

For the year ended 31st December 2004

截至二零零四年十二月三十一日止年度

1. GENERAL

The Company is a public company incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The principal activities of the Group are the design, manufacture and sale of toys.

2. POTENTIAL IMPACT ARISING FROM THE RECENTLY ISSUED ACCOUNTING STANDARDS

In 2004, the Hong Kong Institute of Certified Public Accountants issued a number of new or revised Hong Kong Accounting Standards and Hong Kong Financial Reporting Standards (herein collectively referred to as "new HKFRSs") which are effective for accounting periods beginning on or after 1st January 2005. The Group has not early adopted these new HKFRSs in the financial statements for the year ended 31st December 2004.

The Group has commenced considering the potential impact of these new HKFRSs but is not yet in a position to determine whether these new HKFRSs would have a significant impact on how its results of operations and financial position are prepared and presented. These new HKFRSs may result in changes in the future as to how the results and financial position are prepared and presented.

3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention, as modified for the revaluation of certain properties and investments in securities.

1. 一般資料

本公司於百慕達註冊成立為獲豁免有限公司，其股份在香港聯合交易所有限公司（「聯交所」）上市。

本集團的主要業務為設計、製造及銷售玩具。

2. 近期頒布會計準則的潛在影響

於二零零四年香港會計師公會已頒布多項新增或經修訂香港財務報告準則及香港會計準則（「新增香港財務報告準則」），一般適用於二零零五年一月一日或之後開始計算的會計期間。本集團並未於截至二零零四年十二月三十一日止年度的財務報表內提早採納該等新增香港財務報告準則。

集團已著手評估採納新增香港財務報告準則，惟此等新增的會計準則會否對集團的營運業績及財務狀況構成重大影響，至今仍未能確定。

3. 主要會計政策

除了某些物業及證券投資是以重估價值列賬外，本財務報表是按歷史成本為基礎編制的。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

The financial statements have been prepared in accordance with accounting principles generally accepted in Hong Kong. The principal accounting policies adopted are as follows:

Basis of consolidation

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

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

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

Goodwill/negative goodwill

Goodwill/negative goodwill arising on consolidation represents the excess/shortfall of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary at the date of acquisition.

Goodwill arising on acquisitions prior to 1st January 2001 continues to be held in reserves. Goodwill will be charged to the income statement at the time of disposal of the relevant subsidiary, or at such time as the goodwill is determined to be impaired.

Goodwill arising on acquisitions on or after 1st January 2001 is capitalised and amortised on a straight-line basis over its useful economic life. Goodwill arising on the acquisition of subsidiaries is presented separately in the balance sheet.

3. 主要會計政策 (續)

本財務報表是依據香港普遍採納的會計原則編制而所採用的主要會計政策詳列如下：

綜合賬目基準

綜合財務報表包括本公司及其附屬公司每年截至十二月三十一日止之財務報表。

於本年度購入或售出之附屬公司業績由其收購生效日期起或截至出售生效日期止(如適用)列入綜合收益表內。

本集團內各公司之間所有重大交易及往來結餘於綜合賬目時抵銷。

商譽／負商譽

因綜合賬目所產生之商譽／負商譽指收購成本超過／低於本集團於收購當日所佔附屬公司個別資產與負債公平值之差額。

於二零零一年一月一日前因收購所產生之商譽將繼續計入儲備。商譽將於出售有關附屬公司當時或商譽確定出現減值當時自收益表扣除。

於二零零一年一月一日或之後因收購所產生之商譽將撥充資本，並以直線法按其可使用年期攤銷。因收購附屬公司所產生之商譽將分別在資產負債表呈列。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Goodwill/negative goodwill *(Continued)*

Negative goodwill arising on acquisitions on or after 1st January 2001 is presented as a deduction from assets and will be released to income based on an analysis of the circumstances from which the balance resulted.

To the extent that the negative goodwill is attributable to losses or expenses anticipated at the date of acquisition, it is released to income in the year in which those losses or expenses arise. The remaining negative goodwill is recognised as income on a straight-line basis over the remaining average useful life of the identifiable acquired depreciable assets. To the extent that such negative goodwill exceeds the aggregate fair value of the acquired identifiable non-monetary assets, it is recognised in income immediately.

Investments in subsidiaries

Investments in subsidiaries are included in the Company's balance sheet at cost less any identified impairment loss. The results of subsidiaries are accounted for by the Company on the basis of dividends received or receivable during the year.

Investment properties

Investment properties are completed properties which are held for their investment potential, any rental income being negotiated at arm's length.

Investment properties are stated at their open market value based on independent professional valuations at the balance sheet date. Any revaluation increase or decrease arising on the revaluation of investment properties is credited or charged to the investment property revaluation reserve unless the balance on this

3. 主要會計政策 (續)

商譽／負商譽 (續)

於二零零一年一月一日或之後因收購所產生之負商譽將列作資產減少，並會根據導致結餘之情況分析撥往收入。

倘負商譽乃由於預期收購當日之虧損或開支而產生，則會於出現虧損或開支之年度撥往收入。餘下之負商譽將以直線法按所收購個別可折舊資產之餘下平均可使用年期列作收入。倘有關負商譽超過所收購個別非貨幣資產之總公平值，則會即時列作收入。

於附屬公司的投資

於附屬公司之投資按成本撇除任何已確定的減值虧損計入本公司之資產負債表。附屬公司的業績是按已收或應收股息為基準於本公司入賬。

投資物業

投資物業乃已完成發展的物業及因其具投資價值而持有，任何租金收入概經正常非關連基礎商議而訂定。

投資物業每年均由獨立專業測量師於結算日以公開市值之基礎作出估值入賬。任何投資物業估值之增值或減值分別計入或扣除於投資物業重估儲備，如該儲備結餘不足以填補投資物業之減值時，則不足之數額撥入收益表內。倘該減值

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Investment properties *(Continued)*

reserve is insufficient to cover a revaluation decrease, in which case the excess of the revaluation decrease over the balance on the investment property revaluation reserve is charged to the income statement. Where a decrease has previously been charged to the income statement and a revaluation increase subsequently arises, this increase is credited to the income statement to the extent of the decrease previously charged.

On disposal of an investment property, the balance on the investment property revaluation reserve attributable to that property is transferred to the income statement.

No depreciation is provided on investment properties except where the unexpired term of the relevant lease is 20 years or less.

Property, plant and equipment

Property, plant and equipment, other than land and buildings, are stated at cost less accumulated depreciation and impairment loss, if any. The cost of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its present 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 and overhaul costs, is normally charged to the income statement 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 the asset, the expenditure is capitalised as an additional cost of the asset.

3. 主要會計政策 (續)

投資物業 (續)

於往年扣除於收益表在重估時出現增值，此增值數額達以往扣除之減值記入收益表。

於出售投資物業時，其有關在投資物業重估儲備之結餘會轉至收益表內。

投資物業不作折舊，除非該等物業租約餘期為二十年或以下。

物業、廠房及設備

物業、廠房及設備(土地及樓宇除外)乃按成本減累計折舊及減值虧損列賬。資產之成本值，包括其購買價及使該項資產達至現時營運狀態和地點以用於其擬定用途之任何直接應佔成本。物業、廠房及設備於運作後所產生之支出，包括保養費及維修之費用乃記入當期收益表內。倘若情況明確顯示所支出費用可增加該資產預期使用所帶來之經濟效益，則該費用可撥充資本，作為資產之額外成本值。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Property, plant and equipment *(Continued)*

Land and buildings, other than the factory under construction which is stated at cost, are stated in the balance sheet at their revalued amount, being the fair value at the date of revaluation less subsequent accumulated depreciation and impairment loss, if any. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the balance sheet date.

Any increase arising on revaluation of land and buildings is credited to the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised as an expense, in which case this increase is credited to the income statement to the extent of the decrease previously charged. A decrease in net carrying amount arising on revaluation of an asset is dealt with as an expense to the extent that it exceeds the balance, if any, on the revaluation reserve relating to a previous revaluation of that asset. On the subsequent sale or retirement of a revalued asset, the attributable revaluation increase is transferred to retained profits.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement.

3. 主要會計政策 (續)

物業、廠房及設備 (續)

持作自用之土地及樓宇(除在建廠房按成本外)按重估數額(乃根據重估日之公平價減去任何其後之折舊及減值損失)列於資產負債表。重估工作定期性進行，達至資產於結算日之賬面值與其公平價值並無重大差異。

重估土地及樓宇所得之增值均計入資產重估儲備內，除非該項增值是同一資產於過往因重估而減值並計入收益表確認為支出，在此情況下，此增值按以往扣除的減值撥入收益表。重估引致之賬面淨值減幅若高於該資產過往重估有關之資產重估儲備結餘(如有)，則超出之減值額計入收益表內。其後銷售或廢置之重估資產，其應計重估增值轉入留存溢利。

出售及廢置資產所產生之收益或虧損乃指銷售所得款項與資產賬面值兩者之差額，並於收益表中確認。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Property, plant and equipment *(Continued)*

Depreciation is provided to write off the cost or valuation of items of property, plant and equipment, other than factory under construction, over their estimated useful lives using the straight-line method as follows:

| Category of assets | Estimated useful lives |
|-----------------------------|---|
| Leasehold land | Over the remaining term of the lease |
| Buildings | 20 to 25 years or over the term of the land lease, if shorter |
| Plant and machinery | 5 years |
| Moulds and tools | 3 years |
| Other tangible fixed assets | 4 to 5 years |

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the first-in, first-out method.

Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development expenditure is recognised only if it is anticipated that the development costs incurred on a clearly-defined project will be recovered through future commercial activity. The resultant asset is amortised on a straight-line basis over its useful life.

Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred.

