

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 1. GENERAL INFORMATION AND GROUP REORGANISATION

#### 1.1 General information

HKC (Holdings) Limited (the “Company”) was incorporated in Bermuda on 14th April 2005 as an exempted company with limited liability. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda.

The Company and its subsidiaries (together “the Group”) engage in the business of property development and investment, alternative energy investment, infrastructure and construction. The Group has construction contracts and investments mainly in Hong Kong and Mainland China.

The Company is listed on the main board of The Stock Exchange of Hong Kong Limited.

These consolidated financial statements are presented in million of units of HK dollars (HK\$ Million), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 16th April 2007.

#### 1.2 Group reorganisation

Pursuant to a group reorganisation under a scheme of arrangement (“the Group Reorganisation”) sanctioned by the High Court of the Hong Kong Special Administrative Region, which became effective on 16th November 2006, the Company issued 3,028,332,891 shares and transferred 10,000,000 shares to the shareholders of Hong Kong Construction (Hong Kong) Limited (“HK Co”), which was formerly known as Hong Kong Construction (Holdings) Limited, the then holding company of the Group, in exchange for the entire issued share capital of HK Co. HK Co then became a wholly owned subsidiary of the Company which became the holding company of the companies now comprising the Group.

Upon completion of the Group Reorganisation on 16th November 2006, the Company’s shares were listed on the Stock Exchange by way of introduction on 17th November 2006 and the listing status of HK Co was withdrawn on 16th November 2006. Details of the Group Reorganisation were set out in a circular issued by HK Co dated 11th August 2006.

### 1. 一般資料及集團重組

#### 1.1 一般資料

香港建設（控股）有限公司（「本公司」）於二零零五年四月十四日在百慕達註冊成立為獲豁免有限責任公司。註冊辦事處地址為Clarendon House, 2 Church Street, Hamilton HM11, Bermuda。

本公司及其附屬公司（合稱「本集團」）從事物業發展與投資、替代能源投資、基建及承建工程之業務。本集團的建設工程合約及投資主要位於香港及中國內地。

本公司於香港聯合交易所有限公司主板上市。

除另有列明外，綜合財務報表以百萬港元為單位列示。董事會已於二零零七年四月十六日批准刊發綜合財務報表。

#### 1.2 集團重組

根據經香港特別行政區高等法院批准於二零零六年十一月十六日生效之協議計劃作出之集團重組（「集團重組」），本公司向本集團當時之控股公司香港建設（香港）工程有限公司（「香港公司」），前稱香港建設（控股）有限公司股東發行3,028,332,891股股份及轉讓10,000,000股股份，以換取香港公司全部已發行股本。香港公司其後成為本公司全資附屬公司，而本公司則成為現組成本集團旗下公司之控股公司。

集團重組於二零零六年十一月十六日完成時，本公司股份透過介紹方式於二零零六年十一月十七日在聯交所上市，而香港公司之上市地位於二零零六年十一月十六日撤銷。集團重組詳情，載於香港公司所刊發日期為二零零六年八月十一日之通函。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

#### 2.1 Basis of preparation

The consolidated financial statements of HKC (Holdings) Limited have been prepared in accordance with Hong Kong Financial Reporting Standards (HKFRS). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties, available-for-sale financial assets, financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The Group Reorganisation has been reflected in these consolidated financial statements using the principles of merger accounting, as prescribed in Hong Kong Accounting Guideline 5 "Merger Accounting for Common Control Combinations" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The consolidated financial statements include the financial position, results and cash flows of the companies comprising the Group as if the current group structure had been in existence since 1st January 2005, or since their respective dates of incorporation.

The consolidated financial statements incorporate the financial statements of the combining entities or businesses in which the common control combination occurs as if they had been combined from the date when the combining entities or businesses first came under the control of the controlling party.

The net assets of the combining entities or businesses are combined using the existing book values from the controlling parties' perspective. No amount is recognised in consideration for goodwill or excess of acquirers' interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party's interest.

The consolidated income statement includes the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under the common control, where there is a shorter period, regardless of the date of the common control combination.

### 2. 主要會計政策概要

編製綜合財務報表所採納之主要會計政策載列如下。除另有說明外，該等政策已於所有呈報年度內貫徹應用。

#### 2.1 編製基準

香港建設（控股）有限公司之綜合財務報表乃根據香港財務報告準則（「香港財務報告準則」）編製。該等綜合財務報表按歷史成本慣例編製，惟已就按公平值列賬之投資物業重估、可供出售財務資產及按公平值在損益表列賬之財務資產及負債（包括衍生工具）作出修訂。

集團重組已在此綜合財務報表中反映，而此報表乃採用香港會計師公會（「香港會計師公會」）頒佈之香港會計指引第5號「共同控制業務合併之合併會計法」所規定合併會計法之原則而編製。綜合財務報表包括組成本集團各公司之財務狀況、業績及現金流量，猶如現行集團架構自二零零五年一月一日以來或各自註冊成立日期以來已一直存在。

綜合財務報表包括共同控制合併發生之合併實體或業務之財務報表，猶如彼等從合併實體或業務開始被控制方所控制之日期起已被合併。

合併實體或業務之資產淨值從控制方之角度以現有賬面值合併。以控制方權益持續為限，並無就商譽，或收購人於被收購人之可辨認資產、負債及或然負債之公平淨值中之權益超過共同控制合併時成本之部份，確認任何金額。

綜合損益表包括合併實體或業務各自所呈列之最早日期或自合併實體或業務開始受到共同控制之日期以來（以較短期間為準，毋須考慮共同控制合併之日期）之業績。

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.1 Basis of preparation (continued)

The comparative amounts in the consolidated financial statements are presented as if the entities or businesses had been combined at the previous balance sheet date or when they first came under common control, whichever is shorter.

A uniform set of accounting policies is adopted by those entities. All intra-group transactions, balances and unrealised gains on transactions between combining entities or businesses are eliminated on consolidation.

Transaction costs, including professional fees, registration fees, costs of furnishing information to shareholders, costs or losses incurred in combining operations of the previously separate businesses, etc., incurred in relation to the common control combination that is to be accounted for by using merger accounting is recognised as an expense in the period in which it is incurred.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 4.

- (a) Amendments and interpretation to published standards effective in 2006 and adopted by the Group
- In 2006, the Group adopted the new amendments and interpretation of HKFRS and Hong Kong Accounting Standards ("HKAS") below, which are relevant to its operations.

HKAS 21 (Amendment)	New Investment in a Foreign Operation
HKAS 39 and HKFRS 4 (Amendment)	Financial Guarantee Contracts
HK(IFRIC)-Int 4	Determining whether an Arrangement contains a Lease

## 2. 主要會計政策概要 (續)

### 2.1 編製基準 (續)

綜合財務報表中之比較金額予以呈列，猶如實體或業務於上一個結算日或彼等開始受到共同控制時（以較短者為準）已被合併。

該等實體乃採納統一之會計政策。集團內公司間之所有交易、結餘及合併實體或業務間之未變現收益乃於合併時予以對銷。

就共同控制業務合併產生之交易成本（包括專業費用、註冊費用、向股東提供資料之費用、在合併先前獨立業務運作時產生之成本或虧損等），將採用合併會計法入賬，並於其產生期間內確認為開支。

在遵照香港財務報告準則編製財務報表時，須採用若干重大會計估計，管理層亦須在應用本公司會計政策的過程中作出判斷。附註4載述涉及較多判斷或較複雜的範疇，或假設及估計對綜合財務報表有重大影響的範疇。

- (a) 本集團採納且於二零零六年生效之已頒佈準則之修訂與詮釋
- 於二零零六年，本集團採納下文與其業務有關之香港財務報告準則及香港會計準則（「香港會計準則」）之新修訂及詮釋。

香港會計準則第21號 (修訂本)	境外業務之新 投資
香港會計準則第39號 及香港財務報告 準則第4號 (修訂本)	財務擔保合約
香港 (國際財務報告 詮釋委員會) - 詮釋第4號	釐定一項安排 是否包括 租賃

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 2.1 Basis of preparation (continued)

- (a) Amendments and interpretation to published standards effective in 2006 and adopted by the Group (continued)

The Group has assessed the impact of the adoption of these amendments and interpretation and considered that there was no significant impact on the Group's results and financial position nor any substantial changes in the Group's accounting policies.

- (b) Standards, interpretations and amendments to existing standards that are not yet effective  
Certain new standards, amendments and interpretations to existing standards have been published which are relevant to the Group's operations and financial statements and are mandatory for the Group's accounting periods beginning on or after 1st January 2007 or later periods as follows:

Effective from 1st January 2007	
HKAS 1 (Amendment)	Presentation of Financial Statements: Capital Disclosures
HK(IFRIC)-Int 8	Scope of HKFRS 2
HK(IFRIC)-Int 9	Reassessment of Embedded Derivatives
HK(IFRIC)-Int 10	Interim Reporting and Impairment
HK(IFRIC)-Int 11	HKFRS 2 – Group and Treasury Share Transactions
HKFRS 7	Financial Instruments: Disclosures
Effective from 1st January 2009	
HKFRS 8	Operating Segments

The Group has not early adopted the above standards, amendments and interpretations and is not yet in a position to state whether substantial changes to the Group's accounting policies and presentation of the accounts will be resulted.

### 2. 主要會計政策概要 (續)

#### 2.1 編製基準 (續)

- (a) 本集團採納之於二零零六年生效之已頒佈準則及其修訂與詮釋 (續)

本集團已評估採納此等修訂及詮釋之影響，並認為對本集團之業績及財務狀況並無造成重大影響，亦無對本集團之會計政策造成任何重大變動。

- (b) 尚未生效之現有準則之新準則、現有準則之詮釋及修訂  
與本集團業務及財務報表有關及對本集團於二零零七年一月一日或之後開始之會計期間或較後期間強制採納已公佈若干新準則、現有準則之修訂及詮釋如下：

自二零零七年一月一日起生效	
香港會計準則第1號 (修訂本)	財務報表呈報：資本披露
香港 (國際財務報告詮釋委員會) – 詮釋第8號	香港財務報告準則第2號之範圍
香港 (國際財務報告詮釋委員會) – 詮釋第9號	重新評估嵌入式衍生工具
香港 (國際財務報告詮釋委員會) – 詮釋第10號	中期財務報告及減值
香港 (國際財務報告詮釋委員會) – 詮釋第11號	香港財務報告準則第2號 – 集團及庫務股份交易
香港財務報告準則第7號	金融工具：披露
自二零零九年一月一日起生效	
香港財務報告準則第8號	營運分部

本集團並無提早採納以上準則、修訂及詮釋，且目前不宜判斷是否將對本集團之會計政策及呈列賬目造成重大變動。

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.2 Consolidation

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

(a) Subsidiaries

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

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

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill (Note 2.7). If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

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

In the Company's balance sheet the investments in subsidiaries are stated at cost less provision for impairment losses (Note 2.8). The results of subsidiaries are accounted by the Company on the basis of dividend received and receivable.

## 2. 主要會計政策概要 (續)

### 2.2 綜合基準

綜合財務報表包括本公司及其所有附屬公司截至十二月三十一日止之財務報表。

(a) 附屬公司

附屬公司為本集團有權規管其財務及營運政策之公司，有關股權一般涉及其過半數表決權，現時可行使或可轉換潛在表決權的存在及影響將於評定本集團是否控制另一公司時予以考慮。

附屬公司於其控制權轉移至本集團當日起全面綜合入賬，於控制權終止當日起不再綜合入賬。

本集團採用收購會計法為本集團所收購之附屬公司列賬。收購成本為於交易當日所獲資產之公平值、所發行之股本工具及所產生或承擔之負債，加上直接歸屬予收購事項之成本。在商業合併過程中所收購之可辨別資產、所承擔之負債及或然負債，均於收購當日按其公平值作出初步計量，而毋須計及任何少數股東權益。收購成本超出本集團應佔所收購可辨別淨資產之公平值之差額乃列作商譽（附註2.7）。倘收購成本低於所收購附屬公司淨資產之公平值，則有關差額將直接在損益表內確認。

集團內公司間之交易、結餘及集團公司之間進行交易之未變現收益均對銷。除非交易時有證據顯示所轉讓資產有所減值，否則未變現虧損亦會對銷。附屬公司之會計政策已經作出必要修改，以確保與本集團採用之會計政策一致。

在本公司之資產負債表，於附屬公司之投資按成本扣除減值虧損撥備（附註2.8）列賬。附屬公司之業績由本公司按已收及應收股息入賬。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 2.2 Consolidation (continued)

- (b) Transactions and minority interests  
The Group applies a policy of treating transactions with minority interests as transactions with parties external to the Group. Disposals to minority interests result in gains and losses for the Group that are recorded in the consolidated income statement. Purchases from minority interests result in goodwill, being the difference between the consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary.
- (c) Associated companies  
Associated companies are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associated companies are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associated companies includes goodwill (net of any accumulated impairment loss) identified on acquisition (Note 2.7).

The Group's share of its associated companies' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associated company equals or exceeds its interest in the associated company, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associated company.

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

Dilution gains and losses in associated companies are recognised in the consolidated income statement.

### 2. 主要會計政策概要 (續)

#### 2.2 綜合基準 (續)

- (b) 交易及少數股東權益  
本集團應用之政策視與少數股東之交易為與本集團外界人士進行之交易。向少數股東出售所產生本集團損益，於綜合損益表記錄。向少數股東購買所產生商譽，即所付代價與應佔有關購入附屬公司資產淨值賬面值之差額。
- (c) 聯營公司  
聯營公司為本集團對其有重大影響力但無控制權之公司，一般附帶有20%至50%投票權之股權。於聯營公司之投資以權益會計法入賬，初始按成本確認。本集團於聯營公司之投資包括收購時已識別之商譽（扣除任何累計減值虧損）（附註2.7）。

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

本集團與其聯營公司之間交易的未變現收益按本集團於聯營公司權益的數額對銷。除非交易時有證據顯示所轉讓資產有所減值，否則未變現虧損亦會對銷。聯營公司之會計政策於有需要時更改，以確保本集團所採納會計政策貫徹一致。

聯營公司攤薄收益及虧損，於綜合損益表確認。

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.2 Consolidation (continued)

- (c) Associated companies (continued)  
In the Company's balance sheet the investments in associated companies are stated at cost less provision for impairment losses (Note 2.8). The results of associated companies are accounted for by the Company on the basis of dividend received and receivable.
- (d) Jointly controlled entities  
A jointly controlled entity is a contractual arrangement whereby the Group and other parties undertake an economic activity which is subject to joint control and none of the participating parties has unilateral control over the economic activity.

Investments in jointly controlled entities are accounted for by the equity method of accounting. The consolidated income statement includes the Group's share of the results of jointly controlled entities for the year, and the consolidated balance sheet includes the Group's share of the net assets of the jointly controlled entities and goodwill (net of any accumulated impairment loss) on acquisition (Note 2.7).

In the Company's balance sheet, the investments in jointly controlled entities are stated at cost less provision for impairment losses (Note 2.8). The results of jointly controlled entities are accounted for by the Company on the basis of dividends received and receivables.

### 2.3 Segment reporting

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

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

## 2. 主要會計政策概要 (續)

### 2.2 綜合基準 (續)

- (c) 聯營公司 (續)  
在本公司之資產負債表內，於聯營公司之投資按成本扣除減值虧損撥備 (附註2.8) 列賬。聯營公司之業績由本公司按已收及應收股息入賬。
- (d) 合營公司  
合營公司為本集團與其他各方合作進行一項經濟活動之合約安排，該公司受共同控制，而任何參與方不可單方面控制有關經濟活動。

於合營公司之投資按權益會計法入賬。綜合損益表包括本集團於年內應佔合營公司之業績，而綜合資產負債表則包括本集團應佔合營公司之資產淨值及收購時產生之商譽 (扣除任何累計減值虧損) (附註2.7)。

在本公司之資產負債表內，於合營公司之投資按成本扣除減值虧損撥備列賬 (附註2.8)。合營公司之業績由本公司按已收及應收股息入賬。

### 2.3 分部報告

業務分部指從事提供產品或服務之一組資產及業務，而該組資產及業務須承擔之風險及回報與其他業務分部有別。地區分部乃在某特定經濟環境下從事提供產品或服務，而該分部須承擔之風險及回報與其他經濟環境經營之分部有別。

根據本集團中期財務報告及營運業務，本集團決定以業務分部作為首要報告格式，而地域分部則為次要報告格式。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 2.3 Segment reporting (continued)

Unallocated costs represent corporate expenses. Segment assets consist primarily of investment properties, other property, plant and equipment, properties held for development or held for sale. Segment liabilities comprise operating liabilities, taxation and borrowings. Capital expenditure comprises additions to intangible assets and property, plant and equipment, including additions resulting from acquisitions through purchases of subsidiaries. Sales are based on the country in which the customers are located.

#### 2.4 Foreign currency translation

- (a) Functional and presentation currency
- Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in HK dollars, which is the Company's functional and presentation currency.
- (b) Transactions and balances
- Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end-exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

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

### 2. 主要會計政策概要 (續)

#### 2.3 分部報告 (續)

未能分類成本指企業支出。分部資產主要包括投資物業；其他物業、機器及設備；持作發展或銷售用途之物業。分部負債包括經營負債、稅項及借款。資本支出由無形資產以及物業、機器及設備添置組成，包括透過購買附屬公司所產生收購添置。銷售按客戶所在國家分類。

#### 2.4 外幣換算

- (a) 功能及呈報貨幣
- 本集團各實體之財務報表所包括之項目，乃按該實體經營所在之主要經濟環境之貨幣（「功能貨幣」）計量。綜合財務報表以本公司之功能及呈報貨幣港元呈列。
- (b) 交易及結餘
- 外幣交易均按交易當日之現行匯率換算為功能貨幣。因上述交易結算及按結算日之匯率兌換以外幣計值之貨幣資產及負債而產生之匯兌損益，均於損益表確認。

非貨幣性財務資產及負債之匯兌差額，申報為公平值損益之部分。非貨幣性項目中諸如按公平值持有並於損益表處理之股本工具之匯兌差額，則申報列為公平值損益之部分。歸類為可供出售財務資產之股本證券等非貨幣性項目之匯兌差額，則計入股權之公平值儲備。



## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.4 Foreign currency translation (continued)

- (c) Group companies
- The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
  - (ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
  - (iii) all resulting exchange differences are recognised as a separate component of equity.

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

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

### 2.5 Property, plant and equipment

Properties are interests in buildings other than investment properties and properties under construction and are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Other property, plant and equipment, comprising water pipeline, plant and machinery, motor vehicles and furniture and fixtures are stated at cost less accumulated depreciation and accumulated impairment losses.

## 2. 主要會計政策概要 (續)

### 2.4 外幣換算 (續)

- (c) 集團公司
- 集團旗下所有實體如持有與呈報貨幣不一致之功能貨幣 (其中並無任何公司持有通脹嚴重之經濟體系之貨幣)，其業績和財務狀況均按以下方法兌換為呈報貨幣：
- (i) 每項資產負債表之資產及負債均按照該資產負債表結算日之匯率換算為呈報貨幣；
  - (ii) 每項損益表之收入和支出均按照平均匯率換算為呈報貨幣，但若此平均匯率未能合理地反映各交易日之匯率所帶來之累計影響，則按照各交易日之匯率換算此等收入和支出；及
  - (iii) 所有產生之匯兌差異均確認為股東權益之個別部分。

於綜合賬目時，換算海外公司投資淨額及借貸而產生之匯兌差異，均列入股東權益賬內。當出售部分海外業務時，此等匯兌差異將於損益表內確認為出售收益或虧損之一部分。

因收購海外公司而產生之商譽及公平值調整，均視作為該海外公司之資產及負債處理，並以結算日之匯率換算。

### 2.5 物業、機器及設備

物業是指投資物業及在建物業以外之樓宇權益，按以往成本減累計折舊及減值虧損列賬。以往成本包括直接因收購有關項目而動用之開支。其他物業、機器及設備包括水管、機器設備、汽車及傢俬以及固定裝置，按成本減累計折舊及累計減值虧損列賬。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 2.5 Property, plant and equipment (continued)

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

Buildings	50 years
Water pipe-line	15 years
Other property, plant and equipment	3 to 10 years

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.8).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within other gains – net in the income statement.

