

1 PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these accounts are set out below:

(a) Basis of preparation

The accounts have been prepared in accordance with accounting principles generally accepted in Hong Kong and comply with accounting standards issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). They have been prepared under the historical cost convention modified by the revaluation of investment properties and other properties, and the marking to market of certain investments in securities as explained in the accounting policies set out below.

The HKICPA has issued a number of new and revised Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards (new “HKFRSs”) which are effective for accounting periods beginning on or after 1 January 2005. The Group has not early adopted these new HKFRSs in the financial statements for the year ended 31 December 2004. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a significant impact on its results of operations and financial position.

(b) Group accounting

The consolidated accounts include the accounts of the Company and its subsidiaries made up to 31 December. Subsidiaries are those entities in which the Company controls the composition of the board of directors, controls more than half of the voting power or holds more than half of the issued share capital.

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

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

In the Company’s balance sheet, the investments in subsidiaries are stated at cost less provision for impairment losses. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

1 主要會計政策

編製本賬目時採納之主要會計政策載列如下：

(a) 編製基準

賬目乃根據香港普遍採納之會計原則編製，並符合香港會計師公會（「會計師公會」）頒佈的會計準則。賬目乃按歷史成本法（已因應投資物業及其他物業之重估及若干證券投資按市值列賬而修訂，詳情見下文載列之會計政策）編製。

香港會計師公會已頒佈若干新訂及經修訂香港財務報告準則及香港會計準則（「新準則」），於二零零五年一月一日或之後開始之會計期間生效。本集團業無提早在截至二零零四年十二月三十一日止年度之賬目中採納該等新準則。本集團已開始評估新準則之影響，惟現時未能確定該等新準則會否對其經營業績及財政狀況造成重大影響。

(b) 集團會計入賬

綜合賬目包括本公司及其附屬公司截至十二月三十一日止結算的賬目。附屬公司為由本公司控制其董事會組成、控制過半數投票權或持有過半數已發行股本之公司。

於本年度收購或出售的附屬公司的業績由收購當日起或至出售生效當日止計入綜合損益表（視情況而定）。

本集團內公司間的重大交易及結存，均於編製綜合賬項時予以抵銷。

在本公司之資產負債表中，於附屬公司的投資按成本減減值撥備列賬。附屬公司業績乃由本公司按已收及應收股息之基準入賬。

1 PRINCIPAL ACCOUNTING POLICIES (continued)**(c) Investments in subsidiaries**

Investments in subsidiaries in the Company's balance sheet are stated at valuation which represents the net asset value as at the date of acquisition pursuant to the reorganisation of the Company and its subsidiaries in connection with the listing of the Company on The Stock Exchange of Hong Kong Limited less any provisions for diminution in value which is other than temporary as determined by the directors for each subsidiary individually. Any such provisions are recognised as expenses in the profit and loss account.

(d) Associate

An associate is a company, not being a subsidiary, in which an equity interest is held for the long-term and significant influence is exercised in its management.

The consolidated profit and loss account includes the Group's share of the results of an associate for the year, and the consolidated balance sheet includes the Group's share of the net assets of an associate and also goodwill (net of accumulated amortisation) on acquisition.

Equity accounting is discontinued when the carrying amount of the investment in an associate reaches zero, unless the Group has incurred obligations or guaranteed obligations in respect of the associate.

(e) Fixed assets

(i) Fixed assets are carried in the consolidated balance sheet on the following bases:

- investment properties with an unexpired lease term of more than 20 years are stated at their open market value which is assessed annually by external qualified valuers;

1 主要會計政策 (續)**(c) 於附屬公司的投資**

本公司資產負債表內於附屬公司的投資是按估值(即根據本公司及其附屬公司為本公司在香港聯合交易所上市而進行之重組作出收購當日之資產淨值之估值),再減董事會認為在投資出現非暫時性減值時按各附屬公司個別計提的撥備入賬。任何這些撥備均會在損益表內確認為支出。

(d) 聯營公司

聯營公司為附屬公司以外,本集團持有其股權作長期投資,並可對其管理發揮重大影響力之公司。

綜合損益表包括本集團於本年度內應佔聯營公司之業績,而綜合資產負債表則包括本集團應佔之聯營公司淨資產及收購時之商譽(扣除累積攤銷)。

於聯營公司的投資的賬面值為零之時,不再使用股本會計法,除非本集團已就聯營公司承擔責任或擔保承擔責任則作別論。

(e) 固定資產

(i) 固定資產是按下列基準記入綜合資產負債表內:

- 租賃期尚餘超過二十年的投資物業按每年由外聘的合資格估值師所評估的公開市值入賬;

1 PRINCIPAL ACCOUNTING POLICIES (continued)**(e) Fixed assets (continued)**

- other properties are stated at their revalued amount, being their fair value on the basis of their existing use at the date of revaluation less any subsequent accumulated depreciation. Revaluations are performed by qualified valuers every three years and carrying value is reviewed by directors in the intervening years to ensure that the carrying amount of these assets does not differ materially from that which would be determined using fair values at the balance sheet date; and
 - plant, machinery and other fixed assets are stated at cost less accumulated depreciation.
- (ii) Changes arising on the revaluation of investment and other properties are generally dealt with in reserves. The only exceptions are as follows:
- when a deficit arises on revaluation, it will be charged to the consolidated profit and loss account, if and to the extent that it exceeds the amount held in the reserve in respect of that same asset, or, solely in the case of investment properties, the portfolio of investment properties, immediately prior to the revaluation; and
 - when a surplus arises on revaluation, it will be credited to the consolidated profit and loss account, if and to the extent that a deficit on revaluation in respect of that same asset, or, solely in the case of investment properties, the portfolio of investment properties, had previously been charged to the consolidated profit and loss account.

1 主要會計政策 (續)**(e) 固定資產 (續)**

- 其他物業是以其重估值，即根據其在重估日的既有用途定出的公平價值，減重估後的累計折舊入賬。重估工作是由合資格的估值師每三年進行一次，而在估值年間，董事會就其他物業之賬面值作出檢討，以確保該等資產的賬面值與採用結算日公平價值釐定的數額不會出現重大差異；及
 - 廠房、機器及其他固定資產是以成本減累計折舊入賬。
- (ii) 重估投資和其他物業所產生的變動一般會撥入儲備，但下列情況則除外：
- 如重估產生虧損，而有關虧損額又超過該項資產或該投資組合（只適用於投資物業）在是次重估前撥入儲備的金額，則超額部份虧損便會自綜合損益表扣除；及
 - 如重估產生盈餘，而有關資產或該投資組合（只適用於投資物業）曾經有重估虧損自綜合損益表扣除，則會按曾扣減之虧損額將盈餘撥入綜合損益表。

1 PRINCIPAL ACCOUNTING POLICIES (continued)**(e) Fixed assets (continued)****(iii) Impairment and gain or loss on disposal**

At each balance sheet date, both internal and external sources of information are considered to assess whether there is any indication that assets included in other properties and other fixed assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated and where relevant, an impairment loss is recognised to reduce the asset to its recoverable amount. Such impairment losses are recognised in the consolidated profit and loss account except where the asset is carried at valuation and the impairment loss does not exceed the revaluation surplus for that same asset, in which case it is treated as a revaluation decrease.

- (iv) Subsequent expenditure relating to a fixed asset that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Group. All other subsequent expenditures are recognised as expenses in the period in which they are incurred.

The gain or loss on disposal of a fixed asset other than investment properties is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in the consolidated profit and loss account. Any revaluation reserve balance remaining attributable to the relevant asset is transferred to retained earnings and is shown as a movement in reserves.

1 主要會計政策 (續)**(e) 固定資產 (續)****(iii) 減值及出售收益或虧損**

於每個結算日，內部及外界之資料來源均會視作評估是否有跡象顯示列為其他物業及其他固定資產類別之資產出現減值。如出現任何該等跡象，會估算資產之可收回款額，而在適當情況下，會確認減值虧損以將資產價值降至其可收回款額。有關減值虧損會在綜合損益表確認，惟倘資產乃按估值置存而減值虧損不超逾該項資產之重估增值，則在此情況下視作重估減值。

- (iv) 如固定資產的期後開支可以令該項資產為集團帶來較原先估計更多的經濟效益，則固定資產的期後開支便會計入該項資產的賬面值。所有其他期後支出則在產生期間確認為開支。

出售固定資產（不計投資物業）所產生的收益或虧損，以估計淨出售所得與資產的賬面值之間的差額釐定，並在綜合損益表內確認。有關資產仍然應佔之重估儲備結餘會轉撥保留盈利，列為儲備變動。

1 PRINCIPAL ACCOUNTING POLICIES (continued)**(f) Depreciation**

- (i) No depreciation is provided on investment properties with an unexpired lease term of over 20 years.
- (ii) Depreciation is calculated to write off the cost or valuation of other fixed assets over their estimated useful lives as follows:
- leasehold land is depreciated on a straight-line basis over the remaining term of the lease;
 - buildings are depreciated on a straight-line basis over the shorter of their estimated useful lives, being 50 years from the date of completion, and the unexpired terms of the leases; and
 - other fixed assets are depreciated on a straight-line basis over their estimated useful lives as follows:

Leasehold land	50 years – 57 years
Buildings	46 years – 50 years
Leasehold improvements	20% – 50%
Furniture and equipment	20% – 33⅓%
Plant and machinery	20%
Motor vehicles	20%

(g) Operating leases

Leases where substantially all the risks and rewards of ownership of assets remain with the leasing company are accounted for as operating leases. Payments made under operating leases net of any incentives received from the leasing company are charged to the consolidated profit and loss account on a straight-line basis over the lease periods.

1 主要會計政策 (續)**(f) 折舊**

- (i) 租賃期尚餘超過二十年的投資物業不計算任何折舊。
- (ii) 其他固定資產的折舊是按其預計可用年限以直線法撇銷其成本或估值，計算如下：
- 租賃土地按尚餘租賃期以直線法計算折舊；
 - 樓宇是按其預計可用年限（即完工日起計五十年）或租賃剩餘年期兩者中的較短者以直線法計算折舊；及
 - 其他固定資產是按下列的預計可用年限以直線法計算折舊：

租約土地	50年 – 57年
樓宇	46年 – 50年
租賃物業裝修	20% – 50%
傢俬及設備	20% – 33⅓%
廠房及機器設備	20%
汽車	20%

(g) 經營租約

資產擁有權涉及之絕大部份風險及回報仍歸出租公司之租約，均以經營租約方式入賬。經營租約的應付租金（不計出租公司支付之任何獎勵金）按個別租賃期以直線法記入綜合損益表。

1 PRINCIPAL ACCOUNTING POLICIES (continued)**(h) Revenue recognition**

Revenue from the sale of goods is recognised when the goods are delivered at customers' premises which is taken to be the point in time when customers have accepted the goods and the related risks and rewards of ownership.

