

1 General Information

The principal activities of Arnhold Holdings Limited (the “Company”) and its subsidiaries (together, the “Group”) are trading in, and the supply and installation of, building products and engineering equipment. The Group also established a new marble processing factory in the People’s Republic of China (“PRC”) to process and distribute marble products.

The Company is a limited liability company incorporated in Bermuda. The address of its registered office is Clarendon House, Church Street, Hamilton HM 11, Bermuda.

The Company has its primary listing on The Stock Exchange of Hong Kong Limited.

These consolidated financial statements are presented in thousands of units of Hong Kong dollars (HK\$’000), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 23 March 2007.

2 Summary of Significant Accounting Policies

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.

2.1 Basis of Preparation

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (HKFRSs). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and financial liabilities (including derivative 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 Group’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 4.

1 一般資料

安利控股有限公司（「本公司」）及其附屬公司（合稱「本集團」）主要經營及從事建築產品及工程設備銷售、供應及安裝。本集團在中華人民共和國（「中國」）開設一所雲石加工廠房以處理及分銷雲石產品。

本公司為一家在百慕達註冊成立的有限責任公司，註冊辦事處地址為 Clarendon House, Church Street, Hamilton HM11, Bermuda。

本公司的股份主要在香港聯合交易所有限公司主板上市。

本綜合財務報表以港幣千元列報（另有說明除外）。本綜合財務報表已於二零零七年三月二十三日經由董事會批准刊發。

2 重要會計政策摘要

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。

2.1 編制基準

本綜合財務報表是根據《香港財務報告準則》（《香港財務準則》）編制。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、按公平值透過損益記賬的財務資產和財務負債（包括衍生工具）的重估而作出修訂。

編制符合《香港財務準則》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集團的會計政策過程中行使其判斷。涉及高度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 4 中披露。

2 Summary of Significant Accounting Policies (cont'd)

2.1 Basis of Preparation (cont'd)

(a) *Standards and interpretations to existing standards that are not yet effective and not relevant for the Group's operations*

The following interpretations to existing standards have been published that are mandatory for the Group's accounting periods beginning on or after 1 May 2006 or later periods but are not relevant for the Group's operations:

- HKFRS 7, Financial instruments: Disclosures, and the complementary Amendment to HKAS 1, Presentation of Financial Statements – Capital Disclosures, were early adopted in 2006. HKFRS 7 introduces new disclosures relating to financial instruments. This standard does not have any impact on the classification and valuation of the Group's consolidated financial instruments;
- HK(IFRIC)-Int 8, Scope of HKFRS 2 (effective for annual periods beginning on or after 1 May 2006). HK (IFRIC)-Int 8 requires consideration of transactions involving the issuance of equity instruments – where the identifiable consideration received is less than the fair value of the equity instruments issued – to establish whether or not they fall within the scope of HKFRS 2. The Group will apply HK(IFRIC)-Int 8 from 1 January 2007, but it is not expected to have any impact on the Group's consolidated financial statements;

2 重要會計政策摘要 (續)

2.1 編制基準 (續)

(a) *有關仍未生效而亦不適用於本集團的對現有準則之詮釋*

以下為已公佈對現有準則的詮釋，該等詮釋必須在二零零六年五月一日或之後開始的會計期間採納，唯未適用於本集團之營運：

- 《香港財務準則》7「金融工具：披露」，及《香港會計準則》第1號「財務報表的呈報－資本披露」的補充修訂，已於二零零六年提早採納。《香港財務準則》第7號引入了有關金融工具的新披露規定，此項準則對本集團綜合金融工具的分類和估值並無任何影響。
- 香港（國際財務報告詮釋委員會）－詮釋8「《香港財務準則》2的範圍」（由二零零六年五月一日或之後開始的會計期間生效）。香港（國際財務報告詮釋委員會）－詮釋8規定凡涉及發行權益工具的交易－當中所收取的可識別代價低於所發行權益工具的公平值－必須確定其是否屬於《香港財務準則》第2號的範圍內。本集團將由二零零七年一月一日起應用香港（國際財務報告詮釋委員會）－詮釋8，但預期不會對本集團的綜合財務報表有任何影響；

2 Summary of Significant Accounting Policies (cont'd)

2.1 Basis of Preparation (cont'd)

(a) *Standards and interpretations to existing standards that are not yet effective and not relevant for the Group's operations (cont'd)*

- HK(IFRIC)-Int 10, Interim Financial Reporting and Impairment (effective for annual periods beginning on or after 1 November 2006). HK(IFRIC)-Int 10 prohibits the impairment losses recognised in an interim period on goodwill, investments in equity instruments and investments in financial assets carried at cost to be reversed at a subsequent balance sheet date. The Group will apply HK(IFRIC)-Int 10 from 1 January 2007, but it is not expected to have any impact on the Group's consolidated financial statements;
- HK(IFRIC)-Int 7, Applying the Restatement Approach under HKAS 29, Financial Reporting in Hyperinflationary Economies (effective from 1 March 2006). HK(IFRIC)-Int 7 provides guidance on how to apply requirements of IAS/HKAS 29 in a reporting period in which an entity identifies the existence of hyperinflation in the economy of its functional currency, when the economy was not hyperinflationary in the prior period. As none of the group entities have a currency of a hyperinflationary economy as its functional currency, HK(IFRIC)-Int 7 is not relevant to the Group's operations; and

2 重要會計政策摘要 (續)

2.1 編制基準 (續)

(a) *有關仍未生效而亦不適用於本集團的對現有準則之詮釋 (續)*

- 香港 (國際財務報告詮釋委員會) — 詮釋10「中期財務報告和減值」(由二零零六年十一月一日或之後開始的會計期間生效)。香港 (國際財務報告詮釋委員會) — 詮釋10禁止在中期期間確認按成本值列賬的商譽、權益工具的投資和財務資產投資的減值虧損在之後的結算日撥回。本集團將由二零零七年一月一日起應用香港 (國際財務報告詮釋委員會) — 詮釋10, 但預期不會對本集團的綜合財務報表有任何影響。
- 在《香港會計準則》第29號「嚴重通脹經濟中的財務報告」下的重列法」(由二零零六年三月一日起生效)的香港 (國際財務報告詮釋委員會) — 詮釋7提供了指引, 說明若實體在某報告期間內確定其功能貨幣處於嚴重通脹的經濟中, 而有關經濟體系在上一期間並無出現嚴重通脹, 應如何應用國際財務準則/《香港會計準則》第29號的規定。由於集團並無任何實體擁有處於嚴重通脹經濟體系的貨幣作為其功能貨幣, 故此香港 (國際財務報告詮釋委員會) — 詮釋7不適用於本集團; 及

2 Summary of Significant Accounting Policies (cont'd)

2.1 Basis of Preparation (cont'd)

(a) Standards and interpretations to existing standards that are not yet effective and not relevant for the Group's operations (cont'd)

- HK(IFRIC)-Int 9, Reassessment of embedded derivatives (effective for annual periods beginning on or after 1 June 2006). HK(IFRIC)-Int 9 requires an entity to assess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative when the entity first becomes a party to the contract. Subsequent reassessment is prohibited unless there is a change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract, in which case reassessment is required. As none of the group entities have changed the terms of their contracts, HK(IFRIC)-Int 9 is not relevant to the Group's operations.

(b) Standards, amendments and interpretations effective in 2006 but not relevant for the Group's operations

The following standards, amendments and interpretations are mandatory for accounting periods beginning on or after 1 January 2006 but are not relevant to the Group's operations:

- HKAS 19 Amendment – Employee Benefits;
- HKAS 21 Amendment – Net Investment in a Foreign Operation;
- HKAS 39 Amendment – Cash Flow Hedge Accounting of Forecast Intragroup Transactions;

2 重要會計政策摘要 (續)

2.1 編制基準 (續)

(a) 有關仍未生效而亦不適用於本集團的對現有準則之詮釋 (續)

- 香港 (國際財務報告詮釋委員會) – 詮釋 9「重新評估嵌入式衍生工具」(由二零零六年六月一日或之後開始的會計期間生效)。香港 (國際財務報告詮釋委員會) – 詮釋 9 規定當實體首次成為主合約的一方，必須評估該嵌入式衍生工具是否需要與該主合約分開處理，並記賬為衍生工具。此項準則禁止進行後期評估，但假如合約條款有變導致大幅度修改了合約原有的現金流量，則可在有需要時進行重估。由於沒有集團實體更改了其合約條款，故此香港 (國際財務報告詮釋委員會) – 詮釋 9 不適用於本集團。

(b) 在二零零六年生效但不適用於本集團的準則、修訂和詮釋

以下準則、修訂和詮釋必須在二零零六年一月一日或之後開始的會計期間採納，但並不適用於本集團：

- 《香港會計準則》第 19 號修訂 – 僱員福利；
- 《香港會計準則》第 21 號修訂 – 對國外經營的投資淨額；
- 《香港會計準則》第 39 號修訂 – 預測內部交易的現金流量對沖會計法；

2 Summary of Significant Accounting Policies (cont'd)

2.1 Basis of Preparation (cont'd)

(b) Standards, amendments and interpretations effective in 2006 but not relevant for the Group's operations (cont'd)

- HKAS 39 Amendment – The Fair Value Option;
- HKAS 39 and HKFRS 4 Amendment – Financial Guarantee Contracts;
- HKFRS 6, Exploration for and Evaluation of Mineral Resources;
- HKFRS 1 Amendment – First-time Adoption of International Financial Reporting Standards and HKFRS 6 (Amendment), Exploration for and Evaluation of Mineral Resources
- HK(IFRIC)-Int 4, Determining whether an Arrangement contains a Lease;
- HK(IFRIC)-Int 5, Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds; and
- HK(IFRIC)-Int 6, Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment.

