

## NOTES TO FINANCIAL STATEMENTS

31 December 2006

### 1. Corporate Information

Chow Sang Sang Holdings International Limited is a limited liability company incorporated in Bermuda. The registered office of the Company is located at Clarendon House, Church Street, Hamilton HM 11, Bermuda. The principal place of business of the Company is located at 4/F Chow Sang Sang Building, 229 Nathan Road, Kowloon, Hong Kong.

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

- manufacture and retail of jewellery
- wholesale of precious metals
- securities and commodities broking

#### 2.1 Basis of Preparation

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which also include Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties, certain buildings, derivative financial instruments, debt securities and certain equity investments, which have been measured at fair value as further explained in note 2.4 to the financial statements. These financial statements are presented in Hong Kong dollars ("HK\$") and all values are rounded to the nearest thousand except when otherwise indicated.

#### Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2006. Adjustments are made to bring into line any dissimilar accounting policies that may exist. The results of subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. All significant intercompany transactions and balances within the Group are eliminated on consolidation.

Minority interests represent the interests of outside shareholders not held by the Group in the results and net assets of the Company's subsidiaries.

## 財務報告附註

2006年12月31日

### 1. 公司資料

周生生集團國際有限公司乃於百慕達註冊成立之有限公司。本公司之註冊辦事處位於Clarendon House, Church Street, Hamilton HM 11, Bermuda。本公司之主要營業辦事處位於香港九龍彌敦道229號周生生大廈4樓。

年內本集團從事之主要業務如下：

- 珠寶製造及零售
- 貴金屬批發
- 證券及期貨經紀

#### 2.1 編製基準

此等財務報告乃按照香港會計師公會頒布之香港財務報告準則(亦包括香港會計準則及詮釋)、香港普遍採納之會計原則及香港公司條例之披露規定而編製。除本財務報告附註2.4進一步解釋以公平價值計量之投資物業、若干樓宇、衍生金融工具、債務證券及若干股份投資外，此等報告乃按歷史成本慣例編製。此等財務報告以港元列報，而所有價值均調整至千元，惟另有指明者除外。

#### 綜合基準

綜合財務報告包括本公司及其附屬公司截至2006年12月31日止年度之財務報告。任何可能存在之不同會計準則已作出調整以使其一致。附屬公司之業績自其收購日期，即本集團取得其控制權之日期計入，並一直計入至其有關控制權終止之日期止。本集團內部所有重大交易及結餘均在編製綜合賬目時對銷。

少數股東權益為外間股東於本公司之附屬公司之業績及淨資產權益，並非由本集團持有。

## NOTES TO FINANCIAL STATEMENTS

31 December 2006

### 2.2 Impact of New and Revised Hong Kong Financial Reporting Standards

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements. Except for in certain cases, giving rise to new and revised accounting policies and additional disclosures, the adoption of these new and revised standards has no material effect on these financial statements.

HKAS 21 Amendment	Net Investment in a Foreign Operation
HKAS 39 & HKFRS 4 Amendments	Financial Guarantee Contracts

The principal changes in accounting policies are as follows:

(a) HKAS 21 – The Effects of Changes in Foreign Exchange Rates

Upon the adoption of the HKAS 21 Amendment regarding a net investment in a foreign operation, all exchange differences arising from a monetary item that forms part of the Group's net investment in a foreign operation are recognised in a separate component of equity in the consolidated financial statements irrespective of the currency in which the monetary item is denominated. This change has had no material impact on these financial statements as at 31 December 2006 or 31 December 2005.

(b) HKAS 39 & HKFRS 4 Amendments – Financial Guarantee Contracts

This amendment has revised the scope of HKAS 39 to require financial guarantee contracts issued that are not considered insurance contracts, to be recognised initially at fair value and to be remeasured at the higher of the amount determined in accordance with HKAS 37 "Provisions, Contingent Liabilities and Contingent Assets" and the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with HKAS 18 "Revenue". The adoption of this amendment has had no material impact on these financial statements.

## 財務報告附註

2006年12月31日

### 2.2 新訂及經修訂之香港財務報告準則之影響

本集團就本年度之財務報告首次採納下列新訂及經修訂之香港財務報告準則。除若干情況引致新訂及經修訂會計政策及額外披露外，採納此等新訂及經修訂準則對此等財務報告並無構成重大影響。

香港會計準則第21號 (修訂本)	於海外業務之投資淨值
香港會計準則第39號 及香港財務報告準則 第4號(修訂本)	財務擔保合約

會計政策之主要變動如下：

(a) 香港會計準則第21號－外幣匯率變動之影響

於採納有關於海外業務之投資淨值之香港會計準則第21號(修訂本)後，所有構成本集團於海外業務投資淨值部分之貨幣項目所產生之匯兌差額，不論貨幣項目以何種貨幣為單位，乃於綜合財務報告內確認為權益之獨立部分。此項變動並無對此等於2006年12月31日或2005年12月31日之財務報告構成重大影響。

(b) 香港會計準則第39號及香港財務報告準則第4號(修訂本)－財務擔保合約

此項修訂對香港會計準則第39號所涵蓋範圍作出修改，其要求已發出但不獲認定為保險合約之財務擔保合約，須先按公平價值首次確認，再按香港會計準則第37號「撥備、或然負債及或然資產」釐定之數額與首次確認之數額，於適當時扣除根據香港會計準則第18號「收益」所確認之累計攤銷兩者中之較高者予以重新計量。採納此項修訂並無對此等財務報告構成重大影響。

## NOTES TO FINANCIAL STATEMENTS

31 December 2006

### 2.3 Impact of Issued But Not Yet Effective Hong Kong Financial Reporting Standards

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

HKAS 1 Amendment	Capital Disclosures
HKFRS 7	Financial Instruments: Disclosures
HKFRS 8	Operating Segments
HK(IFRIC)-Int 7	Applying the Restatement Approach under HKAS 29 <i>Financial Reporting in Hyperinflationary Economies</i>
HK(IFRIC)-Int 8	Scope of HKFRS 2
HK(IFRIC)-Int 9	Reassessment of Embedded Derivatives
HK(IFRIC)-Int 10	Interim Financial Reporting and Impairment
HK(IFRIC)-Int 11	HKFRS 2 – Group and Treasury Share Transactions
HK(IFRIC)-Int 12	Service Concession Arrangements

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

## 財務報告附註

2006年12月31日

### 2.3 已頒布但未生效香港財務報告準則之影響

本集團尚未於此等財務報告採用以下已頒布但未生效之新訂及經修訂香港財務報告準則。

香港會計準則 第1號(修訂本)	股本披露
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 第8號	經營分部
香港(國際財務報告 詮釋委員會) — 詮釋第7號	根據香港會計準則 第29號嚴重通貨 膨脹經濟中之 財務報告採用 重列法
香港(國際財務報告 詮釋委員會) — 詮釋第8號	香港財務報告準則 第2號之範圍
香港(國際財務報告 詮釋委員會) — 詮釋第9號	重新評估嵌入式 衍生工具
香港(國際財務報告 詮釋委員會) — 詮釋第10號	中期財務報告 及減值
香港(國際財務報告 詮釋委員會) — 詮釋第11號	香港財務報告準則 第2號—集團及 庫存股份交易
香港(國際財務報告 詮釋委員會) — 詮釋第12號	特許權服務安排

香港會計準則第1號(修訂本)適用於2007年1月1日或以後開始之會計年度。此經修訂準則將影響有關本集團管理股本之目標、政策及程序之非量化資料；有關本公司視為股本之量化資料；及對任何股本要求之遵行情況，以及任何不合規情況之後果等披露。

## NOTES TO FINANCIAL STATEMENTS

31 December 2006

### 2.3 Impact of Issued But Not Yet Effective Hong Kong Financial Reporting Standards (continued)

HKFRS 7 shall be applied for annual periods beginning on or after 1 January 2007. The standard requires disclosures that enable users of the financial statements to evaluate the significance of the Group's financial instruments and the nature and extent of risks arising from those financial instruments and also incorporates many of the disclosure requirements of HKAS 32.

HKFRS 8 shall be applied for annual periods beginning on or after 1 January 2009. The standard sets out the requirements for disclosure of information about an entity's operating segments and products and services, the geographical areas in which it operates, and its major customers.

HK(IFRIC)-Int 7, HK(IFRIC)-Int 8, HK(IFRIC)-Int 9, HK(IFRIC)-Int 10, HK(IFRIC)-Int 11 and HK(IFRIC)-Int 12 shall be applied for annual periods beginning on or after 1 March 2006, 1 May 2006, 1 June 2006, 1 November 2006, 1 March 2007 and 1 January 2008, respectively.

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. So far, it has concluded that while the adoption of the HKAS 1 Amendment, HKFRS 7 and HKFRS 8 may result in new or amended disclosures, these new and revised HKFRSs are unlikely to have a significant impact on the Group's results of operations and financial position.

## 財務報告附註

2006年12月31日

### 2.3 已頒布但未生效香港財務報告準則之影響(續)

香港財務報告準則第7號適用於2007年1月1日或以後開始之會計年度。此準則要求作出能夠使財務報告使用者評估本集團金融工具之重要性，及由該等金融工具產生之風險性質及範圍之披露，同時包含香港會計準則第32號中多項披露要求。

香港財務報告準則第8號適用於2009年1月1日或以後開始之會計年度。此準則要求載列有關公司經營分部、產品及服務、其經營所在地區及其主要客戶之資料披露。

香港(國際財務報告詮釋委員會)－詮釋第7號、香港(國際財務報告詮釋委員會)－詮釋第8號、香港(國際財務報告詮釋委員會)－詮釋第9號、香港(國際財務報告詮釋委員會)－詮釋第10號、香港(國際財務報告詮釋委員會)－詮釋第11號及香港(國際財務報告詮釋委員會)－詮釋第12號分別適用於2006年3月1日、2006年5月1日、2006年6月1日、2006年11月1日、2007年3月1日及2008年1月1日或以後開始之會計年度。

本集團正在評估於首次應用此等新訂及經修訂香港財務報告準則之影響。至今所得結論為，此等新訂及經修訂香港財務報告準則應不可能對本集團之經營業績及財政狀況構成重大影響；而採納香港會計準則第1號(修訂本)、香港財務報告準則第7號及香港財務報告準則第8號可引致新訂或經修訂之披露。

## NOTES TO FINANCIAL STATEMENTS

31 December 2006

### 2.4 Summary of Significant Accounting Policies

#### Subsidiaries

A subsidiary is an entity whose financial and operating policies the Company controls, directly or indirectly, so as to obtain benefits from its activities. The results of subsidiaries are included in the Company's profit and loss account to the extent of dividends received and receivable. The Company's interests in subsidiaries are stated at cost less any impairment losses.

#### Joint ventures

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

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

A joint venture is treated as:

- (a) a subsidiary, if the Company has unilateral control, directly or indirectly, over the joint venture;
- (b) a jointly-controlled entity, if the Company does not have unilateral control, but has joint control, directly or indirectly, over the joint venture;

## 財務報告附註

2006年12月31日

### 2.4 主要會計政策概要

#### 附屬公司

附屬公司乃本公司直接或間接控制其財政及營運政策之實體，以便於從其業務中獲益。附屬公司之業績已包括在本公司損益賬內之已收及應收股息。本公司於附屬公司之權益按成本減去任何減值虧損列賬。

#### 合營公司

合營公司為按合約安排成立之實體，由此本集團及其他訂約方承擔一經濟活動。該合營公司乃本集團及其他訂約方擁有權益之獨立經營實體。

合營各方訂立之合營公司協議訂明合營各方之出資額、合營期限以及於合營公司解散時將予變現資產之基準。合營公司之經營損益及任何盈餘資產由合營各方按彼等各自之出資額比例或按合營公司協議之條款進行分配。

合營公司會被視為：

- (a) 附屬公司，如本公司對合營公司，直接或間接擁有單方面之控制權；
- (b) 共同控權合資公司，如本公司對合營公司並無單方面控制權，但有直接或間接共同控制權；

## NOTES TO FINANCIAL STATEMENTS

31 December 2006

## 財務報告附註

2006年12月31日

### 2.4 Summary of Significant Accounting Policies (continued)

#### Joint ventures (continued)

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

#### Associates

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

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

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

#### Goodwill

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

### 2.4 主要會計政策概要 (續)

#### 合營公司 (續)

- (c) 聯營公司，如本公司並無單方面或共同之控制權，但直接或間接持有一般不少於20%之合營公司註冊資本及對其有重大影響力；或
- (d) 按照香港會計準則第39號處理之股份投資，如本公司直接或間接持有不足20%之合營公司註冊資本，且對合營公司沒有共同控制權，或對其沒有重大影響力。

#### 聯營公司

聯營公司乃除附屬公司或共同控制合資公司外，本集團長期持有其一般不少於20%之股本投票權，及對其有重大影響力之實體。

本集團所佔聯營公司購入後之業績及儲備已分別計入綜合損益賬及綜合儲備內。本集團於聯營公司之權益，按權益會計法計算本集團應佔淨資產，減任何減值虧損，於綜合資產負債表內列賬。

聯營公司之業績已包括在本公司之損益賬內之已收及應收股息。本公司於聯營公司之權益作非流動資產處理，按成本值減去任何減值虧損列賬。

#### 商譽

收購附屬公司產生之商譽乃業務合併成本超逾於收購當日本集團應佔所購可辨認資產、負債及或然負債之公平價值淨值。

## NOTES TO FINANCIAL STATEMENTS

31 December 2006

### 2.4 Summary of Significant Accounting Policies (continued)

#### Goodwill (continued)

*Goodwill previously eliminated against consolidated retained profits prior to 1 January 2005*

Prior to the adoption of the HKICPA's Statement of Standard Accounting Practice 30 "Business Combinations" in 2001, goodwill arising on acquisition was eliminated against consolidated retained profits in the year of acquisition. On the adoption of HKFRS 3, such goodwill remains eliminated against consolidated retained profits and is not recognised in the profit and loss account when all or part of the business to which the goodwill relates is disposed of or when a cash-generating unit to which the goodwill relates becomes impaired.

#### Impairment of non-financial assets other than goodwill

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

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

## 財務報告附註

2006年12月31日

### 2.4 主要會計政策概要 (續)

#### 商譽 (續)

*過往於2005年1月1日前自綜合保留溢利撇銷之商譽*

於2001年採納香港會計師公會之會計實務準則第30號「企業合併」前，因收購產生之商譽須於收購年度自綜合保留溢利撇銷。在採納香港財務報告準則第3號後，該等商譽繼續自綜合保留溢利撇銷，及不會於與商譽有關之全部或部分業務出售或與商譽有關之現金產生單位減值時於損益賬中確認。

#### 商譽以外之非財務資產減值

倘若有跡象顯示出現減值或須就資產進行年度減值測試(不包括存貨、遞延稅項資產、財務資產、投資物業及商譽)，則估計資產之可收回金額。資產之可收回金額按資產或現金產生單位之使用價值與公平價值減銷售成本之較高者計算，並就個別資產而釐定，除非有關資產並無產生在頗大程度上獨立於其他資產或資產組別產生之現金流入，在此情況下，可收回金額就資產所屬之現金產生單位而釐定。

如資產之賬面值超逾其可收回金額時，減值虧損方予確認。於評估使用價值時，估計日後現金流量按反映現時市場評估之貨幣時間價值及資產特定風險之稅前折現率折現至現值。除非該資產以重估數額列賬，減值虧損方根據有關會計政策就該重估資產處理，否則任何減值虧損於產生當期之損益賬內與減值資產性質一致之支出類別中扣除。

## NOTES TO FINANCIAL STATEMENTS

31 December 2006

### 2.4 Summary of Significant Accounting Policies (continued)

#### Impairment of non-financial assets other than goodwill (continued)

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

#### Related parties

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

- (a) the party, directly or indirectly through one or more intermediaries, (i) controls, is controlled by, or is under common control with, the Group; (ii) has an interest in the Group that gives it significant influence over the Group; or (iii) has joint control over the Group;
- (b) the party is an associate;
- (c) the party is a jointly-controlled entity;
- (d) the party is a member of the key management personnel of the Group;
- (e) the party is a close member of the family of any individual referred to in (a) or (d);
- (f) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e); or
- (g) the party is a post-employment benefit plan for the benefit of the employees of the Group, or of any entity that is a related party of the Group.

## 財務報告附註

2006年12月31日

### 2.4 主要會計政策概要(續)

#### 商譽以外之非財務資產減值(續)

於每個報告日均會評估是否有任何跡象顯示過往年度確認之減值虧損不再存在或可能已經減少。倘存有任何該等跡象，便估計可收回金額。除商譽及若干財務資產外，僅於釐定該資產之可收回金額之估計出現變動時，於先前已確認之減值虧損方可撥回，惟倘若於以往年度該資產並無任何確認減值虧損，則對比經折舊／攤銷之賬面值，高出金額不得撥回。除非該資產以重估金額列賬，減值虧損之撥回方根據有關會計政策就該重估資產處理，否則，任何減值虧損之撥回於產生當期計入損益賬內。

#### 關連人士

在下列情況下，任何人士將視為與本集團有關連：

- (a) 有關人士透過一名或多名中介人，直接或間接：(i)控制本集團，或受本集團控制，或與本集團受相同控制；(ii)於本集團擁有一定權益可行使重大影響；或(iii)可共同控制本集團；
- (b) 有關人士為一聯繫人士；
- (c) 有關人士為一共同控制實體；
- (d) 有關人士為本集團之主要管理人員；
- (e) 有關人士為(a)或(d)項所述之任何人士之直系家屬；
- (f) 有關人士乃(d)或(e)項所述人士直接或間接控制、共同控制或受其重大影響之實體，或擁有重大投票權；或
- (g) 有關人士乃為本集團或與本集團有關連的任何實體的僱員利益而設的受僱後福利計劃。



## NOTES TO FINANCIAL STATEMENTS

31 December 2006

### 2.4 Summary of Significant Accounting Policies (continued)

#### Property, plant and equipment and depreciation

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

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

Leasehold land and buildings	Over the shorter of the lease terms and 2.5%
Plant and machinery	10% to 30%
Leasehold improvements, furniture, fixtures and equipment	10% to 33%
Motor vehicles	30%

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

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

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

## 財務報告附註

2006年12月31日

### 2.4 主要會計政策概要(續)

#### 物業、機器及設備及折舊

物業、機器及設備按成本或估值減累計折舊及任何減值虧損後列賬。物業、機器及設備項目成本包括購入價及使資產處於擬定用途之運作狀況及地點之任何直接應佔成本。物業、機器及設備項目投入運作後所產生之支出，如維修及保養，一般於產生該筆支出期間從損益賬中扣除。倘若清楚顯示該筆支出已致使日後運用該物業、機器及設備項目所預期取得之未來經濟利益增加，以及倘若該項目之成本能可靠地計量時，則該筆支出會撥作該資產之額外成本或作重置。

折舊以直線法計算，按每項物業、機器及設備項目之估計使用年期撇銷其成本或估值至其剩餘價值。就此而言，所使用之主要年度折舊率如下：

租賃土地及樓宇	按租賃年期與2.5%兩者較低者
機器及設備	10%至30%
租賃物業裝修、傢俬、裝置及設備	10%至33%
汽車	30%

倘若物業、機器及設備項目之組件可使用年期有所不同，該項目之成本或估值按合理基準予以分配各組件，而每組件個別計算折舊。

剩餘價值、可使用年期及折舊方法於每個結算日檢核及作適當調整。

物業、機器及設備項目於出售、或估計其使用或出售時不再產生未來經濟利益時，不再確認入賬。任何出售或棄用之盈虧以出售時所得款項淨額及有關資產賬面值之差額計算，並於不再確認資產之年內損益賬內確認。

## NOTES TO FINANCIAL STATEMENTS

31 December 2006

## 財務報告附註

2006年12月31日

### 2.4 Summary of Significant Accounting Policies (continued)

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

The transitional provisions set out in paragraph 80A of HKAS 16 "Property, Plant and Equipment" have been adopted for property, plant and equipment stated at valuation. As a result, those assets stated at revalued amounts based on revaluations which were reflected in the financial statements for the year ended 31 December 1993 have not been revalued by class at the balance sheet date. On disposal of a revalued asset, the relevant portion of the leasehold land and buildings revaluation reserve realised in respect of previous valuations is transferred to retained profits as a movement in reserves.

