



## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 1 GENERAL INFORMATION

Burwill Holdings Limited ("the Company") is an investment holding company. Its subsidiaries are principally engaged in steel trading, warehousing and distribution, steel manufacturing and processing, property development and investment.

The Company is incorporated as an exempted company in Bermuda with limited liability. The address of its registered office is Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda.

The Company's shares have been listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 1983, and have a secondary listing on Singapore Exchange Securities Trading Limited since 1990.

These consolidated financial statements are presented in thousands of units of Hong Kong dollars (HK\$'000), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 21 April 2006.

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

#### 2.1 Basis of preparation

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

### 1 一般資料

寶威控股有限公司(「本公司」)為一間投資控股公司。其附屬公司主要業務為鋼鐵貿易、倉儲及分銷、鋼鐵加工製造、房地產開發及投資。

本公司於百慕達註冊成立為獲豁免有限公司。註冊辦事處地址為Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda。

本公司股份自一九八三年起於香港聯合交易所有限公司(「聯交所」)上市,及一九九零年起於新加坡證券交易所有限公司作第二上市。

除另有說明外,綜合財務報表以港幣千元列報。綜合財務報表已經由董事會在二零零六年四月二十一日批准刊發。

### 2 重要會計政策摘要

編製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。

#### 2.1 編製基準

寶威控股有限公司的綜合財務報表是根據香港財務報告準則(「財務準則」)編製。綜合財務報表已按照歷史成本法編製,並就部份投資物業、可供出售財務資產、按公平值透過損益列帳的財務資產和財務負債(包括衍生工具)的重估均按公平值列帳而作出修訂。



## Notes to the Consolidated Financial Statements 綜合財務報表附註

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
(continued)**2.1 Basis of preparation** (continued)

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

*The adoption of new/revised HKFRS*

In 2005, the Company and its subsidiaries (together "the Group") adopted the new/revised standards and interpretations of HKFRS below, which are relevant to its operations. The 2004 comparatives have been amended as required, in accordance with the relevant requirements.

HKAS 1	Presentation of Financial Statements
HKAS 2	Inventories
HKAS 7	Cash Flow Statements
HKAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
HKAS 10	Events after the Balance Sheet Date
HKAS 16	Property, Plant and Equipment
HKAS 17	Leases
HKAS 21	The Effects of Changes in Foreign Exchange Rates
HKAS 23	Borrowing Costs
HKAS 24	Related Party Disclosures
HKAS 27	Consolidated and Separate Financial Statements
HKAS 28	Investments in Associates
HKAS 32	Financial Instruments: Disclosures and Presentation
HKAS 33	Earnings per Share
HKAS 36	Impairment of Assets
HKAS 39	Financial Instruments: Recognition and Measurement
HKAS 39 Amendment	Transition and Initial Recognition of Financial Assets and Financial Liabilities
HKAS 40	Investment Property
HKAS-Int 12	Scope of HKAS-Int 12 Consolidation – Special Purpose Entities
HKAS-Int 15	Operating Leases - Incentives
HKAS-Int 21	Income Taxes - Recovery of Revalued Non-Depreciated Assets
HKFRS 2	Shared-based Payments

**2 重要會計政策摘要 (續)****2.1 編製基準 (續)**

編製符合財務準則的財務報表需要使用若干關鍵會計估算。管理層為此在應用本公司會計政策過程中需作出其判斷。涉及高度的判斷或複雜性的範疇，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。

*採納新訂／經修訂財務準則*

在二零零五年，本公司及其附屬公司（合稱「本集團」）採納下列與其業務相關的新訂／經修訂財務準則及詮釋。二零零四年的比較數字已按有關之規定作出所需修訂。

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16	物業、機器及設備
會計準則17	租賃
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39	金融工具：確認及計量
會計準則39 (修訂)	財務資產及財務負債的過渡和初步確認
會計準則40	投資物業
會計準則－詮釋12	會計準則－詮釋12「綜合－特殊目的實體」的範圍
會計準則－詮釋15	營運租賃－優惠
會計準則－詮釋21	所得稅－經重估非折舊資產的收回
財務準則2	以股份為基礎的支付



## Notes to the Consolidated Financial Statements 綜合財務報表附註

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
(continued)**2.1 Basis of preparation** (continued)*The adoption of new/revised HKFRS (continued)*

The adoption of new/revised HKASs 1, 2, 7, 8, 10, 16, 21, 23, 24, 27, 28, 33, 36 and HKAS-Ints 12 and 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 and other disclosures;
- HKASs 2, 7, 8, 10, 16, 23, 27, 28, 33, 36 and HKAS-Ints 12 and 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 each of the consolidated entities has been re-evaluated based on the guidance to the revised standard; and
- HKAS 24 has affected the identification of related parties and some other related-party disclosures.

The adoption of revised 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 was accounted for at cost less accumulated depreciation and accumulated impairment.

**2 重要會計政策摘要 (續)****2.1 編製基準 (續)***採納新訂／經修訂財務準則 (續)*

採納新訂／經修訂會計準則1, 2, 7, 8, 10, 16, 21, 23, 24, 27, 28, 33, 36及會計準則－詮釋12及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它披露的呈報形式；
- 會計準則2, 7, 8, 10, 16, 23, 27, 28, 33, 36及會計準則－詮釋12及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。本集團每個綜合實體的功能貨幣已根據經修訂準則的指引重新計值；及
- 會計準則24影響關聯方的確認和若干其它關聯方披露。

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，租賃土地按成本減累計折舊及累計減值列帳。



## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.1 Basis of preparation (continued)

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

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

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

The adoption of HKFRS 2 has resulted in a change in the accounting policy for share-based payments. Until 31 December 2004, the provision of share options to employees did not result in an expense in the income statements. Effective on 1 January 2005, the Group expenses the cost of share options in the income statement. As a transitional provision, the cost of share options granted after 7 November 2002 and had not yet vested on 1 January 2005 was expensed retrospectively in the income statement of the respective periods (Note 2.15).

## 2 重要會計政策摘要 (續)

### 2.1 編製基準 (續)

採納會計準則32及39導致會計政策改變，涉及按公平值透過損益列帳的財務資產及可供出售財務資產的分類。這亦導致衍生金融工具按公平值確認，及對沖活動的確認及計量的改變。

採納經修訂會計準則40導致會計政策改變，其中公平值的變動在損益表中記錄為其它收入的一部份。在以往年度，公平值的增加撥入投資物業重估儲備。公平值的減少首先與組合基準早前估值的增加對銷，餘額在損益表支銷。

採納經修訂會計準則一詮釋21導致會計政策改變，涉及重估投資物業產生的遞延稅項負債的計量。此等遞延稅項負債按照透過使用該資產而可收回的帳面值所得的稅務後果為基準計量。在以往年度，該資產的帳面值預期透過出售收回。

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。在二零零四年十二月三十一日以前，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。作為過渡條文，在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購股權的成本，在有關期間的損益表追溯支銷(附註2.15)。



## Notes to the Consolidated Financial Statements 綜合財務報表附註

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
(continued)**2.1 Basis of preparation** (continued)

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

- HKAS 16 – the initial measurement of an item of property, plant and equipment acquired in an exchange of assets transaction is accounted for at fair value prospectively only to future transactions;
- HKAS 21 – prospective accounting for fair value adjustments as part of foreign operations;
- HKAS 39 – does not permit to recognise, derecognise and measure financial assets and liabilities in accordance with this standard on a retrospective basis. The Group applied the previous SSAP 24 “Accounting for investments in securities” to investments in securities for the 2004 comparative information. The adjustments required for the accounting differences between SSAP 24 and HKAS 39 are determined and recognised at 1 January 2005;
- HKAS 40 – since the Group has adopted the fair value model, there is no requirement for the Group to restate the comparative information, any adjustment should be made to the retained profits as at 1 January 2005, including the reclassification of any amount held in revaluation surplus for investment property;
- HKAS-Int 15 – does not require the recognition of incentives for leases beginning before 1 January 2005; and
- HKFRS 2 – requires retrospective application for all equity instruments granted after 7 November 2002 and not vested at 1 January 2005.

**2 重要會計政策摘要 (續)****2.1 編製基準 (續)**

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：

- 會計準則16 – 在互換資產交易中所購入的物業、機器及設備項目的初步計量按公平值入帳，但僅適用於生效日期起的未來交易；
- 會計準則21 – 由生效日期起將公平值調整作為海外業務的一部份記帳；
- 會計準則39 – 此準則不容許追溯確認、不確認及計量財務資產及負債。本集團對二零零四年比較資料的證券投資，採用以前的會計實務準則24「證券投資的會計處理」。會計實務準則24與會計準則39之間的會計差異所需的調整在二零零五年一月一日確認及釐定；
- 會計準則40 – 由於本集團已採納公平值模式，因此本集團無須重列比較資料，任何調整須對二零零五年一月一日的保留盈利作出，包括就投資物業而在重估儲備的任何金額重新分類；
- 會計準則 – 詮釋15 – 並無要求確認與二零零五年一月一日以前開始的租賃有關的優惠；及
- 財務準則2 – 要求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。



Notes to the Consolidated Financial Statements 綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(continued)

2 重要會計政策摘要 (續)

2.1 Basis of preparation (continued)

The adoption of revised HKAS 17 and HKAS 40 resulted in a decrease in opening reserves at 1 January 2004 by HK\$3,378,000, an increase in opening retained profits at 1 January 2004 by HK\$3,164,000 and a decrease in minority interests at 1 January 2004 by HK\$1,763,000. The details of the adjustments to the financial statements at 31 December 2005 and for the year then ended are as follows:

2.1 編製基準 (續)

採納經修訂會計準則17及會計準則40導致二零零四年一月一日的期初儲備減少港幣3,378,000元、二零零四年一月一日的期初保留盈利增加港幣3,164,000元及二零零四年一月一日的少數股東權益減少港幣1,763,000元。對二零零五年十二月三十一日以及截至該日止年度的財務報表的調整詳情如下：

		2005 HK\$'000 港幣千元	2004 HK\$'000 港幣千元
Decrease in property, plant and equipment	物業、機器及設備減少	55,975	49,744
Increase in leasehold land and land use rights	租賃土地及土地使用權增加	92,526	85,791
Decrease in investment properties	投資物業減少	33,483	31,738
Decrease in deferred tax liabilities	遞延稅項負債減少	382	74
(Decrease)/increase in investment property revaluation reserve	投資物業重估儲備(減少)/增加	(44,573)	863
Increase in retained profits	保留盈利增加	48,262	3,567
Decrease in minority interests	少數股東權益減少	240	47
Increase in fair value gains on investment properties	投資物業公平值收益增加	34,172	-
Increase in selling and distribution expenses	銷售及分銷費用增加	918	909
Decrease in general and administrative expenses	一般及行政費用減少	737	823
Increase/(decrease) in deferred tax expense	遞延稅項增加/(減少)	11,031	(300)
Increase/(decrease) in profit attributable to minority interests	少數股東權益應佔盈利增加/(減少)	7,134	(189)
Increase in basic and/or diluted earnings per share	每股基本及/或攤薄盈利增加	1.52 HK cents港仙	0.04 HK cents港仙



## Notes to the Consolidated Financial Statements 綜合財務報表附註

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
(continued)**2 重要會計政策摘要 (續)****2.1 Basis of preparation (continued)**

There was no impact on opening reserves at 1 January 2005 from the adoption of HKAS 39. The details of the adjustments to the balance sheet at 31 December 2005 are as follows:

		2005 HK\$'000 港幣千元
Increase in available-for-sale financial assets	可供出售財務資產增加	9,310
Decrease in long-term investments	長期投資減少	9,310
Increase in held-to-maturity financial assets	持至到期日財務資產增加	19,118
Increase in financial assets at fair value through profit and loss	按公平值透過損益列帳的財務資產增加	9,816
Decrease in short-term investments	短期投資減少	28,934
Decrease in deferred borrowing costs	遞延借貸成本減少	1,221
Decrease in bank borrowings	銀行貸款減少	1,221

There was no impact on the financial statements from the adoption of HKAS-Int 21 and HKFRS 2.

The Group has not early adopted the following new standards or interpretations that have been issued and not yet effective, which are relevant to the operations of the Group. It is expected that the adoption of such standards or interpretations will not result in substantial changes to the Group's accounting policies.

HKAS 39 and HKFRS 4 (Amendment)	Financial Guarantee Contracts
HKFRS 7	Financial Instruments: Disclosures
HKFRS-Int 4	Determining whether an Arrangement contains a Lease

**2.1 編製基準 (續)**

採納會計準則39對二零零五年一月一日的期初儲備並無影響。對二零零五年十二月三十一日的資產負債表的調整詳情如下:

採納會計準則一詮釋21及財務準則2對本財務報表並無影響。

本集團並無提早採納下列與集團業務有關的已發出但未生效的新訂準則或詮釋。預期採納此等準則或詮釋將不會令本集團的會計政策出現重大變動:

會計準則39及財務準則4 (修訂)	財務擔保合約
財務準則7	金融工具:披露
財務準則一詮釋4	釐定一項安排是否包含租賃



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

**2 重要會計政策摘要 (續)**

**2.2 Consolidation**

**2.2 綜合帳目**

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

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的財務報表。

*(a) Subsidiaries*

*(a) 附屬公司*

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

附屬公司指本集團有權管控其財政及營運政策而控制之所有實體（包括特殊目的實體），一般附帶超過半數投票權的股權。在評定本集團是否控制另一實體時，目前可行使或可兌換的潛在投票權的存在及影響均予考慮。

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

附屬公司在控制權轉移至本集團之日起全面綜合入帳。附屬公司在控制權終止之日起停止綜合入帳。

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

會計收購法乃用作本集團收購附屬公司的入帳方法。收購的成本根據於交易日期所給予資產、所發行的股本工具及所產生或承擔的負債的公平值計算，另加該收購直接應佔的成本。在企業合併中所收購的可識別的資產以及所承擔的負債及或然負債，首先以彼等於收購日期的公平值計量，而不論任何少數股東權益的數額。收購成本超過本集團應佔所收購的可識別資產淨值公平值的數額記錄為商譽。若收購成本低於所購入附屬公司資產淨值的公平值，該差額直接在損益表確認。





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

**2 重要會計政策摘要 (續)**

**2.2 Consolidation** *(continued)*

**2.2 綜合帳目 (續)**

*(a) Subsidiaries (continued)*

*(a) 附屬公司 (續)*

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

集團內公司之間的交易、結餘及未實現交易收益予以對銷。除非交易提供所轉讓資產減值之憑證，否則未實現虧損亦予以對銷。附屬公司的會計政策已按需要作出改變，以確保與本集團採用的政策符合一致。

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

在本公司之資產負債表內，於附屬公司之投資按成本值扣除減值虧損準備列帳。附屬公司之業績由本公司按已收及應收股息入帳。

*(b) Transactions with minority interests*

*(b) 與少數股東權益交易*

The Group applies a policy of treating transactions with minority interests as transactions with parties external to the Group. Disposals to minority interests result in gains and losses for the Group that are recorded in the income statement. Purchases from minority interests result in goodwill, being the difference between any consideration paid and the share of the carrying value of net assets of the subsidiary acquired.

集團採用處理與少數股東權益交易如同與集團以外人士交易的政策。因出售予少數股東權益而產生的集團盈虧在損益表記帳。採購自少數股東權益所產生的商譽為已付代價及所佔購入附屬公司淨資產帳面值的差額。

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
(continued)**2.2 Consolidation** (continued)

## (c) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

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.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

**2 重要會計政策摘要 (續)****2.2 綜合帳目 (續)**

## (c) 聯營公司

聯營公司指所有本集團對其有重大影響力而無控制權的實體，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帳，初始以成本確認。本集團於聯營公司之投資包括收購時已識辨的商譽（扣除任何累計減值虧損）。

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帳內確認。投資帳面值會根據累計之收購後變動而作出調整。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，包括任何其它無抵押應收款，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。

本集團與其聯營公司之間交易的未實現收益按集團在聯營公司權益的數額對銷。除非交易提供所轉讓資產減值之憑證，否則未實現虧損亦予以對銷。聯營公司的會計政策已按需要作出改變，以確保與本集團採用的政策符合一致。



## Notes to the Consolidated Financial Statements 綜合財務報表附註

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

#### 2.2 Consolidation (continued)

##### (c) Associates (continued)

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

#### 2.3 Segment reporting

A business segment is a group of assets and operations engaged in providing goods 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.

#### 2.4 Foreign currency translation

##### (a) 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 重要會計政策摘要 (續)

#### 2.2 綜合帳目 (續)

##### (c) 聯營公司 (續)

在本公司之資產負債表內，於聯營公司之投資按成本值扣除減值虧損準備列帳。聯營公司之業績由本公司按已收及應收股息入帳。

#### 2.3 分部報告

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

#### 2.4 外幣匯兌

##### (a) 功能和列帳貨幣

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帳貨幣。

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
*(continued)***2 重要會計政策摘要 (續)****2.4 Foreign currency translation** *(continued)***2.4 外幣匯兌 (續)***(b) Transactions and balances**(b) 交易及結餘*

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, except when deferred in equity as qualifying cash flow hedges or qualifying net investment hedges.

外幣交易採用交易日的匯率換算為功能貨幣。除了符合在權益中遞延入帳的現金流量對沖和淨投資對沖外，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。

Changes in the fair value of monetary securities denominated in foreign currency classified as available-for-sale are analysed between translation differences resulting from changes in the amortised cost of the security, and other changes in the carrying amount of the security. Translation differences are recognised in profit or loss, and other changes in carrying amount are recognised in equity.

以外幣計值並分類為可供出售的貨幣證券的公平值變動將分解至因證券的攤銷成本轉變而產生的匯兌差額及證券帳面值的其它變動。匯兌差額於損益確認，而帳面值的其它變動則在權益確認。

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

非貨幣財務資產和負債的換算差額呈報為公平值盈虧的一部份。非貨幣財務資產和負債（例如按公平值持有透過損益列帳的權益）的換算差額在損益中確認為公平值盈虧的一部份。非貨幣財務資產（例如分類為可供出售的權益）的換算差額包括在權益的公平值儲備內。



Notes to the Consolidated Financial Statements 綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(continued)

2 重要會計政策摘要 (續)

2.4 Foreign currency translation (continued)

2.4 外幣匯兌 (續)

(c) Group companies

(c) 集團公司

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:

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

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (ii) income and expenses for each 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
- (iii) all resulting exchange differences are recognised as a separate component of equity.

