

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

1 GENERAL INFORMATION

Luk Fook Holdings (International) Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) are principally engaged in the retailing and wholesaling of gold jewellery and gold ornaments, gem-set jewellery and gemstones and other accessory items.

The Company was incorporated in Bermuda on 3rd September 1996 as a company with limited liability under the Companies Act of Bermuda. The address of its Registered office is Canon’s Court, 22 Victoria Street Hamilton HM 12 Bermuda.

These consolidated financial statements are presented in thousands of Hong Kong dollars (“HK\$’000”), unless otherwise stated.

2 BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”), including Hong Kong Accounting Standards (“HKAS”) and Interpretations. These consolidated financial statements have been prepared under the historical cost convention as modified by the revaluation of buildings, financial assets and financial liabilities (including derivative instruments) at fair value through profit and loss (if any), and available-for-sale financial assets, which are stated at fair value.

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 5.

1 一般資料

六福集團(國際)有限公司(「本公司」)及其附屬公司(統稱「本集團」)主要從事黃金首飾及黃金飾物、鑲石首飾及寶石和其他配件之零售及批發業務。

本公司於1996年9月3日在百慕達根據百慕達公司法註冊成立為有限公司。其註冊辦事處地址為Canon's Court, 22 Victoria Street Hamilton HM 12 Bermuda。

除另有說明外，該等綜合財務報表均以千港元呈列。

2 呈報基準

綜合財務報表乃根據香港財務報告準則(「香港財務報告準則」，包括香港會計準則(「香港會計準則」)及詮釋)編製。該等綜合財務報表按歷史成本慣例編製，惟樓宇重估、按公平值記入損益表之財務資產及財務負債(包括衍生工具)(若有)，及可供出售財務資產，均按公平值列賬。

編製與香港財務報告準則貫徹一致之財務報表規定採用若干重要會計估算，這需要管理層於應用本公司會計政策時行使其判斷。涉及較多判斷或較複雜之範疇，或假設項目與估值對綜合財務報表而言屬重大之範疇，均於附註5披露。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

2 BASIS OF PREPARATION (Continued)

The adoption of new/revised HKFRS

In 2005/06, the Group adopted the new/revised standards and interpretations of HKFRS below, which are relevant to its operations. The 2004/05 comparatives have been restated as appropriate, 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 12	Income Taxes
HKAS 14	Segment Reporting
HKAS 16	Property, Plant and Equipment
HKAS 17	Leases
HKAS 18	Revenue
HKAS 19	Employee Benefits
HKAS 21	The Effects of Changes in Foreign Exchange Rates
HKAS 23	Borrowing Costs
HKAS 24	Related Party Disclosures
HKAS 27	Consolidated and Separate Financial Statements
HKAS 32	Financial Instruments: Disclosure and Presentation
HKAS 33	Earnings per Share
HKAS 36	Impairment of Assets
HKAS 37	Provisions, Contingent Liabilities and Contingent Assets
HKAS 38	Intangible Assets
HKAS 39	Financial Instruments: Recognition and Measurement
HKAS Int 15	Operating Leases – Incentives
HKFRS 2	Share-based Payment
HKFRS 3	Business Combinations
HKFRS 5	Non-current Assets Held for Sale and Discontinued Operations

2 呈報基準(續)

採納新訂／經修訂香港財務報告準則

於2005／06年度，本集團已採納以下與其業務相關之新訂或經修訂香港財務報告準則及詮釋。同時，2004／05年度之比較數字已在有需要時予以重列。

香港會計準則第1號	財務報表之呈列
香港會計準則第2號	存貨
香港會計準則第7號	現金流量表
香港會計準則第8號	會計政策、會計估計之變更及誤差
香港會計準則第10號	結算日後事項
香港會計準則第12號	利得稅
香港會計準則第14號	分部報告
香港會計準則第16號	物業、廠房及設備
香港會計準則第17號	租賃
香港會計準則第18號	收入
香港會計準則第19號	僱員福利
香港會計準則第21號	外幣匯率變動之影響
香港會計準則第23號	借貸成本
香港會計準則第24號	關連人士披露
香港會計準則第27號	綜合及獨立財務報表
香港會計準則第32號	金融工具：披露及呈列
香港會計準則第33號	每股盈利
香港會計準則第36號	資產減值
香港會計準則第37號	撥備、或然負債及或然資產
香港會計準則第38號	無形資產
香港會計準則第39號	金融工具：確認及計量
香港會計準則 — 詮釋第15號	經營租賃－優惠
香港財務報告準則第2號	以股份支付之支出
香港財務報告準則第3號	業務合併
香港財務報告準則第5號	持作出售之非流動資產及已終止經營業務

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2 BASIS OF PREPARATION (Continued)

The adoption of new/revised HKFRS

(Continued)

The adoption of HKASs 1, 2, 7, 8, 10, 12, 14, 16, 18, 19, 21, 23, 24, 27, 33, 36, 37, 38, HKAS-Int 15, HKFRS 3 and HKFRS 5 did not result in substantial changes to the Group's accounting policies. In summary:

- HKAS 1 has affected the presentation of minority interest and other disclosures.
- HKASs 2, 7, 8, 10, 12, 14, 16, 18, 19, 23, 27, 33, 36, 37, 38, HKAS-Int 15, HKFRS 3 and HKFRS 5 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 in the revised standard.
- HKAS 24 has affected the identification of related parties and some other related-party disclosures.

Adoption of HKAS 17

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 immediately expensed in the income statement. In prior years, the leasehold land and land use rights were accounted for at valuation/cost less accumulated depreciation and accumulated impairment.

The adoption of HKAS 17 resulted in a decrease in opening reserves at 1st April 2004 by HK\$1,796,000.

2 呈報基準(續)

採納新訂／經修訂香港財務報告準則(續)

採納香港會計準則第1、2、7、8、10、12、14、16、18、19、21、23、24、27、33、36、37、38號、香港會計準則—詮釋第15號、香港財務報告準則第3號及香港財務報告準則第5號並無導致本集團之會計政策出現重大變動。簡略而言：

- 香港會計準則第1號影響少數股東權益及其他披露之呈列。
- 香港會計準則第2、7、8、10、12、14、16、18、19、23、27、33、36、37、38號、香港會計準則—詮釋第15號、香港財務報告準則第3號及香港財務報告準則第5號對本集團之政策並無重大影響。
- 香港會計準則第21號對本集團之政策並無重大影響。各綜合實體之功能貨幣已根據經修訂準則之指引再度評估。
- 香港會計準則第24號影響關連人士之確認及若干其他關連人士之披露。

採納香港會計準則第17號

採納經修訂香港會計準則第17號導致有關將租賃土地及土地使用權由物業、廠房及設備重新分類為經營租賃之會計政策變動。租賃土地及土地使用權之首次預付款於租期內以直線法在損益表支銷，或倘出現減值時，減值乃在損益表支銷。於過往年度，租賃土地及土地使用權乃按估值/成本減累計折舊及累計減值列賬。

採納香港會計準則第17號導致於2004年4月1日之期初儲備減少1,796,000港元。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

2 BASIS OF PREPARATION (Continued)

The adoption of new/revised HKFRS

(Continued)

Adoption of HKAS 17 (Continued)

Decrease in property, plant and equipment	物業、廠房及設備 減少
Increase in leasehold land and land use rights	租賃土地及土地 使用權增加
Decrease in revaluation reserve	重估儲備減少

2 呈報基準 (續)

採納新訂／經修訂香港財務報告準則 (續)

採納香港會計準則第17號 (續)

		As at 31st March 2006 於2006年3月31日 HK\$'000 千港元	As at 31st March 2005 於2005年3月31日 HK\$'000 千港元
		For the year ended 31st March 2006 截至2006年 3月31日止年度 HK\$'000 千港元	For the year ended 31st March 2005 截至2005年 3月31日止年度 HK\$'000 千港元
Decrease/(increase) in selling and distribution costs	銷售及分銷費用 減少／(增加)	333	(193)
Increase/(decrease) in basic earnings per share	每股基本盈利 增加／(減少)	HK 0.07 cents	HK (0.04) cents
Increase/(decrease) in diluted earnings per share	每股攤薄盈利 增加／(減少)	HK 0.07 cents	HK (0.04) cents

Adoption of HKAS 32 and HKAS 39

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

採納香港會計準則第32號及香港會計準則第39號

採納香港會計準則第32號及香港會計準則第39號導致有關按公平值記入損益表之財務資產及可供出售財務資產之分類方法之會計政策出現變動，同時亦導致按公平值確認衍生金融工具，以及使對沖活動之確認及計量方法出現變動。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2 BASIS OF PREPARATION (Continued)

The adoption of new/revised HKFRS

(Continued)

Adoption of HKAS 32 and HKAS 39 (Continued)

The adoption of HKAS 32 and HKAS 39 had no effect on opening reserves at 1st April 2005 and the details of the adjustments to the balance sheet at 31st March 2006 are as follows:

		As at 31st March 2006 於2006年3月31日 HK\$'000 千港元	As at 31st March 2005 於2005年3月31日 HK\$'000 千港元
Increase in available-for-sale financial asset	可供出售財務資產增加	1,042	-
Decrease in other investment	其他投資減少	(1,042)	-

Adoption of HKFRS 2

The adoption of HKFRS 2 has resulted in a change in the accounting policy for share-based payments. Until 31st December 2004, the provision of share options to employees did not result in a charge to the income statement. Effective 1st 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 7th November 2002 which had not yet vested on 1st January 2005, if any, was expensed retrospectively in the income statement of the respective periods. The adoption of HKFRS 2 had no impact on the Group's profit and loss and opening reserves.

All relevant changes in the accounting policies have been made in accordance with the transitional provisions of the respective standards, which require retrospective application to prior year comparatives other than:

- HKAS 39 – recognises all derivatives at fair value in the balance sheet on 1st April 2005 and adjusts the balance to retained earnings as at that date;
- HKAS-Int 15 – does not require recognition of incentives for leases commencing before 1st January 2005;
- HKFRS 3 – prospectively after the adoption date.

2 呈報基準(續)

採納新訂／經修訂香港財務報告準則(續)

採納香港會計準則第32號及香港會計準則第39號(續)

採納香港會計準則第32號及香港會計準則第39號對2005年4月1日之期初儲備並無影響，於2006年3月31日資產負債表之調整詳情如下：

		As at 31st March 2006 於2006年3月31日 HK\$'000 千港元	As at 31st March 2005 於2005年3月31日 HK\$'000 千港元
Increase in available-for-sale financial asset	可供出售財務資產增加	1,042	-
Decrease in other investment	其他投資減少	(1,042)	-

採納香港財務報告準則第2號

採納香港財務報告準則第2號導致有關以股份支付之支出之會計政策有所變動。直至2004年12月31日，向僱員提供購股權並不會產生損益表項下之支出。自2005年1月1日起，本集團須將購股權之成本於損益表列為支出。根據過渡性條文，於2002年11月7日後授出並於2005年1月1日尚未歸屬之購股權之成本(如有)，乃以追溯方式於相關期間之損益表列為支出。採納香港財務報告準則第2號對本集團之損益及期初儲備並無影響。

會計政策之所有相關變動乃根據各項準則之過渡條文作出，並須追溯應用於過往年度之比較數字，惟以下各項除外：

- 香港會計準則第39號－於2005年4月1日將所有衍生工具按公平值在資產負債表內確認，並將結餘調整至該日之保留盈利；
- 香港會計準則－詮釋第15號－並無規定於2005年1月1日前開始之租賃優惠須予確認；
- 香港財務報告準則第3號－預期於採納日期後應用。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2 BASIS OF PREPARATION (Continued)

The adoption of new/revised HKFRS

(Continued)

There has been no early adoption by the Group of the following new standards or interpretations that have been issued but are not yet effective. The adoption of such standards or interpretations will not result in substantial changes to the Group's accounting policies.

HKAS 1 (Amendment)	Capital Disclosures
HKAS 19 (Amendment)	Actuarial Gains and Losses, Group Plans and Disclosures
HKAS 21 (Amendment)	Net Investment in a Foreign Operation
HKAS 39 (Amendment)	Cash Flow Hedge Accounting of Forecast Intragroup Transactions
HKAS 39 (Amendment)	The Fair Value Option
HKAS 39 and HKFRS 4 (Amendments)	Financial Guarantee Contracts
HKFRS 6	Exploration for and Evaluation of Mineral Resources
HKFRS 7	Financial Instruments : Disclosures
HKFRS Interpretation 4	Determining whether an Arrangement contains a Lease
HKFRS Interpretation 5	Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
HKFRS Interpretation 6	Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment
HKFRS Interpretation 7	Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies
HKFRS Interpretation 8	Scope of HKFRS 2
HKFRS Interpretation 9	Reassessment of Embedded Derivatives

2 呈報基準 (續)

採納新訂／經修訂香港財務報告準則 (續)

本集團並未提前採納以下已頒佈但尚未生效之新準則或詮釋。採納此等準則或詮釋將不會對本集團會計政策產生重大改變。

香港會計準則第1號 (經修訂)	資本披露
香港會計準則第19號 (經修訂)	精算收益及虧損、集團計劃及披露
香港會計準則第21號 (經修訂)	海外業務淨投資
香港會計準則第39號 (經修訂)	預測集團內公司間交易之現金流量對沖會計處理
香港會計準則第39號 (經修訂)	公平值選擇權
香港會計準則第39號及香港財務報告準則第4號 (經修訂)	財務擔保合約
香港財務報告準則第6號	開採及評估礦物資源
香港財務報告準則第7號	金融工具：披露
香港財務報告準則－詮釋第4號	確定安排是否包括租賃
香港財務報告準則－詮釋第5號	享有解除運作、修復及環境修復基金所產生權益之權利
香港財務報告準則－詮釋第6號	參與電器電子設備特定回收市場而產生的負債
香港財務報告準則－詮釋第7號	於香港會計準則第29號惡性通脹經濟中的財務報告中應用重列方式
香港財務報告準則－詮釋第8號	香港財務報告準則第2號之範疇
香港財務報告準則－詮釋第9號	重估附帶衍生工具

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2 BASIS OF PREPARATION (Continued)

The adoption of new/revised HKFRS

(Continued)

Amendments as a consequence of the effective of Hong Kong Companies (Amendment) Ordinance 2005:

HKAS 1 (Amendment)	Presentation of Financial Statements
HKAS 27 (Amendment)	Consolidated and Separate Financial Statements
HKFRS 3 (Amendment)	Business Combinations

3 PRINCIPAL 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.

(a) Consolidation

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

(i) Subsidiaries

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. 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.