For a transfer from owner-occupied properties to investment properties, the related revaluation surplus is retained in the leasehold land and buildings revaluation reserve and remains there until the subsequent disposal or retirement of the property, whereby that time the revaluation surplus is transferred to retained profits.

#### Investment properties

Investment properties are interests in leasehold land and buildings (including the leasehold interest under an operating lease for a property which would otherwise meet the definition of an investment property) held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the balance sheet date.

Gains or losses arising from changes in the fair values of investment properties are included in the profit and loss account in the year in which they arise.

Any gains or losses on the retirement or disposal of an investment property are recognised in the profit and loss account in the year of the retirement or disposal.

### 2.4 主要會計政策概要(續)

#### 物業、機器及設備及折舊(續)

按估值列賬之物業、機器及設備經已採納香港會計準則第16號「物業、機器及設備」第80A段之過渡條款。因此，該等按1993年12月31日止年度財務報告重估基準重估列賬之資產，於結算日並無按其類別再作重估。出售經重估之資產時，就過往估值而需予變現之相關租賃土地及樓宇重估儲備，由儲備撥往保留溢利內，作為儲備之變動。

自用物業轉撥為投資物業，有關重估盈餘保留於租賃土地及樓宇重估儲備中，直至該物業日後出售或棄用時，屆時重估盈餘撥往保留溢利。

#### 投資物業

投資物業指以賺取租賃收入及／或獲得資本升值之租賃土地及樓宇權益，包括符合投資物業定義屬經營租約之租賃物業權益，其非用作生產或提供貨品或服務或行政用途。該等物業初次按成本計量，包括交易成本。於初次確認後，投資物業按公平價值列賬，以反映於結算日之市場狀況。

投資物業公平價值之改變所產生之盈虧計入產生年度之損益賬。

棄用或出售投資物業之盈虧在棄用或出售當年之損益賬中確認。

## NOTES TO FINANCIAL STATEMENTS

31 December 2006

### 2.4 Summary of Significant Accounting Policies (continued)

#### Intangible assets (other than goodwill)

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each balance sheet date.

The Group's intangible assets, representing eligibility rights to trade on or through The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and Hong Kong Futures Exchange Limited (the "Futures Exchange"), with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

Gains or losses arising from the derecognition of an intangible asset are measured as the difference between the net sales proceeds and the carrying amount of the relevant asset and are recognised in the profit and loss account when the asset is derecognised.

#### Other assets

Other assets held on a long term basis are stated at amortised cost using the effective interest method less any impairment losses.

#### Investments and other financial assets

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

## 財務報告附註

2006年12月31日

### 2.4 主要會計政策概要(續)

#### 無形資產(商譽除外)

無形資產之可使用年期乃評估為有限或無限。具有有限年期之無形資產按可使用經濟年期攤銷，並於該無形資產出現減值跡象時作評估減值。具有有限可使用年期之無形資產之攤銷年期及攤銷方法須至少於每個結算日作檢核。

本集團之無形資產乃可於或透過香港聯合交易所有限公司(「聯交所」)及香港期貨交易所有限公司(「期交所」)進行交易之權利，具無限可使用年期並於每年按個別或於現金產生單位檢核作減值測試。該等無形資產並不以攤銷。具無限年期之無形資產之可使用年期於每年作評估，以釐定無限可使用年期之評估是否持續可靠。如否定，則可使用年期之評估自此由按無限年期更改為有限年期計量。

不再確認無形資產所產生盈虧按出售所得款項淨額與有關資產賬面值差額計算，並於不再確認該資產時在損益賬確認。

#### 其他資產

長期持有之其他資產乃以實質利息法計算攤銷成本減去任何減值虧損入賬。

#### 投資及其他財務資產

香港會計準則第39號界定財務資產適當地分類為按盈虧訂定公平價值投資、貸款及應收款項或可供出售投資。當財務資產並非按盈虧訂定公平價值投資，其初次確認時按公平價值加直接應佔交易成本計量。本集團於初次確認後將其財務資產分類，並於許可及適當情況下，於結算日重新考慮此分類。

## NOTES TO FINANCIAL STATEMENTS

31 December 2006

## 財務報告附註

2006年12月31日

### 2.4 Summary of Significant Accounting Policies (continued)

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

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

#### *Investments at fair value through profit or loss*

Investments at fair value through profit or loss include financial assets held for trading. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments or financial guarantee contracts. Gains or losses on investments held for trading are recognised in the profit and loss account.

Financial assets may be designated upon initial recognition as at fair value through profit or loss if the following criteria are met: (i) the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or recognising gains or losses on them on a different basis; (ii) the assets are part of a group of financial assets which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management strategy; or (iii) the financial asset contains an embedded derivative that would need to be separately recorded.

#### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are subsequently carried at amortised cost using the effective interest method. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognised in the profit and loss account when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

### 2.4 主要會計政策概要(續)

#### 投資及其他財務資產(續)

正常情況下購入及出售之財務資產於交易日確認，即本集團承諾購入或出售該資產之日期。正常情況下購入或出售乃於規例或市場慣例一般設定之期間內交付購入或出售財務資產。

#### *按盈虧訂定公平價值投資*

按盈虧訂定公平價值投資包括持作買賣之財務資產。為於近期內作出出售用途而購入之財務資產，均列作為持作買賣之財務資產。除非已列作有效對沖工具或財務擔保合約，否則衍生工具亦分類為持作買賣。有關收益或虧損均計入損益賬。

倘符合以下條件，則財務資產可於初次確認時列作按盈虧訂定公平價值：(i)此認定可撇除或大幅減少因按一個不同基準計量資產或確認收益或虧損而出現之不一致處理；(ii)此等資產屬根據一套文件風險管理策略按公平價值基準管理及評估表現之一組財務資產之部分；或(iii)此財務資產含有須個別入賬之嵌入式衍生工具。

#### *貸款及應收款項*

貸款及應收款項乃附有固定或可釐定付款金額而沒有在活躍市場中報價之非衍生財務資產。該等資產其後以實質利息法計算攤銷成本入賬。攤銷成本乃於計入任何收購之折讓或溢價後計算，並包括組成實質利率之費用及交易成本。當貸款及應收款項終止確認或減值以及通過攤銷程序時，其收益及虧損乃於損益賬內確認。

## NOTES TO FINANCIAL STATEMENTS

31 December 2006

## 財務報告附註

2006年12月31日

### 2.4 Summary of Significant Accounting Policies (continued)

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

##### *Available-for-sale investments*

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

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

##### *Fair value*

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

#### Impairment of financial assets

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

### 2.4 主要會計政策概要(續)

#### 投資及其他財務資產(續)

##### *可供出售投資*

可供出售投資乃於上市及非上市股份或債務證券之可供出售之非衍生財務資產，或未被列入其他兩類之財務資產。初始確認後，可供出售投資以公平價值計量，其盈虧乃計入權益之獨立部分，直至該項投資不再確認或被判斷減值，屆時過往於權益內確認之盈虧將計入損益賬。

當因(a)有關投資之合理公平價值估計其變化範圍很大；或(b)於該範圍內之各估計數之概率無法合理評估及應用，而未能可靠計算非上市權益證券之公平價值時，有關證券均按成本減去任何減值虧損列賬。

##### *公平價值*

在有序金融市場交易活躍之投資之公平價值乃參考結算日營業時間結束時之市場買入價而釐定。倘若無活躍市場之投資，其公平價值則以估價方法釐定。估價方法包括使用近期公平市場交易、參照本質大致相同之其他財務工具之現行市場價值、折現現金流量分析及其他估值模式。

#### 財務資產減值

本集團於每個結算日評估是否存在客觀證據顯示一項或一組財務資產出現減值。

## NOTES TO FINANCIAL STATEMENTS

31 December 2006

### 2.4 Summary of Significant Accounting Policies (continued)

#### Impairment of financial assets (continued)

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

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

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

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

In relation to accounts receivable, a provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Group will not be able to collect all of the amounts due under the original terms of an invoice. The carrying amount of the receivables is reduced through the use of an allowance account. Impaired debts are derecognised when they are assessed as uncollectible.

## 財務報告附註

2006年12月31日

### 2.4 主要會計政策概要(續)

#### 財務資產減值(續)

##### *按攤銷成本入賬資產*

倘有客觀證據顯示按攤銷成本入賬之貸款及應收款項出現減值虧損，則減值虧損按該資產賬面值與以其初始實質利率(即初次確認時計算之實質利率)折現之估計未來現金流量(不包括尚未產生之未來信貸虧損)現值之差額計算。減值虧損直接減少或通過使用備抵賬戶減少該資產之賬面金額。減值虧損計入損益賬。

本集團先對個別重大之財務資產是否發生減值之客觀證據進行個別評估，以及對個別不重大之財務資產是否發生減值之客觀證據進行個別或整體評估。倘並無客觀證據顯示個別已評估之財務資產出現減值，則不論資產屬重大與否，均列作信貸風險特性相若之一組財務資產內，並進行整體減值評估。個別評定出現減值並已確認或會繼續確認減值虧損之資產，均不作整體減值評估。

倘其後減值虧損金額減少，且此減少客觀上與確認減值以後發生之事項有關，則以往確認之減值虧損將撥回並於損益賬內確認，惟有關資產之賬面值不得超過撥回當日之攤銷成本。

就應收賬款而言，減值撥備乃於有客觀證據(如可能無力償債或債務人面臨重大財政困難)顯示本集團將無法根據票據之原有條款收回所有款項時作出。應收賬款之賬面值乃透過使用撥備賬減少。已減值債款於被評估為不可收回時不再確認。

## NOTES TO FINANCIAL STATEMENTS

31 December 2006

### 2.4 Summary of Significant Accounting Policies (continued)

#### Impairment of financial assets (continued)

##### *Assets carried at cost*

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

##### *Available-for-sale investments*

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

Impairment losses on debt instruments are reversed through the profit and loss account, if the increase in fair value of the instrument can be objectively related to an event occurring after the impairment loss was recognised in the profit and loss account.

#### Derecognition of financial assets

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

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

## 財務報告附註

2006年12月31日

### 2.4 主要會計政策概要(續)

#### 財務資產減值(續)

##### *按成本入賬資產*

因公平價值未能可靠計量而不按公平價值入賬之無報價股份工具倘有客觀證據顯示其出現減值虧損，則該虧損金額為資產賬面值與按當時市場相類財務資產之回報率折現之估計未來現金流量現值兩者之差額。此等資產之減值虧損不可撥回。

##### *可供出售投資*

倘可供出售資產出現減值，則其成本(扣除任何本金及攤銷)與當時公平價值之差額，再扣減以往於損益賬確認為減值虧損之金額，自權益撥至損益賬。已分類作可供出售之權益工具之減值虧損不可於損益賬撥回。

倘就債務工具減值虧損確認於損益賬後出現之公平價值增加可客觀計量，則其減值虧損可於損益賬撥回。

#### 不再確認財務資產

財務資產(或如適用，財務資產其中一部分或一組類似之財務資產其中一部分)在下列情況下不再確認：

- 自該資產收取現金流量之權利已屆滿；
- 本集團保留收取來自該資產現金流量之權利，惟已根據「轉遞」安排就向第三者承擔責任全數支付款項並無重大延誤；或
- 本集團已轉讓其來自該資產收取現金流量之權利，並(a)已轉讓該資產之大部分風險及回報，或(b)無轉讓或保留該資產之大部分風險及回報，惟已轉讓該資產之控制權。

## NOTES TO FINANCIAL STATEMENTS

31 December 2006

## 財務報告附註

2006年12月31日

### 2.4 Summary of Significant Accounting Policies (continued)

#### Derecognition of financial assets (continued)

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

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

#### Financial liabilities at amortised cost (including interest-bearing loans and borrowings)

Financial liabilities including accounts and other payables and interest-bearing bank borrowings are initially stated at fair value less directly attributable transaction costs and are subsequently measured at amortised cost, using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

Gains and losses are recognised in the profit and loss account when the liabilities are derecognised as well as through the amortisation process.

### 2.4 主要會計政策概要(續)

#### 不再確認財務資產(續)

倘若本集團已轉讓其自資產收取現金流量之權利，而並無轉讓或保留資產之大部分風險及回報，亦無轉讓資產之控制權之情況下，則該資產按本集團繼續參與該資產之程度確認。倘以擔保已轉讓資產之方式作為繼續參與，乃按資產之原賬面值與本集團可能需要支付之最高代價兩者之較低者計量。

倘若繼續參與以已轉讓資產之書面及／或購買選擇權(包括以現金支付選擇權或類似條文)方式進行，則本集團繼續參與之程度為本集團可能購回已轉讓資產之金額，惟按資產公平價值計量之書面認沽權證(包括以現金支付選擇權或類似條文)除外，在此情況下，本集團繼續參與之程度被限制於已轉讓資產公平價值與選擇權行使價兩者之較低者。

#### 按攤銷成本入賬財務負債(包括計息貸款及借貸)

財務負債包括應付賬款及其他應付賬款以及計息銀行貸款，首次按公平價值減直接應佔交易成本列賬，其後以實質利息法計算攤銷成本計量，惟倘折現之影響不大，則按成本列賬。

當不再確認負債以及透過攤銷過程，有關收益及虧損於損益賬確認。



## NOTES TO FINANCIAL STATEMENTS

31 December 2006

## 財務報告附註

2006年12月31日

### 2.4 Summary of Significant Accounting Policies (continued)

#### Financial guarantee contracts

Financial guarantee contracts in the scope of HKAS 39 are accounted for as financial liabilities. A financial guarantee contract is recognised initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial guarantee contract, except when such contract is recognised at fair value through profit or loss. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of: (i) the amount determined in accordance with HKAS 37 "Provision, Contingent Liabilities and Contingent Assets"; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with HKAS 18 "Revenue".

#### Derecognition of financial liabilities

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

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

#### Derivative financial instruments and hedging

The Group uses derivative financial instruments such as forward currency contracts and bullion contracts to hedge its risks associated with foreign currency and bullion price fluctuations. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value on derivatives that do not qualify for hedge accounting are taken directly to the profit and loss account.

The fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles. The fair value of bullion contracts is calculated by reference to the quoted market bullion prices at the close of business at the balance sheet date.

### 2.4 主要會計政策概要(續)

#### 財務擔保合約

香港會計準則第39號界定財務擔保合約以財務負債處理。財務擔保合約首次按其公平價值加收購或發行財務擔保合約直接應佔之交易成本確認，惟當有關合約按盈虧訂定公平價值確認則除外。於初次確認後，本集團按(i)根據香港會計準則第37號「撥備、或然負債及或然資產」釐定之數額；及(ii)初次確認之數額，於適當時扣除根據香港會計準則第18號「收益」所確認累計攤銷，兩者之較高計量財務擔保合約。

#### 不再確認財務負債

財務負債於負債之責任已解除或註銷或屆滿時不再確認。

當現有財務負債為同一貸款人以大致上不同條款之負債取代時，或現有負債之條款有重大修改時，有關交換或修改則被視為不再確認為原有負債及確認為一項新負債，而有關賬面值之差額乃於損益賬確認。

#### 衍生金融工具及對沖

本集團使用遠期外幣合約及貴金屬合約等衍生金融工具對沖其有關外幣及貴金屬價格波動之風險。該等衍生金融工具首次按訂立衍生合約當日之公平價值確認，其後再按公平價值計量。當衍生工具在公平價值為正數時以資產列賬，為負數時以負債列賬。

不符合作對沖會計處理之衍生工具，其公平價值變動所產生之收益或虧損乃直接計入損益賬。

遠期外幣合約之公平價值經參考到期狀況相若合約之當時遠期匯率計量。貴金屬合約之公平價值經參考於結算日營業時間結束時之貴金屬市場報價計算。

## NOTES TO FINANCIAL STATEMENTS

31 December 2006

## 財務報告附註

2006年12月31日

### 2.4 Summary of Significant Accounting Policies (continued)

#### Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis and comprises direct materials, direct labour and an appropriate proportion of production overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

#### Cash and cash equivalents

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

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

#### Income tax

Income tax comprises current and deferred tax. Income tax is recognised in the profit and loss account, or in equity if it relates to items that are recognised directly in equity.

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

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

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

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

### 2.4 主要會計政策概要(續)

#### 存貨

存貨乃按成本與可變現淨值兩者中之較低者列賬。成本包括直接原料、直接工資及適當比例之生產費用，乃按先進先出法計算。可變現淨值是根據估計售價扣除直至完成及出售所需之任何估計成本。

#### 現金及等同現金

就綜合現金流量表而言，現金及等同現金包括流動現金及活期存款及於購入後三個月內到期，可隨時轉換為已知金額現金及承受價值改變風險不大之短期高流動性投資，扣除須按要求償還之銀行透支，為本集團現金管理之組成部分。

就資產負債表而言，現金及等同現金包括流動現金及銀行存款，包括使用不受限制之有期存款。

#### 所得稅

所得稅包括本期及遞延稅項。所得稅於損益賬確認，或如該項所得稅與於權益確認之項目有關，則於權益直接確認。

本期或過往期間之本期稅項資產及負債乃按預期可自稅務機關收回或向稅務機關繳付之金額計算。

於結算日之資產及負債之稅基與其在財務報告賬面值之間所有暫時性差異，須按負債法計提遞延稅項撥備。

除下述外，所有應課稅暫時性差異均確認為遞延稅項負債：

- 倘若由商譽或於初次確認一項非業務合併交易之資產或負債所產生之遞延稅項負債，而在交易時對會計利潤或應課稅利潤或虧損均無影響；及
- 對涉及及附屬公司及聯營公司投資之應課稅暫時性差異而言，倘若撥回暫時性差異之時間可以控制，以及暫時性差異不大可能在可見將來撥回。

## NOTES TO FINANCIAL STATEMENTS

31 December 2006

### 2.4 Summary of Significant Accounting Policies (continued)

#### Income tax (continued)

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

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

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

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

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

## 財務報告附註

2006年12月31日

### 2.4 主要會計政策概要(續)

#### 所得稅(續)

除下述外，所有可於稅務上扣除之暫時性差異、承前未用稅項撥回及未用稅項虧損，如日後有可能出現應課稅溢利，可用作抵銷該等可扣除暫時性差異、承前未用稅項撥回及未用稅項虧損，均確認為遞延稅項資產：

- 倘若由於在非業務合併之交易中初次確認資產或負債而產生之有關可扣除暫時性差異之遞延稅項資產，對會計利潤或應課稅溢利或虧損均無影響；及
- 對涉及附屬公司及聯營公司投資之可扣除暫時性差異而言，只在暫時性差異有可能在可見將來撥回，以及日後可用該等暫時性差異抵銷可能出現之應課稅溢利，才確認遞延稅項資產。

遞延稅項資產之賬面值於每個結算日予以審閱，倘不再可能有足夠應課稅溢利用作抵銷相關遞延稅項資產之全部或部分，則減少遞延稅項資產賬面值。相反，於可能有足夠應課稅溢利用作抵銷相關遞延稅項資產之全部或部分時，則確認過往不予確認之遞延稅項資產。

遞延稅項資產及負債以預期適用於變現資產或償還負債之稅率計量，按於結算日已經生效或大致上已經生效之稅率(及稅法)為基準。

倘現有可依法執行權利，容許本期稅項資產抵銷本期稅項負債，而該遞延稅項涉及同一稅務實體及同一稅務機關，則遞延稅項資產及遞延稅項負債予以對銷。

## NOTES TO FINANCIAL STATEMENTS

31 December 2006

## 財務報告附註

2006年12月31日

### 2.4 Summary of Significant Accounting Policies (continued)

#### Revenue recognition

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

- (a) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;
- (b) from the rendering of services, in the period in which such services are provided;
- (c) commissions and brokerage income on dealings in securities and futures contracts, on the transaction dates when the relevant contract notes are executed;
- (d) rental income, on a time proportion basis over the lease terms;
- (e) interest income, on an accrual basis using the effective interest method by applying the rate that discounts the estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset;
- (f) dividend income, when the shareholders' right to receive payment has been established; and
- (g) income from the sale of investments at fair value through profit or loss and available-for-sale investments, on the transaction dates when the relevant contract notes are executed.