Revenue from individual construction contract is recognised by using the percentage of completion method, measured by reference to the revenue earned to date as determined by surveyors compared with the total estimated revenue of the contract.

Commission income received and receivable from principals on distributorship agency business is recognised when services are rendered and goods are distributed to third parties by the principals.

Interest income is accrued on a time-apportioned basis on the principal amounts outstanding and at the rates applicable.

Dividend income is recognised when the Company's right to receive payment is established.

Rental income from investment properties is recognised in the consolidated profit and loss account in equal instalments over the accounting periods covered by the lease term.

(i) Non-trading securities

Non-trading securities are stated in the consolidated balance sheet at fair value. Changes in fair value are recognised in the investment revaluation reserve until the security is sold, collected or otherwise disposed of, or until there is objective evidence that the security is impaired, at which time the relevant cumulative gain or loss is transferred from the investment revaluation reserve to the consolidated profit and loss account.

1 主要會計政策 (續)**(h) 收入確認**

銷售貨品之收入在貨品送至客戶場地 (假定客戶已接納貨品及其擁有權相關的風險及回報) 時確認。

個別建築合約之收入乃以完成階段為基準確認, 此乃參照測量師比較合約預計總收入後釐定迄今為止所得收入計算。

就分銷代理業務已收及應收自委託人之佣金收入乃於提供服務及委託人將貨品分銷予第三方時確認。

利息收入乃按時間比例基準, 計入未償還本金及適用利率後確認。

股息收入乃於本公司確立可收取款項之權利後確認。

投資物業租金收入因應租賃期涵蓋之會計期間按等額方式以直線法記入綜合損益表。

(i) 非買賣用途證券

非買賣用途證券乃按公平價值列入綜合資產負債表。公平價值之變動均確認為投資重估儲備, 直至售出、收回或以其他方式出售有關證券或客觀證據顯示有關證券出現減值為止, 屆時有關之累積收益或虧損須自投資重估儲備轉撥至綜合損益表。

1 PRINCIPAL ACCOUNTING POLICIES (continued)**(i) Non-trading securities (continued)**

Fair value is estimated by the directors by reference to quoted market prices, where available, or, where there is no open market for the investment, following a number of general principles which are based upon the British Venture Capital Association guidelines as set out below.

The directors classify investments either as early stage or development stage. Early stage investments represent immature companies, which are typically not earning significant maintainable profits. Development stage investments are unquoted investments which are not early stage investments.

Securities are stated at amounts considered by the directors to be a fair assessment of their value, subject to overriding requirements of prudence. All securities are valued according to one of the following bases:

- Cost (less provision required);
- Earnings multiple;
- Net assets; or
- Third party transaction.

Early stage investments and development stage investments which are acquired within one year of the valuation date are normally valued at cost. Provision against cost will be made in the light of adverse circumstances, i.e. if the investment performs significantly below expectations. Upward adjustments to cost may be made by reference to the price at which a subsequent issue of capital is made, or at which a transaction for cash in the relevant security takes place. This basis of valuation will only be used when the transaction involves a significant investment by a new investor.

Development stage investments held for more than one year are valued on one of the bases described above. Whenever possible, investments will be valued by reference to a third party transaction or quoted price.

1 主要會計政策 (續)**(i) 非買賣用途證券 (續)**

公平價值乃由董事會參考市場報價（指在可取得報價之情況）作出估值。倘該投資並無公開市場，則依循多項一般性原則作出估值，此等原則乃以 British Venture Capital Association 之指引為基礎，並載列於下文。

董事會將投資分類為初期階段或發展階段。初期階段投資指發展尚未成熟之公司，通常未能賺得持久可觀之溢利。發展階段投資指並非處於初期階段之非上市投資。

證券乃按董事會認為足以公正評定其價值之金額列賬，惟須符合審慎原則。所有證券均按下列其中一項基準釐定價值：

- 成本（減所需撥備）；
- 盈利倍數；
- 資產淨值；或
- 第三者交易。

自估值日起一年內購入之初期階段投資及發展階段投資通常按成本釐定價值。在不利環境（即倘投資表現遠較預期為差）下，將就成本撥備。成本可參考日後發行資本或就有關證券進行現金交易所依據之價格而向上調整。此估值基準只在交易涉及新投資者作出重大投資之情況下始會採用。

持有超過一年之發展階段投資乃按上述其中一項基準進行估值。投資將盡可能參考第三者交易或市場報價進行估值。

1 PRINCIPAL ACCOUNTING POLICIES (continued)**(i) Non-trading securities (continued)**

Transfers from the investment revaluation reserve to the consolidated profit and loss account as a result of impairments are reversed when the circumstances and events that led to the impairment cease to exist and there is persuasive evidence that new circumstances and events will persist for the foreseeable future.

Profits or losses on disposal of non-trading securities are determined as the difference between the estimated net disposal proceeds and the carrying amount of the securities and are recognised in the consolidated profit and loss account as they arise. On disposal of non-trading securities, the revaluation surplus or deficit previously taken to the investment revaluation reserve is also transferred to the consolidated profit and loss account for the year.

(j) Other investments

Other investments comprise club debentures and are stated in the consolidated balance sheet at fair value. Changes in fair value are recognised in the consolidated profit and loss account as they arise.

(k) Inventories

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is determined on the basis of anticipated sales proceed less estimated selling expense.

1 主要會計政策 (續)**(i) 非買賣用途證券 (續)**

如出現若干情況及事件導致減值不復存在，且有具說服力之證據支持此等新情況及事件將於可預見將來仍持續出現，則因減值而自投資重估儲備轉撥至綜合損益表之款額均予回撥。

出售非買賣用途證券所得之溢利或虧損乃出售估計所得款項淨額與有關證券賬面值兩者間之差額，並在出現時在綜合損益表確認。在出售非買賣用途之證券時，以往撥入投資重估儲備之重估盈餘或虧絀亦轉撥至該年度之綜合損益表。

(j) 其他投資

其他投資指會所債券，以公平價值記入綜合資產負債表。公平價值的變動在產生時在綜合損益表內確認。

(k) 存貨

存貨乃以成本及可變現淨值兩者中的較低者入賬。

成本以加權平均法計算，其中包括所有採購成本、加工成本以及令存貨變成現狀和運輸的成本。

可變現淨值乃按預計銷售所得款項扣除估計營銷費用計算。

1 PRINCIPAL ACCOUNTING POLICIES (continued)**(l) Construction contracts**

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised when incurred.

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs are recognised over the period of the contract, respectively, as revenues and expenses. The Group uses the percentage of completion method as set out in note 1(h) to determine the appropriate amount of revenue and costs to be recognised in a given period. When it is probable that the total contract cost will exceed the total contract revenue, the expected loss is recognised as an expense immediately.

The aggregate of the costs incurred and the profit/loss recognised on each contract is compared with the progress billings up to the year-end. Where costs incurred and attributable profits (less foreseeable losses) exceed progress billings, the balance is shown as due from customers on construction contracts, under current assets. Where progress billings exceed costs incurred plus attributable profits (less foreseeable losses), the balance is shown as due to customers on construction contracts, under current liabilities.

(m) Accounts receivable

Provision is made against accounts receivable to the extent that they are considered to be doubtful. Accounts receivable in the consolidated balance sheet are stated net of such provision.

1 主要會計政策 (續)**(l) 建築合約**

當建築合約之結果未能可靠估算，合約收入只按照有可能收回之已發生合約成本記賬。合約成本於發生時記賬。

當建築合約之結果能可靠估算，合約收入與成本將按合約期分別記賬為收入與支出。集團按照上文附註1(h)所載並採用完成階段為基準確定在某期間須記賬之收入及成本之適當金額。當總合約成本有可能超過總合約收益，預期之虧損即時列為開支。

每份合約產生之成本與已確認之溢利／虧損總額，與截至年終為止之進度收費單作一比較。當已發生成本與已確認之溢利（減可預見之虧損）超過進度收費單之款額，有關差額將列作流動資產下之應收客戶之建築合約款。當進度收費單之款額超過已發生成本加已確認之溢利（減可預見之虧損），差額將列作流動負債下之應付客戶之建築合約款。

(m) 應收賬款

凡被視為屬呆賬之應收賬款均作出撥備。綜合資產負債表上之應收賬款乃扣除該筆撥備後列出。

1 PRINCIPAL ACCOUNTING POLICIES (continued)**(n) Deferred taxation**

Deferred taxation is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the accounts. Taxation rates enacted or substantively enacted by the balance sheet date are used to determine deferred taxation.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

(o) Translation of foreign currencies

Transactions in foreign currencies are translated at exchange rates ruling at the transaction dates. Monetary assets and liabilities expressed in foreign currencies at the balance sheet date are translated at rates of exchange ruling at the balance sheet date. All exchange differences are dealt with in the consolidated profit and loss account.

(p) Borrowing costs

Borrowing costs are charged to the consolidated profit and loss account in the year in which they are incurred.

(q) Related parties

For the purposes of these accounts, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

1 主要會計政策 (續)**(n) 遞延稅項**

遞延稅項採用負債法就資產負債之稅基與它們在賬目之賬面值兩者之短暫時差作全數撥備。遞延稅項採用在結算日前已頒佈或實質頒佈之稅率釐定。

遞延稅項資產乃就有可能將未來應課稅溢利與可動用之短暫時差抵銷而確認。

(o) 外幣換算

外幣交易按交易日率換算。以外幣為單位的貨幣性資產及負債則按結算日的率換算為港幣。因上述情況出現之兌盈虧均撥入綜合損益表處理。

(p) 借貸成本

借貸成本於產生之年度在綜合損益表中支銷。

(q) 有關連人士

就本賬目而言，如本集團有權直接或間接監控另一方人士或對另一方人士的財務及經營決策有重要影響，或另一方人士有權直接或間接監控本集團或對本集團的財務及經營決策有重要的影響，或本集團與另一方人士均受制於共同的監控或共同的重要影響，則被視為有關連人士。有關連人士可為個別人士或其他公司。

1 PRINCIPAL ACCOUNTING POLICIES (continued)**(r) Cash and cash equivalents**

Cash and cash equivalents are carried in the consolidated balance sheet at cost. For the purposes of the consolidated cash flow statement, cash and cash equivalents comprise cash on hand, short-term deposits and bank loans with original maturity of three months or less and bank overdrafts.

(s) Employee benefits**(i) Long service payments**

Provision for long service payments is recognised for the best estimate of the long service payments that are required to be made to the employees of the Group in respect of their services to date less any amounts that would be expected to be met out of the Group's retirement schemes.

(ii) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made by the Group for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

Employee entitlements to sick leave and maternity are not recognised until the time of leave.

