1. General information

The Company is a public limited company incorporated in Bermuda and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of the registered office and principal place of business of the Company is disclosed in the corporate information of the annual report.

The Company is an investment holding company. Its subsidiaries are principally engaged in the import, marketing, distribution and after-sales service of high quality, brand-name products serving customers in the Asian region and, in particular, the markets of the People's Republic of China ("PRC"), Hong Kong, Macau, Singapore and Malaysia. The products include principally airconditioning; domestic appliances; audio-visual electrical items including car audio; motor vehicles and accessories; and other electronic products.

The financial statements are presented in Hong Kong dollars, which is the same as the functional currency of the Company. These financial statements were approved and authorised for issued by the Board on April 11, 2006.

2. Basis of preparation

The consolidated 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, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and financial liabilities (including derivative financial instruments) at fair value through profit or loss and investment properties, which are carried at fair value.

1. 一般資料

本公司乃於百慕達註冊成立之公眾有限公司,其股份在香港聯合交易所有限公司(「聯交所」)上市。本公司註冊辦事處及主要經營地點之地址於本年報公司資料部份披露。

本公司乃一間控股公司,其附屬公司 主要從事高質素、名牌產品之進口、 市場推廣及分銷業務,為亞洲地區(特 別是中華人民共和國(中國)大陸、香 港、澳門、新加坡及馬來西亞市場) 顧客提供服務。產品主要包括空調產 品、家用電器、影音電子產品(包括 汽車音響)、汽車及配件,以及其他 電子產品。

財務報表以港幣(即本公司之功能貨幣)呈列。財務報表於二零零六年四月十一日由董事會批准並授權刊發。

2. 編製基準

此綜合財務報表乃依據香港會計師公會頒佈之香港財務報告準則(「香港財務報告準則」,亦包含香港會計準則及其詮釋)、香港普遍接納之會計原則,香港公司條例之披露要求及香港聯合交易所有限公司證券上市規則(「上市規則」)之適用披露要求編製。該綜合財務報表按歷史成本慣例編製,惟若干可供出售金融資產之重估、以公平值計入損益之金融資產及金融負債(包括衍生金融工具)及以公平值入賬之投資物業例外。

2. Basis of preparation (Continued)

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

The adoption of new/revised HKFRSs

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

HKAS 1	Presentation of Financial Statements
HKAS 2	Inventories
HKAS 7	Cash Flow Statements
HKAS 8	Accounting Policies, Changes in Accounting Estimates
	and Errors
HKAS 10	Events after the Balance Sheet Date
HKAS 16	Property, Plant and Equipment
HKAS 17	Leases
HKAS 21	The Effects of Changes in Foreign Exchange Rates
HKAS 23	Borrowing Costs
HKAS 24	Related Party Disclosures
HKAS 27	Consolidated and Separate Financial Statements
HKAS 28	Investments in Associates
HKAS 32	Financial Instruments: Disclosure and Presentation
HKAS 33	Earnings per Share
HKAS 36	Impairment of Assets
HKAS 38	Intangible Assets
HKAS 39	Financial Instruments: Recognition and Measurement
HKAS 39	Transition and Initial Recognition of Financial
(Amendment)	Assets and Financial Liabilities
HKAS 40	Investment Property
HKAS-Int 15	Operating Leases – Incentives
HKFRS 2	Share-based Payments
HKFRS 3	Business Combinations

2. 編製基準(續)

依據香港財務報告準則編製財務報表, 須採用若干關鍵會計估計。亦要求管 理層於應用本公司會計政策時運用其 判斷。

採納新訂/經修訂之香港財務報告準 則

於二零零五年,本集團已採納以下有關其業務之香港財務報告準則之新訂 /經修訂準則及詮釋。二零零四年之 比較數字已根據有關之規定重列。

香港會計準則第1號	財務報表之呈列
香港會計準則第2號	存貨
香港會計準則第7號	現金流量報表
香港會計準則第8號	會計政策、會計估計之
	變更及差錯
香港會計準則第10號	結算日後事項
香港會計準則第16號	物業、廠房及設備
香港會計準則第17號	租賃
香港會計準則第21號	外幣匯率變動之影響
香港會計準則第23號	借貸成本
香港會計準則第24號	關聯方披露
香港會計準則第27號	綜合及獨立財務報表
香港會計準則第28號	於聯營公司之投資
香港會計準則第32號	金融工具:披露及呈列
香港會計準則第33號	每股盈利
香港會計準則第36號	資產減值
香港會計準則第38號	無形資產
香港會計準則第39號	金融工具:確認及計量
香港會計準則第39號	金融資產及負債之過渡
(修訂)	性及初步確認
香港會計準則第40號	投資物業
香港會計準則詮釋	經營租賃-激勵措施
第15號	
香港財務報告準則	以股份方式支付
第2號	
香港財務報告準則	業務合併
第3號	

2. Basis of preparation (Continued)

The adoption of new/revised HKFRSs (Continued)

The adoption of new/revised HKASs and HKFRSs did not result in substantial changes to the Group's accounting policies except for those further described below.

In summary:

- HKAS 1 has affected the presentation of minority interest, share of net after-tax results of associates and other disclosures.
- HKASs 2, 7, 8, 10, 16, 23, 27, 28, 33 and HKAS- Int 15 had no material effect on the Group's policies.
- HKAS 21 had no material effect on the Group's policy. The functional currency of each of the consolidated entities has been re-evaluated based on the guidance to the revised standard.
- HKAS 24 has affected the identification of related parties and some other related-party disclosures.

The adoption of HKAS 17 "Leases" has resulted in a change in the accounting policy relating to the reclassification of leasehold land from property, plant and equipment to operating leases. Where the land and building cannot be allocated reliably as at the date of acquisition, the land and building elements will continue to be treated as property, plant and equipment and carried at cost.

2. 編製基準(續)

採納新訂/經修訂之香港財務報告準 則(續)

除下文進一步載述者外,採納新訂/ 經修訂香港會計準則、詮釋及香港財 務報告準則並無對本集團之會計政策 造成重大影響。

概括而言:

- 香港會計準則第1號對少數股東權益、應佔聯營公司除稅後業績淨額之呈列及其他披露事項造成影響。
- 香港會計準則第2、7、8、10、 16、23、27、28、33號及香港會 計準則詮釋第15號對本集團政策 並無重大影響。
- 香港會計準則第21號並未對本集 團政策造成實質影響。每個合併 實體之功能貨幣均已按經修訂標 準之指引進行重估。
- 香港會計準則第24號對識別關連 方及若干其他關聯方披露構成影響。

採納香港會計準則第17號「租賃」導致有關租賃土地由物業、廠房及設備重新分類為經營租賃之會計政策有變。倘土地及樓宇不能於收購日作可靠分配,土地及樓宇項目將繼續被視為物業、廠房及設備並以成本列賬。

2. Basis of preparation (Continued)

The adoption of new/revised HKFRSs (Continued)

The adoption of HKAS 32 "Financial Instruments: Disclosure and Presentation" and HKAS 39 "Financial Instruments: Recognition and Measurement" has resulted in a change in the accounting policy relating to the classification of other financial assets at fair value through profits or loss and available-for-sale financial assets. It has also resulted in the recognition of derivative financial instruments at fair value and the change in fair value is recognised through income statement.

In the current year, the Group has, for the first time, applied HKAS 40 "Investment Property". The Group has elected to use the fair value model to account for its investment properties which requires gains or losses arising from changes in the fair value of investment properties to be recognised directly in the profit or loss for the year in which they arise. In previous years, investment properties under the previous Statement of Standard Accounting Practice ("SSAP") No. 13 were measured at open market values, with revaluation surplus or deficits credited or charged to investment property revaluation reserve unless the balance on this reserve was insufficient to cover a revaluation decrease, in which case the excess of the revaluation decrease over the balance on the investment property revaluation reserve was charged to the income statement. Where a decrease had previously been charged to the income statement and revaluation subsequently arose, that increase was credited to the income statement to the extent of the decrease previously charged. The Group has applied the relevant transitional provisions in HKAS 40 and elected to apply HKAS 40 from January 1, 2005 onwards.

2. 編製基準(續)

採納新訂/經修訂之香港財務報告準 則(續)

採納香港會計準則第32號「金融工具: 披露及呈列」及香港會計準則第39號 「金融工具:確認及計量」導致有關以 公平值計入損益之其他金融資產及可 供出售金融資產之分類之會計政策有 變,同時亦導致按公平值確認衍生金 融工具,公平值之變動於損益表確認。

於本年度,本集團首次應用香港會計 準則第40號「投資物業」。本集團選擇 運用公平價值模式對投資物業列賬, 該模式規定由投資物業之公平價值轉 變所產生之收益或虧損乃直接於其產 生年度之損益內確認。於過往年度, 根據以往之會計實務準則(「會計實務 準則」)第13號,投資物業乃按公開市 值計量,而重估盈餘或虧絀則計入投 資物業重估儲備或於投資物業重估儲 備扣除,除非該儲備之結餘不足以抵 銷重估減值(在該情況下,重估減值 超出投資物業重估儲備結餘之部分將 於損益表扣除)。倘減值之前已於損 益表扣除而及後產生重估增值,則相 等於過往已扣除之減值部分會計入損 益表。由二零零五年一月一日起,本 集團已應用香港會計準則第40號之相 關過渡性條文及選擇應用香港會計準 則第40號。

2. Basis of preparation (Continued)

The adoption of new/revised HKFRSs (Continued)

In the current year, the Group has applied HKFRS 2 "Share-based Payment" which requires an expense to be recognised where the Group buys goods or obtains services in exchange for shares or rights over shares ("equity-settled transactions"), or in exchange for other assets equivalent in value to a given number of shares or rights over shares ("cash-settled transactions"). The principal impact of HKFRS 2 on the Group is in relation to the expensing of the fair value of share options granted to directors and employees of the Company, determined at the date of grant of the share options, over the vesting period. Prior to the application of HKFRS 2, the Group did not recognise the financial effect of these share options until they were exercised.

Following the adoption of HKFRS 3 "Business Combinations", HKAS 36 "Impairment of Assets" and HKAS 38 "Intangible Assets", goodwill on acquisition of subsidiary, jointly controlled and associated companies is no longer amortised but tested for impairment annually as opposed to being amortised over its estimated useful life in previous years. Any impairment loss recognised during the year is charged to the income statement. This change in accounting policy has been applied prospectively from January 1, 2005 and amortisation of goodwill ceased on December 31, 2004.

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

 HKAS 16 – the initial measurement of an item of property, plant and equipment acquired in an exchange of assets transaction is accounted at fair value prospectively only to future transactions;

2. 編製基準(續)

採納新訂/經修訂之香港財務報告準 則(續)

於本年度,本集團採納香港財務報告 準則第2號:以股份形式支付。該準 則要求本集團於購買貨品或獲取服務 以交換股份或股份權利(「權益結算交 易」)時,或以一定數量股份或股份權 利交換其他等值資產(「現金結算交易」) 時,確認開支。香港財務報告準則第 2號對本集團之主要影響,乃其對授 予本公司董事及僱員,於授出日確定 之認股權公平值於整個待行使期之開 支計量。運用香港財務報告準則第2 號之前,於該類認股權行使之前,本 集團並不確認其財務影響。

於採納香港財務報告準則第3號「業務合併」、香港會計準則第36號「資產減值」及香港會計準則第38號「無形資產」後,收購附屬公司、共同控制及聯營公司之商譽不再予以攤銷,由以往年度按其估計可使用年期進行攤銷,改為每年進行減值測試。任何於年度內確認之減值虧損於損益表扣除。此項會計政策之轉變已按預期由二零零四年一月一日起應用,而商譽攤銷已於二零零四年十二月三十一日終止。

會計政策之所有變動乃根據各自準則 之過渡性條文而作出。除以下各項外, 本集團所採納之所有準則均須追溯應 用:

香港會計準則第16號一就自一項 資產交易中購入之物業、廠房及 設備,其初步計量乃依據公平值 計算,且僅適用於未來交易;

2. Basis of preparation (Continued)

The adoption of new/revised HKFRSs (Continued)

- HKAS 21 prospective accounting for goodwill and fair value adjustments as part of foreign operations;
- HKAS 39 does not permit to recognise, derecognise and measure financial assets and liabilities in accordance with this standard on a retrospective basis. The Group applied the previous SSAP 24 "Accounting for investments in securities" to investments in securities and also to hedge relationships for the 2004 comparative information. The adjustments required for the accounting differences between SSAP 24 and HKAS 39 are determined and recognised at January 1, 2005;
- HKAS 40 since the Group has adopted the fair value model, there is no requirement for the Group to restate the comparative information, any adjustment should be made to the retained earnings as at January 1, 2005, including the reclassification of any amount held in revaluation surplus for investment property;
- HKAS-Int 15 does not require the recognition of incentives for leases beginning before January 1, 2005;
- HKFRS 2 only retrospective application for all equity instruments granted after November 7, 2002 and not vested at January 1, 2005; and
- HKFRS 3 prospectively after January 1, 2005.

2. 編製基準(續)

採納新訂/經修訂之香港財務報告準 則(續)

- 香港會計準則第21號一作為海外 業務一部分的、對商譽及公平值 調整無追溯力之會計處理;
- 香港會計準則第39號-不允許根據此準則追溯確認、終止確認及計算金融資產及負債。本集團於二零零四年比較資料中就其他投資應用以往之會計實務準則第24號「證券投資會計」處理證券投資及對沖關係。會計實務準則第24號與香港會計準則第39號之會計差異所需之調整,已於二零零五年一月一日確定並確認;
- 香港會計準則第40號-由於本集 團已採用公平值模式,本集團無 須再重列比較資料,任何調整(包 括對投資物業重估盈餘任何部分 之重新分類)均須針對於二零零 五年一月一日之保留溢利進行調 整;
- 香港會計準則-詮釋第15號一於二零零五年一月一日前開始之任何租賃,其激勵措施均不要求確認;
- 香港財務報告準則第2號一所有於 二零零二年十一月七日後授出且 於二零零五年一月一日尚未歸屬 之所有權益工具才須追溯應用;及
- 香港財務報告準則第3號一於二零零五年一月一日後不作追溯應用。

2. Basis of preparation (Continued)

2. 編製基準(續)

The adoption of new/revised HKFRSs (Continued)

採納新訂/經修訂之香港財務報告準 則(續)

		2005	2004
		二零零五年	二零零四年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
The adoption of HKFRS 3	採納香港財務報告準則		
resulted in:	第3號之影響:		
Decrease in administrative expenses -	行政費用減少-商譽攤銷		
Goodwill amortisation		407	_
Increase in basic and diluted earnings	每股盈利(基本及攤薄)		
per share	增加	0.02 cent仙	_
		<u> </u>	
The adoption of HKAS 39	採納香港會計準則		
resulted in:	第39號之影響:		
Increase in available-for-sale financial assets	可供出售金融資產增加	527	_
Decrease in investment securities	證券投資減少	527	_
Increase in financial assets at fair value	以公平值計入損益之金融	327	
through profit or loss	資產增加	20	_
Decrease in other investments	其他投資減少	20	_
Increase in derivative financial	衍生金融工具增加		
instruments	1/1 T T T T T T T T T T T T T T T T T T	3,910	_
Increase in administrative expenses:	行政費用增加:	3,510	
Available-for-sale financial assets	- 可供出售金融資產	175	_
 Derivative financial instruments 	一衍生金融工具	17	_
Decrease in basic and diluted earnings	每股盈利(基本及攤薄)		
per share	減少	0.01 cent仙	_

採納新訂/經修訂之香港財務報告準

本集團並無提前採用以下已公布但尚

未生效之新訂/經修訂準則及詮釋。

編製基準(續)

則(續)

2. Basis of preparation (Continued)

The adoption of new/revised HKFRSs (Continued)

The Group has not early applied the following new/revised standards and interpretations that have been issued but are not yet effective.

HKAS 1 (Amendment)	Capital Disclosures	香港會計準則	資本披露
(第1號(修訂)	7 7 77 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7
HKAS 19 (Amendment)	Actuarial Gains and Losses, Group	香港會計準則	精算損益,集團計
	Plans and Disclosures	第19號(修訂)	劃及披露
HKAS 39 (Amendment)	Cash Flow Hedge Accounting of	香港會計準則	就預計集團間交易
	Forecast Intragroup Transactions	第39號(修訂)	之現金流量對沖
			會計
HKAS 39 (Amendment)	The Fair Value Option	香港會計準則	公平值認股權
		第39號(修訂)	
HKAS 39 & HKFRS 4	Financial Guarantee Contracts	香港會計準則	金融擔保合約
(Amendments)		第39號及香港	
		財務報告準則	
		第4號(修訂)	
HKFRS 7	Financial Instruments: Disclosures	香港財務報告	金融工具:披露
		準則第7號	
HKFRS-Int 4	Determining whether an Arrangement	香港財務報告	確定一項安排是否
	contains a Lease	準則一詮釋	含有一項租賃
		第4號	

3. Significant accounting policies

Basis of consolidation

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

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Minority interests in the net assets of consolidated subsidiaries are presented separately from the Group's equity therein. Minority interests in the net assets consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

Investments in subsidiaries

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

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

3. 主要會計政策

綜合基準

綜合財務報表包括本公司及其附屬公司截至每年十二月三十一日之財務報表。

本年度內被收購或出售之附屬公司業 績已包括在綜合損益表內,由其購入 生效日期起或截至其出售生效日期(倘 適用)止計算在內。

必要時,將調整附屬公司之財務報表, 以令彼等之會計政策與本集團其他成 員所採用者一致。

所有集團內公司間交易、結餘,收入 及支出概於綜合時對銷。

就未經綜合計算附屬公司,於彼等資產淨值之少數股東權益與本集團之權益分開呈列。資產淨值內少數股東權益包括於原始業務合併日期之權益包括於原始業務合併日期之變化。 及自合併日期起少數股權之變化。少數股東應佔且數額超逾少數股東應佔且數額超逾少數股東原公司權益之虧損,乃針對本集團之權益進行分配,惟少數股東有具約束力責任並能夠作出額外投資彌補虧損之情形除外。

於附屬公司之投資

附屬公司指本集團有權控制其財務及 營運政策並一般持有過半數投票權之 所有公司(包括特定用途公司)。當評 估本集團是否控制另一家公司時,將 考慮現時是否存在可行使或可換股的 潛在投票權及其影響。

於附屬公司之投資按成本扣除已辨別 減值虧損後列入本公司之資產負債表 內。

3. Significant accounting policies (Continued)

Interests in associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, Under the equity method, investments in associates are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the Group's share of the profit or loss and of changes in equity of the associate, less any identified impairment loss. When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. An additional share of losses is provided for and a liability is recognised only to the extent that the Group has incurred legal or constructive obligation or made payments on behalf of that associate.

Where a group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

3. 主要會計政策(續)

於聯營公司之權益

聯營公司指本集團對其有重大影響力 但並無控制權,且一般持有20%至50% 投票權之所有公司。

聯營公司之業績,資產及負債乃以會 計權益法綜合入財務資料。根據權益 法,於聯營公司之投資乃按成本於綜 合資產負債表中列賬,並就本集團分 佔該聯營公司之損益及權益變動之收 購後變動作出調整,以及減去任何已 識別之減值虧損。當本集團分佔某聯 營公司之虧損相等於或超出其於該聯 營公司之權益(其包括任何長期權益, 而該長期權益實質上構成本集團於該 繴營公司之投資淨額之一部份),則 本集團不再繼續確認其份佔之進一步 虧損。額外分佔之虧損乃被撥備,而 **自信僅以本集團已產牛法定或推定責** 任或代表該聯營公司作出付款者為限 被確認。

倘與本集團之一間聯營公司進行一組 交易,則損益以本集團於有關聯營公 司中之權益為限撤銷。

Notes to the Financial Statements 財務報表賬項附註

For the year ended December 31, 2005 截至二零零五年十二月三十一日止年度

3. Significant accounting policies (*Continued*)

Goodwill

Goodwill arising on acquisitions prior to January 1, 2005

Goodwill arising on an acquisition of a subsidiary or an associate for which the agreement date is before January 1, 2005 represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of the relevant subsidiary or associate at the date of acquisition.

For previously capitalised goodwill arising on acquisitions after January 1, 2001, the Group has discontinued amortisation from January 1, 2005 onwards, and such goodwill is tested for impairment annually, and whenever there is an indication that the cash generating unit to which the goodwill relates may be impaired (see the accounting policy below).