#### 2.6 Investment properties

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

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

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

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

After initial recognition, investment property is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. These valuations are reviewed annually by Knight Frank Petty Limited ("Knight Frank"), an independent professional property valuer.

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

### 2. 主要會計政策概要 (續)

#### 2.5 物業、機器及設備 (續)

物業、機器及設備以直線法計算折舊，於以下估計可使用年期撇減其成本：

樓宇	50年
水管	15年
其他物業、機器及設備	3至10年

每個結算日均會檢討資產之餘值及可使用年期，如有需要會作出調整。

資產賬面值超過預計可收回款額時，資產賬面值即時撇減（附註2.8）。

出售盈虧按比較所得款項與賬面值釐定，於損益表內其他收益淨額確認。

#### 2.6 投資物業

投資物業是指持有作為長期收取租金或及為資本增值，而並非由集團內企業所佔用之物業。

投資物業包括根據經營租約持有之土地及根據融資租約持有之樓宇。

當符合分類為投資物業之其他要求時，以經營租賃持有之土地亦分類及入賬作投資物業。經營租約乃當作融資租約入賬。

投資物業初步按成本列賬，並包括相關之交易費用。

於初步確認後，投資物業會按公平值列賬。公平值按活躍市價釐定，倘有需要，會就指定資產於性質、地點或狀況三方面之任何差異作出調整。倘並無有關資料，本集團將會採用其他估值方法，例如活躍程度稍遜市場之最近期價格或貼現現金流量預測。該等估值乃經獨立專業物業估值師行萊坊測計師行有限公司（「萊坊」）每年檢討。

投資物業之公平值反映（其中包括）來自現有租賃之租金收入，以及按現有市場狀況對來自未來租賃的租金收入之假設。

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.6 Investment properties (continued)

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

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

Changes in fair values are recognised in the income statement.

### 2.7 Intangible assets

#### (a) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

#### (b) Concession rights

Acquired concession rights are measured initially at fair value at the acquisition date. Concession rights have a definite useful life are amortised on straight-line basis over the term of the operating period and carried at cost less accumulated amortisation and accumulated impairment losses.

## 2. 主要會計政策概要 (續)

### 2.6 投資物業 (續)

公平值亦以類似方式反映預期有關物業之任何現金流出。若干現金流出確認為負債，包括分類為投資物業之融資租賃負債，其他項目（包括或然租金）並非在財務報表確認。

當有關項目之未來經濟利益有可能流入本集團，而項目成本能夠可靠地計量時，其後開支方會自資產之賬面值扣除。所有其他維修及保養成本於產生之財務期間內在損益表支銷。

公平值之變動計入損益表。

### 2.7 無形資產

#### (a) 商譽

商譽指收購成本高出收購日集團所佔收購附屬公司之可辨認淨資產公平值之金額。收購附屬公司所產生之商譽計入無形資產。商譽每年進行減值測試，並按成本減累計減值虧損列賬。商譽之減值虧損不會撥回。計算出售企業之盈虧應包括與該企業相關之商譽之賬面值。

#### (b) 特許權

所收購特許權首先於收購日按公平值計量。特許權具有指定可使用年期，於經營期內以直線法攤銷，並按成本減累計攤銷及累計減值虧損列賬。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 2.8 Impairment of assets

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

#### 2.9 Construction contracts

Contract costs are recognised when incurred. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognised over the period of the contract. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

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

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

### 2. 主要會計政策概要 (續)

#### 2.8 資產減值

可使用年期並無上限或尚未投入使用之資產不計提攤銷，但須最少於每年進行減值評審，或於有事件或情況有變化而顯示可能不可收回其賬面值時檢討減值。至於須攤銷之資產，則須於有事件或情況有變化而顯示可能不可收回其賬面值時，進行減值檢討。資產賬面值高出其可回收值之金額確認為減值虧損。可回收值指資產之公平值減出售費用及使用價值兩者較高之金額。於評核減值時，資產按最小單位分類以分開辨認現金流量（即產生現金之單元）進行分組。出現減值之商譽以外資產，於每個呈報日期就撥回減值之可行性作出審閱。

#### 2.9 建築合約

合約成本於產生時確認。當建築合約的結果能可靠計算，則合約收益按大有可能收回已產生合約成本時確認。當建築合約結果能夠可靠預計，且合約將有利可圖，合約收益於合約期間確認。當合約成本總額有可能超出合約收益總額時，預期虧損會即時確認為開支。

本集團以「完成百分比法」確定於特定期間確認之合適款額。完工階段參照截至結算日已產生合約成本相對每份合約總預計成本之百分比計量。年內就合約日後活動產生之成本，於確定完工階段時，不計入合約成本，視性質按存貨、預付款或其他資產呈列。

倘進行中合約所產生成本加上已確認溢利減已確認虧損超出進度發票額，本集團按資產呈列應收客戶合約工程款項總額。客戶尚未支付之進度發票額及保留金，計入起收賬款及其他應收款。

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.9 Construction contracts (continued)

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

### 2.10 Financial assets

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

- (a) Financial assets at fair value through profit or loss  
Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.
- (b) Available-for-sale financial assets  
Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset.

Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are substantially carried at fair value.

## 2. 主要會計政策概要 (續)

### 2.9 建築合約 (續)

倘進行中合約之進度發票額超出所產生成本加上已確認溢利減已確認虧損，本集團按負債呈列應付客戶合約工程款項總額。

### 2.10 金融資產

本集團將其金融資產分類如下：按公平值在損益表列賬及可供出售。分類方式視乎購入金融資產目的而定。管理層在初步確認時決定其金融資產的分類。

- (a) 按公平值在損益表列賬之財務資產  
按公平值在損益表列賬之財務資產為持作買賣財務資產。倘主要就於短期內出售購入，則該財務資產於此類別分類。除非指定作對沖，否則衍生工具按持作買賣分類。此類別資產分類為流動資產。
- (b) 可供出售財務資產  
可供出售財務資產為非衍生工具，被指定為此類別或並無分類為任何其他類別。除非管理層有意在結算日後十二個月內出售該項投資，否則此等資產計入非流動資產。

定期買賣財務資產乃於買賣日期（即本集團承諾買賣有關資產當日）確認入賬。

對於所有非按公平值在損益表列賬之財務資產，投資初步按公平值加交易成本確認。按公平值在損益表列賬之財務資產，初步按公平值確認，交易成本於損益表支銷。財務資產於收取投資現金流量的權利屆滿或已經轉讓且本集團已轉讓擁有權絕大部分風險和回報時，解除確認財務資產。可供出售財務資產及按公平值在損益表列賬之財務資產絕大部分按公平值列賬。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 2.10 Financial assets (continued)

Gains or losses arising from changes in fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement within other gains – net, in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the income statement as part of other income when the Group's right to receive payments is established.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences on monetary securities are recognised in profit or loss; translation differences on non-monetary securities are recognised in equity. Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised in equity.

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement as gains or losses from investment securities.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group established fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis and option pricing models, making maximum use of market inputs and relying as little as possible on entity-specific inputs.

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

### 2. 主要會計政策概要 (續)

#### 2.10 金融資產 (續)

因為「按公平值在損益表列賬之財務資產」類別的公平值變動而產生的盈虧，於產生期間損益表列入其他收益淨額。按公平值在損益表列賬之財務資產所得股息收入，於本集團收取款項之權利確定時，於損益表確認，作為其他收入其中部分。

以外幣為單位以及分類為可供出售之貨幣性證券之公平值變動，按照證券之攤銷成本變動與該證券賬面值之其他變動所產生之匯兌差額進行分析。貨幣性證券之匯兌差額於盈虧中確認；非貨幣性證券之匯兌差額則於權益中確認。分類為可供出售之貨幣性及非貨幣性證券之公平值變動乃於權益中確認。

當分類為可供出售之證券售出或減值時，在權益中確認之累計公平值調整列入損益表內作為投資證券之盈虧。

有報價投資之公平值根據當時買盤價計算。若某項財務資產之市場並不活躍（及就非上市證券而言），本集團利用重估技術設定公平值。這些技術包括利用近期公平原則交易、參考大致相同之其他工具、貼現現金流量分析及期權定價模式，並提高使用市場數據投入，且儘可能減少依賴實體特定之權益投入。

本集團在每個結算日評估是否有客觀證據證明財務資產或一組財務資產已經減值。對於分類為可供出售的股本證券，在釐定證券是否已經減值時，會考慮證券公平值有否大幅或長期跌至低於其成本值。若可供出售財務資產存在此等證據，累計虧損，自權益中剔除並在損益表確認。累計虧損按收購成本與當時公平值的差額，減該財務資產之前在損益表確認的任何減值虧損計算。在損益表確認的股本工具減值虧損，不會透過損益表撥回。

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.11 Properties held for sale

Properties held for sale are stated at the lower of cost and net realisable value. Cost comprises land at cost, construction cost, interest and other direct expenses capitalised during the course of development. Net realisable value represents the estimated selling price less costs to be incurred in selling the property.

### 2.12 Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the provision is recognised in the income statement within other operating expenses. When a trade receivable is uncollectible, it is written off against other operating expenses in the income statement. Subsequent recoveries of amounts previously written off are credited to other operating income in the income statement.

### 2.13 Borrowings

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

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

### 2.14 Borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are expensed.

## 2. 主要會計政策概要 (續)

### 2.11 作銷售用途之物業

作銷售用途之物業按成本與可變現淨值兩者之較低者列賬。成本包括土地成本、建築成本、利息及其他於發展過程中撥作資本之直接開支。可變現淨值指估計售價扣除出售物業所產生成本後之數額。

### 2.12 應收賬款及其他應收款

應收賬款及其他應收款初期按公平值確認，其後以實際利率法攤銷成本及減除任何減值撥備計算。應收賬款及其他應收款之減值撥備於出現客觀證據表明本集團無法按應收款之原有條款收回所有金額時確認。倘債務人出現重大財政困難，而有可能破產或進行財務重組，且逾期或拖欠還款（逾期超過30日），則視為應收賬款減值蹟像。撥備之金額為資產賬面值與估計未來現金流量之現值（按原實際利率貼現計算）之差額。撥備金額於損益表中其他經營開支內確認。當應收賬款不能收回時，將在損益表內其他經營費用中撇銷。先前已撇銷之金額在其後撥回時乃計入損益表中之其他經營收入。

### 2.13 借款

借款初期以公平值扣除已產生交易成本後確認。借款其後按攤銷成本列賬；所得款項（扣除交易成本）與贖回價值之任何差額則於借款期內以實際利率法於損益表內確認。

除非本集團有權無條件將負債之結算遞延至結算日期後最少十二個月，否則借款分類為流動負債。

### 2.14 借款成本

就興建任何合資格資產產生的借款成本，於資產須完成備妥作擬定用途期間撥充資本。其他借款成本予以支銷。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 2.15 Cash and cash equivalents

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

#### 2.16 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### 2.17 Trade payables

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

#### 2.18 Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

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

### 2. 主要會計政策概要 (續)

#### 2.15 現金及現金等價物

現金及現金等價物包括手頭現金、銀行通知存款、其他原到期日為三個月或以下之短期高流通性投資，以及銀行透支。銀行透支在資產負債表中列作流動負債項目下的借款。

#### 2.16 股本

普通股分類為股本。發行新股份或購股權增加之直接應佔成本，於權益中列為所得款項之扣減項目（扣除稅項）。

#### 2.17 應付賬款

應付賬款初步按公平值確認，其後以實際利率法按攤銷成本計量。

#### 2.18 遞延所得稅

遞延所得稅就資產及負債之稅基與綜合財務報表所示賬面值之間的暫時差額，以負債法作出全數撥備。然而，倘於非業務合併的交易中初次確認資產或負債而產生遞延所得稅，而交易當時並無影響會計處理及應課稅溢利或虧損，則不會將遞延所得稅入賬。遞延所得稅按結算日前已實施或實際實施，並以在變現有關遞延所得稅資產或清償遞延所得稅負債時預期將會適用之稅率（及法例）而釐定。

遞延所得稅資產是就可能有未來應課稅盈利而就此可使用暫時差異而確認。

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



## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.19 Employee benefits

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

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

- (b) Pension obligations  
The Group operates a mandatory provident fund scheme ("MPF") for the eligible employees in Hong Kong.

The Group's and the employees' contributions to the MPF are complied to the related statutory requirements. The Group's contributions to the MPF are expensed as incurred and are not reduced by contributions forfeited by those employees who leave MPF prior to vesting fully in the contributions. The asset of MPF is held separately from those of the Group in independently administered funds.

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

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

## 2. 主要會計政策概要 (續)

### 2.19 僱員福利

- (a) 僱員假期應享權利  
僱員應享之年假及長期服務金乃於僱員有權享有時確認。本公司將會就因僱員截至結算日之服務年資與產生之年假及長期服務金估計責任計算撥備。

僱員應享病假及產假於僱員有權享有時方會確認。

- (b) 退休金責任  
本集團設有強制性公積金計劃（「強積金」），供香港之合資格僱員參與。

本集團及僱員均按有關法例要求作出供款。本集團對強積金之供款於產生時列作開支，而不會扣減僱員於全數享有供款前不再參與強積金而被沒收之供款。強積金之資產與本集團資產分開，由獨立管理之基金管理。

- (c) 以股份作報酬  
本集團設有以股權結算、以股份作報酬之計劃。就僱員提供服務而授予以之購股權之公平值確認為開支。將於歸屬期內支銷的總金額乃參考所授出購股權之公平值釐定（不包括任何非市場性質之歸屬條件所產生之影響，例如盈利能力及銷售增長指標）。在假定預期可予以行使之購股權數目時，亦連同非市場性質之歸屬條件一併考慮。於各結算日，公司會調整對預期可予以行使之購股權數目所作之估計，並在損益表確認調整原來估計所產生之影響（如有），及於餘下歸屬期內對股本作出相應調整。

已收款項（扣除任何直接應計交易成本）在行使購股權時撥入股本（面值）及股份溢價。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 2.20 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

#### 2.21 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of properties and services in the ordinary course of the Group's activities. Revenue is shown net of business tax and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

- (i) Revenue from individual construction contract is recognised under the percentage of completion method (Note 2.9).
- (ii) Revenue from sales of properties held for sale is recognised upon completion of the sale and purchase agreements or the issue of an occupation permit, by the relevant government authorities, whichever is the later. Deposits and instalments received on properties sold prior to the date of revenue recognition are included in the balance sheet under "trade and other payables".
- (iii) Rental income from investment properties is recognised on a straight-line basis over the terms of the respective leases.
- (iv) Revenue arising from water supply is recognised based on water supplied as recorded by meters read during the year.
- (v) Dividend income is recognised when the right to receive payment is established.

### 2. 主要會計政策概要 (續)

#### 2.20 撥備

當本集團因已發生之事件而產生現有的法律或推定責任、有可能需要流出資源以償付責任，並且能可靠地估計有關金額時，則會確認撥備。倘本集團預期將會就撥備作出償付，例如根據保險合約作出償付，則會在肯定須作償付之情況下確認為獨立資產。

#### 2.21 收益確認

收益指本集團在通常活動過程中出售貨品及服務的已收或應收代價的公平值。收益在扣除營業稅及對銷集團內部銷售後列賬。

當收益的數額能夠可靠計量、未來經濟利益有可能流入有關實體，而本集團每項活動均符合具體條件時（如下文所述），本集團便會將收益確認。除非與銷售有關的所有或然事項均已解決，否則收益的數額不被視為能夠可靠計量。本集團會根據其往績並考慮客戶類別、交易種類和每項安排的特點作出估計。

- (i) 來自個別建築合約之收益乃根據完成百分比方法予以確認（附註2.9）。
- (ii) 出售作銷售用途之物業所得收益於完成買賣協議或有關政府當局發出入伙紙時（以較遲者為準）確認。於收益確認日期前已就出售物業所收取之按金及分期付款，列入資產負債表「應付賬款及其他應付款」內。
- (iii) 來自投資物業之租金收入於有關租期內以直線法確認。
- (iv) 來自供水之收益，按年內讀錶所記錄曾供應之水確認。
- (v) 股息收入於確立收款之權利時確認。

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.21 Revenue recognition (continued)

- (vi) Interest income is recognised on a time proportion basis, taking into account the principal amounts outstanding and the effective interest rates applicable.
- (vii) Property fee income is recognised when the services are rendered.
- (viii) Consultancy fee income is recognised when the services are rendered.

### 2.22 Operating leases

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

### 2.23 Contingent liabilities

A contingent liabilities is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

### 2.24 Dividend distribution

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

## 3. FINANCIAL RISK MANAGEMENT

### 3.1 Structure and policy

The Group's Board of Directors manages the majority of liquidity the Group's funding needs and currency, interest rate, credit and liquidity risk exposures. The same management framework is adopted through out the Group to identify, evaluate and hedge financial risk with each of the Group's operating unit.

It is the policy of the Group not to enter into derivative transactions for speculative purposes.

## 2. 主要會計政策概要 (續)

### 2.21 收益確認 (續)

- (vi) 利息收入根據未償還本金額及適用之實際利率，按時間比例確認。
- (vii) 物業費用收入於提供服務時確認。
- (viii) 顧問費收入於提供服務時確認。

### 2.22 經營租賃

資產擁有權之絕大部份風險及回報歸於出租者之租賃，均歸類為經營租賃。根據經營租賃支付之款項在扣除自出租者收取之任何優惠後，於租賃期內以直線法在損益表中扣除。

### 2.23 或然負債

或然負債乃因過去事件而可能出現之責任，而僅視乎日後會否出現一項或多項非本集團可完全控制之事件而確實。因過去事件而產生之現有責任，由於未必需要流出經濟利益或不能就該責任之數額作可靠估計而未有確認。

雖然或然負債不予確認，但須於財務報表附註中披露。倘情況有變可能導致經濟資源流出時，則或然負債確認為撥備。

### 2.24 派付股息

向本公司股東派付之股息於本公司股東批准派付股息之期間內在本集團之財務報表中確認為負債。

## 3. 財務風險管理

### 3.1 架構及政策

本集團之董事會管理本集團大部份融資需要以及貨幣、利率、信貸及流動現金風險。本集團上下採用相同之管理架構，在本集團每個經營單位中識別、評估及對沖財務風險。

本集團的政策是不會就投機進行衍生工具交易。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 3. FINANCIAL RISK MANAGEMENT (continued)

#### 3.2 Financial risk factors

The Group's activities expose it to a variety of financial risks: currency risk, interest risk, credit risk and liquidity risk. The derivatives held are not for speculative purpose and cannot be traded in the market. They are part of an embedded investment rights to investment assets and are not exposed to market risk (including commodity pricing risk) since the gains and losses on the derivatives are offset by the losses and gains on the underlying assets.

(a) Currency exposure

The Group is exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities, and net investments in foreign operations.

Exposure to movements in exchange rates on individual transactions is minimised using forward foreign exchange contracts where active markets for the relevant currencies exist and the cost is not prohibitively expensive in comparison to the underlying exposure. All significant foreign currency borrowings with a fixed maturity date are covered by appropriate natural currency hedges. There were no hedging activities during the year.

Translation exposure arising on consolidation of the Group's overseas net assets is reduced, where practicable, by matching assets with borrowings in the same currency.

(b) Interest rate exposure

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

The Group's interest-rate risk arises from long-term borrowings. To manage the cash flow interest-rate risk associated with the variable-rates borrowing, the Group raises funds on a fixed rate basis where necessary. The level of fixed rate debt for the Group is decided after taking into consideration the potential impact of higher interest rates on profit, interest cover and the cash flow cycles of the Group's businesses and investments.

It is also the policy of the Group to monitor the fair value interest-rate risk associated with the fixed-rate borrowings. The Group may enter into fixed-to-floating interest-rate swaps to hedge the fair value interest-rate exposure where it becomes significant.

