



SAN MIGUEL BREWERY
HONG KONG LTD.

香港生力啤酒廠有限公司



ANNUAL 年
REPORT 報
2005



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In this report, all monetary values are expressed in Hong Kong Dollars unless stated otherwise.

CORPORATE INFORMATION

DIRECTORS

Ramon S. Ang, *Chairman*
Faustino F. Galang, *Deputy Chairman*
Chong Yoon Fatt, *Managing Director*

Non-Executive Director

Minerva Lourdes Bibonia
Ma. Belen C. Buensuceso
Ferdinand K. Constantino
Roberto N. Huang

Independent Non-Executive Director

David K.P. Li, GBS, JP
Ng Wai Sun
Ian F. Wade
Adrian M.K. Li, *Alternate to David K.P. Li, GBS, JP*

AUDIT COMMITTEE

David K.P. Li, GBS, JP, *Chairman*
Ng Wai Sun
Ian F. Wade

REMUNERATION COMMITTEE

Ng Wai Sun, *Chairman*
Ferdinand K. Constantino
Faustino F. Galang
David K.P. Li, GBS, JP
Ian F. Wade

COMPANY SECRETARY

Ben M.B. Wong

AUDITORS

KPMG
Certified Public Accountants
8th Floor
Prince's Building
Hong Kong

SOLICITORS

Johnson Stokes & Master
18th Floor
Prince's Building
Hong Kong

REGISTERED OFFICE

9th Floor
Citimark Building
28 Yuen Shun Circuit
Siu Lek Yuen
Shatin, New Territories
Hong Kong

SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Hong Kong

PRINCIPAL BANKERS

ABN-AMRO Bank
DBS Bank Limited, Hong Kong Branch
Hang Seng Bank Limited
Standard Chartered Bank
The Bank of East Asia, Limited
The Hongkong and Shanghai
Banking Corporation Limited
UBS AG

THE YEAR'S HIGHLIGHTS

in Hong Kong dollar thousands except per share data and number of shares issued, shareholders and personnel

	2005	Restated 2004
Gross turnover	1,268,346	1,261,232
(Loss)/profit for the year	(66,037)	12,504
(Loss)/earnings per share – Basic	(\$0.10)	\$0.03
Taxes paid, including beer tax	141,219	135,185
Taxes paid per share	\$0.38	\$0.36
Cash dividends attributable to the year	3,736	3,736
Cash dividends per share	\$0.01	\$0.01
Fixed assets	1,838,164	1,939,135
Net worth	2,077,636	2,135,100
Payroll	128,539	122,149
Number of shares issued	373,570,560	373,570,560
Number of shareholders	2,493	2,546
Number of personnel	1,151	1,145



OUR PRODUCTS 我們的產品





Ramon S. Ang
Chairman

To Our Shareholders,

FINANCIAL RESULTS

In a year of challenges that saw San Miguel Brewery Hong Kong Limited delivering mixed results, the Company nevertheless took clear, decisive steps to strengthen its overall competitive potential in mainland China and Hong Kong. Over this last year, we have refocused our operations and invested behind our growth priorities.

Consolidated gross turnover of the Company remained stable at \$1.27 billion (2004: \$1.26 billion). In Hong Kong, gross turnover increased by 1% to \$704 million from \$697 million, while in mainland China, gross turnover remained essentially at par with 2004 levels at \$564 million.

Sales and volume performance of Hong Kong operations and San Miguel (Guangdong) Brewery Company Limited ("SMGB") improved steadily throughout the year, picking up sharply in the second half of 2005.

Hong Kong operations recorded a 63.5% increase in operating profit to \$15.2 million from \$9.3 million. SMGB posted a 287.2% increase to \$10.9 million (2004 profit: \$2.8 million). Guangzhou San Miguel Brewery Company Limited ("GSMB") incurred a loss from operations of \$24.6 million (2004 profit: \$7.6 million). These businesses collectively turned in a consolidated profit from operations of \$1.5 million as compared to 2004's profit of \$19.8 million.

The China beer market is currently facing higher costs and tough margin pressures. The Company is constantly looking for ways to reduce business risks, to enhance financial viability and to improve competitiveness for the long term. We are working with our joint venture partner Guangzhou Brewery ("GB") on a major business restructuring plan that will result in a more cost-efficient product sourcing set-up in South China.

In line with the above restructuring, we are required by the Hong Kong Accounting Standard, to book a one-time impairment charge of \$63.3 million arising from the termination of the factory lease agreement and subsequent sales of related assets to GB.

As such the Company recorded a consolidated loss from ordinary activities before taxation of \$59.1 million (2004 consolidated profit: \$15.5 million). Excluding the impact of the above mentioned one-time impairment charges, the Company's profit before taxation was more than \$4 million.

The Company continued to be cash positive in 2005. Cash and cash equivalents at 31st December 2005 amounted to \$383.3 million. This already takes into account repayment of bank loans of \$100 million in August 2005.

Consolidated loss attributable to equity shareholders after taxation and minority interests, was \$35.6 million (2004 profit: \$11.3 million).

DIVIDENDS

Directors have resolved that no final dividends will be declared for 2005.

CHAIRMAN'S STATEMENT

BUSINESS REVIEW

HONG KONG OPERATIONS

Despite Hong Kong's economic recovery, the local beer market remained weak. Total industry volume for 2005 was 1% lower than the previous year. In addition to the soft volumes, consumer preferences have shifted to economy-priced brands. Based on Retail Audit, the segment share of economy brands grew from 37.3% in 2004 to 40.7% in 2005.

Reflecting the industry decline, the Company's Hong Kong sales volume declined by 0.8%. Nevertheless, our flagship brand San Miguel retained its standing as the Number One brand in Hong Kong. To sustain this leadership position and meet the challenges posed by competitors, the Company has deployed various strategic programmes to reinforce San Miguel's brand value and to strengthen its connection with customers and consumers.

In June 2005, the Company launched a new marketing campaign "Our City, Our Beer" for brand San Miguel. The new campaign included television commercials, point of sales visibility blitz, on-line communications and public relation programmes. Independent market research indicated that the new campaign has been well received by the customers and consumers.

Building on the success of the last two years, the Company continued to implement the "San Miguel WildDayOut" programmes to solidify the brand San Miguel communication platform to young consumers. A series of bar shows and a year-end outdoor grand concert headlined by popular local and international artists helped build the San Miguel brand.

In March 2006, a giant San Miguel neon-sign will be erected on top of the Excelsior Hotel at Causeway Bay to reinforce our strong brand image in Hong Kong.

All these programmes and activities together with an emphasis on improved execution in the marketplace, have served to achieve our target to maintain market leadership in Hong Kong.

The volume of our economy beer brands in Hong Kong continued to grow in 2005. The Company is currently the largest player in this category. The Company has continually revisited its cost to maintain its profitability despite the change in volume mix.

Export volume grew 61% over the previous year.

SOUTH CHINA OPERATIONS

Driven by a solid 21.5% growth in SMGB's core local brand, Dragon, SMGB sales volume grew by 16.4% over year 2004, sustaining its strong double digit growth over the last two years. Indeed, the robustness of the Dragon brand reflected the Company's success following its having gained full control of the sales and marketing of the brand since its acquisition in mid 2003. A leading local beer brand is important in contributing to the overall revenue as well as providing critical scale to support the development and growth of the sales and distribution network in our key markets.

To satisfy growing product requirements, the Company plans to expand SMGB brewery facilities in 2006.

In addition to the on-going restructuring of GSMB and efforts to establish a more cost-efficient product sourcing set-up, a core team is currently addressing the need to strengthen San Miguel brand equity and re-development of the sales and distribution network in the key markets.

COMMUNITY RELATIONS AND SOCIAL RESPONSIBILITY

The Company regards itself as a good corporate citizen and is proud of its contribution to the economy and people of Hong Kong and South China.

The Company continued to make regular donations to charities and non-profitable organisations, and regularly sponsored and participated in various local community events in year 2005.

The Company is also committed to protecting the environment and ensuring that environmental standards are upheld.

HUMAN RESOURCES

The Company continues to invest in its people. Our focus is to ensure that all employees continue to receive appropriate training and competent support from their colleagues, with emphasis on a strong team spirit to achieve targeted results in the highly competitive business environment.

The Company keeps abreast of market trends, offers competitive remuneration packages commensurate with market levels and provides appropriate fringe benefits, including medical and insurance coverage and retirement benefits to all employees.

An independent remuneration committee has been set up to review the remuneration policies and packages of senior executives.

CORPORATE GOVERNANCE

The Company is firmly committed to maintaining statutory and regulatory standards and adherence to the principles of corporate governance emphasising transparency, independence, accountability, responsibility and fairness. The Board of Directors and the senior management of the Company ensure that effective self-regulatory practices exist to protect the interests of the shareholders. These include a Board comprising high calibre Members, Board Committees and effective internal systems and controls.

The Company has applied the principles of the Code Provisions under the Code on Corporate Governance Practices contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited throughout the year 2005, except that all of the Non-Executive Directors are not appointed for a specific term but are subject to retirement by rotation and re-election at the Company's Annual General Meeting. Details of compliances are set out in the Corporate Governance section on pages 17 to 22.

DIRECTORS

A number of Directors resigned from the Board of Directors since we published our interim report on 25th August 2005. They were Messrs Ramon A. de la Llana (former Managing Director), Francis H. Jardeleza, Estelito P. Mendoza and Gabriel L. Villareal.

With the departure of Mr. Ramon A. de la Llana to San Miguel Corporation, Mr. Chong Yoon Fatt was appointed Managing Director on 9th December 2005. Three more Directors, namely Ms. Minerva Lourdes Bibonia, Ms. Ma. Belen C. Buensuceso and Mr. Roberto N. Huang were also appointed to the Board on 24th February 2006.

FUTURE DIRECTIONS AND CHALLENGES

The objectives of the Company for year 2006 are:

- In Hong Kong, to continue to improve profitability and to reinforce the market leadership of San Miguel brand.
- In South China, to turnaround the business by consolidating the growth of Dragon brand in SMGB and the restructuring of GSMB.

Looking ahead, we anticipate that the momentum of our flagship San Miguel brand and the strength of our local brands will drive volume and turnover growth. This momentum will provide the platform to deliver profit growth for the Company in year 2006.

In closing, I would like to thank our employees for their dedication and hard work, the Directors for their wise counsel, and our customers and suppliers for their continuing support.

Our thanks also go to you, our shareholders, for your confidence and trust in the Company. We take this opportunity to renew our commitment to work towards becoming the kind of company that will perform consistently year after year.



Ramon S. Ang
Chairman

24th February 2006



OUR BREWERY
我們的酒廠



To be presented at the Forty-third Annual General Meeting of shareholders to be held at the Langham Hotel, 8 Peking Road, Tsimshatsui, Kowloon, Hong Kong on Tuesday, 11th April 2006 at 2:00pm.

The Directors submit herewith their Annual Report together with the audited financial statements for the year ended 31st December 2005.

PRINCIPAL PLACE OF BUSINESS

San Miguel Brewery Hong Kong Limited (the "Company") is a company incorporated and domiciled in Hong Kong and has its registered office and principal place of business at 9/F., Citimark Building, 28 Yuen Shun Circuit, Siu Lek Yuen, Shatin, New Territories, Hong Kong.

PRINCIPAL ACTIVITIES

The principal activities of the Company and its subsidiaries (the "Group") continue to be the manufacture and distribution of bottled, canned and draught beers.

The analysis of geographical locations of the operations of the Group during the financial year are set out in Note 14 to the financial statements.

As the Group's turnover, profit and loss are almost entirely attributable to these activities, no analysis by activity is provided.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31st December 2005, the percentages of the Group's gross turnover and purchases attributable to major customers and suppliers were as follows:

Gross turnover attributable to:

Largest customer	16.3%
Five largest customers	43.5%

Purchases attributable to:

Largest supplier	11.9%
Five largest suppliers	20.9%

As at 31st December 2005, none of the Directors, their associates, or any shareholder (which to the knowledge of the Directors owned more than 5% of the Company's share capital) had any interest in the above major customers or suppliers.

FINANCIAL STATEMENTS

The loss of the Group for the year ended 31st December 2005 and the state of affairs of the Company and the Group at that date are set out in the financial statements on pages 30 to 75 of this Annual Report.

TRANSFER TO RESERVES

Loss for the year of HK\$66 million (2004: profit (restated) of HK\$12.5 million) have been transferred to reserves. Other movements in reserves are set out in Note 31 to the financial statements.

DIVIDENDS

An interim dividend of 1 cent per share, was paid on 30th September 2005 to shareholders of record on 19th September 2005. The Directors have resolved that no final dividend be declared for the year 2005.

REPORT OF THE DIRECTORS

CHARITABLE AND OTHER DONATIONS

The Group made donations for charitable and other purposes totalling \$17,000 (2004: \$31,000) during the financial year.

FIXED ASSETS

The Group spent \$20.1 million (2004: \$12.4 million) on fixed assets during the year. Particulars of the movements of fixed assets during the year are set out in Note 15 to the financial statements.

SUBSIDIARIES

Particulars of the Company's subsidiaries are set out in Note 18 to the financial statements.

LIQUIDITY AND FINANCIAL RESOURCES

Working capital at the end of the year was \$361 million compared with \$478 million (restated) in 2004.

Cash and bank deposits at year end were \$383 million (2004: \$455 million) and are sufficient to fund working capital requirements and capital expenditure in 2006.

BANK LOANS

The Group has short term credit facilities of \$169 million (2004: \$168 million) of which \$50 million (2004: \$51 million) had been utilised as at 31st December 2005.

Long term loans at year end amounted to \$95 million (2004: \$195 million).

Total borrowings at the year end for the Company were \$95 million (2004: \$195 million) and for the Group \$145 million (2004: \$246 million).

Particulars of bank loans of the Company and the Group are set out in Note 25 to the financial statements.

DIRECTORS

With the exception of Mr. Chong Yoon Fatt, Ms. Minerva Lourdes Bibonia, Ms. Ma. Belen C. Buensuceso, Mr. Ferdinand K. Constantino and Mr. Roberto N. Huang, the Directors of the Company, whose names appear on page 2 of the Annual Report, were Directors for the financial year and as at the date of this Annual Report.

Messrs Benjamin P. Defensor, Jr., Francisco C. Eizmendi, Jr., Ramon A. de la Llana, Thomas R. Mainwaring and Carmelo L. Santiago resigned from the office of Director during the year 2005. Messrs Francis H. Jardeleza, Estelito P. Mendoza and Gabriel L. Villareal resigned from the office of Director on 24th February 2006.

Messrs Ng Wai Sun and Ian F. Wade retire by rotation in accordance with Article 105 of the Company's Articles of Association at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

Mr. Chong Yoon Fatt, Ms. Minerva Lourdes Bibonia, Ms. Ma. Belen C. Buensuceso and Mr. Roberto N. Huang appointed to the Board since the last Annual General Meeting, retire from the office of Director in accordance with Article 96 of the Company's Articles of Association, and offer themselves for re-election at the forthcoming Annual General Meeting.

None of the Directors proposed for re-election has a service agreement with the Company or any of its subsidiaries which is not determinable within one year without payment of compensation, other than normal statutory compensation.

DIRECTORS' INTERESTS

As at 31st December 2005, the Directors and their associates had the following beneficial interests in the issued share capital of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register required under Section 352 of the SFO:

(1) INTERESTS IN ISSUED SHARE CAPITAL

Name of Director	Number of ordinary shares of \$0.50 each in the Company			Approximate percentage of shareholding
	Personal interests	Family interests	Total	
David K.P. Li	300,000	–	300,000	0.08%

Name of Director	Number of shares in San Miguel Corporation			Approximate percentage of shareholding
	Personal interests	Family interests	Total	
Class A (par value of 5 pesos each):				
Ramon S. Ang	6,050	–	6,050	0.000193%
Faustino F. Galang	33,800	–	33,800	0.001076%
Ferdinand K. Constantino	114,224	2,070	116,294	0.003638%
Francis H. Jardeleza	25,001	–	25,001	0.000796%
Estelito P. Mendoza	31,972	–	31,972	0.001018%
Gabriel L. Villareal	24,572	11,550	36,122	0.001152%
Class B (par value of 5 pesos each):				
Faustino F. Galang	50,000	–	50,000	0.001593%
Francis H. Jardeleza	90,000	–	90,000	0.002867%
Gabriel L. Villareal	–	31,900	31,900	0.001017%

REPORT OF THE DIRECTORS

DIRECTORS' INTERESTS (Continued)

(2) INTERESTS IN UNDERLYING SHARES

Certain Directors of the Company have been granted stock options to subscribe for common shares in San Miguel Corporation. Particulars of stock options in San Miguel Corporation held by Directors during the year and as at 31st December 2005 are as follows:

Name of Director	Date granted	Exercise period up to	Stock options in San Miguel Corporation				Balance as at 31st December 2005
			Exercise price per option (pesos)	Balance as at 1st January 2005	Granted during the year	Exercised during the year	
Class A (par value of 5 pesos each):							
Ramon S. Ang	26/06/03	26/06/11	54.50	259,422	–	–	259,422
	01/10/04	01/10/12	57.50	266,854	–	–	266,854
	10/11/05	10/11/13	65.00	–	204,654	–	204,654
Faustino F. Galang	26/06/03	26/06/11	54.50	85,306	–	56,871	28,435
	01/10/04	01/10/12	57.50	87,751	–	–	87,751
	10/11/05	10/11/13	65.00	–	67,090	–	67,090
Chong Yoon Fatt	10/11/05	10/11/13	65.00	–	1,027	–	1,027
Ferdinand K. Constantino	26/06/03	26/06/11	54.50	50,514	–	33,676	16,838
	01/10/04	01/10/12	57.50	56,643	–	–	56,643
	10/11/05	10/11/13	65.00	–	48,391	–	48,391
Francis H. Jardeleza	26/06/03	26/06/11	54.50	52,537	–	35,025	17,512
	01/10/04	01/10/12	57.50	56,476	–	–	56,476
	10/11/05	10/11/13	65.00	–	45,086	–	45,086
Class B (par value of 5 pesos each):							
Ramon S. Ang	26/06/03	26/06/11	62.50	111,181	–	–	111,181
	01/10/04	01/10/12	70.50	114,366	–	–	114,366
	10/11/05	10/11/13	89.50	–	136,436	–	136,436
Faustino F. Galang	26/06/03	26/06/11	62.50	36,560	–	24,374	12,186
	01/10/04	01/10/12	70.50	37,607	–	–	37,607
	10/11/05	10/11/13	89.50	–	44,727	–	44,727
Chong Yoon Fatt	10/11/05	10/11/13	89.50	–	684	–	684
Ferdinand K. Constantino	26/06/03	26/06/11	62.50	21,649	–	14,433	7,216
	01/10/04	01/10/12	70.50	24,275	–	–	24,275
	10/11/05	10/11/13	89.50	–	32,260	–	32,260
Francis H. Jardeleza	26/06/03	26/06/11	62.50	22,516	–	15,011	7,505
	01/10/04	01/10/12	70.50	24,204	–	–	24,204
	10/11/05	10/11/13	89.50	–	30,057	–	30,057

Note:

The only stock options exercised by Directors during the year were those disclosed above.

All interests in the share and underlying shares of the Company and its associated corporations are long positions.

None of the Directors or their associates had any interests in the issued share capital or in stock options of the Company or any of its associated corporations other than those disclosed above.

SUBSTANTIAL INTERESTS IN THE SHARE CAPITAL OF THE COMPANY

As at 31st December 2005 according to the register required under Section 336 of the SFO, the Company was notified that the following shareholders had an interest of 5% or more of its issued share capital:—

Name	Number of shares of \$0.50 each	
	Ordinary shares held	Percentage of total issued shares
Neptunia Corporation Limited (<i>note 1</i>)	245,720,800	65.78%
HKSCC Nominees Limited	66,707,356	17.86%
Conroy Assets Limited (<i>note 2</i>)	13,624,600	3.65%
Hamstar Profits Limited (<i>note 2</i>)	10,078,400	2.70%

Notes:

- San Miguel Corporation (“SMC”), San Miguel International Limited (“SMIL”), San Miguel Holdings Limited (“SMHL”) and San Miguel Brewing International Limited (“SMBIL”) are all deemed to hold the above disclosed interest of Neptunia Corporation Limited (“Neptunia”) in the Company because SMC has a controlling interest in SMIL, SMIL has a controlling interest in SMHL, SMHL has a controlling interest in SMBIL and SMBIL has a controlling interest in Neptunia.
- Mr. Li Ka-Shing, Cheung Kong (Holdings) Limited, Li Ka-Shing Unity Trustee Company Limited, Li Ka-Shing Unity Trustee Corporation Limited and Li Ka-Shing Unity Trustcorp Limited are all deemed to hold the above disclosed interest of Conroy Assets Limited (“Conroy”) and Hamstar Profits Limited (“Hamstar”) in the Company. The aggregate interest of Conroy and Hamstar exceeding 5% of the issued share capital of the Company constitutes a duty of disclosure under the SFO.

All interests in the share of the Company are long positions.

Apart from the foregoing, no other interests required to be recorded in the register kept under Section 336 of the SFO have been notified to the Company.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors of the Company as at the date of this annual report, the Company has maintained the prescribed public float under the Listing Rules.

DIRECTORS’ INTERESTS IN CONTRACTS

Pursuant to an Agreement dated 12th June 1963, Neptunia Corporation Limited provides technical and advisory services to the Company and may be paid a General Managers’ Commission. Messrs Ramon S. Ang, Faustino F. Galang, Chong Yoon Fatt, Ferdinand K. Constantino, Francis H. Jardeleza, Estelito P. Mendoza and Gabriel L. Villareal are interested parties to this contract to the extent that they either have equity interests in or are directors of San Miguel Corporation, the ultimate holding company of Neptunia Corporation Limited. General Managers’ Commission has not been paid by the Company or charged by Neptunia Corporation Limited since the 1995 financial year.

Save as disclosed above, during the financial year and at the end of the year, no Director of the Company has had a material interest in any significant contract to which the Company or any related company (the holding company, subsidiaries or fellow subsidiaries) was also a party.

REPORT OF THE DIRECTORS

CONNECTED TRANSACTIONS

In order to comply with the Listing Rules, the Company entered into an agreement (the "Agreement") with San Miguel Corporation ("SMC"), the ultimate holding company of the Company, on 11th March 2005 to govern the terms upon which the continuing connected transactions will be carried out between members of the Group and members of the SMC Group. The Agreement will expire on 31st December 2007. Under the Agreement, the Group entered into the following continuing connected transactions during the year. Each of the continuing connected transactions is not expected to exceed the following Caps.

The Agreement was approved by independent shareholders at the Extraordinary General Meeting of the Company held on 7th April 2005.

in Hong Kong dollar thousands

	2005 Actual	2005 Cap	2006 Cap	2007 Cap
Purchase of packaging materials (comprising cans, bottles, crown seals and crates) by the Group from the SMC Group	33,255	47,800	92,600	105,700
Purchase of packaged beer by the Group from the SMC Group	2,716	4,300	4,700	5,000
Sales of packaged beer by the Group to the SMC Group	40,490	46,100	53,600	60,700
Payment of commission by the Group to the SMC Group in respect of sales of packaged beer by the Group directly to customers in certain countries (other than Hong Kong, Macau and the PRC)	1,037	1,100	1,300	1,600

The on-going transactions had been reviewed by the Independent Non-Executive Directors of the Company who had confirmed that the on-going transactions were entered into:

- (1) in the ordinary and usual course of business of the Group;
- (2) on normal commercial terms and on terms in accordance with the Agreement that were fair and reasonable so far as the shareholders of the Company were concerned; and
- (3) the aggregate amount of the on-going transactions did not exceed the limit as set out in the announcement dated 11th March 2005.

The Company has received from the auditors a letter reporting that the on-going transactions:

- (1) have received the approval of the Board of Directors of the Company;
- (2) were entered into in accordance with the pricing policies of the Company;
- (3) have been entered into in accordance with the Agreement dated 11th March 2005; and
- (4) have not exceeded the relevant caps as set out in the announcement dated 11th March 2005.

RETIREMENT AND PENSION PLANS, PERSONNEL AND PAYROLL

The Company and its subsidiaries in Hong Kong have sponsored a non-contributory defined benefit scheme, The San Miguel Brewery Hong Kong Limited Retirement Fund (the "Fund"), covering local permanent employees, which was registered in September 1995 under the Occupational Retirement Schemes Ordinance. The Fund is formally established under trust and the assets are separately held in an independently administered fund. The members' benefits are determined based on the employees' final remuneration and length of service. Contributions to the Fund are made in accordance with the recommendations of independent actuaries who value the retirement scheme at regular intervals, usually triennially.

The Fund was granted exemption from Mandatory Provident Fund regulations by the Mandatory Provident Fund Scheme Authority on 24th July 2000, following modifications to the Fund benefits which comply with Mandatory Provident Fund regulations.

Pursuant to Government legislation, Allianz Global Investors Hong Kong Limited was selected by the Company as an alternative Mandatory Provident Fund ("MPF") service provider for employees of the Company who do not wish to remain in or join the Company Fund. The MPF scheme is a defined contribution retirement scheme administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the scheme at 5% of the employees' relevant income, subject to a cap of monthly relevant income of \$20,000. Contributions to the MPF scheme vest in employee members immediately.

Employees in the subsidiaries in the People's Republic of China are members of the Central Pension Scheme operated by the Chinese government. The subsidiaries are required to contribute a certain percentage of their covered payroll to the Central Pension Scheme to fund the benefits. Contributions to the Central Pension Scheme vest in employee members immediately. The only obligation for the subsidiaries with respect to the Central Pension Scheme is the associated required contribution under the Central Pension Scheme.

A formal actuarial assessment of the San Miguel Brewery Hong Kong Limited Retirement Fund was carried out as at 31st December 2005 and the results were as follows:

- (A) The actuary of the Fund is Mr. A. Wong, Fellow of the Canadian Institute of Actuaries and Fellow of the Society of Actuaries. In the actuarial valuation, the attained age method was used. Other major assumptions used in the valuation were: Investment return 7% per annum; Long term salary escalation 3% per annum; Mortality Rates 2001 Hong Kong Life Tables; Normal retirement age 60; Early retirement rates allowed between ages 55 to 60.
- (B) The unaudited market value of the Fund assets was \$81.4 million as at 31st December 2005.
- (C) The minimum level of funding as recommended by the Fund actuary was 16% of salary for 2006, 19% for 2007 and 20% for 2008.
- (D) The solvency deficit was \$24.9 million, i.e. the obligation under this Fund was 77% covered by the Fund's assets, at 31st December 2005.

For the purposes of preparing the financial statements, an independent actuarial valuation was also carried at 31st December 2005 following the methodology set out in Hong Kong Accounting Standard 19, Employee benefits. Details of this valuation is set out in Note 29 to the financial statements.

Particulars of the number of personnel and payroll expenses of the Group are set out on page 3 of this Annual Report.

REPORT OF THE DIRECTORS

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

During the year ended 31st December 2005, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of its listed shares.

FIVE YEAR SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 77 of this Annual Report.

CODE OF BEST PRACTICE

Principal corporate governance practices adopted by the Company are set out in the Corporate Governance section on pages 17 to 22.

CONFIRMATION OF INDEPENDENCE

The Company has received from each of the Independent Non-Executive Directors an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules and considers all the Independent Non-Executive Directors to be independent.

AUDITORS

A resolution for the re-appointment of KPMG as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.



Ramon S. Ang
Chairman

Hong Kong, 24th February 2006

for the year ended 31st December 2005

COMMITMENT TO CORPORATE GOVERNANCE

The Company is firmly committed to maintaining statutory and regulatory standards and adherence to the principles of corporate governance emphasising transparency, independence, accountability, responsibility and fairness. The Board and the Senior Management of the Company ensure that effective self-regulatory practices exist to protect the interests of the shareholders of the Company. These include a board comprising high calibre Members, Board Committees and effective internal systems and controls.

The Company has applied the principles of the Code Provisions under the Code on Corporate Governance Practices (the "Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the year ended 31 December 2005 (the "year under review"), save for the deviations discussed below. The following sections set out the principles in the Code as they have been applied by the Company, including any deviations therefrom, for the year under review.

THE BOARD

The management and control of the business of the Company is vested in its Board. It is the duty of the Board to create value to the shareholders of the Company, establish the Company's strategic direction, set the Company's objectives and plan in accordance therewith, and provide leadership and ensure availability of resources in the attainment of such objectives. The Board is bound to manage the Company in a responsible and effective manner, and therefore every Director ensures that he carries out his duty in good faith and in compliance with the standards of applicable laws and regulations, and acts in the best interests of the Company and its shareholders at all times.

The Board and the Executive Management have clearly defined responsibilities under various internal control and checks-and-balance mechanisms. The Board has delegated a schedule of responsibilities to the Executive Management of the Company. These responsibilities include: implementation of the decisions of the Board and organisation and direction of the day-to-day operation and management of the Company in accordance with the management strategies and plans approved by the Board; preparation and monitoring of annual production plans and operating budget; and control, supervision and monitoring of capital, technical and human resources.

The Board held more than four Meetings during the year under review. The Chief Finance Officer and Company Secretary attended all the scheduled Board Meetings to report matters arising from corporate governance, risk management, statutory compliance, accounting and finance.

CORPORATE GOVERNANCE REPORT

The number of full Board Meetings and Committee Meetings attended by each Director during the year under review is set out in the following table. Figure in brackets indicates maximum number of meetings in the period in which the individual was a Board Member or Board Committee Member (as the case may be).

	<i>Note</i>	Scheduled Board Meetings	Audit Remuneration Committee Meetings	Committee Meetings	Nomination Meetings
Independent Non-Executive Directors					
Dr. The Hon. Sir David K.P. Li		1/(4)	0/(2)	N/A	1/(3)
Mr. Ng Wai Sun		3/(4)	2/(2)	N/A	2/(3)
Mr. Ian F. Wade		1/(4)	1/(2)	N/A	0/(3)
Mr. Adrian M.K. Li – Alternate to Dr. The Hon. Sir David K.P. Li		3/(4)	2/(2)	N/A	2/(3)
Executive Directors					
Mr. Chong Yoon Fatt – Managing Director	(i)	1/(1)	N/A	N/A	1/(1)
Mr. Ramon A. de la Llana	(ii)	4/(4)	N/A	N/A	3/(3)
Mr. Thomas R. Mainwaring	(iii)	1/(1)	N/A	N/A	1/(1)
Non-Executive Directors					
Mr. Ramon S. Ang – Chairman	(iv)	4/(4)	N/A	N/A	3/(3)
Mr. Faustino F. Galang – Deputy Chairman	(v)	3/(4)	N/A	N/A	2/(3)
Mr. Ferdinand K. Constantino	(vi)	4/(4)	N/A	N/A	3/(3)
Mr. Benjamin P. Defensor, Jr.	(vii)	0/(0)	N/A	N/A	0/(0)
Mr. Francisco C. Eizmendi, Jr.	(viii)	2/(2)	N/A	N/A	2/(2)
Mr. Francis H. Jardeleza	(ix)	4/(4)	N/A	N/A	3/(3)
Mr. Estelito P. Mendoza		2/(4)	N/A	N/A	2/(3)
Mr. Carmelo L. Santiago	(x)	0/(0)	N/A	N/A	0/(0)
Mr. Gabriel L. Villareal		2/(4)	N/A	N/A	2/(3)

Notes:

- (i) Appointed as Managing Director on 9th December 2005.
- (ii) Resigned as Managing Director on 9th December 2005.
- (iii) Resigned as Executive Director on 15th April 2005.
- (iv) Re-designated from Non-Executive Director to Chairman on 10th June 2005.
- (v) Re-designated from Non-Executive Director to Deputy Chairman on 10th June 2005.
- (vi) Appointed as Non-Executive Director on 24th February 2005.
- (vii) Resigned as Non-Executive Director on 23rd February 2005.
- (viii) Resigned as Chairman and Non-Executive Director on 10th June 2005.
- (ix) Appointed as Non-Executive Director on 24th February 2005.
- (x) Resigned as Non-Executive Director on 23rd February 2005.

THE CHAIRMAN AND THE CHIEF EXECUTIVE

The Chairman of the Board is Mr. Ramon S. Ang, and the Chief Executive Officer (or Managing Director, in the case of the Company) is Mr. Chong Yoon Fatt. The Chairman's and the Managing Director's roles are clearly defined to ensure their independence, accountability and responsibility.

The Chairman takes the lead in formulating overall strategies and policies of the Company; ensures the effective performance by the Board of its functions, including compliance with good corporate governance practices; and encourages and facilitates active contribution of Directors in Board activities and constructive relations between Executive and Non-Executive Directors. The Chairman also ensures effective communication with shareholders of the Company and receipt by the Directors of adequate and complete information. The role of Deputy Chairman is carried out by Mr. Faustino F. Galang.

The Managing Director, supported by other Board members and the Senior Management, is responsible for managing the day-to-day business of the Company. He is also accountable to the Board for the implementation of the Company's overall strategies, and coordination of overall business operations.

DIRECTORS AND DIRECTORS' INDEPENDENCE

The Board currently consists of nine Non-Executive Directors and one Executive Director. Three of the Non-Executive Directors are independent.

Under the Company's Articles of Association, one-third of the Directors, including the Non-Executive Directors, are subject to retirement, rotation and re-election at each Annual General Meeting.

NON-EXECUTIVE DIRECTORS

Non-Executive Directors are expected to participate in the activities of the Board, particularly in the establishment of a selection process to ensure a mix of competent Directors and officers; adoption of a system of internal checks and balances; scrutiny of the Company's performance in achieving agreed corporate goals and objectives; and ensuring that the exercise of Board authority is within the powers conferred to the Board under its Articles of Association, by-laws and applicable laws, rules and regulations.

INDEPENDENCE

The Independent Non-Executive Directors of the Company are highly skilled professionals with a broad range of expertise and experience in the fields of accounting, finance and business. Their skills, expertise and number in the Board ensure that strong independent views and judgement are brought in the Board's deliberations and that such views and judgement carry weight in the Board's decision-making process. Their presence and participation also enable the Board to maintain high standards of compliance in financial and other mandatory reporting requirements, and provide adequate checks and balances to safeguard the interests of shareholders of the Company and the Company.

Each Independent Non-Executive Director gives the Company an annual confirmation of his independence. The Company considers such Directors to be independent under the guidelines set out in rule 3.13 of the Listing Rules.

Each Director, upon reasonable request, is given access to independent professional advice in circumstances he may deem appropriate and necessary for the discharge of his duties to the Company, at the expense of the Company.

ACCOUNTABILITY AND INTERNAL CONTROL

The Directors acknowledge their responsibility for preparing all information and representations contained in the financial statements of the Company for the year under review. The Directors consider that the financial statements have been prepared in conformity with the generally accepted accounting standards in Hong Kong, and reflect amounts that are based on the best estimates and reasonable, informed and prudent judgment of the Board and Management with an appropriate consideration to materiality. As at 31st December 2005, the Directors, having made appropriate enquiries, are not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern. Accordingly, the Directors have prepared the financial statements of the Company on a going concern basis.

The Company is currently in the process of developing the procedures for the review of the effectiveness of its system of internal control. The annual review requirement of the effectiveness of the Company's internal control system under the Code shall apply to the Company beginning its fiscal year ending 31st December 2006.

CORPORATE GOVERNANCE REPORT

PERFORMANCE DEVELOPMENT

To assist the Directors in the discharge of their duties, the Company provides every newly appointed Director with a comprehensive induction program on the first occasion of his appointment, where such Directors are provided with information on the Company's organisation and business; the membership, duties and responsibilities of the Board, Board Committees and Senior Management; corporate governance practices and procedures; and latest financial information on the operations of the Company. Such information shall be supplemented with visits to the Company's key plant sites and meetings with key senior executives.

Throughout their tenure, the Directors shall be provided with updates on the business of the Company, latest developments of the Listing Rules and other applicable legal and regulatory requirements, corporate social responsibility matters and other changes affecting the Company.

THE BOARD COMMITTEES

AUDIT COMMITTEE

For the year under review, the Audit Committee is composed of three Independent Non-Executive Directors: Mr. Ng Wai Sun, Mr. Ian F. Wade and Dr. The Hon. Sir David K.P. Li, who acts as Chairman of the Committee. The Audit Committee met twice in 2005 with full minutes kept by the Company Secretary. Individual attendance of each committee member at these meetings is shown in the table presented above.

Under its terms of reference, the Audit Committee shall assist the Board in fulfilling its corporate governance and oversight responsibilities in relation to financial reporting, internal control structure, risk management systems and internal and external audit functions. The Audit Committee is further authorised by the Board to investigate any activity within its terms of reference, and is tasked with recommending to the Board appropriate actions emanating from such investigations. The Audit Committee has unrestricted access to personnel, records, internal and external auditors, risk assessment and assurance and senior management, as may be appropriate in the discharge of its functions.

In 2005, the Audit Committee discharged its responsibilities by:

- (a) making recommendations to the Board on the reappointment of the external auditor and approval of the remuneration and terms of engagement of the external auditor;
- (b) monitoring the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standard, and discussing with the external auditor the nature and scope of the audit and reporting obligations;
- (c) implementing the Company's policy on the engagement of an external auditor to supply non-audit services;
- (d) reviewing, and monitoring the integrity of, the financial statements of the Company and the Company's annual and interim reports and the auditors' report to ensure that the information presents a true and balanced assessment of the Company's financial position;
- (e) reviewing the Company's financial controls, internal control and risk management systems to ensure that management has discharged its duty to have an effective internal control system;
- (f) coordinating with the internal and external auditors to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company;
- (g) reviewing the Company's financial and accounting policies and practices;
- (h) reviewing the external auditor's management letter, material queries raised by the external auditor to the management in respect of the accounting records, financial accounts or systems of control and the management's response to such queries; and
- (i) reporting to the Board on the matters set out in the Code on Corporate Governance Practices on the Audit Committee.

The Audit Committee is authorised by the Board to obtain external legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers necessary in the performance of its functions. The Audit Committee is provided with sufficient resources by the Company to discharge its duties. The Audit Committee's specific terms of reference was available on request to any shareholders of the Company and would be posted on the Company's website.

REMUNERATION COMMITTEE

The Remuneration Committee is duly constituted on 9th December 2005 and is composed of three Independent Non-Executive Directors, namely: Dr. The Hon. Sir David K. P. Li, Mr. Ng Wai Sun and Mr. Ian F. Wade, and two Non-Executive Directors, namely: Mr. Ferdinand K. Constantino and Mr. Faustino F. Galang. The Remuneration Committee would be chaired by an Independent Non-Executive Director.

As the Remuneration Committee has been duly constituted recently on 9th December 2005, it has yet to discharge its functions under the Code. The first Remuneration Committee Meeting is scheduled to be held on 24th February 2006.

The primary role of the Remuneration Committee under its terms of reference is to support and advise the Board in fulfilling the Board's responsibility to the shareholders of the Company to (a) establish coherent remuneration policies and practices that will be observed and enable the Company to attract and retain top calibre executives and Directors, (b) fairly and responsibly reward executives based on their performance and the performance of the Company, and the general pay environment; and (c) comply with the Code Provisions on remuneration of Directors, mainly by:

- determining executive and Director remuneration policy;
- determining the remuneration of Executive Directors upon consultation with the Chairman or Managing Director regarding their proposals for such remuneration;
- reviewing and approving the remuneration of the executives who directly report to the Managing Director, and as appropriate, other Senior Management; and
- reviewing and approving all equity based plans.