Goodwill arising on acquisitions on or after January 1, 2005

Goodwill arising on an acquisition of a subsidiary or an associate for which the agreement date is on or after January 1, 2005 represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of the relevant subsidiary or associate at the date of acquisition. Such goodwill is carried at cost less any accumulated impairment losses.

3. 主要會計政策(續)

商譽

於二零零五年一月一日之前因收購所 產生之商譽

因收購一間附屬公司或聯營公司(且協議日期早於二零零五年一月一日) 所產生之商譽乃收購成本超逾於協議 日期本集團於相關附屬公司或聯營公 司可辨別資產及負債公平值內權益之 差額。

就於二零零一年一月一日後因收購產生且已資本化之商譽,本集團已自二零零五年一月一日起停止攤銷,而此類商譽每年(或當指標顯示商譽相關之現金產生單位可能出現減值時)進行減值測試(見下列會計政策)。

於二零零五年一月一日或之後因收購 所產生之商譽

因收購一間附屬公司或聯營公司(且協議日期為或遲於二零零五年一月一日)所產生之商譽乃收購成本超逾於協議日期本集團於相關附屬公司或聯營公司可辨別資產、負債及或然負債公平值內權益之差額。此等商譽乃按成本減任何累計減值虧損入賬。

3. Significant accounting policies (Continued)

Goodwill (Continued)

Goodwill arising on acquisitions on or after January 1, 2005 (Continued)

Capitalised goodwill arising on an acquisition of a subsidiary is presented separately in the balance sheet. Capitalised goodwill arising on an acquisition of an associate (which is accounted for using the equity method) is included in the cost of the investment of the relevant associate.

For the purposes of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the acquisition. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication that the unit may be impaired. For goodwill arising on an acquisition in a financial year, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the cashgenerating unit is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in the income statement. An impairment loss for goodwill is not reversed in subsequent periods.

On subsequent disposal of a subsidiary or an associate, the attributable amount of goodwill capitalised is included in the determination of the amount of profit or loss on disposal.

3. 主要會計政策(續)

商譽(續)

於二零零五年一月一日或之後因收購 所產生之商譽(續)

因收購一間附屬公司所產生且已資本 化之商譽於資產負債表內獨立呈列。 因收購一間聯營公司所產生之資本化 商譽(以權益會計法計算),計入有關 聯營公司之投資成本。

之後一間附屬公司或聯營公司若被出 售,則資本化商譽之應佔金額概於計 算出售之盈利或虧損時計入。

3. Significant accounting policies (Continued)

Revenue recognition

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

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

Maintenance service income is recognised when services are rendered.

Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Rental income under operating leases is recognised on a straight-line basis over the terms of the relevant leases.

Commission income is recognised when the relevant services are rendered.

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

Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

3. 主要會計政策 (續)

收入確認

收益包括本集團日常業務中出售貨品 及服務的已收或應收代價的公平值。 收益在扣除退貨、回佣及折扣,及抵 銷本集團間之銷售後列帳。收益按以 下基準確認:

銷售商品收入乃於交貨及所有權已轉 移至買家時確認。

保養維修收入乃於提供服務時確認。

利息收入按時間法計入,並按未償還本金及適用實際利率(即將該金融資產之估計未來現金流入量準確折現至其賬面淨額之利率)計算。

經營租賃之租金收益乃按有關租賃之 年期以直線法確認。

佣金收入乃於提供有關服務時確認。

投資所得股息收入乃根據收取股息之 股東權利確認後方予入賬。

分部報告

業務分部乃一組提供產品或服務的資 產及業務,所涉風險及回報與其他業 務分部不同。地區分部指於個別經濟 環境提供產品或服務。而所涉風險及 回報有別於其他經濟環境經營之分部。

3. Significant accounting policies (Continued)

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straightline basis over the terms of the relevant leases.

The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the date of acquisition (or, if lower, at the present value of the minimum lease payment). The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Finance costs are charged to the income statement over the terms of the relevant leases so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

Rentals payable under operating leases are charged to the income statement on a straight-line basis over the terms of the relevant leases.

3. 主要會計政策(續)

租賃

倘租賃之條款將資產所有權之絕大部 份風險及收益撥予承租人,則有關租 賃將歸類為融資租賃。所有其他租賃 均歸類為經營租賃。

本集團為出租人

融資租賃承租人之欠款乃按本集團於 有關租賃之淨投資額而記錄為應收賬 款。融資租賃收入乃於會計期間分配, 從而反映本集團有關租約之淨投資額 所產生之固定回報率。

經營租賃之租金收益乃按有關租賃之 年期以直線法確認。

本集團為承租人

按融資租賃而持有之資產以購置日期 之公平價值確認為本集團資產(或倘 屬較低者,則以最低租賃付款之現 值)。承租人相應之債務,於資產負 債表中列賬為應付融資租賃債務。財 務費用撥入有關租賃期間之損益表內 處理,就每段會計期間之債務餘額之 固定支出率計算。

經營租賃之應付租金乃按有關租賃之 年期以直線法於損益表扣除。

3. Significant accounting policies (Continued)

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in its functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise, except for exchange differences arising on a monetary item that forms part of the Group's net investment in a foreign operation, in which case, such exchange differences are recognised in equity in the consolidated financials statements. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity, in which cases, the exchange differences are also recognised directly in equity.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Company (i.e. Hong Kong dollars) at the rate of exchange prevailing at the balance sheet date, and their income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the year, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised as a separate component of equity (the translation reserve). Such exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

3. 主要會計政策(續)

外幣

編製每個集團企業之財務報表時,採用非該企業功能貨幣(外幣)進行之交易,一律以交易日現行滙率折算為其功能貨幣(即該企業經營之主要經營之主要經營之主要經營之,以外幣計值之貨幣資產以結算日現行滙率重新折算。以外幣計值且與公平值入賬之非貨幣項目,以公平值產定日之現行滙率重新折算。以外幣歷史成本計量之非貨幣項目概不重新折算。

因貨幣項目結算及貨幣項目折算產生 之滙兑差額於產生期內之損益賬內確 認,惟構成本集團對一項外國業務淨 投資之貨幣項目所產生之滙兑差額除 外,此類滙兑差額於綜合財務報表之 權益部分確認。以公平值入賬之非貨 幣項目,其重新折算產生之滙兑差額 於當期損益賬內確認,惟重新折算非 貨幣項目產生之損益直接於權益確認, 其重新折算產生之滙兑差額亦直接於 權益內確認。

就呈列綜合財務報表而言,本集團海外經營業務之資產及負債乃按於結算日之適用匯率換算為本公司之列賬貨幣(如港元),而其他收入及支出乃按該年度之平均匯率進行換算。除非匯率於該年度內出動大幅波動則作別論,於此倩況下,則採用於換算當日之。所產生之匯兑差額(如有)乃確認作股本之獨立部分(匯兑儲備)。該等匯兑差額乃於海外業務被出售之期間內於損益賬內確認。

3. Significant accounting policies (Continued)

Foreign currencies (Continued)

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation on or after January 1, 2005 are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the balance sheet date. Exchange differences arising are recognised in the translation reserve.

Borrowing costs

All borrowing costs are recognised as and included in finance costs in the income statement in the period in which they are incurred.

Retirement benefit costs

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

Taxation

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

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.

3. 主要會計政策(續)

外幣(續)

於二零零五年一月一日或以後,於收 購海外業務時產生之有關所收購可識 別資產之商譽及公平值調整乃處理為 該海外經營業務之資產及負債,並按 於結算日之適用匯率進行換算。產生 之匯兑差額乃於匯兑儲備內確認。

貸款成本

所有貸款成本均予確認並列入產生期 間損益表內之財務費用。

退休福利費用

界定供款退休金計劃之付款乃於到期 支付時確認為開支。

税項

所得税開支乃為現行應繳税項與遞延 税項之總額。

現行應繳税項根據本年度之應課税盈 利計算。應課税盈利與損益表內呈報 之純利兩者差異乃基於其並無計入其 他年度之應課税或可扣減收支項目, 亦無計入毋須課税及不獲扣減之損益 表項目所致。

3. Significant accounting policies (Continued)

Taxation (Continued)

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 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 and associate, 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 profits will be available to allow all or part of the asset to be recovered.

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

3. 主要會計政策(續)

税項(續)

遞延稅項乃為財務報表內資產及負債 賬面值與計算應課稅盈利所用相處 是異而產生之應繳付或負債表 稅項,並採用「資產負債表負債法」」 賬。遞延稅項負債一般按所有遞延稅項負債 企暫時性差異予以確認,而遞延稅項 資產則按可能會出現可用以抵到而 資產則按可能會出現可用以盈利而 確認。倘若暫時性差異乃基於 公可不影響稅務盈利或會計盈利之 交易中初步確認(業務合併之 致 交易中初步確認(業務合併之 於外)之其他資產及負債而引致 有關資產及負債不予確認。

遞延税項負債按於附屬公司及聯營公司之投資所引致之應課税暫時性差異而予以確認,惟本集團可控制撥回之暫時性差異及不大可能於可見將來撥回之暫時性差異則除外。

遞延税項資產之賬面值於每個結算日 作檢討,並作出調減直至不再可能會 有足夠應課税盈利恢復全部或部分資 產價值。

遞延税項按預計於償還負債或變現資產之期間內按適用之税率計算。遞延稅項於損益中扣除或計入,惟倘遞延稅項與直接在權益中扣除或計入權益之項目有關,在此情況下遞延稅項亦會於權益中處理。

3. Significant accounting policies (*Continued*)

Property, plant and equipment

Property, plant and equipment are stated at cost less subsequent accumulated depreciation and accumulated impairment losses.

Depreciation is provided to write off the cost of items of property, plant and equipment over their estimated useful lives and after taking into account of their estimated residual values, using the straight-line method, at the following rates per annum:

– Land held under	Over the unexpired
medium-term lease	term of lease
– Buildings on land held	$2^{1}/_{2} - 5\%$
under medium-term lease	
– Leasehold improvements	20%
- Furniture, fixtures and equipment	10 - 20%
– Machinery and tools	20 - 331/3%
- Motor vehicles	20 – 25%

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant leases.

The land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease classification, unless the lease payments cannot be allocated reliably between the land and buildings elements, in which case, the entire lease is generally treated as a finance lease. To the extent that the allocation of the lease payments between the land and buildings elements can be made reliably, the leasehold interests in land are reclassified to prepaid lease payments under operating leases, which are carried at cost and amortised over the lease term on a straight line basis. This change in accounting policy has been applied retrospectively. Alternatively, where the allocation between the land and buildings elements cannot be made reliably, the leasehold interests in land continue to be accounted for as property, plant and equipment. As the directors consider the allocation between the land and buildings elements cannot be made reliably, no restatement has been made in the financial statements.

3. 主要會計政策(續)

物業、廠房及設備

物業、廠房及設備均以成本值減除累 計折舊及累積減值虧損後入賬。

物業、廠房及設備之折舊,乃將其成本減除估計之殘值,按其估計之可使 用年期以直線法撇銷,所使用之年率如下:

以中期契約持有	契約
之土地	尚餘年期
建於中期契約	$2^{1}/_{2} - 5\%$
土地上之樓宇	
物業裝修	20%
傢俬、裝置及設備	10 - 20%
機器及工具	$20 - 33^{1}/_{3}\%$
汽車	20 - 25%

按融資租賃持有之資產,均按其與自 置資產相同基準之估計可使用年期或 租賃年期折舊,以較短者為準。

就租賃分類而言一項土地及樓宇租賃 中之土地及樓宇部分乃分開考慮,惟 不能在土地及樓宇部份之間可靠地分 配租賃款項者除外,而在此情況下, 整項租賃一般被視為融資租約。倘 未能在土地及樓宇部份之間作出可靠 分配,則土地之租賃權益將繼續入賬 為物業、機器及設備。由於董事認為 在土地及樓宇部分部之間未能作出可 靠分配,故並無於本財務報表中重列。

3. Significant accounting policies (*Continued*)

Property, plant and equipment (Continued)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the consolidated income statement in the year in which the item is derecognised.

Investment properties

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

On initial recognition, investment properties are measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured using the fair value model. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use or no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the year in which the item is derecognised.

3. 主要會計政策(續)

物業、廠房及設備(續)

物業、機器及設備項目於出售後或當預期持續使用該資產將不會產生未來經濟利益時不再確認。於不再確認該資產時所產生之任何收益或虧損(以出售所得款項淨額與該項目之賬面值之差額計算),將計入不再確認年度之綜合收益表內。

投資物業

投資物業乃因具投資潛力且可按公平 基準磋商租金收入而持有之已落成物 業。

於初步確認時,投資物業以成本入賬 (包括任何直接應佔支出)。初步確認 後,投資物業採用公平值模型計量。 投資物業公平值變動產生之損益計入 發生期間之損益賬。

一項投資物業被出售或該投資物業永 久停止使用,或預期出售該項投資物 業不會產生任何未來經濟收益,則該 項投資物業被終止確認。終止確認某 項資產產生之任何損益(按出售所得 款項淨額與該資產賬面值之差計算) 均列入有關項目被終止確認年度之損 益表。

3. Significant accounting policies (Continued)

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the first-in, first-out method. Net realisable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses.

Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks, cash investments with a maturity of three months or less from date of investment and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

Provisions and contingent liabilities

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material.

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as a provision.

3. 主要會計政策(續)

存貨

存貨乃按成本或可變現淨值之較低者 入賬。成本以先入先出法計算。可變 現淨值乃於日常業務之估計售價減適 用之可變銷售開支。

現金及現金等值項目

現金及現金等值項目按成本在資產負 債表內列賬。在現金流量表中,現金 及現金等值項目包括手頭現金、銀行 通知存款及於購入後三個月內到期之 現金投資及銀行透支。銀行透支呈列 於資產負債表流動負債之貸款內。

撥備及或然負債

當本集團具有一項因過往事件導致之 當前責任,且很有可能本集團被要求 履行該項責任時,即確認撥備。撥備 乃依據董事於結算日對履行該項責任 所需開支之最佳估計,若影響重大則 將金額貼現為現值。

或然負債指因過往事件而產生的可能 責任,而有關責任會否存在,須視乎 日後一項或多項事件會否出現,而出 現與否非完全由集團控制:也可以是 因過往事件而已經產生的責任,但因 為將來需要撥出經濟資源履行責任的 機會不大,或不能對所涉及金額作可 靠計量而未有入賬處理。

或然負債不予入賬,但會在賬目附註 披露。若情況有變以致將來可能需要 撥出資源以履行責任,即以撥備入賬。

Notes to the Financial Statements 財務報表賬項附註

For the year ended December 31, 2005 截至二零零五年十二月三十一日止年度

3. Significant accounting policies (Continued)

Financial instruments

Financial assets and financial liabilities are recognised on the balance sheet when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

The Group's financial assets are classified into one of the four categories, including financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. The accounting policies adopted in respect of each category of financial assets are set out below.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss has two subcategories, including financial assets held for trading and those designated at fair value through profit or loss on initial recognition. At each balance sheet date subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value, with changes in fair value recognised directly in profit or loss in the period in which they arise.

3. 主要會計政策(續)

金融工具

當本集團企業成為金融工具合約其中一方時,於資產負債表內確認為金融資產或金融負債。金融資產及負債初步以公平值計量。直接歸於金融資產或負債之交易成本(以公平值計入損益的金融資產及金融負債除外),於初步確認時計入金融資產或負債之公平值或從中扣減。直接歸於收購金融資產或金融負債,且以公平值計入損益的交易成本即時計入損益。

金融資產

本集團之金融資產劃分為四類,包括 以公平值計入損益的金融資產,貸款 及應收款項,持至到期日投資及可供 出售之金融資產。金融資產之所有正 常購買及出售均按交易日期基準確認。 正常購買及銷售乃指須按規定或市場 慣例規定之時間內交收資產之金融資 產買賣。每類金融資產採用之會計政 策説明如下。

以公平值計入損益的金融資產

以公平值計入損益的金融資產包括兩個分類,即持作交易之金融資產及於初步確認時即定為以公平值計入損益之金融資產。於初步確認後之每個結算日,以公平值計入損益之金融資產以公平值計量,而公平值變化直接於所產生期間之損益內確認。

Significant accounting policies (Continued)

Financial instruments (Continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At each balance sheet date subsequent to initial recognition, loans and receivables (including trade and other receivables and amounts due from associates) are carried at amortised cost using the effective interest method, less any identified impairment losses. An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as any of the other categories (set out above). At each balance sheet date subsequent to initial recognition, available-for-sale financial assets are measured at fair value. Changes in fair value are recognised in equity, until the financial asset is disposed of or is determined to be impaired, at which time, the cumulative gain or loss previously recognised in equity is removed from equity and recognised in profit or loss. Any impairment losses on available-for-sale financial assets are recognised in profit or loss. Impairment losses on available-forsale equity investments will not reverse in subsequent periods. For available-for-sale debt investments, impairment losses are subsequently reversed if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

主要會計政策(續)

金融工具(續)

貸款及應收款項

貸款及應收款項乃固定或可釐定付款, 並未於活躍市場掛牌之非衍生金融資 產。於初步確認後之每個結算日,貸 款及應收款項(包括貿易及其他應收 款項及應收聯營公司款項)按實際利 率法計算之攤銷成本減任何已辨別之 減值虧損入賬。若有客觀證據顯示有 關資產已減值,則於損益內確認減值 虧損,其金額乃以該項資產之賬面值 於以初始實際利率折現估計未來現金 流量之現值之差額計量。若在較後期 間,可收回金額增加而該增加是可客 觀地與確認減值後發生事件有關連, 減值虧損予以撥回,惟於減值撥回之 日的資產賬面金額不得超過假如並無 確認減值的已攤銷成本。

可供出售金融資產

可供出售金融資產乃被指定為或者無 法歸入其他(如上所述)類別的非衍生 金融工具。於初步確認後之每個結算 日,可供出售金融資產以公平值計量。 公平值變化於權益內確認,直至該金 融資產被出售或被釐定應予減值,屆 時之前已在權益內確認的累積損益將 被剔除於權益,並於損益內確認。可 供出售金融資產之任何減值虧損均於 損益內確認。可供出售股票投資的減 值虧損不會於隨後期間撥回。就可供 出售債務投資而言,如其後該投資之 公平價值增加,而該增加是可客觀地 與確認減值虧損後發生的事件有關連, 減值虧損隨後撥回。

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For the year ended December 31, 2005 截至二零零五年十二月三十一日止年度

3. Significant accounting policies (Continued)

Financial instruments (Continued)

Available-for-sale financial assets (Continued)

For available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, they are measured at cost less any identified impairment losses at each balance sheet date subsequent to initial recognition. An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired. The amount of the impairment loss is measured as the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses will not reverse in subsequent periods.

Financial liabilities and equity

Financial liabilities and equity instruments issued by a group entity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The Group's financial liabilities are generally classified into financial liabilities at fair value through profit or loss and other financial liabilities. The accounting policies adopted in respect of financial liabilities and equity instruments are set out below.

Other financial liabilities

Other financial liabilities including trade and other payables, amounts due to related companies, bank borrowings and obligations under finance leases are subsequently measured at amortised cost, using the effective interest rate method.

3. 主要會計政策(續)

金融工具(續)

可供出售金融資產(續)

於活躍市場並無可報市價而其公平值未能可靠地計量,且有相連之衍生工具及必須以交付無報價股票工具作確算的可供出售股票投資,於初已已報值結算日按成本減任何複顯不過值虧損計量。若有客觀證據減值虧損。就值虧損失來報過與估計未來報過金融資產的現時市場回。納工者之差額計算。此等減值虧損概不於往後期間內撥回。

金融負債及權益

由一間集團公司發行之金融負債及權益工具,乃依據所簽署合約安排之實質,及對金融負債及權益工具之界定進行歸類。

一項權益工具乃證明於本集團資產之 剩餘權益(扣減其所有負債後)之任何 合約。本集團之金融負債一般分為以 公平值計入損益之金融負債及其他金 融負債。就金融負債及權益工具所採 納之會計政策列載如下。

其他金融負債

其他金融負債包括貿易及其他應付款項,應付關聯公司款項,銀行貸款及 融資租賃承擔採用實際利率方法計算 攤銷成本入賬。

3. Significant accounting policies (Continued)

Financial instruments (Continued)

Convertible loan notes

Convertible loan notes issued by the Company that contain both financial liability and equity components are classified separately into respective liability and equity components on initial recognition. On initial recognition, the fair value of the liability component is determined using the prevailing market interest of similar non-convertible debts. The difference between the proceeds of the issue of the convertible loan notes and the fair value assigned to the liability component, representing the embedded call option for the holder to convert the loan notes into equity, is included in equity (convertible loan notes equity reserve).