2 重要會計政策摘要（續）

2.1 編制基準（續）

(b) 在二零零六年生效但不適用於本集團的準則、修訂和詮釋（續）

- 《香港會計準則》第 39 號修訂 – 公平值期權；
- 《香港會計準則》第39號及《香港財務準則》第 4 號修訂 – 財務擔保合約；
- 《香港財務準則》第6號 – 礦產資源的開採和評估；
- 《香港財務準則》第 1 號修訂「首次採納《香港財務準則》第 6號（修訂）「礦產資源的開採和評估」；
- 香港（國際財務報告詮釋委員會） – 詮釋 4 – 釐定一項安排是否包含租賃；
- 香港（國際財務報告詮釋委員會） – 詮釋 5 – 對拆卸、復原及環境復修基金權益的權利；及
- 香港（國際財務報告詮釋委員會） – 詮釋 6 – 參予特殊市場產生的負債（電氣及電子設備廢料）。

2 Summary of Significant Accounting Policies (cont'd)

2.2 Consolidation

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

2.3 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 unrealised gains on transactions between group companies are eliminated. Unrealised 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 (Note 2.11). The results of subsidiaries are accounted by the Company on the basis of dividend received and receivable.

2 重要會計政策摘要（續）

2.2 綜合賬目

綜合財務報表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。

2.3 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均予以對銷。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（附註 2.11）。附屬公司之業績由本公司按已收及應收股息入賬。

2 Summary of Significant Accounting Policies (cont'd)

2.4 Associates

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

The Group's share of its associates' post-acquisition profits or losses is recognised in the profit and loss account, and its share of post-acquisition movements in reserves is recognised 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 recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised 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.

2.5 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.

2 重要會計政策摘要 (續)

2.4 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相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時，除非本集團已代聯營公司承擔責任或作出付款，本集團將不會確認進一步的虧損。

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一致。

2.5 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其他經濟環境中營運的分部的不同。

2 Summary of Significant Accounting Policies (cont'd)

2.6 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 Hong Kong 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 recognised in the profit and loss account.

(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;

2 重要會計政策摘要 (續)

2.6 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。

(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；

2 Summary of Significant Accounting Policies (cont'd)

2.6 Foreign currency translation (cont'd)

(c) Group companies (cont'd)

- (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 recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings are taken to shareholders' equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the profit and loss account as part of the gain or loss on sale.

2.7 Property, plant and equipment

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

Subsequent costs are included in the asset's carrying amount or recognised 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 charged in the profit and loss account during the financial period in which they are incurred.

2 重要會計政策摘要 (續)

2.6 外幣匯兌 (續)

(c) 集團公司 (續)

- (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, 換算海外業務的淨投資, 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。

2.7 物業、機器及設備

樓宇主要包括廠房、倉庫和辦公室。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。

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。

2 Summary of Significant Accounting Policies (cont'd)

2.7 Property, plant and equipment (cont'd)

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

Leasehold buildings	50 years
Leasehold improvements	2 – 5 years
Furniture and equipment	3 – 5 years
Plant and machinery	5 – 10 years
Motor vehicles	5 years

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.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within operating expenses, in the profit and loss account.

2.8 Lease prepayments

Lease prepayments 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 prepayments.

2 重要會計政策摘要 (續)

2.7 物業、機器及設備 (續)

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：

租賃樓宇	50 年
租賃物業裝修	2 年 – 5 年
傢俬及設備	3 年 – 5 年
廠房及機器設備	5 年 – 10 年
汽車	5 年

資產的剩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。

出售盈虧按所得款與賬面值的差額釐定，並在損益表內的其他支出中確認。

2.8 租賃預付款

租賃預付款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。

2 Summary of Significant Accounting Policies (cont'd)**2.9 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, interest 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.

2.10 Investment properties

Investment properties are land and buildings which are owned or held under a leasehold interest to earn rental income and/or capital appreciation or both, and that is not occupied by the companies in the consolidated Group.

After initial recognition, investment properties are stated in the balance sheet 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, determined annually by independent qualified valuers.

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

Any gain or loss arising from a change in fair value or from the retirement or disposal of an investment property is recognised in the profit and loss account. Rental income from investment properties is accounted for as described in Note 2.24.

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 recognised as a liability, including finance lease liabilities in respect of land classified as investment property; others, including contingent rent payments, are not recognised in the profit and loss account.

2 重要會計政策摘要 (續)**2.9 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。

2.10 投資物業

投資物業乃為根據租賃權益以獲得租金收益及／或資本增值或兩者兼備而擁有或持有，且並非由綜合集團內的公司佔用的物業。

在初步確認後，投資物業按公平值在資產負債表中列賬。公平值根據活躍市場價格計算，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，則每年由獨立估值師決定。

投資物業的公平值其中反映來自現租賃的租金收入，及在現時市場情況下未來租金收入假設。

投資物業公平值改變或因出售投資物業而導致的任何盈虧於損益表中確認。已入賬投資物業租賃收入於附註 2.24 中詳述。

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，則不在損益表列賬。

2 Summary of Significant Accounting Policies (cont'd)

2.10 Investment properties (cont'd)

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 as investment property at fair value.

If an item of property, plant and equipment is transferred to investment property following a change in its use, any difference resulting between the carrying amount and the fair value of this item at the date of transfer is recognised in equity as a revaluation of property, plant and equipment under HKAS 16. Upon disposal of the item the gain is transferred to retained earnings. Any loss arising in this manner is recognised immediately 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.

2.11 Impairment of investments in subsidiaries, associates and non-financial assets

Assets that have an indefinite useful life or have not yet available for use are not subject to amortisation and are tested annually for impairment. 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 recognised 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). Assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2 重要會計政策摘要 (續)

2.10 投資物業 (續)

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以公平值記賬。

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。該項目出售後的盈利轉撥至保留盈餘，因此而產生的任何虧損即時在損益表中確認。

根據《香港財務準則》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。

2.11 附屬公司、聯營公司及非財務資產減值

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。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。除商譽外，已減值的資產在每個報告日期均就減值是否可以撥回進行檢討。

2 Summary of Significant Accounting Policies (cont'd)

2.12 Financial assets

The Group classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivable and available-for-sale financial assets. The classification depends on the purposes for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

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

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

(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 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 classified as trade and other receivables in the balance sheet (Note 2.15).

2 重要會計政策摘要 (續)

2.12 財務資產

本集團將其財務資產分類如下：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。

(a) *按公平值透過損益列賬的財務資產*

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。此類別的資產分類為流動資產。

(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。(附註 2.15)

2 Summary of Significant Accounting Policies (cont'd)

2.12 Financial assets (cont'd)

(c) *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.

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the profit and loss account. Financial assets are derecognised 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 are carried at amortised cost using the effective interest method.

2 重要會計政策摘要（續）

2.12 財務資產（續）

(c) *可供出售財務資產*

可供出售財務資產為被指定作此類別或並無分類為任何其他類別之非衍生工具。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。

定期購入及出售的財務資產在交易日確認 – 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，其投資初步按公平值加交易成本確認。按公平值透過損益記賬的財務資產，初步按公平值確認，而交易成本則在損益表支銷。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，財務資產即終止確認。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則按公平值列賬。貸款及應收款利用實際利息法按攤銷成本列賬。

2 Summary of Significant Accounting Policies (cont'd)

2.12 Financial assets (cont'd)

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

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the profit and loss account within operating expenses, in the period in which they arise.

Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised 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, making maximum use of market inputs and relying as little as possible on entity-specific inputs.

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 as an indicator that 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 recognised in the profit and loss account – is removed from equity and recognised in the profit and loss account. Impairment losses recognised in the profit and loss account on equity instruments are not reversed through the profit and loss account.

2 重要會計政策摘要 (續)

2.12 財務資產 (續)

(c) 可供出售財務資產 (續)

來自「按公平值透過損益記賬的財務資產」類別的公平值變動所產生的盈虧，列入產生期間損益表的經營開支內。

分類為可供出售的貨幣性及非貨幣性證券的公平值變動在權益中確認。

當證券被分類為可供出售的證券售出或減值時，在權益中確認的累計公平值調整列入損益表內作為投資證券的盈虧。

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期權定價權式，充份利用市場數據而儘量少依賴實體特有的數據。

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。

2 Summary of Significant Accounting Policies (cont'd)

2.13 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average cost formula. The cost of finished goods and work in progress 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 the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.14 Construction contracts

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

When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognised over the period of the contract. When it is probable total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

The Group uses the 'percentage of completion method' to determine the appropriate amount to recognise in a given period. The stage of completion is measured by reference to the contract costs incurred up to the balance sheet date as a percentage of total estimated costs for each contract. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as inventories, prepayments or other assets, depending on their nature.

The Group presents as an asset the gross amount due from customers for contract work for all contracts in progress for which costs incurred plus recognised profits (less recognised losses) exceed progress billings. Progress billings not yet paid by customers and retention are included within trade and other receivables.

