒佈或實質頒佈，並在有關之遞延所得稅資產實現或遞延所得稅負債結算時預期將會適用之稅率而釐定。

遞延稅資產是就可能未來應課稅盈利而就此可使用暫時差異而確認。

遞延稅項就附屬公司、聯營公司及共同控制實體投資產生之暫時差異而撥備，但假若本集團可以控制暫時差異之撥回時間，而暫時差異在可預見將來有可能不會撥回則除外。

**(n) 或然事項**

或然負債指因已發生的事件而可能引起之責任，此等責任需就某一宗或多宗事件會否發生才能確認，而集團並不能完全控制這些未來事件會否實現。或然負債亦可能是因已發生的事件引致之現有責任，但由於可能不需要消耗經濟資源，或責任金額未能可靠地衡量而未有入賬。

## Notes to the Financial Statements

### 財務報表附註

#### 2 PRINCIPAL ACCOUNTING POLICIES (continued)

##### (n) Contingencies (continued)

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as a provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Group.

Contingent assets are not recognised but are disclosed in the notes to the financial statements when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognised.

##### (o) Impairment of assets

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

#### 2 主要會計政策 (續)

##### (n) 或然事項 (續)

或然負債不會被確認，但會在賬目附註中披露。假若消耗資源之可能性改變導致可能出現資源消耗，此等負債將被確立為撥備。

或然資產指因已發生的事件而可能產生之資產，此等資產需就某一宗或多宗事件會否發生才能確認，而集團並不能完全控制這些未來事件會否實現。

或然資產不會被確認，但會於可能收到經濟效益時在賬目附註中披露。若實質確定有收到經濟效益時，此等效益才被確立為資產。

##### (o) 資產減值

沒有確定使用年期之資產無需攤銷，但最少每年就減值進行測試，及當有事件出現或情況改變顯示賬面值可能無法收回時就減值進行檢討。須作攤銷之資產，當有事件出現或情況改變顯示賬面值可能無法收回時就減值進行檢討。減值虧損按資產之賬面值超出其可收回金額之差額於損益表內確認。可收回金額以資產之公平值扣除銷售成本或使用價值兩者之較高者為準。於評估減值時，資產將按可識辨現金流量(現金產生單位)的最低層次組合。

## Notes to the Financial Statements

## 財務報表附註

**2 PRINCIPAL ACCOUNTING POLICIES**  
(continued)**(p) Turnover and revenue recognition**

Turnover represents the gross invoiced sales by the Group to outside customers, net of discounts and returns.

Provided it is probable that the economic benefits associated with a transaction will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenues are recognised on the following bases:

*(i) Sale of goods*

Revenue from the sale of goods is recognised on the transfer of significant risks and rewards of ownership, which generally coincides with the time when the goods are delivered to customers and title has passed.

*(ii) Interest income*

Interest income is recognised on a time proportion basis, taking into account the principal amounts outstanding and the interest rates applicable.

*(iii) Rental Income*

Operating lease rental income is recognised on a straight-line basis.

**(q) Borrowing costs**

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset.

All other borrowing costs are charged to the income statement in the year in which they are incurred.

**2 主要會計政策 (續)****(p) 營業額和收入確認**

營業額為本集團對外客戶銷貨扣除折扣及退貨所得收入淨額。

凡對本集團有經濟效益的交易，其收入及成本(如適用)能準確計算，營業額及其他收入將按下列基礎入賬：

*(i) 銷貨*

銷貨收入在擁有權之風險及回報轉移時確認，通常亦即為貨品付運予客戶及所有權轉讓時。

*(ii) 利息收入*

利息收入依據未償還本金及適用利率按時間比例確認。

*(iii) 租金收入*

經營租賃之租金收入以直線法入賬。

**(q) 借貸成本**

凡直接與購置、興建或生產某項資產(該資產必須經過頗長時間籌備以作預定用途或出售)有關之借貸成本，均資本化為資產之部分成本。

所有其他借貸成本均於發生年度內在損益賬支銷。

## Notes to the Financial Statements

### 財務報表附註

#### 2 PRINCIPAL ACCOUNTING POLICIES (continued)

##### (r) Segment reporting

In accordance with the Group's internal financial reporting, the Group has determined that geographical segments be presented as the primary reporting format and business segments as the secondary reporting format.

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

Unallocated costs represent corporate expenses. Segment assets consist primarily of property, plant and equipment, inventories, receivables, operating cash and investment properties, and mainly exclude corporate bank balances. Segment liabilities comprise operating liabilities and exclude items such as taxation and certain corporate borrowings. Capital expenditure comprises additions to property, plant and equipment.

In respect of geographical segment reporting, sales are based on the country in which the customer is located. Total assets and capital expenditure are where the assets are located. Segment revenues, segment expenses and segment performance include transfers between geographical segments. Such transfers are accounted for using a markup on cost between geographical segments. Those transfers are eliminated on consolidation.

#### 2 主要會計政策 (續)

##### (r) 分部報告

按照本集團之內部財務報告，本集團已決定將地區分部資料作為主要分部報告，而業務分部資料則作為從屬形式呈列。

業務分部指從事提供產品或服務的一組資產和業務，而產品或服務的風險和回報與其他業務分部的不同。地區分部指在某個特定經濟環境中從事提供產品或服務，其產品或服務的風險和回報與在其他經濟環境中營運的分部的不同。

未分配成本指本集團整體性開支。分部資產主要包括、物業、廠房及設備、存貨、應收款項、經營現金及投資物業，不包括之項目主要為集團整體性之銀行結存。分部負債指經營負債，而不包括例如稅項及若干集團整體性之借款等項目。資本性開支包括購入物業、廠房及機器的費用。

至於地區分部報告，銷售額乃按照客戶所在國家計算。總資產及資本性開支按資產所在地計算。分部收入、分部支出及分部業績包括地區分部間之轉移。該轉移包括地區分部間之附加成本。此項轉移已在綜合表中抵銷。

## Notes to the Financial Statements

## 財務報表附註

**3 FINANCIAL RISK MANAGEMENT**

The Group's activities expose it to contain financial risks: market risk (including currency risk and price risk), credit risk, liquidity risk and cash flow interest-rate risk. The Group's overall risk management strategy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

**(a) Market risk***(i) Foreign exchange risk*

Most of the Group's transactions are conducted in US Dollars, Hong Kong Dollars and Renminbi. The Group's management do not foresee any significant exposure to these currencies and therefore have not used any derivatives to hedge its foreign currency exposure.

*(ii) Price risk*

The Group's manufacturing activities are exposed to commodity price risk. Management have adopted a policy to purchase certain raw materials (e.g plastic and metal) in bulk at lower prices.

**(b) Credit risk**

The Group's manufacturing has no significant concentrations of credit risk because of its diverse customer base. It has policies in place to ensure that sales of products are made to customers with an appropriate credit history. The Group also has policies that limit the amount of credit exposure to any customers.

**(c) Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The Group manages its liquidity risk by maintaining a low gearing ratio, monitoring its working capital requirements and keeping credit lines available.

**3 財務風險管理**

本集團的活動承受的財務風險：市場風險（包括貨幣風險、公平值利率風險及價格風險）、信貸風險、流動資金風險及現金流量利率風險。本集團的整體風險管理計劃專注於財務市場的難預測性，並尋求儘量減低對本集團財務表現的潛在不利影響。

**(a) 市場風險***(i) 外匯風險*

本集團大多數交易採用美元、港幣及人民幣。本集團管理層並不預計這些貨幣有重大風險因此不會用任何衍生工具對沖外幣風險。

*(ii) 價格風險*

本集團之製造活動承受商品價格風險。管理層所採取政策是在價格低時大量採購若干原料（例如：塑膠及五金）。

**(b) 信貸風險**

本集團因有其不同客戶基礎所以並無重大集中的信貸風險。本集團之政策是確保向擁有良好信貸歷史的客戶銷售產品。本集團有政策可限制任何客戶的信貸額。

**(c) 流動資金風險**

審慎的流動資金風險管理指維持充足的現金，透過已承諾信貸融資的足夠額度備有資金。集團致力透過維持低借貸率，監察營運資金需求及已承諾的可用信貸額度管理流動資金風險。

## Notes to the Financial Statements

### 財務報表附註

#### 3 FINANCIAL RISK MANAGEMENT (continued)

##### (d) Cash flow interest-rate risk

As the Group has no significant interest-bearing assets or liabilities, the Group's results and operating cash flows are substantially independent of changes in market interest rates.

#### 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions 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.

##### (a) Depreciation of property, plant and equipment

The Group determines the estimated useful lives and related depreciation charges for property, plant and equipment. Management will revise the depreciation charges where useful lives are different to previously estimated.

##### (b) Impairment of doubtful receivable

Impairment provision is made against trade receivables to the extent that they are considered to be doubtful based on analysis of debtors' credit risk, ageing profile, management's past experience and best knowledge.

##### (c) Income taxes

The Group is subject to income taxes in different jurisdictions. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

#### 3 財務風險管理 (續)

##### (d) 現金流量及公平值利率風險

由於本集團並無重大計息資產，故本集團的收入和營運現金流量基本上不受市場利率波動的影響。

#### 4 關鍵會計估算及判斷

本集團對未來作出估算和假設。所得的會計估算如其定義，很少會與其實際結果相同。很大機會導致下個財政年度的資產和負債的賬面值作出重大調整的估算和假設討論如下。

##### (a) 物業，廠房及設備之折舊

本集團就物業，廠房及設備之估計使用期及有關之折舊費用作決定。當使用期與之前估計有差別時管理層會更改折扣費用。

##### (b) 呆壞應收賬之減值

呆壞應收賬之減值撥備按債務人信貸風險分析，賬齡數據，管理層過去經驗及最佳認識撥備。

##### (c) 所得稅

本集團需要在多個司法權區繳納所得稅。在釐定所得稅撥備時，需要作出重大判斷。在一般業務過程中，有許多交易和計算所涉及的最終稅務釐定都是不確定的。如此等事件的最終稅務後果與最初記錄的金額不同，此等差額將影響作出此等釐定期間的所得稅和遞延稅撥備。



## Notes to the Financial Statements 財務報表附註

### 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

#### (d) Share-based payments

The Group uses the Black-Scholes model to calculate the cost of share options on grant date based on certain principal assumptions. These principal assumptions underlying management's estimation of the share option expense are adopted based on historical data of the Group, current market conditions and management's best estimate.

### 5 REVENUES AND SEGMENT INFORMATION

### 4 關鍵會計估算及判斷 (續)

#### (d) 以股份為基礎支出

本集團採用柏力克－舒爾斯估值模式在授出日基於主要假設去計算購股權成本。管理層之購股權費用估計的若干主要假設是採納本集團歷史資料，現時市場情況及管理層最好估算。

### 5 收入和分部資料

		2005 二零零五年 HK\$ 港幣	Restated 重列 2004 二零零四年 HK\$ 港幣
Turnover	營業額		
Sale of electrical home appliances	銷售家用電器	910,063,998	890,784,727
Sale of cigarette paper	銷售煙紙	98,647,727	164,697,507
		<b>1,008,711,725</b>	1,055,482,234
Other revenues	其他收入		
Interest income	利息收入	2,409,002	656,140
Sundry income	其他收入	-	303,403
		<b>2,409,002</b>	959,543
Total revenues	總收入	<b>1,011,120,727</b>	1,056,441,777

## Notes to the Financial Statements

## 財務報表附註

## 5 REVENUES AND SEGMENT INFORMATION (continued)

## Primary reporting format – geographical segments

The Group's sales are mainly derived from North America, Japan, Australia, Europe and the PRC. All purchases, production and shipment of goods are conducted in the PRC with its head office located in Hong Kong (included in "Others" below). An analysis by geographical segment is as follows:

## 5 收入和分部資料 (續)

## 主要分部報告 – 地區分部資料

本集團的銷售主要在北美、日本、澳洲、歐洲及中國。所有採購、生產及貨物出口主要在中國。而總部則設於香港(包括在以下的「其他」內)。地區分部分析如下：

2005 二零零五年	Continuing operations 持續經營業務									Discontinuing operations 即將 終止業務
	The U.S. 美國 HK\$'000 港幣千元	Canada 加拿大 HK\$'000 港幣千元	The PRC 中國 HK\$'000 港幣千元	Japan 日本 HK\$'000 港幣千元	Europe 歐洲 HK\$'000 港幣千元	Australia 澳洲 HK\$'000 港幣千元	Others 其他 HK\$'000 港幣千元	Elimination 抵銷 HK\$'000 港幣千元	Total 合計 HK\$'000 港幣千元	Hong Kong 香港 HK\$'000 港幣千元
Revenues 收入										
External sales 對外銷售	381,978	10,226	112,970	272,943	159,007	25,683	45,905	-	1,008,712	14,974
Inter-segment sales 內部銷售	-	-	745,411	-	-	-	507,481	(1,252,892)	-	-
	381,978	10,226	858,381	272,943	159,007	25,683	553,386	(1,252,892)	1,008,712	14,974
Segment results 分部業績	4,020	171	21,344	1,894	3,172	2,098	2,508	3,481	38,688	122,610
Interest income 利息收入									2,409	-
Unallocated costs 未分配成本									(1,507)	-
Operating profit 經營盈利									39,590	122,610
Finance costs 財務成本									(17,436)	(565)
Share of losses of jointly controlled entities 之虧損	-	-	(3,229)	-	-	-	-	-	(3,299)	-
Share of losses of associates 之虧損	-	-	(12,645)	-	-	-	-	-	(12,645)	-
Gain on disposal of interests in subsidiaries 權益利潤	-	-	1,212	-	-	-	-	-	1,212	-
Profit before taxation 除稅前盈利									7,422	122,045
Income tax 所得稅									(2,056)	35,604
Profit after taxation 除稅後盈利									5,366	157,649
Segment assets 分部資產	-	-	295,118	-	-	-	228,913	-	524,031	485,980
Interests in associate 聯營公司權益	-	-	-	-	-	-	53,222	-	53,222	-
Unallocated assets 未分配資產									3,916	-
Total assets 總資產									581,169	485,980
Segment liabilities 分部負債	(9,501)	-	(40,123)	-	-	-	(120,237)	-	(169,861)	(5,706)
Unallocated liabilities 未分配負債									(9,823)	-
Total liabilities 總負債									(179,684)	(5,706)
Capital expenditure 資本性開支	-	-	17,765	-	-	-	18,215	-	35,980	-
Depreciation 折舊	-	-	27,713	-	-	-	4,108	-	31,821	-

