

CHI CHEUNG INVESTMENT COMPANY, LIMITED
至祥置業有限公司

Stock Code 股份代號 : 112

2007
Annual Report
二 零 零 七 年 年 報

Contents

CORPORATE INFORMATION
PROFILES OF DIRECTORS AND SENIOR EXECUTIVE
CHAIRMAN'S STATEMENT
FINANCIAL OPERATION REVIEW
DIRECTORS' REPORT
CORPORATE GOVERNANCE REPORT
INDEPENDENT AUDITORS' REPORT
CONSOLIDATED INCOME STATEMENT
CONSOLIDATED BALANCE SHEET
BALANCE SHEET
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
CONSOLIDATED CASH FLOW STATEMENT
NOTES TO THE FINANCIAL STATEMENTS
FIVE-YEAR FINANCIAL SUMMARY
SCHEDULE OF PRINCIPAL PROPERTIES

目錄

公司資料	2
董事及高級行政人員簡介	4
主席報告書	6
財務業務回顧	9
董事會報告書	12
企業管治報告書	24
獨立核數師報告書	37
綜合收益表	39
綜合資產負債表	40
資產負債表	41
綜合股本權益變動報表	42
綜合現金流量表	43
財務報表附註	45
五年財務概要	102
主要物業附表	103

Corporate Information

DIRECTORS

Matthew Cheong, Veng-va (*Chairman*)
Teresa Poon, Mun-chie (*Chief Executive Officer*)
Lai, Yun-hung *
Mok, Hon-sang *
Wong, Tik-tung *

* *Independent Non-executive Directors*

AUDIT COMMITTEE

Lai, Yun-hung
Mok, Hon-sang
Wong, Tik-tung

REMUNERATION COMMITTEE

Lai, Yun-hung
Mok, Hon-sang
Wong, Tik-tung

COMPANY SECRETARY

Lam, Kwong-wai

QUALIFIED ACCOUNTANT

Lam, Kwong-wai

SOLICITORS

Sit, Fung, Kwong & Shum

AUDITORS

HLB Hodgson Impey Cheng
Chartered Accountants
Certified Public Accountants
31st Floor, Gloucester Tower
The Landmark
11 Pedder Street
Central, Hong Kong

公司資料

董事

昌榮華 (主席)
潘敏慈 (行政總裁)
賴恩雄*
莫漢生*
汪滌東*

* 獨立非執行董事

審核委員會

賴恩雄
莫漢生
汪滌東

薪酬委員會

賴恩雄
莫漢生
汪滌東

公司秘書

林光蔚

合資格會計師

林光蔚

律師

薛馮鄭岑律師行

核數師

國衛會計師事務所
英國特許會計師
香港執業會計師
香港中環
畢打街11號
置地廣場
告羅士打大廈31樓

Corporate Information

PRINCIPAL BANKERS

Chong Hing Bank Limited
Standard Chartered Bank (Hong Kong) Limited

REGISTERED OFFICE

26th Floor, MassMutual Tower
38 Gloucester Road
Wanchai, Hong Kong

REGISTRAR AND TRANSFER OFFICE

Tricor Secretaries Limited
26th Floor, Tesbury Centre
28 Queen's Road East
Hong Kong

WEBSITE

<http://www.chicheung.com>

STOCK CODE

112

BOARD LOT

2,000 Shares

INVESTOR RELATIONS

For enquiries relating to investor relations, please contact:
Investor Relations Manager
Tel: (852) 2866 6999
Fax: (852) 2866 2822
(852) 2866 2833
E-mail: investor.relations@chineseestates.com

公司資料

主要往來銀行

創興銀行有限公司
渣打銀行(香港)有限公司

註冊辦事處

香港灣仔
告士打道38號
美國萬通大廈26樓

股份過戶登記處

卓佳秘書商務有限公司
香港
皇后大道東28號
金鐘匯中心26樓

網址

<http://www.chicheung.com>

股份代號

112

買賣單位

2,000 股

投資者關係

有關投資者關係之查詢，請聯絡：
投資者關係經理
電話：(852) 2866 6999
傳真：(852) 2866 2822
(852) 2866 2833
電郵： investor.relations@chineseestates.com