In subsequent periods, the liability component of the convertible loan notes is carried at amortised cost using the effective interest method. The equity component, represented by the option to convert the liability component into ordinary shares of the Company, will remain in convertible loan notes equity reserve until the embedded option is exercised (in which case the balance stated in convertible loan notes equity reserve will be transferred to share premium). Where the option remains unexercised at the expiry date, the balance stated in convertible loan notes equity reserve will be released to the retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the option.

Transaction costs that relate to the issue of the convertible loan notes are allocated to the liability and equity components in proportion to the allocation of the proceeds. Transaction costs relating to the equity component are charged directly to equity. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the period of the convertible loan notes using the effective interest method.

3. 主要會計政策(續)

金融工具(續)

可換股貸款票據

本集團發行之可換股貸款票據包含金融負債及金融權益部分,並於初步確認時分開歸類於各自負債及權益部分。於初步確認時,負債部分之公平值乃按類似非可換股債券之現行市場息率釐定。發行可換股貸款票據所得款項淨額與歸入負債部分之公平值之差額(代表持有人將貸款票據轉換為權益之內置認購期權)計入權益(可換股貸款票據權益儲備)。

發行可換股貸款票據有關交易成本乃 按所得款項分配比例,分配至負債及 權益部分。與權益部分相關之交易成 本直接從權益扣除。與負債部分相關 之交易成本計入負債部分之賬面值並 以實際利率法於可換股貸款票據年期 內攤銷。

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3. Significant accounting policies (Continued)

Financial instruments (Continued)

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and the cumulative gain or loss that had been recognised directly in equity is recognised in profit or loss.

For financial liabilities, they are removed from the Group's balance sheet (i.e. when the obligation specified in the relevant contract is discharged, cancelled or expires). The difference between the carrying amount of the financial liability derecognised and the consideration received or receivable is recognised in profit or loss.

Properties held for sale

Properties held for sale are stated at the lower of cost and net realisable value.

Impairment

At each balance sheet date, the Group reviews the carrying amounts of its tangible assets 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. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverse, 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.

主要會計政策(續)

金融工具(續)

終止確認

當自一項金融資產收取現金流量之權利屆滿,或該項金融資產已轉讓且本集團已大體上轉移該金融資產所有權之全部風險及報償,該金融資產即被終止確認。於終止確認某項金融資產時,有關資產賬面值及已收代價之和,與已直接於權益確認之累積收益或虧損之差額乃於損益內確認。

金融負債則自本集團之資產負債表內 移除(即當有關合約規定之責任被解 除、取消或屆滿之時)。被終止確認 之金融負債賬面值與已收代價之差額 乃於損益內確認。

持有供出售物業

持有供出售物業以成本及可兑現淨值 之較低者呈列。

減值

於每個結算日,本集團會對有形資產及無形資產之賬面金額進行核查,以確定是否有跡象顯示這些資產已蒙受減值虧損。倘估計資產之可收回金額低於其賬面值,則將該資產之賬面金額減低至其可收回金額。減值虧損會即時確認為一項費用。

倘減值虧損於其後撥回,該資產之賬 面金額增加至其可收回金額之重新估 計值,惟增加後之賬面金額不能超過 該資產過往年度已確認為無減值虧損 之賬面金額。減值虧損之撥回即時確 認為收入。

4. Financial risk management objectives and policies

The Group's major financial instruments include equity and debt investments, borrowings, trade receivables, trade payables and convertible loan notes. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Currency risk

Several subsidiaries of the Company have foreign currency sales, which expose the Group to foreign currency risk. In order to mitigate the foreign currency risk, foreign currency forward contracts are entered into in respect of highly probable foreign currency forecast sales in accordance with the Group's risk management policies.

Certain trade receivables, loan receivables and borrowings of the Group are denominated in foreign currencies. The management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arises.

Fair value interest rate risk

The Group's fair value interest rate risk relates primarily to fixedrate bank borrowings (see Note 34). In relation to these fixedrate borrowings, the Group aims at keeping borrowings at variable rates.

Besides, the Group is exposed to interest rate risk through the impact of rate changes on interest bearing bank borrowings and obligations under finance leases. The interest rates and terms of repayment of bank borrowings and obligations under finance leases of the Group are disclosed in notes 34 and 33 respectively.

4. 金融風險管理目標及政策

本集團主要金融工具包括股票及債券 投資、貸款、貿易應收款項,貿易應 付款項及可換股貸款票據。此等金融 工具之詳情於各自附註內披露。該等 金融工具有關風險及減少該等風險之 政策陳述如下。管理層對此類風險進 行管理及監察,以確保及時有效採取 恰當措施。

貨幣風險

本公司數間附屬公司有以外幣計值之 銷售,令本集團面對外幣風險。依據 本集團風險管理政策,就高度可能之 預計外幣銷售將簽訂外滙遠期合約。

本集團若干貿易應收款項、應收貸款 及借款乃以外幣計值。管理層監察外 滙風險並將考慮於必要時對沖重大外 幣風險。

公平值利率風險

本集團之公平值利率風險主要涉及定息貸款(見附註第34項)。就此等定息貸款,本集團極力採用不同的貸款利率。

此外,本集團之計息融資租賃債務及銀行借貸承受利率變動風險。本集團之融資租賃債務及銀行借貸之利率及償還條款分別於附註第34及33項披露。

4. Financial risk management objectives and policies (*Continued*)

Credit risk

The Group's maximum exposure to credit risk in the event of the counterparties failure to perform their obligations as at December 31, 2005 in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated balance sheet. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at each balance sheet date to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

Liquidity risk

The Group's liquidity risk management includes diversifying the funding sources. The Group regularly reviews its major funding positions to ensure that it has adequate financial resources in meeting its financial obligations.

4. 金融風險管理目標及政策(續)

信貸風險

流動資金風險

本集團的流動資金風險管理包括分散 資金來源。本集團定期檢討其主要資 金來源狀況,確保擁有足夠財務資源 以應付其財務承擔。

5. Critical accounting judgements and key sources of estimation uncertainty

In the process of applying the entity's accounting policies which are described in note 3, management has made the following judgments that have significant effect on the amounts recognised in the financial statements. 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 also discussed below.

Allowances for bad and doubtful debts

The policy for allowance of bad and doubtful debts of the Group is based on the evaluation of collectability and aging analysis of accounts and on management's judgment. A considerable amount of judgment is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each customer. If the financial conditions of customers of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

Allowances for inventories

The management of the Group reviews an aging analysis at each balance sheet date, and makes allowance for obsolete and slow-moving inventory items. The management estimates the net realisable value for such finished goods based primarily on the latest invoice prices and current market conditions. The Group carries out an inventory review on a product-by-product basis at each balance sheet date and makes allowance for obsolete items.

5. 關鍵會計判斷及重要估計不確 定因素

於執行公司會計政策(詳見附註第3項) 過程,管理層作出如下對財務報表內 確認金額有重要影響之判斷。具有可 能導致下一財政年度資產及負債賬面 值重要調整風險的有關未來之重要假 設,及於結算日之重要估計不確定因 素亦在下文討論。

壞賬及呆賬撥備

本集團之壞賬及呆賬撥備政策,乃依 據對可收回性評估、賬齡分析及管理 層之判斷而定。評估該等應收款項之 最終變現能力時需作出大量判斷,包 括每名客戶之現有信貸能力及過往收 賬紀錄。若本集團客戶之財務狀況惡 化,導致其償付能力降低,則可能需 要額外撥備。

存貨撥備

本集團管理層於每個結算日審查賬齡 分析,對的陳舊及滯銷存貨計提撥備。 管理層主要依據最後發票價格及現行 市況估計此等製成品之可變現淨值。 本集團於每個結算日逐項產品進行存 貨審核,對陳舊存貨計提撥備。

5. Critical accounting judgements and key sources of estimation uncertainty (Continued)

Estimated impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating units to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. As at December 31, 2005, the carrying amount of goodwill was HK\$2,306,000. Details of the recoverable amount calculation are disclosed in note 20.

Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will accordingly be adjusted in the relevant tax account in the year in which such determination is made.

5. 關鍵會計判斷及重要估計不確 定因素 (續)

估計商譽減值

釐定商譽是否減值需要對商譽分配之 現金產生單位之使用價值進行估計。 該使用價值計算需要本集團估計有關 現金產生單位預期產生之未來現金流 量及適當折現率,以計算現值。於二 零零五年十二月三十一日,商譽賬面 值為港幣2,306,000元。可收回金額計 算詳情披露於附註第20項。

所得税

本集團須於眾多司法權區繳納所得稅。 釐定全球範圍之所得稅撥備須作出重 要判斷。最終稅務結果不同於初步紀 錄金額,有關差異將於作出釐定年度 內之稅項賬目作出調整。 銷售商品予客戶,扣除

For the year ended December 31, 2005 截至二零零五年十二月三十一日止年度

Turnover

營業額

2004 二零零四年 HK\$'000 港幣千元
576,232 42,386

618,618

689,770

Sales of goods to customers, less returns and discounts

退回及折扣

Maintenance service income 保養維修服務之收入

Business and geographical segments 7.

業務及地區分類

業務分類

Business segments

For management purposes, the Group is currently organised into five operating divisions: air-conditioning products, audio-visual and other electrical products, cars and car accessories, direct marketing and property investment. These divisions are the basis on which the Group reports its primary segment information.

Principal activities are as follows:

就業務管理目的,本集團現時之業務 可分為五個經營部份:空調產品、影 音設備及其他電器產品、汽車及汽車 配件、直銷及物業投資。該等部份為 本集團呈報其主要分類資料之基準。

主要業務如下:

Air-conditioning products

Distribution and installation of

air-conditioning products

空調產品 分銷及安裝空調

產品

Audio-visual and other electrical products

Distribution of audio-visual equipment, including car audio,

and home appliances

影音設備及其 他電器產品

分銷影音設備(包 括汽車音響產品)

及家用電器

Cars and car accessories

Trading of cars and related accessories and provision of

car repairing services

汽車及汽車 配件

買賣汽車及相關 配件及提供汽車

維修服務

Direct marketing

Retailing of consumer electronic products and home appliances 有銷

零售消費電子產品 及家用電器

Property investment

Rental of investment properties and

properties held for sale

物業投資

投資物業及持作

出售物業之租賃

Notes to the Financial Statements 財務報表賬項附註

For the year ended December 31, 2005 截至二零零五年十二月三十一日止年度

7. Business and geographical segments (Continued)

7. 業務及地區分類(續)

Business segments (Continued)

業務分類(續)

Segment information about these businesses is presented below.

有關該等業務之分類資料呈列如下:

2005

二零零五年

二零零五年		Air- conditioning products 空調產品 HK\$'000 港幣千元	Audio-visual and other electrical products 影音設備 及其他 電器產品 HK\$'000 港幣千元	Cars and car accessories 汽車及 汽車配件 HK\$'000 港幣千元	Direct marketing 直銷 HK\$'000 港幣千元	Property investment 物業投資 HK\$'000 港幣千元	Others 其他 HK\$'000 港幣千元	Eliminations 抵銷 HK\$'000 港幣千元	Consolidated 綜合賬目 HK\$'000 港幣千元
Turnover External sales	營業額 外部銷售收益 業務之間銷售收益	97,987 761	212,161 157	377,845	1,777 30	-	-	- (948)	689,770
Inter-segment sales Total turnover	未	98,748	212,318	377,845	1,807	<u> </u>	<u> </u>	(948)	689,770
Inter-segment sales are charged at prevailing market rates.	業務之間銷售收益以當時市場價格入賬。		= 13,010			_	_		
Result Segment result	業績 分類業績	2,353	4,740	11,576	(962)	12,749	(361)	130	30,225
Gain on settlement of a loan Unallocated other operating income	債務清償收益 未分類其他 營業收入								88,178 487
Provision for a legal claim Unallocated corporate expenses	司法索償撥備未分類公司支出								(30,656)
Profit from operations Finance costs Share of results of associates	經營盈利 財務費用 應佔聯營公司業績	-	(23,455)	2,716			-	-	76,322 (6,685) (20,739)
Profit before tax Income tax expense	除税前盈利 所得税開支								48,898 (11,502)
Profit for the year	本年度盈利								37,396

7. Business and geographical segments (Continued)

7. 業務及地區分類(續)

Business segments (Continued)

業務分類(續)

2005 二零零五年

		Air- conditioning products 空調產品 HK\$'000 港幣千元	Audio-visual and other electrical products 影音設備 及其他 電器產品 HK\$'000 港幣千元	Cars and car accessories 汽車及 汽車配件 HK\$'000 港幣千元	Direct marketing 直銷 HK\$'000 港幣千元	Property investment 物業投資 HK\$'000 港幣千元	Others 其他 HK\$'000 港幣千元	Eliminations 抵銷 HK\$'000 港幣千元	Consolidated 综合賬目 HK\$'000 港幣千元
Consolidated balance sheet	綜合資產負債表								
Assets Segment assets Interests in associates Unallocated corporate assets	資產 分類資產 於聯營公司之權益 未分類公司資產	26,790 -	50,643 52,930	126,386 7,615	1 -	227,384 -	8,249 -	-	439,453 60,545 115,608
Consolidated total assets	綜合總資產								615,606
Liabilities Segment liabilities Unallocated corporate liabilities Consolidated total liabilities	負債 分類負債 未分類公司負債 綜合總負債	18,139	21,154	86,711	-	3,884	37	-	129,925 181,160 ————————————————————————————————————
Other information	其他資料								
Capital expenditure	資本支出	303	295	16,074	-	-	2,211	-	18,883
Depreciation and amortisation	折舊及攤銷	117	325	1,806	-	2,871	562	-	5,681
Fair value gains on investment properties Reversal of write-down of	投資物業公平值收益持作出售物業	-	-	-	-	(12,728)	-	-	(12,728)
properties held for sale to net realisable value	減值撥回至可 變現淨值					(3,330)	_	_	(3,330)

7. Business and geographical segments (Continued) 7. 業務及地區分類(續)

Business segments (Continued)

業務分類(續)

2004

二零零四年									
		Air- conditioning products 空調產品 HK\$'000 港幣千元	Audio-visual and other electrical products 影音設備 及其他 電器產品 HK\$*000 港幣千元	Cars and car accessories 汽車及 汽車配件 HK\$'000 港幣千元	Direct marketing 直銷 HK\$'000 港幣千元	Property investment 物業投資 HK\$'000 港幣千元	Others 其他 HK\$'000 港幣千元	Eliminations 抵銷 HK\$*000 港幣千元	Consolidated 綜合賬目 HK\$'000 港幣千元
Turnover External sales Inter-segment sales	營業額 外部銷售收益 業務之間銷售收益	122,449 1,096	137,543 5,615	314,590 -	44,036 107	- -	- -	- (6,818)	618,618 -
Total turnover	營業總額	123,545	143,158	314,590	44,143			(6,818)	618,618
Inter-segment sales are charged at prevailing market rates.	業務之間銷售收益以 當時市場價格入賬	0							
Result Segment result	業績 分類業績	3,931	(490)	10,338	(6,632)	(1,006)	_	692	6,833
Unallocated corporate expenses	未分類公司支出								(4,724)
Profit from operations Finance costs Net loss on disposal	經營盈利 財務費用 出售附屬公司之								2,109 (7,902)
of subsidiaries Restructuring costs Share of results of associates	面告的屬公司之 虧損淨額 重組費用 應佔聯營公司業績	-	(17,483)	(2,260)	-	(1,745)	-	-	(1,745) (1,320) (19,743)
Loss before tax Income tax credit	除税前虧損 所得税撥回								(28,601) 29,502
Profit for the year	本年度盈利								901

7. Business and geographical segments (Continued)

7. 業務及地區分類(續)

Business segments (Continued)

業務分類(續)

2004

二零零四年									
		Air- conditioning products 空調產品 HK\$*000 港幣千元	Audio-visual and other electrical products 影音設備 及其他 電器產品 HK\$*000 港幣千元	Cars and car accessories 汽車及 汽車配件 HK\$*000 港幣千元	Direct marketing 直銷 HK\$*000 港幣千元	Property investment 物業投資 HK\$000 港幣千元	Others 其他 HK\$*000 港幣千元	Eliminations 抵銷 HK\$*000 港幣千元	Consolidated 綜合賬目 HK\$*000 港幣千元
Consolidated balance sheet	綜合資產負債表								
Assets Segment assets Interests in associates Unallocated corporate assets	資產 分類資產 於聯營公司之權益 未分類公司資產	41,393	50,635 75,161	95,824 4,765	2,555 _	209,316	- -	- -	399,723 79,926 132,012
Consolidated total assets	綜合總資產								611,661
Liabilities Segment liabilities Unallocated corporate liabilities Consolidated total liabilities	負債 分類負債 未分類公司負債 綜合總負債	27,452	26,437	71,980	1,387	10,455	-	-	137,711 209,022 346,733
Other information Capital expenditure Depreciation and amortisation Fair value losses	其他資料 資本支出 折舊及攤銷 投資物業	10 76	882 311	2,804 1,689	26 44	- 33	1,162 5,027	-	4,884 7,180
on investment properties Reversal of write-down of properties held for sale to	公平值虧損 持作出售物業 減值撥回至	-	-	-	-	1,594	-	-	1,594
net realisable value	可變現淨值		_	_		(2,207)			(2,207)

7. Business and geographical segments (Continued)

Geographical segments

The Group's operations are mainly located in Hong Kong, Singapore, Malaysia, The People's Republic of China (other than Hong Kong and Macau) (the "PRC") and Macau. The following table provides an analysis of the Group's turnover by geographical market, irrespective of the origin of the goods/services:

7. 業務及地區分類(續)

地區分類

本集團之業務主要分佈於香港、新加坡、馬來西亞、中華人民共和國(香港及澳門除外)(「中國」)及澳門。下表按市場地區分析本集團之營業額(不論商品/服務之原產地):

		Turnovo geographica 地區分類な	al market	Contribution to operating results 對經營業績之貢獻		
		2005	2004	2005	2004	
		二零零五年	二零零四年	二零零五年	二零零四年	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	
		港幣千元	港幣千元	港幣千元	港幣千元	
Hong Kong	香港	571,499	449,798	22,984	14,775	
Singapore	新加坡	56,027	53,160	51	353	
Malaysia	馬來西亞	29,790	26,717	1,542	1,392	
PRC	中國	11,931	58,824	(5,526)	(17,011)	
Macau	澳門	19,966	27,871	845	478	
Others	其他	557	2,248	95	58	
		689,770	618,618	19,991	45	
Other operating income	其他營業收入			10,721	6,788	
Gain on settlement of a loan	債務清償收益			88,178	-	
Provision for a legal claim	司法索償撥備			(30,656)	_	
Unallocated corporate	未分類公司支出			(30,030)		
expenses	水为灰石引久田			(11,912)	(4,724)	
0.1000				(11,312)		
Profit from operations	經營盈利			76,322	2,109	
From norm operations	紅呂盆川			10,322	2,109	

7. Business and geographical segments (Continued)

7. 業務及地區分類(續)

Geographical segments (Continued)

地區分類(續)

The following is an analysis of the carrying amount of segment assets, and capital expenditures analysed by the geographical area in which the assets are located:

按資產分佈之地區分析分類資產之賬 面金額及資本支出如下:

		Carrying amount				
		of segmen	of segment assets		Capital expenditures	
		分類資產賬面金額		資本支出		
		2005	2004	2005	2004	
		二零零五年	二零零四年	二零零五年	二零零四年	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	
		港幣千元	港幣千元	港幣千元	港幣千元	
Hong Kong	香港	487,654	438,971	18,355	3,997	
Singapore	新加坡	22,991	20,343	349	767	
Malaysia	馬來西亞	13,514	11,064	83	120	
PRC	中國	91,406	141,235	96	_	
Macau	澳門	41	48	-	_	
		615,606	611,661	18,883	4,884	

Carrying amount

8. Other operating income

8. 其他營業收入

		2005	2004
		二零零五年	二零零四年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Rental income (before deducting	租金收入(扣除支出港幣		
outgoings of HK\$5,104,000	5,104,000元(二零零四年:		
(2004: HK\$5,537,000))	港幣5,537,000元)前)	7,684	6,439
Commission income	佣金收入	1,050	349
Compensation for a termination	一項終止協議之賠償		
agreement		1,500	-
Waive of imputed interest expense on	豁免應付一間關聯公司		
non-current interest-free	非流動免息款項之		
amounts due to a related company	應計利息支出	487	-
		10,721	6,788
			