- (i) 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;

- (ii) 每份損益表內的收入和費用按平均匯率換算(除非此平均匯率非為計及各交易日期匯率累計影響的合理約數;在此情況下,收支按各交易日期的匯率換算);及

- (iii) 所有由此產生的匯兌差額確認為權益的獨立組成項目。

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

在綜合帳目時,換算海外業務的淨投資,以及換算借貸及其它指定作為該等投資對沖的貨幣工具所產生的匯兌差額列入股東權益。當售出一項海外業務時,該等在權益記帳的匯兌差額將於損益表確認為出售盈虧的一部份。

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

收購海外實體產生的商譽及公平值調整視為該海外實體的資產和負債,並按收市匯率換算。



## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.5 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

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

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate cost to their residual values over their estimated useful lives, as follows:

– Buildings	20 to 50 years
– Leasehold improvements	2 to 10 years (over the period of leases)
– Machinery	10 years
– Furniture and equipment	4 to 10 years
– Motor vehicles	4 to 10 years

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.7).

## 2 重要會計政策摘要 (續)

### 2.5 物業、機器及設備

物業、機器及設備按歷史成本減折舊和減值虧損列帳。歷史成本包括收購該項目直接應佔的開支。成本可包括從權益中轉撥的有關該物業、機器及設備利用外幣購買的合資格現金流量對沖產生的任何收益／損失。

其後成本只有在與該項目有關的未來經濟利益有可能流入本集團，且該項目的成本能可靠計量時，才包括在資產的帳面值或確認為獨立資產（按適用）。所有其它維修及保養在產生的財政期間內於損益表支銷。

物業、機器及設備的折舊採用以下的估計可使用年期將成本按直線法分攤至剩餘價值計算：

– 樓宇	20至50年
– 租賃樓宇裝修	2至10年 (按租 約年期)
– 機器	10年
– 傢具設備	4至10年
– 車輛	4至10年

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。

若資產的帳面值高於其估計可收回價值，其帳面值即時撇減至可收回金額（附註2.7）。



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

**2.5 Property, plant and equipment** *(continued)*

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement. When revalued assets are sold, the amounts included in other reserves are transferred to retained profits.

**2.6 Investment properties**

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

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

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

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

After initial recognition, investment property is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. These valuations are performed in accordance with the guidance issued by the International Valuation Standards Committee. These valuations are reviewed annually by external valuers. Investment property that is being redeveloped for continuing use as investment property, or for which the market has become less active, continues to be measured at fair value.

**2 重要會計政策摘要 (續)**

**2.5 物業、機器及設備 (續)**

出售盈虧乃按所得款與帳面值比較，並在損益表入帳。當出售經重估資產，包括在其它儲備的金額將轉撥至保留盈利。

**2.6 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帳。營運租賃猶如其為融資租賃而記帳。

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帳。公平值根據活躍市場價格計算，如有需要，將就個別資產的性質、地點或狀況的任何差異作出調整。如沒有此等資料，本集團利用其它估值方法，例如較不活躍市場的近期價格或貼現現金流量預測法。此等估值法根據國際估值準則委員會發出的指引執行。此等估值每年由外部估值師檢討。為繼續用作投資物業而正在重建或市場已變得不活躍的投資物業，繼續按公平值計量。



## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.6 Investment properties (continued)

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

The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property. Some of those outflows are recognised as a liability, including finance lease liabilities in respect of land classified as investment property; others, including contingent rent payments, are not recognised in the financial statements.

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

Changes in fair values are recognised in the income statement as part of other gain.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its cost for accounting purposes. Property that is being constructed or developed for future use as investment property is classified as property, plant and equipment and stated at cost until construction or development is complete, at which time it is reclassified and subsequently accounted for as investment property.

If an item of property, plant and equipment becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this item at the date of transfer is recognised in equity as a revaluation of property, plant and equipment under HKAS 16. However, if a fair value reverses a previous impairment loss, the gain is recognised in the income statement.

## 2 重要會計政策摘要 (續)

### 2.6 投資物業 (續)

投資物業的公平值反映(包括其它)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。

公平值亦反映,在類似基準下物業預期的任何現金流出。此等現金流出部份確認為負債,包括列為投資物業的土地有關的融資租賃負債;而其它,包括或然租金款項,不在財務報表列帳。

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計量時,才計入在資產的帳面值中。所有其它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帳為其它收益的一部份。

若投資物業變成業主自用,會被重新分類為物業、機器及設備,其於重新分類日期的公平值,就會計目的而言變為其成本。現正興建或發展供日後用作投資物業的物業,被分類為物業、機器及設備,並按成本列帳,直至建築或發展完成為止,屆時重新分類為投資物業並其後按投資物業記帳。

根據會計準則16,若物業、機器及設備的某個項目因其用途改變而成為投資物業,該項目於轉撥日期的帳面值與公平值的任何差額在權益中確認為物業、機器及設備的重估。然而,若公平值收益將以往的減值虧損撥回,該收益於損益表確認。



**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
(continued)**2 重要會計政策摘要 (續)****2.7 Impairment of non-financial 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 levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

**2.7 非財務資產減值**

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帳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帳面值可能無法收回時就減值進行檢討。減值虧損按資產之帳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，資產以能產生可識辨現金流量（現金產生單位）的最低層次組合。已減值的非財務資產（商譽以外）於每個報告日期被檢討可否將減值回撥。



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

**2 重要會計政策摘要 (續)**

**2.8 Financial assets**

**2.8 財務資產**

From 1 January 2004 to 31 December 2004:

由二零零四年一月一日至二零零四年十二月三十一日:

The Group classified its investments in securities, other than subsidiaries and associates, as non-trading securities and trading securities.

本集團將其於證券的投資(不包括附屬公司及聯營公司)分類為非買賣證券及買賣證券。

(a) *Non-trading securities*

(a) *非買賣證券*

Investments which were held for non-trading purpose were stated at fair value at the balance sheet date. Changes in the fair value of individual securities were credited or debited to the investment revaluation reserve until the security was sold, or was determined to be impaired. Upon disposal, the cumulative gain or loss representing the difference between the net sales proceeds and the carrying amount of the relevant security, together with any surplus/deficit transferred from the investment revaluation reserve, was dealt with in the income statement.

持作非買賣用途之投資按結算日之公平值入帳。個別證券公平值之變動在投資重估儲備中貸記或借記，直至有關證券售出或確定為減值。出售證券之累計收益或損失指出售所得款項淨額與有關證券帳面值之差額，連同轉撥自投資重估儲備之任何盈餘／虧損，並在損益表處理。

Where there was objective evidence that individual investments were impaired the cumulative loss recorded in the revaluation reserve was taken to the income statement.

假若有客觀證據顯示個別投資之價值已減值，記錄在重估儲備中之累積虧損撥往損益表。

(b) *Trading securities*

(b) *買賣證券*

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

買賣證券按公平值列帳。在每個結算日，買賣證券之公平值變動而引致之未實現盈虧淨額均在損益表記帳。出售買賣證券之盈利或虧損指出售所得款項淨額與帳面值之差額，並在產生時於損益表記帳。



## Notes to the Consolidated Financial Statements 綜合財務報表附註

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
(continued)**2.8 Financial assets** (continued)

From 1 January 2005 onwards:

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

(a) *Financial assets at fair value through profit or loss*

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

(b) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are classified as accounts receivable and other receivables in the balance sheet (Note 2.10).

**2 重要會計政策摘要 (續)****2.8 財務資產 (續)**

由二零零五年一月一日起:

本集團將其財務資產分類如下: 按公平值透過損益列帳、貸款及應收款、持至到期日及可供出售。分類方式視乎購入財務資產目的而定。管理層在初步確認時釐定其財務資產的分類, 並於每個報告日期重新評估有關指定。

(a) *按公平值透過損益列帳的財務資產*

此類別有兩個次分類: 持作買賣的財務資產, 及開始時指定按公平值透過損益列帳的財務資產。財務資產若在購入時主要用作在短期內出售或由管理層如此指定, 則分類為此類別。衍生工具除非被指定為對沖, 否則亦分類為持作買賣用途。在此類別的資產若為持作買賣或預期將於結算日後12個月內變現, 則分類為流動資產。

(b) *貸款及應收款*

貸款及應收款為有固定或可釐定付款且沒有在活躍市場上報價的非衍生財務資產。此等款項包括在流動資產內, 但到期日由結算日起計超過12個月者, 則分類為非流動資產。貸款及應收款列在資產負債表中應收帳項及其它應收款內(附註 2.10)。



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

**2 重要會計政策摘要 (續)**

**2.8 Financial assets** *(continued)*

**2.8 財務資產 (續)**

From 1 January 2005 onwards: *(continued)*

由二零零五年一月一日起: (續)

(c) *Held-to-maturity investments*

(c) *持至到期日投資*

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. If the Group were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the balance sheet date, which are classified as current assets.

持至到期日投資為有固定或可釐定付款以及固定到期日的非衍生財務資產，而管理層有明確意向及能力持有至到期日。若本集團出售其持至到期日財務資產中多於不重大部份，則整個資產類別將受影響並需重新分類為可供出售。持至到期日財務資產包括在非流動資產內，除卻在結算日起12個月內到期的財務資產分類為流動資產。

(d) *Available-for-sale financial assets*

(d) *可供出售財務資產*

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

可供出售財務資產為非衍生工具，被指定為此類別或未被分類為任何其它類別。除非管理層有意在結算日後12個月內出售該項投資，否則此等資產列在非流動資產內。



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

**2.8 Financial assets** *(continued)*

From 1 January 2005 onwards: *(continued)*

Regular purchases and sales of investments are recognised on trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Gains and losses arising, from changes in the fair value of the 'financial assets at fair value through profit or loss' category including interest and dividend income, are presented in the income statement within "other gain, net" in the period in which they arise.

**2 重要會計政策摘要 (續)**

**2.8 財務資產 (續)**

由二零零五年一月一日起: (續)

投資的購入及出售在交易日確認- 交易日指本集團承諾購入或出售該資產之日。對於並非按公平值透過損益列帳的所有財務資產，投資初步按公平值加交易成本確認。按公平值透過損益列帳的財務資產初步按公平值確認並將交易成本支銷在損益表。當從投資收取現金流量的權利經已到期或經已轉讓，而本集團已將擁有權的所有風險和回報實際轉讓時，投資即終止確認。可供出售財務資產及按公平值透過損益列帳的財務資產其後按公平值列帳。貸款及應收款以及持至到期日投資利用實際利息法按攤銷成本列帳。

因為「按公平值透過損益列帳的財務資產」類別(包括利息及股息收入)的公平值變動而產生的盈虧，列入產生期間的損益表「其它收益淨額」。



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

**2.8 Financial assets** (continued)

From 1 January 2005 onwards: (continued)

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences are recognised in profit or loss, and other changes in carrying amount are recognised in equity. Changes in the fair value of monetary securities classified as available-for-sale and non-monetary securities classified as available-for-sale are recognised in equity.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement as 'gains and losses from investment securities'. Interest on available-for-sale securities calculated using the effective interest method is recognised in the income statement. Dividends on available-for-sale equity instruments are recognised in the income statement when the Group's right to receive payments is established.

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

**2 重要會計政策摘要 (續)**

**2.8 財務資產 (續)**

由二零零五年一月一日起: (續)

以外幣計值並分類為可供出售的貨幣證券的公平值變動將分解至因證券的攤銷成本轉變而產生的匯兌差額及證券帳面值的其它變動。匯兌差額於損益表確認，而帳面值的其它變動則在權益確認。分類為可供出售的貨幣證券及分類為可供出售的非貨幣證券的公平值變動在權益確認。

當分類為可供出售的證券被售出或減值時，在權益確認的累計公平值調整，將現列入損益表作為投資證券的盈虧。可供出售證券按實際利息法計算的利息在損益表確認。當集團就收款的權利確立時，可供出售股權工具的股息在損益表確認。

有報價投資的公平值根據當時的買盤價計算。若某項財務資產的市場並不活躍（及就非上市證券而言），本集團利用重估技術設定公平值。這些技術包括利用近期公平原則交易、參考大致相同的其它工具、貼現現金流量分析和期權定價模式，使用市場數據的最大化及依賴最少的實體特殊數據。



## Notes to the Consolidated Financial Statements 綜合財務報表附註

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
(continued)**2.8 Financial assets** (continued)

From 1 January 2005 onwards: (continued)

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the income statement - is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement. Impairment testing of accounts receivable is described in Note 2.10.

**2.9 Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Costs of inventories include the transfer from equity of any gains/losses on qualifying cash flow hedges relating to purchases of raw materials.

**2 重要會計政策摘要 (續)****2.8 財務資產 (續)**

由二零零五年一月一日起: (續)

本集團在每個結算日評估是否有客觀證據證明某項財務資產或某組財務資產經已減值。對於分類為可供出售的股權證券，證券公平值大幅或長期跌至低於其成本值被視為證券減值的信號。若可供出售財務資產存在此等證據，累計虧損－按收購成本與當時公平值的差額，減該財務資產之前在損益表確認的任何減值虧損計算－自權益中剔除並在損益表記帳。在損益表確認的股權工具減值虧損不會透過損益表撥回。應收帳項的減值測試在附註2.10描述。

**2.9 存貨**

存貨按成本及可變現淨值兩者的較低者列帳。成本利用先進先出法釐定。製成品及在製品的成本包括原材料、直接勞工、其它直接成本和相關的生產經常開支（依據正常營運能力）。這不包括貸款成本。可變現淨值為在通常業務過程中的估計銷售價，減適用的變動銷售費用。存貨成本包括自權益轉撥的與購買原材料有關的合資格現金流量對沖的任何收益／損失。



## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.10 Accounts and other receivables

Accounts 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 accounts 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. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the accounts receivable is impaired. 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.

### 2.11 Cash and cash equivalents

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

### 2.12 Share capital

Ordinary shares are classified as equity.

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

## 2 重要會計政策摘要 (續)

### 2.10 應收帳項及其它應收款

應收帳項及其它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，即就應收帳項及其它應收款設定減值撥備。債務人的重大財政困難、債務人將破產或財務重組的可能性以及不還債或拖欠款項均被視為應收帳項出現減值的信號。撥備金額為資產帳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。

### 2.11 現金及現金等價物

現金及現金等價物包括現金、銀行通知存款、原到期日為三個月或以下的其它短期高流動性投資，以及銀行透支。銀行透支在資產負債表的流動負債內貸款中列示。

### 2.12 股本

普通股被列為權益。

直接歸屬於發行新股或購股權的新增成本在權益中列為所得款的減少（扣除稅項）。





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

**2.12 Share capital** *(continued)*

Where any group company purchases the Company's equity share capital, the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the Company's equity holders until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

**2.13 Borrowings**

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

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

**2 重要會計政策摘要 (續)**

**2.12 股本 (續)**

如任何集團公司購入本公司的權益股本，所支付的代價，包括任何直接所佔的新增成本（扣除所得稅），自本公司權益持有人應佔的權益中扣除，直至股份被註銷、重新發行或售出為止。如股份其後被售出或重新發行，任何已收取的代價，扣除任何直接所佔的新增交易成本及相關的所得稅影響，包括在本公司權益持有人的應佔權益內。

**2.13 貸款**

貸款初步按公平值並扣除產生的交易成本確認。交易成本為取得、發行或出售某項財務資產或財務負債直接所佔的新增成本，包括支予代理人、顧問、經紀和交易商的費用和佣金、監管機關及證券交易所的徵費，以及過戶和印花稅。貸款其後按攤銷成本列帳；所得款（扣除交易成本）與贖回價值的任何差額利用實際利息法於貸款期間內在損益表確認。

除非本集團有無條件權利將負債的結算遞延至結算日後最少12個月，否則貸款分類為流動負債。



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

**2 重要會計政策摘要 (續)**

**2.14 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 consolidated financial statements. However, the deferred income tax, if it is not accounted for, 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. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

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

**2.14 遞延稅項**

遞延稅項利用負債法就資產和負債的稅基與資產和負債在綜合財務報表的帳面值之差產生的暫時差異全數撥備。然而，遞延稅項（若不作記帳）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。遞延稅項採用在結算日前已頒佈或實質頒佈，並在有關之遞延稅項資產實現或遞延稅項負債結算時預期將會適用之稅率（及法例）而釐定。

遞延稅項資產是就可能有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及聯營公司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。



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

**2 重要會計政策摘要 (續)**

**2.15 Employee benefits**

**2.15 僱員福利**

(a) *Employee leave entitlements*

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

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

(b) *Bonus plans*

Provisions for bonus plans due wholly within 12 months after balance sheet date are recognised when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

(c) *Pension obligations*

The Group operates a number of defined contribution plans, the assets of which are generally held in separate trustee - administered funds.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due and are reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(a) *僱員應享假期*

僱員在年假和長期服務休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及長期服務休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。

(b) *獎金計劃*

當本集團為僱員已提供之服務而產生現有法律或推定性責任，而責任金額能可靠估算時，則將在結算日後12個月內應付之獎金計劃作撥備入帳。

(c) *退休金責任*

集團營運多項界定供款退休計劃，計劃之資產一般由獨立管理之基金持有。

對於界定供款計劃，本集團以強制性、合約性或自願性方式向公開或私人管理的退休保險計劃供款。本集團作出供款後，即無進一步付款責任。供款在應付時確認為僱員福利開支，且可由供款全數歸屬前離開計劃的僱員所放棄的供款而減少。預付供款按照現金退款或可減少未來付款而確認為資產。



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

**2 重要會計政策摘要 (續)**

**2.15 Employee benefits** *(continued)*

**2.15 僱員福利 (續)**

*(d) Share-based compensation*

*(d) 以股份為基礎的補償*

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 entity revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the income statement with a corresponding adjustment to equity.