2 呈報基準(續)

採納新訂／經修訂香港財務報告準則(續)

因2005年香港公司條例(經修訂)頒佈而作出之修訂：

香港會計準則 第1號(經修訂)	呈報財務報表
香港會計準則 第27號(經修訂)	綜合及獨立 財務報表
香港財務報告準則 第3號(經修訂)	業務合併

3 主要會計政策

編製此等綜合財務報表所採用之主要會計政策載列如下。除另有說明者外，該等政策已於所有呈報年度貫徹應用。

(a) 集團會計

綜合財務報表包括本公司及其附屬公司編製至3月31日之財務報表。

(i) 附屬公司

附屬公司指本集團有權監管其財務及營運決策並通常擁有其過半數投票權持股量之一切實體(包括特別目的實體)。於評估本集團是否控制另一實體時，會考慮是否存在現時可行使或可轉換之潛在投票權及其影響。附屬公司自其控制權轉移至本集團當日起全面綜合入賬。附屬公司自其控制權終止當日起取消綜合入賬。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

3 PRINCIPAL ACCOUNTING POLICIES

(Continued)

(a) Consolidation (Continued)

(i) Subsidiaries (Continued)

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 interests. 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, including any contingent liabilities assumed, the difference is recognised directly in the consolidated income statement.

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

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

3 主要會計政策(續)

(a) 集團會計(續)

(i) 附屬公司(續)

本集團採用收購會計法為其所收購之附屬公司入賬。收購成本按於交易當日所獲資產之公平值、已發行股本工具及已產生或承擔之負債加上直接源自收購之成本計量。在商務合併過程中所收購之可識別資產、所承擔之負債及或然負債，均於收購當日按其公平值作初步計量，而毋須計及任何少數股東權益。收購成本超出本集團應佔所收購之可識別淨資產公平值之差額列作商譽。倘收購成本低於所收購附屬公司淨資產(包括已承擔之任何或然負債)之公平值，則有關差額將直接在綜合收益表內確認。

公司間交易、集團公司間之結餘及未變現盈利已對銷。未變現虧損亦會對銷，惟被當作已轉讓資產之減值指標。已就附屬公司之會計政策作出必要變動，以確保與本集團採納之會計政策一致。

於本公司之資產負債表內，於附屬公司之投資乃按成本值扣除減值虧損撥備列賬。附屬公司業績乃由本公司按已收及應收股息基準列賬。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

3 PRINCIPAL ACCOUNTING POLICIES

(Continued)

(a) Consolidation (Continued)

(ii) Transactions and minority interests

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 are recorded in the consolidated income statement. Purchases from minority interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary.

(b) Segment reporting

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

In accordance with its internal financial reporting, the Group has determined that business segment information be presented as the primary reporting format and geographical segment information as the secondary reporting format.

(c) Foreign currency translation

(i) Functional and presentation currency

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

3 主要會計政策 (續)

(a) 集團會計 (續)

(ii) 交易及少數股東權益

本集團其中一項政策為將與少數股東權益之交易視作與本集團外部人士之交易。因向少數股東權益出售而產生之本集團盈虧，會記入綜合收益表內。於從少數股東權益進行購買時，其已付代價與有關應佔所收購之附屬公司淨資產之賬面值存在差額，即為商譽。

(b) 分部呈報

分部指本集團從事及經營提供特定產品或服務(業務分部)或於特定經濟環境內提供產品或服務(地區分部)且風險及回報有別於其他分部之明顯組成部分。

根據本集團之內部財務申報，本集團決定將業務分部資料呈列為主要呈報方式而地區分部為從屬呈報方式。

(c) 外幣換算

(i) 功能貨幣及列賬貨幣

本集團旗下公司之財務報表所列項目均採用有關公司經營所在之主要經濟環境之通用貨幣(「功能貨幣」)為計算單位。綜合財務報表以港元列賬。港元為本公司之功能貨幣及列賬貨幣。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

3 PRINCIPAL ACCOUNTING POLICIES

(Continued)

(c) Foreign currency translation (Continued)

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

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

Translation differences on non-monetary financial assets and liabilities such as equity instruments held at fair value through profit and loss are recognised in profit and 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.

(iii) Group companies

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

- (a) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (b) 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

3 主要會計政策(續)

(c) 外幣換算(續)

(ii) 交易及結餘(續)

外幣交易按交易當日之匯率兌換為功能貨幣。因結算交易及按年結日匯率換算貨幣性資產及負債所產生之外匯損益均列入損益表。

非貨幣性財務資產及負債之換算差額(如按公平值計算損益之股權工具)於損益確認為部份公平值之損益。非貨幣性財務資產(如列為持作出售之股權工具)之換算差額列入公平值儲備。

(iii) 集團公司

集團旗下所有公司(全部均非採用高通脹經濟體系之貨幣)之功能貨幣倘有別於列賬貨幣,其業績及財務狀況須按如下方式兌換為列賬貨幣:

- (a) 各資產負債表所列之資產及負債按其結算日之收市匯率換算;
- (b) 各損益表所列之收支按平均匯率換算,除非此平均匯率不足以合理地概括反映交易日期適用匯率之累積影響,在此情況下,收支則按交易日期之匯率換算;及

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

3 PRINCIPAL ACCOUNTING POLICIES

(Continued)

(c) Foreign currency translation (Continued)

(iii) Group companies (Continued)

- (c) all resulting exchange differences are recognised as a separate component of equity.

(d) Property, plant and equipment

Buildings comprise retail shops and other properties such as office premises. Retail shops are stated at cost less accumulated depreciation and accumulated impairment losses. Properties other than retail shops ("other properties") are stated at valuation less subsequent accumulated depreciation. The valuation, being fair value at the date of valuation, is determined by the directors based on independent valuations which are performed annually. Increases in valuation are credited to the revaluation reserve in shareholders' equity. Decreases in valuation are first offset against previous increases of the same property and are thereafter expensed in the income statement. Each year the difference between depreciation based on the revaluated carrying amount of the asset expensed in the income statement and depreciation based on the asset's original cost is transferred from revaluation reserve to retained earnings, if material.

Buildings are depreciated on a straight-line basis over the unexpired period of the leases or the expected useful lives of the buildings to the Group, whichever is shorter.

Other tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the purchase price of the asset and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

3 主要會計政策(續)

(c) 外幣換算(續)

(iii) 集團公司(續)

- (c) 一切因此而產生之匯兌差額均確認為權益之一個獨立組成部份入賬。

(d) 物業、廠房及設備

樓宇由零售商舖及其他物業(例如辦公室)組成。零售商舖乃按成本值扣除其後累積折舊及累積減值虧損列賬。零售商舖以外之物業(「其他物業」)乃按估值扣除其後累積折舊列賬。估值乃於估值日期之公平值,由董事根據每年進行一次之獨立估值釐定。估值增值將計入股東權益重估儲備。估值減少乃首先與先前同類物業增加相抵消,其後於損益表內支銷。每年,按資產經重估資產賬面值計算而於損益表內支銷之折舊與基於該項資產之原有成本之折舊間之差額部分(倘屬重大),會轉至留存收益。

樓宇以直線法按未屆滿之租約年期或按其對本集團之預計可使用年期(以較短者為準)計算折舊。

其他有形固定資產以成本值扣除累積折舊及累積減值虧損列賬。成本包括該項資產之購買價及將資產達至其工作狀況及地點作擬定用途之任何直接應佔成本。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

3 PRINCIPAL ACCOUNTING POLICIES

(Continued)

(d) Property, plant and equipment

(Continued)

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 is calculated on a straight-line basis to write off the cost less accumulated impairment losses of each asset to their residual values over their estimated useful lives as follows:

Leasehold improvements	20% or over the unexpired lease period, whichever is shorter
Furniture and fixtures and computer equipment	20%
Plant and machinery	20%
Motor vehicles	20%

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 3 (g)).

Gains or losses on disposals are determined by comparing net proceeds with the carrying amount of the relevant assets and are included in the consolidated income statement.

3 主要會計政策 (續)

(d) 物業、廠房及設備 (續)

僅倘與項目相關之未來經濟利益可能會流入本集團，且該項目之成本能夠予以可靠地計量，則引致之成本方會計入該項資產之賬面值或確認為一項獨立資產（倘適用）。所有其他維修及保養費會於其發生之財務期間內在損益表中支銷。

折舊以直線法計算按各資產之預計可使用年期撇銷成本至預計殘值為止。預計可使用年期如下：

租賃物業裝修	20%或按租約尚餘期間（以較短者為準）
傢俬、裝置及電腦設備	20%
機器及設備	20%
汽車	20%

於各結算日，會對該項資產之殘值及可使用年期進行審閱，並作出適當之調整。

倘一項資產之賬面值較其估計可收回金額為高，則該項資產之賬面值會即時撇減至其可收回金額（附註3(g)）。

出售盈虧會透過將款項淨額與有關資產之賬面值相比較予以釐定，並計入綜合損益表內。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

3 PRINCIPAL ACCOUNTING POLICIES

(Continued)

(e) *Leasehold land and land use rights*

Leasehold land and land use rights are stated at cost less accumulated amortisation and accumulated impairment losses, if any. Cost represents consideration paid for the rights to use the land on which various plants and buildings are generally situated for a period from 50 to 70 years. Amortisation of leasehold land and land use rights is calculated on a straight-line basis over the period of the lease.

(f) *Trading licences*

Trading licences with indefinite useful lives are carried at cost less accumulated impairment losses, if any.

(g) *Impairment of non-financial assets*

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. 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 have suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

3 主要會計政策(續)

(e) *租賃土地及土地使用權*

租賃土地及土地使用權乃按成本值減累計攤銷及累計減值虧損(如有)列賬。成本指就使用通常建有各類廠房及樓宇之土地之權利(為期50至70年)所支付之代價。攤銷租賃土地及土地使用權乃按租賃年期以直線法攤銷。

(f) *交易執照*

沒有特定可使用年期之交易執照按成本減累計減值虧損(若有)列賬。

(g) *非財務資產之減值*

沒有特定可使用年期之資產無需攤銷，並每年進行減值測試。對進行攤銷之資產，乃於任何事件發生或環境變化預示其賬面價值無法收回時進行減值測試。若某項資產之賬面值超過其可收回金額時，會就其差額確認減值損失。資產之可收回金額為公平值減出售成本與其可使用價值中較高者。評估減值時，資產乃按最低水平之可單獨識別之現金流量(現金產生單位)予以分類。出現減值之非財務資產(商譽除外)將於每個報告日期進行檢討以確定其減值是否須撥回。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

3 PRINCIPAL ACCOUNTING POLICIES

(Continued)

(h) *Financial assets*

In 2004, the Group classified its investments in securities, other than subsidiaries, as non-trading securities and trading securities, which were stated at cost less provision for impairment losses.

From 1st January 2005 onwards, the Group classifies its financial assets in the following categories: at fair value through profit and 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.

(i) *Financial assets at fair value through profit and loss*

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit and 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. During the year, the Group did not hold any financial asset in this category.

3 主要會計政策 (續)

(h) *財務資產*

於2004年，本集團將其於證券(附屬公司除外)之投資分類為非買賣類證券及買賣類證券，並按成本減減值虧損撥備列賬。

由2005年1月1日起：本集團按下列類別將其財務資產分類：按公平值列賬及在損益表中處理之資產、貸款及應收款項、持至到期日資產以及可出售資產。視所收購財務資產之目的進行分類。管理層於初步確認時決定其財務資產分類及於各個申報日期重新評估此指定類別。

(i) *按公平值列賬及在損益表中處理之財務資產*

此類別共有兩個分類：持有作買賣用途及於開始時按公平值列賬及在損益表處理之財務資產。倘若財務資產被收購之主要目的是在短期內出售或由管理層指定出售，則須分類為此類別。衍生工具亦分類為持有作交易類工具，其被指定作對沖用途則除外。倘若此類別之資產乃持有作買賣用途或預期將會於結算日期起計十二個月內變現，則會被分類為流動資產。本集團於年內並無持有任何此類別之財務資產。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

3 PRINCIPAL ACCOUNTING POLICIES

(Continued)

(h) *Financial assets (Continued)*

- (ii) *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 included in trade and other receivables in the balance sheet (Note 3(j)).
- (iii) *Held-to-maturity investments*
Held-to-maturity financial assets 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. During the year, the Group did not hold any financial asset in this category.
- (iv) *Available-for-sale financial assets*
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 classified as non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

3 主要會計政策 (續)

(h) *財務資產 (續)*

- (ii) *貸款及應收款項 (續)*
貸款及應收款項指於並非活躍市場上市而具備固定或可釐定款項之非衍生財務資產。貸款及應收款項均會列入流動資產項下，惟到期日超過結算日期後十二個月者除外。有關貸款及應收款項則列入非流動資產。貸款及應收款項於資產負債表內列作貿易及其他應收款項(附註3(j))。
- (iii) *持至到期日之投資*
持至到期日之財務資產指具備固定或可釐定款項及固定到期日而本集團管理層有具體計劃及能力持至到期日之非衍生財務資產。於本年內，本集團並無持有此類別之任何財務資產。
- (iv) *可出售財務資產*
可出售財務資產乃被指定列為此類別或並無分類為任何其他類別之非衍生財務資產。除非管理層有意於結算日期起計十二個月內將投資出售，否則可出售財務資產會分類為非流動資產。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

3 PRINCIPAL ACCOUNTING POLICIES

(Continued)

(h) Financial assets (Continued)

- (iv) *Available-for-sale financial assets (Continued)*
Regular purchases and sales of investments are recognised on the 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 and loss. Financial assets carried at fair value through profit and 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 and 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 and loss” category, including interest and dividend income, are recognised in profit and loss in the period in which they arise.