9. Profit from operations

9. 經營盈利

		2005 二零零五年 HK\$'000 港幣千元	2004 二零零四年 HK\$'000 港幣千元
Profit from operations has been arrived at after charging:	經營盈利已扣除:		
Auditors' remuneration	核數師酬金	730	662
Depreciation of:	折舊:		
Owned assets	自置資產	5,533	6,604
Assets held under finance leases	融資租賃資產	148	169
Staff costs, including Directors'	僱員成本,包括董事		
emoluments	酬金	63,315	56,958
Loss on disposal of property, plant	出售物業、廠房及設備之		
and equipment	虧損	77	558
Cost of inventories recognised as expenses (included write-down of inventories to net realisable value of	確認為開支之存貨成本(包括存貨減值至可變現淨值港幣1,736,000元(二零零四年:		
HK\$1,736,000 (2004: HK\$624,000))	港幣 624,000元))	549,330	487,512
Goodwill:	商譽:		407
Amortisation for the year Fair value loss(es):	年內攤銷 公平值虧損:	_	407
Available-for-sale financial assets	可供出售之金融資產	175	_
Other financial assets at fair value	其他以公平值計入	175	
through profit or loss	損益之金融資產	81	_
Derivative financial instruments	衍生金融工具	17	_
Foreign exchange differences, net	外幣匯兑淨差額	696	332
and crediting:	並已計入:		
Unrealised holding gain of other	持有其他投資之		
investments	未變現收益	_	1
Interest income	利息收入	349	48

10. Finance costs

10. 財務費用

		2005 二零零五年 HK\$'000 港幣千元	2004 二零零四年 HK\$'000 港幣千元
Interest expenses on:	利息支出於:		
Bank loans, trust receipts loans and	五年內全數償還之		
overdrafts wholly repayable	銀行貸款、信託		
within five years	收據及透支	4,914	4,064
Other loans wholly repayable	五年後全數償還之		7 272
after five years	其他貸款 可換股貸款票據之	_	3,272
Effective interest expense on convertible loan note (note 31)	實際利息支出(附註第31項)	871	
Imputed interest expense on	應付一間關聯公司非流動	071	_
non-current interest-free	免息款項之應計利息支出		
amounts due to a related company		487	_
,			
		6,272	7,336
Finance lease charges	融資租賃費用	13	8
Bank charges	銀行費用	400	558
		6,685	7,902

11. Net loss on disposal of subsidiaries

11. 出售附屬公司之虧損淨額

		2005	2004
		二零零五年	二零零四年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Net loss on disposal of subsidiaries	出售附屬公司之虧損淨額		1,745

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12. Restructuring costs

In May 2004 the Group embarked on a corporate-wide saving plan to alleviate the staff costs and other expenses of the Group. Pursuant to the saving plan, employment contracts of certain staff were terminated and the relevant severance payment of HK\$1,320,000 was incurred as restructuring costs for the year ended December 31, 2004.

13. Income tax

The expense/(credit) comprises:

Current tax:	本年度税項:
Hong Kong Profits Tax	香港利得税
Overseas income tax	海外所得税
Deferred tax:	遞延税項:
Current year	本年度
Income tax attributable to the Company and its subsidiaries	本公司及其附屬公司 應佔所得税

Hong Kong Profits Tax is calculated at 17.5% (2004: 17.5%) of the estimated assessable profit arising in Hong Kong for the year.

Overseas taxation is calculated at the rates prevailing in the respective jurisdictions.

12. 重組費用

二零零四年五月,本集團展開一項整體性節約計劃,以減低員工成本及其他開支。根據節約計劃,已終止聘用若干員工,而有關遺散費港幣1,320,000元亦已計入截至二零零四年十二月三十一日止年度之重組費用。

13. 所得税

開支/(撥回)包括:

2005	2004
二零零五年	二零零四年
HK\$'000	HK\$'000
港幣千元	港幣千元
	0.47
138	243
306	170
444	413
11,058	(29,915)
11,502	(29,502)

香港利得税乃根據本年度於香港產生之估計應課税盈利按17.5%(二零零四年:17.5%)計算。

海外税項乃根據各自司法權區之現行 税率計算。

13. Income tax (*Continued*)

profit/(loss) before tax as follows:

The tax expense/(credit) for the year can be reconciled to the

13. 所得税(續)

本年度税項開支/(撥回)可與除税前 盈利/(虧損)調節如下:

		200 二零零 HK\$'000 港幣千元	_	200 二零零 HK\$'000 港幣千元	
Profit/(loss) before tax	除税前盈利/(虧損)	48,898		(28,601)	
Tax at the Hong Kong Profits Tax rate of 17.5%	按香港利得税 税率17.5%計算 之税項	8,557	17.5	(5,005)	(17.5)
Tax effect of share of results of associates Tax effect of expenses that	應佔聯營公司 業績之税務影響 就稅務目的	3,629	7.4	3,455	12.1
are not deductible for tax purposes Tax effect of income that	不可扣減開支 之稅務影響 就稅務目的	18,691	38.2	13,599	47.5
are not taxable for tax purposes Tax effect of deferred tax	無需課税之 税務影響 未予確認之遞延 税項資產之	(14,813)	(30.3)	(19,210)	(67.2)
assets not recognised Utilisation of deferred tax assets previously	祝項資産之 税務影響 動用先前未予確認 之遞延税項資產	-	-	1	0.0
not recognised Tax effect of tax losses	未予確認税項虧損	(6,136)	(12.5)	(4,745)	(16.6)
not recognised Tax effect of tax losses recognised as deferred	之稅務影響 已確認為遞延稅項 資產之稅項虧損	1,788	3.7	3,944	13.8
tax assets Effect of different tax rates of subsidiaries and	之稅務影響 於其他司法權區經營 之附屬公司及	-	-	(21,300)	(74.5)
associates operating in other jurisdictions Others	聯營公司不同 税率之影響 其他	58 (272)	0.1 (0.6)	(60) (181)	(0.2)
Tax expense/(credit) and effective tax rate for the year	本年度税項開支/ (撥回)及有效税率	11,502	23.5	(29,502)	(103.2)

The share of tax attributable to associates amounting to approximately HK\$88,000 (2004: nil) is included in "Share of results of associates" on the face of the consolidated income statement.

應佔聯營公司之應佔税項約為港幣 88,000元(二零零四年:無)已計入綜 合損益表內之「應佔聯營公司業績」。

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14. Earnings per share

The calculation of the basic earnings per share is based on the profit attributable to equity holders of approximately HK\$35,461,000 (2004: HK\$1,722,000) and on the weighted average number of 2,216,154,331 (2004: 2,216,154,331) ordinary shares in issue during the year.

There is no diluted earnings per share because the exercise prices of the Company's outstanding share options and convertible loan note were higher than the average market prices for share for both years.

14. 每股盈利

每股基本盈利之計算方法,乃根據權益持有人應佔盈利約港幣35,461,000元(二零零四年:港幣1,722,000元)及年內已發行普通股之加權平均數2,216,154,331股普通股(二零零四年:2,216,154,331股)計算。

由於本公司之未行使認股權及可換股 貸款票據之行使價高於兩個年度之股 份平均市價,故並無每股攤薄盈利。

15. Directors' and employees' emoluments

15. 董事及僱員酬金

(a) Directors' emoluments

(甲) 董事酬金

The emoluments paid or payable to each of the ten Directors (2004: nine Directors) were as follows:

已付或應付給十名董事(二零零四年:九名董事)每人之酬金如下:

		Other emoluments 其他酬金				
				Performance	Retirement	
			Salaries and	related incentive	benefit scheme	
			other benefits	payments	contributions	Total
		Fees	薪金及	與業務表現	退休福利	emoluments
		袍金	其他福利	相關之獎金	計劃之供款	酬金總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Executive Directors	執行董事					
Wing Sum LEE	秋11里尹 李永森	_	_	320	_	320
Richard Man Fai LEE	李文輝	_	2,380	3,655	12	6,047
Jeff Man Bun LEE	李文彬	_	2,300	230	4	234
Sammy Chi Chung SUEN	孫志冲	_	860	449	12	1,321
Tik Tung WONG	汪滌東	_	812	520	12	1,344
	VIII VAINA					
		-	4,052	5,174	40	9,266
Non-executive Director	非執行董事					
Kam Har YUE	余金霞	30		10		40
Independent Non-	獨立非執行董事					
executive Directors						
Raymond Cho Min LEE	李卓民	80	-	-	-	80
Boon Seng TAN	陳文生	80	-	-	-	80
Ying Kwan CHEUNG	張應坤					
(Appointed on	(於二零零五年					
November 3, 2005)	十一月三日					
	委任)	13	-	-	-	13
Kenji Tak Hing CHAN	陳德興					
(Resigned on	(於二零零五年					
November 3, 2005)	十一月三日					
	辭任)	67				67
		240	_	_	_	240
Total for 2005	二零零五年總額	270	4,052	5,184	40	9,546

截至二零零五年十二月三十一日止年度

15. Directors' and employees' emoluments (Continued)

15. 董事及僱員酬金(續)

(a) Directors' emoluments (Continued)

(甲) 董事酬金(續)

		Other emoluments 其他酬金				
		Fees 袍金 HK\$'000 港幣千元	Salaries and other benefits 薪金及 其他福利 HK\$'000 港幣千元	Performance related incentive payments 與業務表現 相關之獎金 HK\$'000 港幣千元	Retirement benefits scheme contributions 退休福利 計劃之供款 HK\$'000 港幣千元	Total emoluments 酬金總額 HK\$'000 港幣千元
Executive Directors	執行董事					
Wing Sum LEE	李永森	-	-	-	-	-
Richard Man Fai LEE	李文輝	-	2,412	602	12	3,026
Jeff Man Bun LEE	李文彬	-	-	-	-	-
Sammy Chi Chung SUEN Tik Tung WONG (Appointed on	孫志冲 汪滌東 (於二零零四年	-	860	55	12	927
June 28, 2004)	六月二十八日		705			7
	委任)		305		6	311
			3,577	657	30	4,264
Non-executive Director Kam Har YUE	非執行董事 余金霞	20				20
Independent Non- executive Directors	獨立非執行董事					
Raymond Cho Min LEE	李卓民	50	_	_	_	50
Boon Seng TAN Kenji Tak Hing CHAN (Appointed on	陳文生 陳德興 (於二零零四年	50	-	-	-	50
September 1, 2004)	九月一日委任)	27				27
		127				127
Total for 2004	二零零四年總額	147	3,577	657	30	4,411

The performance related incentive payments are determined as a percentage of the turnover or the profit after tax of the Group.

與業務表現相關之獎金乃依據本集團 之營業額或除税後盈利之若干百分比 釐定。

There was no arrangement under which a Director waived or agreed to waive any remuneration during the year.

並無任何董事於年內放棄或同意放棄 任何酬金。

15. Directors' and employees' emoluments (Continued)

(b) Employees' emoluments

During the year, the five highest paid individuals included three Directors (2004: two Directors), details of whose emoluments are set out in note 15(a) above. The emoluments of the remaining highest paid individuals were as follows:

Salaries and other benefits	薪金及其他福利
Performance related	與業務相關表現
incentive payments	之獎金
Retirement benefits scheme	退休福利計劃之供款
contributions	

The emoluments of the remaining highest paid individuals fell within the following bands:

HK\$	港幣
Nil – 1,000,000	零元至1,000,000元
1,000,001 - 1,500,000	1,000,001 元至1,500,000元
1,500,001 – 2,000,000	1,500,001 元至2,000,000元
2,500,001 - 3,000,000	2,500,001 元至3,000,000元

15. 董事及僱員酬金(續)

(乙) 僱員酬金

年內,五位薪酬最高人士中, 三位為董事(二零零四年:兩位 董事),其酬金細節已於上文附 註第15(甲)項內披露。餘下薪 酬最高人士之酬金如下:

	2004
2005	2004
二零零五年	二零零四年
HK\$'000	HK\$'000
港幣千元	港幣千元
1,861	2,735
1,933	730
16	36
3,810	3,501

於下列酬金範圍,最高酬金之人士數 目如下:

2005	2004
二零零五年	二零零四年
Number of	Number of
employees	employees
僱員人數	僱員人數
1	1
-	1
-	1
1	_
2	3

16. Retirement benefit scheme

The Group operates a mandatory provident fund ("MPF") scheme for all qualifying employees of its Hong Kong subsidiaries. The assets of the scheme are held separately from those of the Group in funds under the control of trustees. The retirement benefit cost charged to the income statement during the year amounted to approximately HK\$1,499,000 (2004: HK\$1,642,000), which represents contributions payable to the fund by the Group at the rates specified in the MPF Ordinance.

For subsidiaries other than in Hong Kong, contributions are payable to the defined contribution schemes by the Group at rates specified in the rules of the schemes at the relevant jurisdiction. The contributions made by subsidiaries other than in Hong Kong during the year amounted to HK\$919,000 (2004: HK\$661,000).

16. 退休福利計劃

本集團為其香港附屬公司所有合資格 員工設立一個強制性公積金(「強積金」) 計劃,該計劃之資產由信託人於獨立 於本集團資產之基金持有及控制。於 本年度損益表已扣除退休福利費用約 為港幣1,499,000元(二零零四年:港 幣1,642,000元),此數額乃本集團按 強積金條例指定比率對該基金之應付 供款。

除香港以外之附屬公司外,本集團就 定額供款計劃之應付供款乃按有關司 法權區之計劃規則訂明之比率作出。 本年度香港以外附屬公司作出之供款 為港幣919,000元(二零零四年:港幣 661,000元)。

17. Investment properties

17. 投資物業

	P	Investment properties in Hong Kong held under mediumterm leases 在香港根據中期契約持有之投資物業 HK\$'000 港幣千元	Investment properties outside Hong Kong held under medium- term leases 在香港以外 地區根據中期 契約持有 之投資物業 HK\$'000	Total 總額 HK\$'000 港幣千元
The Group	本集團			
Fair value	公平值			
At January 1, 2004 Transfer from property,	於二零零四年 一月一日 由物業、廠房及設備	87,783	28,914	116,697
plant and equipment (note 18)	轉撥(附註第18項)	57,202	_	57,202
Increase/(decrease) in fair value recognised in the income statement	於損益表確認 之公平值 增加/(減少)	14,496	(16,090)	(1,594)
At December 31, 2004 and January 1, 2005	於二零零四年十二月 三十一日及			
Dienocolo	二零零五年一月一日 出售	159,481	12,824	172,305
Disposals Transfer from property, plant and equipment (note 18)	由物業、廠房及	70.540	(9,176)	(9,176)
Transfer to property,	設備轉撥(附註第18項)轉撥至物業、廠房及	30,548	_	30,548
plant and equipment (note 18) Increase in fair value recognised in the	設備(附註第18項) 於損益表確認之	(5,558)	-	(5,558)
income statement	公平值增加 —	12,728		12,728
At December 31, 2005	於二零零五年 十二月三十一日 =	197,199	3,648	200,847

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17. Investment properties (Continued)

The investment properties of the Group were revalued at December 31, 2005 by BMI Appraisals Limited (2004: Norton Appraisals Limited), independent professionally qualified valuers, on an open market, existing use basis.

The investment properties of the Group are rented out or available for rent under operating leases, further summary details of which are included in note 43 to the financial statements.

The Group had pledged investment properties with a carrying amount of approximately HK\$197,199,000 (2004: HK\$159,481,000) to secure facilities granted to the Group. (See note 47)

17. 投資物業(續)

本集團投資物業於二零零五年十二月 三十一日由獨立專業估值師邦盟匯駿 評估有限公司(二零零四年:普敦國 際評估有限公司)按公開市場及現有 使用基準進行重估。

本集團已租出或空置作出租用途之投資物業均屬經營租賃,有關概要的進一步詳情載於財務報表附註第43項。

本集團以賬面金額約港幣197,199,000 元之投資物業(二零零四年:港幣 159,481,000元)作為抵押,藉以為授 予本集團之信貸作擔保。(參閱附註 第47項)

18. Property, plant and equipment

18. 物業、廠房及設備

		Land and buildings in long Kong held under medium- term leases 在香港根據 中期契約持有 之土地及樓宇 HK\$000 港幣千元	Leasehold improvements 物業裝修 HK\$'000 港幣千元	Furniture, fixtures and equipment 像 似、 装置及設備 HK\$000 港幣千元	Machinery and tools 機器及工具 HK\$'000 港幣千元	Motor vehicles 汽車 HK\$*000 港幣千元	Total 總 額 HK\$'000 港幣千元
The Group Cost or valuation At January 1, 2004 Exchange difference Additions Transfer to investment properties Reclassification Disposals	本集團 成本值或估值 於二零一月一日 歷光差額 添置至投資物業 重新撰至投資物業 重新售	210,486 - - (70,556) - -	19,667 2 117 - (116)	49,771 51 227 - 263 (9,489)	9,078 7 519 - (263) (128)	7,677 13 1,721 - (1,090)	296,679 73 2,584 (70,556) – (10,823)
At December 31, 2004 and January 1, 2005	於二零零四年十二月三十 及二零零五年一月一日	─日 139,930	19,670	40,823	9,213	8,321	217,957
Exchange difference Additions Transfer to investment properties Transfer from investment properties Reclassification Disposals	匯 兑差額 添置 轉撥至投資物業 由投資物業轉撥 重新顯 出售	- (38,965) 5,558 - -	(2) 10,559 - - - (6,102)	(20) 3,166 - - 856 (12,694)	(1) 2,239 - - (856) (2,977)	(20) 2,919 - - - (4,356)	(43) 18,883 (38,965) 5,558 – (26,129)
At December 31, 2005	於二零零五年十二月三十一	- 目 106,523	24,125	32,131	7,618	6,864	177,261
Representing: At cost At 1996 valuation At 2005 valuation	包括: 按成本 按一九九六年估值 按二零零五年估值	90,325 10,640 5,558	24,125	32,131	7,618 - -	6,864	161,063 10,640 5,558
		106,523	24,125	32,131	7,618	6,864	177,261
Accumulated depreciation At January 1, 2004 Exchange difference Provided for the year Transfer to investment properties Reclassification Eliminated upon disposals	累積折舊 於二零零四年一月一日 避免差額 在年度至損舊 物業 重售時撤銷	36,992 - 4,084 (13,354) - -	18,591 2 391 - - (67)	47,467 46 818 - 263 (9,175)	8,286 3 405 - (263) (114)	5,324 15 1,075 - - (360)	116,660 66 6,773 (13,354) – (9,716)
At December 31, 2004 and January 1, 2005	於二零零四年十二月三十· 及二零零五年一月一日	一日 27,722	18,917	39,419	8,317	6,054	100,429
Exchange difference Provided for the year Transfer to investment properties Reclassification Eliminated upon disposals	匯兑差額 本年度折舊 轉撥至投資物業 重新歸類 出售時覹銷	- 2,871 (8,417) - -	(1) 866 - - (5,826)	(20) 895 - 724 (12,510)	(1) 373 - (724) (2,975)	(8) 676 - - (1,755)	(30) 5,681 (8,417) – (23,066)
At December 31, 2005	於二零零五年十二月三十一	- 日 22,176	13,956	28,508	4,990	4,967	74,597
Net Book Values At December 31, 2005	賬面淨值 於二零零五年十二月三十一	-日 84,347	10,169	3,623	2,628	1,897	102,664
At December 31, 2004	於二零零四年十二月三十一	- 日 112,208	753	1,404	896	2,267	117,528

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18. Property, plant and equipment (Continued)

At December 31, 2005, the net book value of the Group's motor vehicles included an amount of HK\$442,400 (2004: HK\$582,000) in respect of assets held under finance leases. The leasehold land and building of the Group were valued at 1996 and 2005 by independent qualified professional valuers not connected with the Group on an open market value basis.

The valuations as at 1996 and 2005 represented the carrying values (equivalent to their approximate fair values) of the leasehold land and buildings at the time when they ceased to be classified as investment properties. Had the leasehold properties been carried at their historical cost less accumulated depreciation, amortisation and impairment losses, the carrying value of the leasehold properties would have been stated at HK\$14,086,000 (2004: HK\$8,765,000).