# Notes to the Financial Statements

## 財務報表附註

### 5 REVENUES AND SEGMENT INFORMATION (continued)

### 5 收入和分部資料 (續)

#### Primary reporting format – geographical segments (continued)

#### 主要分部報告 – 地區分部資料 (續)

2004 二零零四年 (Restated) (重列)		Continuing operations 持續經營業務								Total 合計	Discontinuing operations 即將 終止業務 Hong Kong 香港
		The U.S. 美國 HK\$'000 港幣千元	Canada 加拿大 HK\$'000 港幣千元	The PRC 中國 HK\$'000 港幣千元	Japan 日本 HK\$'000 港幣千元	Europe 歐洲 HK\$'000 港幣千元	Australia 澳洲 HK\$'000 港幣千元	Others 其他 HK\$'000 港幣千元	Elimination 抵銷 HK\$'000 港幣千元		
Revenues	收入										
External sales	對外銷售	375,340	10,537	169,595	227,536	228,359	14,916	29,199	-	1,055,482	13,952
Inter-segment sales	內部銷售	-	-	554,802	-	-	-	464,537	(1,019,339)	-	-
		375,340	10,537	724,397	227,536	228,359	14,916	493,736	(1,019,339)	1,055,482	13,952
Segment results	分部業績	33,590	931	38,175	20,925	16,766	2,387	3,813	(938)	115,649	90,337
Interest income	利息收入									656	-
Unallocated costs	未分配成本									(14,508)	-
Operating profit	經營盈利									101,797	90,337
Finance costs	財務成本									(25,010)	(333)
Share of losses of jointly controlled entities	佔共同控制實體之虧損	-	-	(9,001)	-	-	-	-	-	(9,001)	-
Profit before taxation	除稅前盈利									67,786	90,004
Income tax	所得稅									(12,583)	(15,809)
Profit after taxation	除稅後盈利									55,203	74,195
Segment assets	分部資產	-	-	856,776	-	-	-	658,882		1,515,658	-
Interests in jointly controlled entities	共同控制實體權益	-	-	28,116	-	-	-	-		28,116	-
Unallocated assets	未分配資產									152	-
Total assets	總資產									1,543,926	-
Segment liabilities	分部負債	(9,501)	-	(491,846)	-	-	-	(137,832)		(639,179)	-
Unallocated liabilities	未分配負債									(54,447)	-
Total liabilities	總負債									(693,626)	-
Capital expenditure	資本性開支	-	-	57,606	-	-	-	1,650		59,256	-
Depreciation	折舊	-	-	27,654	-	-	-	2,225		29,879	-
Impairment of goodwill	商譽減值									6,953	-
Amortisation of goodwill	商譽攤銷									1,141	-
Provision for inventory obsolescence	過時存貨報廢	-	-	1,159	-	-	-	-		1,159	-
Reversal of provision for bad and doubtful debts	撥回壞賬準備	-	-	(6,383)	-	-	-	-		(6,383)	-

## Notes to the Financial Statements

## 財務報表附註

## 5 REVENUES AND SEGMENT INFORMATION (continued)

## 5 收入和分部資料(續)

## Secondary reporting format – business segments

## 從屬分部報告－業務分部資料

The Group's three business segments comprise (i) the manufacturing and sale of electrical home appliances; (ii) manufacturing and sale of cigarette paper; and (iii) property leasing. An analysis by business segment is as follows:

本集團之三種業務分部包括(i)製造及銷售家用電器；(ii)製造及銷售煙紙；(iii)物業租賃。業務分部分析如下：

2005 二零零五年		Revenues 營業額 HK\$'000 港幣千元	Segment results 分部業績 HK\$'000 港幣千元	Total assets 總資產 HK\$'000 港幣千元	Capital expenditure 資本性開支 HK\$'000 港幣千元
<b>Continuing operations:</b>	<b>持續經營業務</b>				
Electrical home appliances	家用電器	910,064	17,485	524,031	35,909
Cigarette paper	煙紙	98,648	21,203	–	71
<b>Discontinuing operations:</b>	<b>即將終止業務</b>				
Property leasing	物業租賃	14,974	122,610	485,980	–
		<b>1,023,686</b>	<b>161,298</b>	<b>1,010,011</b>	<b>35,980</b>
Interest income	利息收入		2,409		
Unallocated costs	未分配成本		(1,507)		
Operating profit	經營盈利		<b>162,200</b>		
Interests in associates	聯營公司權益			53,222	
Unallocated assets	未分配資產			3,916	
Total assets	總資產			<b>1,067,149</b>	

## Notes to the Financial Statements

### 財務報表附註

#### 5 REVENUES AND SEGMENT INFORMATION (continued)

#### 5 收入和分部資料(續)

#### Secondary reporting format – business segments (continued) 從屬分部報告－業務分部資料(續)

2004 二零零四年	Revenues 營業額 HK\$'000 港幣千元	Segment results 分部業績 HK\$'000 港幣千元	Total assets 總資產 HK\$'000 港幣千元	Capital expenditure 資本性開支 HK\$'000 港幣千元
<b>Continuing operations:</b> 持續經營業務				
Electrical home appliances 家用電器	890,785	78,950	549,427	51,757
Cigarette paper 煙紙	164,697	36,699	580,470	7,499
<b>Discontinuing operations:</b> 即將終止業務				
Property leasing 物業租賃	13,952	90,337	385,761	-
	<u>1,069,434</u>	205,986	1,515,658	<u>59,256</u>
Interest income 利息收入		656		
Unallocated costs 未分配成本		<u>(14,508)</u>		
Operating profit 經營盈利		<u>192,134</u>		
Interests in jointly controlled entities 共同控制實體權益			28,116	
Unallocated assets 未分配資產			<u>152</u>	
Total assets 總資產			<u>1,543,926</u>	

There are no sales between the business segments. 業務分部之間並無銷售。

## Notes to the Financial Statements

## 財務報表附註

## 6 EXPENSES BY NATURE

## 6 費用性質

Expenses included in cost of sales, selling expenses and general and administrative expenses are analysed as follows:

費用包括銷售成本，銷售費用及行政費用分析如下：

		2005 二零零五年 HK\$ 港幣	Restated 重列 2004 二零零四年 HK\$ 港幣
Cost of inventories sold	存貨銷售成本	732,710,060	682,766,857
Depreciation of property, plant and equipment	物業·廠房及設備之折舊	31,821,034	29,878,883
Loss on disposal of property, plant and equipment	出售物業·廠房及設備虧損	225,459	113,680
Amortisation of leasehold land and land use rights	租用土地及土地使用權攤銷	440,588	409,171
Provision for inventory obsolescence	過時存貨準備	-	1,159,341
Staff (excluding directors) costs (note 13)	員工成本(不包括董事) (附註13)	104,638,512	104,804,560
Operating lease rentals on	經營租賃		
– Office premises	– 辦公室	162,379	324,309
– Plant and machineries	– 廠房及機器	64,340	196,401
Auditors' remuneration	核數師酬金	991,920	1,115,513
Net exchange loss (included in general and administrative expenses)	匯兌損失淨額(包括在行政費用)	1,733,535	931,496
Amortisation of goodwill	商譽攤銷	-	1,141,116
Impairment of goodwill	商譽減值	-	6,952,734
Product development costs	產品發展成本	330,080	3,416,424
Reversal of provision for bad and doubtful debts	壞賬準備回撥	-	(6,382,952)

## 7 FINANCE COSTS

## 7 財務成本

		2005 二零零五年 HK\$ 港幣	2004 二零零四年 HK\$ 港幣
Interest on bank loans	銀行貸款利息		
Wholly repayable within five years	須於五年內全部償還	17,435,889	25,009,582



## Notes to the Financial Statements

## 財務報表附註

## 8 INCOME TAX

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

The amount of taxation charged to the consolidated income statement represents:

## 8 所得稅

香港利得稅乃按照本年度估計應課稅盈利依稅率17·5% (二零零四年：17·5%) 提撥準備。海外及中國盈利之稅項則按照本年度估計應課稅盈利依本集團經營業務地區之現行稅率計算。

在綜合損益表支銷之稅項如下：

		2005 二零零五年 HK\$ 港幣	2004 二零零四年 HK\$ 港幣
Current taxation	當期稅項：		
– Hong Kong profits tax	– 香港利得稅	56,186	4,071,192
– Overseas and PRC taxation	– 海外及中國稅項	2,707,352	10,758,165
– Over-provisions in prior years	– 往年度準備剩餘	(3,232,586)	(3,061,210)
Deferred taxation relating to the origination and reversal of temporary differences (note 21)	遞延稅項暫時差異的產生及轉回(附註21)	2,524,843	814,546
Taxation charges	稅項支出	2,055,795	12,582,693

## Notes to the Financial Statements

## 財務報表附註

## 8 INCOME TAX (continued)

The taxation on the Group's profit before taxation from continuing operations differs from the theoretical amount that would arise using the taxation rate of Hong Kong as follows:

## 8 所得稅(續)

本集團有關經營業務之除稅前盈利之稅項與假若採用香港之稅率而計算之理論稅額之差額如下：

		2005 二零零五年 HK\$ 港幣	2004 二零零四年 HK\$ 港幣
Profit before taxation from continuing operating	持續經營業務除稅前盈利	7,421,916	67,786,002
Calculated at a taxation rate of 17.5% (2004: 17.5%)	按稅率17.5%(二零零四年: 17.5%) 計算之稅項	1,298,835	11,862,550
Effect of different tax rates in other taxation jurisdictions	其他地區不同稅率之影響	(1,504,124)	(2,916,364)
Income not subject to taxation	無須課稅之收入	(372,103)	(107,455)
Expenses not deductible for taxation purposes	不可扣稅之支出	5,801,171	3,418,261
Over-provision in prior years	以往年度準備剩餘	(3,232,586)	(3,061,210)
Utilisation of previously unrecognised tax losses	使用早前未有確認之稅損	(45,920)	(36,289)
Increase in previously unrecognised temporary differences	早前未有確認之暫時差異增加	-	1,606,010
Others	其他	110,522	1,817,190
Taxation charges	稅項支出	2,055,795	12,582,693

## 9 DISCONTINUING OPERATIONS

The assets and liabilities related to the property leasing business segment of the Group have been presented as assets and liabilities directly associated with discontinuing operations, following the entering by the Company into a sale and purchase agreement to dispose of its investment property in Hong Kong on 21st October 2005. The sale transaction was completed in January 2006. Details of the disposal of the investment property are set out in note 35.

## 9 即將終止業務

本集團業務分部呈列之物業租賃的資產及負債因公司於在二零零五年十月二十一日在香港簽署買賣協議出售投資物業而成為有關即將終止業務之資產及負債。此項交易於二零零六年一月二十六日完成。出售投資物業詳情請參閱附註35。

## Notes to the Financial Statements 財務報表附註

### 9 DISCONTINUING OPERATIONS (continued)

### 9 即將終止業務(續)

An analysis of the results and cash flows of discontinuing operations is as follows: 即將終止業務之業績及現金流量分析如下：

		The Group 本集團	
		2005 二零零五年 HK\$ 港幣	2004 二零零四年 HK\$ 港幣
Rental income	租金收入	14,279,609	13,600,040
Net management fee	淨管理費用	694,886	352,472
Operating costs	經營成本	(364,395)	(615,640)
Gross profit	毛利	14,610,100	13,336,872
Changes in fair value of investment property	投資物業公平變值變更	108,000,000	77,000,000
Operating profit	經營盈利	122,610,100	90,336,872
Finance cost	財務成本	(565,366)	(333,355)
Profit before taxation	除稅前盈利	122,044,734	90,003,517
Current taxation	當期稅項	(1,559,610)	(1,336,789)
Deferred tax provision	遞延稅項撥備	(997,157)	(14,472,157)
Release of deferred tax liability on revaluation surplus recognised in prior years	撥回投資物業於往年重估盈餘之遞延稅項負債	38,160,382	-
Profit from discontinuing operations	即將終止業務之盈利	157,648,349	74,194,571
Net cash generated from operating activities	從經營活動所產生現金之淨額	14,243,025	11,883,961
Net cash from investing activities	從投資活動現金淨額	-	-
Net cash used in financing activities	用於融資活動現金淨額	(25,565,366)	(5,333,355)
Total net cash (outflow)/inflow from discontinuing operations	即將終止業務之(流出)/流入現金淨額合計	(11,322,341)	6,550,606

## Notes to the Financial Statements

## 財務報表附註

9 DISCONTINUING OPERATIONS  
(continued)

## 9 即將終止業務 (續)

The Group and the Company  
本集團及本公司

		2005 二零零五年 HK\$ 港幣	2004 二零零四年 HK\$ 港幣
Assets directly associated with discontinuing operations:	直接與即將終止經營業務 有關之資產		
Investment property at fair value (Note)	投資物業公平變值	485,000,000	—
Prepayment and deposits paid	支付預付及訂金	979,681	—
		485,979,681	—
Liabilities directly associated with discontinuing operations:	直接與即將終止經營業務 有關之負債		
Tenants deposits	租戶按金	1,720,217	—
Deferred taxation	遞延稅項	3,985,946	—
		5,706,163	—

## Note:

The investment property was revalued at 31st December 2005 on the basis of its open market value by independent, professionally qualified valuers, Vigers Appraisal and Consulting Limited. The investment property is located in Hong Kong and held on leases of between 10 and 50 years.