3 主要會計政策 (續)

(h) 財務資產 (續)

- (iv) *可出售財務資產 (續)*
投資之常規性買賣乃於交易日期確認，即本集團承諾購買或出售資產之日期。就並非按公平值列賬及並無在損益表處理之所有財務資產而言，投資會初步按公平值另加交易費用確認。按公平值列賬及在損益表中處理之財務資產初步按公平值確認，交易成本於損益表中支銷。當收取來自投資之現金流量之權利屆滿或已被轉讓，及本集團已將差不多所有擁有權風險及收益轉讓時，將不再確認有關投資。可出售財務資產及按公平值列賬及在損益表中處理之財務資產其後會按公平值列賬。貸款及應收款項及持至到期日之投資乃以實際利息方法按攤銷成本列賬。

因「按公平值列賬及在損益表處理之財務資產」類別（包括利息及股息收入）之公平值變動而產生之收益及虧損，會於其產生期內於損益表確認。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

3 PRINCIPAL ACCOUNTING POLICIES

(Continued)

(h) Financial assets (Continued)

- (iv) *Available-for-sale financial assets (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 and 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 investments), 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. However, if the range of reasonable fair value estimates is significant and the probabilities of the various estimates cannot be reasonably assessed, such financial assets are carried at cost less accumulated impairment losses.

3 主要會計政策(續)

(h) 財務資產(續)

- (iv) 可出售財務資產(續)
以外幣計值並分類為可出售之貨幣證券之公平值變動，會按因證券之攤銷成本變動及證券賬面值之其他變動所產生之匯兌差異予以分析。匯兌差額於損益表確認，而賬面值之其他變動則在權益確認。分類為可出售之貨幣證券及分類為可出售之非貨幣證券之公平值變動於權益確認。

當被分類為可出售之證券於出售或減值時，於權益內確認之累計公平值調整乃於收益賬內列作「投資證券之收益或虧損」。按實際利息法計算之可出售之證券利息，乃於損益表確認。當本集團確立收款之權利時，可出售股本工具之股息在損益表確認。

上市投資之公平值乃按現行買入價列賬。倘一項財務資產之市場並不活躍及就非上市投資而言，則本集團會使用估值技巧計算公平值。估值技巧包括使用最近期按公平原則磋商之交易、參考其他大致上相同之工具、貼現現金流量分析，以及盡量使用市場數據及盡量減少依賴實體之特定數據之購股權定價模式。然而，倘合理公平值估計幅度甚大，且多項估計之可能性無法合理地評估，則該等財務資產按成本減累積減值虧損列賬。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

3 PRINCIPAL ACCOUNTING POLICIES

(Continued)

(h) *Financial assets (Continued)*

- (iv) *Available-for-sale financial assets (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 as 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 profit and loss – 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.

(i) *Inventories*

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis. The cost of merchandise comprises raw materials, direct labour and other direct costs. It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

(j) *Trade receivables*

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

3 主要會計政策(續)

(h) *財務資產(續)*

- (iv) *可出售財務資產(續)*
本集團會於各結算日期評估是否有客觀證據證明一項財務資產或一組財務資產出現減值。就分類為可供銷售之股本證券而言，倘若證券之公平值顯著或持續下跌至低於其成本，則視為證券出現減值之跡象。倘若可出售財務資產存在任何該類證據，累計虧損，相等於收購成本與現行公平值間之差額(減除先前該財務資產於損益表內已確認減值虧損)計算，將由權益移除及於損益表內確認。於損益表內確認之減值虧損不會經損益表撥回。

(i) *存貨*

存貨乃按成本及可變現淨值兩者之較低者列賬。成本採用先入先出法釐定。商品成本包括原材料、直接勞工成本及其他直接成本。商品成本不包括借貸成本。可變現淨值乃按於日常業務過程中之估計售價減適用之可變銷售費用。

(j) *貿易應收賬項*

貿易應收賬款最初按公平值予以確認，其後則按採用實際利息法之已攤銷成本減減值撥備計量。當有客觀證據證明本集團將無法按應收賬款之原訂條款收回全部欠款時，則作出貿易應收賬項減值撥備。撥備金額為有關資產之賬面值與估計現金流量按實際利率貼現之現值兩者間之差額。撥備金額在綜合損益表中予以確認。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

3 PRINCIPAL ACCOUNTING POLICIES

(Continued)

(k) *Cash and cash equivalents*

Cash and cash equivalents include cash on hand, deposits held at call with banks and bank overdrafts, if any.

(l) *Derivative financial instruments*

Derivative financial instruments, if any, are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value.

(m) *Financial liabilities and equity*

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

Ordinary shares are classified as equity. Non-mandatorily redeemable ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

(n) *Borrowings*

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated 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.

3 主要會計政策(續)

(k) *現金及現金等價物*

現金及現金等價物包括手頭現金、銀行通知存款及銀行透支(如有)。

(l) *衍生金融工具*

衍生金融工具(若有)初步按衍生工具合約訂立日期之公平值確認,其後按其公平值重新計量。

(m) *財務負債及權益*

本集團所發行之財務負債及股本工具乃根據所訂立合約安排之內容,及財務負債及權益工具之定義予以分類。權益工具為證明於本集團資產之餘額權益經扣除其所有負債後之任何合約。

普通股分類為權益。非強制性可贖回普通股分類為權益。發行新股之直接應佔增加成本,乃於權益中列作所得款項之扣減項目。

(n) *借貸*

借貸最初按公平值(經扣除所產生之交易成本)予以確認。其後借貸按已攤銷成本列賬,所得款項(經扣除交易成本)與贖回價值兩者間之任何差額,會以實際利息法於借貸期間內在綜合損益表中確認。

除非本集團有無條件權利可將負債結清時間延遲至結算日後最少12個月,否則借貸須分類為流動負債。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

3 PRINCIPAL ACCOUNTING POLICIES

(Continued)

(o) *Deferred income tax*

Deferred income tax 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 is not accounted for if it 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 and 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 income tax asset is realised or the deferred income tax liability is settled.

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

(p) *Employee benefits*

(i) *Employee leave entitlements*

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

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

3 主要會計政策(續)

(o) *遞延所得稅*

遞延所得稅採用負債法就資產與負債之稅基與其在綜合財務報表內賬面值兩者之暫時差異作全數撥備。然而，倘遞延所得稅乃源自進行交易(不包括企業合併)時不影響會計盈虧或應課稅盈虧之資產或負債之初始確認，則不會計算遞延所得稅。遞延所得稅以結算日制定或實質上制定之稅率(及法例)釐定，且該等稅率預期將於相關遞延所得稅資產變現或遞延所得稅負債結算時應用。

遞延所得稅資產乃在可能有未來應課稅溢利可予抵銷暫時差額時確認。

因投資附屬公司而產生之暫時差額將會計提遞延所得稅撥備，但若本集團可控制暫時差額撥回時間，以及暫時差額可能不會在可預見將來撥回時則除外。

(p) *僱員福利*

(i) *僱員休假權利*

僱員享有年假之權利於此等權利產生時確認。本集團就截至結算日止僱員提供服務而產生之年假之估計負債作出撥備。

僱員享有病假及分娩假之權利直至僱員正式休假方予確認。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

3 PRINCIPAL ACCOUNTING POLICIES

(Continued)

(p) *Employee benefits (Continued)*

- (ii) *Profit sharing and bonus plans*
Provisions for profit sharing and bonus plans 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.

- (iii) *Pension obligations*
The Group operates a defined contribution Mandatory Provident Fund Scheme (the “MPF Scheme”) which is registered under the Mandatory Provident Fund Schemes Ordinance in Hong Kong. The assets of the MPF Scheme are held in a separately administered fund. The MPF Scheme is generally funded by payments from employees and by the Group.

The Group’s contributions to the MPF Scheme are expensed as incurred and are reduced by the employer’s voluntary contribution forfeited from the MPF Scheme by those employees who leave the scheme prior to vesting fully in the contributions.

3 主要會計政策 (續)

(p) *僱員福利 (續)*

- (ii) *利潤分享及花紅計劃*
當本集團因為僱員已提供之服務而產生現有法律性或推定性責任，而責任金額能可靠估算時，則將確認利潤分享及花紅計劃之撥備。

- (iii) *退休金責任*
本集團推行一項定額供款強制性公積金退休計劃(「強積金計劃」)，計劃已根據香港強制性公積金計劃條例註冊。強積金計劃之資產乃以獨立管理之基金持有。強積金計劃之資金一般由僱員及本集團撥付。

本集團向強積金計劃作出之供款於產生時列作開支，並可以自供款全數撥歸前退出計劃之僱員沒收之強積金計劃僱主自願性供款扣減。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

3 PRINCIPAL ACCOUNTING POLICIES

(Continued)

(p) *Employee benefits (Continued)*

(iv) *Share-based compensation*

The Group operates an equity-settled, share-based compensation plan. The fair value of the employee services received in exchange for the grant of the options is recognised as employee share option expense in the income statement. 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 Group 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, and a corresponding adjustment to employee share-based compensation reserve over the remaining vesting period.

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.

(q) *Provisions*

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.

3 主要會計政策 (續)

(p) *僱員福利 (續)*

(iv) *以股份支付之酬金*

本集團設有一項以股本結算之股份支付酬金計劃。就僱員提供服務而授予購股權之公平值在損益表確認為僱員購股權開支。於歸屬期內支銷之總金額，乃參考所授購股權之公平值而釐定，惟不包括任何非市場性質之歸屬條件所產生之影響(例如溢利及銷售增長目標)。在假定預期可予以行使之購股權數目時，非市場性質之歸屬條件亦包括在內。於各結算日，本集團修訂其對預期可予以行使之購股權數目所作之估計，並在損益表確認修訂原有估計(如有)所產生之影響，以及於餘下歸屬期對僱員股份酬金儲備作相應調整。

所得款項扣除任何直接應佔交易成本後在行使購股權時撥入股本(面值)及股份溢價。

(q) *撥備*

本集團由於過往事項而負上現有法律性或推定性責任，而不太可能解除責任時有可能消耗資源，且該金額已作可靠之估計，便會確認撥備。對未來之營運虧損並無作出確認撥備。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

3 PRINCIPAL ACCOUNTING POLICIES

(Continued)

(r) Revenue recognition

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

Turnover represents revenues recognised on sales of goods, and is recognised as follows:

- (i) *Sales of goods – wholesale*
Sales of goods are recognised when a group entity has delivered products to the customer, the customer has accepted the products and collectibility of the related receivables is reasonably assured.
- (ii) *Sales of goods – retail*
Sales of goods are recognised when a group entity sells a product to the customer. Retail sales are usually settled in cash or by credit card. The recorded revenue is the gross amount of the sale, including credit card fees payable for the transaction. Such fees are included in selling expenses.

Consultancy fee income and service income in respect of technical support and consultancy services are recognised on an accrual basis and are determined in accordance with the terms of the service agreement.

Interest income from bank deposits is recognised on a time proportion basis using the effective interest method.

Dividend income is recognised when the right to receive payment is established.

3 主要會計政策 (續)

(r) 收益確認

收益由本集團於日常活動中因出售貨物及服務而實收或應收對價之公平值構成。收益按減去增值稅、銷售回扣及折扣，及減去集團內部之可撤除銷售後列賬。

營業額指銷貨確認收益，並確認如下：

- (i) *銷貨 – 批發*
銷貨於一個集團實體交付貨物給客戶，客戶已經收到貨物及相關應收款可合理回收時確認。
- (ii) *銷貨 – 零售*
銷貨於一個集團實體銷售貨物給客戶時確認。零售通常以現金或信用卡結算。所記錄之收益為銷售總額，包括應付信用卡交易費，該等費用記入銷售費用。

有關提供技術支援及顧問服務之顧問費收入及服務收入按應計基準確認，並根據相關服務協議之條款釐訂。

銀行存款利息收入使用實際利率法按時間比例確認。

股息收入於收款權確立時確認。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

3 PRINCIPAL ACCOUNTING POLICIES

(Continued)

(s) *Operating leases*

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 to the consolidated income statement on a straight-line basis over the period of the lease.

(t) *Borrowing costs*

Borrowing costs incurred for the construction of property, plant and equipment (qualifying asset) are capitalised during the period of time that is required to complete and prepare the asset for its intended use. All other borrowing costs are expensed as incurred.