The Remuneration Committee has the right to seek any information it considers necessary to fulfil its duties, which includes the right to obtain appropriate external advice at the Company's expense. The Remuneration Committee is provided with sufficient resources by the Company to discharge its duties. The Remuneration Committee's specific terms of reference was available on request to any shareholders of the Company and would be posted on the Company's website.

For the year under review, the Board discussed the remuneration related matters in one of the four scheduled Board Meetings, and set the policy on the remuneration of its members and key senior executives in accordance with the Company's Articles of Association. All Directors except Mr. Faustino F. Galang, Dr. The Hon. Sir David K. P. Li and Mr. Ian F. Wade attended that scheduled Board meeting. Each Director is paid 50% of an annual fee which is currently \$80,000 and \$50,000 for Chairman and Director respectively.

The Board also determined the policy for the reimbursement of expenses which were properly incurred by the Directors in the performance of their duties in accordance with the Company's Articles of Association. Details of the remuneration of Directors and Senior Management for the year ended 31st December 2005 are set out in Notes 9 and 35(b) to the financial statements.

CORPORATE GOVERNANCE REPORT

NOMINATION OF DIRECTORS

Directors of the Company are responsible for making recommendations to the Board for consideration and approval on nominations, appointment of Directors and Board succession, with a view to appoint to the Board individuals with the relevant experience and capabilities to maintain and improve the competitiveness of the Company. The Board formulates the policy, reviews the size, structure and composition of the Board, and assesses the independence of its Independent Non-Executive Directors in accordance with the criteria prescribed under the Listing Rules and the Code.

CODE OF CONDUCT ON DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct for securities transactions and dealings (the "Code of Conduct") based on the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules. The terms of the Code of Conduct are no less exacting than the standards in the Model Code, and the Code of Conduct applies to all the relevant persons as defined in the Code, including the Directors of the Company, any employee of the Company, or a Director or employee of a subsidiary or holding company of the Company who, because of such office or employment, are likely to be in possession of unpublished price sensitive information in relation to the Company or its securities.

Specific enquiry has been made of all the Directors of the Company who have confirmed in writing their compliance with the required standards set out in the Code of Conduct during the year under review.

EXTERNAL AUDITORS

KPMG has been appointed as the External Auditors of the Company for the year under review by the shareholders of the Company at the Annual General Meeting. An amount of \$2.3 million (2004: \$2.2 million) was charged to the 2005 financial statements of the Company and its subsidiaries for KPMG's 2005 statutory audit services. The amount paid by the Company for other non-audit services provided by KPMG for the Company and its subsidiaries during the year under review (i.e. taxation computation review and corporate governance review) was \$0.4 million (2004: nil).

The responsibilities of the external auditors with respect to financial reporting are set out in the section of "Report of the Auditors" on page 76.

COMMUNICATION WITH SHAREHOLDERS

The Company attaches great priority to establishing effective communications with its shareholders and investors. In an effort to enhance such communications, the Company provides information relating to the Company and its business in its annual report and also disseminates such information electronically through its web site at www.sanmiguel.com.hk.

The Company regards the Annual General Meeting as an important event as it provides an opportunity for direct communications between the Board and its shareholders. All Directors, Senior Management and external auditors make an effort to attend the Annual General Meeting of the Company to address shareholders' queries. All the shareholders of the Company are given a minimum of 21 days' notice of the date and venue of the Annual General Meeting of the Company. The Company supports the Code's principle to encourage shareholders' participation.

DIRECTORS

Ramon S. Ang, *Chairman*
 Faustino F. Galang, *Deputy Chairman*
 Chong Yoon Fatt, *Managing Director*

Non-Executive Director

Minerva Lourdes Bibonia
 Ma. Belen C. Buensuceso
 Ferdinand K. Constantino
 Roberto N. Huang

Independent Non-Executive Director

David K.P. Li, GBS, JP
 Ng Wai Sun
 Ian F. Wade
 Adrian M.K. Li, *Alternate to David K.P. Li, GBS, JP*

The details of the directors as at the date of this report are as follows:

Mr. Ramon S. ANG, *BSME*, aged 52, appointed on 27th November 1998, is Chairman of San Miguel Brewery Hong Kong Limited. Mr. Ang is also Vice Chairman, President and Chief Operating Officer of San Miguel Corporation.

Mr. Faustino F. GALANG, *BSc, BA, MBE*, aged 59, appointed on 22nd March 1991, is Deputy Chairman and a member of the Remuneration Committee of San Miguel Brewery Hong Kong Limited. Mr. Galang is President of San Miguel Beer Divisions, he is also a director of Neptunia Corporation Limited, a controlling shareholder of the Company.

Mr. CHONG Yoon Fatt, *MSc*, aged 59, appointed on 9th December 2005, is Managing Director of San Miguel Brewery Hong Kong Limited. Mr. Chong has 17 years of working experience in China Beer industry, including managerial experience in various subsidiaries.

Ms. Minerva Lourdes BIBONIA, *BSc*, aged 47, appointed on 24th February 2006, is Senior Vice President, Corporate Marketing of San Miguel Corporation. She is also a director of San Miguel Brewing International Limited, a controlling shareholder of the Company. Ms. Bibonia has 25 years of combined local and international marketing and sales experience.

Ms. Ma. Belen C. BUENSUCESO, *MBA, BSc*, aged 52, appointed on 24th February 2006, is Senior Vice President, Corporate Planning & Development of San Miguel Corporation. She is also a director of various subsidiaries of San Miguel Corporation. Ms. Buensuceso has more than 30 years of experience in strategic planning and financial analysis.

Mr. Ferdinand K. CONSTANTINO, *BA Econ*, aged 54, appointed on 24th February 2005, is a member of the Remuneration Committee of the Company. He is Senior Vice President & Chief Finance Officer & Treasurer of San Miguel Corporation. Mr. Constantino is also a director of San Miguel Holdings Limited and San Miguel Brewing International Limited, controlling shareholders of the Company.

Mr. Roberto N. HUANG, *MBA, BSME*, aged 57, appointed on 24th February 2006, is Senior Vice President of San Miguel Corporation and President of Coca-Cola Bottlers Philippines, Inc. He is also a director of various subsidiaries of San Miguel Corporation. Mr. Huang has more than 25 years of experience in corporate sales and business management.

Dr. The Hon. Sir David K.P. LI, *GBS, OBE, JP, The Order of the Rising Sun, Gold Rays with Neck Ribbon, Officier de la Legion d'Honneur*, aged 66, appointed on 22nd March 1991, is an Independent Non-Executive Director, Chairman of the Audit Committee and a member of the Remuneration Committee of the Company. Sir David is Chairman and a member of Chief Executive of The Bank of East Asia, Limited and a director of numerous other companies in Hong Kong and overseas. Sir David is a member of both the Executive Council and the Legislative Council of Hong Kong. He is Chairman of The Chinese Banks' Association, Limited and the Hong Kong Management Association. He is also a member of the Banking Advisory Committee, the Exchange Fund Advisory Committee and the Treasury Markets Association.

DIRECTORS AND MANAGEMENT EXECUTIVES

Mr. NG Wai Sun, aged 62, appointed on 1st April 2001, is an Independent Non-Executive Director and a member of the Audit Committee and Chairman of the Remuneration Committee of the Company. Mr. Ng is Chairman of Jibsen Capital (Holdings) Limited, he is also a director of the Tung Wah Group of Hospitals (2004-2006) and the China Overseas Friendship Association.

Mr. Ian F. WADE, aged 65, appointed on 25th March 1994, is an Independent Non-Executive Director and a member of the Audit Committee and the Remuneration Committee of the Company. Mr. Wade is the Group Managing Director of A.S. Watson & Co. Ltd., a wholly owned subsidiary of Hutchison Whampoa Ltd. Prior to joining the Hutchison Group, Mr. Wade was a member of the ASDA Board of Directors in the United Kingdom. Mr. Wade is a board member of the Connecticut-based U.S. internet travel company priceline.com. Mr. Wade has over 40 years of experience in the retail industry, and is a founding member and Honorary Advisor of the Hong Kong Retail Management Association. He is a member of the Elite Sports Committee, President of the Hong Kong Tennis Patrons' Association and a committee member of the Hong Kong Youth Arts Foundation. He also sits on the Board of the Hong Kong Red Cross and the Community Chest of Hong Kong, and is the Honorary President of the Hong Kong Amateur Athletics Association.

Mr. Adrian M.K. LI, MA, MBA, LPC, aged 32, appointed Alternate Director to Dr. The Hon. Sir David K.P. Li on 1st August 2002, is General Manager and Head of Corporate Banking Division of The Bank of East Asia, Limited since 2000. Mr. Li is a member of the Ninth Guangdong Provincial Committee and the Ninth & Tenth Guangzhou Committee of the Chinese People's Political Consultative Conference, P.R.C. He is also a committee member of All-China Youth Federation and Deputy Chairman of the Ninth Beijing Municipality Youth Federation. In addition, Mr. Li serves as a member on advisory boards/committees of various organisations in Hong Kong including Vocational Training Council, Export Credit Insurance Corporation and the Small and Medium Enterprises Committee of Hong Kong. He sits on the Board of Ocean Park Corporation and is an Independent Non-Executive Director of Sino Land Company Limited, Tsim Sha Tsui Properties Limited, Sino Hotel (Holdings) Limited and China State Construction International Holdings Limited. Mr. Li is also a member of The Law Society of England and Wales and The Law Society of Hong Kong. He is the eldest son of Dr. The Hon. Sir David K.P. Li.

MANAGEMENT EXECUTIVES

Chong Yoon Fatt
Managing Director
 Ben M.B. Wong
Chief Finance Officer & Company Secretary
 Herbert W.M. Chu
Managing Director,
Guangzhou San Miguel Brewery Company Limited
 Peter K.Y. Tam
General Manager – Sales
 Terence T.A. Tan
General Manager – Logistics

The details of the management executives as at the date of this report are as follows:

Mr. CHONG Yoon Fatt, Managing Director. Please refer to the Directors section on page 23 for details.

Mr. Ben M.B. WONG, MBA, FCPA, FHKIoD, FCCA, aged 43, Chief Finance Officer & Company Secretary, joined the Company in 1997. Mr. Wong has 21 years of business experience in various industries in senior managerial and financial positions in Hong Kong and Mainland China.

Mr. Herbert W.M. CHU, BBA, MBA, aged 52, Managing Director of Guangzhou San Miguel Brewery Company Limited, joined the Company in 1977. During his 28 years of service with the Company, Mr. Chu has gained extensive experience in brewery operations, logistics, sales and marketing as well as public relations.

Mr. Peter K.Y. TAM, BBA, MBA, aged 47, General Manager – Sales, joined the Company in 1993. Mr. Tam has 21 years of experience in the selling and marketing of consumer products in Hong Kong and Mainland China.

Mr. Terence T.A. TAN, BBBA, aged 48, General Manager – Logistics, joined the Company in 1998. Mr. Tan has more than 20 years of experience in the logistics industry in Singapore, Hong Kong and Mainland China.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the FORTY-THIRD ANNUAL GENERAL MEETING of SAN MIGUEL BREWERY HONG KONG LIMITED will be held at the Langham Hotel, 8 Peking Road, Tsimshatsui, Kowloon, Hong Kong on Tuesday, 11th April 2006 at 2:00pm for the purpose of transacting the following ordinary business:

1. To receive and consider the audited Financial Statements and the Reports of the Directors and Auditors for the year ended 31st December 2005;
2. To re-elect directors and approve directors' fees; and
3. To appoint auditors and authorise the directors to fix their remuneration.

By Order of the Board

Ben M. B. Wong

Company Secretary

Hong Kong, 24th February 2006

Notes:

1. Shareholders are entitled to appoint one or more proxies to attend and vote in their stead at the meeting. A proxy need not be a shareholder of the Company.
2. To be valid, forms of proxy must be deposited at the registered office of the Company at 9/F, Citimark Building, 28 Yuen Shun Circuit, Siu Lek Yuen, Shatin, New Territories, Hong Kong not less than 48 hours before the meeting.

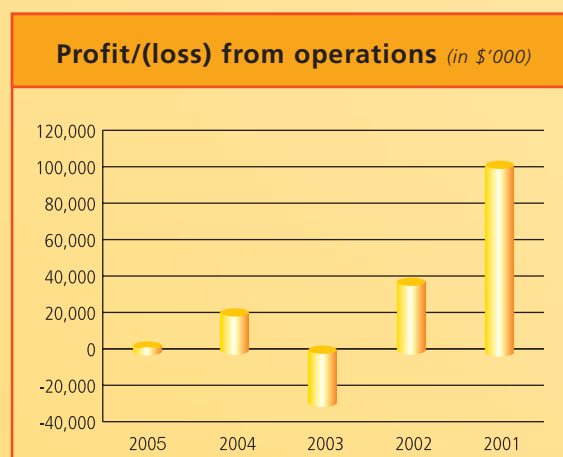
STATISTICAL ANALYSIS OF OPERATIONS

Years ended 31st December, in Hong Kong dollar thousands except per share data and number of personnel

TEN YEAR REVIEW

	2005	2004	2003
Gross turnover	1,268,346	1,261,232	1,158,649
Profit/(loss) from operations	1,478	19,754	(30,763)
(Loss)/profit for the year before extraordinary items	(66,037)	12,504	(36,661)
Extraordinary items (1)	–	–	–
(Loss)/profit for the year	(66,037)	12,504	(36,661)
Taxes paid, including beer tax	141,219	135,185	134,986
Cash dividends attributable to the year	3,736	3,736	–
Cash dividends per share	\$0.01	\$0.01	\$–
Fixed assets and projects under development	1,838,164	1,939,135	2,016,646
Net worth (2) & (3)	2,077,636	2,135,100	2,121,213
Payroll (4)	128,539	122,149	124,480
Number of personnel (5)	1,151	1,145	1,168

- (1) The extraordinary item in 1996 represented profit made on the sale of the Sham Tseng Brewery.
- (2) Net worth for the years 1996 to 2000 have been adjusted for change in accounting policy of dividend recognition.
- (3) Net worth for the years 2001 to 2004 have been adjusted for change in accounting policy of minority interests.
- (4) Payroll has been corrected for inconsistent reporting in prior years for the years 1996 to 1998.
- (5) Number of personnel represents actual headcount as of the last working day of the year.

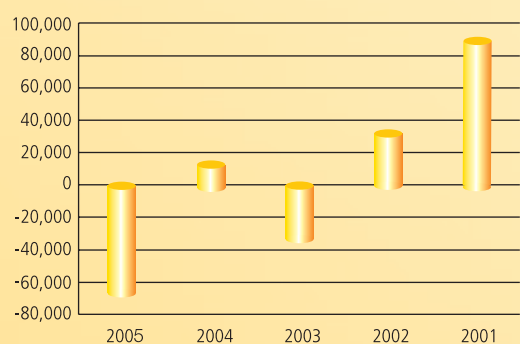


STATISTICAL ANALYSIS OF OPERATIONS

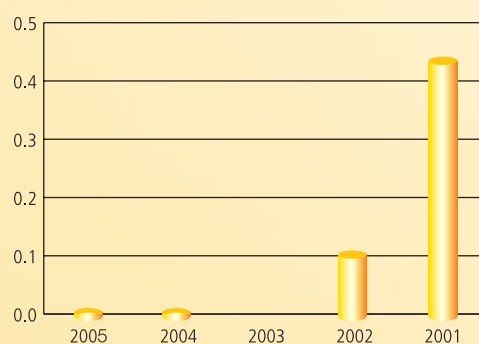
Years ended 31st December, in Hong Kong dollar thousands except per share data and number of personnel

2002	2001	2000	1999	1998	1997	1996
1,326,642	1,376,423	1,433,150	1,342,902	1,378,562	1,317,302	1,410,867
38,942	101,787	100,723	83,737	39,409	10,132	72,784
27,355	90,403	87,657	60,100	17,051	5,492	68,321
-	-	-	-	-	-	115,803
27,355	90,403	87,657	60,100	17,051	5,492	184,124
164,268	170,830	160,745	156,038	170,576	144,620	152,073
37,356	160,636	52,300	41,093	11,207	29,886	59,771
\$0.10	\$0.43	\$0.14	\$0.11	\$0.03	\$0.08	\$0.16
2,083,863	2,156,190	2,214,254	2,276,150	2,347,937	2,396,195	2,462,394
2,166,478	2,268,190	2,233,837	2,193,847	2,170,495	2,157,247	2,227,953
131,168	126,053	127,094	144,121	155,400	147,443	133,838
1,214	1,268	1,276	1,345	1,601	1,655	1,527

(Loss)/profit for the year (in \$'000)



Cash dividends per share (in \$ per share)





OUR CONSUMERS

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FINANCIAL STATEMENTS SECTION

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In this section, all monetary values are expressed in Hong Kong Dollars unless stated otherwise.

CONSOLIDATED INCOME STATEMENT

for the years ended 31st December, in Hong Kong dollar thousands except per share data

	Note	2005	Restated 2004
Gross turnover	3, 14	1,268,346	1,261,232
Discounts		(304,457)	(322,948)
Cost of sales		(440,817)	(412,141)
Beer duty and taxes		(156,980)	(160,454)
Gross profit		366,092	365,689
Selling and distribution expenses		(253,337)	(221,972)
Administrative expenses		(104,970)	(111,191)
Other operating expenses		(6,307)	(12,772)
Profit from operations	4	1,478	19,754
Finance costs	5	(6,163)	(2,832)
Other revenue	6	15,065	9,615
Other net income/(expenses)	6	431	(3,264)
Impairment losses	7	(69,869)	(7,737)
(Loss)/profit before taxation		(59,058)	15,536
Income tax	8	(6,979)	(3,032)
(Loss)/profit for the year	14	(66,037)	12,504
Attributable to:			
Equity shareholders of the Company	11, 31(a)	(35,641)	11,270
Minority interests	31(a)	(30,396)	1,234
(Loss)/profit for the year	31(a)	(66,037)	12,504
Dividends payable to equity shareholders of the Company attributable to the year:	12		
Interim dividend declared during the year		(3,736)	–
Final dividend proposed after the balance sheet date		–	(3,736)
		(3,736)	(3,736)
(Loss)/earnings per share – Basic	13	(\$0.10)	\$0.03

The Notes on pages 35 to 75 form part of these financial statements.

CONSOLIDATED BALANCE SHEET

as at 31st December, in Hong Kong dollar thousands

	Note	2005	Restated 2004
Non-current assets			
Fixed assets	15(a)		
– Property, plant and equipment		1,648,874	1,746,257
– Investment properties		86,437	88,257
– Interests in leasehold land held for own use under operating leases		102,853	104,621
Intangible assets	16	39,525	39,481
Goodwill	17	5,044	5,044
Retirement benefit asset	29(a)	3,937	1,888
Other financial assets	19	–	22,287
Other tangible assets	20	41,539	–
		1,928,209	2,007,835
Current assets			
Inventories	21	50,700	93,408
Trade and other receivables	22	126,743	98,304
Amounts due from holding companies and fellow subsidiaries	23	38,346	29,495
Current tax recoverable	30(a)	798	66
Cash and cash equivalents	24	383,331	454,817
		599,918	676,090
Current liabilities			
Bank loans (unsecured)	25	(50,408)	(50,552)
Trade and other payables	27	(126,123)	(120,134)
Amounts due to holding companies and fellow subsidiaries	23	(9,327)	(26,907)
Leased factory maintenance provision	28	(53,208)	–
		(239,066)	(197,593)
Net current assets		360,852	478,497
Total assets less current liabilities		2,289,061	2,486,332
Non-current liabilities			
Bank loans (unsecured)	25	(95,000)	(195,000)
Leased factory maintenance provision	28	–	(47,968)
Deferred tax liabilities	30(b)	(116,425)	(108,264)
		(211,425)	(351,232)
NET ASSETS		2,077,636	2,135,100
CAPITAL AND RESERVES			
Share capital	31(a)	186,785	186,785
Reserves		1,820,487	1,849,764
Total equity attributable to equity shareholders of the Company		2,007,272	2,036,549
Minority interests		70,364	98,551
TOTAL EQUITY		2,077,636	2,135,100

Approved and authorised for issue by the Board of Directors on 24th February 2006.

Directors:



RAMON S. ANG



CHONG YOON FATT

The Notes on pages 35 to 75 form part of these financial statements.

COMPANY BALANCE SHEET

as at 31st December, in Hong Kong dollar thousands

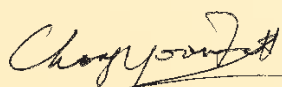
	Note	2005	Restated 2004
Non-current assets			
Fixed assets	15(b)		
– Property, plant and equipment		1,020,023	1,051,037
– Interests in leasehold land held for own use under operating leases		72,390	74,134
Intangible assets	16	38,487	38,466
Retirement benefit asset	29(a)	3,937	1,888
Interests in subsidiaries	18	1,215,127	1,216,101
		2,349,964	2,381,626
Current assets			
Inventories	21	22,726	32,492
Trade and other receivables	22	86,363	68,240
Amounts due from holding companies and fellow subsidiaries	23	20,115	9,309
Cash and cash equivalents	24	19,415	22,502
		148,619	132,543
Current liabilities			
Trade and other payables	27	(53,376)	(43,605)
Amounts due to holding companies and fellow subsidiaries	23	(1,611)	(15,017)
		(54,987)	(58,622)
Net current assets		93,632	73,921
Total assets less current liabilities		2,443,596	2,455,547
Non-current liabilities			
Bank loans (unsecured)	25	(95,000)	(195,000)
Amounts due to subsidiaries	26	(379,722)	(306,300)
Deferred tax liabilities	30(b)	(55,580)	(50,629)
		(530,302)	(551,929)
NET ASSETS		1,913,294	1,903,618
CAPITAL AND RESERVES			
Share capital	31(b)	186,785	186,785
Reserves		1,726,509	1,716,833
TOTAL EQUITY		1,913,294	1,903,618

Approved and authorised for issue by the Board of Directors on 24th February 2006.

Directors:



RAMON S. ANG



CHONG YOON FATT

The Notes on pages 35 to 75 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the years ended 31st December, in Hong Kong dollar thousands

	Note	2005	Restated 2004
Total equity at 1st January:			
Attributable to equity shareholders of the Company		2,036,549	2,024,059
Minority interests		98,551	97,154
		<u>2,135,100</u>	<u>2,121,213</u>
Net income recognised directly in equity:			
Exchange differences on translation of the financial statements of overseas subsidiaries	31(a)	16,475	1,075
Net (loss)/profit for the year:			
As previously reported:			
– attributable to equity shareholders of the Company			11,578
– minority interests			1,234
			<u>12,812</u>
Prior period adjustment arising from change in accounting policy for share-based payment	2(b)(i)		(308)
Net (loss)/profit for the year (2004: as restated)	31(a)	<u>(66,037)</u>	<u>12,504</u>
Total recognised income and expense for the year (2004: as restated)		<u>(49,562)</u>	<u>13,579</u>
Dividends declared or approved during the year		<u>(7,472)</u>	–
Movements in equity arising from capital transactions:			
Equity-settled share-based transactions (2004: as restated)		495	308
Inter-company charge levied by the ultimate holding company for the stock options		(925)	–
		<u>(430)</u>	<u>308</u>
Total equity at 31st December		<u>2,077,636</u>	<u>2,135,100</u>
Total recognised income and expense for the year (2004: as restated)			
Attributable to:			
– equity shareholders of the Company		(21,375)	12,182
– minority interests		(28,187)	1,397
		<u>(49,562)</u>	<u>13,579</u>
Restatement of total recognised income and expense for the year			
Attributable to:			
– equity shareholders of the Company			(308)
– minority interests			–
			<u>(308)</u>
Arising from restatement of:			
– net profit for the year			(308)
– net income recognised directly in equity			–
			<u>(308)</u>

The Notes on pages 35 to 75 form part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

for the years ended 31st December, in Hong Kong dollar thousands

	Note	2005	Restated 2004
Operating activities			
(Loss)/profit before taxation		(59,058)	15,536
Adjustments for:			
Amortisation of land lease premium for property held for own use		2,506	743
Depreciation of property, plant and equipment		73,084	78,615
Depreciation of investment properties		2,156	1,272
Impairment losses		69,869	7,737
Interest expenses		6,016	2,683
Interest income		(10,418)	(4,930)
Loss on disposal of property, plant and equipment		216	4,040
Loss on disposal of other tangible assets		4,175	–
Amortisation of bottles and crates		11,466	11,125
Amortisation of trademarks		–	4,031
Amortisation of goodwill		–	274
Equity-settled share-based payment expenses		495	308
Foreign exchange gains		(1,576)	(133)
Operating profit before changes in working capital		98,931	121,301
Decrease/(increase) in inventories		4,098	(29,030)
(Increase)/decrease in trade and other receivables		(13,522)	8,222
(Increase)/decrease in net amounts due from holding companies and fellow subsidiaries		(27,356)	5,085
Increase/(decrease) in trade and other payables		6,263	(1,857)
Increase in retirement benefit asset		(2,049)	(4,099)
Increase in leased factory maintenance provision		4,158	4,066
Cash generated from operations		70,523	103,688
Income tax			
Hong Kong Profits Tax paid, net of tax refunded		(853)	(66)
Overseas tax refunded		–	6,101
Net cash generated from operating activities		69,670	109,723
Investing activities			
Payment for purchase of property, plant and equipment		(19,740)	(12,403)
Payment for purchase of investment properties		(336)	–
Payment for purchase of trademarks		(21)	(53)
Payment for purchase of other tangible assets		(20,898)	–
Proceeds from disposal of property, plant and equipment		430	1,199
Proceeds from redemption of dated debt securities		–	15,975
Interest received		8,733	5,325
Net cash (used in)/generated from investing activities		(31,832)	10,043
Financing activities			
Repayment of bank loans (unsecured)		(100,000)	(15,555)
Interest paid		(6,297)	(2,635)
Dividend paid		(7,472)	–
Net cash used in financing activities		(113,769)	(18,190)
Net (decrease)/increase in cash and cash equivalents		(75,931)	101,576
Cash and cash equivalents at beginning of year		454,817	352,964
Effect of foreign exchange rates changes		4,445	277
Cash and cash equivalents at end of year	24	383,331	454,817

The Notes on pages 35 to 75 form part of these financial statements.

1 Significant accounting policies

A. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. A summary of the significant accounting policies adopted by the Group is set out below.

The HKICPA has issued a number of new and revised HKFRSs that are effective or available for early adoption for accounting periods beginning on or after 1st January 2005. Information on the changes in accounting policies resulting from initial application of these new and revised HKFRSs for the current and prior accounting periods reflected in these financial statements is provided in Note 2.

B. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The consolidated financial statements for the year ended 31st December 2005 comprise the Company and its subsidiaries (together referred to as the "Group").

The measurement basis used in the preparation of the financial statements is the historical cost basis.

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

C. SUBSIDIARIES

A subsidiary, in accordance with the Hong Kong Companies Ordinance, is a company in which the Group, directly or indirectly, holds more than half of the issued share capital, or controls more than half the voting power, or controls the composition of the board of directors. Subsidiaries are considered to be controlled if the Company has the power, directly or indirectly, to govern the financial and operating policies, so as to obtain benefits from their activities.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases.

Intra-group balances and transactions and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised profits but only to the extent that there is no evidence of impairment.

Minority interests at the balance sheet date, being the portion of the net assets of subsidiaries attributable to equity interests that are not owned by the Company, whether directly or indirectly through subsidiaries, are presented in the consolidated balance sheet and statement of changes in equity within equity, separately from equity attributable to the equity shareholders of the Company. Minority interests in the results of the Group are presented on the face of the consolidated income statement as an allocation of the total profit or loss for the year between minority interests and the equity shareholders of the Company.

Where losses applicable to the minority exceed the minority's interest in the equity of a subsidiary, the excess, and any further losses applicable to the minority, are charged against the Group's interest except to the extent that the minority has a binding obligation to, and is able to, make additional investment to cover the losses. If the subsidiary subsequently reports profits, the Group's interest is allocated all such profits until the minority's share of losses previously absorbed by the Group has been recovered.

In the Company's balance sheet, an investment in a subsidiary is stated at cost less any impairment losses (see Note 1K).

NOTES TO THE FINANCIAL STATEMENTS

1. Significant accounting policies (Continued)

D. GOODWILL

Goodwill represents the excess of the cost of a business combination over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities.

Goodwill is stated at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units and is tested annually for impairment (see Note 1K).

On disposal of a cash generating unit, any attributable amount of goodwill is included in the calculation of the profit or loss on disposal.

E. INVESTMENT PROPERTIES

Investment properties are land and buildings which are owned or held under a leasehold interest to earn rental income.

Investment properties are stated in the balance sheet at cost less accumulated depreciation and impairment losses (see Note 1K). Depreciation is calculated to write off the cost of investment properties, less their residual values, if any, using the straight-line method over the shorter of the unexpired term of lease and their estimated useful lives, being no more than 50 years.

Rental income from investment properties is accounted for as described in Note 1Q(iii).

F. PROPERTY, PLANT AND EQUIPMENT

(i) Property, plant and equipment are stated in the balance sheet at cost less accumulated depreciation and impairment losses (see Note 1K).

(ii) Depreciation is calculated to write off the cost of property, plant and equipment, less their estimated residual values, if any, using the straight-line method over their estimated useful lives as follows:

Asset category	Useful life
Land and buildings held for own use are depreciated over the shorter of the unexpired term of lease and their estimated useful lives, being no more than 50 years	25 to 50 years
Machinery, equipment, furniture and fixtures	4 to 50 years
Motor vehicles	4 to 7 years

(iii) Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in the income statement on the date of retirement or disposal.

G. LEASED ASSETS

(i) Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases.

However, land held for own use under an operating lease, where the fair value cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease.

(ii) Where the Group has the use of assets held under operating leases, payments made under the leases are charged to the income statement in equal instalments over the accounting periods covered by the lease term. Lease incentives received are recognised in the income statement as an integral part of the aggregate net lease payments made.

(iii) A prepaid land lease is amortised on a straight-line basis over the period of the lease term.

H. INTANGIBLE ASSETS

Trademarks and club debentures with indefinite useful lives are stated in the balance sheet at cost less impairment losses, and are tested annually for impairment (see Note 1K).

I. OTHER TANGIBLE ASSETS

Other tangible assets are returnable bottles and crates used by subsidiaries in the People's Republic of China ("PRC").

Returnable bottles and crates are stated in the balance sheet at cost less accumulated amortisation and impairment losses (see Note 1K). Amortisation is calculated to write off the cost of bottles and crates, less their residual values, using the straight-line method over two and seven years respectively.

1. Significant accounting policies (Continued)

J. OTHER INVESTMENTS

- (i) Unlisted dated debt securities held by the Group are classified as loans and receivables, and are initially recognised in the balance sheet at fair value plus transaction costs. Subsequently, they are stated in the balance sheet at amortised cost less impairment losses (see Note 1K).
- (ii) Investments are recognised/derecognised on the date the Group and/or the Company commits to purchase/sell the investments or they expire.

K. IMPAIRMENT OF ASSETS

- (i) *Impairment of investments in dated debt securities and other receivables*

Investment in dated debt securities and other current and non-current receivables that are stated at cost or amortised cost are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. If any such evidence exists, any impairment loss is determined and recognised as follows:

- For current receivables that are carried at cost, the impairment loss is measured as the difference between the carrying amount of the financial asset and the estimated future cash flows, discounted at the current market rate of return for a similar financial asset where the effect of discounting is material. Impairment losses for current receivables are reversed if in a subsequent period the amount of the impairment loss decreases.
- For financial assets carried at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets).

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through the income statement. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

- (ii) *Impairment of other assets*

Internal and external sources of information are reviewed at each balance sheet date to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

- Investment properties;
- Property, plant and equipment;
- Interests in leasehold land held for own use under operating leases;
- Interests in subsidiaries;
- Goodwill;
- Intangible assets; and
- Other tangible assets.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill and intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment.

- Calculation of recoverable amount

The recoverable amount of an asset is the greater of its net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

- Recognition of impairment losses

An impairment loss is recognised in the income statement whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs to sell, or value in use, if determinable.

NOTES TO THE FINANCIAL STATEMENTS

1. Significant accounting policies (Continued)

K. IMPAIRMENT OF ASSETS (Continued)

(ii) Impairment of other assets (Continued)

- Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to the income statement in the year in which the reversals are recognised.

L. INVENTORIES

Both materials and supplies and products in hand and in progress are valued at the lower of cost and net realisable value. Cost is calculated using the moving average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

M. RECEIVABLES

Receivables are initially recognised at fair value and thereafter stated at amortised cost less impairment losses for bad and doubtful debts (see Note 1K), except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts (see Note 1K).

N. INTEREST-BEARING BORROWINGS

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings using the effective interest method.

O. PAYABLES

Payables are initially recognised at fair value and thereafter stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

P. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at bank and in hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

Q. REVENUE RECOGNITION

Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in the income statement as follows:

- (i) Revenue arising from sales of goods is recognised when the customer has accepted the goods and the related risks and rewards of ownership.
- (ii) Interest income is recognised as it accrues using the effective interest method.
- (iii) Rental income receivable under operating leases is recognised in the income statement in equal instalments over the periods covered by the lease term. Lease incentives granted are recognised in the income statement as an integral part of the aggregate net lease payments receivable.

1. Significant accounting policies (Continued)

R. EMPLOYEE BENEFITS

(i) Short term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost to the Group of non-monetary benefits are accrued in the year in which the associated services are rendered by employees.

(ii) Defined benefit retirement plan obligations

The Group's net obligation in respect of the defined benefit retirement plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine the present value, and the fair value of any plan assets is deducted. The discount rate is the yield at the balance sheet date on high quality corporate bonds that have maturity dates approximating the terms of the Group's obligations. The calculation is performed by a qualified actuary using the projected unit credit method.

In calculating the Group's obligation in respect of a plan, if any cumulative unrecognised actuarial gain or loss exceeds ten percent of the greater of the present value of the defined benefit obligation and the fair value of plan assets, that portion is recognised in the income statement over the expected average remaining working lives of the employees participating in the plan. Otherwise, the actuarial gain or loss is not recognised.

Where the calculation of the Group's net obligation results in a negative amount, the asset recognised is limited to the net total of any cumulative unrecognised net actuarial losses and past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

(iii) Share-based payment

The fair value of stock options granted to the employees by the Company's ultimate holding company, San Miguel Corporation ("SMC"), is recognised as an employee cost with a corresponding increase in capital contribution reserve. The inter-company charge in relation to these stock options levied on the Company by SMC is offset against the capital contribution reserve and with a corresponding adjustment to liabilities.

The fair value of stock options is measured at grant date using the Black-Scholes Option Pricing Model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the stock options, the total estimated fair value of the stock options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of stock options that is expected to vest is reviewed. Any adjustment to the cumulative fair value recognised in prior years is charged/credited to the income statement for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the capital contribution reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of stock options that vest.

S. BORROWING COSTS

Borrowing costs are expensed in the income statement in the period in which they are incurred.

T. INCOME TAX

- (i) Income tax for the year comprises current tax and movements in deferred tax assets and liabilities.
- (ii) Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

NOTES TO THE FINANCIAL STATEMENTS

1. Significant accounting policies (Continued)

T. INCOME TAX (Continued)

- (iii) Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date and is reduced to the extent that is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

- (iv) Current tax balances and deferred tax balances are presented separately from each other and are not offset.

U. TRANSLATION OF FOREIGN CURRENCIES

Foreign currency transactions during the year are translated into Hong Kong dollars at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into Hong Kong dollars at the foreign exchange rates ruling at the balance sheet date. Exchange gains and losses are recognised in the income statement.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates.

The results of foreign operations are translated into Hong Kong dollars at the average exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Balance sheet items are translated into Hong Kong dollars at the foreign exchange rates ruling at the balance sheet date. The resulting exchange differences are recognised directly in a separate component of equity. Goodwill arising on consolidation of a foreign operation acquired before 1st January 2005 is translated at the foreign exchange rate that applied at the date of acquisition of the foreign operation.

On disposal of a foreign operation, the cumulative amount of the exchange differences recognised in equity which relate to that foreign operation is included in the calculation of the profit or loss on disposal.

V. RELATED PARTIES

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals (being members of key management personnel, significant shareholders and/or their close family members) or other entities and include entities which are under the significant influence of related parties of the Group where those parties are individuals, and post-employment benefit plans which are for the benefit of employees of the Group or of any entity that is a related party of the Group.

W. SEGMENT REPORTING

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

In accordance with the Group's internal financial reporting system, the Group has chosen geographical segment information as the primary reporting format.

Segment revenue, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment. For example, segment assets may include inventories, trade receivables and fixed assets. Segment revenue, expenses, assets and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between group entities within a single segment.

Segment capital expenditure is the total cost incurred during the year to acquire segment assets (both tangible and intangible) that are expected to be used for more than one period.

Unallocated items mainly comprise financial and corporate assets, interest-bearing loans, borrowings, corporate and financing expenses.

2. Changes in accounting policies and accounting estimate

in Hong Kong dollar thousands

(a) Changes in accounting policies – Nature of the changes

The HKICPA has issued a number of new and revised HKFRSs that are effective for accounting periods beginning on or after 1st January 2005.

The accounting policies of the Group and/or Company after the adoption of these new and revised HKFRSs have been summarised in Note 1. The following sets out information on the significant changes in accounting policies for the current and prior accounting periods reflected in these financial statements.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period (see Note 40).

(i) Stock option scheme (HKFRS 2, Share-based payment)

In prior years, no amounts were recognised when employees were granted stock options from the Company's ultimate holding company, San Miguel Corporation ("SMC"), over SMC's shares.

With effect from 1st January 2005, in order to comply with HKFRS 2, the Group adopted a new policy for stock options granted by SMC. Under this new policy, the Group recognises the fair value of such stock options as an expense with a corresponding increase in a capital contribution reserve within equity. For the inter-company charge levied by SMC on the Group for the stock options, the Group offsets it against the capital contribution reserve and recognises a liability.

The new accounting policy has been applied retrospectively with comparatives restated, except that the Group has taken advantage of the transitional provisions set out in HKFRS 2, under which the new recognition and measurement policies have not been applied to the following grants of stock options:

- all options granted to employees on or before 7th November 2002; and
- all options granted to employees after 7th November 2002 but which had vested before 1st January 2005.

The adjustments for each financial statement line item affected for the years ended 31st December 2004 and 2005 are set out in Notes 2(b) and (c).

Details of SMC's stock options entitled by the Group's employees are set out in Note 32.

(ii) Changes in presentation (HKAS 1, Presentation of financial statements and HKAS 27, Consolidated and separate financial statements)

In prior years, minority interests at the balance sheet date were presented in the consolidated balance sheet separately from liabilities and as deduction from net assets. Minority interests in the results of the Group for the year were also separately presented in the consolidated income statement as a deduction before arriving at the profit attributable to shareholders (the equity shareholders of the Company).

With effect from 1st January 2005, in order to comply with HKAS 1 and HKAS 27, the Group has changed its accounting policy relating to presentation of minority interests. Under the new policy, minority interests at the balance sheet date are presented in the consolidated balance sheet as part of equity, separately from interests attributable to the equity shareholders of the Company. Minority interests in the results of the Group are presented on the face of the consolidated income statement as an allocation of the total profit or loss for the year between minority interests and the equity shareholders of the Company. These changes in presentation have been applied retrospectively with comparatives restated as shown in Note 2(b).