## 附註：

投資物業由獨立估值師威格斯資產評估顧問有限公司於二零零五年十二月三十一日按公開市場值基準作出物業評估。投資物業地點在香港及持有租賃期十年至五十年。

10 PROFIT ATTRIBUTABLE TO  
SHAREHOLDERS

The profit attributable to equity holders of the Company is dealt with in the financial statements of the Company to the extent of HK\$200,671,024 (2004: HK\$200,275,653).

## 10 股東應佔盈利

計入本公司財務報表可歸屬於本公司股東之盈利為港幣200,671,024元(二零零四年：港幣200,275,653元)。

## Notes to the Financial Statements

### 財務報表附註

#### 11 EARNINGS PER SHARE

The calculations of basic and diluted earnings from continuing and discontinuing operations per share are based on the Group's profit from continuing operations attributable to shareholders of HK\$3,369,426 (2004: HK\$49,350,873) and the Group's profit from discontinuing operations attributable to shareholders of HK\$157,648,349 (2004: HK\$74,194,571) respectively.

The basic earnings per share is based on the weighted average number of 374,526,265 (2004: 369,802,256) ordinary shares in issue during the year. The diluted earnings per share for the year ended 31st December 2005 is based on 375,677,674 (2004: 373,012,781) ordinary shares which is the weighted average number of ordinary shares in issue during the year plus the weighted average number of 1,151,409 (2004: 3,210,525) ordinary shares deemed to be issued if all outstanding options had been exercised.

#### 12 DIVIDENDS

At a meeting held on 12th April 2006, the directors proposed a final dividend of 11 HK cents per ordinary share and a special dividend of 50 HK cents per ordinary share. These proposed dividends are not reflected as dividends payable in these financial statements, but will be reflected as an appropriation of retained earnings for the year ending 31st December 2006. The dividends proposed were computed based on 384,621,884 ordinary shares of the Company in issue on 12th April 2006.

#### 11 每股盈利

每股基本及攤薄盈利之計算是以本集團股東應佔持續經營業務盈利港幣3,369,426元(二零零四年:港幣49,350,873元)及即將終止業務盈利港幣157,648,349元(二零零四年:港幣74,194,571元)計算。

每股基本盈利乃根據年內之已發行加權平均股數374,526,265股(二零零四年:369,802,256股)普通股計算。截止二零零五年十二月三十一日止年度每股攤薄盈利乃根據年內之已發行加權平均股數,加上假設所有未行使之購股權皆已行使而被視作無價發行之加權平均股數1,151,409股(二零零四年:3,210,525股)普通股計算後之374,677,674股(二零零四年:373,012,781股)普通股計算。

#### 12 股息

		2005 二零零五年 HK\$ 港幣	2004 二零零四年 HK\$ 港幣
Interim, paid, of 5 HK cents (2004: 5 HK cents) per ordinary share	已派發之中期股息每股普通股 港幣5仙(二零零四年:港幣5仙)	18,904,044	18,534,743
Final, proposed, of 11 HK cents (2004: 11 HK cents) per ordinary share	建議派發末期股息每股普通股 港幣11仙(二零零四年:港幣11仙)	42,308,407	40,781,935
Special, proposed, of 50 HK cents (2004: nil) per ordinary share	建議派發特別股息每股普通股 港幣50仙(二零零四年:無)	192,310,942	-
		<b>253,523,393</b>	59,316,678

在二零零六年四月十二日舉行之會議上,董事建議派發末期股息每股普通股港幣11仙及建議派發特別股息每股普通股港幣50仙。此項擬派股息並無於本賬目中列作應付股息,惟將於截至二零零六年十二月三十一日止年度列作滾存盈利分派。建議派發末期股息按二零零六年四月十二日已發行之384,621,884股普通股計算。

## Notes to the Financial Statements

## 財務報表附註

## 13 STAFF COSTS (EXCLUDING DIRECTORS' REMUNERATION)

## 13 員工成本(包括董事酬金)

		2005 二零零五年 HK\$ 港幣	2004 二零零四年 HK\$ 港幣
Wages and salaries	工資和薪金	94,005,456	96,783,214
Unutilised annual leave	未用年假	1,078,508	1,083,917
Pension costs – defined contribution plans	退休成本 – 界定供款計劃	9,273,832	6,937,429
Share options granted	授予購股權	280,716	–
		<b>104,638,512</b>	104,804,560



## Notes to the Financial Statements

### 財務報表附註

#### 14 DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

#### 14 董事及高級管理人員酬金

##### (a) Directors' emoluments

##### (a) 董事酬金

The remuneration of every director for the year ended 31st December 2005 is set out below:

二零零五年十二月三十一日年度止每位董事酬金如下：

Name of Director 董事姓名		Fees 袍金 HK\$'000 港幣千元	Salary 薪金 HK\$'000 港幣千元	Discretionary bonus 酌情發放 之花紅 HK\$'000 港幣千元	Other benefits <sup>(1)</sup> 其他福利 HK\$'000 港幣千元	Employer's contribution to pension scheme 僱主 退休金供款 HK\$'000 港幣千元	Total 合計 HK\$'000 港幣千元
<i>Executive directors</i> 執行董事							
Mr. Wong, Wilson Kin Lae	黃乾利先生	80	-	91	43	-	214
Mr. Wong, John Ying Man	黃英敏先生	80	1,769	-	683	123	2,655
Mr. Wong, Kennedy Ying Ho	黃英豪先生	80	-	-	24	-	104
Mr. Wong, Raymond Man Hin	黃文顯先生	80	2,081	-	120	12	2,293
<i>Non-executive directors</i> 非執行董事							
Dr. Wong, Philip Kin Hang	黃乾亨博士	80	-	-	139	-	219
Mr. Huang, Zhouchang	黃宙昌先生	100	-	-	23	-	123
Mr. Qiang, Wenyu	強文郁先生	80	-	-	23	-	103
<i>Independent non-executive directors</i> 獨立非執行董事							
Mr. Leung, Michael Kai Hung	梁啟雄先生	100	-	-	13	-	113
Mr. Fan, Anthony Ren Da	范仁達先生	100	-	-	13	-	113
Mr. Ng, Yiu Ming	伍耀明先生	100	-	-	13	-	113
<i>Alternate director</i> 代董事							
Mr. Xiong, Zheng Feng	熊正峰先生	-	-	-	13	-	13

## Notes to the Financial Statements

## 財務報表附註

## 14 DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

(continued)

## 14 董事及高級管理人員酬金 (續)

## (a) Directors' emoluments (continued)

## (a) 董事酬金 (續)

The remuneration of every director for the year ended 31st December 2004 is set out below:

二零零四年十二月三十一日年度止每位董事酬金如下：

Name of Director 董事姓名	Fees 袍金	Salary 薪金	Discretionary bonus 酌情發放 之花紅	Other benefits 其他福利	Employer's contribution to pension scheme 僱主 退休金供款	Total 合計
	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
<i>Executive directors</i> 執行董事						
Mr. Wong, Wilson Kin Lae	80	-	80	-	-	160
Mr. Wong, John Ying Man	80	1,140	-	-	80	1,300
Mr. Wong, Kennedy Ying Ho	80	-	-	-	-	80
Mr. Wong, Raymond Man Hin	80	887	-	-	36	1,003
<i>Non-executive directors</i> 非執行董事						
Dr. Wong, Philip Kin Hang	80	-	-	-	-	80
Mr. Huang, Zhouchang	100	-	-	-	-	100
Mr. Qiang, Wenyu	80	-	-	-	-	80
<i>Independent non-executive directors</i> 獨立非執行董事						
Mr. Leung, Michael Kai Hung	100	-	-	-	-	100
Mr. Fan, Anthony Ren Da	100	-	-	-	-	100
Mr. Ng, Yiu Ming	100	-	-	-	-	100
<i>Alternate director:</i> 代董事						
Mr. Xiong, Zheng Feng	-	-	-	-	-	-

Note:

附註：

(i) Other benefits primarily include housing allowances and share options.

(i) 其他福利包括房屋津貼及購股權。

No directors waived the right to receive emoluments during the year. The executive directors of the Company are regarded as key management of the Group and the Company.

本年度並無董事放棄收取酬金的權利。本集團及本公司之主要管理人是本公司之執行董事。

## Notes to the Financial Statements

## 財務報表附註

**14 DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS**  
(continued)

**(b) Five highest paid individuals**

The five individuals whose emoluments were the highest in the Group for the year include two (2004: two) directors whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining three (2004: three) individuals during the year are as follows:

**14 董事及高級管理人員酬金 (續)**

**(b) 五位最高薪酬人士**

本集團五位最高薪酬人士中包括二位(二零零四年:二位)董事,彼等之酬金已載於上文分析,餘下三位(二零零四年:三位)最高薪人士之酬金分析如下:

		2005 二零零五年 HK\$ 港幣	2004 二零零四年 HK\$ 港幣
Basic salaries and other benefits	基本薪金及其他福利	2,488,698	1,934,190
Contributions to pension schemes	退休金供款	97,400	163,800
Share options granted	授予購股權	36,066	-
		<b>2,622,164</b>	<b>2,097,990</b>

The emoluments fell within the following bands:

酬金組別分析如下:

		Number of individuals 人數	
		2005 二零零五年	2004 二零零四年
Emolument bands	酬金組別		
HK\$nil – HK\$1,000,000	由港幣零元至港幣1,000,000元	<b>3</b>	<b>3</b>

# Notes to the Financial Statements

## 財務報表附註

### 15 PROPERTY, PLANT AND EQUIPMENT 15 物業、廠房及設備

		The Group 本集團							
		Construction in progress 在建工程	Buildings in Hong Kong (previously land and buildings) 在香港之 建築物 (前列土地 及建築物)	Buildings outside Hong Kong (previously land and buildings) 香港以外 之建築物 (前列土地 及建築物)	Plant and machinery 廠房及機器	Furniture, fixtures and equipment 傢俬、裝置 及設備	Moulds 工模	Motor vehicles 汽車	Total 合計
		HK\$ 港幣	HK\$ 港幣	HK\$ 港幣	HK\$ 港幣	HK\$ 港幣	HK\$ 港幣	HK\$ 港幣	HK\$ 港幣
Cost:	成本值：								
At 1st January 2004, as previously reported	於二零零四年一月一日 如前呈報	30,781,341	27,550,769	182,371,432	417,202,556	34,646,490	3,566,606	14,910,976	711,030,170
Effect of adopting HKAS17 (note2(a))	採納會計準則第17號 之影響(附註2(a))	-	(5,235,120)	(12,682,795)	-	-	-	-	(17,917,915)
Restated at 1st January 2004	於二零零四年一月一日 重列	30,781,341	22,315,649	169,688,637	417,202,556	34,646,490	3,566,606	14,910,976	693,112,255
Additions	添置	37,769,646	-	-	10,056,296	9,864,135	-	1,565,609	59,255,686
Transfers	轉移	(47,823,232)	-	9,407,642	38,160,056	255,534	-	-	-
Disposals	出售	-	-	-	(162,995)	(155,968)	-	-	(318,963)
At 31st December 2004, as restated	於二零零四年 十二月三十一日重列	20,727,755	22,315,649	179,096,279	465,255,913	44,610,191	3,566,606	16,476,585	752,048,978
Accumulated depreciation:	累計折舊：								
At 1st January 2004, as previously reported	於二零零四年一月一日 如前呈報	-	8,640,169	53,886,434	109,816,231	26,788,104	1,451,158	11,693,074	212,275,170
Effect of adopting HKAS 17 (note2(a))	採納會計準則第17號 之影響(附註2(a))	-	(1,465,834)	(2,449,708)	-	-	-	-	(3,915,542)
Restated at 1st January 2004	於二零零四年一月一日 重列	-	7,174,335	51,436,726	109,816,231	26,788,104	1,451,158	11,693,074	208,359,628
Charge for the year	本年度折舊	-	785,891	6,171,194	18,431,989	3,288,954	232,188	968,667	29,878,883
Disposals	出售	-	-	-	(113,689)	(87,824)	-	-	(201,513)
At 31st December 2004, as restated	於二零零四年 十二月三十一日重列	-	7,960,226	57,607,920	128,134,531	29,989,234	1,683,346	12,661,741	238,036,998
Net book value:	賬面淨值：								
At 31st December 2004, as restated	於二零零四年 十二月三十一日重列	20,727,755	14,355,423	121,488,359	337,121,382	14,620,957	1,883,260	3,814,844	514,011,980