(u) *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 shareholders.

4 FINANCIAL RISK MANAGEMENT

(a) *Financial risk factors*

The Group's activities expose it to a variety of financial risks, including foreign exchange risk, credit risk, liquidity risk, interest rate risk and commodity price risk. The use of financial derivatives to hedge certain risk exposures is governed by the Group's policies. The Group does not use derivative financial instruments for speculative purposes.

3 主要會計政策(續)

(s) *經營租賃*

經營租賃指擁有資產之絕大部分風險及回報仍屬於出租公司之租賃。根據經營租賃支付之租金(扣除租賃公司所給予之優惠後)以直線法按租期在綜合損益表支銷。

(t) *貸款成本*

貸款成本於構建物業、廠房及設備(合資格資產)在其按要求完成及為其意向使用期準備而資本化時產生。所有貸款成本於其產生記入費用。

(u) *股息分派*

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

4 財務風險管理

(a) *財務風險因素*

本集團業務承受各種財務風險,包括外匯風險、信貸風險、流動性風險、利率風險及商品價格風險。使用衍生財務工具以對沖某些風險受本集團之政策監管。本集團並無就投機目的而使用衍生財務工具。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

4 FINANCIAL RISK MANAGEMENT

(Continued)

(a) *Financial risk factors (Continued)*

(i) *Foreign exchange risk*

The Group mainly operates in Hong Kong with most of the transactions settled in HK\$. The Group also has retail operations in Canada, Macau and the People's Republic of China (the "PRC"), which are relatively insignificant to the Group. The Group's assets and liabilities, and transactions arising from its operations that are exposed to foreign exchange risk are primarily with respect to Renminbi ("RMB"). The Group has not used any forward contracts to hedge its exposure as foreign currency risk is considered minimal.

As at 31st March 2006, the Group had certain deposits in banks (Notes 31(c)) denominated in foreign currencies. The HK\$ has been relatively stable against the RMB over the past few years. Since July 2005, the RMB has appreciated against the HK\$. The directors are of the opinion that such appreciation did not have any material adverse impact on the Group's net assets.

(ii) *Credit risk*

The Group has no significant concentrations of credit risk. The carrying amount of trade receivables included in the consolidated balance sheet represents the Group's maximum exposure to credit risk in relation to its financial assets. The Group has policies in place to ensure that sales of products are made to customers with an appropriate credit history and the Group performs periodic credit evaluations of its customers. The Group's historical experience in collection of trade and other receivables falls within the recorded allowances and the directors are of the opinion that adequate provision for uncollectible trade receivables has been made in the financial statements.

4 財務風險管理(續)

(a) *財務風險因素(續)*

(i) *外匯風險*

本集團主要於香港經營業務，且大部份交易乃以港元結算。本集團亦於加拿大、澳門及中華人民共和國(「中國」)有零售業務，該等業務對本集團相對並不重要。本集團之資產及負債以及受外匯風險影響之業務所產生之交易，主要與人民幣有關。由於本集團認為外幣風險有限，本集團並無使用任何遠期合約以對沖此風險。

於2006年3月31日，本集團有若干以外幣計值之銀行存款(附註31(c))。過去幾年港元對人民幣之匯率相對穩定。自2005年7月以來，人民幣經過幾次升值。董事認為此等升值對於本集團之淨資產並無重大不利影響。

(ii) *信貸風險*

本集團並無任何重大之信貸風險集中情況。記入綜合資產負債表內之貿易應收賬項之賬面值乃本集團有關財務資產之最高信貸風險。本集團有既定政策以確保向信貸紀錄良好之客戶銷售產品，且本集團對客戶進行定期信用評估。本集團貿易及其他應收賬項之過往收款經驗乃處於記錄撥備幅度內，董事認為已於財務報表就不可收回之貿易應收賬項作出足夠撥備。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

4 FINANCIAL RISK MANAGEMENT (Continued)

(a) *Financial risk factors (Continued)*

(iii) *Liquidity risk*

The Group's primary cash requirements have been for additions to and upgrades of property, plant and equipment, payment of debts and payment for purchases and operating expenses. The Group finances its working capital requirements through a combination of funds generated from operations and bank borrowings.

Due to the dynamic nature of the underlying businesses, the Group's policy is to maintain sufficient cash and cash equivalents or have available funding through adequate committed credit facilities to meet its working capital requirements. The directors believe that the Group has obtained sufficient general credit facilities from banks for financing capital commitments in the near future and for working capital purposes.

(iv) *Interest rate risk*

The Group's income and operating cash flows are substantially independent of changes in market interest rates and the Group has no significant interest-bearing assets except for the cash and cash equivalents, details of which have been disclosed in Notes 31(c). The Group has not used any interest rate swap to hedge its exposure to interest rate risk.

(v) *Commodity price risk*

The Group is engaged in the sale of gold and platinum ornaments. The gold and platinum markets are influenced by global as well as regional supply and demand conditions. A decline in prices of gold and platinum could adversely affect the Group's financial performance. The Group uses a limited number of future contracts to reduce its exposure to fluctuations in the price of gold and platinum.

4 財務風險管理(續)

(a) *財務風險因素(續)*

(iii) *流動性風險*

本集團之基本現金需求乃為支付物業、廠房及設備之添置及更新、債務付款、採購付款及經營開支。本集團同時透過經營產生之資金及銀行借貸以支付其營運資金需求。

由於相關業務之動態性質，本集團之政策乃維持足夠之現金及現金等價物或透過足夠之已承諾信貸融資取得備用資金，以應付其營運資金需要。董事相信，本集團已自銀行取得足夠一般信貸融資以撥付短期之資本承擔及作為營運資金用途。

(iv) *利率風險*

本集團之收入及經營現金流量實際上並不受市場利率變動之影響，惟除現金及現金等價物外，本集團並無任何重大計息資產，詳情已於附註31(c)披露。本集團並無使用任何利率掉期交易以對沖其所承受之利率風險。

(v) *商品價格風險*

本集團從事黃金及鉑金首飾之銷售業務。黃金及鉑金市場受地區以及全球供求狀況影響。黃金及鉑金價格下跌可能影響本集團之財務表現。本集團使用若干數量之期貨合約以減少黃金及鉑金價格波動所帶來之風險。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

4 FINANCIAL RISK MANAGEMENT

(Continued)

(b) Fair value estimation

The carrying amounts of the Group's current financial assets, including bank balances and cash, trade receivables, other receivables, prepayments and deposits and current financial liabilities, including trade and other payables and short-term bank loan approximate their fair values due to their short maturities. The fair value of the "non-current asset held for sale" is determined with reference to the estimated cash flows arising from the disposal of this asset.

The face value, less any estimated credit adjustments, of financial assets and liabilities with maturity of less than one year 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 available to the Group for similar financial instruments.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements used in preparing the financial statements 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. 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.

(i) Depreciation and amortisation

The Group's management determines the estimated useful lives and related deprecation/amortisation charges for property, plant and equipment and leasehold land and land use rights with reference to the estimated periods over which the Group intends to derive future economic benefits from the use of these assets. Management will revise the depreciation and amortisation charge where useful lives are different from those previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

4 財務風險管理(續)

(b) 公平值估計

本集團流動財務資產(包括銀行結餘及現金、貿易應收賬項、其他應收賬項、預付賬項及按金)以及流動財務負債(包括貿易及其他應付賬項及短期銀行貸款)因期限較短,因此其賬面值與公平值相若。分類為「持有供出售之非流動資產」之公平值乃參考出售該等資產所產生估計現金流量而釐定。

任何於一年內到期之財務資產及負債之面值減任何估計信貸調整,均假設接近其公平值。就披露目的而言,財務負債之公平值乃按本集團就類似財務工具可獲得之現時市場利率貼現未來合約現金流量而估計。

5 關鍵會計估計及判斷

在編製本財務報表時所採用之估計及判斷,乃按過往經驗及其他因素(包括根據現況而對未來事件作出之合理預計)不斷作出評估。所得會計估算按其定義,甚少會與相關實際結果相同。以下為有重大風險導致下一財政年度資產及負債之賬面值須作出重大調整之估計及假設之討論。

(i) 折舊與攤銷

本集團管理層釐定物業、廠房及設備以及租賃土地及土地使用權之估計可使用年期及相關折舊/攤銷時,乃參考本集團計劃自使用該等資產而獲得未來經濟效益之估計期限。若可使用年期與先前估計不符,管理層將修訂折舊及攤銷費用,或將過時的技術已報廢或出售或將非策略資產撤銷或撤減。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(ii) Inventories

Management estimates the net realisable value of merchandise based primarily on the latest invoice prices and current market conditions. The Group carries out an inventory review on a product-by-product basis at each balance sheet date and makes provision for impairment on obsolete and slow-moving items to write-off or write-down inventories to their net realisable value.

(iii) Impairment of non-financial assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset exceeds its recoverable amount in accordance with the accounting policy stated in Note 3(g). The recoverable amount of an asset or a cash-generating unit is determined based on value-in-use calculations. The value-in-use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value, which is prepared on the basis of management's assumptions and estimates. Detailed sensitivity analyses are performed and management must be confident that the carrying amount of the relevant assets will be recovered in full.

(iv) Income taxes

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

5 關鍵會計估計及判斷(續)

(ii) 存貨

管理層主要根據最近期之發票價格及目前市況估計商品之可變現淨值。本集團於各結算日對每個產品進行盤點，對過時及滯銷項目作出減值撥備，以撇銷或撇減存貨至其可變現淨值。

(iii) 非財務資產減值

根據附註3(g)所述會計政策，倘有事件或情況變動顯示資產賬面值超過其可收回金額，則會檢討資產減值。資產之可收回金額或現金產生單位乃按使用價值之計算而釐定。該使用價值之計算要求本集團就預計由現金產生單位所得之未來現金流量以及合適之貼現率作出估計，以計算現值(根據管理層之假設及估計而編製)。管理層已作出詳細之敏感度分析，且確信相關資產之賬面值將可全數收回。

(iv) 所得稅

本集團需要在香港及其他司法權區繳納所得稅。在日常業務過程中，有若干交易和計算所涉及之最終稅務釐定都是不確定的。倘該等事項之最終稅務後果與最初記錄之金額不同，此等差額將影響作出有關釐定期間之所得稅及遞延稅項撥備。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

6 TURNOVER AND SEGMENT INFORMATION

The Group is principally engaged in the retailing and wholesaling of gold jewellery and gold ornaments, gem-set jewellery and gemstones, and other accessory items. The Group also provides technical support and consultancy services, and quality control of jewellery products to certain licensees. Revenues recognised during the year are as follows:

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Turnover	營業額		
Sale of goods (note)	銷售商品 (附註)	2,126,297	1,961,720

Note: Included in sale of goods is HK\$491,338,000 (2005: HK\$377,982,000) which was settled by the receipt of gold bullion. This gold bullion was in turn used for settlement of trade payables.

Primary reporting format – business segments

The Group is organised mainly in Hong Kong into two major business segments:

- Retailing of jewellery
- Manufacturing and wholesaling of jewellery

Other operations of the Group mainly comprise investments and services relating to internet and software development.

6 營業額及分部資料

本集團主要從事金飾與黃金裝飾品、鑽石首飾及寶石以及其他配飾之零售及批發業務。本集團亦向若干特許商提供技術支援及顧問服務以及首飾產品之品質監控。年內確認之收入如下：

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Turnover	營業額		
Sale of goods (note)	銷售商品 (附註)	2,126,297	1,961,720

附註： 銷售商品包括以純金磚結算之銷售為數 491,338,000 港元 (2005 年：337,982,000 港元)，而這些金磚乃用以結算貿易應付賬項。

主要呈報方式 – 業務分部

本集團主要於香港從事兩個主要業務分部：

- 首飾零售
- 首飾生產及批發

本集團其他業務主要包括投資以及有關互聯網及軟件開發之服務。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

6 TURNOVER AND SEGMENT INFORMATION (Continued)

Primary reporting format – business segments
(Continued)

6 營業額及分部資料 (續)

主要呈報方式 – 業務分部 (續)

	Retailing 零售		Manufacturing and wholesaling 製造及批發		Other operations 其他業務		Eliminations 撇銷		Group 本集團		
	2006 HK\$'000 千港元	2005 HK\$'000 千港元 (Restated) (重列)	2006 HK\$'000 千港元	2005 HK\$'000 千港元 (Restated) (重列)	2006 HK\$'000 千港元	2005 HK\$'000 千港元 (Restated) (重列)	2006 HK\$'000 千港元	2005 HK\$'000 千港元 (Restated) (重列)	2006 HK\$'000 千港元	2005 HK\$'000 千港元 (Restated) (重列)	
Sales to external customers	對外客戶銷售額	1,427,434	1,449,276	696,843	510,326	2,020	2,118	-	-	2,126,297	1,961,720
Inter-segment sales	分部間銷售額	40,292	44,167	435,700	454,993	23	-	(476,015)	(499,160)	-	-
Other income from external customers	來自對外客戶之其他收入	915	404	22,570	20,001	1,881	2,167	-	-	25,366	22,572
Inter-segment other income	分部間之其他收入	-	-	-	-	797	1,104	(797)	(1,104)	-	-
Total	總額	1,468,641	1,493,847	1,155,113	985,320	4,721	5,389	(476,812)	(500,264)	2,151,663	1,984,292
Segment results	分部業績	118,490	117,326	35,068	45,623	11	(2,706)	(2,811)	(3,271)	150,758	156,972
Interest income	利息收入									835	95
Unallocated costs	未分配成本									(37,864)	(29,986)
Gain on disposal of properties	出售物業收益	-	16,537	-	-	-	8,912	-	-	-	25,449
Operating profit	經營溢利									113,729	152,530
Finance costs	財務費用									(1,309)	(425)
Profit before taxation	除稅前溢利									112,420	152,105
Taxation	稅項									(15,891)	(25,146)
Profit after taxation	除稅後溢利									96,529	126,959
Segment assets	分部資產	550,222	485,041	579,997	551,356	15,370	59,441	(313,009)	(317,179)	832,580	778,659
Unallocated assets	未分配資產									66,361	53,425
Total assets	總資產									898,941	832,084