NOTES TO THE FINANCIAL STATEMENTS

2. Changes in accounting policies and accounting estimate *(Continued)*

in Hong Kong dollar thousands

(a) Changes in accounting policies – Nature of the changes *(Continued)*

(iii) *Leasehold land and buildings held for own use (HKAS 17, Leases)*

In prior years, leasehold land and buildings held for own use were presented as fixed assets (renamed as Property, plant and equipment in these financial statements) and stated at cost less accumulated depreciation and impairment losses.

With effect from 1st January 2005, in order to comply with HKAS 17, the Group adopted a new policy for leasehold land and buildings held for own use. Under the new policy, the leasehold interest in land held for own use is accounted for as being held under an operating lease where the fair value of the interest in any buildings situated on the leasehold land could be measured separately from the fair value of the leasehold interest in the land at the time the lease was first entered into by the Group, or taken over from the previous lessee, or at the date of construction of those buildings, if later. The land lease premium is amortised on a straight-line basis over the lease term.

Any buildings held for own use which are situated on such land leases continue to be presented as part of property, plant and equipment.

This new policy has been adopted retrospectively with comparatives restated as shown in Note 2(b). There is no net effect to the opening retained profits nor the profit or loss for the periods presented.

(iv) *Financial instruments (HKAS 32, Financial instruments: Disclosure and presentation and HKAS 39, Financial instruments: Recognition and measurement)*

In prior years, unlisted government bonds were classified as held to maturity securities and stated at amortised cost less provision.

With effect from 1st January 2005, and in accordance with HKAS 39, investment in unlisted government bonds are classified as loans and receivables and carried at amortised cost less impairment losses.

The change in accounting policy has been adopted retrospectively, with comparative amounts restated. There is no opening balance adjustment to retained profits at 1st January 2005.

The adjustment for each financial statement line item affected for the years ended 31st December 2004 and 2005 are set out in Notes 2(b) and (c).

(v) *Amortisation of positive goodwill (HKFRS 3, Business combinations and HKAS 36, Impairment of assets)*

In prior periods:

- positive goodwill which arose prior to 1st January 2001 was taken directly to reserves at the time it arose, and was not recognised in the income statement until disposal or impairment of the acquired business; and
- positive goodwill which arose on or after 1st January 2001 was amortised on a straight-line basis over its useful life and was subject to impairment testing when there were indications of impairment.

With effect from 1st January 2005, in order to comply with HKFRS 3 and HKAS 36, the Group has changed its accounting policy relating to goodwill. Under the new policy, the Group no longer amortises positive goodwill but tests it at least annually for impairment.

This new policy has been applied prospectively in accordance with the transitional arrangements under HKFRS 3. The adjustments for each consolidated financial statement line item affected for the year ended 31st December 2005 are set out in Note 2(c).

Also in accordance with the transitional arrangements under HKFRS 3, goodwill which had previously been taken directly to reserves (i.e. goodwill which arose before 1st January 2001) will not be recognised in the income statement on disposal or impairment of the acquired business, or under any other circumstances.

2. Changes in accounting policies and accounting estimate (Continued)
in Hong Kong dollar thousands

(a) Changes in accounting policies – Nature of the changes (Continued)

(vi) *Definition of related parties (HKAS 24, Related party disclosures)*

As a result of the adoption of HKAS 24, Related party disclosures, the definition of related parties as disclosed in Note 1V has been expanded to clarify that related parties may be individuals (being members of key management personnel, significant shareholders and/or their close family members) or other entities which are under the significant influence of related parties of the Group where those parties are individuals, and post-employment benefit plans which are for the benefit of employees of the Group or of any entity that is a related party of the Group. Additional disclosure on key management personnel remuneration has been included in Note 35(b) to the financial statements. Apart from this, the clarification of the definition of related parties has not resulted in any material changes to the previously reported disclosures of related party transactions nor has it had any material effect on the disclosures made in the current year, as compared to those that would have been reported had SSAP 20, Related party disclosures, still been in effect.

(b) Changes in accounting policies – Restatement of prior periods and opening balances

The following tables disclose the adjustments that have been made in accordance with the transitional provisions of the respective HKFRSs to each of the line items in the consolidated income statement and balance sheet and the Company's balance sheet for the year ended 31st December 2004. The effects of the changes in the accounting policies on the balances at 1st January 2004 and 2005 are disclosed in Note 31.

(i) *Effect on the consolidated financial statements*

Consolidated income statement for the year ended 31st December 2004

	2004 (as previously reported)	Effect of new policies (increase/(decrease) in profit for the year)		2004 (restated – before reclassification of expenses)	Reclassification of expenses	2004 (restated – after reclassification of expenses)
		HKFRS 2	HKAS 1			
		(Note 2(a)(i))	(Note 2(a)(ii))		(Note 38)	
Gross profit	365,689	-	-	365,689	-	365,689
Distribution costs (renamed as Selling and distribution expenses in the 2005 financial statements)	(39,839)	-	-	(39,839)	(182,133)	(221,972)
Administrative and selling expenses (renamed as Administrative expenses in the 2005 financial statements)	(293,016)	(308)	-	(293,324)	182,133	(111,191)
Other operating expenses	(20,509)	-	-	(20,509)	7,737	(12,772)
Profit from operations	12,325	(308)	-	12,017	7,737	19,754
Finance costs	(2,832)	-	-	(2,832)	-	(2,832)
Other revenue	9,615	-	-	9,615	-	9,615
Other net expenses	(3,264)	-	-	(3,264)	-	(3,264)
Impairment losses	-	-	-	-	(7,737)	(7,737)
Profit before taxation	15,844	(308)	-	15,536	-	15,536
Income tax	(3,032)	-	-	(3,032)	-	(3,032)
Profit after taxation	12,812	(308)	-	12,504	-	12,504
Minority interests	(1,234)	-	1,234	-	-	-
Profit for the year	11,578	(308)	1,234	12,504	-	12,504
Attributable to:						
Equity shareholders of the Company	11,578	(308)	-	11,270	-	11,270
Minority interests	-	-	1,234	1,234	-	1,234
Profit for the year	11,578	(308)	1,234	12,504	-	12,504
Earnings per share – Basic	0.03	-	-	0.03	-	0.03
Other significant disclosure item: <i>(increase)/decrease in expenses</i>						
- Staff costs	(136,101)	(308)	-	(136,409)	-	(136,409)

NOTES TO THE FINANCIAL STATEMENTS

2. Changes in accounting policies and accounting estimate (Continued)

in Hong Kong dollar thousands

(b) Changes in accounting policies – Restatement of prior periods and opening balances (Continued)

(i) Effect on the consolidated financial statements (Continued)

Consolidated balance sheet at 31st December 2004

	2004 (as previously reported)	Effect of new policies (increase/ (decrease) in net assets)				2004 (restated – before reclassification of balances)	Reclassification of balances	2004 (restated – after reclassification of balances)
		HKFRS 2 (Note 2(a)(i))	HKAS 1 (Note 2(a)(ii))	HKAS 17 (Note 2(a)(iii))	HKAS 32 (Note 2(a)(iv))		(Note 38)	
Non-current assets								
Fixed assets (renamed as Property, plant and equipment in the 2005 financial statements)	1,939,135	-	-	(104,621)	-	1,834,514	(88,257)	1,746,257
Investment properties	-	-	-	-	-	-	88,257	88,257
Interests in leasehold land held for own use under operating leases	-	-	-	104,621	-	104,621	-	104,621
Held to maturity securities – unlisted	13,797	-	-	-	(13,797)	-	-	-
Intangible assets	33,435	-	-	-	-	33,435	6,046	39,481
Goodwill	5,044	-	-	-	-	5,044	-	5,044
Retirement benefit asset	1,888	-	-	-	-	1,888	-	1,888
Other assets	8,490	-	-	-	-	8,490	(8,490)	-
Other financial assets	-	-	-	-	13,797	13,797	8,490	22,287
	<u>2,001,789</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,001,789</u>	<u>6,046</u>	<u>2,007,835</u>
Current assets								
Trade and other receivables	104,350	-	-	-	-	104,350	(6,046)	98,304
Other current assets	577,786	-	-	-	-	577,786	-	577,786
	<u>682,136</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>682,136</u>	<u>(6,046)</u>	<u>676,090</u>
	<u>(197,593)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(197,593)</u>	<u>-</u>	<u>(197,593)</u>
Current liabilities								
Net current assets	<u>484,543</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>484,543</u>	<u>(6,046)</u>	<u>478,497</u>
Total assets less current liabilities	<u>2,486,332</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,486,332</u>	<u>-</u>	<u>2,486,332</u>
Non-current liabilities	<u>(351,232)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(351,232)</u>	<u>-</u>	<u>(351,232)</u>
Minority interests	<u>(98,551)</u>	<u>-</u>	<u>98,551</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET ASSETS	<u>2,036,549</u>	<u>-</u>	<u>98,551</u>	<u>-</u>	<u>-</u>	<u>2,135,100</u>	<u>-</u>	<u>2,135,100</u>
CAPITAL AND RESERVES								
Attributable to equity shareholders of the Company								
Share capital	186,785	-	-	-	-	186,785	-	186,785
Reserves								
– Capital contribution reserve	-	430	-	-	-	430	-	430
– Other reserves	173,884	-	-	-	-	173,884	-	173,884
– Retained profits	1,675,880	(430)	-	-	-	1,675,450	-	1,675,450
	<u>2,036,549</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,036,549</u>	<u>-</u>	<u>2,036,549</u>
Attributable to minority interests	<u>-</u>	<u>-</u>	<u>98,551</u>	<u>-</u>	<u>-</u>	<u>98,551</u>	<u>-</u>	<u>98,551</u>
TOTAL EQUITY	<u>2,036,549</u>	<u>-</u>	<u>98,551</u>	<u>-</u>	<u>-</u>	<u>2,135,100</u>	<u>-</u>	<u>2,135,100</u>

2. Changes in accounting policies and accounting estimate (Continued)
in Hong Kong dollar thousands

(b) Changes in accounting policies – Restatement of prior periods and opening balances (Continued)

(ii) Effect on the Company's balance sheet at 31st December 2004

	2004 (as previously reported)	Effect of new policies (increase/(decrease) in net assets)		2004 (restated-before reclassification of balances)	Reclassification of balances	2004 (restated-after reclassification of balances)
		HKFRS 2 (Note 2(a)(i))	HKAS 17 (Note 2(a)(iii))			
Non-current assets						
Fixed assets (renamed as Property, plant and equipment in the 2005 financial statements)	1,125,171	–	(74,134)	1,051,037	–	1,051,037
Interests in leasehold land held for own use under operating leases	–	–	74,134	74,134	–	74,134
Intangible assets	33,435	–	–	33,435	5,031	38,466
Other non-current assets	1,217,989	–	–	1,217,989	–	1,217,989
	<u>2,376,595</u>	<u>–</u>	<u>–</u>	<u>2,376,595</u>	<u>5,031</u>	<u>2,381,626</u>
Current assets						
Trade and other receivables	73,271	–	–	73,271	(5,031)	68,240
Other current assets	64,303	–	–	64,303	–	64,303
	<u>137,574</u>	<u>–</u>	<u>–</u>	<u>137,574</u>	<u>(5,031)</u>	<u>132,543</u>
Current liabilities	<u>(58,622)</u>	<u>–</u>	<u>–</u>	<u>(58,622)</u>	<u>–</u>	<u>(58,622)</u>
Net current assets	<u>78,952</u>	<u>–</u>	<u>–</u>	<u>78,952</u>	<u>(5,031)</u>	<u>73,921</u>
Total assets less current liabilities	<u>2,455,547</u>	<u>–</u>	<u>–</u>	<u>2,455,547</u>	<u>–</u>	<u>2,455,547</u>
Non-current liabilities	<u>(551,929)</u>	<u>–</u>	<u>–</u>	<u>(551,929)</u>	<u>–</u>	<u>(551,929)</u>
NET ASSETS	<u>1,903,618</u>	<u>–</u>	<u>–</u>	<u>1,903,618</u>	<u>–</u>	<u>1,903,618</u>
CAPITAL AND RESERVES						
Share capital	186,785	–	–	186,785	–	186,785
Reserves						
– Capital contribution reserve	–	430	–	430	–	430
– Other reserves	65,739	–	–	65,739	–	65,739
– Retained profits	1,651,094	(430)	–	1,650,664	–	1,650,664
	<u>1,903,618</u>	<u>–</u>	<u>–</u>	<u>1,903,618</u>	<u>–</u>	<u>1,903,618</u>

NOTES TO THE FINANCIAL STATEMENTS

2. Changes in accounting policies and accounting estimate *(Continued)*

in Hong Kong dollar thousands

(c) Changes in accounting policies – Estimated effect of changes in accounting policies on the current period

The following tables provide estimates of the extent to which each of the line items in the consolidated income statement and balance sheet and the Company's balance sheet for the year ended 31st December 2005 is higher or lower than it would have been had the previous policies still been applied in the year, where it is practicable to make such estimates.

(i) *Effect on the consolidated financial statements*

Estimated effect on the consolidated income statement for the year ended 31st December 2005

	Effect of new policies ((increase)/ decrease in loss for the year)			Total
	HKFRS 2	HKAS 1	HKFRS 3	
	(Note 2(a)(i))	(Note 2(a)(ii))	(Note 2(a)(v))	
Gross profit	–	–	–	–
Selling and distribution expenses	–	–	–	–
Administrative expenses	(495)	–	–	(495)
Other operating expenses	–	–	274	274
Profit from operations and loss before taxation	(495)	–	274	(221)
Income tax	–	–	–	–
Loss after tax	(495)	–	274	(221)
Minority interests	–	(30,396)	–	(30,396)
Loss for the year	<u>(495)</u>	<u>(30,396)</u>	<u>274</u>	<u>(30,617)</u>
Attributable to:				
Equity shareholders of the Company	(495)	–	274	(221)
Minority interests	–	(30,396)	–	(30,396)
Loss for the year	<u>(495)</u>	<u>(30,396)</u>	<u>274</u>	<u>(30,617)</u>
Loss per share – Basic	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
Other significant disclosure items:				
<i>(increase)/decrease in expenses</i>				
– Staff costs	(495)	–	–	(495)
– Amortisation of goodwill	–	–	274	274
	<u>–</u>	<u>–</u>	<u>274</u>	<u>274</u>

2. Changes in accounting policies and accounting estimate (Continued)
in Hong Kong dollar thousands

(c) Changes in accounting policies – Estimated effect of changes in accounting policies on the current period (Continued)

(i) Effect on the consolidated financial statements (Continued)

Estimated effect on the consolidated balance sheet at 31st December 2005

	Effect of new policies (increase/(decrease) in net assets)					Total
	HKFRS 2	HKAS 1	HKAS 17	HKAS 32&39	HKFRS 3	
	(Note 2(a)(i))	(Note 2(a)(ii))	(Note 2(a)(iii))	(Note 2(a)(iv))	(Note 2(a)(v))	
Non-current assets						
Property, plant and equipment	-	-	(102,853)	-	-	(102,853)
Interests in leasehold land held for own use under operating leases	-	-	102,853	-	-	102,853
Goodwill	-	-	-	-	274	274
	-	-	-	-	274	274
Current assets						
Trade and other receivables	-	-	-	14,500	-	14,500
Held to maturity securities – unlisted	-	-	-	(14,500)	-	(14,500)
Current liabilities						
Amounts due to holding companies and fellow subsidiaries	(925)	-	-	-	-	(925)
Net current assets	(925)	-	-	-	-	(925)
Total assets less current liabilities	(925)	-	-	-	274	(651)
Minority interests	-	70,364	-	-	-	70,364
NET ASSETS	(925)	70,364	-	-	274	69,713
CAPITAL AND RESERVES						
Attributable to equity shareholders of the Company						
Reserves						
– Retained profits	(925)	-	-	-	274	(651)
	(925)	-	-	-	274	(651)
Attributable to minority interests	-	70,364	-	-	-	70,364
TOTAL EQUITY	(925)	70,364	-	-	274	69,713

NOTES TO THE FINANCIAL STATEMENTS

2. Changes in accounting policies and accounting estimate *(Continued)* in Hong Kong dollar thousands

(c) Changes in accounting policies – Estimated effect of changes in accounting policies on the current period *(Continued)*

(ii) Effect on the Company's balance sheet at 31st December 2005

	Effect of new policies (increase/(decrease) in net assets)		
	HKFRS 2 (Note 2(a)(i))	HKAS 17 (Note 2(a)(iii))	Total
Non-current assets			
Property, plant and equipment	–	(72,390)	(72,390)
Interests in leasehold land held for own use under operating leases	–	72,390	72,390
	–	–	–
Current liabilities			
Amounts due to holding companies and fellow subsidiaries	(925)	–	(925)
Net current assets	(925)	–	(925)
Total assets less current liabilities and net assets	(925)	–	(925)
CAPITAL AND RESERVES			
Reserves			
– Retained profits	(925)	–	(925)
	(925)	–	(925)

(d) Change in accounting estimate

(i) Trademarks

In prior years, trademarks were amortised on a straight-line basis over the estimated useful lives of 10 years.

On 1st January 2005, management applied HKAS 38, Intangible assets, to reassess the useful lives of trademarks. Based on this assessment, trademarks were regarded as having indefinite useful lives because the trademarked products were expected to generate net cash inflows to the Group indefinitely. As a result, the trademarks are not amortised effective from 1st January 2005. Since then, trademarks are stated in the balance sheet at cost (i.e. the carrying value at 31st December 2004) less impairment losses and are tested annually for impairment (see Note 1K).

This above change in accounting estimate had an effect of decreasing both the amortisation charge and loss for the year by \$3,896,000 and increasing the trademarks by the same amount. The change is expected to decrease amortisation charge by \$3,896,000 in each subsequent year.

3. Gross turnover

The principal activities of the Group are the manufacture and distribution of bottled, canned and draught beers.

As the Group's turnover is almost entirely attributable to these activities, no analysis by activity is provided.

Gross turnover represents the gross invoiced value of products sold.

4. Profit from operations

in Hong Kong dollar thousands

	2005	Restated 2004
The profit from operations is arrived at after charging/(crediting):		
(a) Staff costs		
Retirement costs		
– Defined contribution retirement plans	8,933	8,396
– Defined benefit retirement plan (Notes 29(a)(ii) and (iii))	6,390	5,556
	15,323	13,952
Equity-settled share-based payment expenses	495	308
Salaries, wages and other benefits	128,539	122,149
	144,357	136,409
(b) Other items		
Amortisation		
– Land lease premium for property held for own use	2,506	743
– Bottles and crates		
• Other tangible assets (Note 20)	4,681	–
• Inventories	6,785	11,125
– Trademarks	–	4,031
– Goodwill	–	274
Depreciation		
– Investment properties	2,156	1,272
– Property, plant and equipment	73,084	78,615
Cost of inventories	434,407	405,129
Operating lease charges: minimum lease payments		
– Land and buildings	9,965	9,578
– Plant and machinery	14,153	13,936
Rental receivable from investment properties less direct outgoings of \$2,143,000 (2004: \$1,306,000)	(2,504)	(3,379)
Net foreign exchange gain	(486)	(92)
Auditors' remuneration	2,642	2,111

5. Finance costs

in Hong Kong dollar thousands

	2005	2004
Interest on bank loans	6,016	2,683
Bank charges	147	149
	6,163	2,832

NOTES TO THE FINANCIAL STATEMENTS

6. Other revenue and other net income/(expenses)

in Hong Kong dollar thousands

	2005	2004
Other revenue		
Interest income	10,418	4,930
Rental income	4,647	4,685
	15,065	9,615
Other net income/(expenses)		
Loss on disposal of property, plant and equipment	(216)	(4,040)
Other income	647	776
	431	(3,264)

7. Impairment losses

in Hong Kong dollar thousands

	2005	2004
Impairment losses for:		
– Property, plant and equipment (Notes (a) and 15)	57,298	5,183
– Other receivables (Note (b))	6,483	–
– Trade receivables	3,094	2,554
– Other tangible assets (Note 20)	2,994	–
	69,869	7,737

Notes:

- (a) In March 1990, a subsidiary, Guangzhou San Miguel Brewery Company Limited (“GSMB”) entered into a factory lease agreement (“the Agreement”) with Guangzhou Brewery (“GB”) whereby GSMB agreed to lease the production plant, machinery and equipment from GB for production purposes for thirty years.

GSMB has been facing intense competition in the PRC. During the year, management performed a review of GSMB’s operations. Based on their review, management plan to cease the production activities of GSMB in the first half of 2006 and terminate the Agreement early. Going forward, GSMB will outsource the production activities and focus its resources on distribution and selling of beer. On 28th December 2005, a non-binding memorandum of understanding (“MOU”) was signed between GSMB and GB in this respect. According to the MOU, GSMB will sell certain of its property, plant and equipment to GB upon the termination of the Agreement. As a result, the Group reassessed the recoverable amounts of the related property, plant and equipment. The carrying amount of such property, plant and equipment was written down, by \$56,812,000, to the net selling price preliminarily agreed with GB under the MOU.

Further details on the additional costs for the termination of the Agreement and cessation of the production activities are set out in Note 37.

During the year, management also performed a review of the recoverable amount of other property, plant and equipment of GSMB. Based on their review, the carrying value of certain properties was written down by \$486,000 (2004: \$5,183,000). The recoverable amount of properties was based on the estimated net selling price determined by reference to recent market prices.

- (b) Pursuant to the Agreement, a deposit for the original factory lease and related interest receivable will be forfeited on early termination. As a result, the carrying amount of such deposit and related interest receivable was written down to \$nil at the year end.

8. Income tax in the consolidated income statement

in Hong Kong dollar thousands

(a) Taxation in the consolidated income statement represents:

	2005	2004
Current tax – Hong Kong Profits Tax Provision for the year	121	–
Current tax – Overseas Refund in respect of previous years (Note (i))	–	(6,101)
Deferred tax Origination and reversal of temporary differences (Note 30(b))	6,858	9,133
	6,979	3,032

The provision for Hong Kong Profits Tax for 2005 is calculated at 17.5% of the estimated assessable profits of one of the Hong Kong subsidiaries for the year. No provision for Hong Kong Profits Tax has been made for the Company and other Hong Kong subsidiaries either because the accumulated tax losses brought forward exceed the estimated assessable profits for the year or the entities sustained losses for taxation purposes.

No provision for overseas taxation has been made in the financial statements as the overseas subsidiaries sustained losses for taxation purposes.

Note (i) During 2004, the Group received a tax refund from the PRC tax authority in relation to the re-investment of retained profits of a PRC subsidiary into registered capital of that subsidiary.

(b) Reconciliation between tax expense and accounting (loss)/profit:

	2005	Restated 2004
(Loss)/profit before taxation	(59,058)	15,536
Notional tax on (loss)/profit before taxation calculated at the rates applicable to the tax jurisdictions concerned	(18,155)	2,802
Tax effect of non-deductible expenses	4,711	1,426
Tax effect of non-taxable revenue	(1,354)	(632)
Tax effect of tax losses and deductible temporary differences not recognised for deferred tax purposes	21,777	5,537
Tax refund in respect of previous years	–	(6,101)
Actual tax expense	6,979	3,032

NOTES TO THE FINANCIAL STATEMENTS

9. Directors' remuneration

in Hong Kong dollar thousands

Directors' remuneration disclosed pursuant to section 161 of the Hong Kong Companies Ordinance is as follows:

	Directors' fees	Salaries, allowance and benefits in kind	Discretionary bonus	Share-based payment	Retirement scheme contributions	2005 Total
<i>Executive Directors:</i>						
Chong Yoon Fatt	1	–	–	–	–	1
Ramon A. de la Llana	24	1,426	63	–	–	1,513
Thomas R. Mainwaring	7	527	–	64	42	640
<i>Non-Executive Directors:</i>						
Ramon S. Ang	33	–	–	–	–	33
Faustino F. Galang	25	–	–	–	–	25
Ferdinand K. Constantino	21	–	–	–	–	21
Benjamin P. Defensor, Jr.	4	–	–	–	–	4
Francisco C. Eizmendi, Jr.	18	–	–	–	–	18
Francis H. Jardeleza	21	–	–	–	–	21
Estelito P. Mendoza	25	–	–	–	–	25
Carmelo L. Santiago	4	–	–	–	–	4
Gabriel L. Villareal	25	–	–	–	–	25
<i>Independent Non-Executive Directors:</i>						
David K.P. Li	25	–	–	–	–	25
Ng Wai Sun	25	–	–	–	–	25
Ian F. Wade	25	–	–	–	–	25
	283	1,953	63	64	42	2,405
	Directors' fees	Salaries, allowance and benefits in kind	Discretionary bonus	Share-based payment	Retirement scheme contributions	Restated 2004 Total
<i>Executive Directors:</i>						
Ramon A. de la Llana	25	1,706	–	–	–	1,731
Thomas R. Mainwaring	25	1,855	–	–	144	2,024
<i>Non-Executive Directors:</i>						
Ramon S. Ang	25	–	–	–	–	25
Faustino F. Galang	25	–	–	–	–	25
Benjamin P. Defensor, Jr.	25	–	–	–	–	25
Francisco C. Eizmendi, Jr.	40	–	–	–	–	40
Estelito P. Mendoza	25	–	–	–	–	25
Carmelo L. Santiago	25	–	–	–	–	25
Gabriel L. Villareal	25	–	–	–	–	25
<i>Independent Non-Executive Directors:</i>						
David K.P. Li	25	–	–	–	–	25
Ng Wai Sun	25	–	–	–	–	25
Ian F. Wade	25	–	–	–	–	25
	315	3,561	–	–	144	4,020

The above emoluments include the value of stock options granted to certain directors under the stock option scheme of the Company's ultimate holding company, SMC, as estimated at the date of grant. The details of these benefits in kind are disclosed in Note 32.

10. Individuals with highest emoluments

in Hong Kong dollar thousands

Of the five individuals with the highest emoluments, one is a director (2004: two) whose emoluments are disclosed in Note 9. The aggregate of the emoluments in respect of the other four (2004: three) individuals are as follows:

	2005	Restated 2004
Salaries and other emoluments	5,115	3,978
Discretionary bonus	337	235
Share-based payment	197	113
Retirement scheme contributions	510	389
	6,159	4,715

The emoluments of the four (2004: three) individuals with the highest emoluments are within the following bands:

	2005 Number of individuals	2004 Number of individuals
\$1,000,001 to \$1,500,000	2	2
\$1,500,001 to \$2,000,000	2	1

11. (Loss)/profit attributable to equity shareholders of the Company

The consolidated (loss)/profit attributable to equity shareholders of the Company includes a profit of \$17,578,000 (2004 (restated): \$7,203,000) which has been dealt with in the financial statements of the Company (Note 31(b)).

12. Dividends

in Hong Kong dollar thousands except per share data

(a) Dividends payable to equity shareholders of the Company attributable to the year

	2005	2004
Interim dividend declared and paid of \$0.01 (2004: \$nil) per ordinary share (Note 31)	3,736	-
Final dividend proposed after the balance sheet date of \$nil (2004: \$0.01) per ordinary share	-	3,736
	3,736	3,736

No final dividend is proposed for the year ended 31st December 2005. The 2004 final dividend proposed after the balance sheet date had not been recognised as a liability at 31st December 2004.

(b) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year

	2005	2004
Final dividend in respect of the previous financial year, approved and paid during the year, of \$0.01 (2004: \$nil) per ordinary share (Note 31)	3,736	-

13. (Loss)/earnings per share

The calculation of basic (loss)/earnings per share is based on the loss attributable to equity shareholders of the Company of \$35,641,000 (2004 profit (restated): \$11,270,000) and on 373,570,560 ordinary shares (2004: 373,570,560 ordinary shares), being the number of ordinary shares in issue throughout the year.

The amount of diluted (loss)/earnings per share is not presented as there were no dilutive potential ordinary shares in existence for both years.

NOTES TO THE FINANCIAL STATEMENTS

14. Segment Reporting

in Hong Kong dollar thousands

Segment information is presented in respect of the Group's geographical segments. Information relating to geographical segments based on the location of customers is chosen.

No business segments analysis of the Group is presented as all the Group's turnover and trading result are generated from the manufacture and distribution of bottled, canned, and draught beers.

	Hong Kong		PRC		Inter-segment elimination		Consolidated	
	2005	Restated 2004	2005	Restated 2004	2005	2004	2005	Restated 2004
Revenue from external customers	703,946	696,997	564,400	564,235	-	-	1,268,346	1,261,232
Inter-segment revenue	35,091	29,815	-	-	(35,091)	(29,815)	-	-
Other revenue	4,647	4,685	-	-	-	-	4,647	4,685
Total revenue	743,684	731,497	564,400	564,235	(35,091)	(29,815)	1,272,993	1,265,917
Segment result	11,658	19,566	(5,101)	1,609			6,557	21,175
Unallocated operating income and expenses							10,417	4,930
Finance costs							(6,163)	(2,832)
Impairment losses	(758)	(762)	(69,111)	(6,975)			(69,869)	(7,737)
Income tax							(6,979)	(3,032)
(Loss)/profit for the year							(66,037)	12,504
Depreciation and amortisation for the year	59,053	55,936	30,159	40,124			89,212	96,060
Segment assets	1,800,196	1,847,192	714,314	823,882	(4,885)	(7,717)	2,509,625	2,663,357
Unallocated assets							18,502	20,568
Total assets							2,528,127	2,683,925
Segment liabilities	56,142	59,002	137,212	143,262	(4,885)	(7,717)	188,469	194,547
Unallocated liabilities							262,022	354,278
Total liabilities							450,491	548,825
Capital expenditure incurred during the year	20,898	4,536	17,103	7,920			38,001	12,456
Additional information concerning geographical segments:								
Segment assets by the location of assets	1,626,716	1,720,557	887,794	950,517				
Capital expenditure incurred during the year by the location of assets	14,173	3,044	23,828	9,412				

15. Fixed assets

in Hong Kong dollar thousands

(a) The Group

	Property, plant and equipment				(Restated) Sub-total	(Restated) Investment properties	(Restated) Interests in leasehold land held for own use under operating leases	Total fixed assets
	(Restated) Land and buildings held for own use	Machinery, equipment, furniture and fixtures	Motor vehicles	Construction in progress				
Cost:								
At 1st January 2004	902,385	1,524,257	31,637	1,343	2,459,622	98,153	111,246	2,669,021
Exchange adjustments	531	954	39	1	1,525	-	66	1,591
Additions	673	9,207	1,367	1,156	12,403	-	-	12,403
Disposals	(3,809)	(23,843)	(3,874)	(21)	(31,547)	-	-	(31,547)
Transfer from construction in progress	9	1,627	-	(1,636)	-	-	-	-
At 31st December 2004	899,789	1,512,202	29,169	843	2,442,003	98,153	111,312	2,651,468
Accumulated amortisation, depreciation and impairment losses:								
At 1st January 2004	130,457	481,707	25,650	-	637,814	8,624	5,937	652,375
Exchange adjustments	94	314	34	-	442	-	11	453
Charge for the year	16,840	60,183	1,592	-	78,615	1,272	743	80,630
Impairment losses (Note 7)	4,582	601	-	-	5,183	-	-	5,183
Written back on disposals	(658)	(22,142)	(3,508)	-	(26,308)	-	-	(26,308)
At 31st December 2004	151,315	520,663	23,768	-	695,746	9,896	6,691	712,333
Net book value at 31st December 2004	748,474	991,539	5,401	843	1,746,257	88,257	104,621	1,939,135
Cost:								
At 1st January 2005	899,789	1,512,202	29,169	843	2,442,003	98,153	111,312	2,651,468
Exchange adjustments	7,082	12,881	486	11	20,460	-	900	21,360
Additions	1,587	16,371	290	1,492	19,740	336	-	20,076
Disposals	(14)	(5,506)	(727)	-	(6,247)	-	-	(6,247)
Transfer from construction in progress	-	1,093	-	(1,093)	-	-	-	-
At 31st December 2005	908,444	1,537,041	29,218	1,253	2,475,956	98,489	112,212	2,686,657
Accumulated amortisation, depreciation and impairment losses:								
At 1st January 2005	151,315	520,663	23,768	-	695,746	9,896	6,691	712,333
Exchange adjustments	1,521	4,619	415	-	6,555	-	162	6,717
Charge for the year	19,153	52,622	1,309	-	73,084	2,156	2,506	77,746
Impairment losses (Note 7)	7,825	49,161	-	312	57,298	-	-	57,298
Written back on disposals	-	(5,011)	(590)	-	(5,601)	-	-	(5,601)
At 31st December 2005	179,814	622,054	24,902	312	827,082	12,052	9,359	848,493
Net book value at 31st December 2005	728,630	914,987	4,316	941	1,648,874	86,437	102,853	1,838,164

NOTES TO THE FINANCIAL STATEMENTS

15. Fixed assets (Continued) in Hong Kong dollar thousands

(b) The Company

	Property, plant and equipment				(Restated) Sub-total	(Restated) Interests in leasehold land held for own use under operating leases	Total fixed assets
	(Restated) Land and buildings held for own use	Machinery, equipment, furniture and fixtures	Motor vehicles	Construction in progress			
Cost:							
At 1st January 2004	492,086	962,353	8,413	869	1,463,721	74,134	1,537,855
Additions	290	1,508	771	299	2,868	-	2,868
Disposals	-	(15,602)	(1,459)	-	(17,061)	-	(17,061)
Transfer from construction in progress	-	939	-	(939)	-	-	-
At 31st December 2004	492,376	949,198	7,725	229	1,449,528	74,134	1,523,662
Accumulated amortisation and depreciation:							
At 1st January 2004	66,739	295,107	5,565	-	367,411	-	367,411
Charge for the year	9,200	37,505	1,265	-	47,970	-	47,970
Written back on disposals	-	(15,556)	(1,334)	-	(16,890)	-	(16,890)
At 31st December 2004	75,939	317,056	5,496	-	398,491	-	398,491
Net book value at 31st December 2004	416,437	632,142	2,229	229	1,051,037	74,134	1,125,171
Cost:							
At 1st January 2005	492,376	949,198	7,725	229	1,449,528	74,134	1,523,662
Additions	681	12,623	-	5	13,309	-	13,309
Disposals	-	(1,113)	(565)	-	(1,678)	-	(1,678)
Transfer from construction in progress	-	214	-	(214)	-	-	-
At 31st December 2005	493,057	960,922	7,160	20	1,461,159	74,134	1,535,293
Accumulated amortisation and depreciation:							
At 1st January 2005	75,939	317,056	5,496	-	398,491	-	398,491
Charge for the year	10,086	33,173	939	-	44,198	1,744	45,942
Written back on disposals	-	(1,107)	(446)	-	(1,553)	-	(1,553)
At 31st December 2005	86,025	349,122	5,989	-	441,136	1,744	442,880
Net book value at 31st December 2005	407,032	611,800	1,171	20	1,020,023	72,390	1,092,413

15. Fixed assets (Continued)
in Hong Kong dollar thousands

(c) The analysis of net book value of properties is as follows:

	The Group		The Company	
	2005	2004	2005	2004
Medium term leases				
– in Hong Kong	664,511	679,556	479,422	490,571
– outside Hong Kong	253,409	261,796	–	–
	917,920	941,352	479,422	490,571
Representing:				
– Land and buildings held for own use	728,630	748,474	407,032	416,437
– Investment properties	86,437	88,257	–	–
– Interests in leasehold land held for own use under operating leases	102,853	104,621	72,390	74,134
	917,920	941,352	479,422	490,571

(d) Fixed assets leased out under operating leases

The Group leases out investment properties under operating leases. The leases typically run for an initial period of two to three years, with an option to renew the lease after that date at which time all terms are renegotiated. None of the leases includes contingent rentals.

The Group's total future minimum lease payments under non-cancellable operating leases are receivable as follows:

	2005	2004
Within 1 year	3,544	4,005
After 1 year but within 5 years	3,194	1,395
	6,738	5,400

(e) The fair value of the investment properties at 31st December 2005 is \$42,586,000 (2004: \$33,255,000), which is estimated by direct comparison approach with reference to comparable sales transactions as available in the relevant market. The valuation was carried out by an independent firm of surveyors, Centaline Surveyors Limited, who have among their staff Fellows of the Hong Kong Institute of Surveyors with recent experience in the location and category of property being valued.

16. Intangible assets
in Hong Kong dollar thousands

(a)

	The Group		The Company	
	2005	2004	2005	2004
Trademarks	33,456	33,435	33,456	33,435
Club debentures	6,069	6,046	5,031	5,031
	39,525	39,481	38,487	38,466

(b) The movements of trademarks during the year are as follows:

	The Group and the Company	
	2005	2004
Cost:		
At 1st January	39,093	39,040
Additions	21	53
At 31st December	39,114	39,093
Accumulated amortisation:		
At 1st January	5,658	1,627
Charge for the year	–	4,031
At 31st December	5,658	5,658
Net book value at 31st December	33,456	33,435

As explained in Note 2(d), with effect from 1st January 2005 the Group no longer amortises trademarks. The amortisation charge for trademarks for the year ended 31st December 2004 was included in "Other operating expenses" in the consolidated income statement.

Consideration of impairment testing for trademarks is set out under Note 17.

NOTES TO THE FINANCIAL STATEMENTS

17. Goodwill

in Hong Kong dollar thousands

	The Group	
	2005	2004
Cost:		
At 1st January	5,478	5,478
Opening balance adjustment to eliminate accumulated amortisation	(434)	–
At 31st December	5,044	5,478
Accumulated amortisation:		
At 1st January	434	160
Charge for the year	–	274
Eliminate against cost at 1st January 2005	(434)	–
At 31st December	–	434
Net book value at 31st December	5,044	5,044

In 2004, positive goodwill not already recognised directly in reserves was amortised on a straight-line basis over 20 years. The amortisation of positive goodwill for the year ended 31st December 2004 was included in "Other operating expenses" in the consolidated income statement.

As explained further in Note 2(a)(v), with effect from 1st January 2005 the Group no longer amortises goodwill. In accordance with the transitional provisions set out in HKFRS 3, the accumulated amortisation of goodwill as at 1st January 2005 has been eliminated against the cost of goodwill as at that date.

Impairment test for cash-generating units containing goodwill and trademarks

Goodwill arose from the acquisition of an additional interest in San Miguel (Guangdong) Brewery Company Limited ("SMGB") while trademarks are related to products produced by SMGB. Therefore both the goodwill and trademarks are allocated to SMGB operations for impairment testing purposes.

The recoverable amount of SMGB operations has been determined based on a value in use calculation. That calculation uses cash flow projections based on the five-year long range plan approved by management, and a discount rate of 7.3% (2004: 7.5%). Cash flows beyond that five-year period have been extrapolated using a nil per cent growth rate. Management believes that any reasonably possible change in the key assumptions on which SMGB's recoverable amount is based would not cause SMGB's carrying amount to exceed its recoverable amount.

Key assumptions used for value in use calculation:

	2005	2004
– Growth rate	19%	33%
– Gross contribution rate	40%	36%
– Discount rate	7.3%	7.5%

Management determined the growth rate and gross contribution rate based on the past performance and its expectation for market development. The discount rate used is the weighted average cost of capital of the Group.

