

## Notes to the Financial Statements 財務報表附註

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

### 1. GENERAL INFORMATION

The Company is a public listed company incorporated in the Cayman Islands and its shares are listed on the Stock Exchange of Hong Kong Limited.

The principal activities of the Group consisted of the import and distribution of cement in Hong Kong, the manufacture and distribution of cement and slag powder in other areas of the People's Republic of China ("Mainland China") and the provision of cement handling services in the Philippines. Through its associates, the Group is also engaged in the production and distribution of ready-mixed concrete in Hong Kong, Mainland China and Brunei. There were no significant changes in the nature of the Group's principal activities during the year.

The address of the registered office and principal place of business of the Company are disclosed in the "Corporate Information" section to the annual report.

The parent company of the Group is TCC International Limited (incorporated in the British Virgin Islands). In the opinion of the directors, Taiwan Cement Corporation ("TCC"), a company incorporated and whose shares are listed in Taiwan, is the Company's ultimate holding company.

The financial statements are presented in Hong Kong dollars which is also the functional currency of the Group.

### 1. 一般資料

本公司為一公眾上市公司，於開曼群島註冊成立，其股份於香港聯合交易所有限公司上市。

本集團之主要業務為在香港經營水泥進口及分銷業務，在中華人民共和國（「中國內地」）其他地區經營製造及分銷水泥及礦渣粉業務，以及在菲律賓提供水泥處理服務。本集團亦透過其聯營公司在香港、中國內地及文萊從事生產及分銷預拌混凝土業務。本年度，本集團之主要業務性質並無重大轉變。

本公司之註冊辦事處及主要營業地點已於本年報「公司資料」一節披露。

本集團之母公司為TCC International Limited（於英屬處女群島註冊成立）。董事認為，在台灣註冊成立及其股份在台灣上市之台灣水泥股份有限公司（「台泥」）為本公司之最終控股公司。

財務報表以港元列值，而港元同時為本集團之功能貨幣。

## Notes to the Financial Statements 財務報表附註

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

### 2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

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 (hereinafter collectively referred to as "new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants that are effective for accounting periods beginning on or after 1 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 and share of tax of associates have been changed. The changes in presentation have been applied retrospectively.

The adoption of these new HKFRSs has resulted in changes to the Group's accounting policies in the following areas that have affected the amounts reported for the current or prior years:

- financial instruments (HKAS 32 and HKAS 39);
- leases (HKAS 17); and
- share-based payments (HKFRS 2).

The impact of these changes in accounting policies is discussed below. There was no impact on basic and diluted earnings per share.

### 2. 採納新增及經修訂香港財務報告準則

於本年度，本集團採納由香港會計師公會頒佈於二零零五年一月一日或之後開始之會計期間生效之新增香港財務報告準則、香港會計準則及詮釋（以下統稱「新香港財務報告準則」）。採用新香港財務報告準則導致綜合收益表、綜合資產負債表及綜合權益變動報表之呈列方式有所變動。當中，少數股東權益及應佔聯營公司稅項之呈報已經出現變動。呈報方式之變動已追溯應用。

採納此等新香港財務報告準則導致本集團在下列方面之會計政策有所改變，並影響本年度或以往年度之呈報金額：

- 金融工具（香港會計準則第32號及香港會計準則第39號）；
- 租賃（香港會計準則第17號）；及
- 以股份支付款項（香港財務報告準則第2號）。

此等會計政策變動之影響已於下文討論，其對每股基本及攤薄盈利概無影響。

## Notes to the Financial Statements 財務報表附註

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

## 2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (continued)

### HKAS 32 Financial instruments: Disclosure and Presentation and HKAS 39 Financial instruments: Recognition and Measurement

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 1 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.

## 2. 採納新增及經修訂香港財務報告準則 (續)

### 香港會計準則第32號金融工具：披露及呈報，以及香港會計準則第39號金融工具：確認及計量

本年度，本集團採用香港會計準則第32號金融工具：披露及呈報及香港會計準則第39號金融工具：確認及計量。香港會計準則第32號規定追溯應用。香港會計準則第39號（於二零零五年一月一日或之後開始之年度期間生效）一般不許可追溯確認、不再確認或計量財務資產或負債。採納香港會計準則第32號對本集團於本期間及過往會計期間呈報金融工具之方式並無重大影響。實施香港會計準則第39號規定之主要影響概述如下。

## Notes to the Financial Statements 財務報表附註

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

### 2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (continued)

#### Investments in securities

Prior to 1 January 2005, the Group classified its investments in equity securities in accordance with the alternative treatment of Statement of Standard Accounting Practice 24 Accounting for Investments in Securities (SSAP 24). Under SSAP 24, investments in equity securities are classified as "trading securities" or as "non-trading securities". Both "trading securities" and "non-trading securities" are measured at fair value and cost respectively. Unrealised gains or losses of "trading securities" are reported in profit or loss for the period in which gains or losses arise while unrealised gains or losses of "non-trading securities" are reported in equity until the securities are sold or determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in profit or loss for that period. In accordance with HKAS 39, investments in equity securities of the Group are classified as either held-for-trading investments or as available-for-sale investments, and are measured at subsequent reporting dates at fair value. Changes in fair values of held-for-trading investments are recognised in profit or loss as they arise while changes in fair values of available-for-sale investments are generally recognised in equity. The Group has applied the transitional rules in HKAS 39. At 1 January 2005, the Group reclassified its trading securities with a carrying amount of HK\$862,685,000 to held-for-trading investments and reclassified its non-trading securities with a carrying amount of HK\$94,892,000 to available-for-sale investments. The adoption of the requirements of HKAS 39 in respect of equity investments has had no impact to the Group at 1 January 2005 nor has it had an impact on the current period.

### 2. 採納新增及經修訂香港財務報告準則 (續)

#### 證券投資

於二零零五年一月一日前，本集團乃根據香港會計實務準則第24號證券投資之會計法 (SSAP 24) 之另行處理方式將其股本證券投資分類。根據SSAP 24，股本證券投資被歸類為「交易證券」或「非交易證券」。「交易證券」及「非交易證券」分別以公平值及成本計量。「交易證券」之未變現損益於產生損益之期間之損益表中呈報，而「非交易證券」之未變現損益則於股本中呈報，直至該等證券出售或視為減值，屆時先於股本中確認之累計損益均計入該期間之收益表中。根據香港會計準則第39號，本集團之股本證券投資被歸類為持作交易用途或可供出售之投資，並於報告日期按公平值計算。持作交易用途投資之公平值變動於彼等產生時在收益表中確認，而可供出售投資之公平值變動一般在股本中確認。本集團已採納香港會計準則第39號之過渡性守則。於二零零五年一月一日，本集團將其賬面值為862,685,000港元之交易證券重新分類為持作交易用途之投資，並將其賬面值為94,892,000港元之非交易證券重新分類為可供出售投資。就股本投資採納香港會計準則第39號之規定於二零零五年一月一日對本集團並無任何影響，對本期間亦無影響。

## Notes to the Financial Statements 財務報表附註

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

## 2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (continued)

### HKAS 17 Leases

#### Owner-occupied leasehold land

The Group has leasehold land interests in Hong Kong and land use rights in People's Republic of China other than Hong Kong ("PRC"), with self-constructed buildings erected on them for manufacturing purposes. In previous years, these property interests were included in property, plant and equipment accounted for using cost model or revaluation model whichever is applicable.

Under HKAS 17, the land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease classification, unless the lease payments cannot be allocated reliably between the land and buildings elements, in which case, the entire lease is generally treated as a finance lease. To the extent that the allocation of the lease payments between the land and buildings elements can be made reliably, the leasehold interests in land are reclassified to prepaid lease payments under operating leases, which are carried at cost and amortised over the lease term on a straight-line basis. This change in accounting policy has been applied retrospectively. Alternatively, where the allocation between the land and buildings elements cannot be made reliably, the leasehold interests in land continue to be accounted for as property, plant and equipment. In the absence of any transitional rules, in HKAS 17, the change in accounting policy has been applied retrospectively. The impact on the adoption of HKAS 17 have been disclosed in note 3.

## 2. 採納新增及經修訂香港財務報告準則 (續)

### 香港會計準則第17號租賃

#### 擁有人自佔租賃土地

本集團於香港持有租賃土地權益，及於中華人民共和國(香港除外，「中國」)擁有土地使用權，並於該等土地上建築用作製造用途之自建樓宇。於以往年度，此等物業權益以成本模式或重估模式(如適用)計入物業、廠房及設備。

根據香港會計準則第17號，就租賃分類而言，租賃土地及樓宇涉及之土地及樓宇會另作考慮，除非租賃款項不能可靠地在土地及樓宇之間分配，在此情況下，整項租賃一般當作融資租賃處理。倘租賃款項能可靠地在土地及樓宇之間分配，於土地之租賃權益可重新分類為經營租賃項下之預付租賃款項，並以直線法按成本入賬及按租賃年度攤銷。此外，倘不能可靠地在土地及樓宇之間作出分配，於土地之租賃權益繼續當作物業、廠房及設備入賬。在香港會計準則第17號並無任何過渡性規則下，會計政策之變動已追溯應用。採納香港會計準則第17號的影響已於附註3披露。

## Notes to the Financial Statements 財務報表附註

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

## 2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (continued)

### HKFRS 2 Share-based Payments

HKFRS 2 share-based payments requires the recognition of equity-settled share based payments for services rendered by the employees of the Group at fair value at the date of grant.

In accordance with the transitional provisions of HKFRS 2, the standard has been applied retrospectively to all grants of equity instruments after 7 November 2002 that were unvested as of 1 January 2005. The adoption of HKFRS 2 has had no material impact to the results of the Group because no options have been granted after 7 November 2002.

## 2. 採納新增及經修訂香港財務報告準則 (續)

### 香港財務報告準則第2號以股份支付款項

香港財務報告準則第2號以股份支付款項規定就本集團僱員提供服務而以股本結算之以股份支付款項，須於授出日期按公平值確認。

根據香港財務報告準則第2號之過渡性條文，準則已追溯應用至二零零二年十一月七日後授出並於二零零五年一月一日尚未歸屬之所有股本工具。由於二零零二年十一月七日後並無授出購股權，故採用香港財務報告準則第2號對本集團之業績並無重大影響。

## Notes to the Financial Statements 財務報表附註

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

## 2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (continued)

At the date of authorisation of these consolidated financial statements, the following standards and interpretations and amendments were in issue but not yet effective for the years covered by these consolidated financial statements:

HKAS 1 (Amendment)	Capital disclosure <sup>1</sup>
HKAS 19 (Amendment)	Actuarial gains and losses, group plans and disclosures <sup>2</sup>
HKAS 21 (Amendment)	The effects of changes in foreign exchange rates <sup>2</sup> – net investment in a foreign operation
HKAS 39 (Amendment)	Cash flow hedge accounting of forecast intragroup transactions <sup>3</sup>
HKAS 39 (Amendment)	The fair value option <sup>2</sup>
HKAS 39 and HKFRS 4 (Amendments)	Financial guarantee contracts <sup>2</sup>
HKFRS 6	Exploration for and evaluation of mineral resources <sup>2</sup>
HKFRS 7	Financial instruments: Disclosures <sup>1</sup>
HK(IFRIC) – INT 4	Determining whether an arrangement contains a lease <sup>2</sup>
HK(IFRIC) – INT 5	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds <sup>2</sup>
HK(IFRIC) – INT 6	Liabilities arising from participating in a specific market-waste electrical and electronic equipment <sup>3</sup>
HK(IFRIC) – INT 7	Applying the restatement approach under HKAS 29 Financial Reporting in Hyperinflationary Economies <sup>4</sup>

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

## 2. 採納新增及經修訂香港財務報告準則 (續)

於此等綜合財務報表獲授權日期，下列準則及詮釋及修訂已於此等綜合財務報表涵蓋之年度頒佈，惟尚未生效：

香港會計準則第1號(修訂)	資本披露 <sup>1</sup>
香港會計準則第19號(修訂)	精算損益、集團計劃及披露 <sup>2</sup>
香港會計準則第21號(修訂)	匯率變動之影響 – 於海外業務之投資淨額 <sup>2</sup>
香港會計準則第39號(修訂)	預測集團內部交易之現金流量對沖會計法 <sup>3</sup>
香港會計準則第39號(修訂)	公平值購股權 <sup>2</sup>
香港會計準則第39號及香港財務報告準則第4號(修訂)	財政擔保合約 <sup>2</sup>
香港財務報告準則第6號	礦產資源之勘探及評估 <sup>2</sup>
香港財務報告準則第7號	金融工具：披露 <sup>1</sup>
香港(IFRIC)詮釋第4號	釐定安排是否包括租賃 <sup>2</sup>
香港(IFRIC)詮釋第5號	解除運作、復原及環境修復基金所產生權益之權利 <sup>2</sup>
香港(IFRIC)詮釋第6號	因參與特定市場、廢棄電業及電子設備所產生之負債 <sup>3</sup>
香港(IFRIC)詮釋第7號	根據香港會計準則第29號惡性通貨膨脹經濟中財務報告採用重述法 <sup>4</sup>

- 1 自二零零七年一月一日或之後開始之年度期間生效。
- 2 自二零零六年一月一日或之後開始之年度期間生效。
- 3 自二零零五年十二月一日或之後開始之年度期間生效。
- 4 自二零零六年三月一日或之後開始之年度期間生效。

## Notes to the Financial Statements 財務報表附註

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

### 2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (continued)

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

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

Analysis of the effect in consolidated income statement by line items presented according to their function:

### 2. 採納新增及經修訂香港財務報告準則 (續)

本集團已開始考慮此等新香港財務報告準則之潛在影響，惟尚未能釐定該等香港財務報告準則是否對經營業績及財務狀況之編製及呈列方式造成重大影響。此等香港財務報告準則可能導致業績及財務狀況之編製及呈列方式於日後出現變動。

### 3. 概述會計政策變更的影響

下列項目根據其功能對綜合損益表影響之分析：

	<b>2005</b> 二零零五年 <b>HK\$'000</b> 千港元	2004 二零零四年 HK\$'000 千港元
Decrease in share of results of associates 應佔聯營公司業績減少	<b>(3,553)</b>	(778)
Decrease in income tax expense 所得稅支出減少	<b>3,553</b>	778
Net effect in profit for the year 對本年度溢利之淨影響	—	—