3. 主要會計政策 (續)

物業、廠房及設備 (續)

折舊乃按物業、廠房及設備(除在建廠房外)之估計可用年限以直線法撇銷成本值或估值如下:

| 資產類別 | 估計可用年限 |
|----------|-----------------------|
| 租約土地 | 按剩餘租約年期 |
| 樓宇 | 20至25年或按土地租約年期，兩者之較短者 |
| 設備及機器 | 5年 |
| 模具及工具 | 3年 |
| 其他有形固定資產 | 4至5年 |

存貨

存貨按成本或可變現淨值兩者中較低者入賬。成本以先入先出法計算。

研究及發展費用

研究費用將於產生期間列作開支。

因發展費用產生之內部無形資產僅會於預期清楚界定之項目所產生之發展成本將可透過日後商業活動而收回時確認入賬。有關資產將以直線法按其可使用年期攤銷。

倘並無內部無形資產可確認入賬，則發展開支將於產生期間列作開支。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Impairment

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment loss is recognised as an expense immediately, unless the relevant asset is carried at revalued amount under another Standard, in which case the impairment loss is treated as a revaluation decrease under that Standard.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount under another Standard, in which case the reversal of the impairment loss is treated as a revaluation increase under that Standard.

Investments in securities

Investments in securities are recognised on a trade-date basis and are initially measured at cost.

3. 主要會計政策 (續)

減值

於每一結算日，本集團審閱其有形及無形資產之賬面值，釐定是否有跡象顯示該等資產會有所減值。倘資產估計之變現值低於賬面值，則會將資產賬面值降至變現值。減值虧損發生時即時確認為費用，惟該等資產根據另一會計實務準則以重估金額列賬除外，而在此情況下，則根據該會計實務準則將減值虧損列為重估減值。

倘其後減值虧損逆轉，則會將資產之賬面值計入經修訂之估計變現值，惟已增加之賬面值不得超過假設資產於過往年度並無減值虧損而計算之賬面值。減值虧損逆轉隨即確認為收入，惟將有關資產根據另一會計實務準則以重估金額列賬除外，而在此情況下，會根據該會計實務準則將減值虧損逆轉列為重估增值。

證券投資

證券投資按交易日作為基準予以確認，而初時則會以成本計量。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Investments in securities *(Continued)*

At subsequent reporting dates, debt securities that the Group has the expressed intention and ability to hold to maturity (held-to-maturity securities) are measured at amortised cost, less any impairment loss recognised to reflect irrecoverable amounts. Annual amortisation of any discount or premium on the acquisition of a held-to-maturity security is aggregated with other investment income receivable over the term of the instrument so that the revenue recognised in each period represents a constant yield on the investment.

Other securities, being securities acquired for dealing purposes, are measured at fair value with unrealised gains and losses included in net profit or loss for the year.

Operating leases

Operating leases are leases whereby substantially all the risks and rewards of ownership of the assets remain with the lessors. Rentals payable (receivable) under operating leases are charged (credited) to the income statement on a straight-line basis over the relevant lease terms.

Retirement benefit costs

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Taxation

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

3. 主要會計政策 (續)

證券投資 (續)

在往後的報告日，本集團有意及能力持有至到期日的債務證券（即持有至到期日債務證券），會以攤餘成本減任何已確認以反映不可收回的金額的減值來計量。而因購買持有至到期日證券發生的每年攤餘折扣或溢價，則會在該投資工具的期限內，與該項投資的其他應收投資收入合計，以使在每個期間能確認一固定回報率的收入。

其他持作買賣的證券以公平價值計量，並將未實現收益或虧損列入本期的溢利或虧損淨額。

經營租約

經營租約指其資產擁有權之絕大部份風險及回報屬於出租者之租約。每年應付或應收的租金乃以直線法按有關租賃期間於收益表中扣除或計入。

退休福利成本

支付退休福利計劃之款項，於到期時計入為開支。

稅項

所得稅開支指現時應付稅項及遞延稅項。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Taxation *(Continued)*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes income statement items that are never taxable or deductible.

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

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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

3. 主要會計政策 (續)

稅項 (續)

現時應付稅項乃按年內應課稅溢利計算。應課稅溢利與收益表中所報溢利淨額不同，乃由於前者不包括在其他年度應課稅或可扣稅收入或開支，並且不包括收益表內從未課稅或扣稅之項目。

遞延稅項為就財務報表資產及負債賬面值及計算應課稅溢利相應稅基差額而須支付或收回之稅項，並以資產負債表負債法處理。遞延稅項負債通常會就所有應課稅暫時性差額確認，而遞延稅項資產乃按可能出現可利用暫時性差異扣稅之應課稅溢利時提撥。若於一項交易中，因商譽(或負商譽)或因業務合併以外原因開始確認其他資產及負債而引致之暫時性差異既不影響應課稅溢利亦不影響會計溢利，則不會確認該等資產及負債。

遞延稅項負債乃按因於附屬公司之投資而引致之應課稅臨時差額而確認，惟若本集團可控制之臨時差額對沖及臨時差額有可能未必於可見將來返還之情況除外。

遞延稅項資產之賬面值於每個結算日作檢討，並在沒可能於會有足夠應課稅溢利恢復全部或部分資產價值時作調減。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Taxation *(Continued)*

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

Foreign currencies

Transactions in foreign currencies are translated at the exchange rates prevailing on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are re-translated at the exchange rates prevailing on the balance sheet date. Profits and losses arising on exchange are included in net profit or loss for the period.

On consolidation, the assets and liabilities of foreign subsidiaries are translated at the exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are classified as equity and transferred to the Group's exchange translation reserve. Such translation differences are recognised as income or as expenses in the period in which the subsidiary is disposed of.

Revenue recognition

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

Sales of investments are recognised when the sale agreement becomes unconditional and it is probable that the economic benefits associated with the sale will flow to the Group.

3. 主要會計政策 (續)

稅項 (續)

遞延稅項乃按預期於負債清償或資產變現期間適用之稅率計算。遞延稅項於收益表中扣除或計入收益表，惟倘遞延稅項直接在股本權益中扣除或計入股本權益之情況除外(在此情況下遞延稅項亦會於股本權益中處理)。

外幣

以外幣進行之交易乃以交易當日之匯率進行換算。以外幣結算之貨幣資產及負債以結算日之匯率進行換算。滙兌收益及虧損均計入收益表。

在綜合賬目內，以外幣值編制的附屬公司資產及負債，均以結算日之匯率進行換算，收入及支出項目則按本年度之平均匯率換算。因編制綜合賬目而產生之一切滙兌差額則撥入儲備賬內，在出售有關業務時作為收入或支出處理。

收入確認

貨品銷售於貨品付運及擁有權轉讓時確認。

出售投資之收益乃於銷售合約成為無條件及可預計其出售引致之經濟利益將會流入本集團時確認入賬。

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For the year ended 31st December 2004

截至二零零四年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Revenue recognition *(Continued)*

Interest income from bank deposits is accrued on a time basis by reference to the principal outstanding and at the interest rate applicable.

Dividend income from investments is recognised when the Group's rights to receive payment have been established.

Rental income in respect of properties is recognised on a straight-line basis over the term of the lease.

4. BUSINESS AND GEOGRAPHICAL SEGMENTS

Business segments

The Group is principally engaged in the design, manufacture and sales of toys. Turnover represents the net amounts received and receivable for goods sold by the Group to outside customers during the year. The businesses based upon which the Group reports its primary segment information are as follows:

Own Brand — Manufacture of toys designed/ developed by the Group and sold under the Group's brand name or the labels of licensors.

OEM/ODM — Manufacture of toys with design originated from customers and where the toolings are owned by customers.

Moulds — Manufacture of moulds for sale to customers.

3. 主要會計政策 (續)

收入確認 (續)

銀行存款利息收入按時間基礎根據未償還本金及適用利率累計。

投資之股息收入於本集團有權收取款項時確認。

物業之租金收入按租約條款以直線法確認。

4. 業務及地區分類

業務分類

本集團之主要業務為設計、製造及銷售玩具。營業額指年內本集團售貨予外間客戶已收取及應收取之款項淨額。本集團以主要分類資料呈報之業務如下：

自設品牌 — 製造由本集團設計／開發之玩具，並以本集團品牌或客戶商標銷售。

OEM／ODM — 製造有關設計由客戶提供而有關生產工具由客戶擁有之玩具。

工模 — 製造供售予客戶之工模。

NOTES TO THE FINANCIAL STATEMENTS

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For the year ended 31st December 2004

截至二零零四年十二月三十一日止年度

4. BUSINESS AND GEOGRAPHICAL SEGMENTS *(Continued)*

Segment information about these businesses is presented below.

Results and Revenue

Year ended 31st December 2004

4. 業務及地區分類 (續)

有關該等業務之分類資料載於下文。

業績及收入

截至二零零四年十二月三十一日止年度

| | | Own Brand 自設品牌 HK\$'000 千港元 | OEM/ ODM HK\$'000 千港元 | Moulds 工模 HK\$'000 千港元 | Consolidated 綜合 HK\$'000 千港元 |
|---------------------------------------|------------|---|--------------------------------|---------------------------------|---------------------------------------|
| TURNOVER | 營業額 | | | | |
| External sales | 對外銷售 | 522,215 | 59,595 | 1,275 | 583,085 |
| RESULT | 業績 | | | | |
| Segment result | 分類業績 | 79,235 | 5,703 | 122 | 85,060 |
| Interest and other income | 利息及其他收入 | | | | 9,189 |
| Increase on revaluation of properties | 重估物業增值 | | | | 3,609 |
| Unallocated corporate expenses | 未經分配之集團費用 | | | | (37,821) |
| Profit from operations | 經營溢利 | | | | 60,037 |
| Finance costs | 財務費用 | | | | (4) |
| Profit before taxation | 稅前溢利 | | | | 60,033 |
| Income tax expense | 稅務開支 | | | | (6,124) |
| Net profit for the year | 本年度溢利淨額 | | | | 53,909 |

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

As 31st December 2004

於二零零四年十二月三十一日

4. BUSINESS AND GEOGRAPHICAL SEGMENTS (Continued)

4. 業務及地區分類 (續)