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

6 TURNOVER AND SEGMENT INFORMATION (Continued)

Primary reporting format – business segments
(Continued)

6 營業額及分部資料(續)

主要呈報方式 – 業務分部(續)

	Retailing 零售		Manufacturing and wholesaling 製造及批發		Other operations 其他業務		Eliminations 撇銷		Group 本集團	
	2006 HK\$'000 千港元	2005 HK\$'000 千港元	2006 HK\$'000 千港元	2005 HK\$'000 千港元	2006 HK\$'000 千港元	2005 HK\$'000 千港元	2006 HK\$'000 千港元	2005 HK\$'000 千港元	2006 HK\$'000 千港元	2005 HK\$'000 千港元
	(Restated) (重列)		(Restated) (重列)		(Restated) (重列)		(Restated) (重列)		(Restated) (重列)	
Segment liabilities 分部負債	(396,872)	(391,709)	(64,790)	(40,190)	(2,575)	(24,485)	313,009	317,179	(151,228)	(139,205)
Unallocated liabilities 未分配負債									(19,521)	(19,570)
Total liabilities 總負債									(170,749)	(158,775)
Depreciation 折舊										
– allocated – 已分配	8,545	5,815	6,256	2,676	308	717	–	–	15,109	9,208
– unallocated – 未分配									3,747	2,978
									18,856	12,186
Amortisation 攤銷										
– allocated – 已分配	1	23	122	135	15	126	–	–	138	284
– unallocated – 未分配									44	31
									182	315
Capital expenditure 資本開支										
– allocated – 已分配	12,750	8,219	18,336	27,462	911	38,188	–	–	31,997	73,869
– unallocated – 未分配									1,806	7,731
									33,803	81,600

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

6 TURNOVER AND SEGMENT INFORMATION (Continued)

Secondary reporting format – geographical segments

The geographical analysis is divided into three regions:

- Hong Kong
- PRC
- Others

6 營業額及分部資料(續)

從屬呈報方式 – 地區分部

地區分析乃分為三個地區：

- 香港
- 中國
- 其他

		Total assets 總資產		Capital expenditure 資本開支	
		2006 HK\$'000 千港元	2005 HK\$'000 千港元 (Restated) (重列)	2006 HK\$'000 千港元	2005 HK\$'000 千港元
Hong Kong	香港	653,202	631,105	13,432	52,628
PRC	中國	195,084	158,563	18,644	27,462
Others	其他	50,655	42,416	1,727	1,510
		898,941	832,084	33,803	81,600

No geographical analysis on segment revenue and result is presented as less than 10% of the Group's turnover and less than 10% of the Group's consolidated results were attributable to markets outside Hong Kong.

由於本集團少於10%營業額及少於10%綜合業績乃源自香港以外市場，故並無呈列分類收入及業績之地區分析。

7 OTHER INCOME

7 其他收入

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Other income	其他收入		
Service income	服務收入	15,458	12,759
Consultancy fee income	顧問費收入	7,098	5,729
Interest income	利息收入	835	95
Commission income	佣金收入	13	75
Others	其他	2,797	4,422
		26,201	23,080

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

8 OPERATING PROFIT

Operating profit is stated after crediting and charging the following:

		2006 HK\$'000 千港元	2005 HK\$'000 千港元 (Restated) (重列)
Crediting	計入		
Net exchange gain	匯兌收益淨額	920	1,181
Write back of provision for slow-moving inventories	撥回滯銷存貨撥備	3,168	385
Charging	扣除		
Auditors' remuneration	核數師酬金	2,666	2,433
Amortisation of leasehold land and land use rights	租賃土地及土地使用權攤銷	182	315
Cost of inventories sold	已售存貨成本	1,666,615	1,546,133
Deficit on revaluation of buildings	重估樓宇虧絀	22	-
Depreciation of property, plant and equipment	物業、廠房及設備折舊	18,856	12,186
Loss on disposal of other fixed assets	出售其他固定資產之虧損	1,572	1,562
Operating lease rentals in respect of land and buildings	土地及樓宇經營租賃之租金	91,156	67,135
Provision for permanent impairment of available-for-sale financial asset (Note 19)	可供出售財務資產永久減值撥備(附註19)	1,042	-
Provision for impairment of other investments (Note 18)	其他投資減值撥備(附註18)	-	1,073
Retirement benefit costs included in staff costs (Note 14)	計於職員成本內之退休福利成本(附註14)	5,480	5,410
Staff costs (including directors' emoluments)	職員成本(包括董事酬金)	155,076	142,344
Write-down of non-current asset held for sale to fair value (Note 25)	撇減持有供出售之非流動資產至其公平值(附註25)	662	-

8 經營溢利

經營溢利已計入及扣除下列各項：

9 FINANCE COSTS

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Interest on short-term bank loan	短期銀行貸款之利息	1,309	424
Interest on bank overdrafts	銀行透支之利息	-	1
		1,309	425

9 財務費用

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

10 TAXATION

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

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Hong Kong profits tax	香港利得稅		
– current	– 即期	17,448	21,226
– over-provision in prior years	– 往年度超額撥備	(3,728)	(1,305)
Overseas taxation	海外稅項	3,370	2,633
Deferred taxation (Note 30)	遞延稅項 (附註30)	(1,199)	2,592
		15,891	25,146

Hong Kong profits tax has been provided at the rate of 17.5% (2005: 17.5%) on the estimated assessable profit for the year. Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

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

		2006 HK\$'000 千港元	2005 HK\$'000 千港元 (Restated) (重列)
Profit before taxation	除稅前溢利	112,420	152,105
Calculated at a taxation rate of 17.5% (2005: 17.5%)	按 17.5% (2005年: 17.5%) 稅率計算之稅項	19,674	26,618
Effect of different taxation rates in other countries	其他國家不同稅率之影響	122	82
Income not subject to taxation	毋須課稅之收入	(3,007)	(1,806)
Expenses not deductible for taxation purposes	不可扣稅之支出	2,144	625
Unrecognised tax losses	未有確認之稅損	1,189	932
Utilisation of previously unrecognised tax losses	動用以往未確認之稅務虧損	(503)	–
Over-provision in prior years	往年度超額撥備	(3,728)	(1,305)
		15,891	25,146

10 稅項

在綜合損益表內支銷之稅項如下：

香港利得稅乃按照本年度估計應課稅溢利按稅率17.5% (2005年: 17.5%) 提撥準備。海外溢利之稅項乃按年內估計應課稅溢利以本集團業務所在國家當時稅率計算。

本集團除稅前溢利與使用香港稅率計算之理論稅項差異如下：

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

11 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 HK\$59,696,000 (2005: HK\$59,956,000).

12 EARNINGS PER SHARE

The calculation of basic earnings per share is based on the Group's profit attributable to equity holders of the Company of HK\$95,695,000 (2005 (Restated): HK\$125,795,000) and the weighted average number of 486,738,371 (2005: 482,591,036) ordinary shares in issue during the year.

The calculation of diluted earnings per share is based on the Group's profit attributable to equity holders of the Company of HK\$95,695,000 (2005 (Restated): HK\$125,795,000) and the weighted average number of 490,458,067 (2005: 488,342,001) ordinary shares in issue during the year after adjusting for the effects of all potential dilutive ordinary shares deemed to be issued at no consideration if all outstanding share options granted under the share option scheme of the Company had been exercised.

11 本公司權益持有人應佔溢利

於本公司財務報表內處理之本公司權益持有人應佔溢利為59,696,000港元(2005年: 59,956,000港元)。

12 每股盈利

每股基本盈利乃根據年內本公司權益持有人應佔本集團溢利95,695,000港元(2005年(重列): 125,795,000港元)及年內已發行普通股之加權平均數486,738,371股(2005年: 482,591,036股)計算。

每股攤薄盈利乃根據本公司權益持有人應佔本集團溢利95,695,000港元(2005年(重列): 125,795,000港元)及年內就假設根據本公司購股權計劃授出之所有尚未行使購股權已獲行使而視為以零代價發行之所有潛在攤薄普通股之影響作出調整後之已發行普通股加權平均數490,458,067股(2005年: 488,342,001股)計算。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

13 DIVIDENDS

13 股息

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
2004/05 final, paid, of HK\$0.06 (2003/04 final: HK\$0.05) per ordinary share	已付2004/05年度末期股息 每股普通股0.06港元 (2003/04年度末期股息： 0.05港元)	<u>29,127</u>	<u>24,049</u>
2004/05 special, paid, of HK\$0.02 (2003/04 special: nil) per ordinary share	已付2004/05年度特別股息 每股普通股0.02港元 (2003/04年度特別股息： 無)	<u>9,709</u>	<u>—</u>
2005/06 interim, paid, of HK\$0.03 (2004/05 interim: HK\$0.04) per ordinary share	已付2005/06年度中期股息 每股普通股0.03港元 (2004/05年度中期股息： 0.04港元)	<u>14,638</u>	<u>19,418</u>
2005/06 final, proposed on 24th July 2006, of HK\$0.07 (2004/05 final: HK\$0.06) per ordinary share (note)	於2006年7月24日擬派 2005/06年度末期股息 每股普通股0.07港元 (2004/05年度末期股息： 0.06港元)(附註)	<u>34,156</u>	<u>29,127</u>
2005/06 special, proposed on 24th July 2006, of HK\$nil (2004/05 special: HK\$0.02) per ordinary share	於2006年7月24日擬派 2005/06年度特別股息 每股普通股零港元 (2004/05年度特別股息： 0.02港元)	<u>—</u>	<u>9,709</u>

Note:

At a meeting held on 24th July 2006, the directors declared a final dividend of HK\$0.07 per ordinary share. This proposed dividend is not reflected as dividends payable in these financial statements, but will be reflected as an appropriation of retained earnings for the year ending 31st March 2007.

附註：

於2006年7月24日舉行之會議上，董事宣派末期股息每股普通股0.07港元。此擬派股息並無於該等財務報表中反映為應付股息，但將於截至2007年3月31日止年度列作保留盈利分派。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

14 RETIREMENT BENEFIT COSTS

All statutory contributions under the MPF Scheme are immediately fully vested in the employees.

During the year, the Group's contributions to the retirement schemes were as follows:

	2006 HK\$'000 千港元	2005 HK\$'000 千港元
Net contributions charged to consolidated income statement	5,480	5,410

During the year, there were no forfeited contributions (2005: Nil).

At 31st March 2006 and 2005, there were no unutilised forfeited contributions.

15 DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

(a) Directors' emoluments

The aggregate amounts of emoluments payable to the directors of the Company during the year were as follows:

	2006 HK\$'000 千港元	2005 HK\$'000 千港元
Fees	921	880
Salaries, housing allowances, other allowances and benefits-in-kind	11,962	10,743
Performance and discretionary bonuses	2,300	3,476
Contributions to pension plan	268	262
Total payable and expensed in the financial statements	15,451	15,361
Benefit from exercise of share options	3,650	-
	19,101	15,361

14 退休福利成本

強積金計劃項下所有法定供款已即時全數撥歸僱員所有。

年內，本集團向退休計劃作出之供款如下：

	2006 HK\$'000 千港元	2005 HK\$'000 千港元
Net contributions charged to consolidated income statement	5,480	5,410

年內並無被沒收之供款(2005年：無)。

於2006年及2005年3月31日，概無尚未動用之被沒收供款。

15 董事及高級管理人員酬金

(a) 董事酬金

年內應付本公司董事之酬金總額如下：

	2006 HK\$'000 千港元	2005 HK\$'000 千港元
Fees	921	880
Salaries, housing allowances, other allowances and benefits-in-kind	11,962	10,743
Performance and discretionary bonuses	2,300	3,476
Contributions to pension plan	268	262
Total payable and expensed in the financial statements	15,451	15,361
Benefit from exercise of share options	3,650	-
	19,101	15,361

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

15 DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

(Continued)

(a) Directors' emoluments (Continued)

The remuneration of each director is set out below:

For the year ended 31st March 2006

截至2006年3月31日止年度

15 董事及高級管理人員酬金(續)

(a) 董事酬金(續)