2 重要會計政策摘要（續）

2.13 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一般銷售所得款項扣除估計營銷費用計算。

2.14 建築合約

合約成本於發生時記賬。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。

當建築合約之結果能可靠估算而合約有可能獲得盈利時，合約收入按合約期分別記賬為收入。當總合約成本有可能超過總合約收入時，預期之虧損即時列為開支。

本集團使用「百分比完成方法」來決定某時段確認的適當金額。完成階段乃根據直至資產負債表日止每份合約開支對比合同預算成本總額百分比。於釐定完成階段時，於合約中呈現有關合約將來活動的成本已於合約成本中扣除。該等項目按性質呈現為存貨，須付款或其他資產。

倘未完成合約中已發生，成本加已確認溢利的總和（減已確認虧損）超過進度收費單，本集團把該差額列作資產下的應收客戶之建築合約款。客戶未繳付的進度收費單及保留金已列入貿易及應收款內。

2 Summary of Significant Accounting Policies (cont'd)**2.14 Construction contracts (cont'd)**

The Group presents as a liability the gross amount due to customers for contract work for all contracts in progress for which progress billings exceed costs incurred plus recognised profits (less recognised losses).

2.15 Trade and other receivables

Trade and other receivables are recognised 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. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. 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 carrying amount of the assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the profit and loss account within operating expenses. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in the profit and loss account.

2.16 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 financial statements. However, the deferred income tax is not accounted for if it 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. 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 realised or the deferred income tax liability is settled.

2 重要會計政策摘要 (續)**2.14 建築合約 (續)**

當進度收費單之款額超過已發生成本加已確認之溢利 (減已確認之虧損)，本集團把該差額列作負債下的應付客戶之建築合約款。

2.15 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。債務人之重大財務困難、債務人可能破產或進行財務重組，以及拖欠或逾期付款，均被視為是貿易應收款已減值的跡象。撥備金額為資產之賬面值與按原實際利率折現之估計未來現金流量之現值之差額。資產的賬面值透過使用備付賬戶削減，而有關的虧損數額則在損益表的經營開支內。如一項貿易應收款無法收回，其會與貿易應收款內的備付賬戶撇銷。之前已撇銷的款項如其後收回，將撥回損益表中以經營開支註銷。

2.16 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賬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。

2 Summary of Significant Accounting Policies (cont'd)

2.16 Deferred income tax (cont'd)

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

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, 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.

2.17 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the profit and loss account over the period of the borrowings using the effective interest method.

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.

2.18 Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.19 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.

2 重要會計政策摘要 (續)

2.16 遞延所得稅項 (續)

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。

2.17 貸款

貸款初步按公平值並扣除產生的交易成本確認。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。

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。

2.18 貿易及其他應付款

貿易及其他應付款初步以公平值確認，其後利用實際利息法按攤銷成本計量。

2.19 現金及現金等價物

現金及現金等價物包括手頭現金、短期銀行存款及其他高流量短期原有限為三個月或以下的投資。

2 Summary of Significant Accounting Policies (cont'd)

2.20 Employee benefits

(a) Long service payments

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

(b) Employee leave entitlements

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

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

(c) Share-based compensation

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 recognised 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 vest. At each balance sheet date, the entity revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision of original estimates, if any, in the profit and loss account, with a corresponding adjustment to equity.

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.

2 重要會計政策摘要 (續)

2.20 僱員福利

(a) 長期服務金

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

(b) 僱員應享假期

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

僱員之病假及產假須待休假當日方予以確認。

(c) 購股權計劃

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。

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。

2 Summary of Significant Accounting Policies (cont'd)

2.20 Employee benefits (cont'd)

(d) Profit sharing and bonus plans

The Group recognises 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 recognises 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.

2 重要會計政策摘要 (續)

2.20 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。

2 Summary of Significant Accounting Policies (cont'd)**2.20 Employee benefits (cont'd)****(f) Termination benefits**

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises 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.

2.21 Provisions

Provisions are recognised 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 recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.22 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.

2 重要會計政策摘要（續）**2.20 僱員福利（續）****(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本集團終止，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，而該計劃將沒有撤回的可能；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個月支付的福利則貼現為現值。

2.21 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。

撥備採用稅前利率按照預期需償付有關責任的開支的現值計量，該利率反映當時市場對金錢時間值和有關責任固有風險的評估。隨著時間過去而增加的撥備確認為利息開支。

2.22 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付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。如出現款項支出之可能性有變以致可能出現款項支出，則會確認為撥備。

2 Summary of Significant Accounting Policies (cont'd)

2.23 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 charged to the profit and loss account on a straight-line basis over the period of the lease.

When assets are leased out under an operating lease, the asset is included in the balance sheet based on the nature of the asset.

2.24 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.

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

Interest income is recognised 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.

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

2 重要會計政策摘要（續）

2.23 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，則分類為營運租賃。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。

當資產根據營運租賃出租，資產於資產負債表按該資產性質入賬。

2.24 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。

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

利息收入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，本集團把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。

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記入綜合損益表。

2 Summary of Significant Accounting Policies (cont'd)**2.25 Derivative financial instruments**

Derivatives are initially recognised at fair value on the date derivative contracts are entered into and are subsequently remeasured at their fair value. The fair value is determined based on the market prices in active markets 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 and accounted for at fair value through profit or loss. Changes in fair value are recognised immediately in the profit and loss account.

2.26 Share capital

Ordinary shares are classified as equity.

3 Financial Risk Management**3.1 Financial risk factors**

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's overall 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 summarised in a risk assessment program where they are graded by likelihood and consequence and where the procedures and controls for managing the risks are recorded.

2 重要會計政策摘要 (續)**2.25 衍生金融工具**

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適用於評估技巧（例如估計貼現現金流量及期權定價模式）。若不符合會計處理之衍生工具則以其公平價值於損益表入賬，公平值的變動即時於損益表內確認。

2.26 股本

普通股被列為權益。

3 財務風險管理**3.1 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、信貸風險及流動資金風險。本集團的整體風險管理計劃專注於財務市場的難預測性，並尋求儘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。

3 Financial Risk Management (cont'd)

3.1 Financial risk factors (cont'd)

(a) Market risk

(i) Foreign exchange risk

The operation of the Group is exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises from future commercial transactions, recognised 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 because investments held by the Group are classified on the consolidated balance sheet either as available-for-sale or at fair value through profit and loss.

(iii) Interest rate risk

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

(b) Credit risk

The Group has no significant concentration 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 availability of funding from an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, the Group maintains flexibility in funding by maintaining availability under committed credit lines.

3 財務風險管理（續）

3.1 財務風險因素（續）

(a) 市場風險

(i) 外匯風險

本集團承受多種不同貨幣產生的外匯風險。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，其原因在於本集團把投資以可供出售之財務資產列入綜合資產負債表或透過損益賬按公平價值入賬。

(iii) 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。

(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及服務的銷售對象為擁有適當信貸歷史的客戶。本集團以衍生交易方來管理風險，考慮其財政實力，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、持有足夠的已承諾貸款組合。由於基本業務的多變性質，集團致力透過保持已承諾的可用信貸額以維持資金的靈活性。

3 Financial Risk Management (cont'd)

3.2 Fair value estimation

The fair value of financial instruments traded in active markets (such as 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 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.

3 財務風險管理（續）

3.2 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。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。

4 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 or 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 creditworthiness 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 a market value basis by independent professional valuers. Such valuations are based on certain assumptions, which are subject to uncertainty and may differ from the actual results. In making the judgement, the Group considers information from current prices in an active market for similar properties and uses assumptions that are mainly based on market conditions existing at each balance sheet date.

4 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賬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，並包括該帳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。

5 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. The Group also established a new marble processing factory in the PRC to process and distribute marble products. The principal activities of the subsidiaries are set out in note 21 to the financial statements.

5 營業額、其他收入及分類資料

本集團主要從事銷售、供應及安裝建築及工程設備產品。本集團在中國新開設一所雲石加工廠房以加工及分銷雲石產品。各附屬公司之主要業務列載於財務報表附註 21。

		2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元
Turnover	營業額		
Sales of inventories	銷售存貨收入	297,550	292,347
Commission income	佣金收入	—	91
		297,550	292,438
Other revenues	其他收入		
Interest income from bank deposits	來自銀行存款之利息收入	1,750	1,364
Administration fee received from associates (note 36(a))	向聯營公司收取之行政費用 (附註 36(a))	1,117	420
Gross rental income from investment properties (note 36(b))	投資物業之總租金收入 (附註 36(b))	665	717
Sundry income	雜項收入	2,797	1,298
		6,329	3,799
Total revenues	總收入	303,879	296,237

5 Turnover, Other Revenues and Segment Information (cont'd)

Primary reporting format – business segments

The analysis of the Group's performance for the year by business and geographical segment 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 three main geographical areas, Hong Kong and Macau, Mainland China and overseas.