Profiles of Directors and Senior Executive

EXECUTIVE DIRECTORS

Mr. Matthew CHEONG, Veng-va, aged 50, has been an Executive Director and the Chairman of the Company since March 2006. Mr. Cheong holds a Bachelor Degree (Honours) in Computer Science and a Master Degree in Science. He is due to complete his Engineering Doctorate Degree. He is a chartered engineer in the Royal Institute of Measurement and Control. Mr. Cheong has over 22 years of experience in the management and operations.

Ms. Teresa POON, Mun-chie, aged 37, has been an Executive Director and the Chief Executive Officer of the Company since March 2006. Ms. Poon holds a Bachelor Degree in Architectural Studies and a Master Degree in Architecture. She is a member of the Hong Kong Institute of Architects. Ms. Poon is a registered architect in Hong Kong and an authorized person under the List of Architects of the Building Authority. Ms. Poon has over 12 years of experience in the management and development of property projects.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. LAI, Yun-hung, aged 56, has been an Independent Non-executive Director and a member of the audit committee and remuneration committee of the Company respectively since December 2006. Mr. Lai is a partner of Lai & Wong, Certified Public Accountants. He has over 28 years of experience in audit and provision of tax advice in audit firms, with exposure in listed and unlisted companies engaging in various industries including banks, financial institutions, manufacturing and trading companies, travel agencies and solicitors' firms. Mr. Lai is an associate member of The Institute of Chartered Accountants in England and Wales, a fellow member of the Association of Chartered Certified Accountants in the United Kingdom and of the Hong Kong Institute of Certified Public Accountants respectively. He is also an independent non-executive director of Lung Cheung International Holdings Limited, a company whose shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Mr. MOK, Hon-sang, aged 59, joined the Company in 2004. He is a member of the audit committee and remuneration committee of the Company. Mr. Mok is the managing director of Cafe Royce Limited. Mr. Mok has engaged in retailing, financing, property investment and development for over 28 years.

Mr. WONG, Tik-tung, aged 51, joined the Company in 2004. He is the Chairman of the audit committee and remuneration committee of the Company. Mr. Wong is the chief financial officer and executive director of Wo Kee Hong (Holdings) Limited, whose shares are listed on the Stock Exchange. Mr. Wong is a fellow member of the Association of Chartered Certified Accountants in the United Kingdom and an associate member of the Hong Kong Institute of Certified Public Accountants.

董事及高級行政人員簡介

執行董事

昌榮華先生，50歲，自二零零六年三月起為本公司之執行董事及主席。昌先生持有電腦系榮譽學士學位及科學系碩士學位。彼即將完成工程系博士學位。彼為英國皇家特許計量及控制學會認可之工程師。昌先生在管理及營運方面累積逾二十二年經驗。

潘敏慈小姐，37歲，自二零零六年三月起為本公司之執行董事及行政總裁。潘小姐持有建築學學士學位及建築系碩士學位。彼為香港建築師學會會員。潘小姐為香港註冊建築師及建築事務監督認可之建築師名單內之認可人士。潘小姐在物業項目管理及發展方面累積逾十二年經驗。

獨立非執行董事

賴恩雄先生，56歲，自二零零六年十二月起為本公司之獨立非執行董事、審核委員會成員及薪酬委員會成員。賴先生為執業會計師行賴恩雄、黃恩敬會計師行之合夥人。彼於核數公司審核及提供稅務意見累積逾二十八年經驗，具有不同行業之上市及非上市公司(包括銀行、金融機構、製造及貿易公司、旅行社及律師行)之工作經驗。賴先生分別為英格蘭及威爾斯特許會計師公會會員、英國特許公認會計師公會資深會員及香港會計師公會資深會員。彼亦為龍昌國際控股有限公司之獨立非執行董事，該公司之股份於香港聯合交易所有限公司(「聯交所」)上市。