各董事之酬金如下：

Name of Director	董事姓名	Fees 袍金 HK\$'000 千港元	Salaries 薪金 HK\$'000 千港元	Discretionary bonuses 酌情發放 之花紅 HK\$'000 千港元	Housing allowances 房屋津貼 HK\$'000 千港元	Employer's contribution to pension scheme 僱主對 退休金計劃 之供款 HK\$'000 千港元	Total payable and expensed in the financial statements 已計入財務 報表之總額 HK\$'000 千港元	Benefit from share options 行使購股權 所得利益 HK\$'000 千港元	Total emoluments 酬金總額 HK\$'000 千港元
WONG Wai Sheung	黃偉常	55	8,267	1,227	-	114	9,663	3,650	13,313
TSE Moon Chuen	謝滿全	55	669	307	251	40	1,322	-	1,322
LAW Tim Fuk, Paul	羅添福	55	1,057	613	-	49	1,774	-	1,774
POON Kam Chi	潘錦池	41	598	-	-	28	667	-	667
LAU Kwok Sum	劉國森	55	775	153	-	37	1,020	-	1,020
WONG Koon Cheung	黃冠章	55	115	-	-	-	170	-	170
CHAN Wai	陳偉	55	115	-	-	-	170	-	170
LEE Shu Kuan	李樹坤	55	115	-	-	-	170	-	170
YEUNG Po Ling, Pauline	楊寶玲	55	-	-	-	-	55	-	55
HUI King Wai	許競威	110	-	-	-	-	110	-	110
CHIU Wai Mo [#]	趙偉武 [#]	110	-	-	-	-	110	-	110
HUI Chiu Chung [#]	許照中 [#]	110	-	-	-	-	110	-	110
LO Mun Lam, Raymond [#]	盧敏霖 [#]	110	-	-	-	-	110	-	110
		921	11,711	2,300	251	268	15,451	3,650	19,101

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

15 DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

(Continued)

(a) Directors' emoluments (Continued)

For the year ended 31st March 2005
截至2005年3月31止年度

Name of Director	董事姓名	Fees 袍金 HK\$'000 千港元	Salaries 薪金 HK\$'000 千港元	Discretionary bonuses 酌情發放 之花紅 HK\$'000 千港元	Employer's	Total	Benefit	Total emoluments 酬金總額 HK\$'000 千港元
					contribution to pension scheme 僱主對 退休金 計劃之 供款 HK\$'000 千港元	payable and expensed in the financial statements 應付及已 計入財務 報表之總額 HK\$'000 千港元	from exercise of share options 購股權 所得利益 HK\$'000 千港元	
WONG Wai Sheung	黃偉常	55	7,129	1,389	110	8,683	-	8,683
TSE Moon Chuen	謝滿全	55	825	459	38	1,377	-	1,377
LAW Tim Fuk, Paul	羅添福	55	1,021	695	47	1,818	-	1,818
POON Kam Chi	潘錦池	55	689	695	32	1,471	-	1,471
LAU Kwok Sum	劉國森	55	734	238	35	1,062	-	1,062
WONG Koon Cheung	黃冠章	55	115	-	-	170	-	170
CHAN Wai	陳偉	55	115	-	-	170	-	170
LEE Shu Kuan	李樹坤	55	115	-	-	170	-	170
YEUNG Po Ling, Pauline	楊寶玲	55	-	-	-	55	-	55
HUI King Wai	許競威	110	-	-	-	110	-	110
CHIU Wai Mo [#]	趙偉武 [#]	110	-	-	-	110	-	110
HUI Chiu Chung [#]	許照中 [#]	110	-	-	-	110	-	110
LO Mun Lam, Raymond [#]	盧敏霖 [#]	55	-	-	-	55	-	55
		880	10,743	3,476	262	15,361	-	15,361

Independent non-executive directors.

No directors waived their emoluments in respect of the years ended 31st March 2005 and 2006.

獨立非執行董事

截至2005年及2006年3月31日止年度，並無董事放棄收取酬金。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

15 DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

(Continued)

(b) Five highest paid individuals

Among the five highest paid individuals, 4 (2005: 4) of them are directors of the Company and the details of their remuneration have been disclosed in the preceding paragraph. The emoluments of the remaining highest paid individual are as follows:

15 董事及高級管理人員酬金(續)

(b) 五名最高薪酬人士

五名最高薪酬人士當中，四名(2005年：四名)為本公司董事，彼等之酬金詳情已於上段披露。其餘最高薪人士之酬金載列如下：

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Salaries, housing allowances, other allowances and benefits-in-kind	薪金、房屋津貼、其他津貼及實物利益	1,381	1,141
Performance and discretionary bonuses	按表現及酌情發放之花紅	575	825
Contributions to pension plan	退休計劃供款	51	49
Total payable and expensed in the financial statements	財務報表內應付賬項及支出總額	2,007	2,015
Benefit from exercise of share options	行使購股權所得利益	-	4,719
		2,007	6,734

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

16 PROPERTY, PLANT AND EQUIPMENT Group

16 物業、廠房及設備 集團

		Buildings		Furniture and fixtures and		Plant and machinery	Motor vehicles	Construction in progress	Total
		Retail shops	Other properties	Leasehold improvements	computer equipment				
		樓宇零售前舖	其他物業	租賃物業裝修	傢私、裝置及電腦設備	廠房及設備	汽車	在建工程	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Cost or valuation	成本或估值								
At 1st April 2005	於2005年4月1日	-	52,489	57,388	32,052	8,442	4,209	-	154,580
Exchange adjustment	匯兌調整	-	-	135	35	-	-	-	170
Additions	添置	-	1,875	11,897	6,807	7,914	213	5,097	33,803
Revaluation adjustment	重估調整	-	5,015	-	-	-	-	-	5,015
Transfer between categories	分類間轉撥	-	-	-	9	(9)	-	-	-
Transfer to non-current asset held for sale	轉撥至持有出售之非流動資產	-	(220)	-	-	-	-	-	(220)
Disposals	出售	-	-	(9,661)	(3,359)	(93)	-	-	(13,113)
At 31st March 2006	於2006年3月31日	-	59,159	59,759	35,544	16,254	4,422	5,097	180,235
Accumulated depreciation	累積折舊								
At 1st April 2005	於2005年4月1日	-	-	41,927	21,130	3,949	1,602	-	68,608
Exchange adjustment	匯兌調整	-	-	54	8	-	-	-	62
Charge for the year	本年度折舊	-	1,121	9,171	4,950	2,799	815	-	18,856
Revaluation adjustment	重估調整	-	(1,121)	-	-	-	-	-	(1,121)
Transfer between categories	分類間轉撥	-	-	-	1	(1)	-	-	-
Disposals	出售	-	-	(8,466)	(2,733)	(78)	-	-	(11,277)
At 31st March 2006	於2006年3月31日	-	-	42,686	23,356	6,669	2,417	-	75,128
Net book value	賬面淨值								
At 31st March 2006	於2006年3月31日	-	59,159	17,073	12,188	9,585	2,005	5,097	105,107
Cost or valuation	成本或估值								
At 1st April 2004	於2004年4月1日	4,462	34,611	53,737	27,119	5,021	2,221	-	127,171
Exchange adjustment	匯兌調整	-	-	210	54	-	-	-	264
Additions	添置	-	23,868	12,442	6,599	4,269	2,437	-	49,615
Transfer between categories	分類間轉撥	-	-	-	33	(33)	-	-	-
Disposals	出售	(4,462)	(5,990)	(9,001)	(1,753)	(815)	(449)	-	(22,470)
At 31st March 2005	於2005年3月31日	-	52,489	57,388	32,052	8,442	4,209	-	154,580
Accumulated depreciation	累積折舊								
At 1st April 2004	於2004年4月1日	446	-	43,609	18,274	3,269	1,190	-	66,788
Exchange adjustment	匯兌調整	-	-	67	14	-	-	-	81
Charge for the year	本年度折舊	-	-	5,925	4,184	1,305	772	-	12,186
Transfer between categories	分類間轉撥	-	-	-	14	(14)	-	-	-
Disposals	出售	(446)	-	(7,674)	(1,356)	(611)	(360)	-	(10,447)
At 31st March 2005	於2005年3月31日	-	-	41,927	21,130	3,949	1,602	-	68,608
Net book value	賬面淨值								
At 31st March 2005	於2005年3月31日	-	52,489	15,461	10,922	4,493	2,607	-	85,972

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

16 PROPERTY, PLANT AND EQUIPMENT (Continued)

Group (Continued)

The analysis of the cost or valuation of the above assets is as follows:

		Other properties 其他物業	Leasehold improvements 租賃物業裝修	Furniture and fixtures and computer equipment 傢私、裝置及電腦設備	Plant and machinery 廠房及設備	Motor vehicles 汽車	Construction in progress 在建工程	Total 總額
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 31st March 2006	於2006年3月31日							
At cost	成本值	-	59,759	35,544	16,254	4,422	5,097	121,076
At professional valuation - 2006	專業估值 - 2006年	59,159	-	-	-	-	-	59,159
		<u>59,159</u>	<u>59,759</u>	<u>35,544</u>	<u>16,254</u>	<u>4,422</u>	<u>5,097</u>	<u>180,235</u>
At 31st March 2005	於2005年3月31日							
At cost	成本值	-	57,388	32,052	8,442	4,209	-	102,091
At professional valuation - 2005	專業估值 - 2005年	52,489	-	-	-	-	-	52,489
		<u>52,489</u>	<u>57,388</u>	<u>32,052</u>	<u>8,442</u>	<u>4,209</u>	<u>-</u>	<u>154,580</u>

Net book value of buildings is analysed as follows:

樓宇之賬面淨值之分析如下：

		Group 集團	
		2006 HK\$'000 千港元	2005 HK\$'000 千港元
In Hong Kong, held on:	在香港按下列方式持有：		
- Leases of over 50 years	- 50年以上租約	2,760	2,700
- Leases of between 10 to 50 years	- 10至50年租約	530	720
		<u>3,290</u>	<u>3,420</u>
Outside Hong Kong, held on:	在香港以外地區按下列方式持有：		
- Leases of over 50 years	- 50年以上租約	505	430
- Leases of between 10 to 50 years	- 10至50年租約	55,364	48,639
		<u>55,869</u>	<u>49,069</u>
		<u>59,159</u>	<u>52,489</u>

Other properties were revalued on 31st March 2006 on the basis of open market value by DTZ Debenham Tie Leung Limited, an independent professional valuer.

其他物業已於2006年3月31日由獨立專業估值師戴德梁行有限公司按公開市值基準重估。

The carrying amount of these revalued other properties would have been HK\$53,883,000 (2005: HK\$53,458,000) had they been stated at cost less accumulated depreciation and accumulated impairment losses.

倘其他重估物業以成本值減累積折舊及累積減值虧損列賬，則其賬面值應為53,883,000港元(2005年：53,458,000港元)。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

17 LEASEHOLD LAND AND LAND USE RIGHTS

17 租賃土地及土地使用權

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Cost	成本		
At 1st April	於4月1日	15,656	39,486
Additions	添置	-	31,985
Transfer to non-current asset held for sale	轉撥至持有供出售之非流動資產	(1,630)	-
Disposals	出售	-	(55,815)
At 31st March	於3月31日	<u>14,026</u>	<u>15,656</u>
Accumulated amortisation	累積攤銷		
At 1st April	於4月1日	1,347	3,415
Amortisation for the year	年內攤銷	182	315
Transfer to non-current asset held for sale	轉撥至持有供出售之非流動資產	(338)	-
Disposals	出售	-	(2,383)
At 31st March	於3月31日	<u>1,191</u>	<u>1,347</u>
Net book amount	賬面淨值		
At 31st March	於3月31日	<u>12,835</u>	<u>14,309</u>

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

17 LEASEHOLD LAND AND LAND USE RIGHTS (Continued)

The net book value of leasehold land and land use rights is analysed as follows:

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
In Hong Kong, held on:	在香港按下列方式持有：		
Leases of over 50 years	50年以上租約	6,094	6,102
Leases of between 10 to 50 years	10年至50年租約	313	1,643
Outside Hong Kong, held on:	在香港以外按下列方式持有：		
Leases of over 50 years	50年以上租約	804	817
Leases of between 10 to 50 years	10年至50年租約	5,624	5,747
		12,835	14,309

17 租賃土地及土地使用權(續)

租賃土地及土地使用權之賬面淨值分析如下：

18 OTHER INVESTMENTS

		Group 集團	
		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Unlisted investments, at cost	非上市投資，按成本計	-	3,080
Less: Provision for impairment	減：減值撥備	-	(1,073)
Advance to an investee	向被投資單位提供之墊款	-	2,007
		-	140
		-	2,147

The advance to an investee is unsecured, interest-free and is not repayable in the next twelve months.

18 其他投資

向被投資單位提供之墊款乃無抵押、免息及無須於未來12個月內償還。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

19 AVAILABLE-FOR-SALE FINANCIAL ASSET

19 可供出售財務資產

		HK\$'000 千港元
At 1st April 2005 and 31st March 2006, at cost	於2005年4月1日及 2006年3月31日，按成本計	1,067
Repayment from investee	被投資單位之還款	(25)
Provision for permanent impairment	永久減值撥備	(1,042)
		<u>—</u>

20 TRADING LICENCE

20 交易執照

		HK\$'000 千港元
As at 1st April 2005 and 31st March 2006, at cost	於2005年4月1日及 2006年3月31日，按成本計	<u>1,080</u>

21 INTERESTS IN SUBSIDIARIES

21 附屬公司權益

		Company 公司	
		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Unlisted investments, at cost	非上市投資，按成本計	298,887	298,887
Loans to subsidiaries	向附屬公司提供貸款	120,521	120,521
		<u>419,408</u>	<u>419,408</u>

Particulars of the principal subsidiaries are set out in Note 36 to the financial statements.

Loans to subsidiaries are unsecured, interest-free and repayable on demand.

主要附屬公司之詳情載於財務報表附註36。

向附屬公司提供之貸款乃無抵押、免息及須按要求償還。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

22 INVENTORIES – GROUP

At 31st March 2006, inventories carried at net realisable value amounted to HK\$933,000 (2005: HK\$3,106,000).

23 AMOUNTS DUE FROM/TO SUBSIDIARIES – COMPANY

The balances are unsecured, interest-free and repayable on demand.

24 TRADE RECEIVABLES

The majority of the Group's sales are on a cash basis. Credit sales are mainly for the Group's wholesale customers with terms of 0 to 90 days.