#### Employee benefits

##### *Paid leave carried forward*

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

### 2.4 主要會計政策概要(續)

#### 收入確認

當本集團可能有經濟收益並能作出可靠計算，收入按下列基準予以確認：

- (a) 銷售貨品方面，當擁有權之主要風險及回報轉予買家，即本集團對已售貨品已無一般擁有權應有之有效管控；
- (b) 提供服務方面，於提供服務期內；
- (c) 證券及期貨合約交易之佣金及經紀收入，於有關合約執行之交易日期；
- (d) 租金收入，按租賃期時間比例基準；
- (e) 利息收入，採用實質利息法，按應計基準，以有關利率在有關金融工具之預計年期內折現估計未來現金收入至有關財務資產之賬面淨值；
- (f) 股息收入，當股東收取股息權利確立；及
- (g) 出售按盈虧訂定公平價值投資及可供出售投資收入，於有關合約執行之交易日期。

#### 僱員福利

##### *結轉有薪假期*

本集團根據僱傭合約按曆年基準向其僱員提供有薪年假。在若干情況下，各僱員於結算日尚未動用之假期准予結轉至下個年度使用。於結算日，按僱員於年內所賺取有薪假期之預計未來成本已當作一項應計費用並予以結轉。

## NOTES TO FINANCIAL STATEMENTS

31 December 2006

## 財務報告附註

2006年12月31日

### 2.4 Summary of Significant Accounting Policies (continued)

#### Employee benefits (continued)

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

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance in Hong Kong, for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the profit and loss account as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme, except for the Group's employer voluntary contributions, which are refunded to the Group when the employee leaves employment prior to the contributions vesting fully, in accordance with the rules of the MPF Scheme.

The employees of the Group's subsidiaries which operate in Mainland China and Taiwan are required to participate in central pension schemes operated by the respective local municipal governments. These subsidiaries are required to contribute 6% to 23% of their payroll costs to the central pension schemes. The contributions are charged to the profit and loss account as they become payable in accordance with the rules of the respective central pension schemes.

#### Leases

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

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

### 2.4 主要會計政策概要 (續)

#### 僱員福利 (續)

##### *退休金計劃及其他退休福利*

本集團根據香港的強制性公積金計劃條例實施一項界定供款強制性公積金退休利益計劃(「強積金計劃」)，供所有合資格之僱員參與。供款按僱員基本薪金之某一百分比提撥，並於根據強積金計劃規定需要支付時自損益賬扣除。強積金計劃資產乃與本集團資產分開，由獨立管理基金持有。根據強積金計劃規定，本集團作出之僱主供款利益全數歸屬於僱員，至於本集團作出之僱主自願性供款則除外，當僱員在供款利益完全歸屬於僱員前離職，供款會退回本集團。

本集團於中國內地及台灣運作之附屬公司之僱員均須參加由當地市政府運作的中央退休金計劃。此等附屬公司須提撥薪金費用之6%至23%為中央退休金計劃供款，並根據中央退休金計劃規定須予供款時於損益賬扣除。

#### 租約

倘若資產擁有權之全部回報及風險絕大部分保留於出租人之租約，以經營租約處理。倘若本集團為出租人時，本集團於經營租約下租出資產包括在非流動資產內，於經營租約下之應收租金以直線法按租期計入損益賬內。倘若本集團為承租人時，於經營租約下之應付租金以直線法按租期於損益賬扣除。

經營租約之預付土地租賃付款最初按成本列報，並於其後以直線法在租約年期確認。當租賃金額無法可靠地分配為土地部分及樓宇部分，全部租賃金額乃計入土地及樓宇成本，列作物業、機器及設備之融資租賃。

## NOTES TO FINANCIAL STATEMENTS

31 December 2006

### 2.4 Summary of Significant Accounting Policies (continued)

#### Dividends

Final dividends proposed by the directors are classified as a separate allocation of retained profits within the equity section of the balance sheet, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum of association and Bye-Laws grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

#### Foreign currencies

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

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

## 財務報告附註

2006年12月31日

### 2.4 主要會計政策概要(續)

#### 股息

董事擬派之末期股息於資產負債表獨立按股本項下保留溢利分配列賬，直至此等股息獲股東於股東大會批准。當此等股息獲股東批准及宣派後始確認為負債。

中期股息乃同時予以擬派及宣派，此乃本公司組織章程大綱及附例授予董事宣派中期股息之權力。因此，中期股息於擬派及宣派時即確認為負債。

#### 外幣

此等財務報告乃以本公司之功能及呈報貨幣港元列報。本集團內每個實體均自行決定其功能貨幣，而每實體之財務報告所包含之項目均採用該功能貨幣計量。外幣結算交易最初以交易當日之功能貨幣匯率記錄。以外幣計算之貨幣資產及負債按結算日之功能貨幣匯率重新換算。全部差額計入損益賬。以外幣歷史成本計算之非貨幣項目按交易當日之匯率換算。以外幣公平價值計算之非貨幣項目按釐定公平價值當日之匯率換算。

若干海外附屬公司及聯營公司之功能貨幣為港元以外之貨幣。於結算日，此等實體之資產與負債按結算日之匯率換算為本公司之呈報貨幣，而損益賬則按年度之加權平均匯率換算為港元。換算產生之匯率差額乃計入外匯變動儲備。出售海外實體時，有關該特定海外業務而已於權益確認之遞延累計款額於損益賬確認。

## NOTES TO FINANCIAL STATEMENTS

31 December 2006

### 2.4 Summary of Significant Accounting Policies (continued)

#### Foreign currencies (continued)

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

#### Borrowing costs

Borrowing costs are recognised as expenses in the profit and loss account in the period in which they are incurred.

### 3. Significant Accounting Judgements and Estimates

#### Judgements

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

#### *Classification between investment properties and owner-occupied properties*

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

## 財務報告附註

2006年12月31日

### 2.4 主要會計政策概要(續)

#### 外幣(續)

就綜合現金流量表而言，海外附屬公司之現金流量乃按現金流量當日之匯率換算為港元。年內海外附屬公司日常產生之現金流量乃按年內之加權平均匯率換算為港元。

#### 借貸成本

借貸成本於產生期間在損益賬確認為開支。

### 3. 主要會計判斷及估計

#### 判斷

應用本集團之會計政策時，除以下涉及估計之判斷外，管理層作出下列對財務報告已確認金額影響重大之判斷：

#### *投資物業與自用物業之分類*

本集團須判斷物業是否屬於投資物業，並就有關判斷製訂準則。投資物業乃持作收取租金或升值或兩者之物業。因此，本集團考慮一物業是否帶來現金流量大致獨立於本集團所持其他資產。

某些物業一部分持作賺取租金或獲取資本升值，另一部分用作生產或供應貨品或服務或作行政用途。倘此等部分可獨立出售(或根據融資租賃方式分別出租)，本集團將該等部分個別入賬。倘該等部分不可獨立出售，惟有用作生產或供應貨品或服務或作行政用途之部分不大，有關物業方可列作投資物業。

管理層已就個別物業作出判斷，以釐定有關配套設施是否重大足以使該物業不合列作投資物業之資格。

## NOTES TO FINANCIAL STATEMENTS

31 December 2006

### 3. Significant Accounting Judgements and Estimates (continued)

#### Estimation uncertainty

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

#### Fair value of unlisted equity investments

The unlisted equity investments have been valued by using valuation techniques including estimated discounted cash flows and based on information from a variety of sources, including:

- (i) the latest financial information of the unlisted equity securities; and
- (ii) discounted cash flow projections based on reliable estimates of future cash flows, which make use of market parameters as supported by open market value, historical dividend income, etc. and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

The valuation requires the Group to make estimates about expected future cash flows and discount rates, and hence they are subject to uncertainty. The fair value of the unlisted equity investments stated at fair value as at 31 December 2006 was HK\$15,765,000 (2005: HK\$9,304,000) (note 20).

#### Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying value of deferred tax assets relating to recognised tax losses/decelerated tax depreciation as at 31 December 2006 was HK\$2,855,000 (2005: HK\$3,902,000). Further details are contained in note 28 to the financial statements.

## 財務報告附註

2006年12月31日

### 3. 主要會計判斷及估計(續)

#### 估計不明朗因素

於結算日就未來及其他主要估計不明朗因素所作之主要假設，可能並引致須於下一個財政年度就資產及負債賬面值作出重大調整，構成重大風險者論述如下。

#### 非上市股份證券之公平價值

非上市股份投資已採用包括估計折現現金流量等估值方法，並按照來自不同來源之資料進行估值，包括：

- (i) 非上市股份證券之最近期財務資料；及
- (ii) 根據未來現金流量之可靠估計所作之預期折現現金流量，而有關估計乃利用公開市值支持之市場參數、歷年股息收入等、並採用可反映現行市場評估之現金流量金額及時間之不明朗因素之折現率。

估值要求本集團須對預期未來現金流量及折現率作出估計，故存在不明朗性。於2006年12月31日，按公平價值列賬之非上市股份投資之公平價值為15,765,000港元(2005年：9,304,000港元)(附註20)。

#### 遞延稅項資產

所有未用稅項虧損，如日後有可能出現應課稅溢利，可用作抵銷該等虧損，均確認為遞延稅項資產。釐定可確認之遞延稅項資產金額時，管理層須根據未來應課稅溢利之可能時間及水平以及未來稅務規劃策略作出重大判斷。於2006年12月31日，有關已確認稅項虧損／減速稅項折舊之遞延稅項資產賬面值為2,855,000港元(2005年：3,902,000港元)。詳情載於財務報告附註28。



## NOTES TO FINANCIAL STATEMENTS

31 December 2006

### 4. Segment Information

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

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

- (a) manufacture and retail of jewellery;
- (b) wholesale of precious metals; and
- (c) other business (including provision of securities and futures broking, and properties and other investments).

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

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

## 財務報告附註

2006年12月31日

### 4. 分部資料

分部資料按以下兩部形式呈報：(i) 按業務分部為主要分部呈報基準；及(ii)按地區分部為次要分部呈報基準。

本集團經營之業務乃根據各項業務之性質及所提供之產品及服務分開架構及管理。本集團各項業務分部代表一策略性經營單位，其提供之產品及服務所承擔之風險及回報均有別於其他業務分部。業務分部概要如下：

- (a) 珠寶製造及零售；
- (b) 貴金屬批發；及
- (c) 其他業務（包括提供證券及期貨經紀，及物業及其他投資）。

確定本集團之地區分部時，收益乃按客戶之位置分配予各分部，而資產及資本性開支乃按資產之位置分配予各分部。

內部銷售及轉讓乃根據銷售予第三者之售價作為通用市價。

## NOTES TO FINANCIAL STATEMENTS

31 December 2006

### 4. Segment Information (continued)

#### (a) Business segments

The following table presents revenue, profit and certain asset, liability and other segment information for the Group's business segments for the years ended 31 December 2006 and 2005.

Group  
集團

Manufacture and  
retail of jewellery  
珠寶製造及零售

2006 2005  
HK\$'000 HK\$'000  
千港元 千港元

<b>Segment revenue:</b>	<b>分部收益：</b>		
Sales to external customers	銷售予外界客戶	2,785,254	2,380,503
Intersegment sales	內部銷售	150,177	178,640
Other income from external sources	其他外界收益	17,415	13,399
Other intersegment income	其他內部收益	3,601	3,613
Total	總收益	<u>2,956,447</u>	<u>2,576,155</u>
<b>Segment results</b>	<b>分部業績</b>	<u>302,616</u>	<u>172,994</u>
Interest income	利息收入		
Dividend income	股息收入		
Gain on disposal of available-for-sale investments	出售可供出售投資收益		
Unallocated expenses	未分配費用		
Finance costs	財務費用		
Share of profits of associates	應佔聯營公司溢利		
Profit before tax	除稅前溢利		
Tax	稅項		
Profit for the year	年內溢利		
<b>Assets and liabilities:</b>	<b>資產及負債：</b>		
Segment assets	分部資產	<u>2,289,971</u>	<u>1,910,764</u>
Interests in associates	於聯營公司權益		
Unallocated assets	未分配資產		
Total assets	總資產		
Segment liabilities	分部負債	<u>(389,670)</u>	<u>(408,245)</u>
Unallocated liabilities	未分配負債		
Total liabilities	總負債		
<b>Other segment information:</b>	<b>其他分部資料：</b>		
Depreciation	折舊	40,794	36,377
Net loss on disposal of derivative financial instruments	出售衍生金融工具淨虧損	17,155	—
Gain on disposal of an owner-occupied property	出售自用物業收益	—	(11,429)
Gain on disposal of an investment property	出售投資物業收益	—	—
Net fair value gains on investment properties	投資物業之公平價值淨收益	—	—
Capital expenditure	資本性開支	<u>38,542</u>	<u>55,690</u>

## 財務報告附註

2006年12月31日

### 4. 分部資料(續)

#### (a) 業務分部

下表為本集團截至2006年及2005年12月31日止年度之業務分部收益、溢利、若干資產、負債及其他分部資料。

Wholesale of precious metals 貴金屬批發		Other business 其他業務		Eliminations 對銷		Consolidated 綜合	
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)	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)
4,041,210	2,932,144	155,016	448,007	—	—	6,981,480	5,760,654
233,547	195,766	754	1,065	(384,478)	(375,471)	—	—
1	1	25,960	13,298	—	—	43,376	26,698
—	—	128	113	(3,729)	(3,726)	—	—
<b>4,274,758</b>	<b>3,127,911</b>	<b>181,858</b>	<b>462,483</b>	<b>(388,207)</b>	<b>(379,197)</b>	<b>7,024,856</b>	<b>5,787,352</b>
<b>8,985</b>	<b>6,908</b>	<b>48,737</b>	<b>22,920</b>	<b>—</b>	<b>—</b>	<b>360,338</b>	<b>202,822</b>
						11,175	5,837
						8,431	5,968
						—	15,765
						(7,348)	(7,973)
						(5,900)	(5,527)
						1,200	165
						367,896	217,057
						(61,395)	(26,670)
						<b>306,501</b>	<b>190,387</b>
<b>26,844</b>	<b>41,180</b>	<b>1,161,264</b>	<b>940,523</b>	<b>(376,663)</b>	<b>(495,193)</b>	<b>3,101,416</b>	<b>2,397,274</b>
						10,652	9,568
						488,033	259,523
						<b>3,600,101</b>	<b>2,666,365</b>
<b>(17,582)</b>	<b>(34,490)</b>	<b>(741,240)</b>	<b>(429,162)</b>	<b>376,663</b>	<b>495,193</b>	<b>(771,829)</b>	<b>(376,704)</b>
						<b>(226,145)</b>	<b>(163,602)</b>
						<b>(997,974)</b>	<b>(540,306)</b>
151	50	862	1,248	—	—	41,807	37,675
4,929	—	—	—	—	—	22,084	—
—	—	—	—	—	—	—	(11,429)
—	—	—	(1,502)	—	—	—	(1,502)
—	—	(14,600)	(8,400)	—	—	(14,600)	(8,400)
—	478	1,753	302	—	—	40,295	56,470

## NOTES TO FINANCIAL STATEMENTS

31 December 2006

### 4. Segment Information (continued)

#### (b) Geographical segments

The following table presents revenue and certain asset and expenditure information for the Group's geographical segments for the years ended 31 December 2006 and 2005.

**Group**  
集團

		<b>Hong Kong and Macau 香港及澳門</b>	
		<b>2006</b>	2005
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
			(Restated)
			(重列)
<b>Segment revenue:</b>	<b>分部收益：</b>		
Sales to external customers	銷售予外界客戶	<u><b>6,409,365</b></u>	<u>5,378,419</u>
<b>Other segment information:</b>	<b>其他分部資料：</b>		
Segment assets	分部資產	<u><b>2,493,809</b></u>	<u>2,061,069</u>
Interests in associates	於聯營公司權益		
Unallocated assets	未分配資產		
Total assets	總資產		
Capital expenditure	資本性開支	<u><b>12,668</b></u>	<u>32,042</u>

## 財務報告附註

2006年12月31日

### 4. 分部資料(續)

#### (b) 地區分部

下表為本集團截至2006年及2005年12月31日止年度之地區分部收益及若干資產及開支資料。

Mainland China 中國內地		Elsewhere 其他地區		Eliminations 對銷		Consolidated 綜合	
2006	2005	2006	2005	2006	2005	2006	2005
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
<u>503,029</u>	<u>285,705</u>	<u>69,086</u>	<u>96,530</u>	<u>—</u>	<u>—</u>	<u>6,981,480</u>	<u>5,760,654</u>
<u>693,087</u>	<u>403,669</u>	<u>74,660</u>	<u>90,762</u>	<u>(160,140)</u>	<u>(158,226)</u>	<u>3,101,416</u>	<u>2,397,274</u>
						<u>10,652</u>	<u>9,568</u>
						<u>488,033</u>	<u>259,523</u>
						<u>3,600,101</u>	<u>2,666,365</u>
<u>25,413</u>	<u>20,160</u>	<u>2,214</u>	<u>4,268</u>	<u>—</u>	<u>—</u>	<u>40,295</u>	<u>56,470</u>

## NOTES TO FINANCIAL STATEMENTS

31 December 2006

### 5. Turnover

Turnover represents the net invoiced value of goods sold, after allowances for returns, trade discounts and value-added tax; commission on securities and commodities broking and rental income earned during the year. Revenue from the following activities has been included in turnover:

		<b>Group</b>	
		<b>2006</b>	<b>2005</b>
		<b>HK\$'000</b>	<b>HK\$'000</b>
		<b>千港元</b>	<b>千港元</b>
Sale of goods	貨品銷售	<b>6,919,461</b>	5,721,613
Commission on securities and commodities broking	證券及期貨經紀佣金收入	<b>54,040</b>	31,450
Gross rental income	總租金收入	<b>7,979</b>	7,591
		<b><u>6,981,480</u></b>	<b><u>5,760,654</u></b>

