

綜合財務報表附註 Notes to the Consolidated Financial Statements

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

1. 一般事項

本公司為根據百慕達一九八一年公司法(經修訂)在百慕達註冊成立之受豁免有限公司，其股份在香港聯合交易所有限公司(「聯交所」)上市。本公司之最終控股公司為Future 2000 Limited，乃一家於英屬處女群島註冊成立之公司。本公司之註冊辦事處及主要營業地點之地址在年報之緒言中披露。

綜合財務報表乃以港元(「港元」)呈列，與本公司之功能貨幣相同。

本公司乃一家投資控股公司，其附屬公司之主要業務為分銷及買賣移動電話及相關配件、電腦產品及發展市場推廣及售後服務網絡。

2. 綜合財務報表編製基準

本期間之綜合財務報表涵蓋截至二零零五年十二月三十一日止十二個月期間，而綜合收入報表、綜合權益變動報表、綜合現金流動表及有關附註所示之相關比較金額則涵蓋二零零四年四月一日至二零零四年十二月三十一日之九個月期間，因此不一定可與本期間所示之金額作比較。二零零四年之綜合財務報表所涵蓋之期間不足十二個月之原因是，董事決定使結算日與在中華人民共和國(「中國」)營運之主要附屬公司之結算日劃一，其財政年度結算日已為中國註冊機關定為每年之十二月三十一日。

1. GENERAL

The Company is an exempted company with limited liability incorporated in Bermuda under The Companies Act 1981 of Bermuda (as amended). The shares of the Company are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Its ultimate holding company is Future 2000 Limited, a company incorporated in the British Virgin Islands. The addresses of the registered office and principal place of business of the Company are disclosed in the introduction to the annual report.

The consolidated financial statements are presented in Hong Kong dollars ("HK\$"), which is the same as the functional currency of the Company.

The Company is an investment holding company. The principal activities of its subsidiaries are the distribution and trading of mobile phones and related accessories, computer products and the development of marketing and after-sales service network.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements for the current period cover the twelve-month period ended 31st December, 2005. The corresponding comparative amounts shown for the consolidated income statement, consolidated statement of changes in equity, consolidated cash flow statement and related notes cover a nine-month period from 1st April, 2004 to 31st December, 2004 and therefore may not be comparable with amounts shown for the current period. The period covered by the 2004 consolidated financial statements was less than twelve months because the directors determined to bring the balance sheet date in line with that of the major subsidiaries operating in the People's Republic of China (the "PRC"), of which the year end date is set at 31st December each year by the PRC regulation.

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3. 採用香港財務報告準則／更改會計政策

於本年度，本集團首次採納香港會計師公會（「香港會計師公會」）頒佈之多項新香港財務報告準則（「香港財務報告準則」）、香港會計準則（「香港會計準則」）及詮釋（「詮釋」）（下文統稱為「新香港財務報告準則」），該等準則乃於二零零五年一月一日或以後開始之會計期間生效。採納新香港財務報告準則致使綜合收入報表、綜合資產負債表及綜合權益變動報表之呈列方式出現變動，其中已更改少數股東權益之呈列方式。呈列方式之變動已追溯應用。採納新香港財務報告準則已使本集團在下列範疇之會計政策出現變動，導致本會計年度及／或以往會計年度之業績編製及呈列受影響：

業務合併

於本年度，本集團已採用香港財務報告準則第3號「業務合併」，乃對協議日期為二零零五年一月一日或以後之業務合併生效。採用香港財務報告準則第3號對本集團之影響概述如下：

商譽

於過往年度，於二零零一年一月一日前因收購而產生之商譽計入儲備，而於二零零一年一月一日後因收購而產生之商譽則資本化，並按其估計可使用年期攤銷。本集團已採用香港財務報告準則第3號之相關過渡條文。先前於儲備中確認之商譽1,277,000港元已於二零零五年一月一日轉撥至本集團之累計溢利。而原先在綜合資產負債表資本化之商譽，本集團已於二零零五年一月一日撇除有關累計攤銷2,419,000港元之賬面值，並相應減少商譽成本（見附註18）。本集團由二零零五年一月一日起不再將有關商譽攤銷，而商譽將最少每年進行一次減值測試。於二零零五年一月一日後因收購產生之商譽，乃於初步確認後按成本扣除累計減值虧損（如有）計量。此項會計政策之變動，致使本年度不再計算任何商譽攤銷。截至二零零四年十二月三十一日止期間之比較數字並無重列。

3. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS/CHANGES IN ACCOUNTING POLICIES

In the current year, the Group has applied, for the first time, a number of new Hong Kong Financial Reporting Standards ("HKFRSs"), Hong Kong Accounting Standards ("HKASs") and Interpretations ("INT") (hereinafter collectively referred to as "new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") that are effective for accounting periods beginning on or after 1st January, 2005. The application of the new HKFRSs has resulted in a change in the presentation of the consolidated income statement, consolidated balance sheet and consolidated statement of changes in equity. In particular, the presentation of minority interests has been changed. The changes in presentation have been applied retrospectively. The adoption of the new HKFRSs has resulted in changes to the Group's accounting policies in the following areas that have an effect on how the results for the current and/or prior accounting years are prepared and presented:

Business Combinations

In the current year, the Group has applied HKFRS 3 "Business Combinations" which is effective for business combinations for which the agreement date is on or after 1st January, 2005. The principal effects of the application of HKFRS 3 to the Group are summarised below:

Goodwill

In previous years, goodwill arising on acquisitions prior to 1st January, 2001 was held in reserves, and goodwill arising on acquisitions after 1st January, 2001 was capitalised and amortised over its estimated useful life. The Group has applied the relevant transitional provisions in HKFRS 3. Goodwill previously recognised in reserves of HK\$1,277,000 has been transferred to the Group's accumulated profits on 1st January, 2005. With respect to goodwill previously capitalised on the consolidated balance sheet, the Group on 1st January, 2005 eliminated the carrying amount of the related accumulated amortisation of HK\$2,419,000 with a corresponding decrease in the cost of goodwill (see note 18). The Group has discontinued amortising such goodwill from 1st January, 2005 onwards and such goodwill will be tested for impairment at least annually. Goodwill arising on acquisitions after 1st January, 2005 is measured at cost less accumulated impairment losses (if any) after initial recognition. As a result of this change in accounting policy, no amortisation of goodwill has been charged in the current year. Comparative figures for the period ended 31st December, 2004 have not been restated.

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3. 採用香港財務報告準則／更改會計政策 (續)

以股份為基礎支付之款項

於本年度，本集團已採納香港財務報告準則第2號「以股份為基礎支付之款項」，規定倘本集團以股份或享有股份之權利交換購買之貨物或獲取之服務（「權益結算交易」），或用以換取其他價值相等於特定數目之股份或股份之權利（「現金結算交易」）時，其支出須予確認。香港財務報告準則第2號對本集團之主要影響涉及將授予本集團董事及僱員之購股權於授出日期釐定之公平值在歸屬期內列為支出。於二零零五年一月一日前並無授出任何購股權，因此本集團已對二零零五年一月一日或之後授出之購股權採用香港財務報告準則第2號。

財務工具

於本年度，本集團已應用香港會計準則第32號「財務工具：披露及呈列」及香港會計準則第39號「財務工具：確認及計量」。香港會計準則第32號須追溯應用。於二零零五年一月一日或以後開始之年度期間生效之香港會計準則第39號，一般不允許按追溯基準確認、不予確認或計量財務資產及負債。採用香港會計準則第32號對本集團於本會計期間或以往會計期間之財務工具呈列並無重大影響。實施香港會計準則第39號之主要影響概述如下：

財務資產及財務負債之分類及計量

本集團已就屬香港會計準則第39號範圍之財務資產及財務負債之分類及計量，應用香港會計準則第39號之相關過渡條文。

3. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS/CHANGES IN ACCOUNTING POLICIES (Continued)

Share-based Payments

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 Group, determined at the date of grant of the share options, over the vesting period. No options have been granted before 1st January, 2005 and therefore no prior period adjustment has been required. The Group has applied HKFRS 2 to share options granted on or after 1st January, 2005.

Financial Instruments

In the current year, the Group has applied HKAS 32 "Financial Instruments: Disclosure and Presentation" and HKAS 39 "Financial Instruments: Recognition and Measurement". HKAS 32 requires retrospective application. HKAS 39, which is effective for annual periods beginning on or after 1st January, 2005, generally does not permit the recognition, derecognition or measurement of financial assets and liabilities on a retrospective basis. The application of HKAS 32 has had no material impact on how financial instruments of the Group are presented for current and prior accounting periods. The principal effects resulting from the implementation of HKAS 39 are summarised below:

Classification and measurement of financial assets and financial liabilities

The Group has applied the relevant transitional provisions in HKAS 39 with respect to the classification and measurement of financial assets and financial liabilities that are within the scope of HKAS 39.

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3. 採用香港財務報告準則／更改會計政策 (續)

財務工具 (續)

截至二零零四年十二月三十一日，本集團根據會計實務準則第24號（「會計實務準則第24號」）之處理指標進行股本證券之分類及計量。根據會計實務準則第24號，債務證券投資及股本證券投資適當地分類為「投資證券」、「其他投資」及「持有至到期日投資」。「投資證券」按成本減除減值虧損（如有）列賬，而「其他投資」則以公平值計量，其未實現損益列為盈利或虧損。「持有至到期日投資」按已攤銷成本減除減值虧損（如有）列賬。自二零零五年一月一日起，本集團根據香港會計準則第39號規定將其股本證券分類及計量。根據香港會計準則第39號，財務資產分類為「透過損益按公平值處理之財務資產」、「可出售財務資產」、「貸款及應收賬款」或「持有至到期日之財務資產」。「透過損益按公平值處理之財務資產」及「可供出售財務資產」以公平值列賬，公平值之變動分別確認為損益及權益。在活躍市場上並無市場報價及其公平值無法可靠地計量之可出售股本投資，以及與該等無市價權益工具相關及必須以交付該等權益工具之方式結算之衍生工具均於初步確認後按成本減除減值計量。

於二零零五年一月一日，本集團根據香港會計準則第39號之相關過渡條文將其股本證券分類為可出售財務資產並就此作出計量。採用香港會計準則第39號對本年度之業績並無產生影響。

3. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS/CHANGES IN ACCOUNTING POLICIES (Continued)

Financial Instruments (Continued)

By 31st December, 2004, the Group classified and measured its equity securities in accordance with the benchmark treatment of Statement of Standard Accounting Practice 24 ("SSAP 24"). Under SSAP 24, investments in debt or equity securities are classified as "investment securities", "other investments" or "held-to-maturity investments" as appropriate. "Investment securities" are carried at cost less impairment losses (if any) while "other investments" are measured at fair value, with unrealised gains or losses included in profit or loss. Held-to-maturity investments are carried at amortised cost less impairment losses (if any). From 1st January, 2005 onwards, the Group has classified and measured its equity securities in accordance with HKAS 39. Under HKAS 39, financial assets are classified as "financial assets at fair value through profit or loss", "available-for-sale financial assets", "loans and receivables", or "held-to-maturity financial assets". "Financial assets at fair value through profit or loss" and "available-for-sale financial assets" are carried at fair value, with changes in fair values recognised in profit or loss and equity respectively. Available-for-sale equity investments that do not have quoted market prices 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 are measured at cost less impairment after initial recognition.

On 1st January, 2005, the Group classified and measured its equity securities in accordance with the transitional provisions of HKAS 39 as available-for-sale financial assets. The application of HKAS 39 has had no impact on results for the current year.