The ageing analysis of trade receivables is as follows:

0 – 30 days	0-30日
31 – 60 days	31-60日
61 – 90 days	61-90日
91 – 120 days	91-120日
Over 120 days	超過 120日

The carrying amounts of trade receivables approximate their fair value.

22 存貨 – 集團

於2006年3月31日，按可變現淨值列賬之存貨為933,000港元（2005年：3,106,000港元）。

23 應收／應付附屬公司賬項 – 公司

該等餘額乃無抵押、免息及須按要求償還。

24 貿易應收賬項

本集團大部分銷售乃以現金進行。除售主要為本集團之批發客戶而設，信貸期為0至90日。

貿易應收賬項之賬齡分析如下：

		Group 集團	
		2006 HK\$'000 千港元	2005 HK\$'000 千港元
0 – 30 days	0-30日	11,885	13,090
31 – 60 days	31-60日	–	1,072
61 – 90 days	61-90日	–	70
91 – 120 days	91-120日	6	122
Over 120 days	超過 120日	253	852
		12,144	15,206

貿易應收賬項之賬面值與其公平值相若。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

25 NON-CURRENT ASSET HELD FOR SALE 25 持有供出售之非流動資產

		HK\$'000 千港元
At 1st April 2004 and 31st March 2005	於2004年4月1日及 2005年3月31日	—
Transfer from property, plant and equipment and leasehold land and land use rights	轉自物業、廠房及設備 及租賃土地及 土地使用權	1,512
Write-down to fair value (Note 8)	撇減至公平值 (附註8)	(662)
At 31st March 2006	於2006年3月31日	<u>850</u>

26 TRADE AND OTHER PAYABLES

Included in trade and other payables are trade payables and their ageing analysis is as follows:

0 – 30 days	0-30日
31 – 60 days	31-60日
61 – 90 days	61-90日
91 – 120 days	91-120日
Over 120 days	超過120日

The carrying amounts of trade and other payables approximate their fair value.

26 貿易及其他應付賬項

包括在貿易及其他應付賬項內的貿易應付賬項之賬齡分析如下：

		Group 集團	
		2006 HK\$'000 千港元	2005 HK\$'000 千港元
0 – 30 days	0-30日	50,000	44,530
31 – 60 days	31-60日	29,486	19,220
61 – 90 days	61-90日	8,066	8,873
91 – 120 days	91-120日	4,186	2,070
Over 120 days	超過120日	722	217
		<u>92,460</u>	<u>74,910</u>

貿易及其他應付賬項之賬面值與其公平值相若。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

27 SHARE CAPITAL

27 股本

	2006		2005	
	No. of shares 股份數目	HK\$'000 千港元	No. of shares 股份數目	HK\$'000 千港元
Authorised:				
Ordinary shares of HK\$0.1 each	800,000,000	80,000	800,000,000	80,000
Issued and fully paid:				
Ordinary shares of HK\$0.1 each				
At beginning of the year	485,443,850	48,544	480,974,850	48,097
Exercise of share options	2,500,000	250	4,469,000	447
At end of the year	487,943,850	48,794	485,443,850	48,544

The Company has a share option scheme under which the directors may, at their discretion, grant employees, including any executive directors, of the Company and/or any of its subsidiaries, options to subscribe for shares in the Company, subject to the terms and conditions stipulated in the share option scheme.

During the year, no such options were granted (2005: Nil).

Options to subscribe for 2,500,000 (2005: 4,469,000) ordinary shares in the Company were exercised at a price of HK\$0.34 (2005: HK\$0.34) per share during the year. The premium on the issue of the shares of HK\$600,000 (2005: HK\$1,073,000) was credited to the share premium account.

At 31st March 2006, there were 4,564,000 (2005: 7,064,000) share options outstanding which are exercisable at HK\$0.34 per share at any time prior to 13th June 2010.

本公司推行購股權計劃，據此，董事可根據購股權計劃所載條款及條件，酌情向本公司及／或其任何附屬公司之僱員（包括任何執行董事）授出購股權以認購本公司股份。

年內，概無授出該等購股權（2005年：無）。

年內，可以0.34港元（2005年：0.34港元）之價格認購2,500,000股（2005年：4,469,000股）普通股之購股權獲行使。發行股份之溢價600,000港元（2005年：1,073,000港元）已計入股份溢價賬。

於2006年3月31日，共有4,564,000份（2005年：7,064,000份）可於2010年6月13日前任何時間以每股0.34港元行使之購股權尚未獲行使。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

28 RESERVES

(a) The reserves of the Group and the Company as at 31st March 2006 are analysed as follows:

28 儲備

(a) 本集團及本公司於2006年3月31日之儲備分析如下：

		Group 集團		Company 公司	
		2006 HK\$'000 千港元	2005 HK\$'000 千港元 (Restated) 重列	2006 HK\$'000 千港元	2005 HK\$'000 千港元
Reserves	儲備	632,214	576,680	390,208	378,706
Proposed final dividend (Note 13)	擬派末期股息 (附註13)	34,156	29,127	34,156	29,127
Proposed special dividend (Note 13)	擬派特別股息 (附註13)	—	9,709	—	9,709
Total reserves	總儲備	666,370	615,516	424,364	417,542

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

28 RESERVES (Continued) (b) Group

28 儲備(續) (b) 集團

		Share premium 股份溢價 HK\$'000 千港元	Capital reserve 資本儲備 HK\$'000 千港元	Revaluation reserve 重估儲備 HK\$'000 千港元	Exchange reserve 匯兌儲備 HK\$'000 千港元	Retained earnings 保留盈利 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1st April 2005	於2005年4月1日	57,189	135,713	8,752	(269)	424,099	625,484
Reversal of revaluation reserve for leasehold land (Note 2)	租賃土地重估儲備撥回(附註2)	-	-	(8,752)	-	-	(8,752)
Effect of adoption of HKAS 17 (Note 2)	採納香港會計準則第17號之影響(附註2)	-	-	-	-	(1,216)	(1,216)
As at 1st April 2005, as restated	於2005年4月1日, 已重列	57,189	135,713	-	(269)	422,883	615,516
Exercise of share options (Note 27)	行使購股權(附註27)	600	-	-	-	-	600
Profit attributable to shareholders	股東應佔溢利	-	-	-	-	95,695	95,695
Exchange differences	匯兌差額	-	-	-	1,875	-	1,875
Surplus on revaluation of buildings	樓宇重估盈餘	-	-	6,158	-	-	6,158
2004/05 final dividend paid (Note 13)	已支付2004/05年末期股息(附註13)	-	-	-	-	(38,836)	(38,836)
2005/06 interim dividend paid (Note 13)	已支付2005/06年中期股息(附註13)	-	-	-	-	(14,638)	(14,638)
At 31st March 2006	於2006年3月31日	<u>57,789</u>	<u>135,713</u>	<u>6,158</u>	<u>1,606</u>	<u>465,104</u>	<u>666,370</u>
At 1st April 2004	於2004年4月1日	56,116	135,713	1,796	(143)	341,578	535,060
Reversal of revaluation reserve for leasehold land (Note 2)	租賃土地重估儲備撥回(附註2)	-	-	(1,796)	-	-	(1,796)
Effect of adoption of HKAS 17 (Note 2)	採納香港會計準則第17號之影響(附註2)	-	-	-	-	(1,023)	(1,023)
As at 1st April 2004, as restated	於2004年4月1日, 已重列	56,116	135,713	-	(143)	340,555	532,241
Exercise of share options (Note 27)	行使購股權(附註27)	1,073	-	-	-	-	1,073
Profit attributable to shareholders	股東應佔溢利	-	-	-	-	125,795	125,795
Exchange differences	匯兌差額	-	-	-	(126)	-	(126)
2003/04 final dividend paid (Note 13)	已支付2003/04年末期股息(附註13)	-	-	-	-	(24,049)	(24,049)
2004/05 interim dividend paid (Note 13)	已支付2004/05年中期股息(附註13)	-	-	-	-	(19,418)	(19,418)
At 31st March 2005	於2005年3月31日	<u>57,189</u>	<u>135,713</u>	<u>-</u>	<u>(269)</u>	<u>422,883</u>	<u>615,516</u>

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

28 RESERVES (Continued)

(c) Company

28 儲備(續)

(c) 公司

		Share premium 股份溢價 HK\$'000 千港元	Contributed surplus 實繳盈餘 HK\$'000 千港元	Retained earnings 保留盈利 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1st April 2005	於2005年4月1日	57,189	298,687	61,666	417,542
Exercise of share options (Note 27)	行使購股權 (附註27)	600	–	–	600
Profit for the year	年度溢利	–	–	59,696	59,696
2004/05 final dividend paid (Note 13)	已支付2004/05年 末期股息(附註13)	–	–	(38,836)	(38,836)
2005/06 interim dividend paid (Note 13)	已支付2005/06年 中期股息(附註13)	–	–	(14,638)	(14,638)
		<u>57,789</u>	<u>298,687</u>	<u>67,888</u>	<u>424,364</u>
At 31st March 2006	於2006年3月31日	57,789	298,687	67,888	424,364
At 1st April 2004	於2004年4月1日	56,116	298,687	45,177	399,980
Exercise of share options (Note 27)	行使購股權 (附註27)	1,073	–	–	1,073
Profit for the year	年度溢利	–	–	59,956	59,956
2003/04 final dividend paid (Note 13)	已支付2003/04年 末期股息(附註13)	–	–	(24,049)	(24,049)
2004/05 interim dividend paid (Note 13)	已支付2004/05年 中期股息(附註13)	–	–	(19,418)	(19,418)
		<u>57,189</u>	<u>298,687</u>	<u>61,666</u>	<u>417,542</u>

(d) The contributed surplus of the Company represents the difference between the nominal value of the shares issued by the Company in exchange for all the issued ordinary shares of Luk Fook Investment (B.V.I.) Limited and the value of net assets of the underlying subsidiaries acquired by the Company as at 17th April 1997. Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus is distributable to the shareholders, provided that the Company would, after the payment of dividends out of the contributed surplus, be able to pay its liabilities as they become due; or the realisable value of the Company's assets would thereby not be less than the aggregate of its liabilities, its issued share capital and its share premium. At the Group level, the contributed surplus is reclassified into its component of reserves of the underlying subsidiaries.

(e) At 31st March 2006, goodwill written off against the Group's capital reserve as a result of the acquisition of subsidiaries prior to 1st April 2001 amounted to HK\$4,147,000 (2005: HK\$4,147,000).

(d) 本公司之實繳盈餘指本公司為交換Luk Fook Investment (B.V.I.) Limited全部已發行普通股而發行之股份面值與於1997年4月17日本公司所收購之有關附屬公司資產淨值兩者之差額。根據百慕達1981年公司法(經修訂),實繳盈餘可派發予各股東,惟本公司從實繳盈餘派付股息後,必須能於負債到期時清償債務或於作出宣派後,本公司資產之可變現值將不會少於其債務、已發行股本及其股份溢價賬之總和。於集團財務報表內,此實繳盈餘經重新分類為各有關附屬公司之各項儲備。

(e) 於2006年3月31日,由於在2001年4月1日之前收購附屬公司而與本集團之資本儲備對銷之商譽為4,147,000港元(2005年:4,147,000港元)。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

29 MINORITY INTERESTS

		Group 集團	
		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Equity interests	股本權益	11,989	8,210
Loans from minority shareholders of a subsidiary	附屬公司少數 股東貸款	1,039	1,039
		13,028	9,249

The loans from minority shareholders of a subsidiary are unsecured, interest-free and have no fixed terms of repayment.