## Notes to the Financial Statements 財務報表附註

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

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

(continued)

The cumulative effects of the application of the new HKFRSs as at 31 December 2004 and 1 January 2005 are summarised below:

## 3. 概述會計政策變更的影響 (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納該等新香港財務報告準則之累計影響概述如下：

		As at 31 December 2004 (originally stated) 於二零零四年 十二月三十一日 (原列) HK\$'000 千港元	Retrospective adjustments 追溯調整 HK\$'000 千港元	As at 31 December 2004 (restated) 於二零零四年 十二月三十一日 (重列) HK\$'000 千港元	Prospective adjustments 預計調整 HK\$'000 千港元	As at 1 January 2005 (restated) 於二零零五年 一月一日 (重列) HK\$'000 千港元
<b>Balance sheet items</b>	<b>資產負債表項目</b>					
<b>Impact of HKAS 17:</b>	<b>香港會計準則 第17號之影響:</b>					
Property, plant and equipment	物業·廠房 及設備	554,869	(51,176)	503,693	-	<b>503,693</b>
Prepaid lease payments	預付租賃款項	-	51,176	51,176	-	<b>51,176</b>
<b>Impact of HKAS 39:</b>	<b>香港會計準則 第39號之影響:</b>					
Non-trading securities	非交易證券	94,892	-	94,892	(94,892)	-
Available-for-sale investments	可供出售投資	-	-	-	94,892	<b>94,892</b>
Trading securities	交易證券	862,685	-	862,685	(862,685)	-
Held-for-trading investments	持作交易用途之投資	-	-	-	862,685	<b>862,685</b>
Total effects on assets and liabilities	對資產及負債之 總影響	<u>1,512,446</u>	<u>-</u>	<u>1,512,446</u>	<u>-</u>	<u><b>1,512,446</b></u>
<b>Impact of HKAS 1:</b>	<b>香港會計準則 第1號之影響:</b>					
Minority interests	少數股東權益	-	100,648	100,648	-	<b>100,648</b>
Total effects on equity	對股權之總影響	<u>-</u>	<u>100,648</u>	<u>100,648</u>	<u>-</u>	<u><b>100,648</b></u>
Minority interests	少數股東權益	<u>100,648</u>	<u>(100,648)</u>	<u>-</u>	<u>-</u>	<u>-</u>

There is no financial effects of the application of the new HKFRSs to the Group's equity on 1 January 2004.

採用新香港財務報告準則對本集團於二零零四年一月一日之股權並無財務影響。

## Notes to the Financial Statements 財務報表附註

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

### 4. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared on the historical cost basis, except for certain properties and financial instruments, which are measured at revalued amounts or fair values, as explained in the principal accounting policies set out below.

The consolidated financial statements have been prepared in accordance with HKFRS issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong 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 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.

### 4. 主要會計政策

該等綜合財務報表乃按過往成本法編製，惟若干物業及金融工具如下文所載主要會計政策所述乃按重估金額或公平值計算。

綜合財務報表乃按照香港會計師公會頒佈之香港財務報告準則編製。此外，綜合財務報表已載入香港聯合交易所有限公司證券上市規則及香港公司條例規定之適用披露。

#### 綜合基準

綜合財務報表包括本公司及其附屬公司之財務報表。

綜合損益表包括於本年度所購入或出售之附屬公司之業績，由有效收購日期起計或計至有效出售日期（倘適用）。

如有需要，附屬公司之財務報表會作出調整，以使其會計政策與本集團其他成員公司採用之會計政策一致。

所有集團內部交易、結餘、收入及開支已於綜合賬目時對銷。

## Notes to the Financial Statements 財務報表附註

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

## 4. SIGNIFICANT ACCOUNTING POLICIES

*(continued)***Basis of consolidation** *(continued)*

Minority interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Minority interests 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.

**Business combinations**

A subsidiary of the Company represents an entity controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of any entity so as to obtain benefits from its activities.

The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under HKFRS 3 are recognised at their fair values at the acquisition date.

## 4. 主要會計政策 (續)

**綜合基準** (續)

於綜合附屬公司之淨資產內少數股東權益與本集團之權益分開呈列。淨資產內少數股東權益包括於初始業務合併日期之該等權益及自合併日期以來少數股東應佔權益變動。超出於附屬公司權益之少數股東權益之少數股東應佔虧損計入本集團之權益內，除非少數股東受具約束力之責任所規限並且有能力作出額外投資彌補虧損則除外。

**業務合併**

本公司之附屬公司指由本公司控制之實體（其附屬公司）。當本公司有權力監管任何實體之財務及經營政策以自其活動中獲取利益，即達至控制目的。

收購附屬公司以採購法入賬。收購成本按於交易日期所付出資產、所產生或承擔的負債之公平值總額，以及本集團為取得被購人之控制權而發行之股本工具，再加因業務合併而直接產生之任何成本計算。被購人符合香港財務報告準則第3條「業務合併」規定之確認條件之可辨識資產、負債及或然負債於收購日期按公平值確認。

## Notes to the Financial Statements 財務報表附註

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

## 4. SIGNIFICANT ACCOUNTING POLICIES

*(continued)***Interests in associates**

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting. Under the equity method, investments in associates are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the Group's share of the profit or loss and changes in equity of the associate, less any identified impairment loss. Losses of an associate in excess of the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate) are not recognised.

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

## 4. 主要會計政策 (續)

**聯營公司權益**

聯營公司是指一家本集團對其有重大影響之實體，而其並非為附屬公司或於合營企業的權益。重大影響乃指擁有參與該投資對象之財務及經營決策之能力，惟並不控制或共同控制該等政策。

聯營公司之業績及資產與負債以權益會計法計入此等財務報表內。根據權益法，於聯營公司之投資乃按成本，並就本集團於收購後分佔溢利或虧損之變動及聯營公司權益之變動作出調整，再減任何已識別減值虧損計入綜合資產負債表。當本集團所佔聯營公司虧損等於或超出於該聯營公司權益（包括任實質上構成本集團於該聯營公司之投資淨額之長期權益）時，本集團終止確認其所佔之進一步虧損。

當集團實體與本集團聯營公司進行交易時，溢利及虧損會以本集團於相關聯營公司之權益為限予以對銷。

## Notes to the Financial Statements 財務報表附註

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

### 4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

#### Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and sales related taxes.

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

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 estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

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

Service revenue is recognised in the period in which such services are rendered.

#### Leases

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards of ownership of the assets concerned to the Group. All other leases are classified as operating leases.

### 4. 主要會計政策 (續)

#### 收益確認

收益按已收或應收代價的公平值計算，即日常業務中所提供貨品及服務之應收款項減折扣及銷售相關稅項之數額。

貨品銷售乃於貨品交付及完成所有權轉讓後確認。

金融資產之利息收入乃參考尚未償還之本金及當時適用之實際利率按時間基準累計。實際利率指將估計日後所得現金按財務資產估計可使用年期折讓至資產賬面淨值之利率。

投資股息收入於股東獲派股息之權利確立時確認。

服務收入於提供有關服務期間確認。

#### 租約

當合約之條款實質上將擁有權所產生之絕大部分風險及回報轉移至本集團，該等合約被分類為融資租賃合約。所有其他租約被分類為經營租約。

## Notes to the Financial Statements 財務報表附註

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

### 4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

#### Leases (continued)

##### The Group as lessor

Rental income from operating leases is recognised 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 on a straight-line basis over the lease term.

##### The Group as lessee

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 entity's functional currency (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 exchange 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.

### 4. 主要會計政策 (續)

#### 租約 (續)

##### 本集團作為出租人 (續)

經營租約租金收入乃按有關租約之年期以直線法於損益表內確認。在磋商及安排經營租約時產生之初始直接成本，乃加入租約資產之賬面值並按租約年期以直線法確認為開支。

##### 本集團作為承租人

經營租約之應付租金於有關租約期間按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，於租約期以直線法確認為租金支出扣減。

#### 外幣

於編製各集團實體之財務報表時，以該實體之功能貨幣以外貨幣（外幣）進行之交易乃按交易日期之適用匯率折算為其功能貨幣（即該實體進行經營之主要經濟環境所使用之貨幣）記錄。於各結算日，以外幣列值之貨幣項目按該結算日之適用匯率換算。按公平值入賬及以外幣結算之非貨幣項目按公平值釐定當日之適用匯率換算。以外幣及按過往成本計算之非貨幣項目不進行重新換算。

## Notes to the Financial Statements 財務報表附註

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

### 4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

#### Foreign currencies (continued)

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss in the period in which they arise. 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. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are translated into Hong Kong dollars using exchange rates prevailing on the balance sheet date. Income and expense items (including comparatives) are translated at the average exchange rates for the year, unless exchange rates fluctuated significantly during that year, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised as a separate component of equity (translation reserve). Such translation differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

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

### 4. 主要會計政策 (續)

#### 外幣 (續)

因結算貨幣項目及換算貨幣項目而產生之匯兌差額，於該等差額產生期間之損益內確認。按公平值入賬之非貨幣項目因重新換算而產生之匯兌差額計入當其損益，惟非貨幣項目（其收益及虧損直接於權益內確認）因重新換算而產生之差額除外，於此情況下，匯兌差額亦直接於權益中確認。

就綜合財務報表呈列而言，本集團之海外業務資產及負債（包括往年對比數值）乃按於結算日之適用匯率換算為本公司之呈列貨幣（即港幣）。其收入及開支（包括往年對比數值）按該年度之平均匯率換算，除非於該期間之匯率大幅波動則除外，於此情況下，則按各項交易之日所使用之適用匯率換算。產生之匯兌差額（如有）乃按權益中之獨立成分（匯兌儲備）予以確認。該等匯兌差額乃於海外業務獲出售期間之損益內確認。

於二零零五年一月一日或之後收購海外業務所產生之商譽及就已辨識收購資產所作出之公平值調整視作該海外業務之資產及負債，並按結算日通行之匯率進行換算。所產生之匯兌差額於匯兌儲備確認。

## Notes to the Financial Statements 財務報表附註

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

### 4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

#### Borrowing costs

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

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

#### Employee benefits

##### Retirement benefits scheme

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

### 4. 主要會計政策 (續)

#### 借貸成本

於購買、興建或製造合資格資產之直接應佔借貸成本，將撥作為該等資產之部分成本，當該等資產實質上達至擬定用途或銷售時借貸成本便不再作資本化。借貸擬應用於合資格資產之短期投資所賺取之投資收入自合資格資本化之借款成本中扣除。

所有其他借貸成本已於發生時於損益表確認為支出。

#### 僱員福利

##### 退休福利計劃

本集團根據強制性公積金計劃條例為所有符合資格參與強制性公積金退休福利計劃（「強積金計劃」）之僱員設立定額供款強積金計劃。供款乃根據僱員基本薪金之指定百分比計算，並於根據強積金計劃規則應付時自損益賬扣除。強積金計劃之資產與本集團之資產分開持有，並由獨立管理之基金管理。根據強積金計劃之規則，本集團之僱主供款將於對強積金計劃作出時全數撥歸僱員所有，惟倘僱員在供款全數撥歸僱員所有前離職，本集團之僱主自願供款須退還予本集團。



## Notes to the Financial Statements 財務報表附註

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

## 4. SIGNIFICANT ACCOUNTING POLICIES

*(continued)***Employee benefits** *(continued)***Retirement benefits scheme** *(continued)*

The employees of the Group's subsidiaries which operates in Mainland China are required to participate in a central pension scheme operated by the local municipal government. The subsidiaries are required to contribute a certain percentage of its payroll costs to the central pension scheme. The contributions are charged to the profit and loss account as they become payable in accordance with the rules of the central pension scheme.

**Employment ordinance long service payments**

Certain of the Group's employees have completed the required number of years of service to the Group and become eligible for long service payments under the Hong Kong Employment Ordinance in the event of the termination of their employment. The Group is liable to make such payments in the event that such a termination of employment meets the circumstances specified in the Hong Kong Employment Ordinance. A provision is recognised in respect of the probable future long service payments expected to be made. The provision is based on the best estimate of the probable future payments which have been earned by the employees from their service to the Group as at the balance sheet date.

## 4. 主要會計政策 (續)

**僱員福利** (續)**退休福利計劃** (續)

本集團在中國內地營運之附屬公司之僱員須參加當地政府管理之中央退休計劃。該等附屬公司須向中央退休計劃支付薪金之若干百分比作為供款。根據中央退休計劃規則，供款在應付時自損益賬扣除。

**僱傭條例下之長期服務金**

本集團若干僱員已於本集團完成規定服務年限，因此彼等一旦終止受僱於本集團，則根據香港僱傭條例有資格獲得長期服務金。若發生該等符合僱傭條例所規定情況之終止僱用，則本集團有責任作出有關付款。本集團已就可能需於日後作出之長期服務金付款確認相關撥備。該撥備乃於結算日僱員向本集團提供服務所賺取之日後款項之最佳估計而作出計算。

## Notes to the Financial Statements 財務報表附註

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

### 4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

#### Taxation

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years 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 amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, 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.

### 4. 主要會計政策 (續)

#### 稅項

所得稅支出指現時應付稅項及遞延稅項。

現時應付稅項乃按本年度應課稅溢利計算。應課稅溢利與綜合收益表中所報純利不同，此乃由於前者不包括在其他年度應課稅或可扣稅收入或開支，並且不包括不能課稅或不可扣稅之項目。本集團之當期稅項負債採用於結算日已頒佈或實質頒佈之稅率計算。

遞延稅項為就財務報表資產及負債賬面值及用以計算應課稅溢利相應稅基之差額而確認之稅項，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臨時差額確認，而遞延稅項資產乃按照可能出現之可利用臨時差額扣稅的應課稅溢利而提撥。若於一項交易中，因商譽或因企業合併以外原因初次確認其他資產及負債而引致之臨時差額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及聯營公司之投資而引致之應課稅臨時差額而確認，惟若本集團可令臨時差額撥回及臨時差額有可能不會於可見將來撥回之情況除外。

## Notes to the Financial Statements 財務報表附註

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

## 4. 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 profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited to the profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

**Property, plant and equipment**

Leasehold land and buildings held for use in the administrative purposes, are stated in the consolidated balance sheet at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that would be determined using fair values at the balance sheet date.