### 3. 財務風險管理 (續)

#### 3.2 財務風險因素

本集團業務涉及多類財務風險：貨幣風險、利率風險、信貸風險及流動資金風險。本集團所持有之衍生工具不會用作投機，亦不得在市場上交易。該等工具乃投資資產之嵌入式投資權利，故並不涉及市場風險（包括商品價格風險），原因是衍生工具之盈虧被相關資產之盈虧所抵銷。

(a) 匯率風險

本集團涉及多種貨幣之匯率風險。外匯風險來自日後商業交易、已確認資產及負債以及於外國業務之淨投資。

本集團使用與個別交易有關外幣有活躍市場且成本與相關風險比較並不昂貴之遠期外匯合約，將個別交易的匯率變動所產生之風險減至最低，所有到期日固定之外幣借貸均進行適當之自然貨幣對沖。年內並無進行任何對沖活動。

本集團在可行情況下將相同貨幣之資產與借款配對，從而減低將本集團海外淨資產綜合入賬時所產生之換算風險。

(b) 利息風險

由於本集團並無重大付息資產，故本集團之收入及經營現金流量大致上不會受市場利率變動之影響。

本集團之利率風險來自長期借貸。為管理浮息借貸所涉及之現金流量利率風險，本集團必要時會以固定利率基準籌集資金。本集團固定息率借貸之水平，是考慮較高的利率對集團業務及投資之溢利、所承擔利息及現金流動周期的潛在影響後而釐定。

本集團之政策對有關固定利率借款之公平值利率風險亦會進行監察。當風險對集團有明顯影響時，本集團或會訂立固定對浮動利率掉期交易，以對沖公平值利率風險。

### 3. FINANCIAL RISK MANAGEMENT (continued)

#### 3.2 Financial risk factors (continued)

- (c) Credit exposure  
The Group has no significant concentrations of credit risk. It has policies in place to ensure that transactions are made to customers with an appropriate credit history. For construction transaction, back-to-back arrangements are made with the sub-contractors where applicable to minimise the credit exposure.
- (d) Liquidity risk  
The Group manages liquidity risk through continuous monitoring and matching of the funding requirement and position. It maintains sufficient cash and availability of funds through an adequate amount of undrawn committed credit facilities.

#### 3.3 Fair value estimation

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

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

The nominal value less estimated credit adjustments of trade and other receivables and payables are assumed to appropriate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

### 3. 財務風險管理 (續)

#### 3.2 財務風險因素 (續)

- (c) 信貸風險  
本集團並無重大信貸集中之風險。本集團實施有關政策，以確保與信貸記錄合適之客戶進行交易。在建築交易方面，本集團在適當時與分判商訂立背對背安排，以減低信貸風險。
- (d) 流動現金風險  
本集團透過不斷監察及配對資金需求及水平，以管理流動現金風險。本集團透過適當金額之未動用信貸，以維持足夠現金及可動用資金。

#### 3.3 公平值估計

在活躍市場買賣的金融工具（例如公開買賣之衍生工具、買賣及可供銷售之證券）之公平值乃根據結算日之市場報價而釐定。本集團所持有財務資產之適用市場報價乃現行買入價，而財務負債之適用市場報價則為現行賣出價。

並非在活躍市場買賣之金融工具（例如場外衍生工具）之公平值乃使用估值方式而釐定。本集團使用多種方法並根據結算日之市況作出假設而進行估值。同類工具之市場報價或交易商報價用於長期負債之估值。其他方式（例如估計現金流量折現）則用作釐定餘下金融工具之公平值。

應收賬款及應付賬款以及其他應收款及應付款的面值減預計信貸調整被假設為與其公平值相若。作為披露目的，財務負債的公平值是根據本集團同類金融工具的現行市場利率對未來合約現金流量貼現而估算。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements used in preparation of the financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant effect on the carrying amounts of assets and liabilities are discussed below.

#### (a) Estimates of fair value of investment properties

Knight Frank was engaged to carry out an independent valuation of the Group's investment property portfolio as at 31st December 2006. This valuation was carried out in accordance with the Valuation Standards on Properties of the Hong Kong Institute of Surveyors which defines market value as "the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".

Knight Frank has derived the valuation of the Group's property portfolio by capitalising the rental income derived from existing tenancies with due provision for reversionary income potential and where appropriate, by reference to market comparable transactions. The assumptions are based on market conditions existing at the balance sheet.

Management has reviewed Knight Frank valuation and compared it with its own assumptions, with reference to comparable sales transaction data where such information is available, and has concluded that Knight Frank valuation of the Group's investment portfolio is reasonable.

#### (b) Income taxes

The Group is subject to income taxes in Mainland China. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which ultimate tax determined is uncertain during the ordinary course of business. The Group recognises liabilities for potential tax exposures based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will affect the income tax and deferred tax provision in the period in which such determination is made.

### 4. 重大會計估計及判斷

本集團根據以往經驗及其他因素（包括對未來事件所作出在有關情況下相信屬合理之預期），不斷對編製財務報表所使用之估計及判斷作出評估。本集團對未來作出估計及假設。顧名思義，所得出之會計估算甚少與有關的實際結果相同。對資產及負債賬面值有重大影響之估計及假設在下文論述：

#### (a) 投資物業之公平值估計

萊坊獲委任對本集團於二零零六年十二月三十一日之投資物業組合進行獨立估值。該估值乃根據香港測量師學會之物業估值準則進行。該準則對市值之定義為「該物業於估值日在適當市場推銷後，由自願買方及自願賣方在知情、審慎及並無強迫之情況下，按公平原則進行交易而可交換之估計金額」。

萊坊是將現有租約所得出之租金收入資本化，並為約滿後新訂租金潛在變化及在適當情況下參考市場可比較交易而作出適當撥備，而得出集團投資物業組合之估值。假設乃根據結算日之市場情況而作出。

管理層已審閱萊坊之估值，並已參考可取得之同類銷售交易資料，與管理層本身的假設作比較，結果認為萊坊對本集團投資組合的估值屬合理。

#### (b) 所得稅

本集團於中國內地須繳納所得稅項。於釐定各所得稅項撥備時，須運用重大估計。於日常業務過程中未能準確釐定最終須繳納稅項之交易及計算相當繁多。本集團會以須否繳付額外稅項，作為應否將預期稅務爭議確認為負債之基準。若有關上述事項之最終稅款與原先之入賬額不同，則該差異將影響釐定稅款期間之所得稅項及遞延稅項撥備。

#### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

##### (c) Impairment of assets

The Group tests annually whether goodwill and other assets that have indefinite useful lives have suffered any impairment. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset or a cash-generating unit has been determined based on value-in-use calculations. These calculations require the use of estimates.

##### (d) Contingent liabilities in respect of litigations and claims

The Group has been engaged in a number of litigations and claims in respect of certain construction works in the past. Contingent liabilities arising from these litigations and claims have been assessed by management with reference to legal advice. Provisions on the possible obligation have been made based on management's best estimates and judgements.

#### 5. SEGMENT INFORMATION

##### Primary reporting format – business segments

The Group comprises the following main business segments:

Construction: The construction work, including civil and building works, for external customers.

Property investment and leasing: The leasing of office premises and residential properties to generate rental income and to gain from appreciation in the properties values in the long term.

Property development and sales: The development, purchase and sale of commercial and residential properties.

Infrastructure and alternative energy: The investment, development, construction and management of toll roads, electricity generating stations and water supply plants.

#### 4. 重大會計估計及判斷 (續)

##### (c) 資產減值

本集團每年均會檢討商譽及無限期使用期之其他資產是否有所減值。當出現若干事件或情況改變顯示其他資產的賬面值高於其可收回金額，則會檢討該等資產之減值。資產或現金產生單位之可收回金額乃根據價值使用計算方式釐定。以上述方式計算時須運用估算。

##### (d) 有關訴訟及索償之或然負債

本集團就以往若干建築工程涉及多宗訴訟及索償。管理層已參考法律顧問的意見評估來自該等訴訟及索償之或然負債。本集團已根據管理層的最佳估計及判斷就可能承擔之債務作出撥備。

#### 5. 分部資料

##### 主要呈報形式 – 業務分部

本集團之主要業務分部如下：

建築：為外間客戶提供建築工程，包括土木及屋宇建造工程。

物業投資及租賃：出租辦公室及住宅物業以收取租金收入及在長遠而言，因物業升值而賺取溢利。

物業發展及銷售：發展及買賣商住樓宇。

基建及替代能源：收費道路、發電站及供水廠之投資、開發、建設及管理。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 5. SEGMENT INFORMATION (continued)

The segment results for the year ended 31st December 2006 are as follows:

### 5. 分部資料 (續)

截至二零零六年十二月三十一日止年度之分部業績如下：

		Construction	Property investment and leasing 物業投資及租賃	Property development and sales 物業發展及銷售	Infrastructure and alternative energy 基建及替代能源	Other operations 其他業務	Total Group 本集團總額
		HK\$ Million 百萬港元	HK\$ Million 百萬港元	HK\$ Million 百萬港元	HK\$ Million 百萬港元	HK\$ Million 百萬港元	HK\$ Million 百萬港元
<b>Revenue</b>	<b>收益</b>	<b>296.4</b>	<b>58.5</b>	<b>15.4</b>	<b>25.4</b>	<b>-</b>	<b>395.7</b>
<b>Operating profit</b>	<b>經營溢利</b>	<b>13.1</b>	<b>132.6</b>	<b>2.3</b>	<b>5.5</b>	<b>42.8</b>	<b>196.3</b>
Finance income	財務收入						9.7
Finance costs	融資成本						(67.0)
Surplus on revaluation of investment properties	投資物業重估盈餘	-	246.3	-	-	-	246.3
Share of profits less losses of associated companies	應佔聯營公司溢利減虧損	-	116.2	-	-	-	116.2
Share of profits less losses of jointly controlled entities	應佔合營公司溢利減虧損	72.8	-	-	-	-	72.8
<b>Profit before income tax</b>	<b>所得稅前溢利</b>						<b>574.3</b>
Income tax credit	所得稅抵免						4.0
<b>Profit for the year</b>	<b>本年度溢利</b>						<b>578.3</b>



## 5. SEGMENT INFORMATION (continued)

The segment results for the year ended 31st December 2005 are as follows:

## 5. 分部資料 (續)

截至二零零五年十二月三十一日止年度之分部業績如下：

		Construction 建築 HK\$ Million 百萬港元	Property investment and leasing 物業 投資及租賃 HK\$ Million 百萬港元	Property development and sales 物業發展 及銷售 HK\$ Million 百萬港元	Other operations 其他業務 HK\$ Million 百萬港元	Total Group 本集團 總額 HK\$ Million 百萬港元
<b>Revenue</b>	<b>收益</b>	127.8	55.5	65.0	-	248.3
<b>Operating profit/(loss)</b>	<b>經營溢利 / (虧損)</b>	74.3	94.1	(1.3)	187.8	354.9
Finance income	財務收入					23.5
Finance costs	融資成本					(33.5)
Surplus on revaluation of investment properties	投資物業重估盈餘	-	60.1	-	-	60.1
Share of losses less profits of associated companies	應佔聯營公司虧損減溢利	-	(105.1)	-	-	(105.1)
Share of profits less losses of jointly controlled entities	應佔合營公司溢利減虧損	39.5	-	-	-	39.5
<b>Profit before income tax</b>	<b>所得稅前溢利</b>					339.4
Income tax credit	所得稅抵免					20.3
<b>Profit for the year</b>	<b>本年度溢利</b>					<u>359.7</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 5. SEGMENT INFORMATION (continued)

Other segment items included in the income statements are as follows:

### 5. 分部資料 (續)

其他計入損益表之分部資料如下：

		Year ended 31st December 2006 截至二零零六年十二月三十一日止年度				
		Property investment and leasing 物業投資及租賃	Property development and sales 物業發展及銷售	Infrastructure and alternative energy 基建及替代能源	Other operations 其他業務	Total Group 本集團總額
		Construction 建築	Construction 建築	Construction 建築	Construction 建築	Construction 建築
		HK\$ Million 百萬港元	HK\$ Million 百萬港元	HK\$ Million 百萬港元	HK\$ Million 百萬港元	HK\$ Million 百萬港元
Depreciation	折舊	-	-	-	(16.7)	(20.4)
Amortisation	攤銷	-	-	-	(1.2)	(1.2)
Provision for impairment loss on trade and other receivables	應收賬款及其他應收款減值虧損撥備	-	(7.4)	-	-	(7.4)
Write back of provision for impairment loss on properties held for sale	作銷售用途之物業減值虧損撥備回撥	-	-	3.0	-	3.0

		Year ended 31st December 2005 截至二零零五年十二月三十一日止年度				
		Construction 建築	Property investment and leasing 物業投資及租賃	Property development and sales 物業發展及銷售	Other operations 其他業務	Total Group 本集團總額
		HK\$ Million 百萬港元	HK\$ Million 百萬港元	HK\$ Million 百萬港元	HK\$ Million 百萬港元	HK\$ Million 百萬港元
Depreciation	折舊	-	-	-	(2.4)	(2.4)
Provision for impairment loss on trade and other receivables	應收賬款及其他應收款減值虧損撥備	-	(5.2)	-	-	(5.2)
Write back of provision for impairment loss on properties held for sale	作銷售用途之物業減值虧損撥備回撥	-	-	68.6	-	68.6

With the acquisition of Yangpu Water Supply Company Limited in December 2005, it has had a full year contribution to the Group in 2006. Consequently, the infrastructure and alternative energy division has been classified as a separate business segment in 2006.

於二零零五年十二月收購洋浦供水有限責任公司後，該公司於二零零六年為本集團作出完整年度之貢獻。因此，基建及替代能源業務於二零零六年已分類為獨立業務分部。

## 5. SEGMENT INFORMATION (continued)

The segment assets and liabilities at 31st December 2006 and capital expenditure for the year then ended are as follows:

		Construction	Property investment and leasing 物業投資及租賃 HK\$ Million 百萬港元	Property development and sales 物業發展及銷售 HK\$ Million 百萬港元	Infrastructure and alternative energy 基建及替代能源 HK\$ Million 百萬港元	Unallocated 其他業務 HK\$ Million 百萬港元	Total Group 本集團總額 HK\$ Million 百萬港元
Assets	資產	283.4	2,197.4	112.4	1,462.3	1,430.1	5,485.6
Associated companies and jointly controlled entities	聯營公司及合營公司	12.8	1,072.2	350.8	39.1	-	1,474.9
<b>Total assets</b>	<b>資產總額</b>	<b>296.2</b>	<b>3,269.6</b>	<b>463.2</b>	<b>1,501.4</b>	<b>1,430.1</b>	<b>6,960.5</b>
<b>Liabilities</b>	<b>負債</b>	<b>431.3</b>	<b>12.4</b>	<b>30.7</b>	<b>1,437.0</b>	<b>1,209.4</b>	<b>3,120.8</b>
<b>Capital expenditure</b>	<b>資本開支</b>	<b>1.3</b>	<b>578.0</b>	<b>-</b>	<b>691.2</b>	<b>8.6</b>	<b>1,279.1</b>

The segment assets and liabilities at 31st December 2005 and capital expenditure for the year then ended are as follows:

		Construction	Property investment and leasing 物業投資及租賃 HK\$ Million 百萬港元	Property development and sales 物業發展及銷售 HK\$ Million 百萬港元	Infrastructure and alternative energy 基建及替代能源 HK\$ Million 百萬港元	Unallocated 其他業務 HK\$ Million 百萬港元	Total Group 本集團總額 HK\$ Million 百萬港元
Assets	資產	315.4	1,307.0	106.5	757.1	742.7	3,228.7
Associated companies and jointly controlled entities	聯營公司及合營公司	189.8	1,037.5	-	-	-	1,227.3
<b>Total assets</b>	<b>資產總額</b>	<b>505.2</b>	<b>2,344.5</b>	<b>106.5</b>	<b>757.1</b>	<b>742.7</b>	<b>4,456.0</b>
<b>Liabilities</b>	<b>負債</b>	<b>412.1</b>	<b>7.9</b>	<b>5.6</b>	<b>407.1</b>	<b>1,500.8</b>	<b>2,333.5</b>
<b>Capital expenditure</b>	<b>資本開支</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>686.4</b>	<b>35.2</b>	<b>721.6</b>

## 5. 分部資料 (續)

於二零零六年十二月三十一日之分部資產及負債及截至該日止年度之資本開支如下：

於二零零五年十二月三十一日之分部資產及負債及截至該日止年度之資本開支如下：

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 5. SEGMENT INFORMATION (continued)

#### Secondary reporting format – geographical segments

The Group is organised into two main geographical segments, comprising Hong Kong and Mainland China. There are no other significant identifiable separate geographical segments.

#### Revenue

Hong Kong  
Mainland China

#### 收益

香港  
中國內地

Revenue is allocated based on places in which customers are located.

Segment Assets  
Hong Kong  
Mainland China

分部資產  
香港  
中國內地

Associated companies and jointly  
controlled entities  
Hong Kong  
Mainland China

聯營公司及合營公司  
香港  
中國內地

Unallocated assets

未分配資產

#### Total Assets

#### 資產總額

Total assets are allocated based on where the assets are located.

### 5. 分部資料 (續)

#### 次要呈報形式 – 地區分部

本集團共分為兩個主要地區分部，由香港及中國內地組成，並無其他可識別的重大獨立地區分部。

2006 二零零六年 HK\$ Million 百萬港元	2005 二零零五年 HK\$ Million 百萬港元
190.7	63.3
205.0	185.0
<b>395.7</b>	<b>248.3</b>

收益乃根據客戶所在地計算。

2006 二零零六年 HK\$ Million 百萬港元	2005 二零零五年 HK\$ Million 百萬港元
161.3	173.4
3,894.2	2,312.6
<b>4,055.5</b>	<b>2,486.0</b>

51.7	228.2
1,423.2	999.1
<b>1,474.9</b>	<b>1,227.3</b>

1,430.1	742.7
---------	-------

<b>6,960.5</b>	<b>4,456.0</b>
----------------	----------------

資產總額乃按資產所在地計算。

## 5. SEGMENT INFORMATION (continued)

## 5. 分部資料 (續)

		2006 二零零六年 HK\$ Million 百萬港元	2005 二零零五年 HK\$ Million 百萬港元
<b>Capital expenditure</b>	<b>資本開支</b>		
Hong Kong	香港	1.6	2.3
Mainland China	中國內地	<u>1,277.5</u>	<u>719.3</u>
		<u><b>1,279.1</b></u>	<u>721.6</u>

Capital expenditure is allocated based on where the assets are located.

資本開支乃按資產所在地分配。

## 6. OTHER REVENUES

## 6. 其他收益

		2006 二零零六年 HK\$ Million 百萬港元	2005 二零零五年 HK\$ Million 百萬港元
Property fee income	物業管理費收入	10.3	13.6
Consultancy fee income received from a jointly controlled entity	向一間合營公司收取顧問費收入	-	61.0
		<u>10.3</u>	<u>74.6</u>

## 7. OTHER GAINS – NET

## 7. 其他收益淨額

		2006 二零零六年 HK\$ Million 百萬港元	2005 二零零五年 HK\$ Million 百萬港元
Waiver of other loans and payables	豁免其他貸款及應付款	-	214.4
Income arising on acquisition of a subsidiary (Note 40)	收購一間附屬公司所產生之收入 (附註40)	178.7	-
Write back of provision for impairment loss on properties held for sale	作銷售用途之物業減值虧損撥備回撥	3.0	68.6
Fair value gain on properties in respect of business combination	業務合併的物業公平值收益	-	12.8
Net gain on dissolution/liquidation of subsidiaries	附屬公司清算/清盤收益淨額	-	13.9
Gain on disposal of subsidiaries	出售附屬公司之收益	-	9.1
Fair value (loss)/gain on financial assets at fair value through profit or loss	按公平值在損益表列賬之財務資產之公平值 (虧損)/收益	(4.2)	7.4
Derivative financial instruments – options	衍生金融工具 – 期權	(2.0)	(10.0)
Net exchange (loss)/gain	匯兌 (虧損)/收益淨額	(14.8)	4.1
Others	其他	<u>5.7</u>	<u>18.9</u>
		<u><b>166.4</b></u>	<u>339.2</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 8. OTHER OPERATING INCOME/(EXPENSES)

### 8. 其他經營收入／（費用）

		2006 二零零六年 HK\$ Million 百萬港元	2005 二零零五年 HK\$ Million 百萬港元
Income/(expenses) included in other operating income/(expenses) are analysed as follows:	計入其他經營收入／（費用）之收入／（開支）分析如下：		
Provision for impairment loss on	減值虧損撥備		
– buildings	– 樓宇	–	(0.1)
– trade receivables	– 應收賬款	(1.4)	(1.8)
– other receivables	– 其他應收款	(6.0)	(3.4)
Recovery and write back of provision for impairment loss on	減值虧損收回及撥備回撥		
– trade receivables	– 應收賬款	0.8	1.0
– other receivables	– 其他應收款	4.1	30.5
Write back of the over provision of PRC tax liabilities (Note)	中國稅項負債超額撥備回撥（附註）	148.5	–
Amortisation of concession rights (Note 20)	特許權攤銷（附註20）	(0.3)	–
Pre-operating expenses in respect of infrastructure projects	有關基建項目之營運前開支	(8.3)	(35.3)

Note:

In prior years, the Group had made provisions to cover potential PRC tax exposures arising from Urban Real Estates Tax, Withholding Tax, Foreign Enterprise Income Tax, Business Tax and City Maintenance and Construction Tax. As a result of obtaining tax clearance from PRC tax bureau together with a review carried out by an independent tax consultant, the directors have reassessed the PRC tax exposures. Accordingly, a write back of the excess PRC tax provision has been made in the current year income statement.