## 財務報告附註

2006年12月31日

### 5. 營業額

營業額乃年內撇除退回、交易折扣與增值稅後售出貨品之發票淨值；證券及期貨經紀佣金收入及租金收入。以下業務之收益已包括在營業額內：

## NOTES TO FINANCIAL STATEMENTS

31 December 2006

## 財務報告附註

2006年12月31日

### 6. Profit before Tax

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

### 6. 除稅前溢利

本集團之除稅前溢利已扣除／(計入)：

		2006	2005
	Note	HK\$'000	HK\$'000
	附註	千港元	千港元
<b>Charging</b>	<b>扣除</b>		
Cost of inventories sold	銷貨成本	<b>6,009,547</b>	5,014,822
Write-down of inventories to net realisable value	撇銷存貨至可變現淨值	<b>16,290</b>	1,974
Depreciation	折舊	<b>41,807</b>	37,675
Minimum lease payments under operating leases for leasehold land and buildings	租賃土地及樓宇經營租約最低租賃付款	<b>139,376</b>	127,360
Auditors' remuneration	核數師酬金	<b>2,058</b>	1,942
Employee benefits expense* (excluding directors' remuneration (note 8)):	僱員福利開支* (不包括董事酬金(附註8)):		
Wages and salaries	工資及薪金	<b>277,145</b>	238,086
Pension scheme contributions	退休金計劃供款	<b>15,940</b>	13,528
Less: Forfeited contributions	減：已沒收供款	<b>(57)</b>	(95)
Net pension scheme contributions	退休金計劃供款淨額	<b>15,883</b>	13,433
		<b>293,028</b>	251,519
Impairment of accounts receivable	應收賬款減值	<b>14</b>	53
Direct operating expenses arising on rental-earning investment properties	可收取租金之投資物業直接經營開支	<b>959</b>	1,003
Net loss on disposal of items of plant and equipment	出售機器及設備淨虧損	<b>1,497</b>	4,012
Net loss on disposal of derivative financial instruments <sup>Δ</sup>	出售衍生金融工具淨虧損 <sup>Δ</sup>	<b>22,084</b>	—
Net fair value losses on investments at fair value through profit or loss <sup>#</sup>	按盈虧訂定公平價值投資之公平價值淨虧損 <sup>#</sup>	<b>—</b>	16

## NOTES TO FINANCIAL STATEMENTS

31 December 2006

## 財務報告附註

2006年12月31日

### 6. Profit before Tax (continued)

Crediting	計入
Interest income	利息收入
Dividend income from listed investments	上市投資之股息收入
Dividend income from unlisted investments	非上市投資之股息收入
Foreign exchange differences, net	匯兌差額，淨值
Gain on disposal of an owner-occupied property #	出售自用物業收益#
Gain on disposal of an investment property #	出售投資物業收益#
Gain on disposal of available-for-sale investments #	出售可供出售投資收益#
Gain on disposal of investments at fair value through profit or loss	出售按盈虧訂定公平價值投資收益
Net fair value gains on investment properties #	投資物業之公平價值淨收益#
Net fair value gains on investments at fair value through profit or loss #	按盈虧訂定公平價值投資之公平價值淨收益#
Net fair value gains on derivative financial instruments – transactions not qualifying as hedges #	衍生金融工具之公平價值淨收益 – 不合作對沖之交易#

### 6. 除稅前溢利 (續)

Note 附註	2006 HK\$'000 千港元	2005 HK\$'000 千港元
	(28,783)	(12,284)
	(8,193)	(5,656)
	(604)	(810)
	(2,469)	(1,440)
	—	(11,429)
	—	(1,502)
	—	(15,765)
	(1,852)	(1,130)
15	(14,600)	(8,400)
	(400)	—
	<b>(1,890)</b>	<b>—</b>

\* The employee benefits expense has included the remuneration paid to a director's spouse of HK\$1,503,000 (2005: HK\$1,285,000).

\* 僱員福利開支包括支付予一名董事配偶之酬金1,503,000港元(2005年: 1,285,000港元)。

△ The net loss on disposal of derivative financial instruments has included the net loss on disposal of bullion contracts of HK\$23,549,000, which is included in "Cost of sales" on the face of the consolidated profit and loss account.

△ 出售衍生金融工具淨虧損包括出售貴金屬合約淨虧損23,549,000港元，此金額包含在綜合損益賬上「銷售成本」中。

# These balances are included in "Other gains, net" on the face of the consolidated profit and loss account.

# 此等結餘包含在綜合損益賬上「其他收益，淨值」中。



## NOTES TO FINANCIAL STATEMENTS

31 December 2006

### 7. Finance Costs

Interest on bank loans and overdrafts wholly repayable within five years	須於五年內全數償還之銀行貸款及透支利息
Interest on other loans wholly repayable within five years	須於五年內全數償還之其他貸款利息

## 財務報告附註

2006年12月31日

### 7. 財務費用

	Group 集團
2006 HK\$'000 千港元	2005 HK\$'000 千港元
15,009	5,356
181	171
<u>15,190</u>	<u>5,527</u>

### 8. Directors' Remuneration

Directors' remuneration for the year, disclosed pursuant to the Listing Rules and Section 161 of the Hong Kong Companies Ordinance, is as follows:

### 8. 董事酬金

根據上市規則及香港公司條例第161條之規定，本年度之董事酬金披露如下：

Fees	袍金
Other emoluments:	其他酬金：
Salaries and allowances	薪金及津貼
Discretionary bonuses paid and payable	已付及應付酌情花紅
Pension scheme contributions	退休金計劃供款

	Group 集團
2006 HK\$'000 千港元	2005 HK\$'000 千港元
1,290	1,031
5,371	5,371
1,440	831
145	145
<u>6,956</u>	<u>6,347</u>
<u>8,246</u>	<u>7,378</u>

## NOTES TO FINANCIAL STATEMENTS

31 December 2006

## 財務報告附註

2006年12月31日

### 8. Directors' Remuneration (continued)

An analysis of remuneration paid to directors during the year is as follows:

### 8. 董事酬金 (續)

年內已付予董事之酬金分析如下：

		Discretionary			
	Fees	Salaries and allowances	bonuses paid and payable	Pension scheme contributions	Total
	袍金	薪金及津貼	已付及應付酌情花紅	退休金計劃供款	合計
	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
<b>2006</b>					
<b>Executive directors:</b>	<b>執行董事：</b>				
Dr. CHOW Kwen Lim	135	1,526	278	—	1,939
Mr. Vincent CHOW Wing Shing	115	1,752	598	87	2,552
Dr. Gerald CHOW King Sing	135	275	60	14	484
Mr. Winston CHOW Wun Sing	115	1,476	504	44	2,139
	<u>500</u>	<u>5,029</u>	<u>1,440</u>	<u>145</u>	<u>7,114</u>
<b>Non-executive directors:</b>	<b>非執行董事：</b>				
Mr. CHOW Kwen Ling	115	342	—	—	457
Mr. Stephen TING Leung Huel	135	—	—	—	135
Mr. CHUNG Pui Lam	135	—	—	—	135
Dr. CHAN Bing Fun *	135	—	—	—	135
Mr. LEE Ka Lun *	135	—	—	—	135
Mr. LO King Man *	135	—	—	—	135
	<u>790</u>	<u>342</u>	<u>—</u>	<u>—</u>	<u>1,132</u>
	<u>1,290</u>	<u>5,371</u>	<u>1,440</u>	<u>145</u>	<u>8,246</u>

\* Independent non-executive directors

\* 獨立非執行董事

## NOTES TO FINANCIAL STATEMENTS

31 December 2006

## 財務報告附註

2006年12月31日

### 8. Directors' Remuneration (continued)

### 8. 董事酬金 (續)

		Fees	Salaries and allowances	Discretionary bonuses paid and payable 已付及應付 酌情花紅	Pension scheme contributions 退休金 計劃供款	Total
		袍金 HK\$'000 千港元	薪金及津貼 HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	合計 HK\$'000 千港元
2005						
<b>Executive directors:</b>		<b>執行董事：</b>				
Dr. CHOW Kwen Lim	周君廉博士	110	1,526	179	—	1,815
Mr. Vincent CHOW Wing Shing	周永成先生	90	1,752	246	87	2,175
Dr. Gerald CHOW King Sing	周敬成醫生	101	275	23	14	413
Mr. Winston CHOW Wun Sing	周允成先生	90	1,476	383	44	1,993
		<u>391</u>	<u>5,029</u>	<u>831</u>	<u>145</u>	<u>6,396</u>
<b>Non-executive directors:</b>		<b>非執行董事：</b>				
Mr. CHOW Kwen Ling	周君令先生	90	342	—	—	432
Mr. Stephen TING Leung Huel	丁良輝先生	110	—	—	—	110
Mr. CHUNG Pui Lam	鍾沛林先生	110	—	—	—	110
Dr. CHAN Bing Fun *	陳炳勳醫生*	110	—	—	—	110
Mr. LEE Ka Lun *	李家麟先生*	110	—	—	—	110
Mr. LO King Man *	盧景文先生*	110	—	—	—	110
		<u>640</u>	<u>342</u>	<u>—</u>	<u>—</u>	<u>982</u>
		<u>1,031</u>	<u>5,371</u>	<u>831</u>	<u>145</u>	<u>7,378</u>

\* Independent non-executive directors

\* 獨立非執行董事

There were no other emoluments payable to the independent non-executive directors during the year (2005: Nil).

年內並無其他酬金應付予獨立非執行董事(2005年：無)。

There was no arrangement under which a director waived or agreed to waive any remuneration during the year (2005: Nil).

年內董事並無訂立任何放棄或同意放棄任何酬金的安排(2005年：無)。

## NOTES TO FINANCIAL STATEMENTS

31 December 2006

### 9. Five Highest Paid Employees

The five highest paid employees of the Group during the year included three (2005: three) directors, details of whose remuneration are set out in note 8 above. Details of the remuneration of the remaining two (2005: two) non-director, highest paid employees for the year are as follows:

Salaries and allowances	薪金及津貼
Discretionary bonuses paid and payable	已付及應付酌情花紅
Pension scheme contributions	退休金計劃供款

The remuneration of the two non-director, highest paid employees fell within the following bands:

HK\$1,500,001 to HK\$2,000,000	1,500,001港元至2,000,000港元
HK\$2,000,001 to HK\$2,500,000	2,000,001港元至2,500,000港元
HK\$2,500,001 to HK\$3,000,000	2,500,001港元至3,000,000港元

## 財務報告附註

2006年12月31日

### 9. 五名最高薪酬僱員

本年度本集團五名最高薪酬僱員包括三名(2005年:三名)董事,其詳細酬金資料載於上述附註8。其餘兩名(2005年:兩名)最高薪酬非董事僱員詳細酬金資料如下:

		Group 集團	
		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Salaries and allowances	薪金及津貼	3,264	3,100
Discretionary bonuses paid and payable	已付及應付酌情花紅	1,756	974
Pension scheme contributions	退休金計劃供款	163	152
		<u>5,183</u>	<u>4,226</u>

兩名最高薪酬非董事僱員酬金組別分別如下:

		Number of employees 僱員人數	
		2006	2005
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至2,000,000港元	—	1
HK\$2,000,001 to HK\$2,500,000	2,000,001港元至2,500,000港元	1	—
HK\$2,500,001 to HK\$3,000,000	2,500,001港元至3,000,000港元	1	1
		<u>2</u>	<u>2</u>

## NOTES TO FINANCIAL STATEMENTS

31 December 2006

### 10. Tax

Hong Kong profits tax has been provided at the rate of 17.5% (2005: 17.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

## 財務報告附註

2006年12月31日

### 10. 稅項

香港利得稅乃按年內於香港產生之估計應課稅溢利以稅率17.5% (2005年：17.5%)撥備。其他地區之應課利得稅乃按本集團於各司法權區以當地現行法則、闡釋及慣例為基礎之通用稅率計算。

		Group 集團	
		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Current – Hong Kong	本期 – 香港		
Charge for the year	年內稅項	49,576	25,234
Overprovision in prior years	以往年度超額撥備	(736)	(465)
Current – Elsewhere	本期 – 其他地區	10,096	2,998
Deferred (note 28)	遞延(附註28)	2,459	(1,097)
		<hr/>	<hr/>
Total tax charge for the year	年內稅項總額	<b>61,395</b>	<b>26,670</b>

## NOTES TO FINANCIAL STATEMENTS

31 December 2006

## 財務報告附註

2006年12月31日

### 10. Tax (continued)

A reconciliation of the tax expense applicable to profit before tax using the statutory rate for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rates is as follows:

		Group 集團			
		2006		2005	
		HK\$'000	%	HK\$'000	%
		千港元		千港元	
Profit before tax	除稅前溢利	<u>367,896</u>		<u>217,057</u>	
Tax at the statutory tax rate	按法定稅率計算稅項	64,382	17.5	37,985	17.5
Difference in tax rates applied for specific provinces or local authority	應用於特定省份或當地之稅率差異	(2,673)		(779)	
Adjustments in respect of current tax of previous years	就以往年度之稅項作本期調整	(736)		(465)	
Profits attributable to associates	應佔聯營公司溢利	(210)		(29)	
Estimated income not subject to tax	無須繳稅之估計收入	(3,219)		(12,407)	
Estimated expenses not deductible for tax	不可扣稅之估計支出	1,636		2,196	
Tax losses utilised from previous periods	使用以往期間之稅項虧損	(461)		(612)	
Estimated tax losses not recognised	尚未確認之估計稅項虧損	<u>2,676</u>		<u>781</u>	
Tax charge at the Group's effective rate	按本集團實質稅率計算之稅項	<u>61,395</u>	16.7	<u>26,670</u>	12.3

The Group's share of tax attributable to associates amounting to HK\$918,000 (2005: HK\$529,000) is included in "Share of profits of associates" on the face of the consolidated profit and loss account.

本集團應佔聯營公司稅項為918,000港元(2005年: 529,000港元)，已包含在綜合損益賬上「應佔聯營公司溢利」中。

### 11. Profit Attributable to Shareholders of the Company

The consolidated profit attributable to shareholders of the Company for the year ended 31 December 2006 included a profit of HK\$114,889,000 (2005: HK\$87,198,000) which has been dealt with in the financial statements of the Company (note 30(b)).

### 11. 本公司股東應佔溢利

截至2006年12月31日止年度，本公司股東應佔年內綜合溢利包括本公司財務報告內之一項溢利114,889,000港元(2005年: 87,198,000港元)(附註30(b))。

## NOTES TO FINANCIAL STATEMENTS

31 December 2006

## 財務報告附註

2006年12月31日

### 12. Dividends

Interim – HK7.0 cents (2005: HK5.0 cents) per ordinary share	中期 – 每普通股7.0港仙 (2005年：5.0港仙)
Proposed final – HK16.0 cents (2005: HK12.0 cents) per ordinary share	擬派末期 – 每普通股16.0港仙 (2005年：12.0港仙)

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

### 13. Earnings per Share Attributable to Shareholders of the Company

The calculation of basic earnings per share is based on the profit for the year attributable to shareholders of the Company of HK\$296,838,000 (2005: HK\$187,330,000), and the weighted average number of 601,920,000 (2005: 601,920,000) ordinary shares in issue during the year.

Diluted earnings per share for the years ended 31 December 2006 and 2005 have not been presented as no diluting events existed during these years.

### 12. 股息

2006 HK\$'000 千港元	2005 HK\$'000 千港元
42,134	30,096
<u>96,307</u>	<u>72,230</u>
<u>138,441</u>	<u>102,326</u>

擬派之年度末期股息須經本公司股東於即將舉行之股東週年大會上批准。

### 13. 本公司股東應佔每股盈利

每股基本盈利乃按年內本公司股東應佔溢利296,838,000港元(2005年：187,330,000港元)及年內已發行加權平均股份601,920,000(2005年：601,920,000)普通股計算。

由於此兩年內並無攤薄事項，故並無披露截至2006年及2005年12月31日止年度之每股攤薄盈利。

## NOTES TO FINANCIAL STATEMENTS

31 December 2006

## 財務報告附註

2006年12月31日

### 14. Property, Plant and Equipment

Group  
集團

### 14. 物業、機器及設備

		Leasehold land and buildings	Plant and machinery	Leasehold improvements, furniture, fixtures and equipment	Motor vehicles	Total
		租賃土地 及樓宇	機器 及設備	租賃物業 裝修、 傢俬、 裝置及設備	汽車	合計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
<b>As at 31 December 2006</b>	<b>於2006年12月31日</b>					
At 1 January 2006:	於2006年1月1日：					
Cost or valuation	成本或估值	299,322	7,367	95,316	3,061	405,066
Accumulated depreciation	累計折舊	(26,604)	(2,057)	(32,244)	(1,337)	(62,242)
Net carrying amount	賬面淨值	<u>272,718</u>	<u>5,310</u>	<u>63,072</u>	<u>1,724</u>	<u>342,824</u>
At 1 January 2006, net of accumulated depreciation	於2006年1月1日， 扣除累計折舊	272,718	5,310	63,072	1,724	342,824
Additions	添置	—	2,328	37,298	669	40,295
Disposals	出售	—	—	(1,528)	—	(1,528)
Depreciation provided during the year	年內折舊撥備	(10,787)	(1,639)	(28,639)	(742)	(41,807)
Exchange realignment	匯兌調整	94	89	1,044	23	1,250
At 31 December 2006, net of accumulated depreciation	於2006年12月31日， 扣除累計折舊	<u>262,025</u>	<u>6,088</u>	<u>71,247</u>	<u>1,674</u>	<u>341,034</u>
At 31 December 2006:	於2006年12月31日：					
Cost or valuation	成本或估值	299,433	9,636	114,324	3,387	426,780
Accumulated depreciation	累計折舊	(37,408)	(3,548)	(43,077)	(1,713)	(85,746)
Net carrying amount	賬面淨值	<u>262,025</u>	<u>6,088</u>	<u>71,247</u>	<u>1,674</u>	<u>341,034</u>



## NOTES TO FINANCIAL STATEMENTS

31 December 2006

## 財務報告附註

2006年12月31日

### 14. Property, Plant and Equipment (continued)

Group  
集團

### 14. 物業、機器及設備(續)

		Leasehold land and buildings 租賃土地 及樓宇 HK\$'000 千港元	Plant and machinery 機器 及設備 HK\$'000 千港元	Leasehold improvements, furniture, fixtures and equipment 租賃物業 裝修、 傢俬、 裝置及設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 合計 HK\$'000 千港元
As at 31 December 2005	於2005年12月31日					
At 1 January 2005:	於2005年1月1日：					
Cost or valuation	成本或估值	310,557	6,379	72,344	2,317	391,597
Accumulated depreciation	累計折舊	(14,708)	(2,745)	(35,034)	(742)	(53,229)
Net carrying amount	賬面淨值	<u>295,849</u>	<u>3,634</u>	<u>37,310</u>	<u>1,575</u>	<u>338,368</u>
At 1 January 2005, net of accumulated depreciation	於2005年1月1日， 扣除累計折舊	295,849	3,634	37,310	1,575	338,368
Additions	添置	—	3,192	52,550	728	56,470
Disposals	出售	(10,672)	(172)	(3,977)	—	(14,821)
Depreciation provided during the year	年內折舊撥備	(12,517)	(1,391)	(23,177)	(590)	(37,675)
Exchange realignment	匯兌調整	58	47	366	11	482
At 31 December 2005, net of accumulated depreciation	於2005年12月31日， 扣除累計折舊	<u>272,718</u>	<u>5,310</u>	<u>63,072</u>	<u>1,724</u>	<u>342,824</u>
At 31 December 2005:	於2005年12月31日：					
Cost or valuation	成本或估值	299,322	7,367	95,316	3,061	405,066
Accumulated depreciation	累計折舊	(26,604)	(2,057)	(32,244)	(1,337)	(62,242)
Net carrying amount	賬面淨值	<u>272,718</u>	<u>5,310</u>	<u>63,072</u>	<u>1,724</u>	<u>342,824</u>

## NOTES TO FINANCIAL STATEMENTS

31 December 2006

### 14. Property, Plant and Equipment (continued)

Certain of the Group's leasehold land and buildings were revalued on 31 December 1993 by Knight Frank & Kan, independent professionally qualified valuers. The land and buildings were revalued on an open market, existing use basis. Since 1995, no further revaluations of the Group's leasehold land and buildings have been carried out, as the Group has relied upon the exemption, provided under the transitional provisions of HKAS 16, from the requirement to carry out future revaluations of its property, plant and equipment which were stated at valuation at that time.