The Group had pledged land and buildings having a carrying amount of approximately HK\$84,347,000 (2004: HK\$112,208,000) to secure facilities granted to the Group. (See note 47)

18. 物業、廠房及設備(續)

於二零零五年十二月三十一日,本集 團汽車之賬面淨值包括價值港幣 442,400元(二零零四年:港幣582,000 元)之融資租賃資產。本集團之租賃 土地及樓宇已於一九九六年及二零零 五年,由與本集團無關聯之獨立合資 格專業估值師依據公開市場價值基準 估值。

於一九九六年及二零零五年之估值, 包括租賃土地及樓宇被停止歸類為投 資物業時,該等租賃土地及樓宇之賬 面值(等同其近似公平值)。假如租賃 物業以其歷史成本減累積折舊,攤銷 及減值虧損後入賬,則租賃物業之賬 面值將為港幣14,086,000元(二零零四 年:港幣8,765,000元)。

本集團以賬面金額約港幣84,347,000 元(二零零四年:港幣112,208,000元) 之土地及樓宇作為抵押,藉以為授予 本集團之信貸擔保。(參閱附註第47 項)

18. Property, plant and equipment (Continued)

18. 物業、廠房及設備(續)

		Leasehold improvements	Furniture, fixtures and equipment 傢俬、装置	Motor vehicles	Total
The Company	本公司	物業裝修 HK\$'000	及設備 HK\$'000	汽車 HK\$'000	總額 HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
Cost	成本值				
At January 1, 2004	於二零零四年一月一日	6,635	21,960	2,647	31,242
Additions	添置	8	103	-	111
Transfer from a subsidiary	由一間附屬公司轉撥	-	263	_	263
Disposals	出售			(650)	(650)
At December 31, 2004 and January 1, 2005	於二零零四年十二月 三十一日及				
	二零零五年一月一日	6,643	22,326	1,997	30,966
Additions	添置	-	208	_	208
Transfer from a subsidiary	由一間附屬公司轉撥	-	41	_	41
Disposals	出售	(399)	(6,227)		(6,626)
At December 31, 2005	於二零零五年十二月	0044	10710	1.007	0.4.500
	三十一日	6,244	16,348	1,997	24,589
Accumulated depreciation	累積折舊				
At January 1, 2004	於二零零四年一月一日	6,604	21,600	1,851	30,055
Provided for the year	本年度折舊	15	159	179	353
Transfer from a subsidiary	由一間附屬公司轉撥	-	263	_	263
Eliminated upon disposals	於出售時撇銷			(173)	(173)
At December 31, 2004 and January 1, 2005	於二零零四年十二月 三十一日及二零零五年				
	一月一日	6,619	22,022	1,857	30,498
Provided for the year	本年度折舊	8	150	138	296
Eliminated upon disposals	於出售時撇銷	(399)	(6,227)		(6,626)
At December 31, 2005	於二零零五年十二月三十一日	6,228	15,945	1,995	24,168
Net book values	賬面淨值				
At December 31, 2005	於二零零五年十二月三十一日	16	403	2	421
At December 31, 2004	於二零零四年十二月三十一日	24	304	140	468

For the year ended December 31, 2005 截至二零零五年十二月三十一日止年度

19. Goodwill

19. 商譽

TI 0	上	Total
The Group	本集團	總額
		HK\$'000 港幣千元
		他带干儿
Cost	成本	
At January 1, 2004	於二零零四年一月一日	_
Arising from increase in shareholding	由增加於一間附屬公司	
of a subsidiary	之權益產生	2,713
At December 31, 2004	於二零零四年十二月三十一日	
and January 1, 2005	及二零零五年一月一日	2,713
Elimination of accumulated amortisation	採納香港財務報告準則第3號後	
upon the adoption of HKFRS 3 (note 2)) 撇銷累積攤銷(附註第2項)	(407)
At December 31, 2005	於二零零五年十二月三十一日	2,306
Amortisation	攤銷	
At January 1, 2004	於二零零四年一月一日	_
Provided for the year	本年度攤銷	407
At December 31, 2004	於二零零四年十二月三十一日	
and January 1, 2005	及二零零五年一月一日	407
Elimination of accumulated amortisation	採納香港財務報告準則第3號後	
upon the adoption of HKFRS 3 (note 2)) 撇銷累積攤銷(附註第2項)	(407)
At December 31, 2005	於二零零五年十二月三十一日	
Carrying value	賬面金額	
At December 31, 2005	於二零零五年十二月三十一日	2,306
At December 31, 2004	於二零零四年十二月三十一日	2,306

In 2004, the goodwill arising from increase in shareholding of a subsidiary was amortised over a period of five years.

於二零零四年,由增加於一間附屬公司之權益產生之商譽分五年期攤銷。

Particulars regarding impairment testing on goodwill are disclosed in note 20.

商譽減值測試資料列載於附註第20項 內。

20. Impairment testing on goodwill

As explained in note 7, the Group uses business segments as its primary segment for reporting segment information. For the purposes of impairment testing, goodwill with indefinite useful lives set out in Notes 19 has been allocated to an individual cash generating unit (CGU), including subsidiaries in "the Car and car accessories" segment. The carrying amount of goodwill (net of accumulated amortisation) at December 31, 2005 is approximately HK\$2,306,000.

During the year ended December 31, 2005, Directors of the Group determines that there are no impairments of its CGU containing goodwill.

The recoverable amount of the above CGU has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a five-year period, and discount rate of 10%. Another key assumption for the value in use calculations is the budgeted gross margin, which is determined based on the CGU's past performance and management's expectations for the market development.

21. Investments in subsidiaries

Unlisted shares, at cost 無牌價股份,成本值 Less: Impairment loss recognised 減:已確認之減值虧損

Particulars of the Company's principal subsidiaries at December 31, 2005 are shown in note 50.

20. 商譽之減值測試

如附註第7項所日闡釋,本集團採用業務分類為其呈報之主要分類。就減值測試,具有無限使用年期之商譽(見附註第19項)已被分配至一個現金產生單位,包括歸類於「汽車及汽車配件」之附屬公司。於二零零五年十二月三十一日,商譽賬面值(扣除累積攤銷)約為港幣2,306,000元。

於截至二零零五年十二月三十一日止 年度,本集團董事確認本集團含有商 譽之現金產生單位並無減值。

上述現金產生該單位可收回金額乃依據一項使用價值計算釐定。計算採用之現金流量預測乃基於管理層批准之一項涉時五年之財務預算,及10%折現率。使用價值計算之另一項關鍵假設乃預算毛利,該預算毛利乃依據該現金產生單位之過往表現及管理層對市場發展之預期而釐定。

21. 於附屬公司之投資

The Company 本公司

'T' 4	→ -,
2005	2004
二零零五年	二零零四年
HK\$'000	HK\$'000
港幣千元	港幣千元
293,504	293,504
(30,736)	(30,736)
262,768	262,768

本公司於二零零五年十二月三十一日 之主要附屬公司資料列載於附註第50 項內。

22. Interests in associates

22. 於聯營公司之權益

The summarised financial information in respect of the Group's associates is set out below:

本集團聯營公司之財務資料概要如下:

		2005 二零零五年 HK\$'000 港幣千元	2004 二零零四年 HK\$'000 港幣千元
Total assets	總資產	551,756	461,264
Total liabilities	總負債	(420,513)	(295,059)
Net assets	資產淨值	131,243	166,205
Group's share of net assets of associates	本集團應佔聯營公司 之資產淨值	60,545	79,926
Turnover	營業額	828,299	472,271
Loss for the year	本年度虧損	(37,855)	(42,501)
Group's share of result of associates for the year	本集團應佔聯營公司 本年度業績	(20,739)	(19,743)

Particulars of the Group's principal associates at December 31, 2005 are shown in note 51.

本集團於二零零五年十二月三十一日 之主要聯營公司資料列載於附註第51 項內。

23. Inventories

23. 存貨

The Group 本集團

2005	2004
二零零五年	二零零四年
HK\$'000	HK\$'000
港幣千元	港幣千元
70,400	72,558
10,757	12,465
81,157	85,023

Finished goods 製成品 零件 Spare parts

Included in the above figure are finished goods of HK\$2,930,000 (2004: nil) which has been pledged as security for bank loans.

上述金額內之港幣2,930,000元(二零 零四年:無)之製成品,被用作銀行 貸款之抵押。

24. Trade and other receivables

The Group allows an average credit period of 7 to 90 days to its customers. The aged analysis of trade receivables, net of provision is as follows:

24. 貿易往來及其他應收賬款

本集團給予客戶平均七至九十天之信 貸期。其貿易往來應收賬款減撥備之 賬齡分析如下:

The Group 本集團

		2005	2004
		二零零五年	二零零四年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Within 30 days	三十天以內	50,275	29,218
31 to 60 days	三十一天至六十天	11,175	10,609
61 to 90 days	六十一天至九十天	4,296	2,398
91 days to 1 year	九十一天至一年	1,907	8,469
Over 1 year	一年以上	2,002	1,986
Total trade receivables, net of provision	貿易往來應收賬款減撥備總額	69,655	52,680
Deposits, prepayments and	訂金、預付款及		
other receivables	其他應收賬款	34,287	20,907
		103,942	73,587

24. Trade and other receivables (Continued)

The fair values of the Group's trade and other receivables at December 31, 2005 approximate to the corresponding carrying amounts.

There is no concentration of credit risk with respect to trade receivables, as the Group has a large number of customers, internationally dispersed.

25. Amounts due from/to associates/subsidiaries

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

24. 貿易往來及其他應收賬款(續)

於二零零五年十二月三十一日,本集 團貿易往來及其他應收賬款之公平值 與相應賬面值大致相等。

就貿易往來應收賬款,並無重大集中 信貸風險,因為本集團客戶數量眾多, 分散於國際市場。

25. 應收/應付聯營公司/附屬公 司款項

該等款額為無抵押、免息及無固定還 款期。

26. Investment securities/other investments

Investment securities/other investments at December 31, 2004 are set out below. Upon the adoption of HKAS 39 on January 1, 2005, investment securities/other investments were reclassified to appropriate categories under HKAS 39 (see note 2).

26. 證券投資/其他投資

於二零零四年十二月三十一日之證券 投資/其他投資如下。於二零零五年 一月一日採納香港會計準則第39號後, 證券投資/其他投資按香港會計準則 第39號歸類(見附註第2項)。

The Group 本集團

		Other investments 其他投資 HK\$'000 港幣千元	Investment securities 證券投資 HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元
Equity securities:	股本證券:			
Listed	有牌價證券	101	-	101
Unlisted	無牌價證券			
		101	75 	176
Debt securities:	債券:			
Unlisted	無牌價債券		627	627
Total:	總額:			
Listed	有牌價			
Hong Kong	香港	100	_	100
Elsewhere	其他地區	1	-	1
Unlisted	無牌價		702	702
		101	702	803
Carrying amount analysed for reporting purposes as:	就呈報的分析 之賬面值:			
Current	流動	101	_	101
Non-current	非流動		702	702
		101	702	803
Market value of listed securities	有牌價證券市值	101		101

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26. Investment securities/other investments

26. 證券投資/其他投資(續)

本公司

(Continued)

The Company

Other

investments

其他投資

HK\$'000

港幣千元

Equity securities: 股本證券:

Listed in Hong Kong 於香港掛牌 35

Listed in elsewhere 於其他地區掛牌 1

36

527

Market value of listed securities 有牌價證券市值 36

27. Available-for-sale financial assets

27. 可供出售之金融資產

The Group	本集團	2005 二零零五年 HK\$′000 港幣千元
At January 1, 2005 Fair value loss on available-for-sale	於二零零五年一月一日 可供出售之金融資產	702
financial assets	公平值虧損	(175)
At December 31, 2005	於二零零五年十二月三十一日	527
Available-for-sale financial assets at December 31, 2005 comprise:	於二零零五年十二月三十一日	
Unlisted securities: Debt securities without interest	無牌價證券: 無利息及到期日之債券	

and maturity date

27. Available-for-sale financial assets (Continued)

The above investments consist of investments in unlisted debt securities which were designated as available-for-sale financial assets on January 1, 2005 and have no fixed maturity date or coupon rate.

The fair values of unlisted available-for-sale debt investments have been estimated based on observable market prices or rates. The fair value loss on available-for-sale financial assets represents the impairment loss for the year ended December 31, 2005. The Directors believe that the estimated fair values based on observable market prices or rates, which are recorded in the consolidated balance sheet, and the related changes in fair values, which are recorded in the consolidated income statement, are reasonable, and that they are the most appropriate values at the balance sheet date.

27. 可供出售之金融資產(續)

上述投資包括無牌價之債券,該等債 券於二零零五年一月一日確定為可供 出售之金融資產,並無固定到期日或 票面息率。

可供出售之金融資產之公平值乃依據 可觀察之市場價格或息率確定。可供 出售之金融資產之公平值虧損,乃為 截至二零零五年十二月三十一日止年 度之減值虧損。董事認為,依據可觀 察市場價格或息率估計之公平值(且 已列入綜合資產負債表),及公平值 之相關變化(已列入綜合損益表)乃為 合理,且於結算日為最恰當之價值。

28. Other financial assets at fair value through profit or loss

28. 其他以公平值計入捐益的金融 資產

The Company

The Group

		本集團	本公司
		2005	2005
		二零零五年	二零零五年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
At January 1, 2005	於二零零五年一月一日	101	36
Fair value losses on other financial assets			
at fair value through profit or loss	資產之公平值虧損	(81)	(16)
At December 31, 2005	於二零零五年十二月三十一日	20	20
Listed securities:	有牌價之證券:		
Equity securities listed in Hong Kong	於香港掛牌之股本證券	19	19
Equity securities listed in elsewhere	於其他地區掛牌之股本證券	1	1
		20	20

The carrying amounts of the above financial assets were classified as held for trading.

上述金融資產之賬面值歸類為持作買 曹。

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29. Trade and other payables

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

Within 30 days 三十天以內 31 to 60 days 三十一天至六十天 61 to 90 days 六十一天至九十天 91 days to 1 year 九十一天至一年 Over 1 year 一年以上 Total trade payables 貿易往來應付賬款總額 Customers' deposits, accruals and 客戶訂金、應付費用及 其他應付賬款 other payables

The fair values of the Group's trade and other payables at December 31, 2005 approximate to the corresponding carrying amounts.

30. Provision for a legal claim

At December 31, 2005, the Group had a provision for a legal claim of approximately HK\$30,656,000 arising out of a law suit against a subsidiary of the Company in the People's Republic of China (the "PRC"). Regarding the law suit in the PRC, the Guangdong Province Higher People's Court (the "Higher People's Court") has declared and reaffirmed its final ruling against the subsidiary in January 24, 2006. The subsidiary is currently seeking legal advice as to the possible course of action in light of the decision of the Higher People's Court. Further details set out in the announcement of the Company dated February 17, 2006.

29. 貿易往來及其他應付賬款

於結算日,貿易往來應付賬款之賬齡 分析如下:

The Group 本集團

1 24 124				
2005	2004			
二零零五年	二零零四年			
HK\$'000	HK\$'000			
港幣千元	港幣千元			
5,598	5,070			
2,924	2,191			
4,404	3,337			
719	988			
536	1,329			
14,181	12,915			
104,651	94,853			
118,832	107,768			

於二零零五年十二月三十一日,本集 團貿易往來及其他應付賬款之公平值 與其對應賬面值大致相等。

30. 司法索償撥備

於二零零五年十二月三十一日,就本公司於中華人民共和國(「中國」)境內一間附屬公司所面臨之法律訴訟,本集團已作出一項金額約港幣30,656,000元之司法索償撥備。就於中國之法律訴訟,廣東省高級人民法院(「高級人民法院」)已於二零零六年一月二十四日對該附屬公司敗訴。鑑於高級人民法制的則決,該附屬公司正尋求法律意見,對處作出任何進一步行動。詳細行為公佈內。

31. Convertible loan note

The Company issued a 7.25% convertible loan note in the principal amount of HK\$30,000,000 on August 18, 2005 to Hanny Holdings Limited. The convertible loan note is denominated in Hong Kong dollars. The note entitles the holder to convert it into ordinary shares of the Company at any time between the date of issue of the note and the settlement date on September 5, 2008 at a conversion price of HK\$0.10 per convertible loan note. If the note has not been converted, it will be redeemed on September 5, 2008 at par. Interest of 7.25% will be paid semi-annually up until the settlement date. Further details of which are set out in the announcement of the Company dated August 18, 2005.

The convertible loan note contains two components, liability and equity elements. Upon the adoption of HKAS 32 Financial Instruments: Disclosure and Presentation (see note 2), the convertible loan note is split between the liability and equity elements. The equity element is presented in equity heading "convertible loan note – equity reserve". The effective interest rate of the liability component is 10%.

31. 可换股貸款票據

本公司於二零零五年八月十八日向錦 興集團有限公司發行本金額港幣 30,000,000元之7.25%之可換股貸款票據。該可換股貸款票據以港幣為面值, 賦予持有人權利可於發行日期至二等 電外年九月五日之償還日期間任何時間以每份可換股貸款票據港幣0.10元 之換股價兑換本公司普通股。倘票據 不予兑換,將於二零零八年九月五日 按面值贖回。7.25%之利息將每半年 支付一次直至償還日期。有關詳情載 於本公司於二零零五年八月十八日之 公佈內。

可換股貸款票據分兩個組成部分,即 負債及權益部分。於採納香港會計準 則第32號「金融工具:披露及呈列」(見 附註第2項)後,可換股貸款票據分為 債務及權益部分。權益部分列於「可 換股貸款票據一權益儲備」之權益一 欄。負債部分之實際利率為10%。

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31. Convertible loan note (Continued)

The movement of the liability component of the convertible loan note for the year is set out below:

31. 可换股貸款票據(續)

可換股貸款票據負債部分之變動呈列 如下:

The Group and the Company 本集團及本公司

		2005	2004
		二零零五年	二零零四年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Face value of convertible loan note	於二零零五年八月十八日		
issued on August 18, 2005	發行之可換股貸款票據面值	30,000	_
Transaction cost	交易成本	(1,735)	_
Equity component	權益部分	(185)	_
Liability component on initial recognition	於二零零五年八月十八日初步		
at August 18, 2005	確認之負債部分	28,080	_
Interest expense (note 10)	利息支出(附註第10項)	871	_
Liability component	負債部分		
at December 31, 2005	於二零零五年		
dt 2000/11001 3 1, 2003	十二月三十一日	28,951	_
	1 — / 3 — 1 — 1	20,331	

The fair value of the liability component of the convertible loan note at December 31, 2005, determined based on the present value of the estimated future cash outflows discounted at the prevailing market rate for an equivalent non-convertible loan at the balance sheet date, was approximately HK\$28,951,000.

可換股貸款票據負債部分於二零零五年十二月三十一日之公平值(以結算日一項等同非可換股貸款按市場利率 貼現預計未來現金流量之現值而確定) 約為港幣28,951,000元。

32. Amount(s) due to related companies

32. 應付關聯公司款項

		The Group 本集團		The Company 本公司	
		2005 二零零五年	2004 二零零四年	2005 二零零五年	2004 二零零四年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
Amounts repayable within one year	一年內償還之金額	4,100	9,726	877	2,177
Amounts repayable after one year but	一年後但兩年內 償還之金額				
within two years		5,352		1,162	
		9,452	9,726	2,039	2,177

Included in the current liabilities the amounts are unsecured, non-interest bearing and have no fixed terms of repayment. The related companies are controlled by certain Directors of the Company. The fair value of the amounts due to related companies as at December 31, 2005 approximates the corresponding carrying amount.

Included in the non-current liabilities, the amount is unsecured, non-interest bearing and will be repayable in 2007. The related company is controlled by certain Directors of the Company. The effective interest rate of the amount due to a related company is 10%. As of December 31, 2005, the fair value of the loan from the related company was HK\$5,352,000 determined based on the present value of the estimated future cash outflows discounted using the prevailing market rate at the balance sheet.