5 營業額、其他收入及分類資料 (續)

首要呈報方式－業務分類

本集團年內表現按業務及地區所作之分析載列如下。

本集團之主要業務分為兩項－建築產品及工程設備之銷售、供應及安裝。

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

次要呈報方式－地區分類

業務主要在三地經營，分別為香港及澳門、中國內地及海外。

5 Turnover, Other Revenues and Segment Information (cont'd)

Primary reporting format – business segments

5 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 2006 建築產品 二零零六年 HK\$'000 港幣千元	Engineering equipment 2006 工程設備 二零零六年 HK\$'000 港幣千元	Other operations 2006 其他業務 二零零六年 HK\$'000 港幣千元	Elimination 2006 對銷 二零零六年 HK\$'000 港幣千元	The Group 2006 本集團 二零零六年 HK\$'000 港幣千元
Turnover	營業額					
External sales	外界銷售	263,787	33,763	–	–	297,550
Inter-segment sales	業務間之銷售	25,371	–	–	(25,371)	–
		289,158	33,763	–	(25,371)	297,550
Segment results	分類業績	26,080	342	(6,056)	–	20,366
Unallocated costs	未分配成本					(16,080)
Operating profit	經營溢利					4,286
Finance costs	財務費用					(196)
Share of loss of associates	應佔聯營公司虧損	–	–	(1,767)	–	(1,767)
Profit before income tax	除所得稅前溢利					2,323
Income tax expense	所得稅					(182)
Profit attributable to shareholders	股東應佔溢利					2,141
Segment assets	分類資產	113,910	8,941	85,105	–	207,956
Interest in associates	聯營公司權益	–	–	5,102	–	5,102
Unallocated assets	未分配資產					54,831
Total assets	總資產					267,889
Segment liabilities	分類負債	(55,724)	(7,373)	(1,778)	–	(64,875)
Unallocated liabilities	未分配負債					(3,995)
Total liabilities	總負債					(68,870)
Capital expenditure	資本開支	(13,898)	(44)	(399)	–	(14,341)
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	(1,773)	(48)	(1,174)	–	(2,995)
Amortisation of lease prepayments	租賃預付款攤銷	(21)	–	(995)	–	(1,016)
Provision for impairment of receivables	應收款減值撥備	(256)	(930)	–	–	(1,186)
Write back of provision for impairment of receivables	應收款減值撥備撥回	306	50	–	–	356
Provision for stock obsolescence	過時存貨撥備	(470)	–	–	–	(470)
Write back of provision for stock obsolescence	過時存貨撥備撥回	57	32	–	–	89
Provision for long service payments	長期服務金撥備	(99)	1	25	–	(73)
Provision for employee leave entitlements	僱員應享假期撥備	(19)	(29)	(68)	–	(116)
Loss on disposal of a subsidiary	出售附屬公司虧損	–	–	(503)	–	(503)
Loss on disposal of a property	出售物業虧損	–	–	(1,031)	–	(1,031)
Fair value loss on revaluation of investment properties	重估投資物業之公平值虧損	–	–	(801)	–	(801)

Notes to the Financial Statements 財務報表附註

5 Turnover, Other Revenues and Segment Information (cont'd)

Primary reporting format – business segments (cont'd)

5 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 2005 建築產品 二零零五年 HK\$'000 港幣千元	Engineering equipment 2005 工程設備 二零零五年 HK\$'000 港幣千元	Other operations 2005 其他業務 二零零五年 HK\$'000 港幣千元	Elimination 2005 對銷 二零零五年 HK\$'000 港幣千元	The Group 2005 本集團 二零零五年 HK\$'000 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	除所得稅前虧損					1,925
Income tax expense	所得稅					(301)
Profit attributable to shareholders	股東應佔虧損					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 lease prepayments	租賃預付款攤銷	–	–	(1,012)	–	(1,012)
Provision for impairment of receivables	應收款減值撥備	(1,209)	(173)	–	–	(1,382)
Write back of 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 of 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)

5 Turnover, Other Revenues and Segment Information (cont'd)

Secondary reporting format – geographical segments

Hong Kong and Macau	香港及澳門
Mainland China	中國內地
Overseas	海外
Unallocated costs	未分配成本
Operating profit	經營溢利
Interest in associates	聯營公司權益
Unallocated assets	未分配資產
Total assets	總資產

5 營業額、其他收入及分類資料 (續)

次要呈報方式 – 地區分類

Turnover 2006 營業額 二零零六年 HK\$'000 港幣千元	Segment results 2006 分類業績 二零零六年 HK\$'000 港幣千元	Total assets 2006 總資產 二零零六年 HK\$'000 港幣千元	Capital expenditure 2006 資本開支 二零零六年 HK\$'000 港幣千元
240,600	49,903	159,970	900
24,013	4,750	40,869	13,441
32,937	11,037	7,117	
297,550	65,690		14,341
	(61,404)		
	4,286		
		5,102	
		54,831	
		267,889	

Hong Kong and Macau	香港及澳門
Mainland China	中國內地
Overseas	海外
Unallocated costs	未分配成本
Operating profit	經營溢利
Interest in an associate	聯營公司權益
Unallocated assets	未分配資產
Total assets	總資產

Turnover 2005 營業額 二零零五年 HK\$'000 港幣千元	Segment results 2005 分類業績 二零零五年 HK\$'000 港幣千元	Total assets 2005 總資產 二零零五年 HK\$'000 港幣千元	Capital expenditure 2005 資本開支 二零零五年 HK\$'000 港幣千元
246,061	43,983	170,552	3,387
19,105	3,274	22,188	11,793
27,272	10,090	3,771	
292,438	57,347		15,180
	(55,399)		
	1,948		
		64	
		71,641	
		268,216	

6 Cost of Sales

Cost of inventories sold	銷售存貨成本
Cost of construction contracts	建築合約成本
Cost of consumable stocks	消耗存貨成本
Net unrealised fair value (gain)/loss on derivative financial instruments	衍生金融工具之未變現 公平值淨 (盈利) / 虧損

2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元
233,824	231,372
(1,981)	(1,985)
1,944	1,762
(1,927)	2,620
231,860	233,769

Notes to the Financial Statements 財務報表附註

7 Operating Expenses

7 經營開支

		2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元
Administrative expenses:	行政費用：		
Employee benefit expenses (note 9)	僱員福利開支（附註 9）	32,909	32,220
Directors' remuneration (note 10)	董事酬金（附註 10）	7,245	7,206
Depreciation of property, plant and equipment	物業、機器及設備折舊	2,995	2,251
Amortisation of lease prepayments	租賃預付款攤銷	1,016	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	3,579	2,818
Travelling expenses	交通費	2,491	2,199
Entertainment expenses	交際費	893	907
Management fee	管理合約費	1,440	1,360
Stamps, postage and telephone	郵票、郵資及電話費	1,090	1,029
Auditor's remuneration	核數師酬金	1,628	1,614
Legal and professional fees	法律及專業服務費	296	1,437
Advertising and promotion expenses	廣告及推廣費	625	568
		56,207	54,621
Other operating expenses:	其他經營開支：		
Write back of provision for impairment of receivables	應收款減值撥備撥回	(356)	(2,941)
Provision for impairment of receivables	應收款減值撥備	1,186	1,382
Write back of provision for stock obsolescence	過時存貨撥備撥回	(89)	(444)
Provision for stock obsolescence	過時存貨撥備	470	57
Provision for long service payments	長期服務金撥備	73	(96)
Provision for employee leave entitlements	僱員應享假期撥備	116	345
Loss on disposal of property, plant and equipment	出售物業、機器及設備之虧損	15	39
Exchange difference	兌換差額	3	(125)
Impairment loss of available-for-sale financial assets	可供出售財務資產的減值虧損	190	—
Reversal of surplus on revaluation of impaired available-for-sale financial assets to profit and loss account	減值可供出售財務資產 估值盈利轉撥至損益表	(65)	—
Sundry expenses	雜項開支	7,648	7,682
		9,191	5,899
		65,398	60,520

8 Finance Costs

8 財務費用

		2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元
Interest expenses on overdrafts	透支之利息開支	196	23

9 Employee Benefit Expenses

9 僱員福利開支

		2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元
Wages and salaries	工資及薪酬	31,020	30,851
Termination benefits	解僱補償	472	328
Contributions to ORSO scheme (note 11)	退休條例計劃供款 (附註 11)	885	516
Contributions to MPF scheme	強積金計劃供款	465	437
Employee share-based compensation benefits (note 31)	僱員應享購股權計劃之福利 (附註 31)	67	88
		32,909	32,220

Notes to the Financial Statements 財務報表附註

10 Directors' and Senior Management's Emoluments

(a) Directors' remuneration

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

		2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元
Fees	袍金	750	750
Salaries and other benefits	薪金及其他福利	4,717	5,009
Discretionary bonus	酌情花紅	639	438
Year end bonus	年終花紅	198	194
Retirement Schemes contributions	退休金計劃供款	359	333
Employee share-based compensation benefits (note 31)	僱員應享購股權計劃之福利 (附註 31)	582	482
		7,245	7,206

Included in the directors' remuneration were fees of HK\$750,000 (2005: HK\$750,000) paid to non-executive directors and independent non-executive directors during the year.