附註：

於過往年度，本集團已作出撥備以補足可能因城市房地產稅、代扣稅、外國企業所得稅、營業稅及維護建設稅產生之中國稅項風險。因應從中國稅務機關獲得稅項結算及獨立稅務顧問進行審閱，董事已重新評估中國稅項風險。因此，於本年度損益表撥回中國稅項超額撥備。

## 9. EXPENSES BY NATURE

Expenses included in cost of sales and administrative expenses are analysed as follows:

		2006 二零零六年 HK\$ Million 百萬港元	2005 二零零五年 HK\$ Million 百萬港元
Cost of construction	建築成本	(279.3)	(95.5)
Cost of properties sold	已售物業成本	(17.9)	(66.4)
Direct operating expenses arising from investment properties that generate rental income	可賺取租金收入之投資物業產生之直接經營開支	(4.8)	(2.4)
Employee share option benefits	僱員購股權福利	(15.0)	-
Employee benefit expenses (including directors' emoluments) (Note 12)	僱員福利開支 (包括董事酬金) (附註12)	(51.5)	(36.2)
Amortisation of land use rights (Note 18)	土地使用權攤銷 (附註18)	(0.9)	-
Depreciation of property, plant and equipment (Note 19)	物業、廠房及設備折舊 (附註19)	(20.4)	(2.4)
Auditors' remuneration	核數師酬金	(3.8)	(2.9)
Operating lease rental expenses	經營租約之租金開支	(5.9)	(2.8)
Corporate reorganisation expenses	公司重組費用	(27.7)	-
Other expenses	其他開支	(45.6)	(32.2)
Total cost of sales and administrative expenses	銷售成本及行政費用總額	<u>(472.8)</u>	<u>(240.8)</u>

## 10. FINANCE INCOME AND COSTS

## 9. 按性質劃分之費用

已計入銷售成本及行政費用之開支分析如下：

		2006 二零零六年 HK\$ Million 百萬港元	2005 二零零五年 HK\$ Million 百萬港元
Interest expenses on bank loans and other borrowings	銀行貸款及其他借款利息開支		
Wholly repayable within 5 years	須於五年內全部償還	(43.7)	(29.0)
Not wholly repayable within 5 years	毋須於五年內全部償還	(73.7)	(14.9)
		<u>(117.4)</u>	<u>(43.9)</u>
Less: Capitalised in construction-in-progress	減：在建工程中資本化部分	50.4	10.4
		<u>(67.0)</u>	<u>(33.5)</u>
Finance income – interest income	財務收入 – 利息收入	9.7	23.5
Net finance costs	融資成本淨額	<u>(57.3)</u>	<u>(10.0)</u>

## 10. 財務收入及融資成本

		2006 二零零六年 HK\$ Million 百萬港元	2005 二零零五年 HK\$ Million 百萬港元
Interest expenses on bank loans and other borrowings	銀行貸款及其他借款利息開支		
Wholly repayable within 5 years	須於五年內全部償還	(43.7)	(29.0)
Not wholly repayable within 5 years	毋須於五年內全部償還	(73.7)	(14.9)
		<u>(117.4)</u>	<u>(43.9)</u>
Less: Capitalised in construction-in-progress	減：在建工程中資本化部分	50.4	10.4
		<u>(67.0)</u>	<u>(33.5)</u>
Finance income – interest income	財務收入 – 利息收入	9.7	23.5
Net finance costs	融資成本淨額	<u>(57.3)</u>	<u>(10.0)</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 11. DIRECTORS' AND SENIOR MANAGEMENT'S REMUNERATION

#### (a) Directors' emoluments

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

Name of Director	董事姓名	Fees	Salary	Discretionary bonus	Employer's contribution to pension scheme	Total
		袍金	薪金	酌情花紅	退休金計劃之僱主供款	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
OEI Tjie Goan	黃志源	50.0	-	-	-	50.0
WANG Jun	王軍	2.3	-	-	-	2.3
LI Xueming	李學明	50.0	-	-	-	50.0
XU Zheng	徐征	50.0	-	-	-	50.0
OEI Kang, Eric	黃剛	41.7	4,258.3	2,569.5	12.0	6,881.5
CHEN Libo	陳立波	50.0	3,118.3	2,005.0	12.0	5,185.3
TSANG Sai Chung, Kirk	曾細忠	50.0	1,375.0	939.0	12.0	2,376.0
SO Hang, Selina	蘇荇	22.8	574.8	-	6.9	604.5
TANG Sau Wai, Tom	鄧守偉	41.7	1,768.3	1,477.0	12.0	3,299.0
CHENG Sum Hing, Sam	鄭森興	41.7	2,000.0	507.9	12.0	2,561.6
LIU Guolin	劉國林	50.0	-	-	-	50.0
FAN Yan Hok, Philip	范仁鶴	112.9	-	-	-	112.9
CHUNG Cho Yee, Mico	鍾楚義	121.0	-	-	-	121.0
CHENG Yuk Wo	鄭毓和	121.0	-	-	-	121.0
Albert Thomas DA ROSA, Junior	羅凱栢	121.0	-	-	-	121.0
		<b>926.1</b>	<b>13,094.7</b>	<b>7,498.4</b>	<b>66.9</b>	<b>21,586.1</b>

### 11. 董事及高級管理層酬金

#### (a) 董事酬金

各董事於截至二零零六年十二月三十一日止年度的酬金如下：



## 11. DIRECTORS' AND SENIOR MANAGEMENT'S REMUNERATION (continued)

### (a) Directors' emoluments (continued)

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

Name of Director	董事姓名	Fees HK\$'000 千港元	Salary HK\$'000 千港元	Discretionary bonus HK\$'000 千港元	Employer's contribution to pension scheme 退休金計劃 之僱主供款 HK\$'000 千港元	Total HK\$'000 千港元
OEI Tjie Goan	黃志源	50.0	-	-	-	50.0
LI Xueming	李學明	50.0	-	-	-	50.0
XU Zheng	徐征	50.0	-	-	-	50.0
OEI Kang, Eric	黃剛	-	3,000.0	750.0	12.0	3,762.0
CHEN Libo	陳立波	50.0	2,760.0	1,380.0	12.0	4,202.0
TSANG Sai Chung, Kirk	曾細忠	50.0	1,270.0	317.5	12.0	1,649.5
SO Hang, Selina	蘇荇	50.0	1,074.0	268.5	12.0	1,404.5
TANG Sau Wai, Tom	鄧守偉	-	1,740.0	290.0	12.0	2,042.0
CHENG Sum Hing, Sam	鄭森興	-	833.4	64.1	5.0	902.5
LIU Guolin	劉國林	50.0	-	-	-	50.0
FAN Yan Hok, Philip	范仁鶴	50.0	-	-	-	50.0
CHUNG Cho Yee, Mico	鍾楚義	100.0	-	-	-	100.0
CHENG Yuk Wo	鄭毓和	100.0	-	-	-	100.0
Albert Thomas DA ROSA, Junior	羅凱栢	100.0	-	-	-	100.0
		<u>700.0</u>	<u>10,677.4</u>	<u>3,070.1</u>	<u>65.0</u>	<u>14,512.5</u>

Notes:

- Mr. WANG Jun was appointed as honorary chairman and non-executive director on 15th December 2006.
- Ms. SO Hang, Selina resigned as an executive director on 15th June 2006.

附註：

- 王軍先生於二零零六年十二月十五日獲委任為名譽主席兼非執行董事。
- 蘇荇女士於二零零六年六月十五日辭任執行董事。

## 11. 董事及高級管理層酬金 (續)

### (a) 董事酬金 (續)

各董事於截至二零零五年十二月三十一日止年度的酬金如下：

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 11. DIRECTORS' AND SENIOR MANAGEMENT'S REMUNERATION (continued)

#### (b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include four (2005: four) directors whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining one (2005: one) individual during the year are as follows:

Basic salaries, housing allowances, share options, other allowances and benefits in kind	基本薪金、房屋津貼、購股權、其他津貼及實物利益
Bonuses	花紅

The emoluments of the individual fell within the following bands:

Emolument bands	酬金範圍
HK\$1,500,001 – HK\$2,000,000	1,500,001港元 – 2,000,000港元
HK\$2,500,001 – HK\$3,000,000	2,500,001港元 – 3,000,000港元

### 11. 董事及高級管理層酬金 (續)

#### (b) 五名酬金最高人士

年內，本集團五名酬金最高人士包括四名（二零零五年：四名）董事，其酬金詳情載於上文。年內向其餘一名（二零零五年：一名）人士支付的酬金如下：

2006 二零零六年 HK\$ Million 百萬港元	2005 二零零五年 HK\$ Million 百萬港元
1.4	1.3
1.5	0.4
<u>2.9</u>	<u>1.7</u>

該等人士的酬金介乎下列範圍：

2006 二零零六年 Number of individuals 人數	2005 二零零五年 Number of individuals 人數
–	1
1	–
<u>1</u>	<u>–</u>

## 11. DIRECTORS' AND SENIOR MANAGEMENT'S REMUNERATION (continued)

### (c) Share options

The details of the share option schemes of the Group are stated in pages 59 to 66 of the Report of the Directors.

Movements in the number of share options outstanding are as follows:

At 1st January 2006	於二零零六年一月一日
Granted	已授出
Cancelled	已註銷
At 31st December 2006	於二零零六年十二月三十一日
Options vested at 31st December 2006	於二零零六年十二月三十一日歸屬之購股權

Share options outstanding at the end of year have the following terms:

Date of grant 授出日期	Exercise period 行使期間	Exercise price 行使價 HK\$ 港元	Number of options 購股權數目 2006 二零零六年
15th December 2006 二零零六年十二月十五日	15th December 2007 to 14th December 2016 二零零七年十二月十五日至 二零一六年十二月十四日	1.42	138,900,000
At 31st December 2006	於二零零六年十二月三十一日		138,900,000
Options vested at 31st December	於十二月三十一日歸屬之購股權		-

The fair value of options granted during the period determined using the Binomial valuation model is HK\$56.6 million. The significant inputs into the model were share price of HK\$1.42, at the grant date, exercise price shown above, volatility of 46%, dividend yield of 7%, an expected option life range from 4 years to 9 years and on annual risk-free interest rate of 3.846%. The volatility measured at the standard deviation of continuously compounded share returns is based on statistical analysis of weekly share prices over the last two years.

## 11. 董事及高級管理層酬金 (續)

### (c) 購股權

本集團購股權計劃的詳細載於第59至66頁的董事會報告。

年內，尚未行使之購股權數目變動如下：

Number of options 購股權數目	
New Scheme 新計劃	Old Scheme 舊計劃
-	-
143,260,000	43,600,000
(4,360,000)	(43,600,000)
138,900,000	-
-	-

於年終時尚未行使購股權之年期如下：

使用二項式估值模型釐定於期內授出購股權之公平值為56,600,000港元。輸入該模型的重大變數為於授出日期之股價1.42港元、上述行使價、波幅46%、股息率7%、購股權預期年期介乎4至9年，並按無風險年息率3.846厘計算。以持續複合股份回報率之標準偏差計算之波幅乃根據過往兩個年度之每週股價統計分析計算。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 12. EMPLOYEE BENEFIT EXPENSES

### 12. 僱員福利開支

		2006 二零零六年 HK\$ Million 百萬港元	2005 二零零五年 HK\$ Million 百萬港元
Wages, salaries and other benefits	工資、薪金及其他福利	(58.7)	(63.0)
Pension costs	退休金成本		
– Defined contribution plan (Note b)	– 定額供款計劃 (附註b)	(0.5)	(0.2)
Write back of provision for unused annual leave	未使用年假撥備回撥	0.2	0.9
		<u>(59.0)</u>	<u>(62.3)</u>
Charged to cost of construction contracts	在建築合約成本中扣減	7.5	26.1
Amount charged to income statement (Note 9)	在損益表扣除之金額 (附註9)	<u>(51.5)</u>	<u>(36.2)</u>

Notes:

- (a) Contributions totaling HK\$0.4 million (2005: HK\$0.4 million) were payable to the fund at the year end.
- (b) The Group operates the MPF scheme under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. 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 employee's relevant income, subject to a cap of monthly relevant income of HK\$20,000. Contributions to the scheme vest immediately.

附註：

- (a) 合共400,000港元 (二零零五年：400,000港元) 之供款須於年終時向基金支付。
- (b) 本集團按照香港強制性公積金計劃條例之規定設立一項強積金計劃。該計劃是為根據香港僱傭條例受僱之僱員而設。強積金計劃是由獨立信託人管理之定額供款退休金計劃。根據強積金計劃，僱主和僱員均須按照僱員相關入息之5%向計劃作出供款；但每月之相關入息上限為20,000港元。計劃供款隨即悉數歸於僱員。

### 13. INCOME TAX CREDIT

Hong Kong profits tax has not been provided as the Group has sufficient tax losses brought forward to offset taxable profit for the year (2005: Nil). Mainland China income tax has been provided on the estimated assessable profits of subsidiaries operating in the Mainland China at rates ranging from 15% to 33% (2005: 15% to 33%).

### 13. 所得稅抵免

由於本集團擁有足夠承前稅項虧損以抵銷本年度應課稅溢利，故並無就香港利得稅作出撥備 (二零零五年：無)。中國內地所得稅則按照在中國內地經營之附屬公司之估計應課稅溢利，按介乎15%至33%之稅率 (二零零五年：15%至33%) 作出撥備。

		2006 二零零六年 HK\$ Million 百萬港元	2005 二零零五年 HK\$ Million 百萬港元
Current income tax	當期所得稅		
– Mainland China income tax	– 中國內地所得稅	(1.9)	(9.7)
– Over provision in prior years	– 以往年度超額撥備	5.9	48.3
Deferred income tax (Note 36)	遞延所得稅 (附註36)	–	(18.3)
		<u>4.0</u>	<u>20.3</u>

### 13. INCOME TAX CREDIT (continued)

Share of income tax of associated companies and jointly controlled entities amounting to HK\$71.7 million (2005: HK\$17.0 million) is included in the consolidated income statement as share of profits less losses of associated companies and jointly controlled entities.

The tax of the Group's profit before income tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

Profit before income tax (excluding share of profits less losses of associated companies and jointly controlled entities)	所得稅前溢利（不包括應佔聯營公司及合營公司之溢利減虧損）
Tax calculated at the domestic rates applicable to profits in the respective countries	按有關國家之溢利所適用國內稅率計算之稅項
Expenses not deductible for taxation purposes	不可扣稅之費用
Income not subject to tax	毋須課稅收入
Tax losses not recognised	未確認之稅項虧損
Utilisation of previously unrecognised tax losses	運用過往年度未確認稅項虧損
Over provision in prior years	以往年度超額撥備
Tax credit	稅項抵免

The weighted average applicable tax rate was 19% (2005: 22%).

### 14. PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The profit attributable to equity holders of the Company is dealt with in the financial statements of the Company to the extent of HK\$878.2 million (2005: Nil).

### 13. 所得稅抵免（續）

應佔聯營公司及合營公司的所得稅為71,700,000港元（二零零五年：17,000,000港元），分別按應佔聯營公司及合營公司溢利減虧損計入綜合損益表。

本集團除所得稅前溢利之稅項與採用已綜合公司溢利所適用之加權平均稅率之理論稅項之差額如下：

2006 二零零六年 HK\$ Million 百萬港元	2005 二零零五年 HK\$ Million 百萬港元
<b>385.3</b>	405.0
<b>(73.8)</b>	(90.3)
<b>(41.9)</b>	(22.9)
<b>112.3</b>	66.2
<b>(1.8)</b>	(9.6)
<b>3.3</b>	28.6
<b>5.9</b>	48.3
<b>4.0</b>	20.3

加權平均適用稅率為19%（二零零五年：22%）。

### 14. 本公司股東權益持有人應佔溢利

計入本公司財務報表之本公司股東權益持有人應佔溢利為878,200,000港元（二零零五年：無）。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 15. DIVIDENDS

Interim dividend paid, of HK4.5 cents  
(2005: Nil) per ordinary share  
Proposed final dividend, of HK6.0 cents  
(2005: HK5.0 cents) per ordinary share

已付中期股息每股普通股4.5港仙  
(二零零五年：無)  
擬派末期股息每股普通股6.0港仙  
(二零零五年：5.0港仙)

<b>2006</b>	2005
<b>二零零六年</b>	二零零五年
<b>HK\$ Million</b>	HK\$ Million
<b>百萬港元</b>	百萬港元
<b>130.6</b>	-
<b>288.8</b>	116.4
<b>419.4</b>	116.4

The amount of proposed final dividend for the year ended 31st December 2006, of which HK1.5 cent will be payable in cash with an option to elect scrip while HK4.5 cents will be payable by the issue of bonus shares, is not accounted for until it has been approved at the forthcoming annual general meeting. The amount will be reflected as an appropriation of the retained earnings for the year ending 31st December 2007.

截至二零零六年十二月三十一日止年度之擬派末期股息，其中1.5港仙將以現金派付，亦可選擇以股代息，而4.5港仙則按以股代息形式派付。上述股息金額於即將舉行之股東週年大會上獲批准後方會入賬。該金額將入賬列作截至二零零七年十二月三十一日止年度之保留溢利的分配。

### 16. EARNINGS PER SHARE

#### (a) Basic earnings per share

The calculation of basic earnings per share is based on the Group's profit attributable to the equity holders of the Company of HK\$579.4 million (2005: HK\$367.8 million) and the weighted average of 2,695.7 million (2005: 2,328.4 million) ordinary shares in issue during the year.

### 16. 每股盈利

#### (a) 每股基本盈利

每股基本盈利乃根據本公司股東權益持有人應佔本集團溢利579,400,000港元（二零零五年：367,800,000港元）及年內已發行普通股之加權平均數2,695,700,000股（二零零五年：2,328,400,000股）計算。

#### (b) Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The basic earnings per share for the year ended 31st December 2006 and 2005 are the same as the respective diluted earnings per share, as there are no dilutive potential ordinary shares.

#### (b) 每股攤薄盈利

每股攤薄盈利乃透過調整已發行普通股之加權平均數，以假設所有攤薄潛在普通股均已獲兌換。由於並無潛在攤薄的普通股，故截至二零零六年及二零零五年十二月三十一日止年度之每股基本盈利與各自之每股攤薄盈利相同。

## 17. INVESTMENT PROPERTIES

## 17. 投資物業

		<b>Group</b> <b>本集團</b>	
		<b>2006</b> <b>二零零六年</b> <b>HK\$ Million</b> <b>百萬港元</b>	2005 二零零五年 HK\$ Million 百萬港元
At 1st January	於一月一日	<b>1,304.8</b>	1,244.7
Acquisition of a subsidiary (Note 40)	收購一間附屬公司 (附註40)	<b>578.0</b>	-
Exchange difference	匯兌差額	<b>64.3</b>	-
Surplus on revaluation of investment properties	投資物業重估盈餘	<b>246.3</b>	60.1
		<b>2,193.4</b>	1,304.8
At 31st December	於十二月三十一日	<b>2,193.4</b>	1,304.8

The investment properties were revalued at 31st December 2006 on an open market basis by Knight Frank.