附屬公司少數股東貸款乃無抵押、免息及無固定還款期。

30 DEFERRED TAXATION

The movement on the net deferred taxation account is as follows:

		Group 集團	
		2006 HK\$'000 千港元	2005 HK\$'000 千港元
At 1st April 2005/04	於2005/04年4月1日	4,435	7,027
Credited/(charged) to consolidated income statement	於綜合損益表計入 ／(扣除)	1,199	(2,592)
At 31st March 2006/05	於2006/05年3月31日	5,634	4,435

29 少數股東權益

30 遞延稅項

遞延稅項賬目淨額之變動如下：

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

30 DEFERRED TAXATION (Continued)

Deferred taxation is provided in respect of:

30 遞延稅項(續)

遞延稅項之撥備乃有關：

		Tax depreciation allowances		Unrealised profit on closing inventories		Total	
		2006	2005	2006	2005	2006	2005
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
At 1st April 2005/04	於2005/04年4月1日	1,359	4,523	3,076	2,504	4,435	7,027
Credited/(charged) to consolidated income statement	於綜合損益表計入/(扣除)	707	(3,164)	492	572	1,199	(2,592)
At 31st March 2006/05	於2006/05年3月31日	2,066	1,359	3,568	3,076	5,634	4,435

Representing:

代表：

		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Deferred tax assets	遞延稅項資產	6,257	6,380
Deferred tax liabilities	遞延稅項負債	(623)	(1,945)
		5,634	4,435

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

31 CONSOLIDATED CASH FLOW STATEMENT

(a) Reconciliation of profit before taxation to net cash generated from operations:

31 綜合現金流量表

(a) 除稅前溢利與經營產生之現金淨額調整如下：

		2006 HK\$'000 千港元	2005 HK\$'000 千港元 (Restated) (重列)
Profit before taxation	除稅前溢利	112,420	152,105
Amortisation of leasehold land and land use rights	租賃土地及土地使用權攤銷	182	315
Depreciation of property, plant and equipment	物業、廠房及設備折舊	18,856	12,186
Loss/(gain) on disposal of property, plant and equipment	出售物業、廠房及設備之虧損/(收益)	1,572	(23,887)
Interest income	利息收入	(835)	(95)
Interest paid	已付利息	1,309	425
Provision for permanent impairment of available-for-sale financial asset	可供出售財務資產永久減值撥備	1,042	-
Provision for impairment of other investments	其他投資之減值撥備	-	1,073
Deficit/(surplus) on revaluation of other properties	其他物業重估虧絀/(盈餘)	22	(564)
Write-down of non-current asset held for sale to fair value	撇減持有供出售之非流動資產至公平值	662	-
Operating profit before working capital changes	營運資金變動前之經營溢利	135,230	141,558
Increase in rental deposits	預付租金按金增加	(3,885)	(1,563)
Increase in inventories	存貨之增加	(67,158)	(56,740)
Increase in trade and other receivables, deposits and prepayments	貿易及其他應收賬項、按金及預付賬項增加	(1,161)	(4,337)
Increase in trade and other payables	貿易及其他應付賬項之增加	40,148	9,090
Net cash generated from operations	經營產生之現金淨額	103,174	88,008

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 CONSOLIDATED CASH FLOW STATEMENT (Continued)

(b) Analysis of changes in financing during the year

		Minority interests 少數股東權益		Short-term bank loan 短期銀行貸款	
		2006	2005	2006	2005
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1st April	於4月1日	9,249	7,836	21,420	–
Minority interests' share of net profits	少數股東應佔溢利淨額	834	1,164	–	–
Investment in a subsidiary	於一家附屬公司之投資	2,945	–	–	–
Loan from a minority shareholder	一名少數股東提供之貸款	–	490	–	–
Repayment of loan from a minority shareholder	償還一名少數股東之貸款	–	(241)	–	–
Proceeds from short-term bank loan	短期銀行貸款所得款項	–	–	–	25,200
Repayment of short-term bank loan	償還短期銀行貸款	–	–	(21,420)	(3,780)
At 31st March	於3月31日	13,028	9,249	–	21,420

(c) Bank balances and cash

		2006	2005
		HK\$'000 千港元	HK\$'000 千港元
Denominated in:	計值貨幣：		
HK\$	港元	70,916	113,388
RMB	人民幣	32,423	11,086
Other currencies	其他貨幣	5,399	6,932
		108,738	131,406

Cash at bank earns interest at floating rates based on daily bank deposit rates. The conversion of the RMB denominated balances into foreign currencies is subject to the rules and regulations of foreign exchange control promulgated by the PRC Government.

銀行存款按每日銀行浮動存款利率賺取利息。人民幣結餘兌換為外幣須受中國政府頒佈之外幣管制規則及法規之規限。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

31 CONSOLIDATED CASH FLOW STATEMENT (Continued)

Cash and cash equivalents include the following for the purposes of the cash flow statement:

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Cash and bank balances	現金及銀行結餘	<u>108,738</u>	<u>131,406</u>

32 COMMITMENTS

(a) Capital commitments

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Contracted but not provided for property, plant and equipment	已訂約但未作出撥備之物業、機器及設備	<u>8,580</u>	<u>11,234</u>

(b) Commitments under operating leases

At 31st March 2006, the Group had future aggregate minimum lease payments under non-cancellable operating leases in respect of land and buildings as follows:

		Group 本集團	
		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Not later than one year	一年內	87,315	88,950
Later than one year and not later than five years	一年以上但不超過五年	97,073	126,006
		<u>184,388</u>	<u>214,956</u>

The actual payments in respect of certain operating leases are calculated at the higher of the minimum commitments as noted above and the amounts determined based on a percentage of the sales of the related outlets.

31 綜合現金流量表(續)

就現金流量表而言，現金及現金等價物包括：

32 承擔

(a) 資本承擔

		Group 本集團	
		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Contracted but not provided for property, plant and equipment	已訂約但未作出撥備之物業、機器及設備	<u>8,580</u>	<u>11,234</u>

(b) 經營租賃承擔

於2006年3月31日，本集團就土地及樓宇根據不可撤銷之經營租賃而於未來支付之最低租賃付款總額如下：

		Group 本集團	
		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Not later than one year	一年內	87,315	88,950
Later than one year and not later than five years	一年以上但不超過五年	97,073	126,006
		<u>184,388</u>	<u>214,956</u>

若干經營租約實際付款乃按上文所述最低承擔與根據相關商舖銷售額某一百分比所釐定金額之較高者計算。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

32 COMMITMENTS (Continued)

- (c) At 31st March 2006 and 2005, the Company did not have any material capital and financial commitments.

33 RELATED PARTY TRANSACTIONS

The Group is controlled by Luk Fook (Control) Limited, the ultimate parent company of the Group, incorporated in the British Virgin Islands (“BVI”), which owns 47.52% of the Company’s shares. The remaining shares are widely held. Set out below are the significant related party transactions during the year in addition to the related party information shown elsewhere in the financial statements.

- (a) A subsidiary of the Company entered into a tenancy agreement with Mr. WONG Kwai Sang, Mr. WONG Wai Sheung’s father, for the lease of a retail shop of the Group for a period of 1 year (2005: 1 year), expiring on 31st December 2006. During the year ended 31st March 2006, rental payable to Mr. WONG Kwai Sang amounted to HK\$1,800,000 (2005: HK\$1,530,000).
- (b) A subsidiary of the Company entered into a service contract (“Service Contract”) with Miss YEUNG Po Ling, Pauline and Topone Investments Limited (“Topone”) for a period of 1 year (2005: 1 year) expiring on 31st March 2006. Pursuant to the Service Contract, Topone agreed to make available Miss Yeung’s exclusive services for the promotion of the products and services of the Group in consideration of an annual fee of HK\$395,000 (2005: HK\$380,000).

Both Mr. WONG Wai Sheung and Miss YEUNG Po Ling, Pauline are directors of the Company and have beneficial interests in the Company.

32 承擔(續)

- (c) 於2006及2005年3月31日，本公司並無任何重大資本及財務承擔。

33 有關連人士之交易

本集團之控股公司為六福(控股)有限公司，即本集團之最終母公司，該公司於英屬維爾京(「英屬維爾京」)註冊成立，擁有本公司47.52%股份。其餘股份分散持有。年內，重大的有關連人士之交易(除財務報表其他部份所披露之有關連人士之資料外)載列如下：

- (a) 本公司一家附屬公司與黃偉常先生之父親黃桂生先生訂立租賃協議，將物業租予本集團作零售商舖用途，為期1年(2005年：1年)，將於2006年12月31日屆滿。截至2006年3月31日止年度，應向黃桂生先生支付之租金為1,800,000港元(2005年：1,530,000港元)。
- (b) 本公司之一間附屬公司已與楊寶玲小姐及泰一投資有限公司(「泰一」)訂立服務合約，該服務合約為期1年(2005年：1年)，於2006年3月31日屆滿。根據服務合約，泰一已同意楊小姐提供獨家服務予本集團，以推廣本集團的產品及服務，代價為每年395,000港元(2005年：380,000港元)。

黃偉常先生及楊寶玲小姐均為本公司董事，及於本公司擁有實益權益。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

33 RELATED PARTY TRANSACTIONS (Continued)

(c) Key management compensation

33 有關連人士之交易 (續)

(c) 主要管理層酬金

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Directors' fees	董事袍金	261	275
Salaries, housing allowances, other allowances and benefits-in-kind	薪金、房屋津貼、其他津貼及實物利益	12,998	11,539
Performance and discretionary bonuses	按表現及酌情發放之花紅	2,875	4,301
Contributions to pension plan	退休計劃供款	319	311
		16,453	16,426

34 ULTIMATE HOLDING COMPANY

The directors regard Luk Fook (Control) Limited, a company incorporated in the BVI, as being the ultimate holding company.

34 最終控股公司

董事視於英屬維爾京群島註冊成立之 Luk Fook (Control) Limited 為最終控股公司。

35 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the board of directors on 24th July 2006.

35 財務報表通過

財務報表已於2006年7月24日由董事會通過。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

36 PARTICULARS OF SUBSIDIARIES

At 31st March 2006, the Company had the following principal subsidiaries:

36 附屬公司詳情

於2006年3月31日，本公司之主要附屬公司如下：

	Place of incorporation/ establishment 註冊成立/ 成立地點	Particulars of issued share capital/ registered capital 已發行股本/ 註冊資本詳情	Percentage of attributable interest held by the Company 本公司所持應佔權益百分比		Principal activities 主要業務
			2006	2005	
Interests held directly: 直接持有權益：					
Luk Fook Investment (B.V.I.) Limited	BVI 英屬維爾京群島	HK\$2 2港元	100	100	Investment holding 投資控股
Interests held indirectly: 間接持有權益：					
China Gems Laboratory Limited 中華珠寶鑑定中心有限公司	Hong Kong 香港	HK\$2 2港元	100	100	Authentication of gemstones 寶石鑑定
Great Cyber Investment Limited 浩維投資有限公司	Hong Kong 香港	HK\$100 100港元	100	100	Property holding 持有物業
Ice Collection (International) Limited 冰姿(國際)有限公司	Hong Kong 香港	HK\$100 100港元	100	100	Retailing of gold and jewellery products 珠寶金飾產品零售業務
Jewellworld.com Limited	BVI 英屬維爾京群島	HK\$8,000,000 8,000,000港元	51	51	Investment holding, and provision of software development and services relating to internet 投資控股、軟件開發及從事互聯網相關服務
Jewellworld.com Limited 珠寶世界(香港)有限公司	Hong Kong 香港	HK\$100 100港元	51	51	Investment holding, and provision of software development and services relating to internet 投資控股、軟件開發及從事互聯網相關服務

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

36 PARTICULARS OF SUBSIDIARIES (Continued)

36 附屬公司詳情(續)

	Place of incorporation/ establishment 註冊成立/ 成立地點	Particulars of issued share capital/ registered capital 已發行股本/ 註冊資本詳情	Percentage of attributable interest held by the Company 本公司所持應佔 權益百分比		Principal activities 主要業務
			2006	2005	
Luk Fook Bullions Dealers Limited 六福金號有限公司	Hong Kong 香港	HK\$14,000,000 14,000,000港元	100	100	Gold bullion trading 黃金買賣
Luk Fook Holdings Company Limited 六福集團有限公司	Hong Kong 香港	HK\$2 2港元	100	100	Provision of management services to group companies and wholesale distribution of gold and jewellery products 提供管理服務予集 團公司及批發分 銷珠寶金飾產品
Luk Fook Jewellery & Goldsmith (HK) Company Limited 六福珠寶金行(香港) 有限公司	Hong Kong 香港	HK\$100 100港元	100	100	Retailing of gold and jewellery products 珠寶金飾產品零售 業務
Luk Fook Jewellery & Goldsmith (Macao) Company Limited [#] 六福珠寶金行(澳門) 有限公司 [#]	Macau 澳門	MOP 1,000,000 1,000,000澳門元	100	100	Retailing of gold and jewellery products in Macau 於澳門從事珠寶金 飾產品零售業務
Luk Fook Jewellery & Goldsmith (Canada) Limited 六福珠寶金行(加拿大) 有限公司	Canada 加拿大	CA\$ 100 100加拿大元	100	100	Retailing of gold and jewellery products in Canada 於加拿大從事珠寶 金飾產品零售業務
Max Forum Development Limited 溢富發展有限公司	Hong Kong 香港	HK\$100 100港元	100	100	Property holding 持有物業

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

36 PARTICULARS OF SUBSIDIARIES

(Continued)

36 附屬公司詳情(續)

	Place of incorporation/ establishment/ 註冊成立/ 成立地點	Particulars of issued share capital/ registered capital/ 已發行股本/ 註冊資本詳情	Percentage of attributable interest held by the Company/ 本公司所持應佔權益百分比		Principal activities/ 主要業務
			2006	2005	
Maxigood Enterprises Limited 萬利佳企業有限公司	Hong Kong 香港	HK\$3,000,000 3,000,000港元	93.3	93.3	Manufacturing and wholesale distribution of jewellery products 製造及批發分銷珠寶產品
Success Era Investments Limited 旭穎投資有限公司	Hong Kong 香港	HK\$3,000,000 3,000,000港元	51	51	Sales of electroplated gold ornament 銷售電鍍黃金飾品
六福珠寶(深圳)有限公司**	PRC 中國	HK\$15,000,000 15,000,000港元	100	100	Manufacturing, wholesale, retailing of gold and jewellery products and provision of quality examination services in the PRC 於中國從事製造、批發及零售黃金及珠寶產品以及提供品質鑑證服務
廣州利盈首飾有限公司**	PRC 中國	HK\$35,000,000 35,000,000港元	100	100	Property holding in the PRC 於中國持有物業

+ The subsidiaries were established as wholly foreign-owned enterprises in the PRC.

The subsidiaries have a financial year end date of 31st December in compliance with the respective local regulations.

+ 該等附屬公司為於中國成立之全外資企業。

該等附屬公司之財政年度年結日為12月31日，符合各地之法規。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

36 PARTICULARS OF SUBSIDIARIES

(Continued)

Unless otherwise stated, all the above companies operate principally in Hong Kong.

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

36 附屬公司詳情(續)

除另有列明外，上述所有公司均主要於香港經營業務。

上表所列之本公司附屬公司乃董事認為對本年度業績有重大影響或構成本集團淨資產之主要部分。董事認為，提供其他附屬公司之詳情會令資料過於冗長。