Balance Sheet

At 31st December 2004

資產負債表

於二零零四年十二月三十一日

| | | Own Brand 自設品牌 HK\$'000 千港元 | OEM/ ODM HK\$'000 千港元 | Moulds 工模 HK\$'000 千港元 | Consolidated 綜合 HK\$'000 千港元 |
|-----------------------------------|-----------|---|--------------------------------|---------------------------------|---------------------------------------|
| ASSETS | 資產 | | | | |
| Segment assets | 分類資產 | 157,537 | 27,607 | 1,572 | 186,716 |
| Investment properties | 投資物業 | | | | 7,500 |
| Investments in securities | 證券投資 | | | | 73,789 |
| Unallocated corporate assets | 未經分配之集團資產 | | | | 400,110 |
| Consolidated total assets | 綜合總資產 | | | | 668,115 |
| LIABILITIES | 負債 | | | | |
| Segment liabilities | 分類負債 | 17,954 | 2,513 | 493 | 20,960 |
| Unallocated corporate liabilities | 未經分配之集團負債 | | | | 60,378 |
| Consolidated total liabilities | 綜合總負債 | | | | 81,338 |

NOTES TO THE FINANCIAL STATEMENTS

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As 31st December 2004

於二零零四年十二月三十一日

4. BUSINESS AND GEOGRAPHICAL SEGMENTS (Continued)

Other Information

Year ended 31st December 2004

4. 業務及地區分類 (續)

其他資料

截止二零零四年十二月三十一日止年度

| | | Own Brand 自設品牌 HK\$'000 千港元 | OEM/ ODM HK\$'000 千港元 | Moulds 工模 HK\$'000 千港元 | Unallocated 未經分配 HK\$'000 千港元 | Total 綜合 HK\$'000 千港元 |
|---|-----------------------|---|--------------------------------|---------------------------------|--|--------------------------------|
| ASSETS | 資產 | | | | | |
| Capital additions | 資本增加 | 15,811 | — | 7 | 10,446 | 26,264 |
| Depreciation of property, plant and equipment | 物業、廠房 及設備折舊 | 36,837 | 3,076 | 622 | 1,158 | 41,693 |
| Loss on disposal of property, plant and equipment | 出售物業、 廠房及設備 之虧損 | — | — | — | 317 | 317 |

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31st December 2004

截至二零零四年十二月三十一日止年度

4. BUSINESS AND GEOGRAPHICAL SEGMENTS (Continued)

Results and Revenue

Year ended 31st December 2003

4. 業務及地區分類 (續)

業績及收入

截至二零零三年十二月三十一日止年度

| | | Own Brand 自設品牌 HK\$'000 千港元 | OEM/ ODM HK\$'000 千港元 | Moulds 工模 HK\$'000 千港元 | Consolidated 綜合 HK\$'000 千港元 |
|---------------------------------------|------------|---|--------------------------------|---------------------------------|---------------------------------------|
| TURNOVER | 營業額 | | | | |
| External sales | 對外銷售 | 516,610 | 56,374 | 721 | 573,705 |
| RESULT | 業績 | | | | |
| Segment result | 分類業績 | 125,439 | 7,203 | 63 | 132,705 |
| Interest and other income | 利息及其他收入 | | | | 8,654 |
| Decrease on revaluation of properties | 重估物業減少 | | | | (127) |
| Unallocated corporate expenses | 未經分配之集團費用 | | | | (41,593) |
| Profit from operations | 經營溢利 | | | | 99,639 |
| Finance costs | 財務費用 | | | | (9) |
| Profit before taxation | 稅前溢利 | | | | 99,630 |
| Income tax expense | 稅務開支 | | | | (11,586) |
| Net profit for the year | 本年度溢利淨額 | | | | 88,044 |

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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As 31st December 2004

於二零零四年十二月三十一日

4. BUSINESS AND GEOGRAPHICAL SEGMENTS *(Continued)*

Balance Sheet

At 31st December 2003

4. 業務及地區分類 (續)

資產負債表

於二零零三年十二月三十一日

| | | Own Brand 自設品牌 HK\$'000 千港元 | OEM/ ODM HK\$'000 千港元 | Moulds 工模 HK\$'000 千港元 | Consolidated 綜合 HK\$'000 千港元 |
|-----------------------------------|-----------|---|--------------------------------|---------------------------------|---------------------------------------|
| ASSETS | 資產 | | | | |
| Segment assets | 分類資產 | 166,879 | 14,354 | 2,065 | 183,298 |
| Investment properties | 投資物業 | | | | 4,400 |
| Investments in securities | 證券投資 | | | | 82,823 |
| Unallocated corporate assets | 未經分配之集團資產 | | | | 372,281 |
| Consolidated total assets | 綜合總資產 | | | | 642,802 |
| LIABILITIES | 負債 | | | | |
| Segment liabilities | 分類負債 | 20,703 | 2,615 | 766 | 24,084 |
| Unallocated corporate liabilities | 未經分配之集團負債 | | | | 54,097 |
| Consolidated total liabilities | 綜合總負債 | | | | 78,181 |

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

As 31st December 2004

於二零零四年十二月三十一日

4. BUSINESS AND GEOGRAPHICAL SEGMENTS (Continued)

Other Information

Year ended 31st December 2003

4. 業務及地區分類 (續)

其他資料

截止二零零三年十二月三十一日止年度

| | | Own Brand 自設品牌 HK\$'000 千港元 | OEM/ ODM HK\$'000 千港元 | Moulds 工模 HK\$'000 千港元 | Unallocated 未經分配 HK\$'000 千港元 | Total 綜合 HK\$'000 千港元 |
|---|-----------------------|---|--------------------------------|---------------------------------|--|--------------------------------|
| ASSETS | 資產 | | | | | |
| Capital additions | 資本增加 | 7,576 | — | — | 48,955 | 56,531 |
| Depreciation of property, plant and equipment | 物業、廠房及 設備折舊 | 30,700 | 2,705 | 762 | 4,023 | 38,190 |
| Loss on disposal of property, plant and equipment | 出售物業、 廠房及 設備之虧損 | — | — | — | 2,039 | 2,039 |
| Allowance for doubtful trade receivables | 應收款項的 呆賬撥備 | 5,000 | — | — | — | 5,000 |

NOTES TO THE FINANCIAL STATEMENTS

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RBI HOLDINGS LIMITED 紅發集團有限公司

ANNUAL REPORT 2004 二零零四年年報

For the year ended 31st December 2004

截至二零零四年十二月三十一日止年度

4. BUSINESS AND GEOGRAPHICAL SEGMENTS *(Continued)*

Geographical segments

The marketing of the Group's products is substantially carried out in Hong Kong while the Group's manufacturing activities are carried out in other regions in the People's Republic of China (the "PRC").

The following table provides an analysis of the Group's sales by geographical market, irrespective of the origin of the goods:

| | | 2004 二零零四年 HK\$'000 千港元 | 2003 二零零三年 HK\$'000 千港元 |
|--------------------------|------|----------------------------------|----------------------------------|
| North America | 北美洲 | | |
| United States of America | 美國 | 233,351 | 249,261 |
| Canada | 加拿大 | 37,356 | 24,535 |
| Europe | 歐洲 | 230,671 | 226,768 |
| Asia | 亞洲 | 34,145 | 32,630 |
| Other locations | 其他地區 | 47,562 | 40,511 |
| | | 583,085 | 573,705 |

The following is an analysis of the carrying amounts of segment assets and additions to property, plant and equipment, analysed by the geographical area in which the assets are located:

| | | Carrying amounts of segment assets 分類資產之賬面值 | | Additions to property, plant and equipment 物業、廠房及設備添置 | |
|-----------------|------|---|----------------------------------|---|----------------------------------|
| | | 2004 二零零四年 HK\$'000 千港元 | 2003 二零零三年 HK\$'000 千港元 | 2004 二零零四年 HK\$'000 千港元 | 2003 二零零三年 HK\$'000 千港元 |
| Hong Kong | 香港 | 275,951 | 255,841 | 524 | 30,544 |
| The PRC | 中國 | 300,950 | 293,367 | 25,467 | 25,961 |
| Other locations | 其他地區 | 91,214 | 93,594 | 273 | 26 |
| | | 668,115 | 642,802 | 26,264 | 56,531 |

4. 業務及地區分類 (續)

地區分類

本集團之大部份產品於香港銷售，而本集團之生產業務均於中華人民共和國（「中國」）其他地區進行。

本集團銷售按地區市場分類（不根據原產地釐定）之分析提供如下：

分類資產賬面值以及物業、廠房及設備添置按資產之所屬地區分析如下：

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31st December 2004

截至二零零四年十二月三十一日止年度

5. OTHER OPERATING INCOME

5. 其他經營收入

| | | 2004 二零零四年 HK\$'000 千港元 | 2003 二零零三年 HK\$'000 千港元 |
|---|--|----------------------------------|----------------------------------|
| Other operating income includes: 其他經營收入包括： | | | |
| Interest on bank deposits 銀行存款利息 | | 1,785 | 1,278 |
| Yield on held-to-maturity securities 持有至到期日證券回報 | | 5,404 | 3,786 |
| Dividends from listed securities 上市證券之股息收入 | | 11 | 23 |
| Rentals from investment properties 投資物業之租金收入 | | 376 | 339 |

6. INCREASE (DECREASE) ON REVALUATION OF PROPERTIES

6. 重估物業增值(減值)

| | | 2004 二零零四年 HK\$'000 千港元 | 2003 二零零三年 HK\$'000 千港元 |
|---|--|----------------------------------|----------------------------------|
| Increase (decrease) on revaluation of properties 重估物業增值(減值) | | | |
| Land and buildings for own use (Note 13) 自用物業(附註13) | | 509 | (127) |
| Investment properties (Note 14) 投資物業(附註14) | | 3,100 | — |
| | | 3,609 | (127) |

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31st December 2004

截至二零零四年十二月三十一日止年度

7. PROFIT FROM OPERATIONS**7. 經營溢利**

| | | 2004 二零零四年 HK\$'000 千港元 | 2003 二零零三年 HK\$'000 千港元 |
|--|--------------------|----------------------------------|----------------------------------|
| Profit from operations has been arrived at after charging (crediting): | 經營溢利已扣除(計入)下列項目: | | |
| Auditors' remuneration | 核數師酬金 | 989 | 932 |
| Allowance for doubtful trade receivables | 應收款項的呆賬撥備 | — | 5,000 |
| Depreciation of property, plant and equipment | 物業、廠房及設備的折舊 | 41,693 | 38,190 |
| Loss on disposal of property, plant and equipment | 出售物業、廠房及設備之虧損 | 317 | 2,039 |
| Research and development expenditure | 研究及發展成本 | 9,482 | 9,357 |
| Staff costs including directors' remuneration (see note below) | 包括董事酬金之職工成本(見下列附註) | 111,358 | 108,478 |
| Net realised gain on other equity securities | 其他資本證券買賣的收益淨額 | (105) | (17) |
| Net unrealised holding gain on other equity securities | 其他資本證券買賣的未實現收益淨額 | (65) | (117) |
| Net exchange loss | 滙差虧損淨額 | 41 | 353 |

Note: The staff costs disclosed above include the Group's contributions to retirement benefit schemes amounting to HK\$2,486,000 (2003: HK\$2,522,000).