## 4. 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，並在沒可能於會有足夠應課稅溢利恢復全部或部分資產價值時作調減。

遞延稅項乃根據結算日已頒佈或實質頒佈之稅率，按預期於負債償還或資產變現期間適用之稅率計算。遞延稅項於損益中扣除或計入損益，惟倘遞延稅項直接在股本權益中扣除或計入股本權益之情況下，遞延稅項亦會於股本權益中處理。

**物業、廠房及設備**

持有作行政用途之租賃土地及樓宇按其重估金額（即於重估日期之公平值減其後任何累積折舊與攤銷及其後任何減值虧損）於綜合資產負債表中列賬。重估將會定期進行，以使賬面值不會與於結算日採用之公平值所釐定之金額相差過大。

## Notes to the Financial Statements 財務報表附註

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

## 4. SIGNIFICANT ACCOUNTING POLICIES

*(continued)***Property, plant and equipment** *(continued)*

Any revaluation increase arising on the revaluation of such buildings is credited to the properties revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. A decrease in net carrying amount arising on the revaluation of such buildings is dealt with as an expense to the extent that it exceeds the balance, if any, held in the property revaluation reserve relating to a previous revaluation of that asset. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings.

Buildings in the course of construction for production or rental are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowings costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use (i.e. when they are in the location and condition necessary for them to be capable of operating in the manner intended by management).

Property, plant and equipment (other than leasehold land and buildings and construction in progress) are stated at cost less accumulated depreciation and any accumulated impairment losses.

## 4. 主要會計政策 (續)

**物業、廠房及設備** (續)

任何重估該等樓宇所產生之重估增值均計入重估儲備，惟與該資產先前確認為開支之重估減值對銷時除外，在此情況下，重估增值按先前已扣除之重估減值計入收益表中。重估該等樓宇所產生之賬面淨值減少若超過餘額（如有）該項資產於先前重估之有關重估儲備之餘額（如有），則確認為一項開支。其後出售或棄用一項重估資產時，物業重估儲備內餘下之應估重估盈餘將直接撥入保留盈利中。

興建中之生產或租賃用樓宇乃按成本減任何已確認減值虧損列賬。成本包括專業費用及（就合資格資產而言）按照本集團會計政策資本化之借貸成本。該等資產於可作其擬定用途（即已屆管理層擬定之方式營運所需之位置及狀況）時按照與其他物業資產相同之基準開始折舊。

物業、廠房及設備（租賃土地及樓宇以及在建工程除外）乃按成本減累計折舊及任何累計減值虧損列賬。

## Notes to the Financial Statements 財務報表附註

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

## 4. SIGNIFICANT ACCOUNTING POLICIES

*(continued)***Property, plant and equipment** *(continued)*

Depreciation is charged so as to write off the cost or fair value of assets, other than construction in progress, over their estimated useful lives with a residual value of 1%, using the straight-line method.

The following rates are used for the depreciation of property, plant and equipment:

Buildings	3 $\frac{1}{3}$ % – 4%
Leasehold land and buildings	Over the unexpired term of lease
Plant and machinery	6 $\frac{2}{3}$ % – 20%
Furniture, fixtures and office equipment	20% – 33 $\frac{1}{3}$ %
Motor vehicles	20%
Lighters	10%

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

**Intangible asset – mining rights**

Mining rights are stated at cost less accumulated amortisation and any recognised impairment loss. The cost of mining rights is amortised on a straight-line basis over their estimated useful lives of 50 years.

## 4. 主要會計政策 (續)

**物業、廠房及設備** (續)

折舊乃以直線法按各項資產(在建工程除外)估計可用年期撇銷其成本或公平值(剩餘價值百分之一)計算。

物業、廠房及設備所用折舊率如下:

樓宇	3 $\frac{1}{3}$ % – 4%
租賃土地及樓宇	按租約未屆滿年期
廠房及機器	6 $\frac{2}{3}$ %-20%
傢俬、裝置及辦公室設備	20%-33 $\frac{1}{3}$ %
汽車	20%
躉船	10%

物業、廠房及設備於出售或當預期持續使用該資產將不會產生未來經濟利益時終止確認。於終止確認該資產時產生之任何收益或虧損(以出售所得款項淨額與該項目之賬面值之差額計算)乃計入於該項目終止確認年度之收益表內。

**無形資產 – 採礦權**

採礦權乃按成本減累計攤銷及任何已確認減值虧損列值。採礦權成本乃以直線法按其估計可用年期50年攤銷。

## Notes to the Financial Statements 財務報表附註

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

## 4. SIGNIFICANT ACCOUNTING POLICIES

*(continued)***Intangible asset – mining rights** *(continued)*

Gains or losses arising from derecognition of an intangible asset are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the assets is derecognised.

**Impairment of tangible and intangible assets excluding goodwill**

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

Where an impairment loss subsequently reverses, the carrying amount of the assets is increased to the revised estimate of its recoverable amount, 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 immediately, unless the relevant asset is carried at a revalued amount under another standard, in which case the reversal of the impairment loss is treated as a revaluation increase under that other standard.

## 4. 主要會計政策 (續)

**無形資產 – 採礦權** (續)

因終止確認無形資產而產生之損益按出售所得款項淨額與資產賬面值之差額計量，並於終止確認資產時於收益表確認。

**有形資產及無形資產 (不包括商譽) 減值**

在各結算日，本集團會檢討其有形及無形資產之賬面值以決定是否有任何跡象顯示該等資產出現減值虧損。若某資產之可收回金額估計少於其賬面值，該資產賬面值被減至其可收回金額。減值隨即確認為開支，除非相關資產之賬面值乃根據另一標準作出重估，在此情況下，減值應被視為根據該標準所作出之重估減值。

當減值虧損其後獲撥回，該資產之賬面值增至其可收回金額之修訂估計值，然而，賬面值之增加，不超過假若該資產往年度並無減值確認所應釐定之賬面值。減值虧損之撥回數額隨即確認為收入，除非相關資產之賬面值乃根據另一標準作出重估，在此情況下，減值虧損之撥回應被視為根據該另一標準所作出之重估增值。

## Notes to the Financial Statements 財務報表附註

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

### 4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

#### Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

#### 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. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the consolidated income statement.

### 4. 主要會計政策 (續)

#### 存貨

存貨乃按成本及可變現淨值之較低者列賬。成本包括直接材料與(倘適用)直接勞工成本及將存貨運往現有地點及達致現有狀況所涉及開支。成本按加權平均法計算。可變現淨值是根據估計售價減所有預期達致完成之成本及就推廣、銷售及分銷而產生之成本後之價值。

#### 金融工具

倘集團實體成為工具合約條文之訂約方，則於綜合資產負債表中確認金融資產及金融負債。金融資產及金融負債初步按公平值計算。因收購或發行金融資產及金融負債(不包括按公平值計入損益之金融資產及金融負債)而直接產生之交易成本，於初次確認時加入金融資產及金融負債(如適用)之公平值或自金融資產及金融負債(如適用)之公平值扣除。因收購按公平值計入損益之金融資產及金融負債而直接產生之交易成本即時於綜合收益表確認。

## Notes to the Financial Statements 財務報表附註

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

## 4. SIGNIFICANT ACCOUNTING POLICIES

*(continued)***Financial instruments** *(continued)***Financial assets**

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

*Financial assets at fair value through profit or loss*

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

## 4. 主要會計政策 (續)

**金融工具 (續)****金融資產**

本集團之金融資產分類至三種分類，包括按公平值計入損益之金融資產、貸款及應收賬款及可供出售金融資產其中之一。所有一般性購買或銷售金融資產按交易日期基準確認或終止確認。一般性購買或銷售為按於市場規定或慣例確立之時間期限內交付資產之金融資產之購買或銷售。每類金融資產採納之會計政策載列如下。

*按公平值計入損益之金融資產*

按公平值計入損益之金融資產再細分為兩類，包括持作交易用途之金融資產及於初次確認時透過損益按公平值計算之金融資產。於首次確認後之每一結算日，按公平值計入損益之金融資產按公平值計量。公平值之變動於變動產生期間直接在損益內確認。



## Notes to the Financial Statements 財務報表附註

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

## 4. SIGNIFICANT ACCOUNTING POLICIES

*(continued)***Financial instruments** *(continued)***Financial assets** *(continued)**Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At each balance sheet date subsequent to initial recognition, loans and receivables (including trade, other receivables, deposits, bank balances and deposits) 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.

## 4. 主要會計政策 (續)

**金融工具** (續)**金融資產** (續)*貸款及應收款項*

貸款及應收款項為附帶固定或可釐定付款之非衍生性質金融資產，且並無在活躍市場計算報價。於初次確認後每一個結算日，貸款及應收款項（包括貿易及其他應收款項、存款、銀行結餘及存款，採用實際利息法計算之攤銷成本，減任何已識別減值虧損列賬。倘客觀證明資產出現減值，則減值虧損會於損益表確認，並按資產賬面值與按原實際利率折讓之估計未來現金流量之現值之差額計算。當資產之可收回金額之增加可客觀地與確認減值後所發生之事件聯繫，則減值虧損於其後之期間撥回，惟於撥回減值日期資產之賬面值並非超出倘沒有確認減值之原有攤銷成本，方可進行撥回。

## Notes to the Financial Statements 財務報表附註

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

## 4. SIGNIFICANT ACCOUNTING POLICIES

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

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.

## 4. 主要會計政策 (續)

**金融工具** (續)**金融資產** (續)*可供出售金融資產*

可供出售金融資產為非衍生項目，無論是否劃分為其他類別（載於上文）。可供出售金融資產於初步確認後各結算日，按公平值計算。公平值之變動於權益確認，直至該金融資產被出售或決定被減值，屆時過往於權益確認之累計收入或虧損會自權益剔除，並於損益賬確認。可供出售金融資產之任何減值虧損於損益賬確認。可供出售之股本投資之減值虧損將不會於以後期間撥回。就可供出售債項投資而言，倘該投資之公平值之增加能客觀地與確認減值虧損後發生之事件聯繫，則其後將撥回減值虧損。

就可供出售之股本投資而言，倘並無活躍市場之市價報價，而其公平值未能可靠計算及與該等非上市股本工具有關並須以交付該等工具之方式結算之衍生工具，則可供出售之股本投資於首次確認後之各個結算日按成本值減任何已識別減值虧損計算。倘具備客觀證明資產減值，則減值虧損於損益表確認。減值虧損數額按資產賬面值與按類似金融資產之現行市場回報率折現估計未來現金流量之現值間之差額計算。該等減值虧損將不會於其後期間撥回。

## Notes to the Financial Statements 財務報表附註

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

## 4. SIGNIFICANT ACCOUNTING POLICIES

*(continued)***Financial instruments** *(continued)***Financial assets** *(continued)**Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

*Financial liabilities and equity*

Financial liabilities and equity instruments issued by the Group 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 for specific financial liabilities and equity instruments are set out below.

*Bank borrowings*

Interest-bearing bank loans and overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowings costs.

*Trade and other payables*

Trade and other payables are subsequently measured at amortised cost, using the effective interest rate method.

## 4. 主要會計政策 (續)

**金融工具** (續)**金融資產** (續)*現金及現金等值物*

現金及現金等值指庫存現金及活期存款，以及其他可隨時轉換為已知金額及價值變動風險不大之短期高度流通投資。

*金融負債及股本權益*

由本集團實體發行之金融負債及股本工具按所訂立之合約安排性質，以及金融負債及股本工具之定義而分類。股本工具為證明集團資產剩餘權益（經扣除其所有負債）之任何合約。本集團之金融負債一般分類為其他金融負債。就特定金融負債及股本工具而採納之會計政策載列如下。

*銀行借貸*

計息銀行貸款及透支初步按公平值計算，其後以實際利率法按攤銷成本計算。扣除交易成本後所得款項與清償或償還借貸間任何差額乃根據本集團有關借貸成本之會計政策按借貸年期確認。

*應付貿易賬款及其他應付款項*

應付貿易賬款及其他應付款項其後按攤銷成本以實際利率法計算。

## Notes to the Financial Statements 財務報表附註

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

### 4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

**Financial instruments** (continued)

**Financial liabilities and equity** (continued)

*Other financial liabilities*

Other financial liabilities including accrued liabilities, and amount due to minority interests 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.

### 5. CRITICAL ACCOUNTING JUDGMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying the Group's accounting policies, which are described in note 4 above, management had made the following judgements that have the most significant effect on the amounts recognised in the financial statements.

#### **Inventory**

Inventory are measured at lower of cost or net realisable value. The management of the Group reviews the carrying amount of the inventory at each balance sheet date, and makes allowance for inventory items identified, if any, to be carried at lower recoverable value through estimation of the expected property prices under current market conditions.

### 4. 主要會計政策 (續)

**金融工具** (續)

**金融負債及股本權益** (續)

*其他金融負債*

其他金融負債(包括應計負債及應付少數股東權益款項)按攤銷成本採用實際利率法計量。

*股本工具*

由本公司發行之股本工具按收取之款項入賬扣除直接發行成本。

### 5. 重大會計判斷及不確定估計主要來源

在上文附註4所述之採納本集團會計政策之過程中,管理層已作出以下之重要判斷,該等判斷對列入財務報表之金額影響最大。

#### **存貨**

存貨按成本值及可變現淨值兩者之較低者入賬。本集團之管理層檢討各結算日之存貨賬面值,及按現時市場情況估計之預計貨物價值,確定可收回值將會降低之存貨(如有)而進行撥備。

## Notes to the Financial Statements 財務報表附註

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

### 6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's major financial instruments include equity investments, trade receivables, bank deposits and balances, trade payables and borrowings. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies applied by the Group to mitigate these risks are set out below. Management monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

#### Credit risk

The Group's maximum exposure to credit risk in the event that counterparties fail to perform their obligations at 31 December 2005 in relation to each class of recognised financial assets is the carrying amounts of those assets as stated in the consolidated balance sheet. The Group's credit risk is primarily attributable to its trade receivables. In order to minimise credit risk, the management has delegated a team to be responsible for the determination of credit limits, credit approvals and other monitoring procedures. In addition, management reviews the recoverable amount of each individual trade debt regularly to ensure that adequate impairment losses are recognised for irrecoverable debts. In this regard, management considers 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.

The Group has no significant concentration of credit risk, with exposure spread over a number of counterparties and customers.