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3. 採用香港財務報告準則／更改會計政策 (續)

財務工具 (續)

債務及股本證券以外之財務資產及財務負債

自二零零五年一月一日起，本集團根據香港會計準則第39號之規定將其債務及股本證券以外之財務資產及財務負債分類及計量。根據香港會計準則第39號，財務資產分類為「透過損益按公平值處理之財務資產」、「可出售財務資產」、「貸款及應收賬款」或「持有至到期日之財務資產」。財務負債一般分類為「透過損益按公平值處理之財務負債」或「其他財務負債」。透過損益按公平值處理之財務負債乃按公平值計量，公平值之變動直接確認為損益。其他財務負債於初步確認後以實際利息法按攤銷成本列賬。採用香港會計準則第39號對本年度業績並無影響。

投資物業

於本年度，本集團首次採納香港會計準則第40號「投資物業」。本集團選擇採用公平值模式將投資物業入賬，該模式規定因投資物業公平值變動所產生之收益或虧損須直接於產生年度之損益內確認。於過往年度，過往準則規定投資物業按公開市值計量，重估盈餘或虧絀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彌補重估減值，在此情況下則該重估減值超過投資物業重估儲備結餘之差額乃自綜合收入報表扣除。倘過往曾於綜合收入報表扣除某項減值，並於其後出現重估增值，則該項增加按以往曾扣除之減少計入綜合收入報表。本集團亦已採納香港會計準則第40號之相關過渡條文，並選擇自二零零五年一月一日起採納香港會計準則第40號。由於本集團於二零零五年一月一日並無任何投資物業重估儲備，故採納香港會計準則第40號並無導致儲備賬之間出現任何轉撥。

3. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS/CHANGES IN ACCOUNTING POLICIES (Continued)

Financial Instruments (Continued)

Financial assets and financial liabilities other than debt and equity securities

From 1st January, 2005 onwards, the Group has classified and measured its financial assets and financial liabilities other than debt and equity securities in accordance with the requirements of HKAS 39. Financial assets under HKAS 39 are classified as "financial assets at fair value through profit or loss", "available-for-sale financial assets", "loans and receivables" or "held-to-maturity financial assets". Financial liabilities are generally classified as "financial liabilities at fair value through profit or loss" or "other financial liabilities". Financial liabilities at fair value through profit or loss are measured at fair value, with changes in fair value being recognised in profit or loss directly. Other financial liabilities are carried at amortised cost using the effective interest method after initial recognition. The application of HKAS 39 has had no impact on results for the current year.

Investment Properties

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 profit or loss for the year in which they arise. In previous years, investment properties under the predecessor standard 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 consolidated income statement. Where a decrease had previously been charged to the consolidated income statement and a revaluation surplus subsequently arose, that increase was credited to the consolidated 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 1st January, 2005 onwards. Because the Group did not have any investment property revaluation reserve at 1st January, 2005, the adoption of HKAS 40 did not result in any transfer between the reserve accounts.

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3. 採用香港財務報告準則／更改會計政策 (續)

與投資物業有關之遞延稅項

於過往年度，過往詮釋規定重估投資物業所產生之遞延稅項影響乃按透過出售而收回有關物業之賬面值而產生之稅務影響之基準作出評估。在本年度，本集團採納香港(詮釋常務委員會)詮釋第21號「所得稅—收回經重估之不可折舊資產」(「香港(詮釋常委會)—詮釋第21號」)，不再假設投資物業賬面值可透過出售而收回。因此，投資物業之遞延稅項影響現按本集團預期於每個結算日有關物業可收回之數額之基準進行評估。由於香港(詮釋常委會)—詮釋第21號並無任何具體過渡條文，此項會計政策變動已追溯應用。採納香港(詮釋常委會)—詮釋第21號對本集團本年度及以往會計期間之業績並無影響。

3A. 會計政策變動之影響概要

上文附註3所述之會計政策變動對本集團業績之影響概列如下：

		1.1.2005 至 to 31.12.2005 千港元 HK\$'000	1.4.2004 至 to 31.12.2004 千港元 HK\$'000
行政費用增加	Increase in administrative expense		
— 代表確認以股份 為基礎支付之費用	— representing recognition of share-based payment expense	758	—
行政費用減少	Decrease in administrative expenses		
— 代表商譽攤銷 費用減少	— representing a decrease in goodwill amortisation expense	(639)	—
		119	—

3. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS/CHANGES IN ACCOUNTING POLICIES (Continued)

Deferred Taxes related to Investment Properties

In previous years, deferred tax consequences in respect of revalued investment properties were assessed on the basis of the tax consequence that would follow from recovery of the carrying amount of the properties through sale in accordance with the predecessor interpretation. In the current year, the Group has applied Hong Kong (SIC) Interpretation 21 "Income Taxes - Recovery of Revalued Non-Depreciable Assets" ("HK(SIC)-INT 21") which removes the presumption that the carrying amount of investment properties is to be recovered through sale. Therefore, the deferred tax consequences of the investment properties are now assessed on the basis that reflect the tax consequences that would follow from the manner in which the Group expects to recover the property at each balance sheet date. In the absence of any specific transitional provisions in HK(SIC)-INT 21, this change in accounting policy has been applied retrospectively. Adoption of HK(SIC)-INT 21 has had no material impact on results for the current year and prior accounting periods.

3A. SUMMARY OF THE EFFECTS OF THE CHANGES IN ACCOUNTING POLICIES

The effect of changes in accounting policies described in note 3 above on the Group's results are as follows:

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3A. 會計政策變動之影響概要 (續)

於二零零四年十二月三十一日及二零零五年一月一日採用新香港財務報告準則之累計影響概述如下：

3A. SUMMARY OF THE EFFECTS OF THE CHANGES IN ACCOUNTING POLICIES (Continued)

The cumulative effects of the application of the new HKFRSs on 31st December, 2004 and 1st January, 2005 are summarised below:

		於二零零四年 十二月三十一日 (原列)	香港財務 報告準則 第 3 號之影響	香港會計 準則第 39 號 之影響	於二零零五年 一月一日 (重列)
		As at 31st December, 2004 (originally stated)	Effect of HKFRS 3	Effect of HKAS 39	As at 1st January, 2005 (restated)
		千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
資產負債表項目	Balance sheet items				
可出售 投資	Available-for-sale investments	–	–	2	2
其他投資	Other investments	2	–	(2)	–
對資產與負債之 影響總值	Total effects on assets and liabilities	2	–	–	2
商譽儲備	Goodwill reserve	(1,277)	1,277	–	–
累計溢利	Accumulated profits	187,733	(1,277)	–	186,456
對權益之影響總值	Total effects on equity	186,456	–	–	186,456

綜合財務報表附註 Notes to the Consolidated Financial Statements

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

4. 採用香港財務報告準則

本集團並無提早採用下列已頒佈但尚未生效之新準則及詮釋。本公司董事預期，採用此等準則及詮釋不會對本集團之財務報表產生任何重大影響。

香港會計準則第1號(經修訂)
HKAS 1 (Amendment)
香港會計準則第19號(經修訂)
HKAS 19 (Amendment)
香港會計準則第21號(經修訂)
HKAS 21 (Amendment)
香港會計準則第39號(經修訂)
HKAS 39 (Amendment)
香港會計準則第39號(經修訂)
HKAS 39 (Amendment)
香港會計準則第39號及香港財務報告
準則第4號(經修訂)
HKAS 39 & HKFRS 4 (Amendments)
香港財務報告準則第6號
HKFRS 6
香港財務報告準則第7號
HKFRS 7
香港財務報告準則－詮釋第4號
HKFRS – INT 4
香港財務報告準則－詮釋第5號
HKFRS – INT 5

香港國際財務報告詮釋委員會
－詮釋第6號
HK(IFRIC) – INT 6

香港國際財務報告詮釋委員會
－詮釋第7號
HK(IFRIC) – INT 7

香港國際財務報告詮釋委員會
－詮釋第8號
HK(IFRIC) – INT 8

- 1 於二零零七年一月一日或以後開始之全期間間生效。
- 2 於二零零六年一月一日或以後開始之全期間間生效。
- 3 於二零零五年十二月一日或以後開始之全期間間生效。
- 4 於二零零六年三月一日或以後開始之全期間間生效。
- 5 於二零零六年五月一日或以後開始之全期間間生效。

4. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not early applied the following new standards, amendments and interpretations that have been issued but are not yet effective. The directors of the Company anticipate that the application of these standards, amendments and interpretations will have no material impact on the consolidated financial statements of the Group.

資本披露¹
Capital disclosures¹
精算收益及虧損、集團計劃及披露²
Actuarial gains and losses, group plans and disclosures²
外國業務淨投資²
Net investment in a foreign operation²
預測集團間交易之現金流量對沖會計處理²
Cash flow hedge accounting of forecast intragroup transactions²
公平值選擇權²
The fair value option²
財務擔保合約²
Financial guarantee contracts²
礦產之開採及評估²
Exploration for and evaluation of mineral resources²
財務工具：披露¹
Financial instruments: Disclosures¹
釐定安排是否包含租賃²
Determining whether an arrangement contains a lease²
退出、恢復及環境修復基金所產生權益之權利²
Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds²
參與特定市場－廢棄電器及電力設備所產生之負債³
Liabilities arising from participating in a specific market – waste electrical and electronic equipment³
應用香港會計準則第29號「惡性通貨膨脹經濟財務報告」之重列法⁴
Applying the restatement approach under HKAS 29 Financial Reporting in Hyperinflationary Economies⁴
香港財務報告準則第2號之範圍⁵
Scope of HKFRS 2⁵

- 1 Effective for annual periods beginning on or after 1st January, 2007.
- 2 Effective for annual periods beginning on or after 1st January, 2006.
- 3 Effective for annual periods beginning on or after 1st December, 2005.
- 4 Effective for annual periods beginning on or after 1st March, 2006.
- 5 Effective for annual periods beginning on or after 1st May, 2006.

綜合財務報表附註 Notes to the Consolidated Financial Statements

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

5. 主要會計政策

綜合財務報表乃根據歷史成本基準編製，誠如以下會計政策所闡釋，惟投資物業及若干財務工具按公平值計算。

綜合財務報表乃根據香港會計師公會頒佈之香港財務報告準則編製。此外，綜合財務報表包括聯交所證券上市規則及公司條例規定之適用披露。

綜合基準

綜合財務報表涵蓋本公司及其附屬公司之財務報表。

年內／期內所收購或出售附屬公司自實際收購日期起或直至實際出售日期止（視適用情況而定）之業績計入綜合收入報表。

如有需要，附屬公司財務報表會作出調整，以符合本集團其他成員公司所用會計政策。

所有集團內公司間所有交易、結存、收入及開支於綜合賬目時對銷。

綜合附屬公司資產淨值之少數股東權益與本集團權益分開呈列。於資產淨值之少數股東權益包括該等權益於原有業務合併日期之款額及少數股東自合併日期起應佔權益變動。適用於少數股東權益之虧損超出附屬公司權益之少數股東權益之數額分配至本集團權益，惟少數股東權益具有約束責任及可作出額外投資以補償虧損之情況則除外。

5. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared under the historical cost convention, except for investment property and certain financial instruments, which are measured at fair values, as explained in the accounting policies set out below.

The consolidated financial statements have been prepared in accordance with HKFRSs. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Companies Ordinance.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries.

The results of subsidiaries acquired or disposed of during the year/period 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.

綜合財務報表附註 Notes to the Consolidated Financial Statements

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

5. 主要會計政策 (續)

商譽

於二零零五年一月一日前收購所產生之商譽

收購一家附屬公司(協議日期為二零零五年一月一日前)所產生之商譽，乃指收購成本超出本集團於收購日期應佔有關附屬公司之可識別資產及負債公平值之權益之數額。

就於二零零一年一月一日後收購所產生並原先已資本化之商譽，本集團自二零零五年一月一日起不再攤銷，而有關商譽每年及凡商譽有關之現金產生單位有跡象顯示出現減值時進行減值測試(見下述之會計政策)。

於二零零五年一月一日或之後收購所產生之商譽

收購一家附屬公司(協議日期為二零零五年一月一日或之後)所產生之商譽，乃指收購成本超出本集團於收購日期應佔有關附屬公司之可識別資產、負債及或然負債公平值之權益之數額。該商譽乃按成本減任何累計減值虧損列賬。

因收購一家附屬公司所產生之資本化商譽乃在綜合資產負債表中分開呈列。

就減值測試而言，收購所產生之商譽分配到各有關現金產生單位，或現金產生單位之組別，預期彼等從收購之協同效應中受益。已獲分配商譽之現金產生單位每年及凡單位有跡象顯示出現減值時進行減值測試。就於財政年度之收購所產生之商譽而言，已獲分配商譽之現金產生單位於該財政年度完結前進行減值測試。當現金產生單位之可收回金額少於該單位之賬面值，則減值虧損被分配，以削減首先分配到該單位之任何商譽之賬面值，及其後以單位各資產之賬面值為基準，按比例分配到該單位之其他資產。商譽之任何減值虧損乃於綜合收入報表內直接確認。商譽之減值虧損於其後期間不予撥回。

5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Goodwill

Goodwill arising on acquisitions prior to 1st January, 2005

Goodwill arising on an acquisition of a subsidiary for which the agreement date is before 1st January, 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 at the date of acquisition.