Had these leasehold land and buildings been carried at historical cost less accumulated depreciation and impairment losses, their carrying amount would have been approximately HK\$44,704,000 (2005: HK\$46,674,000).

## 財務報告附註

2006年12月31日

### 14. 物業、機器及設備(續)

本集團若干租賃土地及樓宇於1993年12月31日經獨立專業合資格測量師簡福銓測量行重估。該等土地及樓宇根據現時用途按公開市值基準重估。本集團自1995年採納香港會計準則第16號之過渡條款賦予之豁免，根據物業、機器及設備之當時估值列賬，不為其租賃土地及樓宇再作重估。

倘若此等租賃土地及樓宇以歷史成本減累計折舊及減值虧損列賬，其賬面淨值約44,704,000港元(2005年：46,674,000港元)。

## NOTES TO FINANCIAL STATEMENTS

31 December 2006

## 財務報告附註

2006年12月31日

### 14. Property, Plant and Equipment (continued)

The Group's leasehold land and buildings included above are held under the following lease terms:

### 14. 物業、機器及設備(續)

本集團上述之租賃土地及樓宇按下列租期持有：

As at 31 December 2006	於 2006年 12月 31日	Hong Kong 香港 HK\$'000 千港元	Elsewhere 其他地區 HK\$'000 千港元	Total 合計 HK\$'000 千港元
At cost:	按成本：			
Long term leases	長期租約	666	3,088	3,754
Medium term leases	中期租約	25,666	219	25,885
		<u>26,332</u>	<u>3,307</u>	<u>29,639</u>
At 1993 valuation:	按 1993年 估值：			
Long term leases	長期租約	78,757	—	78,757
Medium term leases	中期租約	191,037	—	191,037
		<u>269,794</u>	<u>—</u>	<u>269,794</u>
		<u>296,126</u>	<u>3,307</u>	<u>299,433</u>
As at 31 December 2005	於 2005年 12月 31日			
		Hong Kong 香港 HK\$'000 千港元	Elsewhere 其他地區 HK\$'000 千港元	Total 合計 HK\$'000 千港元
At cost:	按成本：			
Long term leases	長期租約	666	2,977	3,643
Medium term leases	中期租約	25,666	219	25,885
		<u>26,332</u>	<u>3,196</u>	<u>29,528</u>
At 1993 valuation:	按 1993年 估值：			
Long term leases	長期租約	78,757	—	78,757
Medium term leases	中期租約	191,037	—	191,037
		<u>269,794</u>	<u>—</u>	<u>269,794</u>
		<u>296,126</u>	<u>3,196</u>	<u>299,322</u>

As at 31 December 2006, certain of the Group's leasehold land and buildings with an aggregate net carrying value of approximately HK\$88,170,000 (2005: HK\$92,447,000) were pledged to secure general banking facilities granted to the Group (note 27).

於 2006年 12月 31日，本集團以若干賬面淨值約 88,170,000 港元 (2005年：92,447,000 港元) 之租賃土地及樓宇作抵押，為本集團所獲一般銀行信貸作擔保 (附註 27)。

## NOTES TO FINANCIAL STATEMENTS

31 December 2006

## 財務報告附註

2006年12月31日

### 15. Investment Properties

Carrying amount at 1 January	於1月1日之賬面值
Net gain from a fair value adjustment	公平價值調整之淨收益
Disposal	出售
Carrying amount at 31 December	於12月31日之賬面值

The Group's investment properties are held under the following lease terms:

Long term leases:	長期租約：
Hong Kong	香港
Medium term leases:	中期租約：
Hong Kong	香港
Elsewhere	其他地區

The Group's investment properties were revalued on 31 December 2006 by DTZ Debenham Tie Leung Limited, independent professionally qualified valuers, at HK\$117,050,000 on an open market, existing use basis. The investment properties are leased to third parties under operating leases, further summary details of which are included in note 33(a) to the financial statements.

As at 31 December 2006, the Group's investment properties with an aggregate value of HK\$65,000,000 (2005: HK\$50,000,000) were pledged to secure general banking facilities granted to the Group (note 27).

### 15. 投資物業

	Group 集團
	2006 2005
	HK\$'000 千港元
	HK\$'000 千港元
102,450	98,050
14,600	8,400
—	(4,000)
<b>117,050</b>	<b>102,450</b>

本集團之投資物業按下列租期持有：

	2006 2005
	HK\$'000 千港元
	HK\$'000 千港元
9,850	9,850
82,100	66,100
25,100	26,500
<b>117,050</b>	<b>102,450</b>

於2006年12月31日，本集團之投資物業由獨立專業合資格測量師戴德梁行有限公司根據現時用途按公開市值基準重估為117,050,000港元。該等投資物業以經營租約租予第三者，其概要載於財務報告附註33(a)內。

於2006年12月31日，本集團以總值65,000,000港元（2005年：50,000,000港元）之投資物業作抵押，為本集團所獲一般銀行信貸作擔保（附註27）。

## NOTES TO FINANCIAL STATEMENTS

31 December 2006

## 財務報告附註

2006年12月31日

### 16. Intangible Assets

#### Trading rights

	交易權	Group 集團	
		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Cost at 1 January and 31 December, net of accumulated amortisation	於1月1日及12月31日之成本， 扣除累計攤銷	<u>320</u>	<u>320</u>
Cost (gross carrying amount)	成本(賬面總值)	<u>620</u>	620
Accumulated amortisation	累計攤銷	<u>(300)</u>	<u>(300)</u>
At 31 December	於12月31日	<u>320</u>	<u>320</u>

Upon the adoption of HKAS 38, trading rights are considered to have indefinite lives because they are expected to contribute to net cash flows to the Group indefinitely, which are not amortised.

採納香港會計準則第38號後，由於交易權預期為本集團無限期地帶來現金流量淨額，故乃視為擁有無限年期而不作攤銷。

### 17. Other Assets

		Group 集團	
		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Cost of membership for a seat at The Chinese Gold and Silver Exchange Society	金銀業貿易場 會籍費用	<u>1,500</u>	1,500
Deposits with the Stock Exchange:	於聯交所按金：		
Compensation fund	賠償基金	<u>300</u>	300
Fidelity fund	信用保證基金	<u>300</u>	300
Stamp duty deposit	印花稅按金	<u>250</u>	75
Contributions in cash to the Central Clearing and Settlement System Guarantee Fund	於中央結算及交收系統 保證基金之現金供款	<u>300</u>	300
Admission fee paid to Hong Kong Securities Clearing Company Limited	香港中央結算有限公司 之入會費用	<u>300</u>	300
Deposit with HKFE Clearing Corporation Limited	於香港期貨結算 有限公司之按金	<u>2,871</u>	1,625
Rental deposits *	租賃按金*	<u>37,412</u>	<u>29,518</u>
		<u>43,233</u>	<u>33,918</u>

## NOTES TO FINANCIAL STATEMENTS

31 December 2006

### 17. Other Assets (continued)

- \* The rental deposits were related to office properties and retail shops leased by the Group (note 33(b)) and the majority of the lease arrangements were over one year. Included in this total is an aggregate amount of approximately HK\$13 million (2005: approximately HK\$5 million) relating to operating leases expiring within one year. The directors are of the opinion that such deposits are of a long term nature on the basis that the related leases are expected to be renewed upon their respective expiry dates. Accordingly, the directors consider it appropriate to classify such deposits as non-current assets.

### 18. Interests in Subsidiaries

Unlisted shares/investments, at cost      非上市股份／投資，按成本  
Due from subsidiaries                      附屬公司欠款

The amounts due from subsidiaries are unsecured, interest-free and have no fixed terms of repayment.

## 財務報告附註

2006年12月31日

### 17. 其他資產(續)

- \* 此乃本集團之辦公室及零售店租約(附註33(b))之相關租賃按金，大部分租約超越一年，其中約有13,000,000港元(2005年：約5,000,000港元)屬一年內到期之經營租約。董事認為，按有關租約於到期時預期續約之基準，此等按金應屬長期性質。因此，董事認為將此等按金分類為非流動資產更為合適。

### 18. 於附屬公司權益

		Company 公司	
		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Unlisted shares/investments, at cost	非上市股份／投資，按成本	<b>1,085,873</b>	1,085,873
Due from subsidiaries	附屬公司欠款	<b>577,312</b>	576,758
		<b><u>1,663,185</u></b>	<b><u>1,662,631</u></b>

附屬公司欠款乃無抵押、免息及並無固定還款期。

## NOTES TO FINANCIAL STATEMENTS

31 December 2006

## 財務報告附註

2006年12月31日

### 18. Interests in Subsidiaries (continued)

Particulars of the subsidiaries are as follows:

### 18. 於附屬公司權益(續)

附屬公司之詳情如下：

Name 名稱	Place of incorporation/ registration and operations 成立／註冊 及經營地點	Nominal value of issued ordinary share capital/ registered capital 已發行 普通股本／ 註冊股本面值	Percentage of equity attributable to the Company 本公司所佔 股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Acclaim Holdings Limited 雅慶有限公司	British Virgin Islands 英屬維爾京群島	US\$600,000 600,000美元	—	100	Investment holding 投資控股
Chow Sang Sang Bullion Dealers Limited 周生生金號有限公司	Hong Kong 香港	HK\$5,000,000 5,000,000港元	—	100	Bullion broking 貴金屬經紀
Chow Sang Sang (China) Company Limited *** 周生生(中國)商業 有限公司***	People's Republic of China/ Mainland China 中華人民共和國／ 中國內地	HK\$100,000,000 100,000,000港元	—	100	Sale of jewellery 珠寶銷售
Chow Sang Sang Commodities Limited 周生生商品有限公司	Hong Kong 香港	HK\$5,000,000 5,000,000港元	—	100	Dormant 暫無營業
Chow Sang Sang Corporate Gift Limited 周生生企業禮品有限公司	Hong Kong 香港	HK\$1,000,000 1,000,000港元	—	100	Sale of corporate gift products 企業禮品銷售

## NOTES TO FINANCIAL STATEMENTS

31 December 2006

## 財務報告附註

2006年12月31日

### 18. Interests in Subsidiaries (continued)

### 18. 於附屬公司權益(續)

Name 名稱	Place of incorporation/ registration and operations 成立／註冊 及經營地點	Nominal value of issued ordinary share capital/ registered capital 已發行 普通股本／ 註冊股本面值	Percentage of equity attributable to the Company 本公司所佔 股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Chow Sang Sang Finance Limited 周生生財務有限公司	Hong Kong 香港	HK\$15,000,000 15,000,000港元	—	100	Group financing 集團融資
Chow Sang Sang Futures Limited 周生生期貨有限公司	Hong Kong 香港	HK\$5,000,000 5,000,000港元	—	100	Commodity broking 期貨經紀
Chow Sang Sang Holdings (BVI) Limited 周生生集團(英屬維爾京 群島)有限公司	British Virgin Islands 英屬維爾京群島	US\$50,000 50,000美元	100	—	Investment holding 投資控股
Chow Sang Sang Holdings Limited 周生生集團有限公司	Hong Kong 香港	HK\$250 250港元	—	100	Investment holding 投資控股
Chow Sang Sang Industrial (Fuzhou) Co., Ltd.* 周生生實業(福州) 有限公司*	People's Republic of China/ Mainland China 中華人民共和國／ 中國內地	HK\$12,180,000 12,180,000港元	—	100	Property investment 物業投資



## NOTES TO FINANCIAL STATEMENTS

31 December 2006

## 財務報告附註

2006年12月31日

### 18. Interests in Subsidiaries (continued)

### 18. 於附屬公司權益(續)

Name 名稱	Place of incorporation/ registration and operations 成立／註冊 及經營地點	Nominal value of issued ordinary share capital/ registered capital 已發行 普通股本／ 註冊股本面值	Percentage of equity attributable to the Company		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Chow Sang Sang International (Shunde) Limited 周生生國際(順德) 有限公司	Hong Kong/ Mainland China 香港／ 中國內地	HK\$2 2港元	—	100	Property investment 物業投資
Chow Sang Sang Investments Limited 周生生投資有限公司	Hong Kong 香港	HK\$2,500,000 2,500,000港元	—	100	Investment holding 投資控股
Chow Sang Sang Jewellery (China) Co. Ltd. 周生生珠寶金行(中國) 有限公司	British Virgin Islands 英屬維爾京群島	US\$1 1美元	—	100	Investment holding 投資控股
Chow Sang Sang Jewellery Company Limited 周生生珠寶金行有限公司	Hong Kong 香港	HK\$30,000,000 30,000,000港元	—	100	Manufacture and retail of jewellery 珠寶製造及零售
Chow Sang Sang Jewellery (Foshan) Co., Ltd.** 周生生珠寶(佛山) 有限公司**	People's Republic of China/ Mainland China 中華人民共和國／ 中國內地	HK\$71,500,000 71,500,000港元	—	95.1	Manufacture and sale of jewellery 珠寶製造及銷售

## NOTES TO FINANCIAL STATEMENTS

31 December 2006

## 財務報告附註

2006年12月31日

### 18. Interests in Subsidiaries (continued)

### 18. 於附屬公司權益(續)

Name 名稱	Place of incorporation/ registration and operations 成立／註冊 及經營地點	Nominal value of issued ordinary share capital/ registered capital 已發行 普通股本／ 註冊股本面值	Percentage of equity attributable to the Company 本公司所佔 股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Chow Sang Sang Jewellery Pte Ltd	Singapore 新加坡	SG\$2 2坡元	—	100	Dormant 暫無營業
Chow Sang Sang Jewellery (Shaanxi) Co., Ltd.* 周生生珠寶金行(陝西)有限公司*	People's Republic of China/ Mainland China 中華人民共和國／ 中國內地	HK\$17,000,000 17,000,000港元	—	100	Manufacture and sale of jewellery 珠寶製造及銷售
Chow Sang Sang Jewellery (Shandong) Co., Ltd.** 周生生珠寶(山東)有限公司**	People's Republic of China/ Mainland China 中華人民共和國／ 中國內地	RMB70,000,000 70,000,000人民幣	—	70	Manufacture and sale of jewellery 珠寶製造及銷售
Chow Sang Sang Jewellery (Shanghai) Co., Ltd.** 周生生珠寶(上海)有限公司**	People's Republic of China/ Mainland China 中華人民共和國／ 中國內地	US\$1,000,000 1,000,000美元	—	61	Manufacture and sale of jewellery 珠寶製造及銷售
Chow Sang Sang Jewellery (Taiwan) Limited 周生生珠寶金行股份有限公司	British Virgin Islands/ Taiwan 英屬維爾京群島／ 台灣	US\$50,000 50,000美元	—	100	Sale of jewellery 珠寶銷售

## NOTES TO FINANCIAL STATEMENTS

31 December 2006

## 財務報告附註

2006年12月31日

### 18. Interests in Subsidiaries (continued)

### 18. 於附屬公司權益(續)

Name 名稱	Place of incorporation/ registration and operations 成立／註冊 及經營地點	Nominal value of issued ordinary share capital/ registered capital 已發行 普通股本／ 註冊股本面值	Percentage of equity attributable to the Company		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Chow Sang Sang Manufacturing International Limited 周生生首飾廠國際有限公司	British Virgin Islands 英屬維爾京群島	US\$1 1美元	—	100	Investment holding 投資控股
Chow Sang Sang Nominees Limited 周生生代理人有限公司	Hong Kong 香港	HK\$1,000,000 1,000,000港元	—	100	Provision of nominee services 提供代理服務
Chow Sang Sang Property Holdings N.V.	Netherlands Antilles/ Hong Kong 荷蘭安的列斯／ 香港	US\$30,000 30,000美元	—	100	Property investment 物業投資
Chow Sang Sang Properties Limited 周生生置業有限公司	Hong Kong 香港	HK\$10,000,000 10,000,000港元	—	100	Property investment 物業投資
Chow Sang Sang Securities Limited 周生生證券有限公司	Hong Kong 香港	HK\$10,000,000 10,000,000港元	—	100	Securities broking 證券經紀

## NOTES TO FINANCIAL STATEMENTS

31 December 2006

## 財務報告附註

2006年12月31日

### 18. Interests in Subsidiaries (continued)

### 18. 於附屬公司權益(續)

Name 名稱	Place of incorporation/ registration and operations 成立／註冊 及經營地點	Nominal value of issued ordinary share capital/ registered capital 已發行 普通股本／ 註冊股本面值	Percentage of equity attributable to the Company		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Chow Sang Sang Trading (China) Company Limited 周生生貿易(中國) 有限公司	British Virgin Islands/ Hong Kong 英屬維爾京群島／ 香港	US\$1 1美元	—	100	Sale of jewellery 珠寶銷售
Emphasis Jewellery Company Limited 點睛品珠寶有限公司	Macau 澳門	MOP25,000 25,000澳門元	—	100	Retail of jewellery 珠寶零售
Fullink Developments Inc.	British Virgin Islands 英屬維爾京群島	US\$1 1美元	—	100	Dormant 暫無營業
Leahander International Limited	British Virgin Islands 英屬維爾京群島	US\$1 1美元	—	100	Investment holding 投資控股
Tsin Chuk Kam Manufactory Ltd. 千足金製造廠有限公司	British Virgin Islands/ Mainland China 英屬維爾京群島／ 中國內地	US\$100,000 100,000美元	—	100	Processing of jewellery 珠寶加工

## NOTES TO FINANCIAL STATEMENTS

31 December 2006

## 財務報告附註

2006年12月31日

### 18. Interests in Subsidiaries (continued)

Name 名稱	Place of incorporation/ registration and operations 成立／註冊 及經營地點	Nominal value of issued ordinary share capital/ registered capital 已發行 普通股本／ 註冊股本面值	Percentage of equity attributable to the Company 本公司所佔 股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
World Commercial Sales Company Limited	Hong Kong	HK\$2,500,000	—	100	Wholesale of precious metals
世界批發行有限公司	香港	2,500,000港元			貴金屬批發
338.Net Limited	Hong Kong	HK\$2	—	100	Information technology services
	香港	2港元			資訊科技服務
* The companies are registered as wholly foreign-owned enterprises under the law of the People's Republic of China.			* 根據中華人民共和國法律註冊之全外商投資企業。		
** The companies are registered as sino-foreign equity joint venture enterprises under the law of the People's Republic of China.			** 根據中華人民共和國法律註冊之中外合資合營公司。		
*** The company is newly incorporated during the year and is registered as a wholly foreign-invested commercial enterprise under the law of the People's Republic of China.			*** 年內新註冊成立，並根據中華人民共和國法律註冊之全外商投資商業企業。		

### 18. 於附屬公司權益 (續)

### 19. Interests in Associates

		Group 集團	
		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Share of net assets	應佔淨資產	10,780	9,696
Loan from an associate	欠聯營公司之貸款	(128)	(128)
		<u>10,652</u>	<u>9,568</u>

The loan from an associate is unsecured, interest-free and has no fixed terms of repayment.

欠聯營公司之貸款乃無抵押、免息及並無固定還款期。

## NOTES TO FINANCIAL STATEMENTS

31 December 2006

## 財務報告附註

2006年12月31日

### 19. Interests in Associates (continued)

Particulars of the associates are as follows:

Name 名稱	Particulars of issued shares held/ registered capital 所持已發行股本/ 註冊股本詳情	Place of incorporation/ registration and operations 成立/註冊及 經營地點	Percentage of ownership interest attributable to the Group 本集團所佔 權益百分比		Principal activities 主要業務
			2006	2005	
Foo Sang Enterprises Company Limited 富生置業有限公司	Ordinary shares of HK\$100 each 每股面值100港元 之普通股	Hong Kong 香港	36.63	36.63	Property investment 物業投資
Qingdao Kang Hua Diamond Co., Ltd.* 青島康華鑽石有限公司*	RMB7,440,000 7,440,000人民幣	People's Republic of China/ Mainland China 中華人民共和國/ 中國內地	32	32	Processing of diamonds 鑽石加工

The above companies are not audited by Ernst & Young Hong Kong or other Ernst & Young International member firms.