(iii) Share option scheme

The Group operates a share option scheme where directors or employees are granted with options to acquire shares of the Company at specified exercise price. No compensation costs are recognized in the consolidated accounts.

1 主要會計政策 (續)**(r) 現金及現金等價物**

現金及現金等價物乃按成本在綜合資產負債表列賬。就編製綜合現金流量表而言，現金及現金等價物包括手頭現金、短期存款及原期限為三個月或以下之銀行貸款及銀行透支。

(s) 僱員福利**(i) 長期服務金**

長期服務金乃按須就本集團僱員迄今之服務年期所作之長期服務金最佳估算，再減預計可從本集團退休金計劃中支付之任何款額後列賬。

(ii) 僱員應享假期

僱員之年假權利在僱員應享有時確認。本集團為截至結算日止僱員已提供之服務而產生之年假之估計負債作出撥備。

僱員之病假及產假須待休假當日方予以確認。

(iii) 購股權計劃

本集團設有購股權計劃，董事或僱員可據此獲授購股權以本公司指定的行使價認購股份，於綜合損益表內概無確認任何報酬費用。

1 PRINCIPAL ACCOUNTING POLICIES (continued)**(s) Employee benefits (continued)****(iv) Pension obligations**

The Group's contributions to the defined contribution retirement scheme regulated under the Occupational Retirement Schemes Ordinance ("ORSO") and AIA-JF Premium Mandatory Provident Fund Scheme ("MPF"), collectively known as ("Retirement Schemes") which are available to all employees. Contributions to the Retirement Schemes by the Group and employees are calculated as a percentage of the employees' basic salaries. The Retirement Schemes cost charged to the consolidated profit and loss account represents contributions paid or payable by the Group to the Retirement Schemes.

The Group's contributions to Retirement Schemes are expensed as incurred. Contributions to the ORSO scheme are reduced by contributions forfeited by those employees who leave the ORSO scheme prior to vesting fully in the contributions. The assets of the Retirement Schemes are held separately from those of the Group in an independently administered fund.

(v) Bonus plans

The expected cost of bonus payment is recognised as a liability when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

Liabilities for bonus plans are expected to be settled within 12 months and measured at the amounts expected to be paid when they are settled.

1 主要會計政策 (續)**(s) 僱員福利 (續)****(iv) 退休金責任**

本集團為所有僱員提供受職業退休計劃條例(「退休條例」)監管之界定供款退休計劃及AIA-JF Premium強積金計劃(「強積金」)，合稱(「退休金計劃」)作出供款。本集團及僱員向退休金計劃所作之供款乃按僱員基本薪酬之某個百分比計算。計入綜合損益表內之退休金計劃費用乃指本集團已付或應付予退休金計劃之供款。

本集團對退休金計劃之供款於產生時列作開支。倘僱員於可全數取得供款前退出退休條例計劃，則彼等被沒收之供款將用作減低本集團之供款。退休金計劃之資產由獨立於本集團之管理基金持有，並與本集團之資產分開處理。

(v) 獎金計劃

當本集團因為僱員已提供之服務而產生現有法律或推定性責任，而責任金額能可靠估算時，則將獎金計劃之預計成本確認為負債入賬。

獎金計劃之負債預期須在十二個月內償付，並根據在償付時預期會支付之金額計算。

1 PRINCIPAL ACCOUNTING POLICIES (continued)**(t) Segment reporting**

In accordance with the Group's internal financial reporting, the Group has determined that business segments be presented as the primary reporting format and geographical segments as the secondary reporting format.

Unallocated costs represent corporate expenses. Segment assets consist primarily of investment and other properties, fixed assets, non-trading securities, other investments, inventories, construction contracts and receivables, and mainly exclude operating cash. Segment liabilities comprise operating liabilities and exclude items such as taxation and certain corporate borrowings. Capital expenditure comprises additions to fixed assets.

In respect of geographical segment reporting, sales are based on the country in which the customer is located. Total assets and capital expenditure are where the assets are located.

(u) Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably. A contingent liability is not recognised but is disclosed in the notes to the accounts. When a change in the probability of an outflow occurs so that outflow is probable, they will then be recognised as a provision.

(v) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net assets of the acquired associate at the date of acquisition.

1 主要會計政策 (續)**(t) 分類呈報**

根據本集團之內部財務呈報方式，本集團已決定將業務分類作首要呈報方式，而地區分類則作次要呈報方式。

未分類費用意指公司開支。分類資產主要包括投資及其他物業、固定資產、非買賣用途證券、其他投資、存貨、建築合約及應收賬款，惟主要不包括經營現金。分類負債指經營負債，惟不包括稅項及若干公司借款等項目。資本開支包括添置之固定資產（附註14）。

銷售額乃以顧客所在之國家作地區分類，而總資產及資本開支則以資產所在地分類。

(u) 或然負債

或然負債為過往事件引致之潛在責任，其存在與否只可由日後一件或多件非本集團所能完全控制之不確定事件之出現與否而落實。此外，或然負債亦可能是過往事件引致之現有責任，而此等事件則因未能確定是否需要流出經濟資源或責任之款額未能以可靠方式衡量而未有確認。或然負債不予確認，惟會在賬目之附註內披露。如出現流出款項之可能性有變以致可能出現流出款項，則會確認為撥備。

(v) 商譽

商譽為收購成本超逾本集團應佔所收購聯營公司資產淨值於收購日期之公平價值。

1 PRINCIPAL ACCOUNTING POLICIES (continued)

(v) Goodwill (continued)

Goodwill on acquisition that occurred prior to 1 January 2001 was amortised on a straight-line basis to the consolidated profit and loss account over its estimated useful economic life of 10 years.

2 TURNOVER, OTHER REVENUES AND SEGMENT INFORMATION

The principal activities of the Group are trading in, and the supply and installation of, building products and engineering equipment and a distributorship agency business. The principal activities of the subsidiaries are set out in note 15 of the accounts.

1 主要會計政策 (續)

(v) 商譽 (續)

於二零零一年一月一日以前進行之收購帶來之商譽按估計可使用經濟年期10年以直線法在綜合損益表攤銷。

2 營業額、其他收入及分類資料

本集團主要從事建築產品及工程設備之銷售、供應及安裝以及分銷代理業務。各附屬公司之主要業務列載於賬目附註15。

		2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
Turnover	營業額		
Sales of inventories	銷售存貨收入	315,362	344,115
Revenue from construction contracts	建築合約收入	249	21,153
Commission income	佣金收入	5,545	8,175
		321,156	373,443
Other revenues	其他收入		
Interest income from bank deposits	來自銀行存款之利息收入	442	443
Administration fee received from the associate (note 30(a))	向一間聯營公司收取之行政費用 (附註30(a))	948	948
Gross rental income from investment properties (note 30(b))	投資物業之總租金收入 (附註30(b))	612	636
Write back provision for doubtful debts	呆賬撥備撥回	5,284	4,593
Write back provision for stock obsolescence	過時存貨撥備撥回	—	340
Gain on disposal of fixed assets	出售固定資產收益	4	—
Sundry income	雜項收入	1,837	1,182
		9,127	8,142
Total revenue	總收入	330,283	381,585

2 TURNOVER, OTHER REVENUES AND SEGMENT INFORMATION (continued)**Primary reporting format – business segments**

The analysis of the Group's performance for the year by business and geographical segments is set out below.

The Group is organised into two main business segments, being the trading in, and the supply and installation of, building products and engineering equipment.

Other operations of the Group mainly comprise holding of investment properties and other properties, neither of which are of a sufficient size to be reported separately.

Secondary reporting format – geographical segments

The operation of the business is mainly carried in two main geographical areas, Hong Kong and Macau as well as Mainland China.

2 營業額、其他收入及分類資料 (續)**首要呈報方式 – 業務分類**

本集團年內表現按業務及地區所作之分析載列如下。

本集團之主要業務分為兩項 – 建築產品及工程設備之銷售、供應及安裝。

本集團之其他業務主要為持有投資物業與其他物業，惟以上各項之規模不足以作獨立呈報。

次要呈報方式 – 地區分類

業務主要在兩地經營，分別為香港及澳門與及中國內地。

2 TURNOVER, OTHER REVENUES AND SEGMENT INFORMATION (continued)

2 營業額、其他收入及分類資料 (續)

Primary reporting format – business segments

首要呈報方式 – 業務分類

		Building products 2004 HK\$'000 建築產品 二零零四年 港幣千元	Engineering equipment 2004 HK\$'000 工程設備 二零零四年 港幣千元	Other operations 2004 HK\$'000 其他業務 二零零四年 港幣千元	Elimination 2004 HK\$'000 對銷 二零零四年 港幣千元	The Group 2004 HK\$'000 本集團 二零零四年 港幣千元
Turnover	營業額					
External sales	外界銷售	265,870	55,286	–	–	321,156
Inter-segment sales	業務間之銷售	36,263	–	–	(36,263)	–
		302,133	55,286	–	(36,263)	321,156
Segment results	分類業績	23,054	(672)	(2,522)*	–	19,860
Unallocated costs	未分配成本					(16,026)
Operating profit	經營溢利					3,834
Finance costs	財務費用					(54)
Share of loss of an associate	應佔聯營公司虧損	–	–	(1,035)	–	(1,035)
Profit before taxation	除稅前溢利					2,745
Taxation	稅項					(256)
Profit attributable to shareholders	股東應佔溢利					2,489
Segment assets	分類資產	82,719	15,838	94,167	–	192,724
Interest in an associate	聯營公司權益			265	–	265
Unallocated assets	未分配資產					85,363
Total assets	總資產					278,352
Segment liabilities	分類負債	(56,379)	(13,765)	(2,932)	–	(73,076)
Unallocated liabilities	未分配負債					(13,754)
Total liabilities	總負債					(86,830)
Capital expenditure	資本開支	(1,414)	(86)	(1,811)	–	(3,311)
Other non-cash expenses	其他非現金開支					
Depreciation	折舊	(2,800)	(152)	(2,283)	–	(5,235)
Provision for doubtful debts	呆賬撥備	(1,941)	(841)	–	–	(2,782)
Write back provision for doubtful debts	呆賬撥備撥回	2,307	2,977	–	–	5,284
Provision for stock obsolescence	過時存貨撥備	(469)	–	–	–	(469)
Provision for long service payments	長期服務金撥備	41	274	177	–	492
Provision for employee leave entitlements	僱員應享假期撥備	(134)	(64)	(12)	–	(210)
Unrealised gain on revaluation of investment properties and other properties	重估投資物業及其他物業之未變現收益	–	–	2,821	–	2,821

* Included in the segment results of other operations was unrealised gain on revaluation of investment properties and other properties amounting to HK\$2,821,000.