For previously capitalised goodwill arising on acquisitions after 1st January, 2001, the Group has discontinued amortisation from 1st January, 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 1st January, 2005

Goodwill arising on an acquisition of a subsidiary for which the agreement date is on or after 1st January, 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 at the date of acquisition. Such goodwill is carried at cost less any accumulated impairment losses.

Capitalised goodwill arising on an acquisition of a subsidiary is presented separately in the consolidated balance sheet.

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 cash-generating 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 consolidated income statement. An impairment loss for goodwill is not reversed in subsequent periods.

綜合財務報表附註 Notes to the Consolidated Financial Statements

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

5. 主要會計政策 (續)

商譽 (續)

於二零零五年一月一日或之後收購所產生之商譽(續)

其後出售一家附屬公司，則被資本化之商譽應佔金額於出售時計入釐定損益之金額。

收益確認

貨品之銷售額乃於貨品交付及擁有權轉移時確認入賬。

根據經營租約持有之投資物業之租金收入乃按有關租約年期以直線法確認入賬。

財務資產利息收入乃根據未償還本金及適用實際利率按時間基準累計，有關利率乃將估計未來所收現金按財務資產估計可使用年期折讓至該資產賬面淨值之利率。

廠房及設備

廠房及設備乃按成本減其後之累計折舊及減值虧損列賬。

廠房及設備項目之折舊乃根據其估計可使用年期，於計及其估計剩餘價值後，以直線法撇銷其成本。

根據融資租約持有之資產乃根據與自置資產相同之基準，於其估計可使用年期或有關租賃期(以較短者為準)內計算折舊。

廠房及設備項目於出售或預期持續使用資產不會產生未來經濟利益時終止確認。終止確認資產時所產生之任何盈虧(按出售所得款項淨額與項目賬面值間之差額計算)將計入終止確認項目年度之綜合收入報表內。

5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Goodwill (Continued)

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

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

Revenue recognition

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

Rental income from investment property under operating leases is recognised on a straight line basis over the term of the relevant lease.

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.

Plant and equipment

Plant and equipment are stated at cost less subsequent accumulated depreciation and impairment losses.

Depreciation is provided to write off the cost of items of plant and equipment over their estimated useful lives and after taking into account of their estimated residual value, using the straight line method.

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

An item of 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.

綜合財務報表附註 Notes to the Consolidated Financial Statements

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

5. 主要會計政策 (續)

投資物業

於初步確認時，投資物業乃按成本計量，包括任何直接應佔開支。於初步確認後，投資物業以公平值模式計量。投資物業公平值變動產生之盈虧計入產生期間之損益內。

減值(商譽(見上文有關商譽之會計政策)除外)

於各結算日，本集團須審閱其有形及無形資產之賬面值，以確定是否有任何跡象顯示該等資產出現減值虧損。倘某項資產之可收回金額估計低於其賬面值，則該項資產之賬面值須削減至其可收回金額。減值虧損即時確認為開支。

倘日後轉出減值虧損，有關資產之賬面值須增至其經重新估計之可收回金額，惟增加之賬面值不得超出倘有關資產並無於以往年度確認任何減值虧損所應釐定之賬面值。轉出之減值虧損即時確認為收入。

存貨

存貨按成本及可變現淨值之較低者列賬。成本按先出先入法計算。

租賃

當租約條款將涉及擁有權之絕大部份風險及回報轉讓予承租人時，該租約乃分類為融資租約。所有其他租約均分類為經營租約。

本集團作為出租人

經營租約之租金收入乃按相關租約年期以直線法於綜合收入報表確認。於磋商及安排經營租約所產生之初步直接成本乃加至租約資產之賬面值，並按租約年期以直線法確認作開支。

5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investment properties

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.

Impairment (other than goodwill, see the accounting policy in respect of goodwill above)

At each balance sheet date, the Group reviews the carrying amounts of its 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 reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

Inventories

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

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

Rental income from operating leases is recognised in the consolidated income statement on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight line basis over the lease term.

綜合財務報表附註 Notes to the Consolidated Financial Statements

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

5. 主要會計政策 (續)

租賃 (續)

本集團作為承租人

按融資租約持有之資產按租約開始時之公平值或(倘為較低者)按最低租約付款之現值確認為本集團資產。租約付款按比例分攤為融資費用及租約承擔減少，從而讓該等負債應付餘額以固定息率計算。融資費用直接於損益中扣除。

經營租約之應付租金按有關租約期以直線法於損益中扣除。作為促使訂立經營租約之已收及應收利益亦按租約期以直線法確認為租金支出之扣減。

外幣

於編製本集團旗下各個別實體之財務報表時，以該實體之功能貨幣以外貨幣(外幣)進行之交易按交易日期之匯率以其功能貨幣(即該實體經營業務所在主要經濟環境之貨幣)列賬。於各個結算日，以外幣結算之貨幣項目按結算日之匯率重新換算。按公平值列賬且以外幣結算之非貨幣項目按釐定公平值當日匯率重新換算。按過往成本以外幣計算之非貨幣項目不會重新換算。

交收貨幣項目及換算貨幣項目時產生之匯兌差額於產生期間在損益確認，惟組成本集團於海外業務之投資淨額其中部份之貨幣項目產生之匯兌差額則除外，在該情況下，有關匯兌差額於綜合財務報表權益項下確認。重新換算按公平值列賬之非貨幣項目產生之匯兌差額計入期內損益，惟重新換算非貨幣項目產生之差額則除外，有關收益及虧損直接於權益中確認，在該情況下，匯兌差額亦直接於權益中確認。

5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leasing (Continued)

The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss.

Rentals payable under operating leases are charged to profit or loss on a straight line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight line basis.

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 financial 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.

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5. 主要會計政策 (續)

外幣 (續)

就綜合財務報表呈報方式而言，本集團海外業務之資產及負債按結算日之匯率換算為本公司之呈報貨幣(即港元)，而其收入及開支則按年內平均匯率換算，除非匯率於期內出現大幅波動，在該情況下，則採用交易日期之匯率換算。所產生匯兌差額(如有)確認為權益之獨立部份(換算儲備)。有關匯兌差額於出售海外業務期間在損益確認。

稅項

所得稅開支指現時應付稅項及遞延稅項總額。

現時應付稅項乃按本年度／期間應課稅溢利計算。應課稅溢利與綜合收入報表中所報溢利淨額不同，乃由於前者不包括在其他年度應課稅或可扣稅收入及開支，並且不包括從未課稅及扣稅之項目。本集團之現時稅項負債乃按結算日所頒行或實際頒行之稅率計算。

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

遞延稅項負債乃按因於附屬公司之投資而引致之應課稅暫時差額而確認，惟若本集團可令暫時差額對沖及暫時差額有可能未必於可見將來對沖之情況除外。

5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currencies (Continued)

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 period, 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.

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/period. Taxable profit differs from profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years/periods and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the consolidated 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, 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.

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5. 主要會計政策 (續)

稅項 (續)

遞延稅項資產之賬面值於每個結算日作檢討，並予以扣減，直至沒有足夠應課稅溢利可供全部或部份資產應用為止。

遞延稅項按預期適用於負債清償或資產變現期間之稅率計算。遞延稅項從收入報表扣除或計入綜合收入報表，除非遞延稅項關乎直接從權益扣除或直接計入權益之項目，在該情況下遞延稅項亦於權益中處理。

會所會籍

會所會籍按成本扣任何其後累計減值虧損入賬。

會所會籍每年透過將其賬面值與其可收回金額比較而進行減值測試，不論是否有任何或須就此減值之任何跡象。倘會所會籍之可收回金額估計少於其賬面值，則會所會籍之賬面值減少至其可收回金額。減值虧損根據該準則作重估減值處理。

倘減值虧損其後逆轉，則會所會籍之賬面值增加至其經修訂之估計可收回金額，以致已增加之賬面值不超出假設已釐定於過往年度並無對會所會籍確認減值虧損之賬面值。

退休福利成本

退休福利計劃及中國國家管理之退休福利計劃之定額供款於到期支付時列作開支。

5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation (Continued)

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

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

Club memberships

Club memberships with indefinite life are carried at cost less any subsequent accumulated impairment losses.

Club memberships are tested for impairment annually by comparing their carrying amounts with their recoverable amounts, irrespective of whether there is any indication that they may be impaired. If the recoverable amount of club memberships is estimated to be less than its carrying amount, the carrying amount of the club memberships is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

When an impairment loss subsequently reverses, the carrying amount of club memberships 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 that club memberships in prior years.

Retirement benefit costs

Payments to defined contribution retirement benefit scheme and state-managed retirement benefit scheme are charged as expenses as they fall due.

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5. 主要會計政策 (續)

財務工具

當集團實體成為工具訂約條文之訂約方時，財務資產及財務負債於綜合資產負債表確認。財務資產及財務負債初步按公平值計算。因收購或發行財務資產及財務負債(透過損益按公平值處理之財務資產及財務負債除外)而直接應佔之交易成本於初步確認時，按適用情況加入或扣自該項財務資產或財務負債之公平值。

財務資產

本集團之財務資產分為以下兩個類別之一：包括貸款及應收賬款及可出售財務資產。就各類別財務資產所採納會計政策載列於下文。

貸款及應收賬款

貸款及應收賬款為在活躍市場上並無報價而具有固定或待定付款之非衍生財務資產，於初次確認後之各個結算日，貸款及應收賬款(包括應收貿易賬款及其他應收賬款)以實際利率法按攤銷成本減任何已識別減值虧損列賬。減值虧損於有客觀證據顯示資產出現減值時在損益確認，並按該項資產賬面值與以原有實際利率貼現估計日後現金流量現值間之差額計算。當該項資產之可收回金額增加可客觀地與該項減值獲確認後出現之事件有關連，則於以後期間可撥回減值虧損，惟於減值日期該項資產所撥回賬面值不得超出倘該項減值未獲確認原應出現之攤銷成本。

5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments

Financial assets and financial liabilities are recognised on the consolidated 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.

Financial assets

The Group's financial assets are classified into one of the two categories, including loans and receivables and available-for-sale financial assets. The accounting policies adopted in respect of each category of financial assets are set out below.

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) 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.

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5. 主要會計政策 (續)

財務資產 (續)

可出售財務資產

可出售財務資產為非衍生工具，其須指定為可出售財務資產或未有劃分為貸款及應收賬款、持至到期日之財務資產及透過損益按公平值處理之財務資產等類別。於首次確認後之各個結算日，可出售財務資產按公平值計算。公平值之變動於權益中確認，直至該財務資產售出或釐定有所減值，屆時過往於權益中確認之累計盈虧將自權益剔除，並於損益中確認。可出售財務資產之任何減值虧損於損益確認。可供出售之股本投資之減值虧損將不會於其後期間撥入綜合收益表。就可出售之債務投資而言，倘投資公平值之增加可客觀地與確認減值虧損後出現之事件有關連，則其後可撥回減值虧損。

在活躍市場上並無報價之可出售股本投資，其公平值未能可靠計量，與該等無報價權益工具有關並須以交付該等工具作結算之衍生工具，則於首次確認後之各個結算日，按成本減任何已識別減值虧損計算。倘具備客觀證明資產出現減值，則減值虧損於損益中確認。減值虧損數額按資產賬面值與按類似財務資產之現行市場回報率折讓估計未來現金流量之現值間之差額計算。有關減值虧損將不會於以後期間撥回。

財務負債及權益

由集團實體發行之財務負債及權益工具按所訂立之合約安排內容，以及財務負債及權益工具之定義而分類。

權益工具為證明本集團資產剩餘權益(經扣除其所有負債)之任何合約。有關財務負債及權益工具所採納之會計政策載列如下。

5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial assets (Continued)

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as loans and receivables, held-to-maturity financial assets or financial assets at fair value through profit or loss categories. 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-for-sale equity investments will not reverse through profit or loss 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.