The remuneration of every director for the year ended 31 December 2006 is set out below:

Director	董事	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	Pension scheme contribution 退休金計劃供款 HK\$'000 港幣千元	Employee share-based compensation benefits 僱員應享購股權計劃之福利 HK\$'000 港幣千元	Other benefit in kind 其他福利 HK\$'000 港幣千元	2006 二零零六年 總額 HK\$'000 港幣千元
Michael John Green	米高•葛林	-	1,668	-	70	167	-	115	2,020
Daniel George Green	丹尼•葛林	-	828	321	64	77	310	576	2,176
Lai Ka Tak, Patrick	黎嘉得	-	1,530	318	64	115	272	-	2,299
Augustus Ralph Marshall		150	-	-	-	-	-	-	150
Lim Ghee Keong	林義強	-	-	-	-	-	-	-	-
Christopher John David Clark	簡基華	150	-	-	-	-	-	-	150
Simon Murray	馬世民	150	-	-	-	-	-	-	150
V-Nee Yeh	葉維義	150	-	-	-	-	-	-	150
Thaddeus Thomas Bezak	白泰德	150	-	-	-	-	-	-	150
		750	4,026	639	198	359	582	691	7,245

10 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：

	2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元
Fees	750	750
Salaries and other benefits	4,717	5,009
Discretionary bonus	639	438
Year end bonus	198	194
Retirement Schemes contributions	359	333
Employee share-based compensation benefits (note 31)	582	482
	7,245	7,206

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約港幣 750,000 元（二零零五年：約港幣 750,000 元）。

截至二零零六年十二月三十一日止年度，每名董事的酬金如下：

10 Directors' and Senior Management's Emoluments (cont'd)

(a) Directors' remuneration (cont'd)

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

Director	董事	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	Pension scheme contribution 退休金計劃供款 HK\$'000 港幣千元	Employee share-based compensation benefits 僱員應享購股權計劃之福利 HK\$'000 港幣千元	Other benefit in kind 其他福利 HK\$'000 港幣千元	2005 Total 二零零五年總額 HK\$'000 港幣千元
Michael John Green	米高•葛林	–	1,636	–	68	164	–	360	2,228
Daniel George Green	丹尼•葛林	–	937	126	63	75	239	576	2,016
Lai Ka Tak, Patrick	黎嘉得	–	1,500	312	63	94	243	–	2,212
Augustus Ralph Marshall		150	–	–	–	–	–	–	150
Christopher John David Clark	簡基華	150	–	–	–	–	–	–	150
Simon Murray	馬世民	150	–	–	–	–	–	–	150
V-Nee Yeh	葉維義	150	–	–	–	–	–	–	150
Thaddeus Thomas Beczak	白泰德	150	–	–	–	–	–	–	150
		750	4,073	438	194	333	482	936	7,206

(b) Five highest paid individuals

Of the five individuals with the highest emoluments, three (2005: three) were directors whose emoluments are disclosed in note (a) above. The highest emoluments payable to the remaining two (2005: two) individuals during the year is as follows:

10 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（二零零五年：三位）董事，彼等之酬金已於上文附註(a)披露。年內，應付其餘兩位（二零零五年：兩位）最高酬金人士如下：

		2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元
Salaries and other benefits	薪金及其他福利	1,554	1,647
Discretionary bonuses	酌情花紅	357	414
Year end bonus	年終花紅	65	69
Contributions to Retirement Schemes	退休金計劃供款	85	120
Employee share-based compensation benefits	僱員應享購股權計劃之福利	38	4
		2,099	2,254

10 Directors' and Senior Management's Emoluments (cont'd)

(b) Five highest paid individuals (cont'd)

The emoluments of the two (2005: two) individuals with the highest emoluments are within the following bands:

Emoluments' band	酬金之範圍
HK\$Nil – HK\$1,000,000	港幣零元 – 港幣 1,000,000 元
HK\$1,000,001 – HK\$1,500,000	港幣 1,000,001 元 – 港幣 1,500,000 元

The Group usually determines and pays discretionary bonuses 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 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\$203,000 (2005: HK\$572,000) were fully utilised during the year.

Contributions of HK\$251,000 (2005: HK\$266,000) were payable to the Retirement Schemes at the year-end.

10 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 (二零零五年：兩位) 最高酬金人士之酬金範圍如下：

Number of individuals 人數	
2006 二零零六年	2005 二零零五年
–	1
2	1

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。

11 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。被沒收之供款合共約港幣 203,000 元 (二零零五年：約港幣572,000元) 全部已於年內動用。

於年結時，應付予退休金計劃之供款約港幣 251,000元 (二零零五年：約港幣266,000元)。

12 Income Tax Expense

Hong Kong profits tax has been provided at the rate of 17.5% (2005: 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.

Income tax expense in the consolidated profit and loss account represents:

		2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元
Current income tax	本年度所得稅		
– Hong Kong profits tax	– 香港利得稅	70	47
– Overseas taxation	– 海外稅項	112	254
		182	301

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

		2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元
Profit before income tax	除所得稅前溢利	2,323	1,925
Calculated at a taxation rate of 17.5%	按稅率 17.5% 計算之稅項	407	337
Effect of different taxation rates in other countries	其他國家不同稅率之影響	(351)	145
Income not subject to tax	無須課稅之收入	(309)	(550)
Expenses not deductible for tax purposes	不可就稅項扣除的開支	981	1,137
Tax loss for which no deferred income tax asset was recognised	未確認所得稅資產稅務虧損	1,045	942
Utilisation of previously unrecognised tax losses	使用早前未確認之稅務虧損	(1,591)	(1,710)
Income tax expense	所得稅	182	301

12 所得稅

香港利得稅乃就年內估計應課稅溢利按17.5%（二零零五年：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。

綜合損益表所列的所得稅為：

本集團有關除稅前溢利之稅項與本公司以本港稅率計算的理論金額的偏差如下：

13 Profit Attributable to Shareholders

The profit attributable to shareholders includes a loss of HK\$550,000 (2005: loss of HK\$487,000) which has been dealt with in the financial statements of the Company.

14 Earnings per Share

(a) Basic earnings per share

The calculation of basic earnings per share is based on the Group's profit attributable to ordinary shareholders of HK\$2,141,000 (2005: Group's profit attributable to ordinary shareholders of HK\$1,624,000) and the weighted average number of 224,496,000 (2005: 224,496,000) ordinary shares in issue during the year.

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the Group's profit attributable to ordinary shareholders of HK\$2,141,000 (2005: Group's profit attributable to ordinary shareholders of HK\$1,624,000) and the weighted average number of 225,180,000 (2005: 225,396,000) ordinary shares after adjusting for the effects of all dilutive potential ordinary shares.

(c) Reconciliation

13 股東應佔溢利

股東應佔溢利已列入本公司財務報表內為數約港幣 550,000 元的虧損（二零零五年：約港幣 487,000 元的虧損）。

14 每股盈利

(a) 每股基本盈利

每股基本盈利乃根據本集團年內普通股股東應佔溢利約港幣 2,141,000 元（二零零五年：本集團之普通股股東應佔溢利為港幣 1,624,000 元）及年內已發行普通股之加權平均數 224,496,000 股（二零零五年：224,496,000 股）計算。

(b) 每股攤薄盈利

每股攤薄盈利乃根據本集團年內普通股股東應佔溢利約港幣 2,141,000 元（二零零五年：本集團之普通股股東應佔溢利約為港幣 1,624,000 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 225,180,000 股（二零零五年：225,396,000 股）計算。

(c) 對賬

		2006 二零零六年 Number of shares 股份數目	2005 二零零五年 Number of shares 股份數目
Weighted average number of ordinary shares used in calculating basic earnings per share	用作計算每股基本盈利的 普通股加權平均數	224,496,000	224,496,000
Deemed issue of ordinary shares for no consideration	設定發行無代價普通股	684,000	900,000
Weighted average number of ordinary shares used in calculating diluted earnings per share	用作計算每股攤薄盈利的 普通股加權平均數	225,180,000	225,396,000

15 Dividend

15 股息

		2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元
Proposed final dividend of HK\$Nil (2005: HK\$Nil) per ordinary share	本年度並無擬派末期股息 (二零零五年：無)	—	—

16 Investment Properties

16 投資物業

		The Group 本集團	
		2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元
At 1 January	於一月一日	17,601	17,601
Disposal	出售	(2,050)	—
Fair value loss on revaluation of investment properties	重估投資物業之 公平值虧損	(801)	—
At 31 December	於十二月三十一日	14,750	17,601

The investment properties are held under long-term leases and are situated in the PRC. The investment properties were revalued as at 31 December 2006 on the basis of their open market value by DTZ Debenham Tie Leung Ltd, an independent firm of qualified property valuers. The net fair value loss during the year amounted to HK\$801,000 (2005: HK\$Nil) was charged to the profit and loss account.

At 31 December 2006, the Group had no unprovided contractual obligation for future repairs and maintenance.

