

1 BASIS OF PREPARATION

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”). The HKFRSs include all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretation (“HKAS – Int”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) which are effective for accounting period beginning on or after 1 January 2005. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of buildings, available-for-sale financial assets, financial assets and financial liabilities (including derivative financial instruments) at fair value through profit or loss and investment properties, which are carried at fair value.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 5.

1 編製基準

編制本綜合財務報表採用的主要會計政策載於下文。除另有說明外，此等政策在所呈報的所有年度內貫徹應用。

本綜合財務報表是根據香港財務報告準則（「財務準則」）編制。「財務準則」包括所有適用於香港會計師公會頒佈之《香港財務報告準則》、《香港會計準則》及其詮釋，而該等準則於二零零五年一月一日或以後的會計期間生效。綜合財務報表已按照歷史成本法編制，並就樓宇、可供出售財務資產、按公平值透過損益列賬的財務資產和財務負債（包括衍生金融工具）以及投資物業的重估均按公平值列賬而作出修訂。

編制符合財務準則的財務報表需要使用若干關鍵會計估算。這亦需要管理層在應用本公司會計政策過程中行使其判斷。涉及高度的判斷或高度複雜性的範疇，或涉及對綜合財務報表屬重大假設和估算的範疇，在附註5中披露。

2 THE ADOPTION OF NEW/REVISED HKFRSs

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

HKAS 1	Presentation of Financial Statements
HKAS 2	Inventories
HKAS 7	Cash Flow Statements
HKAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
HKAS 10	Events after Balance Sheet Date
HKAS 12	Income Taxes
HKAS 14	Segment Reporting
HKAS 16	Property, Plant and Equipment
HKAS 17	Leases
HKAS 18	Revenue
HKAS 19	Employee Benefits
HKAS 21	The Effects of Changes in Foreign Exchange Rates
HKAS 24	Related Party Disclosures
HKAS 27	Consolidated and Separate Financial Statements
HKAS 28	Investments in Associates
HKAS 32	Financial Instruments: Disclosures and Presentation
HKAS 33	Earnings per Share
HKAS 36	Impairment of Assets
HKAS 39	Financial Instruments: Recognition and Measurement
HKAS 40	Investment Property
HKAS-Int 4	Leases-Determination of the Length of Lease Term in respect of Hong Kong Land Lease (effective on 24 May 2005)
HKAS-Int 12	Consolidation – Special Purpose Entities
HKAS-Int 15	Operating Leases – Incentives
HKAS-Int 21	Income Taxes – Recovery of Revalued Non-Depreciable Assets
HKFRS 2	Share-based Payment

2 採納新訂／經修訂財務準則

在二零零五年，本集團採納下列與其業務相關的新訂／經修訂財務準則及詮釋。在二零零四年的比較數字已按有關之規定作出修訂。

《香港會計準則》第1號	財務報表之呈列
《香港會計準則》第2號	存貨
《香港會計準則》第7號	現金流量表
《香港會計準則》第8號	會計政策、會計估計更改及錯誤更正
《香港會計準則》第10號	結算日後事項
《香港會計準則》第12號	所得稅
《香港會計準則》第14號	業務分類報告
《香港會計準則》第16號	物業、機器及設備
《香港會計準則》第17號	租賃
《香港會計準則》第18號	收益
《香港會計準則》第19號	僱員福利
《香港會計準則》第21號	匯率變動之影響
《香港會計準則》第24號	關連人士之披露
《香港會計準則》第27號	綜合及獨立財務報表
《香港會計準則》第28號	聯營公司投資
《香港會計準則》第32號	金融工具：披露及呈報
《香港會計準則》第33號	每股盈利
《香港會計準則》第36號	資產減值
《香港會計準則》第39號	金融工具：確認及計量
《香港會計準則》第40號	投資物業
《香港會計準則》 — 詮釋第4號	租賃—確定有關香港土地租賃的租賃期長短（於二零零五年五月二十四日生效）
《香港會計準則》 — 詮釋第12號	綜合—特殊目的實體
《香港會計準則》 — 詮釋第15號	營運租賃—優惠
《香港會計準則》 — 詮釋第21號	所得稅—經重估非折舊資產的收回
《香港財務報告準則》第2號	以股份支付之款項

2 THE ADOPTION OF NEW/REVISED HKFRSs (cont'd)

2.1 Effects of adoption of new/revised HKFRSs

The adoption of HKASs 1, 2, 7, 8, 10, 12, 14, 16, 18, 19, 21, 24, 27, 28, 33, 36 and HKAS-Ints 4, 12 and 15 did not result in substantial changes to the Group's accounting policies. In summary:

- HKAS 1 has affected the presentation of the share of net after-tax results of associate and disclosure of the financial statements.
- HKASs 2, 7, 8, 10, 12, 14, 16, 18, 19, 21, 27, 28, 33, 36 and HKAS-Ints 4, 12 and 15 have no material effect on the Group's accounting policies.
- HKAS 24 has affected the identification of related parties and some other related-party disclosures.

The effects of the adoption of certain new HKFRSs, which result in substantial changes to the Group's accounting policies, are set out below.

HKAS 17

The adoption of HKAS 17 has resulted in a change in the accounting policy relating to the reclassification of leasehold land and land use rights from property, plant and equipment to operating leases. The up-front prepayments made for the leasehold land and land use rights are expensed in the profit and loss account on a straight-line basis over the period of the lease or where there is impairment, the impairment is expensed in the profit and loss account. In prior years, leasehold land was accounted for at fair value less accumulated depreciation and accumulated impairment loss. Further, following the adoption of HKAS 17 where leasehold land and land use rights are subject to amortization, the accounting policy on buildings has been changed and buildings are now stated at cost less accumulated depreciation and impairment. In prior years, buildings were stated at fair value less accumulated depreciation and accumulated impairment. The above changes in accounting policies have been applied retrospectively and comparative amounts have been restated accordingly. The resulting effect on the profit and loss account of the Group is set out in notes 2.2 and 2.3 below.

2 採納新訂／經修訂財務準則 (續)

2.1 採納新訂／經修訂財務準則之影響

採納《香港會計準則》第1、2、7、8、10、12、14、16、18、19、21、24、27、28、33、36號及《香港會計準則》－詮釋第4、12及15號並無對本集團之會計政策構成重大改變。概述如下：

- 《香港會計準則》第1號對應佔聯營公司稅後業績及財務報表披露的呈報形式有所影響。
- 《香港會計準則》第2、7、8、10、12、14、16、18、19、21、27、28、33、36號及《香港會計準則》－詮釋第4、12及15號對本集團之會計政策並無重大影響。
- 《香港會計準則》第24號對關連人士之識別及若干其他關連人士披露之資料有所影響。

採納若干新訂香港財務報告準則對本集團之會計政策構成重大變動的，其影響載列於下文。

《香港會計準則》第17號

採納《香港會計準則》第17號對有關物業、機器及設備中的土地租賃及土地使用權重新分類為營運租賃之會計政策有所改變。土地租賃及土地使用權預付之款項於租賃期間以直線法在損益表扣除或倘出現減值，則於損益表扣除於過往年度租賃土地按公平價值減累計折舊及累計減值列帳。經採納《香港會計準則》第17號後，有關樓宇之會計政策亦改為按樓宇成本除去累計折舊及減值列帳。於過往年度，物業按公平價值減累計折舊及累計減值列帳。此等會計政策亦已獲追溯應用，比較數字亦已相應重列。由此對本集團財務報表產生之影響載於下文附註2.2及2.3。

2 THE ADOPTION OF NEW/REVISED HKFRSs (cont'd)

2.1 Effects of adoption of new/revised HKFRSs (cont'd)

HKASs 32 and 39

Following the adoption of HKASs 32 and 39, all derivative financial instruments entered into by the Group are stated at fair value. Changes in their fair value are recognized in the profit and loss account. The above change in accounting policy was adopted by way of an adjustment to the opening balances of retained earnings as at 1 January 2005. Comparative amounts have not been restated nor has the opening balance of the fair value reserve been restated as this is prohibited by the transitional arrangements in HKAS 39. The resulting effect on the financial statements of the Group is set out in notes 2.2 and 2.3 below.

HKAS 40 and HKAS-Int 21

In prior years, changes arising on the revaluation of the Group's investment properties were recognized directly in the property revaluation reserve except when, on a portfolio basis, the reserve was insufficient to cover a deficit on the portfolio, in which case the excess was charged to the profit and loss account. When a deficit previously recognized in the profit and loss account reversed, the reversal was recognized as a credit in the profit and loss account. The Group was required to apply the tax rate that would be applied for the recovery of carrying amount of the investment properties through sale to determine whether any amounts of deferred tax liabilities arising from the revaluation of investment properties.

Following the adoption of HKAS 40, changes in the fair values of investment properties are recorded in the profit and loss account in accordance with the fair value model in HKAS 40. There is no requirement for the Group to restate the comparative information and accordingly, any adjustment relating to the treatment of the property revaluation surplus has made to the retained earnings as at 1 January 2005, including the reclassification of any amount held in the property revaluation reserve.

As from 1 January 2005, in accordance with HKAS-Int 21, the Group recognizes deferred tax liabilities on movements in the value of an investment property using tax rates that are applied for recovery of the carrying value of the investment properties through use, if the Group has no intention to sell it and the property would have been depreciable had the Group not adopted the fair value model. The resulting effect on the financial statements of the Group is set out in notes 2.2 and 2.3 below.

2 採納新訂／經修訂財務準則 (續)

2.1 採納新訂／經修訂財務準則之影響 (續)

《香港會計準則》第32及39號

採納《香港會計準則》第32及39號後，本集團訂立之所有衍生金融工具均按公平價值列帳。有關公平價值之變動則在損益表中確認，並已對二零零五年一月一日之保留盈利期初結餘作出調整以反映上述會計政策之變動。唯《香港會計準則》第39號之過渡安排規定不得重列有關比較數字或儲備公平價值之期初結餘，故未有作出此等披露。由此對本集團財務報表產生之影響載於下文附註2.2及2.3。

《香港會計準則》第40號及《香港會計準則》—詮釋第21號

於過往年度，本集團投資物業重估之變動直接在物業重估儲備中確認，但當按組合基準儲備不足以支付組合虧絀時，該等差額將反映在損益表中。當以往在損益表中確認之虧絀已經撥回，撥回之金額將會計入損益表內確認。本集團須透過銷售按可應用於恢復投資物業之帳面值所用之稅率，以釐定須於重估投資物業時確認的任何遞延稅項負債金額。

自採納《香港會計準則》第40號後，所有投資物業公平價值變動須根據《香港會計準則》第40號中的公平價值模式直接在損益表內確認。本集團毋須重列比較資料，因此已就二零零五年一月一日的累積盈餘作出有關物業重估盈餘處理的調整，包括將物業重估儲備持有的任何金額重新分類。

自二零零五年一月一日起，根據《香港會計準則》詮釋21號，倘本集團無計劃出售投資物業，而假設本集團不採納公平價值模式將導致物業折舊，則本集團須於投資物業價值變動時透過使用按應用於恢復投資物業帳面值之稅率確認遞延稅項負債。由此對本集團財務報表產生之影響載於下文附註2.2及2.3。

2 THE ADOPTION OF NEW/REVISED HKFRSs (cont'd)

2.1 Effects of adoption new/revised HKFRSs (cont'd)

HKFRS 2

With effect from 1 January 2005, in order to comply with HKFRS 2, the Group recognizes the fair value of such share options as an expense in the profit and loss account. A corresponding increase is recognized in the employee share-based compensation reserve under equity. As a transition provision, the cost of share options granted after 7 November 2002 and had not yet vested on 1 January 2005 was expensed retrospectively in the profit and loss account of the respective periods. In prior years, no amounts were recognized for equity-settled share-based payment transactions in the Group, including the share options granted to employees or directors of the Group to acquire shares of the Company at specified exercise prices under the share option scheme operated by the Group. The resulting effect on the financial statements of the Group is set out in notes 2.2 and 2.3 below.

2 採納新訂／經修訂財務準則 (續)

2.1 採納新訂／經修訂財務準則之影響 (續)

《香港財務報告準則》第2號

自二零零五年一月一日起，為符合《香港財務報告準則》第2號的規定，本集團在損益表內將購股權或股份的公平價值確認為開支，而相應的增加在權益項目中的僱員股份報酬儲備確認。按過渡條文，於二零零二年十一月七日以後授出但於二零零五年一月一日尚未歸屬之購股權成本已於各期間之損益表中追溯列為開支。於過往年度，本集團並無就以股份結算的交易確認任何金額，包括根據本集團設立的購股權計劃向本集團僱員或董事授出購股權，以指定行使價購入本公司股份。由此對本集團財務報表產生之影響載於下文附註2.2及2.3。

2 THE ADOPTION OF NEW/REVISED HKFRSs (cont'd)

2.2 Effects of adoption of new/revised HKFRSs on consolidated profit and loss account

2 採納新訂／經修訂財務準則 (續)

2.2 採納新訂／經修訂財務準則對綜合損益表之影響

		Effects of adopting 採納之影響			Total 總計
		HKAS 32 & HKAS 39 《香港會計 準則》 第32號及 第39號 HK\$'000 港幣千元	HKAS 17 《香港會計 準則》 第17號 HK\$'000 港幣千元	HKFRS 2 《香港財務 報告準則》 第2號 HK\$'000 港幣千元	
Effects for the year ended 31 December 2005	對截至二零零五年十二月三十一日之影響				
Increase in net unrealized fair value losses on derivative financial instruments	衍生金融工具之未變現公平價值虧損淨增加	(2,620)	—	—	(2,620)
Increase in employee benefit expenses	僱員福利開支增加	—	—	(570)	(570)
Increase in amortization of leasehold land and land use rights	租賃土地及土地使用權攤銷增加	—	(1,012)	—	(1,012)
Decrease in depreciation of property, plant and equipment	物業、機器及設備折舊減少	—	918	—	918
Decrease in profit attributable to shareholders	股東應佔溢利減少	(2,620)	(94)	(570)	(3,284)
Decrease in basic earnings per share (cents)	每股基本盈利減少 (仙)	(1.17)	(0.04)	(0.25)	(1.46)
Decrease in diluted earnings per share (cents)	每股攤薄盈利減少 (仙)	(1.17)	(0.04)	(0.25)	(1.46)
Effects for the year ended 31 December 2004	對截至二零零四年十二月三十一日之影響				
Increase in employee benefit expenses	僱員福利開支增加	—	—	(416)	(416)
Increase in amortization of leasehold land and land use rights	租賃土地及土地使用權攤銷增加	—	(1,012)	—	(1,012)
Decrease in depreciation of property, plant and equipment	物業、機器及設備折舊減少	—	845	—	845
Decrease in unrealized gain on revaluation of other properties	重估投資物業之未變現收益減少	—	(2,764)	—	(2,764)
Increase in loss attributable to shareholders	股東應佔虧損增加	—	(2,931)	(416)	(3,347)
Increase in basic loss per share (cents)	每股基本虧損增加 (仙)	—	(1.31)	(0.19)	(1.49)
Increase in diluted loss per share (cents)	每股攤薄虧損增加 (仙)	—	(1.31)	(0.19)	(1.49)

