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 上市公司訊息

大同機械<00118> - 業績公告

大同機械企業有限公司於 26/09/2005 公布：

(證券代號：00118)

年度：31/12/2005

貨幣：港元

核數師報告：不適用

中期報告審核者為：審核委員會

	(未經審核) 本期間 由 01/01/2005 附註 至 30/06/2005 (千)	(未經審核) 上一段相應期間 由 01/01/2004 至 30/06/2004 (千)
營業額	: 778,744	796,029
經營溢利/(虧損)	: 35,664	35,509
財務費用	: (11,212)	(9,242)
應佔聯營公司之溢利/(虧損)	: 10,960	11,248
應佔共同控制個體之溢利/(虧損)	: 不適用	不適用
扣除稅項及少數股東權益後 之溢利/(虧損)	: 18,630	21,550
相對上期之百分比增減	: -13.5 %	
每股盈利/(每股虧損) 基本(元)	: 0.0264	0.0305
攤薄(元)	: 不適用	不適用
非經常性收益/(虧損)	: 不適用	不適用
扣除非經常性項目後 之溢利/(虧損)	: 18,630	21,550
中期股息 (每股)	: NIL	NIL
(如有其他形式可供選擇, 請註明)	: 不適用	不適用
中期股息 之截止過戶日期	: 不適用	
股息應付日期	: 不適用	
股東(-)大會 之截止過戶日期	: 不適用	
本期間	: 不適用	

之其他分派

其他分派之截止過戶日期 : 不適用

有關業績的備註, 請參閱英文版業績公告。

Investor
Investment Service Centre
Listed Companies Information

COSMOS MACH<00118> - Results Announcement

COSMOS MACHINERY ENTERPRISES LIMITED announced on 26/09/2005:

(stock code: 00118)

Year end date: 31/12/2005

Currency: HKD

Auditors' Report: N/A

Interim report reviewed by: Audit Committee

	(Unaudited) Current Period from 01/01/2005 to 30/06/2005 Note ('000)	(Unaudited) Last Corresponding Period from 01/01/2004 to 30/06/2004 ('000)
Turnover	: 778,744	796,029
Profit/(Loss) from Operations	: 35,664	35,509
Finance cost	: (11,212)	(9,242)
Share of Profit/(Loss) of Associates	: 10,960	11,248
Share of Profit/(Loss) of Jointly Controlled Entities	: N/A	N/A
Profit/(Loss) after Tax & MI	: 18,630	21,550
% Change over Last Period	: -13.5 %	
EPS/(LPS)-Basic (in dollars)	: 0.0264	0.0305
-Diluted (in dollars)	: N/A	N/A
Extraordinary (ETD) Gain/(Loss)	: N/A	N/A
Profit/(Loss) after ETD Items	: 18,630	21,550
Interim Dividend	: NIL	NIL

per Share
(Specify if with other options) : N/A N/A

B/C Dates for
Interim Dividend : N/A
Payable Date : N/A
B/C Dates for (-)
General Meeting : N/A
Other Distribution for
Current Period : N/A

B/C Dates for Other
Distribution : N/A

Remarks:

1. Significant accounting policies

The unaudited condensed consolidated interim financial statements of the Group have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and Hong Kong Accounting Standards ("HKASs") 34 "Interim financial reporting" issued by the Hong Kong Institute of Certified Public Accountants. The accounting policies and basis of preparation adopted are consistent with those used in the preparation of the Group's annual financial statements for the year ended 31st December, 2004 except that the Group has changed certain of its accounting policies following the adoption of new/revised Hong Kong Financial Reporting Standards, HKASs and Interpretations ("HKFRS") which are effective for accounting periods commencing on or after 1st January, 2005. The changes to the Group's accounting policies and the effect of adopting these new accounting policies are set out in note 2 below.

2. Changes in accounting policies

The HKFRSs which are relevant to these financial statements are set out below:

- HKAS 1 "Presentation of financial statements"
- HKAS 2 "Inventories"
- HKAS 7 "Cash flow statements"
- HKAS 8 "Accounting policies, changes in accounting estimates and error"

HKAS 10 "Events after the balance sheet date"
HKAS 12 "Incomes taxes"
HKAS 14 "Segment reporting"
HKAS 16 "Property, plant and equipment"
HKAS 17 "Leases"
HKAS 18 "Revenue"
HKAS 19 "Employee benefits"
HKAS 21 "The effects of changes in foreign exchange rates"
HKAS 23 "Borrowing costs"
HKAS 24 "Related party disclosures"
HKAS 27 "Consolidated and separate financial statements"
HKAS 28 "Investments in associates"
HKAS 32 "Financial instruments: disclosure and presentation"
HKAS 33 "Earnings per share"
HKAS 36 "Impairment of assets"
HKAS 37 "Provisions, contingent liabilities and contingent assets"
HKAS 38 "Intangible assets"
HKAS 39 "Financial instruments: recognition and measurement"
HKAS 40 "Investment property"
HKFRS 3 "Business combinations"

a. The adoption of HKAS 1, 2, 7, 8, 10, 12, 14, 16, 18, 19, 21, 23, 24, 27, 28, 33, 36 and 37 did not result in substantial changes to the Group's accounting policies. In summary:

- HKAS 1 has affected the presentation of minority interests, share of net after-tax results of associates and other disclosures.
- HKAS 2, 7, 8, 10, 12, 14, 16, 18, 19, 21, 23, 27, 28, 33, 36 and 37 had no material effect on the Group's policies.
- HKAS 24 has affected the identification of related parties and some other related party disclosures.

b. The adoption of HKAS 17 has resulted in a change in accounting policy relating to leasehold land. Leasehold land and buildings held for own use were previously accounted for as finance leases and were stated at

valuation less accumulated depreciation. In accordance with HKAS 17, a lease of land and building should be split into a lease of land and a lease of building according to their fair value at inception. A lease of land is an operating lease and a lease of building is a finance lease unless the two elements cannot be allocated reliably, in which case the

entire lease is classified as a finance lease. Pursuant to these requirements, the land premium paid for distinguishable leasehold land is accounted for as an operating lease and amortised over its unexpired lease term, whereas undistinguishable leasehold land and building included in property, plant and equipment is stated collectively at valuation less accumulated depreciation.