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

投資物業乃內地物業並根據長期租賃持有。投資物業已於二零零六年十二月三十一日由獨立合格物業評估公司戴德梁行有限公司以公開市場價值基準進行重估，年內之公平值虧損約港幣 801,000 元（二零零五年：無）已撥入損益表內。

於二零零六年十二月三十一日，本集團並沒有任何就未來維修和保養而未作撥備的合約責任。

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	
		2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 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
Leases of between 10 to 50 years	10 年至 50 年之租約	14,750	15,551
		14,750	17,601

Notes to the Financial Statements 財務報表附註

17 Property, Plant and Equipment

The Group

17 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 總額 HK\$'000 港幣千元
At 1 January 2005	於二零零五年 一月一日							
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	於二零零五年 一月一日之 賬面淨值， 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	於二零零五年 一月一日之 賬面淨值，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 (note 7)	折舊（附註 7）	–	(595)	(544)	(469)	(393)	(250)	(2,251)
Written off/disposals	撇銷／出售	–	–	–	–	–	(299)	(299)
Net book value at 31 December 2005	於二零零五年 十二月三十一日 之賬面淨值	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
Net book value at 1 January 2006	於二零零六年 一月一日 之賬面淨值	11,102	21,728	2,526	1,280	797	907	38,340
Additions	添置	12,321	–	511	718	677	114	14,341
Depreciation (note 7)	折舊（附註 7）	–	(659)	(1,084)	(547)	(440)	(265)	(2,995)
Written off/disposals	撇銷／出售	–	(413)	(27)	(16)	(2)	–	(458)
Transfer	轉讓	(19,078)	15,582	–	358	3,138	–	–
Transfer to lease prepayments (note 18)	轉撥至租賃預付款 （附註 18）	(4,345)	–	–	–	–	–	(4,345)
Net book value at 31 December 2006	於二零零六年 十二月三十一日 之賬面淨值	–	36,238	1,926	1,793	4,170	756	44,883
At 31 December 2006	於二零零六年 十二月三十一日							
Cost or valuation	成本或估值	–	44,837	16,987	29,764	17,446	1,448	110,482
Accumulated depreciation	累計折舊	–	(8,599)	(15,061)	(27,971)	(13,276)	(692)	(65,599)
Net book value	賬面淨值	–	36,238	1,926	1,793	4,170	756	44,883

17 Property, Plant and Equipment (cont'd)

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 2006. Construction in progress is transferred to lease prepayments and property, plant and equipment upon completion and when the asset is substantially ready for its intended use.

18 Lease Prepayments

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

17 物業、機器及設備（續）

在建工程是指本集團於二零零六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。當在建工程完成後並當資產已為合適使用時，在建工程將轉撥至租賃預付款及物業、機器及設備處理。

18 租賃預付款

本集團於租賃預付款的權益為營運租賃預付款，其賬面淨值分析如下：

		The Group 本集團	
		2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 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	45,611	46,572
Outside Hong Kong, held on:	在香港以外持有：		
Leases over 50 years	逾 50 年之租約	—	2,884
Leases of between 10 to 50 years	10 年至 50 年之租約	4,324	—
		49,935	49,456

18 Lease Prepayments (cont'd)

At 31 December 2006, lease prepayments with a carrying value of HK\$42,452,000 (2005: HK\$43,337,000) held by a subsidiary of the Group was charged to a bank to obtain banking facilities.

18 租賃預付款 (續)

於二零零六年十二月三十一日，本集團的附屬公司持有賬面值約港幣 42,452,000 元（二零零五年：約港幣 43,337,000 元）的租賃預付款已給予銀行作貸款抵押。

		The Group 本集團	
		2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 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	49,456	–
– effect of adopting HKAS 17	– 採納〈香港會計準則〉第 17 號	–	50,468
– as restated	– 按重列	49,456	50,468
Transfer from property, plant and equipment (note 17)	從物業，機器及設備轉撥 (附註 17)	4,345	–
Amortisation of lease prepayments (note 7)	租賃預付款攤銷 (附註 7)	(1,016)	(1,012)
Disposals	出售	(2,850)	–
Net book value at 31 December	於十二月三十一日賬面淨值	49,935	49,456

19 Disposal of a Subsidiary

19 出售附屬公司

		The Group 本集團 2006 二零零六年 HK\$'000 港幣千元
Disposal of a subsidiary	出售附屬公司	
Investment property	投資物業	2,050
Leasehold improvements	租賃裝修	8
Aggregate net assets at date of disposal	出售當日出售資產總淨值	2,058
Loss on disposal	出售虧損	(503)
Net cash consideration	現金代價淨額	1,555

Loss on disposal of a subsidiary for the year represents loss arising from the disposal of a 100% interest in an investment property holding company. The investment property is located in Guangzhou.

年內出售附屬公司虧損為出售本集團全資擁有的投資物業持有公司所導致之虧損。該投資物業位於廣州。

20 Disposal of a Property

During the year, the Group disposed of a property in Shanghai and a loss of HK\$1,031,000 has been charged to the profit and loss account.

20 出售物業

年內，本集團出售一位於上海的物業，約港幣1,031,000元之虧損已撥入損益表內。

		The Group 本集團 2006 二零零六年 HK\$'000 港幣千元
Lease prepayments	租賃預付款	2,850
Leasehold building	租賃樓宇	415
Leasehold improvements	租賃裝修	20
Net book value of property held for sale	持作出售物業賬面淨值	3,285
Less: Loss on disposal	減：出售虧損	(1,031)
Net cash consideration	現金代價淨值	2,254

21 Subsidiaries**21 附屬公司**

		The Company 本公司	
		2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 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	106,620	107,254

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。

Notes to the Financial Statements 財務報表附註

21 Subsidiaries (cont'd)

The following is a list of the Company's subsidiaries as at 31 December 2006:

21 附屬公司 (續)

於二零零六年十二月三十一日，本公司旗下附屬公司之詳情如下：

Name of company 公司名稱	Place of incorporation/ Operations 註冊成立/ 營業地點	Group equity interest held by 本集團透過以下公司 所持股本權益		Issued and paid up ordinary share capital 已發行及 繳足普通股本	Principal activities 主要業務
		the Company 本公司 %	subsidiaries 附屬公司 %		
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	Hong Kong 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* 質邦建材國際貿易 (上海) 有限公司 *	Shanghai 上海	—	100	US\$200,000 200,000 美元	Trading 貿易
Arnhold (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 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 Investments Limited 安利投資有限公司	Hong Kong 香港	—	100	Ordinary HK\$1 Non-voting deferred HK\$1,000,000 普通股港幣 1 元 無投票權遞延股份 港幣 1,000,000 元	Investment holding 投資控股

21 Subsidiaries (cont'd)

21 附屬公司 (續)

Name of company 公司名稱	Place of incorporation/ Operations 註冊成立/ 營業地點	Group equity interest held by 本集團透過以下公司 所持股本權益		Issued and paid up ordinary share capital 已發行及 繳足普通股本	Principal activities 主要業務
		the Company 本公司 %	subsidiaries 附屬公司 %		
Arnhold (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	Design and supply of natural stones 設計及供應天然石材
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
Bain d'Or Building Materials 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

21 Subsidiaries (cont'd)

21 附屬公司（續）

Name of company 公司名稱	Place of incorporation/ Operations 註冊成立/ 營業地點	Group equity interest held by 本集團透過以下公司 所持股本權益		Issued and paid up ordinary share capital 已發行及 繳足普通股本	Principal activities 主要業務
		the Company 本公司 %	subsidiaries 附屬公司 %		
Dongguan Arnhold Marble Limited* 東莞安利石材有限公司 *	The PRC/Dongguan 中國／東莞	—	100	RMB17,546,951 人民幣 17,546,951	Natural stones processing 天然石材加工
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
Slivermark Trading Limited	Hong Kong 香港	—	100	HK\$1 港幣 1 元	Inactive 暫無營業
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, which is incorporated in the PRC and is a limited liability company.

* 於中國註冊成立的有限責任外商獨資企業。

22 Interest in Associates

22 聯營公司權益

		The Group 本集團	
		2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元
Share of net liabilities	應佔負債淨值	(1,763)	—
Amount due from associates	聯營公司欠款	6,865	64
		5,102	64

The Group's interest in the associates, all of which are unlisted, was as follows:

本集團在聯營公司（非上市）的權益如下：

For the year ended 31 December 2006

二零零六年十二月三十一日止年度

Name of company 公司名稱	Particulars of issued shares held 持有已發行股份資料	Place of incorporation 成立地點	Assets	Liabilities	Revenues	Profit/(loss)	Interest held 權益
			資產	負債	收入	盈利（虧損）	
			HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	%
Kingspan China Limited 固溫中國有限公司	Ordinary shares of HK\$100 each 每股港幣 100 元 之普通股	Hong Kong 香港	490	619	2,567	377	20
Bostik Holding Hong Kong Limited	Ordinary shares of HK\$1 each 每股港幣 1 元 之普通股	Hong Kong 香港	6,435	8,198	3,462	(1,767)	40
			6,925	8,817	6,029	(1,390)	

For the year ended 31 December 2005

二零零五年十二月三十一日止年度

Name of company 公司名稱	Particulars of issued shares held 持有已發行股份資料	Place of incorporation 成立地點	Assets	Liabilities	Revenues	(Loss)	Interest held 權益
			資產	負債	收入	（虧損）	
			HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	%
Kingspan China Limited 固溫中國有限公司	Ordinary shares of HK\$100 each 每股港幣 100 元 之普通股	Hong Kong 香港	1,179	1,684	1,481	(351)	20

22 Interest in Associates (cont'd)

No dividend was received during the year from the associates (2005: Nil).
The amount due from the associates is unsecured, interest free and has no fixed terms of repayment.

There was unrecognised share of losses of Kingspan China Limited in the year and accumulated losses not recognised were HK\$127,000.

23 Available-for-sale Financial Assets

At 1 January	於一月一日
Net gains/(losses) transfer to equity (note 32)	轉撥至證券之盈利／（虧損）淨值（附註 32）
Less: provision for impairment loss	減：減值虧損撥備
At 31 December	於十二月三十一日

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 2006.