### 6. 財務風險管理目標及政策

本集團之主要財務工具包括股本投資、應收賬款、銀行存款及結餘、應付賬款及借貸。該等財務工具之詳情分別於各附註披露。下文載列與該等財務工具有關之風險及本集團就降低該等風險而採用之政策。管理層管理及監控該等風險，以確保及時和有效地採取適當之措施。

#### 信貸風險

倘對方於二零零五年十二月三十一日未能履行彼等之承擔，則本集團就每類已確認財務資產而須承受之最大信貸風險為已於綜合資產負債表列值之資產之賬面金額反映。本集團之信貸風險主要為其應收貿易賬款。為將信貸風險降至最低，本集團管理層已委派一組人員負責制訂信貸限額、信貸審批及其他監控措施。此外，本集團定期評估每項個別貿易債項之可收回金額，以確保就不可收回金額所作出之減值虧損已足夠。就此而言，本公司董事認為本集團之信貸風險已大幅降低。

流通基金之信貸風險有限，因為對方為被國際評級機構評為高信貸評級之銀行。

本集團並無過份集中之信貸風險，有關風險乃分散至多個其他方及客戶。

## Notes to the Financial Statements 財務報表附註

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

## 6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

### Price risk

The Group's available-for-sale investments and held-for-trading investments are measured at fair value at each balance sheet date. Therefore, the Group is exposed to equity and debt security price risk. The management manages this exposure by maintaining a portfolio of investments with different risk profiles.

### Currency risk

Certain bank loans of the Group are denominated in foreign currencies. The Group currently does not have a foreign currency hedging policy in respect of foreign currency debt. However, management monitors the related foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

### Fair value of financial assets and financial liabilities

The carrying amounts of prepayment, deposits and other receivables, time deposits, cash and bank balances, other payables and accrued liabilities and amount due to minority interests approximate their respective fair values due to the relatively short term maturity of these financial instruments. The fair values of other classes of financial assets and financial liabilities are disclosed in the respective notes to financial statements.

## 6. 財務風險管理目標及政策 (續)

### 價格風險

於結算日，本集團之可供出售投資及持作交易用途之投資乃按公平值計量。因此，本集團須承受股本及債務證券價格風險。管理層藉持有不同風險範圍之投資之組合而管理此類風險。

### 貨幣風險

本集團若干銀行貸款乃以外幣計值。本集團現時尚無就外幣債項訂立外幣對沖政策。然而，管理層會密切監控外匯風險，並會考慮於必要時對沖重大外幣風險。

### 財務資產及財務負債之公平值

預付款項、存款及其他應收款項、定期存款、現金及銀行結餘、其他應付款項及應計負債之賬面值，及應付少數股東權益款項約為彼等各自之公平值，因為該等財務工具之到期日較短。其他類別之財務資產及財務負債之公平值分別於財務報表各附註披露。

## Notes to the Financial Statements 財務報表附註

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

### 7. SEGMENT INFORMATION

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

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

- (i) the import, distribution and handling of cement segment mainly relates to housing development and infrastructure construction activities in Hong Kong and the provision of cement handling services in the Philippines;
- (ii) the manufacture and distribution of cement and slag powder segment mainly relates to construction activities in Mainland China;
- (iii) the production and distribution of ready-mixed concrete segment mainly relates to housing development and infrastructure construction activities in Hong Kong and Mainland China; and

### 7. 分類資料

分類資料以兩種分類方式呈報：(i)以業務分類之首要分類呈報基準及(ii)以地區分類之次要分類呈報基準。

本集團之經營業務乃按業務之性質及該等業務所提供之產品及服務作出分類安排及管理。本集團每一類業務為一策略業務單位，所提供產品及服務之風險與回報均與其他業務類別有所不同。業務類別之詳情如下：

- (i) 於香港入口、分銷及處理主要有關屋宇發展及基建項目之水泥及在菲律賓提供水泥處理服務；
- (ii) 於中國內地生產及分銷主要為有關建築用途之水泥及礦渣粉；
- (iii) 於香港及中國內地生產及分銷主要有關屋宇發展及基建項目之預拌混凝土；及

## Notes to the Financial Statements 財務報表附註

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

### 7. SEGMENT INFORMATION (continued)

- (iv) the investment holding segment invests in listed and unlisted equity securities ranging from traditional businesses, such as banks and companies engaged in the manufacture and distribution of construction materials, to high-technology businesses, such as those providing broadband internet access and content services.

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

#### (a) Business segments

The following tables present revenue, profit and certain asset, liability and expenditure information for the Group's business segments.

### 7. 分類資料 (續)

- (iv) 投資於上市及非上市公司股權之投資控股部分，當中包括傳統業務如銀行及從事生產及分銷建築材料之公司，以至提供互聯網寬頻服務及資料內容服務之高科技業務。

在釐定本集團地區分類時，收入乃按集團顧客所在地及資產按資產所在地歸屬各個地區。

#### (a) 業務分類

按本集團業務分類之收益、盈利及若干資產、負債及開支資料呈列如下。



## Notes to the Financial Statements 財務報表附註

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

## 7. SEGMENT INFORMATION (continued)

## (a) Business segments (continued)

## Income statement

		Import, distribution and handling of cement		Manufacture and distribution of cement and slag powder		Production and distribution of ready-mixed concrete		Investment holding		Consolidated	
		入口、分銷及處理水泥		製造及分銷水泥及礦渣粉		生產及分銷預拌混凝土		其他		綜合	
		2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
		二零零五年	二零零四年	二零零五年	二零零四年	二零零五年	二零零四年	二零零五年	二零零四年	二零零五年	二零零四年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
											(restated) (經重列)
Segment revenue	分類收益										
Sales and services to external customers	銷售及 提供服務予 外界客戶	161,198	157,319	256,804	158,066	-	-	-	-	418,002	315,385
Other revenue	其他收益	6,248	4,918	22,852	239	-	-	15,116	304,369	44,216	309,526
Total	總計	167,446	162,237	279,656	158,305	-	-	15,116	304,369	462,218	624,911
Segment results	分類業績	33,562	32,557	(4,548)	18,131	-	-	6,133	272,495	35,148	323,183
Interest income, dividend income and unallocated gains	利息收入、 股息收入 及未分配 利潤									36,532	31,437
Finance costs	融資成本									71,680	354,620
Share of results of associates	應佔聯營公司 業績	-	-	-	-	14,001	2,001	-	-	(29,798)	(8,535)
Amortisation and impairment of goodwill of associates	聯營公司之 商譽攤銷 及減值	-	-	-	-	-	(5,957)	-	-	14,001	2,001
Profit before tax	除稅前溢利									-	(5,957)
Income tax expense	所得稅支出	24	(3,394)	(680)	-	-	-	(2,759)	(202)	55,883	342,129
Profit for the year	本年度溢利									(3,415)	(3,596)
										52,468	338,533

## 7. 分類資料 (續)

## (a) 業務分類 (續)

## 收益表

## Notes to the Financial Statements 財務報表附註

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

## 7. SEGMENT INFORMATION (continued)

## (a) Business segments (continued)

## Balance sheet

	Import, distribution and handling of cement 入口、分銷及 處理水泥		Manufacture and distribution of cement and slag powder 製造及分銷水泥 及磚渣粉		Production and distribution of ready-mixed concrete 生產及分銷 預拌混凝土		Investment holding 投資控股		Others 其他		Eliminations 沖銷		Consolidated 綜合	
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
	二零零五年 HK\$'000 千港元	二零零四年 HK\$'000 千港元	二零零五年 HK\$'000 千港元	二零零四年 HK\$'000 千港元	二零零五年 HK\$'000 千港元	二零零四年 HK\$'000 千港元	二零零五年 HK\$'000 千港元	二零零四年 HK\$'000 千港元	二零零五年 HK\$'000 千港元	二零零四年 HK\$'000 千港元	二零零五年 HK\$'000 千港元	二零零四年 HK\$'000 千港元	二零零五年 HK\$'000 千港元	二零零四年 HK\$'000 千港元
Assets	資產													
Segment assets	709,430	594,965	1,504,950	510,984	-	-	3,503,662	1,409,924	-	82	(3,356,689)	(909,826)	2,361,353	1,606,129
Interests in associates	-	-	-	-	93,036	77,513	-	-	-	-	-	-	93,036	77,513
Loans to associates	-	-	-	-	30,877	30,882	-	-	-	-	-	-	30,877	30,882
Unallocated assets	-	-	-	-	-	-	-	-	-	-	-	-	160,682	209,202
Consolidated total assets													2,645,948	1,923,726
Liabilities	負債													
Segment liabilities	206,160	125,931	1,070,748	384,667	-	-	2,209,527	491,196	-	82	(3,356,689)	(909,826)	129,746	92,050
Unallocated liabilities	-	-	-	-	-	-	-	-	-	-	-	-	1,244,244	582,226
Consolidated total liabilities													1,373,990	674,276
Other segment information:	其他分類資料:													
Capital additions	217	88	922,540	222,656	-	-	-	-	-	-	-	-	922,757	222,744
Depreciation and amortisation	6,993	8,251	23,215	10,808	-	5,061	2,019	2,019	-	-	-	-	32,227	26,139
Impairment losses recognised in the income statement	-	-	-	-	-	2,670	-	19,619	-	-	-	-	-	22,289
Allowance for doubtful other receivables	-	332	-	-	-	-	-	-	-	-	-	-	-	332
Unrealised gain on trading securities	-	-	-	-	-	-	-	228,812	-	-	-	-	-	228,812
Change of fair value of held-for-trading investments	-	-	-	-	-	-	632	-	-	-	-	-	632	-

## 7. 分類資料 (續)

## (a) 業務分類 (續)

## 資產負債表

## Notes to the Financial Statements 財務報表附註

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

## 7. SEGMENT INFORMATION (continued)

## (b) Geographical segments

The following table presents revenue, certain assets and other information for the Group's geographical segments by location of operations.

## THE GROUP

	Hong Kong 香港		Mainland China 中國大陸		Philippines 菲律賓		Taiwan 台灣		Eliminations 沖銷		Consolidated 綜合	
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
	二零零五年 HK\$'000 千港元	二零零四年 HK\$'000 千港元	二零零五年 HK\$'000 千港元	二零零四年 HK\$'000 千港元	二零零五年 HK\$'000 千港元	二零零四年 HK\$'000 千港元	二零零五年 HK\$'000 千港元	二零零四年 HK\$'000 千港元	二零零五年 HK\$'000 千港元	二零零四年 HK\$'000 千港元	二零零五年 HK\$'000 千港元	二零零四年 HK\$'000 千港元
Segment revenue:	分類收益:											
Sales and services to external customers	銷售及提供服務予 對外界客戶											
Other revenue	其他收益											
	137,802	133,919	256,800	158,066	23,400	23,400	-	-	-	-	418,002	315,385
	12,731	2,624	6,703	239	990	-	23,792	306,663	-	-	44,216	309,526
Total	150,533	136,543	263,503	158,305	24,390	23,400	23,792	306,663	-	-	462,218	624,911
Other segment information:	其他地區資料:											
Segment assets	2,838,828	792,026	1,696,995	597,684	266,270	178,556	725,487	920,190	(2,881,632)	(564,730)	2,645,948	1,923,726
Capital additions	39	15	922,540	222,656	178	73	-	-	-	-	922,757	222,744

## 7. 分類資料 (續)

## (b) 地區分類

按本集團地區分類之收益、若干資產及其他資料呈列如下。

## 本集團

## 8. REVENUE, OTHER INCOME AND GAINS

Revenue represents:

- (i) invoiced amount of sales of cement, net of trade discounts and returns; and
- (ii) income from the rendering of services.

## 8. 收益、其他收入及利潤

收益指:

- (i) 扣除貿易折扣及退貨後之水泥銷售發票額; 及
- (ii) 提供服務之收入。

## Notes to the Financial Statements 財務報表附註

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

## 8. REVENUE, OTHER INCOME AND GAINS

(continued)

An analysis of revenue, other income and gains is as follows:

## 8. 收益、其他收入及利潤 (續)

收益、其他收入及利潤之分析如下：

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Revenue	收益		
Sales of cement	銷售水泥	<b>394,602</b>	291,985
Rendering of services	提供服務	<b>23,400</b>	23,400
		<b>418,002</b>	315,385
Other income	其他收入		
Handling charges	手續費用	<b>4,138</b>	3,995
Dividend income from	股息收入		
– listed investments	– 上市投資	<b>47,940</b>	25,924
– an unlisted investment	– 非上市投資	<b>625</b>	938
Bank interest income	銀行利息收入	<b>2,195</b>	1,605
Others	其他	<b>2,947</b>	1,101
		<b>57,845</b>	33,563
Exchange gain	匯兌利潤	<b>8,492</b>	–
Net unrealised gain on trading securities	交易證券之未變現利潤	–	228,812
Gain on the merger relating to a trading securities	有關合併交易證券之利潤	–	75,557
Realised gain on disposal of trading securities	出售持作交易證券之已變現利潤	–	2,970
Gain on disposal of property, plant and equipment	出售物業、廠房及設備之利潤	–	61
Realised gain on disposal of held-for-trading investments	出售持作交易用途之投資之已變現利潤	<b>12,648</b>	–
Realised gain on disposal of available-for-sale investments	出售可供出售投資之已變現利潤	<b>1,763</b>	–
		<b>22,903</b>	307,400
		<b>80,748</b>	340,963

## Notes to the Financial Statements 財務報表附註

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

## 9. FINANCE COSTS

## 9. 融資成本

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Interest on:	以下之利息：		
Bank overdrafts and loans wholly repayable within five years	全部於五年內償還之銀行透支及貸款	<b>29,798</b>	<b>8,535</b>

## 10. PROFIT BEFORE TAX

## 10. 除稅前溢利

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元 (restated) (經重列)
Profit before tax has been arrived at after charging:	除稅前溢利已扣除下列各項：		
Directors' emoluments (note 11)	董事酬金 (附註11)	<b>4,075</b>	5,185
Other staff costs	其他員工成本	<b>19,219</b>	19,924
Other pension costs and mandatory provident fund contributions, excluding directors	其他退休金成本及強積金供款 (不包括董事)	<b>666</b>	631
Total staff costs	總員工成本	<b>23,960</b>	25,740
Cost of inventories recognised as expense	出售存貨之成本	<b>259,207</b>	167,842
Cost of services rendered	提供服務之成本	<b>4,601</b>	6,814
Depreciation of property, plant and equipment	物業、廠房及設備折舊	<b>30,920</b>	20,269
Amortisation of goodwill (included in other operating expenses)	商譽攤銷 (已計入其他經營開支)	-	1,774
Amortisation of prepaid lease payments	預付租賃款項攤銷	<b>1,080</b>	809
Amortisation of mining rights	採礦權攤銷	<b>227</b>	-
Auditors' remuneration	核數師酬金	<b>2,430</b>	720
Impairment loss recognised in respect of non-trading securities	非持作交易用途證券之已確認減值虧損	-	19,619
Change in fair value of held-for-trading investments (included other operating expenses)	持作交易用途之投資之公平值轉變 (已計入其他經營開支)	<b>632</b>	-
Operating lease payments in respect of rented premises	租賃物業之經營租賃租金	<b>4,073</b>	6,958
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	<b>713</b>	-
Allowance for doubtful other receivables	其他應收款項之呆賬撥備	-	332
Share of tax of associates (included in share of results of associates)	應佔聯營公司稅項 (已計入應佔聯營公司業績)	<b>3,553</b>	778

The Group has no forfeited contributions to the retirement benefit scheme for both years.