2 THE ADOPTION OF NEW/REVISED HKFRSs (cont'd)

2.3 Effects of adoption of new/revised HKFRSs on consolidated balance sheet

2 採納新訂／經修訂財務準則 (續)

2.3 採納新訂／經修訂財務準則對綜合資產負債表之影響

		Effects of adopting 採納之影響				Total
		HKAS 32 & HKAS 39 《香港 會計準則》 第32號及第 39號 HK\$'000 港幣千元	HKAS40 《香港會計 準則》 第40號 HK\$'000 港幣千元	HKAS 17 《香港會計 準則》 第17號 HK\$'000 港幣千元	HKFRS 2 《香港財務 報告準則》 第2號 HK\$'000 港幣千元	總計 HK\$'000 港幣千元
At 31 December 2005	於二零零五年十二月三十一日					
Increase/(decrease) in assets	資產增加／(減少)					
Leasehold land and land use rights	租賃土地及土地使用權	-	-	49,456	-	49,456
Property, plant and equipment	物業、機器及設備	-	-	(48,909)	-	(48,909)
Derivative financial instruments	衍生金融工具	51	-	-	-	51
		51	-	547	-	598
Increase/(decrease) in liabilities/equity	負債／權益增加／(減少)					
Deferred income tax liabilities	遞延所得稅負債	-	-	(329)	-	(329)
Employee share-based compensation reserve	僱員股份報酬儲備	-	-	-	1,100	1,100
Revaluation reserve	重估儲備	-	(44)	(1,348)	-	(1,392)
Profit attributable to shareholders	股東應佔盈利	(2,620)	-	(94)	(570)	(3,284)
Derivative financial instruments	衍生金融工具	1,283	-	-	-	1,283
Retained earnings	保留盈利	1,388	44	2,318	(530)	3,220
		51	-	547	-	598
At 31 December 2004	於二零零四年十二月三十一日					
Increase/(decrease) in assets	資產增加／(減少)					
Leasehold land and land use rights	租賃土地及土地使用權	-	-	50,468	-	50,468
Property, plant and equipment	物業、機器及設備	-	-	(49,827)	-	(49,827)
		-	-	641	-	641
Increase/(decrease) in liabilities/equity	負債／權益增加／(減少)					
Deferred income tax liabilities	遞延所得稅負債	-	-	(329)	-	(329)
Employee share-based compensation reserve	僱員股份報酬儲備	-	-	-	530	530
Revaluation reserve	重估儲備	-	-	(1,348)	-	(1,348)
Retained earnings	保留盈利	-	-	2,318	(530)	1,788
		-	-	641	-	641

3 PRINCIPAL ACCOUNTING POLICIES

3.1 Consolidation

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

3.2 Subsidiaries

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

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

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 by the Company on the basis of dividend received and receivable.

3.3 Associate

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for by the equity method of accounting and are initially recognized at cost.

The Group's share of its associates' post-acquisition profits or losses is recognized in the profit and loss account, and its share of post-acquisition movements in reserves is recognized in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate.

3 主要會計政策

3.1 綜合賬目

綜合賬目包括本公司及其所有附屬公司截至十二月三十一日止的財務報表。

3.2 附屬公司

附屬公司指本集團有權管控其財政及營運政策而控制所有實體（包括特殊目的實體），一般附帶超過半數投票權的股權。在評定本集團是否控制另一實體時，目前可行使或可兌換的潛在投票權的存在及影響均予考慮。

附屬公司在控制權轉移至本集團之日全面綜合入賬。附屬公司在控制權終止之日起停止綜合入賬。

集團內公司之間的交易、交易的結餘及未實現收益予以對銷。除非交易提供所轉讓資產減值之憑證，否則未實現虧損亦予以對銷。附屬公司的會計政策已按需要作出改變，以確保與本集團採用的政策符合一致。

在本公司之資產負債表內，於附屬公司之投資按成本值扣除減值虧損準備列賬。附屬公司之業績由本公司按已收及應收股息入賬。

3.3 聯營公司

聯營公司指所有本集團對其有重大影響力而無控制權的實體，通常附帶有20%－50%投票權的股權。聯營公司投資以權益會計法入賬，初始以成本確認。

本集團應佔收購後聯營公司的溢利或虧損於損益表內確認，而應佔收購後儲備的變動則於儲備賬內確認。投資賬面值會根據累計之收購後儲備變動而作出調整。如本集團應佔一家聯營公司之虧損等於或超過其在該聯營公司之權益，包括任何其他無抵押應收款，本集團不會確認進一步虧損，除非本集團已代聯營公司承擔責任或作出付款。

3 PRINCIPAL ACCOUNTING POLICIES (cont'd)

3.3 Associate (cont'd)

Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the Company's balance sheet the investments in associated companies are stated at cost less provision for impairment losses. The results of associated companies are accounted for by the Company on the basis of dividend received and receivable.

3.4 Segment reporting

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

3.5 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in HK dollars, which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the profit and loss account.

3 主要會計政策 (續)

3.3 聯營公司 (續)

本集團與其聯營公司之間交易的未實現收益按集團在聯營公司權益的數額對銷。除非交易提供所轉讓資產減值之憑證，否則未實現虧損亦予以對銷。聯營公司的會計政策已按需要作出改變，以確保與本集團採用的政策符合一致。

在本公司之資產負債表內，於聯營公司之投資按成本值扣除減值虧損準備列賬。聯營公司之業績由本公司按已收及應收股息入賬。

3.4 分類呈報

業務分部指從事提供產品或服務的一組資產和業務，而產品或服務的風險和回報與其他業務分部的不同。地區分部指在某個特定經濟環境中從事提供產品或服務，其產品或服務的風險和回報與在其他經濟環境中營運的分部的不同。

3.5 外幣匯兌

(a) 功能和列賬貨幣

本集團每個實體的財務報表所列項目均以該實體營運所在的主要經濟環境的貨幣計量（「功能貨幣」）。綜合財務報表以港幣呈報，港幣為本公司的功能及列賬貨幣。

(b) 交易及結餘

外幣交易採用交易日的匯率換算為功能貨幣。結算此等交易產生的匯兌盈虧以及將外幣計值的貨幣資產和負債以年終匯率換算產生的匯兌盈虧在損益表確認。

3 PRINCIPAL ACCOUNTING POLICIES (cont'd) 3 主要會計政策 (續)

3.5 Foreign currency translation (cont'd)

(b) Transactions and balances (cont'd)

Translation differences on non-monetary items, such as equity instruments held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation difference on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the fair value reserve in equity.

(c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (ii) income and expenses for each profit and loss account are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- (iii) all resulting exchange differences are recognized as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is sold, such exchange differences are recognized in the profit and loss account as part of the gain or loss on sale.

3.6 Property, plant and equipment

Buildings comprise mainly warehouse and offices. Buildings are shown at cost less accumulated depreciation and impairment. All other property, plant and equipment is stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

3.5 外幣匯兌 (續)

(b) 交易及結餘 (續)

非貨幣項目 (例如按公平值持有透過損益記賬的權益工具) 的換算差額在損益表中呈報為公平值盈虧的一部份。非貨幣項目 (例如分類為可供出售財務資產的權益) 的換算差額包括在權益的公平值儲備內。

(c) 集團公司

功能貨幣與列賬貨幣不同的所有集團實體 (當中沒有嚴重通脹貨幣) 的業績和財務狀況按如下方法換算為列賬貨幣:

- (i) 每份呈報的資產負債表內的資產和負債按該資產負債表日期的收市匯率換算
- (ii) 每份損益表內的收入和費用按平均匯率換算 (除非此匯率並不代表交易日期匯率的累計影響的合理約數; 在此情況下, 收支項目按交易日期的匯率換算); 及
- (iii) 所有由此產生的匯兌差額確認為權益的獨立組成項目。

在綜合賬目時, 換算海外實體的淨投資, 以及換算借貸及其他指定作為該等投資對沖的貨幣工具所產生的匯兌差額列入股東權益。當售出一項海外業務時, 該等匯兌差額在損益表確認為出售盈虧的一部份。

3.6 物業、機器及設備

樓宇主要包括工廠和辦公室。樓宇按成本減累計折舊及減值列賬。所有其他物業、機器及設備按歷史成本減折舊和減值虧損列賬。歷史成本包括收購該項目直接應佔的開支。

3 PRINCIPAL ACCOUNTING POLICIES (cont'd)

3.6 Property, plant and equipment (cont'd)

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are expensed in the profit and loss account during the financial period in which they are incurred.

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate cost to their residual values over their estimated useful lives, as follows:

Buildings	50 years
Leasehold improvements	20% - 50%
Furniture and equipment	20% - 33 1/3%
Plant and machinery	20%
Motor vehicles	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

3.7 Leasehold land and land use rights

Leasehold land and land use rights are carried at cost less accumulated amortisation and impairment losses. Amortisation is provided to write off cost of lease prepayments on a straight-line basis over the respective periods of the lease and the land use rights.

3.8 Construction in progress

Construction in progress represents investment in land and buildings on which construction work has not been completed, and is carried at cost which includes construction expenditure incurred and other direct costs attributable to the construction less impairment losses. Capitalisation of these costs ceases and the construction in progress is transferred to property, plant and equipment when the asset is substantially ready for its intended use.

No amortisation is provided in respect of construction in progress.

3 主要會計政策 (續)

3.6 物業、機器及設備 (續)

其後成本只有在與該項目有關的未來經濟利益有可能流入本集團，而該項目的成本能可靠計量時，才包括在資產的賬面值或確認為獨立資產（按適用）。所有其他維修及保養在產生的財政期間內於損益表支銷。

物業、機器及設備的折舊採用以下的估計可使用年期將成本按直線法分攤至剩餘價值計算：

樓宇	50年
租賃物業裝修	20% - 50%
傢俬及設備	20% - 33 1/3%
廠房及機器設備	20%
汽車	20%

資產的剩餘價值及可使用年期在每個結算日進行檢討，及在適當時調整。

若資產的賬面值高於其估計可收回價值，其賬面值即時撇減至可收回金額。

3.7 租賃土地及土地使用權

租賃土地及土地使用權以成本值減去累計攤銷及減值列帳。租賃土地及土地使用權的成本在其有關租賃期限及使用期限以直線法攤銷。

3.8 在建工程

在建工程是指建築工程仍未完成之土地及物業之投資，此等在建工程以成本值列帳，包括建築費用及屬於該工程其他之直接成本，扣除減值虧損。當有關工程達到可使用狀態時，其成本將停止資本化，在建工程亦會轉入物業、機器及設備項目內。

在建工程不計提折舊。

3 PRINCIPAL ACCOUNTING POLICIES (cont'd)

3.9 Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the consolidated Group, is classified as investment property.

Investment property comprises land held under operating leases and buildings held under finance leases.

Land held under operating leases are classified and accounted for as investment property when the rest of the definition of investment property is met. The operating lease is accounted for as if it were a finance lease.

Investment property is measured initially at its cost, including related transaction costs.

After initial recognition, investment property is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. These valuations are performed in accordance with the guidance issued by the international Valuation Standards Committee. These valuations are reviewed annually by external valuers. Investment property that is being redeveloped for continuing use as investment property, or for which the market has become less active, continues to be measured at fair value.

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions.

The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property. Some of those outflows are recognized as a liability, including finance lease liabilities in respect of land classified as investment property; others, including contingent rent payments, are not recognized in the profit and loss account.

3 主要會計政策(續)

3.9 投資物業

為獲得長期租金收益或資本增值或兩者兼備而持有，且並非由綜合集團內的公司佔用的物業列為投資物業。

投資物業包括以營運租賃持有的土地及以融資租賃持有之樓宇。

以營運租賃持有的土地，如符合投資物業其餘定義，按投資物業分類及記賬。營運租賃猶如其為融資租賃而記賬。

投資物業初步按其成本計量，包括相關的交易成本。

在初步確認後，投資物業按公平值列賬。公平值根據活躍市價格計算，如有需要就個別資產的性質、地點或狀況的任何差異作出調整。如沒有此項資料，本集團利用其他估值方法，例如較不活躍市場的近期價格或貼現現金流量預測法。此等估值法根據國際估值準則委員會發出的指引執行。此等估值每年由外部估值師檢討。為繼續用作投資物業而正在重建或市場已變得不活躍的投資物業，繼續按公平值計量。

投資物業的公平值反映（包括其他）來自現有租賃的租金收入，及在現時市場情況下未來租金收入假設。

公平值亦反映，在類似基準下物業預期的任何現金流出。此等現金流出部份確認為負債，包括列為投資物業的土地有關的融資租賃負債；而其他，包括或然租金款項，不在財務報表列賬。

3 PRINCIPAL ACCOUNTING POLICIES (cont'd) 3 主要會計政策 (續)

3.9 Investment properties (cont'd)

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed in the profit and loss account during the financial period in which they are incurred. Changes in fair values are recognized in the profit and loss account.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its cost for accounting purposes. Property that is being constructed or developed for future use as investment property is classified as property, plant and equipment and stated at cost until construction or development is complete, at which time it is reclassified and subsequently accounted for as investment property.

If an item of property, plant and equipment becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this item at the date of transfer is recognized in equity as a revaluation of property, plant and equipment under HKAS 16. However, if a fair value gain reverses a previous impairment loss, the gain is recognized in the profit and loss account.

Investment property held for sale without redevelopment is classified within non-current assets held for sale, under HKFRS 5.