莫漢生先生，59歲，自二零零四年起加盟本公司。彼為本公司之審核委員會及薪酬委員會成員。莫先生為萊斯咖啡有限公司之董事總經理。莫先生從事零售、財務以及物業投資和發展逾二十八年。

汪滌東先生，51歲，自二零零四年起加盟本公司。彼為本公司之審核委員會及薪酬委員會主席。汪先生為和記行(集團)有限公司之財務總監及執行董事，該公司之股份於聯交所上市。汪先生為英國特許公認會計師公會資深會員及香港會計師公會會員。

Profiles of Directors and Senior Executive

SENIOR EXECUTIVE

Mr. LAM, Kwong-wai, aged 52, joined the Company in 2000 and is the Group Financial Controller and Company Secretary of the Company, Chinese Estates Holdings Limited (the holding company of the Company) and G-Prop (Holdings) Limited (a fellow subsidiary of the Company). Mr. Lam is a qualified accountant and holds a Master Degree in Business Administration. He has over 30 years of experience in auditing, finance and accounting.

董事及高級行政人員簡介

高級行政人員

林光蔚先生，52歲，於二零零零年加盟本公司，現任本公司、華人置業集團(本公司之母公司)及金匡企業有限公司(本公司之同系附屬公司)之集團財務總監及公司秘書。林先生為專業會計師，持有工商管理碩士學位。彼在核數、財務及會計方面累積逾三十年經驗。

Chairman's Statement

I am pleased to present the results of the Company and its subsidiaries (the "Group") for the year ended 31st December, 2007 (the "Year") to the shareholders.

RESULTS

Profit attributable to equity holders of the Company for the Year was HK\$107.7 million (2006: HK\$94.3 million). Earnings per share for the Year recorded at HK31.78 cents (2006: HK27.85 cents).

DIVIDENDS

No dividend was paid or proposed during the years 2007 and 2006, nor has any dividend been proposed since the balance sheet date.

CLOSURE OF REGISTER OF MEMBERS

The register of members will be closed from 9th May, 2008 to 15th May, 2008, both days inclusive. For the purpose of ascertaining the members' entitlement to the attendance of the forthcoming annual general meeting of the Company, all share transfers accompanied by the relevant share certificates must be lodged with the Company's Registrar and Transfer Office in Hong Kong, namely Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong not later than 4:30 p.m. on 8th May, 2008.

BUSINESS REVIEW

Investment Properties and Properties Held for Sale

Gemstar Tower, Hung Hom (100% interests) – The property is currently a 20-storey godown building. During the Year, the Group disposed of 9 godown units. As at 31st December, 2007, the Group held 16 godown units on various floors with a total gross floor area of approximately 84,211 square feet and 50 carparking spaces. As at 31st December, 2007, the occupancy rate of godown was 5.76%.

Inter-Continental Plaza, Tsim Sha Tsui (50% interests) – The property is a 15-storey commercial building. The Group has interests in two office floors and a flat roof with a total gross floor area of approximately 22,204 square feet and 1,876 square feet respectively. As at 31st December, 2007, the two office floors were 80.69% let.

主席報告書

本人欣然向股東呈報本公司及其附屬公司(「本集團」)截至二零零七年十二月三十一日止年度(「本年度」)之業績。

業績

本公司股本持有人於本年度之應佔溢利為107,700,000港元(二零零六年: 94,300,000港元)。本年度每股盈利為31.78港仙(二零零六年: 27.85港仙)。

股息

本公司於二零零七年及二零零六年概無派發或建議派發任何股息，自結算日以來亦無建議派發任何股息。

暫停辦理股東登記手續

本公司將自二零零八年五月九日起至二零零八年五月十五日止(包括首尾兩天在內)暫停辦理股東登記手續。為確定股東出席本公司即將舉行之股東週年大會的資格，所有股份過戶文件連同有關股票必須於二零零八年五月八日下午四時三十分前交回本公司的香港股份過戶登記處卓佳秘書商務有限公司，地址為香港皇后大道東28號金鐘匯中心26樓。