附註：上述職工成本包括僱主對退休福利計劃作出之供款2,486,000港元(二零零三年：2,522,000港元)。

8. FINANCE COSTS**8. 財務費用**

| | | 2004 二零零四年 HK\$'000 千港元 | 2003 二零零三年 HK\$'000 千港元 |
|-----------------------------|--------|----------------------------------|----------------------------------|
| Interest on bank overdrafts | 銀行透支利息 | 4 | 9 |

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31st December 2004

截至二零零四年十二月三十一日止年度

9. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

(a) Directors' emoluments

| | | 2004 二零零四年 HK\$'000 千港元 | 2003 二零零三年 HK\$'000 千港元 |
|---|--------------|----------------------------------|----------------------------------|
| Directors' fees | 董事袍金 | 757 | 742 |
| Other emoluments | 其他酬金 | | |
| Basic salaries, allowances and benefits-in-kind | 底薪、津貼及其他實物利益 | 4,926 | 5,370 |
| Performance related incentive payments | 按工作表現獎金 | 3,635 | 3,630 |
| Retirement benefit scheme contributions | 退休福利計劃之供款 | 246 | 268 |
| Total emoluments | 總酬金 | 9,564 | 10,010 |

The amounts disclosed above include directors' fees of HK\$265,000 (2003: HK\$250,000) and HK\$492,000 (2003: HK\$492,000) paid or payable to three (2003: two) independent non-executive directors and three (2003: three) non-executive directors respectively.

The emoluments of the directors are within the following bands:

| HK\$ 港元 | | Number of directors 董事數目 | Number of directors 董事數目 |
|-----------------------|---------------------|--------------------------------|--------------------------------|
| | | 2004 二零零四年 | 2003 二零零三年 |
| 4,500,001 — 5,000,000 | 4,500,001至5,000,000 | 1 | 1 |
| 1,000,001 — 1,500,000 | 1,000,001至1,500,000 | 3 | 4 |
| Nil — 1,000,000 | 無至1,000,000 | 7 | 5 |

9. 董事及高級職員酬金

(a) 董事酬金

以上披露數額包括已支付或應付袍金予三位(二零零三年:二位)獨立非執行董事及三位(二零零三年:三位)非執行董事,分別為265,000港元(二零零三年:250,000港元)及492,000港元(二零零三年:492,000港元)。

董事之酬金介乎組別如下:

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For the year ended 31st December 2004

截至二零零四年十二月三十一日止年度

9. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (Continued)

(b) Employees' emoluments

The emoluments of the five highest paid employees which included four (2003: three) directors are set out below:

| | 2004 二零零四年 HK\$'000 千港元 | 2003 二零零三年 HK\$'000 千港元 |
|--|----------------------------------|----------------------------------|
| Basic salaries, allowances and other benefits-in-kind 底薪、津貼及其他實物利益 | 5,239 | 4,969 |
| Performance related incentive payments 按工作表現獎金 | 4,205 | 4,282 |
| Retirement benefit scheme contributions 退休福利計劃之供款 | 229 | 192 |
| | 9,673 | 9,443 |

Their emoluments are within the following bands:

彼等酬金介乎組別如下：

| HK\$ 港元 | | 2004 二零零四年 Number of employees 僱員數目 | 2003 二零零三年 Number of employees 僱員數目 |
|-----------------------|---------------------|---|---|
| 4,500,001 — 5,000,000 | 4,500,001至5,000,000 | 1 | 1 |
| 1,000,001 — 1,500,000 | 1,000,001至1,500,000 | 4 | 4 |

9. 董事及高級職員酬金 (續)

(b) 職員酬金

五名最高薪職員包括四名(二零零三年：三名)董事，其酬金詳情如下：

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31st December 2004

截至二零零四年十二月三十一日止年度

10. INCOME TAX EXPENSE

10. 稅務開支

| | | 2004 二零零四年 HK\$'000 千港元 | 2003 二零零三年 HK\$'000 千港元 |
|--------------------------------------|------------|----------------------------------|----------------------------------|
| Current tax: | 本年度稅項： | | |
| Hong Kong | 香港 | 3,997 | 5,374 |
| The PRC | 中國 | 3,056 | 6,871 |
| Other jurisdictions | 其他司法地區 | — | 37 |
| | | 7,053 | 12,282 |
| (Over) underprovision | (超額) 不足撥備 | | |
| Hong Kong | 香港 | (445) | — |
| The PRC | 中國 | 95 | — |
| Other jurisdictions | 其他司法地區 | 4 | — |
| | | (346) | — |
| Deferred taxation (note 24) | 遞延稅項(附註24) | | |
| Current year | 本年度 | (583) | (835) |
| Attributable to a change in tax rate | 稅率變動所致 | — | 139 |
| | | (583) | (696) |
| | | 6,124 | 11,586 |

Hong Kong Profits Tax is calculated at 17.5% (2003: 17.5%) of the estimated assessable profit for the year.

香港利得稅乃根據本年度估計應課稅溢利按稅率17.5%(二零零三年:17.5%)計算。

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

中國及其他司法地區所產生之稅項乃按有關司法地區實行之稅率計算。

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For the year ended 31st December 2004

截至二零零四年十二月三十一日止年度

10. INCOME TAX EXPENSE (Continued)

The tax charge for the year can be reconciled to the profit per the income statement as follows:

10. 稅務開支 (續)

本年度稅務開支與收益表內之溢利對賬詳情如下：

| | | 2004 二零零四年 HK\$'000 千港元 | 2003 二零零三年 HK\$'000 千港元 |
|--|---|----------------------------------|----------------------------------|
| Profit before taxation | 除稅前溢利 | 60,033 | 99,630 |
| Tax at the domestic income tax rate of 17.5% (2003: 17.5%) | 按本地利得稅稅率17.5% (二零零三年：17.5%) 計算之稅項 | 10,506 | 17,435 |
| Tax effect of expenses not deductible | 不可扣減開支之 稅務影響 | 111 | 1,237 |
| Tax effect of income not taxable | 免稅收入之稅務影響 | (1,582) | (1,883) |
| Tax effect of profit not chargeable to tax (note) | 免稅溢利之稅務影響 (附註) | (2,139) | (3,035) |
| Effect of different tax rates of subsidiaries operating in other jurisdictions | 於其他司法地區經營之 附屬公司之不同稅率影響 | (2,224) | (2,811) |
| Tax effect of deferred tax assets not recognised | 未確認遞延稅項資產之 影響 | 1,768 | 2,317 |
| Utilisation of deferred tax assets previously not recognised | 實現前期未確認遞延稅 項資產之影響 | (493) | (1,385) |
| Overprovision in respect of prior year | 過往年度超額撥備 | (346) | — |
| Effect of a change in applicable tax rate on deferred tax assets brought forward | 遞延稅項資產留存 於稅率改變之影響 | — | 139 |
| Others | 其他 | 523 | (428) |
| Income tax expense for the year | 本年度之稅務開支 | 6,124 | 11,586 |

Note:

The profits of certain subsidiaries' are subject to Hong Kong Profits Tax on a 50:50 apportionment basis.

附註：

若干附屬公司之溢利減半徵收香港利得稅。

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For the year ended 31st December 2004

截至二零零四年十二月三十一日止年度

11. DIVIDENDS

11. 股息

| | | 2004 二零零四年 HK\$'000 千港元 | 2003 二零零三年 HK\$'000 千港元 |
|--|------------------------------|----------------------------------|----------------------------------|
| Interim dividend paid HK3 cents (2003: HK5 cents) per ordinary share | 已付中期股息每股：3港仙 (二零零三年：5港仙) | 11,151 | 18,386 |
| Final dividend proposed HK7 cents (2003: HK10 cents) per ordinary share | 建議末期股息每股：7港仙 (二零零三年：10港仙) | 26,020 | 36,936 |
| Special cash dividend proposed: Nil (2003: HK5 cents) per ordinary share | 建議特別現金股息每股：無 (二零零三年：5港仙) | — | 18,468 |
| Additional prior year's dividend paid on subsequent issue of shares | 前期結算日後增發股份須 多付之股息 | 354 | — |
| | | 37,525 | 73,790 |

The final dividend of HK7 cents per ordinary share has been proposed by the directors and are subject to approval by the shareholders in general meeting.

董事會建議派發之末期股息每股7港仙，需待即將舉行之股東週年大會上之股東批准。

The amounts of final dividend proposed are calculated based on the number of shares in issue as at the date of approval of these financial statements.