本集團於該兩年並無退休金計劃之已沒收供款。

## Notes to the Financial Statements 財務報表附註

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

### 11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

#### Directors' emoluments

The emoluments paid or payable to each of the 6 (2004: 9) directors were as follows. The other 3 (2004: nil) directors have no emoluments for the year.

### 11. 董事及僱員酬金

#### 董事酬金

分別已付及應付予六位（二零零四年：九位）董事之酬金如下。其餘三位（二零零四年：零）董事於本年內並無任何酬金。

		Hui-Bon-						Total 2005 總計
		Koo Cheng Yun, Leslie 辜成允	Wu Yih Khien Chin 吳義欽	Ho Piau, Pierre 黃慶杓	Liao Poon Huai, Donald 廖本懷	Shan Weijian 單偉建	Chung Kuhsien, David 鍾國賢	
		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	
Fees	袍金	200	-	200	200	200	200	1,000
Other emoluments	其他酬金							
Salaries and other benefits	薪金及其他津貼	-	1,305	-	-	-	-	1,305
Performance related incentive bonus	與表現掛鈎之 獎勵花紅	1,200	570	-	-	-	-	1,770
Total emoluments	總酬金	1,400	1,875	200	200	200	200	4,075

## Notes to the Financial Statements 財務報表附註

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

## 11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (continued)

## Directors' emoluments (continued)

		Hui-Bon-				Liao				Total 2004 總計	
		Koo Cheng Yun, Leslie 辜成允	Hoa Khien Wu Yih Chin 吳義欽	Piau, Pierre 黃慶杓	Tsao Jas Yee, James 曹樹儀	Chiang Cheng Hsiung 江正雄	Chen Chi Hsiung 陳吉雄	Poon Huai, Donald 廖本懷	Chung Shan Weijian 單偉建		Kuohsien, David 鍾國賢
		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 千港元	
Fees	袍金	200	-	200	120	200	200	200	200	50	1,370
Other emoluments	其他酬金										
Salaries and other benefits	薪金及其他津貼	-	1,303	-	322	-	-	-	-	-	1,625
Performance related incentive bonus	與表現掛鉤之獎勵花紅	1,500	690	-	-	-	-	-	-	-	2,190
Total emoluments	總酬金	1,700	1,993	200	442	200	200	200	200	50	5,185

The performance related incentive bonus is determined with reference to the results of the Group.

與表現掛鉤之獎勵花紅乃根據本集團業績釐定。

## Employees' emoluments

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

## 僱員酬金

本年內五名最高薪人士包括兩名董事(二零零四年:兩名),其薪酬已載列於上文。其餘最高薪僱員之薪酬詳情載列如下:

	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	
Salaries and other benefits	薪金及其他津貼	2,120	1,988
Retirement benefits scheme contributions	退休金計劃供款	-	24
		<b>2,120</b>	<b>2,012</b>

## Notes to the Financial Statements 財務報表附註

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

### 11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (continued)

#### Employees' emoluments (continued)

Their emoluments were within the following bands:

Up to HK\$1,000,000 不多於1,000,000港元

During the year, no remuneration was paid by the Group to the directors, supervisors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors and supervisors has waived any remuneration during the year.

### 11. 董事及僱員酬金 (續)

#### 僱員酬金 (續)

其薪金介乎下列範圍：

		Number of employee 僱員人數	
		2005 二零零五年	2004 二零零四年
		<b>3</b>	<b>3</b>

本集團於本年內並無向董事、監事或五名最高薪人士支付酬金，以作彼等加入或加盟本集團之獎勵或作為離職之補償。概無董事及監事於本年內放棄薪金。

### 12. INCOME TAX EXPENSE

Current tax 本期稅項  
 Hong Kong 香港  
 Other jurisdictions 其他司法權區  
 (Over)underprovision in prior periods 前年度(超額撥備)撥備不足

Deferred taxation (note 26) 遞延稅項(附註26)

Income tax expense for the year 本年所得稅支出

Hong Kong Profits Tax is calculated at 17.5% (2004: 17.5%) of the estimated assessable profits for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

### 12. 所得稅支出

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元 (restated) (經重列)
		<b>2,554</b>	3,583
		<b>1,238</b>	-
		<b>(2,420)</b>	13
		<b>1,372</b>	3,596
		<b>2,043</b>	-
		<b>3,415</b>	3,596

香港利得稅乃根據本年度之估計應課稅溢利按17.5%(二零零四年:17.5%)之稅率計算。其他司法權區之稅項乃根據相關司法權區現行稅率計算。



## Notes to the Financial Statements 財務報表附註

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

## 12. INCOME TAX EXPENSE (continued)

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

## 12. 所得稅支出 (續)

年內之總稅項開支與綜合收益表內溢利之對帳如下:

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元 (restated) (經重列)
Profit before tax	除稅前溢利	<b>55,883</b>	342,129
Tax at the domestic income tax rate of 17.5%	以本地利得稅率17.5%計算之稅項	<b>9,779</b>	59,873
Tax effect of share of profits of associates	應佔聯營公司溢利之稅務影響	<b>(2,450)</b>	(350)
Tax effect of expenses that are not deductible in determining taxable profit	於釐定應課稅溢利時不可扣稅之支出之稅務影響	<b>6,366</b>	13,002
Tax effect of income that are not taxable in determining taxable profit	於釐定應課稅溢利時毋須課稅之收入之稅務影響	<b>(13,253)</b>	(64,252)
Tax losses not recognised	未確認之稅務虧損	<b>12,152</b>	2,746
(Over)underprovision in prior years	前年度(超額撥備)撥備不足	<b>(2,420)</b>	13
Effect of different tax rates of subsidiaries operating in other jurisdictions	於其他司法權區經營之附屬公司之不同稅率之影響	<b>(6,973)</b>	(7,350)
Others	其他	<b>214</b>	(86)
Tax expense for the year	本年稅項支出	<b>3,415</b>	3,596

In addition to the income tax expense charged to profit or loss, a deferred tax charge of HK\$620,000 (2004: HK\$1,853,000) has been recognised in equity in the year.

除列入損益帳之所得稅開支外，620,000港元(二零零四年:1,853,000港元)之遞延稅項已於本年度股權內確認。

## Notes to the Financial Statements 財務報表附註

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

### 13. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to the ordinary equity holders of the parent is based on the following data:

#### Earnings

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Earnings for the purposes of basic earnings per share (profit for the year attributable to shareholders of the Company)	計算每股基本盈利所用之盈利(本公司之股東應佔本年度溢利)	<b>50,002</b>	328,132

#### Number of shares

		2005 二零零五年 '000 千股	2004 二零零四年 '000 千股
Weighted average number of ordinary shares for the purposes of basic earnings per share	計算每股基本盈利所用之普通加權平均股數	<b>772,922</b>	772,922

Diluted earnings per share accounts have not been presented for the years ended 31 December 2005 and 2004 as the exercise price of the Company's share options was higher than the average market price for shares for both 2005 and 2004.

### 13. 每股盈利

母公司之普通股股本持有人應佔每股基本盈利乃根據以下數據計算：

#### 盈利

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Earnings for the purposes of basic earnings per share (profit for the year attributable to shareholders of the Company)	計算每股基本盈利所用之盈利(本公司之股東應佔本年度溢利)	<b>50,002</b>	328,132

#### 股份數量

		2005 二零零五年 '000 千股	2004 二零零四年 '000 千股
Weighted average number of ordinary shares for the purposes of basic earnings per share	計算每股基本盈利所用之普通加權平均股數	<b>772,922</b>	772,922

由於本公司購股權行使價於二零零五年及二零零四年高於股份之平均收市價，因此並無呈列截至二零零五年及二零零四年十二月三十一日止年度之每股攤薄盈利。

## Notes to the Financial Statements 財務報表附註

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

## 14. DIVIDENDS

## 14. 股息

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Interim dividend paid – HK1.5 cents (2004: HK2 cents) per share	已付中期股息 – 每股1.5港仙 (二零零四年: 每股2港仙)	<b>11,594</b>	15,458
Final dividend proposed – HK1 cent (2004: HK0.5 cent) per share	建議末期股息 – 每股1港仙 (二零零四年: 每股0.5港仙)	<b>7,729</b>	3,865
Special dividend proposed – nil (2004: HK3.5 cents) per share	建議特別股息 – 無 (二零零四年: 每股3.5港仙)	–	27,052
		<b>19,323</b>	46,375

In respect of the current year, the directors propose that a dividend of one cent per share will be paid to shareholders on 5 June 2006. This dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The proposed dividend is payable to all shareholders on the Register of Members on 23 May 2006. The total estimated dividend to be paid is HK\$7,729,000.

根據本年之情況，董事建議於二零零六年六月五日向股東派發每股1港仙之股息。股息須待股東於股東週年大會上批准作實，而且並未於該等財務報表中列為負債。建議股息將支付予於二零零六年五月二十三日名列本公司股東名冊上之所有股東。需支付股息總額約為7,729,000港元。

## Notes to the Financial Statements 財務報表附註

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

## 15. PROPERTY, PLANT AND EQUIPMENT

## 15. 物業、廠房及設備

		Buildings	Leasehold land and buildings	Plant and machinery	Furniture, fixtures and office equipment	Motor vehicles	Lighters	Construction in progress	Total
		樓宇	租賃土地 及樓宇	廠房及機器	傢俬、裝置及 辦公室設備	汽車	躉船	在建工程	總數
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
<b>COST OR VALUATION</b>		<b>成本或估值</b>							
As at 1 January 2004	於二零零四年一月一日	129,118	7,400	148,457	9,342	4,432	7,731	135,581	442,061
Additions	添置	20,745	-	544	1,628	1,139	-	150,335	174,391
Surplus on revaluation	重估盈餘	-	4,500	-	-	-	-	-	4,500
Disposals	出售	-	-	-	(270)	(262)	-	-	(532)
Transfer from/(to) construction in progress	轉讓自/(至) 在建工程	48,180	-	52,064	-	-	-	(100,244)	-
At 31 December 2004	於二零零四年十二月三十一日	198,043	11,900	201,065	10,700	5,309	7,731	185,672	620,420
Exchange adjustments	匯兌調整	2,268	-	3,077	146	116	-	5,296	10,903
Additions	添置	2,136	-	5,479	4,038	1,226	-	909,712	922,591
Surplus on revaluation	重估盈餘	-	3,200	-	-	-	-	-	3,200
Disposals	出售	(746)	-	-	(59)	(5)	-	-	(810)
Transfer from/(to) construction in progress	轉讓自/(至) 在建工程	96,349	-	92,642	3,258	-	-	(192,249)	-
<b>At 31 December 2005</b>	<b>於二零零五年十二月三十一日</b>	<b>298,050</b>	<b>15,100</b>	<b>302,263</b>	<b>18,083</b>	<b>6,646</b>	<b>7,731</b>	<b>908,431</b>	<b>1,556,304</b>
Comprising:	包括:								
At cost	成本值	298,050	-	302,263	18,083	6,646	7,731	908,431	1,541,204
At valuation	估值	-	15,100	-	-	-	-	-	15,100
		298,050	15,100	302,263	18,083	6,646	7,731	908,431	1,556,304
<b>ACCUMULATED DEPRECIATION</b>		<b>累計折舊</b>							
As at 1 January 2004	於二零零四年一月一日	26,088	-	56,928	5,884	2,243	7,653	-	98,796
Provided for the year	本年度提撥	6,037	2,018	10,666	920	628	-	-	20,269
Elimination on revaluation	重估沖銷	-	(2,018)	-	-	-	-	-	(2,018)
Elimination on disposals	出售沖銷	-	-	-	(72)	(248)	-	-	(320)
At 31 December 2004	於二零零四年十二月三十一日	32,125	-	67,594	6,732	2,623	7,653	-	116,727
Exchange adjustments	匯兌調整	273	-	370	47	40	-	-	730
Provided for the year	本年度提撥	10,227	2,018	16,880	1,336	459	-	-	30,920
Elimination on revaluation	重估沖銷	-	(2,018)	-	-	-	-	-	(2,018)
Elimination on disposals	出售沖銷	(43)	-	-	(52)	(2)	-	-	(97)
<b>At 31 December 2005</b>	<b>於二零零五年十二月三十一日</b>	<b>42,582</b>	<b>-</b>	<b>84,844</b>	<b>8,063</b>	<b>3,120</b>	<b>7,653</b>	<b>-</b>	<b>146,262</b>
<b>CARRYING VALUES</b>		<b>賬面值</b>							
<b>At 31 December 2005</b>	<b>於二零零五年十二月三十一日</b>	<b>255,468</b>	<b>15,100</b>	<b>217,419</b>	<b>10,020</b>	<b>3,526</b>	<b>78</b>	<b>908,431</b>	<b>1,410,042</b>
At 31 December 2004	於二零零四年十二月三十一日	165,918	11,900	133,471	3,968	2,686	78	185,672	503,693

## Notes to the Financial Statements 財務報表附註

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

## 15. PROPERTY, PLANT AND EQUIPMENT

*(continued)*

An analysis of cost or valuation of the carrying values of the properties at 31 December 2005 is as follows:

## 15. 物業、廠房及設備 (續)

截至二零零五年十二月三十一日物業成本或賬面值估值之分析如下：

		At valuation	At cost	Total
		估值	成本值	總數
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
Commercial building situated in Hong Kong under a medium term lease	座落於香港以中期租約持有之土地之商業樓宇	15,100	-	15,100
Industrial building situated in Hong Kong under a long term lease	座落於香港以長期租約持有之土地之工業樓宇	-	24,215	24,215
Industrial buildings held under land use rights of medium term in Mainland China	座落於中國內地以中期土地使用權持有之工業樓宇	-	245,956	245,956
Industrial building situated in the Philippines on freehold land	座落於菲律賓永久持有之土地之工業樓宇	-	27,879	27,879
		<u>15,100</u>	<u>298,050</u>	<u>313,150</u>

The commercial building was revalued on 31 December 2005 at HK\$15,100,000 (2004: HK\$11,900,000) by Jones Lang LaSalle Limited, an independent firm of qualified professional valuers, at an open market value based on its existing use. The resulting surplus arising from the revaluation at 31 December 2005 of HK\$5,218,000 (2004: HK\$6,518,000) was dealt with in the land and building revaluation reserve. Had there not been any revaluation of the Group's commercial building, the carrying amount of cost less accumulated depreciation and any impairment losses at 31 December 2005 would have been approximately HK\$300,000 (2004: HK\$600,000).