3.9 投資物業 (續)

其後支出只有在與該項目有關的未來經濟利益有可能流入本集團，而該項目的成本能可靠衡量時，才計入在資產的賬面值中。所有其他維修及保養成本在產生的財政期間內於損益表支銷。公平值變動在損益表列賬。

若投資物業變成業主自用，會被重新分類為物業、機器及設備，其於重新分類日期的公平值，就會計目的而言變為其成本。現正興建或發展供日後用作投資物業的物業，被分類為物業、機器及設備，並按成本列賬，直至建築或發展完成為止，屆時重新分類為投資物業並其後按投資物業記賬。

根據《香港會計準則》第16號，若物業、機器及設備的某個項目因其用途改變而成為投資物業，該項目於轉撥日期的賬面值與公平值的任何差額在權益中確認為物業、機器及設備的重估。然而，若公平值收業將以往的減值虧損撥回，該收益於損益表確認。

根據《香港財務報告準則》第5號，持作出售而不重建的投資物業在持作出售的非流動資產內分類。

3 PRINCIPAL ACCOUNTING POLICIES (cont'd) 3 主要會計政策 (續)

3.10 Impairment of assets

Assets that have an indefinite useful life are not subject to amortization, which are at least tested annually for impairment and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

3.11 Investments

From 1 January 2004 to 31 December 2004:

The Group classified its investment in securities, other than subsidiaries and associate, as non-trading securities and other investment.

(a) 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.

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.

3.10 資產減值

沒有確定使用年期之資產無需攤銷，但最少每年就減值進行測試，及當有事件出現或情況改變顯示賬面值可能無法收回時就減值進行檢討。須作攤銷之資產，當有事件出現或情況改變顯示賬面值可能無法收回時就減值進行檢討。減值虧損按資產之賬面值超出其可收回金額之差額於損益表內確認。可收回金額以資產之公平值扣除銷售成本或使用價值兩者之較高者為準。於評估減值時，資產將按可識辨現金流量（現金產生單位）的最低層次組合。

3.11 投資

由二零零四年一月一日至二零零四年十二月三十一日：

本集團將其證券的投資（不包括附屬公司及聯營公司）分類為非買賣用途證券及其他投資。

(a) 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、直系售出、收回或以其他方式出售有關證券或額觀證據顯示有關證券出減值為止，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。

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。

3 PRINCIPAL ACCOUNTING POLICIES (cont'd) 3 主要會計政策 (續)

3.11 Investments (cont'd)

(a) Non-trading securities (cont'd)

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.

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.

3.11 投資 (續)

(a) 非買賣用途證券 (續)

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。

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蝕亦轉撥至該年度之綜合損益表。

3 PRINCIPAL ACCOUNTING POLICIES (cont'd) 3 主要會計政策 (續)

3.11 Investments (cont'd)

(b) Other investments

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

From 1 January 2005 onwards:

The Group classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

(a) Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realized within 12 months of the balance sheet date.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

(c) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. During the year, the Group did not hold any investments in this category.

3.11 投資 (續)

(b) 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。

由二零零五年一月一日起：

本集團將其投資分類如下：按公平值透過損益記賬的財務資產、貸款及應收款、持至到期日投資，及可供出售財務資產。分類方式視乎購入投資目的而定。管理層在初步確認時釐定其投資的分類，並於每個報告日期重新評估有關指定。

(a) 按公平值透過損益列賬的財務資產

此類別有兩個次分類：持作買賣的財務資產，及開始時指定按公平值透過損益記賬的財務資產。財務資產若在購入時主要用作在短期內出售或由管理層如此指定，則分類為此類別。衍生工具除非被指定為對沖，否則亦分類為持作買賣用途。在此類別的資產若為持作買賣或預期將於結算日後12個月內變現，則分類為流動資產。

(b) 貸款及應收款

貸款及應收款為有固定或可釐定付款且沒有在活躍市場上報價的非衍生財務資產。此等款項在本集團直接向債務人提供金錢、貨品或服務而無意將該應收款轉售時產生。此等款項包括在流動資產內，但到期日由結算日起計超過12個月者，則分類為非流動資產。貸款及應收款列在資產負債表中貿易及其他應收款內。

(c) 持至到期日投資

持至到期日投資為有固定或可釐定付款以及固定到期日的非衍生財務資產，而管理層有明確意向及能力持有至到期日。年內，本集團並無持有此類別的任何投資。

3 PRINCIPAL ACCOUNTING POLICIES (cont'd)

3.11 Investments (cont'd)

(d) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Purchases and sales of investments are recognized on trade-date - the date on which the Group commits to purchase or sell the asset. Investments are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Investments are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Realized and unrealized gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the profit and loss account in the period in which they arise. Unrealized gains and losses arising from changes in the fair value of non-monetary securities classified as available-for-sale are recognized in equity. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the profit and loss account as gains or losses from investment securities.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

3 主要會計政策 (續)

3.11 投資 (續)

(d) 可供出售財務資產

可供出售財務資產為非衍生工具，被指定為此類別或並無分類為任何其他類別。除非管理層有意在結算日後12個月內出售該項投資，否則此等資產列在非流動資產內。

投資的購入及出售在交易日確認。交易日指本集團承諾購入或出售該資產之日。對於並非按公平值透過損益記賬的所有財務資產，投資初步按公平值加交易成本確認。當從投資收取現金流量的權利經已到期或經已轉讓，而本集團已將擁有權的所有風險和回報實際轉讓時，投資即終止確認。可供出售財務資產及按公平值透過損益記賬的財務資產其後按公平值列賬。貸款及應收款以及持至到期日投資利用實際利息法按攤銷成本列賬。因為「按公平值透過損益記賬的財務資產」類別的公平值變動而產生的已實現及未實現盈虧，列入產生期間的損益表內。被分類為可供出售的非貨幣證券公平值變動產生的未實現盈虧，在權益中確認。當分類為可供出售的證券被售出或減值時，累計公平值調整列入損益表作為投資證券的盈虧。

有報價投資的公平值根據當時的買盤價計算。若某項財務資產的市場並不活躍（及就非上市證券而言），本集團利用重估技術設定公平值。這些技術包括利用近期公平原則交易、參考大致相同的其他工具、貼現現金流量分析和經改良的期權定價權式，以反映發行人的具體情況。

3 PRINCIPAL ACCOUNTING POLICIES (cont'd) 3 主要會計政策 (續)

3.11 Investments (cont'd)

(d) Available-for-sale financial assets (cont'd)

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in the profit and loss account - is removed from equity and recognized in the profit and loss account. Impairment losses recognized in the profit and loss account on equity instruments are not reversed through the profit and loss account.

3.12 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 proceeds less estimated selling expenses.

3.13 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 to determine the appropriate amount of revenue and costs to be recognised in a given period. When it is probable total contract costs will exceed total contract revenue, the expected loss is recognized as an expenses immediately.

3.11 投資 (續)

(d) 可供出售財務資產 (續)

本集團在每個結算日評估是否有客觀證據證明某項財務資產或某組財務資產經已減值。對於分類為可供出售的股權證券，在釐定證券是否已經減值時，會考慮證券公平值有否大幅或長期跌至低於其成本值。若可供出售財務資產存在此等證據，累計虧損－按收購成本與當時公平值的差額，減該財務資產之前在損益表確認的任何減值虧損計算－自權益中剔除並在損益表記賬。在損益表確認的股權工具減值虧損不會透過損益表撥回。

3.12 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。

3.13 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。集團按照完成階段為基準價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。

3 PRINCIPAL ACCOUNTING POLICIES (cont'd)

3.13 Construction contracts (cont'd)

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.

3.14 Trade and other receivables

Trade and other receivables are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognized in the profit and loss account.

3.15 Deferred income tax

Deferred income tax 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 consolidated profit and loss account. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

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

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, associates and jointly controlled entities, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

3 主要會計政策 (續)

3.13 建築合約 (續)

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生成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。

3.14 貿易及其他應收款

貿易及其他應收款初步以公平值確認，其後利用實際利息法按攤銷成本扣除減值撥備計量。當有客觀證據證明本集團將無法按應收款的原有條款收回所有款項時，即就貿易及其他應收款設定減值撥備。撥備金額為資產賬面值與按實際利率貼現的估計未來現金流量的現值兩者的差額。撥備金額在損益表確認。

3.15 遞延所得稅項

遞延所得稅利用負債法就資產和負債的負債的稅基與在資產和負債在綜合財務報表的眼面值之差產生的暫時差異全數撥備。然而，若遞延所得稅來自在交易（不包括企業合併）中對資產或負債的初步確認，而在交易時不影響會計損益或應課稅盈虧，則不作記賬。遞延所得稅採用在結算日前已頒佈或實質頒佈，並在有關之遞延所得稅資產實現或遞延所得稅負債結算時預期將會適用之稅率（及法例）而釐定。

遞延所得稅資產是就可能有未來應課稅盈利而就此可使用暫時差異而確認。

遞延所得稅就附屬公司及聯營公司投資產生之暫時差異而撥備，但假若本集團可以控制暫時差異之撥回時間，而暫時差異在可預見將來有可能不會撥回則除外。

3 PRINCIPAL ACCOUNTING POLICIES (cont'd) 3 主要會計政策 (續)

3.16 Borrowing

Borrowings are recognized initially at fair value, net of transaction costs incurred. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability, including fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the profit and loss account over the period of the borrowings using the effective interest method.

The fair value of the liability portion of a convertible bond is determined using a market interest rate for an equivalent non-convertible bond. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the bonds. The remainder of the proceeds is allocated to the conversion option. This is recognized and included in shareholders' equity, net of income tax effects

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

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

3.17 Related parties

For the purposes of these financial statements, 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.

3.18 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet. 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.

3.16 貸款

貸款初步按公平值並扣除產生的交易成本確認。交易成本為取得、發行或出售某項財務資產或財務負債直接所佔的新增成本，包括支付予代理人、顧問、經紀和交易商的費用和佣金、監管機關及證券交易所的徵費，以及過戶和印花稅。貸款其後按攤銷成本列賬；所得款（扣除交易成本）與贖回價值的任何差額利用實際利息法於貸款期間內在損益表確認。

可換股債券負債部份的公平值利用等價的非可換股債券的市場利率釐定。此金額按攤銷成本基準記錄為負債，直至債券因被兌換或到期而消除為止。所得款的餘額分攤至換股權。這在股東權益中確認和列賬，並扣除所得稅影響。

除非本集團有無條件權利將負債的結算遞延至結算日後最少12個月，否則貸款分類為流動負債。

借貸成本於產生之年度在綜合損益表中支銷。

3.17 有關連人士

就本財務報表而言：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。

3.18 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、短期存款及原有期限為三個月或以下之銀行貸款及銀行透支。

3 PRINCIPAL ACCOUNTING POLICIES (cont'd) 3 主要會計政策 (續)

3.19 Employee benefits 3.19 僱員福利

(a) Long service payments (a) 長期服務金

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.

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。

(b) Employee leave entitlements (b) 僱員應享假期

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.

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。

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

僱員之病假及產假須待休假當日方予以確認。

(c) Share-based compensation (c) 購股權計劃

The Group operates an equity-settled, share-based compensation plan. The fair value of the employee services received in exchange for the grant of the options is recognized as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance sheet date, the entity revises its estimates of the number of options that are expected to become exercisable. It recognizes the impact of the revision of original estimates, if any, in the profit and loss account, and a corresponding adjustment to equity over the remaining vesting period.

本集團設有一項以權益償付、以股份為基礎的補償計劃。僱員為獲取授予購股權而提供的服務的公平值確認為費用。在歸屬期間內將予支銷的總金額參考授予的購股權的公平值釐定，不包括任何非市場既定條件（例如盈利能力和銷售增長目標）的影響。非市場既定條件包括在有關預期可予以行使的購股權數目的假設中。在每個結算日，本集團修訂其對預期可予以行使購股權數目的估計。本集團在損益表確認對原估算修訂（如有）的影響，並按餘下歸屬期對權益作出相應調整。

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

在購股權行使時，收取的所得款扣除任何應佔的交易成本後，撥入股本（面值）和股本溢價。

3 PRINCIPAL ACCOUNTING POLICIES (cont'd)

3.19 Employee benefits (cont'd)

(d) Profit sharing and bonus plans

The Group recognizes a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(e) 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.

(f) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

3 主要會計政策 (續)

3.19 僱員福利 (續)

(d) 盈利分享及獎金計劃

本集團依據一條方程式就獎金及盈利分享確認負債和費用，該方程式考慮了本公司股東的應佔盈利（作出若干調整後）。本集團就合約責任或據過往經驗已產生推定責任而確認撥備。

(e) 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。

(f) 終止服務權益

終止服務權益於僱用在正常退休日期前被終止，或當僱員接受自願遣散以換取此等福利時支付。本集團在可證明承諾如下時確認終止服務權益：根據一項詳細的正式計劃終止現有僱員的僱用（沒有撤回的可能）；或因為提出一項要約以鼓勵自願遣散而提供的終止服務權益。在結算日後超過12個月支付的福利貼現為現值。

3 PRINCIPAL ACCOUNTING POLICIES (cont'd)

3.20 Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate of the amount can be made. Provisions are not recognized for future operating losses.

3.21 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 financial statements. When a change in the probability of an outflow occurs so that outflow is probable, they will then be recognised as a provision.

3.22 Operating lease

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are expensed in the profit and loss account on a straight-line basis over the period of the lease.

3.23 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.

3 主要會計政策 (續)

3.20 撥備

當本集團因過往事件而須負上法律或推定責任，在解除責任時可能需要消耗資源和能夠對所涉及數額作出可靠預計時，須為確認有關責任作出撥備。未來營運虧損不會確認撥備。

3.21 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。

3.22 營運租賃

如租賃擁有權的重大部份風險和回報由出租人保留，分類為營運租賃。根據營運租賃支付的款項（扣除自出租人收取之任何獎勵金後）於租賃期內以直線法在損益表支銷。

3.23 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。

3 PRINCIPAL ACCOUNTING POLICIES (cont'd)

3.23 Revenue recognition (cont'd)

Interest income is recognized on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognized either as cash is collected or on a cost-recovery basis as conditions warrant.