投資物業由萊坊於二零零六年十二月三十一日按公開市場基準重估。

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

本集團根據經營租賃出租投資物業。租賃一般初步為期一至十年，可於重新商定條款當日後續期。租賃並不包括或然租金。

As at 31st December 2006, investment properties in Mainland China of HK\$1,852.2 million (2005: HK\$1,052.6 million) were pledged as securities for the Group's long-term borrowings (Note 35).

於二零零六年十二月三十一日，中國內地價值1,852,200,000港元（二零零五年：1,052,600,000港元）之投資物業，已作為本集團所獲長期借貸之抵押（附註35）。

The Group's interests in investment properties at their net book values and the lease terms are analysed as follows:

本集團於投資物業之權益按賬面淨值及租期分析如下：

		<b>2006</b> <b>二零零六年</b> <b>HK\$ Million</b> <b>百萬港元</b>	2005 二零零五年 HK\$ Million 百萬港元
In Mainland China	於中國內地		
On medium-term leases (between 10 to 50 years)	中期租賃 (10至50年)	<b>2,193.4</b>	1,304.8

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 18. LAND USE RIGHTS

### 18. 土地使用權

		<b>Group</b>	
		<b>本集團</b>	
		<b>2006</b>	2005
		<b>二零零六年</b>	二零零五年
		<b>HK\$ Million</b>	HK\$ Million
		<b>百萬港元</b>	百萬港元
At 1st January	於一月一日	<b>157.4</b>	-
Acquisition of subsidiaries	收購附屬公司	-	127.2
Exchange difference	匯兌差額	<b>5.8</b>	2.2
Transfer from construction-in-progress	自在建工程撥入	<b>1.3</b>	-
Amortisation of prepaid operating lease payment	預付經營租賃租金攤銷	<b>(8.0)</b>	(2.9)
Additions	添置	<b>68.1</b>	30.9
		<b>224.6</b>	157.4
At 31st December	於十二月三十一日	<b>224.6</b>	157.4

Amortisation expense of HK\$7.1 million (2005: HK\$2.9 million) has been capitalised in construction-in-progress and HK\$0.9 million (2005: Nil) has been charged in cost of sales.

攤銷開支7,100,000港元（二零零五年：2,900,000港元）已撥充在建工程的資本，而900,000港元（二零零五年：無）則計入銷售成本。

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

本集團於土地使用權之權益指預付經營租賃租金，而賬面淨值及租期分析如下：

		<b>2006</b>	2005
		<b>二零零六年</b>	二零零五年
		<b>HK\$ Million</b>	HK\$ Million
		<b>百萬港元</b>	百萬港元
In Mainland China	於中國內地		
On medium-term leases (between 10 to 50 years)	中期租賃（10至50年）	<b>224.6</b>	157.4

Certain bank borrowings are secured by the Group's land use rights with carrying values of HK\$3.7 million (2005: Nil) (Note 35).

本集團面值3,700,000港元（二零零五年：無）之土地使用權已抵押以取得若干銀行借貸（附註35）。



## 19. PROPERTY, PLANT AND EQUIPMENT

## 19. 物業、機器及設備

Group 本集團		Construction- in-progress 在建工程 HK\$ Million 百萬港元	Water pipe-line 水管 HK\$ Million 百萬港元	Plant and equipment 機器及設備 HK\$ Million 百萬港元	Buildings 樓宇 HK\$ Million 百萬港元	Total 總額 HK\$ Million 百萬港元
<b>Year ended 31st December 2005</b>		<b>截至二零零五年十二月三十一日</b>				
		<b>止年度</b>				
Opening net book amount	年初賬面淨值	-	-	4.7	3.9	8.6
Exchange difference	匯兌差額	2.5	-	0.3	-	2.8
Acquisition of subsidiaries	收購附屬公司	173.6	208.8	6.0	-	388.4
Additions	添置	82.6	-	4.7	-	87.3
Disposals	出售	-	-	(0.1)	-	(0.1)
Impairment losses	減值虧損	-	-	-	(0.1)	(0.1)
Depreciation	折舊	-	-	(4.0)	(0.2)	(4.2)
Closing net book amount	年終賬面淨值	<u>258.7</u>	<u>208.8</u>	<u>11.6</u>	<u>3.6</u>	<u>482.7</u>
<b>As at 31st December 2005</b>		<b>於二零零五年十二月三十一日</b>				
Cost or valuation	成本或估值	258.7	208.8	35.1	8.2	510.8
Accumulated depreciation and impairment	累計折舊及減值	-	-	(23.5)	(4.6)	(28.1)
Net book amount	賬面淨值	<u>258.7</u>	<u>208.8</u>	<u>11.6</u>	<u>3.6</u>	<u>482.7</u>
<b>Year ended 31st December 2006</b>		<b>截至二零零六年十二月三十一日</b>				
		<b>止年度</b>				
Opening net book amount	年初賬面淨值	<b>258.7</b>	<b>208.8</b>	<b>11.6</b>	<b>3.6</b>	<b>482.7</b>
Exchange difference	匯兌差額	<b>9.5</b>	<b>7.7</b>	<b>0.3</b>	-	<b>17.5</b>
Acquisition of a subsidiary	收購一間附屬公司	-	-	<b>0.2</b>	-	<b>0.2</b>
Transfer in/(out)	轉入/(出)	<b>(28.8)</b>	<b>19.3</b>	-	<b>8.2</b>	<b>(1.3)</b>
Additions	添置	<b>620.9</b>	-	<b>11.9</b>	-	<b>632.8</b>
Disposals	出售	-	-	<b>(0.5)</b>	-	<b>(0.5)</b>
Depreciation	折舊	-	<b>(16.7)</b>	<b>(5.9)</b>	<b>(0.2)</b>	<b>(22.8)</b>
Closing net book amount	年終賬面淨值	<u><b>860.3</b></u>	<u><b>219.1</b></u>	<u><b>17.6</b></u>	<u><b>11.6</b></u>	<u><b>1,108.6</b></u>
<b>As at 31st December 2006</b>		<b>於二零零六年十二月三十一日</b>				
Cost or valuation	成本或估值	<b>860.3</b>	<b>235.8</b>	<b>46.1</b>	<b>16.4</b>	<b>1,158.6</b>
Accumulated depreciation and impairment	累計折舊及減值	-	<b>(16.7)</b>	<b>(28.5)</b>	<b>(4.8)</b>	<b>(50.0)</b>
Net book amount	賬面淨值	<u><b>860.3</b></u>	<u><b>219.1</b></u>	<u><b>17.6</b></u>	<u><b>11.6</b></u>	<u><b>1,108.6</b></u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 19. PROPERTY, PLANT AND EQUIPMENT (continued)

The construction-in-progress represents the construction costs recorded in the balance sheet at the net amount of costs incurred.

Depreciation expense of HK\$0.4 million (2005: HK\$0.4 million) has been charged to construction costs, HK\$2.0 million (2005: HK\$1.4 million) has been capitalised in infrastructure projects and HK\$20.4 million (2005: HK\$2.4 million) has been expensed in cost of sales and administrative expenses.

Certain bank loans are secured by the Group's construction-in-progress with carrying values of HK\$262.4 million (2005: Nil) (Note 35).

### 20. INTANGIBLE ASSETS

**Group**  
**本集團**

**Year ended**  
**31st December 2005**

Opening net book amount  
Acquisition of subsidiaries

Closing net book amount

**As at**  
**31st December 2005**

Cost and net book amount

**Year ended**  
**31st December 2006**

Opening net book amount  
Acquisition of additional interests in subsidiaries (Notes 41(f) & (g))  
Amortisation (Note 8)

Closing net book amount

**As at 31st December 2006**

Cost  
Accumulated amortisation

Net book amount

**截至二零零五年**  
**十二月三十一日止年度**

年初賬面淨值  
收購附屬公司

年終賬面淨值

**於二零零五年**  
**十二月三十一日**

成本及賬面淨值

**截至二零零六年**  
**十二月三十一日止年度**

年初賬面淨值  
收購附屬公司之額外權益  
(附註41(f)及(g))  
攤銷(附註8)

年終賬面淨值

**於二零零六年十二月三十一日**

成本  
累計攤銷

賬面淨值

### 19. 物業、機器及設備(續)

在建工程指在資產負債表按所動用成本淨值入賬之建造成本。

折舊開支400,000港元(二零零五年:400,000港元)已計入建築成本,2,000,000港元(二零零五年:1,400,000港元)已撥充基建項目之資本,而20,400,000港元(二零零五年:2,400,000港元)已列作銷售成本及行政費用。

本集團面值262,400,000港元(二零零五年:無)之在建工程已抵押以取得若干銀行貸款(附註35)。

### 20. 無形資產

	<b>Goodwill</b> <b>商譽</b>	<b>Concession rights</b> <b>特許權</b>	<b>Total</b> <b>總額</b>
	HK\$ Million 百萬港元	HK\$ Million 百萬港元	HK\$ Million 百萬港元
<b>Year ended 31st December 2005</b>			
Opening net book amount	-	-	-
Acquisition of subsidiaries	-	57.3	57.3
Closing net book amount	-	57.3	57.3
<b>As at 31st December 2005</b>			
Cost and net book amount	-	57.3	57.3
<b>Year ended 31st December 2006</b>			
Opening net book amount	-	57.3	57.3
Acquisition of additional interests in subsidiaries (Notes 41(f) & (g))	6.3	-	6.3
Amortisation (Note 8)	-	(0.3)	(0.3)
Closing net book amount	6.3	57.0	63.3
<b>As at 31st December 2006</b>			
Cost	6.3	57.3	63.6
Accumulated amortisation	-	(0.3)	(0.3)
Net book amount	6.3	57.0	63.3

## 21. DERIVATIVE FINANCIAL INSTRUMENTS

## 21. 衍生金融工具

		<b>Group</b> <b>本集團</b>	
		<b>2006</b> <b>二零零六年</b> <b>HK\$ Million</b> <b>百萬港元</b>	2005 二零零五年 HK\$ Million 百萬港元
Put options	認沽期權	<u>8.0</u>	<u>11.0</u>

Included in the balance is a put option right to sell 45% interest in Hong Kong Construction Kam Lung Limited, which was fair valued at 31st December 2006 and 2005.

在餘額中已包括出售Hong Kong Construction Kam Lung Limited 45%權益之認沽期權，已於二零零六年及二零零五年十二月三十一日按公平值列賬。

## 22. AVAILABLE-FOR-SALE FINANCIAL ASSETS

## 22. 可供出售財務資產

		<b>Group</b> <b>本集團</b>	
		<b>2006</b> <b>二零零六年</b> <b>HK\$ Million</b> <b>百萬港元</b>	2005 二零零五年 HK\$ Million 百萬港元
Beginning of the year	年初	-	-
Additions	添置	2.9	-
Disposal	出售	(0.3)	-
Net gains recognised as equity (Note 33)	確認為權益之收益淨額 (附註33)	<u>1.5</u>	-
		<u>4.1</u>	-
Unlisted debt securities	非上市債券		
Club debentures	會所債券	<u>4.1</u>	-

Available-for-sale financial assets are denominated in the following currencies:

可供出售財務資產以下列貨幣計值：

		<b>2006</b> <b>二零零六年</b> <b>HK\$ Million</b> <b>百萬港元</b>	2005 二零零五年 HK\$ Million 百萬港元
Hong Kong dollar	港元	3.1	-
Renminbi	人民幣	<u>1.0</u>	-
		<u>4.1</u>	-

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 23. SUBSIDIARIES

Unlisted shares, at cost  
Amount due from a subsidiary

非上市股份，按成本  
應收一間附屬公司款項

Notes:

- (a) The balance with a subsidiary is unsecured, interest free and has no fixed terms of repayment.
- (b) Particulars of the principal subsidiaries are set out on pages 157 to 160.
- (c) On 28th September 2006, the Group acquired additional equity interests in APC Wind Power Pte. Limited, Asia Wind Power (Mudanjiang) Company Limited and Hong Kong Wind Power (Muling) Company Limited. As a result, the Group currently owns effective 86% and 80% share of interests in Mudanjiang and Muling respectively. Details of the acquisitions are set out in Note 41(f) & (g).

### 23. 附屬公司

Note 附註	Company 本公司	
	2006 二零零六年 HK\$ Million 百萬港元	2005 二零零五年 HK\$ Million 百萬港元
(a)	30.4	-
	2,251.7	-
	<b>2,282.1</b>	<b>-</b>

附註：

- (a) 與一家附屬公司之結餘為無抵押、免息及無固定還款期。
- (b) 主要附屬公司之詳情載於第157至160頁。
- (c) 於二零零六年九月二十八日，本集團收購亞洲電力風電有限公司、亞洲風力發電（牡丹江）有限公司及香港風力發電（穆稜）有限公司之額外股權。因此，本集團現時於牡丹江及穆稜分別擁有86%及80%的實際股權。有關收購之詳情載於附註41(f)及(g)。

### 24. ASSOCIATED COMPANIES

Share of net liabilities  
Amounts due from associated companies  
Provision for impairment losses

應佔負債淨額  
應收聯營公司款項  
減值虧損撥備

The balances with associated companies are unsecured, interest free and have no fixed terms of repayment except for the amounts due from associated companies of HK\$71.2 million (2005: HK\$403.3 million) which bears interests at Hong Kong dollar prime rate (2005: ranging from Hong Kong dollar prime rate to 1% plus Hong Kong dollar prime rate).

### 24. 聯營公司

	Group 本集團	
	2006 二零零六年 HK\$ Million 百萬港元	2005 二零零五年 HK\$ Million 百萬港元
	(185.6)	(734.5)
	1,319.7	1,794.8
	(22.8)	(22.8)
	<b>1,111.3</b>	<b>1,037.5</b>

除為數71,200,000港元（二零零五年：403,300,000港元）之應收聯營公司款項是根據港元最優惠利率計息（二零零五年：按港元最優惠利率至港元最優惠利率加1厘計息）外，與聯營公司間之結餘並無抵押、免息及無固定還款期。

## 24. ASSOCIATED COMPANIES (continued)

The Group's share of assets and liabilities and results of associated companies are summarised below:

		<b>2006</b> <b>二零零六年</b> <b>HK\$ Million</b> <b>百萬港元</b>	2005 二零零五年 HK\$ Million 百萬港元
Assets	資產	<b>2,158.2</b>	2,018.0
Liabilities	負債	<b>(2,343.8)</b>	(2,752.5)
Net liabilities	負債淨額	<b>(185.6)</b>	(734.5)
Revenue	收益	<b>83.2</b>	248.6
Profit/(loss) before income tax	所得稅前溢利／(虧損)	<b>187.9</b>	(88.3)
Income tax expense	所得稅開支	<b>(71.7)</b>	(16.8)
Profit/(loss) for the year	本年度溢利／(虧損)	<b>116.2</b>	(105.1)

- (a) On 26th June 2006, the Group acquired an additional 30% equity interest in Dorboy Investment Limited ("Dorboy"). As a result, Dorboy became a subsidiary of the Group. Details of the acquisition are set out in Note 40.
- (b) During the year, Eden Investment Group Limited ("Eden"), a wholly-owned subsidiary of the Company, with the China Energy Conservation Investment Corporation ("CECIC") jointly formed a new company, Linyi National Environmental New Energy Company Limited ("Linyi"), a company incorporated in the PRC, for the construction of waste-to-energy plants in Shandong in the PRC. Eden contributed 40% of the registered capital of RMB100.0 million, amounting to RMB40.0 million (equivalent to HK\$39.8 million) to Linyi upto 31st December 2006.
- (c) Details of principal associated companies are set out on page 161.

## 24. 聯營公司 (續)

本集團應佔聯營公司之資產及負債與業績概述如下：

	<b>2006</b> <b>二零零六年</b> <b>HK\$ Million</b> <b>百萬港元</b>	2005 二零零五年 HK\$ Million 百萬港元
Assets	<b>2,158.2</b>	2,018.0
Liabilities	<b>(2,343.8)</b>	(2,752.5)
Net liabilities	<b>(185.6)</b>	(734.5)
Revenue	<b>83.2</b>	248.6
Profit/(loss) before income tax	<b>187.9</b>	(88.3)
Income tax expense	<b>(71.7)</b>	(16.8)
Profit/(loss) for the year	<b>116.2</b>	(105.1)

- (a) 於二零零六年六月二十六日，本集團收購禧發投資有限公司（「禧發」）額外30%股本權益。因此，禧發成為本集團之附屬公司。此項收購之詳情載於附註40。
- (b) 年內，本公司全資附屬公司伊甸投資集團有限公司（「伊甸」）與中國節能投資公司（「中節能」）共同組成一間新公司臨沂中環新能源有限公司（「臨沂」），為一間於中國註冊成立之公司，在中國山東建造垃圾發電廠。直至二零零六年十二月三十一日，伊甸已向臨沂注入註冊資本人民幣100,000,000元之40%，即人民幣40,000,000元（相當於約39,800,000港元）。
- (c) 主要聯營公司之詳情載於第161頁。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 25. JOINTLY CONTROLLED ENTITIES

### 25. 合營公司

		Group 本集團	
		2006 二零零六年 HK\$ Million 百萬港元	2005 二零零五年 HK\$ Million 百萬港元
Share of net assets	應佔資產淨值	377.9	7.0
Amounts due (to)/from jointly controlled entities	應(付)／收合營公司款項	(9.0)	188.1
Portion due within one year, classified as current assets	一年內到期分類為流動資產的部分	-	(16.7)
Provision for impairment losses	減值虧損撥備	(5.3)	(5.3)
		<b>363.6</b>	<b>173.1</b>

The following amounts represent the total of the Group's proportionate interests of share of assets and liabilities, and results of the joint controlled entities which are included in the consolidated balance sheet and income statement.

下列數額指本集團按比例所佔合營企業之資產與負債及業績總額，並計入綜合資產負債表及損益表。

		2006 二零零六年 HK\$ Million 百萬港元	2005 二零零五年 HK\$ Million 百萬港元
Assets	資產	482.0	282.8
Liabilities	負債	(104.1)	(275.8)
Net assets	資產淨值	377.9	7.0
Profit before income tax	所得稅前溢利	72.8	39.7
Income tax expense	所得稅支出	-	(0.2)
Profit for the year	本年度溢利	72.8	39.5

Notes:

- (a) Balances with jointly controlled entities are unsecured, interest free and have no fixed terms of repayment.
- (b) There are no contingent liabilities relating to the Group's interest in the jointly controlled entities, and no contingent liabilities of the entities themselves.
- (c) Details of principal jointly controlled entities are set out on page 162.
- (d) On 23rd January 2006, the Group entered into a framework agreement for establishment of a joint venture to engage in a real estate development project in Shanghai and contributed 10% of the registered capital of RMB3.5 billion, amounting to RMB350.0 million (equivalent to approximately HK\$348.7 million) to the joint venture. Details are set out in Note 41(b).

附註：

- (a) 與合營公司間之結餘並無抵押、免息及無固定還款期。
- (b) 並無有關本集團所佔合營企業權益的或然負債，而合營企業本身亦無或然負債。
- (c) 主要合營公司之詳情載於第162頁。
- (d) 於二零零六年一月二十三日，本集團訂立框架協議，以成立合營企業在上海從事發展房地產項目之業務，並已向該合營企業注入註冊資本人民幣3,500,000,000元之10%，即人民幣350,000,000元（約相當於348,700,000港元）。有關詳情載於附註41(b)。

## 26. PROPERTIES HELD FOR SALE

At 31st December 2006, the carrying amount of properties held for sale that are carried at net realisable value amounted to HK\$95.1 million (2005: HK\$104.8 million), and in which the land use rights amounted to HK\$71.5 million (2005: HK\$77.3 million).

## 27. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Equity securities: 股本證券：  
– Listed in Hong Kong at market value – 香港上市，按市值  
– Unlisted – 非上市

The carrying amounts of the above financial assets are classified as follows:

Held for trading 持有作買賣用途  
Designated as fair value through profit or loss on initial recognition 最初確認時列作按公平值  
在損益表列賬

Financial assets at fair value through profit or loss are presented within the section on operating activities as part of changes in working capital in the cash flow statement (Note 42(a)).