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 accounting policies adopted in respect of financial liabilities and equity instruments are set out below.

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5. 主要會計政策 (續)

財務負債及權益 (續)

財務負債

財務負債包括應付貿易賬款及其他應付賬款、應付票據及銀行借貸，乃採用實際利率法其後按攤銷成本法計算。

權益工具

本公司所發行之權本工具乃按已收取之所得款項減直接發行成本入賬。

以股權結算股份為基礎支付之交易

所獲服務之公平值乃參考優先購股權於授出日期之公平值釐定，按歸屬期以直線法基準支銷，並於權益(購股權儲備)中作相應增加。

購股權獲行使時，過往於購股權儲備中確認之數額將轉撥至資本儲備。當購股權於歸屬日後被沒收或於屆滿日仍未獲行使，則過往於購股權儲備中確認之數額將轉撥至累計溢利。

6. 估計不明朗因素之主要來源

下文詳述有關日後主要假設及於結算日估計不明朗因素之其他主要來源，而該等假設及不確定估計或會造成須對下一個財政年度內資產及負債賬面值作出重大調整之重大風險。

貿易應收賬款及其他應收賬款之減值虧損

本集團之呆賬撥備政策乃以未收回應收賬款之持續可收回性評估及賬齡分析以及管理層判斷為基礎。評估該等應收賬款之最終變現能力需要進行大量判斷，包括各客戶之現時信譽、以往之收款記錄及按實際利率法貼現之估計未來現金流量之現值。倘本集團客戶財務狀況日趨惡化，削弱其付款能力，則可能須要作出額外撥備。

5. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial liabilities and equity (Continued)

Financial liabilities

Financial liabilities including trade and other payables, bills payables and bank borrowings are subsequently measured at amortised cost, using the effective interest rate method.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Equity-settled share-based payment transactions

The fair value of services received determined by reference to the fair value of share options granted at the grant date is recognised as an expense in full at the grant date when the share options granted vest immediately, with a corresponding increase in equity (share option reserve).

At the time when the share options are exercised, the amount previously recognised in share option reserve will be transferred to capital reserve. When the share options are forfeited or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to accumulated profits.

6. KEY SOURCES OF ESTIMATION UNCERTAINTY

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

Impairment loss on trade and other receivables

The provision policy for doubtful debts of the Group is based on the ongoing evaluation of collectability and aging analysis of the outstanding receivables and on management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including 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.

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6. 估計不明朗因素之主要來源 (續)

估計商譽減值

在釐定商譽是否作出減值時，須評估已分配商譽之現金產生單位之使用價值。計算使用價值時，本集團須評估預期從現金產生單位所得之未來現金流量，並需要合適之貼現率以計算現值。倘實際現金流量少於預期之金額，則可能產生重大減值虧損。於二零零五年十二月三十一日，商譽之賬面值約為4,910,000港元。有關可收回金額之計算詳情載於附註18。

存貨估值方法

存貨乃按實際成本或可變現淨值之較低者估值。成本乃以先入先出法釐定。可變現淨值一般為市場上類似商品所報之售價。本集團檢討其存貨水平，以辨識滯銷及陳舊商品，而倘本集團辨識到存貨項目之市價低於其賬面值，則本集團評估存貨虧損之金額及即時透過損益確認虧損。

7. 財務風險管理目的及政策

本集團之主要財務工具包括銀行借貸、應收貿易賬款及其他應收賬款、應付貿易賬款及其他應付賬款、應付票據及銀行結餘。此等財務工具詳情於相關附註中披露。下文載列與此等財務工具相關之風險及如何減低此等風險之政策。管理層會管理及監控該等風險，以確保及時與有效地採取適當措施。

6. 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. Where the actual cash flows are less than expected, a material impairment loss may arise. As at 31st December, 2005, the carrying amount of goodwill is approximately HK\$4,910,000. Details of the recoverable amount calculation are set out in note 18.

Inventory valuation method

Inventory is valued at the lower of the actual cost or net realisable value. Cost is determined using the first-in, first-out method. Net realisable value is generally the merchandise selling price quoted from the market of similar items. The Group reviews its inventory levels in order to identify slow-moving and obsolete merchandise, where the Group identified items of inventory have a market price is lower than its carrying amount, the Group estimates the amount of inventory loss and recognises the loss in profit or loss immediately.

7. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's major financial instruments include bank borrowings, trade and other receivables, trade and other payables, bills payables and bank balances. 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.

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7. 財務風險管理目的及政策 (續)

信貸風險

倘交易對方於二零零五年十二月三十一日未能履行彼等之承擔，則本集團須承受之最大信貸風險為於綜合資產負債表列值之應收貿易賬款及其他應收賬款之賬面值。於二零零五年十二月三十一日，五大應收貿易賬款佔應收貿易賬款總額(已扣除撥備)約45%。為了把信貸風險降至最低，本集團管理層已於各結算日檢討各項個別應收貿易賬款之可收回金額，以確保就不可收回金額作出足夠減值虧損。就此而言，本公司董事認為本集團之信貸風險已大幅降低。

由於交易對方均為獲國際評級機構授出高信貸評級之銀行，因此流動資金之信貸風險有限。

利率風險

本集團之現金流量利率風險與浮息銀行借款(附註30)有關。本集團之公平價利率主要與定息短期銀行定期存款有關。本集團現時並無利率對沖政策。然而，管理層會監察利率風險，並將考慮於有需要時就主要利率風險進行對沖。

外匯風險

本集團主要在中國經營業務，而大部份交易以人民幣(「人民幣」)計值及結算。人民幣不可以自由兌換為其他貨幣，而將人民幣兌換為其他貨幣須受中國政府所頒佈之外匯監控規則及規例制約。由於本集團並無重大之外幣交易，因此董事認為集團並無重大之外匯風險。董事將繼續監管有關情況，並考慮於有需要時進行任何對沖活動。

7. 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 31st December, 2005 is the carrying amount of trade and other receivables as stated in the consolidated balance sheet. As at 31st December, 2005, the five largest trade receivables accounted for approximately 45% of total trade receivables (net of allowance). In order to minimise the credit risk, the management of the Group reviews the recoverable amount of each individual trade receivable 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.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Interest rate risk

The Group's cash flow interest rate risk relates to variable-rate bank borrowings (note 30). The Group's fair value interest rate risk relates primarily to fixed-rate short-term bank deposits. The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

Foreign exchange risk

The Group mainly operates in the PRC with most of the transactions denominated and settled in Renminbi ("RMB"). RMB is not freely convertible into other currencies and conversion of RMB into other currencies is subject to rules and regulations of foreign exchange control promulgated by the PRC government. Because the Group does not have material foreign currency transactions, the directors consider it has no material foreign exchange risk. The directors will continue to monitor the condition and consider any hedging activities should the need arise.

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8. 其他收益

其他收益包括就一家附屬公司之資本投資退回之中國稅項。根據當地稅務當日發出之批文，本公司一家附屬公司就其於一家附屬公司之再投資而獲取一項為數約5,401,000港元(約相當於人民幣5,725,000元)之利益(二零零四年：無)。該項利益乃參照該附屬公司所繳付稅項之若干百分比計算。

8. OTHER INCOME

Other income include a PRC tax refund on capital reinvestment in a subsidiary. Pursuant to an approval by local tax authority, a subsidiary of the Company received a benefit of approximately HK\$5,401,000 (equivalent to approximately RMB5,725,000) (2004: Nil) in respect of its reinvestment made in a subsidiary. The benefit is calculated with reference to certain percentage of the tax paid by the subsidiary.

9. 融資成本

9. FINANCE COSTS

		1.1.2005 至 to 31.12.2005 千港元 HK\$'000	1.4.2004 至 to 31.12.2004 千港元 HK\$'000
利息有關：	Interests on:		
須於五年內悉數償還之	Bank borrowings wholly		
銀行借貸	repayable within five years	22,073	12,768
融資租約債務	Obligations under finance leases	27	20
		22,100	12,788

10. 所得稅支出

10. INCOME TAX EXPENSE

		1.1.2005 至 to 31.12.2005 千港元 HK\$'000	1.4.2004 至 to 31.12.2004 千港元 HK\$'000
支出包括：	The charge comprises:		
本期稅項：	Current tax:		
根據年度／期間估計應課稅溢利	Hong Kong Profits Tax calculated at 17.5%		
按稅率 17.5% (二零零四年四月	(1.4.2004 to 31.12.2004: 17.5%) on the		
一日至二零零四年十二月三十一	estimated assessable profit for		
日：17.5%) 計算之香港利得稅	the year/period	590	242
中國企業所得稅	PRC Enterprise Income Tax	4,599	8,847
		5,189	9,089
遞延稅項 (附註 32)	Deferred tax (note 32)	(1,052)	-
		4,137	9,089

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10. 所得稅支出 (續)

中國企業所得稅指本公司在中國上海外高橋保稅區成立之附屬公司長遠(上海)國際貿易有限公司(「長遠上海」)及上海遠嘉國際貿易有限公司(「上海遠嘉」)之應課稅溢利之稅項支出。長遠上海及上海遠嘉均享有授予在上海外高橋保稅區成立公司之15%優惠中國企業所得稅稅率。

本年度/期間之稅項與綜合收入報表之除稅前溢利對賬如下：

10. INCOME TAX EXPENSE (Continued)

PRC Enterprise Income Tax represents taxation charge on the assessable profits of the Company's subsidiaries, Fortune (Shanghai) International Trading Co., Ltd. ("Fortune Shanghai") and 上海遠嘉國際貿易有限公司 ("Shanghai Yuanjia"), established in Shanghai Waigaoqiao Free Trade Zone, the PRC. Fortune Shanghai and Shanghai Yuanjia are entitled to a preferential PRC Enterprise Income Tax rate of 15% which is granted to companies established in Shanghai Waigaoqiao Free Trade Zone.

The charge for the year/period can be reconciled to the profit before taxation per the consolidated income statement as follows:

		1.1.2005 至 31.12.2005 千港元 HK\$'000	1.4.2004 至 31.12.2004 千港元 HK\$'000
除稅前溢利	Profit before taxation	20,344	51,809
按本地所得稅稅率 15% (二零零四年四月一日至二零零四年十二月三十一日: 15%) (附註)	Tax at the domestic income tax rate of 15% (1.4.2004 to 31.12.2004: 15%) (Note)	3,052	7,771
不可扣稅開支之稅務影響	Tax effect of expenses not deductible for tax purpose	1,175	500
非課稅收益之稅務影響	Tax effect of income not taxable for tax purpose	(1,681)	(648)
(取消) 未確認可扣稅暫時差額之稅務影響	(Reversal) tax effect of deductible temporary differences not recognised	(30)	30
未確認稅項虧損之稅務影響	Tax effect of tax losses not recognised	1,537	1,401
於香港經營之公司不同稅率之稅務影響	Effect of different tax rates of companies operating in Hong Kong	84	35
本年度/期間之稅項支出	Tax expense for the year/period	4,137	9,089

於結算日，本集團可用作抵扣未來溢利之尚未動用稅項虧損為55,528,000港元(二零零四年十二月三十一日: 45,283,000港元)。由於未能確定未來溢利來源，故並無就尚未動用之稅項虧損確認遞延稅項資產。未確認稅項虧損全數金額可無限期結轉。

At the balance sheet date, the Group had unused tax losses of approximately HK\$55,528,000 (31.12.2004: HK\$45,283,000) available for offset against future profits. No deferred tax asset has been recognised in respect of the unused tax losses due to the unpredictability of future profit streams. The entire sum of unrecognised tax losses may be carried forward indefinitely.