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

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

3.24 Dividend distribution

Dividend distribution to the Company's shareholders is recognized as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

3.25 Derivative financial instruments

From 1 January 2004 to 31 December 2004:

Derivative financial instruments are designated 'hedging' or 'non-hedging instruments'. The transactions which, according to the Group's policy for risk management, are able to meet the conditions for hedge accounting are classified as hedging transactions; the others, although set up for the purpose of managing risk (since the Group's policy does not permit speculative transactions), have been designated as 'trading'. The Group records derivative financial instruments at cost. The gains and losses on derivative financial instruments are included in the profit and loss account on maturity to match the underlying hedged transactions where relevant.

From 1 January 2005 onwards:

Derivatives are initially recognized at fair value on the date the financial derivative contracts are entered into and are subsequently remeasured at their fair value.

The fair value is determined based on the market prices in an active market including recent market transactions or valuation techniques, using discounted cash flow and options pricing models, as appropriate. For derivative instruments that do not qualify for hedge accounting, changes in the fair value are recognised immediately in the profit or loss account.

3 主要會計政策 (續)

3.23 收入確認 (續)

利息收入採用實際利息法按時間比例基準確認。倘應收賬款出現減值，本集團會將賬面值減至可收回款額，即估計的未來現金流量按該工具之原有效利率貼現值，並繼續將貼現計算並確認為利息收入。已減值貸款之利息收入確認為收取的現金，或若情況許可按成本收回基準計算確認。

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。

3.24 股息分派

向本公司股東分派的股息在股息獲本公司股東批准的期間內於本集團的財務報表內列為負債。

3.25 衍生金融工具

由二零零四年一月一日至二零零四年十二月三十一日：

衍生金融工具指定為「對沖」或「非對沖工具」。根據本集團之風險管理政策，能夠符合對沖會計處理之交易分類為對沖交易；其他，雖然設立用作管理風險（因為本集團的政策不容許投機交易）則指定為「買賣」。本集團按成本值將衍生金融工具入賬。衍生金融工具之收益及損失於到期日列入損益表，以與相關的對沖交易配對（倘適用）。

由二零零五年一月一日起：

衍生工具初步按金融衍生工具合約訂立日之公平值確認，其後按公平值重新計量。

公平值是根據來自交投活躍市場的市場報價包括近期的市場交易或評估技巧（例如估計貼現現金流量及期權定價模式），視適用情況而定。若不符合對沖會計處理之衍生工具的公平值變動，即時於損益表內確認。

4 FINANCIAL RISK MANAGEMENT

4.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest risk and price risk), credit risk, liquidity risk and cash flow interest-rate risk. The Group's risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

Under the Group's risk management programme, each department identifies and documents their key tasks and the risks associated with their tasks. The risks are summarized in a risk assessment program where they are graded by likelihood and consequence and where the procedure and controls for managing the risks are recorded.

(a) Market risk

(i) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations. To mitigate risks arising from fluctuations in exchange rates, forward foreign exchange contracts are used to hedge the currency exposure of the Group.

(ii) Price risk

The Group is exposed to price risk since investments held by the Group are classified as available for sale financial assets and are measured at fair value at each balance sheet date.

(b) Credit risk

The Group has no significant concentrations of credit risk. It has policies in place to ensure that sales of goods and services are provided to customers with an appropriate credit history. The Group manages its exposure to derivative counter-parties by taking into account their financial strength and are limited to high-credit-quality financial institutions.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and making available an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, the Group maintains flexibility in funding by keeping committed credit lines available.

4 財務風險管理

4.1 財務風險因素

本集團的活動承受著多種的財務風險：市場風險（包括貨幣風險、公平值利率風險及價格風險）、信貸風險、流動資金風險及現金流量利率風險。本集團的整體風險管理計劃專注於財務市場的難預測性，並尋求盡量減低對本集團財務表現的潛在不利影響。本集團利用衍生金融工具對沖若干承受的風險。

根據本集團風險管理政策，每個部門需分辨出及記錄其主要任務及與其工作有關的風險。該等風險的概要載於風險評估，而該風險評估乃以該風險可能發生的程度及其後果，以處理該等風險時記錄下來的程序及控制而評級。

(a) 市場風險

(i) 外匯風險

本集團在全球營運，故此承受多種不同貨幣產生的外匯風險，而主要涉及港幣的風。外匯風險來自未來商業交易、已確認資產和負債以及海外業務的淨投資。為減低匯率波動所帶來的風險，本集團使用遠期外匯合約對沖匯價風險。

(ii) 價格風險

本集團須承受價格風險，其原因在於本集團之可供出售之財務資產於各結算日以公平價值評估。

(b) 信貸風險

本集團並無重大集中的信貸風險。本集團有政策確保產品的批發銷售是向擁有適當信貸歷史的客戶銷售。本集團會考慮衍生交易方的財政實力，並僅限於高信貸質素的財務機構，方作出交易的決定。

(c) 流動資金風險

審慎的流動資金風險管理，是指保持足夠的現金、持有足夠和訂有不同還款期的已承諾貸款組合以減輕所承受的再融資風險。由於基本業務的多變性質，集團致力透過已承諾的可用信貸額以維持資金的靈活性。

4 FINANCIAL RISK MANAGEMENT (cont'd)

4.1 Financial risk factors (cont'd)

(d) Interest rate risk

The Group has no significant interest-bearing assets and liabilities. The Group's income and operating cash flow are substantially independent of changes in market interest rates.

4.2 Fair value estimation

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest-rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward foreign exchange contracts is determined using forward exchange market rates at the balance sheet date.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values.

4 財務風險管理 (續)

4.1 財務風險因素 (續)

(d) 利率風險

由於本集團並無重大計息資產或負債，故本集團的收入和營運現金流量基本上不受市場利率波動的影響。

4.2 公平值估計

在活躍市場買賣的金融工具（例如公開買賣的衍生工具、買賣證券和可供出售證券）之公平值根據結算日的市場報價列賬。本集團持有的財務資產的市場報價為當時買盤價；而財務負債的適當市場報價為當時賣盤價。

沒有在活躍市場買賣的金融工具（例如場外衍生工具）的公平值利用估值技術釐定。本集團利用多種方法，並根據每個結算日當時的市場情況作出假設。長期債務利用類似工具的市場報價或交易商報價釐定。其他技術，例如估計貼現現金流量，用以釐定其餘金融工具的公平值。利率掉期的公平值按估計未來現金流量的現值計算。遠期外匯合約的公平值利用結算日遠期市場匯率釐定。

貿易應收款和應付款的賬面值減估計信貸調整，被假定接近其公平值。

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Impairment of assets

The Group conducts impairment reviews of assets when events of changes in circumstances indicate that their carrying amounts may not be recoverable annually in accordance with relevant accounting standards. An impairment loss is recognised when the carrying amount of an asset is lower than the greater of its net selling price or the value in use. In determining the value in use, management assess the present value of the estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. Estimates and judgements are applied in determining these future cash flows and the discount rate.

(b) Impairment of receivables

The impairment of receivables is assessed based on the evaluation of the collectibility and aging analysis, including the credit worthiness and the collection history of each customer. Judgement is required when assessing the realisability of these receivables.

(c) Estimates of fair value of investment properties

The investment properties of the Group are revalued at the balance sheet date on market value basis by independent professional valuers. Such valuation is based on certain assumptions, which are subject to uncertainty and may differ from actual results. In making the judgement, the Group considers information from current price in an active market for similar properties and uses assumptions that are mainly based on market conditions existing at each balance sheet date.

5 關鍵會計估算及判斷

估算和判斷會被持續評估，並根據過往經驗和其他因素進行評價，包括在有關情況下相信為合理的對未來事件的預測。

本集團對未來作出估算和假設。所得的會計估算如其定義，很少會與其實際結果相同。很大機會導致下個財政年度的資產和負債的賬面值作出重大調整的估算和假設討論如下。

(a) 資產減值

本集團在出現可能使資產帳面金額無法收回的事項或情況轉變時，檢討有關資產的減值狀況，並會按照相關的會計準則，每年進行減值評估。當資產賬面值低於可變現淨值及使用價值兩者中較高者時，減值虧損便予以確認。管理層在決定資產之使用價值時，須就該資產使用期間產生的未來現金流量及可使用年期作出評估。未來現金流量及適用的貼現率須作出估計及判斷。

(b) 應收賬款減值

應收賬款減值是根據可收賬款評估及賬戶之賬齡分析，並包括該賬戶之信譽及過往催收紀錄。在評估該等應收賬款之最終變現時需作出判斷。

(c) 投資物業公平值估計

投資物業已由獨立專業估值師於結算日按其現有用途以市值基準重新估價。有關估值乃根據若干假設進行，故當中仍有不明確因素且或會與實際結果有重大差異。於作出判斷時，本集團已考慮活躍市場中類似物業之當前市價，並運用主要根據各結算日之市況作出之假設。

6 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 20 to the financial statements.

6 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財務報表附註20。

		2005 二零零五年 HK\$'000 港幣千元	2004 二零零四年 HK\$'000 港幣千元
Turnover	營業額		
Sales of inventories	銷售存貨收入	292,347	315,362
Revenue from construction contracts	建築合約收入	–	249
Commission income	佣金收入	91	5,545
		292,438	321,156
Other revenues	其他收入		
Interest income from bank deposits	來自銀行存款之利息收入	1,364	442
Administration fee received from the associate (note 37(a))	向一間聯營公司收取之行政費用 (附註37(a))	420	948
Gross rental income from investment properties (note 37(b))	投資物業之總租金收入 (附註37(b))	717	612
Gain on disposal of property, plant and equipment	出售物業、機器及設備收益	–	4
Sundry income	雜項收入	1,298	1,837
		3,799	3,843
Total revenues	總收入	296,237	324,999

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.

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。

6 TURNOVER, OTHER REVENUES AND SEGMENT INFORMATION (cont'd)

Primary reporting format – business segments

6 營業額、其他收入及分類資料 (續)

首要呈報方式 – 業務分類

		Building products 2005 HK\$'000 建築產品 二零零五年 港幣千元	Engineering equipment 2005 HK\$'000 工程設備 二零零五年 港幣千元	Other operations 2005 HK\$'000 其他業務 二零零五年 港幣千元	Elimination 2005 HK\$'000 對銷 二零零五年 港幣千元	The Group 2005 HK\$'000 本集團 二零零五年 港幣千元
Turnover	營業額					
External sales	外界銷售	257,885	34,553	–	–	292,438
Inter-segment sales	業務間之銷售	34,916	–	–	(34,916)	–
		292,801	34,553	–	(34,916)	292,438
Segment results	分類業績	22,467	626	(5,670)	–	17,423
Unallocated costs	未分配成本					(15,475)
Operating profit	經營溢利					1,948
Finance costs	財務費用					(23)
Share of loss of an associate	應佔聯營公司虧損	–	–	–	–	–
Profit before income tax	除所得稅前溢利					1,925
Income tax expense	所得稅					(301)
Profit attributable to shareholders	股東應佔溢利					1,624
Segment assets	分類資產	91,868	11,821	92,822	–	196,511
Interest in an associate	聯營公司權益	–	–	64	–	64
Unallocated assets	未分配資產					71,641
Total assets	總資產					268,216
Segment liabilities	分類負債	(55,751)	(8,551)	(2,904)	–	(67,206)
Unallocated liabilities	未分配負債					(5,270)
Total liabilities	總負債					(72,476)
Capital expenditure	資本開支	(14,618)	(4)	(558)	–	(15,180)
Other non-cash expenses	其他非現金開支					
Depreciation of property, plant and equipment	物業、機器及設備折舊	(1,003)	(72)	(1,176)	–	(2,251)
Amortisation of leasehold land and land use rights	租賃土地及土地使用權攤銷	–	–	(1,012)	–	(1,012)
Provision for impairment of receivables	應收款減值撥備	(1,209)	(173)	–	–	(1,382)
Write back provision for impairment of receivables	應收款減值撥備撥回	2,128	813	–	–	2,941
Provision for stock obsolescence	過時存貨撥備	(51)	(6)	–	–	(57)
Write back provision for stock obsolescence	過時存貨撥備撥回	442	2	–	–	444
Provision for long service payments	長期服務金撥備	74	(15)	37	–	96
Provision for employee leave entitlements	僱員應享假期撥備	(182)	(122)	(41)	–	(345)

6 TURNOVER, OTHER REVENUES AND SEGMENT INFORMATION (cont'd)

Primary reporting format – business segments (cont'd)

6 營業額、其他收入及分類資料 (續)

首要呈報方式 – 業務分類 (續)

		Building products	Engineering equipment	Other operations	Elimination	The Group
		(restated)	(restated)	(restated)	(restated)	(restated)
		2004	2004	2004	2004	2004
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		建築產品	工程設備	其他業務	對銷	本集團
		(重列)	(重列)	(重列)	(重列)	(重列)
		二零零四年	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	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)	(5,454)	–	16,928
Unallocated costs	未分配成本					(16,443)
Operating profit	經營溢利					485
Finance costs	財務費用					(54)
Share of loss of an associate	應佔聯營公司虧損	–	–	(1,065)	–	(1,065)
Loss before income tax	除所得稅前虧損					(634)
Income tax expense	所得稅					(226)
Loss attributable to shareholders	股東應佔虧損					(860)
Segment assets	分類資產	82,719	15,838	94,808	–	193,365
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					278,993
Segment liabilities	分類負債	(56,379)	(13,765)	(2,603)	–	(72,747)
Unallocated liabilities	未分配負債					(13,754)
Total liabilities	總負債					(86,501)
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 of property, plant and equipment	物業、機器及設備折舊	(2,800)	(150)	(1,440)	–	(4,390)
Amortisation of leasehold land and land use rights	租賃土地及土地使用權攤銷	–	–	(1,012)	–	(1,012)
Provision for impairment of receivables	應收款減值撥備	(1,941)	(841)	–	–	(2,782)
Write back provision for impairment of receivables	應收款減值撥備撥回	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 property	重估投資物業之未變現收益	–	–	57	–	57

6 TURNOVER, OTHER REVENUES AND SEGMENT INFORMATION (cont'd)

Secondary reporting format – geographical segments

6 營業額、其他收入及分類資料 (續)

次要呈報方式 – 地區分類

		Turnover 2005 HK\$'000 營業額 二零零五年 港幣千元	Segment results 2005 HK\$'000 分類業績 二零零五年 港幣千元	Total assets 2005 HK\$'000 總資產 二零零五年 港幣千元	Capital expenditure 2005 HK\$'000 資本開支 二零零五年 港幣千元
Hong Kong and Macau	香港及澳門	273,333	54,073	174,323	3,387
Mainland China	中國內地	19,105	3,274	22,188	11,793
		292,438	57,347		15,180
Unallocated costs	未分配成本		(55,399)		
Operating profit	經營溢利		1,948		
Interest in an associate	聯營公司權益			64	
Unallocated assets	未分配資產			71,641	
Total assets	總資產			268,216	

		Turnover 2004 HK\$'000 營業額 二零零四年 港幣千元	Segment results (restated) 2004 HK\$'000 分類業績 (重列) 二零零四年 港幣千元	Total assets (restated) 2004 HK\$'000 總資產 (重列) 二零零四年 港幣千元	Capital expenditure 2004 HK\$'000 資本開支 二零零四年 港幣千元
Hong Kong and Macau	香港及澳門	307,511	54,793	186,745	2,017
Mainland China	中國內地	13,645	2,116	6,620	1,294
		321,156	56,909		3,311
Unallocated costs	未分配成本		(56,424)		
Operating profit	經營溢利		485		
Interest in an associate	聯營公司權益			265	
Unallocated assets	未分配資產			85,363	
Total assets	總資產			278,993	

7 COST OF SALES

7 銷售成本

		2005 二零零五年 HK\$'000 港幣千元	2004 二零零四年 HK\$'000 港幣千元
Cost of inventories sold	銷售存貨成本	231,372	260,419
Cost of construction contracts	建築合約成本	(1,985)	1,876
Cost of consumable stocks	消耗存貨成本	1,762	1,825
Sub-contracting fee on construction contracts	建築合約之分包費用	–	28
Net unrealized fair value loss on derivative financial instruments	衍生金融工具之未變現公平價值淨虧損	2,620	–
		233,769	264,148

Note: Based on the latest assessment of total contract costs for the contracting business, a net amount of HK\$1,985,000 has been credited (2004: HK\$29,000 has been debited) to cost of sales to reflect a change in estimate of contract costs for the year ended 31 December 2005.