業務回顧

投資物業及持作出售物業

紅磡駿昇中心(佔100%權益) – 該物業現為一幢20層之貨倉大廈。本年內，本集團出售9個貨倉單位。於二零零七年十二月三十一日，本集團持有多個樓層共16個貨倉單位，總樓面面積約為84,211平方呎，並持有50個停車位。於二零零七年十二月三十一日，貨倉的出租率為5.76%。

尖沙咀明輝中心(佔50%權益) – 該物業為一幢15層之商業大廈。本集團擁有兩個辦公樓層及平台之權益，總樓面面積分別約為22,204平方呎及1,876平方呎。於二零零七年十二月三十一日，該兩個辦公樓層之出租率為80.69%。

Chairman's Statement

BUSINESS REVIEW (cont'd)

Investment Properties and Properties Held for Sale (cont'd)

No. 1 Hung To Road, Kwun Tong (33 $\frac{1}{3}$ % interests) – The property is a 33-storey industrial building. The Group has interests in various portions on various floors with a total gross floor area of approximately 541,048 square feet and 77 carparking spaces as at 31st December, 2007.

POST BALANCE SHEET EVENTS

- (i) As announced by the Company on 17th January, 2008, the Group entered into a conditional sale and purchase agreement with Chinese Estates Holdings Limited ("Chinese Estates") to dispose of shareholding interests of and loans to certain subsidiaries of the Company subject to the approval of the independent shareholders of the Company.

For further details, please refer to the Company's announcements dated 17th January, 2008, 5th February, 2008 and 6th March, 2008.

- (ii) During the Year, the Group had entered into a sale and purchase agreement to dispose a godown unit of a property held for sale at a consideration of HK\$17 million. The disposal was completed on 16th January, 2008.
- (iii) In addition, the Company announced on 1st February, 2008 that the major transaction made on 23rd March, 2007 concerning acquisition of 50% shareholding in and shareholder's loan due from Canaria Holding Limited and the loan due from Earn Elite Development Limited was terminated as the vendor and debt vendor could not fulfil the conditions precedent by 31st January, 2008. The termination of the transaction would not have any material adverse effect on the business operation and financial position of the Group.

PROSPECTS

The current low interest rate helps promote the sale of properties of the Group. The Group expects that it will be benefited from the positive economic growth and stable development on properties market in Hong Kong.

For the year, the cash position of the Group remains abundant. Subject to the approval of the independent shareholders, the expected sale to Chinese Estates of shareholding interests of and loans to a certain subsidiaries will generate additional fund. The Company is looking for other appealing opportunities for investment.

主席報告書

業務回顧(續)

投資物業及持作出售物業(續)

觀塘鴻圖道1號(佔33 $\frac{1}{3}$ %權益) – 該物業為一幢33層之工業大廈。於二零零七年十二月三十一日, 本集團擁有若干樓層之多個單位之權益, 總樓面面積約為541,048平方呎, 並擁有77個停車位。

結算日後事項

- (i) 根據本公司於二零零八年一月十七日之公布, 本集團與華人置業集團(「華人置業」)訂立一項有條件買賣協議, 出售本公司之若干附屬公司之股權及貸款, 有關之出售須經本公司獨立股東之批准。

詳情請參閱本公司於二零零八年一月十七日、二零零八年二月五日及二零零八年三月六日之公布。

- (ii) 年內, 本集團訂立一項買賣協議出售一個持作出售物業之貨倉單位, 代價為17,000,000港元。該項出售於二零零八年一月十六日完成。
- (iii) 另外, 本公司於二零零八年二月一日公布, 於二零零七年三月二十三日就收購Canaria Holding Limited之50%股權及應該公司之股東貸款以及應收盈才發展有限公司之貸款而訂立之主要交易, 由於賣方及債務賣方未能於二零零八年一月三十一日前履行先決條件而已被終止。終止交易對本集團之業務運作及財務狀況均不會構成任何重大不利影響。

展望

現時之低息率有助促進本集團物業之銷情。本集團預期將受惠於本港之經濟正面增長及物業市場之穩定發展。

年來, 本集團之現金保持充裕。待獨立股東批准, 預期將若干附屬公司之股權利益及債務售予華人置業將產生額外資金。本公司正搜尋其他具吸引力之商機以作投資。

Chairman's Statement

APPRECIATION

I would like to take this opportunity to thank the shareholders for their continuing support. I also thank my fellow directors and staff members for their dedication and hard work.