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10. 所得稅支出 (續)

於結算日，本集團之可扣稅暫時差額為3,124,000港元(二零零四年：3,324,000港元)。由於不大可能產生可扣稅暫時差額可用作抵扣之應課稅溢利，故並無就該等可扣稅暫時差額確認遞延稅項資產。

附註：

本地所得稅稅率乃指本集團大部份業務所按之優惠中國企業所得稅稅率。

10. INCOME TAX EXPENSE (Continued)

At the balance sheet date, the Group also had deductible temporary differences of approximately HK\$3,124,000 (2004: HK\$3,324,000). No deferred tax asset has been recognised in relation to such deductible temporary difference as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

Note:

The domestic income tax rate represents the preferential PRC Enterprise Income Tax rate where the Group's operations are substantially based.

11. 年度/期間溢利

11. PROFIT FOR THE YEAR/PERIOD

		1.1.2005 至 to 31.12.2005 千港元 HK\$'000	1.4.2004 至 to 31.12.2004 千港元 HK\$'000
年度/期間溢利 已扣除：	Profit for the year/period has been arrived at after charging:		
應收貿易賬款撥備	Allowance for trade receivables	6,608	847
商譽攤銷 (計入行政費用)	Amortisation of goodwill (included in administrative expenses)	-	479
核數師酬金	Auditors' remuneration	997	818
撇銷壞賬	Bad debts written off	1,355	-
折舊	Depreciation on		
— 自置資產	— owned assets	690	513
— 根據融資租約持有之資產	— assets held under finance leases	78	234
匯兌虧損	Exchange loss	411	117
其他應收賬款減值虧損	Allowance for other receivables	421	-
存貨撇減	Write down of inventories	4,431	-
確認為開支之存貨成本	Cost of inventories recognised as expense	2,565,187	1,993,615
出售廠房及設備之虧損	Loss on disposal of plant and equipment	3	283
職員成本	Staff costs		
— 董事酬金 (附註 12)	— directors' emoluments (note 12)	2,024	4,179
— 其他員工成本	— other staff costs	35,031	17,306
— 退休福利計劃供款 (不包括董事)	— retirement benefit scheme contribution (excluding directors')	686	439
		37,741	21,924
及已加入：	and after crediting:		
銀行利息收入	Bank interest income	7,114	2,939
出售其他投資之收益	Gain on disposal of other investments	-	2,237
投資物業之租金收入，已扣除 支出約 12,000 港元 (二零零四年 四月一日至二零零四年 十二月三十一日：8,000 港元)	Rental income on an investment property, net of outgoings of approximately HK\$12,000 (1.4.2004 to 31.12.2004: HK\$8,000)	260	181

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12. 董事酬金

已付或應付予各八位(二零零四年四月一日至二零零四年十二月三十一日: 八名)董事之酬金載列如下:

12. DIRECTORS' EMOLUMENTS

The emoluments paid or payable to each of the eight (1.4.2004 to 31.12.2004: eight) directors were as follows:

	劉小鷹 Lau Siu Ying	羅習之 Luo Xi Zhi	田定康 Tin Ding Hong, William	馮靄業 Fung Oi Ip, Alfonso	盧永逸 Lo Wing Yat	鄭永勝 Chang Wing Seng, Victor	廖國輝 Liu Kwok Fai, Alvan	霍偉明 Fok Wai Ming, Eddie	總計 Total	
	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	
二零零五年一月一日至 二零零五年十二月三十一日	1.1.2005 to 31.12.2005									
袍金	Fees	-	-	-	50	50	60	60	60	280
其他酬金	Other emoluments									
薪金及津貼	Salaries and allowances	1,489	67	171	-	-	-	-	-	1,727
退休福利計劃 供款	Retirement benefit scheme contribution	2	12	3	-	-	-	-	-	17
酬金總額	Total emoluments	1,491	79	174	50	50	60	60	60	2,024

	劉小鷹 Lau Siu Ying	羅習之 Luo Xi Zhi	田定康 Tin Ding Hong, William	馮靄業 Fung Oi Ip, Alfonso	盧永逸 Lo Wing Yat	鄭永勝 Chang Wing Seng, Victor	廖國輝 Liu Kwok Fai, Alvan	霍偉明 Fok Wai Ming, Eddie	總計 Total	
	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	
二零零四年四月一日至 二零零四年十二月三十一日	1.4.2004 to 31.12.2004									
袍金	Fees	-	-	-	38	37	45	45	15	180
其他酬金	Other emoluments									
薪金及津貼	Salaries and allowances	1,140	38	542	-	-	-	-	-	1,720
表現相關獎勵 花紅	Performance related incentive bonuses	2,259	-	-	-	-	-	-	-	2,259
退休福利計劃 供款	Retirement benefit scheme contribution	2	9	9	-	-	-	-	-	20
酬金總額	Total emoluments	3,401	47	551	38	37	45	45	15	4,179

年內/期內, 概無董事放棄收取任何酬金。

No directors waived any emoluments in the year/period.

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13. 僱員酬金

本集團五位最高薪人士中，其中一位(二零零四年四月一日至二零零四年十二月三十一日：兩位)為本公司董事，其酬金載於上文附註12所披露之資料內。餘下四位(二零零四年四月一日至二零零四年十二月三十一日：三位)人士之酬金載列如下：

13. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, one was (1.4.2004 to 31.12.2004: two were) director(s) of the Company whose emolument is included in the disclosures in note 12 above. The emoluments of the remaining four (1.4.2004 to 31.12.2004: three) individuals were as follows:

		1.1.2005 至 to 31.12.2005 千港元 HK\$'000	1.4.2004 至 to 31.12.2004 千港元 HK\$'000
薪金及津貼	Salaries and allowances	2,897	1,802
以股份為基礎支付之費用 (附註)	Share-based payment expenses (Note)	758	—
其他長期福利	Other long-term benefits	213	—
退休福利計劃供款	Retirement benefit scheme contribution	36	32
		3,904	1,834

該等僱員之酬金介乎下列範圍：

Their emoluments were within the following bands:

		1.1.2005 至 to 31.12.2005 僱員數目 Number of employees	1.4.2004 至 to 31.12.2004 僱員數目 Number of employees
以 1,000,000 港元為限	Up to HK\$1,000,000	3	2
1,000,001 港元至 1,500,000 港元	HK\$1,000,001 to HK\$1,500,000	—	1
1,500,001 港元至 2,000,000 港元	HK\$1,500,001 to HK\$2,000,000	1	—

附註：

以股份為基礎支付之費用乃按購股權於授出日期之公平值釐定。

Note:

The share-based payment expense is determined as the fair value of share option at the grant date.

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14. 已付股息

14. DIVIDEND PAID

		1.1.2005 至 to 31.12.2005 千港元 HK\$'000	1.4.2004 至 to 31.12.2004 千港元 HK\$'000
已付末期股息：	Final dividend paid:		
截至二零零四年十二月三十一日止 期間每股 3.75 仙	3.75 cents per share for the period ended 31st December, 2004	11,329	—
截至二零零四年三月三十一日止 年度每股 5 仙	5 cents per share for the year ended 31st March, 2004	—	15,105
		11,329	15,105

董事擬派截至二零零五年十二月三十一日止年度之末期股息每股1仙(二零零四年四月一日至二零零四年十二月三十一日：3.75仙)，惟須待股東於股東週年大會上批准。

A final dividend of 1 cent (1.4.2004 to 31.12.2004: 3.75 cents) per share for the year ended 31st December, 2005 has been proposed by the directors and is subject to approval by the shareholders in the annual general meeting.

15. 每股盈利

每股基本盈利乃根據年度／期間母公司股份持有人應佔溢利11,380,000港元(二零零四年四月一日至二零零四年十二月三十一日：42,916,000港元)及年內／期內已發行之302,100,000(二零零四年四月一日至二零零四年十二月三十一日：302,100,000)股普通股計算。

15. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the profit for the year/period attributable to equity holders of the parent of HK\$11,380,000 (1.4.2004 to 31.12.2004: HK\$42,916,000) and on 302,100,000 (1.4.2004 to 31.12.2004: 302,100,000) ordinary shares in issue during the year/period.

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16. 廠房及設備

16. PLANT AND EQUIPMENT

		租約物業裝修 Leasehold improvements	傢俬、裝置 及設備 Furniture, fixtures and equipment	汽車 Motor vehicles	總額 Total
		千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
成本值	COST				
於二零零四年一月一日	At 1st April, 2004	1,165	2,846	2,033	6,044
增加	Additions	59	291	577	927
出售	Disposals	—	—	(500)	(500)
於二零零五年一月一日	At 1st January, 2005	1,224	3,137	2,110	6,471
匯兌調整	Exchange adjustments	—	13	9	22
增加	Additions	138	267	131	536
出售附屬公司	Disposal of subsidiaries	(343)	(1,041)	—	(1,384)
出售	Disposals	—	(189)	—	(189)
於二零零五年十二月三十一日	At 31st December, 2005	1,019	2,187	2,250	5,456
折舊	DEPRECIATION				
於二零零四年一月一日	At 1st April, 2004	1,048	2,164	1,219	4,431
本期間撥備	Provided for the period	83	238	426	747
出售時撇銷	Eliminated on disposals	—	—	(42)	(42)
於二零零五年一月一日	At 1st January, 2005	1,131	2,402	1,603	5,136
匯兌調整	Exchange adjustments	—	7	4	11
本年度撥備	Provided for the year	224	216	328	768
出售附屬公司時 撇銷	Eliminated on disposal of subsidiaries	(436)	(775)	—	(1,211)
出售時撇銷	Eliminated on disposals	—	(186)	—	(186)
於二零零五年十二月三十一日	At 31st December, 2005	919	1,664	1,935	4,518
賬面淨值	NET BOOK VALUE				
於二零零五年十二月三十一日	At 31st December, 2005	100	523	315	938
於二零零四年十二月三十一日	At 31st December, 2004	93	735	507	1,335

廠房及設備乃以直線法按下列年率撥備折舊：

The above items of plant and equipment are depreciated on a straight line basis at the following rates per annum:

租約物業裝修 Leasehold improvements	20% 或按有關租約年期（以較短者為準） 20% or over the term of the relevant lease, whichever is shorter
傢俬、裝置及設備 Furniture, fixtures and equipment	25%
汽車 Motor vehicles	25%

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16. 廠房及設備 (續)

於二零零五年十二月三十一日，廠房及設備之賬面淨值中並無金額(二零零四年十二月三十一日：78,000港元)乃根據融資租約持有之汽車。

16. PLANT AND EQUIPMENT (Continued)

At 31st December, 2005, the net book value of plant and equipment included nil amount (31.12.2004: HK\$78,000) in respect of motor vehicle held under finance leases.

17. 投資物業

17. INVESTMENT PROPERTY

公平值	FAIR VALUE	千港元 HK\$'000
於二零零四年四月一日	At 1st April, 2004	7,500
於綜合收入報表確認之 重估盈餘	Surplus arising on revaluation recognised in the consolidated income statement	1,800
於二零零四年十二月三十一日及 二零零五年一月一日	At 31st December, 2004 and 1st January, 2005	9,300
於綜合收入報表確認之 公平值增加	Increase in fair value recognised in the consolidated income statement	200
於二零零五年十二月三十一日	At 31st December, 2005	9,500

本集團之投資物業於二零零五年十二月三十一日之公平值乃按獨立合資格專業估值師美聯測量師有限公司於該日所進行估值之基準達致。美聯測量師有限公司為董事為香港測量師學會(「香港測量師學會」)之成員，擁有合適資格，最近亦有評估相關地點類似物業之經驗。該估值符合香港測量師學會之物業估值準則，乃參考市場上類似物業之成交價達致。

The fair value of the Group's investment property at 31st December, 2005 was arrived at on the basis of a valuation carried out as on that date by Midland Surveyors Limited, independent qualified professional valuers not connected with the Group. Midland Surveyors Limited is a member of the Hong Kong Institute of surveyors ("HKIS") and has appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations. The valuation, which conforms to HKIS valuation standards on properties, was arrived at by reference to market evidence of transaction prices for similar properties.