本集團設有一項以權益償付、以股份為基礎的補償計劃。僱員為獲取授予購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購股權的公平值釐定，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購股權數目的假設中。在每個結算日，本集團修訂其對預期可予以行使購股權數目的估計。本集團在損益表確認對原估算修訂（如有）的影響，並對權益作出相應調整。

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.

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

**2.16 Provisions**

**2.16 撥備**

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

當本集團因已發生的事件而產生現有的法律或推定性責任；較可能需要有資源流出以償付責任；及金額已經可靠估計時，便會作出撥備。不就未來營運虧損確認撥備。



## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.16 Provisions (continued)

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

### 2.17 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown, net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group. Revenue is recognised as follows:

- (a) Sale of goods – income from sale of goods is recognised when the significant risks and rewards of ownership of the goods have been transferred to customers.
- (b) Sale of properties – sale of completed properties held for sale is recognised when a legally-binding agreement has been executed and the risks and rewards of ownerships of the properties have been passed to the customers.

## 2 重要會計政策摘要 (續)

### 2.16 撥備 (續)

如有多項類似責任，其需要在償付中流出資源的可能性，根據責任的類別整體考慮。即使在同一責任類別所包含的任何一個項目相關的資源流出的可能性極低，仍須確認撥備。

撥備按預期需要的開支以償付責任的貼現值衡量，並採用稅前比率反映當時市場對金錢的時間值及該責任的相關風險。因時間的流逝而增加的撥備以利息支出確認。

### 2.17 收益確認

收益包括在集團通常活動過程中出售貨品及服務已收或應收代價的公平值。收益在扣除增值稅、退貨、回扣和折扣，以及對銷集團內部銷售後呈示。收益確認如下：

- (a) 銷貨 – 銷貨收益在擁有權之重大風險及回報轉移至客戶時確認。
- (b) 出售物業 – 出售已完工物業之收益於已經簽立具法律效力的協議及在物業擁有權之風險及回報轉移至客戶時確認。



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

**2 重要會計政策摘要 (續)**

**2.17 Revenue recognition** *(continued)*

- (c) Rental income – rental income is recognised on a straight line basis over the lease term.
- (d) Service income – service income is recognised in the accounting periods in which the services are rendered.
- (e) Interest income – interest income is recognised on a time proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

**2.18 Leases**

(a) *Operating lease*

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

**2.17 收益確認 (續)**

- (c) 租金收入 – 租金收入按租約年期以直線法確認。
- (d) 服務收入 – 服務收入在服務提供的會計期內確認。
- (e) 利息收入 – 利息收入採用實際利息按時間比例基準確認。倘應收款出現減值，本集團會將帳面值減至可收回款額，即估計的未來現金流量按該工具之原有效利率貼現值，並繼續將貼現計算並確認為利息收入。已減值貸款之利息收入按原實際利率確認。

**2.18 租賃**

(a) *營運租賃*

如租賃擁有權的重大部份風險和回報由出租人保留，分類為營運租賃。根據營運租賃支付的款項（扣除自出租人收取之任何獎勵金後）於租賃期內以直線法在損益表支銷。



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

**2.18 Leases** (continued)

(b) *Finance lease*

Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased asset and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in current and non-current borrowings. The interest element of the finance cost is recognised in the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset or the lease term.

**2.19 Dividend distribution**

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

**2 重要會計政策摘要 (續)**

**2.18 租賃 (續)**

(b) *融資租賃*

如本集團持有租賃物業、機器及設備擁有權的近乎所有風險及回報，分類為融資租賃。融資租賃在租賃開始時按租賃資產之公平值及最低租賃付款現值兩者之較低者入帳。每項租金均分攤為負債及財務開支，使財務費用佔融資結欠額之常數比率。相應租賃責任在扣除財務開支後計入流動及非流動貸款內。財務費用的利息部份於租約期內在損益表確認，使財務費用與每個期間的負債餘額之比為常數定期利率。根據融資租賃取得的物業、機器及設備按資產之可用年期或租期兩者的較低者折舊。

**2.19 股息分派**

向本公司股東分派的股息在股息獲本公司董事批准的期間內於本集團的財務報表內列為負債。



### 3 FINANCIAL RISK MANAGEMENT

#### 3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: foreign exchange risk, credit risk, liquidity risk and cash flow interest-rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group regularly monitors its exposure and currently considers not necessary to hedge any of these financial risks.

(a) *Foreign exchange risk*

Certain subsidiaries of the Group operate in Mainland China with most of the transactions denominated in Chinese Renminbi while a portion of inventories were purchased and settled in United States dollars. The Group is exposed to foreign exchange risk arising from the exposure of Chinese Renminbi and United States dollars against Hong Kong dollars. It has not hedged its foreign exchange rate risk arising from the exposure of Chinese Renminbi and United States dollars.

In addition, the conversion of Chinese Renminbi into foreign currencies is subject to the rules and regulations of the foreign exchange control promulgated by the Chinese Government.

(b) *Credit risk*

The Group has no significant concentrations of credit risk. It has policies in place to ensure that sales of goods are made to customers with an appropriate credit history. The carrying amount of the accounts receivable included in the consolidated balance sheets represents the Group's maximum exposure to credit risk in relation to its financial assets.

### 3 財務風險管理

#### 3.1 財務風險因素

本集團的活動承受著多種的財務風險：外匯風險、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。本集團定期監察其風險並認為現時無須對沖任何財務風險。

(a) 外匯風險

本集團部份附屬公司於中國營運，大部份交易以人民幣為貨幣單位。另有部份存貨以美元支付。本集團承受由人民幣及美元兌換港幣引起的外匯風險。本集團並無對沖因人民幣及美元引起的外匯風險。

此外，將人民幣轉換為外國貨幣受限於中國政府頒佈的外匯管制規則及條例。

(b) 信貸風險

本集團並無重大集中的信貸風險。本集團有政策確保貨品的銷售是向擁有適當信貸歷史的客戶銷售。包括在綜合資產負債表的應收帳項帳面值為本集團有關其財務資產最高承受的信貸風險。





## Notes to the Consolidated Financial Statements 綜合財務報表附註

### 3 FINANCIAL RISK MANAGEMENT (continued)

#### 3.1 Financial risk factors (continued)

##### (c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the Group aims to maintain flexibility in funding by keeping committed credit lines available.

##### (d) Cash flow and fair value interest rate risk

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

The Group's interest-rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest-rate risk. Borrowings issued at fixed rates expose the Group to fair value interest-rate risk. The Group has not hedged its cash flow and fair value interest rate risk.

#### 3.2 Fair value estimation

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

### 3 財務風險管理 (續)

#### 3.1 財務風險因素 (續)

##### (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和有價證券，透過已承諾信貸融資的足夠額度備有資金，和結算市場持倉的能力。由於基本業務的多變性質，集團致力透過已承諾的可用信貸額度維持資金的靈活性。

##### (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。

本集團的利率風險來自長期貸款。按變動利率發行的貸款令本集團承受現金流量利率風險。按固定利率發行的貸款令本集團承受公平值利率風險。本集團並無對沖其現金流量及公平值利率風險。

#### 3.2 公平值估計

在活躍市場買賣的金融工具（例如買賣證券和可供出售證券）之公平值根據結算日的市場報價列帳。本集團持有的財務資產的市場報價為當時買盤價。

**3 FINANCIAL RISK MANAGEMENT (continued)****3.2 Fair value estimation (continued)**

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The nominal value less impairment provision of accounts receivable and payable are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

**4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

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

**4.1 Critical accounting estimates and assumptions**

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.

**3 財務風險管理 (續)****3.2 公平值估計 (續)**

沒有在活躍市場買賣的金融工具(例如場外衍生工具)的公平值利用估值技術釐定。本集團利用多種方法,並根據每個結算日當時的市場情況作出假設。長期債務利用類似工具的市場報價或交易商報價釐定。其它技術,例如估計貼現現金流量,用以釐定其餘金融工具的公平值。

應收帳項和應付帳項的帳面值減減值撥備,被假定接近其公平值。作為披露目的,財務負債公平值的估計按未來合約現金流量以本集團類似金融工具可得的現有市場利率貼現計算。

**4. 關鍵會計估算及判斷**

估算和判斷會被持續評估,並根據過往經驗和其它因素進行評價,包括在有關情況下相信為合理的對未來事件的預測。

**4.1 關鍵會計估算及假設**

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帳面值作出重大調整的估算和假設討論如下。



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

##### 4.1 Critical accounting estimates and assumptions (continued)

(a) *Estimated impairment of property, plant and equipment, leasehold land and land use rights*

Property, plant and equipment, leasehold land and land use rights are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amounts of property, plant and equipment, leasehold land and land use rights have been determined based on value-in-use calculations, taking into account latest market information and past experience. These calculations and valuations require the use of judgements and estimates.

(b) *Estimate of fair value of investment properties*

The best evidence of fair value of properties is normally the current prices in an active market for comparable properties. In the absence of such information, the Group determines the amount within a range of reasonable fair value estimates. In making its judgement, the Group considers information from a variety of sources including:

- (i) current prices in an active market for properties of different nature, condition or location (or subject to different lease or other contracts), adjusted to reflect those differences, by reference to independent valuations; and
- (ii) recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices.

#### 4. 關鍵會計估算及判斷 (續)

##### 4.1 關鍵會計估算及假設 (續)

(a) 物業、機器及設備和租賃土地及土地使用權減值估算

當有事件出現或情況改變顯示帳面值可能無法收回時，須就物業、機器及設備和租賃土地及土地使用權進行減值檢討。在考慮近期市況及過往經驗，物業、機器及設備、租賃土地及土地使用權的可收回金額按照使用價值計算而釐定。此等計算及估價需要利用判斷及估算。

(b) 投資物業公平值的估計

物業的公平值的最佳憑證普遍為可與相比的物業在活躍市場的當時價格。若沒有此等資料，本集團在一系列合理的公平值估計範圍內釐定有關金額。在作出判斷時，本集團會考慮多方面的資料，包括：

- (i) 以獨立估價作為參考，不同性質、狀況或地點的物業在活躍市場的當時價格（或受限於不同租賃或其它合約），經調整以反映此等差別；及
- (ii) 相類似物業在較不活躍市場的近期價格，附帶調整以反映該等價格出現的交易日期後經濟狀況的任何變動。



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

**4.1 Critical accounting estimates and assumptions**  
*(continued)*

(b) *Estimate of fair value of investment properties*  
*(continued)*

If information on current or recent prices of investment properties is not available, the fair values of investment properties are determined using discounted cash flow valuation techniques. The Group uses assumptions that are mainly based on market conditions existing at each balance sheet date.

The principal assumptions underlying management's estimation of fair value are those related to: the receipt of contractual rentals; expected future market rentals; void periods; maintenance requirements; and appropriate discount rates. These valuations are regularly compared to actual market yield data, and actual transactions by the Group and those reported by the market.

The expected future market rentals are determined on the basis of current market rentals for similar properties in the same location and condition.

(c) *Current taxation and deferred taxation*

The Group is subject to taxation in Mainland China and Hong Kong. Significant judgement is required in determining the amount of the provision for taxation and the timing of payment of the related taxation. 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 periods in which such determination are made.

**4. 關鍵會計估算及判斷 (續)**

**4.1 關鍵會計估算及假設 (續)**

(b) 投資物業公平值的估計 (續)

如未能取得當時或近期價格的資料，投資物業的公平值利用貼現現金估值技術釐定。本集團利用的假設主要根據結算日當時的市場情況釐定。

管理層對公平值估計的主要假設涉及：合約租金的收取；預期未來市場租金；無效期；維修規定；及適當的貼現率。此等估值定期與實際的市場收益數據以及本集團的實際交易和市場報告作出比較。

預期未來市場租金按照相類似物業在同一地點和狀況的當時市場租金釐定。

(c) 本年稅項及遞延稅項

本集團需要在中國及香港繳納稅項。在釐定稅項撥備金額及繳付相關稅項的時間時，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。



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

**4.1 Critical accounting estimates and assumptions**  
*(continued)*

*(c) Current taxation and deferred taxation*  
*(continued)*

Deferred tax assets relating to certain temporary differences and tax losses are recognised as management considers it is probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. Where the expectation is different from the original estimate, such differences will impact the recognition of deferred taxation assets and taxation in the periods in which such estimate is changed.

**4.2 Critical judgements in applying the entity's accounting policies**

*Distinction between investment properties and owner-occupied properties*

The Group determines whether a property qualifies as investment property. In making its judgement, the Group considers whether the property generates cash flows largely independently of the other assets held by an entity. Owner-occupied properties generate cash flows that are attributable not only to property but also to other assets used in the production or supply process.

**4. 關鍵會計估算及判斷 (續)**

**4.1 關鍵會計估算及假設 (續)**

*(c) 本年稅項及遞延稅項 (續)*

當管理層認為未來可能存在應課稅盈利，令暫時差異或稅損得以被利用，有關該暫時差異及稅損的遞延稅項資產會被確認。在預期情況有別於原估計時，該差異會在情況變更的期間內影響遞延稅項資產和稅項的確認。

**4.2 應用本集團會計政策的關鍵判斷**

*投資物業與業主自用物業的分別*

本集團釐定一項物業是否符合資格為投資物業。在作出判斷時，本集團會考慮該物業所產生的現金流量是否基本不受與實體持有的其它資產所影響。業主自用物業所產生的現金流量，不單只來自該物業，亦來自用於生產或供應流程的其它資產。



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

**4.2 Critical judgements in applying the entity's accounting policies** *(continued)*

*Distinction between investment properties and owner-occupied properties (continued)*

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions can be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately. If the portions cannot be sold separately, the property is accounted for as investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is applied in determining whether ancillary services are so significant that a property does not qualify as investment property. The Group considers each property separately in making its judgement.

**4. 關鍵會計估算及判斷 (續)**

**4.2 應用本集團會計政策的關鍵判斷 (續)**

*投資物業與業主自用物業的分別 (續)*

某些物業其中的一部份是用以賺取租金或作為資本增值用途而持有的，而另一部份則持有作生產或供應貨品或服務或作為行政用途。如該等部份可獨立出售（或按融資租賃獨立出租），本集團會對該等部份獨立記帳。如該等部份不可以獨立出售，該物業只會在其不重大部份用作生產或供應貨品或服務或作行政用途而持有時記帳為投資物業。在釐定附屬服務是否那樣重大以致某項物業不符合作為投資物業時，須作出判斷。本集團在作出判斷時會獨立研究每項物業。



## Notes to the Consolidated Financial Statements 綜合財務報表附註

## 5 SEGMENT INFORMATION

## (a) Primary reporting format – business segments

The Group is organised into three major operating units: (i) steel trading, warehousing and distribution; (ii) steel manufacturing and processing; and (iii) property development and investment.

Turnover recognised during the year is as follows:

		2005 HK\$'000 港幣千元	2004 HK\$'000 港幣千元
Sale of goods	銷貨	3,670,368	4,113,520
Sale of properties held for sale	出售待售物業	1,924	3,802
Rental income	租金收入	11,978	15,191
Service income	服務收入	12,296	10,358
		<b>3,696,566</b>	<b>4,142,871</b>

## 5 分部資料

## (a) 主要報告形式 – 業務分部

本集團由三個主要營運單位組成：(i)鋼鐵貿易、倉儲及分銷；(ii)鋼鐵加工製造；及(iii)房地產開發及投資。

本年度確認之營業額如下：



Notes to the Consolidated Financial Statements 綜合財務報表附註

5 SEGMENT INFORMATION (continued)

5 分部資料 (續)

(a) Primary reporting format – business segments  
(continued)

(a) 主要報告形式 – 業務分部 (續)

The segment results for the year ended 31 December 2004, as restated, are as follows:

截至二零零四年十二月三十一日止年度的分部業績 (經重列) 如下:

		Steel trading, warehousing and distribution 鋼鐵貿易、 倉儲及分銷 HK\$'000 港幣千元	Steel manu- facturing and processing 鋼鐵 加工製造 HK\$'000 港幣千元	Property development and investment 房地產開發 及投資 HK\$'000 港幣千元	Others 其它 HK\$'000 港幣千元	Unallocated 未分配 HK\$'000 港幣千元	Group 集團 HK\$'000 港幣千元
Total gross segment sales	分部銷售毛總額	3,594,753	528,457	20,752	38,501	-	4,182,463
Inter-segment sales	分部間銷售	(36,431)	-	(1,759)	(1,402)	-	(39,592)
Sales	銷售	3,558,322	528,457	18,993	37,099	-	4,142,871
Operating profit/(loss)	經營盈利/(虧損)	42,960	41,184	(461)	(391)	(16,157)	67,135
Finance costs	融資成本						(31,856)
Share of profits of associates	應佔聯營公司盈利						5,584
Profit before taxation	除稅前盈利						40,863
Taxation	稅項						(1,065)
Profit for the year	年度盈利						39,798





## Notes to the Consolidated Financial Statements 綜合財務報表附註

## 5 SEGMENT INFORMATION (continued)

## 5 分部資料 (續)

(a) Primary reporting format – business segments  
(continued)

## (a) 主要報告形式 – 業務分部 (續)

The segment results for the year ended 31 December 2005 are as follows:

截至二零零五年十二月三十一日止年度的分部業績如下：

		Steel trading, warehousing and distribution 鋼鐵貿易、 倉儲及分銷 HK\$'000 港幣千元	Steel manu- facturing and processing 鋼鐵 加工製造 HK\$'000 港幣千元	Property development and investment 房地產開發 及投資 HK\$'000 港幣千元	Others 其它 HK\$'000 港幣千元	Unallocated 未分配 HK\$'000 港幣千元	Group 集團 HK\$'000 港幣千元
Total gross segment sales	分部銷售毛總額	3,246,327	494,936	14,130	26,546	-	3,781,939
Inter-segment sales	分部間銷售	(84,113)	-	(474)	(786)	-	(85,373)
Sales	銷售	3,162,214	494,936	13,656	25,760	-	3,696,566
Operating profit/(loss)	經營盈利/(虧損)	18,048	(16,580)	29,189	475	127,134	158,266
Finance costs	融資成本						(51,685)
Share of losses of associates	應佔聯營公司虧損						(9,370)
Profit before taxation	除稅前盈利						97,211
Taxation	稅項						(18,426)
Profit for the year	年度盈利						78,785

Unallocated operating profit/(loss) represents other gains, including disposal gain of shares in an associate and dilution gain in an associate, and expenses at corporate level.