* 其他業務之分類業績，已計入港幣2,821,000元之重估物業及其他物業之未變現收益。

2 TURNOVER, OTHER REVENUES AND SEGMENT INFORMATION (continued)

2 營業額、其他收入及分類資料 (續)

Primary reporting format – business segments (continued)

首要呈報方式 – 業務分類 (續)

		Building products 2003 HK\$'000 建築產品 二零零三年 港幣千元	Engineering equipment 2003 HK\$'000 工程設備 二零零三年 港幣千元	Other operations 2003 HK\$'000 其他業務 二零零三年 港幣千元	Elimination 2003 HK\$'000 對銷 二零零三年 港幣千元	The Group 2003 HK\$'000 本集團 二零零三年 港幣千元
Turnover	營業額					
External sales	外界銷售	312,013	61,430	–	–	373,443
Inter-segment sales	業務間之銷售	55,327	–	–	(55,327)	–
		<u>367,340</u>	<u>61,430</u>	<u>–</u>	<u>(55,327)</u>	<u>373,443</u>
Segment results	分類業績	28,633	(2,763)	(5,538)*	–	20,332
Unallocated costs	未分配成本					(18,477)
Operating profit	經營溢利					1,855
Finance costs	財務費用					(75)
Share of loss of an associate	應佔聯營公司虧損	–	–	(263)	–	(263)
Profit before taxation	除稅前溢利					1,517
Taxation	稅項					(305)
Profit attributable to shareholders	股東應佔溢利					<u>1,212</u>
Segment assets	分類資產	122,967	27,717	90,846	–	241,530
Interest in an associate	聯營公司權益	–	–	2,446	–	2,446
Unallocated assets	未分配資產					74,033
Total assets	總資產					<u>318,009</u>
Segment liabilities	分類負債	(86,442)	(16,251)	(2,421)	–	(105,114)
Unallocated liabilities	未分配負債					(14,767)
Total liabilities	總負債					<u>(119,881)</u>
Capital expenditure	資本開支	(279)	(12)	(417)	–	(708)
Other non-cash expenses	其他非現金開支					
Depreciation	折舊	(2,558)	(161)	(2,333)	–	(5,052)
Amortisation of goodwill	商譽攤銷	–	–	(178)	–	(178)
Provision for doubtful debts	呆賬撥備	(971)	(517)	–	–	(1,488)
Write back provision for doubtful debts	呆賬撥備撥回	4,447	146	–	–	4,593
Provision for stock obsolescence	過時存貨撥備	(387)	–	–	–	(387)
Write back provision for stock obsolescence	過時存貨撥備撥回	297	43	–	–	340
Provision for long service payments	長期服務金撥備	182	(339)	(859)	–	(1,016)
Provision for employee leave entitlements	僱員應享假期撥備	(172)	(21)	(50)	–	(243)
Unrealised loss on revaluation of investment properties and other properties	重估投資物業及其他物業之未變現虧損	–	–	(1,500)	–	(1,500)

* Included in the segment results of other operations was unrealised loss on revaluation of investment properties and other properties amounting to HK\$1,500,000.

* 其他業務之分類業績，已計入港幣1,500,000元之重估投資物業及其他物業之未變現虧損。

2 TURNOVER, OTHER REVENUES AND SEGMENT INFORMATION (continued)

2 營業額、其他收入及分類資料 (續)

Secondary reporting format – geographical segments

次要呈報方式 – 地區分類

		Turnover	Segment results	Total assets	Capital expenditure
		2004	2004	2004	2004
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		營業額	分類業績	總資產	資本開支
		二零零四年	二零零四年	二零零四年	二零零四年
		港幣千元	港幣千元	港幣千元	港幣千元
Hong Kong and Macau	香港及澳門	307,511	54,793	186,104	2,017
Mainland China	中國內地	13,645	2,116	6,620	1,294
		<u>321,156</u>	<u>56,909</u>		<u>3,311</u>
Unallocated costs	未分配成本		(53,075)		
Operating profit	經營溢利		<u>3,834</u>		
Interest in an associate	聯營公司權益			265	
Unallocated assets	未分配資產			<u>85,363</u>	
Total assets	總資產			<u>278,352</u>	

2 TURNOVER, OTHER REVENUES AND SEGMENT INFORMATION (continued)

Secondary reporting format – geographical segments (continued)

		Turnover	Segment results	Total assets	Capital expenditure
		2003	2003	2003	2003
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		營業額	分類業績	總資產	資本開支
		二零零三年	二零零三年	二零零三年	二零零三年
		港幣千元	港幣千元	港幣千元	港幣千元
Hong Kong and Macau	香港及澳門	356,656	64,662	232,677	420
Mainland China	中國內地	16,787	2,384	8,853	288
		<u>373,443</u>	<u>67,046</u>		<u>708</u>
Unallocated costs	未分配成本		(65,191)		
Operating profit	經營溢利		<u>1,855</u>		
Interest in an associate	聯營公司權益			2,446	
Unallocated assets	未分配資產			74,033	
Total assets	總資產			<u>318,009</u>	

3 COST OF SALES

		2004	2003
		二零零四年	二零零三年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Cost of inventories sold	銷售存貨成本	260,419	291,077
Cost of construction contracts (Note)	建築合約成本 (附註)	1,876	14,289
Cost of consumable stock	消耗存貨成本	1,825	973
Sub-contracting fee on construction contracts	建築合約之 分包費用	28	58
		<u>264,148</u>	<u>306,397</u>

Note: Based on the latest assessment of total contract costs for the contracting business, a net amount of HK\$29,000 has been debited (2003: HK\$2,432,000 has been credited) to cost of sales to reflect a change in estimate of contract costs for the year ended 31 December 2004.

2 營業額、其他收入及分類資料 (續)

次要呈報方式 – 地區分類 (續)

	Segment results	Total assets	Capital expenditure
	2003	2003	2003
	HK\$'000	HK\$'000	HK\$'000
	分類業績	總資產	資本開支
	二零零三年	二零零三年	二零零三年
	港幣千元	港幣千元	港幣千元
Hong Kong and Macau	64,662	232,677	420
Mainland China	2,384	8,853	288
	<u>67,046</u>		<u>708</u>
Unallocated costs	(65,191)		
Operating profit	<u>1,855</u>		
Interest in an associate		2,446	
Unallocated assets		74,033	
Total assets		<u>318,009</u>	

3 銷售成本

	2004	2003
	二零零四年	二零零三年
	HK\$'000	HK\$'000
	港幣千元	港幣千元
Cost of inventories sold	260,419	291,077
Cost of construction contracts (Note)	1,876	14,289
Cost of consumable stock	1,825	973
Sub-contracting fee on construction contracts	28	58
	<u>264,148</u>	<u>306,397</u>

附註：基於就承建業務中合約成本總額所作之最新評估，款項淨額約港幣29,000元已自銷售成本撥備扣除（二零零三年：約港幣2,432,000元已自銷售成本撥備撥回），以反映截至二零零四年十二月三十一日止年度合約成本估算之變動。

4 OPERATING EXPENSES

4 經營開支

		2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
Administrative expenses:	行政費用：		
Staff costs (note 7)	員工成本 (附註7)	29,310	35,646
Directors' remuneration (note 6(a))	董事酬金 (附註6(a))	9,900	11,202
Depreciation	折舊	5,235	5,052
Operating lease rentals	就樓宇已付第三者之		
on properties paid to third parties	經營租約租金	2,480	2,377
Travelling expenses	交通費	1,153	1,281
Entertainment expenses	交際費	608	771
Management fee	管理合約費	1,200	1,080
Stamps, postage and telephone	郵票、郵資及電話費	1,081	1,182
Auditors' remuneration	核數師酬金	1,292	1,222
Legal and professional fees	法律及專業服務費	1,395	845
Advertising and promotion expenses	廣告及推廣費	728	546
Amortisation of goodwill	商譽攤銷	—	178
		54,382	61,382
Other operating expenses:	其他經營開支：		
Provision for doubtful debts	呆賬撥備	2,782	1,488
Provision for stock obsolescence	過時存貨撥備	469	387
Provision for long service payments	長期服務金撥備	(492)	1,016
Provision for employee leave entitlements	僱員應享假期撥備	210	243
Loss on disposal of fixed assets	出售固定資產之虧損	—	5
Sundry expenses	雜項開支	7,771	7,312
		10,740	10,451
		65,122	71,833

5 FINANCE COSTS

Interest expenses on short-term bank loans and overdrafts 短期銀行貸款及透支之利息開支

5 財務費用

2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
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54	75
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6 DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

(a) Directors' remuneration

The aggregate amounts of emoluments payable to directors pursuant to section 161 of the Hong Kong Companies Ordinance were as follows:

6 董事及高級管理人員之酬金

(a) 董事酬金

根據香港公司條例第161條披露的董事酬金如下：

Fees	袍金
Salaries and other emoluments	薪金及其他酬金
Discretionary bonuses	酌情花紅
Retirement Schemes contributions	退休金計劃供款

2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
-----------------------------------	-----------------------------------

700	600
8,446	8,814
312	1,295
442	493
9,900	11,202

Included in the directors' remuneration were fees of HK\$700,000 (2003: HK\$600,000) paid to non-executive directors and independent non-executive directors during the year.

董事酬金中包括本年度內支付予非執行董事及獨立非執行董事之袍金港幣700,000元(二零零三年：港幣600,000元)。

6 DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (continued)

(a) Directors' remuneration (continued)

The emoluments of the directors fell within the following bands:

Emoluments' band	酬金之範圍	Number of directors 董事人數	
		2004 二零零四年	2003 二零零三年
HK\$Nil – HK\$1,000,000	港幣零元 – 港幣1,000,000元	5	4
HK\$1,000,001 – HK\$1,500,000	港幣1,000,001元 – 港幣1,500,000元	3	–
HK\$1,500,001 – HK\$2,000,000	港幣1,500,001元 – 港幣2,000,000元	1	1
HK\$2,000,001 – HK\$2,500,000	港幣2,000,001元 – 港幣2,500,000元	–	1
HK\$2,500,001 – HK\$3,000,000	港幣2,500,001元 – 港幣3,000,000元	–	1
HK\$3,000,001 – HK\$3,500,000	港幣3,000,001元 – 港幣3,500,000元	1	–
HK\$3,500,001 – HK\$4,000,000	港幣3,500,001元 – 港幣4,000,000元	–	1

(b) Five highest paid individuals

Of the five individuals with the highest emoluments, four (2003: four) were directors whose emoluments were disclosed in note (a) above. The highest emoluments payable to the remaining one (2003: one) individual during the year was as follows:

		2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
Salaries and other emoluments	薪金及其他酬金	785	844
Discretionary bonuses	酌情花紅	367	219
Retirement Schemes contributions	退休金計劃供款	38	40
		1,190	1,103

6 董事及高級管理人員之酬金 (續)

(a) 董事酬金 (續)