## Notes to the Financial Statements

## 財務報表附註

15 PROPERTY, PLANT AND EQUIPMENT  
(continued)

## 15 物業、廠房及設備 (續)

		The Group 本集團							
		Construction in progress 在建工程 HK\$ 港幣	Buildings in Hong Kong (previously land and buildings) 在香港之 建築物 (前列土地 及建築物) HK\$ 港幣	Buildings outside Hong Kong (previously land and buildings) 香港以外 之建築物 (前列土地 及建築物) HK\$ 港幣	Plant and machinery 廠房及機器 HK\$ 港幣	Furniture, fixtures and equipment 傢俬、裝置 及設備 HK\$ 港幣	Moulds 工模 HK\$ 港幣	Motor vehicles 汽車 HK\$ 港幣	Total 合計 HK\$ 港幣
Cost:	成本值：								
At 1st January 2005, as previously reported	於二零零五年一月一日 如前呈報	20,727,755	27,550,769	191,779,074	465,255,913	44,610,191	3,566,606	16,476,585	769,966,893
Effect of adopting HKAS 17 (note 2(a))	採納會計準則第17號 之影響(附註2(a))	-	(5,235,120)	(12,682,795)	-	-	-	-	(17,917,915)
Restated at 1st January 2005	於二零零五年一月一日 重列	20,727,755	22,315,649	179,096,279	465,255,913	44,610,191	3,566,606	16,476,585	752,048,978
Attributable to subsidiaries reclassified as associates	歸屬於附屬公司重新 分類為聯營公司	(7,305,656)	-	(66,036,810)	(351,689,273)	(10,654,077)	-	(6,373,259)	(442,059,075)
Additions	添置	13,799,102	-	-	19,818,858	1,629,168	-	733,056	35,980,184
Transfers	轉移	(20,624,534)	-	11,388,455	3,197,840	6,038,239	-	-	-
Disposals	出售	-	-	-	(169,451)	(331,214)	-	(753,184)	(1,253,849)
Effect of changes in exchange rate	兌換率變動之影響	405,113	-	4,231,666	10,698,765	1,263,089	8,409	342,945	16,949,987
At 31st December 2005	於二零零五年 十二月三十一日	7,001,780	22,315,649	128,679,590	147,112,652	42,555,396	3,575,015	10,426,143	361,666,225
Accumulated depreciation:	累計折舊：								
At 1st January 2005, as previously reported	於二零零五年一月一日 如前呈報	-	9,635,464	60,362,097	128,134,531	29,989,234	1,683,346	12,661,741	242,466,413
Effect of adopting HKAS 17 (note 2(a))	採納會計準則第17號之 影響(附註2(a))	-	(1,675,238)	(2,754,177)	-	-	-	-	(4,429,415)
Restated at 1st January 2005	於二零零五年一月一日 重列	-	7,960,226	57,607,920	128,134,531	29,989,234	1,683,346	12,661,741	238,036,998
Attributable to subsidiaries reclassified as associates	歸屬於附屬公司重新 分類為聯營公司	-	-	(13,268,498)	(80,801,450)	(8,554,584)	-	(4,878,114)	(107,502,646)
Charge for the year	本年度折舊	-	785,889	6,453,923	19,361,755	4,217,194	211,990	790,283	31,821,034
Disposals	出售	-	-	-	(64,978)	(231,387)	-	(572,025)	(868,390)
Effect of changes in exchange rate	兌換率變動之影響	-	-	1,291,285	2,509,658	1,001,651	-	266,923	5,069,517
At 31st December 2005	於二零零五年 十二月三十一日	-	8,746,115	52,084,630	69,139,516	26,422,108	1,895,336	8,268,808	166,556,513
Net book value:	賬面淨值：								
At 31st December 2005	於二零零五年 十二月三十一日	7,001,780	13,569,534	76,594,960	77,973,136	16,133,288	1,679,679	2,157,335	195,109,712

## Notes to the Financial Statements

## 財務報表附註

15 PROPERTY, PLANT AND EQUIPMENT  
(continued)

## 15 物業、廠房及設備 (續)

		The Company 本公司					
		Plant and machinery 廠房及機器	Furniture, fixtures and equipment 傢俬、 裝置及設備	Moulds 工模	Motor vehicles 汽車	Total 合計	
		HK\$ 港幣	HK\$ 港幣	HK\$ 港幣	HK\$ 港幣	HK\$ 港幣	HK\$ 港幣
Cost:	成本值：						
At 1st January 2004	於二零零四年一月一日	3,736,590	8,167,879	3,148,324	1,813,320	16,866,113	
Additions	添置	1,649,936	-	-	-	1,649,936	
At 31st December 2004	於二零零四年十二月三十一日	5,386,526	8,167,879	3,148,324	1,813,320	18,516,049	
Accumulated depreciation:	累計折舊：						
At 1st January 2004	於二零零四年一月一日	560,489	8,082,285	1,128,511	995,628	10,766,913	
Charge for the year	本年度折舊	946,359	30,347	201,981	204,423	1,383,110	
At 31st December 2004	於二零零四年十二月三十一日	1,506,848	8,112,632	1,330,492	1,200,051	12,150,023	
Net book value:	賬面淨值：						
At 31st December 2004	於二零零四年十二月三十一日	3,879,678	55,247	1,817,832	613,269	6,366,026	

## Notes to the Financial Statements

## 財務報表附註

15 PROPERTY, PLANT AND EQUIPMENT  
(continued)

## 15 物業、廠房及設備 (續)

		The Company 本公司				
		Plant and machinery 廠房及機器 HK\$ 港幣	Furniture, fixtures and equipment 傢俬、 裝置及設備 HK\$ 港幣	Moulds 工模 HK\$ 港幣	Motor vehicles 汽車 HK\$ 港幣	Total 合計 HK\$ 港幣
Cost:	成本值：					
At 1st January 2005	於二零零五年一月一日	5,386,526	8,167,879	3,148,324	1,813,320	18,516,049
Additions	添置	17,742,279	–	–	472,800	18,215,079
Disposals	出售	–	–	–	(579,000)	(579,000)
At 31st December 2005	於二零零五年十二月三十一日	23,128,805	8,167,879	3,148,324	1,707,120	36,152,128
Accumulated depreciation:	累計折舊：					
At 1st January 2005	於二零零五年一月一日	1,506,848	8,112,632	1,330,492	1,200,051	12,150,023
Charge for the year	本年度折舊	3,607,700	16,947	181,784	237,167	4,043,598
Disposals	出售	–	–	–	(441,600)	(441,600)
At 31st December 2005	於二零零五年十二月三十一日	5,114,548	8,129,579	1,512,276	995,618	15,752,021
Net book value:	賬面淨值：					
At 31st December 2005	於二零零五年十二月三十一日	18,014,257	38,300	1,636,048	711,502	20,400,107

Interests in the Group's buildings at their net book values are analysed as follows: 在本集團權益中之建築物賬面淨值分析如下：

		The Group 本集團	
		2005 二零零五年 HK\$ 港幣	Restated 重列 2004 二零零四年 HK\$ 港幣
In Hong Kong, held on:	在香港持有：		
Leases of between 10 and 50 years	租賃十年至五十年	13,569,534	14,355,423
Outside Hong Kong, held on:	香港以外持有：		
Leases of between 10 and 50 years	租賃十年至五十年	76,594,960	121,488,359
		90,164,494	135,843,782



## Notes to the Financial Statements

## 財務報表附註

## 16 INVESTMENT PROPERTIES

## 16 投資物業

		The Group 本集團		The Company 本公司	
		2005 二零零五年 HK\$ 港幣	2004 二零零四年 HK\$ 港幣	2005 二零零五年 HK\$ 港幣	2004 二零零四年 HK\$ 港幣
At 1st January	於一月一日	385,762,255	308,458,446	377,000,000	300,000,000
Exchange difference	匯兌差異	218,452	-	-	-
Increase in fair value	增加公平變值				
- Continuing operations	- 持續經營業務	-	303,809	-	-
- Discounting operations (note 9)	- 即將終止業務 (附註9)	108,000,000	77,000,000	108,000,000	77,000,000
Attributable to subsidiaries reclassified as associates	歸屬於附屬公司 重新分類為歸屬 聯營公司	(8,980,707)	-	-	-
Reclassified to assets directly associated with discontinuing operations (note 9)	重新分類直接與 即將終止業務有關 之資產(附註9)	(485,000,000)	-	(485,000,000)	-
At 31st December	於十二月三十一日	-	385,762,255	-	377,000,000
In Hong Kong, held on leases of between 10 and 50 years	在香港持有租賃 十年至五十年	-	377,000,000	-	377,000,000
Outside Hong Kong, held on leases of between 10 and 50 years	在香港以外持有租賃 十年至五十年	-	8,762,255	-	-
		-	385,762,255	-	377,000,000

## Notes to the Financial Statements

## 財務報表附註

## 17 LEASEHOLD LAND AND LAND USE RIGHTS

## 17 租賃土地及土地使用權

The Group's interests in leasehold land and land use rights represent prepaid operating lease payments and their net book values are analysed as follows:

列報在租用土地及土地使用權之本集團權益是營運租賃支出及其賬面淨值詳列如下：

		The Group 本集團	
		2005 二零零五年 HK\$ 港幣	Restated 重列 2004 二零零四年 HK\$ 港幣
In Hong Kong, held on: Lease of between 10 and 50 years	在香港持有： 租賃十年至五十年	4,292,798	4,397,501
Outside Hong Kong, held on: Lease of between 10 and 50 years	在香港以外持有： 租賃十年至五十年	9,840,264	9,928,618
		<b>14,133,062</b>	<b>14,326,119</b>

		The Group 本集團	
		2005 二零零五年 HK\$ 港幣	Restated 重列 2004 二零零四年 HK\$ 港幣
Opening net book value, as previously reported – effect of adopting HKAS 17 (note 2(a))	期初賬面淨值， 如前呈報 – 採納會計準則第17號之影響 (附註2(a))	–	–
		<b>14,326,119</b>	14,735,290
Opening net book value, as restated	期初賬面淨值，重列	<b>14,326,119</b>	14,735,290
Amortisation for the year	本年度攤銷	<b>(440,588)</b>	(409,171)
Exchange difference	兌換差異	<b>247,531</b>	–
Closing net book value	期末賬面淨值	<b>14,133,062</b>	14,326,119

## Notes to the Financial Statements

## 財務報表附註

18 INVESTMENTS IN AND AMOUNTS  
DUE FROM/TO SUBSIDIARIES

## 18 投資附屬公司及應收／付附屬公司

		The Company 本公司	
		2005 二零零五年 HK\$ 港幣	Restated 重列 2004 二零零四年 HK\$ 港幣
Unlisted shares, at cost	非上市股份，按成本入賬	139,167,724	106,741,431
Less: Provision for impairment loss	減：減值準備	(780,567)	(780,567)
		<b>138,387,157</b>	105,960,864
Dividends receivable from a subsidiary	應收附屬公司股息	48,098,824	32,428,598
Amounts due from subsidiaries	應收附屬公司賬款	109,120,596	124,508,234
Amounts due to subsidiaries	應付附屬公司賬款	(47,122,545)	(47,698,193)

All outstanding balances with subsidiaries were unsecured, non-interest bearing and repayable on demand.

應收及應付附屬公司賬款均無抵押、免息及按需要償還。

## Notes to the Financial Statements

## 財務報表附註

**18 INVESTMENTS IN AND AMOUNTS  
DUE FROM/TO SUBSIDIARIES**  
(continued)

## 18 投資附屬公司及應收／付附屬公司(續)

The following is a list of the subsidiaries at 31st December 2005: 於二零零五年十二月三十一日之附屬公司詳情如下：

Name 名稱	Place of incorporation and type of legal entity 註冊地點 及法定地位	Principal activities and place of operations 主要業務及經營地點	Particulars of registered/ issued share capital 已發行股本詳情	Effective interest held 公司所佔權益	
				Directly 直接	Indirectly 間接
Airborne Holdings Limited	British Virgin Islands, limited liability company 英屬處女島， 有限公司	Investment holding, Hong Kong 投資控股，香港	1 ordinary share of US\$1 1股普通股每股1美元	100%	—
Appliance Science Corporation	United States of America, limited liability company 美國，有限公司	Development and trading of electrical home appliances, United States of America 開發及經營家用 電器貿易	958,500 ordinary shares of US\$0.01 each 958,500股普通股 每股1美仙	—	83.51%
Good Nature Company Limited 海雲有限公司	Hong Kong, limited liability company 香港，有限公司	Trading of electrical home appliances, the PRC 家用電器貿易，中國	2 ordinary shares of HK\$10 each 2股普通股每股10港元	50%	50%
Good Nature International Limited	Cook Islands, limited liability company 科克群島，有限公司	Investment holding, Hong Kong 投資控股，香港	8 ordinary shares of US\$1 each 8股普通股每股1美元	100%	—
Guangzhou Conquest Electric Company Limited (note (a)) 廣州市民凱家用電器 有限公司	The PRC, limited liability company 中國，有限公司	Manufacturing of electrical home appliances, the PRC 生產家用電器，中國	US\$7,390,000 7,390,000美元	100%	—
Mass Top Corporation	British Virgin Islands, limited liability company 英屬處女島，有限公司	Property holding, Hong Kong 投資物業，香港	1 ordinary share of US\$1 1股普通股每股1美元	100%	—

## Notes to the Financial Statements

## 財務報表附註

## 18 INVESTMENTS IN AND AMOUNTS DUE FROM/TO SUBSIDIARIES

(continued)

## 18 投資附屬公司及應收／付附屬公司(續)

Name 名稱	Place of incorporation and type of legal entity 註冊地點 及法定地位	Principal activities and place of operations 主要業務及經營地點	Particulars of registered/ issued share capital 已發行股本詳情	Effective interest held 公司所佔權益	
				Directly 直接	Indirectly 間接
Raymond Electric (China) Limited 利民電機製造(中國) 有限公司	Hong Kong, limited liability company 香港, 有限公司	Investment holding, Hong Kong 投資控股, 香港	2 ordinary shares of HK\$10 each 2股普通股每股10港元	100%	—
Raymond (Guangzhou) Industrial Limited 廣州利民電器實業 有限公司	The PRC, limited liability company 中國, 有限公司	Inactive, the PRC 生產家用電器, 中國	RMB14,461,326 14,461,326元人民幣	—	99%
Raymond International Marketing Corp. (note (b)) (附註(b))	British Virgin Islands, limited liability company 英屬處女島, 有限公司	Inactive, the PRC 無營業, 中國	10 ordinary shares of US\$1 each 10股普通股每股1美元	100%	—
Raymond Marketing Corporation of North America (note (b)) (附註(b))	United States of America, limited liability company 美國, 有限公司	Inactive, United States of America 無營業, 美國	1,000 ordinary shares of US\$1 each 1,000股普通股 每股1美元	100%	—
Raymond (Panyu Nansha) Electrical Appliances Development Co. Ltd. 利民(番禺南沙)電器 發展有限公司	The PRC, limited liability company 中國, 有限公司	Manufacturing of electrical home appliances, the PRC 生產家用電器, 中國	US\$12,450,000 12,450,000美元	100%	—
Raymond Nansha Development Co. Ltd.	British Virgin Islands, limited liability company 英屬處女島, 有限公司	Property investment, the PRC 物業投資, 中國	2 ordinary shares of US\$1 each 2股普通股每股1美元	100%	—

None of the subsidiaries had any loan capital outstanding at the end of the year or at any time during the year.