This change in accounting policy has had no material effect on both the condensed consolidated income statement and retained profits, and condensed consolidated balance sheet.

c. The adoption of HKAS 40 has resulted in a change in the accounting policy for investment property. The Group has elected to use the fair value model to account for its investment properties which requires gains or losses arising from changes in the fair value of investment properties to be recognised directly in the profit or loss for the period in which they arise. In previous periods, investment properties under the SSAP 13 were measured at open market values, with revaluation surplus or deficits credited or charged to investment property revaluation reserve unless the balance on this reserve was insufficient to cover a revaluation decrease, in which case the excess of the revaluation decrease over the balance on the investment property revaluation reserve was charged to the income statement. Where a decrease had previously been charged to the income statement and revaluation surplus subsequently arose, that increase was credited to the income statement to the extent of the decrease previously charged. The Group has applied the relevant transitional provisions in HKAS 40 and elected to apply HKAS 40 from 1st January 2005 onwards. The amount of HK\$8,607,000 held in investment property revaluation reserve at 1st January 2005 has been transferred to the opening balance of Group's retained profits.

In previous periods, deferred tax consequences in respect of revalued investment properties were assessed on the basis of the tax consequence that would follow from recovery of the carrying amount of the properties through sale in accordance with the predecessor interpretation (SSAP-Int 20). In the current period, the Group has applied HK(SIC)-Int 21 "Income Taxes - Recovery of Revalued Non-Depreciable Assets" which removes the presumption that the carrying amount of investment properties are to be recovered through sale. Therefore, the deferred tax consequences of the investment properties are now assessed on the basis that reflects the tax consequences that would follow from the manner in which the Group expects to recover the property at each balance sheet date. The above change has had no material effect on the condensed consolidated financial statements.

d. In prior periods, goodwill on acquisition of subsidiaries and associates was carried at cost and amortised over its estimated useful life. Following the adoption of HKAS 36, HKAS 38 and HKFRS 3, goodwill on acquisition of subsidiaries and associates is carried at cost and reviewed for impairment annually. Impairment, if any, is charged to the income statement and is not reversed in a subsequent period. This change in accounting policy has been applied prospectively from 1st January, 2005 where the accumulated amortisation of goodwill on acquisition of subsidiaries and associates as at 1st January, 2005 of approximately HK\$ 23,152,000 has been eliminated with a corresponding decrease in the respective cost of goodwill at that date.

e. In prior periods, to the extent that the negative goodwill was not attributable to losses or expenses anticipated at the date of acquisition, it was recognised as income on a straight line basis over the remaining average useful life of the identifiable acquired depreciable assets. Following the adoption of HKFRS 3, any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities acquired as at the date of acquisition over the cost of the business combination is recognised immediately in the income statement. Goodwill previously eliminated against consolidated capital reserve remains eliminated against consolidated capital reserve and is not recognized in the income statement when all or part of the business to which the goodwill relates is disposed of or when a cash-generating unit to which the goodwill relates becomes impaired. This change in accounting policy has been applied prospectively from 1st January, 2005, and following the transitional provisions of HKFRS 3, the carrying amounts of the negative goodwill recognised on the consolidated balance sheet as at 1st January 2005 of approximately HK\$1,175,000 were derecognised by way of a corresponding adjustment to the opening retained profits as at 1st January 2005.

f. In prior periods, investment securities held for an identified long-term strategic purpose which were held for non-trading were measured at cost less any accumulated impairment losses. Following the adoption of HKAS 32 and HKAS 39, all investment securities of the Group as at 31st December 2004 were redesignated into available-for-sale financial assets on 1st January 2005 and are stated at cost less any accumulated impairment losses as all the investments do not have a quoted market price in an active market and their fair value cannot be reliably measured. This change in accounting policy has had no material effect on the condensed

consolidated financial statements.

Effect on opening balance of total equity as at 1st January, 2005 are summarised below:

Increase (decrease)	As at 31st December, 2004 HK\$'000	Effects of changes in accounting policies		
		HKAS 40 HK\$'000	HKFRS 3 HK\$'000	As at 1st January, 2005 HK\$'000
Retained profits	68,360	8,607	1,175	78,142
Asset revaluation reserve	47,026	(8,607)	-	38,419
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		-	1,175	
		=====	=====	

3. Earnings per share

The calculation of the basic earnings per share for the period is based on

the profit attributable to the equity holder of the Company for the period of approximately HK\$18,630,000 (2004: approximately HK\$21,550,000) and on the weighted average number of shares in issue during the period of 706,228,857 (2004: restated of 706,228,857).

Diluted earnings per share for period ended 30th June, 2004 and 2005 have not been disclosed as no diluting events existed during these periods.

The adjustment to the comparative basic earnings per share, arising from the bonus issue of shares is as follows:

	HK cents
Reconciliation of 2004 earnings per share:	
Reported figure before adjustments	3.36
Adjustments arising from the bonus issue of shares	(0.31)

As restated	3.05
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