\* The company is registered as a sino-foreign equity joint venture enterprise under the law of the People's Republic of China.

The above associates are indirectly held by the Company and have been accounted for using the equity method in these financial statements.

The following table illustrates the summarised financial information of the Group's associates:

### 19. 於聯營公司權益(續)

聯營公司之詳情如下：

上述公司並非由香港安永會計師事務所或其他安永國際之成員公司所審核。

\* 根據中華人民共和國法律註冊之中外合資合營公司。

上述聯營公司由本公司間接持有，在本財務報告以權益法會計處理。

下表呈列本集團聯營公司之財務資料概要：

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Assets	資產	36,012	30,626
Liabilities	負債	(5,720)	(2,700)
Revenue	收益	19,459	14,126
Profit after tax	除稅後溢利	3,394	464

## NOTES TO FINANCIAL STATEMENTS

31 December 2006

## 財務報告附註

2006年12月31日

### 20. Available-for-sale Investments

### 20. 可供出售投資

		Group 集團	
		2006 HK\$'000 千港元	2005 HK\$'000 千港元
<b>Non-current</b>	<b>非流動</b>		
Listed equity investments in Hong Kong, at market value (Note)	香港上市股份投資，按市值(附註)	<u>421,791</u>	<u>159,255</u>
Unlisted equity investments in Hong Kong, at fair value	香港非上市股份投資，按公平價值	15,765	9,304
Unlisted equity investments in Hong Kong, at cost	香港非上市股份投資，按成本	100	—
Unlisted debt securities in Hong Kong, at fair value	香港非上市債務證券，按公平價值	<u>2,316</u>	<u>10,011</u>
		<u>18,181</u>	<u>19,315</u>
		<u>439,972</u>	<u>178,570</u>
<b>Current</b>	<b>流動</b>		
Unlisted debt securities in Hong Kong, at fair value	香港非上市債務證券，按公平價值	<u>7,723</u>	—
<b>Total</b>	<b>合計</b>	<u><u>447,695</u></u>	<u><u>178,570</u></u>
An analysis of the issuers of the available-for-sale investments is as follows:	可供出售投資之發行人分析如下：		
Equity investments:	股份投資：		
Corporate entities	企業實體	437,656	168,559
Debt securities:	債務證券：		
Financial institutions	財務機構	<u>10,039</u>	<u>10,011</u>
		<u><u>447,695</u></u>	<u><u>178,570</u></u>

## NOTES TO FINANCIAL STATEMENTS

31 December 2006

### 20. Available-for-sale Investments (continued)

During the year, the gross gain of the Group's available-for-sale investments recognised directly in equity amounted to HK\$268,997,000 (2005: HK\$56,205,000). In the prior year, an aggregate amount of HK\$14,461,000 was transferred out from equity and recognised in the profit and loss account upon disposal of the related available-for-sale investments.

The above investments consist of (i) equity securities which have no fixed maturity date or coupon rate; and (ii) debt securities which bear interest at rates ranging from 3.2% to 6.0% per annum (effective interest rates: 3.2% to 5.2% per annum) and with maturity dates on 7 October 2007 and 9 May 2012.

The fair values of listed equity investments are based on quoted market prices. The fair values of unlisted equity investments and debt securities have been estimated using valuation techniques including discounted cash flow analysis, and based on assumptions which make use of market parameters as supported by open market value, historical dividend income, etc. The directors believe that the estimated fair values resulting from the valuation technique are reasonable, and that they are the most appropriate values at the balance sheet date.

As at 31 December 2006, an unlisted equity investment with a carrying amount of HK\$100,000 (2005: Nil) was stated at cost because the range of reasonable fair value estimates is so significant that the directors are of the opinion that its fair value cannot be measured reliably.

As at 31 December 2006, the Group's listed equity investments with a carrying value of HK\$298,025,000 (2005: HK\$86,805,000) were pledged to secure general banking facilities granted to the Group (note 27).

The market values of the Group's listed equity investments at the date of approval of these financial statements were approximately HK\$378,447,000.

## 財務報告附註

2006年12月31日

### 20. 可供出售投資(續)

年內，直接於權益確認之本集團可供出售投資總收益為268,997,000港元(2005年：56,205,000港元)。於上年度，於出售有關可供出售投資時，總額14,461,000港元已於權益中轉出並在損益賬中確認。

上述投資包括(i)並無固定到期日或票面息率之股份證券；及(ii)按年利率3.2%至6.0%計息(實質利率：年利率3.2%至5.2%)並於2007年10月7日及2012年5月9日到期之債務證券。

上市股份投資之公平價值根據市價計算。非上市股份投資及債務證券之公平價值乃包括採用折現現金流量分析等估值方法估計，所作之假設乃使用透過由公開市值支持之市場參數、歷年股息收入等。董事相信就估值方式產生之估計公平價值屬合理，並為於結算日最適合之價值。

於2006年12月31日，由於合理公平價值估計範圍太大，令董事認為無法可靠地計量其公平價值，故賬面值100,000港元(2005年：無)之非上市股份投資乃按成本列賬。

於2006年12月31日，本集團以上市股份投資賬面值298,025,000港元(2005年：86,805,000港元)作抵押，為本集團所獲一般銀行信貸作擔保(附註27)。

於批核此等財務報告當日，本集團上市股份投資之市值約為378,447,000港元。



## NOTES TO FINANCIAL STATEMENTS

31 December 2006

### 20. Available-for-sale Investments (continued)

Note:

On 6 March 2000, under the Schemes of Arrangements of the Stock Exchange and the Futures Exchange and pursuant to the Exchanges and Clearing Houses (Merger) Ordinance, the Group received 6,223,500 shares of HK\$1.00 each in Hong Kong Exchanges and Clearing Limited ("HKEC"), six exchange trading rights in the Stock Exchange and one exchange trading right in the Futures Exchange in consideration for the cancellation of its six shares held in the Stock Exchange and one share held in the Futures Exchange. As at 1 January 2006 and 31 December 2006, the Group held 4,953,500 shares of HKEC.

### 21. Inventories

Goods held for sale

持作銷售之貨品

### 22. Accounts Receivable from Securities Clients/Accounts Receivable

#### Jewellery retail

The Group's sales are normally made on cash basis. Credit card receivables from financial institutions in respect of retail sales are aged within one month. There are wholesale customers who have been given credit periods ranging from 15 to 45 days.

#### Wholesale of diamonds

The Group normally grants credit periods of up to 60 days to its trade customers.

#### Wholesale of precious metals

The Group's precious metals wholesale is normally conducted on cash basis.

#### Securities and commodities broking

Securities deals are settled two days after the trade date, and commodities deals are normally settled on cash basis.

## 財務報告附註

2006年12月31日

### 20. 可供出售投資(續)

附註：

於2000年3月6日，根據交易所及結算所(合併)條例之股份合併計劃，本集團取得香港交易及結算所有限公司(「交易及結算所」)6,223,500股每股1.00港元之股份及六個聯交所及一個期交所交易權，以取代原在聯交所持有之六股股份及在期交所持有之一股股份。於2006年1月1日及2006年12月31日，本集團持有交易及結算所4,953,500股股份。

### 21. 存貨

		Group 集團	
		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
		<u>1,567,589</u>	<u>1,364,560</u>

### 22. 應收證券客戶賬款／應收賬款

#### 珠寶零售

本集團銷售一般以現金交易。就零售而來自財務機構之應收信用卡賬款之賬齡少於一個月。現有批發客戶獲提供15至45日之除賬期。

#### 鑽石批發

本集團一般向貿易客戶提供之除賬期最多為60日。

#### 貴金屬批發

本集團之貴金屬批發一般以現金進行交易。

#### 證券及期貨經紀

證券買賣之結算期限為交易日後兩天，而期貨買賣之結算一般以現金交易。

## NOTES TO FINANCIAL STATEMENTS

31 December 2006

## 財務報告附註

2006年12月31日

### 22. Accounts Receivable from Securities Clients/Accounts Receivable (continued)

### 22. 應收證券客戶賬款／應收賬款 (續)

		Group 集團	
		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Trade and credit card receivables	應收貿易及信用卡賬款	102,028	59,227
Trade receivables from futures clearing house	應收期貨結算所之貿易賬款	<u>11,730</u>	<u>9,326</u>
Accounts receivable	應收賬款	113,758	68,553
Accounts receivable from securities clients	應收證券客戶賬款	<u>241,659</u>	<u>103,353</u>
		<u><b>355,417</b></u>	<u><b>171,906</b></u>

An aged analysis of the accounts receivable from securities clients and accounts receivable as at the balance sheet date, based on the invoice date, is as follows:

應收證券客戶賬款及應收賬款於結算日根據發票日期之賬齡分析如下：

		Group 集團	
		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Current to 30 days	現在至30日	252,152	93,318
31 to 60 days	31日至60日	13,920	8,945
Over 60 days	超過60日	<u>16,225</u>	<u>12,612</u>
		<b>282,297</b>	114,875
Margin clients accounts receivable*	應收孖展客戶賬款*	<u>73,120</u>	<u>57,031</u>
		<u><b>355,417</b></u>	<u><b>171,906</b></u>

Apart from the accounts receivable balances due from securities clients, the remaining balances are non-interest-bearing.

除應收證券客戶賬款結餘外，其他結餘均為免息。

\* The margin clients accounts receivable are secured by the underlying pledged securities, are repayable on demand and bear interest at commercial rates. No aged analysis is disclosed as, in the opinion of the directors, an aged analysis is not relevant in view of the nature of the business of securities margin financing.

\* 應收孖展客戶賬款以孖展證券作抵押，並須於要求時償還及按商業條款計息。鑑於證券孖展借貸業務性質，董事認為賬齡分析作用不大，故無需披露賬齡分析。

## NOTES TO FINANCIAL STATEMENTS

31 December 2006

### 23. Investments at Fair Value through Profit or Loss

Listed equity investments in  
Hong Kong, at market value

香港上市股份投資，  
按市值

The above equity investments as at 31 December 2006 were held for trading and issued by corporate entities.

## 財務報告附註

2006年12月31日

### 23. 按盈虧訂定公平價值投資

Group 集團	
2006 HK\$'000 千港元	2005 HK\$'000 千港元
<b>12,246</b>	<b>16,716</b>

上述於2006年12月31日之股份投資乃持作買賣用途，並由企業實體發行。

## NOTES TO FINANCIAL STATEMENTS

31 December 2006

## 財務報告附註

2006年12月31日

### 24. Cash and Cash Equivalents/Cash held on behalf of Clients

An analysis of cash and cash equivalents is as follows:

		Group 集團		Company 公司	
		2006 HK\$'000 千港元	2005 HK\$'000 千港元	2006 HK\$'000 千港元	2005 HK\$'000 千港元
Cash and bank balances	現金及銀行存款	198,613	96,408	812	653
Non-pledged time deposits with original maturity of less than three months when acquired	存放時到期日少於三個月之無抵押定期存款	86,269	78,674	—	—
Cash and cash equivalents	現金及等同現金	<u>284,882</u>	<u>175,082</u>	<u>812</u>	<u>653</u>

As at the balance sheet date, the cash and bank balances of the Company's subsidiaries operating in Mainland China denominated in Renminbi ("RMB") amounted to RMB32,722,000 (approximately HK\$32,614,000) (2005: RMB16,037,000 (approximately HK\$15,408,000)). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Time deposits are made for varying periods from one day to one month depending on the cash requirements of the Group, and earn interest at the respective time deposit rates.

The Group maintains segregated trust accounts with licensed banks to hold securities and futures clients' monies arising from its normal course of business. The Group has classified the clients' monies as "Cash held on behalf of clients" under the current assets section of the consolidated balance sheet and recognised the corresponding accounts payable to respective clients on grounds that it is liable for any loss or misappropriation of the clients' monies. The Group is not allowed to use the clients' monies to settle its own obligations.

### 24. 現金及等同現金／代客戶持有現金

現金及等同現金之分析如下：

於結算日，本公司在中國內地營運之附屬公司以人民幣為單位之現金及銀行存款為32,722,000人民幣（約32,614,000港元）（2005年：16,037,000人民幣（約15,408,000港元））。人民幣不能自由兌換其他貨幣，然而，根據中國之外匯管制條例及結匯、售匯及付匯管理規定，本集團獲准透過獲授權進行外匯業務之銀行將人民幣兌換為外幣。

銀行現金根據每日銀行存款利率按浮動利率賺取利息。定期存款之存款期由一日至一個月不等，視乎本集團之現金需求而定，並按各定期存款利率賺取利息。

本集團於持牌銀行開設獨立信託賬戶，以存放證券及期貨客戶於正常業務過程中所產生之款項。本集團將此等客戶款項分類為綜合資產負債表內流動資產項下之「代客戶持有現金」，並根據負上客戶款項之任何損失或挪用之責任而確認為應付予相關客戶賬款。本集團不准使用客戶款項履行其本身之責任。

## NOTES TO FINANCIAL STATEMENTS

31 December 2006

## 財務報告附註

2006年12月31日

### 25. Accounts Payable to Securities Clients/Accounts Payable

### 25. 應付證券客戶賬款／應付賬款

		Group 集團	
		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Trade payables	應付貿易賬款	112,606	47,643
Trade payables to securities clearing house	應付證券結算所之貿易賬款	5,125	6,940
Accounts payable	應付賬款	117,731	54,583
Accounts payable to securities clients	應付證券客戶賬款	504,669	210,417
		<b>622,400</b>	<b>265,000</b>

An aged analysis of the accounts payable to securities clients and accounts payable as at the balance sheet date, based on the invoice date, is as follows:

應付證券客戶賬款及應付賬款於結算日根據發票日期之賬齡分析如下：

		Group 集團	
		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Current to 30 days	現在至30日	99,152	48,327
31 to 60 days	31日至60日	14,933	6,197
Over 60 days	超過60日	3,646	59
Cash clients accounts payable <sup>#</sup>	應付現金客戶賬款 <sup>#</sup>	117,731	54,583
Margin clients accounts payable*	應付孖展客戶賬款*	491,415	203,200
		13,254	7,217
		<b>622,400</b>	<b>265,000</b>

## NOTES TO FINANCIAL STATEMENTS

31 December 2006

### 25. Accounts Payable to Securities Clients/Accounts Payable (continued)

- # Included in the cash clients accounts payable arising from the ordinary course of business of dealing in securities was an amount of approximately HK\$343,581,000 (2005: HK\$177,336,000) representing those clients' undrawn monies/excess deposits placed with the Group. As at 31 December 2006, the cash clients accounts payable included an amount of HK\$2,896,000 (2005: HK\$5,371,000) in respect of securities transactions undertaken for the accounts of certain directors. The balances are repayable on demand and bear interest at commercial rates. No aged analysis is disclosed as, in the opinion of the directors, an aged analysis is not meaningful in view of the nature of the business of dealing in securities.
- \* The margin clients accounts payable are repayable on demand and bear interest at commercial rates. No aged analysis is disclosed as, in the opinion of the directors, an aged analysis is not relevant in view of the nature of the business of securities margin financing.

### 26. Derivative Financial Instruments

Assets	資產
Forward currency contracts	遠期外幣合約
Liabilities	負債
Bullion contracts	貴金屬合約

The forward currency contracts and bullion contracts were stated at their fair values.

As at 31 December 2006, the aggregate notional amount of forward currency contracts was HK\$377,894,000 and the aggregate contractual amount of bullion contracts was HK\$66,272,000.

The above contracts entered into by the Group are to manage the Group's currency rate and bullion price exposures. They did not meet the criteria for hedge accounting.

## 財務報告附註

2006年12月31日

### 25. 應付證券客戶賬款／應付賬款 (續)

- # 包括在日常證券買賣業務過程中所產生之應付現金客戶賬款內約343,581,000港元(2005年: 177,336,000港元)為該等客戶存於本集團之未提取款項／額外繳付按金。於2006年12月31日，應付現金客戶賬款包括為若干董事賬戶進行證券交易之款項2,896,000港元(2005年: 5,371,000港元)。此賬額須於要求時償還及按商業條款計息。鑑於證券買賣業務性質，董事認為賬齡分析意義不大，故無需披露賬齡分析。
- \* 應付孖展客戶賬款須於要求時償還及按商業條款計息。鑑於證券孖展借貸業務性質，董事認為賬齡分析作用不大，故無需披露賬齡分析。

### 26. 衍生金融工具

Group 集團	
2006	2005
HK\$'000	HK\$'000
千港元	千港元
3,001	—
1,111	—

遠期外幣合約及貴金屬合約按其公平價值列賬。

於2006年12月31日，遠期外幣合約之名義數額總值為377,894,000港元，而貴金屬合約之合約數額總值為66,272,000港元。

本集團訂立上述之合約旨在管理本集團之外幣匯率及貴金屬價格風險。彼等並不符合對沖會計處理之條件。

## NOTES TO FINANCIAL STATEMENTS

31 December 2006

## 財務報告附註

2006年12月31日

### 27. Interest-bearing Bank Borrowings

Bank loans, unsecured and wholly repayable within one year

銀行貸款，無抵押及須於一年內全數償還

### 27. 計息銀行貸款

Group 集團	
2006 HK\$'000 千港元	2005 HK\$'000 千港元
<b>126,592</b>	<b>97,841</b>

As at 31 December 2006, the Group's banking facilities amounted to HK\$505,377,000 (2005: HK\$452,308,000), of which HK\$126,592,000 (2005: HK\$97,841,000) had been utilised as at the balance sheet date. Certain of the banking facilities amounting to HK\$183,000,000 (2005: HK\$183,000,000) are secured by certain assets of the Group as disclosed in notes 14, 15 and 20 to the financial statements.