本集團之物業權益乃根據經營租約持有以賺取租金，並以公平值模式計量，分類為及納入投資物業。於二零零五年十二月三十一日，該等物業權益之公平值為9,500,000港元(二零零四年十二月三十一日：9,300,000港元)。

The Group's property interests held under operating leases to earn rentals are measured using the fair value model and are classified and accounted for as investment property. As at 31st December, 2005, the fair value of such property interests amounted to HK\$9,500,000 (31st December, 2004: HK\$9,300,000).

本集團之投資物業位於香港，乃根據長期租約持有。

The Group's investment property is held under a long lease in Hong Kong.

投資物業已抵押予一家銀行，以取得授予一家附屬公司之一般銀行融資。

The investment property is pledged to a bank to secure general banking facilities granted to a subsidiary.

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

18. 商譽

18. GOODWILL

		千港元 HK\$'000
成本	COST	
於二零零四年四月一日、 二零零四年十二月三十一日及 於二零零五年一月一日	At 1st April, 2004, 31st December, 2004 and 1st January, 2005	3,196
採用香港財務報告準則第3號後 撇銷累計攤銷 (附註3)	Elimination of accumulated amortisation upon the application of HKFRS 3 (note 3)	(2,419)
因收購附屬公司額外權益 而產生	Arising on acquisition of additional interests in subsidiaries	4,910
出售附屬公司時撇銷	Eliminated on disposal of subsidiaries	(777)
於二零零五年十二月三十一日	At 31st December, 2005	4,910
攤銷	AMORTISATION	
於二零零四年四月一日 期間之費用	At 1st April, 2004 Charge for the period	1,940 479
於二零零四年十二月三十一日	At 31st December, 2004	2,419
採用香港財務報告準則第3號後 撇銷累計攤銷 (附註3)	Elimination of accumulated amortisation upon the application of HKFRS 3 (note 3)	(2,419)
於二零零五年十二月三十一日	At 31st December, 2005	-
賬面值	CARRYING VALUE	
於二零零五年十二月三十一日	At 31st December, 2005	4,910
於二零零四年十二月三十一日	At 31st December, 2004	777

於二零零五年十二月三十一日之商譽乃指年內收購一家附屬公司之電腦產品分銷業務之管理專業知識。

Goodwill as at 31st December, 2005 represents management expertise in the computer products distribution business of a subsidiary acquired during the year.

商譽之可收回金額乃按有關現金產生單位之使用價值計算而釐定。該計算乃使用經管理層批准之三年期財政預測及按7%之貼現率所計出之現金流量預測。董事認為並無出現商譽減值。

The recoverable amount of the goodwill has been determined based on a value in use calculation of the relevant cash generating unit. That calculation uses cash flow projections based on financial forecasts approved by management covering a 3-year period, and a discount rate of 7%. The directors have determined that no impairment of the goodwill has occurred.

於二零零四年十二月三十一日前，商譽乃於其五年之估計可使用年期內攤銷。

Until 31st December, 2004, goodwill was amortised over its estimated useful life of five years.

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

19. 可出售投資

於二零零五年十二月三十一日之可出售投資包括：

非上市證券：
股本證券

19. AVAILABLE-FOR-SALE INVESTMENT

Available-for-sale investments as at 31st December, 2005 comprise:

Unlisted securities:
Equity securities

2005 千港元 HK\$'000	2004 千港元 HK\$'000
918	—

可出售投資乃一家於香港註冊成立之私人實體所發行之非上市股本證券918,000港元。可出售投資乃於各結算日按成本扣除減值計算，原因是估計合理公平值之幅度很大，本公司董事認為其公平值不能可靠地計量。

Available-for-sale investment represents unlisted equity securities of HK\$918,000 issued by a private entity incorporated in Hong Kong. Available-for-sale investment is measured at cost less impairment at each balance sheet date because the range of reasonable fair value estimates is so significant that the directors of the Company are of the opinion that its fair value cannot be measured reliably.

20. 會所會籍

會所會籍，按成本
香港港以外地區

20. CLUB MEMBERSHIP

Club membership, at cost
Outside Hong Kong

2005 千港元 HK\$'000	2004 千港元 HK\$'000
660	—

會所會籍之公平值與其相應之賬面值相若。

The fair value of the club membership approximates to its corresponding carrying amount.

21. 存貨

存貨乃指持作轉售之製成品。

21. INVENTORIES

Inventories represent finished goods held for resale.

綜合財務報表附註 Notes to the Consolidated Financial Statements

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

22. 應收貿易賬款及其他應收賬款

22. TRADE AND OTHER RECEIVABLES

		2005 千港元 HK\$'000	2004 千港元 HK\$'000
應收貿易賬款	Trade receivables	90,426	197,011
減：累計撥備	Less: accumulated allowance	(10,949)	(4,341)
		79,477	192,670
應收增值稅	Value-added-tax receivables	1,815	20,023
應收回扣款項	Rebates receivables	28,930	30,457
按金及預付款項	Deposits and prepayments	19,878	36,574
		130,100	279,724

本集團給予其貿易客戶之信貸期介乎三十日至九十日。於報告日期之應收貿易賬款(已扣除撥備)賬齡分析如下：

The Group allows credit period ranged from 30 to 90 days to its trade customers. The following is an aged analysis of the trade receivables (net of allowance) at the reporting date:

		2005 千港元 HK\$'000	2004 千港元 HK\$'000
應收貿易賬款：	Trade receivables:		
零至三十日	0 to 30 days	46,498	185,076
三十一日至九十日	31 to 90 days	30,466	6,867
超過九十日	Over 90 days	2,513	727
		79,477	192,670

本集團之應收貿易賬款及其他應收賬款於二零零五年十二月三十一日之公平值與其相應之賬面值相若。

The fair value of the Group's trade and other receivables at 31st December, 2005 approximates to its corresponding carrying amount.

23. 其他投資

該金額為一家於香港註冊成立之私人實體所發行之非上市股本證券。

23. OTHER INVESTMENTS

The amount represented unlisted equity securities issued by a private entity incorporated in Hong Kong.

24. 已抵押銀行存款

該金額乃為取得本集團獲授之銀行貸款而抵押予銀行之存款。已計入該金額之項目為存放於銀行及於三個月後到期之定期存款約5,769,000港元(二零零四年：無)。該等存款已作抵押以取得短期銀行借貸及應付票據，因此被分類為流動資產。

24. PLEDGED BANK DEPOSITS

The amount represents deposits pledged to banks to secure banking facilities granted to the Group. Included in the amount is fixed deposit held at bank with maturity more than three months of approximately HK\$5,769,000 (2004: Nil). The deposits have been pledged to secure short-term bank borrowings and bills payables, and are therefore classified as current assets.

綜合財務報表附註 Notes to the Consolidated Financial Statements

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

24. 已抵押銀行存款 (續)

該等存款乃按介乎1.750厘至4.170厘(二零零四年十二月三十一日: 0.104厘至2.083厘)之間的固定年利率計息。已抵押銀行存款將於有關銀行借款清償後獲發還。銀行存款於二零零五年十二月三十一日之公平值與其相應之賬面值相若。

已抵押銀行存款主要以美元、人民幣及港元為計值單位。於二零零五年十二月三十一日計入已抵押銀行存款之項目為人民幣6,000,000元之款項(二零零四年: 無)。人民幣不得自由兌換為其他貨幣。

25. 銀行結餘及現金

銀行結餘及現金包括本集團持有之現金及按市場利率計息及原於三個月內到期之短期銀行存款。此等資產之賬面值與其公平值相若。

本集團之銀行結餘及現金主要以人民幣及港元為計值單位。於二零零五年十二月三十一日計入銀行結餘及現金之項目為約人民幣180,619,000元(二零零四年: 人民幣68,893,000元)之款項。人民幣不得自由兌換為其他貨幣。

26. 應付貿易賬款及其他應付賬款

於結算日之應付貿易賬款賬齡分析如下:

應付貿易賬款:	Trade payables:
零至三十日	0 to 30 days
三十一日至九十日	31 to 90 days
超過九十日	Over 90 days

其他應付賬款	Other payables
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24. PLEDGED BANK DEPOSITS (Continued)

The deposits carry fixed interest rates ranging from 1.750% to 4.170% per annum (31.12.2004: ranging from 0.104% to 2.083% per annum). The pledged bank deposits will be released upon the settlement of relevant bank borrowings. The fair value of bank deposits at 31st December, 2005 approximates to its corresponding carrying amount.

Pledged bank deposits are mainly denominated in United States dollars, Renminbi and Hong Kong dollars. Included in pledged bank deposits as at 31st December, 2005 was an amount in Renminbi of RMB6,000,000 (2004: Nil). Renminbi is not freely convertible into other currencies.

25. BANK BALANCES AND CASH

Bank balances and cash comprises cash held by the Group and short-term bank deposits that are interest-bearing at market interest rate and have original maturity of three months or less. The carrying amount of these assets approximates to their fair value.

The bank balances and cash of the Group are mainly denominated in Renminbi and Hong Kong dollars. Included in bank balances and cash as at 31st December, 2005 was amount in Renminbi of approximately RMB180,619,000 (2004: RMB68,893,000). Renminbi is not freely convertible into other currencies.

26. TRADE AND OTHER PAYABLES

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

		2005 千港元 HK\$'000	2004 千港元 HK\$'000
		5,567	28,657
		1,102	2,139
		417	483
		7,086	31,279
		19,073	13,374
		26,159	44,653

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26. 應付貿易賬款及其他應付賬款 (續)

本集團之應付貿易賬款及其他應付賬款於二零零五年十二月三十一日之公平值與其相應之賬面值相若。

27. 應付票據 – 已抵押

應付票據乃按年利率4.2厘計息，期限為三個月。

本集團應付票據於二零零五年十二月三十一日之公平值與其相應之賬面值相若。

28. 股本

26. TRADE AND OTHER PAYABLES (Continued)

The fair value of the Group's trade and other payables at 31st December, 2005 approximates to its corresponding carrying amount.

27. BILLS PAYABLES – SECURED

The bills payables bearing interest at 4.2% per annum have a maturity of three months.

The fair value of the Group's bills payables at 31st December, 2005 approximates to its corresponding carrying amount.

28. SHARE CAPITAL

		普通股數目 Number of ordinary shares 2004 及 and 2005	股本 Share capital 2004 及 and 2005 千港元 HK\$'000
每股面值 0.10 港元之普通股	Ordinary shares of HK\$0.10 each		
法定股本	Authorised	1,000,000,000	100,000
已發行及繳足股款股本	Issued and fully paid	302,100,000	30,210

29. 購股權

(a) 本公司購股權

本公司於二零零零年二月二日首次採納購股權計劃(「舊計劃」)，並於二零零四年一月十四日採納新計劃(「新計劃」)時終止。新計劃於二零零四年一月二十六日起生效，並將於二零一四年一月二十六日屆滿。新計劃之主要目的為向董事會認為對本集團整體利益曾作出或可能作出貢獻之董事、合資格僱員及其他合資格人士給予獎勵。

29. SHARE OPTIONS

(a) Share options of the Company

The share option scheme of the Company was first adopted on 2nd February, 2000 (the "Old Scheme") and was terminated on 14th January, 2004 upon the adoption of a new scheme on the same date which was effective on 26th January, 2004 (the "New Scheme") and will expire on 26th January, 2014. The primary purpose of the New Scheme is to provide incentives to directors, eligible employees and other qualified persons who in the opinion of the Board of Directors has made or will make contributions which are or may be beneficial to the Group as a whole.