18. Interests in subsidiaries

in Hong Kong dollar thousands except share capital/registered capital of subsidiaries

	The Company	
	2005	2004
Unlisted shares/capital contribution, at cost	603,249	603,249
Amounts due from subsidiaries	778,856	779,830
	1,382,105	1,383,079
Less: impairment losses	(166,978)	(166,978)
	1,215,127	1,216,101

Amounts due from subsidiaries are unsecured, interest-free and have no fixed repayment terms.

18. Interests in subsidiaries (Continued)

in Hong Kong dollar thousands except share capital/registered capital of subsidiaries

The following list contains the particulars of all the subsidiaries of the Company. The class of shares held is ordinary unless otherwise stated. All of these are controlled subsidiaries as defined under Note 1C and have been consolidated into the group financial statements.

Name of company	Place of incorporation/ operation	Issued and paid-up share capital/ registered capital	Proportion of ownership interest held by		Principal activity
			Company	Subsidiary	
Best Investments International Inc.	British Virgin Islands	US\$50,000	100%	–	Investment
		Preference: US\$60,000,000	100%	–	
Guangzhou San Miguel Brewery Company Limited (Note (i))	PRC	Registered capital: US\$36,507,000	–	70%	Manufacture and sale of beer
Hongkong Brewery Limited	Hong Kong	\$100	100%	–	Dormant
Ravelin Limited	Hong Kong	\$10,000,000	100%	–	Property holding
San Miguel (Guangdong) Limited	Hong Kong	A: US\$9,000,000	92.989%	–	Investment holding
		B: \$1,000	100%	–	
San Miguel (Guangdong) Brewery Company Limited (Note (ii))	PRC	Registered capital: US\$39,933,000	–	100%	Manufacture and sale of beer
San Miguel Shunde Holdings Limited	Hong Kong	\$2,000,000	92%	–	Investment holding

Notes:

- (i) Guangzhou San Miguel Brewery Company Limited is an equity joint venture formed between the Company's subsidiary, San Miguel (Guangdong) Limited, and Guangzhou Brewery. According to the shareholders' agreement, the company has an operating period of 30 years expiring on 28th November 2020.
- (ii) San Miguel (Guangdong) Brewery Company Limited is a wholly-foreign owned enterprise and is to be operated up to 4th August 2042.

19. Other financial assets

in Hong Kong dollar thousands

	The Group	
	2005	2004
Loans and receivables		
– Dated debt securities (unlisted) – In PRC (2004: Held to maturity securities)	–	13,797
– Deposits and related interest receivable for the land and factory used by a PRC subsidiary	–	8,490
	–	22,287

NOTES TO THE FINANCIAL STATEMENTS

20. Other tangible assets

in Hong Kong dollar thousands

Other tangible assets represent the carrying value of bottles and crates of the PRC subsidiaries.

	The Group 2005
Cost:	
Transfer from inventories on 1st July	56,712
Exchange adjustments	552
Additions	20,898
Disposals	<u>(5,506)</u>
At 31st December	<u>72,656</u>
Accumulated amortisation:	
Transfer from inventories on 1st July	24,456
Exchange adjustments	317
Charge for the year	4,681
Impairment loss (Note 7)	2,994
Written back on disposals	<u>(1,331)</u>
At 31st December	<u>31,117</u>
Net book value at 31st December	<u>41,539</u>

Effective from 1st July 2005, all bottled beer sold by the PRC subsidiaries are under returnable bottles arrangement. The bottles and crates are expected to have useful lives of more than one year and are classified as other tangible assets from 1st July 2005 onwards.

Before 1st July 2005, only bottled beer sold in crates were under returnable bottles arrangement and all the bottles and crates of the PRC subsidiaries were included in inventories.

21. Inventories

in Hong Kong dollar thousands

	The Group		The Company	
	2005	2004	2005	2004
Products in hand and in process	27,861	29,763	13,428	12,325
Materials and supplies	22,839	63,645	9,298	20,167
	<u>50,700</u>	<u>93,408</u>	<u>22,726</u>	<u>32,492</u>

The amount of inventories held by the Group carried at net realisable value is \$nil (2004: \$18,902,000).

22. Trade and other receivables

in Hong Kong dollar thousands unless stated otherwise

	The Group		The Company	
	2005	2004	2005	2004
Trade receivables	84,119	64,652	73,301	54,765
Other debtors, deposits and prepayments	28,124	33,652	13,062	13,475
Dated debt securities (unlisted)	14,500	–	–	–
	126,743	98,304	86,363	68,240

All of the trade and other receivables are expected to be recovered within one year.

The ageing of trade receivables (net of impairment losses for bad and doubtful debts) is as follows:

From invoice date	The Group		The Company	
	2005	2004	2005	2004
Less than 30 days	35,503	25,800	25,760	21,495
31 to 60 days	24,942	21,572	23,952	19,851
61 to 90 days	11,527	7,716	11,451	7,060
over 90 days	12,147	9,564	12,138	6,359
	84,119	64,652	73,301	54,765

The Group's credit policy is set out in Note 33(a).

Included in trade and other receivables are the following amounts denominated in a currency other than the functional currency of the entity to which they relate:

	The Group		The Company	
	2005 '000	2004 '000	2005 '000	2004 '000
United States Dollars	USD 1,016	USD 869	USD 1,016	USD 869

23. Amounts due from/(to) holding companies and fellow subsidiaries

in Hong Kong dollar thousands unless stated otherwise

Amounts due from/(to) holding companies and fellow subsidiaries are unsecured and interest-free. Included in the balances are the following amounts which are trade related and are repayable under normal trade terms:

	The Group		The Company	
	2005	2004	2005	2004
Amounts due from holding companies and fellow subsidiaries	9,282	5,771	9,200	5,573
Amounts due to holding companies and fellow subsidiaries	(2,286)	(10,591)	(1,109)	(6,474)

For the remaining balances, they do not have fixed repayment terms.

Included in amounts due from/(to) holding companies and fellow subsidiaries are the following amounts denominated in a currency other than the functional currency of the entity to which they relate:

	The Group		The Company	
	2005 '000	2004 '000	2005 '000	2004 '000
Amounts due from holding companies and fellow subsidiaries United States Dollars	USD 1,197	USD 742	USD 1,186	USD 716
Amounts due to holding companies and fellow subsidiaries United States Dollars	USD (129)	USD (726)	USD (109)	USD (618)

NOTES TO THE FINANCIAL STATEMENTS

24. Cash and cash equivalents

in Hong Kong dollar thousands unless stated otherwise

	The Group		The Company	
	2005	2004	2005	2004
Deposits with banks	317,133	386,284	–	–
Cash at bank and in hand	66,198	68,533	19,415	22,502
	383,331	454,817	19,415	22,502

Included in cash and cash equivalents are the following amounts denominated in a currency other than the functional currency of the entity to which they relate:

	The Group		The Company	
	2005 '000	2004 '000	2005 '000	2004 '000
United States Dollars	USD 10,579	USD 8,803	USD 266	USD 273

25. Bank loans (unsecured)

in Hong Kong dollar thousands unless stated otherwise

At 31st December 2005, the bank loans (unsecured) were repayable as follows:

	The Group		The Company	
	2005	2004	2005	2004
Within 1 year or on demand	50,408	50,552	–	–
More than 2 years but less than 5 years	95,000	195,000	95,000	195,000
	145,408	245,552	95,000	195,000

Included in bank loans are the following amounts denominated in a currency other than the functional currency of the entity to which they relate:

	The Group		The Company	
	2005 '000	2004 '000	2005 '000	2004 '000
United States Dollars	USD 6,500	USD 6,500	USD –	USD –

26. Amounts due to subsidiaries

Amounts due to subsidiaries are unsecured and interest-free. Included in the balance is an amount of \$1,975,000 (2004: \$1,766,000) which is trade related and is repayable under normal trade terms. For the remaining balances, they do not have fixed repayment terms.

27. Trade and other payables

in Hong Kong dollar thousands unless stated otherwise

	The Group		The Company	
	2005	2004	2005	2004
Trade payables	40,382	44,712	24,501	15,967
Other creditors and accrued charges	85,741	75,422	28,875	27,638
	126,123	120,134	53,376	43,605

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

27. Trade and other payables (Continued)

in Hong Kong dollar thousands unless stated otherwise

The ageing of trade payables is as follows:

From invoice date	The Group		The Company	
	2005	2004	2005	2004
Less than 30 days	36,678	41,172	22,573	13,599
31 to 60 days	1,409	1,709	909	1,103
61 to 90 days	371	285	132	190
over 90 days	1,924	1,546	887	1,075
	40,382	44,712	24,501	15,967

Included in trade and other payables are the following amounts denominated in a currency other than the functional currency of the entity to which they relate:

	The Group		The Company	
	2005 '000	2004 '000	2005 '000	2004 '000
United States Dollars	USD 558	USD 272	USD 558	USD 272
Euro	EUR 92	EUR 45	EUR 92	EUR 45
Australian Dollars	AUD 16	AUD 15	AUD 16	AUD 15

28. Leased factory maintenance provision

in Hong Kong dollar thousands

Pursuant to a subsidiary's factory lease agreement which expires on 28th February 2021, the subsidiary is required to pay to the lessor an annual fee of RMB4.3 million (approximately \$4.16 million) for maintaining the leased factory, for which provision is made each year. The fee is payable upon expiration or early termination of the lease agreement and may be settled by any qualifying capital expenditure incurred by the subsidiary on the purchase or construction of any separate and identifiable equipment or building during the term of the lease.

As disclosed in Note 7, this factory lease is expected to be terminated within the next twelve months, therefore the accumulated provision is included in current liabilities at 31st December 2005.

	The Group	
	2005	2004
Balance at 1st January	47,968	43,829
Provision made during the year	4,158	4,066
Exchange adjustments	1,082	73
Balance at 31st December (Note 34)	53,208	47,968
Representing:		
Current liabilities	53,208	–
Non-current liabilities	–	47,968
	53,208	47,968

29. Employee retirement benefits

in Hong Kong dollar thousands

(a) Defined benefit retirement plan

The Group operates a defined benefit retirement plan which covers 26% of the Group's employees. The plan is administered by an independent trustee, with the assets held separately from those of the Group. The members' benefits are determined based on the employees' final remuneration and length of service. Contributions to the plan are made in accordance with the recommendations of an independent actuary who values the retirement plan at regular intervals. The latest actuarial valuation in this respect was carried out at 31st December 2005.

For the purposes of preparing these financial statements, an independent actuarial valuation was also carried out for 31st December 2005 following the methodology set out in HKAS 19, Employee benefits.

NOTES TO THE FINANCIAL STATEMENTS

29. Employee retirement benefits (Continued)

in Hong Kong dollar thousands

(a) Defined benefit retirement plan (Continued)

(i) The amounts recognised in the balance sheet are as follows:

	The Group and the Company	
	2005	2004
Present value of funded obligations	96,361	111,997
Fair value of plan assets	(81,434)	(92,736)
Net unrecognised actuarial losses	(18,864)	(21,149)
Retirement benefit asset	(3,937)	(1,888)

A portion of the above asset is expected to be recovered after more than one year. However, it is not practicable to segregate this amount from the amounts receivable in the next twelve months, as future contributions will also relate to future services rendered and future changes in actuarial assumptions and market conditions.

(ii) Movements in the net asset recognised in the balance sheet are as follows:

	The Group and the Company	
	2005	2004
At 1st January	(1,888)	2,211
Contributions paid to the plan	(8,439)	(9,655)
Expense recognised in the income statement (Note 4(a))	6,390	5,556
At 31st December	(3,937)	(1,888)

(iii) Expense recognised in the consolidated income statement is as follows:

	2005	2004
Current service cost	7,687	6,802
Interest cost	4,034	4,767
Actuarial expected return on plan assets	(6,096)	(6,013)
Net actuarial losses recognised	765	–
	6,390	5,556

The expense is recognised in the following line items in the consolidated income statement:

	2005	2004
Cost of sales	2,109	1,829
Selling and distribution expenses	2,364	1,924
Administrative expenses	1,917	1,803
	6,390	5,556
Actual return on plan assets – (loss)/gain	(2,510)	1,060

(iv) The principal actuarial assumptions used as at 31st December 2005 are as follows:

	The Group and the Company	
	2005	2004
Discount rate	4.50%	3.75%
Expected rate of return on plan assets	6.50%	6.50%
Future salary increases	3.00%	3.00%

29. Employee retirement benefits (Continued)

in Hong Kong dollar thousands

(b) Defined contribution retirement plans

- (i) Staff employed by the Group in Hong Kong not joining the above defined benefit retirement plan are required to join the Group's mandatory provident fund plan under the Hong Kong Mandatory Provident Fund Schemes Ordinance. The mandatory provident fund plan is a defined contribution retirement plan administered by an independent corporate trustee. Under the plan, the Group and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of \$20,000. Contributions to the plan vest immediately.
- (ii) Employees in the subsidiaries in the PRC are members of the central pension scheme operated by the PRC government. The Group is required to contribute a certain percentage of employees' remuneration to the central pension scheme to fund the benefits. The only obligation for the Group with respect to the central pension scheme is the associated required contribution under the central pension scheme.

30. Income tax in the balance sheets

in Hong Kong dollar thousands

(a) Current tax recoverable in the consolidated balance sheet represents:

	2005	2004
Provision for Hong Kong Profits Tax for the year	(121)	–
Provisional Hong Kong Profits Tax paid	919	66
	798	66

(b) Net deferred tax liabilities recognised:

(i) The Group

The components of net deferred tax liabilities recognised in the consolidated balance sheet and the movements during the year are as follows:

Deferred tax arising from:	Depreciation allowances in excess of related depreciation	Impairment losses of receivables and inventories	Retirement benefit asset	Tax losses	Others	Total
At 1st January 2004	202,949	(4,950)	(2,089)	(92,214)	(4,652)	99,044
Exchange adjustments	102	(7)	–	–	(8)	87
Charged/(credited) to consolidated income statement (Note 8(a))	3,887	(948)	1,143	6,994	(1,943)	9,133
At 31st December 2004	206,938	(5,905)	(946)	(85,220)	(6,603)	108,264
At 1st January 2005	206,938	(5,905)	(946)	(85,220)	(6,603)	108,264
Exchange adjustments	1,562	(111)	–	–	(148)	1,303
Charged/(credited) to consolidated income statement (Note 8(a))	(12,632)	4,236	784	8,391	6,079	6,858
At 31st December 2005	195,868	(1,780)	(162)	(76,829)	(672)	116,425

NOTES TO THE FINANCIAL STATEMENTS

30. Income tax in the balance sheets (Continued)

in Hong Kong dollar thousands

(b) Net deferred tax liabilities recognised: (Continued)

(i) The Group (Continued)

Deferred tax assets have not been recognised in respect of the following items:

	2005	2004
Tax losses	132,341	147,727
Deductible temporary differences	33,537	–
	165,878	147,727

The tax losses expire in five years.

Deferred tax assets have not been recognised in respect of the deductible temporary differences because it is not probable that future taxable profits will be available against which the Group can utilise the benefits therefrom.

(ii) The Company

The components of net deferred tax liabilities recognised in the balance sheet and the movements during the year are as follows:

Deferred tax arising from:	Depreciation allowances in excess of related depreciation	Impairment losses of receivables	Retirement benefit asset	Tax losses	Total
At 1st January 2004	142,170	(981)	(2,089)	(91,279)	47,821
(Credited)/charged to income statement	(4,390)	(31)	1,143	6,086	2,808
At 31st December 2004	137,780	(1,012)	(946)	(85,193)	50,629
At 1st January 2005	137,780	(1,012)	(946)	(85,193)	50,629
(Credited)/charged to income statement	(4,183)	(14)	784	8,364	4,951
At 31st December 2005	133,597	(1,026)	(162)	(76,829)	55,580

31. Reserves

in Hong Kong dollar thousands except per share data

(a) The Group

	Attributable to equity shareholders of the Company							Minority interests	Total equity
	Share capital	Share premium	Capital reserve	Exchange fluctuation reserve	Capital contribution reserve	Retained profits	Total		
At 1st January 2004									
– as previously reported	186,785	65,739	112,970	(5,737)	–	1,664,302	2,024,059	97,154	2,121,213
– prior period adjustment in respect of share-based payment	–	–	–	–	122	(122)	–	–	–
– as restated	186,785	65,739	112,970	(5,737)	122	1,664,180	2,024,059	97,154	2,121,213
Exchange differences on translation of financial statements of overseas subsidiaries	–	–	–	912	–	–	912	163	1,075
Equity-settled share-based transactions	–	–	–	–	308	–	308	–	308
Profit for the year (restated)	–	–	–	–	–	11,270	11,270	1,234	12,504
At 31st December 2004 (as restated)	186,785	65,739	112,970	(4,825)	430	1,675,450	2,036,549	98,551	2,135,100
At 1st January 2005									
– as previously reported	186,785	65,739	112,970	(4,825)	–	1,675,880	2,036,549	98,551	2,135,100
– prior period adjustment in respect of share-based payment (Note 2(b)(i))	–	–	–	–	430	(430)	–	–	–
– as restated	186,785	65,739	112,970	(4,825)	430	1,675,450	2,036,549	98,551	2,135,100
Dividends approved in respect of the previous financial year (Note 12(b))	–	–	–	–	–	(3,736)	(3,736)	–	(3,736)
Exchange differences on translation of financial statements of overseas subsidiaries	–	–	–	14,266	–	–	14,266	2,209	16,475
Equity-settled share-based transactions	–	–	–	–	495	–	495	–	495
Inter-company charge levied by SMC for the stock options	–	–	–	–	(925)	–	(925)	–	(925)
Loss for the year	–	–	–	–	–	(35,641)	(35,641)	(30,396)	(66,037)
Dividend declared in respect of the current year (Note 12(a))	–	–	–	–	–	(3,736)	(3,736)	–	(3,736)
At 31st December 2005	186,785	65,739	112,970	9,441	–	1,632,337	2,007,272	70,364	2,077,636

NOTES TO THE FINANCIAL STATEMENTS

31. Reserves (Continued)

in Hong Kong dollar thousands except per share data

(b) The Company

	Share capital	Share premium	Capital contribution reserve	Retained profits	Total
At 1st January 2004					
– as previously reported	186,785	65,739	–	1,643,583	1,896,107
– prior period adjustment in respect of share-based payment	–	–	122	(122)	–
– as restated	186,785	65,739	122	1,643,461	1,896,107
Equity-settled share-based transactions	–	–	308	–	308
Profit for the year (restated)	–	–	–	7,203	7,203
At 31st December 2004 (as restated)	186,785	65,739	430	1,650,664	1,903,618
At 1st January 2005					
– as previously reported	186,785	65,739	–	1,651,094	1,903,618
– prior period adjustment in respect of share-based payment (Note 2(b)(ii))	–	–	430	(430)	–
– as restated	186,785	65,739	430	1,650,664	1,903,618
Dividends approved in respect of the previous financial year (Note 12(b))	–	–	–	(3,736)	(3,736)
Equity-settled share-based transactions	–	–	495	–	495
Inter-company charge levied by SMC for the stock options	–	–	(925)	–	(925)
Profit for the year	–	–	–	17,578	17,578
Dividend declared in respect of the current year (Note 12(a))	–	–	–	(3,736)	(3,736)
At 31st December 2005	186,785	65,739	–	1,660,770	1,913,294

(c) Share capital

	The Company	
	2005	2004
Authorised:		
400,000,000 ordinary shares of \$0.50 each	200,000	200,000
Issued and fully paid:		
373,570,560 ordinary shares of \$0.50 each	186,785	186,785

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

31. Reserves (Continued)

in Hong Kong dollar thousands except per share data

(d) Nature and purpose of reserves

- (i) Share premium
The application of the share premium account is governed by Section 48B of the Hong Kong Companies Ordinance.
- (ii) Capital reserve
The capital reserve represents the reserve arising from the capitalisation of retained profits of a PRC subsidiary.
- (iii) Exchange fluctuation reserve
The exchange fluctuation reserve comprises all foreign exchange differences arising from the translation of the financial statements of overseas subsidiaries. The reserve is dealt with in accordance with the accounting policies set out in Note 1U.
- (iv) Capital contribution reserve
The capital contribution reserve represents the fair value of the actual or estimated number of unexercised stock options granted to the Company's employees by the ultimate holding company recognised in accordance with the accounting policy adopted for share-based payment in Note 1R.

(e) Distributability of reserves

The distributable reserves of the Company as at 31st December 2005 were \$1,660,770,000 (2004 (restated): \$1,650,664,000).

32. Equity compensation benefits

Pursuant to a stock option plan adopted by the Company's ultimate holding company, SMC, stock options were granted to certain directors and employees of the Company at a consideration of Pesos 100 per offer. The options are exercisable at the fair market value determined at the date of grant, with adjustments depending on the average share prices of the prior three months. Options granted are subject to a vesting scale in tranches of 33% each per annum starting from the first anniversary of the date of grant. The options are exercisable for a period not to exceed 8 years from the date of grant. Each option gives the holder the right to subscribe for one common stock in SMC.

This note includes stock options granted to the directors and employees in respect of their services to the Group only.

(a) The number and weighted average exercise prices of stock options are as follows:

	2005		2004	
	Weighted average exercise price Pesos	Number of options '000	Weighted average exercise price Pesos	Number of options '000
Outstanding at the beginning of the year	59.31	364	57.09	176
Exercised during the year	60.33	(10)	–	–
Granted during the year	74.80	6	65.46	188
Forfeited during the year	59.53	(138)	–	–
Outstanding at the end of the year	59.59	222	59.31	364
Exercisable at the end of the year	59.47	119	57.68	181

The weighted average share price at the date of exercise for stock options exercised during the year was Pesos 69 (2004: Not applicable).

NOTES TO THE FINANCIAL STATEMENTS

32. Equity compensation benefits (Continued)

(b) Particulars of stock options outstanding at the end of the year:

	2005		2004	
	Exercise price Pesos	Number of options '000	Exercise price Pesos	Number of options '000
<i>Class A (par value of 5 Pesos each)</i>				
– 26th June 2003	54.50	76	54.50	122
– 1st October 2004	57.50	75	57.50	131
– 10th November 2005	65.00	4	–	–
<i>Class B (par value of 5 Pesos each)</i>				
– 1st April 1997	49.83	–	49.83	3
– 26th June 2003	62.50	33	62.50	52
– 1st October 2004	70.50	32	70.50	56
– 10th November 2005	89.50	2	–	–
		222		364

All of the options are subject to a vesting scale in tranches of 33% each per annum starting from the first anniversary of the date of grant. The options are exercisable for a period not to exceed 8 years from the date of grant.

(c) Fair value of stock options and assumptions

The fair value of services received in return for stock options granted are measured by reference to the fair value of stock options granted. The estimate of the fair value of the services received is measured based on Black-Scholes Option Pricing Model.

Fair value of stock options and the related assumptions are as follows:

	Grant date		
	26th June 2003	1st October 2004	10th November 2005
(i) Class A			
Fair value at measurement date (Pesos)	30.67	32.87	37.35
Share price (Pesos)	54.50	57.50	65.00
Exercise price (Pesos)	54.50	57.50	65.00
Expected volatility	60%	60%	60%
Expected option life	4.71 years	4.59 years	5.02 years
Expected dividends	0.55%	0.52%	0.54%
Risk-free interest rate	9.00%	11.00%	10.00%
(ii) Class B			
Fair value at measurement date (Pesos)	37.52	43.36	52.82
Share price (Pesos)	62.50	70.50	89.50
Exercise price (Pesos)	62.50	70.50	89.50
Expected volatility	70%	70%	70%
Expected option life	4.54 years	4.61 years	5.16 years
Expected dividends	0.48%	0.43%	0.39%
Risk-free interest rate	9.00%	11.00%	10.00%

The expected volatility is based on the historical volatility, adjusted for any expected changes to future volatility due to publicly available information. Expected dividends are based on historical dividends. Changes in the subjective input assumptions could materially affect the fair value estimate.

Stock options were granted under a service condition. This condition has not been taken into account in the grant date fair value measurement of the services received. There were no market conditions associated with the stock option granted.

33. Financial instruments

in Hong Kong dollar thousands

Exposure to credit, liquidity, interest rate and foreign currency risks arises in the normal course of the Group's business. These risks are limited by the Group's financial management policies and practices described below.

(a) Credit risk

The Group's credit risk is primarily attributable to trade and other receivables. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

Credit is offered to customers following financial assessment and an established payment record. Security in the form of mortgages or bank guarantees is obtained from major customers. Credit limits are set for all customers and these are exceeded only with the approval of senior company officers. Customers considered to be a credit risk trade on a cash basis. Professional staff monitor trade receivables and follow up collections. General credit terms are payment by the end of the month following the month in which sales took place.

Investments in dated debt securities and placement of bank deposits are normally with counterparties having sound credit ratings.

The Group does not have a significant concentration of credit risk.

The maximum exposure to credit risk is presented by the carrying amount of each financial asset in the balance sheet. The Group has not provided any financial guarantee which would expose the Group to credit risk.

(b) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the parent company's board when the borrowings exceed certain predetermined levels of authority.

(c) Interest rate risk

In respect of income-earning financial assets and interest-bearing financial liabilities, the following table indicates their effective interest rates at the balance sheet date and the periods in which they reprice or the maturity dates, if earlier.

	2005			2004			
	Effective interest rate %	Total	One year or less	Effective interest rate %	Total	One year or less	1-2 years
The Group							
<i>Repricing dates for assets/(liabilities) which reprice before maturity</i>							
Cash at bank and in hand (Note 24)	1.24%	66,198	66,198	0.48%	68,533	68,533	-
Deposit of factory and the related interest receivable	-	-	-	0.72%	5,672	5,672	-
Bank loans (unsecured) (Note 25)	4.68%	(145,408)	(145,408)	1.14%	(245,552)	(245,552)	-
		<u>(79,210)</u>	<u>(79,210)</u>		<u>(171,347)</u>	<u>(171,347)</u>	-
<i>Maturity dates for assets/(liabilities) which do not reprice before maturity</i>							
Deposits with banks (Note 24)	3.19%	317,133	317,133	1.34%	386,284	386,284	-
Dated debt securities (Notes 22 and 19)	3.14%	14,500	14,500	3.14%	13,797	-	13,797
		<u>331,633</u>	<u>331,633</u>		<u>400,081</u>	<u>386,284</u>	<u>13,797</u>
The Company							
<i>Repricing dates for assets/(liabilities) which reprice before maturity</i>							
Cash at bank and in hand (Note 24)	2.32%	19,415	19,415	0.04%	22,502	22,502	-
Bank loans (unsecured) (Note 25)	4.59%	(95,000)	(95,000)	0.80%	(195,000)	(195,000)	-
		<u>(75,585)</u>	<u>(75,585)</u>		<u>(172,498)</u>	<u>(172,498)</u>	-

NOTES TO THE FINANCIAL STATEMENTS

33. Financial instruments (Continued)

in Hong Kong dollar thousands

(d) Foreign currency risk

The Group is exposed to foreign currency risk on sales, purchases and borrowings that are denominated in United States Dollars (USD), Australian Dollars (AUD) and Euro (EUR). As USD is pegged to Hong Kong Dollars (HKD), the management does not expect any significant movements in the USD/HKD exchange rate. For other currencies like AUD and EUR, since the volume of transactions denominated in these currencies is not significant, management consider the exposure to currency risk to be low.

(e) Sensitivity analysis

In managing interest rate and foreign currency risks the Group aims to reduce the impact of short-term fluctuations on the Group's earnings. Over the longer term, however, permanent changes in foreign exchange and interest rates would have an impact on consolidated earnings.

(f) Fair value

All significant financial assets and liabilities are carried at amounts not materially different from their fair values as at 31st December 2005 and 2004 except the following:

	Note	2005		2004	
		Carrying amount	Fair value	Carrying amount	Fair value
The Group					
Amounts due from holding companies and fellow subsidiaries					
– trade related	(i)	9,282	9,282	5,771	5,771
– others	(ii)	29,064	–	23,724	–
Amounts due to holding companies and fellow subsidiaries					
– trade related	(i)	(2,286)	(2,286)	(10,591)	(10,591)
– others	(ii)	(7,041)	–	(16,316)	–
The Company					
Amounts due from holding companies and fellow subsidiaries					
– trade related	(i)	9,200	9,200	5,573	5,573
– others	(ii)	10,915	–	3,736	–
Amounts due to holding companies and fellow subsidiaries					
– trade related	(i)	(1,109)	(1,109)	(6,474)	(6,474)
– others	(ii)	(502)	–	(8,543)	–
Amounts due from subsidiaries					
	(ii)	778,856	–	779,830	–
Amounts due to subsidiaries					
– trade related	(i)	(1,975)	(1,975)	(1,766)	(1,766)
– others	(ii)	(377,747)	–	(304,534)	–

Notes:

- (i) The fair values of trade related balances of amounts due from/(to) group companies are considered to be the same as the carrying amounts because of the immediate or short term maturity of these financial instruments.
- (ii) The balances with holding companies, fellow subsidiaries and subsidiaries are unsecured, interest-free and have no fixed repayment terms. Given these terms it is not meaningful to disclose fair values.

34. Commitments

in Hong Kong dollar thousands

- (a) Capital commitments outstanding at 31st December 2005 not provided for in the financial statements were as follows:

	The Group		The Company	
	2005	2004	2005	2004
Contracted for	327	1,120	327	1,120
Authorised but not contracted for	519	3,516	519	215
	846	4,636	846	1,335

- (b) At 31st December 2005, the total future minimum lease payments under non-cancellable operating leases were payable as follows:

	The Group		The Company	
	2005	2004	2005	2004
Land and buildings				
Within 1 year	2,410	8,590	456	864
After 1 year but within 5 years	272	23,534	19	–
After 5 years	633	64,280	–	–
	3,315	96,404	475	864
Plant and machinery				
Within 1 year	58,781	13,670	–	–
After 1 year but within 5 years	–	54,679	–	–
After 5 years	–	263,395	–	–
	58,781	331,744	–	–
	62,096	428,148	475	864

The Group, as lessee, leases a number of properties under operating leases. The leases typically run for an initial period of two years with an option to renew the lease when all terms are renegotiated. None of the leases includes contingent rentals.

The Group also leases plant, machinery and equipment under an operating lease in one of the PRC factories which run for thirty years. As mentioned in Note 7, the Group has a plan to early terminate this lease in the first half of 2006 and the amounts of future lease payments shown above represents the amount to be paid to the lessor up to the expected termination date. Included in the balance is an amount of \$53,208,000 (2004: \$47,968,000) which has been accrued and disclosed as "Leased factory maintenance provision" in the consolidated balance sheet and Note 28.

NOTES TO THE FINANCIAL STATEMENTS

35. Material related party transactions

in Hong Kong dollar thousands

In addition to the transactions and balances disclosed elsewhere in these financial statements, the Group entered into the following material related party transactions.

(a) Transactions with group companies

	Note	Transactions		Balances at year end	
		2005	2004	2005	2004
Purchases from	(i)				
– ultimate holding company		2,382	2,471	459	492
– fellow subsidiaries		33,589	54,262	1,827	10,099
Sales to:	(i)				
– immediate holding company		39,846	28,705	9,282	5,696
– fellow subsidiaries		644	846	–	75
Commission fee to immediate holding company	(ii)	1,037	–	–	–

(i) Sales to and purchases from group companies were carried out on normal commercial terms. The terms of the outstanding balances are set out in Note 23.

(ii) Commission is paid to the immediate holding company for the sales referred to the Group. It is determined by reference to the profit margin which would have been made by the immediate holding company had such sales been made by the Group to the immediate holding company and then on-sold by the immediate holding company to the customers.

(b) Key management personnel remuneration

Remuneration for key management personnel, including amounts paid to the Company's directors as disclosed in Note 9 and certain of the highest paid employees as disclosed in Note 10, is as follow :

	2005	2004
Short-term employee benefits	8,922	9,907
Post-employment benefits	558	637
Equity compensation benefits	261	155
	9,741	10,699

36. Contingent liabilities

in Hong Kong dollar thousands

As at 31st December 2005, there were contingent liabilities in respect of a guarantee given to a bank by the Company to secure banking facilities made available to a subsidiary.

	The Company 2005	2004
Guarantee to a bank	50,408	50,552

37. Non-adjusting post balance sheet events

Subsequent to the balance sheet date, management has substantially finalised the terms in respect of the early termination of the factory lease agreement ("the Agreement") of GSMB as disclosed in Note 7(a). GSMB expects to have an additional one-off charge of approximately RMB60.0 million (equivalent to HK\$57.7 million) associated with the termination of the Agreement and cessation of production activities of GSMB, including severance payments, penalty and other additional charges payable to GB.

38. Comparative figures

- (a) Certain comparative figures have been adjusted or reclassified as a result of the changes in accounting policies. Further details are disclosed in Note 2.
- (b) Classifications of certain expenses have been changed to conform with the current year's presentation as follows:
 - (i) Selling expenses totalling \$182,133,000 which were included in "Administrative and selling expenses (renamed as Administrative expenses in the 2005 financial statements)" in the 2004 financial statements have been reclassified under "Selling and distribution expenses".
 - (ii) Impairment loss of \$7,737,000 which was included in "Other operating expenses" in the 2004 financial statements has been reclassified under "Impairment losses".
- (c) Classifications of certain balance sheet items have been changed to conform with the current year's presentation as follows:
 - (i) Land and buildings with aggregate carrying value of \$88,257,000, which were included in "Fixed assets (renamed as Property, plant and equipment in the 2005 financial statements)" in the 2004 financial statements, have been separately shown as "Investment properties" on the face of the consolidated balance sheet.
 - (ii) Security deposits and the related interest receivable with carrying value of \$8,490,000, which were included in "Other assets" in the 2004 financial statements, have been reclassified to "Other financial assets".
 - (iii) Club debentures with aggregate carrying value of \$6,046,000 for the Group and \$5,031,000 for the Company, which were included in "Trade and other receivables" in the 2004 financial statements, have been reclassified to "Intangible assets".

The directors of the Company consider that the revised presentation reflects more appropriately the nature of these assets.

39. Parent and ultimate holding company

At 31st December 2005, the directors consider the immediate parent and ultimate controlling party of the Group to be Neptunia Corporation Limited and San Miguel Corporation respectively. Neptunia Corporation Limited is incorporated in Hong Kong while San Miguel Corporation is incorporated in the Republic of the Philippines.

40. Possible impact of amendments, new standards and interpretations issued but not yet effective for the annual accounting period ended 31st December 2005

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

Of these developments, the following relate to the matters that may be relevant to the Group's operations and financial statements:

	Effective for accounting periods beginning on or after
Amendments to HKAS 19, Employee benefits – Actuarial Gains and Losses, Group Plans and Disclosures	1st January 2006
Amendments, as a consequence of the Hong Kong Companies (Amendment) Ordinance 2005, to:	
– HKAS 1, Presentation of financial statements	1st January 2006
– HKAS 27, Consolidated and separate financial statements	1st January 2006
– HKFRS 3, Business combinations	1st January 2006
– HKFRS 7, Financial instruments: disclosures	1st January 2007
Amendment to HKAS 1, Presentation of financial statements: capital disclosures	1st January 2007

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

The Group is in the process of making an assessment of what the impact of these amendments, new standards and new interpretations is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group's results of operations and financial position.

REPORT OF THE AUDITORS

To the shareholders of San Miguel Brewery Hong Kong Limited

(Incorporated in Hong Kong with limited liability)

We have audited the financial statements on pages 30 to 75 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Hong Kong Companies Ordinance requires the directors to prepare financial statements which give a true and fair view. In preparing financial statements which give a true and fair view it is fundamental that appropriate accounting policies are selected and applied consistently, that judgements and estimates are made which are prudent and reasonable and that the reasons for any significant departure from applicable accounting standards are stated.

It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion solely to you, as a body, in accordance with section 141 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

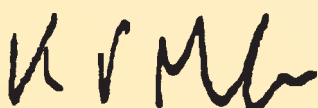
BASIS OF OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's and the Group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements. We believe that our audit provides a reasonable basis for our opinion.

OPINION

In our opinion, the financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31st December 2005 and of the Group's loss and cash flows for the year then ended and have been properly prepared in accordance with the Hong Kong Companies Ordinance.



KPMG

Certified Public Accountants

Hong Kong, 24th February 2006

FIVE YEAR SUMMARY

in Hong Kong dollar thousands except per share data

	2005	2004	2003	2002	2001
Results					
Gross turnover	1,268,346	1,261,232	1,158,649	1,326,642	1,376,423
(Loss)/profit before taxation	(59,058)	15,536	(27,205)	43,580	95,534
Income tax	(6,979)	(3,032)	(9,456)	(16,225)	(5,131)
(Loss)/profit for the year	(66,037)	12,504	(36,661)	27,355	90,403
Attributable to:					
Equity shareholders of the Company	(35,641)	11,270	(40,429)	22,989	92,072
Minority interests	(30,396)	1,234	3,768	4,366	(1,669)
(Loss)/profit for the year	(66,037)	12,504	(36,661)	27,355	90,403
(Loss)/earnings per share – Basic	(\$0.10)	\$0.03	(\$0.09)	\$0.08	\$0.24
Cash dividends per share	\$0.01	\$0.01	\$–	\$0.10	\$0.43
Assets and liabilities					
Fixed assets	1,838,164	1,939,135	2,016,646	2,083,863	2,156,190
Intangible assets	39,525	39,481	37,413	–	–
Goodwill	5,044	5,044	5,318	–	–
Retirement benefit asset	3,937	1,888	–	–	–
Other financial assets	–	22,287	21,827	37,383	56,124
Other tangible assets	41,539	–	–	–	–
Net current assets	360,852	478,497	380,093	382,119	292,781
Total assets less current liabilities	2,289,061	2,486,332	2,461,297	2,503,365	2,505,095
Long term bank loans (unsecured)	(95,000)	(195,000)	(195,000)	(195,000)	(195,005)
Leased factory maintenance provision	–	(47,968)	(43,829)	(39,948)	(35,874)
Retirement benefit liability	–	–	(2,211)	(12,157)	–
Deferred tax liabilities	(116,425)	(108,264)	(99,044)	(89,782)	(6,026)
Net assets	2,077,636	2,135,100	2,121,213	2,166,478	2,268,190
Capital and reserves					
Share capital	186,785	186,785	186,785	186,785	186,785
Reserves	1,820,487	1,849,764	1,837,274	1,878,318	1,975,054
Total equity attributable to equity shareholders of the Company	2,007,272	2,036,549	2,024,059	2,065,103	2,161,839
Minority interests	70,364	98,551	97,154	101,375	106,351
Total equity	2,077,636	2,135,100	2,121,213	2,166,478	2,268,190

Notes:

- The HKICPA has issued a number of new and revised HKFRSs that are effective or available for early adoption for accounting periods beginning on or after 1st January 2005. Information on the changes in accounting policies resulting from initial application of these new and revised HKFRSs is provided in Note 2 to the financial statements. Figures for 2004 and 2005 have been adjusted for these new and revised policies in accordance with the transitional provisions and as disclosed in Note 2. Earlier years have only been restated to the extent that the new accounting policies are adopted retrospectively as disclosed in Note 2.
- In order to comply with Hong Kong Statement of Standard Accounting Practice No. 34 "Employee benefits", the Group adopted a new accounting policy for defined benefit retirement plans in 2002. Figures for the year 2001 have not been adjusted for comparison purposes as it is not practicable to restate earlier years.
- Pursuant to the revised (December 2001) Hong Kong Statement of Standard Accounting Practice No. 11 "Foreign currency translation", the Group changed its accounting policy for translation of the results of foreign subsidiaries in 2002. Figures for the year 2001 have not been adjusted for comparison purposes as the effect of this change in accounting policy is not material.
- Hong Kong Statement of Standard Accounting Practice No. 12 (revised) "Income taxes" was first effective for accounting periods beginning on or after 1st January 2003. In order to comply with this revised standard, the Group adopted a new accounting policy for deferred tax in 2003. Figures for the year 2002 have been adjusted. However, it is not practicable to restate figures for the year 2001 for comparison purposes.