未分配經營盈利/(虧損)為其它收益(包括出售聯營公司股份溢利及聯營公司攤薄收益)及企業性開支。



## Notes to the Consolidated Financial Statements 綜合財務報表附註

## 5 SEGMENT INFORMATION (continued)

(a) Primary reporting format – business segments  
(continued)

The segment assets and liabilities at 31 December 2004, as restated, and depreciation, amortisation and capital expenditures for the year ended 31 December 2004 are as follows:

## 5 分部資料 (續)

## (a) 主要報告形式 – 業務分部 (續)

於二零零四年十二月三十一日的分部資產和負債(經重列)以及截至二零零四年十二月三十一日止年度的折舊、攤銷及資本開支如下:

		Steel trading, warehousing and distribution 鋼鐵貿易、 倉儲及分銷 HK\$'000 港幣千元	Steel manu- facturing and processing 鋼鐵 加工製造 HK\$'000 港幣千元	Property development and investment 房地產開發 及投資 HK\$'000 港幣千元	Others 其它 HK\$'000 港幣千元	Unallocated 未分配 HK\$'000 港幣千元	Group 集團 HK\$'000 港幣千元
Assets	資產	995,534	368,156	260,192	19,532	269,739	1,913,153
Liabilities	負債	557,045	280,796	68,623	23,317	164,280	1,094,061
Depreciation	折舊	694	7,984	1,093	1,467	697	11,935
Amortisation	攤銷	–	368	31	–	1,242	1,641
Capital expenditures	資本開支	31	3,435	35	3,766	596	7,863



## Notes to the Consolidated Financial Statements 綜合財務報表附註

## 5 SEGMENT INFORMATION (continued)

## (a) Primary reporting format – business segments (continued)

The segment assets and liabilities at 31 December 2005 and depreciation, amortisation and capital expenditures for the year ended 31 December 2005 are as follows:

		Steel trading, warehousing and distribution 鋼鐵貿易、 倉儲及分銷 HK\$'000 港幣千元	Steel manu- facturing and processing 鋼鐵 加工製造 HK\$'000 港幣千元	Property development and investment 房地產開發 及投資 HK\$'000 港幣千元	Others 其它 HK\$'000 港幣千元	Unallocated 未分配 HK\$'000 港幣千元	Group 集團 HK\$'000 港幣千元
Assets	資產	1,017,155	469,373	296,844	14,734	335,942	2,134,048
Liabilities	負債	501,096	309,413	63,616	20,170	364,515	1,258,810
Depreciation	折舊	636	7,314	1,097	1,153	627	10,827
Amortisation	攤銷	-	368	31	-	1,242	1,641
Capital expenditures	資本開支	230	59,275	143	348	214	60,210

Segment assets consist primarily of leasehold land and land use rights, property, plant and equipment, inventories, receivables and operating cash. Deferred taxation and investments in associates are included as unallocated and excluded from segment assets.

Segment liabilities comprise operating liabilities. They exclude items such as taxation and corporate borrowings.

Capital expenditures comprise additions to leasehold land and land use rights, property, plant and equipment.

## 5 分部資料 (續)

## (a) 主要報告形式 – 業務分部 (續)

於二零零五年十二月三十一日的分部資產和負債以及截至二零零五年十二月三十一日止年度的折舊、攤銷及資本開支如下：

分部資產主要包括租賃土地及土地使用權、物業、機器及設備、存貨、應收款及營運現金。遞延稅項及聯營公司投資包括在未分配類別而不包括在分部資產。

分部負債由營運負債組成。此等負債不包括稅項和企業貸款。

資本開支包括對租賃土地及土地使用權以及物業、機器及設備的添置。



## Notes to the Consolidated Financial Statements 綜合財務報表附註

## 5 SEGMENT INFORMATION (continued)

## (b) Secondary reporting format – geographical segments

The Group's business segments operate in four main geographical areas, even though they are managed on a worldwide basis.

## 5 分部資料 (續)

## (b) 次要報告形式 – 地區分部

本集團的業務分部在四個主要地區經營，雖然此等業務是以全球方式管理。

		2005 HK\$'000 港幣千元	Restated 經重列 2004 HK\$'000 港幣千元
Sales (by location of customers)	銷售 (按顧客地區分類)		
– Mainland China	– 中國	2,532,970	2,817,639
– Hong Kong	– 香港	261,100	237,527
– Asia (other than Mainland China and Hong Kong)	– 亞洲 (不包括中國及香港)	751,064	818,707
– Others	– 其它	151,432	268,998
		<b>3,696,566</b>	4,142,871
Assets located in	資產位於		
– Mainland China	– 中國	758,204	510,954
– Hong Kong	– 香港	1,224,616	1,319,716
– Others	– 其它	32,299	27,743
		<b>2,015,119</b>	1,858,413
Associates	聯營公司	<b>118,929</b>	54,740
		<b>2,134,048</b>	1,913,153
Capital expenditures in	資本開支於		
– Mainland China	– 中國	59,724	6,035
– Hong Kong	– 香港	469	1,231
– Others	– 其它	17	597
		<b>60,210</b>	7,863



## Notes to the Consolidated Financial Statements 綜合財務報表附註

## 6 LEASEHOLD LAND AND LAND USE RIGHTS

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

		2005 HK\$'000 港幣千元	2004 HK\$'000 港幣千元
In Hong Kong, held on:	在香港持有：		
Leases of over 50 years	五十年期以上租賃	67,281	68,524
Outside Hong Kong, held on:	在香港以外持有：		
Leases of between 10 to 50 years	十至五十年期的租賃	25,245	17,267
		<b>92,526</b>	<b>85,791</b>

Leasehold land and land use rights with aggregate carrying amount of HK\$73,287,000 as at 31 December 2005 (2004: HK\$74,686,000) were pledged to secure against certain of the Group's bank borrowings (see Note 18).

## 6 租賃土地及土地使用權

本集團在租賃土地及土地使用權的權益指預付營運租賃款，按其帳面淨值分析如下：

	2005 HK\$'000 港幣千元	2004 HK\$'000 港幣千元
於二零零五年十二月三十一日，租賃土地及土地使用權總帳面值港幣73,287,000元（二零零四年：港幣74,686,000元）已為部份集團銀行貸款作抵押（見附註18）。		

Movement of the leasehold land and land use rights during the year is as follows:

租賃土地及土地使用權於年內的變動如下：

		2005 HK\$'000 港幣千元	2004 HK\$'000 港幣千元
Opening	期初	85,791	87,432
Additions	增添	8,357	-
Exchange differences	匯兌差額	19	-
Amortisation of prepaid operating lease payments	預付營運租賃款項攤銷	(1,641)	(1,641)
		<b>92,526</b>	<b>85,791</b>



## Notes to the Consolidated Financial Statements 綜合財務報表附註

## 7 PROPERTY, PLANT AND EQUIPMENT

## 7 物業、機器及設備

		Buildings	Leasehold improve- ments	Machinery	Furniture and equipment	Motor vehicles	Total
		樓宇	租賃樓宇 裝修	機器	傢具設備	車輛	總額
		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
At 1 January 2004	於二零零四年一月一日						
Cost	成本	99,582	7,880	62,434	12,948	14,914	197,758
Accumulated depreciation	累計折舊	(17,925)	(3,682)	(39,613)	(9,190)	(9,438)	(79,848)
Net book amount	帳面淨值	81,657	4,198	22,821	3,758	5,476	117,910
Year ended	截至二零零四年						
31 December 2004	十二月三十一日止年度						
Opening net book amount	期初帳面淨值	81,657	4,198	22,821	3,758	5,476	117,910
Exchange differences	匯兌差額	-	38	-	10	9	57
Additions	增添	-	3,560	1,438	679	2,186	7,863
Disposals	出售	-	-	(29)	(103)	-	(132)
Disposal of subsidiaries	出售附屬公司	-	-	-	(12)	-	(12)
Depreciation	折舊	(3,269)	(1,410)	(4,487)	(884)	(1,885)	(11,935)
Closing net book amount	期終帳面淨值	78,388	6,386	19,743	3,448	5,786	113,751
At 31 December 2004	於二零零四年 十二月三十一日						
Cost	成本	99,582	11,484	63,839	12,597	15,724	203,226
Accumulated depreciation	累計折舊	(21,194)	(5,098)	(44,096)	(9,149)	(9,938)	(89,475)
Net book amount	帳面淨值	78,388	6,386	19,743	3,448	5,786	113,751
Year ended	截至二零零五年						
31 December 2005	十二月三十一日止年度						
Opening net book amount	期初帳面淨值	78,388	6,386	19,743	3,448	5,786	113,751
Exchange differences	匯兌差額	578	106	-	27	34	745
Additions	增添	34,433	264	13,833	2,369	954	51,853
Disposals	出售	-	(215)	-	(39)	-	(254)
Depreciation	折舊	(3,276)	(1,063)	(3,542)	(926)	(2,020)	(10,827)
Closing net book amount	期終帳面淨值	110,123	5,478	30,034	4,879	4,754	155,268
At 31 December 2005	於二零零五年十二月三十一日						
Cost	成本	134,639	11,608	77,673	14,873	16,733	255,526
Accumulated depreciation	累計折舊	(24,516)	(6,130)	(47,639)	(9,994)	(11,979)	(100,258)
Net book amount	帳面淨值	110,123	5,478	30,034	4,879	4,754	155,268



## Notes to the Consolidated Financial Statements 綜合財務報表附註

**7 PROPERTY, PLANT AND EQUIPMENT (continued)**

Depreciation expense of HK\$6,570,000 (2004: HK\$7,573,000) has been expensed in cost of sales, HK\$658,000 (2004: HK\$1,872,000) in selling and distribution expenses and HK\$3,599,000 (2004: HK\$2,490,000) in general and administrative expenses.

Buildings with carrying amount of HK\$48,379,000 as at 31 December 2005 (2004: HK\$41,792,000) were pledged to secure against certain of the Group's bank borrowings (see Note 18).

Motor vehicles and machinery include the following amounts where the Group is a lessee under finance leases:

**7 物業、機器及設備 (續)**

折舊費用其中港幣6,570,000元(二零零四年:港幣7,573,000元)在銷售成本中支銷,港幣658,000元(二零零四年:港幣1,872,000元)計入銷售及分銷成本,而港幣3,599,000元(二零零四年:港幣2,490,000元)則計入一般及行政費用。

於二零零五年十二月三十一日,樓宇帳面值港幣48,379,000元(二零零四年:港幣41,792,000元)已為部份集團銀行貸款作抵押(見附註18)。

集團作為融資租賃承租方的車輛及機器包括下述金額:

		<b>2005</b>	2004
		<b>HK\$'000</b>	HK\$'000
		<b>港幣千元</b>	港幣千元
Cost – capitalised finance leases	成本 – 資本化融資租賃	<b>23,215</b>	13,901
Accumulated depreciation	累計折舊	<b>(4,171)</b>	(3,039)
Net book value	帳面淨值	<b>19,044</b>	10,862

**8 INVESTMENT PROPERTIES****8 投資物業**

		<b>2005</b>	Restated 經重列 2004
		<b>HK\$'000</b>	HK\$'000
		<b>港幣千元</b>	港幣千元
Beginning of the year	年初	<b>172,063</b>	385,231
Disposals	出售	<b>(64)</b>	(204,392)
Deficit on revaluation	重估虧損	–	(10,770)
Fair value gains (included in other gains) (Note 21)	公平值收益 (包括在其它收益)(附註21)	<b>34,172</b>	–
Exchange differences	匯兌差額	<b>3,309</b>	1,994
End of the year	年末	<b>209,480</b>	172,063



Notes to the Consolidated Financial Statements 綜合財務報表附註

8 INVESTMENT PROPERTIES (continued)

The investment properties were revalued on an open market basis at 31 December 2005 by independent professionally qualified valuers, Vigers Appraisal & Consulting Limited.

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

		2005 HK\$'000 港幣千元	2004 HK\$'000 港幣千元
Mainland China	中國		
– held on leases of over 50 years	– 持有五十年期 以上的租賃	10,673	10,752
– held on leases of between 10 and 50 years	– 持有十至五十年期 的租賃	198,807	161,311
		<b>209,480</b>	<b>172,063</b>

As at 31 December 2005, investment properties of approximately HK\$32,766,000 (2004: HK\$109,298,000) were pledged as collateral for the Group's banking facilities (see Note 18).

8 投資物業 (續)

投資物業在二零零五年十二月三十一日由獨立專業合資格估值師威格斯資產評估顧問有限公司根據公開市值重估。

本集團在投資物業的權益按其帳面淨值分析如下：

於二零零五年十二月三十一日，投資物業約港幣32,766,000元（二零零四年：港幣109,298,000元）已予抵押，作為本集團之銀行融資抵押品（見附註18）。





## Notes to the Consolidated Financial Statements 綜合財務報表附註

## 9 INVESTMENTS IN AND BALANCES WITH SUBSIDIARIES

## 9 附屬公司投資及結餘

## (a) Investments in subsidiaries

## (a) 附屬公司投資

		Company 公司	
		2005 HK\$'000 港幣千元	2004 HK\$'000 港幣千元
Unlisted shares, at cost	非上市股份·按成本	42,415	42,415

The following is a list of the principal subsidiaries as at 31 December 2005:

於二零零五年十二月三十一日之  
主要附屬公司如下：

Name of company 公司名稱	Place of incorporation/ operations and kind of legal entity 註冊成立／經營 地點及法定地位	Issued and fully paid capital 已發行及 已繳足股本	Percentage of equity interest/ voting capital attributable to the Group 本集團擁有之 權益／有投票權 股本百分比	Principal activities 主要業務性質
Directly held: 直接持有：				
Burwill & Company Limited	Hong Kong limited liability company 香港有限責任公司	HK\$50,000,000 and £50,000 港幣50,000,000元及50,000英磅	100%	Investment holding 投資控股
Burwill China Portfolio Limited	The British Virgin Islands limited liability company 英屬處女群島有限責任公司	US\$1 1美元	100%	Investment holding 投資控股



## Notes to the Consolidated Financial Statements 綜合財務報表附註

## 9 INVESTMENTS IN AND BALANCES WITH SUBSIDIARIES (continued) 9 附屬公司投資及結餘 (續)

## (a) Investments in subsidiaries (continued)

## (a) 附屬公司投資 (續)

Name of company 公司名稱	Place of incorporation/ operations and kind of legal entity 註冊成立／經營 地點及法定地位	Issued and fully paid capital 已發行及 已繳足股本	Percentage of equity interest/ voting capital attributable to the Group 本集團擁有之 權益／有投票權 股本百分比	Principal activities 主要業務性質
Indirectly held: 間接持有：				
Burwill Resources Limited 寶威物料供應有限公司	Hong Kong limited liability company 香港有限責任公司	HK\$1,000,000 港幣1,000,000元	100%	Steel trading 鋼鐵貿易
Burwill Steel Company Limited	The British Virgin Islands limited liability company 英屬處女群島有限 責任公司	US\$13 13美元	100%	Investment holding 投資控股
Burwill Steel Pipes Limited 寶威鋼管有限公司	Hong Kong limited liability company 香港有限責任公司	HK\$15,000,000 港幣15,000,000元	100%	Steel manufacturing and processing 鋼鐵加工製造
Burwill Times Industrial Limited 寶威時代實業有限公司	Hong Kong limited liability company 香港有限責任公司	HK\$2 港幣2元	100%	Investment holding 投資控股
Burwill Warehousing (Shanghai) Limited (i) 寶威倉儲(上海)有限公司(i)	Mainland China 中國	US\$1,200,000 1,200,000美元	100%	Steel warehousing and distribution 鋼鐵倉儲及分銷
Dongguan Hingwah Metals Factory Limited (i) 東莞謙華五金廠有限公司(i)	Mainland China 中國	HK\$65,110,000 港幣65,110,000元	100%	Steel manufacturing and processing 鋼鐵加工製造
寶威鋼鐵製品(東莞) 有限公司(i)	Mainland China 中國	HK\$22,550,000 港幣22,550,000元	100%	Steel manufacturing and processing 鋼鐵加工製造



## Notes to the Consolidated Financial Statements 綜合財務報表附註

## 9 INVESTMENTS IN AND BALANCES WITH SUBSIDIARIES (continued) 9 附屬公司投資及結餘 (續)

## (a) Investments in subsidiaries (continued)

## (a) 附屬公司投資 (續)

Name of company 公司名稱	Place of incorporation/ operations and kind of legal entity 註冊成立／經營 地點及法定地位	Issued and fully paid capital 已發行及 已繳足股本	Percentage of equity interest/ voting capital attributable to the Group 本集團擁有之 權益／有投票權 股本百分比	Principal activities 主要業務性質
Indirectly held: (continued) 間接持有：(續)				
寶威鋼板製品(揚州) 有限公司 (i)	Mainland China 中國	US\$8,680,330 8,680,330美元	100%	Steel manufacturing and processing 鋼鐵加工製造
Hing Wah Metals Factory Limited 謙華五金廠有限公司	Hong Kong limited liability company 香港有限責任公司	HK\$5,000,000 港幣5,000,000元	100%	Investment holding 投資控股
Goldenbridge Services Limited 瑞僑服務有限公司	Hong Kong limited liability company 香港有限責任公司	HK\$2 港幣2元	100%	Property holding 持有物業
揚州時代實業有限公司 (ii)	Mainland China 中國	RMB60,000,000 人民幣60,000,000元	69%	Property holding and development 持有物業及房地產 開發
Yinmain Industrial Limited 應鳴實業有限公司	Hong Kong limited liability company 香港有限責任公司	HK\$2 港幣2元	100%	Property holding 持有物業



## Notes to the Consolidated Financial Statements 綜合財務報表附註

**9 INVESTMENTS IN AND BALANCES WITH SUBSIDIARIES**  
(continued)**(a) Investments in subsidiaries** (continued)

Notes:

- (i) Burwill Warehousing (Shanghai) Limited, Dongguan Hingwah Metals Factory Limited, 寶威鋼鐵製品(東莞)有限公司 and 寶威鋼板製品(揚州)有限公司 are wholly foreign owned enterprises established in Mainland China to be operated for 50 years up to March 2050, 20 years up to July 2013, 12 years up to December 2013 and 20 years up to May 2024, respectively.
- (ii) 揚州時代實業有限公司 is a sino-foreign equity joint venture established in Mainland China to be operated for a period of 40 years up to April 2039.