歸入流動負債之金額乃無抵押、免息及無固定還款期。關聯公司由本公司若干董事控制。自直接控股公司所獲貸款之有效利率為10%。於二零零五年十二月三十一日,應付關聯公司款項之公平值接近其對應賬面值。

歸入非流動負債之金額乃無抵押、免息,須於二零零七年償還。關聯公司由本公司若干董事控制應付關聯公司款項之實際利率為10%。於二零零五年十二月三十一日,自關聯公司所獲貸款之公平值為港幣5,352,000元,乃依據以結算日通行市場利率折現之估計未來現金流出量所得的現值釐定。

For the year ended December 31, 2005 截至二零零五年十二月三十一日止年度

33. Obligations under finance leases

33. 融資租賃債務

		Minimum		Present value of	
		lease payments		minimum lea	se payments
		最低租賃	f付款	最低租賃	付款現值
		2005	2004	2005	2004
		二零零五年	二零零四年	二零零五年	二零零四年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
The Group	本集團				
Amounts payable under finance leases:	根據融資租賃 之應付數額:				
Within one year	於一年內	95	99	82	84
In the second to fifth	第二年至第五年				
year inclusive	(包括首尾兩年)	340	372	294	321
More than five years	五年以上	29	100	25	87
					
		464	571	401	492
Less: Future finance charges	減去:未來融資費用	(63)	(79)		
Present value of lease	租賃債務現值				
obligations		401	492	401	492
Analysed as:	分析如下:				
Amounts due within	列於流動負債項下				
one year shown	一年內到期				
under current liabilities	之數額			82	84
Amounts due after one year	一年後到期之數額			319	408
				401	492
				401	432

For the year ended December 31, 2005, the average effective borrowing rate was approximately 4% (2004: 3%) per annum. Interest rate are fixed at the contract date. All leases were on a fixed repayment basis and no arrangement had been entered into for contingent rental payments. The Group's obligations under finance lease were secured by the lessor's charge over the leased assets. The carrying amount of the obligations under finance leases approximates their fair value.

於截至二零零五年十二月三十一日止年度,平均實際借貸利率為年利率約4%(二零零四年:3%),利率在合約日期釐定。所有租貸以定期還款為基準及並無就或然租金付款作出安排。本集團之融資租賃債務由出租人對租賃資產之押記作抵押。融資租賃債務之賬面值與其公平值大致相等。

34. Borrowings

34. 貸款

		The Group 本集團		
		2005	2004	
		二零零五年	二零零四年	
		HK\$'000	HK\$'000	
		港幣千元	港幣千元	
Bank overdrafts	銀行透支	5,406	2,257	
Bank loans	銀行貸款	77,654	31,865	
		83,060	34,122	
Secured (note 47)	有抵押(附註第47項)	75,751	25,318	
Unsecured	無抵押	73,731	8,804	
onsecured	<i>yu</i> / 1 - / 1			
		83,060	34,122	
Secured loan advanced from a supplier	一家供應商之有抵押貸款	83,000	34,122	
(note below)	(下文附註)	_	130,322	
(Note Below)				
		83,060	164,444	
			104,444	
The maturity of the above loans	上述貸款屆滿期如下:			
are as follows:				
Mish: and was	一年內	60.777	72.020	
Within one year	一年內 一年以上,但不超過兩年	69,333	32,820	
More than one year, but not exceeding two years	一十以上,但个起週州十	6,134	477	
More than two years, but not	兩年以上,但不超過五年	6,134	4//	
exceeding five years	的十岁工 电下程週五十	7,593	825	
More than five years	五年以上	-	130,322	
Wore than live years	五十次工			
		83,060	164,444	
Less: Amounts due within one year	減去:一年內到期應付款項	35,000	104,444	
shown under current liabilities	(列於流動負債項下)	(69,333)	(32,820)	
shown and carrent habities	(7.1%(///0.47 🔀 🛱 . ద . 🗆 /		(32,020)	
Amounts due after one year	一年後到期應付款項	13,727	131,624	
randants due diter one yeur		13,121	131,024	

34. Borrowings (Continued)

At December 31, 2004, the loan advanced from a supplier namely, Mitsubishi Heavy Industries, Ltd ("MHI") was secured by investment properties of the Group, borne interest at 2.5% per annum and was repayable semi-annually by ten instalments commencing from June 30, 2012.

On February 24, 2005, the Group and MHI have entered into a deed of settlement in relation to the settlement of the debt due from the Group to MHI under the loan agreement dated June 28, 2002. In accordance with the deed of settlement, the debt, being the aggregate of the principal plus accrued interest thereon of approximately HK\$135.0 million at December 31, 2004, have been settled in full with the amount of approximately HK\$46.8 million, resulting in a gain of approximately HK\$88.2 million. The settlement has been fulfilled by a new long term bank loan borrowed by the Group and the Group's internal resources. Further details are set out in the announcement of the Company dated February 24, 2005.

The exposure of the Group's fixed-rate borrowings and the contractual maturity dates are as follows:

Fixed-rate borrowings: 定息貸款: More than five years 五年以上

34. 貸款(續)

於二零零四年十二月三十一日,由一 間供應商即三菱重工業株式會社(「三 菱重工」)提供之一項貸款由本集團之 投資物業擔保,年息為2.5%,並由二 零一二年六月三十日起分十期每半年 償還。

於二零零五年二月二十四日,就按二 零零二年六月二十八日達成之貸款協 議本集團欠三菱重工之到期債務,本 集團與三菱重工達成債務清償協議。 依據該債務清償協議,按截至二零零 四年十二月三十一日止之本金加應計 利息共約港幣135,000,000元,以約港 幣46,800,000元悉數償還,導致約港 幣88,200,000元收益。該項清償乃以 本集團一項新借長期銀行貸款及本集 **国內部資源達成。進一步詳情刊載於** 本公司於二零零五年二月二十四日之 公佈。

本集團之定息貸款及協定到期日如下:

2005 二零零五年 HK\$'000 港幣千元

2004 二零零四年 HK\$'000 港幣千元

130,322

34. Borrowings (Continued)

The ranges of effective interest rates (which are also equal to contracted interest rates) on the Group's borrowings are as follows:

Effective interest rate: 實際利率:
Fixed-rate borrowings 定息貸款
Variable-rate borrowings 浮息貸款

The Group's borrowings that are denominated in currencies other than the functional currencies of the relevant group entities are set out below:

 At December 31, 2005
 於二零零五年十二月三十一日

 At December 31, 2004
 於二零零四年十二月三十一日

During the year, the Group obtained new borrowings in the amount of approximately HK\$312,447,000. The borrowings bear interest at market rates and the proceeds were used to finance the working capital.

35. Loan advanced from a minority shareholder

At December 31, 2004, the loan was unsecured, non-interest bearing and had no fixed terms of repayment. The minority shareholder has agreed not to demand repayment of the loan in the next twelve months from the balance sheet date and, accordingly, the amount has been classified as non-current liability. The amount was fully settled during the year.

34. 貸款(續)

本集團貸款之實際利率範圍(亦等於 合約規定利率)如下:

2005	2004
二零零五年	二零零四年
_	2.5%
	2.5 /0
3.15% to至10%	3.15% to至8%

並非以相關集團公司功能貨幣計值之 本集團貸款呈列如下:

MYR	SGD	JPY	USD
馬幣	新加坡元	日元	美元
\$'000	\$'000	\$'000	\$'000
千元	千元	千元	千元
3,156	482	10,850	2,682
3,845	742	3,364	17,692

於年內,本集團獲得金額約港幣 312,447,000元之新批貸款。該項貸款 以市場利率計息。所得款項用作營運 資金之融資。

35. 少數股東貸款

於二零零四年十二月三十一日,該貸款為無抵押、免息及並無固定還款期,少數股東已同意自結算日起計十二個月內不會要求償還該貸款,因此該數額已分類為非流動負債。該項金額已於年內悉數償還。

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36. Deferred tax (assets)/liabilities

36. 遞延税項(資產)/負債

		Accelerated		
		tax	Tax	
		depreciation	losses	Total
		加速税項折舊	税項虧損	總計
		HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元
At January 1, 2004	於二零零四年一月一日	33,709	-	33,709
Credited to income for the year	計入本年度收入	(8,615)	(21,300)	(29,915)
At December 31, 2004	於二零零四年十二月			
and January 1, 2005	三十一日及二零零五年			
	一月一日	25,094	(21,300)	3,794
Charged/(credited) to income for	於年內損益表扣除/			
the year	(計入)	(3,942)	15,000	11,058
At December 31, 2005	於二零零五年			
	十二月三十一日	21,152	(6,300)	14,852

The following is the analysis of the deferred tax balances for financial reporting purposes:

以下為財務報告目的之遞延税項結餘 分析:

2005	2004
二零零五年	二零零四年
HK\$'000	HK\$'000
港幣千元	港幣千元
21,152	25,094
(6,300)	(21,300)
14,852	3,794

At December 31, 2005, the Group has unused tax losses of approximately HK\$991,418,000 (2004: HK\$1,010,766,000) available for offset future profits. A deferred tax asset has been recognised in respect of approximately HK\$36,000,000 (2004: HK\$121,714,000) of such losses. No deferred tax asset has been recognised in respect of the remaining amount of approximately HK\$955,418,000 (2004: HK\$889,052,000) due to the unpredictability of future profit streams. The tax losses may be carried forward either 5 years or indefinitely.

於二零零五年十二月三十一日,本集團可供抵銷日後盈利之未動用税項虧損約港幣991,418,000元(二零零四年:港幣1,010,766,000元)。本集團已就該等虧損確認約港幣36,000,000元(二零零四年:港幣121,714,000元)之遞延税項資產。由於未能估計日後盈利流量,故並無就其餘約港幣955,418,000元(二零零四年:港幣889,052,000元)確認遞延税項資產。稅項虧損可結轉五年或無限期結轉。

37. Share capital

37. 股本

Number of shares

Nominal value

股份數目

面值

HK\$'000 港幣千元

Authorised:

法定股本:

At January 1, 2004, 於二零零四年一月一日、

January 1, 2005 and 二零零五年一月一日及

of HK\$0.10 each — 每股面值港幣0.10元

3,500,000,000 350,000

Issued and fully paid:

December 31, 2004,

January 1, 2005 and December 31, 2005

of HK\$0.10 each

At January 1, 2004,

已發行及繳足股本:

於二零零四年一月一日、

二零零四年十二月三十一日、

二零零五年一月一日及

二零零五年十二月三十一日

一每股面值港幣0.10元

2,216,154,331 221,615

For the year ended December 31, 2005 截至二零零五年十二月三十一日止年度

38. Reserves

38. 儲備

The Company

本公司

		Capital redemption	Convertible loan note			
		reserve	reserve	Contributed	Accumulated	
		資本	可换股貸款	surplus	losses	Total
		贖回儲備	票據儲備	繳入盈餘	累計虧損	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
At January 1, 2004	於二零零四年一月一日	916	-	361,491	(322,757)	39,650
Profit for the year	年內盈利				3,125	3,125
At December 31, 2004 and January 1, 2005	於二零零四年十二月 三十一日及二零零五年					
	一月一日	916	-	361,491	(319,632)	42,775
Loss for the year	年內虧損	-	_	-	(16,000)	(16,000)
Recognition of equity component	確認可換股貸款票據					
of convertible loan note	之權益部分		185			185
At December 31, 2005	於二零零五年					
	十二月三十一日	916	185	361,491	(335,632)	26,960

Under the Companies Act 1981 of Bermuda (as amended), the Company can make a distribution out of contributed surplus. However, the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if:

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

At December 31, 2005, the Company have distributable reserves by considering the net balance of reserve available for distribution of HK\$25,859,000 (2004: HK\$41,859,000), including contributed surplus of HK\$361,491,000 (2004: HK\$361,491,000) and accumulated losses of HK\$335,632,000 (2004: HK\$319,632,000).

根據百慕達一九八一年公司法(經修訂),本公司之繳入盈餘賬為可供分派。然而,本公司不得在以下情況下宣派或派付股息,或從繳入盈餘作出分派:

- (a) 現時或將於付款後無法如期償 還其負債;或
- (b) 其資產之可變現值將因而低於 其負債及其已發行股本與股份 溢價賬之總和。

截至二零零五年十二月三十一日,可供分派儲備結餘淨額港幣25,859,000元(二零零四年:港幣41,859,000元),包括繳入盈餘港幣361,491,000元(二零零四年:港幣361,491,000元)及累計虧損港幣335,632,000元(二零零四年:港幣319,632,000元)。

39. Disposal of subsidiaries

39. 出售附屬公司

A summary of the effects of disposal of subsidiaries is as follows:

出售附屬公司之影響概要如下:

		2005	2004
		二零零五年	二零零四年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Net assets disposed of:	出售資產淨值:		
Property held for sale,	持作出售物業之可變現淨值		
at net realisable value		_	9,448
Trade and other receivables	貿易往來及其他應收賬款	_	59
		_	9,507
Loss on disposal of subsidiaries	出售附屬公司之虧損	_	(1,745)
Total consideration	總代價	_	7,762
Satisfied by:	償付:		
Satisfied by.	(
Cash	現金	_	7,762
Casii	70 <u>se</u>		
N I. d	山东公文上入田人次了河西,		
Net cash inflow arising on disposal:	出售所產生之現金流入淨額:		
Cash consideration	現金代價		7.760
Casii cuiisideialiuii			7,762

The subsidiaries disposed of for the year ended December 31, 2004 did not have any significant impact on the Group's cash flows, turnover and operating results.

於截至二零零四年十二月三十一日止 年度出售之附屬公司對本集團現金流 量、營業額及經營業績並無重大影響。

40. Major non-cash transactions

During the year ended December 31, 2004, minority shareholders of a Group's subsidiary contributed to the increase in share capital of the subsidiary by offsetting to the amounts of totalling HK\$2,000,000 due to the minority shareholders by the Group.

41. Events after the balance sheet date

- (a) On December 30, 2005, Italian Motors (Sales and Services) Limited, an indirect 89.92%-owned subsidiary of the Company, and Ferrari S.p.A. entered into an equity interest transfer agreement relating to the transfer of 29% equity interest in Ferrari Maserati Cars International Trading (Shanghai) Co., Ltd., for a consideration of US\$870,000, equivalent to approximately HK\$6.8 million. Further details of which are set out in the announcement of the Company dated January 3, 2006.
- (b) On February 9, 2006, a subsidiary of the Company had entered into a sales and purchase agreement with Mr. Law and Mr. Chak, directors of Firmmark Limited ("Firmmark") to which the Group would acquire 100% of the issued share capital of Firmmark for a consideration of approximately HK\$835,000. The principal activity of Firmmark is the retailing of electrical appliances.

40. 主要非現金交易

於截至二零零四年十二月三十一日止年度,本集團一間附屬公司之少數股東透過抵銷本集團應付少數股東總額港幣2,000,000元致使該附屬公司之股本有所增加。

41. 結算日後事項

- (a) 於二零零五年十二月三十日,本公司間接擁有89.92%權益的附屬公司勵駿汽車有限公司與Ferrari S.p.A.訂立股權轉讓協議,內容為有關以代價870,000美元(相當於約港幣6,800,000元)轉讓法拉利瑪莎拉蒂汽車國際貿易(上海)有限公司29%的股本權益。進一步詳情刊載於本公司於二零零六年一月三日之公佈內。
- (b) 於二零零六年二月九日,本公司一間附屬公司與恒標有限公司(「恒標」)之董事羅先生及翟先生簽訂一項買賣協議。本公司將以約港幣835,000元之代價收購恒標之100%已發行股本。恒標之主要業務為電器用品零售。

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42. Related party transactions

In addition to the balances with related parties disclosed elsewhere in the financial statements, during the year, the Group entered into the following significant related party transactions:

42. 與關聯人士之交易

除財務報表其他部分所披露之關聯人士結餘外,本集團於本年度內進行下 列重要關聯人士交易:

2005

		二零零五年 HK\$'000	二零零四年 HK\$'000
		港幣千元	港幣千元
Interest income received from a	向一位關聯人士收取之		
related party (a)	利息收入(a) 付予一間關聯公司之管理費	-	30
Management and agency fee paid to a related company (b)	及代理費(b)	77	61
Sales of goods to a Director (b)	售貨予一位董事(b)	-	900
Sales of goods to a related company (b)	售貨予一間關聯公司(b)	16	_
Acquisition of further interest in a	向一位關聯人士進一步收購		
subsidiary from a related party	一間附屬公司之權益	-	2,287
Management and agency fee paid to	付予一間關聯公司		
a related company which	(代一份樓宇管理基金收取)		
received the amounts on behalf of a	之管理費及代理費		
building management fund (b), (c)	(p) · (c)	4,206	4,187
Consultancy service fee paid to a	付予一間關聯公司		
related company (b)	之諮詢服務費(b)		20

- (a) The interest income received from a related party borne interest at the best lending rate offered by the Hongkong and Shanghai Banking Corporation Limited.
- (b) The pricing of transactions regarding management and agency fees, consultancy service fee and goods sold to a related company or Director were determined by the Directors on the basis of estimated market value.
- (c) The related company acted as a building manager to operate a building management fund for a building owned by the Group and collected the management and agency fee from the Group on behalf of the building management fund. During the year, management fee of HK\$417,000 (2004: HK\$417,000) and accounting service fee of HK\$162,000 (2004: HK\$162,000) were paid to the related company by the building management fund.

- (a) 向一位關聯人士收取之利息收入按 香港滙豐銀行所提供之最優惠利率 計息。
- (b) 有關付予一間關聯公司之管理費和 代理費、諮詢服務費以及付予一間 關聯公司或董事之售貨交易之價格 乃由董事按估計市場價值釐定。
- (c) 該關聯公司為本集團擁有之一幢樓 宇擔任樓宇經理,以經營該樓宇之 管理基金,並代該樓宇管理基金向 本集團收取管理費及代理費。本年 度內,該樓宇管理基金支付予該關 聯公司管理費港幣417,000元(二零 零四年:港幣417,000元)及會計服 務費港幣162,000元(二零零四年: 港幣162,000元)。

For the year ended December 31, 2005 截至二零零五年十二月三十一日止年度

Short-term employee benefits

42. Related party transactions (Continued)

Compensation of key management personnel

The remuneration of Directors and other members of key management during the year was as follows:

Fees	袍金
Salaries and other benefits	薪金及其他福利
Performance related incentive payments	與業務表現相關之獎金
Retirement benefit scheme contributions	退休福利計劃之供款

短期僱員福利

The remuneration of Directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

42. 與關聯人士之交易(續)

重要管理人員之報酬

本年度內董事及其他重要管理人員之 薪酬如下:

2005	2004
二零零五年	二零零四年
HK\$'000	HK\$'000
港幣千元	港幣千元
270	147
4,052	3,577
5,184	657
40	30
9,546	4,411

董事及重要行政人員之薪酬由薪酬委 員會依據各人之表現及市況釐定。

43. Operating lease arrangements

The Group as lessor

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Property rental income earned, net of outgoings of HK\$5,104,000 (2004: HK\$5,537,000) during the year was HK\$2,580,000 (2004: HK\$902,000). The property held has committed tenants for the next two years.

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

43. 經營租賃安排

本集團為出租人

本年度物業租金收入經扣除港幣 5,104,000元支出(二零零四年:港幣 5,537,000元)為港幣2,580,000元(二零 零四年:港幣902,000元)。該物業於 未來兩年均擁有承擔租客。

於結算日,本集團與租客定約之未來 最低租賃付款如下:

2005

2004

		2005	2001
		二零零五年	二零零四年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
lithin one year	於一年內	6,744	4,435
the second to fifth year inclusive	第二年至第五年	5,223	2,804
		11,967	7,239
he Group as lessee	本集團為承租人		
•		2005	2004
		二零零五年	二零零四年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
linimum lease payments under	本年度損益表已確認		
operating leases recognised in	根據經營租賃繳付之		
the income statement for the year	最低付款額	8,232	7,294

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43. Operating lease arrangements (*Continued*)

The Group as lessee (Continued)

At the balance sheet date, the Group had commitments under non-cancellable operating leases, which fall due as follows:

Within one year — — 年內 In the second to fifth year inclusive — 第二至第五年

Operating lease payments represent rentals payable by the Group for certain of its office premises. Leases are negotiated for an average term of two years and rentals are fixed for an average of one year.

At December 31, 2005, the Company had no commitments under non-cancellable operating leases (2004: nil).

44. Capital commitments

At the balance sheet date, neither the Group nor the Company had any significant capital commitments.