On behalf of the Board

Matthew Cheong, Veng-va

Chairman

Hong Kong, 6th March, 2008

主席報告書

致謝

本人謹藉此機會對股東一直以來的鼎力支持及全體董事和員工竭誠為本集團效力深表謝意。

代表董事會

主席

昌榮華

香港，二零零八年三月六日



Financial Operation Review

RESULTS

Turnover for the year ended 31st December, 2007 (the "Year") rose to HK\$70 million (2006: HK\$2.9 million). Gross profit increased to HK\$44.7 million (2006: HK\$1.7 million). Profit attributable to equity holders of the Company for the Year was HK\$107.7 million compared to HK\$94.3 million in last year. The improved results were primarily due to disposal of trading development properties during the Year, which included certain units of Gemstar Tower and Meeco Industrial Building.

The property development segment was the key revenue contributor during the Year under review. Turnover recorded at HK\$67.3 million (2006: Nil). For property leasing, rental income for the Year amounted to HK\$2.7 million (2006: HK\$2.9 million).

Fair value changes on investment properties for the Year amounted to HK\$5.1 million, down from HK\$14.9 million in last year. Included in current year results were write-backs of allowance for amounts due from associates and former associates of HK\$1.7 million (2006: HK\$0.9 million). Other operating expenses increased to HK\$6.5 million as a result of various acquisition and reorganisation activities carried out during the Year.

Share of the results of associates for the Year recorded at HK\$62.5 million (2006: HK\$84.9 million). This result reflected moderate increase in the fair value gain on investment properties held by the associates. The Group shared from the associates an increase in fair value on investment properties of HK\$52 million after the offset impact of deferred tax of HK\$11 million (2006: HK\$80.4 million after the offset impact of deferred tax of HK\$16.6 million). During the Year, the Group shared gain on disposal of investment properties from an associate of HK\$1.2 million (2006: Nil).

Earnings per share for the Year recorded at HK31.8 cents (2006: HK27.9 cents).

NET ASSET VALUE

As at 31st December, 2007, the net assets attributable to equity holders of the Company amounted to HK\$869.1 million, representing an increase of HK\$107.6 million or 14.1% compared to HK\$761.5 million in preceding year. The increase was due to profit retained for the Year. Net assets per share to equity holders of the Company was HK\$2.57 (2006: HK\$2.25).

財務業務回顧

業績

截至二零零七年十二月三十一日止年度(「本年度」)之營業額增至70,000,000港元(二零零六年: 2,900,000港元)。本年度之毛利增加至44,700,000港元(二零零六年: 1,700,000港元)。本年度之本公司股本持有人應佔溢利達107,700,000港元, 而去年則為94,300,000港元。業績改善主要由於年內出售包括駿昇中心及美高工業大廈等買賣發展物業之若干單位所致。

於回顧中, 物業發展部分為本年度主要收入來源, 營業額錄得67,300,000港元(二零零六年: 無)。本年度物業租賃之租金收入為2,700,000港元(二零零六年: 2,900,000港元)。

本年度之投資物業之公平值變動為5,100,000港元, 較去年錄得14,900,000港元有所下降。本年度之業績內包括聯營公司及前聯營公司欠款準備之撥回金額1,700,000港元(二零零六年: 900,000港元)。其他經營開支增至6,500,000港元, 此乃由於年內進行多項收購及重組活動所致。

本年度應佔聯營公司業績為62,500,000港元(二零零六年: 84,900,000港元), 反映聯營公司所持有投資物業之公平值收益穩健上升。本集團所佔聯營公司持有投資物業之公平值增加為52,000,000港元(已扣除遞延稅項之影響11,000,000港元)(二零零六年: 80,400,000港元, 已扣除遞延稅項之影響16,600,000港元)。於本年度, 本集團佔聯營公司出售投資物業之收益為1,200,000港元(二零零六年: 無)。