末期建議股息款項乃按照於本財務報表批准發行當日之股份數目計算。

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截至二零零四年十二月三十一日止年度

12. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is based on the following data:

12. 每股溢利

基本及攤薄每股溢利之計算乃根據：

| | | 2004 二零零四年 HK\$'000 千港元 | 2003 二零零三年 HK\$'000 千港元 |
|--|----------------------|----------------------------------|----------------------------------|
| Earnings for the purposes of basic and diluted earnings per share | 藉以計算基本及攤薄後每股溢利之溢利 | 53,909 | 88,044 |
| | | Number of shares 股份數目 | |
| | | '000 千 | '000 千 |
| Weighted average number of ordinary shares for the purpose of basic earnings per share | 藉以計算基本每股溢利之普通股加權平均數 | 370,971 | 367,850 |
| Effect of dilutive potential shares in respect of share options | 有關購股權於普通股之潛在攤薄影響 | 757 | 2,608 |
| Weighted average number of ordinary shares for the purpose of diluted earnings per share | 藉以計算攤薄後每股溢利之普通股加權平均數 | 371,728 | 370,458 |

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於二零零四年十二月三十一日

13. PROPERTY, PLANT AND EQUIPMENT

13. 物業、廠房及設備

| | | Land and buildings 土地及樓宇 HK\$'000 千港元 | Factory under construction 在建廠房 HK\$'000 千港元 | Plant and machinery 設備 及機器 HK\$'000 千港元 | Moulds and tools 模具 及工具 HK\$'000 千港元 | Leasehold improvements, furniture, fixtures and equipment 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 |
|------------------------------|----------------------|---|---|--|---|---|--|--------------------------------|
| THE GROUP | 集團 | | | | | | | |
| COST OR VALUATION | 按成本值或估值 | | | | | | | |
| At 1st January 2004 | 於二零零四年一月一日 | 148,300 | — | 128,048 | 123,601 | 57,865 | 6,844 | 464,658 |
| Additions | 添置 | — | 7,287 | 1,826 | 15,538 | 915 | 698 | 26,264 |
| Disposals | 出售 | — | — | (410) | (23) | (1,858) | (901) | (3,192) |
| Revaluation increase | 重估增值 | 30,050 | — | — | — | — | — | 30,050 |
| At 31st December 2004 | 於二零零四年十二月三十一日 | 178,350 | 7,287 | 129,464 | 139,116 | 56,922 | 6,641 | 517,780 |
| Comprising: | 包括： | | | | | | | |
| At cost | 成本值 | — | 7,287 | 129,464 | 139,116 | 56,922 | 6,641 | 339,430 |
| At 2004 valuation | 二零零四年估值 | 178,350 | — | — | — | — | — | 178,350 |
| | | 178,350 | 7,287 | 129,464 | 139,116 | 56,922 | 6,641 | 517,780 |
| DEPRECIATION | 折舊 | | | | | | | |
| At 1st January 2004 | 於二零零四年一月一日 | — | — | 93,754 | 112,303 | 37,188 | 6,071 | 249,316 |
| Provided for the year | 本年度準備 | 6,738 | — | 14,903 | 12,762 | 6,773 | 517 | 41,693 |
| Eliminated on disposals | 出售時撇銷 | — | — | (365) | (9) | (1,536) | (892) | (2,802) |
| Eliminated on revaluation | 重估調整 | (6,738) | — | — | — | — | — | (6,738) |
| At 31st December 2004 | 於二零零四年十二月三十一日 | — | — | 108,292 | 125,056 | 42,425 | 5,696 | 281,469 |
| NET BOOK VALUES | 賬面淨值 | | | | | | | |
| At 31st December 2004 | 於二零零四年十二月三十一日 | 178,350 | 7,287 | 21,172 | 14,060 | 14,497 | 945 | 236,311 |
| At 31st December 2003 | 於二零零三年十二月三十一日 | 148,300 | — | 34,294 | 11,298 | 20,677 | 773 | 215,342 |

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於二零零四年十二月三十一日

13. PROPERTY, PLANT AND EQUIPMENT

(Continued)

An analysis of the net book value of the Group's properties is set out below:

13. 物業、廠房及設備 (續)

本集團物業之賬面淨值分析如下：

| | | 2004 二零零四年 HK\$'000 千港元 | 2003 二零零三年 HK\$'000 千港元 |
|----------------------------|-------|----------------------------------|----------------------------------|
| Land and buildings | 土地及樓宇 | | |
| In Hong Kong | 香港 | | |
| On long lease | 長期租約 | 60,000 | 29,300 |
| On medium-term lease | 中期租約 | 2,450 | 1,100 |
| In the PRC | 中國 | | |
| On medium-term lease | 中期租約 | 115,900 | 117,900 |
| | | 178,350 | 148,300 |
| Factory under construction | 在建廠房 | | |
| In the PRC | 中國 | | |
| On medium-term lease | 中期租約 | 7,287 | — |
| | | 185,637 | 148,300 |

The Group's land and buildings, other than the factory under construction, are carried at their open market value in existing use basis, on 31st December 2004, as valued by RHL Appraisal Ltd., a firm of independent property valuers. The revaluation gave rise to an increase of HK\$36,788,000 (2003: net decrease of HK\$3,410,000), of which an amount of HK\$36,279,000 (2003: decrease of HK\$3,283,000), has been dealt with in the asset revaluation reserve and the remaining balance of HK\$509,000 (2003: decrease of HK\$127,000) has been accounted for in the income statement.

At 31st December 2004 had the Group's land and buildings been carried at cost less accumulated depreciation, the carrying amount of such assets included in the financial statements would have been HK\$129,797,000 (2003: HK\$136,374,000).

本集團之自用土地及樓宇(除在建廠房外)根據一獨立物業估值師行,永利行評值顧問有限公司,按二零零四年十二月三十一日之公開市值及以現時用途基準之估值而列賬。自用物業重估所產生之增值總數為36,788,000港元(二零零三年:減值3,410,000港元),其中增值36,279,000港元(二零零三年:減值3,283,000港元)已於資產重估儲備中計入,而增值餘額509,000港元(二零零三年:減值127,000港元)已計入收益表內。

於二零零四年十二月三十一日,本集團自用之土地及樓宇若以成本值減累積折舊列賬,該等資產於財務報表之賬面值將會約為129,797,000港元(二零零三年:136,374,000港元)。

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As 31st December 2004

於二零零四年十二月三十一日

14. INVESTMENT PROPERTIES

14. 投資物業

| | | Land and buildings in Hong Kong on long lease 於香港之土地及樓宇 並以長期租約持有 | |
|--------------------------|------|---|----------------------------------|
| | | 2004 二零零四年 HK\$'000 千港元 | 2003 二零零三年 HK\$'000 千港元 |
| THE GROUP | 集團 | | |
| VALUATION | 估值 | | |
| At beginning of the year | 於年初 | 4,400 | 4,400 |
| Revaluation increase | 重估增值 | 3,100 | — |
| At end of the year | 於年終 | 7,500 | 4,400 |

The Group's investment properties are carried at their open market value in existing use basis, on 31st December 2004, as valued by RHL Appraisal Ltd., a firm of independent property valuers. The revaluation gave rise to an increase of HK\$3,100,000 (2003: Nil) which has been accounted for in the income statement.

本集團之投資物業於二零零四年十二月三十一日由一獨立物業估值師行，永利行評值顧問有限公司，按公開市值及現時用途基準之估值而列賬。重估產生之增值3,100,000港元（二零零三年：無）已在撥入收益表內。

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

所有本集團之投資物業已按經營租約租出。

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15. INTERESTS IN SUBSIDIARIES

15. 於附屬公司的權益

| | | THE COMPANY | |
|------------------------------|------------|----------------|----------------|
| | | 公司 | |
| | | 2004 | 2003 |
| | | 二零零四年 | 二零零三年 |
| | | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 |
| Unlisted shares | 非上市股份 | 107,146 | 107,146 |
| Amount due from a subsidiary | 應收一附屬公司之款項 | 169,720 | 171,217 |
| | | 276,866 | 278,363 |

The amount due from a subsidiary is unsecured, interest free and is not repayable within twelve months from the balance sheet date.

The carrying amount of the unlisted shares is based on the book value of the underlying net assets of the subsidiaries attributable to the Group as at the date on which the Company became the holding company of the Group under the group reorganisation implemented in 1995, less dividends distributed from pre-reorganisation reserves of the subsidiaries.

The table below lists the subsidiaries of the Company at 31st December 2004, which, in the opinion of the directors, principally affect the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

應收一附屬公司之款項為無抵押，免息，及無須於結算日之後十二個月內清還。

非上市股份之賬面值乃根據本公司於一九九五年集團重組而成為本集團最終控股公司當日，本集團應佔附屬公司相關淨資產賬面值扣除附屬公司於重組前儲備分派之股息計算所得。

下列乃董事於二零零四年十二月三十一日認為主要影響本公司之業績及資產之附屬公司。董事認為列出其他附屬公司之詳情會令本報表過於冗長。

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As 31st December 2004

於二零零四年十二月三十一日

15. INTERESTS IN SUBSIDIARIES (Continued)

Details of the principal subsidiaries which are operating in the place in which they are incorporated or registered, unless otherwise indicated, are as follows:

15. 於附屬公司的權益 (續)

以下為主要附屬公司之詳情，除特別註明外，該等附屬公司之經營地點為其註冊成立或登記地點：

| Name of subsidiary 附屬公司名稱 | Place/ country of incorporation or registration 註冊成立/ 登記地點/國家 | Paid-up issued/ registered capital 已發行股本/ 註冊資本 | Principal activities 主要業務 |
|---|--|---|---|
| Wholly-owned subsidiary directly held: 直接全資擁有附屬公司： | | | |
| RBI International Investment Limited ⁽ⁱ⁾ | British Virgin Islands 英屬處女群島 | Ordinary US\$30,000 普通股 30,000美元 | Investment holding and trading of securities 投資控股及證券買賣 |
| Wholly-owned subsidiaries indirectly held: 間接全資擁有附屬公司： | | | |
| Dongguan Tai Fat Toy Factory Ltd. (a foreign wholly-owned enterprise) 東莞大發玩具廠有限公司 (全資外商投資企業) | The PRC 中國 | Registered HK\$36,800,000 註冊資本 36,800,000港元 | Manufacture and sale of toys 製造及銷售玩具 |
| Dongguan Tungfat Toy Factory Co. Ltd. (a foreign wholly-owned enterprise) 東莞東發玩具廠有限公司 (全資外商投資企業) | The PRC 中國 | Registered HK\$53,950,243 註冊資本 53,950,243港元 | Manufacture and sale of toys 製造及銷售玩具 |
| Motormax Industries (Heyuan) Ltd. (a foreign wholly-owned enterprise) 駿發實業(河源)有限公司 (全資外商投資企業) | The PRC 中國 | Registered HK\$10,371,268 註冊資本 10,371,268港元 | Manufacture and sale of toys 製造及銷售玩具 |
| Motormax Toy Factory Limited 駿發玩具廠有限公司 | Hong Kong 香港 | Ordinary HK\$100,000 普通股 100,000港元 | Trading of toys 買賣玩具 |