商業樓宇之估值於二零零五年十二月三十一日由獨立認可專業估值行仲量聯行有限公司，按其現有用途之公開市值重估為15,100,000港元（二零零四年：11,900,000元）。於二零零五年十二月三十一日之重估盈餘為5,218,000港元（二零零四年：6,518,000港元），已於物業重估儲備內處理。倘並無對本集團之商業樓宇作出重估，於二零零五年十二月三十一日之成本賬面值減累計折舊及任何減值虧損後將約為300,000港元（二零零四年：600,000港元）。

## Notes to the Financial Statements 財務報表附註

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

## 15. PROPERTY, PLANT AND EQUIPMENT

*(continued)*

Following the adoption of HKAS 16 "Property, plant and equipment", which is effective for the current accounting period, the Group has reviewed the residual values used for the purposes of depreciation calculations in the light of the amended definition of residual value in the Standard. The review did not highlight any requirement for an adjustment to the residual values used in the current or prior periods. In line with the new requirements, these residual values will be reviewed and updated annually in the future.

## 16. PREPAID LEASE PAYMENTS

The Group's prepaid lease payments comprise:

## 15. 物業、廠房及設備 (續)

採納於本會計年度生效之香港會計準則第16號「物業、廠房及設備」後，本集團按準則已修訂之剩餘價值定義檢討計算折舊之剩餘價值。檢討並無提出任何對本年或以往期間採用之剩餘價值須作出之調整。為配合新規定，該等剩餘價值將於每年檢討及更新。

## 16. 預付租賃款項

本集團之預付租賃款項包括：

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Leasehold land outside Hong Kong Medium-term lease	位於香港境外以中期租約 租賃之土地	<b>51,721</b>	51,176
Analysed for reporting purposes as:	分析作呈報用途：		
Current portion	本期部份	<b>1,110</b>	1,074
Non-current portion	非本期部份	<b>50,611</b>	50,102
		<b>51,721</b>	51,176

## Notes to the Financial Statements 財務報表附註

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

## 17. INTANGIBLE ASSETS

## 17. 無形資產

		<b>Mining rights</b>
		採礦權
		HK\$'000
		千港元
<b>THE GROUP</b>	<b>本集團</b>	
<b>COST</b>	<b>成本</b>	
At 1 January 2004	於二零零四年一月一日	–
Additions	添置	10,732
At 1 January 2005	於二零零五年一月一日	10,732
Exchange adjustments	滙兌調整	307
At 31 December 2005	於二零零五年十二月三十一日	11,039
<b>AMORTISATION</b>	<b>攤銷</b>	
At 1 January 2004	於二零零四年一月一日	–
Charge for the year	本年攤銷	–
At 1 January 2005	於二零零五年一月一日	–
Charge for the year	本年攤銷	227
Exchange adjustments	滙兌調整	1
<b>At 31 December 2005</b>	<b>於二零零五年十二月三十一日</b>	<b>228</b>
<b>NET BOOK VALUES</b>	<b>賬面淨值</b>	
<b>At 31 December 2005</b>	<b>於二零零五年十二月三十一日</b>	<b>10,811</b>
At 31 December 2004	於二零零四年十二月三十一日	10,732

Mining rights are amortised over their lease periods, which is on 50 years.

採礦權於五十年可使用租賃期內攤銷。

## Notes to the Financial Statements 財務報表附註

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

## 18. INTERESTS IN ASSOCIATES AND LOANS TO ASSOCIATES

## 18. 聯營公司權益及聯營公司貸款

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Cost of unlisted investments in associates	非上市聯營公司之 投資成本	<b>55,343</b>	55,343
Share of post-acquisition profit, net of dividend received	攤佔收購後之溢利 (扣除已收股息)	<b>37,693</b>	22,170
		<b>93,036</b>	77,513
Loans to associates	聯營公司貸款	<b>30,877</b>	30,882
		<b>123,913</b>	108,395

The loans to associates are interest-free, unsecured and will not be repaid within one year from the balance sheet date. The directors considered that the fair value at the balance sheet date approximates to the carrying amount of the loan.

聯營公司貸款為免息且無抵押及將不會於結算日起一年內償還。董事認為於結算日之公平值約為該貸款之賬面值。



## Notes to the Financial Statements 財務報表附註

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

## 18. INTERESTS IN ASSOCIATES AND LOANS TO ASSOCIATES (continued)

Details of the Group's associates at 31 December 2005 are as follows:

Name of associate 聯營公司名稱	Place of incorporation and operation 註冊成立及營運地點	Proportion of ownership interest 擁有權益之比例	Proportion of voting power held 所持投票權比例	Principal activity 主要業務
Quon Hing Concrete Company Limited ("Quon Hing") 港興混凝土有限公司 (「港興」)	Hong Kong 香港	35%	35%*	Production and distribution of ready-mixed concrete 生產及分銷預拌混凝土
Hong Kong Concrete Company Limited 港九混凝土有限公司	Hong Kong 香港	31.5%	31.5%	Production and distribution of ready-mixed concrete 生產及分銷預拌混凝土
Kenic Investment Holdings Limited 堅力投資控股有限公司	Hong Kong 香港	40%	40%	Investment holding 投資控股
Extra Gold Group Limited	Hong Kong 香港	40%	40%	Property holding 持有物業
Quick Flow Investment Limited	Hong Kong 香港	35%	30%	Inactive 暫無營業

## 18. 聯營公司權益及聯營公司貸款 (續)

於二零零五年十二月三十一日本集團之聯營公司詳情載列如下：

## Notes to the Financial Statements 財務報表附註

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

### 18. INTERESTS IN ASSOCIATES AND LOANS TO ASSOCIATES (continued)

The financial statements of Quon Hing are made up to 30 June each year. This was the financial reporting date established when Quon Hing was incorporated. For the purpose of applying the equity method of accounting, the financial statements of Quon Hing for the year ended 30 June 2005 have been used, and appropriate adjustments have been made for the effects of significant transactions between that date and 31 December 2005.

- \* The Group, through a 70% owned subsidiary, holds a 50% interest in Quon Hing Concrete Company Limited.

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

### 18. 聯營公司權益及聯營公司貸款 (續)

港興之財務報表乃截至每年六月三十日。此日期乃港興成立時所訂下之財務結算日。為配合應用權益會計法，港興截至二零零五年六月三十日止年度之財務報表被使用，就該日至二零零五年十二月三十一日之重大交易影響亦已作出適當調整。

- \* 本集團透過一間擁有其70%之附屬公司持有港興混凝土50%權益。

本集團之聯營公司之財務資料摘要如下：

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Total assets	總資產	<b>742,567</b>	549,547
Total liabilities	總負債	<b>(516,723)</b>	(357,665)
Net assets	資產淨額	<b>225,844</b>	191,882
Group's share of associates' net assets	集團佔聯營公司之資產淨額	<b>93,036</b>	77,513

## Notes to the Financial Statements 財務報表附註

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

## 18. INTERESTS IN ASSOCIATES AND LOANS TO ASSOCIATES (continued)

## 18. 聯營公司權益及聯營公司貸款 (續)

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Revenue	收入	<b>755,736</b>	570,807
Profit for the year	本年度溢利	<b>32,694</b>	6,353
Group's share of profit of associates for the year (net of tax)	本集團佔聯營公司之年度溢利(除稅後)	<b>14,001</b>	2,001

## 19. INVESTMENTS

## 19. 投資

		2005 二零零五年 HK\$'000 千港元
<b>Available-for-sale investments</b>	<b>可供出售投資</b>	
Unlisted equity securities	非上市股本證券	<b>77,741</b>
<b>Held-for-trading investments</b>	<b>持作交易用途之投資</b>	
Listed securities	上市證券	
Equity securities listed in Hong Kong, at market value	於香港上市之股本證券，按市值	<b>5,310</b>
Equity securities listed elsewhere, at market value	於其它地方上市之股本證券，按市值	<b>523,555</b>
		<b>528,865</b>
Unlisted equity investments, at fair value	非上市之股本投資，按公平值	<b>99,348</b>
		<b>628,213</b>

## Notes to the Financial Statements 財務報表附註

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

**19. INVESTMENTS**

As mentioned in note 2, from 1 January 2005 onwards, non-trading securities and trading securities have been reclassified to available-for-sale investments and held-for-trading investments respectively, in accordance with the requirements to HKAS 39. At 31 December 2004, non-trading securities and trading securities amounted to HK\$94,892,000 and HK\$862,685,000 respectively.

**Held-for-trading investments**

The fair value of the above held for trading investments are determined based on the quoted market bid price available on the relevant exchanges or financial institution.

**Available-for-sale investments**

The above unlisted investments represent investments in unlisted equity securities issued by private entities incorporated in Hong Kong and Taiwan. They are 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 their fair values cannot be measured reliably.

In the current year, the Group disposed of certain unlisted equity securities with carrying amount of HK\$20,704,000, which had been carried at cost less impairment before the disposal. A gain on disposal of HK\$1,763,000 has been recognised in profit or loss for the current year.

**19. 投資**

誠如附註2所述，自二零零五年一月一日起，根據香港會計準則第39號規定，非持作交易用途證券及交易證券已分別被重新歸類為可供出售投資及持作交易用途之投資。於二零零四年十二月三十一日，非持作交易用途證券及交易證券之金額分別為94,892,000港元及862,685,000港元。

**持作交易用途之投資**

以上持作交易用途之投資之公平值乃根據相關交易所或金融機構所報之市場買入價釐定。

**可供出售投資**

以上非上市投資代表於香港及台灣註冊成立之私人實體發行之非上市股本證券投資，於每個結算日以成本減減值計量，因為合理公平值之估計範圍非常重大，因此本公司董事認為彼等之公平值不能可靠地計量。

本集團於本年內出售若干非上市股本證券，賬面值20,704,000港元在出售前以成本減減值列賬。1,763,000港元之出售利潤已於本年度損益賬確認。

## Notes to the Financial Statements 財務報表附註

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

## 19. INVESTMENTS (continued)

Investments in securities as at 31 December 2004 are set out below.

## 19. 投資 (續)

截至二零零四年十二月三十一日之證券投資載列如下:

		2004 二零零四年 HK\$'000 千港元
<b>Non-trading securities</b> 非持作交易用途證券		
Unlisted equity investments, at cost	非上市股本投資·按成本值	125,911
Impairment loss	減值虧損	(31,019)
		<u>94,892</u>
<b>Trading securities</b> 交易證券		
Listed equity investments, at fair value:	上市股本投資·按公平值:	
Listed in Hong Kong	在香港境內上市	20,922
Listed outside Hong Kong	在香港境外上市	833,775
		<u>854,697</u>
Unlisted equity investments, at fair value	非上市股本投資·按公平值	7,988
		<u>862,685</u>
Market value of listed equity investments	上市股本投資市值	<u>854,697</u>

## 20. PLEDGED BANK DEPOSITS

Deposits amounting to HK\$5,990,000 (2004: HK\$Nil) and HK\$7,384,000 (2004: HK\$Nil) have been pledged as a margin for issuance of letter of credit and to secure bank acceptance draft respectively and are therefore classified as current assets.

The fair value of bank deposits at 31 December 2005 approximates to the corresponding carrying amount.

## 20. 已抵押銀行存款

金額為5,990,000港元(二零零四年:無)及7,384,000港元(二零零四年:無)之存款已分別質押作發出信用證之保證金及發出銀行承兌滙票之保證金,因此被歸類為流動資產。

該等銀行存款於二零零五年十二月三十一日之公平值與相對之賬面值相若。

## Notes to the Financial Statements 財務報表附註

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

## 21. LONG TERM LOAN RECEIVABLE

## 21. 長期應收貸款

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
A variable-rate loan receivable	浮動息率應收貸款	<b>7,690</b>	-
Carrying amount analysed for reporting purposes:	供呈報用之賬面值分析:		
Non-current assets (receivable after 12 months from the balance sheet date)	非流動資產 (結算日後12個月應收)	<b>7,690</b>	-

The loan receivable refers to a RMB8,000,000 (HK\$7,690,000) variable rate loan receivable with the maturity date as at 27 September 2007. The loan receivable has an effective interest rate of 5.76%.

As at 31 December 2005, the fair value of the loan receivable was approximately the same as the carrying amount.

應收貸款指到期日為二零零七年九月二十七日之浮動息率應收貸款人民幣8,000,000元(7,690,000港元)。應收貸款之實際息率為5.76%。

截至二零零五年十二月三十一日，應收貸款之公平值與賬面值相若。

## 22. INVENTORIES

## 22. 存貨

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Raw materials and consumables	原材料及易耗品	<b>14,856</b>	14,485
Work in progress	在製品	<b>2,053</b>	586
Finished goods	製成品	<b>11,492</b>	19,892
		<b>28,401</b>	34,963

The inventories are carried at cost.