24 Inventories

Merchandise	商品
Consumable inventories	消耗存貨
Raw materials	原材料
Work in progress	在製品
Finished goods	完成品

22 聯營公司權益（續）

本年度並無來自聯營公司之股息（二零零五年：無）。聯營公司之欠款為無抵押、免息及無固定還款期。

固溫中國有限公司於年內存在未確認虧損，而累積應佔未確認虧損為約港幣 127,000 元。

23 可供出售之財務資產

The Group 本集團	
2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元
1,954	10,088
554	(334)
(190)	(7,800)
2,318	1,954

可供出售之財務資產為本集團於二零零六年十二月三十一日按公平值列賬之非上市證券投資及非上市會籍債券。

24 存貨

The Group 本集團	
2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元
16,731	14,184
3,648	3,268
2,839	1,262
2,151	416
429	—
25,798	19,130

25 Construction Contracts

25 建築合約

		The Group 本集團	
		2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 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	81,026	148,046
Less: progress billings to date	減：已發出之進度收費單	(82,908)	(152,235)
		(1,882)	(4,189)
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 （包括建築合約）	18	13
Due to customers on construction contracts (included in trade and other payables)	應付客戶之建築合約款項 （包括在貿易及其他應付款）	(1,900)	(4,202)
		(1,882)	(4,189)

At 31 December 2006, the net retention held by customers for contract work included in trade and other receivables of the Group as disclosed in note 26 amounted to HK\$4,535,000 (2005: HK\$4,826,000).

At 31 December 2006, there were no advances received from customers for contract work included in other payables of the Group as disclosed in note 29 (2005: HK\$Nil).

於二零零六年十二月三十一日，由客戶持有之合約工程保留金淨值為約港幣4,535,000元（二零零五年：港幣4,826,000元），已包括在附註26所披露之本集團應收賬款及其他應收款之內。

於二零零六年十二月三十一日，附註29所披露之本集團其他應付賬款並無包含就建築工程向客戶收取之預付款（二零零五年：無）。

26 Trade and Other Receivables

26 貿易及其他應收款

		The Group 本集團		The Company 本公司	
		2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元
Trade receivables	應收貿易賬款	61,770	63,252	—	—
Retention receivables	應收保留金賬款	9,519	8,232	—	—
Receivables from related parties (note 36)	應收關連人士賬款 (附註 36)	611	520	—	—
Less: provision for impairment of receivables	減：應收賬款 減值撥備	(3,039)	(3,730)	—	—
Net trade and retention receivables	應收貿易賬款及 應收保留金 賬款淨額	68,861	68,274	—	—
Prepayments and other receivables	預付賬款及 其他應收款	2,437	2,914	108	254
		71,298	71,188	108	254
Less: non-current portion	減：非流動部份	(467)	—	—	—
		70,831	71,188	108	254

All non-current receivables are due within two years from the balance sheet date.

所有非流動應收款均以資產負債表日起兩年內到期支付。

26 Trade and Other Receivables (cont'd)

The aging analysis of trade and other receivables (which include trade and retention receivables) was as follows:

Current	未逾期
One to three months overdue	逾期一至三個月
More than three months overdue	逾期超過三個月但少於十二個月
but less than twelve months overdue	
Overdue more than twelve months	逾期超過十二個月
Total trade and other receivables	應收貿易及其他應收賬款總額
Less: provision for impairment of receivables	減：應收賬款減值撥備
Net trade and retention receivables	應收貿易賬款及應收保留金賬款淨額

Debts from construction contracts are due when architect certificates are issued. For other debtors, the Group normally allows a credit period ranging from 30 to 60 days. Debtors with long overdue balances are normally requested to settle all outstanding balances before any further credit is granted.

27 Derivative Financial Instruments

Forward foreign exchange contracts	遠期外匯合約
– held for trading	– 以供買賣
– Assets	– 資產
– Liabilities	– 負債

Trading derivatives are classified as a current asset or liability.

The net unrealised fair value gain/(loss) on forward exchange contracts as at 31 December 2005 and 2006 which are not qualified as hedges has been accounted for in the profit and loss account.

Details of the outstanding forward foreign contracts held by the Group as at 31 December 2006 are disclosed in note 35. These contracts expire through 2007.

26 貿易及其他應收款（續）

貿易及其他應收款（包括應收貿易賬款及保留金）之賬齡分析如下：

The Group 本集團	
2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元
35,368	30,953
20,362	22,651
3,123	3,139
13,047	15,261
71,900	72,004
(3,039)	(3,730)
68,861	68,274

建築合約賬款在建築師證書發出時到期支付，其餘賬款一般給予 30 至 60 天的付款期，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，方可再給予信貸額。

27 衍生金融工具

The Group 本集團	
2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元
1,063	51
(368)	(1,283)

交易衍生工具分類為流動資產或負債。

於二零零五年十二月三十一日及二零零六年十二月三十一日，不符合對沖的遠期外匯合約之未變現公平價值淨盈利／（虧損）已於損益表中確認。

於二零零六年十二月三十一日，本集團持有的尚未到期遠期外匯合約已在附註 35 中披露。該等合約於二零零七年內屆滿。

28 Cash and Cash Equivalents

28 現金及現金等價物

		The Group 本集團		The Company 本公司	
		2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元
Bank deposits with original maturity of three months or less	原有到期日為三個月或以下之銀行存款	37,668	46,567	—	—
Cash at bank and in hand	銀行存款及現金	15,034	23,852	125	115
		52,702	70,419	125	115

The effective interest rate on short-term bank deposits is ranging from 1.62% to 5.19% (2005: ranging from 3.25% to 4.31%); these deposits have an average maturity of 52 days (2005: 50 days).

短期銀行存款的實際利率為 1.62 厘至 5.19 厘不等（二零零五年：3.25厘至4.31厘不等）；此等存款的平均到期日為52天（二零零五年：50 天）。

29 Trade and Other Payables

29 貿易及其他應付款

		The Group 本集團		The Company 本公司	
		2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元
Trade and bills payables	應付貿易賬款及應付票據	35,600	39,473	—	—
Accruals and other payables	應付費用及其他應付款	26,588	26,514	1,119	1,339
Advances received from customers	客戶預付款	4,206	2,839	—	—
		66,394	68,826	1,119	1,339
Less: non-current portion	減：非流動部份	—	(438)	—	—
		66,394	68,388	1,119	1,339

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

以上所有貿易及其他應付款預期將於一年內償付。

29 Trade and Other Payables (cont'd)

The aging analysis of trade and other payables (which include trade and bills payables) was as follows:

Due within one month or on demand	一個月內或接獲通知時到期
Due after one month but within three months	一個月後但三個月內到期
Due after three months	三個月後到期
Total trade and bills payables	貿易應付賬款及應付票據總額
Accruals and other payables	應付費用及其他應付款
Advances received from customers	客戶預付款
Less: Non-current portion:	減：非流動部份

29 貿易及其他應付款（續）

貿易及其他應付款（包括應付貿易賬款及應付票據）的賬齡分析如下：

The Group 本集團	
2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元
25,794	31,230
7,519	7,299
2,287	944
35,600	39,473
26,588	26,514
4,206	2,839
66,394	68,826
—	(438)
66,394	68,388

30 Provisions

At 1 January 2006	於二零零六年一月一日
Additional provisions	額外撥備
Less: Amounts utilised	減：已動用款項
Charged to consolidated profit and loss account	自綜合損益表扣除
Less: Amounts settled	減：已支付款項
Net effect on provisions	撥備淨額
At 31 December 2006	於二零零六年十二月三十一日

30 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
674	1,056	1,730
73	964	1,037
—	(848)	(848)
73	116	189
(114)	(122)	(236)
(41)	(6)	(47)
633	1,050	1,683

31 Share Capital

31 股本

Ordinary shares of HK\$0.10 each 每股面值港幣 0.10 元之普通股	2006 二零零六年 Authorised 法定		2005 二零零五年 Authorised 法定	
	Number of shares 股份數目	HK\$'000 港幣千元	Number of shares 股份數目	HK\$'000 港幣千元
At 1 January and at 31 December 於一月一日 及十二月三十一日	800,000,000	80,000	800,000,000	80,000
Ordinary shares of HK\$0.10 each 每股面值港幣 0.10 元之普通股	Issued and fully paid 已發行及已繳足		Issued and fully paid 已發行及已繳足	
	Number of shares 股份數目	HK\$'000 港幣千元	Number of shares 股份數目	HK\$'000 港幣千元
At 1 January and at 31 December 於一月一日及 十二月三十一日	224,496,000	22,450	224,496,000	22,450

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

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

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。

根據該計劃向本公司董事及僱員授出的股權之詳情如下：

Date of options granted 授出購股權日期	Outstanding options as at 1 January 2006 二零零六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 2006 二零零六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
	11,900,000	—	—	11,900,000	

31 Share Capital (cont'd)

31 股本 (續)

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	

Based on the binomial option pricing model, the fair value of the options granted on 18 September 2003, 19 November 2004 and 21 November 2005 was 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.

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。

The weighted average assumptions used are as follows:

加權平均使用的假設如下：

		Options granted on		
		21 November 2005 二零零五年十一月二十一日	19 November 2004 購股權授出日期 二零零四年十一月十九日	18 September 2003 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 date before the options were granted, 17 September 2003, 18 November 2004 and 20 November 2005, the market value per share was HK\$0.500, HK\$0.602 and HK\$0.700 respectively.