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1,985,000元已自銷售成本撥備撥回（二零零四年：約港幣29,000元已自銷售成本撥備扣除），以反映截至二零零五年十二月三十一日止年度合約成本估算之變動。

8 OPERATING EXPENSES

8 經營開支

		2005 二零零五年 HK\$'000 港幣千元	(restated) (重列) 2004 二零零四年 HK\$'000 港幣千元
Administrative expenses:	行政費用：		
Employee benefit expenses (note 10)	僱員福利開支 (附註10)	32,702	29,726
Directors' remuneration (note 11)	董事酬金 (附註11)	6,724	9,900
Depreciation of property, plant and equipment (note 18)	物業、機器及設備折舊 (附註18)	2,251	4,390
Amortisation of leasehold land and land use rights	租賃土地及土地使用權攤銷	1,012	1,012
Operating lease rentals on properties paid to third parties	就樓宇已付第三者之經營租約租金	2,818	2,480
Travelling expenses	交通費	2,199	1,153
Entertainment expenses	交際費	907	608
Management fee	管理合約費	1,360	1,200
Stamps, postage and telephone	郵票、郵資及電話費	1,029	1,081
Auditors' remuneration	核數師酬金	1,614	1,292
Legal and professional fees	法律及專業服務費	1,437	1,395
Advertising & promotion expenses	廣告及推廣費	568	728
		54,621	54,965
Other operating expenses:	其他經營開支：		
Write back provision for impairment of receivables	應收款減值撥備撥回	(2,941)	(5,284)
Provision for impairment of receivables	應收款減值撥備	1,382	2,782
Write back provision for stock obsolescence	過時存貨撥備撥回	(444)	–
Provision for stock obsolescence	過時存貨撥備	57	469
Provision for long service payments	長期服務金撥備	(96)	(492)
Provision for employee leave entitlements	僱員應享假期撥備	345	210
Loss on disposal of property, plant and equipment	出售物業、機器及設備之虧損	39	–
Exchange difference	兌換差額	(125)	(289)
Sundry expenses	雜項開支	7,682	8,062
		5,899	5,458
		60,520	60,423

9 FINANCE COSTS

9 財務費用

		2005 二零零五年 HK\$'000 港幣千元	2004 二零零四年 HK\$'000 港幣千元
Interest expenses on short-term bank loans and overdrafts	短期銀行貸款及透支之利息開支	23	54

10 EMPLOYEE BENEFIT EXPENSES

10 僱員福利開支

		2005 二零零五年 HK\$'000 港幣千元	(restated) (重列) 2004 二零零四年 HK\$'000 港幣千元
Wages and salaries	工資及薪酬	30,851	28,016
Termination benefits	解僱補償	328	628
Contributions to ORSO scheme (note 12)	退休條例計劃供款 (附註12)	516	311
Contributions to MPF scheme (note 12)	強積金計劃供款 (附註12)	437	355
Employee share-based compensation benefits (note 32)	僱員應享購股權計劃之福利 (附註32)	570	416
		32,702	29,726

11 DIRECTORS' AND SENIOR MANAGERMENTS' EMOLUMENTS

(a) Directors' remuneration

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

		2005 二零零五年 HK\$'000 港幣千元	2004 二零零四年 HK\$'000 港幣千元
Fees	袍金	750	700
Salary and other benefits	薪金及其他福利	5,009	8,285
Discretionary bonus	酌情花紅	438	312
Year end bonus	年終花紅	194	161
Retirement Schemes contributions	退休金計劃供款	333	442
		6,724	9,900

Included in the directors' remuneration were fees of HK\$750,000 (2004: HK\$700,000) paid to non-executive directors and independent non-executive directors during the year.

The emoluments of the directors fell within the following bands:

11 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條披露應付予董事的酬金總額如下：

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750,000元（二零零四年：港幣700,000元）。

董事酬金之範圍如下：

Emoluments' band	酬金之範圍	Number of directors 董事人數	
		2005 二零零五年	2004 二零零四年
HK\$Nil - HK\$1,000,000	港幣零元－港幣1,000,000元	5	5
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	2	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	—	—
HK\$3,000,001 - HK\$3,500,000	港幣3,000,001元－港幣3,500,000元	—	1

11 DIRECTORS' AND SENIOR MANAGERMENTS' EMOLUMENTS (cont'd)

(a) Directors' remuneration (cont'd)

The remuneration of every Director for the year ended 31 December 2005 is set out below:

Name of Director		Note	Fee 袍金 HK\$'000 港幣千元	Salary 薪金 HK\$'000 港幣千元	Discretionary bonus 酌情花紅 HK\$'000 港幣千元	Year end bonus 年終花紅 HK\$'000 港幣千元	Retirement scheme contribution 退休金 計劃供款 HK\$'000 港幣千元	Other benefits 其他福利 HK\$'000 港幣千元	2005 Total 總額 HK\$'000 港幣千元	2004 Total 總額 HK\$'000 港幣千元
Michael John Green	米高•葛林		-	1,636	-	68	164	360	2,228	3,487
Daniel George Green	丹尼•葛林	(i)	-	937	126	63	75	576	1,777	1,092
Lai Ka Tak, Patrick	黎嘉得		-	1,500	312	63	94	-	1,969	1,803
Woo Chun Yu, Adolf	胡鎮宇	(ii)	-	-	-	-	-	-	-	1,393
Leung Tak Tong, Eric	梁德堂	(iii)	-	-	-	-	-	-	-	1,425
Augustus Ralph Marshall			150	-	-	-	-	-	150	150
Christopher John David Clark	簡基華		150	-	-	-	-	-	150	150
Simon Murray	馬世民		150	-	-	-	-	-	150	150
V-Nee Yeh	葉維義		150	-	-	-	-	-	150	150
Thaddeus Thomas Beczak		(iv)	150	-	-	-	-	-	150	100
			750	4,073	438	194	333	936	6,724	9,900

Notes

- (i) appointed on 1 January 2004
- (ii) resigned on 31 August 2004
- (iii) resigned on 21 September 2004
- (iv) appointed on 17 May 2004

附註

- (i) 於二零零四年一月一日獲委任
- (ii) 於二零零四年八月三十一日辭任
- (iii) 於二零零四年九月二十一日辭任
- (iv) 於二零零四年五月十七日獲委任

(b) Five highest paid individuals

Of the five individuals with the highest emoluments, three (2004: four) were directors whose emoluments are disclosed in note (a) above. The highest emoluments payable to the remaining two (2004: one) individual during the year is as follows:

		2005 二零零五年 HK\$'000 港幣千元	2004 二零零四年 HK\$'000 港幣千元
Salary and other benefits	薪金及其他福利	1,647	753
Discretionary bonus	酌情花紅	414	367
Year end bonus	年終花紅	69	32
Retirement Schemes contributions	退休金計劃供款	120	38
		2,250	1,190

11 董事及高級管理人員之酬金 (續)

(a) 董事酬金 (續)

截至二零零五年十二月三十一日止年度，每名董事的酬金如下：

(b) 五位最高酬金之人士

五位最高酬金人士包括三位 (二零零四年：四位) 董事，彼等之酬金已於上文附註(a)披露。年內，應付其餘兩位 (二零零四年：一位) 最高酬金人士如下：

11 DIRECTORS' AND SENIOR MANagements' EMOLUMENTS (cont'd)**(b) Five highest paid individuals (cont'd)**

The emoluments of the two (2004: one) individual with the highest emoluments is within the following band:

Emoluments' band	酬金之範圍	Number of individuals 人數	
		2005 二零零五年	2004 二零零四年
HK\$Nil – HK\$1,000,000	港幣零元 – 港幣1,000,000元	1	–
HK\$1,000,001 – HK\$1,500,000	港幣1,000,001元 – 港幣1,500,000元	1	1

The Group usually determines and pays discretionary bonus to employees (including Directors) around January/February each year based on the actual financial results of the Group for the preceding year. The discretionary bonuses shown above therefore represent actual payments to the employees (including Directors) during the current financial year in relation to performance for the preceding year.

11 董事及高級管理人員之酬金 (續)**(b) 五位最高酬金之人士 (續)**

兩位 (二零零四年: 一位) 最高酬金人士之酬金範圍如下:

本集團通常於每年約一月或二月根據上年度之實際財務業績來決定所派付的酌情花紅予僱員 (包括董事)。因此上述酬金實為本年度實際支付予僱員 (包括董事) 有關前一年度業績的酌情花紅。

12 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\$572,000 (2004: HK\$784,000) were fully utilised during the year.

Contributions of HK\$266,000 (2004: HK\$216,000) were payable to the Retirement Schemes at the year-end.

12 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572,000元 (二零零四年: 港幣784,000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266,000元 (二零零四年: 港幣216,000元)。

13 INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 17.5% (2004: 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 represents:

13 所得稅

香港利得稅乃就年內估計應課稅溢利按17.5% (二零零四年: 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:

		2005 二零零五年 HK\$'000 港幣千元	2004 二零零四年 HK\$'000 港幣千元
Current income tax	本年度所得稅		
– Hong Kong profits tax	– 香港利得稅	47	34
– Overseas taxation	– 海外稅項	254	192
Deferred income tax (note 34)	遞延所得稅項 (附註34)	–	–
		301	226

13 INCOME TAX EXPENSE (cont'd)

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

		2005 二零零五年 HK\$'000 港幣千元	(restated) (重列) 2004 二零零四年 HK\$'000 港幣千元
Profit/(loss) before income tax	除所得稅前溢利／(虧損)	1,925	(634)
Calculated at a taxation rate of 17.5%	按稅率17.5%計算之稅項	337	(111)
Effect of different taxation rates in other countries	其他國家不同稅率之影響	145	167
Income not subject to taxation	無須課稅之收入	(550)	(980)
Expenses not deductible for taxation purposes	不可就稅項扣除的開支	1,137	914
Tax loss not recognised	尚未確認的稅務虧損	942	767
Utilisation of previously unrecognized tax losses	使用早前未有確認之稅務虧損	(1,710)	(531)
Income tax expense	所得稅	301	226

13 所得稅 (續)

本集團有關除稅前溢利／(虧損)之稅項與本公司以本港稅率計算的理論金額的偏差如下：

14 PROFIT/(LOSS) ATTRIBUTABLE TO SHAREHOLDERS

The profit/(loss) attributable to shareholders includes a loss of HK\$487,000 (2004: profit of HK\$10,469,000) which has been dealt with in the financial statements of the Company.

14 股東應佔溢利／(虧損)

股東應佔溢利／(虧損)已列入本公司賬目內為數的港幣487,000元的虧損(二零零四年：港幣10,469,000元溢利)。

15 EARNINGS/(LOSS) PER SHARE**(a) Basic earnings/(loss) per share**

The calculation of basic earnings/(loss) per share is based on the Group's profit attributable to ordinary shareholders of HK\$1,624,000 (2004: Group's loss attributable to ordinary shareholders of HK\$860,000, as restated) and the weighted average number of 224,496,000 (2004: 224,496,000) ordinary shares in issue during the year.

(b) Diluted earnings/(loss) per share

The calculation of diluted earnings/(loss) per share is based on the Group's profit attributable to ordinary shareholders of HK\$1,624,000 (2004: Group's loss attributable to ordinary shareholders of HK\$860,000, as restated) and the weighted average number of 225,396,000 (2004: 224,496,000) ordinary shares after adjusting for the effects of all dilutive potential ordinary shares.

15 每股盈利／(虧損)**(a) 每股基本盈利／(虧損)**

每股基本盈利／(虧損)乃根據本集團年內普通股股東應佔溢利約港幣1,624,000元(二零零四年：本集團之普通股股東應佔虧損經重列約為港幣860,000元)及年內已發行普通股之加權平均數224,496,000股(二零零四年：224,496,000股)計算。

(b) 每股攤薄盈利／(虧損)

每股攤薄盈利／(虧損)乃根據本集團年內普通股股東應佔溢利約港幣1,624,000元(二零零四年：本集團之普通股股東應佔虧損經重列約為港幣860,000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225,396,000股(二零零四年：224,496,000股)計算。

15 EARNINGS/(LOSS) PER SHARE (cont'd)

(c) Reconciliation

15 每股盈利／（虧損）（續）

(c) 對賬

		2005 二零零五年 Number of shares 股份數目	2004 二零零四年 Number of shares 股份數目
Weighted average number of ordinary shares used in calculating basic earning/(loss) per share	用作計算每股基本盈利／（虧損）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	900,000	—
Weighted average number of ordinary shares used in calculating diluted earnings/(loss) per share	用作計算每股攤薄盈利／（虧損）的普通股加權平均數	225,396,000	224,496,000

16 DIVIDEND

16 股息

		2005 二零零五年 HK\$'000 港幣千元	2004 二零零四年 HK\$'000 港幣千元
Proposed final dividend of HK\$Nil cents (2004: HK\$4.40 cents) per ordinary share	本年度並無擬派末期股息 (二零零四年：擬派末期股息 每股普通股港幣4.40仙)	—	9,878

17 INVESTMENT PROPERTIES

17 投資物業

		The Group 本集團	
		2005 二零零五年 HK\$'000 港幣千元	2004 二零零四年 HK\$'000 港幣千元
At 1 January	於一月一日	17,601	17,501
Revaluation gains	重估收益	–	100
At 31 December	於十二月三十一日	17,601	17,601

Investment properties of the Group were revalued at 31 December 2005 on the basis of their market value by A.G. Wilkinson & Associates, an independent firm of chartered surveyors, employed by the Group. Valuations were based on current prices in an active market for all properties.