本年度每股盈利為31.8港仙(二零零六年: 27.9港仙)。

資產淨值

於二零零七年十二月三十一日, 本公司股本持有人應佔資產淨值為869,100,000港元, 較去年761,500,000港元增加107,600,000港元或14.1%。增加乃由於本年度保留溢利所致。本公司股本持有人應佔每股資產淨值為2.57港元(二零零六年: 2.25港元)。

Financial Operation Review

DEBT AND GEARING

The Group continued to maintain a strong capital and cash position for the Year. As at 31st December, 2007, cash and bank balances amounted to HK\$274.2 million (2006: HK\$187.9 million). The Group did not have any bank borrowings (2006: Nil). The majority of the Group's income for the Year was denominated in Hong Kong dollars and no hedging for non-Hong Kong dollars assets or investment has been made during the Year.

PLEDGE OF ASSETS

As at 31st December, 2007, no asset was pledged by the Group to secure any banking facility and the Group did not have any obligations under banking facility documentation.

CONTINGENT LIABILITIES

The Group did not have any material contingent liabilities as at 31st December, 2007.

FINANCIAL AND INTEREST INCOME/EXPENSES

Interest income for the Year increased to HK\$14 million (2006: HK\$12.8 million) which included an imputed interest income of HK\$0.9 million (2006: HK\$0.9 million). The Group recorded an imputed interest expense relating to interest-free loan from the minority shareholder of HK\$0.1 million (2006: HK\$0.1 million).

REMUNERATION POLICIES AND SHARE OPTION SCHEME

As at 31st December, 2007, the Group employed a total of 13 staff. Employees were remunerated on the basis of their performance, experience and prevailing industry practice. Remuneration packages comprised salary and year-end discretionary bonus based on market conditions and individual performance. The directors of the Company continued to review employees' contributions and to provide them with necessary incentives and flexibility for their better commitment and performance.

No share option scheme was adopted for the Year.

財務業務回顧

債務及資本負債

本集團於本年度繼續維持充裕之資本及現金狀況。於二零零七年十二月三十一日，現金及銀行結存為274,200,000港元(二零零六年：187,900,000港元)。本集團並無任何銀行借貸(二零零六年：無)。本集團於本年度之大部分收入以港元計值，此外，年內並無就非港元資產或投資進行對沖。

資產抵押

於二零零七年十二月三十一日，本集團並無將任何資產抵押以取得銀行信貸，且本集團概無任何根據銀行信貸文件須履行之責任。

或然負債

於二零零七年十二月三十一日，本集團並無任何重大或然負債。

財務及利息收入／支出

本年度之利息收入增至14,000,000港元(二零零六年：12,800,000港元)，其中包括一項名義利息收入900,000港元(二零零六年：900,000港元)。本集團錄得少數股東提供之免息貸款之名義利息開支100,000港元(二零零六年：100,000港元)。

酬金政策及購股權計劃

於二零零七年十二月三十一日，本集團共僱用十三名職員。僱員按其表現、經驗及現行市場慣例給予酬金。薪酬福利(包括薪金及年終酌情花紅)乃根據市況及個人表現釐定。本公司董事將繼續檢討僱員之貢獻及向他們提供所需之獎勵及靈活性，使其更投入工作及有更佳表現。

本年度並無採納購股權計劃。

Financial Operation Review

PROPERTY VALUATION

A property valuation has been carried out by Norton Appraisals Limited, independent qualified professional surveyors, in respect of the Group's investment properties held as at 31st December, 2007 and that valuation was used in preparing this year's financial statements. The Group's investment properties were valued at HK\$57.5 million, the net increase in fair value of approximately HK\$5.1 million was credited to the income statement for the Year. The Group also shared an increase in fair value on investment properties of the associates of HK\$52 million (net of deferred tax impact of HK\$11 million). Development properties and non-investment properties were stated at cost less impairment, if any, in the financial statements.

