

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Property, plant and equipment**

Property, plant and equipment are stated at cost less depreciation and accumulated impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its present working condition and location for its intended use. Expenditure incurred after the 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 property, plant and equipment, the expenditure is capitalised as an additional cost of the property, plant and equipment.

Depreciation is provided to write off the cost of property, plant and equipment over their estimated useful lives, using the straight line method, at the following rates per annum:

Leasehold land	Over the term of the lease
Building	4%
Leasehold improvements	33 $\frac{1}{3}$ %
Plant and machinery	10% to 33 $\frac{1}{3}$ %
Furniture, fixtures and equipment	10% to 20%

Property, plant and equipment held under finance leases are depreciated over their expected useful lives on the same basis as owned assets, or where shorter, the terms of the leases.

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

Investments in subsidiaries

A subsidiary is an enterprise controlled by the Company. Control is achieved where the Company has the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities.

Investments in subsidiaries are included in the Company's balance sheet at cost less any identified impairment loss.

Income from investments in subsidiaries is accounted for when the Company's right to receive the dividend payment has been established.

主要會計政策(續)**物業、廠房及設備**

物業、廠房及設備乃按成本減折舊及累計減值虧損列賬。資產成本包括購買價及將資產達至預定用途之運作狀況及地方所引致之任何直接費用。物業、廠房及設備投產後之開支，如維修及修理成本，通常於出現期間自收益報表內扣除。倘可明確表示開支導致預期因使用該物業、廠房及設備所得之日後經濟利益增加，則該項開支會撥作資本，列為物業、廠房及設備之額外成本。

物業、廠房及設備之折舊均按其估計可用年期，按直線法以下列年率將其成本撇銷：

租約土地	按租約年期攤銷
樓宇	4%
租約物業裝修	33 $\frac{1}{3}$ %
機器設備	10% 至 33 $\frac{1}{3}$ %
傢俬、裝置及設備	10% 至 20%

以財務租約持有之物業、廠房及設備以其估計可使用年期或以較短之租賃期按自置資產相同之基準折舊。

資產出售或報廢所產生的盈虧，均按該資產出售所得與賬面價值之差額釐定，並列入收益報表內。

附屬公司投資

附屬公司指受本公司控制之企業。倘本集團有權決定被投資企業之財務及經營政策以從其業務經營獲利，即表示該企業受本公司控制。

於附屬公司之投資乃按成本減任何已辨認減值虧損列入本公司之資產負債表。

於附屬公司之投資所得收益於公司確立其享有收取股息權利時入賬。

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost, which comprises all costs of purchase and, where applicable, costs of conversion and other costs that have been incurred in bringing the inventories to their present location and condition, is calculated using the standard cost method, which closely approximates the actual cost calculated using the first-in, first-out method. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Leases

Leases are classified as finance leases when the terms of the leases transfer substantially all the risks and rewards of ownership of the assets to the Group. Assets held under finance leases are capitalised at their fair value at the date of acquisition. The principal portion of the corresponding leasing commitments is shown as an obligation of the Group. The finance costs, which represent the difference between the total leasing commitments and the fair value of the assets, are charged to the income statement as finance charges over the period of the leases so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

All other leases are classified as operating leases and their rentals are charged to the income statement on a straight line basis over the term of the relevant leases.

Capitalisation of borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to get ready for their intended use or sale are capitalised as part of the cost of those assets. Capitalisation of such borrowing costs ceases when the qualifying assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

主要會計政策(續)**存貨**

存貨乃按成本值或可變現淨值兩者之較低值入賬。成本乃按標準成本法，以先入先出方式計算最接近之實際成本值約數，並包括所有採購成本、以及在適用情況下計入加工成本及其他將存貨運至現存地點及使存貨達至現時狀況所需之費用。可變現淨值則按存貨以正常商業方式出售之估計售價減除完工及出售時預期所需之其他費用計算。

租約

倘租約之條款將有關資產擁有權之一切風險及回報大部分賦予本集團，則該等租約列為財務租約。財務租約之資產乃按購買日期之公平價值撥充資本，而有關之租約承擔之本金部分則列為本集團之負債。相等於租約承擔總額與資產公平價值兩者差額之財務成本，乃按有關租約之年期在收益報表中作為財務費用扣除，從而計算出承擔餘額在每一個會計期間內扣除的定期數額。

一切其他租約均列為經營租約，有關租金乃以直線法按其租約計入收益報表內。

借貸成本資本化

收購、建造或生產在投入原定用途或出售前必須較長時間準備之資產，其直接借貸成本撥充該等資產之部分成本，直至該等資產已大致作好準備投入原定用途或出售為止。原以支付合資格資產的特定借貸用作臨時投資，其投資所得收益將從撥充資本之借貸成本中扣除。

在此期間內其他借貸成本均撥入支出項目。