存貨以成本列賬。

## Notes to the Financial Statements 財務報表附註

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

## 23. TRADE RECEIVABLES

## 23. 應收貿易賬款

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
The Group's trade receivables comprise: 本集團應收貿易賬款包括:			
Trade receivables from outsiders	應收外界人士之貿易賬款	<b>47,256</b>	20,662
Trade receivables from associates	應收聯營公司之貿易賬款	<b>19,221</b>	13,330
Trade receivables from related parties	應收關連人士之貿易賬款	<b>2,053</b>	-
		<b>68,530</b>	33,992

The Group's policy is to allow an average credit period of 90 days to its trade customers (including associates and related parties). The following is an aged analysis of trade receivables at the balance sheet date:

本集團政策給予貿易客戶(包括聯營公司及關連人士)平均90日之賒賬期。以下為結算日應收貿易賬款之賬齡分析:

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
0 – 90 days	0 – 90日	<b>68,383</b>	28,722
91 – 180 days	91 – 180日	<b>147</b>	5,270
		<b>68,530</b>	33,992

The directors consider that the carrying amount of trade receivables approximates their fair value.

董事認為應收貿易賬款之賬面值與其公平值相若。

The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

本集團並無重大集中之信貸風險，其風險分散於大量對手方及客戶。

## Notes to the Financial Statements 財務報表附註

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

### 24. TRADE PAYABLES

The Group's trade payables comprise:

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Trade payables to outsiders	應付外界人士之貿易賬款	<b>54,987</b>	13,074
Trade payables to ultimate holding company	應付最終控股公司之貿易賬款	<b>23,145</b>	15,155
		<b>78,132</b>	28,229

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

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
0 – 90 days	0 – 90日	<b>77,628</b>	27,868
91 – 180 days	91 – 180日	<b>98</b>	52
181 – 365 days	181 – 365日	<b>16</b>	45
Over 365 days	超過365日	<b>390</b>	264
		<b>78,132</b>	28,229

At 31 December 2005, trade payables of the Group included a trade balance due to the ultimate holding company of the Group of HK\$23,145,000 (2004: HK\$15,155,000) which is unsecured, interest-free and repayable in accordance with normal trading terms.

The directors consider that the carrying amount of trade payables approximates their fair value.

### 24. 應付貿易賬款

本集團應付貿易賬款包括：

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Trade payables to outsiders	應付外界人士之貿易賬款	<b>54,987</b>	13,074
Trade payables to ultimate holding company	應付最終控股公司之貿易賬款	<b>23,145</b>	15,155
		<b>78,132</b>	28,229

以下為應付貿易賬款之賬齡分析：

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
0 – 90 days	0 – 90日	<b>77,628</b>	27,868
91 – 180 days	91 – 180日	<b>98</b>	52
181 – 365 days	181 – 365日	<b>16</b>	45
Over 365 days	超過365日	<b>390</b>	264
		<b>78,132</b>	28,229

於二零零五年十二月三十一日，本集團應付貿易賬款包括欠本集團最終控股公司之貿易結欠23,145,000港元（二零零四年：15,155,000港元），該款項為無抵押、免息及須按正常貿易條款償還。

董事認為應付貿易賬款之賬面值與其公平值相若。



## Notes to the Financial Statements 財務報表附註

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

## 25. BANK OVERDRAFTS AND LOANS

## 25. 銀行透支及貸款

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Bank loans	銀行貸款	<b>1,234,043</b>	571,519
Secured	已抵押	<b>1,202,693</b>	545,519
Unsecured	無抵押	<b>31,350</b>	26,000
		<b>1,234,043</b>	571,519
The borrowings are repayable as follows: 款項償還期如下:			
On demand or within one year	一年內或按要求償還	<b>574,964</b>	559,888
In the second to fifth years	第二至第五年	<b>606,593</b>	9,305
After fifth year	第五年後	<b>52,486</b>	2,326
		<b>1,234,043</b>	571,519
Less: Amount due for settlement within one year (shown under current liabilities)	減: 須於一年內償還之款項 (列於流動負債項下)	<b>(574,964)</b>	(559,888)
Amount due for settlement after one year	須於一年後償還之款項	<b>659,079</b>	11,631

## Notes to the Financial Statements 財務報表附註

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

## 25. BANK OVERDRAFTS AND LOANS (continued)

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

		HK\$	US dollars	RMB
		'000	'000	'000
		港元	美元	人民幣
		千	千	千
As at 31 December 2005	截至二零零五年十二月三十一日	913,269	77,575	243,199
As at 31 December 2004	截至二零零四年十二月三十一日	556,049	15,470	-

Pursuant to a loan agreement dated 9 June 2005 between the Company and a bank relating to a one-year loan facility of HK\$40,000,000 and a loan agreement dated 25 July 2005 between the Company and a bank relating to a one-year loan facility of HK\$40,000,000, a termination event would arise if TCC, the Company's ultimate holding company, ceases to own beneficially, directly or indirectly, at least 51% of the shares in the Company's capital. There were HK\$25,350,000 outstanding as at 31 December 2005.

Pursuant to a loan agreement dated 23 June 2005 between the Company and certain banks relating to a five-year term loan facility of HK\$500,000,000, a termination event would arise if (i) TCC ceases to own legally and beneficially, at least 51% of the shares in the Company's capital or (ii) the Group fails to meet the financial covenants stipulated in the loan facility. There were HK\$500,000,000 outstanding as at 31 December 2005.

## 25. 銀行透支及貸款 (續)

以本集團附屬公司功能貨幣以外之貨幣計值之相關附屬公司借貸如下:

	HK\$	US dollars	RMB
	'000	'000	'000
	港元	美元	人民幣
	千	千	千

根據本公司與一間銀行在二零零五年六月九日訂立有關40,000,000港元之一年期貸款協議及本公司與一間銀行在二零零五年七月二十五日訂立有關40,000,000港元之一年期貸款協議，如本公司的最終控股公司台灣水泥股份有限公司終止實益持有（直接或間接）至少本公司51%股權，該貸款協議將被視為發生終止事件。截至二零零五年十二月三十一日未償還貸款為25,350,000港元。

根據本公司與若干銀行在二零零五年六月二十三日訂立有關500,000,000港元之五年定期貸款協議，如(i)台灣水泥股份有限公司終止合法及實益持有至少本公司51%股權或(ii)本集團不能符合該等貸款所指定之財務條款，該等貸款協議將被視為發生終止事件。截至二零零五年十二月三十一日未償還貸款為500,000,000港元。

## Notes to the Financial Statements 財務報表附註

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

## 25. BANK OVERDRAFTS AND LOANS (continued)

Pursuant to a loan agreement dated 17 October 2005 between a subsidiary and a bank relating to a one-year loan facilities of HK\$20,000,000, a termination event would arise if the Company ceases to be a subsidiary of TCC. No bank loan had been drawn as at 31 December 2005.

In addition, the Group has variable-rate borrowings which carry interest with reference to HIBOR, LIBOR and benchmark loan rates of financial institutions set by The People's Bank of China.

The directors consider that the carrying amount of bank overdrafts and loans approximates their fair value.

## 25. 銀行透支及貸款 (續)

根據一間附屬公司與一間銀行在二零零五年十月十七日訂立有關20,000,000港元之一年期貸款協議，如本公司終止成為台灣水泥股份有限公司之附屬公司，該貸款協議將被視為發生終止事件。截至二零零五年十二月三十一日，並無任何銀行貸款被提取。

此外，本集團之浮動息率借貸之利息乃參考香港銀行同業拆息、倫敦銀行同業拆息及中國人民銀行制定的金融機構貸款基準利率計算。

董事認為銀行透支及借貸之賬面值與其公平值相若。

## Notes to the Financial Statements 財務報表附註

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

## 26. DEFERRED TAX LIABILITIES

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

## 26. 遞延稅項負債

本集團於本年及以往年度確認之主要遞延稅項負債及其變動如下：

		Accelerated Revaluation tax of land and depreciation building Others Total			
		加速稅務折舊	樓宇重估 土地及	其他	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
At 1 January 2004	於二零零四年一月一日	(299)	-	-	(299)
Charge to equity for the year	於年內股本中扣減	-	(1,853)	-	(1,853)
At 31 December 2004	於二零零四年十二月三十一日	(299)	(1,853)	-	(2,152)
Charge to profit and loss for the year (Note 12)	於年內損益賬中扣減(附註12)	-	-	(2,043)	(2,043)
Charge directly to equity for the year	直接於年內股本中扣減	-	(620)	-	(620)
At 31 December 2005	於二零零五年十二月三十一日	(299)	(2,473)	(2,043)	(4,815)

The Group has tax losses of approximately HK\$61,333,000 (2004: HK\$30,394,000) available for offset against future profits. Included in unrecognised tax losses are losses of approximately HK\$26,477,000 (2004: Nil) and HK\$15,347,000 (2004: Nil) that will expire in 2010 and 2007 respectively. Deferred tax assets have not been recognised in respect of these losses due to the unpredictability of future profit streams.

Temporary differences arising in connection with interest in associates are insignificant.

本集團之稅項虧損約61,333,000港元(二零零四年:30,394,000港元),可被未來溢利抵銷。包括於未確認稅項虧損之虧損約26,477,000港元(二零零四年:無)及15,347,000港元(二零零四年:無),將分別於二零一零年及二零零七年屆滿。由於未來溢利來源難以預測,因此並無就該等虧損確認遞延稅項資產。

與聯營公司權益有關之暫時差額並不重大。

## Notes to the Financial Statements 財務報表附註

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

## 27. SHARE CAPITAL

## 27. 股本

		<b>2005 &amp; 2004</b>
		<b>Amount</b>
		二零零五年及 二零零四年 金額
		HK\$'000 千港元
Authorised:	法定股本：	
2,000,000,000 ordinary shares of HK\$0.10 each	2,000,000,000股 每股面值0.10港元之普通股	<u>200,000</u>
Issued and fully paid:	已發行及繳足股本：	
772,922,000 ordinary shares of HK\$0.10 each	772,922,000股 每股面值0.10港元之普通股	<u>77,292</u>

## 28. SHARE OPTION SCHEME

The Company operates a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Scheme include directors, independent non-executive directors, and employees of the Company and any of its subsidiaries and associates. The Scheme became effective upon the listing of the Company's shares on the Stock Exchange on 5 October 1997 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

## 28. 購股權計劃

本公司設有購股權計劃（「該計劃」）藉以鼓勵及回饋對本集團之成功經營作出貢獻之合資格參與者。該計劃合資格參與者包括本公司及附屬公司及聯營公司之董事、獨立非執行董事及僱員。該計劃於一九九七年十月五日，即本公司股份於聯交所上市日，正式開始生效，除非取消或修改，否則該計劃自生效日起計十年仍具有效力。

## Notes to the Financial Statements 財務報表附註

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

**28. SHARE OPTION SCHEME** (continued)

Subsequent to the adoption of the Scheme on 5 October 1997, the Stock Exchange has introduced a number of changes to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") on share option schemes. Any option to be granted in the future under the Scheme shall be subject to the new changes which include, inter alia, the following:

- (a) the maximum number of unexercised share options permitted to be granted under the Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue at the date of approval of the Scheme. The maximum number of shares issuable under share options to each eligible participant within any 12-month period is limited to 1% of the shares in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders approval in a general meeting.
- (b) share options granted to a director, chief executive or substantial shareholder, or to any of their associates, are subject to approval in advance by the independent non-executive directors; and
- (c) the exercise price of share options is determined by directors, but may not be less than the higher of (i) the Stock Exchange closing price of the shares on the date of grant of the share options, and (ii) the average Stock Exchange closing price of the shares for the five trading days immediately preceding the date of the grant.

The Company does not intend to amend the terms of the Scheme to comply with the requirements of the amended Listing Rules on share option schemes. However, the Company shall ensure that future grants of share options shall comply with such requirements.

**28. 購股權計劃** (續)

繼於一九九七年十月五日採納該計劃後，聯交所證券上市規則（「上市規則」）對購股權計劃作出數項修改。惟日後任何根據該計劃授出之購股權須符合此等修改，其中包括以下各項：

- (a) 根據該計劃獲准授出之未行使購股權獲行使時可認購之最高數目相當於該計劃批准日本公司已發行股份之10%。於任何十二個月期間，根據授予每位合資格參與者之購股權可發行股份之最高數目限於任何時間已發行股份之1%。超越此限制之任何進一步授出之購股權須獲得股東大會批准；
- (b) 授予董事、行政總裁或主要股東或彼等任何聯繫人之購股權須先由獨立非執行董事批准；及
- (c) 購股權之行使價由董事決定，但不得低於(i)於授出購股權當日股份在聯交所之收市價；及(ii)緊隨授予日前五個交易日股份在聯交所之平均收市價值（以較高者為準）。

本公司不擬修訂計劃的條款，以符合經修訂之上市規則有關購股權計劃之規定。然而，本公司將確保日後在授出購股權時，會符合該等規定。

## Notes to the Financial Statements 財務報表附註

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

**28. SHARE OPTION SCHEME** (continued)

Under the existing Scheme, the maximum number of share options currently permitted to be granted is an amount equivalent, upon their exercise, to 10% of the total number of shares of the Company in issue as at the date of grant. The maximum number of share options issuable to each eligible participant in the Scheme is an amount equivalent to 25% of the total number of shares for the time being issued and issuable under the Scheme.

The offer of a grant of share options may be accepted in writing within 30 days from the date of offer and upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options commences on the date after six months from the date of grant and ends on the fifth anniversary of the date of grant, subject to certain cessation provisions.

The exercise price for shares under the share option scheme shall not be less than the higher of (i) 80% of the average of the closing prices of the Company's shares on the Stock Exchange as dated in the Stock Exchange's daily quotation sheets for the five trading days immediately preceding the date of offer, and (ii) the nominal value of the Company's shares.