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29. 購股權 (續)

(a) 本公司購股權 (續)

根據新計劃，在若干條件之限制下，本公司董事會可向彼等認為對本集團整體利益曾作出或可能作出貢獻之本集團任何成員公司或任何聯營公司之董事、僱員、供應商、代理、客戶、分銷商、業務夥伴、專業顧問或其他顧問、諮詢人或承辦商授予可按任何價格認購本公司股份之購股權，惟認購價格不得少於(i)股份面值、(ii)股份於授出日期在聯交所之收市價及(iii)股份於緊接購股權授出日期前五個交易日在聯交所之平均收市價之較高者，而授出之購股權可認購之股份數目最多以本公司不時已發行股本之10%為限。

購股權須於要約函件內所列之期間內予以接納，並須於接納時就授出之購股權每手支付1港元之費用。

自舊計劃及新計劃採納以來概無授出任何購股權。

(b) 一家附屬公司之購股權

於二零零五年十二月二十九日，本公司董事會批准本公司之附屬公司 Synergy Technologies (Asia) Limited (「Synergy Technologies」) 向 Synergy Technologies 一位董事授出一項購股權。該項購股權可由二零零五年十二月二十九日起兩年之期間內行使。該購股權持有人可按1港元之代價購入 Synergy Technologies 之 11% 權益。於該日所授出購股權之估計公平值約為 758,000 港元，亦即相關資產於估值日之價格。

29. SHARE OPTIONS (Continued)

(a) Share options of the Company (Continued)

Under the New Scheme, the directors of the Company may, subject to certain conditions, grant to any director, employee, suppliers, agents, customers, distributors, business associate or partner, professional or other advisor of, or consultant or contractor to, any member of the Group or any associated company who in the opinion of the board of directors has made or will make contributions which are or may be beneficial to the Group as a whole, options to subscribe for shares of the Company at any price but not less than the higher of (i) nominal value of a share, (ii) the closing price of the shares on the Stock Exchange on the day of grant and (iii) the average of the closing prices of the shares on the Stock Exchange on the five trading days immediately preceding the date of grant of the options, subject to a maximum of 10% of the issued share capital of the Company from time to time.

Options granted must be taken up within the time period set out in the offer letter and upon payment of HK\$1 for each lot of share option granted.

No options has been granted since the adoption of the Old Scheme and the New Scheme.

(b) Share option of a subsidiary

On 29th December, 2005, the Board of Directors of the Company approved Synergy Technologies (Asia) Limited ("Synergy Technologies"), a subsidiary of the Company, to grant a share option to a director of Synergy Technologies. The share option is exercisable for a period of two years from 29th December, 2005. The option holder can acquire 11% interest in Synergy Technologies at a consideration of HK\$1. The estimated fair value of the option granted on that date is approximately HK\$758,000 which represents price of underlying assets as at valuation date.

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29. 購股權 (續)

(b) 一家附屬公司之購股權 (續)

公平值乃採用柏力克·舒爾斯定價模式計算。該模式之計入項目載列如下：

行使價	Exercise price	港元 HK\$1
預計波幅	Expected volatility	0.1%
預計年期	Expected life	2 年 years
無風險利率	Risk free rate	3.983%

所採納之波幅頗低，此乃由於 Synergy Technologies 之股份並無在公開市場交易。所採納之兩年期香港交易所基金票據之收益率屬於無風險利率。

本集團已於本年度就所授出之購股權確認開支約 758,000 港元 (二零零四年：無)。

29. SHARE OPTIONS (Continued)

(b) Share option of a subsidiary (Continued)

The fair value was calculated using The Black-Scholes pricing model. The inputs into the model were as follows:

2005

A low volatility is adopted as the shares of Synergy Technologies are not publicly traded. Yield to maturity of 2-Year Hong Kong Exchange Fund Notes is adopted as risk free rate.

The Group recognised an expenses of approximately HK\$758,000 for the year (2004: Nil) in relation to the share option granted.

30. 銀行借貸

30. BANK BORROWINGS

		2005 千港元 HK\$'000	2004 千港元 HK\$'000
銀行借貸包括：	Bank borrowings comprise:		
銀行貸款	Bank loans	271,692	454,170
銀行透支	Bank overdrafts	-	9,963
信託收據貸款	Trust receipt loans	-	1,958
		271,692	466,091
銀行借款須於下列期間償還：	Carrying amount repayable:		
一年內或按通知	On demand or within one year	271,692	403,591
一年以上， 兩年以內	More than one year, but not exceeding two years	-	25,000
兩年以上， 三年以內	More than two years, but not exceeding three years	-	37,500
		271,692	466,091
減：流動負債所示 於一年內到期之款項	Less: Amounts due within one year shown under current liabilities	(271,692)	(403,591)
		-	62,500

綜合財務報表附註 Notes to the Consolidated Financial Statements

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

30. 銀行借貸 (續)

於二零零五年十二月三十一日，84,231,000港元(二零零四年十二月三十一日：268,925,000港元)之銀行借貸乃以下列資產作擔保：

- 銀行存款約147,211,000港元(二零零四年十二月三十一日：176,993,000港元)；及
- 投資物業，公平值9,500,000港元(二零零四年十二月三十一日：9,300,000港元)。

本集團之定息借貸及合約到期日載列如下：

30. BANK BORROWINGS (Continued)

As at 31st December, 2005, bank borrowings of HK\$84,231,000 (31.12.2004: HK\$268,925,000) were secured by the following assets:

- bank deposits amounting to approximately HK\$147,211,000 (31.12.2004: HK\$176,993,000); and
- investment property with a fair value amounting to HK\$9,500,000 (31.12.2004: HK\$9,300,000)

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

		2005	2004
		千港元	千港元
		HK\$'000	HK\$'000
定息借貸：	Fixed-rate borrowings:		
一年內	Within one year	95,192	364,591
實際利率：	Effective interest rate:		
定息借貸	Fixed-rate borrowings	5.022% 至	1.600% 至
		to 5.481%	to 5.742%

此外，本集團之浮息借貸為52,500,000港元(二零零四年：101,500,000港元)，乃按香港銀行同業拆息加1.25厘至1.30厘(二零零四年：香港銀行同業拆息加1.30厘)計息，惟一項總額為124,000,000港元(二零零四年：無)之銀團貸款則按倫敦銀行同業拆息加1.00厘計息。

In addition, the Group has variable-rate borrowings amounted to HK\$52,500,000 (2004: HK\$101,500,000) which carry interest at HIBOR + 1.25% to 1.30% (2004: HIBOR + 1.30%), except for a syndicated loan with an aggregate amount of HK\$124,000,000 (2004: Nil) which carries interest at LIBOR + 1.00%.

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30. 銀行借貸 (續)

本集團之借貸乃以有關集團實體之功能貨幣以外之貨幣列值如下：

於二零零五年十二月三十一日
於二零零四年十二月三十一日

30. BANK BORROWINGS (Continued)

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

千美元
US\$'000

As at 31st December, 2005
As at 31st December, 2004

16,000
—

本集團之銀行借貸於二零零五年十二月三十一日之公平值與其相應之賬面值相若。

The fair value of the Group's bank borrowings at 31st December, 2005 approximates to its corresponding carrying amount.

於二零零五年十二月三十一日，本集團違反了若干有關利息償付比率之銀行契諾。有關銀行貸款於二零零五年十二月三十一日約為206,700,000港元。在發現違反契諾時，本公司董事已知會放款人及開始與有關銀行重新議定貸款期。於二零零五年十二月三十一日，有關磋商仍未落實。因此，所有貸款乃於二零零五年十二月三十一日在綜合資產負債表中分類為流動負債。截至本綜合財務報表刊發日期，有關磋商仍在進行中。本公司董事有信心與放款人之磋商最終將可成功取得成果。在任何情況下，倘放款人要求即時償還貸款，本公司董事相信公司有足夠之備用融資來源，以確保本集團之持續業務運作不會受到影響。

At 31st December, 2005, the Group was in breach of certain banking covenants in relation to interest coverage ratio. The relevant bank loans at 31st December, 2005 amounted to approximately HK\$206.7 million. On discovery of the breach, the directors of the Company informed the lenders and commenced a renegotiation of the terms of the loans with the relevant bankers. As at 31st December, 2005, those negotiations was not yet concluded. Accordingly, all loans were classified as current liabilities in the consolidated balance sheet at 31st December, 2005. Up to the date of issue of these consolidated financial statements, the negotiations are still in progress. The directors of the Company are confident that their negotiations with the lenders will ultimately reach a successful conclusion. In any event, should the lenders call for immediate repayment of the loan, the directors of the Company believe that adequate sources of finance are available to ensure that the continuing operations of the Group will not be affected.

31. 融資租約債務

本集團之政策為以融資租約之方式租賃其若干汽車，平均租賃年期為四年半。於合約有效期間之利率將維持不變。所有租約均按固定還款基準執行，且並無訂立任何或然租金之安排。

31. OBLIGATIONS UNDER FINANCE LEASES

It is the Group's policy to lease certain of its motor vehicles under finance leases. The average lease term is 4.5 years. Interest rates were fixed at the contract date. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

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31. 融資租約債務 (續)

融資租約債務須於下列期間償還：

31. OBLIGATIONS UNDER FINANCE LEASES (Continued)

The obligations under finance leases are repayable as follows:

		最低租賃款項 Minimum lease payment		最低租賃款項之現值 Present value of minimum lease payment	
		2005 千港元 HK\$'000	2004 千港元 HK\$'000	2005 千港元 HK\$'000	2004 千港元 HK\$'000
一年內	Within one year	113	227	100	200
一年以上， 兩年以內	In more than one year but not more than two years	-	113	-	100
		113	340	100	300
減：未來融資 費用	Less: Future finance charges	(13)	(40)	N/A	N/A
租約債務之 現值	Present value of lease obligations	100	300	100	300
減：流動負債所示 於一年內到期之 款項	Less: Amount due within one year shown under current liabilities			(100)	(200)
十二個月以後 到期之 款項	Amount due for settlement after 12 months			-	100

本集團之融資租約債務乃由承租人以所租賃之資產抵押作擔保。

The Group's obligations under finance leases are secured by the lessor's charge over the leased assets.

本集團融資租約債務之公平值與其賬面值相若。

The fair value of the Group's finance lease obligations approximates to their carrying amount.

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32. 遞延稅項

下表為於本年度／期間及上年度／期間
已確認之遞延稅項資產及其變動：

32. DEFERRED TAX

The following is the deferred tax asset recognised and movements
thereon during the current and prior year/period:

		應收貿易賬款及 其他應收賬款 之撥備 Allowance for trade and other receivables 千港元 HK\$'000
於二零零四年四月一日、 二零零四年十二月三十一日及 二零零五年一月一日	At 1st April, 2004, 31st December, 2004 and 1st January, 2005	—
計入年度收益	Credit to income for the year	1,052
於二零零五年十二月三十一日	At 31st December, 2005	1,052

33. 出售附屬公司

於二零零五年十二月二十九日，本集團
出售長遠智揚(控股)有限公司(「長遠智
揚」)之46%股權，以換取Synergy
Technologies的49%額外權益。因此，餘
下之5%股權已分類為可出售投資。

33. DISPOSAL OF SUBSIDIARIES

On 29th December, 2005, the Group disposed of its 46% equity
interest in Synergy Pacific (Holding) Limited ("Synergy Pacific") in
exchange for 49% additional interest in Synergy Technologies. The
remaining 5% equity interest is therefore classified as available-for-
sale investments.

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33. 出售附屬公司 (續)

於出售日期所出售附屬公司之淨資產載列如下：

33. DISPOSAL OF SUBSIDIARIES (Continued)

The net assets of these disposed subsidiaries at the date of disposal were as follows:

		2005 千港元 HK\$'000
已出售淨資產	NET ASSETS DISPOSED OF	
廠房及設備	Plant and equipment	173
存貨	Inventories	179
應收貿易賬款及其他應收賬款	Trade and other receivables	1,523
可出售投資	Available-for-sale investments	2
銀行結餘及現金	Bank balances and cash	13,472
應付貿易賬款及其他應付賬款	Trade and other payables	(5,239)
應付稅項	Taxation payables	(192)
		9,918
少數股東權益	Minority interests	(4,862)
應佔商譽	Attributable goodwill	777
		5,833
代表：	Represented by:	
現金代價	Cash consideration	5
收購附屬公司 額外權益	Acquisition of additional interests in subsidiaries	4,910
可出售投資	Available-for-sale investments	918
		5,833
出售時產生之現金流出淨額：	Net cash outflow arising on disposal:	
現金代價	Cash consideration	5
已出售之銀行結餘及現金	Bank balances and cash disposed of	(13,472)
		(13,467)

年內已出售之附屬公司為本集團帶來約13,356,000港元之營業額及約8,944,000港元之年度溢利。

The subsidiaries disposed of during the year contributed approximately HK\$13,356,000 to the Group's turnover and had profit for the year of approximately HK\$8,944,000.