董事酬金之範圍如下：

	Number of directors 董事人數	
	2004 二零零四年	2003 二零零三年
HK\$Nil – HK\$1,000,000	5	4
HK\$1,000,001 – HK\$1,500,000	3	–
HK\$1,500,001 – HK\$2,000,000	1	1
HK\$2,000,001 – HK\$2,500,000	–	1
HK\$2,500,001 – HK\$3,000,000	–	1
HK\$3,000,001 – HK\$3,500,000	1	–
HK\$3,500,001 – HK\$4,000,000	–	1

(b) 五位最高酬金之人士

五位最高酬金人士包括四位 (二零零三年：四位) 董事，彼等之酬金已於上文附註(a)披露。年內，應付其餘一位 (二零零三年：一位) 最高酬金人士如下：

		2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
Salaries and other emoluments	薪金及其他酬金	785	844
Discretionary bonuses	酌情花紅	367	219
Retirement Schemes contributions	退休金計劃供款	38	40
		1,190	1,103

6 DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (continued)

(b) Five highest paid individuals (continued)

The emoluments of the one (2003: one) individual with the highest emoluments was within the following band:

Emoluments' band	酬金之範圍	Number of individuals 人數	
		2004 二零零四年	2003 二零零三年
HK\$1,000,001 – HK\$1,500,000	港幣 1,000,001 元 – 港幣 1,500,000 元	<u>1</u>	<u>1</u>

7 STAFF COSTS

Wages and salaries	工資及薪金
Termination benefits	解僱補償
Contributions to ORSO scheme (note 8)	退休條例計劃供款 (附註8)
Contributions to MPF scheme (note 8)	強積金計劃供款 (附註8)

7 員工成本

2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
28,016	33,225
628	1,230
311	760
355	431
<u>29,310</u>	<u>35,646</u>

8 RETIREMENT SCHEMES

The Group's contributions to the ORSO Scheme were reduced by contributions forfeited on those employees who left the ORSO Scheme prior to vesting fully in the contributions. Forfeited contributions totalling HK\$784,000 (2003: HK\$641,000) were fully utilised during the year.

Contributions of HK\$216,000 (2003: HK\$292,000) were payable to the Retirement Schemes at the year end.

8 退休金計劃

倘僱員於可全數取得供款前退出退休條例計劃，則彼等被沒收之供款將用作減低本集團之供款。被沒收之供款合共港幣 784,000 元 (二零零三年：港幣 641,000 元) 全部已於年內動用。

於年結時，應付予退休金計劃之供款港幣 216,000 元 (二零零三年：港幣 292,000 元)。

9 EQUITY COMPENSATION BENEFITS

A share option scheme (“the Scheme”) was approved and adopted by the shareholders at a special general meeting of the Company on 11 July 2002 under which the board of directors may, at its discretion, invite eligible persons to take up options to subscribe for shares of the Company.

Details of options granted to directors and employees under the Scheme were as follows:

Date of options granted	授出 購股權日期	Outstanding options as at 1 January 2004 二零零四年 一月一日 尚未行使之 購股權	Granted during the year 於年內 授出	Exercised/ lapsed/ cancelled during the Year 於年內 行使/ 作廢/註銷	Outstanding options as at 31 December 2004 二零零四年 十二月三十一日 尚未行使之 購股權	Subscription price per share 每股認購價 HK\$ 港幣
18 September 2003	二零零三年九月十八日	7,200,000	–	(3,500,000)	3,700,000	0.500
19 November 2004	二零零四年十一月十九日	–	3,700,000	–	3,700,000	0.602
		<u>7,200,000</u>	<u>3,700,000</u>	<u>(3,500,000)</u>	<u>7,400,000</u>	

At the dates before the options were granted, being 17 September 2003 and 18 November 2004, the market value per share of the Company was HK\$0.500 and HK\$0.600 respectively.

The options granted on 18 September 2003 can be exercised in two instalments, 50% of which at any time between 1 September 2005 and 30 August 2010 and the remaining 50% at any time between 1 September 2006 and 30 August 2010.

The options granted on 19 November 2004 can be exercised in two instalments, 50% of which at any time between 1 November 2006 and 30 August 2010 and the remaining 50% at any time between 1 November 2007 and 30 August 2010.

9 股本報酬福利

一項購股權計劃（「該計劃」）獲本公司股東於二零零二年七月十一日之股東特別大會上批准及採納，據此，本公司董事會可酌情邀請合資格人士認授購股權以認購本公司股份。

根據該計劃向董事及僱員授出購股權之詳情如下：

在購股權授出前一日，即二零零三年九月十七日及二零零四年十一月十八日，本公司股份每股市值分別為港幣0.500元及港幣0.600元。

於二零零三年九月十八日授出之購股權可分兩期行使，購股權之50%可由二零零五年九月一日至二零一零年八月三十日止期間行使，餘下之50%可由二零零六年九月一日至二零一零年八月三十日止期間行使。

於二零零四年十一月十九日授出之購股權可分兩期行使，購股權之50%可由二零零六年十一月一日至二零一零年八月三十日止期間行使，餘下之50%可由二零零七年十一月一日至二零一零年八月三十日止期間行使。

10 TAXATION

Hong Kong profits tax has been provided at the rate of 17.5% (2003: 17.5%) on the estimated assessable profit for the year. Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

Taxation in the consolidated profit and loss account was as follows:

		2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
Provision for Hong Kong profits tax for the year	本年度香港利得稅撥備	(34)	(46)
Overseas taxation	海外稅項	(192)	(149)
Deferred taxation (note 27)	遞延稅項 (附註27)	—	(110)
		(226)	(305)
Share of associate's taxation	應佔聯營公司稅項	(30)	—
		(256)	(305)

10 稅項

香港利得稅乃就年內估計應課稅溢利按 17.5% (二零零三年: 17.5%) 之稅率撥備。海外溢利稅項乃根據年內之估計應課稅溢利按本集團經營業務所在國家之適用稅率計算。

綜合損益表所列的稅項為：

10 TAXATION (continued)

The taxation on the Group's profit before taxation differs from the theoretical amount that would arise using the taxation rate of the home country of the Company as follows:

		2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
Profit before taxation	除稅前溢利	2,745	1,517
Calculated at a taxation rate of 17.5%	按稅率17.5%計算之稅項	480	265
Effect of different taxation rates in other countries	其他國家不同稅率 之影響	167	(54)
Income not subject to taxation	無須課稅之收入	(1,359)	(1,698)
Expenses not deductible for taxation purposes	不可就稅項扣除 的開支	766	1,056
Tax loss not recognised	尚未確認的稅務虧損	1,054	1,869
Utilisation of previously unrecognized tax losses	使用早前未有確認 之稅務虧損	(882)	(1,193)
Increase in opening net deferred tax liabilities resulting from increase in tax rate	稅率提高產生之期初 遞延稅項負債淨額 之增加	—	60
Share of associate's taxation	應佔聯營公司稅項	30	—
Taxation charge	稅項支出	256	305

10 稅項 (續)

本集團有關除稅前溢利之稅項與本公司以本港稅率計算的理論金額的偏差如下：

11 PROFIT ATTRIBUTABLE TO SHAREHOLDERS

The profit attributable to shareholders includes a profit of HK\$10,469,000 (2003: profit of HK\$8,394,000) which has been dealt with in the accounts of the Company.

11 股東應佔溢利

股東應佔溢利已列入本公司賬目內為數港幣10,469,000元的溢利(二零零三年：港幣8,394,000元溢利)。

12 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share was based on the Group's profit attributable to ordinary shareholders of HK\$2,489,000 (2003: Group's profit attributable to ordinary shareholders of HK\$1,212,000) and the weighted average number of 224,496,000 (2003: 224,496,000) ordinary shares in issue during the year.

(b) Diluted earnings per share

The calculation of diluted earnings per share was based on the Group's profit attributable to ordinary shareholders of HK\$2,489,000 (2003: Group's profit attributable to ordinary shareholders of HK\$1,212,000) and the weighted average number of 225,047,000 (2003: 224,496,000) ordinary shares after adjusting for the effects of all dilutive potential ordinary shares.

(c) Reconciliation

		2004 二零零四年 Number of shares 股份數目	2003 二零零三年 Number of shares 股份數目
Weighted average number of ordinary shares used in calculating basic earnings per share	用作計算每股基本盈利的普通股加權平均數	224,496,000	224,496,000
Deemed issue of ordinary shares for no consideration	設定發行無代價普通股	551,000	—
Weighted average number of ordinary shares used in calculating diluted earnings per share	用作計算每股攤薄盈利的普通股加權平均數	225,047,000	224,496,000

12 每股盈利

(a) 每股基本盈利

每股基本盈利乃根據本集團年內普通股股東應佔溢利約港幣2,489,000元（二零零三年：本集團之普通股股東應佔溢利約港幣1,212,000元）及已發行普通股之加權平均數約224,496,000股（二零零三年：約224,496,000股）計算。

(b) 每股攤薄盈利

每股攤薄盈利乃根據本集團年內普通股股東應佔溢利約港幣2,489,000元（二零零三年：本集團之普通股股東應佔溢利約港幣1,212,000元）及經就所有潛在普通股之攤薄效應作出調整後之普通股加權平均數約225,047,000股（二零零三年：約224,496,000股）計算。

(c) 對賬

13 DIVIDEND

13 股息

		2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
Final, proposed of HK4.40 cents (2003: HK4.40 cents) per ordinary share	擬派末期股息每股 普通股港幣4.40仙 (二零零三年: 港幣4.40仙)	9,878	9,878

14 FIXED ASSETS

14 固定資產

The Group

本集團

		Investment properties 投資物業 HK\$'000 港幣千元	Other properties 其他物業 HK\$'000 港幣千元	Leasehold improvements 租賃物業 裝修 HK\$'000 港幣千元	Furniture and equipment 傢俬 及設備 HK\$'000 港幣千元	Plant and machinery 廠房及 機器設備 HK\$'000 港幣千元	Motor vehicles 汽車 HK\$'000 港幣千元	Total 總數 HK\$'000 港幣千元
Cost or valuation	成本或估值							
At 1 January 2004	於二零零四年一月一日	17,501	71,300	14,360	27,787	13,001	482	144,431
Additions	添置	-	-	795	508	764	1,244	3,311
Disposals	出售	-	-	-	(85)	-	(463)	(548)
Revaluation	重估	100	850	-	-	-	-	950
At 31 December 2004	於二零零四年 十二月三十一日	17,601	72,150	15,155	28,210	13,765	1,263	148,144
Accumulated depreciation	折舊總額							
At 1 January 2004	於二零零四年一月一日	-	1,214	13,870	26,569	10,836	482	52,971
Charge for the year	本年折舊	-	1,440	775	885	1,886	249	5,235
Disposals	出售	-	-	-	(83)	-	(463)	(546)
Revaluation	重估	-	(2,654)	-	-	-	-	(2,654)
At 31 December 2004	於二零零四年 十二月三十一日	-	-	14,645	27,371	12,722	268	55,006
Net book value	賬面淨值							
At 31 December 2004	於二零零四年 十二月三十一日	17,601	72,150	510	839	1,043	995	93,138
At 31 December 2003	於二零零三年 十二月三十一日	17,501	70,086	490	1,218	2,165	-	91,460