本集團之投資物業已於二零零五年十二月三十一日，經由本集團委聘之獨立特許測量師韋堅信測量師行以公開市值為基準進行重估。

At 31 December 2005, the Group had no unprovided contractual obligation for future repairs and maintenance.

於二零零五年十二月三十一日，本集團就未來維修和保養並沒有任何未撥備合約責任。

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

本集團在投資物業的權益按其賬面淨值分析如下：

		The Group 本集團	
		2005 二零零五年 HK\$'000 港幣千元	2004 二零零四年 HK\$'000 港幣千元
Outside Hong Kong, held on:	在香港以外持有：		
Leases of over 50 years	逾50年之租約	2,050	2,050
Leases of between 10 to 50 years	10年至50年之租約	15,551	15,551
		17,601	17,601

Notes to the Financial Statements 財務報表附註

18 PROPERTY, PLANT AND EQUIPMENT

The Group

18 物業、機器及設備

本集團

		Construction in progress 在建工程 HK\$'000 港幣千元	Leasehold buildings 租賃物業 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 1 January 2004	於二零零四年一月一日							
Cost or valuation	成本或估值	-	29,780	14,360	27,787	13,001	482	85,410
Accumulated depreciation	累計折舊	-	(6,862)	(13,870)	(26,569)	(10,836)	(482)	(58,619)
Net book value, as restated	賬面淨值，按重列	-	22,918	490	1,218	2,165	-	26,791
Net book value at 1 January 2004, as previously reported	賬面淨值 於二零零四年一月 一日，按過往呈報	-	70,086	490	1,218	2,165	-	73,959
Effect of adopting HKAS 17	採納《香港會計準則》 第17號	-	(47,168)	-	-	-	-	(47,168)
Net book value at 1 January 2004, as restated	賬面淨值 於二零零四年一月 一日，按重列	-	22,918	490	1,218	2,165	-	26,791
Additions	添置	-	-	795	508	764	1,244	3,311
Depreciation	折舊	-	(595)	(775)	(885)	(1,886)	(249)	(4,390)
Disposals	出售	-	-	-	(2)	-	-	(2)
Net book value at 31 December 2004, as restated	賬面淨值 於二零零四年十二月 三十一日，按重列	-	22,323	510	839	1,043	995	25,710
At 31 December 2004	於二零零四年十二月 三十一日							
Cost or valuation	成本或估值	-	29,780	15,155	28,210	13,765	1,263	88,173
Accumulated depreciation	累計折舊	-	(7,457)	(14,645)	(27,371)	(12,722)	(268)	(62,463)
Net book value, as restated	賬面淨值，按重列	-	22,323	510	839	1,043	995	25,710
Net book value at 1 January 2005, as previously reported	賬面淨值 於二零零五年一月 一日，按過往呈報	-	72,150	510	839	1,043	995	75,537
Effect of adopting HKAS 17	採納《香港會計準則》 第17號	-	(49,827)	-	-	-	-	(49,827)
Net book value at 1 January 2005, as restated	賬面淨值 於二零零五年一月 一日，按重列	-	22,323	510	839	1,043	995	25,710
Additions	添置	11,102	-	2,560	910	147	461	15,180
Depreciation	折舊	-	(595)	(544)	(469)	(393)	(250)	(2,251)
Write off/disposals	撤銷／出售	-	-	-	-	-	(299)	(299)
Net book value at 31 December 2005	賬面淨值 於二零零五年十二月 三十一日	11,102	21,728	2,526	1,280	797	907	38,340
At 31 December 2005	於二零零五年十二月 三十一日							
Cost or valuation	成本或估值	11,102	29,780	17,715	28,907	13,912	1,334	102,750
Accumulated depreciation	累計折舊	-	(8,052)	(15,189)	(27,627)	(13,115)	(427)	(64,410)
Net book value	賬面淨值	11,102	21,728	2,526	1,280	797	907	38,340

18 PROPERTY, PLANT AND EQUIPMENT (cont'd)

The analysis of the cost or valuation at 31 December 2005 of the above assets of the Group is as follows:

		Construction in progress 在建工程 HK\$'000 港幣千元	Leasehold buildings 租賃物業 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	按成本	11,102	29,780	17,715	28,907	13,912	1,334	102,750
At valuation – 2005	按估值 – 二零零五年	–	–	–	–	–	–	–
		11,102	29,780	17,715	28,907	13,912	1,334	102,750

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

		Construction in progress 在建工程 HK\$'000 港幣千元	Leasehold buildings 租賃物業 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	按成本	–	29,780	15,155	28,210	13,765	1,263	88,173
At valuation – 2004	按估值 – 二零零四年	–	–	–	–	–	–	–
		–	29,780	15,155	28,210	13,765	1,263	88,173

Construction in progress represents the construction cost paid and payable in relation to the new factory of the Group in Mainland China as at 31 December 2005.

於二零零五年十二月三十一日，上述資產的成本或估值分析如下：

於二零零四年十二月三十一日，上述資產的成本或估值分析如下：

在建工程是指本集團於二零零五年十二月三十一日在中國大陸興建之新雲石廠房之已付及應付之款項。

19 LEASEHOLD LAND AND LAND USE RIGHTS

The Group's interests in leasehold land and land use rights represent prepaid operating lease payments and their net book value are analysed as follows:

19 租賃土地及土地使用權

本集團在租賃土地及土地使用權的權益指預付營運租賃款，按其賬面淨值分析如下：

		The Group 本集團	
		2005 二零零五年 HK\$'000 港幣千元	2004 二零零四年 HK\$'000 港幣千元
In Hong Kong, held on:	在香港持有：		
Leases of between 10 to 50 years	10年至50年之租約	46,572	47,533
Outside Hong Kong, held on:	在香港以外持有：		
Leases over 50 years	逾50年之租約	2,884	2,935
		49,456	50,468

At 31 December 2005, leasehold land with a carrying value of HK\$43,337,000 (2004: HK\$44,221,000) held by a subsidiary of the Group was charged to a bank to obtain banking facilities.

於二零零五年十二月三十一日，銀行貸款以賬面值約港幣43,337,000元（二零零四年：約港幣44,221,000元）的租賃土地作為抵押。

		The Group 本集團	
		2005 二零零五年 HK\$'000 港幣千元	2004 二零零四年 HK\$'000 港幣千元
Net book value at 1 January	於一月一日之賬面淨值		
– as previously reported	– 按過往呈報	–	–
– effect of adopting HKAS 17	– 採納〈香港會計準則〉第17號	50,468	51,480
– as restated	– 按重列	50,468	51,480
Amortisation	攤銷	(1,012)	(1,012)
Net book value at 31 December	於十二月三十一日賬面淨值	49,456	50,468

20 INVESTMENT IN SUBSIDIARIES

20 附屬公司投資

		The Company 本公司	
		2005 二零零五年 HK\$'000 港幣千元	2004 二零零四年 HK\$'000 港幣千元
Investment, at cost	投資，按成本	86,131	86,131
Amounts due from subsidiaries	附屬公司欠款	107,254	105,649
		193,385	191,780

The amounts due from subsidiaries are unsecured, interest free and have 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 is a list of the principal subsidiaries as at 31 December 2005:

於二零零五年十二月三十一日，本公司旗下主要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 繳足普通股股本	Principal activities 主要業務
		The Company 本公司 %	Subsidiaries 附屬公司 %		
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 & Company, Limited 安利有限公司	Shanghai/Hong Kong 上海／香港	—	100	HK\$20,000,000 港幣20,000,000元	Trading and engineering 貿易及工程
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 貿易及工程
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 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 Construction Chemicals Limited	British Virgin Islands 英屬處女群島	—	100	US\$1 1美元	Inactive 暫無營業

20 INVESTMENT IN SUBSIDIARIES (cont'd)

20 附屬公司投資 (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 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 經銷商
Arnhold Investments Limited 安利投資有限公司	Hong Kong 香港	—	100	Ordinary HK\$1 Non-voting deferred HK\$100,000,000 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
Arnhold Kitchens Limited 安利廚櫃有限公司	Hong Kong 香港	—	100	HK\$4 港幣4元	Inactive 暫無營業
Arnhold (Macau) Limited 安法(澳門)有限公司	Macau 澳門	—	100	MOP25,000 葡幣25,000	Trading of construction materials 建築材料貿易
Arnhold Marble China Limited 安利雲石中國有限公司	Hong Kong 香港	—	100	HK\$12 港幣12元	Trading and management services 貿易及管理服務
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 供應及安裝廚櫃
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
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

20 INVESTMENT IN SUBSIDIARIES (cont'd)

20 附屬公司投資(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 %		
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
Bain d'Or Inc.	USA 美國	—	100	US\$2,000 2,000美元	Inactive 暫無營業
Bain d'Or Trading Limited	Hong Kong 香港	—	100	HK\$1 港幣1元	Inactive 暫無營業
Bostik Hong Kong Limited	Hong Kong 香港	—	100	HK\$1 港幣1元	Inactive 暫無營業
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
Dongguan Arnhold Marble Limited* 東莞安利石材有限公司*	Dongguan 東莞	—	100	RMB17,546,951 人民幣17,546,951	Natural stones cutting and polishing 天然石材切割及加工
Grandful Limited 津福有限公司	Hong Kong 香港	—	100	HK\$2 港幣2元	Property holding 物業持有
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
Silvermark Trading Limited	Hong Kong 香港	—	100	HK\$1 港幣1元	Inactive 暫無營業
Tradebond Investments Limited 貿邦投資有限公司	Hong Kong 香港	—	100	HK\$2 港幣2元	Property holding 物業持有
Worldpole Investments Limited 匯柱投資有限公司	Hong Kong 香港	—	100	HK\$2 港幣2元	Property holding 物業持有

* Wholly-owned foreign enterprise incorporated in Mainland China.

* 於中國內地註冊成立之外商獨資企業

21 INTEREST IN AN ASSOCIATE

21 聯營公司權益

		The Group 本集團	
		2005 二零零五年 HK\$'000 港幣千元	2004 二零零四年 HK\$'000 港幣千元
Share of net liabilities	應佔負債淨值	-	(153)
Amount due from the associate	聯營公司之欠款	64	418
		64	265

The Group's interest in its associate which is unlisted, was as follows:

本集團在聯營公司（非上市）的權益如下：

		2005 二零零五年 HK\$'000 港幣千元	2004 二零零四年 HK\$'000 港幣千元
Assets	資產	1,179	1,907
Liabilities	負債	1,684	2,060
Revenues	收入	1,481	3,657
Loss for the year	本年度虧損	(351)	(1,065)

No dividend was received during the year from the associate (2004: Nil). The amount due from the associate is unsecured, interest free and has no fixed terms of repayment.

本年度並無來自聯營公司之特別股息（二零零四年：無）。聯營公司之欠款為無抵押、免息及無固定還款期。

The Group does not recognize losses amounting to HK\$351,000 in 2005 as the Group's share of losses in the associate has exceeded the interest in the associate. (2004: recognised loss of HK\$1,065,000).

本集團並無確認截至二零零五年於聯營公司應佔虧損約港幣351,000元，其原因在於本集團應佔聯營公司虧損已超過其在該聯營公司之權益（二零零四年：應佔聯營公司虧損約港幣1,065,000元）。

The interest in the associate represents a 20% interest in the issued share capital of Kingspan China Limited, which is 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。

22 NON-TRADING SECURITIES

22 非買賣用途證券

		The Group 本集團	
		2005 二零零五年 HK\$'000 港幣千元	2004 二零零四年 HK\$'000 港幣千元
Unlisted equity securities, at cost	非上市證券投資，按成本值	-	7,800
Less: provision for impairment loss	減：減值撥備	-	(7,800)
		-	-

23 OTHER INVESTMENTS

23 其他投資

		The Group 本集團	
		2005 二零零五年 HK\$'000 港幣千元	2004 二零零四年 HK\$'000 港幣千元
Unlisted club debentures, at fair value	非上市會籍債券，按公平價值	-	2,288

24 AVAILABLE-FOR-SALE FINANCIAL ASSETS 24 可供出售之財務資產

		The Group 本集團	
		2005 二零零五年 HK\$'000 港幣千元	2004 二零零四年 HK\$'000 港幣千元
At 1 January	於一月一日	10,088	-
Less: Revaluation deficit transfer to reserves (Note 33)	減：重估虧損轉往儲備 (附註33)	(334)	-
Less: Provision for impairment loss	減：減值撥備	(7,800)	-
At 31 December	於十二月三十一日	1,954	-

Available-for-sale financial assets represent the unlisted equity securities and unlisted club debenture of the Group and are stated at fair value at year ended 31 December 2005.