於2006年12月31日，本集團之銀行信貸為505,377,000港元（2005年：452,308,000港元），其中126,592,000港元（2005年：97,841,000港元）於結算日已動用。若干銀行信貸183,000,000港元（2005年：183,000,000港元）以本集團於財務報告附註14、15及20披露之若干資產作為抵押。

The effective interest rates of the unsecured bank loans as at the balance sheet date are as follows:

無抵押銀行貸款於結算日之實質利率如下：

		2006 %	2005 %
Hong Kong dollar	港元	5.6	5.5
Renminbi	人民幣	5.4	5.1
New Taiwan dollar	新台幣	3.2	2.8

The carrying amounts of the unsecured bank loans as at the balance sheet date are denominated in the following currencies:

無抵押銀行貸款於結算日之賬面值以下列貨幣為單位：

		Group 集團	
		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Hong Kong dollar	港元	20,000	20,000
Renminbi	人民幣	99,670	73,117
New Taiwan dollar	新台幣	6,922	4,724
		<b>126,592</b>	<b>97,841</b>

## NOTES TO FINANCIAL STATEMENTS

31 December 2006

## 財務報告附註

2006年12月31日

### 28. Deferred Tax

The movements in deferred tax liabilities and assets during the year are as follows:

#### Deferred tax liabilities

Group  
集團

At 1 January 2006	於2006年1月1日
Deferred tax charged to the profit and loss account during the year (note 10)	年內於損益賬扣除之遞延稅項(附註10)
Gross deferred tax liabilities at 31 December 2006	於2006年12月31日之遞延稅項負債總額

#### Deferred tax assets

Group  
集團

At 1 January 2006	於2006年1月1日
Deferred tax credited/(charged) to the profit and loss account during the year (note 10)	年內於損益賬撥回/(扣除)之遞延稅項(附註10)
Exchange differences	匯兌差額
Gross deferred tax assets at 31 December 2006	於2006年12月31日之遞延稅項資產總額
Net deferred tax liabilities at 31 December 2006	於2006年12月31日之遞延稅項負債淨值

### 28. 遞延稅項

年內之遞延稅項負債及資產變動如下：

#### 遞延稅項負債

2006  
Depreciation allowance in excess of related depreciation and revaluation of properties  
折舊撥備超過有關折舊及物業重估  
HK\$'000  
千港元

At 1 January 2006	於2006年1月1日	54,979
Deferred tax charged to the profit and loss account during the year (note 10)	年內於損益賬扣除之遞延稅項(附註10)	1,399
Gross deferred tax liabilities at 31 December 2006	於2006年12月31日之遞延稅項負債總額	56,378

#### 遞延稅項資產

2006  
Losses available for offsetting against future taxable profit  
用作抵銷未來應課稅溢利之虧損  
Decelerated tax depreciation  
減速稅項折舊  
HK\$'000  
千港元

At 1 January 2006	於2006年1月1日	2,524	1,378	3,902
Deferred tax credited/(charged) to the profit and loss account during the year (note 10)	年內於損益賬撥回/(扣除)之遞延稅項(附註10)	40	(1,100)	(1,060)
Exchange differences	匯兌差額	—	13	13
Gross deferred tax assets at 31 December 2006	於2006年12月31日之遞延稅項資產總額	2,564	291	2,855
Net deferred tax liabilities at 31 December 2006	於2006年12月31日之遞延稅項負債淨值			53,523



## NOTES TO FINANCIAL STATEMENTS

31 December 2006

## 財務報告附註

2006年12月31日

### 28. Deferred Tax (continued)

#### Deferred tax liabilities

Group  
集團

		2005
		Depreciation allowance in excess of related depreciation and revaluation of properties
		折舊撥備超過有關折舊及物業重估
		HK\$'000
		千港元
At 1 January 2005	於2005年1月1日	56,186
Deferred tax credited to the profit and loss account during the year (note 10)	年內於損益賬撥回之遞延稅項(附註10)	(1,207)
Gross deferred tax liabilities at 31 December 2005	於2005年12月31日之遞延稅項負債總額	<u>54,979</u>

#### Deferred tax assets

Group  
集團

		遞延稅項資產		
		2005		
		Decelerated tax depreciation	Losses available for offsetting against future taxable profit	Total
		減速稅項折舊	用作抵銷未來應課稅溢利之虧損	合計
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
At 1 January 2005	於2005年1月1日	2,235	1,756	3,991
Deferred tax credited/(charged) to the profit and loss account during the year (note 10)	年內於損益賬撥回/(扣除)之遞延稅項(附註10)	289	(399)	(110)
Exchange differences	匯兌差額	—	21	21
Gross deferred tax assets at 31 December 2005	於2005年12月31日之遞延稅項資產總額	<u>2,524</u>	<u>1,378</u>	<u>3,902</u>
Net deferred tax liabilities at 31 December 2005	於2005年12月31日之遞延稅項負債淨值			<u>51,077</u>

## NOTES TO FINANCIAL STATEMENTS

31 December 2006

### 28. Deferred Tax (continued)

The Group has tax losses arising in Hong Kong and elsewhere of HK\$21,450,000 (2005: HK\$5,694,000) that are available for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profit will be available against which the tax losses can be utilised.

As at 31 December 2006, there was no significant unrecognised deferred tax liability (2005: Nil) for taxes that would be payable on the unremitted earnings of certain of the Company's subsidiaries or associates as the Group has no liability to additional tax should such amounts be remitted.

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

### 29. Share Capital

Authorised:	法定：
1,000,000,000 ordinary shares of HK\$0.25 each	1,000,000,000股每股面值 0.25港元之普通股
Issued and fully paid:	已發行及繳足：
601,920,000 (2005: 601,920,000) ordinary shares of HK\$0.25 each	601,920,000股每股面值 0.25港元之普通股 (2005年：601,920,000股)

During the prior year, an issue of one bonus share for every five shares held by members was made by applying HK\$25,080,000 charging to the Company's share premium in payment in full at par, resulting in the issue of 100,320,000 shares of HK\$0.25 each.

## 財務報告附註

2006年12月31日

### 28. 遞延稅項(續)

本集團於香港及其他地區產生之稅務虧損21,450,000港元(2005年：5,694,000港元)可用作抵銷該等產生虧損公司之未來應課稅溢利。由於此等虧損乃來自仍在虧損之附屬公司，且並不認為可能會出現應課稅溢利可用作抵銷稅項虧損，故並未確認遞延稅項資產。

於2006年12月31日，就本公司若干附屬公司或聯營公司未匯出溢利之應付稅項，由於該等款額匯出時，本集團並無額外之稅項負債，故並無重大未確認之遞延稅項負債(2005年：無)。

本公司向其股東派發股息並沒有所得稅後果。

### 29. 股本

2006	2005
HK\$'000	HK\$'000
千港元	千港元
<b>250,000</b>	250,000
<b>150,480</b>	150,480

於上年度內，已透過動用本公司股份溢價賬中25,080,000港元按面值全數支付按股東每持有五股股份獲發一股紅股，致使按每股0.25港元發行100,320,000股股份。

## NOTES TO FINANCIAL STATEMENTS

31 December 2006

## 財務報告附註

2006年12月31日

### 30. Reserves

#### (a) Group

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on pages 40 to 43 of the financial statements.

The amount of goodwill arising on the acquisition of subsidiaries in prior years, which remains eliminated against the consolidated retained profits, amounted to HK\$4,832,000 (2005: HK\$4,832,000).

#### (b) Company

	Note	Share premium	Contributed surplus	Retained profits	Total
	附註	股份溢價	繳入盈餘	保留溢利	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
At 1 January 2005	於2005年1月1日	124,804	975,582	378,171	1,478,557
Bonus issue of shares	發行紅股	(25,080)	—	—	(25,080)
Profit for the year	年內溢利	—	—	87,198	87,198
Interim 2005 dividend	2005年中期股息	12	—	(30,096)	(30,096)
Proposed final 2005 dividend	擬派2005年 末期股息	12	—	(72,230)	(72,230)
At 31 December 2005 and 1 January 2006	於2005年12月31日 及2006年1月1日	<b>99,724</b>	<b>975,582</b>	<b>363,043</b>	<b>1,438,349</b>
Profit for the year	年內溢利	—	—	114,889	114,889
Interim 2006 dividend	2006年中期股息	12	—	(42,134)	(42,134)
Proposed final 2006 dividend	擬派2006年 末期股息	12	—	(96,307)	(96,307)
At 31 December 2006	於2006年12月31日	<b>99,724</b>	<b>975,582</b>	<b>339,491</b>	<b>1,414,797</b>

The Company's contributed surplus arose in 1992 as a result of the Group's reorganisation and represents the difference between the nominal value of the Company's shares allocated under the reorganisation scheme and the then consolidated net asset value of the acquired subsidiaries.

Under the Bermuda Companies Act 1981, the contributed surplus is distributable to shareholders under certain circumstances.

### 30. 儲備

#### (a) 集團

本集團之儲備額及年內及往年度之變動列載於財務報告第40至43頁之綜合權益變動表內。

以往年度因收購附屬公司產生之商譽並仍於綜合保留溢利撇銷之數值達4,832,000港元(2005年:4,832,000港元)。

#### (b) 公司

	Note	Share premium	Contributed surplus	Retained profits	Total
	附註	股份溢價	繳入盈餘	保留溢利	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
At 1 January 2005	於2005年1月1日	124,804	975,582	378,171	1,478,557
Bonus issue of shares	發行紅股	(25,080)	—	—	(25,080)
Profit for the year	年內溢利	—	—	87,198	87,198
Interim 2005 dividend	2005年中期股息	12	—	(30,096)	(30,096)
Proposed final 2005 dividend	擬派2005年 末期股息	12	—	(72,230)	(72,230)
At 31 December 2005 and 1 January 2006	於2005年12月31日 及2006年1月1日	<b>99,724</b>	<b>975,582</b>	<b>363,043</b>	<b>1,438,349</b>
Profit for the year	年內溢利	—	—	114,889	114,889
Interim 2006 dividend	2006年中期股息	12	—	(42,134)	(42,134)
Proposed final 2006 dividend	擬派2006年 末期股息	12	—	(96,307)	(96,307)
At 31 December 2006	於2006年12月31日	<b>99,724</b>	<b>975,582</b>	<b>339,491</b>	<b>1,414,797</b>

本公司1992年產生之繳入盈餘來自集團重組，乃根據重組計劃配發之本公司股份面值與被收購附屬公司當時之綜合資產淨值之差額。

根據百慕達1981年公司法，在若干情況下，繳入盈餘可分派予股東。

## NOTES TO FINANCIAL STATEMENTS

31 December 2006

## 財務報告附註

2006年12月31日

### 31. Maturity Profile of Assets and Liabilities

An analysis of the maturity profile of assets and liabilities of the Group analysed by the remaining period as at the balance sheet date to the contractual maturity date is as follows:

### 31. 資產及負債之到期情況

按於結算日至合約到期日尚餘期間作出之本集團資產及負債之到期情況如下：

	Repayable on demand 須按要求 償還 HK\$'000 千港元	3 months or less 3個月或 以下 HK\$'000 千港元	1 year or less but over 3 months 3個月以上 至1年 HK\$'000 千港元	5 years or less but over 1 year 1年以上 至5年 HK\$'000 千港元	After 5 years 5年以上 HK\$'000 千港元	Undated 無期限 HK\$'000 千港元	Total 合計 HK\$'000 千港元
<b>As at 31 December 2006</b>	<b>於2006年12月31日</b>						
<b>Assets</b>	<b>資產</b>						
Unlisted debt securities	—	—	7,723	—	2,316	—	10,039
Accounts receivable from securities clients	94,598	147,061	—	—	—	—	241,659
Accounts receivable	26,467	87,291	—	—	—	—	113,758
Derivative financial instruments	—	924	1,800	277	—	—	3,001
Cash held on behalf of clients	15,579	350,000	—	—	—	—	365,579
Cash and cash equivalents	198,613	86,269	—	—	—	—	284,882
	<u>335,257</u>	<u>671,545</u>	<u>9,523</u>	<u>277</u>	<u>2,316</u>	<u>—</u>	<u>1,018,918</u>
<b>Liabilities</b>	<b>負債</b>						
Accounts payable to securities clients	(356,834)	(147,835)	—	—	—	—	(504,669)
Accounts payable	—	(117,731)	—	—	—	—	(117,731)
Derivative financial instruments	—	—	—	—	—	(1,111)	(1,111)
Interest-bearing bank borrowings	—	(94,698)	(31,894)	—	—	—	(126,592)
	<u>(356,834)</u>	<u>(360,264)</u>	<u>(31,894)</u>	<u>—</u>	<u>—</u>	<u>(1,111)</u>	<u>(750,103)</u>

## NOTES TO FINANCIAL STATEMENTS

31 December 2006

## 財務報告附註

2006年12月31日

### 31. Maturity Profile of Assets and Liabilities (continued)

		Repayable on demand 須按 要求 償還	3 months or less 3個月 或 以下	1 year or less but over 3 months 3個月 以上 至1年	5 years or less but over 1 year 1年 以上 至5年	After 5 years 5年 以上	Undated 無 期限	Total 合 計
		HK\$'000 千 港 元	HK\$'000 千 港 元	HK\$'000 千 港 元	HK\$'000 千 港 元	HK\$'000 千 港 元	HK\$'000 千 港 元	HK\$'000 千 港 元
As at 31 December 2005	於 2005年12月31日							
<b>Assets</b>	<b>資產</b>							
Unlisted debt securities	非上市債務證券	—	—	—	7,701	2,310	—	10,011
Accounts receivable from securities clients	應收證券客戶賬款	66,548	36,805	—	—	—	—	103,353
Accounts receivable	應收賬款	20,653	47,900	—	—	—	—	68,553
Cash held on behalf of clients	代客戶持有現金	4,420	188,000	—	—	—	—	192,420
Cash and cash equivalents	現金及等同現金	96,408	78,674	—	—	—	—	175,082
		<u>188,029</u>	<u>351,379</u>	<u>—</u>	<u>7,701</u>	<u>2,310</u>	<u>—</u>	<u>549,419</u>
<b>Liabilities</b>	<b>負債</b>							
Accounts payable to securities clients	應付證券客戶賬款	(184,553)	(25,864)	—	—	—	—	(210,417)
Accounts payable	應付賬款	—	(54,583)	—	—	—	—	(54,583)
Interest-bearing bank borrowings	計息銀行貸款	—	(77,568)	(20,273)	—	—	—	(97,841)
		<u>(184,553)</u>	<u>(158,015)</u>	<u>(20,273)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(362,841)</u>

### 32. Contingent Liabilities

As at the balance sheet date, contingent liabilities not provided for in the financial statements were as follows:

- (a) The Company has provided corporate guarantees to the extent of US\$57 million (approximately HK\$443 million) and HK\$122 million (2005: US\$53 million (approximately HK\$411 million) and HK\$25 million) in respect of gold trading facilities granted to subsidiaries. As at the balance sheet date, the amount drawn against the gold trading facilities was US\$15 million (approximately HK\$118 million) (2005: US\$16 million (approximately HK\$116 million)).

### 31. 資產及負債之到期情況 (續)

		1 year or less but over 3 months 3個月 以上 至1年	5 years or less but over 1 year 1年 以上 至5年	After 5 years 5年 以上	Undated 無 期限	Total 合 計
		HK\$'000 千 港 元	HK\$'000 千 港 元	HK\$'000 千 港 元	HK\$'000 千 港 元	HK\$'000 千 港 元
As at 31 December 2005	於 2005年12月31日					
<b>Assets</b>	<b>資產</b>					
Unlisted debt securities	非上市債務證券	—	—	7,701	2,310	10,011
Accounts receivable from securities clients	應收證券客戶賬款	66,548	36,805	—	—	103,353
Accounts receivable	應收賬款	20,653	47,900	—	—	68,553
Cash held on behalf of clients	代客戶持有現金	4,420	188,000	—	—	192,420
Cash and cash equivalents	現金及等同現金	96,408	78,674	—	—	175,082
		<u>188,029</u>	<u>351,379</u>	<u>7,701</u>	<u>2,310</u>	<u>549,419</u>
<b>Liabilities</b>	<b>負債</b>					
Accounts payable to securities clients	應付證券客戶賬款	(184,553)	(25,864)	—	—	(210,417)
Accounts payable	應付賬款	—	(54,583)	—	—	(54,583)
Interest-bearing bank borrowings	計息銀行貸款	—	(77,568)	(20,273)	—	(97,841)
		<u>(184,553)</u>	<u>(158,015)</u>	<u>(20,273)</u>	<u>—</u>	<u>(362,841)</u>

### 32. 或然負債

於結算日，並無於財務報告中撥備之或然負債如下：

- (a) 本公司為其附屬公司所獲黃金買賣信貸提供57,000,000美元（約為443,000,000港元）及122,000,000港元（2005年：53,000,000美元（約為411,000,000港元）及25,000,000港元）之公司擔保。於結算日，已使用之黃金買賣信貸額為15,000,000美元（約為118,000,000港元）（2005年：16,000,000美元（約為116,000,000港元））。

## NOTES TO FINANCIAL STATEMENTS

31 December 2006

### 32. Contingent Liabilities (continued)

- (b) The Company and a wholly-owned subsidiary of the Company have provided joint and several corporate guarantees to the extent of HK\$700 million (2005: HK\$505 million) to secure the general banking facilities of certain subsidiaries. As at the balance sheet date, the amount drawn against the general banking facilities was HK\$97,688,000 (2005: HK\$78,625,000) (note 27).

### 33. Operating Lease Arrangements

#### (a) As lessor

The Group leases its investment properties (note 15) under operating lease arrangements, with leases negotiated for terms ranging from one to three years. The terms of the leases generally also require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions.

As at 31 December 2006, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

Within one year	一年內
In the second to fifth years, inclusive	二至五年(首尾兩年包括在內)

## 財務報告附註

2006年12月31日

### 32. 或然負債(續)

- (b) 本公司及本公司一間全資附屬公司為若干附屬公司所獲一般銀行信貸提供700,000,000港元(2005年:505,000,000港元)之共同及各別之公司擔保。於結算日,已使用之一般銀行信貸額為97,688,000港元(2005年:78,625,000港元)(附註27)。

### 33. 經營租約承擔

#### (a) 出租人

本集團以經營租約租出其投資物業(附註15),經磋商訂定租期為一至三年。租約條款一般要求租客付保證按金及根據普遍市場環境作定期租金調整。

於2006年12月31日,本集團就與租客訂定之不可撤銷之經營租約下,於未來最低租賃應收款總額之到期日如下:

		Group 集團	
		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Within one year	一年內	5,978	5,540
In the second to fifth years, inclusive	二至五年(首尾兩年包括在內)	2,159	2,750
		<u>8,137</u>	<u>8,290</u>

## NOTES TO FINANCIAL STATEMENTS

31 December 2006

### 33. Operating Lease Arrangements (continued)

#### (b) As lessee

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

As at 31 December 2006, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

Within one year	一年內
In the second to fifth years, inclusive	二至五年(首尾兩年包括在內)
After five years	五年後

## 財務報告附註

2006年12月31日

### 33. 經營租約承擔(續)

#### (b) 承租人

本集團以經營租約承租若干辦公室物業及零售店舖，此等物業及店舖租期經磋商訂定為期一至十年。

於2006年12月31日，本集團就不可撤銷之經營租約下，於未來最低租賃付款總額之到期日如下：

		Group 集團	
		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Within one year	一年內	128,884	115,447
In the second to fifth years, inclusive	二至五年(首尾兩年包括在內)	153,425	127,861
After five years	五年後	51,909	63,991
		<u>334,218</u>	<u>307,299</u>

### 34. Commitments

In addition to the operating lease commitments detailed in note 33(b) above, the Group had the following capital commitments in respect of property, plant and equipment as at the balance sheet date:

Authorised, but not contracted for	已批核，但未簽訂
------------------------------------	----------

### 34. 承擔

除上述附註33(b)詳載之經營租約承擔外，本集團於結算日有以下有關物業、機器及設備之資本承擔：

		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Authorised, but not contracted for	已批核，但未簽訂	<u>1,480</u>	<u>—</u>

## NOTES TO FINANCIAL STATEMENTS

31 December 2006

### 35. Connected and Related Party Transactions

In addition to the transactions and balances detailed elsewhere in these financial statements, the Group had the following material transactions with connected and/or related parties during the year:

#### (a) Transactions with related parties

- (i) Chow Sang Sang Jewellery (Foshan) Co., Ltd. ("CSS Foshan"), a 95.1%-owned subsidiary, has credit arrangements with certain banks (the "Banks") for providing loans to Foshan Shunde Jinpeng Jewelry Co., Ltd. ("Jinpeng"), a company controlled by a director of CSS Foshan and a 4.9% minority shareholder of CSS Foshan, through entering into trust lending or trust lending extension agreements between CSS Foshan, Jinpeng and the Banks. The loans to Jinpeng are to finance Jinpeng's operation for providing sub-contracting services to the Group (see (ii) below).

As the above-mentioned loans are made on a continuous basis, on 20 December 2005, CSS Foshan renewed the facility agreement with Jinpeng for granting a continuous credit facility to Jinpeng for one year ended 31 December 2006. All loans advanced under the renewed facility agreement are unsecured, bear interest at a rate of 6% per annum and are repayable within one year.