14 FIXED ASSETS (continued)

The analysis of the cost or valuation at 31 December 2004 of the above assets of the Group was as follows:

		Investment properties 投資物業 HK\$'000 港幣千元	Other properties 其他物業 HK\$'000 港幣千元	Leasehold improvements 租賃物業裝修 HK\$'000 港幣千元	Furniture and equipment 傢俬及設備 HK\$'000 港幣千元	Plant and machinery 廠房及機器設備 HK\$'000 港幣千元	Motor vehicles 汽車 HK\$'000 港幣千元	Total 總數 HK\$'000 港幣千元
At cost	成本	–	–	15,155	28,210	13,765	1,263	58,393
At valuation	估值	17,601	72,150	–	–	–	–	89,751
		<u>17,601</u>	<u>72,150</u>	<u>15,155</u>	<u>28,210</u>	<u>13,765</u>	<u>1,263</u>	<u>148,144</u>

The analysis of the cost or valuation at 31 December 2003 of the above assets of the Group was as follows:

		Investment properties 投資物業 HK\$'000 港幣千元	Other properties 其他物業 HK\$'000 港幣千元	Leasehold improvements 租賃物業裝修 HK\$'000 港幣千元	Furniture and equipment 傢俬及設備 HK\$'000 港幣千元	Plant and machinery 廠房及機器設備 HK\$'000 港幣千元	Motor vehicles 汽車 HK\$'000 港幣千元	Total 總數 HK\$'000 港幣千元
At cost	成本	–	–	14,360	27,787	13,001	482	55,630
At valuation	估值	17,501	71,300	–	–	–	–	88,801
		<u>17,501</u>	<u>71,300</u>	<u>14,360</u>	<u>27,787</u>	<u>13,001</u>	<u>482</u>	<u>144,431</u>

上述之本集團資產於二零零四年十二月三十一日之成本或估值分析如下：

上述之本集團資產於二零零三年十二月三十一日之成本或估值分析如下：

14 FIXED ASSETS (continued)

The Group's interest in investment properties and other properties at their net book values was analysed as follows:

14 固定資產 (續)

本集團於投資物業及其他物業所擁有之權益按賬面淨值分析如下：

		The Group 本集團	
		2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
In Hong Kong, held on:	香港，按下列租約持有：		
Leases of over 50 years	逾50年之租約	—	49,515
Leases of between 10 to 50 years	10年至50年之租約	68,650	17,303
Outside Hong Kong, held on:	香港以外，按下列租約持有：		
Leases of over 50 years	逾50年之租約	5,550	5,268
Leases of between 10 to 50 years	10年至50年之租約	15,551	15,501
		<u>89,751</u>	<u>87,587</u>

Investment properties and other properties of the Group were revalued at 31 December 2004 on the basis of their open market value by A.G. Wilkinson & Associates, an independent firm of chartered surveyors, employed by the Group. Revaluation gain of HK\$2,821,000 was credited (2003: revaluation loss of HK\$1,500,000 was charged) to the consolidated profit and loss account for the year ended 31 December 2004.

The carrying amount of other properties would have been HK\$84,924,000 (2003: HK\$86,953,000) had they been stated at cost less accumulated depreciation.

As at 31 December 2004, a property with a net book value of HK\$51,000,000 (2003: HK\$49,515,000) held by a subsidiary of the Group was charged to a bank to obtain banking facilities.

本集團投資物業及其他物業已於二零零四年十二月三十一日經由本集團委聘之獨立特許測量師行韋堅信測量師行以公開市值為基準進行重估。於二零零四年十二月三十一日止年度，重估收益約港幣2,821,000元已自綜合損益表撥回（二零零三年：港幣1,500,000元已自綜合損益表扣除）。

如其他物業按成本減累計折舊入賬，有關該等物業的賬面金額為港幣84,924,000元（二零零三年：港幣86,953,000元）。

截至二零零四年十二月三十一日，一項由本集團旗下附屬公司持有賬面淨值為港幣51,000,000（二零零三年：港幣49,515,000元）之物業，已為取得銀行信貸而抵押予銀行。

15 SUBSIDIARIES

15 附屬公司

		The Company 本公司	
		2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
Unlisted shares, at valuation	非上市股份，按估值	86,131	86,131
Amounts due from subsidiaries	附屬公司欠款	105,649	107,197
		191,780	193,328

The amounts due from subsidiaries were unsecured, interest free and had no fixed terms of repayment.

附屬公司之欠款為無抵押、免息及無固定還款期。

The following was a list of the subsidiaries as at 31 December 2004:

於二零零四年十二月三十一日，本公司旗下附屬公司之詳情如下：

Name of company 公司名稱	Place of incorporation/ operations 註冊成立／ 營業地點	Group equity interest held by 本集團透過以下公司 所持股本權益		Issued and paid up ordinary share capital 已發行及 繳足普通股本	Principal activities 主要業務
		The Company 本公司 %	Subsidiaries 附屬公司 %		
i-Onyx Investment Holdings Limited	British Virgin Islands 英屬處女群島	100	–	US\$1 1美元	Investment holding 投資控股
Anagram Company Limited	British Virgin Islands 英屬處女群島	–	100	US\$1 1美元	Investment holding 投資控股
Arnhold (B.V.I.) Limited	British Virgin Islands/ Hong Kong 英屬處女群島／香港	100	–	US\$1,000 1,000美元	Investment holding 投資控股
Arnhold Investments Limited 安利投資有限公司	Hong Kong 香港	–	100	Ordinary HK\$1 Non-voting deferred HK\$1,000,000 普通股港幣1元 無投票權遞延股份 港幣1,000,000元	Investment holding 投資控股

15 SUBSIDIARIES (continued)

15 附屬公司 (續)

Name of company 公司名稱	Place of incorporation/ operations 註冊成立/ 營業地點	Group equity interest held by 本集團透過以下公司 所持股本權益		Issued and paid up ordinary share capital 已發行及 繳足普通股本	Principal activities 主要業務
		The Company 本公司 %	Subsidiaries 附屬公司 %		
Arnhold & Company, Limited 安利有限公司	Hong Kong 香港	—	100	HK\$20,000,000 港幣20,000,000元	Trading and engineering 貿易及工程
Arnhold Marble Limited 安利雲石有限公司	Hong Kong 香港	—	100	HK\$2 港幣2元	Supply and installation of natural stones 供應及安裝天然石材
Arnhold Kitchens Limited 安利廚櫃有限公司	Hong Kong 香港	—	100	HK\$2 港幣2元	Supply and installation of fitted kitchen cabinets 供應及安裝廚櫃
Arnhold Asia Limited	British Virgin Islands 英屬處女群島	—	100	US\$50,000 50,000美元	Trading 貿易
Arnhold & Company (Shanghai) Limited* 貿邦建材國際貿易 (上海) 有限公司	Shanghai 上海	—	100	US\$200,000 200,000美元	Trading 貿易
Arnhold Stone Works Limited 安利石材有限公司	Hong Kong 香港	—	100	HK\$2 港幣2元	Dormant 暫停營業
Arnhold Design Centres Limited 安利家麗有限公司	Hong Kong 香港	—	100	HK\$2 港幣2元	Retailing 零售
Arnhold Distributors Limited	Bermuda 百慕達	—	100	HK\$100,000 港幣100,000元	Distributorship Agent 經銷商
Arnhold China Limited 安利中國有限公司	Hong Kong 香港	—	100	HK\$2 港幣2元	Inactive 暫無營業
Arnhold Properties (B.V.I.) Limited	British Virgin Islands/ Hong Kong 英屬處女群島/香港	—	100	US\$1 1美元	Property holding 物業持有

15 SUBSIDIARIES (continued)

15 附屬公司 (續)

Name of company 公司名稱	Place of incorporation/ operations 註冊成立/ 營業地點	Group equity interest held by 本集團透過以下公司 所持股本權益		Issued and paid up ordinary share capital 已發行及 繳足普通股本	Principal activities 主要業務
		The Company 本公司 %	Subsidiaries 附屬公司 %		
Palatial Properties Limited	British Virgin Islands/ Hong Kong 英屬處女群島/香港	—	100	US\$1 1美元	Property holding 物業持有
Diction Limited 的信有限公司	Hong Kong 香港	—	100	HK\$2 港幣2元	Property holding 物業持有
Grandful Limited 津福有限公司	Hong Kong 香港	—	100	HK\$2 港幣2元	Property investment 物業投資
Tradebond Investments Limited 貿邦投資有限公司	Hong Kong 香港	—	100	HK\$2 港幣2元	Property investment 物業投資
Worldpole Investments Limited 滙柱投資有限公司	Hong Kong 香港	—	100	HK\$2 港幣2元	Property investment 物業投資
Arnhold Marble China Limited 安利雲石中國有限公司	Hong Kong 香港	—	100	HK\$10 港幣10元	Trading and management services 貿易及管理服務
Dongguan Arnhold Marble Limited* 東莞安利石材有限公司*	Dongguan 東莞	—	100	HK\$9,045,016 港幣9,045,016元	Natural stones cutting and polishing 天然石材切割及加工
i-Onyx (HK) Limited	Hong Kong 香港	100	—	HK\$2 港幣2元	Deregistration in progress 註銷中
Bain d'Or Buildings Material Limited 安法建築材料有限公司	Hong Kong 香港	—	100	HK\$2 港幣2元	Inactive 暫無營業

* Wholly-owned foreign enterprise incorporated in Mainland China.

* 於中國內地註冊成立之外商獨資企業

16 INTEREST IN AN ASSOCIATE

16 聯營公司權益

		The Group 本集團	
		2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
Share of net (liabilities)/assets	應佔(負債)／資產淨值	(153)	1,830
Amount due from the associate	聯營公司之欠款	418	616
		<u>265</u>	<u>2,446</u>

No special dividend (2003: HK\$2,000,000) was received from the associate for the year ended 31 December 2004.

本年度來自聯營公司之特別股息收入為港幣零元(二零零三年:港幣2,000,000元)。

The amount due from the associate was unsecured, interest free and had no fixed terms of repayment.

聯營公司之欠款為無抵押、免息及無固定還款期。

The interest in the associate represents a 20% interest in the issued share capital of Kingspan China Limited, a company incorporated in Hong Kong and engaged in the thermal insulation and panel business.