可供出售之財務資產為本集團於二零零五年十二月三十一日按公平價值列賬之非上市證券投資及非上市會籍債券。

25 INVENTORIES

25 存貨

		The Group 本集團	
		2005 二零零五年 HK\$'000 港幣千元	2004 二零零四年 HK\$'000 港幣千元
Merchandise	商品	14,184	9,381
Consumable inventories	消耗存貨	3,268	2,038
Raw materials	原材料	1,262	719
Work in progress	在製品	416	273
		19,130	12,411

26 CONSTRUCTION CONTRACTS

26 建築合約

		The Group 本集團	
		2005 二零零五年 HK\$'000 港幣千元	2004 二零零四年 HK\$'000 港幣千元
Contract costs incurred plus attributable profits less foreseeable losses to date	建築合約成本加 應佔溢利減可預見虧損	148,046	303,123
Less: progress billings to date	減：已發出之進度收費單	(152,235)	(308,306)
		(4,189)	(5,183)
Included in current assets/(liabilities):	流動資產／(負債) 包括：		
Due from customers on construction contracts (included in construction contracts)	應收客戶之建築合約款項 (包括在建築合約)	13	753
Due to customers on construction contracts (included in trade and other payables)	應付客戶之建築合約款項 (包括在應付賬款及其他應付款)	(4,202)	(5,936)
		(4,189)	(5,183)

At 31 December 2005, the net retention held by customers for contract work included in trade and other receivables of the Group as disclosed in note 27 amounted to HK\$4,826,000 (2004: HK\$5,503,000)

At 31 December 2005, there were no advances received from customers for contract work included in other payables of the Group as disclosed in note 30 (2004: Nil).

於二零零五年十二月三十一日，由客戶持有之合約工程保留金淨值為港幣4,826,000元（二零零四年：港幣5,503,000元），已包括在附註27所披露之本集團應收賬款及其他應收款之內。

於二零零五年十二月三十一日，附註30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（二零零四年：港幣零元）。

27 TRADE AND OTHER RECEIVABLES

27 應收賬款及其他應收款

		The Group 本集團		The Company 本公司	
		2005 二零零五年 HK\$'000 港幣千元	2004 二零零四年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元	2004 二零零四年 HK\$'000 港幣千元
Trade receivables	應收貿易賬款	63,252	71,247	-	-
Retention receivables	應收保留金賬款	8,232	10,983	-	-
Receivables from related parties (note 37)	應收關連人士賬款 (附註37)	520	307	-	-
Less: provision for impairment of receivables	減:應收賬款減值撥備	(3,730)	(5,570)	-	-
Net trade and retention receivables	應收賬款及應收保留金 賬款淨額	68,274	76,967	-	-
Prepayments and other receivables	預付賬款及其他應收款	2,914	8,157	254	265
		71,188	85,124	254	265

Trade and other receivables (which include trade and retention receivables) had 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)之賬齡分析如下:

		The Group 本集團	
		2005 二零零五年 HK\$'000 港幣千元	2004 二零零四年 HK\$'000 港幣千元
Current	未逾期	30,953	24,895
One to three months overdue	逾期一至三個月	22,651	27,370
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	3,139	9,511
Overdue more than twelve months	逾期超過十二個月	15,261	20,761
Total trade and other receivables	應收貿易賬款及保留金總額	72,004	82,537
Less: provision for impairment of receivables	減:應收賬款減值撥備	(3,730)	(5,570)
Net trade and retention receivables	應收賬款及應收保留金賬款淨額	68,274	76,967
Prepayments and other receivables	預付款項及其他應收款	2,914	8,157
		71,188	85,124

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

28 DERIVATIVE FINANCIAL INSTRUMENTS

28 衍生金融工具

		At 31 December 2005 二零零五年十二月三十一日	
		Assets 資產 HK\$'000 港幣千元	Liabilities 負債 HK\$'000 港幣千元
Forward foreign exchange contracts – not qualified as hedges	遠期外匯合約 – 不乎合對沖	51	(1,283)

At 1 January 2005, the fair values of the foreign exchange forward contracts in the amounts of HK\$1,738,000 and HK\$350,000 were recognized as assets and liabilities, respectively.

Details of the outstanding forward foreign exchange contracts held by the Group as at 31 December 2005 are disclosed in note 36. These contracts expire through 2006.

The net unrealized fair value loss on foreign exchange contracts as of 31 December 2005 which are not qualified as hedges has been accounted for in the profit and loss accounts.

於二零零五年一月一日，港幣1,738,000元及港幣350,000元的遠期外匯合約公平值已分別變現為資產及負債。

於二零零五年十二月三十一日，本集團持有的尚未到期遠期外匯合約在附註36中披露。該等合約於二零零六年內屆滿。

於二零零五年十二月三十一日，遠期外匯合約之未變現公平價值淨虧損（不符合對沖），已於損益表中確認。

29 CASH AND CASH EQUIVALENTS

29 現金及現金等價物

		The Group 本集團		The Company 本公司	
		2005 二零零五年 HK\$'000 港幣千元	2004 二零零四年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元	2004 二零零四年 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	46,567	37,541	–	–
Cash at bank and in hand	銀行存款及現金	23,852	46,832	115	74
		70,419	84,373	115	74

30 TRADE AND OTHER PAYABLES

30 應付賬款及其他應付款

		The Group 本集團		The Company 本公司	
		2005 二零零五年 HK\$'000 港幣千元	2004 二零零四年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元	2004 二零零四年 HK\$'000 港幣千元
Trade and bills payables	應付貿易賬款及應付票據	39,473	33,906	-	-
Accruals and other payables	應付費用及其他應付款	26,514	37,530	1,339	1,217
Advances received from customers	客戶預付款	2,839	2,876	-	-
		68,826	74,312	1,339	1,217
Less: non-current portion:	減：非流動部份				
Accrual and other payables	應付費用及其他應付款	(438)	-	-	-
		68,388	74,312	1,339	1,217

All of the above trade and other payables are expected to be settled within one year except the non-current payables which are expected to settle within five years from the balance sheet date.

除非流動應付款預期將於資產負債表日起五年內償付，以上所有應付賬款及其他應付款預期將於一年內償付。

Trade and other payables (which include trade and bills payables) had the following aging analysis:

應付賬款及其他應付款（包括應付貿易及應付票據）賬款賬齡分析如下：

		The Group 本集團	
		2005 二零零五年 HK\$'000 港幣千元	2004 二零零四年 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	31,230	28,326
Due after one month but within three months	一個月後但三個月內到期	7,299	5,077
Due after three months	三個月後到期	944	503
Total trade and bills payables	應付貿易賬款及應付票據總額	39,473	33,906
Accruals and other payables	應付費用及其他應付款	26,514	37,530
Advances received from customers	客戶預付款	2,839	2,876
		68,826	74,312
Less: non-current portion:	減：非流動部份		
Accrual and other payables	應付費用及其他應付款	(438)	-
		68,388	74,312

31 PROVISIONS

31 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 2005	於二零零五年一月一日	770	918	1,688
(Write back)/additional provisions	(撥回)/額外撥備	(96)	1,384	1,288
Less: Amounts utilised	減:已動用款項	-	(1,039)	(1,039)
(Credited)/charged to consolidated profit and loss account	自綜合損益表 (撥回)/扣除	(96)	345	249
Less: Amounts settled	減:已支付款項	-	(207)	(207)
Net effect on provisions	撥備淨額	(96)	138	42
At 31 December 2005	於二零零五年十二月三十一日	674	1,056	1,730

32 SHARE CAPITAL

32 股本

		2005 二零零五年 Authorised 法定 Number of shares 股份數目 HK\$'000 港幣千元		2004 二零零四年 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	
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	224,496,000	22,450	224,496,000	22,450

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 may, at its discretion, invite eligible persons to take up options to subscribe for shares of the Company.

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一項購股權計劃(「該計劃」)。據此,董事會可酌情授予合資格人士購股權以認購本公司股份。

32 SHARE CAPITAL (cont'd)

Details of options granted to directors and employees of the Company under the Scheme for the year 2005 were as follows:

Date of options granted	授出購股權日期	Outstanding options as at 1 January 2005 二零零五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 2005 二零零五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	3,700,000	-	-	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
21 November 2005	二零零五年十一月二十一日	-	4,500,000	-	4,500,000	0.700
		7,400,000	4,500,000	-	11,900,000	

Details of options granted to directors and employees of the Company under the Scheme for the year 2004 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
		7,200,000	3,700,000	(3,500,000)	7,400,000	

Based on the binomial option pricing model, the fair values of the options granted on 18 September 2003, 19 November 2004 and 21 November 2005 were HK\$0.248, HK\$0.141 and HK\$0.180 respectively. However, since the valuation relies on subjective assumptions such as the estimated volatility of the share price, the binomial option pricing model does not necessarily provide a reliable measure of the fair value of the options.

於二零零五年，根據該計劃向本公司董事及僱員授出的股權之詳情如下：

於二零零四年，根據該計劃向本公司董事及僱員授出的股權之詳情如下：

按二項式購股權定價模式計算，於二零零三年九月十八日、二零零四年十一月十九日以及二零零五年十一月二十一日授出購股權之公平價值分別為港幣0.248元、港幣0.141元及港幣0.180元。由於該購股權定價模式需要作出極主觀假設，例如預期股價波幅，因此二項式購股權定價模式未必提供可靠的購股權公平價值。

32 SHARE CAPITAL (cont'd)

The weighted average assumptions used are as follows:

		Options granted on		
		21 November 2005	19 November 2004	18 September 2003
		購股權授出日期		
		二零零五年 十一月二十一日	二零零四年 十一月十九日	二零零三年 九月十八日
Risk-free interest rate (in %)	無風險利率(%)	4.4	2.8	3.8
Expected life (in years)	預計年期(年)	5.0	6.0	6.9
Volatility (in %)	波幅(%)	51.2	49.2	77.5
Expected dividend per share (cents)	預期每股股息(仙)	4.4	4.4	4.4

At the dates before the options were granted, 17 September 2003, 18 November 2004 and 20 November 2005, the market values per share were HK\$0.50, HK\$0.60 and HK\$0.70 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.

The options granted on 21 November 2005 can be exercised in two instalments, 50% of which at any time between 1 November 2007 and 30 August 2010 and the remaining 50% at any time between 1 November 2008 and 30 August 2010.

Employee share option benefits represent fair value at grant date of share options issued under the Scheme that amortised to the profit and loss account during the year disregarding whether the options have been vested/exercised or not.

加權平均使用的假設如下：

在購股權授出前一日，即二零零三年九月十七日、二零零四年十一月十八日及二零零五年十一月二十日，股份每股市值分別為港幣0.50元、港幣0.60元及港幣0.70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。

於二零零五年十一月二十一日授出之購股權可分兩期行使，購股權之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，餘下之50%可由二零零八年十一月一日至二零一零年八月三十日止期間行使。

僱員購股權權益為根據該購股權計劃於授出日期之公平值而於年內於損益賬內攤銷（不論該購股權已被授出行使與否）。

Notes to the Financial Statements 財務報表附註

33 RESERVES

33 儲備

		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 revaluation reserve 投資物業 重估儲備 HK\$'000 港幣千元	Available- for-sale investment reserve 可供出售之 財務資產儲備 HK\$'000 港幣千元	Employee share- based compensation reserve 僱員股份 報酬儲備 HK\$'000 港幣千元	Retained earnings 保留盈利 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 2004	於二零零四年一月一日								
- as previously reported	- 按過往呈報	92,389	609	-	-	-	81,872	808	175,678
- effect of adopting	- 採納之影響								
- HKAS 17	- 《香港會計準則》第17號	-	(609)	-	-	-	5,251	-	4,642
- HKFRS 2	- 《香港財務報告準則》第2號	-	-	-	-	114	(114)	-	-
At 1 January 2004	於二零零四年一月一日								
- as restated	- 按重列	92,389	-	-	-	114	87,009	808	180,320
Surplus on revaluation	重估盈餘	-	739	44	-	-	-	-	783
Reversal of reserve	採納《香港會計準則》								
on adoption of HKAS 17	第17號之重估儲備撥回	-	(739)	-	-	-	-	-	(739)
Loss attributable to	股東應佔虧損								
shareholders		-	-	-	-	-	(860)	-	(860)
Proposed dividend	擬派股息	-	-	-	-	-	(9,878)	-	(9,878)
Employee share-based	僱員應享購權計劃之福利								
compensation benefits		-	-	-	-	416	-	-	416
At 31 December 2004	於二零零四年十二月三十一日								
- as restated	- 按重列	92,389	-	44	-	530	76,271	808	170,042
At 1 January 2005	於二零零五年一月一日								
- as previously reported	- 按過往呈報	92,389	1,348	44	-	-	74,483	808	169,072
- effect of adopting	- 採納之影響								
- HKAS 17	- 《香港會計準則》第17號	-	(1,348)	-	-	-	2,318	-	970
- HKAS 40	- 《香港會計準則》第40號	-	-	(44)	-	-	44	-	-
- HKFRS 2	- 《香港財務報告準則》第2號	-	-	-	-	530	(530)	-	-
- opening adjustment	- 按《香港會計準則》第39號之								
of HKAS 39	期初結餘調整	-	-	-	-	-	1,388	-	1,388
At 1 January 2005,	於二零零五年一月一日								
- as restated	- 按重列	92,389	-	-	-	530	77,703	808	171,430
Profit attributable to	股東應佔溢利								
shareholders		-	-	-	-	-	1,624	-	1,624
Employee share-based	僱員應享購權計劃之福利								
compensation benefits		-	-	-	-	570	-	-	570
Revaluation deficit	重估虧損	-	-	-	(334)	-	-	-	(334)
At 31 December 2005	於二零零五年 十二月三十一日	92,389	-	-	(334)	1,100	79,327	808	173,290

33 RESERVES (cont'd)

33 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 2004	於二零零四年一月一日	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
Loss for the year	本年度虧損	-	(487)	-	(487)
At 31 December 2005	於二零零五年十二月三十一日	92,389	2,509	75,067	169,965

The Group's profit for the year retained of HK\$1,624,000 (2004: retained loss of HK\$860,000, as restated) excluded a loss retained by an associate of HK\$351,000 since the Group does not recognize further loss as the Group's share of loss in an associate has exceeded the interest in the associate. (2004: included the retained loss of HK\$1,065,000).

The distributable reserves of the Company at 31 December 2005, under the Companies Act 1981 of Bermuda, amounted to HK\$77,576,000 (2004: HK\$78,063,000).

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 re-organization in December 1993.

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 reorganization in December 1993. Under the Companies Act 1981 of Bermuda, the contributed surplus is distributable.

本年度集團之保留溢利約為港幣1,624,000元(二零零四年:保留虧損港幣860,000元,按重列),由於本集團於聯營公司之虧損部份已超出其在該聯營公司之權益,故本集團並無確認本年度應佔聯營公司虧損約港幣351,000元。(二零零四年:包括保留虧損約港幣1,065,000元)。

於二零零五年十二月三十一日,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77,576,000元(二零零四年:港幣78,063,000元)。

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。

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。

34 DEFERRED INCOME TAX LIABILITIES

Deferred income tax liabilities was calculated in full on temporary differences under the liability method using a principal taxation rate of 17.5% (2004: 17.5%).