There was no outstanding balance as at 31 December 2006 (2005: Nil). The maximum amount outstanding during the year was RMB2,000,000 (approximately HK\$1,949,000) (2005: RMB4,700,000 (approximately HK\$4,418,000)). The total interest paid and payable by Jinpeng for the year was RMB82,000 (approximately HK\$80,000) (2005: RMB188,000 (approximately HK\$178,000)).

## 財務報告附註

2006年12月31日

### 35. 關連人士交易

除已於本財務報告其他部分詳載之交易及結餘外，本集團於年內與關連人士進行以下重大交易：

#### (a) 與關連人士進行之交易

- (i) 本集團持有95.1%之附屬公司周生生珠寶(佛山)有限公司(「周生生珠寶(佛山)」)與若干銀行(「該等銀行」)訂立信託貸款安排，提供貸款予佛山市順德區金鵬珠寶首飾有限責任公司(「金鵬珠寶」)，此乃一間由周生生珠寶(佛山)一名董事操控及持有周生生珠寶(佛山)4.9%股權之少數股東，由周生生珠寶(佛山)、金鵬珠寶及該等銀行訂立信託貸款協議及信託貸款續期協議安排貸款。此等貸款乃給予金鵬珠寶為本集團提供分包服務之營運資金(見下文(ii)項)。

鑑於上述貸款乃按持續基準進行，於2005年12月20日，周生生珠寶(佛山)與金鵬珠寶就給予金鵬珠寶一項可於截至2006年12月31日止年度一年內動用之持續信貸融資續訂融資協議。續訂融資協議下所有貸款並無抵押，年利率6%及須於一年內償還。

於2006年12月31日並無結欠(2005年：無)。年內最高之結欠為2,000,000人民幣(約1,949,000港元)(2005年：4,700,000人民幣(約4,418,000港元))。年內，金鵬珠寶已付及應付之利息總額為82,000人民幣(約80,000港元)(2005年：188,000人民幣(約178,000港元))。



## NOTES TO FINANCIAL STATEMENTS

31 December 2006

### 35. Connected and Related Party Transactions (continued)

#### (a) Transactions with related parties (continued)

- (ii) On 20 December 2005, certain subsidiaries of the Company renewed the sub-contracting agreement with Jinpeng for engaging Jinpeng to provide sub-contracting services to these subsidiaries for one year ended 31 December 2006. The fees under the renewed agreement were charged based on the type, level and degree of difficulties of the work involved. The total processing fees paid to Jinpeng for the year amounted to HK\$5,516,000 (2005: HK\$7,213,000).
- (iii) On 20 December 2005, certain subsidiaries of the Company renewed the agreement with Qingdao Jinghua Diamond and Jewellery Co., Ltd. ("Jinghua"), a 24.86% shareholder of a 70%-owned subsidiary of the Company, for the purchase of polished diamonds from Jinghua for one year ended 31 December 2006. According to the renewed purchase agreement, the purchase consideration was determined based on the category, size and the prevailing market price of the polished diamonds. The total purchases from Jinghua during the year amounted to HK\$14,189,000 (2005: HK\$7,105,000).
- (iv) A wholly-owned subsidiary of the Company entered into an agreement with Jinghua on 20 December 2005 for selling rough diamonds and polished diamonds to Jinghua for one year ended 31 December 2006. The selling prices were determined based on the category and size of the diamonds and their prevailing market price. The total sales to Jinghua for the year amounted to HK\$222,000 (2005: HK\$979,000).

## 財務報告附註

2006年12月31日

### 35. 關連人士交易 (續)

#### (a) 與關連人士進行之交易 (續)

- (ii) 於2005年12月20日，本公司若干附屬公司與金鵬珠寶就委聘金鵬珠寶於截至2006年12月31日止年度一年內向此等附屬公司提供分包服務續訂分包協議。續訂協議下之費用乃根據工序之種類及難度收取。年內向金鵬珠寶繳付之加工費總額為5,516,000港元(2005年：7,213,000港元)。
- (iii) 於2005年12月20日，本公司若干附屬公司與本公司一間持有70%股權之附屬公司的一名持有24.86%股權股東青島京華飾品有限公司(「京華」)於截至2006年12月31日止年度一年內向京華採購打磨鑽石續訂協議。根據續訂採購協議，採購代價乃根據打磨鑽石之類別、大小及當時市價釐定。年內向京華採購總額為14,189,000港元(2005年：7,105,000港元)。
- (iv) 本公司一間全資附屬公司與京華於2005年12月20日就於2006年12月31日止一年內向京華銷售鑽石毛坯及打磨鑽石訂立一項協議。售價乃根據鑽石之類別、大小及當時市價釐定。年內銷售予京華之總額為222,000港元(2005年：979,000港元)。

## NOTES TO FINANCIAL STATEMENTS

31 December 2006

### 35. Connected and Related Party Transactions (continued)

#### (a) Transactions with related parties (continued)

- (v) A wholly-owned subsidiary of the Company renewed the tenancy agreement on 30 March 2005 with the respective spouse of Mr. CHOW Kwen Ling and Dr. CHOW Kwen Lim and the administrator of a late director of the Company, for the lease of the Group's retail shop for a two-year period ending on 31 March 2007 with a monthly rental of HK\$163,000. The lease rentals were determined with reference to open market rentals. The total rental paid by the Group for the year amounted to HK\$1,950,000 (2005: HK\$1,802,000).
- (vi) A wholly-owned subsidiary of the Company entered into leases with related companies in which certain directors and their respective spouse have interests, for the lease of the Company's directors' quarters with a total monthly rental of HK\$70,000. The lease rentals were determined with reference to open market rentals. The total rentals paid by the Group for the year amounted to HK\$840,000 (2005: HK\$840,000).
- (vii) Certain subsidiaries of the Company entered into an agreement with Jinghua on 20 December 2005 for engaging Jinghua to arrange for the importing of diamonds through the Shanghai Diamond Exchange for one year ended 31 December 2006. The related agency fee, which was determined with reference to open market rates, was charged at a fixed rate on the diamonds' importing price. The total agency fees paid to Jinghua during the year amounted to HK\$450,000 (2005: HK\$214,000).

## 財務報告附註

2006年12月31日

### 35. 關連人士交易 (續)

#### (a) 與關連人士進行之交易 (續)

- (v) 本公司一間全資附屬公司與周君令先生及周君廉博士各自之配偶及本公司一名已故董事之遺產執行人於2005年3月30日就於截至2007年3月31日止兩年期間內租予本集團零售店舖續訂租約，每月租金163,000港元。租金乃參考公開市值租金釐定。年內本集團繳付租金總額為1,950,000港元(2005年：1,802,000港元)。
- (vi) 本公司一間全資附屬公司與若干董事及彼等各自之配偶持有權益之關連公司就租予本公司董事宿舍訂立租約，每月租金總額70,000港元。租金乃參考公開市值租金釐定。年內本集團繳付租金總額為840,000港元(2005年：840,000港元)。
- (vii) 本公司若干附屬公司與京華於2005年12月20日就委聘京華於截至2006年12月31日止年度一年內透過上海鑽石交易所安排進口鑽石訂立一項協議。經參考公開市場價格後釐定之相關代理收費以鑽石進口價按固定比率計算。年內繳付京華之代理費用總額為450,000港元(2005年：214,000港元)。

## NOTES TO FINANCIAL STATEMENTS

31 December 2006

### 35. Connected and Related Party Transactions (continued)

#### (a) Transactions with related parties (continued)

(viii) A wholly-owned subsidiary of the Company entered into an agreement with Jinghua on 20 December 2005 for engaging Jinghua to provide rough diamonds polishing services for one year ended 31 December 2006. The fees were charged according to an agreed price list, which was determined with reference to market rates. The total processing fees paid to Jinghua for the year amounted to HK\$1,679,000 (2005: HK\$904,000).

(ix) CSS Foshan purchased finished products from Jinpeng during the year. The purchase consideration was determined with reference to the category and the prevailing market prices of the products. The total purchases from Jinpeng during the year amounted to HK\$2,281,000 (2005: Nil).

All of the above related party transactions also constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules.

Year end balances with related parties:

Receivable from/(payable to) Jinghua	應收／(應付)京華賬款
Payable to Jinpeng	應付金鵬珠寶賬款

The receivable from/payable to related parties are unsecured, interest-free and have no fixed terms of repayment.

## 財務報告附註

2006年12月31日

### 35. 關連人士交易 (續)

#### (a) 與關連人士進行之交易 (續)

(viii) 本公司一間全資附屬公司與京華於2005年12月20日就於2006年12月31日止一年內委聘京華提供鑽石毛坯打磨服務訂立一項協議。收費按協定之價格表收取，價格表內收費經參考市場價格後釐定。年內繳付京華之加工費總額為1,679,000港元(2005年：904,000港元)。

(ix) 周生生珠寶(佛山)於年內向金鵬珠寶採購成貨。採購價格乃根據貨品之類別及當時市價釐定。年內向金鵬珠寶採購總額為2,281,000港元(2005年：無)。

上述所有關連交易，按上市規則第14A章定義，亦構成持續關連交易。

與關連人士之年終結餘：

Group 集團	
2006 HK\$'000 千港元	2005 HK\$'000 千港元
(1,867)	418
(1,809)	(247)

應收／應付關連人士賬款乃無抵押、免息及並無固定還款期。

## NOTES TO FINANCIAL STATEMENTS

31 December 2006

### 35. Connected and Related Party Transactions (continued)

#### (b) Guarantees for non-wholly-owned subsidiaries

The Company and a wholly-owned subsidiary of the Company have provided joint and several corporate guarantees to banks for facilities granted to certain non-wholly-owned subsidiaries. The utilised amount of such facilities, which also represent the financial exposure of the Group as at the balance sheet date, amounted to approximately HK\$90,766,000 (2005: HK\$73,901,000). The total amount of such facilities amounted to approximately HK\$98,673,000 (2005: HK\$76,864,000).

#### (c) Remuneration of key management personnel of the Group

The aggregate amount of remuneration paid to key management personnel during the year, including amounts paid to the Company's executive directors, is as follows:

Fees	袍金
Salaries and allowances	薪金及津貼
Discretionary bonuses paid and payable	已付及應付酌情花紅
Pension scheme contributions	退休金計劃供款

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

## 財務報告附註

2006年12月31日

### 35. 關連人士交易 (續)

#### (b) 就非全資附屬公司提供之擔保

本公司及本公司一間全資附屬公司已就授予若干非全資附屬公司之銀行信貸向銀行提供共同及各別之公司擔保。該等信貸之已動用金額，亦即本集團於結算日之財務風險，約為90,766,000港元（2005年：73,901,000港元）。該信貸總額約為98,673,000港元（2005年：76,864,000港元）。

#### (c) 本集團主要管理人員酬金

年內，已付主要管理人員之酬金總額，包括已付本公司執行董事之金額，詳列如下：

Group 集團	
2006 HK\$'000 千港元	2005 HK\$'000 千港元
500	391
13,162	12,296
4,706	2,365
552	508
<u>18,920</u>	<u>15,560</u>

董事酬金詳情載於財務報告附註8。

## NOTES TO FINANCIAL STATEMENTS

31 December 2006

### 36. Financial Risk Management Objectives and Policies

#### (a) Financial risk factors

The Group's principal financial instruments comprise bank loans and overdrafts, and cash and bank deposits. The main purpose of these financial instruments is to finance the Group's operations. The Group has various other financial assets and liabilities such as accounts receivable and accounts payable, which arise directly from its operations.

The Group's overall risk management policies focus on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by management under the policies approved by the Board and it identifies, evaluates and monitors financial risks in close co-operation with the Group's operating units.

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

#### *Interest rate risks*

The Group is exposed to interest rate risks due to changes in interest rates of interest-bearing financial assets and liabilities. Interest-bearing financial assets are mainly deposits with banks which are mostly short term in nature whereas interest-bearing financial liabilities are primarily short term bank borrowings with primarily floating interest rates. The Group is therefore exposed to both fair value and cash flow interest rate risks. The Group's policy is to obtain the most favourable interest rates available without increasing its foreign currency exposure.

## 財務報告附註

2006年12月31日

### 36. 財務風險管理目標及政策

#### (a) 財務風險因素

本集團之主要金融工具包括銀行貸款及透支、現金及銀行存款。此等金融工具之主要用途乃為本集團之業務提供資金。本集團有若干其他財務資產及負債，如直接自其業務產生之應收賬款及應付賬款。

本集團之整體風險管理政策針對金融市場之難以預測性，並尋求減低對本集團財務表現構成之潛在不利影響。風險管理乃由管理層根據董事會批核之政策進行，而管理層與本集團之營運單位緊密合作，以識別、評估及監察財務風險。

本集團金融工具所產生之主要風險為利率風險、外匯風險、信貸風險、流動資金風險及價格風險。董事會檢核並同意下文所概述管理各項此等風險之政策。

#### *利率風險*

本集團由於計息財務資產及負債之利率變動而承受利率風險。計息財務資產主要為銀行存款，大部分屬短期性質，而計息財務負債主要為短期銀行貸款，主要按浮動利率計息。本集團因此承受公平價值及現金流量利率兩方面之風險。本集團之政策乃在不增加其外匯風險之情況下爭取最有利之利率。

## NOTES TO FINANCIAL STATEMENTS

31 December 2006

## 財務報告附註

2006年12月31日

### 36. Financial Risk Management Objectives and Policies (continued)

#### (a) Financial risk factors (continued)

##### *Foreign currency risk*

The Group has transactional currency exposures mainly arising from sales and purchases by operating units in currencies other than the units' functional currency. The Group uses forward contracts to manage its foreign currency exposures on significant and recurring future commercial transactions mainly relating to its US dollar-denominated purchases. The forward currency contracts must be in the same currency as the hedged item. Hedging is only considered for firm commitments.

##### *Credit risk*

The accounts and other receivables represent the Group's major exposure to the credit risk arising from the default of the counterparty, with a maximum exposure equal to the carrying amount of these financial assets in the consolidated balance sheet. The Group has no significant concentration of credit risk with respect to its jewellery retail business as it has a large number of diversified customers. With respect to accounts receivable arising from the wholesale of diamonds and precious metals, the Group trades only with recognised and creditworthy third parties and bullion banks. The Group's margin clients accounts receivable arising from the ordinary course of business of dealing in securities are secured by the underlying pledged securities. The Group seeks to maintain strict control over its outstanding receivables and has its credit control policy to minimise the credit risk. In addition, all receivable balances are monitored on an ongoing basis and overdue balances are followed up by senior management. Accordingly, the Group's exposure to bad debts is not significant.

The credit risk of the Group's other financial assets, which mainly comprise cash and cash equivalents and investments in unlisted debt securities, arises from the default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

### 36. 財務風險管理目標及政策(續)

#### (a) 財務風險因素(續)

##### *外匯風險*

本集團之交易外幣風險主要來自業務單位以其功能貨幣以外之貨幣進行之買賣。本集團利用遠期合約管理其重大及經常性未來商業交易之外幣風險，該等交易主要以美元為單位之採購。遠期外幣合約必須用相同貨幣作對沖項目。本集團僅就確定承擔進行對沖。

##### *信貸風險*

應收及其他應收賬款乃本集團由於交易對手不履約而產生之主要信貸風險，最高風險相等於綜合資產負債表中此等財務資產之賬面值。由於珠寶零售業務擁有大量分散客戶，本集團就珠寶零售方面並無重大集中之信貸風險。鑽石及貴金屬批發產生之應收賬款方面，本集團僅與獲確認及有信譽之第三者及金商進行交易。本集團自日常業務中證券買賣產生之應收孖展客戶賬款以有關證券作抵押。本集團對逾期應收賬款維持嚴格控制，並設有信貸控制政策以減低信貸風險。此外，所有應收賬款結餘均會持續監察，逾期結餘由高級管理人員跟進。因此，本集團之壞賬風險並不重大。

本集團其他財務資產，主要包括現金及等同現金及非上市債務證券投資，其信貸風險產生自交易對手不履約，而最高風險相等於此等工具之賬面值。

## NOTES TO FINANCIAL STATEMENTS

31 December 2006

### 36. Financial Risk Management Objectives and Policies (continued)

#### (a) Financial risk factors (continued)

##### *Liquidity risk*

In the management of liquidity risk, the Group monitors and maintains level of cash and cash equivalents deemed adequate by management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The Group's treasury department's responsibility is to maintain a balance between continuity of funding and flexibility through the use of bank facilities in order to meet its liquidity requirements both in the short term and long term. All debts of the Group as at 31 December 2006 would mature in less than one year.

##### *Price risks*

##### *Commodity price*

The Group is exposed to commodity price risk mainly arising from price fluctuations in gold and platinum and other precious metals, which are the major raw materials used in producing jewellery ornaments. The Group hedges its exposure of commodity price risk through entering into bullion contracts.

##### *Equity securities price*

The Group has equity investments listed in Hong Kong. The fair value of these listed equity investments are affected by market forces and other factors. The Group holds the majority of listed equity investments for non-trading purpose.

#### (b) Fair value

The carrying amounts of the Group's financial assets and liabilities approximated to their fair values as at the balance sheet date.

## 財務報告附註

2006年12月31日

### 36. 財務風險管理目標及政策(續)

#### (a) 財務風險因素(續)

##### *流動資金風險*

在管理流動資金風險方面，本集團監控並維持現金及等同現金於管理人員認為足夠水平，為本集團運作提供資金及緩和現金流量波動之影響。本集團財政部門之責任為透過使用銀行信貸在資金之持續性及靈活性之間取得平衡，以配合其短期及長期流動資金需求。於2006年12月31日，本集團所有債項到期日均少於一年。

##### *價格風險*

##### *商品價格*

本集團須承受主要由黃金及鉑金及其他貴金屬為其主要使用作生產珠寶飾品之原材料的價格波動產生之商品價格風險。本集團透過訂立貴金屬合約對沖其承受之商品價格風險。

##### *股份證券價格*

本集團持有香港上市股份投資。此等上市股份投資之公平價值受市場力量及其他因素影響。本集團持有大部分上市股份投資作非買賣用途。

#### (b) 公平價值

本集團財務資產及負債之賬面值與其於結算日之公平價值相若。

## NOTES TO FINANCIAL STATEMENTS

31 December 2006

### 37. Comparative amounts

During the year, the Group considered it more appropriate to reclassify certain expenses and segment information in order to better reflect the underlying nature and allow a more appropriate presentation of the Group's results. The principal changes consist of the reclassifications of certain sale-related expenses from administrative expenses to selling and distribution costs; and the fair values of non-current listed equity investments from the business segment "Other business" and the geographical segment "Hong Kong and Macau" to corporate unallocated assets. Accordingly, the relevant comparative amounts of selling and distribution costs and administrative expenses of HK\$14,302,000 on the face of the consolidated profit and loss account, and segment assets and corporate unallocated assets of HK\$159,255,000 on the segment information as set out in note 4 to the financial statements have been reclassified to conform with the current year's presentation.

### 38. Approval of the Financial Statements

The financial statements were approved and authorised for issue by the board of directors on 28 March 2007.

## 財務報告附註

2006年12月31日

### 37. 比較數字

於年內，本集團認為將若干費用及分部資料重新分類更為適當，以更能反映其基本性質，及更適當地列報本集團之業績。主要改變包括將若干銷售相關費用由行政費用重新分類為銷售及分銷費用；將非流動上市股份投資之公平價值由業務分部「其他業務」及地區分部「香港及澳門」重新分類至總公司未分配資產。因此，有關綜合損益賬內銷售及分銷費用及行政費用之比較數字14,302,000港元以及財務報告附註4所載之分部資料內分部資產及總公司未分配資產之比較數字159,255,000港元已重新分類以符合本年度之呈報方式。

### 38. 財務報告之批核

本財務報告於2007年3月28日經董事會批核及授權刊發。