聯營公司權益指持有固溫中國有限公司之已發行股本之20%權益。該公司在香港註冊成立，從事保溫隔熱風喉系統及隔熱板業務。

17 NON-TRADING SECURITIES

17 非買賣用途證券

		The Group 本集團	
		2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
Unlisted equity securities, at cost	非上市證券投資，按成本值	7,800	7,800
Less: provision for impairment loss	減：減值撥備	(7,800)	(7,800)
		<u>-</u>	<u>-</u>

18 OTHER INVESTMENTS

18 其他投資

		The Group 本集團	
		2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
Unlisted club debentures, at fair value	非上市會籍債券，按公平價值	<u>2,288</u>	<u>2,288</u>

19 INVENTORIES

19 存貨

		The Group 本集團	
		2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
Merchandise	商品	9,381	10,099
Consumable inventories	消耗存貨	2,038	1,090
Raw materials	原材料	719	907
Work in progress	在製品	273	—
		<u>12,411</u>	<u>12,096</u>

20 CONSTRUCTION CONTRACTS

20 建築合約

		The Group 本集團	
		2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
Contract costs incurred plus	建築合約成本加		
attributable profits less	應佔溢利減可		
foreseeable losses to date	預見虧損	303,123	558,470
Less: progress billings to date	減：已發出之進度收費單	(308,306)	(568,852)
		(5,183)	(10,382)
Included in current assets/(liabilities):	流動資產／(負債) 包括：		
Due from customers on construction	應收客戶之建築合約款項		
contracts (included in construction	(包括在建築合約)		
contracts)		753	1,181
Due to customers on construction contracts	應付客戶之建築合約款項		
(included in trade and other payables)	(包括在應付賬款及其他應付款)	(5,936)	(11,563)
		(5,183)	(10,382)

At 31 December 2004, the net retention held by customers for contract works included in the trade and other receivables of the Group as disclosed in note 21 amounted to HK\$5,503,000 (2003: HK\$10,458,000).

At 31 December 2004, there were no advances received from customers for contract works included in the trade and other payables of the Group as disclosed in note 23 (2003: HK\$1,644,000).

於二零零四年十二月三十一日，由客戶持有之合約工程保留金淨值為港幣5,503,000元（二零零三年：港幣10,458,000元），已包括在附註21所披露之本集團應收賬款及其他應收款之內。

於二零零四年十二月三十一日，附註23所披露之本集團其他應付賬款並無就建築工程向客戶收取之預付款（二零零三年：港幣1,644,000元）。

21 TRADE AND OTHER RECEIVABLES

21 應收賬款及其他應收款

		The Group 本集團		The Company 本公司	
		2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元	2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
Trade receivables	應收貿易賬款	67,998	113,020	—	—
Retention receivables	應收保留金款項	8,969	17,133	—	—
Prepayments and other receivables	預付款項及 其他應收款	8,157	5,713	265	73
		<u>85,124</u>	<u>135,866</u>	<u>265</u>	<u>73</u>

Included in trade and other receivables were trade and retention receivables (net of provisions for doubtful debts) with the following aging analysis:

應收賬款及其他應收款包括應收貿易賬款及保留金(已扣除呆賬撥備)，其賬齡分析如下：

		The Group 本集團	
		2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
Current	未逾期	24,895	42,292
One to three months overdue	逾期一至三個月	27,370	50,126
More than three months overdue but less than twelve months overdue	逾期超過三個月但 少於十二個月	9,511	17,553
Overdue more than twelve months	逾期超過十二個月	15,191	20,182
Total trade and retention receivables	應收貿易賬款及保留金總額	<u>76,967</u>	<u>130,153</u>
Prepayments and other receivables	預付款項及其他應收款	<u>8,157</u>	<u>5,713</u>
		<u>85,124</u>	<u>135,866</u>

Debts from construction contracts were due when architect certificates were issued and other debts were due normally from the date of billing. Debtors with balances that were long overdue were normally requested to settle all outstanding balances before any further credit was granted.

建築合約賬款在建築師證書發出時到期支付，其餘賬款通常在收費通知書發出當日起到期支付。如有逾期賬款餘額，有關的債務人須先行清償所有未付結餘，才可再給予信貸額。

22 CASH AND CASH EQUIVALENTS

22 現金及現金等價物

		The Group 本集團		The Company 本公司	
		2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元	2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
Bank deposits with original maturity of three months or less	原有到期日為三個月或以下之銀行存款	37,541	46,301	—	—
Cash at bank and in hand	銀行存款及現金	46,832	26,371	74	19
		<u>84,373</u>	<u>72,672</u>	<u>74</u>	<u>19</u>

23 TRADE AND OTHER PAYABLES

23 應付賬款及其他應付款

		The Group 本集團		The Company 本公司	
		2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元	2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
Trade and bills payables	應付貿易賬款及應付票據	33,906	47,837	—	—
Accruals and other payables	應計費用及其他應付款	37,530	57,181	1,217	1,109
Advances received from customers	客戶預付款	2,876	1,644	—	—
		<u>74,312</u>	<u>106,662</u>	<u>1,217</u>	<u>1,109</u>

All of the above trade and other payables were expected to be settled within one year.

以上所有應付賬款及其他應付款預期將於一年內償付。

23 TRADE AND OTHER PAYABLES (continued)

Included in the trade and other payables were trade and bills payables with the following aging analysis:

23 應付賬款及其他應付款 (續)

應付賬款及其他應付款包括應付貿易賬項及應付票據，其賬齡分析如下：

		The Group 本集團	
		2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
Due within one month or on demand	一個月內或接獲通知時到期	28,326	35,981
Due after one month but within three months	一個月後但三個月內到期	5,077	11,387
Due after three months	三個月後到期	503	469
Total trade and bills payables	應付貿易賬款及應付票據總額	33,906	47,837
Accruals and other payables	應計費用及其他應付款	37,530	57,181
Advances received from customers	客戶預付款	2,876	1,644
		74,312	106,662

24 PROVISIONS

24 撥備

		Long service payments 長期服務金 HK\$'000 港幣千元	Employee leave Entitlements 僱員應享假期 HK\$'000 港幣千元	Total 總數 HK\$'000 港幣千元
At 1 January 2004	於二零零四年一月一日	1,413	1,024	2,437
(Write back)/additional provisions	(撥回)／額外撥備	(492)	979	487
Less: Amounts utilized	減：已動用款項	—	(769)	(769)
(Credited)/charged to consolidated profit and loss account	自綜合損益表 (撥回)／扣除	(492)	210	(282)
Less: Amounts settled	減：已支付款項	(151)	(316)	(467)
Net effect on provisions	撥備淨額	(643)	(106)	(749)
At 31 December 2004	於二零零四年十二月三十一日	770	918	1,688

25 SHARE CAPITAL

25 股本

		2004 二零零四年 Authorised 法定 Number of shares 股份數目 HK\$'000 港幣千元		2003 二零零三年 Authorised 法定 Number of shares 股份數目 HK'000 港幣千元	
Ordinary shares of HK\$0.10 each 每股面值港幣0.10元之普通股					
At 1 January and at 31 December	於一月一日及 十二月三十一日	800,000,000	80,000	800,000,000	80,000
		Issued and fully paid 已發行及已繳足 Number of shares 股份數目 HK\$'000 港幣千元		Issued and fully paid 已發行及已繳足 Number of shares 股份數目 HK'000 港幣千元	
At 1 January and at 31 December	於一月一日及 十二月三十一日	224,496,000	22,450	224,496,000	22,450

26 RESERVES

The Group

26 儲備

本集團

		Share premium 股份溢價 HK\$'000 港幣千元	Other properties revaluation reserve 其他物業 重估儲備 HK\$'000 港幣千元	Investment properties revaluation reserve 投資物業 重估儲備 HK\$'000 港幣千元	Retained earnings 保留盈餘 HK\$'000 港幣千元	Contributed surplus 實繳盈餘 HK\$'000 港幣千元	Total 總數 HK\$'000 港幣千元
At 1 January 2003, as previously reported	於二零零三年一月一日， 按過往呈報	92,389	1,772	–	90,537	808	185,506
Effect of adopting SSAP 12 (revised)	採納會計準則第12條 (經修訂)之影響	–	(283)	–	6	–	(277)
At 1 January 2003, as restated	於二零零三年一月一日，按重列	92,389	1,489	–	90,543	808	185,229
Profit attributable to shareholders	股東應佔溢利	–	–	–	1,212	–	1,212
Proposed dividend	擬派股息	–	–	–	(9,878)	–	(9,878)
Deficit on revaluation	重估虧絀	–	(880)	–	–	–	(880)
Share repurchase expenses	股份購回費用	–	–	–	(5)	–	(5)
At 31 December 2003	於二零零三年十二月三十一日	92,389	609	–	81,872	808	175,678
Profit attributable to shareholders	股東應佔溢利	–	–	–	2,489	–	2,489
Proposed dividend	擬派股息	–	–	–	(9,878)	–	(9,878)
Surplus on revaluation	重估盈餘	–	739	44	–	–	783
At 31 December 2004	於二零零四年十二月三十一日	92,389	1,348	44	74,483	808	169,072
Company and subsidiaries	本公司及附屬公司	92,389	609	–	80,042	808	173,848
Associate	聯營公司	–	–	–	1,830	–	1,830
At 31 December 2003	於二零零三年十二月三十一日	92,389	609	–	81,872	808	175,678
Company and subsidiaries	本公司及附屬公司	92,389	1,348	44	74,636	808	169,225
Associate	聯營公司	–	–	–	(153)	–	(153)
At 31 December 2004	於二零零四年十二月三十一日	92,389	1,348	44	74,483	808	169,072

26 RESERVES (continued)

26 儲備 (續)

The Company

本公司

		Share premium 股份溢價 HK\$'000 港幣千元	Retained earnings 保留盈餘 HK\$'000 港幣千元	Contributed surplus 實繳盈餘 HK\$'000 港幣千元	Total 總數 HK\$'000 港幣千元
At 1 January 2003	於二零零三年一月一日	92,389	3,894	75,067	171,350
Profit for the year	本年度溢利	–	8,394	–	8,394
Proposed dividend	擬派股息	–	(9,878)	–	(9,878)
Share repurchase expenses	購回股份費用	–	(5)	–	(5)
At 31 December 2003	於二零零三年十二月三十一日	92,389	2,405	75,067	169,861
Profit for the year	本年度溢利	–	10,469	–	10,469
Proposed dividend	擬派股息	–	(9,878)	–	(9,878)
At 31 December 2004	於二零零四年十二月三十一日	92,389	2,996	75,067	170,452

The Group's profit for the year of HK\$2,489,000 (2003: profit of HK\$1,212,000) included a loss incurred by an associate of HK\$1,035,000 (2003: loss of HK\$263,000).