43. 經營租賃安排(續)

本集團為承租人(續)

於結算日,本集團不可取消之經營租 賃承擔如下:

2005	2004
二零零五年	二零零四年
HK\$'000	HK\$'000
港幣千元	港幣千元
8,974	5,317
8,273	3,527
17,247	8,844

經營租賃付款指本集團就若干辦公室 物業之應付租金。租賃之平均年期為 兩年而租金則平均一年釐定一次。

於二零零五年十二月三十一日,本公司並無不可取消之經營租賃承擔(二零零四年:無)。

44. 資本承擔

於結算日,本集團或本公司均概無任 何重大資本承擔。

45. Contingent liabilities

(a) At the balance sheet date, the Group and the Company had the following outstanding contingent liabilities which are not provided for in the financial statements in respect of:

45. 或然負債

(甲)於結算日,本集團及本公司未 於財務報表撥備之或然負債如 下:

		The Gr	oup	The Co	mpany
		本集團		本公司	
		2005	2004	2005	2004
		二零零五年	二零零四年	二零零五年	二零零四年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
Guarantees given for banking and other facilities made available to subsidiaries	為附屬公司 獲取銀行 信貸及其他 貸款作出 擔保	_	_	218,207	162,954
Other guarantees issued for subsidiaries	就附屬公司 發出之				
	其他擔保			5,615	138,328
				223,822	301,282

- (b) At December 31, 2005, the Group had contingent liabilities of approximately HK\$1.3 million (2004: approximately HK\$1.3 million) in respect of proceedings involving a subsidiary of the Company in India and of approximately HK\$10,333,000 (2004: approximately HK\$1,000,000) arising out of the grant of option to a connected person. Further details of which are set out in the announcement of the Company dated May 5, 2004.
- (乙)於二零零五年十二月三十一日,本集團之或然負債包括因一宗涉及本公司在印度一間附屬公司之法律訴訟所涉之約港幣1,300,000元(二零零四年:約港幣1,300,000元),以及因向一名關聯人士授出購股權而產生約港幣10,333,000元(二零零四年:約港幣1,000,000元)。進一步詳情刊載於本公司於二零零四年五月五日之公佈。

For the year ended December 31, 2005 截至二零零五年十二月三十一日止年度

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46. Derivative financial instruments

46. 衍生金融工具

		2005		2004	
		二零零五	5年	二零零四年	
		Assets	Liabilities*	Assets	Liabilities*
		資產	負債	資產	負債
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
eign currency forward contracts	外幣遠期合約	3,910	3,927	<u> </u>	<u> </u>
alysed as:	分析:				
Current – derivative financial	即期一衍生金				
instrument assets	融工具資產	3,910		_	

^{*} The amount is included in other payables.

At December 31, 2005, the Group had entered into forward contracts denominated in United States Dollar ("USD"), Japan Yen ("JPY") and Singapore Dollar ("SGD"). The major terms of the foreign currency forward contracts are as follows:

* 該項金額已計入其他應付款項內。

於二零零五年十二月三十一日,本集 團已簽署以美元、日元及新加坡元為 單位的遠期合約。外幣遠期合約之主 要條款如下:

46. Derivative financial instruments (*Continued*)

46. 衍生金融工具(續)

Notional amount 名義金額	Maturity 到期日	Exchange rates 匯率
Sell SGD36,494	January 18, 2006	SGD0.01458 to JPY1
賣價36,494新加坡元	二零零六年一月十八日	0.01458新加坡元兑1日元
Sell SGD55,419	January 24, 2006	SGD0.01459 to JPY1
賣價55,419新加坡元	二零零六年一月二十四日	0.01459新加坡元兑1日元
Sell SGD12,982	February 14, 2006	SGD0.01431 to JPY1
賣價12,982新加坡元	二零零六年二月十四日	0.01431新加坡元兑1日元
Sell SGD48,507	March 20, 2006	SGD0.01428 to JPY1
賣價48,507新加坡元	二零零六年三月二十日	0.01428新加坡元兑1日元
Sell SGD215,019	February 28, 2006	SGD1.672 to USD1
賣價215,019新加坡元	二零零六年二月二十八日	1.672新加坡元兑1美元
Sell SGD470,873	February 9, 2006	SGD1.6635 to USD1
賣價470,873新加坡元	二零零六年二月九日	1.6635新加坡元兑1美元

The above derivatives are measured at fair value at each balance sheet date. Their fair values are determined based on the quoted market prices for equivalent instruments at the balance sheet date.

上述衍生工具於每個結算日以公平值 計量。其公平值乃按結算日等同衍生 工具之市場報價釐定。

For the year ended December 31, 2005 截至二零零五年十二月三十一日止年度

47. Pledge of assets

47. 資產抵押

The Group 本集團

2004

二零零四年

2005

二零零五年

		~ ~ — .	
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Land and buildings	土地及樓宇	84,347	112,208
Inventories	存貨	2,930	-
Investment properties	投資物業	197,199	159,481
Trade receivables	貿易應收款項	2,390	-
Properties held for sale	持作出售物業	-	34,000
Deposits in bank	銀行存款	-	1,214
All assets of a subsidiary	一間附屬公司之全部資產	18,759	18,491

The amount represents assets pledged to banks to secure banking facilities granted to the Group. The pledged assets will be released upon the settlement of relevant bank borrowings. 金額乃本集團就取得銀行信貸所抵押 之資產。受抵押資產將於相關銀行貸 款償還後解除。

48. Share options schemes

1991 Scheme

The Company's share option scheme was adopted on June 22, 1991 ("1991 Scheme") for the primary purpose of providing incentives to Directors and eligible employees and expired on June 21, 2001. The Directors may, at their discretion, grant options to all eligible employees, including executive Directors of the Company and its subsidiaries.

The total number of shares in respect of which options may be granted under the 1991 Scheme is not permitted to exceed 10% of the issued share capital of the Company at any point in time. The number of shares in respect of which options may be granted to any individual is not permitted to exceed 25% of the maximum aggregate number of shares of the Company for the time being issued and issuable under the 1991 Scheme.

Options granted must be taken up within 28 days of the date of grant, upon payment of HK\$1 per grant. Options are exercisable within a period of 6 years commencing one month from the date of acceptance of options.

The subscription price is determined by the Directors, and will not be less than the higher of a price being not less than 80% of the average of the closing prices of the shares on the Stock Exchange on the five trading days immediately preceding the date of grant, and the nominal value of a share of the Company.

48. 優先認股權計劃

一九九一年計劃

本公司於一九九一年六月二十二日採納優先認股權計劃(「一九九一年計劃」),主要目的是獎勵董事及合資格僱員。該計劃於二零零一年六月二十一日屆滿。董事可酌情授出優先認股權予所有合資格僱員,包括本公司及其附屬公司之執行董事。

根據一九九一年計劃可授出之優先認 股權所涉及之股份總數,在任何時候 不得超逾本公司已發行股本之10%。 根據一九九一年計劃,向任何個別人 士授出之優先認股權所涉及之股份數 目,不得超逾按該計劃當時已發行及 可予發行之本公司股份總數上限25%。

每次授出優先認股權於支付港幣1元 後及於授出日起計28日內,該等優先 認股權必須被接納。優先認股權可於 接納日期後一個月起計之6年期間行 使。

認購價由董事釐定,不會低於股份在 緊接授出日期前五個交易日在聯交所 之平均收市價80%及本公司股份面值 兩者中較高之價格。

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48. Share options schemes (Continued)

2001 Scheme

Another share option scheme ("2001 Scheme") was subsequently adopted pursuant to a resolution passed on June 28, 2001 for the primary purpose of providing incentives to Directors and eligible employees, and was terminated on May 30, 2002 pursuant to a resolution passed on that date.

Under the 2001 Scheme, the Directors may grant options to any full-time employees, including executive and non-executive Directors of the Company and its subsidiaries, to subscribe for shares in the Company.

The total number of shares in respect of which options may be granted under the 2001 Scheme is not permitted to exceed 10% of the issued share capital of the Company at any point in time. The number of shares in respect of which options may be granted to any individual is not permitted to exceed 25% of the maximum aggregate number of shares of the Company for the time being issued and issuable under the 2001 Scheme.

Options granted must be taken up within 28 days of the date of grant, upon payment of HK\$1 per grant. Options are exercisable within a period of 6 years commencing one month from the date of acceptance of options.

The subscription price is determined by the Directors, and will not be less than the higher of a price being not less than 80% of the average of the closing prices of the shares on the Stock Exchange on the five trading days immediately preceding the date of grant, and the nominal value of a share of the Company.

Upon termination of the 2001 Scheme, no further options will be granted but in all other respects, the provisions of the 2001 Scheme shall remain in force and all granted prior to such termination shall continue to be valid and exercisable in accordance therewith.

48. 優先認股權計劃(續)

二零零一年計劃

本公司其後於二零零一年六月二十八 日通過決議案採納另一項優先認股權 計劃(「二零零一年計劃」),主要目的 是獎勵董事及合資格僱員。該計劃於 二零零二年五月三十日根據該日通過 之決議案終止。

根據二零零一年計劃,董事可授出優 先認股權予任何全職僱員,包括本公 司及其附屬公司之執行及非執行董事, 以認購本公司股份。

根據二零零一年計劃可授出之優先認 股權所涉及之股份總數,在任何時候 不得超逾本公司已發行股本之10%。 根據二零零一年計劃,向任何個別人 士授出之優先認股權所涉及之股份數 目,不得超逾按該計劃當時已發行及 可予發行之本公司股份總數上限25%。

每次授出優先認股權於支付港幣1元 後及於授出日期起計28日內,該等優 先認股權必須被接納。優先認股權可 於接納日期後一個月起計之6年期間 行使。

認購價由董事釐定,不會低於股份在 緊接授出日期前五個交易日在聯交所 之平均收市價80%及本公司股份面值 兩者中較高之價格。

二零零一年計劃終止後,將不再授出 優先認股權,惟在所有其他方面,二 零零一年計劃之條款仍將有效,而所 有於終止計劃前授出之優先認股權將 根據有關計劃條款繼續有效及可予行 使。

48. Share options schemes (Continued)

2002 Scheme

On August 23, 2001, the Stock Exchange has announced amendments to Chapter 17 of the Listing Rules, which has come into effect on September 1, 2001. In compliance with the amendments to the Listing Rules and the announcement of the Stock Exchange, the Company adopted a new share option scheme ("2002 Scheme") and terminated the 2001 Scheme on May 30, 2002 pursuant to a resolution passed on that date. The purpose of the 2002 Scheme is to provide incentives or rewards to participants for their contribution to the Group and enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group and any companies in which the Group holds any equity interest. The 2002 Scheme will expire on the 10th anniversary of date of adoption.

Under the 2002 Scheme, the Board of Directors of the Company may at their discretion grant options to the following participants of the Company, its subsidiaries and any companies in which the Group holds any equity interest, to subscribe for shares in the Company:

- 1. eligible employees, including Directors; or
- 2. suppliers or customers; or
- 3. any person or entity that provides research, development or other technological support; or
- 4. shareholders; or
- employees, partners or Directors of any business partners, joint venture partners, financial advisers and legal advisers.

Options granted to a Director, chief executive or substantial shareholder of the Company, or any of their respective associates must be approved by the Independent Non-executive Directors of the Company (excluding any Independent Non-executive Director who is the grantee).

48. 優先認股權計劃(續)

二零零二年計劃

根據二零零二年計劃,本公司董事會 可全權酌情決定向與本公司、其附屬 公司及本集團持有任何股份權益之任 何公司有關之以下參與人士授予優先 認股權:

- 1. 合資格僱員,包括董事;或
- 2. 供應商或客戶;或
- 3. 提供研究、開發或其他技術支援之任何人士或公司;或
- 4. 股東;或
- 任何業務合夥人、合營企業合 夥人、財務顧問及法律顧問之 任何僱員、合夥人或董事。

授出優先認股權予本公司董事、行政 總裁或主要股東或彼等各自之聯繫人 士,必須經本公司獨立非執行董事(不 包括同時為承授人之任何獨立非執行 董事)批准。

For the year ended December 31, 2005 截至二零零五年十二月三十一日止年度

48. Share options schemes (Continued)

2002 Scheme (Continued)

The total number of shares in respect of which options may be granted under the 2002 Scheme and any other schemes is not permitted to exceed 30% of the issued share capital of the Company from time to time. Subject to the above rule, the total number of shares in respect of which options may be granted under the 2002 Scheme and any other schemes must not in aggregate, exceed 10% of the issued share capital of the Company at the adoption date of the 2002 Scheme without prior approval from the Company's shareholders.

The number of shares in respect of which options may be granted to any participant in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. Options granted to a substantial shareholder, or an Independent Non-executive Director of the Company, or any of their respective associates under the 2002 Scheme and any other schemes in any one year in excess of 0.1% of the Company's issued share capital or with a value, based on the closing price of the shares of the Company at the date of each grant, in excess of HK\$5 million must be approved in advance by the Company's shareholders.

Options granted must be taken up within 28 days of the date of grant upon payment of HK\$1 per each grant of options. The exercise period of the share options granted under the 2002 Scheme shall be determined by the Board of Directors when such options are granted, provided that such period shall not end later than 6 years from the date of grant. The subscription price is determined by the Board of Directors of the Company, and will not be less than the higher of the closing price of the Company's shares on the date of grant, or the average closing price of the shares for the five trading days immediately preceding the date of grant, or the nominal value of a share of the Company.

48. 優先認股權計劃(續)

二零零二年計劃(續)

按二零零二年計劃及任何其他優先認 股權計劃可授出之優先認股權涉及之 最高股份總數,合共不得超過本公司 不時已發行股本之30%。除上述規則 外,如未經本公司股東事先批准,按 二零零二年計劃及任何其他計劃可授 出之優先認股權涉及之股份總數,合 共不得超過本公司於採納二零零二年 計劃採納日已發行股本之10%。

如未經本公司股東事先批准,於任何一年向任何參與者授出之優先認股權涉及之股份數目不得超過本公司在任何時候之已發行股份1%。任何一年根據二零零二年計劃及任何其他計劃向本公司一名主要股東、獨立非執行董事或彼等各自之聯繫人士授出優先認股權,如超過本公司已發行股本0.1%,以及按授出當日本公司股份收市價計算超過港幣5,000,000元,則須經本公司股東事先批准。

每次授出優先認股權於支付港幣1元 後及於授出日期起計28日內,該優先 認股權必須被接納。根據二零零二年 計劃授出之優先認股權之行使期於董事 會提出授予優先認股權日期起計之6 年後屆滿。股份認購價由本公司董事 會決定,惟認購價不得低於下列三者 中之最高者:於授出日期本公司之股 份收市價;於緊接授出日期前五個交 易日內的股份收市價平均數;或本公司股份面值。

48. Share options schemes (Continued)

2002 Scheme (Continued)

At December 31, 2005, the number of shares in respect of which options had been granted and remained outstanding under the 1991 Scheme, 2001 Scheme and 2002 Scheme were 45,843,275, 118,616,032 and 84,146,958 (2004: 45,843,275, 118,930,658 and 91,226,162 respectively), representing 2.1%, 5.4% and 3.8% (2004: 2.1%, 5.4% and 4.1% respectively) of the issued share capital of the Company at that date respectively.

48. 優先認股權計劃(續)

二零零二年計劃(續)

於二零零五年十二月三十一日,有關根據一九九一年計劃、二零零一年計劃及二零零二年計劃授出惟尚未行使之優先認股權之股份數目分別為45,843,275股、118,616,032股及84,146,958股(二零零四年:分別為45,843,275股、118,930,658股及91,226,162股),分別佔本公司當日之已發行股本之2.1%、5.4%及3.8%(二零零四年:分別佔2.1%、5.4%及4.1%)。

For the year ended December 31, 2005 截至二零零五年十二月三十一日止年度

48. Share options schemes (Continued)

The following table discloses details of the Company's share options held by employees (including Directors) and movements in such holdings during the year:

48. 優先認股權計劃(續)

下表披露本公司僱員(包括董事)於年 內所持優先認股權以及該等認股權變 動之詳情:

Outstanding		
at January 1, 2005		
於二零零五年		

	於二令令五 年	
Date of grant	一月一日	Option lapsed
授出日期	尚未行使	已失效優先認股權
December 21, 1999	22,890,928	-
一九九九年十二月二十一日		
February 11, 2000	11,531,229	_
二零零零年二月十一日		
September 8, 2000	4,719,470	_
二零零零年九月八日		
January 18, 2001	409,019	_
二零零一年一月十八日		
May 28, 2001	6,292,629	_
二零零一年五月二十八日		
August 10, 2001	111,694,164	_
- 二零零一年八月十日		
August 29, 2001	5,663,338	314,626
- 二零零一年八月二十九日		
November 23, 2001	1,573,156	_
二零零一年十一月二十三日		
June 4, 2002	64,971,362	7,079,204
二零零二年六月四日		
September 24, 2002	26,254,800	_
二零零二年九月二十四日		
總計:	256,000,095	7,393,830
700.81	200,000,000	-,,555,656
	授出日期 December 21, 1999 一九九九年十二月二十一日 February 11, 2000 二零零零年二月十一日 September 8, 2000 二零零年九月八日 January 18, 2001 二零零一年一月十八日 May 28, 2001 二零零一年五月二十八日 August 10, 2001 二零零一年八月十日 August 29, 2001 二零零一年八月二十九日 November 23, 2001 二零零一年十一月二十三日 June 4, 2002 二零零二年六月四日 September 24, 2002	December 21, 1999 22,890,928 一九九九年十二月二十一日 February 11, 2000 11,531,229 二零零零年二月十一日 September 8, 2000 4,719,470 二零零零年九月八日 January 18, 2001 409,019 二零零一年一月十八日 May 28, 2001 6,292,629 二零零一年五月二十八日 August 10, 2001 111,694,164 二零零一年八月十日 August 29, 2001 5,663,338 二零零一年八月二十九日 November 23, 2001 1,573,156 二零零一年十一月二十三日 June 4, 2002 64,971,362 二零零二年六月四日 September 24, 2002 26,254,800 二零零二年九月二十四日

Outstanding at December 31, 2005 於二零零五年		
十二月三十一日	Exercisable period	Exercise price
尚未行使	行使期	行使價
		HK\$
		港幣元
22,890,928	February 1, 2000 – March 21, 2006	0.2325
	二零零零年二月一日至二零零六年三月二十一日	
11,531,229	March 18, 2000 – March 21, 2006	0.5422
	二零零零年三月十八日至二零零六年三月二十一日	
4,719,470	November 5, 2000 – November 4, 2006	0.2347
	二零零零年十一月五日至二零零六年十一月四日	
409,019	March 6, 2001 – March 14, 2007	0.1661
	二零零一年三月六日至二零零七年三月十四日	
6,292,629	June 29, 2001 – June 29, 2007	0.1661
	二零零一年六月二十九日至二零零七年六月二十九日	
111,694,164	September 14, 2001 – September 18, 2007	0.1661
	二零零一年九月十四日至二零零七年九月十八日	
5,348,712	September 30, 2001 – September 30, 2007	0.1661
	二零零一年九月三十日至二零零七年九月三十日	
1,573,156	December 23, 2001 - December 22, 2007	0.1661
	二零零一年十二月二十三日至二零零七年十二月二十二日	
57,892,158	June 4, 2002 – June 3, 2008	0.1000
	二零零二年六月四日至二零零八年六月三日	
26,254,800	September 24, 2002 – September 23, 2008	0.1000
	二零零二年九月二十四日至二零零八年九月二十三日	
248,606,265		

48. Share options schemes (Continued)

48. 優先認股權計劃(續)

	Outs	ta	naı	ng
at Jan	uary	1,	20	04

		於二零零四年	
Scheme type	Date of grant	一月一日	Option lapsed
計劃類別	授出日期	尚未行使	已失效優先認股權
1991	January 19, 1998	12,125,838	12,125,838
一九九一年	一九九八年一月十九日		
1991	June 10, 1998	1,573,156	1,573,156
一九九一年	一九九八年六月十日		
1991	December 21, 1999	23,133,184	242,256
一九九一年	一九九九年十二月二十一日		
1991	February 11, 2000	11,531,229	-
一九九一年	二零零零年二月十一日		
1991	September 8, 2000	4,719,470	-
一九九一年	二零零零年九月八日		
1991	January 18, 2001	409,019	_
一九九一年	二零零一年一月十八日		
1991	May 28, 2001	37,755,775	31,463,146
一九九一年	二零零一年五月二十八日		
2001	August 10, 2001	166,754,668	55,060,504
二零零一年	二零零一年八月十日		
2001	August 29, 2001	6,764,539	1,101,201
二零零一年	二零零一年八月二十九日		
2001	November 23, 2001	1,573,156	_
二零零一年			
2002	June 4, 2002	80,702,927	15,731,565
二零零二年	, 二零零二年六月四日	, ,	, ,
2002	September 24, 2002	48,414,080	22,159,280
二零零二年	二零零二年九月二十四日		,,
_			
Grand Total:	總計:	395,457,041	139,456,946
Gianu iolai.	₩ <u>♀</u> □ .	393,437,041	139,430,940