各附屬公司於年結日期或是年內任何時間均無借貸資本。

## Notes to the Financial Statements

## 財務報表附註

### 18 INVESTMENTS IN AND AMOUNTS DUE FROM/TO SUBSIDIARIES

(continued)

## Notes:

- (a) During the year ended 31st December 2005, the registered capital of Guangzhou Conquest Electric Company Limited was increased by US\$4,156,473 from US\$3,233,527 to US\$7,390,000.
- (b) As at the date of this report, Raymond Marketing Corporation of North America and Raymond International Marketing Corp. have not completed the process of dissolution yet. There is no gain or loss resulting from the dissolution.

### 19 INTERESTS IN JOINTLY CONTROLLED ENTITIES

### 18 投資附屬公司及應收／付附屬公司 (續)

## 附註：

- (a) 於二零零五年十二月三十一日年度止，本集團之附屬公司，廣州市民凱家用電器有限公司之註冊資本增加了美元4,156,573元，由美元3,233,527元增至美元7,390,000元。
- (b) 於此年報當日，Raymond Marketing Corporation of North America和Raymond International Marketing Corp，仍未完成結業程序。該附屬公司之結業並無產生收益或虧損。

### 19 共同控制實體權益

		The Group 本集團	
		2005 二零零五年 HK\$ 港幣	2004 二零零四年 HK\$ 港幣
Share of net assets	應佔資產淨值	—	28,115,857
Unlisted shares, at cost	非上市股份，按成本入賬	—	37,329,363

The Group's interests in the jointly controlled entities below were held through Cheung Fung Technology (Holdings) Limited ("Cheung Fung"), an indirectly non-wholly owned subsidiary up to 2nd September 2005 when the Group disposed of 5% of its interest in Cheung Fung. Subsequent to 2nd September 2005, Cheung Fung has become an associate of the Group and the Group's interests in the entities below have been reflected in its interests in associates.

本集團在下列共同控制實體之權益是經祥豐科技(集團)有限公司(「祥豐」)，一間接持有之附屬公司持有至二零零五年九月二日當本集團出售祥豐5%權益時。在二零零五年九月二日之後，祥豐變成本集團之聯營公司及本集團在下列實體之權益在聯營公司權益中反映。

## Notes to the Financial Statements

## 財務報表附註

## 19 INTERESTS IN JOINTLY CONTROLLED ENTITIES (continued)

## 19 共同控制實體權益 (續)

The following is a list of jointly controlled entities as at 2nd September 2005:

於二零零五年九月二日之共同控制實體如下：

Name 名稱	Place of incorporation 註冊地點	Principal activities and place of operation 主要業務及經營地點	Percentage of indirect interest in ownership/ profit sharing 間接所佔權益/ 盈利分攤之百分率
Sichuan Jinfeng Innovation Industry Company Limited 四川錦豐創新實業有限公司	The PRC 中國	Manufacturing and trading of cigarette paper, the PRC 製造及銷售煙紙，中國	26.01% (Note a) (附註a)
Sichuan Jinfeng Spike Paper Products Company Limited 四川錦豐斯貝克紙品有限公司	The PRC 中國	Manufacturing and trading of cigarette paper, the PRC 製造及銷售煙紙，中國	26.17%

*Note a:*

In January 2005, pursuant to an agreement between a joint venture partner and a non-wholly owned subsidiary of the Group, the joint venture partner transferred its 4% interest in the jointly controlled entity to the subsidiary for settlement of amounts due by the joint venture partner and a related company to the subsidiary. The transfer had been approved by the relevant government authorities. After the transfer, the effective interest of the Group in the jointly controlled entity increased from 24.8% to 26.01%.

As at 31st December 2005, there were no contingent liabilities relating to the Group's interests in the above entities.

*附註a:*

在二零零五年一月，根據一合營企業伙伴及一本集團非全資附屬公司之協議，合營企業伙伴轉讓其在一共同控制實體之4%權益與附屬公司以清算合營企業伙伴及關聯公司欠附屬公司之款項。此轉讓已經獲得有關政府機構批准。轉讓後，本集團在共同控制實體之有效權益由24.8%增至26.01%。

於二零零五年十二月三十一日年度止，在上述實體沒有或然負債與本集團權益有關。



# Notes to the Financial Statements

## 財務報表附註

### 20 INTERESTS IN ASSOCIATES

### 20 聯營公司權益

		The Group 本集團	
		2005 二零零五年 HK\$ 港幣	2004 二零零四年 HK\$ 港幣
At 1st January	於一月一日	-	-
Reclassified from subsidiaries following the disposal of interests	出售權益後由附屬公司重新分類	65,773,880	-
Exchange difference	兌換差異	93,127	-
Share of associates' results	佔聯營公司業績		
- Loss before taxation	- 除稅前虧損	(12,068,914)	-
- Taxation	- 稅項	(575,632)	-
At 31st December	於十二月三十一日	53,222,461	-

The following are the particulars of the Group's principal associate (unlisted) as at and for the four months ended 31st December 2005:

於年度前四個月至二零零五年十二月三十一日止之主要聯營公司(非上市)詳情如下:

Name 名稱	Place of incorporation and operation 註冊及經營地點	Principal activity 主要業務	Particulars of issued capital 已發行股本	Consolidated assets 綜合資產	Consolidated liabilities 綜合負債	Consolidated revenues 綜合收入	Consolidated profit/(loss) 綜合盈利/ 虧損	Interest held indirectly 間接持有權益
Cheung Fung Technology (Holdings) Limited ("Cheung Fung") 祥豐科技(集團)有限公司	Hong Kong 香港	Investment holding, Hong Kong (Note b) 投資控股, 香港	100,000,000 Class A (non-voting) shares of HK\$0.5 each and 200,000,000 Class B shares of HK\$0.5 each 100,000,000股A股 (無投票權) 每股5角港元和 200,000,000股 B股每股5角港元	297,415,594	244,193,133	26,402,327	(12,644,546)	45.75% (Note a) (附註a)

#### Notes:

#### 附註:

- (a) The interest in Cheung Fung held indirectly by the Company was 50.75% as at 31st December 2004 and 2nd September 2005.
- (a) 於二零零四年十二月三十一日及二零零五年九月二日本公司間接持有祥豐權益50.75%。
- (b) The principal subsidiary of Cheung Fung, Sichuan Jinfeng Paper Limited, is a limited liability company incorporated in the PRC. Its principal activities are the manufacturing and sale of cigarette paper in the PRC.
- (b) 祥豐之主要附屬公司, 四川錦豐紙業有限公司是一間在中國註冊之有限公司。其主要活動是在中國製造及銷售煙紙。

## Notes to the Financial Statements

## 財務報表附註

## 21 DEFERRED TAXATION

Deferred taxation is calculated in full on temporary differences under the liability method. The movement on the net deferred tax liabilities account is as follows:

## 21 遞延稅項

遞延稅項採用負債法就短暫時差作全數撥備。遞延稅項負債變動如下

		The Group 本集團		The Company 本公司	
		2005 二零零五年 HK\$ 港幣	2004 二零零四年 HK\$ 港幣	2005 二零零五年 HK\$ 港幣	2004 二零零四年 HK\$ 港幣
At 1st January	於一月一日	48,172,247	32,885,544	42,108,231	27,470,941
Effect of changes in exchange rate	兌換率變動之影響	118,691	-	-	-
Charged/(credited) to income statement	遞延稅項在損益表支銷				
- Continuing operations (note 8)	- 持續經營業務 (附註8)	2,524,843	814,546	2,524,843	165,133
- Discontinuing operations (note 9)	- 即將終止業務 (附註9)	(37,163,225)	14,472,157	(37,163,225)	14,472,157
Attributable to subsidiaries reclassified as associates	歸屬附屬公司重新分類為聯營公司	(954,446)	-	-	-
At 31st December	於十二月三十一日	12,698,110	48,172,247	7,469,849	42,108,231

Deferred income tax assets are recognised for tax losses carried forwards to the extent that realisation of the related tax benefit through the future taxable profit is probable. At 31st December 2005, the Group has unrecognised estimated tax losses of HK\$2,830,000 (2004: HK\$17,437,000 out of which HK\$14,554,000 was attributable to subsidiaries reclassified as associates in September 2005) to carry forward against future taxable profit. There is no expiry date for the tax losses.

遞延所得稅資產乃因應相關稅務利益可透過未來應課稅溢利變現而就所結轉之稅損作確認。於二零零五年十二月三十一日本集團可結轉以抵銷未來應課稅溢利之未確認稅務虧損估計為港幣2,830,000元(二零零四年：港幣17,437,000元其中有港幣14,554,000元於二零零五年九月由歸屬附屬公司轉變為聯營公司。)，該未確認稅務虧損無期限。

## Notes to the Financial Statements

### 財務報表附註

#### 21 DEFERRED TAXATION (continued)

#### 21 遞延稅項 (續)

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

年內遞延稅項資產及負債之變動(與同一徵稅地區之結餘抵銷前)如下:

Deferred tax assets 遞延稅項資產		The Group 本集團							
		Tax losses 稅務虧損		Accelerated accounting depreciation 加速會計折舊		Other temporary differences 其他短暫差異		Total 合計	
		2005 二零零五年 HK\$ 港幣	2004 二零零四年 HK\$ 港幣	2005 二零零五年 HK\$ 港幣	2004 二零零四年 HK\$ 港幣	2005 二零零五年 HK\$ 港幣	2004 二零零四年 HK\$ 港幣	2005 二零零五年 HK\$ 港幣	2004 二零零四年 HK\$ 港幣
At 1st January	於一月一日	(375,299)	(375,299)	(134,591)	(143,143)	(670,669)	(17,709)	(1,180,559)	(536,151)
Charged/(credited) to income statement	在損益表扣除/ (記賬)								
- Continuing operations	- 持續經營業務	-	-	-	8,552	-	(652,960)	-	(644,408)
Attributable to subsidiaries reclassified as associates	歸屬附屬公司重新分類 為聯營公司	-	-	-	-	37,597	-	37,597	-
At 31st December	於十二月三十一日	(375,299)	(375,299)	(134,591)	(134,591)	(633,072)	(670,669)	(1,142,962)	(1,180,559)

Deferred tax liabilities 遞延稅項負債		The Group 本集團							
		Accelerated tax depreciation 加速會計折舊		Revaluation 估值		Other temporary differences 其他短暫差異		Total 合計	
		2005 二零零五年 HK\$ 港幣	2004 二零零四年 HK\$ 港幣	2005 二零零五年 HK\$ 港幣	2004 二零零四年 HK\$ 港幣	2005 二零零五年 HK\$ 港幣	2004 二零零四年 HK\$ 港幣	2005 二零零五年 HK\$ 港幣	2004 二零零四年 HK\$ 港幣
At 1st January	於一月一日	3,947,849	2,785,559	38,260,639	24,697,961	7,144,318	5,938,175	49,352,806	33,421,695
Effect of changes in exchange rate	兌換率變動之影響	-	-	-	-	118,691	-	118,691	-
Charged/(credited) to income statement:	在損益表扣除:								
- Continuing operations	- 持續經營業務	2,524,843	165,133	-	87,678	-	1,206,143	2,524,843	1,458,954
- Discontinuing operations	- 即將終止業務	997,157	997,157	(38,160,382)	13,475,000	-	-	(37,163,225)	14,472,157
Attributable to subsidiaries reclassified as associates	歸屬附屬公司重新分 類為聯營公司	-	-	(100,257)	-	(891,786)	-	(992,043)	-
At 31st December	於十二月三十一日	7,469,849	3,947,849	-	38,260,639	6,371,223	7,144,318	13,841,072	49,352,806