MARKETING INITIATIVES 市務活動



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本年報內所有幣值，除另有註明外，均以港幣計算。

公司資料

董事

蔡啟文 主席
郭嘉寧 副主席
莊永發 執行董事

非執行董事

Minerva Lourdes Bibonia
Ma. Belen C. Buensuceso
康定豪
黃思民

獨立非執行董事

李國寶，GBS, JP
吳維新
韋以安
李民橋，李國寶之替任董事

審核委員會

李國寶，GBS, JP 主席
吳維新
韋以安

薪酬委員會

吳維新 主席
康定豪
郭嘉寧
李國寶，GBS, JP
韋以安

公司秘書

王文彬

核數師

畢馬威會計師事務所
執業會計師
香港太子大廈八樓

律師

孖士打律師行
香港太子大廈十八樓

註冊辦事處

香港新界沙田小瀝源
源順圍二十八號
都會廣場九樓

股份過戶處

香港中央證券登記有限公司
香港皇后大道東一八三號
合和中心十七樓1712至1716號鋪

主要往來銀行

荷蘭銀行
星展銀行香港分行
恒生銀行有限公司
渣打銀行
東亞銀行有限公司
香港上海滙豐銀行有限公司
瑞士銀行

本年度摘要

除每股股份數據、發行股數、股東及員工人數外均以港幣千元計算

	重列	
	二零零五年	二零零四年
總營業額	1,268,346	1,261,232
年度應佔(虧損)／盈利	(66,037)	12,504
每股(虧損)／盈利－基本	(\$0.10)	\$0.03
稅項連啤酒稅	141,219	135,185
每股稅項	\$0.38	\$0.36
年度應佔現金股息	3,736	3,736
每股現金股息	\$0.01	\$0.01
固定資產	1,838,164	1,939,135
淨值	2,077,636	2,135,100
員工薪酬	128,539	122,149
發行股數	373,570,560	373,570,560
股東數目	2,493	2,546
員工人數	1,151	1,145



SALES INITIATIVES 銷售推廣活動





主席
蔡啟文

致各股東：

財務業績

經過一年的挑戰，香港生力啤酒廠有限公司的業績表現好壞參半，然而本公司採取了明確果斷的步驟，以增強公司在中國內地及香港的整體競爭潛力。在過去一年，我們將業務及投資重新集中，務求達至增長的首要目標。

本公司之綜合總營業額維持平穩於12.7億元（二零零四年：12.6億元）。香港的總營業額增加1%，由6.97億元增至7.04億元，而中國內地的總營業額則達到5.64億元，與二零零四年相若。

香港業務及生力（廣東）啤酒有限公司之銷售表現於年內顯著改善，二零零五年下半年更錄得大幅上升。

香港業務錄得63.5%之營運盈利升幅，由930萬元上升至1,520萬元。生力（廣東）啤酒有限公司帶來1,090萬元盈利，增長達287.2%（二零零四年盈利：280萬元）。廣州生力啤酒有限公司的業務虧損為2,460萬元（二零零四年盈利：760萬元）。這些業務合共帶來綜合盈利150萬元，二零零四年盈利為1,980萬元。

中國啤酒市場正面對成本增加及邊際利潤下跌的壓力。本公司不斷尋求方法減低業務上的風險、加強財政上的可行性，及改善長遠的競爭力。我們正與合資夥伴廣州啤酒廠實行一項重要的業務改組計劃，為華南地區成立一個更具成本效益的產品供應點。

基於上述業務改組，本公司須遵從《香港會計準則》，將終止酒廠租約及出售有關資產予廣州啤酒廠所導致之減值虧損共6,330萬元記入賬目。

因此，本公司錄得日常業務之除稅前綜合虧損達5,910萬元（二零零四年綜合盈利：1,550萬元）。撇除上述之減值虧損的影響，本公司錄得除稅前盈利逾400萬元。

本公司於二零零五年維持現金正增長。截至二零零五年十二月三十一日止之現金及等同現金項目累積至3.83億元，於二零零五年八月所繳付之1億元銀行還款已計算在內。

扣除稅項及少數股東權益後，本公司權益持有人應佔權益為3,560萬元（二零零四年盈利：1,130萬元）。

股息

董事會已議決不派發二零零五年度末期股息。

主席報告

業務回顧

香港業務

儘管香港經濟復甦，本地啤酒市場仍然疲弱。二零零五年整體行業銷量較去年下跌1%。除了銷量疲弱，消費者亦轉向選擇經濟價格品牌。根據零售研究，經濟品牌的市場佔有率由二零零四年的37.3%，增長至二零零五年的40.7%。

本公司的香港銷量下跌0.8%，正反映了業界銷量下降。然而，我們的旗艦品牌生力仍保持香港啤酒品牌首位。為維持品牌的領導地位及迎接競爭對手的挑戰，本公司已部署多項策略性計劃以加強生力的品牌價值，及加深其與客戶和消費者之間的聯繫。

二零零五年六月，本公司推出全新市場推廣計劃「我哋嘅城市 我哋嘅啤酒」宣傳生力品牌。新宣傳攻勢包括電視廣告、銷售品、網上傳訊及公共關係活動。獨立市場研究顯示新宣傳計劃深受客戶及消費者歡迎。

建基於過去兩年的成功經驗，本公司繼續舉辦多項「生力WildDayOut」活動以鞏固生力品牌與年青消費者的溝通平台。二零零五年間，舉行了一系列酒吧表演及年終的大型壓軸戶外演唱會，多位本地及國際著名歌手協助建立生力品牌。

二零零六年三月，巨型生力霓虹燈標誌將會豎立於銅鑼灣怡東酒店頂部，以加強生力在香港的品牌形象。

透過這些項目及活動，配合集中改進市場執行方針，均有助我們達成維持香港市場領導地位之目標。

我們的經濟啤酒品牌在香港的銷量持續上升。在這個界別中，本公司現為最大的參與者。儘管銷量組合有所改變，本公司亦不斷檢討其成本，以維持營利。

過去一年的出口量增加了61%。

華南業務

生力(廣東)啤酒有限公司於當地的主打品牌龍啤的增長達21.5%，令生力(廣東)啤酒有限公司的銷售量較二零零四年上升16.4%，維持前兩年雙位數字的強勁增幅。龍啤品牌之強勁增長反映了本公司自二零零三年年中之收購後，全面控制該品牌銷售及市務推廣之成效。一個具有領導地位的本地啤酒品牌對整體收入有莫大的貢獻，在支持公司發展及增加重點市場的銷售及分銷網絡亦提供了關鍵的規模。

為滿足漸增的產品需求，本公司計劃於二零零六年增建生力(廣東)啤酒有限公司的酒廠設施。

除了進行中的廣州生力啤酒有限公司重組計劃，成立一個更具成本效益的產品供應點，一個專責小組亦正處理加強生力品牌的實力及開發重點市場的銷售和分銷網絡之需要。

社區關係及社會責任

作為良好企業公民，本公司以能夠為香港及華南地區的經濟及人民作出貢獻為榮。

本公司在二零零五年繼續捐助慈善及非牟利團體，並積極贊助及參與各類本地社區活動。

本公司亦致力支持環保，確保業務符合環保標準。

人力資源

本公司繼續投資在員工身上，我們的目標是確保所有員工能繼續獲得適當的培訓及同事間的充分支持。公司尤其著重團隊精神，才能在競爭劇烈的營商環境下達成既定目標。

本公司緊貼市場趨勢，為所有員工制訂符合市場標準的薪酬及適當的附加福利，包括醫療和保險，以及退休福利。

公司已成立獨立的薪酬委員會，負責檢討高級行政人員薪酬福利及相關政策。

企業管治

本公司堅決致力維持法定及監管標準，並遵守企業管治原則，強調透明、獨立、問責、負責及公平。本公司董事會及高級行政人員確保制訂有效的自我監管常規以保障股東的利益，包括極出色之成員所組成的董事會、董事委員會及有效的內部制度及監控。

本公司在二零零五年已應用《香港聯合交易所有限公司證券上市規則》附錄14所載之《企業管治（常規）守則》的原則，除了所有非執行董事並非以特定年期委任，而需輪流退任並於本公司之股東週年大會中重選。守則應用的詳情已載於本年報第17至22頁之企業管治部份。

董事

自二零零五年八月二十五日本公司之中期報告出版後，四名董事向董事會提出請辭，分別為鄧利民先生（前執行董事）、夏德立先生、文達紳先生及韋樂和先生。

隨著鄧利民先生獲生力公司委派新職務，莊永發先生於二零零五年十二月九日起獲委任為本公司執行董事。於二零零六年二月二十四日獲委任之三位董事分別為Minerva Lourdes Bibonia女士、Ma. Belen C. Buensuceso女士及黃思民先生。

未來方向及挑戰

本公司二零零六年之目標包括：

- 在香港，持續改善盈利及鞏固生力品牌之市場領導地位。
- 在華南，鞏固生力（廣東）啤酒有限公司旗下龍啤品牌之增長及改組廣州生力啤酒有限公司之業務，以扭轉業績。

展望將來，我們預期公司旗艦生力品牌的源動力及本地品牌的強勁實力將推動銷量及營業增長。這種動力將引領本公司在二零零六年達到盈利增長。

最後，本人謹此對各員工及各董事表示衷心謝意，本年度業績得以扭轉獲利，實有賴彼等所作出的努力及貢獻，並感激股東及顧客一直對本公司之信任及支持。



主席
蔡啟文

二零零六年二月二十四日



COMMUNITY ACTIVITIES 社區活動



此報告將於二零零六年四月十一日星期二下午二時正假座香港九龍尖沙咀北京道8號朗廷酒店舉行之第四十三屆股東週年大會上提交。

董事會全人謹此向各股東提呈截至二零零五年十二月三十一日止年度之董事會報告及經審核財務報表。

主要營業地點

香港生力啤酒廠有限公司(「本公司」)是一間於香港註冊成立的公司，註冊辦事處及主要營業地點為香港新界沙田小瀝源源順圍二十八號都會廣場九樓。

主要業務

本公司及各附屬公司(「本集團」)之主要業務仍為製造及分銷樽裝、罐裝及桶裝啤酒。

有關本財政年度本集團按地區劃分營業狀況分析，載於財務報表附註14。

由於本集團營業額、盈利及虧損幾乎完全來自此等業務，故並無按業務類別另作分析。

主要客戶及供應商

截至二零零五年十二月三十一日止財政年度，本集團主要客戶及供應商佔本集團總營業額及採購額之百分比如下：

所佔總營業額：

最大客戶	16.3%
五大客戶	43.5%

所佔採購額：

最大供應商	11.9%
五大供應商	20.9%

於二零零五年十二月三十一日，各董事、彼等之聯繫人士或就董事會所知擁有本公司股本5%或以上任何股東，概無擁有上述各主要客戶或供應商之實際權益。

財務報表

本集團截至二零零五年十二月三十一日止年度之虧損及本公司與本集團於該日之財政狀況，載列於本年報第30至75頁之財務報表。

儲備轉移

本年度虧損6,604萬元(二零零四年：盈利(重列)1,250萬元)已轉入儲備。其他儲備變動載於財務報表附註31。

股息

本公司於二零零五年九月三十日已派發中期股息每股一仙，董事會已議決不派發二零零五年末期股息。

董事會報告

慈善及其他捐款

於本財政年度，本集團撥出作慈善及其他性質捐款合共17,000元(二零零四年：31,000元)。

固定資產

本集團於年內共用2,010萬元(二零零四年：1,240萬元)購置固定資產。有關本財政年度內固定資產之變動詳情載於財務報表附註15。

附屬公司

有關本公司附屬公司之詳情載於財務報表附註18。

流動資金及財務資源

本集團年終之營運資金為3.61億元，而二零零四年(重列)則為4.78億元。

本集團年終之現金及銀行存款合共3.83億元(二零零四年：4.55億元)，足以為二零零六年提供營運資金及資本開支。

銀行貸款

本集團有短期銀行信貸1.69億元(二零零四年：1.68億元)其中5,000萬元(二零零四年：5,100萬元)已於二零零五年十二月三十一日動用。

本公司年終之長期貸款為9,500萬元(二零零四年：1.95億元)。

本公司及本集團年終之借款總額分別為9,500萬元(二零零四年：1.95億元)，及1.45億元(二零零四年：2.46億元)。

有關本公司及集團之銀行貸款詳情載於財務報表附註25。

董事

除莊永發先生、Minerva Lourdes Bibonia女士、Ma. Belen C. Buensuceso女士、康定豪先生及黃思民先生外，本年報第2頁所載之本公司董事均於二零零五年全年擔任董事職務。

戴豐盛先生、魏文迪先生、鄧利民先生、文華寧先生及施雅高先生已於二零零五年辭去董事職務。夏德立先生、文達紳先生及韋樂和先生亦於二零零六年二月二十四日辭去董事職務。

吳維新先生及韋以安先生均依據公司組織章程第105條規定，於即將舉行之股東週年大會上輪流告退及重選連任。

莊永發先生、Minerva Lourdes Bibonia女士、Ma. Belen C. Buensuceso女士及黃思民先生為上屆股東週年大會後獲委任之董事，彼等將依照本公司組織章程第96條規定退任，並在即將舉行之股東週年大會重選連任。

擬重選連任之董事概無與本公司或各附屬公司訂立如無作出賠償(法定賠償除外)則不能於一年內終止之服務協議。

董事權益

於二零零五年十二月三十一日，按證券及期貨條例（「證券及期貨條例」）第352條規定備存之登記冊記錄所載，各董事及彼等之聯繫人士持有本公司及各聯繫公司（定義見證券及期貨條例第XV部）已發行股本及相關股份之實際權益如下：

(1) 已發行股本之權益

本公司每股面值0.50元之普通股份數目

董事姓名	個人權益	家族權益	總數	概約
				持股百分比
李國寶	300,000	—	300,000	0.08%

生力公司之股份數目

董事姓名	個人權益	家族權益	總數	概約
				持股百分比
甲類（每股面值5披索）：				
蔡啓文	6,050	—	6,050	0.000193%
郭嘉寧	33,800	—	33,800	0.001076%
康定豪	114,224	2,070	116,294	0.003638%
夏德立	25,001	—	25,001	0.000796%
文達紳	31,972	—	31,972	0.001018%
韋樂和	24,572	11,550	36,122	0.001152%
乙類（每股面值5披索）：				
郭嘉寧	50,000	—	50,000	0.001593%
夏德立	90,000	—	90,000	0.002867%
韋樂和	—	31,900	31,900	0.001017%

董事權益 (續)

(2) 相關購股權之權益

本公司若干董事獲授購股權以認購生力公司普通股份。於年內及於二零零五年十二月三十一日各董事擁有生力公司之購股權詳情如下：

董事姓名	授出日期	截止 行使限期	生力公司之購股權					
			每股行使價 (披索)	於二零零五年		於二零零五年		
				一月一日 結餘	於年內 授出	於年內 行使	十二月 三十一日 結餘	
甲類(每股面值5披索)：								
蔡啟文	26/06/03	26/06/11	54.50	259,422	—	—	259,422	
	01/01/04	01/10/12	57.50	266,854	—	—	266,854	
	10/11/05	10/11/13	65.00	—	204,654	—	204,654	
郭嘉寧	26/06/03	26/06/11	54.50	85,306	—	56,871	28,435	
	01/10/04	01/10/12	57.50	87,751	—	—	87,751	
	10/11/05	10/11/13	65.00	—	67,090	—	67,090	
莊永發	10/11/05	10/11/13	65.00	—	1,027	—	1,027	
	26/06/03	26/06/11	54.50	50,514	—	33,676	16,838	
	01/10/04	01/10/12	57.50	56,643	—	—	56,643	
康定豪	10/11/05	10/11/13	65.00	—	48,391	—	48,391	
	26/06/03	26/06/11	54.50	52,537	—	35,025	17,512	
	01/10/04	01/10/12	57.50	56,476	—	—	56,476	
夏德立	10/11/05	10/11/13	65.00	—	45,086	—	45,086	
	乙類(每股面值5披索)：							
	蔡啟文	26/06/03	26/06/11	62.50	111,181	—	—	111,181
01/10/04		01/10/12	70.50	114,366	—	—	114,366	
10/11/05		10/11/13	89.50	—	136,436	—	136,436	
郭嘉寧	26/06/03	26/06/11	62.50	36,560	—	24,374	12,186	
	01/10/04	01/10/12	70.50	37,607	—	—	37,607	
	10/11/05	10/11/13	89.50	—	44,727	—	44,727	
莊永發	10/11/05	10/11/13	89.50	—	684	—	684	
	26/06/03	26/06/11	62.50	21,649	—	14,433	7,216	
	01/10/04	01/10/12	70.50	24,275	—	—	24,275	
康定豪	10/11/05	10/11/13	89.50	—	32,260	—	32,260	
	26/06/03	26/06/11	62.50	22,516	—	15,011	7,505	
	01/10/04	01/10/12	70.50	24,204	—	—	24,204	
夏德立	10/11/05	10/11/13	89.50	—	30,057	—	30,057	

附註：

各董事於年內行使之購股權已於上文披露。

本公司及各聯繫公司之所有股份及相關股份權益均屬好倉。

除上文所披露外，各董事或彼等之聯繫人士概無擁有本公司或聯繫公司已發行股本或購股權之權益。

本公司股本之主要權益

於二零零五年十二月三十一日，按證券及期貨條例第336條規定備存之登記冊，本公司獲悉下列股東擁有本公司已發行股本5%或以上之權益：

名稱	每股面值0.50元之股份數目	
	所持普通股	佔已發行股份總數之百分比
立端利有限公司(附註一)	245,720,800	65.78%
香港中央結算(代理人)有限公司	66,707,356	17.86%
Conroy Assets Limited(附註二)	13,624,600	3.65%
Hamstar Profits Limited(附註二)	10,078,400	2.70%

附註：

- 由於生力公司持有生力國際有限公司(「國際生力」)之控股權益，國際生力持有生力控股有限公司(「生力控股」)之控股權益，生力控股持有生力啤酒國際有限公司(「生力國際」)之控股權益，而生力國際則持有立端利有限公司之控股權益，故此生力公司、國際生力、生力控股與生力國際均被視為持有上述所披露之立端利有限公司持有本公司之權益。
- 李嘉誠先生、長江實業(集團)有限公司、Li Ka-Shing Unity Trustee Company Limited、Li Ka-Shing Unity Trustee Corporation Limited及 Li Ka-Shing Unity Trustcorp Limited 均被視為持有上述所披露之Conroy Assets Limited(「Conroy」)及Hamstar Profits Limited(「Hamstar」)持有本公司之權益。Conroy及Hamstar持有之總權益超過本公司已發行股本5%，須根據證券及期貨條例作出披露。

所有本公司之股份權益均屬好倉。

除上述外，並無其他權益須按證券及期貨條例第336條規定備存之登記冊通知本公司。

足夠公眾持股量

根據市場消息及公司董事理解，在此年報發佈日，本公司保持上市規則指定之公眾持股量。

董事之合約權益

根據一九六三年六月十二日訂立之協議，立端利有限公司向本公司提供技術及顧問服務，並可收取總經理機構酬金。其中，蔡啓文先生、郭嘉寧先生、莊永發先生、康定豪先生、夏德立先生、文達紳先生及韋樂和先生因擁有立端利有限公司之最終控股公司生力公司之股權，或為生力公司之董事，均可從此合約中獲取利益。自一九九五年財政年度起，本公司並無支付總經理機構酬金，而立端利有限公司亦無向本公司收取總經理機構酬金。

除上文所披露者外，於本財政年度間及年終，本公司董事於本公司或任何關連公司(控股公司、附屬公司或同系屬公司)所訂立之任何重大合約中，概無擁有重大權益。

董事會報告

關連交易

為符合上市規則，本公司與生力公司(本公司之最終控股公司)，於二零零五年三月十一日訂立一份協議書規定本集團成員公司與生力集團成員公司間所進行持續關連交易之條款。該協議書將於二零零七年十二月三十一日期滿。根據該協議書，本集團於年內進行下列持續關連交易。每項持續關連交易預期不會超越下列上限。

該協議書在二零零五年四月七日舉行之股東特別大會中獲得獨立股東批准。

以港幣千元計算

	2005 實額	2005 上限	2006 上限	2007 上限
本集團向生力集團購買包裝材料 (包括啤酒罐、啤酒樽、蓋及膠箱)	33,255	47,800	92,600	105,700
本集團向生力集團購買已包裝啤酒	2,716	4,300	4,700	5,000
本集團向生力集團銷售已包裝啤酒	40,490	46,100	53,600	60,700
本集團直接向若干國家(香港、澳門及 中國除外)之客戶銷售已包裝 啤酒而由本集團向生力集團支付佣金	1,037	1,100	1,300	1,600

年度持續關連交易經本公司獨立非執行董事審核並確認該等交易：

- (i) 循本集團日常業務；
- (ii) 按照該協議書及一般的商業條款，而對本公司有關股東均公平及合理地進行；及
- (iii) 年度之持續關連交易總額不超逾於二零零五年三月十一日公佈披露之上限。

本公司已接獲核數師函件報告確認有關持續關連交易：

- (1) 經由本公司董事會董事批准；
- (2) 乃按照本公司的定價政策而進行；
- (3) 乃根據二零零五年三月十一日簽訂的協議條款；及
- (4) 並無超逾二零零五年三月十一日公告披露之上限。

退休金計劃、員工及薪酬

本公司及香港附屬公司均有為本地全職僱員提供非供款定額福利退休金計劃，香港生力啤酒廠有限公司退休基金（「基金」），並於一九九五年九月根據職業退休計劃條例註冊。基金乃以信託形式正式成立。資產乃由一獨立管理之基金持有。退休福利乃根據僱員之最後薪金及其服務年期計算，定額退休福利之供款乃根據獨立精算師之專業意見而釐定。精算師定期為此計劃作出評估，一般為每三年評估一次。

基金福利經修訂後符合強積金條例，並已於二零零零年七月二十四日獲得強制公積金計劃管理局豁免。

本公司按法例選出德盛安聯資產管理香港有限公司為強積金另一服務供應商，為不欲參加或保留於本公司現有基金之僱員提供強積金服務。強積金計劃乃一項經由獨立信託人管理之定額供款計劃。在強積金計劃中，僱主及其僱員須各自根據僱員之有關收益，上限為每月20,000元，向計劃供款5%。強積金供款即時歸屬僱員。

中國附屬公司之僱員乃中國政府所推行之中央退休計劃成員。附屬公司須為此計劃供款，款額為僱員薪金若干百分比。中央退休計劃供款即時歸屬僱員。附屬公司於有關該中央退休金計劃之唯一財務承擔乃按月定期供款。

最近一次精算評估香港生力啤酒廠有限公司退休基金於二零零五年十二月三十一日進行，評估如下：

- (甲) 基金之精算師為黃偉雄先生，加拿大及美國精算師公會會員。精算評估乃採用已達到年齡法。估值時所採用之其他主要假設為：投資回報率每年7%；長期薪金相繼每年增長3%；二零零一年香港人之死亡率；正常退休年齡為60歲；提前退休比率由55至60歲。
- (乙) 基金之資產於二零零五年十二月三十一日之未審核市值為8,140萬元。
- (丙) 基金精算師建議之最低供款比率：二零零六年為薪金之16%，二零零七年為薪金之19%而二零零八年為薪金之20%。
- (丁) 於二零零五年十二月三十一日之即時遣散基金虧蝕為2,490萬元，即此基金之責任獲基金資產保障達77%。

另外，因應財務報表的需要，根據香港會計準則第19條《員福利》，在二零零五年十二月三十一日進行了一次獨立性評估。評估詳情載於財務報表附註29。

本集團之員工人數及員工薪酬詳情載於本年報第3頁。

董事會報告

買賣或贖回本公司之上市股份

截至二零零五年十二月三十一日止年度內，本公司或其附屬公司概無買賣或贖回任何上市股份。

五年賬目摘要

本集團過去五年之業績、資產及負債摘要，載於本年報第77頁。

最佳應用守則

有關本公司遵守公司管治常規的重點載於本年報第17至22頁中之公司管治部分。

確認獨立性

根據上市規則第3.13條所載的指引，每名獨立非執行董事已向本公司確認其年度之獨立性，本公司認為所有獨立非執行董事確屬獨立人士。

核數師

本公司在即將舉行之股東週年大會上將提呈決議案續聘畢馬威會計師事務所為本公司核數師。



主席
蔡啓文

香港，二零零六年二月二十四日

截至二零零五年十二月三十一日止年度

致力維持企業管治水平

本公司堅決致力維持有關法定及監管標準，並緊守企業管治之原則，強調透明、獨立、問責、負責及公平。本公司的董事會及高級管理人員確保訂有有效的自我監管常規，以保障本公司股東的利益，當中包括由極出色之成員組成的董事會、董事委員會及有效的內部制度及監控。

截至二零零五年十二月三十一日止年度（「回顧年度」），本公司一直應用香港聯合交易所有限公司證券上市規則（「上市規則」）附錄14所載《企業管治（常規）守則》（「該守則」）條文的原則，惟下文所述的偏離行為除外。以下各節載述本公司於回顧年度內應用該守則內的標準，包括任何偏離行為。

董事會

本公司業務的管理及監控歸屬於董事會。董事會的職責在於為本公司股東創造價值，定下本公司的策略方向，以此設定本公司的目標及計劃，領導員工並確保公司具備所需資源以達成該等目標。董事會須盡責兼有效地管理本公司，因此，每位董事均須確保其本著真誠履行職責，符合適用法律及規例的標準，並時刻為本公司及其股東的最佳利益行事。

在各項內部監控及權力制衡機制下，董事會與執行管理層的職責均有清晰的界定。董事會已將一部分責任轉授予本公司執行管理層。該等責任包括：執行董事會的決定，根據董事會所批准的管理策略及計劃，組織及指示本公司的日常運作和管理；編撰及監察每年生產計劃及營運預算；以及控制、督導及監察資本、技術及人力資源。

於回顧年度內，董事會曾舉行超過四次會議。財務總裁兼公司秘書出席了所有預定董事會會議，以報告有關企業管治、風險管理、法例遵守、會計及財務方面的事宜。

於回顧年度內，各董事出席全體董事會會議及委員會會議的次數載於下表。括號內的數字指有關人士為董事會成員或董事委員會成員（視屬何情況而定）期間內的最多會議次數。

	附註	預定董事會 會議	審核委員會 會議	薪酬委員會 會議	提名會議
獨立非執行董事					
李國寶爵士		1/(4)	0/(2)	不適用	1/(3)
吳維新先生		3/(4)	2/(2)	不適用	2/(3)
韋以安先生		1/(4)	1/(2)	不適用	0/(3)
李民橋先生 (李國寶爵士之替任董事)		3/(4)	2/(2)	不適用	2/(3)
執行董事					
莊永發先生	(i)	1/(1)	不適用	不適用	1/(1)
鄧利民先生	(ii)	4/(4)	不適用	不適用	3/(3)
文華寧先生	(iii)	1/(1)	不適用	不適用	1/(1)
非執行董事					
蔡啟文先生(主席)	(iv)	4/(4)	不適用	不適用	3/(3)
郭嘉寧先生(副主席)	(v)	3/(4)	不適用	不適用	2/(3)
康定豪先生	(vi)	4/(4)	不適用	不適用	3/(3)
戴豐盛先生	(vii)	0/(0)	不適用	不適用	0/(0)
魏文迪先生	(viii)	2/(2)	不適用	不適用	2/(2)
夏德立先生	(ix)	4/(4)	不適用	不適用	3/(3)
文達紳先生		2/(4)	不適用	不適用	2/(3)
施雅高先生	(x)	0/(0)	不適用	不適用	0/(0)
韋樂和先生		2/(4)	不適用	不適用	2/(3)

附註：

- (i) 於二零零五年十二月九日獲委任為執行董事。
- (ii) 於二零零五年十二月九日辭去執行董事的職務。
- (iii) 於二零零五年四月十五日辭去執行董事的職務。
- (iv) 於二零零五年六月十日由非執行董事調任為主席。
- (v) 於二零零五年六月十日由非執行董事調任為副主席。
- (vi) 於二零零五年二月二十四日獲委任為非執行董事。
- (vii) 於二零零五年二月二十三日辭去非執行董事的職務。
- (viii) 於二零零五年六月十日辭去主席及非執行董事的職務。
- (ix) 於二零零五年二月二十四日獲委任為非執行董事。
- (x) 於二零零五年二月二十三日辭去非執行董事的職務。

主席與最高行政人員

董事會主席為蔡啟文先生，而行政總裁(在本公司為執行董事)為莊永發先生。主席與執行董事的角色均有清晰界定，以確保其獨立、問責及責任性。

主席帶領制訂本公司的整體策略及政策；確保董事會有效發揮其功能，包括遵守良好企業管治常規；以及鼓勵董事積極參與董事會活動及建立執行董事與非執行董事之間的良好關係。主席亦確保與本公司股東有效溝通，而董事亦收到足夠及齊備的資料。副主席的角色由郭嘉寧先生擔任。

執行董事在其他董事會成員及高級管理人員的支持下負責管理本公司的日常業務。彼亦須向董事會承擔本公司的整體策略的實行以及在整體業務運作上的協調工作。

董事及董事的獨立性

董事會現時包括九位非執行董事及一位執行董事。其中三位非執行董事為獨立非執行董事。

根據本公司的組織章程細則，在每年的股東週年大會上，董事中的三分之一(包括非執行董事)須卸任、輪換及重新選舉。

非執行董事

非執行董事須參與董事會活動，尤其是在設立遴選程序以確保董事及高級人員由能幹的人士組成；採納內部權力制衡制度；檢查本公司在達到協定的企業指標及目標方面的表現；以及確保董事會在根據組織章程細則、附例及適用法律、規則及規例賦予董事會的權力範圍內行使其權力。

獨立性

本公司獨立非執行董事均為在會計、財務及商界等廣具專業知識及經驗的高技巧專業人員。彼等的技能、專業知識及在董事會的數目，確保具高獨立性的意見及判斷以供董事會商討，而有關意見及判斷在董事會的決策過程中亦具有影響力。彼等的出席及參與亦使董事會能嚴格遵守財務及其他強制報告規定，並提供足夠權力制衡，保障本公司股東及本公司的利益。

每名獨立非執行董事，每年均向本公司確認其獨立性。根據上市規則第3.13條所載的指引，本公司認為有關董事確屬獨立人士。

每位董事按合理要求，可在其可能認為適當或有需要的情況下尋求獨立專業意見，以履行其對本公司的責任，費用由本公司支付。

問責及內部監控

董事承認彼等有編製本公司於回顧年度內的財務報表所載的一切資料及陳述的責任。董事認為，財務報表已遵照香港公認會計守則編製，並反映根據董事會及管理層的最佳估計，合理、知情及審慎地判斷，已適當考慮到重要事項後所得的數額。於二零零五年十二月三十一日，據董事經適當查詢後所知，並無任何重要事件或情況可能質疑本公司持續經營的能力。因此，董事已按持續經營基準編製本公司的財務報表。

本公司現正發展檢討其內部監控系統是否有效的程序。根據該守則，本公司每年檢討其內部監控系統一次是否有效的規定，於截至二零零六年十二月三十一日止財政年度才開始適用於本公司。

企業管治報告

表現發展

為協助董事履行其職責，本公司為每位新委任的董事在其首次獲委任時提供全面的公司介紹計劃，有關董事在計劃內獲提供有關本公司組織及業務的資料；董事會、董事委員會及高級管理層的成員、職責及責任；企業管治(常規)守則及程序；以及本公司業務的最新財務資料。除有關資料外，彼等亦會參觀本公司的主要廠房，並與主要高級行政人員會面。

在彼等的任期內，董事將獲提供本公司業務資料的更新、上市規則及其他適用法律及監管規定的最新發展、企業社會責任事宜，以及影響到本公司的其他變動。

董事委員會

審核委員會

於回顧年度內，審核委員會由三位獨立非執行董事組成：吳維新先生、韋以安先生及審核委員會主席李國寶爵士。於二零零五年，審核委員會曾開會兩次，整套會議紀錄由公司秘書保存。個別委員會成員出席該等會議的情況載於上文的列表。

根據其職權範圍，審核委員會須協助董事會履行其有關財務匯報、內部監控架構、風險管理制度，以及內部及外聘審核功能的企業管治及監察責任。審核委員會亦獲董事會授權調查其職權範圍內的任何活動，並須根據有關調查向董事會建議合適的行動。審核委員會在履行其職能時可無限制地接觸合適人士、紀錄、內部及外聘核數師、風險評估及保證及高級管理人員。

於二零零五年，審核委員會履行其責任如下：

- (a) 就外聘核數師的重新委任向董事會提供建議，以及批准外聘核數師的薪酬及聘用條款；
- (b) 按適用的標準監察外聘核數師是否獨立客觀及核數程序是否有效；與外聘核數師討論核數性質及範疇及有關申報責任；
- (c) 執行本公司有關外聘核數師提供非核數服務的政策；
- (d) 審閱本公司的財務報表及本公司年度及中期報告及核數師報告，並監察其完整性，以確保有關資料真實而平衡地評估本公司的財務狀況；
- (e) 檢討本公司的財務監控、內部監控及風險管理制度，以確保管理層已履行職責建立有效的內部監控系統；
- (f) 協調內部和外聘核數師的工作，確保內部核數功能在本公司內部有足夠資源運作，並且有適當的地位；
- (g) 檢討本公司的財務及會計政策及實務；
- (h) 檢查外聘核數師給予管理層的函件、外聘核數師就會計紀錄、財務賬目或監控系統向管理層提出的任何重大疑問及管理層作出的回應；及
- (i) 就《企業管治(常規)守則》所載有關審核委員會的事宜向董事會匯報。

審核委員會獲董事會授權，若其認為在履行其職能時有需要，可徵詢外部法律或其他獨立專業意見，及邀請具有相關經驗及專業知識的外部人士出席。審核委員會獲本公司供給充足資源以履行其職責。本公司任何股東均可要求查閱審核委員會的職權範圍，而職權範圍亦會登載於本公司的網站上。

薪酬委員會

薪酬委員會已於二零零五年十二月九日妥為組成，成員包括三位獨立非執行董事(即：李國寶爵士、吳維新先生及韋以安先生)及兩位非執行董事(即：康定豪先生及郭嘉寧先生)。薪酬委員會將會由一位獨立非執行董事擔任主席。

由於薪酬委員會最近於二零零五年十二月九日方妥為組成，故根據該守則其職能仍有待履行。第一次薪酬委員會會議定於二零零六年二月二十四日舉行。

薪酬委員會根據其職權範圍的主要角色為支援董事會對本公司股東有關(a)制訂將得以執行並使本公司能吸引及挽留優秀行政人員及董事一致的薪酬政策及常規；(b)根據行政人員的表現及本公司的業績，以及宏觀支薪環境，公平及盡責地酬賞行政人員；及(c)符合有關董事酬金的守則條文的責任，並向董事會提供意見，方式如下：

- 釐定行政人員及董事的薪酬政策；
- 與主席或執行董事就彼等有關酬金的建議書進行諮詢後，釐定執行董事的酬金；
- 檢討及批准直接向執行董事匯報的行政人員及(倘適用)其他高級管理人員的酬金；及
- 檢討及批准所有權益為本計劃。

薪酬委員會有權索取其認為在履行其職責時有需要的任何資料，包括取得合適的外部意見而費用由本公司支付的權利。薪酬委員會獲本公司供給充足資源以履行其職責。本公司任何股東均可要求查閱薪酬委員會的職權範圍，而職權範圍亦會登載於本公司的網站上。

於回顧年度內，董事會曾於四次預定董事會會議其中一次討論酬金相關事宜，並根據本公司的組織章程細則制訂其成員及主要高級行政人員酬金的政策。除郭嘉寧先生、李國寶爵士及韋以安先生外，全體董事均有出席該次預定董事會會議。每位董事均獲支付50%全年袍金，主席及董事現時袍金分別為8萬港元及5萬港元。

根據本公司的組織章程細則董事會亦已釐定有關補選董事因履行其職責時所引致之開支的政策。董事及高級管理人員於截至二零零五年十二月三十一日止年度的酬金詳情載於財務報表附註9及35(b)。

企業管治報告

董事提名

本公司董事負責就董事提名及委任以及董事會延續而向董事會提供建議，以供考慮及批准，目的是委任具有相關經驗及能力的人士加入董事會，以維持及改善本公司的競爭力。董事會制訂政策，檢討董事會規模、結構及組成，並根據上市規則及該守則所指明的準則評估其獨立非執行董事的獨立性。

董事進行證券交易的守則

本公司已根據上市規則附錄10所載的《上市公司董事進行證券交易的標準守則》採納有關證券交易及買賣的守則（「操守守則」）。操守守則條款比《標準守則》所訂標準更高，而操守守則亦適用於該守則所界定的所有有關人士，包括本公司董事、本公司任何僱員、或本公司的附屬公司或控股公司的董事或僱員，而彼等因有關職位或受僱工作而可能擁有關於本公司或其證券的未公佈股價敏感資料。

在向本公司所有董事作出特定查詢後，彼等已書面確認彼等於回顧年度內有遵守操守守則所訂的標準。

外聘核數師

畢馬威會計師事務所獲本公司股東於股東週年大會上委任為本公司於回顧年度的外聘會計師。有關畢馬威會計師事務所的二零零五年法定核數服務的數額230萬元（二零零四年：220萬元）已扣自本公司及其附屬公司的二零零五年財務報表。本公司就畢馬威會計師事務所於回顧年度內為本公司及其附屬公司提供其他非核數服務（即稅款計算及企業管治審閱）所支付的數額為40萬元（二零零四年：無）。

外聘核數師有關財務匯報的責任載於第76頁「核數師報告」一節。

與股東的溝通

本公司相當重視與其股東及投資者建立有效溝通。為達到有效溝通，本公司在其年報內提供有關本公司及其業務的資料，亦以電子方式透過其網站www.sanmiguel.com.hk發布有關資料。

本公司視股東週年大會為重要事項，因其提供董事會與其股東直接溝通的機會。全體董事、高級管理人員及外聘核數師均盡力出席本公司股東週年大會，以回應股東提問。本公司各股東均獲有關本公司股東週年大會舉行時間及地點最少21日的通知。本公司支持該守則內鼓勵股東參與的原則。

董事

蔡啟文 主席
 郭嘉寧 副主席
 莊永發 執行董事

非執行董事

Minerva Lourdes Bibonia
 Ma. Belen C. Buensuceso
 康定豪
 黃思民

獨立非執行董事

李國寶，GBS, JP
 吳維新
 韋以安
 李民橋，李國寶GBS, JP之替任董事

截至此報告日期，董事資料如下：

蔡啟文先生，BSME，五十二歲，於一九九八年十一月二十七日獲委任。蔡啟文先生現為香港生力啤酒廠有限公司主席及生力公司副主席、總裁及營運總裁。

郭嘉寧先生，BSc, BA, MBE，五十九歲，於一九九一年三月二十二日獲委任，現任香港生力啤酒廠有限公司副主席及薪酬委員會成員。郭嘉寧先生是生力集團啤酒企業總裁，亦是本公司控股股東立端利有限公司之董事。