Changes in fair values of financial assets at fair value through profit or loss are recorded in other gains – net in the income statement.

## 26. 作銷售用途之物業

於二零零六年十二月三十一日，持作銷售用途之物業按可變現淨值列賬，其賬面值為95,100,000港元（二零零五年：104,800,000港元），其中土地使用權為71,500,000港元（二零零五年：77,300,000港元）。

## 27. 按公平值在損益表列賬之財務資產

Group 本集團	
2006 二零零六年 HK\$ Million 百萬港元	2005 二零零五年 HK\$ Million 百萬港元
0.1	0.5
11.1	22.7
<b>11.2</b>	<b>23.2</b>

上述財務資產之賬面值分類如下：

2006 二零零六年 HK\$ Million 百萬港元	2005 二零零五年 HK\$ Million 百萬港元
0.1	8.8
11.1	14.4
<b>11.2</b>	<b>23.2</b>

按公平值在損益表列賬之財務資產在現金流量表的經營業務中呈報，作為營運資金的部分變動（附註42(a)）。

按公平值在損益表列賬之財務資產之公平值變動，計入損益表內其他收益淨額。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 28. TRADE AND OTHER RECEIVABLES

		Group 本集團		Company 本公司	
		2006 二零零六年 HK\$ Million 百萬港元	2005 二零零五年 HK\$ Million 百萬港元	2006 二零零六年 HK\$ Million 百萬港元	2005 二零零五年 HK\$ Million 百萬港元
Trade receivables	應收賬款	47.3	34.1	-	-
Less: provision for impairment of receivables	減：應收賬款減值撥備	(18.8)	(10.9)	-	-
Retention receivables	應收保留款額	28.5	23.2	-	-
Other receivables and deposits, net of provisions	其他應收款及按金 (已扣除撥備)	15.9	41.6	-	-
Gross amount due from customers for contract works (Note 29)	應收客戶合約工程款項 總額 (附註29)	170.3	210.6	0.4	-
Amount due from a jointly controlled entity	應收一間合營公司 款項	-	61.2	-	-
Amount due from a related company	應收一間關連公司款項	-	16.7	-	-
		3.6	20.4	-	-
		<b>303.8</b>	<b>373.7</b>	<b>0.4</b>	<b>-</b>

(a) At 31st December 2006, retention receivables amounting to HK\$114.2 million (2005: HK\$159.0 million) were included in non-current receivables and current other receivables, depending on their expected date of receipt.

(b) The ageing analysis of trade receivables, net of provision for impairment of receivables, is as follows:

(a) 於二零零六年十二月三十一日，應收保留款額為114,200,000港元（二零零五年：159,000,000港元），已分別視乎預期收款日列為非流動應收款以及其他流動應收款。

(b) 已扣除減值撥備後應收賬款之賬齡分析如下：

		Group 本集團	
		2006 二零零六年 HK\$ Million 百萬港元	2005 二零零五年 HK\$ Million 百萬港元
0 to less than 2 months	零至少於2個月	14.3	15.4
2 to less than 6 months	2至少於6個月	0.7	0.6
6 to less than 12 months	6至少於12個月	3.2	0.9
12 months and more	超過12個月	10.3	6.3
		<b>28.5</b>	<b>23.2</b>

The Group's credit terms for contracting business are negotiated with and entered into under normal commercial terms with its trade customers. Retention money receivables in respect of contracting services are settled in accordance with the terms of respective contracts.

There is no concentration of credit risk with respect to trade receivables, as the Group has a large number of customers, internationally dispersed.

本集團建築合約業務之信貸條件是按照一般商業條款與客戶商議及簽訂，建築合約之應收保留款額按照個別合約之條款結算。

由於本集團有為數不少國際性客戶，故應收賬款並無信貸集中之風險。





# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 30. PLEDGED DEPOSITS

- (a) At 31st December 2006, deposits of HK\$7.9 million (2005: HK\$7.9 million) were pledged to certain banks to secure banking facilities granted to certain buyers of properties of Group to the extent of HK\$32.8 million (2005: HK\$43.0 million).
- (b) At 31st December 2006, deposits of HK\$1.0 million (2005: HK\$1.0 million) were pledged to the performance bonds and guarantee, under contracts and other agreements.
- (c) At 31st December 2006, deposits of HK\$285.3 million (2005: HK\$3.7 million) were pledged to secure certain long term bank loans.

### 30. 抵押存款

- (a) 於二零零六年十二月三十一日，7,900,000港元（二零零五年：7,900,000港元）之存款已抵押予若干銀行，以獲得授予本集團若干物業買方為數32,800,000港元（二零零五年：43,000,000港元）之銀行融資。
- (b) 於二零零六年十二月三十一日，1,000,000港元（二零零五年：1,000,000港元）之存款已根據合約及其他協議抵押予履約債券及擔保。
- (c) 於二零零六年十二月三十一日，285,300,000港元（二零零五年：3,700,000港元）之存款已予抵押，以獲得若干長期銀行貸款。

### 31. CASH AND CASH EQUIVALENTS

### 31. 現金及現金等價物

		<b>Group</b> <b>本集團</b>	
		<b>2006</b> <b>二零零六年</b> <b>HK\$ Million</b> <b>百萬港元</b>	2005 二零零五年 HK\$ Million 百萬港元
Cash at bank and in hand	銀行及手頭現金	<b>584.3</b>	243.2
Short-term bank deposits	短期銀行存款	<b>478.2</b>	354.5
		<b>1,062.5</b>	597.7

The effective interest rates at the balance sheet date were as follows:

於結算日之實際利率如下：

		<b>2006</b> <b>二零零六年</b>			2005 二零零五年		
		<b>HK\$</b> <b>港元</b>	<b>US\$</b> <b>美元</b>	<b>RMB</b> <b>人民幣</b>	HK\$ 港元	US\$ 美元	RMB 人民幣
Short-term bank deposits	短期銀行存款	<b>2.6% - 3.8%</b>	<b>5.2%</b>	<b>1.4%-1.6%</b>	2.5%-4.3%	-	1.4%-2.3%

These deposits' maturity dates range from 1 day to 60 days for the Group.

本集團上述存款之到期日介乎1至60日。

## 32. SHARE CAPITAL

## 32. 股本

		Ordinary shares 普通股			
		2006 二零零六年	2006 二零零六年	2005 二零零五年	2005 二零零五年
		Number of shares 股份數目 (Million) (百萬)	HK\$ Million 百萬港元	Number of shares 股份數目 (Million) (百萬)	HK\$ Million 百萬港元
	Note 附註				
<b>Authorised</b>	<b>法定</b>				
At 1st January – HK Co	於一月一日 – 香港公司			3,500.0	3,500.0
Reduction of nominal value of authorised share capital	削減法定股本面值			–	(3,465.0)
				<u>3,500.0</u>	<u>35.0</u>
At 1st January – Company	於一月一日 – 公司	<b>10.0</b>	<b>0.1</b>	–	–
Authorised shares on incorporation	於註冊成立時之法定股份	–	–	10.0	0.1
Increase in authorised shares	法定股份增加	<b>9,990.0</b>	<b>99.9</b>	–	–
At 31st December	於十二月三十一日	<b>10,000.0</b>	<b>100.0</b>	<u>10.0</u>	<u>0.1</u>
<b>Issued and fully paid</b>	<b>已發行及繳足</b>				
At 1st January	於一月一日	<b>2,328.4</b>	<b>23.3</b>	1,948.4	1,948.4
Issue of bonus shares	發行紅股	–	–	380.0	380.0
Reduction of nominal value of issued and fully paid share capital	削減已發行及繳足股本之面值	–	–	–	(2,305.1)
Shares placements – controlling shareholder	配售股份 – 控股股東	41(d) <b>465.7</b>	<b>4.7</b>	–	–
Issue of scrip dividend shares	發行以股代息股份	(a) <b>244.2</b>	<b>2.4</b>	–	–
Cancellation of the shares of HK Co	註銷香港公司股份	(b)(iii) <b>(3,038.3)</b>	<b>(30.4)</b>	–	–
Shares issued and transferred to shareholders of HK Co as consideration for cancellation of shares of HK Co	發行股份並轉讓予香港公司股東作為註銷香港公司股份之代價	(b)(iii) <b>3,038.3</b>	<b>30.4</b>	–	–
Shares placements – other shareholders	配售股份 – 其他股東	(b)(iv) <b>607.7</b>	<b>6.1</b>	–	–
At 31st December	於十二月三十一日	<b>3,646.0</b>	<b>36.5</b>	<u>2,328.4</u>	<u>23.3</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 32. SHARE CAPITAL (continued)

Notes:

- (a) HK Co offered to its shareholders a scrip dividend alternative under which the shareholders could elect to receive ordinary shares of HK\$0.01 each in lieu of cash dividend during the following dividend declaration and ordinary shares were issued under these schemes:

All these shares issued during the year ranking pari passu in all respects with the then existing shares.

		Number of new ordinary shares issued 已發行新普通股數目	Issue price per ordinary share 每股普通股之發行價	Issue date 發行日期
Interim dividend for the year ended 31st December 2006	截至二零零六年十二月三十一日止年度之中期股息	135,642,936	HK\$0.94 0.94港元	6th November 2006 二零零六年十一月六日
Final dividend for the year ended 31st December 2005	截至二零零五年十二月三十一日止年度之末期股息	108,598,829	HK\$1.02 1.02港元	27th July 2006 二零零六年七月二十七日
		<u>244,241,765</u>		

- (b) The changes in the authorised and issued share capital of the Company which took place during the period from 14th April 2005 (date of incorporation) to 31st December 2006 were as follows:

- (i) On incorporation, the authorised share capital of the Company was HK\$100,000 divided into 10,000,000 shares of HK\$0.01 each, all of which were issued and allotted on 20th April 2005. Such shares were subsequently credited as fully paid as part of the Group Reorganisation on 16th November 2006.
- (ii) By an ordinary resolution passed on 16th November 2006, the authorised share capital of the Company was increased to HK\$50,000,000 by the creation of an additional 4,990,000,000 shares of HK\$0.01 each, ranking pari passu with the existing share capital of the Company.
- (iii) On 16th November 2006, as part of the Group Reorganisation, the Company issued an aggregate of 3,028,332,891 shares of HK\$0.01 each, credited as fully paid and transferred 10,000,000 shares of HK\$0.01 each, also credited as fully paid by HK Co to the shareholders of HK Co in consideration of the cancellation and extinguishment of the shares of HK Co.
- (iv) On 23rd November 2006, the Company entered into a share placement agreement pursuant to which an aggregate of 607,664,546 new shares of HK\$0.01 each were issued to certain independent investors at HK\$1.1 per share. The associated issuing expenses were HK\$13.4 million. The net proceeds from such issue were approximately HK\$655.0 million.
- (v) By an ordinary resolution passed on 21st December 2006, the authorised share capital of the Company was further increased to HK\$100,000,000 by the creation of an additional 5,000,000,000 shares of HK\$0.01 each, ranking pari passu with the existing share capital of the Company.

### 32. 股本 (續)

附註：

- (a) 香港公司向其股東推出以股代息計劃，據此，股東可於下列股息宣派期間選擇收取每股面值0.01港元的普通股以代替現金股息，並已根據該等計劃發行普通股：

年內發行之所有該等股份在各方面均與當時現有股份享有同等權益。

		Number of new ordinary shares issued 已發行新普通股數目	Issue price per ordinary share 每股普通股之發行價	Issue date 發行日期
Interim dividend for the year ended 31st December 2006	截至二零零六年十二月三十一日止年度之中期股息	135,642,936	HK\$0.94 0.94港元	6th November 2006 二零零六年十一月六日
Final dividend for the year ended 31st December 2005	截至二零零五年十二月三十一日止年度之末期股息	108,598,829	HK\$1.02 1.02港元	27th July 2006 二零零六年七月二十七日
		<u>244,241,765</u>		

- (b) 本公司法定及已發行股本由二零零五年四月十四日（註冊成立日期）至二零零六年十二月三十一日之變動如下：

- (i) 於註冊成立時，本公司法定股本為100,000港元，其中分為每股面值0.01港元10,000,000股股份，全部股份均於二零零五年四月二十日發行及配發。該等股份作為本集團重組的其中一部分隨後於二零零六年十一月十六日入賬列作繳足股款。
- (ii) 於二零零六年十一月十六日通過之普通決議案，藉增設4,990,000,000股每股面值0.01港元之額外股份（該等股份與本公司現有股本享有同等權益），從而使本公司法定股增加至50,000,000港元。
- (iii) 於二零零六年十一月十六日，作為本集團重組的其中一部分，本公司向香港公司股東發行每股面值0.01港元合共3,028,332,891股入賬列作繳足股份，並向香港公司股東轉撥10,000,000股每股面值0.01港元之入賬列作繳足股份，作為支付取消及消毀香港公司股份之代價。
- (iv) 於二零零六年十一月二十三日，本公司訂立一份股份配售協議，據此，向若干獨立投資者以每股股價1.1港元發行合共607,664,546股每股面值0.01港元之新股。有關發行費用為13,400,000港元。該股份發行產生的所得款項淨額約為655,000,000港元。
- (v) 於二零零六年十二月二十一日通過之普通決議案，藉增設5,000,000,000股每股面值為0.01港元的額外股份（該增設股份與本公司現有股本享有同等權益），從而使本公司法定股進一步增加至100,000,000港元。

### 33. RESERVES

### 33. 儲備

		Share premium	Capital reduction reserve	Capital redemption reserve	Capital reserve	Exchange reserve	Retained earnings/ (Accumulated losses)	Total
		股份溢價	股本削減儲備	資本贖回儲備	資本儲備	匯兌儲備	保留溢利/ (累計虧損)	總額
		HK\$ Million 百萬港元	HK\$ Million 百萬港元	HK\$ Million 百萬港元	HK\$ Million 百萬港元	HK\$ Million 百萬港元	HK\$ Million 百萬港元	HK\$ Million 百萬港元
<b>Group</b>	<b>本集團</b>							
Balance at 1st January 2005	於二零零五年 一月一日結餘	1,367.7	-	14.6	151.3	(24.6)	(1,726.2)	(217.2)
Exchange differences	匯兌差額	-	-	-	-	(4.7)	-	(4.7)
Issue of bonus shares	發行紅股	(380.0)	-	-	-	-	-	(380.0)
Reduction of nominal value of issued and fully paid share capital	削減已發行及繳足 股本面值	-	2,305.1	-	-	-	-	2,305.1
Set-off accumulated losses	抵銷累計虧損	(987.7)	(813.6)	-	-	-	1,801.3	-
Profit for the year	本年度溢利	-	-	-	-	-	367.8	367.8
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>367.8</u>	<u>367.8</u>
Balance at 31st December 2005	於二零零五年 十二月三十一日結餘	-	1,491.5	14.6	151.3	(29.3)	442.9	2,071.0
		<u>-</u>	<u>1,491.5</u>	<u>14.6</u>	<u>151.3</u>	<u>(29.3)</u>	<u>442.9</u>	<u>2,071.0</u>
Retained by:	予以保留:							
Company and subsidiaries	本公司及附屬公司	-	1,491.5	14.6	151.3	(9.0)	1,085.7	2,734.1
Associated companies	聯營公司	-	-	-	-	(20.3)	(649.8)	(670.1)
Jointly controlled entities	合營公司	-	-	-	-	-	7.0	7.0
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7.0</u>	<u>7.0</u>
		<u>-</u>	<u>1,491.5</u>	<u>14.6</u>	<u>151.3</u>	<u>(29.3)</u>	<u>442.9</u>	<u>2,071.0</u>
Representing:	代表:							
Reserves at	於二零零五年							
31st December 2005	十二月三十一日之儲備							1,954.6
2005 proposed final dividend	二零零五年擬派末期股息							116.4
								<u>2,071.0</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 33. RESERVES (continued)

### 33. 儲備 (續)

Group		Share premium	Capital reduction reserve	Capital redemption reserve	Capital reserve	Employee share-based compensation reserve	Exchange reserve	Available-for-sale investments reserve	Retained earnings/(Accumulated losses)	Total
		股份溢價	股本削減儲備	資本贖回儲備	資本儲備	僱員酬金儲備	匯兌儲備	可供出售投資儲備	保留溢利/(累計虧損)	總額
		HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million
		百萬港元	百萬港元	百萬港元	百萬港元	百萬港元	百萬港元	百萬港元	百萬港元	百萬港元
Balance at 1st January 2006	於二零零六年一月一日結餘	-	1,491.5	14.6	151.3	-	(29.3)	-	442.9	2,071.0
Revaluation	重估	-	-	-	-	-	-	1.5	-	1.5
Exchange differences	匯兌差額	-	-	-	-	-	86.5	-	-	86.5
Employee share option benefits	僱員購股權福利	-	-	-	-	15.0	-	-	-	15.0
Payment made in respect of cancellation of old share option scheme	註銷舊購股權計劃之付款	-	-	-	-	(5.8)	-	-	-	(5.8)
Arising from issue of shares	產生自發行股份	1,143.9	-	-	-	-	-	-	-	1,143.9
Arising from issue of scrip dividend	產生自以股代息計劃	235.8	-	-	-	-	-	-	-	235.8
Share issue expenses	發行股份費用	(13.4)	-	-	-	-	-	-	-	(13.4)
2005 final dividend	二零零五年末期股息	-	-	-	-	-	-	-	(116.4)	(116.4)
2006 interim dividend	二零零六年中期股息	-	-	-	-	-	-	-	(130.6)	(130.6)
Reclassification of capital reduction reserve	股本削減儲備重新分類	-	(707.4)	-	-	-	-	-	707.4	-
Profit for the year	本年度溢利	-	-	-	-	-	-	-	579.4	579.4
Balance at 31st December 2006	於二零零六年十二月三十一日結餘	<u>1,366.3</u>	<u>784.1</u>	<u>14.6</u>	<u>151.3</u>	<u>9.2</u>	<u>57.2</u>	<u>1.5</u>	<u>1,482.7</u>	<u>3,866.9</u>
Retained by:	予以保留:									
Company and subsidiaries	本公司及附屬公司	1,366.3	784.1	14.6	151.3	9.2	97.8	1.5	1,735.5	4,160.3
Associated companies	聯營公司	-	-	-	-	-	(40.6)	-	(282.1)	(322.7)
Jointly controlled entities	合營公司	-	-	-	-	-	-	-	29.3	29.3
		<u>1,366.3</u>	<u>784.1</u>	<u>14.6</u>	<u>151.3</u>	<u>9.2</u>	<u>57.2</u>	<u>1.5</u>	<u>1,482.7</u>	<u>3,866.9</u>
Representing:	代表:									
Reserves at 31st December 2006	於二零零六年十二月三十一日之儲備									3,578.1
2006 proposed final dividend	二零零六年擬派末期股息									288.8
										<u>3,866.9</u>

### 33. RESERVES (continued)

### 33. 儲備 (續)

		Share premium	Employee share-based compensation reserve	Retained earnings	Total
		股份溢價	以股份支付 僱員酬金儲備	保留溢利	總額
		HK\$ Million 百萬港元	HK\$ Million 百萬港元	HK\$ Million 百萬港元	HK\$ Million 百萬港元
<b>Company</b>	<b>本公司</b>				
Balance at 14th April 2005 (date of incorporation)	於二零零五年四月十四日 (註冊成立日期) 結餘	-	-	-	-
Employee share option benefits	僱員購股權福利	-	1.5	-	1.5
Reserve resulting from the Group Reorganisation	因進行集團重組產生之 儲備	717.4	-	-	717.4
Arising from issue of shares	產生自發行股份	662.3	-	-	662.3
Share issue expenses	發行股份費用	(13.4)	-	-	(13.4)
Profit for the year	本年度溢利	-	-	878.2	878.2
		<u>1,366.3</u>	<u>1.5</u>	<u>878.2</u>	<u>2,246.0</u>
Balance at 31st December 2006	於二零零六年 十二月三十一日結餘	<u>1,366.3</u>	<u>1.5</u>	<u>878.2</u>	<u>2,246.0</u>
Representing:	代表:				
Reserves at 31st December 2006	於二零零六年 十二月三十一日之儲備				1,957.2
2006 proposed final dividend	二零零六年擬派末期股息				<u>288.8</u>
					<u>2,246.0</u>

The applications of the share premium account and capital redemption reserve account are governed by sections 48B and 49H of the Hong Kong Companies Ordinance respectively.