The above list includes only those subsidiaries which in the opinion of the directors are material to the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

None of the subsidiaries had any loan capital in issue at any time during the year ended 31 December 2005.

**(b) Balances with subsidiaries**

Except for the amounts due from subsidiaries and to a subsidiary amounting to approximately HK\$133,000,000 (2004: HK\$100,000,000) and approximately HK\$295,898,000 (2004: HK\$95,434,000) respectively which bear interest at commercial banks' lending rate of 5% to 7.75% (2004: 5%) per annum and are not repayable within one year, all the outstanding balances with subsidiaries are unsecured, non-interest bearing, and are repayable on demand.

**9 附屬公司投資及結餘 (續)****(a) 附屬公司投資 (續)**

附註:

- (i) 寶威倉儲(上海)有限公司、東莞謙華五金廠有限公司、寶威鋼鐵製品(東莞)有限公司及寶威鋼板製品(揚州)有限公司均為於中國成立之全資外資企業,營業期分別為五十年至二零五零年三月、二十年至二零一三年七月、二十年至二零一三年十二月及二十年至二零二四年五月。
- (ii) 揚州時代實業有限公司是於中國成立之中外合資企業,營業期為四十年至二零三九年四月。

以上所列僅包括董事認為對本集團具重要性之附屬公司。董事認為倘載列其它附屬公司之詳情,將會令篇幅過於冗長。

於截至二零零五年十二月三十一日止年度間任何時間,附屬公司均沒有任何已發借貸資本。

**(b) 附屬公司結餘**

除附屬公司欠款及欠一附屬公司款分別約為港幣133,000,000元(二零零四年:港幣100,000,000元)及約為港幣295,898,000元(二零零四年:港幣95,434,000元)之年息為商業銀行借貸利率年息由5厘至7.75厘(二零零四年:5厘)及不須於一年內還款外,所有其它與附屬公司結欠均無抵押、免利息及在要求時還款。



## Notes to the Consolidated Financial Statements 綜合財務報表附註

## 10 INVESTMENTS IN AND BALANCES WITH ASSOCIATES

## 10 聯營公司投資及結餘

## (a) Investments in associates – Group

## (a) 聯營公司投資 – 集團

		Group 集團	
		2005 HK\$'000 港幣千元	2004 HK\$'000 港幣千元
Beginning of the year	年初	54,740	52,678
Share of associates' results	所佔聯營公司業績		
– (loss)/profit before taxation	– 除稅前(虧損)/盈利	(8,523)	6,027
– taxation	– 稅項	(847)	(443)
		<b>45,370</b>	58,262
Dividends received	已收股息	(1,400)	(3,400)
Exchange difference	匯兌差額	147	(122)
Share of an associate's share-based compensation reserve	應佔聯營公司以股份 為基礎的補償儲備	7,054	–
Disposals	出售	(2,061)	–
Dilution gain in an associate	聯營公司攤薄盈利	69,819	–
End of the year	年末	<b>118,929</b>	54,740



## Notes to the Consolidated Financial Statements 綜合財務報表附註

10 INVESTMENTS IN AND BALANCES WITH ASSOCIATES  
(continued)

## 10 聯營公司投資及結餘 (續)

## (a) Investments in associates – Group (continued)

## (a) 聯營公司投資 – 集團 (續)

The Group's interests in its associates were as follows:

本集團在聯營公司的權益如下：

Name	Particulars of issued shares held 持有已發行股份詳情	Country of incorporation 註冊成立國家	Assets 資產 HK\$'000 港幣千元	Liabilities 負債 HK\$'000 港幣千元	Revenues 收入 HK\$'000 港幣千元	Profit/(loss) 盈利/ (虧損) HK\$'000 港幣千元	% of interest held 持有權益%
2004							
Directly held: 直接持有：							
WorldMetal Holdings Limited	Ordinary shares of HK\$0.01 each, listed in Hong Kong 普通股·每股港幣0.01元·於香港上市	Bermuda 百慕達	25,635	8,788	51,469	(1,195)	46%
Indirectly held: 間接持有：							
Nam Wah Precision Product (BVI) Limited	Ordinary shares of US\$0.1 each, unlisted 普通股·每股0.1美元·非上市	The British Virgin Islands 英屬處女群島	77,978	41,042	74,732	6,767	20%
揚州世紀電影城有限公司	Paid up capital of RMB5,000,000 實繳資本人民幣5,000,000元	Mainland China 中國	2,381	1,424	1,075	12	30%
			105,994	51,254	127,276	5,584	



## Notes to the Consolidated Financial Statements 綜合財務報表附註

## 10 INVESTMENTS IN AND BALANCES WITH ASSOCIATES (continued) 10 聯營公司投資及結餘 (續)

## (a) Investments in associates – Group (continued)

## (a) 聯營公司投資 – 集團 (續)

Name	Particulars of issued shares held	Country of incorporation	Assets	Liabilities	Revenues	Profit/(loss)	% of interest held
名稱	持有已發行股份詳情	註冊成立國家	資產	負債	收入	盈利/虧損	持有權益%
			HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	
<b>2005</b>							
Directly held: 直接持有:							
China LotSynergy Holdings Limited (previously known as WorldMetal Holdings Limited) 華彩控股有限公司 (前稱WorldMetal Holdings Limited)	Ordinary shares of HK\$0.01 each, listed in Hong Kong 普通股·每股港幣0.01元·於香港上市	Bermuda 百慕達	84,020	6,573	3,252	(14,342)	27%
Indirectly held: 間接持有:							
Nam Wah Precision Product (BVI) Limited	Ordinary shares of US\$0.1 each, unlisted 普通股·每股0.1美元·非上市	The British Virgin Islands 英屬處女群島	78,867	38,089	84,439	5,241	20%
揚州世紀電影城有限公司	Paid up capital of RMB5,000,000 實繳資本人民幣5,000,000元	Mainland China 中國	1,984	1,280	1,322	(269)	30%
			<b>164,871</b>	<b>45,942</b>	<b>89,013</b>	<b>(9,370)</b>	



Notes to the Consolidated Financial Statements 綜合財務報表附註

10 INVESTMENTS IN AND BALANCES WITH ASSOCIATES  
(continued)

10 聯營公司投資及結餘 (續)

(b) Investments in associates – Company

(b) 聯營公司投資 – 公司

	Company 公司	
	2005 HK\$'000 港幣千元	2004 HK\$'000 港幣千元
Shares listed in Hong Kong – at cost 於香港上市股份 – 按成本	10,766	13,010
Market value of listed shares 上市股份市值	1,103,514	12,987

(c) Balances with associates

(c) 聯營公司結餘

The outstanding balances with associates are unsecured, non-interest bearing and are repayable on demand.

與聯營公司結欠均無抵押、免利息及於要求時還款。

11 AVAILABLE-FOR-SALE FINANCIAL ASSETS/LONG-TERM INVESTMENTS

11 可供出售財務資產／長期投資

		Group 集團		Company 公司	
		2005 HK\$'000 港幣千元	2004 HK\$'000 港幣千元	2005 HK\$'000 港幣千元	2004 HK\$'000 港幣千元
Available-for-sale financial assets/long-term investments 可供出售財務資產／長期投資					
Club debentures 會所債券		1,509	1,509	90	90
Unlisted debt securities 非上市債券		7,800	7,800	–	–
Unlisted equity securities 非上市股權證券		1	1	–	–
		9,310	9,310	90	90

The 2004 comparative figures represented long-term investments held by the Group and the Company as at 31 December 2004, which were re-designated as available-for-sale financial assets pursuant to the adoption of the new HKFRS.

二零零四年比較數字為本集團及本公司於二零零四年十二月三十一日持有的長期投資，在新訂財務準則接納後重新指定作為可供出售財務資產。

There were no disposals or impairment provisions on available-for-sale financial assets in 2005.

於二零零五年，並無出售可供出售財務資產或對其減值撥備。





## Notes to the Consolidated Financial Statements 綜合財務報表附註

## 12 INVENTORIES

		2005 HK\$'000 港幣千元	2004 HK\$'000 港幣千元
Raw materials	原材料	140,686	116,621
Work-in-progress	在製品	20,826	4,763
Finished goods	製成品	30,715	8,900
Consumables	消耗品	1,862	1,509
		<b>194,089</b>	<b>131,793</b>

The cost of inventories recognised as expense and included in cost of sales amounted to HK\$3,527,167,000 (2004: HK\$3,740,425,000).

At 31 December 2005, the carrying amount of inventories held under trust receipts bank loans amounted to HK\$103,322,000 (2004: HK\$63,047,000) (see Note 18).

## 12 存貨

存貨成本中確認為費用並列入銷售成本的金額共計港幣3,527,167,000元(二零零四年:港幣3,740,425,000元)。

於二零零五年十二月三十一日,於信託提貨貸款項下持有之存貨之帳面值為港幣103,322,000元(二零零四年:港幣63,047,000元)(見附註18)。

## 13 HELD-TO-MATURITY FINANCIAL ASSETS AND FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS/SHORT-TERM INVESTMENTS

		Group 集團		Company 公司	
		2005 HK\$'000 港幣千元	2004 HK\$'000 港幣千元	2005 HK\$'000 港幣千元	2004 HK\$'000 港幣千元
Held-to-maturity financial assets/short-term investments	持至到期日財務資產/短期投資				
Unlisted debt securities	非上市債券	23,423	19,118	-	-
Financial assets at fair value through profit or loss/short-term investments, listed securities:	按公平值透過損益列帳的財務資產/短期投資, 上市證券:				
- Equity securities	- 股權證券				
- Hong Kong	- 香港	30,826	9,562	1	3
- Equity securities	- 股權證券				
- Overseas	- 海外	201	254	-	-
Market value of listed securities	上市證券市值	31,027	9,816	1	3

## 13 持至到期日財務資產及按公平值透過損益列帳的財務資產/短期投資



**13 HELD-TO-MATURITY FINANCIAL ASSETS AND FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS/SHORT-TERM INVESTMENTS** *(continued)*

The 2004 comparative figures represented short-term investments held by the Group and the Company as at 31 December 2004, which were re-designated as held-to-maturity financial assets and financial assets at fair value through profit or loss pursuant to the adoption of the new HKFRS.

There were no gains or losses realised on the disposals of held-to-maturity financial assets in 2005, as all financial assets were disposed at their redemption dates.

Changes in fair values of financial assets at fair value through profit or loss are recorded in other gains in the income statement (see Note 21).

As at 31 December 2005, equity securities listed in Hong Kong with market value of approximately HK\$30,825,000 (2004: HK\$9,559,000) were pledged to secure certain margin facilities of the Group (see Note 18).

**13 持至到期日財務資產及按公平值透過損益列帳的財務資產／短期投資** *(續)*

二零零四年比較數字為本集團及本公司於二零零四年十二月三十一日持有的短期投資，在新訂財務準則採納後重新指定作為持至到期日財務資產及按公平值透過損益列帳的財務資產。

於二零零五年，由於全部持至到期日財務資產均於贖回日期出售，出售此等財務資產並無實現盈虧。

按公平值透過損益列帳的財務資產的公平值變動，在損益表內其它收益中列帳（見附註21）。

於二零零五年十二月三十一日，於香港上市的股份證券市值約港幣30,825,000元（二零零四年：港幣9,559,000元）已為集團部份孖展貸款作抵押（見附註18）。



## Notes to the Consolidated Financial Statements 綜合財務報表附註

## 14 BILLS, ACCOUNTS AND OTHER RECEIVABLES

## 14 應收票據、應收帳項及其它應收款

		Group 集團		Company 公司	
		2005 HK\$'000 港幣千元	2004 HK\$'000 港幣千元	2005 HK\$'000 港幣千元	2004 HK\$'000 港幣千元
Bills and accounts receivable	應收票據及應收帳項	<b>885,634</b>	945,486	-	-
Less: provision for impairment of receivables	減：應收款減值撥備	<b>(6,000)</b>	-	-	-
Bills and accounts receivable – net (Note (a))	應收票據及應收帳項 – 淨額 (附註(a))	<b>879,634</b>	945,486	-	-
Loans to third parties (Note (b))	第三者借款 (附註(b))	<b>40,324</b>	-	-	-
Loan to a director (Note 33)	董事借款 (附註33)	<b>664</b>	-	-	-
Deposits	按金	<b>3,052</b>	7,018	-	-
Prepayments	預付款	<b>105,359</b>	23,270	-	-
Other receivables	其它應收款	<b>26,039</b>	28,497	<b>209</b>	111
		<b>175,438</b>	58,785	<b>209</b>	111
Less: non-current portion of loan to a director	減：董事借款非流動部份	<b>(407)</b>	-	-	-
		<b>175,031</b>	58,785	<b>209</b>	111
		<b>1,054,665</b>	1,044,271	<b>209</b>	111

As at 31 December 2005, the carrying amounts of bills, accounts and other receivables approximate their fair values.

The Group has recognised a loss of HK\$13,121,000 (2004: HK\$10,201,000) for the impairment of its accounts receivable and other receivables during the year ended 31 December 2005. The loss has been included in general and administrative expenses (2004: HK\$6,073,000 in selling and distribution expenses and HK\$4,128,000 in general and administrative expenses) in the income statement.

於二零零五年十二月三十一日，應收票據、應收帳項及其它應收款帳面值約為其公平值。

於截至二零零五年十二月三十一日止年度內，本集團就其應收帳項及其它應收款的減值確認虧損港幣13,121,000元（二零零四年：港幣10,201,000元）。此項虧損已包括在損益表內一般及行政費用（二零零四年：港幣6,073,000元在銷售及分銷費用及港幣4,128,000元在一般及行政費用）。



## Notes to the Consolidated Financial Statements 綜合財務報表附註

## 14 BILLS, ACCOUNTS AND OTHER RECEIVABLES

(continued)

Notes:

- (a) The Group normally grants to its customers credit periods for sales of goods ranging from 30 days to 120 days. Consideration in respect of sold properties is payable by the purchasers pursuant to the terms of the sale and purchase agreement. Rental in respect of leased properties are payable by the tenants on a monthly basis.

Aging analysis of bills and accounts receivable as at 31 December 2005 is as follows:

		2005 HK\$'000 港幣千元	2004 HK\$'000 港幣千元
Within three months	三個月內	865,987	909,195
Over three months but within six months	超過三個月而不超過六個月	10,837	35,938
Over six months but within twelve months	超過六個月而不超過十二個月	1,499	306
Over twelve months	超過十二個月	7,311	47
		<b>885,634</b>	945,486
Less: provision for impairment of receivables	減: 應收款 減值撥備	<b>(6,000)</b>	-
		<b>879,634</b>	945,486

There is no concentration of credit risk with respect to bills and accounts receivable, as the Group has a large number of customers, internationally dispersed.

- (b) Loans to third parties comprised two loans made to two third parties amounting to HK\$12,324,000 ("Loan I") and HK\$28,000,000 ("Loan II") respectively. The two loans bore interests at commercial banks' lending rate at 7.5% to 8.985% and are repayable within one year. As of the date of this report, the entire balance of Loan II has been settled.

## 14 應收票據、應收帳項及其它應收款

(續)

附註:

- (a) 本集團普遍就銷貨收入給予其客戶三十日至一百二十日之信用期。買家應付銷售物業的作價乃根據銷售合約中條款支付。租賃物業之租金收入由租戶按月支付。

於二零零五年十二月三十一日，應收票據及應收帳項帳齡分析如下：

	2005 HK\$'000 港幣千元	2004 HK\$'000 港幣千元
Within three months	865,987	909,195
Over three months but within six months	10,837	35,938
Over six months but within twelve months	1,499	306
Over twelve months	7,311	47
	<b>885,634</b>	945,486
Less: provision for impairment of receivables	<b>(6,000)</b>	-
	<b>879,634</b>	945,486

應收票據及應收帳項並無集中的信貸風險，因為本集團有眾多客戶，遍佈世界各地。

- (b) 第三者借款由兩筆借給兩名第三者，金額分別為港幣12,324,000元（「借款I」）及港幣28,000,000元（「借款II」）的借款組成。此兩筆借款的息率為商業銀行借貸利率7.5厘至8.985厘，並須於一年內償還。於本報告日期，借款II的全數結餘已被清還。



## Notes to the Consolidated Financial Statements 綜合財務報表附註

## 15 CASH AND BANK BALANCES

## 15 現金及銀行結餘

		Group		Company	
		2005	2004	2005	2004
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
Cash at banks and in hand	銀行及庫存現金	176,522	259,048	806	70,583
Short-term bank deposits	短期銀行存款	28,787	8,184	-	-
		<b>205,309</b>	267,232	<b>806</b>	70,583

The effective interest rate on short-term bank deposits was 4.02% (2004: 1.94%); these deposits have an average maturity of 20 days.

As at 31 December 2005, the Group had bank deposits of approximately HK\$1,431,000 (2004: HK\$1,394,000) pledged with the banks in Mainland China (see Note 32).

As at 31 December 2005, pledged bank deposits and other cash and bank balances of approximately HK\$42,077,000 (2004: HK\$30,446,000) are denominated in Chinese Renminbi and placed with banks in Mainland China. The remittance of these funds out of Mainland China is subject to the exchange control restrictions imposed by the Chinese Government. Also the exchange rate is determined by the Chinese Government.