莊永發先生，MSc，五十九歲，於二零零五年十二月九日獲委任為香港生力啤酒廠有限公司執行董事。莊先生在中國啤酒業工作逾十七年，具有中國多間附屬公司的資深管理經驗。

Minerva Lourdes BIBONIA女士，BSc，四十七歲，於二零零六年二月二十四日獲委任，現任生力公司市場企業部高級副總裁。Bibonia女士亦是香港生力啤酒廠有限公司之控股股東生力啤酒國際有限公司董事。Bibonia女士在菲律賓及國際市場銷售方面擁有二十五年經驗。

Ma. Belen C. BUENSUCESO女士，MBA, BSc，五十二歲，於二零零六年二月二十四日獲委任，現任生力公司企業發展部高級副總裁。Buensuceso女士亦是生力公司多間附屬公司之董事。Buensuceso女士在發展策略計劃及財務分析方面擁有超過三十年經驗。

康定豪先生，BA Econ，五十四歲，於二零零五年二月二十四日獲委任，為本公司薪酬委員會成員。康定豪先生現任生力公司高級副總裁及財務總監兼司庫。康先生亦為本公司之控股股東生力集團有限公司及生力啤酒國際有限公司之董事。

黃思民先生，MBA, BSME，五十七歲，於二零零六年二月二十四日獲委任，現任生力公司高級副總裁及菲律賓可口可樂公司總裁。黃思民先生亦是生力公司多間附屬公司之董事。黃先生在公司管理及銷售方面擁有超過二十五年經驗。

李國寶爵士，GBS, OBE, JP, The Order of the Rising Sun, Gold Rays with Neck Ribbon, Officier de la Legion d'Honneur，六十六歲，於一九九一年三月二十二日獲委任，為本公司之獨立非執行董事兼審核委員會主席及薪酬委員會成員。李國寶爵士是東亞銀行有限公司主席兼行政總裁，並出任多間香港及海外公司之董事。李爵士現為香港行政會議成員及立法會議員。李爵士同時出任香港華商銀行公會有限公司及香港管理專業協會主席。李爵士亦是銀行業務諮詢委員會及外匯基金諮詢委員會之委員，並為財資市場公會之議會成員。

董事及行政管理人員

吳維新先生，六十二歲，於二零零一年四月一日獲委任，為本公司之獨立非執行董事兼審核委員會成員及薪酬委員會主席。吳維新先生是集成匯財(集團)有限公司主席，亦為東華三院(二零零四至二零零六年)總理及中華海外聯誼會之理事。

韋以安先生，六十五歲，於一九九四年三月二十五日獲委任，為本公司之獨立非執行董事兼審核委員會及薪酬委員會成員。韋以安先生現為和記黃埔有限公司全資附屬公司屈臣氏集團之集團董事總經理。在加入和記集團前，曾為英國ASDA董事局之成員。韋先生為美國康乃狄克州互聯網旅遊公司priceline.com之董事。韋以安先生於零售界具有四十多年經驗，並為香港零售管理協會之創會會員及名譽顧問。韋先生為精英體育項目小組委員會成員，香港網球贊助人協會會長及香港青年藝術基金會委員。韋先生亦是香港紅十字會及香港公益金董事會成員，以及香港業餘田徑總會名譽會長。

李民橋先生，MA, MBA, LPC，三十二歲，於二零零二年八月一日獲委任為李國寶爵士之替任董事。李民橋先生自二零零二年起出任東亞銀行有限公司總經理兼企業銀行處主管。李先生為中國人民政治協商會議第九屆廣東省委員會、第九屆及第十屆廣州市委員會成員、中華全國青年聯合會委員及北京市青年聯合會第九屆委員會副主席。李先生亦擔任香港多間機構之顧問團或委員會委員，包括職業訓練局、香港出口信用保險局及香港中小型企業委員會。李先生為香港海洋公園公司之董事，並出任信和置業有限公司、尖沙咀置業集團有限公司、信和酒店(集團)有限公司及中國建築國際集團有限公司之獨立非執行董事。李先生亦屬英國律師會及香港律師會之會員。李先生乃李國寶爵士之長子。

行政管理人員

莊永發 執行董事
王文彬 財務總裁及公司秘書
朱活明 廣州生力啤酒有限公司董事總經理
譚嘉源 營業總經理
陳兆益 物流總經理

截至此報告日期，各行政管理人員之資料如下：

莊永發先生，執行董事。詳情請參閱第23頁之董事部份。

王文彬先生，MBA, FCPA, FHKIoD, FCCA，四十三歲，財務總裁及公司秘書，於一九九七年加入本公司。王先生於香港及中國擁有二十一年業務經驗，在不同行業出任高級管理及財務職位。

朱活明先生，BBA, MBA，五十二歲，廣州生力啤酒有限公司董事總經理，一九七七年加入本公司。於本公司任職二十八年間，朱先生於啤酒業務、物流、銷售、市務及公關方面均取得豐富經驗。

譚嘉源先生，BBA, MBA，四十七歲，營業總經理，於一九九三年加入本公司。譚先生在香港及中國擁有二十一年銷售及推廣消費品之經驗。

陳兆益先生，BBBA，四十八歲，物流總經理，於一九九八年加入本公司。陳先生於新加坡、香港及中國之物流業務方面具有逾二十年經驗。

茲定於二零零六年四月十一日(星期二)下午二時正假座香港九龍尖沙咀北京道八號朗廷酒店召開香港生力啤酒廠有限公司第四十三屆股東週年大會，處理下列普通事項：

1. 省覽及接納截至二零零五年十二月三十一日止年度之經審核財務報表與董事會及核數師報告書；
2. 重選董事及批核董事袍金；及
3. 委任來年核數師及授權董事會釐定其酬金。

承董事會命
王文彬
公司秘書

香港，二零零六年二月二十四日

附註：

1. 凡有權出席上述大會投票之股東，均有權委任一位或以上之代表出席及代其投票，受委代表無須為本公司股東。
2. 代表委任書須於會議召開前四十八小時送抵本公司於香港新界沙田小瀝源源順圍二十八號都會廣場九樓之註冊辦事處，方為有效。

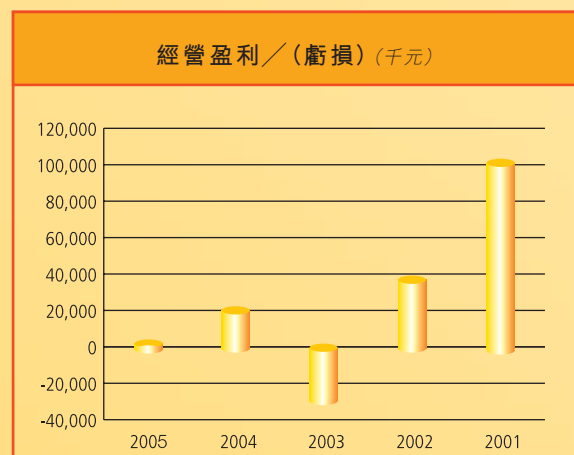
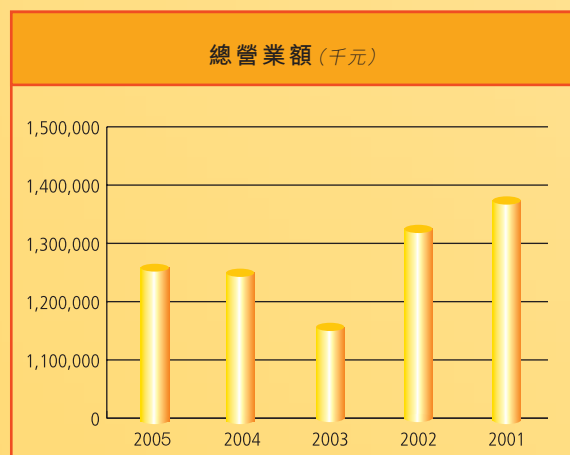
經營統計分析

截至十二月三十一日止年度，除每股股份數據及員工人數外均以港幣千元計算

十年回顧

	二零零五年	二零零四年	二零零三年
總營業額	1,268,346	1,261,232	1,158,649
經營(虧損)/盈利	1,478	19,754	(30,763)
未計特殊項目之(虧損)/盈利	(66,037)	12,504	(36,661)
特殊項目(1)	—	—	—
年度(虧損)/盈利	(66,037)	12,504	(36,661)
稅項連啤酒稅	141,219	135,185	134,986
年度應佔現金股息	3,736	3,736	—
每股現金股息	\$0.01	\$0.01	\$—
固定資產及發展中項目	1,838,164	1,939,135	2,016,646
淨值(2) & (3)	2,077,636	2,135,100	2,121,213
員工薪酬(4)	128,539	122,149	124,480
員工人數(5)	1,151	1,145	1,168

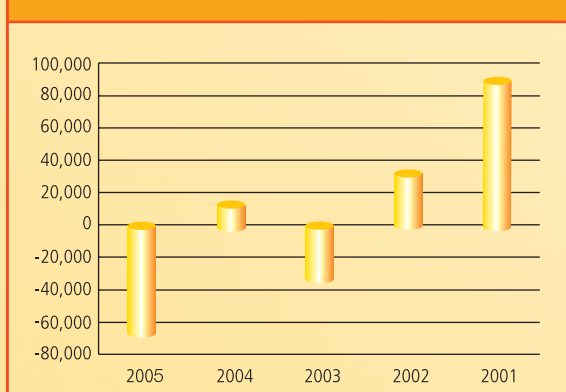
- (1) 一九九六年之特殊項目指出售深井酒廠之盈利。
- (2) 一九九六年至二零零零年之淨值已就股息確認之會計政策改變作出調整。
- (3) 二零零一年至二零零四年之淨值已就少數股東權益之會計政策改變作出調整。
- (4) 員工薪酬已就一九九六年至一九九八年出現之呈報不貫徹而作出更正。
- (5) 員工人數指於年度最後一個工作日之實際員工數目。



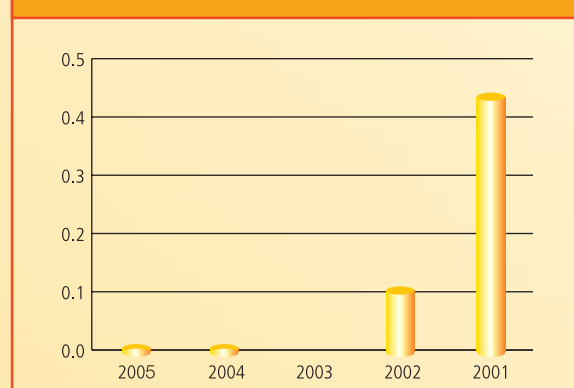
截至十二月三十一日止年度，除每股股份數據及員工人數外均以港幣千元計算

二零零二年	二零零一年	二零零零年	一九九九年	一九九八年	一九九七年	一九九六年
1,326,642	1,376,423	1,433,150	1,342,902	1,378,562	1,317,302	1,410,867
38,942	101,787	100,723	83,737	39,409	10,132	72,784
27,355	90,403	87,657	60,100	17,051	5,492	68,321
—	—	—	—	—	—	115,803
27,355	90,403	87,657	60,100	17,051	5,492	184,124
164,268	170,830	160,745	156,038	170,576	144,620	152,073
37,356	160,636	52,300	41,093	11,207	29,886	59,771
\$0.10	\$0.43	\$0.14	\$0.11	\$0.03	\$0.08	\$0.16
2,083,863	2,156,190	2,214,254	2,276,150	2,347,937	2,396,195	2,462,394
2,166,478	2,268,190	2,233,837	2,193,847	2,170,495	2,157,247	2,227,953
131,168	126,053	127,094	144,121	155,400	147,443	133,838
1,214	1,268	1,276	1,345	1,601	1,655	1,527

年度(虧損)/盈利(千元)



每股現金股息(元)





OUR PEOPLE
我們的員工



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綜合權益變動表	33
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於本報表內所有幣值，除另有註明外，均以港幣計算。

綜合收益表

截至十二月三十一日止年度，除每股股份數據外均以港幣千元計算

	附註	二零零五年	重列 二零零四年
總營業額	3, 14	1,268,346	1,261,232
折扣		(304,457)	(322,948)
銷售成本		(440,817)	(412,141)
啤酒稅及稅項		(156,980)	(160,454)
毛利		366,092	365,689
銷售及分銷開支		(253,337)	(221,972)
行政開支		(104,970)	(111,191)
其他經營開支		(6,307)	(12,772)
經營盈利	4	1,478	19,754
財務費用	5	(6,163)	(2,832)
其他收入	6	15,065	9,615
其他收益／(開支)淨額	6	431	(3,264)
減值虧損	7	(69,869)	(7,737)
除稅前(虧損)／盈利		(59,058)	15,536
所得稅	8	(6,979)	(3,032)
年度(虧損)／盈利	14	(66,037)	12,504
應佔如下：			
本公司權益持有人	11, 31(a)	(35,641)	11,270
少數股東權益	31(a)	(30,396)	1,234
年度(虧損)／盈利	31(a)	(66,037)	12,504
本公司權益持有人的年度應佔股息	12		
年內宣派之中期股息		(3,736)	—
於結算日後擬派之末期股息		—	(3,736)
		(3,736)	(3,736)
每股(虧損)／盈利－基本	13	(\$0.10)	\$0.03

列於第35至75頁之各項附註為本財務報表之一部份。

綜合資產負債表

於十二月三十一日結算，以港幣千元計算

	附註	二零零五年	重列 二零零四年
非流動資產			
固定資產	15(a)		
— 物業、機器及設備		1,648,874	1,746,257
— 投資物業		86,437	88,257
— 在經營租約下自用而持有的租賃土地權益		102,853	104,621
無形資產	16	39,525	39,481
商譽	17	5,044	5,044
退休福利資產	29(a)	3,937	1,888
其他財務資產	19	—	22,287
其他有形資產	20	41,539	—
		1,928,209	2,007,835
流動資產			
存貨	21	50,700	93,408
應收貿易及其他賬項	22	126,743	98,304
應收控股公司及同系附屬公司賬項	23	38,346	29,495
可收回本期稅項	30(a)	798	66
現金及等同現金項目	24	383,331	454,817
		599,918	676,090
流動負債			
銀行貸款(無抵押)	25	(50,408)	(50,552)
應付貿易及其他賬項	27	(126,123)	(120,134)
應付控股公司及同系附屬公司賬項	23	(9,327)	(26,907)
租賃廠房維修撥備	28	(53,208)	—
		(239,066)	(197,593)
流動資產淨值		360,852	478,497
總資產減流動負債		2,289,061	2,486,332
非流動負債			
銀行貸款(無抵押)	25	(95,000)	(195,000)
租賃廠房維修撥備	28	—	(47,968)
遞延稅項	30(b)	(116,425)	(108,264)
		(211,425)	(351,232)
資產淨值		2,077,636	2,135,100
資本及儲備			
股本	31(a)	186,785	186,785
儲備		1,820,487	1,849,764
本公司權益持有人應佔權益		2,007,272	2,036,549
少數股東權益		70,364	98,551
權益總值		2,077,636	2,135,100

經由董事會於二零零六年二月二十四日批准及授權刊發。

董事：



蔡啟文



莊永發

列於第35至75頁之各項附註為本財務報表之一部份。

公司資產負債表

於十二月三十一日結算，以港幣千元計算

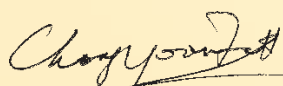
	附註	二零零五年	重列 二零零四年
非流動資產			
固定資產	15(b)	1,020,023	1,051,037
— 物業、機器及設備			
— 在經營租約下自用而持有的租賃土地權益		72,390	74,134
無形資產	16	38,487	38,466
退休福利資產	29(a)	3,937	1,888
附屬公司權益	18	1,215,127	1,216,101
		2,349,964	2,381,626
流動資產			
存貨	21	22,726	32,492
應收貿易及其他賬項	22	86,363	68,240
應收控股公司及同系附屬公司賬項	23	20,115	9,309
現金及等同現金項目	24	19,415	22,502
		148,619	132,543
流動負債			
應付貿易及其他賬項	27	(53,376)	(43,605)
應付控股公司及同系附屬公司賬項	23	(1,611)	(15,017)
		(54,987)	(58,622)
流動資產淨值		93,632	73,921
總資產減流動負債		2,443,596	2,455,547
非流動負債			
銀行貸款(無抵押)	25	(95,000)	(195,000)
應付附屬公司賬項	26	(379,722)	(306,300)
遞延稅項	30(b)	(55,580)	(50,629)
		(530,302)	(551,929)
資產淨值		1,913,294	1,903,618
資本及儲備	31(b)		
股本		186,785	186,785
儲備		1,726,509	1,716,833
權益總值		1,913,294	1,903,618

經由董事會於二零零六年二月二十四日批准及授權刊發。

董事：



蔡啟文



莊永發

列於第35至75頁之各項附註為本財務報表之一部份。

綜合權益變動表

截至十二月三十一日止年度，以港幣千元計算

	附註	二零零五年	重列 二零零四年
一月一日之股東權益：			
先前公佈：			
本公司權益持有人		2,036,549	2,024,059
少數股東權益		98,551	97,154
		<u>2,135,100</u>	<u>2,121,213</u>
直接確認為權益之收入淨額：			
換算外國機構財務報表所產生之匯兌差額	31(a)	16,475	1,075
年內總(虧損)／盈利淨額			
先前公佈：			
本公司權益持有人			11,578
少數股東權益			1,234
			<u>12,812</u>
因會計政策變動所產生之以股份為基礎的支付前期調整	2(b)(i)		(308)
年度(虧損)／盈利淨額(二零零四年重列)	31(a)	(66,037)	12,504
本年度確認之收入及支出總額(二零零四年重列)		<u>(49,562)</u>	<u>13,579</u>
年內已宣派或批准股息		<u>(7,472)</u>	—
因資本交易而產生之權益變動：			
以股份為基礎的支付(二零零四年重列)		495	308
最終控股公司對授出購股權所收之費用		(925)	—
		<u>(430)</u>	<u>308</u>
十二月三十一日之股東權益		<u>2,077,636</u>	<u>2,135,100</u>
本年度確認之收入及支出總額(二零零四年重列)			
應佔如下：			
本公司權益持有人		(21,375)	12,182
少數股東權益		(28,187)	1,397
		<u>(49,562)</u>	<u>13,579</u>
確認之收入及支出總額之調整			
應佔如下：			
本公司權益持有人			(308)
少數股東權益			—
			<u>(308)</u>
調整分析如下：			
— 本年度盈利淨額			(308)
— 本年度直接確認為權益之收入淨額			—
			<u>(308)</u>

列於第35至75頁之各項附註為本財務報表之一部份。

綜合現金流量表

截至十二月三十一日止年度，以港幣千元計算

	附註	二零零五年	重列 二零零四年
業務經營			
除稅前(虧損)／盈利		(59,058)	15,536
就下列事項作出調整：			
在經營租約下自用而持有的租賃土地權益之攤銷		2,506	743
物業、機器及設備之折舊		73,084	78,615
投資物業之折舊		2,156	1,272
減值虧損		69,869	7,737
利息支出		6,016	2,683
利息收入		(10,418)	(4,930)
出售物業、機器及設備之虧損		216	4,040
出售其他有形資產之虧損		4,175	—
樽及膠箱之攤銷		11,466	11,125
商標之攤銷		—	4,031
商譽之攤銷		—	274
以股份為基礎之支付費用		495	308
以外幣兌換之盈利		(1,576)	(133)
營運資本變動前之經營盈利		98,931	121,301
存貨之減少／(增加)		4,098	(29,030)
應收貿易及其他賬項之(增加)／減少		(13,522)	8,222
應收控股公司及同系附屬公司賬項			
之淨額之(增加)／減少		(27,356)	5,085
應付貿易及其他賬項之增加／(減少)		6,263	(1,857)
退休福利資產之增加		(2,049)	(4,099)
租賃廠房維修撥備之增加		4,158	4,066
經營業務之現金流入		70,523	103,688
所得稅			
已付香港利得稅(扣除退回稅項)		(853)	(66)
退回海外稅項		—	6,101
經營業務之現金流入淨額		69,670	109,723
投資業務			
添置物業、機器及設備		(19,740)	(12,403)
購入投資物業		(336)	—
購入商標		(21)	(53)
購入其他有形資產		(20,898)	—
出售物業、機器及設備所得款項		430	1,199
贖回持至到期證券所得款項		—	15,975
已收利息		8,733	5,325
投資業務之現金(流出)／流入淨額		(31,832)	10,043
融資活動			
償還貸款		(100,000)	(15,555)
已付利息		(6,297)	(2,635)
已付股息		(7,472)	—
融資活動之現金流出淨額		(113,769)	(18,190)
現金及等同現金項目之淨額(減少)／增加		(75,931)	101,576
年初現金及等同現金項目結存		454,817	352,964
匯率變動之影響		4,445	277
年終現金及等同現金項目結存	24	383,331	454,817

列於第35至75頁之各項附註為本財務報表之一部份。

1. 主要會計政策

A. 遵守聲明

財務報表乃根據香港會計師公會頒佈之所有適用之香港財務報告準則（「香港財務報告準則」）（包括所有適用的個別香港財務報告準則、香港會計準則（「香港會計準則」）及詮釋的統稱），以及香港公認會計原則而編撰。該等財務報表亦遵守香港聯合交易所有限公司證券上市規則之適用披露規定。本集團採用之主要會計政策概要如下。

香港會計師公會已頒佈多項全新及經修訂之香港財務報告準則及香港會計準則，並於二零零五年一月一日或其後開始之會計年度生效。有關對財務報表內所反映的當期及過往會計期間首次應用該等新及經修訂香港財務報告準則所導致的會計政策變動的資料，已在附註2提供。

B. 編撰財務報表之準則

截至二零零五年十二月三十一日止年度之綜合財務報表包括本公司及其附屬公司（統稱為「本集團」）。

財務報表乃以過往成本為編撰基準。

財務報表的編撰符合香港財務報告準則要求管理層作出會影響政策應用及資產、負債、收入與開支的報告數額的判斷、估計及假設的規定。估計及有關假設乃根據過往經驗及多個相信在有關情況下屬合理的其他因素而作出，其結果成為對在其他來源並不顯然易見的資產與負債賬面值作出判決的基礎。實際結果可能有異於該等估計。

估計及相關假設會持續檢討。對會計估計進行修訂時，若修訂只影響該期間，則修訂會在修訂估計的期間內確認；若修訂影響到當期及未來期間，則在修訂及未來期間確認。

C. 附屬公司

根據香港公司條例，附屬公司為一間本集團直接或間接持有一半以上已發行股本，或控制一半以上投票權，或控制董事會組成之公司。

於附屬公司之投資已於綜合財務報表中綜合入賬。

集團內公司之間之結餘及交易，以及交易所產生之任何未變現盈利，乃於編製綜合財務報表時悉數撇銷。集團內公司之間之交易而產生之未變現虧損，乃以未變現盈利相同之形式撇銷，惟僅限於並無顯示出現減值者。

於結算日之少數股東權益，即並非由公司（不論直接或間接）透過附屬公司擁有之股份權應佔之附屬公司資產淨值部份，於綜合資產負債表及綜合權益變動表內列為權益之一部分，與本公司權益持有人應佔權益分開呈列。於本集團業績的少數股東權益在綜合收益表內以年度總盈利或虧損分配予少數股東權益與本公司權益持有人的方式列報。

倘少數股東應佔虧損超過附屬公司資產淨值之少數股東權益，則超出之款額及少數股東應佔之任何其他進一步虧損乃於本集團之權益中扣除，惟倘少數股東須承擔具約束力之責任及能夠彌補虧損則作別論。該附屬公司日後之所有盈利均分配予本集團，直至先前由本集團承擔原應由少數股東攤佔之虧損得到彌補為止。

於本公司之資產負債表內，於附屬公司之投資乃按成本減除任何減值虧損（見附註1K）列賬。

1. 主要會計政策 (續)

D. 商譽

綜合賬項所產生之商譽，乃指收購成本超逾所購入可資區別資產、負債及或然負債之公平值之差額。

商譽以成本減除任何減值虧損列值。商譽分配至相關的賺取現金單位進行每年減值測試(見附註1K)。

出售賺取現金單位時，有關商譽數額將撥入出售盈虧中計算。

E. 投資物業

投資物業指本身擁有或根據租賃權益持有以賺取租金收入的土地及房產。

投資物業在資產負債表內按成本減累計折舊及減值虧損列值(見附註1K)。折舊乃將投資物業成本減其剩餘價值(如有)，在未屆滿租賃期及其估計可使用年期(不超過50年)兩者中較短期間以直線法計算而撇銷。

投資物業所得租金收入如附註1Q(iii)所述入賬。

F. 物業、機器及設備

(i) 物業、機器及設備在資產負債表內按成本減累計折舊及減值虧損列值(見附註1K)。

(ii) 折舊乃將物業、機器及設備成本減其估計剩餘價值(如有)，在其下述估計可使用年期期間以直線法計算而撇銷：

資產類別	可使用年期
為自用而持有的土地及房產在未屆滿租賃期及其估計可使用年期(不超過50年)兩者中較短期間折舊	二十五年至五十年
機器、設備、傢俬及裝置	四年至五十年
車輛	四年至七年

(iii) 報廢或出售物業、機器及設備項目之盈虧，乃出售所得款項淨額以及有關項目賬面值之差額，並於報廢或出售日期在收益表中確認。

G. 租賃資產

(i) 並未將擁有權之所有風險和利益轉讓之租賃資產，乃列為經營租約。

然而，根據經營租約為自用而持有的土地，若公允價值在租賃開始時不能與位於有關土地上的房產的公允價值分開計量，會作為根據融資租賃持有入賬，除非有關房產亦顯然根據經營租約持有，則作別論。

(ii) 倘本集團根據經營租約使用資產，根據租約所付之款項乃於綜合收益表中以等額在租賃期所涵蓋之會計期間支銷。所得的租賃激勵措施乃作為所作的整體淨租賃付款額的一部分在收益表確認。

(iii) 預付土地租賃在租賃期期間按直線基準攤銷。

H. 無形資產

商標及會所債權證以成本減去任何減值虧損於資產負債表列值，並會每年測試減值一次(見附註1K)。

I. 其他有形資產

其他有形資產為中華人民共和國(「中國」)附屬公司所用的啤酒樽及膠箱。

須退還之啤酒樽及膠箱在資產負債表內按成本減累計攤銷及減值虧損列值(見附註1K)。攤銷乃將啤酒樽及膠箱成本減其剩餘價值，在分別為兩年及七年期間以直線法計算而撇銷。

1. 主要會計政策 (續)

J. 其他投資

- (i) 本集團持有的非上市有期債務證券乃分類為貸款和應收款項，初始按公允價值加交易費用在資產負債表上確認。其後，彼等按攤銷成本減去減值虧損在資產負債表列值(見附註1K)。
- (ii) 投資在本集團及／或本公司承諾購買／出售投資或投資屆滿時確認／終止確認。

K. 資產減值

(i) 有期債務證券投資及其他應收款項的減值

有期債務證券投資以及按成本或攤銷成本列值的其他流動及非流動應收款項，會在每個結算日檢討，以確定有否客觀減值證據。若存在任何有關證據，則按以下方式釐定及確認任何減值虧損：

- 就按成本列值的流動應收款項而言，減值虧損乃按金融工具賬面值與估計未來現金流量(若貼現影響重大，則按類似金融資產的通行市場回報率貼現)兩者之差額計量。若於其後的期間，減值虧損數額減少，則轉回流動應收款項的減值虧損。
- 就按攤銷成本列值的金融資產而言，減值虧損乃按資產賬面值與估計未來現金流量按金融資產原有的實際利率(即在初始確認該等資產時計算的實際利率)貼現的現值兩者的差額計量。

若於其後的期間，減值虧損數額減少，而有關減少可客觀地與在確認減值虧損後發生的事件聯繫，則減值虧損會透過收益表轉回。減值虧損轉回不得導致資產賬面值超過假若過往年度並無確認減值虧損而應得者。

(ii) 其他資產減值

於每個結算日會審核內部及外間資料，以識別下列資產是否已出現減值或之前已確認之減值是否已不存在或減少(惟商譽除外)：

- 投資物業；
- 物業，機器及設備；
- 在經營租約下自用而持有的租賃土地權益；
- 於附屬公司之投資；
- 商譽；
- 無形資產及
- 其他有形資產。

倘若存在任何有關跡象，則會估計資產的可收回金額。此外，就擁有無限可使用年期的商譽及無形資產而言，會每年估計可收回金額，以確定是否有任何減值跡象。

— 計算可收回價值

資產之可收回價值為其售價淨額及使用價值之較高者。於評估使用價值時，估計的未來現金流量乃利用能反映現時市場評估資金時值及資產之特定風險之稅前貼現率，貼現至其現值。倘資產並未能在大致獨立於其他資產下賺取現金流量，則釐訂可獨立賺取現金流量之最小組別資產(即賺取現金單位)之可收回價值。

— 確認減值虧損

每當資產(或其所屬的賺取現金單位)的賬面值超過其可收回金額，即會在收益表確認減值虧損。就賺取現金單位確認的減值虧損，首先會分配予減少賺取現金單位(或一組單位)所獲分配的任何商譽賬面值，其後再按比例減少單位(或該組單位)其他資產的賬面值，惟資產賬面值不會減少至低於其本身的公允價值減銷售成本或使用價值(若能釐定)。

1. 主要會計政策 (續)

K. 資產減值 (續)

(ii) 其他資產減值 (續)

— 撥回減值虧損

就商譽以外之資產而言，倘用以釐訂可收回數額之估計出現轉變，則撥回減值虧損。有關商譽之減值虧損不能撥回。

撥回之減值虧損僅限於倘過往年度並未確認減值虧損而釐訂之資產之賬面值。撥回之減值虧損乃於確認撥回之年度計入綜合收益表。

L. 存貨

物料、供應、現有產品與在製品乃按成本或可變現淨值兩者之較低者估值。成本以加權平均成本法計算，並包括所有購買成本、兌換成本及將存貨達致現時地點與狀況所產生之其他成本。

可變現淨值為日常業務之估計售價減估計完成成本及估計銷售成本。

於出售存貨時，該等存貨之賬面值於確認有關收益期間列作開支。存貨撇減至可變現淨值之數額及所有存貨虧損均於撇減或虧損期間列作開支。因可變現淨值增加所導致之存貨撇減撥回，均於撥回期間列作開支存貨數額之減少。

M. 應收款項

應收款項初始按公允價值確認，其後則按攤銷成本減有關呆壞賬的減值虧損列值(見附註1K)，惟倘若有關應收款項為借予關連人士且並無任何固定還款期的免息貸款，或屬貼現影響不大者，則作別論。在該等情況下，應收款項乃按成本減有關呆壞賬的減值虧損列值(見附註1K)。

N. 付息借款

付息借款初始按公允價值減應佔交易費用確認。於初始確認後，付息借款按攤銷成本列值，成本與贖回價值的任何差異會在借款期間以實際利率法在收益表確認。

O. 應付款項

應付款項初始按公允價值確認，其後則按攤銷成本列值，除非貼現影響不大，在該情況下，則按成本列值。

P. 現金及等同現金項目

現金及等同現金項目指銀行結存及現金、銀行及其他財務機構之活期存款及短期流通性高之投資，而該等投資隨時可兌換成可知數額之現金且無重大變值風險，並為購入後三個月內到期之投資項目。

Q. 收入確認

倘本集團取得經濟效益，而收益及成本能可靠計算(如適用)，則收益將以下列方式在綜合收益表入賬：

- (i) 銷貨收入乃於顧客接受貨品及有關風險後予以入賬。
- (ii) 利息收入乃按實際利率法計算。
- (iii) 根據經營租約而應收之租金收入，乃以等額於租約所涵蓋之會計期間確認。授出租賃激勵措施乃作為所收的整體淨租賃款額的一部分在收益表確認。

1. 主要會計政策 (續)

R. 僱員福利

(i) 短期僱員福利及定額供款退休計劃之供款

薪金、年終花紅、有薪年假、定額供款退休計劃之供款及本集團所提供之非幣值福利均於本集團僱員提供有關服務之年度累計。

(ii) 定額福利退休計劃之承擔

本集團就定額福利退休計劃之承擔之責任淨額，乃透過估計僱員於本期間及以往期間以提供服務所賺取之未來利益金額而計算，在釐定現值時該項利益須予以折讓，並扣除任何計劃資產之公平價值。折讓率為優質公司債券(到期日與本集團履行責任之期限相近)於結算日之收益率。計算工作由合資格精算師採用預計單位信貸法進行。

在計算本集團於一項計劃所承擔之責任時，倘任何累積之未確認精算損益超出定額福利責任現值或計劃資產公平價值(以兩者中之較高者為準)之百分之十，超額部份須於參加計劃之僱員之預計平均剩餘任職年期在綜合收益表確認。除此之外，精算損益概不予確認。

倘在計算本集團所承擔之責任淨額時出現負數，予以確認之資產僅限於任何累積之未確認精算虧損淨額加以往服務成本及日後來自計劃之退款或日後削減之計劃供款等各項目之總和。

(iii) 以股份為基礎的支付

本公司的最終控股公司生力公司(「生力公司」)授予僱員的購股權公允價值會確認為僱員成本，資本繳入儲備亦相應增加。就生力公司就該等購股權向本公司徵收的費用而言，本集團將其與資本繳入儲備互相抵銷，並相應調整負債。

購股權公允價值乃於授出日期使用「柏力克－舒爾斯」期權定價模式計量，並考慮到授出購股權的條款及條件。若僱員須先履行歸屬條件，方可無條件獲發購股權，則購股權的估計公允價值總額會分配予歸屬期間，並考慮到購股權會歸屬的可能性。

於歸屬期間，預期歸屬的購股權數目會進行檢討。於過往年度確認的任何累計公允價值調整會在檢討年度扣自／計入收益表(除非原有僱員開支合資格確認為資產)，而資本繳入儲備亦會相應調整。於歸屬日期，確認為開支的數額會作出調整，以反映歸屬購股權的實際數目。

S. 借貸成本

借貸成本均在產生的期間內在綜合收益表支銷。

T. 所得稅

(i) 本年度之所得稅包括本期稅項及遞延稅項資產負債之變動。

(ii) 本期稅項乃根據本年度應課稅收入，採用於結算日所訂定或大致訂定之稅率計算之預期應付稅項，並就過往年度之應付稅項作出任何調整。

1. 主要會計政策 (續)

T. 所得稅 (續)

(iii) 遞延稅項資產及負債乃分別來自資產及負債項目於財務報表內之賬面值及其稅基所產生之可扣減或應課稅之暫時差異。遞延稅項資產亦可由尚未動用之稅務虧損及尚未動用之稅收抵免所產生。

除若干有限之例外情況外，所有遞延稅項負債及遞延稅項資產(以資產有可能用於抵銷未來應課稅盈利者為限)均會予以確認。

遞延稅項之確認數額乃按資產及負債之賬面值之預期變現或支付形式，採用於結算日所訂定或大致上訂定之稅率計算。遞延稅項資產及負債並無折減。

遞延稅項資產之賬面值乃於各結算日進行審閱，而倘若不再可能有足夠之應課稅盈利以供扣減有關稅項得益，則遞延稅項資產會予以減少。倘若有可能獲得足夠之應課稅盈利，則任何該等減幅均會撥回。

(iv) 本期稅項結餘及遞延稅項結餘乃分開呈列且不予以抵銷。

U. 外幣兌換

年內以外幣進行之交易，均以交易日之匯率換算為港幣。以外幣結算之貨幣資產及負債，則以結算日之匯率換算為港幣。匯兌損益乃計入綜合收益表中。

以外幣過往成本計量的非貨幣資產及負債，乃以交易日期的外幣匯率換算。

外國企業之業績乃按年內平均匯率換算為港幣；資產負債表項目則按結算日之匯率換算為港幣。匯兌差額之變動乃計入儲備內。

出售外國企業而言，有關該外國企業之匯兌差額之累計數額，乃計入出售之損益中。

V. 關連人士

就綜合財務報表而言，凡本集團可直接或間接控制，或於作出財務及營運決策時可行使重大影響力(反之亦然)，或本集團與該人士均受制於共同之監控或共同之重要影響下，均屬本集團之關連人士。關連人士可為個人(即主要管理人員成員、重大股東及／或彼等的近親)或其他機構及可受個人(倘該個人為本集團關連人士)重大影響的其他機構；及提供福利予本集團或為本集團關連人士的任何機構的僱員的退休福利計劃。

W. 分類資料呈報

分類項目為按本集團所從事提供產品或服務(業務分類)或在某一特定經濟環境內提供產品或服務(地區分類)之可區別項目，而每個分類項目所承擔之風險及回報均有所不同。

根據本集團之內部財務報告，本集團已選擇地區分類作為主要呈報方式。

分類收入、開支、業績、資產及負債包括直接撥歸該類別之項目以及可按合理比例分配至該類別之項目。舉例而言，分類資產可包括存貨、應收質易賬項以及固定資產。分類收入、開支、資產及負債乃於綜合賬目過程中，撇除集團間之結餘及交易前釐訂，屬同一類別內集團間之結餘及交易則除外。

分類資本開支為於期內購買預期可使用超過一個期間之分類資產(包括有形及無形)而產生之總成本。

未分配項目主要包括財務及公司資產、計息貸款、借貸、企業及融資開支。

2. 會計政策及會計估計的變動

以港幣千元計算

(a) 會計政策變動—變動性質

香港會計師公會已頒佈多項全新及經修訂之香港財務報告準則，並於二零零五年一月一日或其後開始之會計期間生效。

本集團及／或本公司於採納該等全新及經修訂之香港財務報告準則後的會計政策已於附註1概述。下文列載財務報表所反映有關當期及過往會計期間的會計政策重大變動的資料。

本集團並無應用任何於本會計期間尚未生效的新準則或詮釋(見附註40)。

(i) 購股權計劃(香港財務報告準則第2號「以股份為基礎的支付」)

於過往年度，僱員獲本公司的最終控股公司生力公司(「生力公司」)授出生力公司股份的購股權時，並無確認任何款項。

由二零零五年一月一日開始，為符合香港財務報告準則第2號的規定，本集團已對生力公司所授出的購股權採納新政策。根據此項新政策，本集團將有關購股權的公允價值確認為開支，權益內的資本繳入儲備亦相應增加。就生力公司就購股權向本集團徵收的費用而言，本集團將其與資本繳入儲備互相抵銷，並確認負債。

新會計政策已追溯應用，而比較數字亦已重列，惟本集團已應用香港財務報告準則第2號所載的過渡性規定，據此，新確認及計量政策並無應用於以下所授出的購股權：

- 於二零零二年十一月七日或之前授予僱員之所有購股權；及
- 於二零零二年十一月七日後授予僱員但已於二零零五年一月一日前歸屬的所有購股權。

截至二零零四年及二零零五年十二月三十一日止年度，每個受影響的財務報表項目的調整載於附註2(b)及(c)。

本集團僱員所得的生力公司購股權詳情載於附註32。

(ii) 列報方式變動(香港會計準則第1號「財務報表的列報」及香港會計準則第27號「綜合和單獨財務報表」)