## Notes to the Financial Statements

### 財務報表附註

#### 21 DEFERRED TAXATION (continued)

#### 21 遞延稅項 (續)

Deferred tax liabilities 遞延稅項負債		The Company 本公司							
		Accelerated tax depreciation 加速會計折舊		Revaluation 估值		Other temporary differences 其他短暫差異		Total 合計	
		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\$ 港幣	HK\$ 港幣	HK\$ 港幣	HK\$ 港幣	HK\$ 港幣	HK\$ 港幣	HK\$ 港幣	HK\$ 港幣
At 1st January, as restated	於一月一日，如前呈報	3,947,849	2,785,559	38,160,382	24,685,382	-	-	42,108,231	27,470,941
Charged/(credited) to income statement	在損益表扣除								
- Continuing operations	- 持續經營業務	2,524,843	165,133	-	-	-	-	2,524,843	165,133
- Discontinuing operations	- 即將終止業務	997,157	997,157	(38,160,382)	13,475,000	-	-	(37,163,225)	14,472,157
At 31st December	於十二月三十一日	7,469,849	3,947,849	-	38,160,382	-	-	7,469,849	42,108,231

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The following amounts, determined after appropriate offsetting, are shown in the balance sheet:

當有法定權利可將現有稅項資產與現有稅務負債抵銷，而遞延所得稅涉及同一財政機關，則可將遞延所得稅資產與遞延所得稅負債互相抵銷。在計入適當抵銷後，下列金額在資產負債表內列賬：

		The Group 本集團		The Company 本公司	
		2005 二零零五年 HK\$ 港幣	2004 二零零四年 HK\$ 港幣	2005 二零零五年 HK\$ 港幣	2004 二零零四年 HK\$ 港幣
Deferred tax assets	遞延稅項資產	(152,740)	(152,299)	-	-
Deferred tax liabilities	遞延稅項負債	8,864,904	48,324,546	3,483,903	42,108,231
Deferred tax liabilities included in liabilities directly associated with discontinuing operations	遞延稅項負債包括 直接與即將終止 業務有關之負債	3,985,946	-	3,985,946	-
		12,698,110	48,172,247	7,469,849	42,108,231

## Notes to the Financial Statements

## 財務報表附註

## 22 INVENTORIES

## 22 存貨

		The Group 本集團		The Company 本公司	
		2005 二零零五年 HK\$ 港幣	2004 二零零四年 HK\$ 港幣	2005 二零零五年 HK\$ 港幣	2004 二零零四年 HK\$ 港幣
Raw materials	原材料	86,661,789	107,973,701	8,204,459	924,705
Work in progress	在製品	7,606,317	8,918,316	-	-
Finished goods	製成品	4,157,443	55,976,040	91,741	13,026,060
		<b>98,425,549</b>	<b>172,868,057</b>	<b>8,296,200</b>	<b>13,950,765</b>

## 23 TRADE RECEIVABLES, NET

## 23 應收賬項，淨值

		The Group 本集團		The Company 本公司	
		2005 二零零五年 HK\$ 港幣	2004 二零零四年 HK\$ 港幣	2005 二零零五年 HK\$ 港幣	2004 二零零四年 HK\$ 港幣
Receivables	應收賬項	148,021,066	208,959,614	143,015,369	117,482,444
Less: Impairment loss	減：減值損失	-	(7,296,793)	-	-
		<b>148,021,066</b>	<b>201,662,821</b>	<b>143,015,369</b>	<b>117,482,444</b>

## Notes to the Financial Statements

## 財務報表附註

## 23 TRADE RECEIVABLES, NET (continued)

The ageing analysis of receivables after provision for bad and doubtful debts at 31st December 2005 is as follows:

## 23 應收賬項，淨值（續）

於二零零五年十二月三十一日，應收賬項減除壞賬準備後之賬齡分析如下：

		The Group 本集團		The Company 本公司	
		2005 二零零五年 HK\$ 港幣	2004 二零零四年 HK\$ 港幣	2005 二零零五年 HK\$ 港幣	2004 二零零四年 HK\$ 港幣
Within 3 months	三個月內	132,187,608	140,060,108	127,181,911	98,301,356
Over 3 months but less than 6 months	超過三個月但 少於六個月	14,191,495	37,066,483	14,191,495	17,571,471
Over 6 months but less than 1 year	超過六個月但 少於一年	451,296	18,790,069	451,296	976,597
Over 1 year	超過一年	1,190,667	5,746,161	1,190,667	633,020
		148,021,066	201,662,821	143,015,369	117,482,444

The normal credit periods granted by the Group and the Company are on average of 3 months from the date of invoice.

本集團及本公司之一般收款期限為按發票日期平均三個月。

The fair value of trade receivables, net, is not materially different from their book values.

## 24 AMOUNTS DUE FROM/TO AN ASSOCIATE, RELATED COMPANIES AND JOINTLY CONTROLLED ENTITIES

The amounts due from/to an associate, related companies and jointly controlled entities were unsecured, non-interest bearing and repayable on demand.

## 24 應收／應付聯營，關聯公司及共同控制實體

應收／應付聯營，關聯公司及共同控制實體是均無抵押、免息及按需要償還。

## Notes to the Financial Statements

## 財務報表附註

## 25 SHARE CAPITAL

## 25 股本

		2005 二零零五年		2004 二零零四年	
		Number of shares 股數	Nominal value 面值 HK\$ 港幣	Number of shares 股數	Nominal value 面值 HK\$ 港幣
<i>Authorised:</i>	法定股本：				
Ordinary shares of HK\$0.50 each At 1st January	每股港幣五角普通股 於一月一日	1,000,000,000	500,000,000	500,000,000	250,000,000
Increase in authorised ordinary shares	增加法定資本	-	-	500,000,000	250,000,000
At 31st December	於十二月三十一日	1,000,000,000	500,000,000	1,000,000,000	500,000,000
<i>Issued and fully paid:</i>	已發行及繳足股本：				
Ordinary shares of HK\$0.50 each At 1st January	每股港幣五角普通股 於一月一日	370,694,868	185,347,434	367,001,860	183,500,930
Exercise of share options	行使購股權	7,386,016	3,693,008	3,693,008	1,846,504
At 31st December	於十二月三十一日	378,080,884	189,040,442	370,694,868	185,347,434

On 2nd June 2004, the authorised share capital of the Company was increased from HK\$250,000,000 to HK\$500,000,000 by the creation of 500,000,000 ordinary shares of HK\$0.50 each.

於二零零四年六月二日，本公司增加了法定股本 500,000,000 股每股港幣 5 角之普通股，由港幣 250,000,000 元增至港幣 500,000,000 元。



## Notes to the Financial Statements

## 財務報表附註

## 25 SHARE CAPITAL (continued)

At an Extraordinary General Meeting of the Company held on 6th June 2003, the Share Option Scheme was approved and adopted. Share options are granted to directors, employees and other eligible participants specified under the Share Option Scheme. A nominal consideration of HK\$1 was paid by the participants for each lot of share options granted. All share options can be exercised from the date of grant to 5th June 2013. Movements in the number of share options and their related weighted average exercise prices during the year are as follows:

		2005 二零零五年		2004 二零零四年	
		Average exercise price in HK\$ per share 加權平均行使價	Number of options 購股權數量	Average exercise price in HK\$ per share 加權平均行使價	Number of options 購股權數量
At 1st January	於一月一日	1.25	6,436,016	1.25	10,129,024
Granted (note (a))	授出(附註(a))	2.425	18,751,000	-	-
Exercised (note (b))	行駛(附註(b))	1.735	(7,386,016)	1.25	(3,693,008)
At 31st December (note (c))	於十二月三十一日 (附註(c))	2.286	17,801,000	1.25	6,436,016

The fair value of options granted during the year determined using the Black-Scholes valuation model was approximately HK\$728,000. The significant inputs into the model were share price of HK\$2.4, at the grant date, exercise price shown above, standard deviation of expected share price returns of 8.5%, expected life of options of 2 years, expected dividend payout rate of 6.8% and annual risk-free interest rate of 3%. The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of daily share prices over the last one year.

## 25 股本 (續)

於二零零三年六月六日之特別股東大會上通過了採用購股權計劃。購股權計劃授出購股權予董事、僱員及其他合資格人士。參予人士以港幣1元之代價以支付認購每一批購股權。購股權行使期限是授出日至二零一三年六月五日。是年度購股權數量及加權平均行使價變動如下：

本年度採用柏力克－舒爾斯估值模式計算購股權公平變值約港幣728,000元。該模式之重要輸入是於授予日期之股價港幣2.4元，上列之行使價，預期股價回報8.5%之標準差，預期購股權年期2年，預期股息率6.8%及每年無風險利率3%。計算預期股價回報標準差之波幅是基於過去一年每日股價之統計分析。

## Notes to the Financial Statements

### 財務報表附註

#### 25 SHARE CAPITAL (continued)

Notes:

- (a) Share options were granted on 21st June 2005 at the exercise price of HK\$2.425 per ordinary share and will expire on 5th June 2013. HK\$90 was received by the Company in respect of the share options granted in 2005.
- (b) Options exercised during the year resulted in 4,336,016 (2004: 3,693,008) ordinary shares being issued at HK\$1.25 (2004: HK\$1.25) each and 3,050,000 (2004: nil) ordinary shares being issued at HK\$2.425 each, yielding total gross proceeds of HK\$12,816,270 (2004: HK\$4,616,260) (before relevant transaction costs).

#### 25 股本 (續)

附註：

- (a) 購股權於二零零五年六月二十一日授出，其每股行使價為港幣2.425元，並將於至二零一三年六月五日屆滿。本公司就年內授出之購股權收取了之代價為港幣90元。
- (b) 本年度行使之購股權以每股普通股港幣1.25元(二零零四年：港幣1.25元)發行4,336,016股(二零零四年：3,693,008股)及以每股普通股港幣2.425元發行3,050,000股(二零零四年：無)，所得款項為港幣12,816,270元(二零零四年：港幣4,616,260元)(扣除有關交易成本前)。

		2005 二零零五年 HK\$ 港幣	2004 二零零四年 HK\$ 港幣
Ordinary share capital – at par value	普通股股本 – 每股面值	3,693,008	1,846,504
Share premium	股本溢價	9,123,262	2,769,756
Gross proceeds	毛收益	12,816,270	4,616,260

Market value of ordinary shares issued during the year at exercise date of:

所發行之股份在行使日之市場價值

		Number of shares 股份數量	HK\$ 港幣
24th February 2005	二零零五年二月二十四日	50,000	127,500
6th May 2005	二零零五年五月六日	3,143,008	7,228,918
12th May 2005	二零零五年五月十二日	1,143,008	2,514,618
30th June 2005	二零零五年六月三十日	330,000	792,000
18th July 2005	二零零五年七月十八日	500,000	1,200,000
31st August 2005	二零零五年八月三十一日	50,000	121,500
15th September 2005	二零零五年九月十五日	420,000	1,071,000
22nd September 2005	二零零五年九月二十二日	1,100,000	2,618,000
29th September 2005	二零零五年九月二十九日	650,000	1,560,000

## Notes to the Financial Statements

## 財務報表附註

## 25 SHARE CAPITAL (continued)

## 25 股本 (續)

Notes: (continued)

附註：(續)

(c) Share options outstanding at 31st December 2005 have the following terms:

(c) 於二零零五年十二月三十一日未行使之購股權如下：

Category 類別	Grant date 授出日	Exercise period 行使期	Exercise price 行使價 HK\$ 港元	Number of options 股數		Vested percentage 既得百分率	
				2005 二零零五年	2004 二零零四年	2005 二零零五年	2004 二零零四年
Directors 董事	23rd June 2003 二零零三年 六月二十三日	23rd June 2003 to 5th June 2013 二零零三年 六月二十三日至 二零一三年六月五日	1.25	2,000,000	6,286,016	100%	100%
Directors 董事	21st June 2005 二零零五年 六月二十一日	21st June 2005 to 5th June 2013 二零零三年 六月二十三日至 二零一三年六月五日	2.425	8,660,000	—	100%	100%
Other employees 其他職員	23rd June 2003 二零零三年 六月二十三日	23rd June 2003 to 5th June 2013 二零零三年 六月二十三日至 二零一三年六月五日	1.25	—	50,000	100%	100%
Other employees 其他職員	21st June 2005 二零零五年 六月二十一日	21st June 2005 to 5th June 2013 二零零三年 六月二十三日至 二零一三年六月五日	2.425	6,371,000	—	100%	100%
Suppliers 供應商	23rd June 2003 二零零三年 六月二十三日	23rd June 2003 to 5th June 2013 二零零三年 六月二十三日至 二零一三年六月五日	1.25	100,000	100,000	100%	100%
Other eligible persons 其他合資格人士	21st June 2005 二零零五年 六月二十一日	21st June 2005 to 5th June 2013 二零零三年 六月二十三日至 二零一三年六月五日	2.425	670,000	—	100%	100%
				17,801,000	6,436,016		

No share options were cancelled during the year (2004: Nil). 年內並無認股權被註銷(二零零四年：無)。