短期銀行存款的實際利率為4.02厘(二零零四年:1.94厘);此等存款的平均到期日為20天。

於二零零五年十二月三十一日,集團有銀行結餘約港幣1,431,000元(二零零四年:港幣1,394,000元)抵押予中國之銀行(見附註32)。

於二零零五年十二月三十一日,已抵押銀行存款及其它現金及銀行結餘約港幣42,077,000元(二零零四年:港幣30,446,000元)是以人民幣為貨幣單位並存放於中國之銀行。從中國匯出該些資金會受限於中國政府實施之外匯管制規條。同時,匯率由中國政府釐定。



## 16 SHARE CAPITAL

## 16 股本

		Number of ordinary shares 普通股數目 (thousands) (千計)	Nominal value 面值 HK\$'000 港幣千元
At 1 January 2004	於二零零四年一月一日	1,055,119	105,512
Repurchase of shares	購回股份	(1,004)	(101)
At 31 December 2004	於二零零四年十二月三十一日	1,054,115	105,411
Repurchase of shares	購回股份	(21,986)	(2,198)
At 31 December 2005	於二零零五年十二月三十一日	1,032,129	103,213

The total authorised number of ordinary shares is 1,800 million shares (2004: 1,800 million shares) with a par value of HK\$0.1 per share (2004: HK\$0.1 per share). All issued shares are fully paid.

The Company acquired 21,986,000 of its own shares through purchases on the Stock Exchange in July 2005. The total amount paid to acquire the shares was approximately HK\$9,847,000 and has been deducted from shareholders' equity. The shares repurchased were cancelled subsequently.

普通股的法定數目總額為18億股(二零零四年: 18億股), 每股面值為港幣0.1元(二零零四年: 每股面值港幣0.1元)。所有已發行股份均已全數繳足。

本公司在二零零五年七月於聯交所購回其股份21,986,000股。購回股份所支付的款項總計約為港幣9,847,000元, 已自股東權益中扣除。所購回的股份隨後已被註銷。

**16 SHARE CAPITAL (continued)****Share options**

At the Annual General Meeting of the Company held on 6 June 2002, shareholders of the Company approved the termination of the share option scheme adopted by the Company on 23 July 1999 (the "Old Scheme") and the adoption of a new share option scheme (the "New Scheme"). Under the New Scheme, the Company may grant options to employees (including executive directors) of the Group to subscribe for shares in the Company, subject to a maximum of 30% of the issued share capital of the Company from time to time excluding for this purpose shares issued on exercise of options. The subscription price will be determined by the directors, and will not be less than the highest of the nominal value of the shares, the closing price of the shares quoted on the Stock Exchange on the trading day of granting the options and the average of the closing prices of the shares quoted on the Stock Exchange for the five trading days immediately preceding the date of granting the options.

Movements in the number of share options outstanding and their related weighted average exercise prices in 2004 were as follows:

		Average exercise price in HK\$ per share 平均行使價 每股港元	Options (thousands) 購股權 (千計)
At 1 January 2004	於二零零四年一月一日	0.461	22,000
Lapsed	已失效	0.461	(22,000)
At 31 December 2004	於二零零四年十二月三十一日		—

No share options were granted, forfeited, exercised or lapsed during the year ended 31 December 2005.

**16 股本 (續)****購股權**

本公司於二零零二年六月六日舉行之股東週年大會上獲得股東批准終止公司於一九九九年七月二十三日採用之購股權計劃(「舊計劃」)及採用新購股權計劃(「新計劃」)。根據新計劃,本公司可授予集團之員工(包括執行董事)購股權以認購本公司之股份,但僅限於最多當時本公司已發行股本之30%(不計入因行使購股權而發行的股份)。每股之認購價由董事決定,並將不少於股份面值、在授出購股權當日於聯交所匯報之收市價及在授出購股權前五個交易日內於聯交所匯報之平均收市價三者之較高者。

未行使的購股權數目及有關之加權平均行使價於二零零四年的變動如下:

		Average exercise price in HK\$ per share 平均行使價 每股港元	Options (thousands) 購股權 (千計)
At 1 January 2004	於二零零四年一月一日	0.461	22,000
Lapsed	已失效	0.461	(22,000)
At 31 December 2004	於二零零四年十二月三十一日		—

於截至二零零五年十二月三十一日止年度,並無購股權被授出、沒收、行使或失效。



## Notes to the Consolidated Financial Statements 綜合財務報表附註

## 17 OTHER RESERVES AND RETAINED PROFITS

## 17 其它儲備及保留盈利

		Share premium 股份溢價 HK\$'000 港幣千元	Capital redemption reserve 資本回贖 儲備 HK\$'000 港幣千元	Investment property revaluation reserve 投資物業 重估儲備 HK\$'000 港幣千元	Translation adjustments 換算調整 HK\$'000 港幣千元	Retained profits 保留盈利 HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元
Balance at 1 January 2004, as previously reported	二零零四年一月一日結餘， 如前呈報	471,058	9,678	43,889	605	117,018	642,248
Effect on the adoption of HKAS 17 and HKAS 40	採納會計準則17及會計準則 40的影響	-	-	(3,378)	-	3,164	(214)
Balance at 1 January 2004, as restated	二零零四年一月一日結餘， 經重列	471,058	9,678	40,511	605	120,182	642,034
Repurchase of shares (Note 16)	購回股份(附註16)	(238)	101	-	-	(101)	(238)
Deficit on revaluation of investment properties attributable to the Group, net of taxation	集團應佔 投資物業 重估虧損， 扣除稅項	-	-	(5,483)	-	-	(5,483)
Reserve transferred to the profit or loss upon disposals of investment properties	因出售 投資物業 而轉入損益 之儲備	-	-	(6,527)	-	-	(6,527)
Currency translation differences	貨幣匯兌差額						
- Group	- 集團	-	-	368	954	-	1,322
- Associates	- 聯營公司	-	-	-	(122)	-	(122)
Profit for the year	年度盈利	-	-	-	-	34,991	34,991
Balance at 31 December 2004	二零零四年十二月三十一日 結餘	470,820	9,779	28,869	1,437	155,072	665,977





## Notes to the Consolidated Financial Statements 綜合財務報表附註

## 17 OTHER RESERVES AND RETAINED PROFITS (continued) 17 其它儲備及保留盈利 (續)

		Share premium	Capital reserve	Capital redemption reserve	Group Investment property revaluation reserve	Translation adjustments	Retained profits	Total
		股份溢價	資本儲備	資本回贖 儲備	投資物業 重估儲備	換算調整	保留盈利	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Balance at 1 January 2005, as per above	二零零五年一月一日 結餘·如上	470,820	-	9,779	28,869	1,437	155,072	665,977
Effect on the adoption of HKAS 40	採納會計準則40 的影響	-	-	-	(28,869)	-	28,869	-
Balance at 1 January 2005, as restated	二零零五年一月一日 結餘·經重列	470,820	-	9,779	-	1,437	183,941	665,977
Repurchase of shares (Note 16)	購回股份(附註16)	(7,649)	-	2,198	-	-	(2,198)	(7,649)
Share of an associate's share-based compensation reserve	應佔聯營公司 以股份為基礎 的補償儲備	-	7,054	-	-	-	-	7,054
Currency translation differences	貨幣匯兌差額							
- Group	- 集團	-	-	-	-	3,220	-	3,220
- Associates	- 聯營公司	-	-	-	-	147	-	147
Profit for the year	年度盈利	-	-	-	-	-	72,745	72,745
Dividends paid	已付股息	-	-	-	-	-	(18,974)	(18,974)
At 31 December 2005	於二零零五年十二月 三十一日	463,171	7,054	11,977	-	4,804	235,514	722,520



Notes to the Consolidated Financial Statements 綜合財務報表附註

17 OTHER RESERVES AND RETAINED PROFITS (continued)

17 其它儲備及保留盈利 (續)

		Company 公司				
		Share premium	Capital redemption reserve	Contributed surplus	Retained profits	Total
		股份溢價	資本回贖 儲備	繳入盈餘	保留盈利	總額
		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
Balance at 1 January 2004	二零零四年一月一日結餘	471,058	9,678	128,832	32,566	642,134
Repurchase of shares	購回股份	(238)	101	-	(101)	(238)
Loss for the year	年度虧損	-	-	-	(9,658)	(9,658)
Balance at 31 December 2004	二零零四年十二月三十一日結餘	470,820	9,779	128,832	22,807	632,238
Balance at 1 January 2005, as above	二零零五年一月一日結餘, 如上	470,820	9,779	128,832	22,807	632,238
Repurchase of shares	購回股份	(7,649)	2,198	-	(2,198)	(7,649)
Profit for the year	年度盈利	-	-	-	51,894	51,894
Dividends paid	已付股息	-	-	-	(18,974)	(18,974)
Balance at 31 December 2005	二零零五年十二月三十一日結餘	463,171	11,977	128,832	53,529	657,509

Contributed surplus represents the difference between the nominal amount of the shares issued and the book value of the underlying net assets of subsidiaries acquired. It can be utilised for issuance of bonus shares or for capital redemption upon repurchase of shares.

繳入盈餘乃股份發行之面值與購入附屬公司之淨資產帳面值之差額。繳入盈餘可供發行紅股或購回股份時作資本贖回使用。

Under the Companies Act 1981 of Bermuda, contributed surplus is distributable to shareholders subject to the condition that the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if (i) it is, or would after the payment be, unable to pay its liabilities as they become due, or (ii) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium account.

根據百慕達一九八一年公司法，繳入盈餘可分派給股東，但如(i)於分派後，公司未能償還到期債務或(ii)其資產之可變現價值少於其負債、已發行股本及股份溢價帳之總和，本公司不能宣佈或支付股息或分派繳入盈餘。

The Company's reserves (excluding retained profits) as at 31 December 2005 available for distribution to shareholders were represented by the contributed surplus of approximately HK\$128,832,000 (2004: HK\$128,832,000).

於二零零五年十二月三十一日，可供分派給股東之本公司儲備（不包括保留盈利）為繳入盈餘約港幣128,832,000元（二零零四年：港幣128,832,000元）。



## Notes to the Consolidated Financial Statements 綜合財務報表附註

## 18 BORROWINGS

## 18 貸款

		2005 HK\$'000 港幣千元	2004 HK\$'000 港幣千元
Non-current	非流動		
Bank borrowings	銀行貸款	274,607	24,722
Other loans from minority shareholders of subsidiaries	附屬公司少數股東的 其它貸款	3,973	2,509
Finance lease liabilities	融資租賃負債	10,758	5,584
		<b>289,338</b>	32,815
Current	流動		
Bank overdrafts	銀行透支	3,685	2,908
Bank borrowings	銀行貸款	494,060	537,813
Other loans under margin facilities	孖展融資下其它貸款	28	2,244
Finance lease liabilities	融資租賃負債	4,149	2,766
		<b>501,922</b>	545,731
<b>Total borrowings</b>	<b>總貸款</b>	<b>791,260</b>	578,546

Secured borrowings are as follows:

有抵押貸款如下:

		2005 HK\$'000 港幣千元	2004 HK\$'000 港幣千元
Bank borrowings	銀行貸款	758,917	460,601
Other loans under margin facilities	孖展融資下其它貸款	28	2,244
Finance lease liabilities	融資租賃負債	14,907	8,350
		<b>773,852</b>	471,195



Notes to the Consolidated Financial Statements 綜合財務報表附註

18 BORROWINGS (continued)

Bank borrowings of approximately HK\$382,352,000 (2004: HK\$375,470,000) were secured by certain inventories (see Note 12). Bank borrowings of approximately HK\$81,627,000 (2004: HK\$85,131,000) were secured by certain leasehold land, land use rights, buildings, investment properties and properties held for sale (see Notes 6 and 7). Bank borrowings of approximately HK\$294,938,000 (2004: Nil) were secured by shares and equity interests in certain subsidiaries. Other loans under margin facilities of approximately HK\$28,000 (2004: HK\$2,244,000) were secured by certain financial assets at fair value through profit or loss (see Note 13). Finance lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

Other loans from minority shareholders of subsidiaries were unsecured, non-interest bearing and not repayable within one year.

The maturity of the Group's borrowings is as follows:

18 貸款 (續)

銀行貸款約港幣382,352,000元(二零零四年:港幣375,470,000元)以部份存貨作抵押(見附註12)。銀行貸款約港幣81,627,000元(二零零四年:港幣85,131,000元)以部份租賃土地、土地使用權、樓宇、投資物業及待售物業作抵押(見附註6及7)。銀行貸款約港幣294,938,000元(二零零四年:無)以若干附屬公司的股份及權益作抵押。孖展融資下的其它貸款約港幣28,000元(二零零四年:港幣2,244,000元)以部份按公平值透過損益列帳的財務資產作抵押(見附註13)。融資租賃負債實際上有抵押,因為在不償還款項時租賃資產的權益將歸屬出租人。

附屬公司少數股東的其它貸款並無抵押、免利息及不須於一年內償還。

集團貸款的到期日如下:

		Bank borrowings and overdrafts 銀行貸款及透支		Other loans 其它貸款	
		2005 HK\$'000 港幣千元	2004 HK\$'000 港幣千元	2005 HK\$'000 港幣千元	2004 HK\$'000 港幣千元
Within one year	一年內	497,745	540,721	28	2,244
Between one and two years	一至二年內	121,506	3,976	3,973	2,509
Between two and five years	二至五年內	153,101	12,568	-	-
Wholly repayable within five years	五年內 全數償還	772,352	557,265	4,001	4,753
Over five years	超過五年	-	8,178	-	-
		<b>772,352</b>	<b>565,443</b>	<b>4,001</b>	<b>4,753</b>



## Notes to the Consolidated Financial Statements 綜合財務報表附註

## 18 BORROWINGS (continued)

## 18 貸款 (續)

		2005 HK\$'000 港幣千元	2004 HK\$'000 港幣千元
Finance lease liabilities – minimum lease payments:	融資租賃負債 – 最低租賃付款:		
Not later than one year	不超過一年	4,974	2,999
Later than one year and not later than five years	超過一年 但不超過五年	12,027	6,034
		<b>17,001</b>	9,033
Future finance charges on finance leases	融資租賃之未來財務費用	<b>(2,094)</b>	(683)
Present value of finance lease liabilities	融資租賃負債之現值	<b>14,907</b>	8,350
The present value of finance lease liabilities is as follows:	融資租賃負債之現值如下:		
Not later than one year	不超過一年	4,149	2,766
Later than one year and not later than five years	超過一年但不超過五年	10,758	5,584
		<b>14,907</b>	8,350

The effective interest rates at the balance sheet date were as follows:

於結算日的實際利率如下:

		2005			2004		
		HK\$ 港元	US\$ 美元	RMB 人民幣	HK\$ 港元	US\$ 美元	RMB 人民幣
Bank overdrafts	銀行透支	8.5%	-	-	5.5%	-	-
Bank borrowings	銀行貸款	5.7%	6.5%	6.2%	3.5%	4.8%	5.9%
Other loans	其它貸款	-	-	-	-	-	-
Finance lease liabilities	融資租賃負債	6.0%	-	5.8%	4.6%	-	5.5%

The carrying amounts of borrowings approximate their fair values.

貸款的帳面值與其公平值相近。



## Notes to the Consolidated Financial Statements 綜合財務報表附註

**18 BORROWINGS** (continued)

The carrying amounts of the Group's borrowings are denominated in the following currencies:

		<b>2005</b>	2004
		<b>HK\$'000</b>	HK\$'000
		<b>港幣千元</b>	港幣千元
Hong Kong dollar	港元	<b>52,923</b>	143,473
US dollar	美元	<b>677,290</b>	375,470
Chinese Renminbi	人民幣	<b>60,729</b>	59,149
Other currencies	其它貨幣	<b>318</b>	454
		<b>791,260</b>	578,546

**19 DEFERRED TAXATION**

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

The movement on the deferred tax liabilities (net of deferred tax assets) is as follows:

**18 貸款 (續)**

集團貸款的帳面金額以下列貨幣為單位:

**19 遞延稅項**

遞延稅項採用負債法就短暫時差按主要稅率17.5%(二零零四年:17.5%)作全數計算。

遞延稅項負債(扣除遞延稅項資產後)之變動如下:

		<b>2005</b>	Restated 經重列 2004
		<b>HK\$'000</b>	HK\$'000
		<b>港幣千元</b>	港幣千元
At 1 January	於一月一日	<b>(12,471)</b>	(25,496)
Deferred taxation recognised in the income statement	在損益表確認的遞延稅項	<b>(12,065)</b>	3,281
Taxation credited to equity due to investment property revaluation reserve	因投資物業重估儲備而在權益記帳的稅項	-	10,038
Exchange differences	匯兌差額	<b>(519)</b>	(294)
At 31 December	於十二月三十一日	<b>(25,055)</b>	(12,471)



## Notes to the Consolidated Financial Statements 綜合財務報表附註

## 19 DEFERRED TAXATION (continued)

Deferred income tax assets are recognised for tax loss carry forwards to the extent that realisation of the related tax benefit through the future taxable profits is probable. The Group has unrecognised tax losses of approximately HK\$231,473,000 (2004: HK\$181,747,000), which certain amounts are subject to approval from the Hong Kong Inland Revenue Department. These carry forwards will begin to expire in 2007 for Mainland China and can be carried forward indefinitely for Hong Kong. Tax losses can be carried forward to offset future taxable income.