於過往年度，於結算日的少數股東權益在綜合資產負債表與負債分開列報，並作為資產淨值的扣減項目。於本集團年度內業績的少數股東權益在綜合收益表亦分開列報，作為計算得股東(本公司權益持有人)應佔盈利前的扣減項目。

由二零零五年一月一日開始，為符合香港會計準則第1號及第27號的規定，本集團已更改其有關列報少數股東權益的會計政策。根據新政策，於結算日的少數股東權益在綜合資產負債表內列為權益的一部分，與本公司權益持有人應佔權益分開。於本集團業績的少數股東權益在綜合收益表表內以年度總盈利或虧損分配予少數股東權益與本公司權益持有人的方式列報。上述列報方式變動已追溯應用，而比較數字亦已如附註2(b)所示重列。

2. 會計政策及會計估計的變動 (續)

以港幣千元計算

(a) 會計政策變動—變動性質 (續)

(iii) 為自用而持有的租賃土地及房產 (香港會計準則第17號「租賃」)

於過往年度，為自用而持有的租賃土地及房產會列為固定資產(在此財務報表中易名為物業、機器及設備)，並按成本減累計折舊及減值虧損列值。

由二零零五年一月一日開始，為符合香港會計準則第17號的規定，本集團採納有關為自用而持有的租賃土地及房產的新政策。根據新政策，倘若於本集團首次訂立租約時，或從前承租人接手時，或於該等房產的建造日期(倘若為較後者)，位於租賃土地上的任何房產的公允價值與租賃土地權益的公允價值可以分開計量，則持有作自用的租賃土地權益乃按經營租約持有入賬。預付土地租賃款項按直線法在租賃期內攤銷。

位於上述租賃土地上持有作自用的任何房產，繼續列為物業、機器及設備的一部分。

此項新政策已追溯應用，而比較數字亦已如附註2(b)所示重列。對所列報期間的期初保留盈利及損益的淨影響均為零。

(iv) 金融工具 (香港會計準則第32號「金融工具：披露和列報」及香港會計準則第39號「金融工具：確認和計量」)

於過往年度，非上市政府債券乃分類為持至到期證券，並按攤銷成本減撥備列賬。

由二零零五年一月一日開始，根據香港會計準則第39號，於非上市政府債券的投資會分類為貸款和應收款項，並按攤銷成本減去減值虧損列賬。

會計政策變動已經追溯採納，而比較數字亦已重列。保留盈利於二零零五年一月一日的期初結餘並無因而作出調整。

截至二零零四年及二零零五年十二月三十一日止年度，每個受影響的財務報表項目的調整載於附註2(b)及(c)。

(v) 攤銷正額商譽 (香港財務報告準則第3號「企業合併」及香港會計準則第36號「資產減值」)

於過往期間：

- 於二零零一年一月一日前出現的正額商譽於其出現時直接記入儲備中，直至所收購業務出售或減值時，方在收益表內確認；及
- 於二零零一年一月一日或之後出現的正額商譽乃以直線法按其可使用年期攤銷，並在有減值跡象時進行減值測試。

由二零零五年一月一日開始，為符合香港財務報告準則第3號及香港會計準則第36號的規定，本集團已更改其有關商譽的會計政策。根據新政策，本集團不再攤銷正額商譽，而會每年測試減值一次。

此項新政策已根據香港財務報告準則第3號的過渡性安排只在未來期間應用。截至二零零五年十二月三十一日止年度，每個受影響的綜合財務報表項目的調整載於附註2(c)。

同樣根據香港財務報告準則第3號的過渡性安排，先前直接記入儲備的商譽(即於二零零一年一月一日前出現的商譽)將不會於所收購業務出售或減值時或在任何其他情況下在收益表內確認。

2. 會計政策及會計估計的變動 (續)

以港幣千元計算

(a) 會計政策變動—變動性質 (續)**(vi) 關連人士的定義 (香港會計準則第24號「關連人士披露」)**

由於採納香港會計準則第24號「關連人士披露」，附註1V內披露的關連人士定義已經擴大，以澄清關連人士可能為個人(即主要管理人員成員、重大股東及／或彼等的近親)或可受個人(倘該個人為本集團關連人士)重大影響的其他機構；及提供福利予本集團或本集團關連人士的任何機構的僱員的退休福利計劃。主要管理人員酬金的附加披露資料載於財務報表附註35(b)。除此之外，澄清關連人士的定義並無導致先前報告的關連人士交易披露有任何重大改變，對本年度所作的披露(與倘若會計實務準則第20號「關連人士披露」仍然有效則須報告者比較)亦無任何重大影響。

(b) 會計政策變動—重列過往期間結餘

下表披露根據各香港財務報告準則的過渡性規定而對截至二零零四年十二月三十一日止年度的綜合收益表及資產負債表各項目所作的調整。會計政策變動對於二零零四年及二零零五年一月一日結餘的影響在附註31披露。

(i) 對綜合財務報表的影響

截至二零零四年十二月三十一日止年度的綜合收益表

	二零零四年 (先前公佈)	新政策的影響 (年度盈利增加／(減少))		二零零四年 (重列：開支 重新分類前)	開支 重新分類	二零零四年 (重列：開支 重新分類後)
		香港財務報告 準則第2號 (附註2(a)(i))	香港會計 準則第1號 (附註2(a)(ii))			
毛利	365,689	—	—	365,689	—	365,689
分銷開支(於二零零五年財務報表 易名為銷售及分銷開支)	(39,839)	—	—	(39,839)	(182,133)	(221,972)
行政及銷售開支(於二零零五年 財務報表易名為行政開支)	(293,016)	(308)	—	(293,324)	182,133	(111,191)
其他經營開支	(20,509)	—	—	(20,509)	7,737	(12,772)
經營盈利	12,325	(308)	—	12,017	7,737	19,754
財務費用	(2,832)	—	—	(2,832)	—	(2,832)
其他收入	9,615	—	—	9,615	—	9,615
其他開支淨額	(3,264)	—	—	(3,264)	—	(3,264)
減值虧損	—	—	—	—	(7,737)	(7,737)
除稅前盈利	15,844	(308)	—	15,536	—	15,536
所得稅	(3,032)	—	—	(3,032)	—	(3,032)
除稅後盈利	12,812	(308)	—	12,504	—	12,504
少數股東權益	(1,234)	—	1,234	—	—	—
年度盈利	11,578	(308)	1,234	12,504	—	12,504
應佔如下：						
本公司權益持有人	11,578	(308)	—	11,270	—	11,270
少數股東權益	—	—	1,234	1,234	—	1,234
年度盈利	11,578	(308)	1,234	12,504	—	12,504
每股盈利—基本	0.03	—	—	0.03	—	0.03
其他重大披露項目：						
開支(增加)／減少						
—員工薪酬	(136,101)	(308)	—	(136,409)	—	(136,409)

財務報表附註

2. 會計政策及會計估計的變動(續)

以港幣千元計算

(b) 會計政策變動—重列過往期間結餘(續)

(i) 對綜合財務報表的影響(續)

於二零零四年十二月三十一日的綜合資產負債表

	新政策的影響 (資產淨值增加/(減少))				二零零四年 (重列： 結餘重新 分類前)	二零零四年 結餘 重新分類 (附註38)	二零零四年 (重列： 結餘重新 分類後)
	香港財務 報告準則 第2號 (附註2(a)(i))	香港 會計準則 第1號 (附註2(a)(ii))	香港 會計準則 第17號 (附註2(a)(iii))	香港 會計準則 第32號 (附註2(a)(iv))			
非流動資產							
固定資產(在二零零五年度財務報表 內易名為「物業、機器及設備」)	1,939,135	—	(104,621)	—	1,834,514	(88,257)	1,746,257
投資物業	—	—	—	—	—	88,257	88,257
根據經營租約為自用而 持有的租賃土地權益	—	—	104,621	—	104,621	—	104,621
持至到期證券							
—非上市	13,797	—	—	(13,797)	—	—	—
無形資產	33,435	—	—	—	33,435	6,046	39,481
商譽	5,044	—	—	—	5,044	—	5,044
退休福利資產	1,888	—	—	—	1,888	—	1,888
其他資產	8,490	—	—	—	8,490	(8,490)	—
其他財務資產	—	—	—	13,797	13,797	8,490	22,287
	<u>2,001,789</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>2,001,789</u>	<u>6,046</u>	<u>2,007,835</u>
流動資產							
應收貿易及其他賬項	104,350	—	—	—	104,350	(6,046)	98,304
其他流動資產	577,786	—	—	—	577,786	—	577,786
	<u>682,136</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>682,136</u>	<u>(6,046)</u>	<u>676,090</u>
流動負債	<u>(197,593)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(197,593)</u>	<u>—</u>	<u>(197,593)</u>
流動資產淨值	<u>484,543</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>484,543</u>	<u>(6,046)</u>	<u>478,497</u>
總資產減流動負債	<u>2,486,332</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>2,486,332</u>	<u>—</u>	<u>2,486,332</u>
非流動負債	<u>(351,232)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(351,232)</u>	<u>—</u>	<u>(351,232)</u>
少數股東權益	<u>(98,551)</u>	<u>—</u>	<u>98,551</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
資產淨值	<u>2,036,549</u>	<u>—</u>	<u>98,551</u>	<u>—</u>	<u>2,135,100</u>	<u>—</u>	<u>2,135,100</u>
資本及儲備							
本公司權益持有人應佔							
股本	186,785	—	—	—	186,785	—	186,785
儲備							
—資本繳入儲備	—	430	—	—	430	—	430
—其他儲備	173,884	—	—	—	173,884	—	173,884
—保留盈利	1,675,880	(430)	—	—	1,675,450	—	1,675,450
	<u>2,036,549</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>2,036,549</u>	<u>—</u>	<u>2,036,549</u>
少數股東權益應佔	<u>—</u>	<u>—</u>	<u>98,551</u>	<u>—</u>	<u>98,551</u>	<u>—</u>	<u>98,551</u>
總權益	<u>2,036,549</u>	<u>—</u>	<u>98,551</u>	<u>—</u>	<u>2,135,100</u>	<u>—</u>	<u>2,135,100</u>

2. 會計政策及會計估計的變動 (續)

以港幣千元計算

(b) 會計政策變動—重列過往期間結餘 (續)

(ii) 於二零零四年十二月三十一日的公司資產負債表

	新政策的影響 (資產淨值增加/(減少))		二零零四年 (重列： 結餘重新 分類前)	結餘 重新分類 (附註38)	二零零四年 (重列： 結餘重新 分類後)
	香港財務 報告準則 第2號 (附註2(a)(i))	香港 會計準則 第17號 (附註2(a)(iii))			
非流動資產					
固定資產					
(在二零零五年度 財務報表內易名 為「物業、機器及 設備」)	1,125,171	—	1,051,037	—	1,051,037
根據經營租約為 自用而持有的 租賃土地權益	—	74,134	74,134	—	74,134
無形資產	33,435	—	33,435	5,031	38,466
其他非流動資產	1,217,989	—	1,217,989	—	1,217,989
	<u>2,376,595</u>	<u>—</u>	<u>2,376,595</u>	<u>5,031</u>	<u>2,381,626</u>
流動資產					
應收貿易及其他 賬項	73,271	—	73,271	(5,031)	68,240
其他流動資產	64,303	—	64,303	—	64,303
	<u>137,574</u>	<u>—</u>	<u>137,574</u>	<u>(5,031)</u>	<u>132,543</u>
流動負債	<u>(58,622)</u>	<u>—</u>	<u>(58,622)</u>	<u>—</u>	<u>(58,622)</u>
流動資產淨值	<u>78,952</u>	<u>—</u>	<u>78,952</u>	<u>(5,031)</u>	<u>73,921</u>
總資產減流動負債	<u>2,455,547</u>	<u>—</u>	<u>2,455,547</u>	<u>—</u>	<u>2,455,547</u>
非流動負債	<u>(551,929)</u>	<u>—</u>	<u>(551,929)</u>	<u>—</u>	<u>(551,929)</u>
資產淨值	<u>1,903,618</u>	<u>—</u>	<u>1,903,618</u>	<u>—</u>	<u>1,903,618</u>
資本及儲備					
股本	186,785	—	186,785	—	186,785
儲備					
—資本繳入儲備	—	430	430	—	430
—其他儲備	65,739	—	65,739	—	65,739
—保留盈利	1,651,094	(430)	1,650,664	—	1,650,664
	<u>1,903,618</u>	<u>—</u>	<u>1,903,618</u>	<u>—</u>	<u>1,903,618</u>

2. 會計政策及會計估計的變動 (續)

以港幣千元計算

(c) 會計政策變動—會計政策變動對當期的估計影響

下表顯示截至二零零五年十二月三十一日止年度的綜合收益表及資產負債表的每個項目較假設先前的政策在本年度繼續應用所得的數額為高或較之為低的估計。

(i) 對綜合財務報表的影響

對截至二零零五年十二月三十一日止年度的綜合收益表的估計影響

	新政策的影響 (年度虧損(增加)/減少)			總額
	香港財務 報告準則 第2號	香港 會計準則 第1號	香港財務 報告準則 第3號	
	(附註2(a)(ii))	(附註2(a)(ii))	(附註2(a)(v))	
毛利	—	—	—	—
銷售及分銷開支	—	—	—	—
行政開支	(495)	—	—	(495)
其他經營開支	—	—	274	274
經營盈利及除稅前虧損	(495)	—	274	(221)
所得稅	—	—	—	—
除稅後虧損	(495)	—	274	(221)
少數股東權益	—	(30,396)	—	(30,396)
年度虧損	(495)	(30,396)	274	(30,617)
應佔如下：				
本公司權益持有人	(495)	—	274	(221)
少數股東權益	—	(30,396)	—	(30,396)
年度虧損	(495)	(30,396)	274	(30,617)
每股虧損—基本	—	—	—	—
其他重大披露項目：				
開支(增加)/減少				
—員工薪酬	(495)	—	—	(495)
—商譽攤銷	—	—	274	274

2. 會計政策及會計估計的變動 (續)

以港幣千元計算

(c) 會計政策變動—會計政策變動對當期的估計影響 (續)

(i) 對綜合財務報表的影響 (續)

於二零零五年十二月三十一日的綜合資產負債表的估計影響

	新政策的影響(資產淨值增加/(減少))					總額
	香港財務 報告準則 第2號	香港 會計準則 第1號	香港 會計準則 第17號	香港 會計準則 第32號 及第39號	香港財務 報告準則 第3號	
	(附註2(a)(i))	(附註2(a)(ii))	(附註2(a)(iii))	(附註2(a)(iv))	(附註2(a)(v))	
非流動資產						
物業、機器及設備	—	—	(102,853)	—	—	(102,853)
根據經營租約為自用 而持有的租賃土地權益	—	—	102,853	—	—	102,853
商譽	—	—	—	—	274	274
	—	—	—	—	274	274
流動資產						
應收貿易及其他賬項	—	—	—	14,500	—	14,500
持至到期證券—非上市	—	—	—	(14,500)	—	(14,500)
流動負債						
應付控股公司及 同系附屬公司賬項	(925)	—	—	—	—	(925)
流動資產淨值	(925)	—	—	—	—	(925)
總資產減流動負債	(925)	—	—	—	274	(651)
少數股東權益	—	70,364	—	—	—	70,364
資產淨值	(925)	70,364	—	—	274	69,713
資本及儲備						
本公司權益持有人應佔						
儲備						
— 保留盈利	(925)	—	—	—	274	(651)
	(925)	—	—	—	274	(651)
少數股東權益應佔	—	70,364	—	—	—	70,364
總權益	(925)	70,364	—	—	274	69,713

2. 會計政策及會計估計的變動 (續)

以港幣千元計算

(c) 會計政策變動—會計政策變動對當期的估計影響 (續)

(ii) 於二零零五年十二月三十一日的公司資產負債表的影響

	新政策的影響(資產淨值增加/(減少))		
	香港財務 報告準則 第2號 (附註2(a)(i))	香港 會計準則 第17號 (附註2(a)(iii))	總額
非流動資產			
物業、機器及設備 根據經營租約為 自用而持有的 租賃土地權益	—	(72,390)	(72,390)
	—	72,390	72,390
	—	—	—
流動負債			
應付控股公司及 同系附屬公司賬項	(925)	—	(925)
流動資產淨值	(925)	—	(925)
總資產減流動負債 及資產淨值	(925)	—	(925)
資本及儲備			
儲備			
— 保留盈利	(925)	—	(925)
	(925)	—	(925)

(d) 會計估計變動

(i) 商標

於過往年度，商標乃在估計可使用年期10年期間按直線基準攤銷。

於二零零五年一月一日，管理層應用香港會計準則第38號「無形資產」，重新評估商譽的可使用年期。根據此次評估，商標被視為具有無限可使用年期，因商標產品預期可無限地為本集團產生淨現金流入。因此，由二零零五年一月一日開始，商標不會攤銷。由當時開始，商標在資產負債表內按成本(即於二零零四年十二月三十一日的賬面值)減去減值虧損列值，並每年進行減值測試(見附註1K)。

上述會計估計變動的影響為年度攤銷費用及虧損均減少3,896,000元，而商標則增加同等數額。有關變動預期會在以後每個年度減少攤銷費用3,896,000元。

3. 總營業額

本集團之主要業務為製造及分銷樽裝、罐裝及桶裝啤酒。

由於本集團近乎全部營業額均來自該等業務，故並無提供有關業務之分析。

總營業額指所出售產品之發票總值。

4. 經營盈利

以港幣千元計算

	二零零五年	重列 二零零四年
經營盈利已扣除／(計入)下列項目：		
(a) 員工薪酬		
退休金成本		
一定額供款退休計劃	8,933	8,396
一定額福利退休計劃(附註29(a)(ii)及(iii))	6,390	5,556
	15,323	13,952
股本補償福利	495	308
薪金、工資及其他福利	128,539	122,149
	144,357	136,409
(b) 其他項目		
攤銷		
— 預付持作自用的租賃土地款項	2,506	743
— 樽及膠箱		
• 其他有形資產(附註20)	4,681	—
• 存貨	6,785	11,125
— 商標	—	4,031
— 商譽	—	274
折舊		
— 投資物業	2,156	1,272
— 物業、機器及設備	73,084	78,615
存貨成本	434,407	405,129
經營租約費用		
— 土地及房產	9,965	9,578
— 廠房及機器	14,153	13,936
投資物業之租金收入扣除直接費用		
2,143,000元(二零零四年：1,306,000元)	(2,504)	(3,379)
匯兌淨溢利	(486)	(92)
核數師酬金	2,642	2,111

5 財務費用

以港幣千元計算

	二零零五年	二零零四年
銀行貸款利息開支	6,016	2,683
銀行費用	147	149
	6,163	2,832

財務報表附註

6. 其他收入及其他收益／(開支)淨額

以港幣千元計算

	二零零五年	二零零四年
其他收入		
利息收入	10,418	4,930
租金收入	4,647	4,685
	15,065	9,615
其他收益／(開支)淨額		
出售物業、機器及設備之虧損	(216)	(4,040)
其他收益	647	776
	431	(3,264)

7. 減值虧損

以港幣千元計算

	二零零五年	二零零四年
減值虧損：		
— 物業、機器及設備(附註(a)及15)	57,298	5,183
— 其他應收賬項(附註(b))	6,483	—
— 應收貿易賬項	3,094	2,554
— 其他有形資產(附註20)	2,994	—
	69,869	7,737

附註：

- (a) 於一九九零年三月，一附屬公司廣州生力啤酒有限公司(「廣州生力」)與廣州啤酒廠(「廣州啤酒廠」)訂立廠房租賃協議(「該協議」)，據此，廣州生力同意從廣州啤酒廠租用生產廠房、機器及設備作為生產用途，租期為三十年。

廣州生力在中國一直面對激烈競爭。於本年度內，管理層曾對廣州生力業務進行回顧。根據彼等的回顧，管理層計劃於二零零六年上半年終止廣州生力的生產活動，並提早終止該協議。展望未來，廣州生力會將生產活動外判，並將其資源專注於分銷及銷售啤酒。於二零零五年十二月二十八日，廣州生力與廣州啤酒廠就此簽署無約束力諒解備忘錄(「諒解備忘錄」)。根據該諒解備忘錄，廣州生力將於終止該協議後出售其若干物業、機器及設備予廣州啤酒廠。因此，本集團已重新評估有關物業、機器及設備的可收回金額。有關物業、機器及設備的賬面值已撇減56,812,000元至根據諒解備忘錄與廣州啤酒廠初步協定的銷售淨價。

有關終止該協議及終止生產活動之額外成本之進一步詳情已載於附註37。

於本年度內，管理層亦對廣州生力其他物業、機器及設備的可收回金額進行回顧。根據彼等的回顧，若干物業的賬面值已撇減486,000元(二零零四年：5,183,000元)。物業的可收回金額乃根據參考近期市場價格而釐定的估計銷售淨價而釐定。

- (b) 根據該協議的條款，若提早終止該協議，則原有廠房租賃的按金及有關應收利息將予沒收。因此，於年終時，該筆按金及有關應收利息的賬面值已撇減至零元。

8. 綜合收益表之所得稅

以港幣千元計算

(a) 綜合收益表之所得稅如下：

	二零零五年	二零零四年
本期稅項—本地		
本年度撥備	121	—
本期稅項—海外		
過往年度之退稅(附註(i))	—	(6,101)
遞延稅項		
暫時差額之出現及回撥(附註30(b))	6,858	9,133
	6,979	3,032

香港利得稅乃按照本年度之其中一香港附屬公司估計應課稅盈利以稅率17.5%作撥備。母公司及其他香港附屬公司由於承前累計稅項虧損超逾本年度估計應課稅盈利或錄得稅務虧損，故並無在財務報表中就香港利得稅作出撥備。

由於海外附屬公司錄得稅務虧損，故並無於財務報表內就海外稅項作出撥備。

附註：(i) 於二零零四年內，本集團獲中國稅務機關退回一筆稅項，有關退稅乃源於本集團將一家中國附屬公司之保留盈利再投資至該附屬公司之註冊資本上。

(b) 稅項開支與會計(虧損)／盈利之調節：

	二零零五年	重列 二零零四年
除稅前(虧損)／盈利	(59,058)	15,536
按有關稅項司法權區之適用稅率就		
除稅前(虧損)／盈利計算之估計稅項	(18,155)	2,802
不可扣除開支之稅項影響	4,711	1,426
非課稅收入之稅項影響	(1,354)	(632)
未就遞延稅項確認之稅項虧損及		
可抵扣暫時性差異之稅項影響	21,777	5,537
過往年度之退稅	—	(6,101)
實際稅項開支	6,979	3,032

財務報表附註

9. 董事酬金

以港幣千元計算

根據香港公司條例第161條披露之董事酬金如下。

	袍金	薪金及津貼	酌情花紅	股本 補償福利	退休金 供款	二零零五年 總計
執行董事：						
莊永發	1	—	—	—	—	1
鄧利民	24	1,426	63	—	—	1,513
文華寧	7	527	—	64	42	640
非執行董事：						
蔡啟文	33	—	—	—	—	33
郭嘉寧	25	—	—	—	—	25
康定豪	21	—	—	—	—	21
戴豐盛	4	—	—	—	—	4
魏文迪	18	—	—	—	—	18
夏德立	21	—	—	—	—	21
文達紳	25	—	—	—	—	25
施雅高	4	—	—	—	—	4
韋樂和	25	—	—	—	—	25
獨立非執行董事：						
李國寶	25	—	—	—	—	25
吳維新	25	—	—	—	—	25
韋以安	25	—	—	—	—	25
	283	1,953	63	64	42	2,405
	袍金	薪金及津貼	酌情花紅	股本 補償福利	退休金 供款	重列 二零零四年 總計
執行董事：						
鄧利民	25	1,706	—	—	—	1,731
文華寧	25	1,855	—	—	144	2,024
非執行董事：						
蔡啟文	25	—	—	—	—	25
郭嘉寧	25	—	—	—	—	25
戴豐盛	25	—	—	—	—	25
魏文迪	40	—	—	—	—	40
文達紳	25	—	—	—	—	25
施雅高	25	—	—	—	—	25
韋樂和	25	—	—	—	—	25
獨立非執行董事：						
李國寶	25	—	—	—	—	25
吳維新	25	—	—	—	—	25
韋以安	25	—	—	—	—	25
	315	3,561	—	—	144	4,020

上述酬金包括若干董事根據本公司的最終控股公司生力公司的購股權計劃獲授的購股權於授出日期估計的價值。該等實物利益的詳情在附註32披露。

10. 薪津最高之人員

以港幣千元計算

最高薪五名人員中，一名(二零零四年：兩名)為董事，其酬金已於附註9披露。其餘四名(二零零四年：三名)最高薪人員之酬金總額如下：

	二零零五年	重列 二零零四年
薪金及津貼	5,115	3,978
酌情花紅	337	235
股本補償福利	197	113
退休金供款	510	389
	6,159	4,715

上述酬金界乎下列組別：

	二零零五年	人員數目 二零零四年
\$1,000,001至\$1,500,000	2	2
\$1,500,001至\$2,000,000	2	1

11. 本公司權益持有人應佔(虧損)／盈利

本公司權益持有人應佔綜合(虧損)／盈利包括17,578,000元盈利(二零零四年(重列)：7,203,000元)，已計入本公司財務報表(附註31(b))。

12. 股息

以港幣千元計算，每股股份數據除外

(a) 本公司權益持有人之年度應佔股息

	二零零五年	二零零四年
本年度中期股息每股0.01元，(二零零四年：每股零元)(附註31)	3,736	—
結算日後擬派末期股息每股零元(二零零四年：每股0.01元)	—	3,736
	3,736	3,736

截至結算日止，並無宣派二零零五年度之末期股息。於結算日後宣派之二零零四年度之末期股息於二零零四年結算日止尚未確認為負債。

(b) 於年內批准及支付予本公司權益持有人有關過往年度股息

	二零零五年	二零零四年
於年內批准及支付之 有關過往年度末期股息每股0.01元 (二零零四年：每股零元)(附註31)	3,736	—

13. 每股(虧損)／盈利

每股基本(虧損)／盈利乃根據本公司權益持有人應佔虧損共35,641,000元(二零零四年盈利(重列)：11,270,000元)及本年度內已發行之普通股份373,570,560股(二零零四年：373,570,560股普通股)計算。

攤薄之每股(虧損)／盈利並未予列出，因並沒有具攤薄性的潛在普通股存在。

14. 分類資料呈報

以港幣千元計算

本集團按地區分類呈列分類資料。有關地區之分類根據客戶所在位置呈列。由於本集團之營業額及經營業績均來自製造及分銷樽裝、罐裝及桶裝啤酒，故並無提供有關本集團之業務類別分析。

	香港		中國		類別之間撤銷		綜合	
	重列		重列				重列	
	二零零五年	二零零四年	二零零五年	二零零四年	二零零五年	二零零四年	二零零五年	二零零四年
外界客戶收入	703,946	696,997	564,400	564,235	-	-	1,268,346	1,261,232
類別之間收入	35,091	29,815	-	-	(35,091)	(29,815)	-	-
其他收入	4,647	4,685	-	-	-	-	4,647	4,685
總收入	<u>743,684</u>	<u>731,497</u>	<u>564,400</u>	<u>564,235</u>	<u>(35,091)</u>	<u>(29,815)</u>	<u>1,272,993</u>	<u>1,265,917</u>
分類業績	11,658	19,566	(5,101)	1,609			6,557	21,175
未分配經營收入及開支							10,417	4,930
財務成本							(6,163)	(2,832)
減值虧損	(758)	(762)	(69,111)	(6,975)			(69,869)	(7,737)
所得稅							(6,979)	(3,032)
年度(虧損)/盈利							<u>(66,037)</u>	<u>12,504</u>
年內折舊及攤銷	59,053	55,936	30,159	40,124			89,212	96,060
分類資產	1,800,196	1,847,192	714,314	823,882	(4,885)	(7,717)	2,509,625	2,663,357
未分配資產							18,502	20,568
總資產							<u>2,528,127</u>	<u>2,683,925</u>
分類負債	56,142	59,002	137,212	143,262	(4,885)	(7,717)	188,469	194,547
未分配負債							262,022	354,278
總負債							<u>450,491</u>	<u>548,825</u>
年內資本開支	20,898	4,536	17,103	7,920			38,001	12,456
有關地區分類之其他資料：								
根據資產所在位置之								
資產分類	<u>1,626,716</u>	<u>1,720,557</u>	<u>887,794</u>	<u>950,517</u>				
根據資產所在位置分類								
於年內產生之資本開支	<u>14,173</u>	<u>3,044</u>	<u>23,828</u>	<u>9,412</u>				

15. 固定資產

以港幣千元計算

(a) 集團

	物業，機器及設備				(重列) 合計	(重列) 投資物業	(重列) 在經營 租約下自用 而持有 的租賃 土地權益	總計
	(重列) 自用土地 及房產	機器， 設備， 傢俬及裝備	車輛	在建工程				
成本：								
二零零四年一月一日	902,385	1,524,257	31,637	1,343	2,459,622	98,153	111,246	2,669,021
匯兌調整	531	954	39	1	1,525	—	66	1,591
添置	673	9,207	1,367	1,156	12,403	—	—	12,403
出售	(3,809)	(23,843)	(3,874)	(21)	(31,547)	—	—	(31,547)
轉撥自在建工程	9	1,627	—	(1,636)	—	—	—	—
二零零四年十二月三十一日	<u>899,789</u>	<u>1,512,202</u>	<u>29,169</u>	<u>843</u>	<u>2,442,003</u>	<u>98,153</u>	<u>111,312</u>	<u>2,651,468</u>
攤銷、折舊及減值總額：								
二零零四年一月一日	130,457	481,707	25,650	—	637,814	8,624	5,937	652,375
匯兌調整	94	314	34	—	442	—	11	453
年內開支	16,840	60,183	1,592	—	78,615	1,272	743	80,630
減值虧損(附註 7)	4,582	601	—	—	5,183	—	—	5,183
出售撥回	(658)	(22,142)	(3,508)	—	(26,308)	—	—	(26,308)
二零零四年十二月三十一日	<u>151,315</u>	<u>520,663</u>	<u>23,768</u>	<u>—</u>	<u>695,746</u>	<u>9,896</u>	<u>6,691</u>	<u>712,333</u>
二零零四年十二月三十一日 賬面淨值	<u>748,474</u>	<u>991,539</u>	<u>5,401</u>	<u>843</u>	<u>1,746,257</u>	<u>88,257</u>	<u>104,621</u>	<u>1,939,135</u>
成本：								
二零零五年一月一日	899,789	1,512,202	29,169	843	2,442,003	98,153	111,312	2,651,468
匯兌調整	7,082	12,881	486	11	20,460	—	900	21,360
添置	1,587	16,371	290	1,492	19,740	336	—	20,076
出售	(14)	(5,506)	(727)	—	(6,247)	—	—	(6,247)
轉撥自在建工程	—	1,093	—	(1,093)	—	—	—	—
二零零五年十二月三十一日	<u>908,444</u>	<u>1,537,041</u>	<u>29,218</u>	<u>1,253</u>	<u>2,475,956</u>	<u>98,489</u>	<u>112,212</u>	<u>2,686,657</u>
攤銷、折舊及減值總額：								
二零零五年一月一日	151,315	520,663	23,768	—	695,746	9,896	6,691	712,333
匯兌調整	1,521	4,619	415	—	6,555	—	162	6,717
年內開支	19,153	52,622	1,309	—	73,084	2,156	2,506	77,746
減值虧損(附註 7)	7,825	49,161	—	312	57,298	—	—	57,298
出售撥回	—	(5,011)	(590)	—	(5,601)	—	—	(5,601)
二零零五年十二月三十一日	<u>179,814</u>	<u>622,054</u>	<u>24,902</u>	<u>312</u>	<u>827,082</u>	<u>12,052</u>	<u>9,359</u>	<u>848,493</u>
二零零五年十二月三十一日 賬面淨值	<u>728,630</u>	<u>914,987</u>	<u>4,316</u>	<u>941</u>	<u>1,648,874</u>	<u>86,437</u>	<u>102,853</u>	<u>1,838,164</u>

15. 固定資產 (續)

以港幣千元計算

(b) 公司

	物業，機器及設備				(重列) 合計	(重列) 在經營 租約下自用	總計
	(重列) 自用土地 及房產	機器， 設備， 傢俬及裝備	車輛	在建工程		而持有 的租賃 土地權益	
成本：							
二零零四年一月一日	492,086	962,353	8,413	869	1,463,721	74,134	1,537,855
添置	290	1,508	771	299	2,868	—	2,868
出售	—	(15,602)	(1,459)	—	(17,061)	—	(17,061)
轉撥自在建工程	—	939	—	(939)	—	—	—
二零零四年十二月三十一日	<u>492,376</u>	<u>949,198</u>	<u>7,725</u>	<u>229</u>	<u>1,449,528</u>	<u>74,134</u>	<u>1,523,662</u>
攤銷及折舊總額：							
二零零四年一月一日	66,739	295,107	5,565	—	367,411	—	367,411
年內開支	9,200	37,505	1,265	—	47,970	—	47,970
出售撥回	—	(15,556)	(1,334)	—	(16,890)	—	(16,890)
二零零四年十二月三十一日	<u>75,939</u>	<u>317,056</u>	<u>5,496</u>	<u>—</u>	<u>398,491</u>	<u>—</u>	<u>398,491</u>
二零零四年十二月三十一日 賬面淨值	<u>416,437</u>	<u>632,142</u>	<u>2,229</u>	<u>229</u>	<u>1,051,037</u>	<u>74,134</u>	<u>1,125,171</u>
成本：							
二零零五年一月一日	492,376	949,198	7,725	229	1,449,528	74,134	1,523,662
添置	681	12,623	—	5	13,309	—	13,309
出售	—	(1,113)	(565)	—	(1,678)	—	(1,678)
轉撥自在建工程	—	214	—	(214)	—	—	—
二零零五年十二月三十一日	<u>493,057</u>	<u>960,922</u>	<u>7,160</u>	<u>20</u>	<u>1,461,159</u>	<u>74,134</u>	<u>1,535,293</u>
攤銷及折舊總額：							
二零零五年一月一日	75,939	317,056	5,496	—	398,491	—	398,491
年內開支	10,086	33,173	939	—	44,198	1,744	45,942
出售撥回	—	(1,107)	(446)	—	(1,553)	—	(1,553)
二零零五年十二月三十一日	<u>86,025</u>	<u>349,122</u>	<u>5,989</u>	<u>—</u>	<u>441,136</u>	<u>1,744</u>	<u>442,880</u>
二零零五年十二月三十一日 賬面淨值	<u>407,032</u>	<u>611,800</u>	<u>1,171</u>	<u>20</u>	<u>1,020,023</u>	<u>72,390</u>	<u>1,092,413</u>

15. 固定資產 (續)

以港幣千元計算

(c) 土地賬面淨值之分析如下：

	集團		公司	
	二零零五年	二零零四年	二零零五年	二零零四年
中期租賃土地				
— 香港	664,511	679,556	479,422	490,571
— 香港以外	253,409	261,796	—	—
	<u>917,920</u>	<u>941,352</u>	<u>479,422</u>	<u>490,571</u>
分析如下：				
自用土地及房產	728,630	748,474	407,032	416,437
投資物業	86,437	88,257	—	—
在經營租約下自用而持有的租賃土地權益	102,853	104,621	72,390	74,134
	<u>917,920</u>	<u>941,352</u>	<u>479,422</u>	<u>490,571</u>

(d) 經營租約下之固定資產

本集團以經營租約出租投資物業。經營租約一般初步為期二至三年，可選擇於該日後續訂租約，屆時將重新商討所有條款。有關租約概不包括或然租金。

本集團根據不可撤銷經營租約而應收之未來租賃款項如下：

	二零零五年	二零零四年
一年內	3,544	4,005
一年後及五年內	3,194	1,395
	<u>6,738</u>	<u>5,400</u>

(e) 投資物業於二零零五年十二月三十一日之市場價值為42,586,000元(二零零四年：33,255,000元)以公開市值為準則作出重估。估值乃由獨立測量師行中原測量師行有限公司進行，其職員包括香港測量師學會的資深專業會員，在所估值房產的地區及類別具有相關經驗。

16. 無形資產

以港幣千元計算

(a)

	集團		公司	
	二零零五年	二零零四年	二零零五年	二零零四年
商標	33,456	33,435	33,456	33,435
會所債權證	6,069	6,046	5,031	5,031
	<u>39,525</u>	<u>39,481</u>	<u>38,487</u>	<u>38,466</u>

(b) 有關商標年內之變動如下：

	集團及公司	
	二零零五年	二零零四年
成本：		
一月一日	39,093	39,040
添置	21	53
十二月三十一日	<u>39,114</u>	<u>39,093</u>
攤銷總額：		
一月一日	5,658	1,627
年內開支	—	4,031
十二月三十一日	<u>5,658</u>	<u>5,658</u>
十二月三十一日賬面淨值	<u>33,456</u>	<u>33,435</u>

由二零零五年一月一日開始，有關商標將不作攤銷，詳情在附註2(d)內列明。

於截至二零零四年十二月三十一日年度內之攤銷支出已計入綜合收益表之「其他經營開支」內。

有關商標之減值測試將在附註17內說明。

財務報表附註

17. 商譽

以港幣千元計算

	集團	
	二零零五年	二零零四年
成本：		
一月一日	5,478	5,478
為撇銷累計攤銷而作的期初結餘調整	(434)	—
十二月三十一日	5,044	5,478
攤銷總額：		
一月一日	434	160
年內開支	—	274
於二零零五年一月一日與成本互相抵銷	(434)	—
十二月三十一日	—	434
十二月三十一日賬面淨值	5,044	5,044

於二零零四年，並未記入儲備中之正額商譽乃以直線法按20年攤銷。截至二零零四年十二月三十一日之年度內攤銷支出已計入綜合收益表之「其他經營開支」內。

誠如附註2(a)(v)所進一步詳述，由二零零五年一月一日開始，本集團不再攤銷商譽。根據香港財務報告準則第3號的過渡性規定，商譽於二零零五年一月一日的累計攤銷已於該日與商譽成本互相抵銷。

包含商譽及商標的賺取現金單位的減值測試

商譽乃由於在截至二零零三年十二月三十一日止年度內收購生力(廣東)啤酒有限公司(「生力廣東」)之額外權益而產生。商標乃與生力廣東生產的商品有關。因此，商譽及商標均分配至生力廣東之業務作減值測試。

生力廣東之業務的可收回金額乃根據使用價值計算而釐定。有關計算使用根據由管理層批准的五年長期計劃所得的現金流量預測，以及貼現率7.3%(二零零四年：7.5%)進行。五年期間的現金流量乃使用0%增長率外推。管理層相信，生力廣東可收回金額所根據的主要假設的任何合理可能變動不會導致生力廣東賬面值超過其可收回金額。

計算使用價值時所用的主要假設：

	二零零五年	二零零四年
— 增長率	19%	33%
— 總貢獻率	40%	36%
— 貼現率	7.3%	7.5%

管理層根據過往表現及其對市場發展的預期釐定增長率及總貢獻率。所用的貼現率為本集團的加權平均資金成本。

18. 附屬公司權益

以港幣千元計算，附屬公司股本／註冊資本除外

	公司	
	二零零五年	二零零四年
非上市股份／投入資本(按成本)	603,249	603,249
應收附屬公司賬項	778,856	779,830
減：減值虧損	1,382,105 (166,978)	1,383,079 (166,978)
	1,215,127	1,216,101