## Notes to the Financial Statements

## 財務報表附註

## 26 RESERVES

## 26 儲備

		The Group 本集團						Total 合計
		Share premium 股本溢價 HK\$ 港幣	Exchange reserve 外幣 匯兌儲備 HK\$ 港幣	Capital reserve 資本儲備 HK\$ 港幣	Retained earnings 滾存盈利 HK\$ 港幣	The PRC statutory reserve 中國 法定儲備 HK\$ 港幣	Other reserve 其他儲備 HK\$ 港幣	
At 1st January 2005, as previously reported	於二零零五年一月一日， 如前呈報	142,059,832	(6,090,748)	3,079,972	419,028,963	15,972,447	(757,396)	573,293,070
Effect of adopting HKAS 17 (note 2(a))	採用香港會計準則第17號 之差異(附註2(a))	-	-	-	837,619	-	-	837,619
At 1st January 2005, as restated	於二零零五年一月一日， 重列	142,059,832	(6,090,748)	3,079,972	419,866,582	15,972,447	(757,396)	574,130,689
Appropriation to the PRC statutory reserve (note)	中國法定儲備撥款 (附註)	-	-	-	(5,654,100)	5,654,100	-	-
Profit attributable to shareholders	可歸屬股東之盈利	-	-	-	161,017,775	-	-	161,017,775
Dividends	股息	-	-	-	(60,157,441)	-	-	(60,157,441)
Exchange difference on translation of net assets of foreign subsidiaries and associates	海外附屬公司及 聯營公司資產之 兌換差異	-	7,876,670	-	-	-	-	7,876,670
Share options granted during the year	本年度授予購股權	-	-	727,937	-	-	-	727,937
Share options exercised during the year	本年度行使購股權	-	-	-	-	-	-	-
- gross proceeds (note 26)	- 毛收益(附註26)	9,123,262	-	-	-	-	-	9,123,262
- transfer from capital reserve	- 由資本儲備轉移	111,805	-	(111,805)	-	-	-	-
At 31st December 2005	於二零零五年 十二月三十一日	151,294,899	1,785,922	3,696,104	515,072,816	21,626,547	(757,396)	692,718,892
Representing:	組成如下：							
2005 final dividend proposed	二零零五年擬派末期股息				42,308,407			
2005 special dividend proposed	二零零五年擬派特別股息				192,310,942			
Others	其他				280,453,467			
Retained earnings at 31st December 2005	於二零零五年十二月 三十一日滾存盈利				515,072,816			

# Notes to the Financial Statements

## 財務報表附註

### 26 RESERVES (continued)

### 26 儲備 (續)

		Share premium 股本溢價 HK\$ 港幣	Exchange reserve 外幣 匯兌儲備 HK\$ 港幣	Capital reserve 資本儲備 HK\$ 港幣	The Group 本集團 Retained earnings 滾存盈利 HK\$ 港幣	The PRC statutory reserve 中國 法定儲備 HK\$ 港幣	Other reserve 其他儲備 HK\$ 港幣	Total 合計 HK\$ 港幣
At 1st January 2004, as previously reported	於二零零四年一月一日， 如前呈報	139,290,076	(6,090,748)	3,079,972	355,663,929	11,472,969	(757,396)	502,658,802
Effect of adopting HKAS 17 (note 2(a))	採用香港會計準則第17號 之差異(附註2(a))	-	-	-	732,917	-	-	732,917
At 1st January 2004, as restated	於二零零四年一月一日， 重列	139,290,076	(6,090,748)	3,079,972	356,396,846	11,472,969	(757,396)	503,391,719
Share options exercised (note 26)	行使認股權(附註26)	2,769,756	-	-	-	-	-	2,769,756
Appropriation to the PRC statutory reserve (note)	中國法定儲備撥款 (附註)	-	-	-	(4,499,478)	4,499,478	-	-
Profit attributable to shareholders	可歸屬股東之盈利	-	-	-	123,545,444	-	-	123,545,444
Dividends	股息	-	-	-	(55,576,230)	-	-	(55,576,230)
At 31st December 2004	於二零零四年 十二月三十一日	142,059,832	(6,090,748)	3,079,972	419,866,582	15,972,447	(757,396)	574,130,689
Representing: 2004 final dividend proposed	組成如下： 二零零四年擬派末期股息				40,781,935			
Others	其他				379,084,647			
Retained earnings at 31st December 2004	於二零零四年十二月 三十一日滾存盈利				419,866,582			

## Notes to the Financial Statements

### 財務報表附註

#### 26 RESERVES (continued)

#### 26 儲備 (續)

		The Company 本公司			
		Share premium 股本溢價 HK\$ 港幣	Retained earnings 投資物業 滾存盈利 HK\$ 港幣	Capital reserve 資本儲備 HK\$ 港幣	Total 合計 HK\$ 港幣
At 1st January 2005	於二零零五年一月一日	142,059,832	345,500,065	-	487,559,897
Share options granted during the year	本年度授予購股權	-	-	727,937	727,937
Share options exercised	行使購股權				
– gross proceeds	– 毛收益	9,123,262	-	-	9,123,262
– transfer from capital reserve	– 由資本儲備轉移	111,805	-	(111,805)	-
Profit for the year	本年度盈利	-	200,671,024	-	200,671,024
Dividends	股息	-	(60,157,441)	-	(60,157,441)
At 31st December 2005	於二零零五年十二月三十一日	151,294,899	486,013,648	616,132	637,924,679
Representing:	組成如下:				
2005 final dividend proposed	二零零五年擬派末期股息		42,308,407		
2005 special dividend proposed	二零零五年擬派特別股息		192,310,942		
Others	其他		251,394,299		
Retained earnings at 31st December 2005	於二零零五年十二月三十一日滾存盈利		486,013,648		
At 1st January 2004	於二零零四年一月一日	139,290,076	200,800,642	-	340,090,718
Share options exercised	行使購股權	2,769,756	-	-	2,769,756
Profit for the year	本年度盈利	-	200,275,653	-	200,275,653
Dividends	股息	-	(55,576,230)	-	(55,576,230)
At 31st December 2004	於二零零四年十二月三十一日	142,059,832	345,500,065	-	487,559,897
Representing:	組成如下:				
2004 final dividend proposed	二零零四年擬派末期股息		40,781,935		
Others	其他		304,718,130		
Retained earnings at 31st December 2004	於二零零四年十二月三十一日滾存盈利		345,500,065		

At 31st December 2005, reserve of the Company amounting to approximately HK\$159,954,000 (2004: HK\$165,601,000) is available for distribution to shareholders.

於二零零五年十二月三十一日，可供分派儲備約為港幣159,954,000元（二零零四年：港幣165,601,000元）。

## Notes to the Financial Statements

## 財務報表附註

## 26 RESERVES (continued)

Note:

Pursuant to the laws and regulations governing the PRC enterprises, certain of the Group's PRC subsidiaries, which are wholly foreign-owned enterprises, are required to allocate at least 10% of their after-tax profit but before dividend distribution to the general reserve until the reserve has reached 50% of their registered capital. The general reserve can only be used, upon approval by the relevant authority, to offset accumulated losses or increase capital. Appropriation to general reserve during the year amounted to approximately HK\$5,654,000 (2004: HK\$4,499,000). The enterprise expansion fund can only be used to increase capital upon approval by the relevant authority. Appropriation to enterprise expansion fund is at the discretion of the board of directors of the PRC subsidiaries. There was no appropriation during the year (2004: NIL).

The staff welfare and bonus fund can only be used for the welfare of the PRC subsidiaries' employees. Appropriation to the staff welfare and bonus fund is at the discretion of the board of directors of the PRC subsidiaries. For Hong Kong reporting purposes, this appropriation is charged to expenses and included in creditors and accrued charges in the consolidated financial statements.

## 27 LONG-TERM BANK LOANS

The long-term bank loans at 31st December 2004 were attributable to subsidiaries reclassified as associates in September 2005.

## 26 儲備(續)

附註：

依照中華人民共和國之法律及規定對企業之要求，本集團之中國附屬公司屬外商獨資企業，須把最少10%之稅後盈利分配到普通儲備，直至該儲備達註冊資本的50%為止。普通儲備只可經有關當局批准用於抵銷累積虧損或增加資本。本年度分配至普通儲備之數額約為港幣5,654,100元(二零零三年：港幣4,499,000元)。企業發展基金只可經有關當局批准用以增加資本。分配到企業發展基金之撥款由該等中國附屬公司之董事局自行決定。本年度沒有分配(二零零四年：無)。

職工福利及花紅基金只可作該中國附屬公司員工之福利之用。分配到職工福利及花紅基金之撥款由該等中國附屬公司之董事局自行決定。為香港報告所需，該撥款會於綜合財務報表中支銷費用，並列作應付賬項及應計項目。

## 27 長期銀行貸款

		The Group 本集團	
		2005 二零零五年 HK\$ 港幣	2004 二零零四年 HK\$ 港幣
Secured loans wholly repayable within five years	有抵押貸款需於五年內全部償還	-	64,327,030
Current portion of long-term liabilities	長期負債在一年內應償還之款項	-	(14,139,000)
Repayable in the second year	在第二年償還	-	50,188,030

於二零零四年十二月三十一日長期貸款是歸屬於由附屬公司在二零零五年九月轉變為聯營公司。



## Notes to the Financial Statements

## 財務報表附註

## 28 CREDITORS AND ACCRUED CHARGES

## 28 應付賬項及應計項目

		The Group 本集團		The Company 本公司	
		2005 二零零五年 HK\$ 港幣	2004 二零零四年 HK\$ 港幣	2005 二零零五年 HK\$ 港幣	2004 二零零四年 HK\$ 港幣
Creditors	應付賬項	120,116,662	143,034,347	96,276,309	99,666,214
Accrued charges and other payables	應計項目及其他 應付賬項	49,744,173	59,533,690	23,946,186	11,246,787
		<b>169,860,835</b>	<b>202,568,037</b>	<b>120,222,495</b>	<b>110,913,001</b>

The ageing analysis of the creditors at 31st December 2005 is as follows:

於二零零五年十二月三十一日，應付賬項之賬齡分析如下：

		The Group 本集團		The Company 本公司	
		2005 二零零五年 HK\$ 港幣	2004 二零零四年 HK\$ 港幣	2005 二零零五年 HK\$ 港幣	2004 二零零四年 HK\$ 港幣
Within 3 months	三個月內	113,046,285	129,592,724	91,135,227	92,230,259
Over 3 months but less than 6 months	超過三個月但少於六個月	5,927,913	12,508,653	4,012,197	7,261,620
Over 6 months but less than 1 year	超過六個月但少於一年	961,823	458,654	952,307	–
Over 1 year	超過一年	180,641	474,316	176,578	174,335
		<b>120,116,662</b>	<b>143,034,347</b>	<b>96,276,309</b>	<b>99,666,214</b>

## 29 PENSIONS – DEFINED CONTRIBUTION PLANS

## 29 退休金 – 界定供款退休計劃

The Group operates the Mandatory Provident Fund Scheme (“MPF Scheme”) under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The scheme is administered by an independent trustee.

本集團按香港強制性公積金計劃條例為根據香港僱傭條例司法權利保障之香港僱員提供強制性公積金計劃（「強積金計劃」）。該強積金計劃由獨立信託基金管理。

## Notes to the Financial Statements

### 財務報表附註

#### 29 PENSIONS – DEFINED CONTRIBUTION PLANS (continued)

Under the MPF Scheme, each of the Group and the eligible employees make monthly mandatory contributions to the scheme at 5% of the employees' relevant income as defined under the Mandatory Provident Fund Schemes Ordinance. The mandatory contributions by each party are subject to a maximum of HK\$1,000 per month. Contributions to the scheme vest immediately upon the completion of service in the relevant service period.

In addition to the MPF Scheme, the employees of the Group's Hong Kong subsidiaries, after completing half a year of service, have the option to join the Group's defined contribution provident fund scheme which is managed by an independent trustee. The Group makes monthly contributions of 5% – 10% of the employees' basic salaries to the scheme depending on the employees' years of service with the Group. The employees also make monthly contributions of 5% of the employees' basic salaries to the scheme. The employees are entitled to receive their entire contributions together with accrued interest thereon at any time upon leaving the Group, and 100% of the employer's contributions and the accrued interest upon retirement or leaving the Group after completing sixteen years of service or at a reducing scale of between 5% to 90% after completing three to fifteen years of service. The forfeited contributions made by the Group and related accrued interest can be used to reduce the employer's contributions. During the year, the aggregate amount of employer's contributions made by the Group to this scheme was approximately HK\$1,484,000 (2004: HK\$1,358,000). During the year, the total amount of forfeited contributions, which are available to reduce the contributions payable by the Group in future years, was approximately HK\$141,000 (2004: HK\$174,000). At 31st December 2005, the Group's contributions to the provident fund scheme and the interest accrued thereon amounted to approximately HK\$19,490,000 (2004: HK\$17,403,000).

#### 29 退休金－界定供款退休計劃(續)

根據強積金計劃，本集團及其合資格僱員均須根據強制性公積金計劃條例之規定，每月按僱員有關薪金5%為強積金計劃供款，有關薪金之定義乃根據強制性公積金計劃條例而計算。雙方的供款上限為每月港幣1,000元。所有供款按服務提供期間完成後繳付。

除上述強積金計劃，本集團香港附屬公司員工在替本集團工作滿六個月後，可選擇加入本集團委託之獨立信託公司管理之公積金計劃。本集團按員工年資及薪金計提5%至10%作為公司供款，而員工則按其薪金計提5%作為員工供款。當員工離職時，該員工將可取回其全數員工供款連應計利息及按年資計算取回公司供款連利息。凡工作滿十六年者，均可取回全數公司供款，而工作滿三年至十五年者，可取回之公司供款則按5%至90%計算。員工離職後被沒收之公司供款及利息可用作抵扣公司之供款。本年度本集團之供款約港幣1,484,000元(二零零四年：港幣1,358,000元)。本年度沒收供款連利息而可在來年之本集團供款中扣除之數額約為港幣141,000元(二零零四年：港幣174,000元)。於二零零五年十二月三十一日本集團對公積金計劃作出之供款及利息滾存約為港幣19,490,000元(二零零四年：港幣17,403,000元)。

## Notes to the Financial Statements

### 財務報表附註

#### 29 PENSIONS – DEFINED CONTRIBUTION PLANS (continued)

At 31st December 2005, certain employees of the Group had completed the required number of years of service under the Hong Kong Employment Ordinance (the “Ordinance”) and are eligible for long service payments on termination of their employment. The Group is only liable to make such payments when the termination meets the required circumstances specified in the Ordinance and the employees’ entitlement is not covered by the aforesaid provident funds. At 31st December 2005, the Group’s contributions to the provident funds and the accrued interest thereon exceeded the potential liabilities should the required circumstances specified in the Ordinance be met.