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於二零零四年十二月三十一日

15. INTERESTS IN SUBSIDIARIES (Continued)

15. 於附屬公司的權益 (續)

| Name of subsidiary 附屬公司名稱 | Place/ country of incorporation or registration 註冊成立/ 登記地點/國家 | Paid-up issued/ registered capital 已發行股本/ 註冊資本 | Principal activities 主要業務 |
|---|--|--|---|
| Wholly-owned subsidiaries indirectly held: (Continued) 間接全資擁有附屬公司：(續) | | | |
| RBI Industries (Shenzhen) Co. Ltd. (a foreign wholly-owned enterprise) 紅發實業(深圳)有限公司 (全資外商投資企業) | The PRC 中國 | Registered HK\$46,000,000 註冊資本 46,000,000港元 | Manufacture and sale of toys 製造及銷售玩具 |
| RBI Toys Inc. | United States of America 美國 | Common Stock US\$10,000 普通股 10,000美元 | Trading of toys 買賣玩具 |
| Red Box Toy Factory Limited 紅盒玩具廠有限公司 | Hong Kong 香港 | Ordinary HK\$1,000 Non-voting deferred ⁽ⁱⁱⁱ⁾ HK\$12,000,000 普通股 1,000港元 無投票權遞延股 ⁽ⁱⁱⁱ⁾ 12,000,000港元 | Design, trading and marketing of toys and investment holding 設計、買賣與 經銷玩具及 投資控股 |
| Tai Fat Toy Factory (China) Limited ⁽ⁱⁱⁱ⁾ 大發玩具廠(中國)有限公司 ⁽ⁱⁱⁱ⁾ | Hong Kong 香港 | Ordinary HK\$2,900,000 Non-voting deferred ⁽ⁱⁱⁱ⁾ HK\$5,100,000 普通股 2,900,000港元 無投票權遞延股 ⁽ⁱⁱⁱ⁾ 5,100,000港元 | Manufacture and sale of toys 製造及銷售 玩具 |

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As 31st December 2004

於二零零四年十二月三十一日

15. INTERESTS IN SUBSIDIARIES (Continued)

- (i) Operating principally in Hong Kong.
- (ii) Operating principally in the PRC.
- (iii) The non-voting deferred shares, which are held by RBI International Investment Limited, practically carry no rights to dividends or to receive notice of or to attend or vote at any general meetings of the respective companies or to participate in any distributions on winding up.

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

16. AMOUNTS DUE FROM SUBSIDIARIES

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

17. INVESTMENTS IN SECURITIES

15. 於附屬公司的權益 (續)

- (i) 主要於香港經營
- (ii) 主要於中國經營
- (iii) 該等無投票權遞延股份由 RBI International Investment Limited 持有，持有此等股份實質上並無權收取有關公司之股息，亦無權接收有關公司之任何股東大會之通告或出席有關大會或於會上投票，而在公司清盤時，亦無權享有任何分派。

附屬公司於年內及年終概無任何債務股本。

16. 應收附屬公司款項

應收一附屬公司之款項為無抵押，免息及無固定還款條款。

17. 證券投資

| | | THE GROUP 集團 | |
|-----------------------------------|--------------|----------------------------------|----------------------------------|
| | | 2004 二零零四年 HK\$'000 千港元 | 2003 二零零三年 HK\$'000 千港元 |
| Held-to-maturity securities | 持有至到期日的證券 | | |
| Unlisted bonds | 非上市的債券 | 73,549 | 81,905 |
| Other equity securities | 在香港上市之 | | |
| listed in Hong Kong | 其他資本證券 | 240 | 918 |
| | | 73,789 | 82,823 |
| Less: Securities included | 減：包括在流動資產之證券 | | |
| in current assets | | (10,211) | (35,988) |
| | | 63,578 | 46,835 |
| Market value of listed securities | 上市證券市值 | 240 | 918 |

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於二零零四年十二月三十一日

18. BANK DEPOSITS

The Group's bank deposits are funds placed with banks for long term, accordingly are classified as non-current.

18. 銀行存款

該等存款指集團存放於銀行之長期資金，因此以非流動資產分類。

19. INVENTORIES

19. 存貨

| | | THE GROUP 集團 | |
|------------------|-----|----------------------------------|----------------------------------|
| | | 2004 二零零四年 HK\$'000 千港元 | 2003 二零零三年 HK\$'000 千港元 |
| Raw materials | 原料 | 29,747 | 28,516 |
| Work in progress | 在製品 | 45,886 | 40,489 |
| Finished goods | 製成品 | 50,659 | 47,546 |
| | | 126,292 | 116,551 |

20. TRADE AND OTHER RECEIVABLES

The Group allows a credit period of 30 to 90 days to its trade customers.

The following is an aged analysis of trade and other receivables outstanding at the balance sheet date:

20. 貿易及其他應收款項

本集團一般給予客戶三十天至九十天信貸期。

貿易及其他應收款項於結算日之賬齡分析如下：

| | | THE GROUP 集團 | |
|--------------|--------|----------------------------------|----------------------------------|
| | | 2004 二零零四年 HK\$'000 千港元 | 2003 二零零三年 HK\$'000 千港元 |
| 0 — 30 days | 0至30天 | 10,412 | 15,852 |
| 31 — 60 days | 31至60天 | 10,178 | 6,709 |
| 61 — 90 days | 61至90天 | 11,501 | 9,076 |
| Over 90 days | 90天以上 | 7,178 | 5,366 |
| | | 39,269 | 37,003 |

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21. TRADE AND OTHER PAYABLES

The following is an aged analysis of trade and other payables outstanding at the balance sheet date:

21. 貿易及其他應付款項

貿易及其他應付款項於結算日之賬齡分析如下：

| | | THE GROUP 集團 | |
|--------------|--------|----------------------------------|----------------------------------|
| | | 2004 二零零四年 HK\$'000 千港元 | 2003 二零零三年 HK\$'000 千港元 |
| 0 — 30 days | 0至30天 | 25,074 | 23,498 |
| 31 — 60 days | 31至60天 | 7,214 | 7,603 |
| 61 — 90 days | 61至90天 | 2,063 | 2,219 |
| Over 90 days | 90天以上 | 400 | 11 |
| | | 34,751 | 33,331 |

22. SHARE CAPITAL

22. 股本

| | | Number of shares 股份數目 | | Nominal value 面值 | |
|--|-----------------------|----------------------------|----------------------------|----------------------------------|----------------------------------|
| | | 2004 二零零四年 '000 千 | 2003 二零零三年 '000 千 | 2004 二零零四年 HK\$'000 千港元 | 2003 二零零三年 HK\$'000 千港元 |
| Ordinary shares of HK\$0.1 each | 每股面值 0.1港元之 普通股 | | | | |
| Authorised | 法定 | 800,000 | 800,000 | 80,000 | 80,000 |
| Issued and fully paid: | 已發行及 繳足： | | | | |
| At beginning of the year | 年初 | 367,412 | 368,320 | 36,741 | 36,832 |
| Issued pursuant to exercise of share options | 依據行使 購股權發 行之股本 | 4,400 | — | 440 | — |
| Repurchased and cancelled | 贖回及註銷 | (100) | (908) | (10) | (91) |
| At end of the year | 年終 | 371,712 | 367,412 | 37,171 | 36,741 |

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22. SHARE CAPITAL (Continued)

Issue of shares

During the year, the Company issued a total of 4,400,000 ordinary shares of HK0.1 each at an issue price of HK\$1.1 per share pursuant to the exercise of the share options previously granted to directors and eligible employee. The market price of the Company's shares at the close of business on the date of issue was in the range of HK\$2.25 to HK\$2.525.

Repurchase of own shares

In June 2004, the Company repurchased 100,000 ordinary shares on the Stock Exchange at the price of HK\$220,000, representing HK\$2.2 per share. The highest and the lowest price at the date of repurchase is HK\$2.2 per share. All of the shares repurchased have been cancelled.

These repurchases were effected by the directors pursuant to the mandate from shareholders, with a view to benefiting shareholders as a whole by the enhancement of the earnings per share of the Company.

Other than above, none of the Company's subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

Share option scheme

The Company's share option scheme ("the Scheme") was adopted on 21st December 1995 for the primary purpose of providing incentives to directors and eligible employees, and will expire on 20th December 2005. Under the Scheme, the Board of Directors of the Company may grant options to eligible employees, including directors of the Company and its subsidiaries, to subscribe for shares in the Company.

22. 股本 (續)

發行股份

於本年內，本公司以發行價每股1.1港元發行4,400,000股每股面值0.1港元之普通股根據行使以往授予董事及合資格僱員之購股權。本公司股份於發行日之收市價為每股2.25至2.525港元。

購回股份

於二零零四年六月，本公司在聯交所以每股2.2港元購回100,000股普通股總代價為220,000港元。於購回當日之最高及最低價格為每股2.2港元。所有股本已註銷。

該等購回乃董事會根據股東授權而執行，目的為提高本公司每股溢利，從而整體上使股東受益。

除以上所述，於本年度內本公司任何附屬公司概無購買、出售或贖回本公司任何上市證券。

購股權計劃

本公司於一九九五年十二月二十一日採納購股權計劃（「計劃」），主要目的為向董事及合資格僱員提供獎勵，計劃將於二零零五年十二月二十日屆滿。根據計劃，本公司董事會可向合資格僱員（包括本公司及其附屬公司之董事）授予購股權。

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22. SHARE CAPITAL (Continued)

Share option scheme (Continued)