**28. 購股權計劃** (續)

按現有計劃可授予之購股權於行使時可認購之本公司股份最高上限，相當於本公司於授予日已發行股份之10%。根據此計劃授予每位合資格參與者之購股權可發行股份之最高數目相等於該計劃授予時總發行及可發行股份之25%。

承授人可於授出購股權建議日期起計三十日內支付合共1港元之象徵式代價後，以書面接納授出購股權之建議。購股權之行使期於授出後六個月開始及於授出日之第五週年結束，並受制於若干終止條款。

根據該購股權計劃，購股權之行使價不能低於(i)緊隨建議日期前五個交易日聯交所每日報價表所列本公司股份之平均收市價之80%及(ii)本公司股份之面值(以較高者為準)。

## Notes to the Financial Statements 財務報表附註

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

## 28. SHARE OPTION SCHEME (continued)

The following table discloses movements of the Company's share options granted under the Scheme during the year:

Name or category of participant	At 1 January 2004	Number of share options expired during the year	At 31 December 2004	Number of share options expired during the year	At 31 December 2005	Date of grant of share options	Exercise price of share options	Exercise period of share options outstanding at 31 December 2005
Directors								
董事								
KOO Cheng Yun, Leslie 辜成允	7,000,000	-	7,000,000	(7,000,000)	-	11 April 2000 二零零零年 四月十一日	1.6504	N/A 不適用
WU Yih Chin 吳義欽	4,500,000	-	4,500,000	(4,500,000)	-	11 April 2000 二零零零年 四月十一日	1.6504	N/A 不適用
			-	-	-	11 April 2000 二零零零年 四月十一日	1.6504	N/A 不適用
TSAO Jas Yee, James 曹樹儀	1,000,000	(1,000,000)	-	-	-	11 April 2000 二零零零年 四月十一日	1.6054	N/A 不適用
CHIANG Cheng Hsiung 江正雄	3,000,000	-	3,000,000	(3,000,000)	-	11 April 2000 二零零零年 四月十一日	1.6504	N/A 不適用
CHEN Chi Hsiung 陳吉雄	2,500,000	-	2,500,000	(2,500,000)	-	11 April 2000 二零零零年 四月十一日	1.6504	N/A 不適用
	18,000,000	(1,000,000)	17,000,000	(17,000,000)	-			
Other employees 其他僱員	2,000,000	-	2,000,000	(2,000,000)	-	11 April 2000 二零零零年 四月十一日	1.6504	N/A 不適用
Total 總額	20,000,000	(1,000,000)	19,000,000	(19,000,000)	-			

## 28. 購股權計劃 (續)

於年內該計劃授出之尚未行使購股權之變動披露如下：



## Notes to the Financial Statements 財務報表附註

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

### 28. SHARE OPTION SCHEME (continued)

No options were granted or exercised during the year.

On 10 April 2005, all the options granted had been expired. No financial impact of share options was recorded in the Group's financial statements for the year ended 31 December 2005.

### 29. RESERVES

The contributed surplus of the Group represents the difference between the fair value of the combined net asset value of the subsidiaries involved in the Group reorganisation in September 1997 and the assets, liabilities and undertakings which relate to the import and distribution of cement carried out by Hong Kong Cement Manufacturing Company Limited prior to the Group reorganisation (the "Relevant Business"), as if they were acquired by the Group when the subsidiaries and the Relevant Business commenced operations, and the nominal value of the Company's shares issued in exchange therefor.

In accordance with the relevant PRC regulations applicable to wholly-owned foreign enterprises, one of the Company's PRC subsidiaries is required to appropriate an amount of not less than 10% of its annual profit after tax to the statutory reserve fund, which may be used to increase the paid-up capital of the PRC subsidiary.

### 30. RETIREMENT BENEFITS PLANS

The Group operates a Mandatory Provident Fund Scheme for all qualifying employees in Hong Kong. The assets of the plans are held separately from those of the Group in funds under the control of trustees.

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

### 28. 購股權計劃 (續)

年內概無購股權授出或獲行使。

所有授出之購股權已於二零零五年四月十日到期。本集團之截至二零零五年十二月三十一日止年度財務報告內並無任何購股權之財務影響刊載。

### 29. 儲備

本集團之繳入盈餘指本集團於一九九七年九月進行重組涉及之附屬公司之合併資產淨值，以及假設當附屬公司及本集團重組前之香港水泥有限公司從事之水泥進口及分銷業務（「有關業務」）開始投入運作後已由本集團收購關於有關業務之資產、負債及業務之公平價值，與作為換取代價之本公司已發行股份面值之差額。

根據有關適用於外商獨資企業之中國法規，本公司其中一間中國附屬公司須將不少於每年除稅後溢利10%之款項提撥作法定儲備基金，該筆款項可作該中國附屬公司增加實繳資本之用。

### 30. 退休福利計劃

本集團為所有合資格僱員管設一個強制性公積金計劃。計劃資產獨立於本集團之資產，以由託管人控制之基金形式持有。

本集團位於中國之附屬公司之僱員為中國政府營辦之國家管理退休福利計劃之會員。該等附屬公司須按僱員薪金之某個指定百分比向退休福利計劃作出供款，為福利計劃提供資金。本集團有關退休福利計劃之唯一責任為作出指定供款。

## Notes to the Financial Statements 財務報表附註

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

### 30. RETIREMENT BENEFITS PLANS (continued)

The total expense recognised in the consolidated income statement of HK\$666,000 (2004: HK\$631,000) represents contributions payable to these plans by the Group at rates specified in the rules of the plans.

### 30. 退休福利計劃 (續)

本集團按計劃之規則指定之比率應付該等計劃之供款。為666,000港元(二零零四年: 631,000港元), 該費用已於綜合收益表確認入賬。

### 31. CAPITAL COMMITMENTS

### 31. 資本承擔

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Capital expenditure in respect to the acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements	已訂約但未於綜合財務報表撥備之購買物業、廠房及設備之資本支出	<b>288,495</b>	1,003,694

### 32. OPERATING LEASE COMMITMENTS

At the balance sheet date, the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

### 32. 營業租約承擔

於結算日, 本集團就不可撤銷之營業租約之日後最低租賃款項作出而尚未履行之承擔, 其屆滿期如下:

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Within one year	一年內	<b>6,532</b>	7,206
In the second to fifth years inclusive	第二年至第五年(包括首尾兩年)	<b>25,445</b>	25,932
Over five years	超過五年	<b>94,786</b>	103,050
		<b>126,763</b>	136,188

Operating lease payments represent rentals payable by the Group for certain of its rented premises. Leases are negotiated for an average term of three years.

營業租約承擔指本集團就其若干租賃物業應付之租金。租約平均長達三年。

## Notes to the Financial Statements 財務報表附註

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

## 33. RELATED PARTIES TRANSACTIONS

In addition to the transactions and balances set out elsewhere in these financial statements, during the year, the Group entered into the following material related party transactions:

## Transactions of a recurring nature

Transactions (i) to (iv) also constitute connected transactions as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"):

		Note	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
(i) Purchases of cement from the ultimate holding company	(i) 向最終控股公司購買水泥	(a)	76,668	72,638
(ii) Rental expenses payable to a fellow subsidiary	(ii) 應付一間同系附屬公司之租金	(a)	4,320	4,320
(iii) Rental expenses payable to a related company*	(iii) 應付一間關連公司之租金*	(a)	2,031	2,160
(iv) Logistic and unloading services fee payable to a fellow subsidiary	(iv) 應付一間同系附屬公司之物流及卸貨服務費	(a)	2,823	—
(v) Sales of cement to an associate	(v) 向一間聯營公司銷售水泥	(b)	38,560	48,413

\* The related company is an associate of the ultimate holding company.

Notes:

(a) The prices of these transactions were determined between the parties with reference to the agreements signed.

(b) The price of these transactions were determined between the parties with reference to market prices.

## 33. 關連人士交易

除該等財務報表其他地方所述之交易及結餘外，於本年度，本集團已進行下列重大關連人士交易：

## 經常性質之交易

第(i)至第(iv)項交易亦構成香港聯合交易所有限公司證券上市規則(「上市規則」)所指之關連交易：

\* 該關連公司乃最終控股公司之聯營公司。

附註：

(a) 該等交易之價格由訂約雙方參考已簽訂之協議釐定。

(b) 該等交易之價格由訂約雙方參考市場價格釐定。

## Notes to the Financial Statements 財務報表附註

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

## 34. SUBSIDIARIES

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

Name of subsidiary 附屬公司名稱	Place of incorporation and operation 註冊成立及 營運地點	Nominal value of issued ordinary shares/ registered capital 已發行普通股本/ 註冊股本面值	Proportion of ownership interest 應佔擁有權益比例		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
TCC Hong Kong Cement (BVI) Holdings Limited	British Virgin Islands ("BVI")/ Hong Kong 英屬處女群島 ("處女群島")/ 香港	Ordinary US\$1,000 普通股 1,000美元	100%	–	Investment holding 投資控股
Ulexite Investments Limited	BVI/Hong Kong 處女群島/香港	Ordinary US\$100 普通股 100美元	100%	–	Investment holding 投資控股
TCC Hong Kong Cement (International) Limited	BVI 處女群島	Ordinary US\$100 普通股 100美元	–	100%	Investment holding 投資控股
TCC Hong Kong Cement Development Limited	BVI/Hong Kong 處女群島/香港	Ordinary US\$10 Deferred*** US\$90 普通股 100美元 遞延股*** 90美元	–	100%	Property holding 持有物業

## 34. 附屬公司

本公司於二零零五年十二月三十一日之主要附屬公司詳情如下：

## Notes to the Financial Statements 財務報表附註

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

## 34. SUBSIDIARIES (continued)

## 34. 附屬公司 (續)

Name of subsidiary 附屬公司名稱	Place of incorporation and operation 註冊成立及 營運地點	Nominal value of issued ordinary shares/ registered capital 已發行普通股本/ 註冊股本面值	Proportion of ownership interest 應佔擁有權益比例		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
Dragon Pride International Limited	BVI/Philippines 處女群島/菲律賓	Ordinary US\$100 普通股 100美元	–	100%	Provision of cement handling services 提供水泥處理服務
Chiefolk Company Limited	Hong Kong 香港	Ordinary HK\$1,000,000 普通股 1,000,000港元	–	70%	Investment holding 持有物業
Hong Kong Cement Company Limited	Hong Kong 香港	Ordinary HK\$10,000 普通股 10,000港元	–	100%	Import and distribution of cement 進口及分銷水泥
Koning Concrete Limited	Hong Kong 香港	Ordinary HK\$10,000 普通股 10,000港元	–	100%	Investment holding 投資控股
TCC Cement Corporation	Philippines 菲律賓	Ordinary Peso 91,020,500 普通股 91,020,500披索	–	100%	Provision of cement handling services 提供水泥處理服務

## Notes to the Financial Statements 財務報表附註

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

## 34. SUBSIDIARIES (continued)

## 34. 附屬公司 (續)

Name of subsidiary 附屬公司名稱	Place of incorporation and operation 註冊成立及 營運地點	Nominal value of issued ordinary shares/ registered capital 已發行普通股本/ 註冊股本面值	Proportion of ownership interest 應佔擁有權益比例		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
Anhui King Bridge Cement Company Limited* 安徽朱家橋水泥有限公司*	PRC/Mainland China 中國/中國大陸	Registered capital US\$15,000,000 註冊資本 15,000,000美元	–	60%	Manufacture and distribution of cement and slag powder 製造及分銷水泥及 礦渣粉
TCC Fuzhou Cement Company Limited* 福州台泥水泥有限公司*	PRC/Mainland China 中國/中國大陸	Registered capital US\$13,250,000 註冊資本 13,250,000美元	–	100%	Manufacture and distribution of cement 製造及分銷水泥
Ying Xin Yingde Cement Co. Ltd.* 英信(英德)水泥有限公司*	PRC/Mainland China 中國/中國大陸	Registered capital US\$2,000,000 註冊資本 2,000,000美元	–	100%	Manufacture and distribution of cement 製造及分銷水泥
TCC Fuzhou Yangyu Port Company Limited* 福州台泥洋嶼碼頭有限公司*	PRC/Mainland China 中國/中國大陸	Registered capital US\$5,000,000 註冊資本 5,000,000美元	–	100%	Provision of port facility services 提供碼頭設施服務
TCC Liuzhou Construction Materials Company Limited* 柳州台泥新型建材有限公司*	PRC/Mainland China 中國/中國大陸	Registered capital US\$8,000,000 註冊資本 8,000,000美元	–	42%**	Manufacture and distribution of cement and slag powder 製造及分銷水泥及 礦渣粉

## Notes to the Financial Statements 財務報表附註

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

## 34. SUBSIDIARIES (continued)

## 34. 附屬公司 (續)

Name of subsidiary 附屬公司名稱	Place of incorporation and operation 註冊成立及 營運地點	Nominal value of issued ordinary shares/ registered capital 已發行普通股本/ 註冊股本面值	Proportion of ownership interest 應佔擁有權益比例		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
TCC Yingde Cement Company Limited* 台泥(英德)水泥有限公司*	PRC/Mainland China 中國/中國大陸	Registered capital US\$95,400,000 註冊資本 95,400,000美元	-	100%	Not yet commenced business 尚未營業
HKC Investments Limited 港泥投資股份有限公司	Taiwan 台灣	Ordinary NT\$3,145,000,000 普通股 3,145,000,000新台幣	-	100%	Investment holding 投資控股

\* Registered as equity joint ventures registered under the PRC law.

\*\* A subsidiary of a non wholly-owned subsidiary of the Company and, accordingly, is accounted for as a subsidiary by virtue of the Company's control over it.

\*\*\* The deferred shares of TCC Hong Kong Cement Development Limited are non-voting, carry no rights to dividends and are only entitled to a return of capital when the surplus exceeds US\$1,000,000,000,000,000,000,000,000.

\* 登記為根據中國法例註冊之合營公司。

\*\* 本公司之非全資附屬公司之附屬公司，因本公司對其之控制權作為附屬公司列賬。

\*\*\* TCC Hong Kong Cement Development Limited之遞延股並不附有投票權，亦不附有獲派股息之權利，且僅在盈餘超逾1,000,000,000,000,000,000,000,000美元時，方有權獲退還股本。

## Notes to the Financial Statements 財務報表附註

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

### 34. SUBSIDIARIES (continued)

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

None of the subsidiaries had issued any debt securities at 31 December 2005.

### 35. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 29 March 2006.

### 34. 附屬公司 (續)

上表已列入董事會認為對本年度業績構成了重要影響或構成本集團資產淨值之主要部分之本公司附屬公司。董事會認為，載列其他附屬公司之詳情，令資料過於冗長。

於二零零五年十二月三十一日，概無附屬公司發行任何債券。

### 35. 財務報表之批准

財務報表已於二零零六年三月二十九日獲董事會批准。