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34. 經營租約安排

本集團作為承租人

年內，本集團根據經營租約須支付之最低租賃款項約為1,957,000港元(二零零四年四月一日至二零零四年十二月三十一日：1,120,000港元)。

於結算日，本集團就租賃物業之不可撤回租約於日後應付最低租賃款項如下：

一年內	Within one year
第二年至第五年（包括首尾兩年）	In the second to fifth year inclusive

34. OPERATING LEASE ARRANGEMENTS

The Group as lessee

During the year, the Group made minimum lease payments under operating leases amounting to approximately HK\$1,957,000 (1.4.2004 to 31.12.2004: HK\$1,120,000).

At the balance sheet date, the Group had commitments for future minimum lease payments under non-cancellable leases in respect of rented premises as follows:

		2005 千港元 HK\$'000	2004 千港元 HK\$'000
一年內	Within one year	382	825
第二年至第五年（包括首尾兩年）	In the second to fifth year inclusive	49	241
		431	1,066

經營租約租金指本集團為若干辦公室物業應付之租金。租約及租金均按平均一至五年之年期磋商及釐定。

Operating lease payments represent rentals payable by the Group for certain of its office properties. Leases are negotiated and rentals are fixed, for an average term of one to five years.

本集團作為出租人

年內所賺取之物業租金收入約為272,000港元(二零零四年四月一日至二零零四年十二月三十一日：189,000港元)。預期該物業按持續基準計算可帶來3%之租金收益。該物業於未來兩年已物色到租客。

於結算日，本集團與租客訂立以下之未來最低租賃款項合約：

The Group as lessor

Property rental income earned during the year was approximately HK\$272,000 (1.4.2004 to 31.12.2004: HK\$189,000). The property is expected to generate rental yields of 3% on an on going basis. The property held has committed tenants for the coming two years.

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

		2005 千港元 HK\$'000	2004 千港元 HK\$'000
一年內	Within one year	312	168
第二年至第五年（包括首尾兩年）	In the second to fifth year inclusive	208	—
		520	168

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35. 退休福利計劃

本集團為所有香港合資格僱員設立強制性公積金計劃（「計劃」）。有關計劃之資產乃與本集團資產分開並由受託人控制之基金持有。根據計劃之規則，僱主及其僱員均須按規則指定之比率向計劃作出供款。本集團對計劃之唯一責任為作出所規定之供款。

本集團在中國之附屬公司僱員均為中國政府管理之國家管理退休福利計劃成員。該等附屬公司按薪金成本之固定比例向該退休福利計劃供款，為各項福利提供資金。本集團對該退休福利計劃之唯一責任為進行定額供款。

36. 關連人士交易

- (a) 年內，本集團與銀團訂立一項貸款協議，乃有關一項由二零零五年九月十五日起計為期三年之16,000,000美元貸款融資。根據貸款協議，已對本公司董事兼主要股東劉小鷹先生（「劉先生」）施加下列條件：
- (i) 劉先生及其聯繫人士繼續共同為Future 2000 Limited已發行股本之法定實益擁有人，而Future 2000 Limited為劉先生及其聯繫人士擁有實益權益之公司；
 - (ii) Future 2000 Limited繼續為本公司之單一最大股東；
 - (iii) 劉先生為本公司主席或首席執行官；及
 - (iv) 劉先生仍然全職管理本公司。

35. RETIREMENT BENEFIT SCHEMES

The Group operates a Mandatory Provident Fund Scheme (the "Scheme") for all qualifying employees in Hong Kong. The assets of the Scheme are held separately from those of the Group, in funds under the control of trustees. Under the rules of the Scheme, the employer and its employees are required to make contributions to the Scheme at rates specified in the rules. The only obligation of the Group with respect to the Scheme is to make the required contributions under the Scheme.

The employees of the Group's subsidiaries in the PRC are members of a state-managed retirement benefit scheme operated by the government of the PRC. The subsidiaries are required to contribute a fixed rate of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contributions.

36. RELATED PARTY TRANSACTIONS

- (a) During the year, the Group has entered into a loan agreement with a syndicate of banks in respect of a US\$16,000,000 loan facility which has a tenor of three years from 15th September, 2005. Under the loan agreement, the following conditions were imposed to Mr. Lau Siu Ying ("Mr. Lau"), a director and substantial shareholder of the Company:
- (i) Mr. Lau and his associates continues to remain collectively the legal and beneficial owner of the issued share capital of Future 2000 Limited, a company in which Mr. Lau and his associates have beneficial interests;
 - (ii) Future 2000 Limited continues to be the single largest shareholder of the Company;
 - (iii) Mr. Lau is either the Chairman or the Chief Executive Officer of the Company; and
 - (iv) Mr. Lau continues to engage in full-time management of the Company.

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36. 關連人士交易 (續)

(b) 於二零零五年十二月二十九日，本公司、Well Force International Inc. (「Well Force」)、長遠智揚及 Synergy Technologies 完成重組如下：

- 本公司以2,032,000港元之代價向Well Force收購Synergy Technologies之49%股權；及
- 本公司以2,032,349港元之代價向Well Force出售長遠智揚之46%股權。

於重組前，Well Force為長遠智揚之49%權益股東。

重組乃被視為一項外匯交易(見附註33)。

有關上述交易之進一步詳情載於本公司於二零零六年一月二十日刊發之通函內。

(c) 主要管理層之補償金
年內/期內董事及主要管理層其他成員之酬金載列如下：

短期福利	Short-term benefits
其他長期福利	Other long-term benefits
以股份為基礎支付之款項	Share-based payments

36. RELATED PARTY TRANSACTIONS (Continued)

(b) On 29th December, 2005, the Company, Well Force International Inc. ("Well Force"), Synergy Pacific and Synergy Technologies completed a restructuring as follows:

- the Company purchased 49% equity interest in Synergy Technologies from Well Force for a consideration of HK\$2,032,000; and
- the Company disposed of 46% equity interest in Synergy Pacific to Well Force for a consideration of HK\$2,032,349.

Well Force was a 49% shareholder in Synergy Pacific prior to the restructuring.

The restructuring is accounted for as an exchange transaction (see note 33).

Further details of the above transactions are set out in a circular dated 20th January, 2006 issued by the Company.

(c) Compensation of key management
The remuneration of directors and other members of key management during the year/period was the follows:

		1.1.2005	1.4.2004
		至 to	至 to
		31.12.2005	31.12.2004
		千港元	千港元
		HK\$'000	HK\$'000
		4,993	6,188
		286	63
		758	—
		6,037	6,251

董事及主要管理層其他成員之酬金乃由薪酬委員會經考慮個別表現及市場趨勢後釐定。

The remuneration of directors and other members of key management is determined by the remuneration committee having regard to the performance of individuals and market trends.

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37. 本公司之資產負債表概要

37. SUMMARISED BALANCE SHEET OF THE COMPANY

		2005	2004
		千港元	千港元
		HK\$'000	HK\$'000
於附屬公司之投資	Investments in subsidiaries	43,185	41,148
應收附屬公司款項	Amounts due from subsidiaries	357,325	292,621
其他流動資產	Other current assets	2,780	48,976
應付一家附屬公司款項	Amount due to a subsidiary	(2,030)	–
其他流動負債	Other current liabilities	(3,553)	(1,345)
銀行借貸 – 流動部份	Bank borrowings – current portion	(141,000)	(26,000)
銀行借貸 – 非流動部份	Bank borrowings – non-current portion	–	(42,000)
		256,707	313,400
股本	Share capital	30,210	30,210
儲備	Reserves	226,497	283,190
		256,707	313,400

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38. 附屬公司資料

本公司旗下主要附屬公司於二零零五年十二月三十一日之詳情如下：

38. PARTICULARS OF SUBSIDIARIES

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

附屬公司名稱 Name of subsidiary	註冊成立/ 成立地點 Place of incorporation/ establishment	已發行及 繳足股款 股本/註冊資本 Issued and fully paid share capital/ registered capital	本公司所持有 已發行股本/註冊 資本面值之比例 Proportion of nominal value of issued share capital/ registered capital held by the Company	主要業務 Principal activity
Express Fortune Holdings Limited	英屬處女群島 British Virgin Islands	普通股 100 美元 Ordinary US\$100	100%	投資控股 Investment holding
長遠有限公司 Express Fortune Limited	香港 Hong Kong	普通股 10 港元 無投票權遞延股份 5,000,000 港元 (附註) Ordinary HK\$10 Non-voting deferred HK\$5,000,000 (note)	100%	保修企業辦公室 Maintaining the corporate office
長遠上海 Fortune Shanghai	在中國成立之 全外商獨資企業 Wholly foreign owned enterprise established in the PRC	25,000,000 美元 US\$25,000,000	100%	買賣移動電話 Trading of mobile phones
Synergy Technologies	香港 Hong Kong	普通股 10,000 港元 Ordinary HK\$10,000	100%	買賣電腦產品 Trading of computer products
凱皇投資有限公司 Top Emperor Investments Limited	香港 Hong Kong	普通股 10,000 港元 Ordinary HK\$10,000	100%	持有物業 Property holding
上海遠嘉 Shanghai Yuanjia	在中國成立之 全外商獨資企業 Wholly foreign owned enterprise established in the PRC	5,000,000 美元 US\$5,000,000	100%	買賣移動電話 Trading of mobile phones

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38. 附屬公司資料 (續)

本公司直接持有Express Fortune Holdings Limited，上文所示所有其他權益均由本公司間接持有。

除Express Fortune Holdings Limited主要於香港從事業務外，主要業務乃於註冊成立／成立地點進行。

各附屬公司於年終或年內任何時間均無任何債務證券。

董事認為上表所列本公司之附屬公司主要影響本集團業績或資產淨值。董事認為，載列其他附屬公司之詳情將令有關資料過於冗長。

附註：遞延股份實質上並無權收取股息、各公司任何股東大會通告或於會上投票，亦無權於清盤時獲得任何分派。

39. 分類資料

營業額乃指本集團於年內／期內向外界客戶出售貨品之已收及應收款項淨額。

由於本集團之營業額及年度／期間溢利之貢獻絕大部份來自分銷及買賣移動電話，因此並無作出分類分析。此外，由於本集團之營業額及年度／期間溢利之貢獻絕大部份源自中國（包括香港），且絕大部份資產設於中國（包括香港），因此並無就地域市場作出分析。

38. PARTICULARS OF SUBSIDIARIES (Continued)

The Company directly holds the interest in Express Fortune Holdings Limited, all other interests shown above are indirectly held by the Company.

The principal activities are carried out in the place of incorporation/ establishment except for Express Fortune Holdings Limited which mainly carried out businesses in Hong Kong.

None of the subsidiaries had any debt securities subsisting at the end of the year or at any time during the year.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results or net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

Note: The deferred shares carry practically no rights to dividends or to receive notice of or to attend or vote at any general meeting of the respective company or to participate in any distribution on winding up.

39. SEGMENT INFORMATION

Turnover represents the net amounts received and receivable for goods sold by the Group to outside customers during the year/period.

No segment analysis is provided as substantially all the Group's turnover and contribution to profit for the year/period were derived from the distribution and trading of mobile phones. In addition, no geographical market analysis is provided as substantially all the Group's turnover and contribution to profit for the year/period were derived from the PRC (including Hong Kong) and substantially all the assets are located in the PRC (including Hong Kong).