Outstanding at December 31, 2004 於二零零四年		
十二月三十一日	Exercisable period	Exercise price
尚未行使	行使期	行使價
		HK\$
		港幣元
-	February 19, 1998 – March 12, 2004	0.3655
	一九九八年二月十九日至二零零四年三月十二日	
-	July 24, 1998 — July 23, 2004	0.1749
	一九九八年七月二十四日至二零零四年七月二十三日	
22,890,928	February 1, 2000 – March 21, 2006	0.2325
	二零零零年二月一日至二零零六年三月二十一日	
11,531,229	March 18, 2000 – March 21, 2006	0.5422
	二零零零年三月十八日至二零零六年三月二十一日	
4,719,470	November 5, 2000 – November 4, 2006	0.2347
	二零零零年十一月五日至二零零六年十一月四日	
409,019	March 6, 2001 – March 14, 2007	0.1661
	二零零一年三月六日至二零零七年三月十四日	
6,292,629	June 29, 2001 – June 29, 2007	0.1661
	二零零一年六月二十九日至二零零七年六月二十九日	
111,694,164	September 14, 2001 – September 18, 2007	0.1661
	二零零一年九月十四日至二零零七年九月十八日	
5,663,338	September 30, 2001 – September 30, 2007	0.1661
	二零零一年九月三十日至二零零七年九月三十日	
1,573,156	December 23, 2001 - December 22, 2007	0.1661
	二零零一年十二月二十三日至二零零七年十二月二十二日	
64,971,362	June 4, 2002 – June 3, 2008	0.1000
	二零零二年六月四日至二零零八年六月三日	
26,254,800	September 24, 2002 – September 23, 2008	0.1000
	二零零二年九月二十四日至二零零八年九月二十三日	
256,000,095		
230,000,033		

For the year ended December 31, 2005 截至二零零五年十二月三十一日止年度

48. Share options schemes (Continued)

48. 優先認股權計劃(續)

Details of the share options held by the Directors included in the above table are as follows:

由董事持有之優先認股權(已包含於 上表)之詳情如下:

Outstanding

Scheme type 計劃類別	Date of grant 授出日期	at January 1, 2005 and December 31, 2005 於二零零五年 一月一日及二零零五年 十二月三十一日 尚未行使
1991	December 21, 1999	21,237,613 (a)
一九九一年	一九九九年十二月二十一日	
1991	February 11, 2000	11,012,093
一九九一年	二零零零年二月十一日	
1991	January 18, 2001	409,019
一九九一年	二零零一年一月十八日	
1991	May 28, 2001	6,292,629
一九九一年	二零零一年五月二十八日	
2001	August 10, 2001	111,694,164
二零零一年	二零零一年八月十日	
2001	August 29, 2001	1,573,150 (a)
二零零一年	二零零一年八月二十九日	
2002	June 4, 2002	13,843,779
二零零二年	二零零二年六月四日	
2002	September 24, 2002	26,254,800
二零零二年	二零零二年九月二十四日	
Grand Total:	總計:	192,317,247

Exercisable period 行使期	Exercise price 行使價 HK\$ 港幣元
February 6, 2000 - February 10, 2006 二零零零年二月六日至二零零六年二月十日	0.2325
March 18, 2000 – March 21, 2006 二零零零年三月十八日至二零零六年三月二十一日	0.5422
March 6, 2001 – March 5, 2007 二零零一年三月六日至二零零七年三月五日	0.1661
June 29, 2001 – June 29, 2007 二零零一年六月二十九日至二零零七年六月二十九日	0.1661
September 14, 2001 – September 18, 2007 二零零一年九月十四日至二零零七年九月十八日	0.1661
September 30, 2001 - September 29, 2007 二零零一年九月三十日至二零零七年九月二十九日	0.1661
June 4, 2002 – June 3, 2008 二零零二年六月四日至二零零八年六月三日	0.1000
September 24, 2002 – September 23, 2008 二零零二年九月二十四日至二零零八年九月二十三日	0.1000

48. Share options schemes (Continued)

48. 優先認股權計劃(續)

		Outstanding	
		at January 1, 2004 於二零零四年	
Scheme type	Date of grant	一月一日	Option lapsed
計劃類別	授出日期	尚未行使	已失效優先認股權
1991	January 19, 1998	9,596,253 (a)	9,596,253 (a)
一九九一年	一九九八年一月十九日		
1991	June 10, 1998	1,573,156	1,573,156
一九九一年	一九九八年六月十日		
1991	December 21, 1999	21,237,613 (a)	-
一九九一年	一九九九年十二月二十一日		
1991	February 11, 2000	11,012,093	_
一九九一年	二零零零年二月十一日		
1991	January 18, 2001	409,019	_
一九九一年	二零零一年一月十八日		
1991	May 28, 2001	6,292,629	-
一九九一年	二零零一年五月二十八日		
2001	August 10, 2001	111,694,164	_
二零零一年	二零零一年八月十日		
2001	August 29, 2001	1,573,150 (a)	-
二零零一年	二零零一年八月二十九日		
2002	June 4, 2002	13,843,779	_
二零零二年	二零零二年六月四日		
2002	September 24, 2002	26,254,800	_
二零零二年	二零零二年九月二十四日		
Grand Total:	總計:	203,486,656	11,169,409

- (a) Share options granted to Mr. Richard Man Fai LEE's spouse were included. Mr. Richard Man Fai LEE is a Director of the Company.
- (a) 包括授予李文輝先生配偶之優 先認股權。李文輝先生乃本公 司之董事。

48. Share options schemes (Continued)

48. 優先認股權計劃(續)

Outstanding at December 31, 2004 於二零零四年		
十二月三十一日	Exercisable period	Exercise price
尚未行使	行使期 	行使價
		HK\$ 港幣元
		/色 市 ル
-	February 19, 1998 – February 21, 2004	0.3655
	一九九八年二月十九日至二零零四年二月二十一日	
-	July 24, 1998 – July 23, 2004	0.1749
	一九九八年七月二十四日至二零零四年七月二十三日	
21,237,613 (a)	February 6, 2000 – February 10, 2006	0.2325
	二零零零年二月六日至二零零六年二月十日	
11,012,093	March 18, 2000 – March 21, 2006	0.5422
	二零零零年三月十八日至二零零六年三月二十一日	
409,019	March 6, 2001 – March 5, 2007	0.1661
	二零零一年三月六日至二零零七年三月五日	
6,292,629	June 29, 2001 – June 29, 2007	0.1661
	二零零一年六月二十九日至二零零七年六月二十九日	
111,694,164	September 14, 2001 – September 18, 2007	0.1661
	二零零一年九月十四日至二零零七年九月十八日	
1,573,150 (a)	September 30, 2001 – September 29, 2007	0.1661
	二零零一年九月三十日至二零零七年九月二十九日	
13,843,779	June 4, 2002 – June 3, 2008	0.1000
20254000	二零零二年六月四日至二零零八年六月三日	0.1000
26,254,800	September 24, 2002 – September 23, 2008	0.1000
	二零零二年九月二十四日至二零零八年九月二十三日	

In 2005, no consideration was received during the year from employees (including Directors) for taking up the options granted (2004: nil).

於二零零五年,於年內概無因僱員(包括董事)接納認股權而收取之總代價 (二零零四年:無)。

49. Dividend

192,317,247

No dividend was paid or proposed for 2004 and 2005, nor has any dividend been proposed since the balance sheet date.

49. 股息

於二零零四年及二零零五年概無任何 派發或擬派發股息,自結算日起亦無 任何擬派發股息。

For the year ended December 31, 2005 截至二零零五年十二月三十一日止年度

50. Principal subsidiaries

50. 主要附屬公司

Particulars of the Company's principal subsidiaries at December 31, 2005 are as follows:

本公司主要附屬公司於二零零五年十 二月三十一日之詳情如下:

Name of subsidiary 附屬公司名稱 Direct subsidiary 直接附屬公司	Place of incorporation/registration成立地點/註冊地點	Percentage of equity interest attributable to the Group 本集團應佔之股權百分比	Issued and fully paid share capital or registered capital 已發行及 繳足股本或註冊股本	Principal activities 主要業務
Wo Kee Hong (B.V.I.) Limited	British Virgin Islands 英屬處女群島	100.0	30,000 shares of US\$0.01 each 每股面值0.01 美元之股份 30,000股	Investment holding 投資控股
Indirect subsidiaries 間接附屬公司				
Auto Italia Limited	Hong Kong	89.9	10,000 shares of HK\$10 each	Trading of cars and related accessories and provision of car repairing services
快意汽車有限公司	香港		每股面值港幣 10元之股份 10,000股	買賣汽車及相關配件 及提供汽車維修服務
Bodyworld International (B.V.I.) Ltd.	British Virgin Islands	100.0	1 share of US\$1 each	Trading brand holding
	英屬處女群島		每股面值1美元 之股份1股	貿易品牌控股
Cliven Pte Ltd	Singapore	100.0	10 ordinary shares of S\$1 each	Investment holding
	新加坡		每股面值 1新加坡元之 普通股10股	投資控股

50.	Principal subsidiaries	(continued)		50. 主要附屬	公司 (續)
	Name of subsidiary	Place of incorporation/registration	Percentage of equity interest attributable to the Group 本集團應佔之	Issued and fully paid share capital or registered capital 已發行及 繳足股本	Principal activities
	附屬公司名稱	註冊地點	股權百分比	或註冊股本	主要業務
	Indirect subsidiaries (continued) 間接附屬公司 (續)	ued)			
	Corich Enterprises Inc.	British Virgin Islands	100.0	100 shares of US\$1 each	Investment holding
		英屬處女群島		每股面值1美元 之股份100股	投資控股
	Elbright Limited	Hong Kong	100.0	2 shares of HK\$1 each	Property leasing agent
	愛輝有限公司	香港		每股面值港幣 1元之股份2股	物業租賃代理
	Ever Rising Investments Limited	Hong Kong	100.0	2 shares of HK\$1 each	Property investment
		香港		每股面值港幣 1元之股份2股	投資物業
	Forward International Corporation, Limited (Trading as "Rogers Music" with effect from January 27, 2006)	Hong Kong	100.0	45,000 non-voting deferred shares of HK\$100 each and 2 ordinary shares of HK\$100 each	Entertainment services, and music and software production
	(自二零零六年 一月二十七日起以 「Rogers Music」之 名經營)	香港		每股面值港幣 100元之無投票權 遞延股份45,000股 及每股面值港幣 100元之普通股份2股	娛樂服務業、音樂及 軟件製作
	Italian Motors (Sales & Service) Limited	Hong Kong	89.9	60,000 shares of HK\$10 each	Investment holding
	勵駿汽車有限公司	香港	89.9	每股面值港幣 10元之股份 60,000股	投資控股

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50. Principal subsidiaries (continued) 50. 主要附屬公司(續)

Name of subsidiary 附屬公司名稱	Place of incorporation/registration成立地點/註冊地點	Percentage of equity interest attributable to the Group 本集團應佔之股權百分比	Issued and fully paid share capital or registered capital 已發行及 繳足股本 或註冊股本	Principal activities 主要業務
Indirect subsidiaries (contin間接附屬公司 (續)	nued)			
Martview Limited 新華景有限公司	Hong Kong 香港	100.0	2 shares of HK\$1 each 每股面值港幣 1元之股份2股	Property holding 物業控股
Mega Warehouse (Hong Kong) Limited 買家倉(香港)有限公司	Hong Kong 香港	100.0	1,000,000 shares of HK\$1 each 每股面值港幣 1元之股份 1,000,000股	Warehouse stores operation 經營貨倉
Metro Global Limited	Hong Kong	100.0	2 non-voting deferred shares of HK\$1 each and 1,000 ordinary shares	Investment holding
和記電業(環球)有限公司	香港		of HK\$1 each 每股面值港幣 1元之無投票權 遞延股份2股及 每股面值港幣 1元之普通股份 1,000股	投資控股
Most Advance International Ltd.	British Virgin Islands 英屬處女群島	s 100.0	1 share of US\$1 each 每股面值1美元 之股份1股	Investment holding 投資控股

50.	Principal subsidiaries	(continued)		50. 主要附屬	公司(續)
		Place of incorporation/registration	Percentage of equity interest attributable to the Group	Issued and fully paid share capital or registered capital 已發行及	
	Name of subsidiary 附屬公司名稱	成立地點/註冊地點	本集團應佔之 股權百分比	繳足股本 或註冊股本	Principal activities 主要業務
	Indirect subsidiaries (contin間接附屬公司(續)	ued)			
	Rogers International Limited	Bahamas	100.0	2 shares of US\$1 each	Trading brand holding
		巴哈馬		每股面值1美元 之股份2股	貿易品牌控股
	Shinwa Engineering Company, Limited	Hong Kong	100.0	5,000,000 non-voting deferred shares of HK\$1 each and 2 ordinary shares of HK\$1 each	Investment holding
	信和工程有限公司	香港		每股面值港幣 1元之無投票權 遞延股份 5,000,000股及 每股面值港幣 1元之普通股份2股	投資控股
	Stoneycroft Estates Limited	Hong Kong	100.0	20,000,000 non-voting deferred shares of HK\$1 each and 1,000 ordinary shares of HK\$1 each	Property investment
		香港		每股面值港幣 1元之無投票權 遞延股份 20,000,000股及 每股面值港幣 1元之普通股份 1,000股	物業投資

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50. Principal subsidiaries (continued) 50. 主要附屬公司 (續)

Name of subsidiary 附屬公司名稱 Indirect subsidiaries (conti	Place of incorporation/registration成立地點/註冊地點	Percentage of equity interest attributable to the Group 本集團應佔之股權百分比	Issued and fully paid share capital or registered capital 已發行及 繳足股本或註冊股本	Principal activities 主要業務
間接附屬公司 (續)				
Technorient Limited 勵安有限公司	Hong Kong 香港	89.9	461,687 shares of HK\$100 each 每股面值 港幣100元之	Investment holding 投資控股
			股份461,687股	
Wo Kee Hong Distribution Pte Ltd	Singapore	100.0	4,500,000 ordinary shares of S\$1 each	Distribution of home audio and car audio equipment and accessories
	新加坡		每股面值 1新加坡元 之普通股份 4,500,000股	經銷家用及汽車 音響器材 及配件
Wo Kee Hong Electronics Sdn. Bhd.	Malaysia	100.0	1,000,000 ordinary shares of M\$1 each	Distribution of audio-visual equipment
	馬來西亞		每股面值馬幣 1元之普通股份 1,000,000股	經銷影音設備
Wo Kee Hong Finance Limited	Hong Kong	100.0	2 shares of HK\$1 each	Finance and money lending
和記電業財務 有限公司	香港		每股面值港幣 1元之股份2股	財務及借貸

50. Principal subsidiaries (continued)			50. 主要附屬公司(續)		
Name of subsidiary 附屬公司名稱	Place of incorporation/ registration 成立地點/ 註冊地點	Percentage of equity interest attributable to the Group 本集團應佔之股權百分比	Issued and fully paid share capital or registered capital 已發行及 繳足股本或註冊股本	Principal activities 主要業務	
Indirect subsidiaries (cc 間接附屬公司 (續)	ntinued)				
Wo Kee Hong Limited 和記電業有限公司	Hong Kong 香港	100.0	10,000 non-voting deferred shares of HK\$1,000 each and 2 ordinary shares of HK\$1,000 each 每股面值港幣1,000元之無投票權遞延股份10,000股及每股面值港幣1,000元之普通股份2股	Investment holding and distribution of audio-visual equipment, car audio and electronic products, air-conditioning and refrigeration products, electrical appliances and electronic appliances 投資控股及經銷影音 設備、汽車音響及電子產品、空調及冷凍產品、電器及電子零件	
Wo Kee Hong Professional Air Conditioning Pte Ltd	Singapore	94.8	7,000,000 shares of S\$1 each 每股面值 1新加坡元 之股份 7,000,000股	Distribution of air-conditioning products 經銷空調產品	

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50. Principal subsidiaries (continued) 50. 主要附屬公司 (續)

Name of subsidiary 附屬公司名稱 Indirect subsidiaries (cont	Place of incorporation/registration成立地點/註冊地點	Percentage of equity interest attributable to the Group 本集團應佔之股權百分比	Issued and fully paid share capital or registered capital 已發行及 繳足股本或註冊股本	Principal activities 主要業務
間接附屬公司(續)				
Wo Kee Hong Trading Sdn. Bhd.	Malaysia	100.0	5,100,000 ordinary shares of M\$1 each	Distribution of audio-visual equipment
	馬來西亞		每股面值馬幣 1元之普通股份 5,100,000股	經銷影音設備
Wo Kee Joyful Limited	Hong Kong	100.0	2,000,000 shares HK\$1 each	Company secretarial service
	香港		每股面值港幣 1元之股份 2,000,000股	公司秘書服務
Wo Kee Services Limited	Hong Kong	100.0	2 non-voting deferred shares of HK\$100 each and 19,998 ordinary shares of HK\$100 each	Provision of warehousing, delivery, repairs and maintenance services
和記電器服務有限公司	香港		每股面值 港幣100元之 無投票權 遞延股份2股 及每股面值 港幣100元之 普通股份 19,998股	提供倉務、送貨及維修 保養服務

50.	Principal subsidiaries	(continued)		50. 主要附屬公司(續)	
	Name of subsidiary 附屬公司名稱	Place of incorporation/registration成立地點/註冊地點	Percentage of equity interest attributable to the Group 本集團應佔之股權百分比	Issued and fully paid share capital or registered capital 已發行及繳足股本或註冊股本	Principal activities 主要業務
	Indirect subsidiaries (continued) 間接附屬公司(續)	ued)			
	東莞市先和亞太 電器有限公司 (limited liability company)	PRC	100.0	Registered and fully paid capital of RMB1,000,000	Distribution of air-conditioning, electrical and electronic products
	(有限責任公司)	中國		註冊及已繳足資本人民幣1,000,000元	經銷空調、電器及 電子產品
	東莞市先和制冷 設備有限公司 (limited liability company)	PRC	100.0	Registered and fully paid capital of RMB500,000	Sales and production of air-conditioning electrical and electronic products and parts, and provision of repairs and maintenance services of air-conditioning, electrical and electronic products
	(有限責任公司)	中國		註冊及已繳足資本人民幣500,000元	銷售及生產空調電器及 電子產品及零件、 以及提供空調電器及 電子產品之維修及 保養服務
	東莞長興制冷設備 有限公司 (joint venture (HK capital))	PRC	92.0	Registered capital of HK\$30,000,000 paid-up capital of HK\$14,800,000	Production and sales of heat exchanger
	(合資經營(港資))	中國		註冊資本港幣 30,000,000元 已繳股本港幣 14,800,000元	生產和銷售熱交換器

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50. Principal subsidiaries (continued)

None of the subsidiaries had issued any debt securities at the end of the year.

The above table lists the subsidiaries of the Company 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.

50. 主要附屬公司(續)

附屬公司概無於年內發行任何債務證 券。

董事認為,以上只載列對本集團業績 或資產有重要影響之本公司附屬公司。 如載列其他附屬公司詳情,董事則認 為所佔用之篇幅將會過於冗長。

51. Principal associates

Particulars of the Group's principal associates at December 31, 2005 are as follows:—

51. 主要聯營公司

Issued and

於二零零五年十二月三十一日,主要 聯營公司詳情如下:

Name of associates 聯營公司名稱	Place of incorporation/registration成立地點/註冊地點	Percentage of equity interest attributable to the Group 本集團應佔之 股權百分比	fully paid share capital or registered capital 已發行及 繳足股本 或註冊股本	Principal activities 主要業務
Ferrari Maserati Cars International Trading (Shanghai) Co., Ltd.	PRC	27.0	Registered and fully paid capital of USD3,000,000	Import, distribution and trading of cars and related accessories
法拉利瑪莎拉蒂汽車 國際貿易(上海) 有限公司	中國		註冊及已繳足資本 3,000,000美元	入口、分銷及買賣汽車及 相關配件
Jin Ling Electrical Company Limited	PRC	50.0	Registered and fully paid capital of RMB263,500,000	Manufacturing and trading of washing machines
金羚電器有限公司	中國		註冊及已繳足資本 人民幣 263,500,000元	製造及買賣洗衣機