As a result of reduction of capital in 2005, an undertaking was given by the HK Co to the Court of First Instance of the High Court, Hong Kong (the "Court") in connection with the Capital Reduction Reserve Account of approximately HK\$1,491.5 million. The amount will not be treated as realised profits and shall be treated as a reserve of HK Co. This amount shall not be distributable until and unless the creditors of HK Co as at the date of sanction of the reduction of capital are fully settled, provided for by HK Co or consent is obtained from the remaining creditors. HK Co may apply for these amounts to be settled by paying up unissued shares of HK Co to be issued to members as fully paid bonus shares.

股份溢價賬及資本削減贖回儲備之用途須分別受香港公司條例第48B及49H條所管轄。

由於在二零零五年進行股本削減，故香港公司已就約1,491,500,000港元之股本削減儲備賬向香港高等法院原訟法庭（「法庭」）作出承諾。該金額將不會作已變現溢利處理，而須作為香港公司之儲備處理。此金額不得作分派用途，直至及除非香港公司於股本削減批准日期之債權人獲悉數清償款項，惟香港公司規定者或獲得餘下債權人同意則除外。香港公司可透過繳足將向股東發行香港公司未發行股份作為繳足紅股而償付有關款項。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 33. RESERVES (continued)

Based on recommendations from HK Co's legal and financial advisers, the directors and senior management have reviewed and assessed the Capital Reduction Reserve Account and the outstanding amounts of creditors brought forward from the date of sanction of the reduction of capital and considered an amount of Capital Reduction Reserve of approximately HK\$707.4 million is available for distribution as at 31st December 2006.

### 34. AMOUNT DUE TO ULTIMATE HOLDING COMPANY

The amount due to ultimate holding company in 2005 was unsecured, interest bearing at Hong Kong dollar prime rate as quoted by HSBC plus 2%. The amount has been fully repaid during the year.

### 35. BORROWINGS

### 33. 儲備 (續)

根據香港公司之法律及財務顧問作出之建議，董事及高級管理層成員已審閱及評估股本削減儲備賬及自股本削減批准日期結轉之債權人未償還款項，並認為於二零零六年十二月三十一日，為數約707,400,000港元之股本削減儲備可供分派。

### 34. 應付最終控股公司款項

於二零零五年應付最終控股公司款項為無抵押，按香港上海滙豐銀行港元最優惠利率加2厘計息。該筆款項已於年內悉數償還。

### 35. 借款

		Group 本集團	
		2006 二零零六年 HK\$ Million 百萬港元	2005 二零零五年 HK\$ Million 百萬港元
<b>Non-current</b>	<b>非流動</b>		
Bank borrowings	銀行借款	1,737.7	701.3
Other loans	其他貸款	127.9	138.2
Loans from minority shareholders	少數股東貸款	79.0	3.0
		<b>1,944.6</b>	842.5
<b>Current</b>	<b>流動</b>		
Bank borrowings	銀行借款	354.5	144.8
Other loans	其他貸款	15.4	12.2
		<b>369.9</b>	157.0
<b>Total borrowings</b>	<b>借款總額</b>	<b>2,314.5</b>	999.5



### 35. BORROWINGS (continued)

Bank borrowings are secured by the investment properties, land use rights, construction-in-progress and pledged deposits of the Group (Notes 17, 18, 19 and 30).

### 35. 借款 (續)

銀行借款由本集團之投資物業、土地使用權、在建工程及抵押存款作抵押 (附註17、18、19及30)。

		Group 本集團			
		Secured bank loans 有抵押 銀行貸款 HK\$ Million 百萬港元	Unsecured bank loans 無抵押 銀行貸款 HK\$ Million 百萬港元	Unsecured other loans 無抵押 其他貸款 HK\$ Million 百萬港元	Total 總額 HK\$ Million 百萬港元
The maturity of bank borrowings and other loans for 2006 is as follows:	二零零六年須於下列期間償還之銀行借款及其他貸款如下：				
Within one year	一年內	316.6	37.9	15.4	369.9
In the second year	第二年	132.8	-	16.8	149.6
In the third to fifth year	第三年至第五年	419.7	-	50.5	470.2
After the fifth year	五年後	1,185.2	-	60.6	1,245.8
		<u>2,054.3</u>	<u>37.9</u>	<u>143.3</u>	<u>2,235.5</u>

The maturity of bank borrowings and other loans for 2005 is as follows:	二零零五年須於下列期間償還之銀行借款及其他貸款如下：				
Within one year	一年內	98.7	46.1	12.2	157.0
In the second year	第二年	31.9	5.8	16.3	54.0
In the third to fifth year	第三年至第五年	63.7	25.9	48.6	138.2
After the fifth year	五年後	226.2	347.8	73.3	647.3
		<u>420.5</u>	<u>425.6</u>	<u>150.4</u>	<u>996.5</u>

The effective interest rates at the balance sheet date were as follows:

於結算日之實際利率如下：

		2006 二零零六年		2005 二零零五年	
		HK\$ 港元	RMB 人民幣	HK\$ 港元	RMB 人民幣
Bank borrowings and other loans	銀行借款及其他貸款	<u>6.0%</u>	<u>2.25%-6.14%</u>	<u>6.0%</u>	<u>2.3%-6.1%</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 35. BORROWINGS (continued)

		Group 本集團	
		2006 二零零六年 HK\$ Million 百萬港元	2005 二零零五年 HK\$ Million 百萬港元
Hong Kong dollar	港元	218.8	145.8
Renminbi	人民幣	<u>2,095.7</u>	<u>853.7</u>
		<u><b>2,314.5</b></u>	<u>999.5</u>

The Group has the following undrawn borrowing facilities:

Floating rate	浮動利率		
– expiring within one year	—於一年內到期	<u>155.2</u>	<u>235.4</u>

### 36. DEFERRED INCOME TAX LIABILITIES

The deferred income tax liabilities arise from investment properties valuation and its movements are as follows:

		Group 本集團	
		2006 二零零六年 HK\$ Million 百萬港元	2005 二零零五年 HK\$ Million 百萬港元
At 1st January	於一月一日	18.3	–
Recognised in the income statement	於損益表確認	<u>–</u>	<u>18.3</u>
At 31st December	於十二月三十一日	<u><b>18.3</b></u>	<u>18.3</u>

Deferred income tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through the future taxable profits are probable. The Group did not recognise deferred income tax assets of HK\$143.4 million (2005: HK\$129.5 million) in respect of tax losses of HK\$819.3 million (2005: HK\$740.1 million) to carry forward against future taxable income. These tax losses have no expiry date (2005: no expiry date).

### 35. 借款 (續)

		Group 本集團	
		2006 二零零六年 HK\$ Million 百萬港元	2005 二零零五年 HK\$ Million 百萬港元
Hong Kong dollar	港元	218.8	145.8
Renminbi	人民幣	<u>2,095.7</u>	<u>853.7</u>
		<u><b>2,314.5</b></u>	<u>999.5</u>

本集團有下列未支用之借款信貸：

Floating rate	浮動利率		
– expiring within one year	—於一年內到期	<u>155.2</u>	<u>235.4</u>

### 36. 遞延所得稅負債

投資物業估值產生之遞延所得稅負債及其變動如下：

		Group 本集團	
		2006 二零零六年 HK\$ Million 百萬港元	2005 二零零五年 HK\$ Million 百萬港元
At 1st January	於一月一日	18.3	–
Recognised in the income statement	於損益表確認	<u>–</u>	<u>18.3</u>
At 31st December	於十二月三十一日	<u><b>18.3</b></u>	<u>18.3</u>

倘有可能透過未來應課稅溢利將有關之稅項利益變現，則會就結轉之稅項虧損確認遞延稅項資產。本集團並無就稅項虧損819,300,000港元（二零零五年：740,100,000港元）而確認遞延所得稅項資產143,400,000港元（二零零五年：129,500,000港元）可作結轉，用以抵銷日後應課稅收入。該等稅項虧損並無到期日（二零零五年：無到期日）。

### 37. TRADE AND OTHER PAYABLES

### 37. 應付賬款及其他應付款

		<b>Group</b>	
		<b>本集團</b>	
		<b>2006</b>	2005
		<b>二零零六年</b>	二零零五年
		<b>HK\$ Million</b>	HK\$ Million
		<b>百萬港元</b>	百萬港元
Trade payables	應付賬款	<b>139.8</b>	126.2
Retention payables	應付保留款額	<b>24.1</b>	36.8
Other payables and accruals	其他應付款及應計費用	<b>402.3</b>	500.5
Amount due to related companies	應付關連公司款項	-	70.0
Gross amount due to customers for contract works (Note 29)	應付客戶合約工程款項總額 (附註29)	<b>48.7</b>	46.7
		<b>614.9</b>	780.2

- (a) At 31st December 2006, retention payables for contracts in progress amounting to HK\$117.7 million (2005: HK\$140.2 million) were included in non-current payables and current other payables, depending on their expected date of payment.
- (b) Included in trade and other payables are amounts due to related companies at the year end amounting to HK\$18.1 million (2005: HK\$17.5 million).
- (c) The ageing analysis of trade payables is as follows:

- (a) 於二零零六年十二月三十一日，在建造工程合約之應付保留款額117,700,000港元（二零零五年：140,200,000港元）已分別視乎預期付款日，列為非流動應付款以及其他流動應付款。
- (b) 應付賬款及其他應付款項包括於年終時應付關連公司的款項18,100,000港元（二零零五年：17,500,000港元）。
- (c) 應付賬款之賬齡分析如下：

		<b>Group</b>	
		<b>本集團</b>	
		<b>2006</b>	2005
		<b>二零零六年</b>	二零零五年
		<b>HK\$ Million</b>	HK\$ Million
		<b>百萬港元</b>	百萬港元
0 to less than 2 months	零至少於2個月	<b>24.6</b>	25.9
2 to less than 6 months	2至少於6個月	<b>1.2</b>	25.1
6 to less than 12 months	6至少於12個月	<b>46.6</b>	4.9
12 months and more	超過12個月	<b>67.4</b>	70.3
		<b>139.8</b>	126.2

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 38. COMMITMENTS

#### (a) Capital commitments

Capital expenditure at the balance sheet date but not yet incurred is as follows:

Property, plant and equipment	物業、機器及設備
Contracted but not provided for	已訂約但未撥備
Authorised but not contracted for	已授權但未訂約

#### (b) Commitments under operating leases

The aggregate future minimum lease payments under non-cancellable operating leases in respect of land and buildings are as follows:

In the first year	首年
In the second to fifth years inclusive	第二年至第五年（包括首尾兩年）

### 38. 承擔

#### (a) 資本承擔

於結算日已承擔但尚未產生之資本開支如下：

		Group 本集團
		2006 二零零六年 HK\$ Million 百萬港元
		2005 二零零五年 HK\$ Million 百萬港元
		499.5
		109.7
		<u>609.2</u>
		782.1
		248.2
		<u>1,030.3</u>

#### (b) 根據經營租賃之承擔

根據有關土地及樓宇之不可撤銷經營租賃之未來最低租金總額如下：

		Group 本集團
		2006 二零零六年 HK\$ Million 百萬港元
		2005 二零零五年 HK\$ Million 百萬港元
		3.4
		1.6
		<u>5.0</u>
		3.0
		2.8
		<u>5.8</u>

### 38. COMMITMENTS (continued)

#### (c) Future minimum rental payments receivable

The future minimum rental payments receivable under non-cancellable operating leases are as follows:

In the first year	首年
In the second to fifth years inclusive	第二年至第五年（包括首尾兩年）
After the fifth year	五年後

The lease typically runs for an initial period of one to ten years, with an option to renew the lease when all terms are renegotiated. Lease payments are usually increased annually to reflect market rentals. None of these leases include contingent rentals.

### 39. CONTINGENT LIABILITIES

- (a) The Group has contingent liabilities in respect of banking facilities granted to certain buyers of properties of the Group and its associated companies.
- (b) The Group has contingent liabilities in respect of performance bonds and guarantees under contracts and other agreements entered into in the normal course of business.

### 38. 承擔（續）

#### (c) 未來最低應收租金

根據不可撤銷經營租賃之未來最低應收租金如下：

		<b>Group</b>	
		<b>本集團</b>	
		<b>2006</b>	2005
		<b>二零零六年</b>	二零零五年
		<b>HK\$ Million</b>	HK\$ Million
		<b>百萬港元</b>	百萬港元
In the first year	首年	<b>60.0</b>	38.2
In the second to fifth years inclusive	第二年至第五年（包括首尾兩年）	<b>56.1</b>	43.3
After the fifth year	五年後	<b>3.8</b>	8.1
		<b>119.9</b>	89.6

租賃一般初步為期一至十年，並且有權選擇在到期日後續期，屆時所有條款均可重新商定。一般而言，租金會每年上調以反映市場租金。租賃並不包括或然租金。

### 39. 或然負債

- (a) 本集團持有給予本集團及其聯營公司部分物業買方之銀行備用信貸有關之或然負債。
- (b) 本集團持有一般業務中簽訂之合約及其他協議下履約保證及擔保有關之或然負債。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 40. BUSINESS COMBINATION

On 26th June 2006, the Company, through its wholly-owned subsidiary, acquired 30% equity interest and the assignment of a shareholder loan in Dorboy Investment Limited ("Dorboy"), a limited company incorporated in Hong Kong which is principally engaged in property development and investment in Shenzhen, the PRC for a cash consideration of HK\$240.0 million. Before the acquisition, Dorboy was a 50% associated company of the Group and it became an 80% owned subsidiary of the Group upon completion of the acquisition.

The acquired business contributed revenues of HK\$9.2 million and net profit of HK\$59.9 million to the Group for the period from 27th June 2006 to 31st December 2006. If the acquisition had occurred on 1st January 2006, the Group's revenue would have been HK\$404.0 million and the profit for the year would have been HK\$624.9 million.

Details of net assets acquired are as follows:

Purchase consideration – cash paid and payable  
Fair value of net assets acquired (see below)

Excess of fair value of net assets acquired over purchase consideration, recognised as other gains

### 40. 業務合併

於二零零六年六月二十六日，本公司透過其全資附屬公司按現金代價240,000,000港元收購禧發投資有限公司（「禧發」）額外30%股本權益及轉讓股東貸款，禧發為於香港註冊成立之有限公司，主要業務為於中國深圳進行物業發展及投資。收購前，禧發為本集團擁有50%權益之聯營公司，收購完成後成為本集團擁有80%權益之附屬公司。

該獲收購之業務自二零零六年六月二十七日至二零零六年十二月三十一日止期間為本集團帶來收入9,200,000港元及純利59,900,000港元。假設該項收購於二零零六年一月一日完成，則本集團於本年度之收益及溢利將分別為404,000,000港元及624,900,000港元。

購入資產淨值之詳情如下：

	HK\$ Million 百萬港元
收購代價—已付及應付現金	240.0
購入資產淨值之公平值（如下文所示）	<u>418.7</u>
所收購資產淨值之公平值超出收購代價之數額，已確認為其他收益	<u>(178.7)</u>

#### 40. BUSINESS COMBINATION (continued)

The assets and liabilities arising from the acquisition are as follows:

		<b>Acquiree's carrying amount 被收購方之賬面值</b>	<b>Fair value 公平值</b>
		HK\$ Million 百萬港元	HK\$ Million 百萬港元
Investment property	投資物業	578.0	578.0
Property, plant and equipment	物業、機器及設備	0.2	0.2
Trade and other receivables	應收賬款及其他應收款	2.2	2.2
Cash and cash equivalents	現金及現金等價物	16.8	16.8
Trade and other payables	應付賬款及其他應付款	(26.0)	(26.0)
Loans from shareholders (Note i)	股東貸款 (附註i)	(1,033.0)	(316.0)
Loan from the Group	來自本集團貸款	<u>(536.4)</u>	<u>(536.4)</u>
		<u>(998.2)</u>	<u>(281.2)</u>
Minority interests	少數股東權益		76.0
Loan from the Group (Note ii)	來自本集團貸款 (附註ii)		<u>776.4</u>
			571.2
Interest in associated company originally held by the Group	原由本集團持有之聯營 公司權益		<u>(152.5)</u>
Net assets acquired	購入資產淨值		<u>418.7</u>
Net outflow of cash to acquire business:			
Purchase consideration	收購代價		(240.0)
Purchase consideration payable	應付收購代價		48.0
Cash and cash equivalents in subsidiary acquired	購入附屬公司之現金及 現金等價物		<u>16.8</u>
Net cash outflow on acquisition	收購之現金流出淨額		<u>(175.2)</u>

Notes:

- (i) The 30% equity interest shareholder has assigned its loan of HK\$957.0 million with fair value of HK\$240.0 million to the Group.
- (ii) Together with the above-mentioned assigned loan, the total loan from the Group was eliminated in the consolidated financial statements.

#### 40. 業務合併 (續)

收購產生之資產及負債如下：

	<b>Acquiree's carrying amount 被收購方之賬面值</b>	<b>Fair value 公平值</b>
	HK\$ Million 百萬港元	HK\$ Million 百萬港元
Investment property	578.0	578.0
Property, plant and equipment	0.2	0.2
Trade and other receivables	2.2	2.2
Cash and cash equivalents	16.8	16.8
Trade and other payables	(26.0)	(26.0)
Loans from shareholders (Note i)	(1,033.0)	(316.0)
Loan from the Group	<u>(536.4)</u>	<u>(536.4)</u>
	<u>(998.2)</u>	<u>(281.2)</u>
Minority interests		76.0
Loan from the Group (Note ii)		<u>776.4</u>
		571.2
Interest in associated company originally held by the Group		<u>(152.5)</u>
Net assets acquired		<u>418.7</u>
Net outflow of cash to acquire business:		
Purchase consideration		(240.0)
Purchase consideration payable		48.0
Cash and cash equivalents in subsidiary acquired		<u>16.8</u>
Net cash outflow on acquisition		<u>(175.2)</u>

附註：

- (i) 持有30%股本權益之股東，已將其為數957,000,000港元而公平值為240,000,000港元之貸款，出讓予本集團。
- (ii) 連同上述出讓貸款，本集團貸款總額已於綜合財務報表對銷。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 41. RELATED-PARTY TRANSACTIONS

- (a) Mr. OEI Tjie Goan and Mr. OEI Kang, Eric and their respective associates, hold a total of approximately 59.87% in aggregate of the entire issued share capital of the Company as at 31st December 2006.
- (b) On 23rd January 2006, the Group entered into a framework agreement with Sinar Mas Group, a group indirectly controlled by the Oei Family, for establishment of a joint venture to engage in a real estate development project in Shanghai, the PRC. The Group has contributed 10% of the registered capital of RMB3.5 billion amounting to RMB350.0 million (equivalent to approximately HK\$348.7 million) to this joint venture. The framework agreement and the transactions contemplated therein constituted discloseable and connected transactions for the Company under Rules 14.06(2) and 14A.13(6) of the Listing Rules, and were subject to the reporting, announcement and independent shareholders' approval requirements under Rule 14A.17 of the Listing Rules. Details of such discloseable and connected transactions were set out in the extraordinary general meeting circular sent to the shareholders of the Company on 23rd February 2006. The ordinary resolution in relation to this connected transaction was approved by the independent shareholders in the extraordinary general meeting on 13th March 2006.
- (c) Yangpu Water Supply Company Limited, held as to 65% indirectly by the Group, entered into a water supply agreement with Jinhai Paper Pulping Industrial Company Limited ("Jinhai"), a company indirectly controlled by the Oei Family, for a period of 3 years commencing from 1st January 2006. Income received from Jinhai for the supply of raw water during the year amounted to HK\$19.7 million. The water supply agreement and the transactions contemplated therein constituted continuing connected transaction for the Company under Rules 14.06(2) and 14A.13(6) of the Listing Rules, and were subject to the reporting, announcement and independent shareholders' approval requirements under Rule 14A.17 of the Listing Rules. Details of such continuing connected transaction were set out in the extraordinary general meeting circular sent to the shareholders of the Company on 12th May 2006. The ordinary resolution in relation to this continuing connected transaction was approved by the independent shareholders in the extraordinary general meeting on 13th June 2006.