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

		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 總額 HK\$'000 港幣千元
At 1 January 2004	於二零零四年一月一日	367	387	754
Effect of adoption of HKAS 17	採納《香港會計準則》 第17條之影響	58	(387)	(329)
At 31 December 2004	於二零零四年十二月三十一日	425	—	425
Deferred income tax charged to the consolidated profit and loss account	遞延所得稅自綜合損益表內 扣除	—	—	—
At 31 December 2005	於二零零五年十二月三十一日	425	—	425

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

在綜合資產負債表列賬之金額包括：

		The Group 本集團 (restated) (重列)	
		2005 二零零五年 HK\$'000 港幣千元	2004 二零零四年 HK\$'000 港幣千元
Deferred income tax liabilities to be settled after more than 12 months	超過12個月後償還之 遞延所得稅負債	425	425

34 DEFERRED INCOME TAX LIABILITIES (cont'd) 34 遞延所得稅項 (續)

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

並未計入財務報表內之潛在遞延所得稅務資產：

		The Group 本集團	
		2005 二零零五年 HK\$'000 港幣千元	2004 二零零四年 HK\$'000 港幣千元
Decelerated depreciation allowance	減速折舊免稅額	183	233
Other timing differences	其他時差	10,715	13,323
		10,898	13,556

35 CONTINGENT LIABILITIES

(a) At 31 December 2005, there were contingent liabilities in respect of the following:

35 或然負債

(a) 於二零零五年十二月三十一日，或然負債如下：

		The Group 本集團		The Company 本公司	
		2005 二零零五年 HK\$'000 港幣千元	2004 二零零四年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元	2004 二零零四年 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	-	-	229,000	222,000

(b) Certain subsidiaries have given undertakings to banks that they will perform certain contractual non-financial 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 2005, the amount of guarantees outstanding was HK\$2,400,000 (2004: HK\$2,500,000).

(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。於二零零五年十二月三十一日，擔保金額為港幣2,400,000元（二零零四年：港幣2,500,000元）。

36 COMMITMENTS

(a) Commitments under operating lease

At 31 December 2005, the Group had future aggregate minimum lease payments under non-cancellable operating leases as follows:

		The Group 本集團	
		2005 二零零五年 HK\$'000 港幣千元	2004 二零零四年 HK\$'000 港幣千元
Land and buildings	土地及樓宇		
– Not later than one year	– 於一年內屆滿	1,710	2,330
– Later than one year and not later than five years	– 於第二至第五年屆滿	568	1,500
		2,278	3,830

At 31 December 2005, the Group had future aggregate minimum lease payments receivable under non-cancellable operating leases as follows:

		The Group 本集團	
		2005 二零零五年 HK\$'000 港幣千元	2004 二零零四年 HK\$'000 港幣千元
Land and buildings	土地及樓宇		
– Not later than one year	– 於一年內屆滿	474	293
– Later than one year and not later than five years	– 於第二至第五年屆滿	194	142
		668	435

36 承擔

(a) 經營租約之承擔

於二零零五年十二月三十一日，本集團根據不可撤銷經營租約應付之日後最低租金總額如下：

於二零零五年十二月三十一日，本集團根據不可撤銷經營租約應收之日後最低租金總額如下：

36 COMMITMENTS (cont'd)

(b) Capital commitments for land and buildings

36 承擔 (續)

(b) 固定資產之資本承擔

		The Group 本集團	
		2005 二零零五年 HK\$'000 港幣千元	2004 二零零四年 HK\$'000 港幣千元
Contracted but not provided for	已簽約但未撥備	4,412	900

At 31 December 2005, the Group had outstanding forward exchange contracts to buy EUR4,874,000 (2004: EUR3,986,000) at various rates totaling approximately HK\$46,146,000 (2004: HK\$38,573,000); to buy JPY46,725,000 (2004: JPY97,926,000) at various rates totaling approximately HK\$3,142,000 (2004: HK\$7,400,000); to buy GBP149,000 (2004: GBP659,000) at various rates totaling approximately HK\$2,207,000 (2004: HK\$9,366,000); to buy US\$1,171,000 (2004: US\$4,500,000) at various rates totaling approximately HK\$9,092,000 (2004: HK\$34,772,000).

於二零零五年十二月三十一日，本集團持有可按不同匯率購入4,874,000歐元（二零零四年：3,986,000歐元）的尚未到期遠期外匯合約總額約達港幣46,146,000元（二零零四年：約港幣38,573,000元）；按不同匯率購入46,725,000日元（二零零四年：97,926,000日元）的尚未到期遠期外匯合約總額約達港幣3,142,000元（二零零四年：約港幣7,400,000元）；按不同匯率購入149,000英鎊（二零零四年：659,000英鎊）的尚未到期遠期外匯合約總額約達港幣2,207,000元（二零零四年：約港幣9,366,000元）；按不同匯率購入1,171,000美元（二零零四年：4,500,000美元）的尚未到期遠期外匯合約總額約達港幣9,092,000元（二零零四年：港幣34,772,000元）。

37 RELATED PARTY TRANSACTIONS

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

37 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：

		2005 二零零五年 HK\$'000 港幣千元	2004 二零零四年 HK\$'000 港幣千元
Sales of goods and services	商品與服務銷售		
Administration fee received by Arnhold & Company, Limited from the associate (note a)	安利有限公司從聯營公司收取之行政費用 (附註(a))	420	948
Gross rental income received by Grandful Limited from the associate (note b)	津福有限公司向聯營公司收取之總租金收入 (附註(b))	264	264
Sales of goods to related party (note c)	向關連人士銷售商品 (附註(c))	923	4,899
Purchases of goods and services	購買商品與服務		
Professional fee paid to related party (note c)	支付予關連人士專業費用 (附註(c))	326	50
Key management compensation	主要管理人員酬金		
Salaries and other emoluments	薪金及其他酬金	5,009	8,285
Discretionary bonus	酌情花紅	438	312
Year end bonus	年終花紅	194	161
Retirement schemes contribution	退休金計劃供款	333	442
Year-ended balance arising from sales of goods	銷售產生之年終結餘		
Receivable from related party	應收關連人士賬款	520	307
Receivable from the associate	應收聯營公司賬款	63	418

(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 (2004: HK\$264,000) to one of the subsidiaries of the Group, Grandful Limited.

(c) In addition to transactions with related companies as disclosed above, professional fees of HK\$326,000 (2004: HK\$50,000) were paid to a firm in which a non-executive director is a partner. Besides, sales of construction materials of HK\$923,000 (2004: HK\$4,899,000) were made to a listed group of companies in which an independent non-executive director is also a director of the listed group.

(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港幣264,000元(二零零四年：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，本集團向一家本公司一名非執行董事為合夥人之公司支付專業費用為港幣326,000元(二零零四年：港幣50,000元)；另本集團向一上市公司集團銷售建築材料港幣923,000元(二零零四年：港幣4,899,000元)，本公司一名獨立非執行董事亦為該上市集團之董事。

37 RELATED PARTY TRANSACTIONS (cont'd)

It is 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 companies were carried out in the ordinary course of business on normal commercial terms.

38 EVENTS AFTER BALANCE SHEET DATE

On 8 March 2006, Arnhold & Company, Limited (“ACL”), a wholly-owned subsidiary of the Company, Bostik Australia Pty Ltd. (“Bostik”) and Bostik Holding Hong Kong Limited (the “Joint Venture”) entered into a shareholders agreement in relation to the formation of the Joint Venture. The Joint Venture was set up for the purpose of co-investing in a manufacturing company to be established in Guangdong province of the PRC, and marketing and distributing i) certain construction and distribution products of Bostik in Guangdong province, Hong Kong and Macau and ii) certain construction chemicals in Hong Kong and Macau.

The relative contributions of ACL and Bostik and their respective interests in the share capital of the Joint Venture on completion and their obligations to provide shareholders' loans to the Joint Venture are as follows:

Parties 訂約方		Number of shares subscribed 所認購 股份數目	Aggregate subscription prices 總認購價	Percentage of shareholding 持股百分比	Shareholder's loan 股東貸款
ACL	安利	4,000	HK\$4,000	40%	US\$1,600,000
Bostik	Bostik	6,000	HK\$6,000	60%	US\$2,400,000

In addition, ACL has transferred to the Joint Venture its business in relation to the distribution of the construction chemicals products of Bostik and related technical services in Hong Kong and Macau at a total consideration of HK\$853,386.

Completion took place on the same date of the Shareholders Agreement.

37 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。

38 結算日後事項

於二零零六年三月八日，本公司一全資附屬公司安利有限公司（「安利」），Bostik Australia Pty Ltd.（「Bostik」）以及 Bostik Holding Hong Kong Limited（「合營公司」）就成立合營公司訂立股東協議（「股東協議」）。成立合營公司的目的在於共同投資將於中國廣東省成立的生產公司，並i)於廣東省、香港及澳門推廣及分銷Bostik的建設及分銷產品及ii)於香港及澳門推廣及分銷建築化學產品。

安利與Bostik各自於合營公司股本內之投資額和權益以及其應付之股東貸款責任如下：

另安利亦轉讓其在香港及澳門分銷Bostik建築化學產品及提供相關技術服務之業務予合營公司，轉讓代價為港幣853,386元。

股東協議日期與完成日期在同一日期發生。

39 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE ANNUAL ACCOUNTING PERIOD ENDED 31 DECEMBER 2005

Up to the date of approval of these financial statements, the HKICPA has issued the following amendments, new standards and interpretations which are not yet effective for the accounting period ended 31 December 2005 and which have not been adopted in these financial statements:

39 已頒佈但於截至二零零五年十二月三十一日止年度會計期間尚未生效的修訂、新準則及詮釋的潛在影響

截至該等財務報表的批准日期，香港會計師公會已頒佈以下修訂、新準則及詮釋，但該等修訂、新準則及詮釋於截至二零零五年十二月三十一日止會計期間尚未生效，亦並未於該等財務報表中採納：

		Effective for accounting periods beginning on or after 於以下日期或之後開始的會計期間生效
HKFRS 6 《香港財務報告準則》第6號	Exploration for and Evaluation of Mineral Resources 礦產資源的開採和評估	1 January 2006 二零零六年一月一日
HKFRS-Int 4 《香港財務報告準則》詮釋第4號	Determining whether an Arrangement contains a Lease 釐定一項安排是否包含租賃	1 January 2006 二零零六年一月一日
HKFRS-Int 5 《香港財務報告準則》詮釋第5號	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds 對拆卸、復原及環境復修基金權益的權利	1 January 2006 二零零六年一月一日
HK(IFRIC)-Int 6 《香港（國際財務報告詮釋委員會）》詮釋第6號	Liabilities arising from participating in a specific market – Waste electrical and electronic equipment 參與特定市場一廢棄電力及電子設備產生的負債	1 December 2005 二零零五年十二月一日
Amendments to HKAS 19 Employee benefits – Actuarial Gains and Losses, Group Plans and Disclosures 《香港會計準則》第19號（修訂）僱員福利 – 精算盈虧、集體界定福利計劃和披露		1 January 2006 二零零六年一月一日
Amendments to HKAS 21 The effects of Changes in Foreign Exchange Rates – Net Investment in a Foreign Operation 《香港會計準則》第21號（修訂）匯率變更之影響 – 境外業務投資淨額		1 January 2006 二零零六年一月一日
Amendments to HKAS 39 Financial Instruments: Recognition and Measurement: 《香港會計準則》第39號（修訂）金融工具：確認及計量：		
– Cash Flow Hedge Accounting of Forecast Intragroup Transactions – 預測集團內公司間交易的現金流量對沖會計處理		1 January 2006 二零零六年一月一日
– The Fair Value Option – 選擇以公平價值入賬		1 January 2006 二零零六年一月一日
– Financial Guarantee Contracts – 財務擔保合約		1 January 2006 二零零六年一月一日

39 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE ANNUAL ACCOUNTING PERIOD ENDED 31 DECEMBER 2005 (cont'd)

39 已頒佈但於截至二零零五年十二月三十一日止年度會計期間尚未生效的修訂、新準則及詮釋的潛在影響 (續)

		Effective for accounting periods beginning on or after 於以下日期或之後開始的會計期間生效
Amendments, as a consequence of the Hong Kong Companies (Amendment) Ordinance 2005, to:		
因2005年《香港公司(修訂)條例》導致下列修訂:		
– HKAS 1	Presentation of Financial Statements	1 January 2006
– 《香港會計準則》第1號	財務報表的呈列	二零零六年一月一日
– HKAS 27	Consolidated and Separate Financial Statements	1 January 2006
– 《香港會計準則》第27號	綜合及獨立財務報表	二零零六年一月一日
– HKFRS 3	Business Combinations	1 January 2006
– 《香港財務報告準則》第3號	商業合併	二零零六年一月一日
HKFRS 7	Financial Instruments: Disclosures	1 January 2007
《香港財務報告準則》第7號	金融工具:披露	二零零七年一月一日
Amendment to HKAS 1 Presentation of Financial Statements		1 January 2007
– Capital Disclosures		二零零七年一月一日
《香港會計準則》第1號(修訂)財務報表的呈列		
– 資本披露		

In addition, the Hong Kong Companies (Amendment) Ordinance 2005 came into effect on 1 December 2005 and would be first applicable to the Group's financial statements for the period beginning 1 January 2006.

此外,二零零五年《香港公司(修訂)條例》於二零零五年十二月一日開始生效,將在本集團於二零零六年一月一日開始期間的財務報表中首次採用。

The Group is in the process of making an assessment of what the impact of these amendments, new standards and new interpretations would be in the period of initial application, but is not yet in a position to state whether these amendments, new standards and new interpretations would have a significant impact on the Group's results of operations and financial position.

本集團正在評估該等修訂、新準則及新詮釋於首次採用期間將會造成的影響,但仍未能確定該等修訂、新準則及新詮釋會否對本集團的經營業績及財務狀況造成重大影響。

40 APPROVAL OF FINANCIAL STATEMENTS

The financial statements for the year were approved by the board of directors on 25 March 2006.

40 財務報表批核

董事會已於二零零六年三月二十五日批核本年度之財務報表。