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0.500元、港幣0.602元及港幣0.700元。

31 Share Capital (cont'd)

The options granted on 18 September 2003 can be exercised in two instalments, 50% at any time between 1 September 2005 and 30 August 2010 and 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% at any time between 1 November 2006 and 30 August 2010 and 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% at any time between 1 November 2007 and 30 August 2010 and 50% at any time between 1 November 2008 and 30 August 2010.

Employee share option benefits represent the fair value at the 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.

31 股本（續）

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）。

32 Reserves

32 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 總額 HK\$'000 港幣千元
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 – HKAS 17	– 採納之影響 – 《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 of HKAS 39	– 按《香港會計準則》 第 39 號之 期初結餘調整	–	–	–	–	–	1,388	–	1,388
At 1 January 2005, as restated	於二零零五年 一月一日，按重列	92,389	–	–	–	530	77,703	808	171,430
Profit attributable to shareholders	股東應佔溢利	–	–	–	–	–	1,624	–	1,624
Employee share-based compensation benefits	僱員應享購權計劃 之福利	–	–	–	–	570	–	–	570
Deficit on revaluation	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
Profit attributable to shareholders	股東應佔溢利	–	–	–	–	–	2,141	–	2,141
Employee share-based compensation benefits	僱員應享購權計劃 之福利	–	–	–	–	649	–	–	649
Surplus on revaluation	重估盈利	–	–	–	554	–	–	–	554
Reversal of surplus on revaluation of impaired available-for-sale financial assets to profit and loss account	減值可供出售財務 資產估值盈利 轉撥至損益表	–	–	–	(65)	–	–	–	(65)
At 31 December 2006	於二零零六年 十二月三十一日	92,389	–	–	155	1,749	81,468	808	176,569

32 Reserves (cont'd)

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 總額 HK\$'000 港幣千元
At 1 January 2005	於二零零五年一月一日	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
Loss for the year	本年度虧損	—	(550)	—	(550)
At 31 December 2006	於二零零六年十二月三十一日	92,389	1,959	75,067	169,415

The distributable reserves of the Company at 31 December 2006, under the Companies Act 1981 of Bermuda, amounted to HK\$77,026,000 (2005: HK\$77,576,000).

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

33 Deferred Income Tax Liabilities

Deferred income tax liabilities has been calculated in full on temporary timing differences under the liability method using a principal taxation rate of 17.5% (2005: 17.5%).

32 儲備 (續)

於二零零六年十二月三十一日，本公司依據百慕達一九八一年公司法可供分配儲備共達約港幣 77,026,000 元（二零零五年：約港幣 77,576,000 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本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。

33 遞延所得稅負債

遞延所得稅項採用負債法就短暫時差按主要稅率 17.5%（二零零五年：17.5%）作全數撥備。

33 Deferred Income Tax Liabilities (cont'd)

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

		Accelerated depreciation allowance 加速折舊 免稅額 HK\$'000 港幣千元
At 1 January 2005	於二零零五年一月一日	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
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 2006	於二零零六年十二月三十一日	425

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

33 遞延所得稅負債（續）

年內遞延所得稅負債之變動如下：

在綜合資產負債表列賬之金額包括：

		The Group 本集團	
		2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 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

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	
		2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元
Accelerated depreciation allowances	減速折舊免稅額	229	183
Other timing differences	其他時差	8,731	10,715
		8,960	10,898

34 Contingent Liabilities

- (a) At 31 December 2006, there were contingent liabilities in respect of the following:

	The Group 本集團		The Company 本公司	
	2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 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	—	—	279,000	229,000

- (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 2006, the amount of guarantees outstanding was HK\$3,144,000 (2005: HK\$2,400,000).

34 或然負債

- (a) 於二零零六年十二月三十一日，或然負債如下：

- (b) 若干附屬公司曾向銀行承諾會向第三方履行若干非財務性質之合約責任。該等銀行已就此代表有關附屬公司向第三方提供履約保證及擔保書。於二零零六年十二月三十一日，擔保金額為約港幣3,144,000元（二零零五年：約港幣2,400,000元）。

35 Commitments

- (a) **Commitments under operating leases**

The Group leases various retail outlets and offices under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

35 或然承擔

- (a) **營運租賃承擔**

本集團根據不可撤銷的營運租賃租用多個零售點和辦公室。此等租賃之年期、加租條款及續約權均不同。

35 Commitments (cont'd)

(a) Commitments under operating leases (cont'd)

At 31 December 2006, the Group had future aggregate minimum lease payments under non-cancellable operating leases as follows:

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

At 31 December 2006, the Group had future aggregate minimum lease payments receivable under non-cancellable operating leases as follows:

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

The Company leases land and buildings under various agreements which terminate between 2007 and 2008. The agreements do not include an extension option.

35 或然承擔 (續)

(a) 營運租賃承擔 (續)

於二零零六年十二月三十一日，本集團根據不可撤銷經營租約之日後應付最低租金總額如下：

The Group 本集團	
2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元
2,558	1,710
795	568
3,353	2,278

於二零零六年十二月三十一日，本集團根據不可撤銷經營租約之日後應收最低租金總額如下：

The Group 本集團	
2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元
700	474
495	194
1,195	668

本公司根據不同協議租賃土地及樓宇，並於二零零七年及二零零八年間終止，該等協議並沒有延期條款。

35 Commitments (cont'd)

(b) Capital commitments

Contracted but not provided for in respect of	已簽約但未作撥備 有關
– property, plant and equipment	– 物業、機器及設備
– investment in an associate	– 聯營公司投資

At 31 December 2006, the Group had outstanding forward exchange contracts to buy EUR4,305,000 (2005: EUR4,874,000) at various rates totaling approximately HK\$43,206,000 (2005: HK\$46,146,000); to buy JPY140,563,000 (2005: JPY46,725,000) at various rates totaling approximately HK\$9,584,000 (2005: HK\$3,142,000); to buy GBP97,000 (2005: GBP149,000) at various rates totaling approximately HK\$1,439,000 (2005: HK\$2,207,000); to buy US\$8,105,000 (2005: US\$1,171,000) at various rates totaling approximately HK\$62,607,000 (2005: HK\$9,092,000).

35 或然承擔 (續)

(b) 資本承擔

The Group 本集團	
2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元
182	4,412
5,484	–
5,666	4,412

於二零零六年十二月三十一日，本集團持有可按不同匯率購入 4,305,000 歐元（二零零五年：4,874,000 歐元）的尚未到期遠期外匯合約總額約達港幣 43,206,000 元（二零零五年：約港幣 46,146,000 元）；按不同匯率購入 140,563,000 日元（二零零五年：46,725,000 日元）的尚未到期遠期外匯合約總額約達港幣 9,584,000 元（二零零五年：約港幣 3,142,000 元）；按不同匯率購入 97,000 英鎊（二零零五年：149,000 英鎊）的尚未到期遠期外匯合約總額約達港幣 1,439,000 元（二零零五年：約港幣 2,207,000 元）；按不同匯率購入 8,105,000 美元（二零零五年：1,171,000 美元）的尚未到期遠期外匯合約總額約達港幣 62,607,000 元（二零零五年：約港幣 9,092,000 元）。

36 Related Party Transactions

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

36 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：

		2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元
Sales of goods and services	商品與服務銷售		
Administration fee received from the associates (note a)	從聯營公司收取之行政費用 (附註(a))	1,117	420
Gross rental income received from the associate (note b)	向聯營公司收取之總租金收入 (附註(b))	181	264
Sales of goods to related party (note c)	向關連人士銷售商品 (附註(c))	1,200	923
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))	142	326
Key management compensation	主要管理人員酬金		
Salaries and other emoluments	薪金及其他酬金	4,717	5,009
Discretionary bonus	酌情花紅	639	438
Year end bonus	年終花紅	198	194
Retirement Schemes contributions	退休金計劃供款	359	333
Employee share-based payment benefits	僱員應享購權計劃之福利	582	482
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	611	520
Year-ended balance arising from associates	聯營公司產生之年終結餘		
Receivable from the associates	應收聯營公司賬款	6,865	63

36 Related Party Transactions (cont'd)

- (a) A subsidiary of the Group provided management services to the associates for which it charged an administration fee at a fixed monthly amount.
- (b) During the year, the associates paid rental expenses of HK\$181,000 (2005: HK\$264,000) to the subsidiaries of the Group.
- (c) In addition to transactions with related companies as disclosed above, professional fees of HK\$142,000 (2005: HK\$326,000) were paid to a firm in which a non-executive director is a partner. Besides, sales of consumer goods of HK\$1,200,000 (2005: HK\$923,000) were made to a listed group of companies in which an independent non-executive director is also a director of the listed group.

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.

37 Approval of Financial Statements

The financial statements for the year were approved by the board of directors on 23 March 2007.

36 與有關連人士之交易（續）

- (a) 本集團之附屬公司提供管理服務予其聯營公司，並每月收取固定之行政費用。
- (b) 於年內，聯營公司支付租金費用約港幣181,000元（二零零五年：約港幣264,000元）予一間本集團之附屬公司。
- (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約港幣142,000元（二零零五年：約港幣326,000元）；另本集團向一上市公司集團銷售建築材料約港幣1,200,000元（二零零五年：約港幣923,000元），本公司一名獨立非執行董事亦為該上市集團之董事。

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。

37 財務報表批核

董事會已於二零零七年三月二十三日批核本年度之財務報表。