The Group’s subsidiaries in the PRC also participate in defined contribution retirement schemes covering its full-time PRC employees. The schemes are administered by the relevant government authorities in the PRC. The Group and the PRC employees are required to make contributions based on certain percentages of the applicable payroll costs as stipulated under the requirements in the PRC and the relevant government authorities undertake to assume the retirement benefit obligations of all existing and future retired employees of the Group’s subsidiaries in the PRC.

#### 29 退休金－界定供款退休計劃 (續)

在二零零五年十二月三十一日，本集團的部份員工的服務年期已達至香港僱傭條例(「條例」)的規定，在其聘用期完結時可享有長期服務金，然而在此條例指定之情形下，本集團須付之數額僅為該員工可得之退休金不足支付其長期服務金的差額。若所有符合此條例之員工離職，本集團於二零零四年十二月三十一日，本集團公積金計劃中滾存之款項已多於香港僱傭條例規定之潛在負債。

本集團在中國的附屬公司需要為中國國內全職員工設立退休供款計劃。此計劃受中國政府有關部門監管。本集團及員工需按此計劃規定各按有關薪金之一定百分比作出供款，而有關政府承諾承擔本集團在中國的附屬公司全體現有及未來退休員工之退休福利責任。

## Notes to the Financial Statements

## 財務報表附註

## 30 CONSOLIDATED CASH FLOW STATEMENT

## 30 綜合現金流量表

## (a) Reconciliation of operating profit to cash inflow generated from operations:

## (a) 經營盈利與經營活動之現金流入淨值對賬表

		2005 二零零五年 HK\$ 港幣	Restated 重列 2004 二零零四年 HK\$ 港幣
Operating profit	經營盈利		
– continuing operations	– 持續經營	39,589,860	101,796,963
– discontinuing operations	– 即將終止經營	122,610,100	90,336,872
Depreciation	折舊	31,821,034	29,878,883
Amortisation of goodwill	商譽攤銷	–	1,141,116
Impairment of goodwill	商譽減值	–	6,952,734
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	225,459	113,680
Amortisation of leasehold land and land use rights	土地租賃及土地使用權攤銷	440,588	409,171
Provision for inventory obsolescence	過時存貨準備	–	1,159,341
Reversal of provision for bad and doubtful debts in respect of receivables	撥回壞賬及呆壞賬準備	–	(6,382,952)
Interest income	利息收入	(2,409,002)	(656,140)
Share options granted to employees	授予僱員購股權	727,937	–
Increase in fair value of investment properties	增加投資物業公平變值	(108,000,000)	(77,303,809)
Operating profit before working capital changes	營運資金變動前經營盈利	85,005,976	147,445,859
Decrease/(increase) in inventories	存貨減少/(增加)	4,046,427	(25,814,662)
Increase in trade receivables	應收賬項增加	(50,452,961)	(1,647,584)
Decrease in bills receivable	應收票據減少	47,000	5,042,910
Decrease in deposits, prepayments and other receivables	訂金、預付款項及其他應收賬減少	3,505,049	17,420,871
Increase in amounts due from related companies	應收關聯公司增加	(3,043,013)	(628,864)
Increase in amounts due from jointly controlled entities	應收共同控制實體增加	(6,771,990)	(28,725,908)
Increase in amount due from an associate	應收聯營公司增加	(8,500,000)	–
Increase in creditors and accrued charges	應付賬項及應計項目增加	24,277,716	89,569,351
(Decrease)/increase in bills payable	應付票據(減少)/增加	(26,460,615)	11,164,067
(Decrease)/increase in amounts due to related companies	應付關聯公司(減少)/增加	(3,409,636)	1,861,814
Decrease in amounts due to jointly controlled entities	應付共同控制實體減少	–	(42,345,860)
Cash inflow generated from operations	經營活動產生之現金流入	18,243,953	173,341,994

## Notes to the Financial Statements

### 財務報表附註

#### 30 CONSOLIDATED CASH FLOW STATEMENT (continued)

#### 30 綜合現金流量表 (續)

#### (b) Reclassification of subsidiaries as associates (b) 從附屬公司重新分類為聯營公司

		<i>HK\$</i> 港幣
Net assets disposed of at 2nd September 2005:	於二零零五年九月二日出售之淨資產：	
Property, plant and equipment	物業·廠房及設備	334,556,429
Investment properties	投資物業	8,980,707
Interests in jointly controlled entities	共同控制實體權益	28,959,564
Cash and cash equivalents	現金及現金等價物	34,048,347
Inventories	存貨	74,442,280
Trade and other receivables	貿易及其他應收賬項	108,080,234
Amounts due from related companies	應收關聯公司	4,469,151
Amounts due from jointly controlled entities	應收共同控制實體	36,214,065
Bank and other borrowings	銀行及其他借款	(398,180,495)
Creditors and accrued charges	應付及應計賬項	(59,045,746)
Amounts due to related companies	應付關聯公司	(3,297,347)
Minority interests	少數股東權益	(95,310,461)
Deferred taxation	遞延稅	(954,446)
		72,962,282
Less: Share of net assets of subsidiaries reclassified as associates	減：佔附屬公司之淨資產重新分類為聯營公司	(65,773,880)
Net assets relating to the Group's disposal of 5% interests	有關出售本集團5%權益之淨資產	7,188,402
Gain on disposal	出售利潤	1,211,598
Consideration satisfied by cash	現金代價	8,400,000
Less: Cash and cash equivalent disposed of	減：出售之現金及現金等價物	(34,048,347)
Net cash outflow from reclassification of subsidiaries as associates	從附屬公司重新分類為聯營公司之淨現金流出	(25,648,347)

## Notes to the Financial Statements

## 財務報表附註

## 30 CONSOLIDATED CASH FLOW STATEMENT (continued)

## 30 綜合現金流量表(續)

## (c) Analysis of changes in financing during the year

## (c) 是年度融資項目變動分析

		Share capital (including share premium) 股本(包括溢價)		Dividends payable 應付股息		Minority interests 少數股東權益		Short-term bank loans 短期銀行貸款		Long-term bank loans 長期銀行貸款	
		2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
		HK\$ 港幣	HK\$ 港幣	HK\$ 港幣	HK\$ 港幣	HK\$ 港幣	HK\$ 港幣	HK\$ 港幣	HK\$ 港幣	HK\$ 港幣	HK\$ 港幣
At 1st January	於一月一日	327,407,266	322,791,006	428,357	323,592	90,822,511	100,628,367	338,688,957	362,165,384	64,327,030	64,327,878
Exchange differences	匯兌差額	-	-	-	-	4,076,321	-	7,783,393	-	1,603,740	(848)
Exercise of share options	行使購股權										
- gross proceeds	- 毛收益	12,816,270	4,616,260	-	-	-	-	-	-	-	-
- transfer from capital reserve	- 從資本儲備轉移	111,805	-	-	-	-	-	-	-	-	-
Minority interests' share of profits	少數股東應佔盈利	-	-	-	-	1,996,695	5,852,436	-	-	-	-
Minority interests' share of receivables converted to equity interest in a jointly controlled entity	少數股東應收賬項轉變為共同控制實體權益	-	-	-	-	(1,585,066)	(12,960,330)	-	-	-	-
Dividends paid	支付股息	-	-	(60,050,498)	(55,471,465)	-	-	-	-	-	-
Additions of new loans	增加新貸款	-	-	-	-	-	-	214,715,725	323,287,207	-	-
Repayment of loans	償還貸款	-	-	-	-	-	-	(228,938,350)	(346,763,634)	-	-
Dividends	股息	-	-	60,157,441	55,576,230	-	(2,697,962)	-	-	-	-
Attributable to subsidiaries reclassified as associates	可歸屬附屬公司重新分類為聯營公司	-	-	-	-	(95,310,461)	-	(332,249,725)	-	(65,930,770)	-
At 31st December	於十二月三十一日	340,335,341	327,407,266	535,300	428,357	-	90,822,511	-	338,688,957	-	64,327,030

## Notes to the Financial Statements

### 財務報表附註

#### 31 BANKING FACILITIES

At 31st December 2005, the Group had aggregate banking facilities of approximately HK\$137,450,000 (2004: HK\$504,849,000) for trade financing, loans and overdrafts. Unused facilities as at the same date amounted to approximately HK\$130,579,000 (2004: HK\$53,805,000). There were no securities for these facilities as at 31st December 2005. At 31st December 2004, the facilities were secured by pledging the property, plant and equipment and certain accounts receivable in total sum of approximately HK\$668,876,000 held by the Group, cross guarantees among the subsidiaries and corporate guarantees provided by related and third party companies of the Group.

#### 32 COMMITMENTS

##### (a) Capital commitments

#### 31 銀行信貸額度

在二零零五年十二月三十一日，本集團向銀行獲得之信貸額度約為港幣137,450,000元（二零零四年：港幣504,809,000元）以用作貿易融資、貸款及透支。同時期未用信貸額度約為港幣130,579,000元（二零零四年：港幣53,805,000元）。於二零零五年十二月三十一日信貸額度，並無抵押品。於二零零四年十二月三十一日，本集團信貸額度之抵押品是為約值港幣668,876,000元的固定資產及應收賬款，附屬公司之互相擔保，一非全資擁有附屬公司之少數股東及第三者公司之企業擔保。

#### 32 承擔

##### (a) 資本承擔

		The Group 本集團		The Company 本公司	
		2005 二零零五年 HK\$ 港幣	2004 二零零四年 HK\$ 港幣	2005 二零零五年 HK\$ 港幣	2004 二零零四年 HK\$ 港幣
Commitments for capital contribution to subsidiaries	注資予附屬公司之資本承擔				
Authorised but not contracted for	已批准但未簽約	130,104,000	32,428,598	130,104,000	—
Commitments for construction costs contracted but not provided for	建築成本之資本承擔已簽約但未撥備	1,136,134	5,455,605	1,136,134	—
		131,240,134	37,884,203	131,240,134	—



## Notes to the Financial Statements

## 財務報表附註

## 32 COMMITMENTS (continued)

## (b) Commitments under operating leases

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

		The Group 本集團		The Company 本公司	
		Land and buildings 土地及樓宇		Land and building 土地及樓宇	
		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\$ 港幣	HK\$ 港幣	HK\$ 港幣	HK\$ 港幣
Not later than one year	一年內	-	156,480	-	1,200,000
Later than one year and not later than five years	超過一年但 不超過五年	-	-	-	-
		-	156,480	-	1,200,000

## 32 承擔(續)

## (b) 經營租賃承擔

於二零零五年十二月三十一日，本集團根據不可撤消之經營租賃而於未來支付之最低租賃付款總額如下：

## 33 FUTURE OPERATING LEASE ARRANGEMENTS

At 31st December 2005, the Group and the Company had future aggregate minimum lease receipts under non-cancellable operating leases in respect of discontinuing operations as follows:

		The Group and the Company 本集團及本公司	
		2005 二零零五年	2004 二零零四年
		HK\$ 港幣	HK\$ 港幣
Not later than one year	第一年內	11,179,838	12,960,639
Later than one year and not later than five years	超過一年但不超過五年	2,584,306	8,149,138
		13,764,144	21,109,777

## 33 未來經營租賃安排

於二零零五年十二月三十一日，本集團及本公司之有關即將終止業務根據不可撤消之經營租賃而於未來支付之最低租賃款項總額如下：



## Notes to the Financial Statements

## 財務報表附註

**34 RELATED PARTY TRANSACTIONS AND BALANCES**

Other than those disclosed elsewhere in the financial statements, the following significant related party transactions have been entered into by the Group during the year:

- (a) During the year, the Group sold raw materials, net of returns of approximately HK\$9,487,000 (2004: HK\$9,675,000) to jointly controlled entities.
- (b) As a condition precedent for the completion of the Group's disposal of 5% of its interest in Cheung Fung (the "disposal shares") to a third party (the "option holder") during the year, Mr Kennedy Wong and Mr Raymond Wong (the "Wong Family"), executive directors of the Company, entered into an agreement with the option holder on 2nd September 2005 pursuant to which the Wong Family granted to the option holder a put option to sell to the Wong Family all or any part of the disposal shares at HK\$0.84 per share plus interest at 6% per annum. The option will expire on 31st October 2006.

**35 EVENT AFTER THE BALANCE SHEET DATE**

In January 2006, the Group completed the disposal of its investment property in Hong Kong for a cash consideration of HK\$528,110,000, resulting in an estimated gain on disposal of HK\$851,000 net of the top-up payment payable by the Company and the related transaction costs.

**34 關聯公司交易及結餘**

除了在本財務報表其他部份所披露外，本集團進行了下列關聯公司交易：

- (a) 於年內，本集團銷售約值港幣9,487,000元(二零零四年：港幣9,675,000元)之原材料予(扣除退貨後)共同控制實體。
- (b) 於年內，本集團有條件出售祥豐5%權益(「出售股份」)與第三方公司(「股權持有人」)，黃英豪先生及黃文顯先生(「黃氏家族」)，公司執行董事，於二零零五年九月二日與股權持有人簽訂協議，黃氏家族授予股權持有人認沽權。股權持有人可以行使認沽權以每股港幣0.84元加年息6%出售全部或部份股份與黃氏家族。此認沽權有效期至二零零五年十月三十一日。

**35 結算日後事項**

在二零零六年一月，本集團完成以現金代價港幣528,110,000元出售香港物業之交易，估計在計算本集團應付補足差額及有關交易費用後之出售盈利為港幣851,000元。