The following table discloses details of the Company's share options, movements in such holdings:

| Date of grant 授予日期 | Exercisable period 行使期 | Subscription price per share 每股認購價 HK\$ 港元 | Outstanding at | Movements during the year | | | | Outstanding at |
|-------------------------------|--|--|---|---------------------------|-----------------|--------------|-----------------|--|
| | | | 1st January 2004 於二零零四年 一月一日 尚未行使 | Granted 授予 | Exercised 行使 | Lapsed 失效 | Cancelled 註銷 | 31st December 2004 於二零零四年 十二月三十一日 尚未行使 |
| 2nd January 2002 二零零二年一月二日 | 1st January 2004 – 31st December 2013 二零零四年一月一日至 二零一三年十二月三十一日 | 1.1 | 5,000,000 | — | (4,400,000) | — | — | 600,000 |
| | | | 5,000,000 | — | (4,400,000) | — | — | 600,000 |

| Date of grant 授予日期 | Exercisable period 行使期 | Subscription price per share 每股認購價 HK\$ 港元 | Outstanding at | Movements during the year | | | | Outstanding at |
|-------------------------------|--|--|---|---------------------------|-----------------|--------------|-----------------|--|
| | | | 1st January 2003 於二零零三年 一月一日 尚未行使 | Granted 授予 | Exercised 行使 | Lapsed 失效 | Cancelled 註銷 | 31st December 2003 於二零零三年 十二月三十一日 尚未行使 |
| 2nd January 2002 二零零二年一月二日 | 1st January 2004 – 31st December 2013 二零零四年一月一日至 二零一三年十二月三十一日 | 1.1 | 5,000,000 | — | — | — | — | 5,000,000 |
| | | | 5,000,000 | — | — | — | — | 5,000,000 |

22. 股本 (續)

購股權計劃 (續)

下表披露本公司購股權，以及購股權持有情況變動之詳情：

Number of shares under options granted

授予購股權涉及之股份數目

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22. SHARE CAPITAL (Continued)

Share option scheme (Continued)

The share options to subscribe for 5,000,000 shares in the Company outstanding at 1st January 2003, were granted at no consideration to the directors and other key management of the Company under the Scheme. The vesting period of these share options is from 2nd January 2002 to 31st December 2003.

Details of the share options held by the directors included in the share options disclosed above are as follows:

22. 股本 (續)

購股權計劃 (續)

於二零零三年一月一日尚未行使之5,000,000股股份購股權，乃以無償方式根據計劃授予本公司董事及管理要員。所授予購股權不能於二零零二年一月二日至二零零三年十二月三十一日期間行使。

計入上文所披露購股權內之董事所持購股權詳情如下：

Number of shares under options granted 授予購股權涉及之股份數目

| | Outstanding at 1st January 於一月一日 尚未行使 | Movements during the year 年內變動 | | | | Outstanding at 31st December 於十二月 三十一日 尚未行使 |
|------------|---|-----------------------------------|-----------------|--------------|-----------------|--|
| | | Granted 授予 | Exercised 行使 | Lapsed 失效 | Cancelled 註銷 | |
| 2004 二零零四年 | 1,300,000 | — | (700,000) | — | — | 600,000 |
| 2003 二零零三年 | 1,300,000 | — | — | — | — | 1,300,000 |

The financial impact of share options granted is not recorded in the Company's or the Group's balance sheet until such time when the options are exercised, and no charge is recognised in the income statement in respect of the value of options granted. Upon the exercise of the share options, the resulting shares issued are recorded by the Company as additional share capital at the nominal value of the shares, and the excess of the exercise price per share over the nominal value of the shares is recorded by the Company in the share premium account. Options which lapsed or are cancelled prior to their exercise date are deleted from the register of outstanding options.

直至購股權獲行使前，授予購股權之財務影響並未記入本公司或本集團之資產負債表中，而授予購股權之價值亦不會於收益表中確認。本公司將因行使購股權而發行之股份按股份面值列為額外股本，並將每股行使價超逾股份面值之差額記入股份溢價賬。於行使日期前失效或註銷之購股權自尚未行使購股權登記冊中刪除。

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於二零零四年十二月三十一日

23. SHARE PREMIUM AND RESERVES

23. 股份溢價及儲備

| | | Share premium | Capital redemption reserve | Asset revaluation reserve | Capital reserve | Goodwill reserve | Dividend reserve | Retained profits | Total |
|---|-------------------|---------------|----------------------------|---------------------------|-----------------|------------------|------------------|------------------|----------|
| | | 股份溢價 | 贖回儲備 | 資產重估儲備 | 資本儲備 | 商譽儲備 | 股息儲備 | 留存溢利 | 合計 |
| | | 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 |
| THE GROUP | 集團 | | | | | | | | |
| At 1st January 2003 | 於二零零三年一月一日 | 130,440 | 2,027 | 11,342 | 19,119 | (5,720) | 55,200 | 306,032 | 518,440 |
| 2002 final and special dividend paid | 已派發之二零零二年度末期及特別股息 | — | — | — | — | — | (55,200) | — | (55,200) |
| Repurchase of own shares | 股份回購 | (845) | 91 | — | — | — | — | (1,182) | (1,936) |
| Revaluation decrease | 重估減值 | — | — | (3,283) | — | — | — | — | (3,283) |
| Reversal of deferred tax liability arising on revaluation | 重估物業產生之遞延稅項負債撥回 | — | — | 201 | — | — | — | — | 201 |
| Net profit for the year | 本年度溢利 | — | — | — | — | — | — | 88,044 | 88,044 |
| Amounts set aside for dividend payments (note 11) | 保留支付股息之金額(附註11) | — | — | — | — | — | 73,790 | (73,790) | — |
| 2003 interim dividend paid | 已派發之二零零三年度中期股息 | — | — | — | — | — | (18,386) | — | (18,386) |
| Other appropriations | 其他分派 | — | — | — | 2,362 | — | — | (2,362) | — |
| At 31st December 2003 | 於二零零三年十二月三十一日 | 129,595 | 2,118 | 8,260 | 21,481 | (5,720) | 55,404 | 316,742 | 527,880 |
| 2003 final and special dividend paid | 已派發之二零零三年度末期及特別股息 | — | — | — | — | — | (55,758) | — | (55,758) |
| Issue of shares | 發行股份 | 4,400 | — | — | — | — | — | — | 4,400 |
| Repurchase of own shares | 股份回購 | (93) | 10 | — | — | — | — | (127) | (210) |
| Revaluation increase | 重估增值 | — | — | 36,279 | — | — | — | — | 36,279 |
| Deferred tax liability arising on revaluation | 重估物業產生之遞延稅項負債 | — | — | (5,743) | — | — | — | — | (5,743) |
| Net profit for the year | 本年度溢利 | — | — | — | — | — | — | 53,909 | 53,909 |
| Amounts set aside for dividend payments (note 11) | 保留支付股息之金額(附註11) | — | — | — | — | — | 37,525 | (37,525) | — |
| 2004 interim dividend paid | 已派之二零零四年度中期股息 | — | — | — | — | — | (11,151) | — | (11,151) |
| Other appropriations | 其他分派 | — | — | — | 7,686 | — | — | (7,686) | — |
| At 31st December 2004 | 於二零零四年十二月三十一日 | 133,902 | 2,128 | 38,796 | 29,167 | (5,720) | 26,020 | 325,313 | 549,606 |

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於二零零四年十二月三十一日

23. SHARE PREMIUM AND RESERVES

(Continued)

23. 股份溢價及儲備 (續)

| | | Share premium account | Capital redemption reserve | Contributed surplus | Dividend reserve | Retained profits | Total |
|---|-------------------|-----------------------|----------------------------|---------------------|------------------|------------------|----------|
| | | 股份溢價 | 資本贖回儲備 | 實繳盈餘 | 股息儲備 | 留存溢利 | 合計 |
| | | 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 |
| THE COMPANY | 公司 | | | | | | |
| At 1st January 2003 | 於二零零三年一月一日 | 130,440 | 2,027 | 100,635 | 55,200 | 9,170 | 297,472 |
| 2002 final and special dividend paid | 已派發之二零零二年度末期及特別股息 | — | — | — | (55,200) | — | (55,200) |
| Repurchase of own shares | 股份回購 | (845) | 91 | — | — | (1,182) | (1,936) |
| Net profit for the year | 本年度溢利 | — | — | — | — | 80,657 | 80,657 |
| Amounts set aside for dividend payments (note 11) | 保留支付股息之金額(附註11) | — | — | — | 73,790 | (73,790) | — |
| 2003 interim dividend paid | 已派發之二零零三年度中期股息 | — | — | — | (18,386) | — | (18,386) |
| At 31st December 2003 | 於二零零三年十二月三十一日 | 129,595 | 2,118 | 100,635 | 55,404 | 14,855 | 302,607 |
| 2003 final and special dividend paid | 已派發之二零零三年度末期及特別股息 | — | — | — | (55,758) | — | (55,758) |
| Issue of shares | 發行股份 | 4,400 | — | — | — | — | 4,400 |
| Repurchase of own shares | 股份回購 | (93) | 10 | — | — | (127) | (210) |
| Net profit for the year | 本年度溢利 | — | — | — | — | 62,943 | 62,943 |
| Amounts set aside for dividend payments (Note 11) | 保留支付股息之金額(附註11) | — | — | — | 37,525 | (37,525) | — |
| 2004 interim dividend paid | 已派發之二零零四年度中期股息 | — | — | — | (11,151) | — | (11,151) |
| At 31st December 2004 | 於二零零四年十二月三十一日 | 133,902 | 2,128 | 100,635 | 26,020 | 40,146 | 302,831 |

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於二零零四年十二月三十一日

23. SHARE PREMIUM AND RESERVES

(Continued)

Note:

The capital reserve of the Group includes enterprise reserve fund in respect of PRC subsidiaries appropriated from retained profits.

The contributed surplus of the Company represents the excess of the carrying value of the subsidiaries acquired over the nominal value of the Company's shares issued which, under the Companies Act 1981 of Bermuda (as amended), is available for distribution to the shareholders of the Company. However, the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if

- (i) it is, or would after the payment be, unable to pay its liabilities as they become due; or
- (ii) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium account.

In the opinion of the directors, the Company's reserves available for distribution at 31st December 2004 consisted of contributed surplus of HK\$100,635,000 (2003: HK\$100,635,000), dividend reserve of HK\$26,020,000 (2003: HK\$55,404,000) and retained profits of HK\$40,146,000 (2003: HK\$14,855,000).