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

## 19 遞延稅項 (續)

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。本集團有未確認稅損約港幣231,473,000元(二零零四年:港幣181,747,000元)(部份待香港稅務局批准)。中國產生的此等稅損將於二零零七年開始屆滿,而香港的稅損則沒有期限。稅損可結轉以抵銷未來應課稅收入。

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 liabilities 遞延稅項負債		Accelerated tax depreciation 加速稅項折舊		Investment properties 投資物業		Others 其它		Total 總額	
		2005	2004	2005	2004	2005	2004	2005	2004
		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	HK\$'000 港幣千元	HK\$'000 港幣千元
At 1 January	於一月一日	(477)	(421)	(17,888)	(30,330)	(4,681)	(4,450)	(23,046)	(35,201)
Recognised in the income statement	在損益表確認	(674)	(56)	(10,027)	2,704	(749)	(231)	(11,450)	2,417
Credited to equity	在權益記帳	-	-	-	10,038	-	-	-	10,038
Exchange differences	匯兌差額	-	-	(519)	(300)	-	-	(519)	(300)
At 31 December	於十二月三十一日	(1,151)	(477)	(28,434)	(17,888)	(5,430)	(4,681)	(35,015)	(23,046)

Deferred tax assets 遞延稅項資產		Decelerated tax depreciation 減速稅項折舊		Tax losses 稅損		Others 其它		Total 總額	
		2005	2004	2005	2004	2005	2004	2005	2004
		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	HK\$'000 港幣千元	HK\$'000 港幣千元
At 1 January	於一月一日	598	546	9,868	9,159	109	-	10,575	9,705
Recognised in the income statement	在損益表確認	(299)	52	(323)	703	7	109	(615)	864
Exchange differences	匯兌差額	-	-	-	6	-	-	-	6
At 31 December	於十二月三十一日	299	598	9,545	9,868	116	109	9,960	10,575



Notes to the Consolidated Financial Statements 綜合財務報表附註

**19 DEFERRED TAXATION** (continued)

Deferred 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 consolidated balance sheet as assets/liabilities not realisable/due within one year:

		2005 HK\$'000 港幣千元	Restated 經重列 2004 HK\$'000 港幣千元
Deferred tax assets	遞延稅項資產	9,805	10,259
Deferred tax liabilities	遞延稅項負債	(34,860)	(22,730)
		<b>(25,055)</b>	<b>(12,471)</b>

**20 BILLS AND ACCOUNTS PAYABLE**

Aging analysis of bills and accounts payable is as follows:

		2005 HK\$'000 港幣千元	2004 HK\$'000 港幣千元
Within three months	三個月內	341,112	412,002

**19 遞延稅項 (續)**

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，則可將遞延稅項資產與遞延稅項負債互相抵銷。在計入適當抵銷後，下列金額在綜合資產負債表內以不可於一年內變現／到期之資產／負債列帳：

**20 應付票據及應付帳項**

應付票據及應付帳項帳齡分析如下：





## Notes to the Consolidated Financial Statements 綜合財務報表附註

## 21 OTHER GAINS, NET

## 21 其它收益淨額

		2005 HK\$'000 港幣千元	2004 HK\$'000 港幣千元
Net fair value loss on financial assets at fair value through profit or loss (realised and unrealised)	按公平值透過損益列帳的財務資產之公平值淨虧損(已實現及未實現)	(1,818)	-
Net gain on other investments (realised and unrealised)	其它投資之淨收益(已實現及未實現)	-	1,246
Interest income:	利息收入:		
– on bank deposits	– 銀行存款	1,979	640
– on available-for-sale financial assets	– 可供出售財務資產	823	-
– on other receivables	– 其它應收款	1,161	-
Dividend income	股息收入	272	223
Investment income	投資收益	2,417	2,109
Fair value gains on investment properties	投資物業的公平值收益	34,172	-
Net gain on disposals of investment properties	出售投資物業淨溢利	2	4,265
Net gain on disposals of property, plant and equipment	出售物業、機器及設備淨溢利	-	370
Gain on disposal of shares in an associate (Note (a))	出售聯營公司股份溢利(附註(a))	91,986	-
Dilution gain in an associate (Note (b))	聯營公司攤薄收益(附註(b))	69,819	-
Claims	賠償	2,887	-
Others	其它	7,787	4,494
		<b>209,070</b>	<b>11,238</b>

## Notes:

- (a) In August 2005, the Group disposed of certain equity interests in WorldMetal Holdings Limited (now named as China LotSynergy Holdings Limited), reducing its shareholding from 38.65% to 31.98%, and recognised a disposal gain of approximately HK\$91,986,000.
- (b) In August 2005, the Group's equity interest in WorldMetal Holdings Limited was diluted from 31.98% to 26.84% as a result of the issuance of new shares of WorldMetal Holdings Limited. In this connection, the Group recognised a dilution gain of approximately HK\$69,819,000.

## 附註:

- (a) 於二零零五年八月，本集團出售WorldMetal Holdings Limited(現稱為華彩控股有限公司)的部份權益，股權由38.65%減至31.98%，並確認出售溢利約港幣91,986,000元。
- (b) 於二零零五年八月，因WorldMetal Holdings Limited發行新股，本集團於WorldMetal Holdings Limited的權益由31.98%攤薄至26.84%。就此，本集團確認攤薄收益約港幣69,819,000元。



## Notes to the Consolidated Financial Statements 綜合財務報表附註

## 22 EXPENSES BY NATURE

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

## 22 按性質分類的費用

列在銷售成本、銷售及分銷費用和一般及行政費用內的費用分析如下：

		2005 HK\$'000 港幣千元	2004 HK\$'000 港幣千元
Depreciation of property, plant and equipment	物業、機器及設備折舊		
– owned assets	– 自置資產	9,063	10,436
– assets held under finance leases	– 融資租賃資產	1,764	1,499
Net loss on disposals of property, plant and equipment	出售物業、機器及設備之淨虧損	23	–
Amortisation of prepaid operating lease payment	預付營運租賃款項攤銷	1,641	1,641
Operating lease rentals	營運租賃租金	12,738	12,445
Direct operating expenses arising from investment properties that generate rental income	產生租金收入的投資物業的直接營運費用	34	321
Employee benefit expense (including directors' emoluments) (Note 23)	僱員福利開支(包括董事酬金)(附註23)	67,060	61,729
Loss on disposal of subsidiaries	出售附屬公司虧損	–	131
Loss on disposals of investments	出售投資虧損	–	729
Provision for/write-off of impairment of receivable	應收款減值撥備/註銷	13,121	10,201
Net exchange (gains)/losses	匯兌淨(收益)/損失	(584)	1,273
Auditors' remuneration	核數師酬金	1,230	1,080

## 23 EMPLOYEE BENEFIT EXPENSE

		2005 HK\$'000 港幣千元	2004 HK\$'000 港幣千元
Wages and salaries	薪金工資	61,016	55,383
Pension costs – defined contribution plans (Note (a))	退休成本 – 界定供款計劃(附註(a))	2,141	2,650
Staff welfare	員工福利	3,903	3,696
		<b>67,060</b>	<b>61,729</b>

## 23 僱員福利開支

**23 EMPLOYEE BENEFIT EXPENSE (continued)****(a) Pensions – defined contribution plans**

The Group has arranged for its Hong Kong employees to participate in a defined contribution retirement scheme (the "Original Scheme"), which is managed by independently administered funds. The Group's monthly contributions are based on 5% of employees' monthly salaries. The employees are entitled to receive 100% of the Group's contribution and the accrued interest thereon upon retirement or leaving the Group after completing ten years of service or at a reduced scale of 30% to 90% after completing three to nine years of services.

For the Hong Kong employees employed after 1 December 2000, the Group has arranged for these employees to join the Mandatory Provident Fund Scheme (the "MPF Scheme"), a defined contribution scheme managed by an independent trustee. Under the MPF Scheme, each of the Group and its employees make monthly contributions to the scheme at 5% of the employees' earnings as defined under the Mandatory Provident Fund legislation. Both the employer's and the employees' contributions are subject to a maximum of HK\$1,000 per month per employee.

As stipulated by the rules and regulations in Mainland China, the Group contributes to state-sponsored retirement plans for its employees in Mainland China. The Group contributes to retirement plans at rates of approximately 9% to 22.5% of the basic salaries of its employees in Mainland China, and has no further obligations for the actual payment of pensions or post-retirement benefits. The state-sponsored retirement plans are responsible for the entire pension obligations payable to retired employees.

During the year, the aggregate amount of the Group's contributions to the aforementioned schemes was approximately HK\$2,141,000 (2004: HK\$2,650,000) after deducting HK\$329,000 (2004: HK\$91,000) deduction of forfeited contributions of the Original Scheme.

**23 僱員福利開支 (續)****(a) 退休金 – 界定供款計劃**

本集團為香港僱員安排由獨立基金管理之界定供款退休計劃(「原計劃」)。本集團每月之供款按僱員月薪的5%計算。於退休或完成滿十年服務後離開本集團，僱員均有權收取全數集團的供款及應計利息，完成滿三至九年服務則可按30%至90%比例收取。

本集團為二零零零年十二月一日後入職香港僱員安排參與強制性公積金計劃(「強積金計劃」)，一個由獨立受託人管理的界定供款計劃。根據強積金計劃，本集團及其僱員各自須按照強制性公積金條例的規定，每月將僱員薪金的5%供款。僱主及僱員的各自供款最高為每名僱員每月港幣1,000元。

根據中國法例規定，本集團為其中國僱員參與國家資助的退休計劃。本集團按其僱員基本薪金約9%至22.5%供款。除年度供款外，本集團毋須承擔其它實際退休金付款或退休後福利的責任。國家資助的退休計劃負責應付退休僱員的全部養老金責任。

於年內，本集團對上述計劃作出的供款總額約港幣2,141,000元(二零零四年：港幣2,650,000元)，已扣減約港幣329,000元(二零零四年：港幣91,000元)原計劃的沒收供款。



## Notes to the Consolidated Financial Statements 綜合財務報表附註

## 23 EMPLOYEE BENEFIT EXPENSE (continued)

## 23 僱員福利開支 (續)

## (b) Directors' and senior management's emoluments

## (b) 董事及高級管理層薪酬

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

截至二零零五年十二月三十一日止年度，每名董事的薪酬如下：

Name of director	Fees	Discretionary Salary	Other bonuses	Employer's contribution to pension scheme	Total
董事姓名	袍金	薪金	酌情獎金	僱主供款	總額
	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
Mr. CHAN Shing 陳城先生	-	5,349	-	228	6,608
Mr. SIT Hoi Tung 薛海東先生	-	1,170	1,501	54	2,951
Mr. YANG Da Wei 楊大偉先生	-	300	-	-	510
Ms. LAU Ting 劉婷女士	-	4,049	-	168	5,248
Ms. TUNG Pui Shan, Virginia 董佩珊女士	-	1,435	96	66	1,597
Mr. KWOK Wai Lam 郭偉霖先生	-	1,144	1,481	53	2,678
Mr. YIN Mark 尹虹先生	-	822	378	38	1,478
Mr. CUI Shu Ming 崔書明先生	312	-	-	-	312
Mr. SONG Yufang 宋玉芳先生	120	-	-	-	120
Mr. HUANG Shenglan 黃勝藍先生	140	-	-	-	140
Mr. SZE Tsai Ping, Michael 史習平先生	120	-	-	-	120
Mr. YU Wing Keung, Dicky (b) 余永強先生(b)	-	300	-	15	315
Mr. SUN Ho (c) 孫豪先生(c)	-	584	1,400	29	2,013



## Notes to the Consolidated Financial Statements 綜合財務報表附註

## 23 EMPLOYEE BENEFIT EXPENSE (continued)

**(b) Directors' and senior management's emoluments (continued)**

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

Name of director	Fees	Salary	Other benefits(a)	Employer's contribution to pension scheme	Total
董事姓名	袍金	薪金	其它福利(a)	退休計劃的僱主供款	總額
	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
Mr. CHAN Shing 陳城先生	-	5,292	1,031	225	6,548
Mr. SIT Hoi Tung 薛海東先生	-	1,086	225	50	1,361
Mr. YANG Da Wei 楊大偉先生	-	300	214	-	514
Ms. LAU Ting 劉婷女士	-	4,007	1,031	166	5,204
Ms. TUNG Pui Shan, Virginia 董佩珊女士	-	1,418	-	66	1,484
Mr. KWOK Wai Lam 郭偉霖先生	-	1,144	-	53	1,197
Mr. YIN Mark 尹虹先生	-	812	237	37	1,086
Mr. CUI Shu Ming 崔書明先生	312	-	-	-	312
Mr. SONG Yufang 宋玉芳先生	120	-	-	-	120
Mr. HUANG Shenglan 黃勝藍先生	30	-	-	-	30
Mr. SZE Tsai Ping, Michael 史習平先生	120	-	-	-	120
Mr. YU Wing Keung, Dicky (b) 余永強先生(b)	-	1,285	-	59	1,344
Mr. SUN Ho (c) 孫豪先生(c)	-	1,084	-	50	1,134

Notes:

- (a) Other benefits include accommodation benefits.  
 (b) Resigned on 11 April 2005.  
 (c) Resigned on 1 August 2005.

**(c) Five highest paid individuals**

The five individuals whose emoluments were the highest in the Group for the year include five (2004: five) directors whose emoluments are reflected in the analysis presented above.

## 23 僱員福利開支 (續)

**(b) 董事及高級管理層薪酬 (續)**

截至二零零四年十二月三十一日止年度，每名董事的薪酬如下：

Name of director	Fees	Salary	Other benefits(a)	Employer's contribution to pension scheme	Total
董事姓名	袍金	薪金	其它福利(a)	退休計劃的僱主供款	總額
	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
Mr. CHAN Shing 陳城先生	-	5,292	1,031	225	6,548
Mr. SIT Hoi Tung 薛海東先生	-	1,086	225	50	1,361
Mr. YANG Da Wei 楊大偉先生	-	300	214	-	514
Ms. LAU Ting 劉婷女士	-	4,007	1,031	166	5,204
Ms. TUNG Pui Shan, Virginia 董佩珊女士	-	1,418	-	66	1,484
Mr. KWOK Wai Lam 郭偉霖先生	-	1,144	-	53	1,197
Mr. YIN Mark 尹虹先生	-	812	237	37	1,086
Mr. CUI Shu Ming 崔書明先生	312	-	-	-	312
Mr. SONG Yufang 宋玉芳先生	120	-	-	-	120
Mr. HUANG Shenglan 黃勝藍先生	30	-	-	-	30
Mr. SZE Tsai Ping, Michael 史習平先生	120	-	-	-	120
Mr. YU Wing Keung, Dicky (b) 余永強先生(b)	-	1,285	-	59	1,344
Mr. SUN Ho (c) 孫豪先生(c)	-	1,084	-	50	1,134

附註：

- (a) 其它福利包括居所福利。  
 (b) 於二零零五年四月十一日辭職。  
 (c) 於二零零五年八月一日辭職。

**(c) 五位最高薪酬人士**

本年度集團最高薪酬的五位人士包括五位(二零零四年:五位)董事，他們的薪酬在上文呈報的分析中反映。



## Notes to the Consolidated Financial Statements 綜合財務報表附註

## 24 FINANCE COSTS

## 24 融資成本

		2005 HK\$'000 港幣千元	2004 HK\$'000 港幣千元
Interest on:	利息：		
– Bank borrowings repayable within five years	– 於五年內償還的銀行貸款	49,767	28,251
– Bank borrowings repayable after five years	– 於五年後償還的銀行貸款	–	1,888
– Other loans	– 其它貸款	326	140
– Finance lease liabilities	– 融資租賃負債	1,592	252
Total interest incurred during the year	本年內產生的利息總額	51,685	30,531
Amortisation of deferred borrowing costs	遞延借貸成本攤銷	–	1,325
		<b>51,685</b>	<b>31,856</b>

## 25 TAXATION

## 25 稅項

The Company is exempted from taxation in Bermuda until 2016. The Company's subsidiaries established in the British Virgin Islands are incorporated under the International Business Companies Acts of the British Virgin Islands and, accordingly, are exempted from British Virgin Islands income taxes. Hong Kong profits tax has been provided at the rate of 17.5% (2004: 17.5%) on the estimated assessable profit for the year. Subsidiaries of the Group in Mainland China are subject to Mainland China enterprise income tax ranging from 12% to 33% (2004: 15% to 33%) on their taxable income determined according to Mainland China tax laws. Other overseas taxation has been calculated on the estimated assessable profits for the year at the rates prevailing in the respective jurisdictions.

本公司可免繳百慕達稅項直至二零一六年。按英屬處女群島國際商業公司法，於英屬處女群島成立之附屬公司可免繳英屬處女群島所得稅。香港利得稅按本年度預計應課稅溢利之17.5%（二零零四年：17.5%）撥備。本集團於中國之附屬公司須繳交中國企業所得稅，按中國稅法確定應課稅所得之12%至33%（二零零四年：15%至33%）計算。其它海外稅項按本年度預計應課稅溢利以有關司法權區適用之稅率計算。



## Notes to the Consolidated Financial Statements 綜合財務報表附註

## 25 TAXATION (continued)

Under the relevant tax rules in Mainland China, a subsidiary of the Group is subject to Mainland China land appreciation tax ("LAT"). During the year, the Group recorded LAT paid/payable amounting to approximately HK\$51,000 (equivalent to approximately RMB54,000) (2004: HK\$1,244,000 (equivalent to approximately RMB1,318,000)), which was calculated based on 2% on the sales proceeds received from the properties sold during 2005, as advised by the local tax bureau. Taking into account the common practice on the levy of LAT in various cities in Mainland China, the Company's directors consider it is unlikely that the Group will be required to make any additional payment for the properties disposed of up to 31 December 2005. As a result, no additional provision on LAT was made in the accounts (2004: Nil).

The amount of taxation recognised in the income statement represents:

## 25 稅項 (續)

在中國相關稅例下，集團一附屬公司須繳交中國土地增值稅（「土地增值稅」）。年度內，集團已付／應付土地增值稅約港幣51,000元（等值約人民幣54,000元）（二零零四年：港幣1,244,000元（等值約人民幣1,318,000元）），稅額乃按地方稅務局通知，以二零零五年度內出售物業收入2%之基準計算。經考慮中國各城市徵收土地增值稅之普遍慣例，本公司董事認為本集團應不需為二零零五年十二月三十一日前出售之物業再繳納任何中國土地增值稅。因此，本帳目未有再為土地增值稅作額外撥備（二零零四年：無）。

於損益表確認之稅金如下：

		2005 HK\$'000 港幣千元	Restated 經重列 2004 HK\$'000 港幣千元
Current taxation	本年稅項		
– Hong Kong profits tax	– 香港利得稅	–	1,026
– Overseas taxation	– 海外稅項		
– Mainland China	– 中國	1,217	5,734
– Others	– 其它	–	54
		<b>1,217</b>	<b>6,814</b>
Under/(over) provision in prior years	前年度撥備不足／（超額撥備）		
– Hong Kong profits tax	– 香港利得稅	8,573	4,285
– Mainland China taxation	– 中國稅項	(3,429)	160
		<b>5,144</b>	<b>4,445</b>
Tax credit (Note (a))	稅務優惠（附註(a)）	–	(6,913)
		<b>6,361</b>	<b>4,346</b>
Deferred taxation relating to the origination and reversal of temporary differences	遞延稅項暫時差異的產生及轉回	12,065	(3,281)
		<b>18,426</b>	<b>1,065</b>

Note:

- (a) During 2004, a subsidiary of the Group obtained approval from the tax bureau in Mainland China whereby the subsidiary is entitled to a tax credit of approximately HK\$6,913,000 (equivalent to approximately RMB7,328,000) in respect of use of equipments manufactured in Mainland China.