應收附屬公司賬項均為免息及沒有固定還款期。

18. 附屬公司權益 (續)

以港幣千元計算，附屬公司股本／註冊資本除外

下表載列本公司所有附屬公司項目。除額外列明，股份類別均為普通股。根據附註1C所述之附屬公司所持股份已列入集團財務報表。

公司名稱	註冊成立／ 經營地點	已發行及繳足 股本／註冊資本	所持股權百分比		主要業務
			本公司	附屬公司	
Best Investments International Inc.	英屬處女群島	50,000美元 優先股本： 60,000,000 美元	100% 100%	— —	投資
廣州生力啤酒有限公司(附註(i))	中國	註冊資本： 36,507,000 美元	—	70%	釀製及銷售啤酒
Hongkong Brewery Limited	香港	100元	100%	—	暫無營業
Ravelin Limited	香港	10,000,000 元	100%	—	持有物業
生力啤(廣東)有限公司	香港	A：9,000,000 美元 B：1,000元	92.989% 100%	— —	投資控股
生力(廣東)啤酒有限公司(附註(ii))	中國	註冊資本： 39,933,000美元	—	100%	釀製及銷售啤酒
San Miguel Shunde Holdings Limited	香港	2,000,000元	92%	—	投資控股

附註：

- (i) 廣州生力啤酒有限公司乃本公司之附屬公司生力啤(廣東)有限公司與廣州啤酒廠成立之合資合營公司。根據股東協議，該公司之經營期為三十年，於二零二零年十一月二十八日屆滿。
- (ii) 生力(廣東)啤酒有限公司為全外資擁有企業，經營期至二零四二年八月四日屆滿。

19. 其他財務資產

以港幣千元計算

	集團	
	二零零五年	二零零四年
貸款及應收款項		
— 有期債務證券(非上市) — 中國 (二零零四：放於持至到期證券)	—	13,797
— 中國附屬公司土地及廠房的按金及 有關應收利息	—	8,490
	—	22,287

財務報表附註

20. 其他有形資產

以港幣千元計算

其他有形資產均為中國附屬公司所持有樽及膠箱的價值。

	集團 二零零五年
成本：	
於七月二日由存貨轉入	56,712
匯兌調整	552
添置	20,898
出售	(5,506)
十二月三十一日	<u>72,656</u>
攤銷總額：	
於七月二日由存貨轉入	24,456
匯兌調整	317
年內開支	4,681
減值虧損(附註7)	2,994
出售撥回	(1,331)
十二月三十一日	<u>31,117</u>
十二月三十一日賬面淨值	<u>41,539</u>

由二零零五年七月一日起，中國附屬公司所出售之樽裝啤酒會作回樽安排。所有樽及膠箱之可使用年期為多於一年，並自二零零五年七月一日起分類為其他有形資產。

在二零零五年七月一日前，只有以膠箱盛載出售之樽裝啤酒，會作回樽之安排，而中國附屬公司之所有樽及膠箱均已列入存貨中。

21. 存貨

以港幣千元計算

	集團		公司	
	二零零五年	二零零四年	二零零五年	二零零四年
現有產品及在製品	27,861	29,763	13,428	12,325
物料及供應	22,839	63,645	9,298	20,167
	<u>50,700</u>	<u>93,408</u>	<u>22,726</u>	<u>32,492</u>

本集團持有可變現淨值之存貨額為零元(二零零四年：18,902,000元)。

22. 應收貿易及其他賬項

除另有註明外，均以港幣千元計算

	集團		公司	
	二零零五年	二零零四年	二零零五年	二零零四年
應收貿易賬項	84,119	64,652	73,301	54,765
其他應收賬、按金及預付款	28,124	33,652	13,062	13,475
有期債務證券(非上市)	14,500	—	—	—
	126,743	98,304	86,363	68,240

所有應收款項預計在一年內可收回。

應收貿易賬項(扣除呆壞賬減值虧損)之賬齡如下：

由發票日期起計	集團		公司	
	二零零五年	二零零四年	二零零五年	二零零四年
少於30日	35,503	25,800	25,760	21,495
31至60日	24,942	21,572	23,952	19,851
61至90日	11,527	7,716	11,451	7,060
超過90日	12,147	9,564	12,138	6,359
	84,119	64,652	73,301	54,765

集團內有關信貸條款，在附註 33(a) 內列明。

集團及公司內應收貿易及其他賬項原屬貨幣如下：

	集團		公司	
	二零零五年 以千元計算	二零零四年 以千元計算	二零零五年 以千元計算	二零零四年 以千元計算
美元	美元 1,016	美元 869	美元 1,016	美元 869

23. 應收或應付控股公司及同系附屬公司賬項

除另有註明外，均以港幣千元計算

應收或應付控股公司及同系附屬公司賬項，不作保押及免息計算。以下結存為貿易貨款結餘，按貿易條款收回／支付。

	集團		公司	
	二零零五年	二零零四年	二零零五年	二零零四年
應收控股公司及同系附屬公司賬項	9,282	5,771	9,200	5,573
應付控股公司及同系附屬公司賬項	(2,286)	(10,591)	(1,109)	(6,474)

其餘款項均不設有固定還款期。

集團及公司內應收或應付控股公司及同系附屬公司貿易賬項原屬貨幣如下：

	集團		公司	
	二零零五年 以千元計算	二零零四年 以千元計算	二零零五年 以千元計算	二零零四年 以千元計算
應收控股公司及同系附屬公司賬項 — 美元	美元 1,197	美元 742	美元 1,186	美元 716
應付控股公司及同系附屬公司賬項 — 美元	美元 (129)	美元 (726)	美元 (109)	美元 (618)

財務報表附註

24. 現金及等同現金項目

除另有註明外，均以港幣千元計算

	集團		公司	
	二零零五年	二零零四年	二零零五年	二零零四年
銀行存款	317,133	386,284	—	—
銀行結存及現金	66,198	68,533	19,415	22,502
	383,331	454,817	19,415	22,502

集團及公司內現金及等同現金項目原屬貨幣如下：

	集團		公司	
	二零零五年 以千元計算	二零零四年 以千元計算	二零零五年 以千元計算	二零零四年 以千元計算
美元	美元 10,579	美元 8,803	美元 266	美元 273

25. 銀行貸款(無抵押)

除另有註明外，均以港幣千元計算

須於下列期間償還之銀行貸款：

	集團		公司	
	二零零五年	二零零四年	二零零五年	二零零四年
一年內或按要求時還款	50,408	50,552	—	—
兩年後及五年內	95,000	195,000	95,000	195,000
	145,408	245,552	95,000	195,000

集團及公司內銀行貸款(無抵押)原屬貨幣如下：

	集團		公司	
	二零零五年 以千元計算	二零零四年 以千元計算	二零零五年 以千元計算	二零零四年 以千元計算
美元	美元 6,500	美元 6,500	美元 —	美元 —

26. 應付附屬公司賬項

應付附屬公司賬項不作保押及免息，其中1,975,000元(二零零四：1,766,000元)為貿易款項，按貿易條款支付。其餘款項均不設有固定還款期。

27. 應付貿易及其他賬項

除另有註明外，均以港幣千元計算

	集團		公司	
	二零零五年	二零零四年	二零零五年	二零零四年
應付貿易賬項	40,382	44,712	24,501	15,967
其他應付賬項	85,741	75,422	28,875	27,638
	126,123	120,134	53,376	43,605

所有應付款項預計在一年內可支付。

27. 應付貿易及其他賬項 (續)

除另有註明外，均以港幣千元計算

應付貿易賬項之賬齡如下：

由發票日期起計	集團		公司	
	二零零五年	二零零四年	二零零五年	二零零四年
少於30日	36,678	41,172	22,573	13,599
31至60日	1,409	1,709	909	1,103
61至90日	371	285	132	190
超過90日	1,924	1,546	887	1,075
	40,382	44,712	24,501	15,967

集團及公司內應付貿易及其他賬項原屬貨幣如下：

	集團		公司	
	二零零五年 以千元計算	二零零四年 以千元計算	二零零五年 以千元計算	二零零四年 以千元計算
美元	美元 558	美元 272	美元 558	美元 272
歐羅	歐羅 92	歐羅 45	歐羅 92	歐羅 45
澳幣	澳幣 16	澳幣 15	澳幣 16	澳幣 15

28. 租賃廠房維修撥備

以港幣千元計算

根據於二零二一年二月二十八日到期之附屬公司廠房租約，該附屬公司須向出租人每年支付人民幣4,300,000元(約港幣4,160,000元)作為租賃廠房之維修費用，並每年作出撥備。該費用須於租約到期或提早終止時支付，附屬公司並可於租約期間就收購或興建任何獨立設備或房產時所承擔之任何相關資本開支予以抵銷。

於附註7內列明廠房租約預期於未來十二個月終止，故有關累計撥備計入流動負債。

	集團	
	二零零五年	二零零四年
一月一日之結餘	47,968	43,829
年內撥備	4,158	4,066
匯兌調整	1,082	73
十二月三十一日之結餘(附註 34)	53,208	47,968
分析如下：		
流動負債	53,208	—
非流動負債	—	47,968
	53,208	47,968

29. 僱員退休福利

以港幣千元計算

(a) 定額福利退休計劃

本集團為其26%之僱員提供定額福利退休計劃。該計劃乃由一名獨立信託人管理，與本集團之資產分開獨立處理。成員福利乃按僱員之最後薪金及服務年期計算。計劃之供款乃根據一名獨立精算師之建議釐訂，該精算師定期為退休計劃作出評估，一般為每三年評估一次。而最近期就此作出之精算評估乃於二零零五年十二月三十一日進行。

另外，就編製財務報表而言，精算師乃根據載於香港會計準則第19號「僱員福利」之方法於二零零五年十二月三十一日進行評估。

29. 僱員退休福利 (續)

以港幣千元計算

(a) 定額福利退休計劃 (續)

(i) 於資產負債表確認之款額如下：

	集團及公司	
	二零零五年	二零零四年
資助責任的現值	96,361	111,997
計劃資產之公平值	(81,434)	(92,736)
未確認精算虧損淨額	(18,864)	(21,149)
退休福利資產	(3,937)	(1,888)

上述部份資產預期將於超過一年後收回。然而，由於未來供款須視乎未來所提供之服務及精算假設及市場狀況之未來變動，因此不適宜將該筆款額與未來十二個月之應收款項分開處理。

(ii) 於資產負債表確認之資產淨值之變動如下：

	集團及公司	
	二零零五年	二零零四年
於一月一日	(1,888)	2,211
已繳付計劃供款	(8,439)	(9,655)
於收益表確認之開支(附註4(a))	6,390	5,556
於十二月三十一日	(3,937)	(1,888)

(iii) 於綜合收益表確認之開支如下：

	集團及公司	
	二零零五年	二零零四年
現時服務成本	7,687	6,802
利息費用	4,034	4,767
計劃資產之精算預期回報	(6,096)	(6,013)
已確認精算虧損淨額	765	—
	6,390	5,556

有關開支乃於下列綜合收益表內之項目中確認：

銷售成本	2,109	1,829
銷售及分銷開支	2,364	1,924
行政開支	1,917	1,803
	6,390	5,556
計劃資產之實際回報—(虧損)/盈利	(2,510)	1,060

(iv) 於二零零五年十二月三十一日所採用之主要精算假設如下

	集團及公司	
	二零零五年	二零零四年
折讓率	4.50%	3.75%
計劃資產之預期回報率	6.50%	6.50%
未來薪金之增加	3.00%	3.00%

29. 僱員退休福利 (續)

以港幣千元計算

(b) 定額供款退休計劃

- (i) 根據香港《強制性公積金計劃條例》，本集團在香港僱用而並無加入上述定額福利退休計劃的僱員，須加入本集團的強制性公積金計劃。強制性公積金計劃乃一個由獨立立法團受託人管理的定額供款退休計劃。根據有關計劃，本集團及其僱員各自須向計劃作出供款，數額為僱員有關入息的5%，惟每月有關入息的最高水平為20,000元。對計劃作出的供款即時歸屬。
- (ii) 中國附屬公司僱員為中國政府營運的中央退休金計劃的成員。本集團須對中央退休金計劃供款以為有關福利提供資金，數額為僱員酬金的若干百分比。本集團有關中央退休金計劃的唯一義務為根據中央退休金計劃須作出的有關供款。

30. 資產負債表所列之所得稅

以港幣千元計算

(a) 綜合資產負債表所列之可收回本期稅項指：

	二零零五年	二零零四年
本年度撥備	(121)	—
已付暫繳香港利得稅	919	66
	798	66

(b) 已確認遞延稅項負債：**(i) 集團**

於綜合資產負債表確認之遞延稅項負債部分及年內之變動如下：

遞延稅項來自：	折舊免稅額 超逾有關 折舊之數額	壞賬及 存貨減值 虧損	退休福利 資產	稅項虧損	其他	總計
二零零四年一月一日	202,949	(4,950)	(2,089)	(92,214)	(4,652)	99,044
匯兌調整	102	(7)	—	—	(8)	87
於綜合收益表列支／(計入) (附註8(a))	3,887	(948)	1,143	6,994	(1,943)	9,133
二零零四年十二月三十一日	206,938	(5,905)	(946)	(85,220)	(6,603)	108,264
二零零五年一月一日	206,938	(5,905)	(946)	(85,220)	(6,603)	108,264
匯兌調整	1,562	(111)	—	—	(148)	1,303
於綜合收益表列支／(計入) (附註8(a))	(12,632)	4,236	784	8,391	6,079	6,858
二零零五年十二月三十一日	195,868	(1,780)	(162)	(76,829)	(672)	116,425

30. 資產負債表所列之所得稅 (續)

以港幣千元計算

(b) 已確認遞延稅項負債：(續)

(i) 集團 (續)

未確認遞延稅項資產如下：

	二零零五年	二零零四年
稅項虧損	132,341	147,727
可抵扣暫時性差異	33,537	—
	165,878	147,727

有關稅項虧損將於五年內到期。

由於未能確定未來能夠獲得足夠應課稅盈利以抵扣其利益，故本集團並無對可抵扣暫時性差異確認遞延稅項資產。

(ii) 公司

於資產負債表確認之遞延稅項負債部分及年內之變動如下：

遞延稅項來自：	折舊免稅額 超逾有關折舊 之數額	壞賬及 存貨減值 虧損	退休福利 資產	稅項虧損	總計
二零零四年一月一日	142,170	(981)	(2,089)	(91,279)	47,821
於收益表(計入)/列支	(4,390)	(31)	1,143	6,086	2,808
二零零四年十二月三十一日	137,780	(1,012)	(946)	(85,193)	50,629
二零零五年一月一日	137,780	(1,012)	(946)	(85,193)	50,629
於收益表(計入)/列支	(4,183)	(14)	784	8,364	4,951
二零零五年十二月三十一日	133,597	(1,026)	(162)	(76,829)	55,580

31. 儲備

以港幣千元計算，每股股份數據除外

(a) 集團

	本公司權益持有人應佔部份							少數股東權益	權益總額
	股本	股份溢價	資本儲備	匯兌波動儲備	資本繳入儲備	收益儲備	總額		
二零零四年一月一日之結餘									
— 先前公佈	186,785	65,739	112,970	(5,737)	—	1,664,302	2,024,059	97,154	2,121,213
— 因以股份為基礎的支付作前期調整	—	—	—	—	122	(122)	—	—	—
— 重列	186,785	65,739	112,970	(5,737)	122	1,664,180	2,024,059	97,154	2,121,213
換算海外附屬公司財務報表所產生之匯兌差額	—	—	—	912	—	—	912	163	1,075
以股份為基礎的支付	—	—	—	—	308	—	308	—	308
本年度盈利(重列)	—	—	—	—	—	11,270	11,270	1,234	12,504
二零零四年十二月三十一日之結餘(重列)	186,785	65,739	112,970	(4,825)	430	1,675,450	2,036,549	98,551	2,135,100
二零零五年一月一日之結餘									
— 先前公佈	186,785	65,739	112,970	(4,825)	—	1,675,880	2,036,549	98,551	2,135,100
— 因以股份為基礎的支付作前期調整(附註2(b)(i))	—	—	—	—	430	(430)	—	—	—
— 重列	186,785	65,739	112,970	(4,825)	430	1,675,450	2,036,549	98,551	2,135,100
有關去年之已批准股息(附註12(b))	—	—	—	—	—	(3,736)	(3,736)	—	(3,736)
換算海外附屬公司財務報表所產生之匯兌差額	—	—	—	14,266	—	—	14,266	2,209	16,475
以股份為基礎的支付	—	—	—	—	495	—	495	—	495
最終控股公司為授出購股權所收之費用	—	—	—	—	(925)	—	(925)	—	(925)
本年度虧損	—	—	—	—	—	(35,641)	(35,641)	(30,396)	(66,037)
有關本年之已批准股息(附註12(a))	—	—	—	—	—	(3,736)	(3,736)	—	(3,736)
二零零五年十二月三十一日之結餘	186,785	65,739	112,970	9,441	—	1,632,337	2,007,272	70,364	2,077,636

財務報表附註

31. 儲備 (續)

以港幣千元計算，每股股份數據除外

(b) 公司

	股本	股份溢價	資本 繳入儲備	收益儲備	總額
二零零四年一月一日之結餘					
— 先前公佈	186,785	65,739	—	1,643,583	1,896,107
— 因以股份為基礎 的支付作前期調整	—	—	122	(122)	—
— 重列	186,785	65,739	122	1,643,461	1,896,107
以股份為基礎的支付	—	—	308	—	308
本年度盈利(重列)	—	—	—	7,203	7,203
二零零四年十二月三十一日 之結餘(重列)	186,785	65,739	430	1,650,664	1,903,618
二零零五年一月一日之結餘					
— 先前公佈	186,785	65,739	—	1,651,094	1,903,618
— 因以股份為基礎的支付 作前期調整(附註2(b)(ii))	—	—	430	(430)	—
— 重列	186,785	65,739	430	1,650,664	1,903,618
有關去年之已批准股息(附註12(b))	—	—	—	(3,736)	(3,736)
以股份為基礎的支付	—	—	495	—	495
最終控股公司對授出購股權 所收之費用	—	—	(925)	—	(925)
本年度盈利	—	—	—	17,578	17,578
有關本年之已批准股息(附註12(a))	—	—	—	(3,736)	(3,736)
二零零五年十二月三十一日 之結餘	186,785	65,739	—	1,660,770	1,913,294

(c) 股本

	公司	
	二零零五年	二零零四年
法定股本：		
400,000,000股每股面值0.50元之普通股	200,000	200,000
已發行及繳足股本		
373,570,560股每股面值0.50元之普通股	186,785	186,785

普通股持有人有權收取不時宣派的股息，並可在本公司大會上每持有一股股份投一票。對於本公司的剩餘資產，所有普通股均享有同等權益。

31. 儲備 (續)

以港幣千元計算，每股股份數據除外

(d) 儲備之列明

- (i) 股份溢價
股份溢價賬之應用受香港公司條例第 48B 條監管。
- (ii) 資本儲備
本集團之資本儲備乃指將一間中國附屬公司之保留盈利資本化而產生之儲備。
- (iii) 匯兌波動儲備
匯兌波動儲備經已設立。並根據換算外幣之會計政策而處理(附註 1(U))。
- (iv) 資本繳入儲備
資本繳入儲備為根據附註 1R 所載就以股份為基礎的支付所採納的會計政策確認，最終控股公司授予本公司僱員而尚未行使的購股權的實際或估計數目的公允價值。

(e) 分派儲備

本公司於二零零五年十二月三十一日之可供分派儲備為 1,660,770,000 元(二零零四年(重列)：1,650,664,000 元)。

32. 股本補償福利

根據本公司之最終控股公司生力公司採納之購股權計畫，購股權以 100 披索之代價授予本公司之若干董事及僱員。購股權可按於授出日期設定之公平市值行使(公平市值的設定規乎前三個月之平均股價(以菲律賓披索列示)作調整)。歸屬期於授出購股權時設定。

此附註內有關購股權只包括授予為本集團服務的董事及僱員。

(a) 購股權數目及其平均行使價如下：

	二零零五年		二零零四年	
	平均行使價 披索	數目 以千股計算	平均行使價 披索	數目 以千股計算
本年年初數	59.31	364	57.09	176
年內行使	60.33	(10)	—	—
年內授予	74.80	6	65.46	188
年內放棄	59.53	(138)	—	—
本年年末數	59.59	222	59.31	364
本年年末可行使	59.47	119	57.68	181

本年度當行使購股權時，生力公司之股份平均市場價為 69 披索(二零零四年：不適用)。

財務報表附註

32. 股本補償福利(續)

(b) 於結算日授予本公司董事及僱員之購股權詳情

	二零零五年		二零零四年	
	行使價 披索	數目 以千股計算	行使價 披索	數目 以千股計算
A類(每股面值5披索):				
授出日期:				
—二零零三年六月廿六日	54.50	76	54.50	122
—二零零四年十月一日	57.50	75	57.50	131
—二零零五年十一月十日	65.00	4	—	—
B類(每股面值5披索):				
授出日期:				
—一九九七年四月一日	49.83	—	49.83	3
—二零零三年六月廿六日	62.50	33	62.50	52
—二零零四年十月一日	70.50	32	70.50	56
—二零零五年十一月十日	89.50	2	—	—
		222		364

由第一年授予日開始，每年有關可行使之購股權為33%。而有關行使年期由授予日開始均不超過八年。

(c) 購股權公允價值及假設

授出購股權換取所得服務的公允價值乃參考所授出購股權的公允價值計量。所得服務公允價值的估計乃根據「柏力克－舒爾斯」期權定價模式計量。

購股權公允價值及有關假設如下：

	授予日		
	二零零三年 六月廿六日	二零零四年 十月一日	二零零五年 十一月十日
(i) A類			
在結算日的公允價值(披索)	30.67	32.87	37.35
股價(披索)	54.50	57.50	65.00
行使價(披索)	54.50	57.50	65.00
預計波動	60%	60%	60%
預計年期	4.71年	4.59年	5.02年
預計股息	0.55%	0.52%	0.54%
利息	9.00%	11.00%	10.00%
(ii) B類			
在結算日的公允價值(披索)	37.52	43.36	52.82
股價(披索)	62.50	70.50	89.50
行使價(披索)	62.50	70.50	89.50
預計波動	70%	70%	70%
預計年期	4.54年	4.61年	5.16年
預計股息	0.48%	0.43%	0.39%
利息	9.00%	11.00%	10.00%

預計波動乃根據歷史波動並就公眾可得的資訊而預計的任何未來波動變動作出調整後釐定。預計股息乃根據歷史股息釐定。主觀投入假設的變動可大幅影響公允價值估計。

購股權乃根據服務條件而授出。此項條件在計量所得服務在授出日期的公允價值時不在考慮之列。授出購股權並無相關市場條件。

33. 金融工具

以港幣千元計算

信用、流動性、利息及外幣風險在本集團一般業務過程中出現。該等風險受下文所述本集團的財務管理政策及常規所限制。

(a) 信用風險

本集團的信用風險主要來自應收貿易及其他賬項。管理層訂有信貸政策，而該等信用風險會持續監察。

信貸乃於進行財務評估後及基於已建立的付款記錄而提供。本集團會從主要客戶取得按揭或銀行擔保作為抵押。所有客戶均設有信貸限額，且在公司高級人員批准後方可超出有關限額。若認為客戶有信用風險，則以現金進行交易。專業人員會監察應收貿易款項及跟進收款。一般信貸條款為銷售月份後的月份完結時。

有期債務證券投資及銀行存款一般與信貸評級良好的對應方進行。

本集團並無重要集中的信用風險。

最大信用風險已透過資產負債表內各金融資產的賬面值列報。本集團並無提供任何使本集團須面對信用風險的財務擔保。

(b) 流動性風險

本集團內個別經營機構須負責其本身的現金管理，包括將現金盈餘作短期投資，以及借入貸款以滿足預期現金需求，惟倘若借款超過若干預定權力水平，則須獲得母公司董事會批准。

(c) 利率風險

有關賺取收入的金融資產及付息金融負債，下表顯示其於結算日的實際利率，以及其重新定價的期間或到期日（若為較早者）。

	二零零五年			二零零四年			
	實際利率 %	總額	一年或 以下	實際利率 %	總額	一年或 以下	一至兩年
本集團							
於到期前重新定價的資產/ (負債)的重新定價日期							
銀行結存及現金(附註24)	1.24%	66,198	66,198	0.48%	68,533	68,533	—
廠房按金及其應收利息	—	—	—	0.72%	5,672	5,672	—
銀行貸款(無抵押)(附註25)	4.68%	(145,408)	(145,408)	1.14%	(245,552)	(245,552)	—
		(79,210)	(79,210)		(171,347)	(171,347)	—
不會於到期前重新定價的資產/ (負債)的到期日							
銀行存款(附註24)	3.19%	317,133	317,133	1.34%	386,284	386,284	—
有期債務證券(附註22及19)	3.14%	14,500	14,500	3.14%	13,797	—	13,797
		331,633	331,633		400,081	386,284	13,797
本公司							
於到期前重新定價的資產/ (負債)的重新定價日期							
銀行結存及現金(附註24)	2.32%	19,415	19,415	0.04%	22,502	22,502	—
銀行貸款(無抵押)(附註25)	4.59%	(95,000)	(95,000)	0.80%	(195,000)	(195,000)	—
		(75,585)	(75,585)		(172,498)	(172,498)	—

33. 金融工具 (續)

以港幣千元計算

(d) 外幣風險

本集團須面對以美元、澳元及歐羅計價的銷貨、購貨及借款的外幣風險。由於美元與港元掛鈎，故管理層預期美元／港元匯率不會有大幅變動。至於澳元及歐羅等其他貨幣，由於以該等貨幣計價的交易量不多，故管理層認為須面對的有關貨幣風險不大。

(e) 敏感度分析

在管理利率及外幣風險時，本集團旨在減低短期波動對本集團盈利的影響。然而，長遠而言，外匯及利率的長久變動會對綜合盈利構成影響。

(f) 公允價值

所有重大金融資產及負債均按與其於二零零五年及二零零四年十二月三十一日的公允價值不會有重大差異的數額列值，惟以下所述者除外：

附註	二零零五年		二零零四年	
	賬面值	公允價值	賬面值	公允價值
集團				
應收控股公司及同系 附屬公司賬項				
— 貿易性質 (i)	9,282	9,282	5,771	5,771
— 其他 (ii)	29,064	—	23,724	—
應付控股公司及同系 附屬公司賬項				
— 貿易性質 (i)	(2,286)	(2,286)	(10,591)	(10,591)
— 其他 (ii)	(7,041)	—	(16,316)	—
公司				
應收控股公司及同系 附屬公司賬項				
— 貿易性質 (i)	9,200	9,200	5,573	5,573
— 其他 (ii)	10,915	—	3,736	—
應付控股公司及同系 附屬公司賬項				
— 貿易性質 (i)	(1,109)	(1,109)	(6,474)	(6,474)
— 其他 (ii)	(502)	—	(8,543)	—
應收附屬公司賬項 (ii)	778,856	—	779,830	—
應付附屬公司賬項				
— 貿易性質 (i)	(1,975)	(1,975)	(1,766)	(1,766)
— 其他 (ii)	(377,747)	—	(304,534)	—

附註：

- (i) 由於與貿易有關的應收／(應付)集團公司款項結餘屬即時到期或在短期內到期，故認為該等金融工具的公允價值與賬面值相同。
- (ii) 與控股公司、同系附屬公司及附屬公司的結餘為無抵押、免息及無固定還款期。鑑於該等條款，披露公允價值並無意義。

34. 承擔

以港幣千元計算

(a) 尚未於二零零五年十二月三十一日之財務報表作撥備之資本開支承擔總額如下：

	集團		公司	
	二零零五年	二零零四年	二零零五年	二零零四年
已訂約	327	1,120	327	1,120
董事已授權惟尚未訂約	519	3,516	519	215
	846	4,636	846	1,335

(b) 於二零零五年十二月三十一日，根據不可撤銷經營租約而應付之未來最低租賃款項如下：

	集團		公司	
	二零零五年	二零零四年	二零零五年	二零零四年
土地及房產				
一年內	2,410	8,590	456	864
一年後及五年內	272	23,534	19	—
五年後	633	64,280	—	—
	3,315	96,404	475	864
廠房及機器				
一年內	58,781	13,670	—	—
一年後及五年內	—	54,679	—	—
五年後	—	263,395	—	—
	58,781	331,744	—	—
	62,096	428,148	475	864

本集團作為承租人根據經營租約而租賃多項房產以及廠房及機器項目。租約期初步一般為期兩年，可選擇續訂租約。屆時，所有款項將重新釐訂。

本集團亦根據一項中國廠房經營租約租用廠房、機器及設備，為期三十年。誠如附註7所述，本集團計劃提早於二零零六年上半年終止此項租約，而上表所示的未來租金付款額乃截至預期終止日期支付予出租人的款項。結餘包括53,208,000元（二零零四年：47,968,000元）應計及已在綜合資產負債表及附註28披露為「租賃廠房維修撥備」。

財務報表附註

35. 主要關連交易

以港幣千元計算

除於財務報表其他章節中公佈之關連交易，本集團進行下列關連交易。

(a) 集團內主要關連交易

	附註	交易		年底結存	
		二零零五年	二零零四年	二零零五年	二零零四年
購自：	(i)				
—最終控股公司		2,382	2,471	459	492
—附屬公司		33,589	54,262	1,827	10,099
售予：	(i)				
—中介控股公司		39,846	28,705	9,282	5,696
—附屬公司		644	846	—	75
支付佣金予中介控股公司	(ii)	1,037	—	—	—

(i) 該等交易按有關各方與其他客戶進行交易之相同條款進行。有關其應收貿易款於附註23內列明。

(ii) 有關佣金乃就轉介予本集團的銷售額而支付予中介控股公司。佣金乃參考假設有關貨品乃由本集團售賣予中介控股公司，其後再由中介控股公司轉售予客戶而獲得的邊際利潤後釐定。

(b) 主要管理人員酬金

主要管理人員酬金(包括附註9所披露支付予本公司董事的數額及附註10所披露支付予若干最高薪僱員的數額)如下：

	二零零五年	二零零四年
短期僱員福利	8,922	9,907
離職後福利	558	637
股本補償福利	261	155
	9,741	10,699

36. 或然負債

以港幣千元計算

於二零零五年十二月三十一日，本公司有就其附屬公司所取得之銀行信貸而向銀行提供擔保之或然負債。

	公司	
	二零零五年	二零零四年
銀行擔保	50,408	50,552

37. 結算日後事項

結算日後，管理層已大致落實刊載於附註7(a)中有關提早終止廣州生力啤酒有限公司廠房租賃合約(「合約」)之條款。廣州生力啤酒有限公司預料終止合約及停止廣州生力啤酒有限公司之生產操作會帶來額外約人民幣60,000,000元(相等於港幣57,700,000元)之一次過費用，此費用已包括離職金、罰款及其他付予廣州啤酒廠之額外費用。

38. 比較數字

- (a) 由於會計政策有所變動，故若干比較數字已經調整或重新分類。有關進一步詳情在附註2披露。
- (b) 若干開支的分類已經改變，以符合本年度的列報方式，詳情如下：
- (i) 在二零零四年度財務報表包括在「行政及銷售開支(在二零零五年度財務報表內易名為「行政開支」)」的銷售開支合共182,133,000元，已重新分類為「銷售及分銷開支」。
- (ii) 在二零零四年度財務報表包括在「其他經營開支」的減值虧損7,737,000元，已重新分類為「減值虧損」。
- (c) 若干資產負債表項目的分類已經改變，以符合本年度的列報方式，詳情如下：
- (i) 在二零零四年度財務報表包括在「固定資產(在二零零五年度財務報表易名為「物業、機器及設備」)」總賬面值為88,257,000元的土地及房產，已在綜合資產負債表表內分開列為「投資物業」。
- (ii) 在二零零四年度財務報表包括在「其他資產」賬面值為8,490,000元的按金及有關應收利息，已重新分類為「其他財務資產」。
- (iii) 在二零零四年度財務報表包括在「應收貿易及其他賬項」總賬面值分別為6,046,000元集團持有及5,031,000元公司持有的會所債權證，已重新分類為「無形資產」。

本公司董事認為，經修訂的列報方式更合適地反映該等資產的性質。

39. 中介母公司及最終控股公司

各董事認為，於二零零五年十二月三十一日。本公司中介母公司乃香港註冊成立之立端利有限公司，而最終控股公司乃於菲律賓共和國註冊成立之生力公司。

40. 已頒佈但在截至二零零五年十二月三十一日止全年會計期間尚未生效的修訂、新準則及詮釋可能構成的影響

截至財務報表刊發日期，香港會計師公會已頒佈以下修訂、新準則及詮釋，但在截至二零零五年十二月三十一日止會計期間尚未生效，在財務報表內亦尚未採納。

在上述發展中，以下各項可能有關本集團業務及財務報表的事宜：

於以下日期或其後開始的會計期間適用

香港會計準則第19號「僱員福利」(修訂) 「精算損益、集團計劃及披露」	二零零六年一月一日
因香港二零零五年《公司(修訂)條例》而對 以下各項進行的修訂：	
— 香港會計準則第1號「財務報表的列報」	二零零六年一月一日
— 香港會計準則第27號「綜合及單獨財務報表」	二零零六年一月一日
— 香港財務報告準則第3號「企業合併」	二零零六年一月一日
— 香港財務報告準則第7號「金融工具：披露」	二零零七年一月一日
香港會計準則第1號「財務報表的列報」 (修訂)「資本披露」	二零零七年一月一日

此外，香港二零零五年《公司(修訂)條例》已於二零零五年十二月一日生效，並將於二零零六年一月一日首次適用於本集團的財務報表。

本集團現正評估預期該等修訂、新準則及新詮釋在首次應用期間的影響。到目前為止，本集團認為其採納對本集團的經營業績及財務狀況構成重大影響的可能性不大。

核數師報告

致香港生力啤酒廠有限公司股東：
(於香港註冊成立之有限公司)

本核數師(以下簡稱「我們」)，已審核刊於第30至75頁按照香港公認會計原則編撰的財務報表。

董事及核數師的責任

《香港公司條例》規定董事須編撰真實與公允的財務報表。在編撰這些財務報表時，董事必須貫徹採用合適的會計政策，作出審慎及合理的判斷和估計，並說明任何重大背離適用會計準則的原因。

我們的責任是根據我們審核工作的結果，對這些財務報表作出獨立意見，並按照《香港公司條例》第141條的規定，僅向作為法人團體的股東報告。除此之外，我們的報告書不可用作其他用途。我們概不會就本報告書的內容，對任何其他人士負責或承擔法律責任。

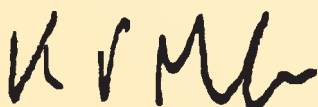
意見的基礎

我們是按照香港會計師公會頒佈的《香港核數準則》進行審核工作。審核範圍包括以抽查方式查核與財務報表所載數額及披露事項有關的憑證，亦包括評估董事於編撰財務報表時所作的主要估計和判斷，所釐定的會計政策是否適合 貴公司及 貴集團的具體情況，以及有否貫徹運用並足夠披露這些會計政策。

我們在策劃和進行審核工作時，均以取得一切我們認為必須的資料及解釋為目標，使我們能獲得充份的憑證，就財務報表是否存有重要錯誤陳述，作合理的確定。在作出意見時，我們亦已衡量財務報表所載資料在整體上是否足夠。我們相信，我們的審核工作已為下列意見建立合理的基礎。

意見

我們認為，上述的財務報表均真實與公允地反映 貴公司及 貴集團於二零零五年十二月三十一日的財政狀況及 貴集團截至該日止年度的虧損和現金流量，並已按照《香港公司條例》適當地編撰。



畢馬威會計師事務所
執業會計師

香港，二零零六年二月二十四日

五年賬目摘要

以港幣千元計算，每股股份數據除外

	二零零五年	二零零四年	二零零三年	二零零二年	二零零一年
業務					
總營業額	1,268,346	1,261,232	1,158,649	1,326,642	1,376,423
除稅前(虧損)/盈利	(59,058)	15,536	(27,205)	43,580	95,534
所得稅	(6,979)	(3,032)	(9,456)	(16,225)	(5,131)
年度(虧損)/盈利	(66,037)	12,504	(36,661)	27,355	90,403
應佔如下：					
本公司權益持有人	(35,641)	11,270	(40,429)	22,989	92,072
少數股東權益	(30,396)	1,234	3,768	4,366	(1,669)
	(66,037)	12,504	(36,661)	27,355	90,403
每股(虧損)/盈利－基本	(\$0.10)	\$0.03	(\$0.09)	\$0.08	\$0.24
每股現金股息	\$0.01	\$0.01	\$—	\$0.10	\$0.43
資產與負債					
固定資產	1,838,164	1,939,135	2,016,646	2,083,863	2,156,190
無形資產	39,525	39,481	37,413	—	—
商譽	5,044	5,044	5,318	—	—
退休福利資產	3,937	1,888	—	—	—
其他財務資產	—	22,287	21,827	37,383	56,124
其他有形資產	41,539	—	—	—	—
流動資產淨值	360,852	478,497	380,093	382,119	292,781
總資產減流動負債	2,289,061	2,486,332	2,461,297	2,503,365	2,505,095
銀行貸款(無抵押)	(95,000)	(195,000)	(195,000)	(195,000)	(195,005)
租賃廠房維修撥備	—	(47,968)	(43,829)	(39,948)	(35,874)
退休福利負債	—	—	(2,211)	(12,157)	—
遞延稅項	(116,425)	(108,264)	(99,044)	(89,782)	(6,026)
資產淨值	2,077,636	2,135,100	2,121,213	2,166,478	2,268,190
資本及儲備					
股本	186,785	186,785	186,785	186,785	186,785
儲備	1,820,487	1,849,764	1,837,274	1,878,318	1,975,054
本公司權益持有人應佔權益	2,007,272	2,036,549	2,024,059	2,065,103	2,161,839
少數股東權益	70,364	98,551	97,154	101,375	106,351
權益總值	2,077,636	2,135,100	2,121,213	2,166,478	2,268,190

附註

- 香港會計師公會已頒佈多項全新及經修訂之香港財務報告準則及香港會計準則，並於二零零五年一月一日或其後開始之會計年度生效。由於首次應用該等全新及經修訂之香港財務報告準則所導致之會計政策變動的資料，已於財務報表中附註2提供。二零零四年及二零零五年數據已因應該等全新及經修訂之政策作出調整以符合過渡性條文並載列於附註2。早年之數據只重列至採納有追溯性的新會計政策(如載列於財務報表附註2)。
- 為符合會計實務準則第34號「員工福利」之規定，本集團於二零零二年就定額福利退休計劃採納一項新會計政策，由於重列過往年度之數據並不實際，故並未調整二零零一年之數據撥備以作比較。
- 根據經修訂(二零零一年十二月)之會計實務準則第11號「外幣換算」之規定，本集團於二零零二年更改換算海外附屬公司業務所採用之會計政策，由於此項會計政策之影響並不重大，因此並未調整二零零一年之數據以作比較。
- 會計實務準則第12號(經修訂)「所得稅」於二零零三年一月一日或以後開始之會計期間首次生效，為符合經修訂之準則，本集團於二零零三年就遞延稅項採納一項新會計政策，二零零二年之數據已作出調整，然而重列二零零一年度之數據以作比較並不實際。

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