### 41. 關連人士交易

- (a) 黃志源先生、黃剛先生及彼等各自之聯繫人士合共持有本公司於二零零六年十二月三十一日全部已發行股本總額約59.87%。
- (b) 於二零零六年一月二十三日，本集團與黃氏家族間接控制之金光集團訂立框架協議，以成立合營企業在中國上海從事房地產發展項目之業務。本集團已向該合營企業注資人民幣3,500,000,000元註冊資本之10%，即人民幣350,000,000元（相當於約348,700,000港元）。根據上市規則第14.06(2)及14A.13(6)條，該框架協議及據此擬進行交易構成本公司之須予披露交易及關連交易，故須遵守上市規則第14A.17條項下申報、公佈及獨立股東批准之規定。該等須予披露交易及關連交易之詳情載於在二零零六年二月二十三日向本公司股東寄發之股東特別大會通函。有關此項關連交易之普通決議案已於二零零六年三月十三日舉行之股東特別大會獲獨立股東批准。
- (c) 本集團間接持有65%權益之洋浦供水有限責任公司與黃氏家族間接控制之海南金海漿紙業有限公司（「金海」）訂立供水協議，自二零零六年一月一日起計為期三年。於年內就供應金海原水收取之收入達19,700,000港元。根據上市規則第14.06(2)及14A.13(6)條，該供水協議及據此擬進行交易構成本公司之持續關連交易，故須遵守上市規則第14A.17條項下申報、公佈及獨立股東批准之規定。該等持續關連交易之詳情載於在二零零六年五月十二日向本公司股東寄發之股東特別大會通函。有關此項持續關連交易之普通決議案已於二零零六年六月十三日舉行之股東特別大會獲獨立股東批准。



#### 41. RELATED-PARTY TRANSACTIONS (continued)

(d) On 8th May 2006, HK Co entered into a subscription agreement with Creator Holdings Limited ("Creator"), the controlling shareholder, under which Creator agreed to subscribe for 465,681,854 new shares of HK Co at HK\$1.044 per share. The issued share capital of the HK Co was increased from HK\$23,284,092.72 divided into 2,328,409,272 ordinary shares of HK\$0.01 each to HK\$27,940,911.26 divided into 2,794,091,126 ordinary shares of HK\$0.01 each. The subscription constituted a connected transaction for the Company under Rules 14.06(2) and 14A.13(6) of the Listing Rules, and was subject to independent shareholders' approval requirements under Rule 14A.17 of the Listing Rules. Details of such connected transaction were set out in the extraordinary general meeting circular sent to the shareholders of the Company on 26th May 2006. The ordinary resolution in relation to this connected transaction was approved by the independent shareholders in the extraordinary general meeting on 13th June 2006.

(e) Key management compensation

#### 41. 關連人士交易 (續)

(d) 於二零零六年五月八日，香港公司與控股股東創達控股有限公司（「創達」）訂立認購協議，據此，創達同意以每股1.044港元之價格認購465,681,854股香港公司新股份。香港公司已發行股本由23,284,092.72港元（分為2,328,409,272股每股面值0.01港元之普通股）增加至27,940,911.26港元（分為2,794,091,126股每股面值0.01港元之普通股）。根據上市規則第14.06(2)及14A.13(6)條，該項認購構成本公司之關連交易，故須遵守上市規則第14A.17條項下獨立股東批准之規定。該項關連交易之詳情載於在二零零六年五月二十六日向本公司股東寄發之股東特別大會通函。有關此項關連交易之普通決議案已於二零零六年六月十三日舉行之股東特別大會獲獨立股東批准。

(e) 主要管理層成員之補償

		<b>2006</b>	2005
		<b>二零零六年</b>	二零零五年
		<b>HK\$ Million</b>	HK\$ Million
		<b>百萬港元</b>	百萬港元
Director's fees	董事袍金	<b>0.9</b>	0.7
Salary	薪金	<b>13.1</b>	10.6
Discretionary bonus	酌情花紅	<b>7.5</b>	3.1
Employer's contribution to pension scheme	退休金計劃之僱主供款	<b>0.1</b>	0.1
		<b>21.6</b>	14.5

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 41. RELATED-PARTY TRANSACTIONS (continued)

- (f) On 28th September 2006, Sinoriver International Limited ("Sinoriver"), a wholly-owned subsidiary of the Company, entered into an equity transfer agreement ("Equity Transfer Agreement") with a minority shareholder, Asia Wind Power Investment Limited ("AWP"). Pursuant to the Equity Transfer Agreement, 6% of the registered capital of Asia Wind Power (Mudanjiang) Company Limited ("Mudanjiang") and 5% of the registered capital of Hong Kong Wind Power (Muling) Company Limited ("Muling") was acquired for a total price of HK\$11.0 million payable in cash. As at 28th September 2006, the unaudited net asset values of Mudanjiang and Muling were HK\$71.6 million and HK\$71.2 million respectively. The Equity Transfer Agreement and the transactions contemplated therein constituted connected transactions for the Company under Rules 14.06(2) and 14A.13(6) of the Listing Rules. The ordinary resolution in relation to this connected transaction was approved by the independent shareholders in the extraordinary general meeting on 15th December 2006.
- (g) On 28th September 2006, Sinoriver and Heilongjiang Lijing Industry Company Limited ("Lijing"), a minority shareholder entered into an acquisition agreement. Lijing agreed to sell the 30% shares of APC Wind Power Pte. Limited ("APC") and the shareholder loan (in the sum of HK\$15.7 million due from APC), at a total price of HK\$16.0 million payable in cash. As at 28th September 2006, the unaudited net liabilities of APC Group was HK\$15.1 million. The acquisition agreement and the transactions contemplated therein constituted connected transactions for the Company under Rules 14.06(2) and 14A.13(6) of the Listing Rules. The ordinary resolution in relation to this connected transaction was approved by the independent shareholders in the extraordinary general meeting on 15th December 2006.
- (h) On 28th September 2006 and supplemented on 23rd October 2006, Sinoriver and AWP entered into a consultancy agreement. Pursuant to the consultancy agreement, Sinoriver agreed to provide certain consultancy services to AWP in relation to AWP's projects in Heilongjiang for a period of one month in consideration of a consultancy fee of HK\$7.5 million. The consultancy agreement and the transaction contemplated therein constituted a connected transaction for the Company under Rules 14.06(2) and 14A.13(6) of the Listing Rules. The ordinary resolution in relation to this connected transaction was approved by the independent shareholders in the extraordinary general meeting on 15th December 2006.

### 41. 關連人士交易 (續)

- (f) 於二零零六年九月二十八日，本公司之全資附屬公司中川國際有限公司（「中川」）與少數股東亞洲風力發電投資股份有限公司（「亞洲風力發電」）訂立股權轉讓協議（「股權轉讓協議」）。根據股權轉讓協議，亞洲風力發電（牡丹江）有限公司（「牡丹江」）之6%註冊資本及香港風力發電（穆稜）有限公司（「穆稜」）之5%註冊資本之收購總價格為11,000,000港元，須以現金支付。於二零零六年九月二十八日，牡丹江及穆稜之未經審核資產淨值分別為71,600,000港元及71,200,000港元。根據上市規則第14.06(2)及14A.13(6)條，股權轉讓協議及據此擬進行交易構成本公司關連交易。有關此項關連交易之普通決議案已於二零零六年十二月十五日舉行之股東特別大會獲獨立股東批准。
- (g) 於二零零六年九月二十八日，中川與一名少數股東黑龍江麗晶實業有限公司（「麗晶」）訂立收購協議，據此，麗晶同意出售亞洲電力風電有限公司（「亞洲電力風電」）30%股份及股東貸款（應收亞洲電力風電款項為數15,700,000港元），總價格為16,000,000港元，須以現金支付。亞洲電力風電集團於二零零六年九月二十八日之未經審核負債淨額為15,100,000港元。根據上市規則第14.06(2)及14A.13(6)條，收購協議及據此擬進行交易構成本公司關連交易。有關此項關連交易之普通決議案已於二零零六年十二月十五日舉行之股東特別大會獲獨立股東批准。
- (h) 於二零零六年九月二十八日及於二零零六年十月二十三日補充，中川與亞洲風力發電訂立顧問協議。根據此項顧問協議，中川同意向亞洲風力發電就有關亞洲風力發電在黑龍江之項目提供為期一個月之若干顧問服務，代價為顧問費7,500,000港元。根據上市規則第14.06(2)及14A.13(6)條，顧問協議及據此擬進行交易構成本公司關連交易。有關此項關連交易之普通決議案已於二零零六年十二月十五日舉行之股東特別大會獲獨立股東批准。

## 42. NOTES TO CONSOLIDATED CASH FLOW STATEMENT

### (a) Reconciliation of operating profit to net cash used in operations

Operating profit	經營溢利	
Depreciation and amortisation	折舊及攤銷	
Employees share option benefits	僱員購股權福利	
Income arising on acquisition of a subsidiary	收購一間附屬公司產生之收入	
Gain on disposal of Property, plant and equipment	出售之收益	
Subsidiaries	物業、機器及設備附屬公司	42(b)
Waiver of other loans and payables	豁免其他貸款及應付款項	
Net gain on dissolution/liquidation of subsidiaries	附屬公司清算/清盤收益淨額	
Write back of over provision of PRC tax liabilities	中國稅項負債超額撥備回撥	
Net exchange loss/(gain)	匯兌虧損/(收益)淨額	
Write back of provision for impairment loss on properties held for sale	作銷售用途之物業之減值虧損撥備回撥	
Net provision for/(recovery of) impairment loss on trade and other receivables	應收賬款及其他應收款減值撥備/(收回)淨額	
Fair value gain on properties in respect of business combination	業務合併之物業公平值收益	
Decrease in fair value of derivative financial instruments – options	衍生金融工具公平值減少	
Fair value loss/(gain) on financial assets at fair value through profit or loss	一期權	
Release of unrealised profits	按公平值於損益表列賬之財務資產之公平值虧損/(收益)	
Loss on disposal of derivative financial instrument	解除未變現溢利	
	出售衍生金融工具虧損	
Operating (loss)/profit before working capital changes	營運資金變動前經營(虧損)/溢利	
Net increase in construction contracts in progress	在建工程合約增加淨額	
Decrease in properties held for sale	作銷售用途之物業減少	
Decrease in non-current receivables	非流動應收款減少	
Decrease/(increase) in trade and other receivables	應收賬款及其他應收款減少/(增加)	
Decrease in non-current payables and trade and other payables	非流動應付款、應付賬款及其他應付款減少	
Decrease in amount due to ultimate holding company	應付最終控股公司款項減少	
Decrease in minority interests	少數股東權益減少	
Increase in amount due to a related company	應付關連公司款項增加	
Cash used in operations	營業所用現金	

## 42. 綜合現金流量表附註

### (a) 經營溢利與經營業務所用之現金淨額之對賬

Note 附註	2006 二零零六年 HK\$ Million 百萬港元	2005 二零零五年 HK\$ Million 百萬港元
	<b>196.3</b>	354.9
	<b>21.6</b>	4.2
	<b>15.0</b>	-
	<b>(178.7)</b>	-
	<b>(0.2)</b>	-
	-	(9.1)
	-	(214.4)
	-	(13.9)
	<b>(148.5)</b>	-
	<b>14.8</b>	(4.1)
	<b>(3.0)</b>	(68.6)
	<b>2.5</b>	(26.3)
	-	(12.8)
	<b>2.0</b>	10.0
	<b>4.2</b>	(7.4)
	<b>(0.6)</b>	-
	<b>0.1</b>	-
	<b>(74.5)</b>	12.5
	<b>(23.5)</b>	(28.9)
	<b>16.1</b>	53.5
	<b>19.9</b>	46.6
	<b>22.7</b>	(22.0)
	<b>(29.2)</b>	(13.3)
	-	(1.8)
	<b>0.9</b>	22.5
	-	(70.0)
	<b>(67.6)</b>	(0.9)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 42. NOTES TO CONSOLIDATED CASH FLOW STATEMENT (continued)

#### (b) Disposal of subsidiaries

Net assets disposed	售出資產淨值
Properties held for sale	作銷售用途之物業
Trade and other receivables	應收賬款及其他應收款
Gain on disposal of subsidiaries	出售附屬公司收益
Cash consideration	現金代價

#### (c) Non-cash transactions

Loan capitalisation  
Pursuant to the Agreement of Loan Capitalisation and Subscription of New Shares dated on 8th May 2006, the HK Co issued 465,681,854 ordinary shares to Creator at a total consideration of HK\$486.1 million (Note 41(d)). The amount was settled in full by offset with the amount due to Creator.

### 43. EVENTS AFTER BALANCE SHEET DATE

- (a) In January 2007, the relevant government authorities in the PRC accepted the Group's bid to acquire one of the two adjacent lots of land located at Nanxun Economic Development District in Nanxun District in Huzhou City, Zhejiang Province, the PRC for RMB129.0 million. It occupies a site area of about 207,628 sq.m. The Group will develop and operate a building complex to house and centralize the construction material and furniture suppliers in the Nanxun District. The Group has paid RMB16.6 million (equivalent to approximately HK\$16.5 million) as a deposit for the development project as at 31st December 2006.
- (b) In February 2007, the relevant government authorities in the PRC accepted the Group's bid to acquire land located in Tianjin Jinao International City for RMB445.3 million. It occupies a site area of about 61,000 sq.m. The Group will develop and operate five-star hotel, commercial complex and a club house.

### 42. 綜合現金流量表附註 (續)

#### (b) 出售附屬公司

2006 二零零六年 HK\$ Million 百萬港元	2005 二零零五年 HK\$ Million 百萬港元
-	90.3
-	0.6
-	90.9
-	9.1
-	100.0

#### (c) 非現金交易

貸款資本化  
根據二零零六年五月八日之貸款資本化及認購新股份協議，香港公司以總代價486,100,000港元向創達發行465,681,854股股份（附註41(d)）。該筆款項已與結欠創達之款項悉數對銷。

### 43. 結算日後事項

- (a) 於二零零七年一月，中國有關政府機關接納本集團以人民幣129,000,000元收購位於浙江省湖州市南潯區南潯經濟開發區兩幅相連土地之其中一幅地皮的投標。該地皮之面積約為207,628平方米。本集團將於南潯區發展及經營綜合項目，作為南潯區之建材及傢俱供應商之集中經營據點。於二零零六年十二月三十一日，本集團已支付人民幣16,600,000元（等值約16,500,000港元）以作為該發展項目之訂金。
- (b) 於二零零七年二月，中國有關政府機關接納本集團以人民幣445,300,000元收購位於天津金奧國際城之一幅地皮的投標。該地皮之面積約為61,000平方米。本集團將於該地皮發展及經營五星級酒店、商業中心及會所。

### 43. EVENTS AFTER BALANCE SHEET DATE (continued)

- (c) On 10th January 2007, the Group entered into the Equity Transfer Agreement with Sinar Mas Paper (China) Investment Company Limited ("Sinar Mas Paper"), under which Sinar Mas Paper agreed to transfer 15% of the registered capital of Shanghai Jingang North Bund Real Estate Company Limited ("Shanghai Jingang") to HK Co at a total price of HK\$582.0 million. Shanghai Jingang is principally engaged in the development of a complex comprising a hotel, shopping mall and office premises on a site which occupies about 56,670 sq.m. and is situated along the north side of the International Passenger Transportation Terminal of Hongkou of Shanghai Municipality, the PRC. The Group's interest in Shanghai Jingang increased from 10% to 25% after the acquisition.
- (d) On 10th January 2007, the Company entered into the subscription agreement with Creator, under which the Company issued a total of 437,595,000 new shares to Creator at an adjusted price of HK\$1.37 per share.
- (e) On 12th February 2007, the Company placed 587,592,000 new shares at the price of HK\$1.37 per share to the independent institutional investors. The net proceeds were approximately HK\$787.0 million. Further, the Company entered into the subscription agreement with Penta Investment Advisers Limited ("Penta"), a substantial shareholder of the Company, under which the Company issued a total of 142,335,000 new shares to Penta at the price of HK\$1.37 per share. The net proceeds were approximately HK\$195.0 million. The Company's total number of ordinary shares in issue was thus increased from 3,645,997,437 shares as at 31st December 2006 to 4,813,519,437 shares in 2007.
- (f) The transactions as described in paragraph (c), (d) and (e) above constituted connected transactions for the Company under the Listing Rules, and were subject to the approval of independent shareholders of the Company. Details of such connected transactions were set out in the special general meeting circular sent to the shareholders of the Company on 23rd February 2007. These connected transactions were approved in the special general meeting on 12th March 2007.

### 43. 結算日後事項 (續)

- (c) 於二零零七年一月十日，本集團與金光紙業（中國）投資有限公司（「金光紙業」）訂立股權轉讓協議，據此，金光紙業同意向香港公司轉讓上海金港北外灘置業有限公司（「上海金港」）15%註冊資本，總價格為582,000,000港元。上海金港之主要業務為於一幅位於中國上海市虹口區國際客運中心北側之佔地約56,670平方米之土地上發展一綜合項目，包括酒店、購物商場及辦公室物業。於收購後，本集團於上海金港之權益由10%增加至25%。
- (d) 於二零零七年一月十日，本公司與創達訂立認購協議，據此，本公司按經調整價格每股股份1.37港元向創達發行合共437,595,000股新股份。
- (e) 於二零零七年二月十二日，本公司按每股股份1.37港元之價格向獨立機構投資者配售587,592,000股新股份，所得款項淨額約為787,000,000港元。此外，本公司與本公司主要股東Penta Investment Advisers Limited（「Penta」）訂立認購協議，據此，本公司按每股股份1.37港元向Penta發行合共142,335,000股新股份，所得款項淨額約為195,000,000港元。因此，本公司已發行普通股總數由二零零六年十二月三十一日之3,645,997,437股股份增加至於二零零七年之4,813,519,437股股份。
- (f) 根據上市規則，上文(c)、(d)及(e)段所述之交易均構成本公司之關連交易，故須遵守本公司獨立股東批准之規定。該等關連交易之詳情載於在二零零七年二月二十三日向本公司股東寄發之股東特別大會通函，並已於二零零七年三月十二日舉行之股東特別大會獲得批准。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 43. EVENTS AFTER BALANCE SHEET DATE (continued)

(g) On 16th March 2007, the National People's Congress approved the Corporate Income Tax Law of the People's Republic of China (the new "CIT Law"). The new CIT Law reduces (increases) the corporate income tax rate for domestic enterprises (foreign invested enterprises) from 33% (15% or 24%) to 25% with effect from 1st January 2008. The new CIT Law also provides for preferential tax rates, tax incentives for prescribed industries and activities, grandfathering provisions as well as determination of taxable profit. As at the date that these financial statements are approved for issue, detailed measures concerning these items has yet to be issued by the State Council. Consequently, the Company is not in a position to assess the impact, if any, to the carrying value of deferred tax assets and liabilities as at 31st December 2006. The Company will continue to evaluate the impact as more detailed regulations are announced.

### 44. ULTIMATE HOLDING COMPANY

The Directors regard Creator Holdings Limited, a company incorporated in the British Virgin Islands, as being the ultimate holding company.

### 43. 結算日後事項 (續)

(g) 於二零零七年三月十六日，全國人民大會批准中華人民共和國企業所得稅法（「新企業所得稅法」）。新企業所得稅法將國內企業（外資企業）之企業所得稅率由33%（15%或24%）調整至25%，自二零零八年一月一日起生效。新企業所得稅法亦規定優惠稅率、規定行業及活動之稅項優惠、過渡條款及釐定應課稅溢利。於此等財務報表獲批准刊發日期，有關此等項目之詳盡措施仍有待國務院頒佈。因此，本公司現時不宜評估對二零零六年十二月三十一日之遞延稅項資產及負債是否有影響。本公司將於更多詳盡條例得以公佈後，繼續評估有關影響。

### 44. 最終控股公司

董事以英屬處女群島註冊成立之創達集團有限公司為最終控股公司。