本年度集團之溢利約為港幣2,489,000元(二零零三年:溢利約港幣1,212,000元),包括一聯營公司之虧損約港幣1,035,000元(二零零三年:虧損約港幣263,000元)。

The distributable reserves of the Company at 31 December 2004, under the Companies Act 1981 of Bermuda, amounted to HK\$78,063,000 (2003: HK\$77,472,000).

於二零零四年十二月三十一日,本公司依據百慕達一九八一年公司法可供分配儲備共達港幣78,063,000元(二零零三年:港幣77,472,000元)。

The contributed surplus of the Group represents the excess of the nominal value of the shares of Arnhold (B.V.I.) Limited and the nominal value of the deferred shares of Arnhold Investments Limited acquired over the nominal value of the Company's shares issued in exchange therefore pursuant to the Group's reorganisation in December 1993.

本集團之實繳盈餘是指購入Arnhold (B.V.I.) Limited之股份面值與安利投資有限公司之遞延股份面值超逾本公司根據一九九三年十二月集團重組而發行之股份(作為交換上述股份)面值之盈餘。

The contributed surplus of the Company represents the undistributed excess of the net assets of the subsidiaries acquired over the nominal value of the Company's shares issued in exchange therefore pursuant to the Group's reorganisation in December 1993. Under the Companies Act 1981 of Bermuda, the contributed surplus was distributable.

本公司之實繳盈餘是指購入該等附屬公司之資產淨值超逾本公司根據一九九三年十二月集團重組發行之股份(以交換該等附屬公司之資產淨值)面值之未分派盈餘。根據百慕達一九八一年公司法,實繳盈餘可予分派。

27 DEFERRED TAXATION

Deferred taxation was calculated in full on temporary differences under the liability method using a principal taxation rate of 17.5% (2003: 17.5%).

The movement to the deferred tax liabilities during the year was as follows:

27 遞延稅項

遞延稅項採用負債法就短暫時差按主要稅率17.5% (二零零三年: 17.5%) 作全數撥備。

遞延稅項負債於年內之變動如下:

		Accelerated depreciation allowance 加速折舊 免稅額 HK\$'000 港幣千元	Revaluation of properties 重估物業 HK\$'000 港幣千元	Total 總數 HK\$'000 港幣千元
At 1 January 2003, as previously reported	於二零零三年一月一日， 按過往呈報	367	—	367
Effect on adoption of SSAP 12 (revised)	採納會計準則第12條 (經修訂)之影響	—	277	277
At 1 January 2003, as restated	於二零零三年一月一日， 按重列	367	277	644
Deferred taxation charged to the consolidated profit and loss account (note 10)	遞延稅項自 綜合損益表內 扣除 (附註10)	—	110	110
At 31 December 2003	於二零零三年十二月三十一日	367	387	754
Deferred taxation charged to the consolidated profit and loss account	遞延稅項自 綜合損益表內 扣除	—	—	—
At 31 December 2004	於二零零四年十二月三十一日	367	387	754

27 DEFERRED TAXATION (continued)

The amounts shown in the consolidated balance sheet included the following:

		The Group 本集團	
		2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
Deferred tax liabilities to be settled after more than 12 months	超過12個月後償還之 遞延稅項負債	<u>754</u>	<u>754</u>

The potential deferred tax assets which have not been accounted for in the accounts amount to:

		The Group 本集團	
		2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
Accelerated depreciation allowance	加速折舊免稅額	(233)	(310)
Other timing differences	其他時差	<u>(13,323)</u>	<u>(16,397)</u>
		<u>(13,556)</u>	<u>(16,707)</u>

在綜合資產負債表列賬之金額包括：

並未計入賬目內之潛在遞延稅務資產：

28 CONTINGENT LIABILITIES

- (a) At 31 December 2004, there were contingent liabilities in respect of the following:

		The Group 本集團		The Company 本公司	
		2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元	2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
Guarantees for credit facilities granted by a bank on behalf of subsidiaries	代表附屬公司向銀行提供貸款擔保	—	—	222,000	222,000

- (b) Certain subsidiaries have given undertakings to banks that they will perform certain non-financial contractual obligations to third parties. In return, the banks have provided performance bonds and letters of guarantee to third parties on behalf of these subsidiaries. As at 31 December 2004, the amount of guarantees outstanding was HK\$2,500,000 (2003: HK\$16,216,000).

28 或然負債

- (a) 於二零零四年十二月三十一日，或然負債如下：

- (b) 若干附屬公司曾向銀行承諾會向第三方履行若干非財務性質之合約責任。該等銀行已就此代表有關附屬公司向第三方提供履約保證及擔保書。於二零零四年十二月三十一日，擔保金額為港幣2,500,000元（二零零三年：港幣16,216,000元）。

29 COMMITMENTS

(a) Commitments under operating lease

At 31 December 2004, the Group had future aggregate minimum lease payments under non-cancellable operating leases as follows:

Land and buildings	土地及樓宇
– Not later than one year	– 於一年內屆滿
– Later than one year and not later than five years	– 於第二至第五年屆滿

The Group 本集團	
2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
2,330	841
1,500	2,119
3,830	2,960

At 31 December 2004, the Group had future aggregate minimum lease receipts under non-cancellable operating leases as follows:

Land and buildings	土地及樓宇
– Not later than one year	– 於一年內屆滿
– Later than one year and not later than five years	– 於第二至第五年屆滿

The Group 本集團	
2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
293	225
142	–
435	225

29 COMMITMENTS (continued)

(b) Capital commitments for fixed assets

Contracted but not provided for	已簽約但未撥備
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At 31 December 2004, the Group had outstanding forward exchange contracts to buy EUR3,986,000 (2003: EUR4,878,000) at various rates totaling approximately HK\$38,573,000 (2003: HK\$43,972,000); to buy JPY97,926,000 (2003: JPY83,155,000) at various rates totaling approximately HK\$7,400,000 (2003: HK\$5,916,000); to buy GBP659,000 (2003: GBP1,747,000) at various rates totaling approximately HK\$9,366,000 (2003: HK\$22,117,000); to buy US\$4,500,000 (2003: US\$4,000,000) at various rates totaling approximately HK\$34,772,000 (2003: HK\$31,101,000).

The Group had no outstanding foreign exchange flexi-forward contract as at 31 December 2004. As at 31 December 2003, the Group had an outstanding foreign exchange flexi-forward contract, pursuant to which if the spot rate for conversion of United States dollar ("USD") to EURO dollar ("EUR"), expressed as the amount of USD required to buy one unit of EUR, on 28 January 2004 (the "Spot Rate") was above the contract rate of 1.036 for conversion of USD to EUR (the "Contract Rate"), the Group would have an option to buy EUR 1,000,000 against USD at the Contract Rate, whereas if the Spot Rate was at or below the Contract Rate, the counterparty would have an option to sell EUR2,000,000 to the Group against USD at the Contract Rate.

29 承擔 (續)

(b) 固定資產之資本承擔

The Group 本集團	
2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
900	—

於二零零四年十二月三十一日，本集團持有可按不同匯率購入3,986,000歐元（二零零三年：4,878,000歐元）的尚未到期遠期外匯合約總額約達港幣38,573,000元（二零零三年：約港幣43,972,000元）；按不同匯率購入97,926,000日元（二零零三年：83,155,000日元）的尚未到期遠期外匯合約總額約達港幣7,400,000元（二零零三年：約港幣5,916,000元）；按不同匯率購入659,000英鎊（二零零三年：1,747,000英鎊）的尚未到期遠期外匯合約總額約達港幣9,366,000元（二零零三年：約港幣22,117,000元）；按不同匯率購入4,500,000美元（二零零三年：4,000,000美元）的尚未到期遠期外匯合約總額約達港幣34,772,000元（二零零三年：港幣31,101,000元）。

於二零零四年十二月三十一日，本集團並無尚未到期遠期外匯合約。於二零零三年十二月三十一日，本集團有尚未到期遠期外匯合約，據此倘以於二零零四年一月二十八日購買1歐元所需美元款額列示的美元兌歐元即期匯率（「即期匯率」），高於美元兌歐元合約匯率1.036（「合約匯率」），本集團有選擇權按合約匯率以美元購入1,000,000歐元，倘即期匯率相等於或低於合約匯率，則訂約方有選擇權按合約匯率以美元向本集團向售2,000,000歐元。

30 RELATED PARTY TRANSACTIONS

Significant related party transactions which were carried out in the normal course of the Group's business were as follows:

Administration fee received by Arnhold & Company, Limited from the associate (see note (a) below)	安利有限公司向聯營公司收取之行政費用 (見下文附註(a))
Gross rental income received by Grandful Limited from the associate (see note (b) below)	津福有限公司向聯營公司收取之總租金收入 (見下文附註(b))

- (a) Arnhold & Company, Limited provided management services to the associate for which it charged an administration fee at a fixed monthly amount.
- (b) During the year, the associate paid rental expenses of HK\$264,000 (2003: HK\$264,000) to one of the subsidiaries of the Group, Grandful Limited.
- (c) In addition to transactions with related companies as disclosed above,
- (i) the Group paid professional fees of HK\$50,000 (2003: HK\$60,000) to a firm in which a non-executive director of the Company was a partner;
- (ii) sales of construction materials of HK\$4,899,000 (2003: HK\$11,811,000) were made by the Group to a listed group of companies in which an independent non-executive director of the Company was also a director of that listed group.

30 與有關連人士之交易

以下所列為本集團與有關連人士在日常業務中進行之重大交易：

2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
948	948
264	264

- (a) 安利有限公司提供管理服務予其聯營公司，並每月收取固定之行政費用。
- (b) 於年內，聯營公司支付租金費用約港幣264,000元（二零零三年：約港幣264,000元）予一間本集團之附屬公司，津福有限公司。
- (c) 除上述與有關連公司之交易外：
- (i) 本集團向一家本公司一名獨立非執行董事為合夥人之公司支付專業費用為約港幣50,000元（二零零三年：約港幣60,000元）；
- (ii) 本集團向一上市公司集團銷售建築材料約港幣4,899,000元（二零零三年：約港幣11,811,000元），本公司一名獨立非執行董事亦為該上市集團之董事。

30 RELATED PARTY TRANSACTIONS (continued)

It was the intention of the directors of the Company that the Group will continue its business relationships with related parties under similar bases as adopted in previous years. In the opinion of the directors of the Company, the transactions with the related parties were carried out in the ordinary course of business on normal commercial terms.

31 APPROVAL OF ACCOUNTS

The accounts were approved by the board of directors on 10 March 2005.

30 與有關連人士之交易 (續)

本公司董事相信本集團將按以往所採用之相若基準，繼續與有關連人士維持業務關係。本公司董事認為與上述有關連公司進行之交易乃於日常業務過程中按一般商業條款進行。

31 批核賬目

董事會已於二零零五年三月十日批核本年度之賬目。