23. 股份溢價及儲備 (續)

附註：

資本儲備包括由中國附屬公司之留存溢利分配的企業儲備基金。

實繳盈餘指被收購附屬公司之價值超於本公司已發行股份之票面值之數額，並可根據一九八一年百慕達公司法(經修訂)，可分派予本公司之股東。惟本公司不能宣佈或派發股息或將實繳盈餘分派，假若

- (i) 派發後，不能償還到期之負債；或
- (ii) 其資產之可變現價值少於其負債及其已發行股本及股份溢價之總數。

於二零零四年十二月三十一日，董事會認為本公司可分派之儲備包括實繳盈餘100,635,000港元(二零零三年：100,635,000港元)，股息儲備26,020,000港元(二零零三年：55,404,000港元)及留存溢利40,146,000港元(二零零三年：14,855,000港元)。

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24. DEFERRED TAX ASSETS (LIABILITIES)

The following are the major deferred tax assets and liabilities recognised by the Group and movements thereon during the current and prior years:

24. 遞延稅項資產(負債)

以下為本集團確認之主要遞延稅項資產及負債及於現行與之前年度之變動：

| | | Revaluation of properties 物業重估 HK\$'000 千港元 | Accelerated tax depreciation 加速 稅項折舊 HK\$'000 千港元 | Unrealised profit on intra-group transfer of assets 集團內資 產轉移之 未變現溢利 HK\$'000 千港元 | Other temporary differences 其他 暫時差異 HK\$'000 千港元 | Total 合計 HK\$'000 千港元 |
|---|-------------------|---|---|---|--|--------------------------------|
| At 1st January 2003 | 於二零零三年一月一日 | (1,439) | (606) | 1,993 | 778 | 726 |
| (Charge) credit to income for the year | 於本年度收入中 (扣除)計入 | — | (912) | 1,575 | 172 | 835 |
| Credit to equity | 於股東權益計入 | 233 | — | — | — | 233 |
| Effect of a change in tax rate | 稅率變動之影響 | | | | | |
| — (charge) credit to income statement | — 於收益表中(扣除) 計入 | — | (391) | 226 | 26 | (139) |
| — charge to equity | — 於股東權益中扣除 | (32) | — | — | — | (32) |
| At 31st December 2003 | 於二零零三年 十二月三十一日 | (1,238) | (1,909) | 3,794 | 976 | 1,623 |
| Credit (charge) to income for the year | 於本年度收入中計入 (扣除) | — | 1,185 | (342) | (260) | 583 |
| Charge to equity | 於股東權益扣除 | (5,743) | — | — | — | (5,743) |
| At 31st December 2004 | 於二零零四年 十二月三十一日 | (6,981) | (724) | 3,452 | 716 | (3,537) |

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24. DEFERRED TAX ASSETS (LIABILITIES)

(Continued)

24. 遞延稅項資產(負債) (續)

| | | 2004 二零零四年 HK\$'000 千港元 | 2003 二零零三年 HK\$'000 千港元 |
|--------------------------|--------|----------------------------------|----------------------------------|
| Deferred tax assets | 遞延稅項資產 | 5,084 | 5,300 |
| Deferred tax liabilities | 遞延稅項負債 | (8,621) | (3,677) |
| | | (3,537) | 1,623 |

At 31st December 2004, the Group had unprovided deferred tax assets of HK\$5,227,000 (2003: HK\$3,873,000) in respect of unused tax losses available for offset against future profits. No deferred tax asset has been recognised in respect of such assets due to the unpredictability of future profit streams. Included in unrecognised tax losses are losses of HK\$4,570,000 (2003: HK\$3,761,000) that will expire from 2006 to 2024. Others unused tax losses may be carried forward indefinitely.

At 31st December 2004, the Group also had unprovided deferred tax assets of HK\$3,605,000 (2003: HK\$3,684,000) in respect of other deductible temporary differences. No deferred tax asset has been recognised in relation to such temporary differences due to the unpredictability of future profit streams.

於二零零四年十二月三十一日，本集團就未使用稅項虧損用以抵銷未來溢利之未撥備遞延稅項資產為5,227,000港元(二零零三年：3,873,000港元)。由於不可預知未來溢利之趨勢，故並無就該等資產確認遞延稅項資產。包括於未確認之稅項虧損為虧損4,570,000港元(二零零三年：3,761,000港元)於二零零六年至二零二四年到期。其他未使用稅項虧損可無限期結轉。

於二零零四年十二月三十一日，本集團就其他可扣減之暫時差異亦具有未撥備遞延稅項資產3,605,000港元(二零零三年：3,684,000港元)。由於不可預知之未來溢利趨勢，故並無就該等暫時差異確認遞延稅項資產。

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於二零零四年十二月三十一日

25. RETIREMENT BENEFIT PLANS

The Group participates in both a defined contribution scheme which is registered under the Occupational Retirement Scheme Ordinance (the “ORSO Scheme”) and a Mandatory Provident Fund Scheme (the “MPF Scheme”) established under the Mandatory Provident Fund Ordinance. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees.

The ORSO Scheme is funded by monthly contributions from both employees and the Group calculated at 5% of the employee’s basic salary.

For members of the MPF Scheme, the Group contributes 5% of relevant payroll costs to the MPF Scheme, which contribution is matched by the employees.

According to the relevant laws and regulations in the PRC and other countries, the subsidiaries in the PRC and other countries are required to contribute a certain percentage of salaries and wages of their employees to the retirement benefits schemes to fund the retirement benefits of their employees.

Where there are employees who left the ORSO Scheme prior to vesting fully in the contributions, the contributions payable by the Group are reduced by the amount of forfeited contributions. No forfeited contributions were utilised in this manner during the year. At 31st December 2004 there were no forfeited employer’s contributions available to reduce the contributions payable in future years (2003: Nil).

25. 退休福利計劃

本集團參與已向職業退休計劃條例（「職業退休計劃」）登記之定額供款計劃以及根據強制性公積金計劃條例成立之強制性公積金計劃（「強積金計劃」）。該等計劃之資產與本集團的資產分開持有，存放於信託人控制之基金內。

職業退休計劃由僱員與本集團各按僱員基本薪金之5%作出每月供款而運作。

就強積金計劃成員而言，本集團按有關薪酬成本之5%向強積金計劃作出供款，供款額與僱員相同。

根據中國及其他國家之有關法規，中國附屬公司及其他國家須將薪金及工資的若干百分比用作退休福利計劃供款，以提供僱員的退休福利。

倘若僱員於供款全數歸於彼等所有前離開職業退休計劃，沒收之供款會作扣減本集團之應付供款。於本年度內，並無沒收供款用於此用途。於二零零四年十二月三十一日，並無已沒收的僱主供款可用於扣減未來的應付供款（二零零三年：無）。

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於二零零四年十二月三十一日

26. OPERATING LEASES

The Group as lessee

| | |
|--|----------------------------|
| Lease payments paid under operating leases in respect of land and buildings during the year | 年內根據土地及樓宇 經營租約已付之 租金 |
|--|----------------------------|

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

| | |
|--|-------------------|
| Within one year | 一年內 |
| In the second to fifth year inclusive | 第二至五年 (包括首尾兩年) |

26. 經營租約

本集團為承租人

| THE GROUP 集團 | |
|----------------------------------|----------------------------------|
| 2004 二零零四年 HK\$'000 千港元 | 2003 二零零三年 HK\$'000 千港元 |

| | |
|-------|-------|
| 3,177 | 3,085 |
|-------|-------|

於結算日，本集團根據將於下列期限屆滿之土地及樓宇不可撤銷經營租約之日後最低租金承擔：

| THE GROUP 集團 | |
|----------------------------------|----------------------------------|
| 2004 二零零四年 HK\$'000 千港元 | 2003 二零零三年 HK\$'000 千港元 |

| | |
|-------|-------|
| 2,285 | 2,535 |
| 1,381 | 2,061 |
| 3,666 | 4,596 |

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於二零零四年十二月三十一日

26. OPERATING LEASES (Continued)

The Group as lessee (Continued)

Operating lease payments represent rentals payable by the Group for overseas offices and warehouses. Leases are negotiated for an average term of two to three years and rentals are fixed during such period.

The Company had no commitments under non-cancellable operating leases at the balance sheet date (2003: Nil).

The Group as lessor

Property rental income earned during the year was HK\$376,000 (2003: HK\$339,000). The properties held have committed tenants for two years.

At the balance sheet date, the Group had contracted with tenants for the following future minimum lease payments:

26. 經營租約 (續)

本集團為承租人 (續)

經營租約租金指本集團就海外辦公室及貨倉應付之租金。租約均按平均租期兩至三年磋商，而於上述期間之租金均屬固定。

於結算日，本公司並無任何不可撤銷經營租約承擔(二零零三年：無)。

本集團為出租人

年內賺取之物業租金收入為376,000港元(二零零三年：339,000港元)。該等所持物業由租客承租，而租期為兩年。

於結算日，本集團與租客訂立合約，其日後最低租金如下：

| | | THE GROUP 集團 | |
|--|-------------------|-----------------|-----------------|
| | | 2004 二零零四年 | 2003 二零零三年 |
| | | HK\$'000 千港元 | HK\$'000 千港元 |
| Within one year | 一年內 | 391 | 198 |
| In the second to fifth year inclusive | 第二至五年 (包括首尾兩年) | 228 | — |
| | | 619 | 198 |

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於二零零四年十二月三十一日

27. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

27. 資本承擔及或然負債

| | | THE GROUP 集團 | |
|---|-----------------------|----------------------------------|----------------------------------|
| | | 2004 二零零四年 HK\$'000 千港元 | 2003 二零零三年 HK\$'000 千港元 |
| Capital expenditure in respect of property, plant and equipment contracted but not provided for | 已簽約但未提撥之物業、廠房及設備資本性開支 | 22,619 | 164 |

The Company had no significant capital commitments at the balance sheet date (2003: Nil).

於結算日，本公司並無重大資本承擔（二零零三年：無）。

At the balance sheet date, the Company had contingent liabilities in respect of guarantees amounting to HK\$51,000,000 (2003: HK\$26,500,000) given to banks to secure the banking facilities granted to the Group.

於結算日，本公司對集團使用的一般銀行信貸融資向銀行作出的擔保為51,000,000港元（二零零三年：26,500,000港元）。