附註：

- (a) 於二零零四年，集團一附屬公司獲得中國稅務局批准授予就採用國內生產設備的稅務優惠約港幣6,913,000元（等值約人民幣7,328,000元）。



Notes to the Consolidated Financial Statements 綜合財務報表附註

25 TAXATION (continued)

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

25 稅項 (續)

本集團有關除稅前盈利之稅項與假若採用本公司本土國家之稅率而計算之理論稅額之差額如下：

		2005 HK\$'000 港幣千元	Restated 經重列 2004 HK\$'000 港幣千元
Profit before taxation	除稅前盈利	97,211	40,863
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	17,012	7,151
Effect of different taxation rates in other countries	其它國家不同稅率之影響	4,896	(867)
Income not subject to taxation	無須課稅之收入	(30,956)	(16,607)
Expenses not deductible for taxation purposes	不可扣稅之支出	9,530	14,055
Unrecognised tax loss	未確認稅損	11,097	1,865
Under provision in prior years	前年度撥備不足	5,144	4,445
Tax credit	稅務優惠	-	(6,913)
Utilisation of previously unrecognised tax losses	使用早前未有確認之稅損	-	(191)
Others	其它	1,703	(1,873)
Taxation	稅項	18,426	1,065

26 NET FOREIGN EXCHANGE GAINS/(LOSSES)

The exchange differences recognised in the income statement are included as follows:

26 匯兌收益 / (損失) 淨額

在損益表確認的匯兌差額包括在下列項目內：

		2005 HK\$'000 港幣千元	2004 HK\$'000 港幣千元
Cost of sales	銷售成本	-	(69)
Selling and distribution expenses	銷售及分銷費用	544	(1,054)
General and administrative expenses	一般及行政費用	40	(150)
		584	(1,273)





## Notes to the Consolidated Financial Statements 綜合財務報表附註

**27 PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY**

The profit attributable to equity holders of the Company is dealt with in the financial statements of the Company to the extent of a profit of HK\$51,894,000 (2004: a loss of HK\$9,658,000).

**28 EARNINGS PER SHARE****Basic**

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

Profit attributable to equity holders of the Company (HK\$'000)

本公司權益持有人應佔盈利 (港幣千元)

**2005**

2004

**72,745**

34,991

Weighted average number of ordinary shares in issue (thousands)

已發行普通股的加權平均數 (千計)

**1,044,606**

1,054,512

Basic earnings per share (HK cents per share)

每股基本盈利 (每股港仙)

**6.96**

3.32

**Diluted**

Diluted earnings per share is calculated adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has dilutive potential ordinary shares arising from share options for the year ended 31 December 2004. For the share options a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

**27 本公司權益持有人應佔盈利**

已於本公司財務報表反映之本公司權益持有人應佔盈利達盈利港幣51,894,000元 (二零零四年: 虧損港幣9,658,000元)。

**28 每股盈利****基本**

每股基本盈利根據本公司權益持有人應佔盈利, 除以年內已發行普通股的加權平均數目計算。

**攤薄**

每股攤薄盈利假設所有可攤薄的潛在普通股被兌換後, 根據已發行普通股的加權平均股數計算。本公司有可攤薄的潛在普通股, 由截至二零零四年十二月三十一日止年度的購股權產生。至於購股權, 根據未行使購股權所附的認購權的貨幣價值, 釐定按公平值 (釐定為本公司股份的平均年度市價) 可購入的股份數目。按以上方式計算的股份數目, 與假設購股權行使而應已發行的股份數目作出比較。



## Notes to the Consolidated Financial Statements 綜合財務報表附註

## 28 EARNINGS PER SHARE (continued)

## 28 每股盈利 (續)

## Diluted (continued)

## 攤薄 (續)

		2004
Profit attributable to equity holders of the Company (HK\$'000)	本公司權益持有人應佔盈利 (港幣千元)	34,991
Weighted average number of ordinary shares in issue (thousands)	已發行普通股的加權平均數 (千計)	1,054,512
Adjustments for – share options (thousands)	調整 – 購股權 (千計)	339
Weighted average number of ordinary shares for diluted earnings per share (thousands)	計算每股攤薄盈利的普通股的 加權平均數 (千計)	1,054,851
Diluted earnings per share (HK cents per share)	每股攤薄盈利 (每股港仙)	3.32

The diluted earnings per share for the year ended 31 December 2005 is not presented because the Company has no dilutive potential ordinary shares.

由於本公司於截至二零零五年十二月三十一日止年度並無可攤薄的潛在普通股，故未有呈列每股攤薄盈利。

## 29 DIVIDENDS

## 29 股息

The dividends paid during the year ended 2005 were HK\$18,974,000 (HK1.8 cents per share). A dividend in respect of 2005 of HK3 cents per share, amounting to a total dividend of HK\$30,964,000 is to be proposed at the Annual General Meeting on 30 May 2006. These financial statements do not reflect this dividend payable.

截至二零零五年止年度內支付的股息分別為港幣18,974,000元(每股1.8港仙)。二零零五年的股息每股3港仙，合計為港幣30,964,000元將於二零零六年五月三十日舉行的股東週年大會上建議派發。本財務報表未反映此項應付股息。

		2005 HK\$'000 港幣千元	2004 HK\$'000 港幣千元
Proposed final dividend of HK3 cents (2004: HK1.8 cents) per ordinary share	擬派末期股息每股普通股 3港仙(二零零四年: 1.8港仙)	30,964	18,974



## Notes to the Consolidated Financial Statements 綜合財務報表附註

## 30 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

## 30 綜合現金流量表附註

## (a) Cash (used in)/generated from operations

## (a) 營運(所用)/產生的現金

		2005 HK\$'000 港幣千元	Restated 經重列 2004 HK\$'000 港幣千元
Profit for the year	年度盈利	78,785	39,798
Adjustments for:	調整:		
- Tax	- 稅項	18,426	1,065
- Depreciation	- 折舊	10,827	11,935
- Amortisation	- 攤銷	1,641	1,641
- Loss/(gain) on disposals of property, plant and equipment	- 出售物業、機器及設備虧損/(溢利)	23	(370)
- Fair value gains on investment properties	- 投資物業公平值收益	(34,172)	-
- Net fair value loss on financial assets at fair value through profit or loss (realised and unrealised)	- 按公平值透過損益列帳的財務資產之公平值淨虧損(已實現及未實現)	1,818	-
- Net gain on other investments (realised and unrealised)	- 其它投資之淨收益(已實現及未實現)	-	(1,246)
- Net gain on disposals of investment properties	- 出售投資物業淨溢利	(2)	(4,265)
- Gain on disposal of equity interest in a subsidiary	- 出售附屬公司權益溢利	-	(94)
- Loss on disposal of subsidiaries	- 出售附屬公司虧損	-	131
- Gain on disposal of shares in an associate	- 出售聯營公司股份溢利	(91,986)	-
- Dilution gain in an associate	- 聯營公司攤薄收益	(69,819)	-
- Dividends received from financial assets at fair value through profit or loss/investments	- 收取按公平值透過損益列帳的財務資產/投資股息	(272)	(223)
- Interest income	- 利息收入	(3,963)	(640)
- Finance costs	- 融資成本	51,685	31,856
- Share of losses/(profits) of associates	- 應佔聯營公司虧損/(盈利)	9,370	(5,584)
- Effect of foreign exchange rate changes	- 外幣匯率變動之影響	753	619
		<b>(26,886)</b>	74,623
Changes in working capital:	營運資金變更:		
- Increase in inventories	- 存貨增加	(62,296)	(18,568)
- Decrease in properties held for sale	- 待售物業減少	79	3,202
- Decrease in bills and accounts receivable	- 應收票據及應收帳項減少	65,852	143,624
- (Increase)/decrease in deposits, prepayments and other receivables	- 按金、預付款及其它應收款(增加)/減少	(75,801)	11,955
- Decrease in bills and accounts payable	- 應付票據及應付帳項減少	(70,890)	(51,214)
- Increase/(decrease) in other payables and accruals	- 其它應付帳及應計費用增加/(減少)	20,364	(13,441)
Net cash (used in)/generated from operations	營運(所用)/產生的淨現金	<b>(149,578)</b>	150,181



## Notes to the Consolidated Financial Statements 綜合財務報表附註

## 30 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (continued)

## 30 綜合現金流量表附註 (續)

## (b) Major non-cash transactions

## (b) 主要非現金交易

- (i) On 31 August 2004, the Group disposed of its equity interests in certain subsidiaries to a third party at consideration of HK\$1. Details of the disposal of subsidiaries were as follows:

- (i) 於二零零四年八月三十一日，本集團出售部份附屬公司之權益予第三者，作價港幣1元。出售附屬公司之資料如下：

		HK\$'000 港幣千元
Cash and bank balances	現金及銀行結餘	23
Property, plant and equipment	物業、機器及設備	12
Deposits, prepayments and other receivables	按金、預付款及 其它應收款	6,344
Accounts payable	應付帳項	(1,853)
Other payables and accruals	其它應付帳項及應計費用	(4,308)
Net assets	淨資產	218
Less: Minority interests	減：少數股東權益	(87)
		131

Satisfied by:

支付方式：

Cash consideration received

已收現金代價

-

Analysis of the net outflow in respect of the disposal of subsidiaries:

出售附屬公司之淨流出分析：

		HK\$'000 港幣千元
Cash consideration received	已收現金代價	-
Cash and bank balances disposed of	出售現金及銀行結餘	(23)
Net cash used in respect of the disposal of subsidiaries	出售附屬公司 所用淨現金	(23)

- (ii) During the year the Group entered into finance lease arrangements in respect of machinery with a total capital value at the inception of the leases of HK\$10,538,000 (2004: HK\$1,696,000).

- (ii) 於本年內集團就資本總值達港幣10,538,000元(二零零四年：港幣1,696,000元)之機器訂立融資租賃安排。



## Notes to the Consolidated Financial Statements 綜合財務報表附註

**30 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT** (continued)**30 綜合現金流量表附註** (續)**(c) Analysis of the balances of cash and cash equivalents****(c) 現金及現金等價物結餘分析**

		2005 HK\$'000 港幣千元	2004 HK\$'000 港幣千元
Cash and bank balances	現金及銀行結餘	203,878	265,838
Bank overdrafts	銀行透支	(3,685)	(2,908)
		<b>200,193</b>	<b>262,930</b>

**31 COMMITMENTS AND CONTINGENT LIABILITIES****31 承擔及或然負債****(a) Capital commitments for capital expenditure****(a) 資本開支之資本承擔**

		2005 HK\$'000 港幣千元	2004 HK\$'000 港幣千元
Contracted but not provided	已簽約但未撥備		
– Leasehold land held under land use right	– 以土地使用權持有之租賃土地	–	5,693
– Machinery	– 機器	–	9,220
		<b>–</b>	<b>14,913</b>

**(b) Operating lease commitments – where the Group is the lessee****(b) 營運租賃承擔 – 本集團為承租人**

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

於二零零五年十二月三十一日，集團根據不可撤銷之營運租賃而於未來支付之最低租賃付款總額如下：

		2005 HK\$'000 港幣千元	2004 HK\$'000 港幣千元
Not later than one year	不超過一年	12,091	13,147
Later than one year and not later than five years	一年後但不超過五年	13,608	20,842
		<b>25,699</b>	<b>33,989</b>



## Notes to the Consolidated Financial Statements 綜合財務報表附註

**31 COMMITMENTS AND CONTINGENT LIABILITIES**  
(continued)**31 承擔及或然負債 (續)****(c) Operating leases – where the Group is the lessor**

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

		2005 HK\$'000 港幣千元	2004 HK\$'000 港幣千元
Not later than one year	不超過一年	11,271	7,940
Later than one year and not later than five years	超過一年 但不超過五年	21,933	13,211
Later than five years	超過五年	483	3,771
		<b>33,687</b>	<b>24,922</b>

Contingent-based rents recognised in the income statement were HK\$2,706,000 (2004: HK\$988,000).

**(c) 營運租賃 – 本集團為出租人**

於二零零五年十二月三十一日，本集團根據不可撤銷的營運租賃而於未來收取之最低租賃款項總額如下：

於損益表確認的或然租金為港幣2,706,000元（二零零四年：港幣988,000元）。

**(d) Contingent liabilities**

		2005 HK\$'000 港幣千元	2004 HK\$'000 港幣千元
Guarantee for general banking facilities granted to an associate	為聯營公司銀行融資作出之擔保	21,730	21,730
Mainland China land appreciation tax	中國土地增值稅	25,560	24,728
Guarantees given to banks for mortgage facilities granted to the buyers of the Group's properties	為集團物業購買者按揭貸款而向銀行作出之擔保	33,153	35,910
		<b>80,443</b>	<b>82,368</b>

**(e) Forward foreign currency exchange contracts**

As at 31 December 2005, the Group had commitment in respect of outstanding forward foreign currency exchange contracts to buy a maximum amount of US dollar of US\$2,000,000 (2004: Nil).

**(d) 或然負債****(e) 遠期外匯合約**

於二零零五年十二月三十一日，集團受約束於未履行的遠期外匯合約而須購入最多2,000,000美元值的美元（二零零四年：無）。



Notes to the Consolidated Financial Statements 綜合財務報表附註

32 CHARGE OF ASSETS

At 31 December 2005, the following assets were pledged:

- (a) Certain leasehold land, land use rights and buildings with a net book value of approximately HK\$121,666,000 (2004: HK\$116,478,000);
- (b) Certain motor vehicles and machinery with a net book value of approximately HK\$19,044,000 (2004: HK\$10,862,000);
- (c) Certain investment properties of approximately HK\$32,766,000 (2004: HK\$109,298,000);
- (d) Certain inventories of approximately HK\$103,322,000 (2004: HK\$63,047,000);
- (e) Certain properties held for sale of approximately HK\$20,250,000 (2004: Nil);
- (f) Certain financial assets at fair value through profit or loss of equity securities listed in Hong Kong with market value of approximately HK\$30,825,000 (2004: HK\$9,559,000);
- (g) Bank deposits of approximately HK\$1,431,000 (2004: HK\$1,394,000); and
- (h) Shares and equity interests in certain subsidiaries (2004: Nil).

32 資產抵押

於二零零五年十二月三十一日，以下資產已予抵押：

- (a) 部份租賃土地、土地使用權及樓宇帳面淨值約港幣121,666,000元（二零零四年：港幣116,478,000元）；
- (b) 部份車輛及機器帳面淨值約港幣19,044,000元（二零零四年：港幣10,862,000元）；
- (c) 部份投資物業約港幣32,766,000元（二零零四年：港幣109,298,000元）；
- (d) 部份存貨約港幣103,322,000元（二零零四年：港幣63,047,000元）；
- (e) 部份待售物業約港幣20,250,000元（二零零四年：無）；
- (f) 部份按公平值透過損益列帳的財務資產的香港上市證券市值約港幣30,825,000元（二零零四年：港幣9,559,000元）；
- (g) 部份銀行存款約港幣1,431,000元（二零零四年：港幣1,394,000元）；及
- (h) 於部份附屬公司的股份及權益（二零零四年：無）。



## Notes to the Consolidated Financial Statements 綜合財務報表附註

## 33 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

- (i) Significant transactions with related parties, which were carried out in the normal course of the Group's business are as follows:

Commission paid to an associate	已付聯營公司佣金
Rental income received from an associate	已收聯營公司租金

- (ii) Key management compensation

## 33 關聯方交易

所謂有關連人士乃指有能力直接或間接控制另一方，或有能力就另一方之財務及經營決策行使重大影響力之人士。同時，倘該等人士受到共同控制或重大影響之人士亦被視作關連人士。

- (i) 按集團一般商業條款下進行之關聯方重大交易如下：

2005 HK\$'000 港幣千元	2004 HK\$'000 港幣千元
--------------------------	--------------------------

-	1,155
<b>77</b>	<b>68</b>

- (ii) 主要管理人員酬金

2005 HK\$'000 港幣千元	2004 HK\$'000 港幣千元
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Wages and salaries	薪金工資	<b>20,009</b>	16,428
Pension costs – defined contribution plans	退休成本 – 界定供款計劃	<b>651</b>	706
Staff welfare	員工福利	<b>2,738</b>	2,738

<b>23,398</b>	<b>19,872</b>
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## Notes to the Consolidated Financial Statements 綜合財務報表附註

**33 RELATED PARTY TRANSACTIONS** (continued)

(iii) Details of loan to a director of the Group, disclosed pursuant to Section 161B of the Hong Kong Companies Ordinance, are as follows:

Name of borrower 借款人姓名	YIN Mark 尹虹
Position 職位	Executive Director 執行董事
Terms of the loan 貸款詳情	
– interest rate – 利率	5% per annum 年息五厘
– security – 抵押	unsecured 無抵押
– repayment term – 還款年期	3 years 三年
– borrowing date – 借款日	15 August 2005 二零零五年八月十五日
Balance of loans in respect of principal and interest 貸款本金及利息結餘	
– as at 31 December 2004 – 於二零零四年十二月三十一日	–
– as at 31 December 2005 – 於二零零五年十二月三十一日	HK\$664,000 港幣664,000元
Maximum balance outstanding during the year 年內最高欠款額	HK\$725,000 港幣725,000元

**33 關聯方交易 (續)**

(iii) 根據公司條例第161B條而須披露集團董事貸款之詳情如下：

**34 EVENTS AFTER THE BALANCE SHEET DATE**

In January 2006, the Group's equity interest in China LotSynergy Holdings Limited was diluted from 26.84% to 23.84% as a result of the issuance of new shares of China LotSynergy Holdings Limited. In this connection, the Group recognised a dilution gain of approximately HK\$140,991,000.

**34 結算日後事項**

於二零零六年一月，因華彩控股有限公司新股的發行，本集團於華彩控股有限公司的權益由26.84%攤薄至23.84%。就此，集團將確認攤薄收益約港幣140,991,000元。