財務業務回顧

物業估值

獨立專業測計師行普敦國際評估有限公司已就本集團於二零零七年十二月三十一日持有之投資物業進行物業估值，有關估值乃用以編製本年度之財務報表。本集團投資物業之估值為57,500,000港元，公平值之淨增加約為5,100,000港元，並已列入本年度之收益表中。本集團亦分佔聯營公司投資物業之公平值增加52,000,000港元（已扣除11,000,000港元之遞延稅項影響）。發展物業和非投資物業以成本扣除減值（如有）列於財務報表中。

Directors' Report

The directors of the Company (the "Directors" or the "Board") present to the shareholders their report together with the audited financial statements of the Company and its subsidiaries (the "Group") for the year ended 31st December, 2007 (the "Year").

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activities and other particulars of its principal subsidiaries and associates as at 31st December, 2007 are set out in notes 38 and 39 to the financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the Year are set out in the consolidated income statement on page 39.

No interim dividend was declared for the Year (2006: Nil) and the Board did not recommend any payment of final dividend for the Year (2006: Nil).

SEGMENT INFORMATION

An analysis of the Group's turnover and contribution to profit for the Year by its principal activities is set out in note 6 to the financial statements.

FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the last five financial years is set out on page 102.

INVESTMENT PROPERTIES

Movements in the investment properties during the Year are set out in note 16 to the financial statements.

PROPERTY, PLANT AND EQUIPMENT

Movements in the property, plant and equipment during the Year are set out in note 17 to the financial statements.

董事會報告書

本公司董事(「董事」)或「董事會」謹向股東提呈董事會報告書連同本公司及其附屬公司(「本集團」)截至二零零七年十二月三十一日止年度(「本年度」)之經審核財務報表。

主要業務

本公司為投資控股公司，其主要附屬公司及聯營公司於二零零七年十二月三十一日之主要業務及其他資料載於財務報表附註38及39。

業績及分配

本集團於本年度之業績載於第39頁之綜合收益表。

本年度並無宣派中期股息(二零零六年：無)而董事會亦不建議派發本年度之末期股息(二零零六年：無)。

分類資料

本集團按主要業務劃分之本年度營業額及溢利分析載於財務報表附註6。

財務概要

本集團過往五個財政年度之業績、資產與負債概要載於第102頁內。

投資物業

投資物業於年內之變動載於財務報表附註16。

物業、廠房及設備

物業、廠房及設備於年內之變動載於財務報表附註17。

Directors' Report

PROPERTIES HELD FOR DEVELOPMENT

Movements in the properties held for development during the Year are set out in note 18 to the financial statements.

PROPERTY INTERESTS HELD FOR DEVELOPMENT

Movements in the property interests held for development during the Year are set out in note 19 to the financial statements.

PREPAID LEASE PAYMENTS

Movements in the prepaid lease payments during the Year are set out in note 20 to the financial statements.

PRINCIPAL PROPERTIES

Details of the principal properties of the Group as at 31st December, 2007 are set out on pages 103 to 108.

SHARE CAPITAL

Movements in the share capital of the Company during the Year are set out in note 31 to the financial statements.

RESERVES

Movements in the reserves of the Group and the Company during the Year are set out on page 42 and in note 32 to the financial statements respectively.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the Year, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

董事會報告書

持作發展物業

持作發展物業於年內之變動載於財務報表附註18。

持作發展之物業權益

持作發展之物業權益於年內之變動載於財務報表附註19。

預付租賃款項

預付租賃款項於年內之變動載於財務報表附註20。

主要物業

本集團於二零零七年十二月三十一日之主要物業詳情載於第103至108頁內。

股本

本公司之股本於年內之變動載於財務報表附註31。

儲備

本集團及本公司之儲備於年內之變動分別載於第42頁及財務報表附註32。

購買、出售或贖回上市證券

年內，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

Directors' Report

CHARITABLE DONATIONS

During the Year, no charitable donations have been made by the Group (2006: Nil).

MAJOR SUPPLIERS AND CUSTOMERS

The aggregate purchases attributable to the Group's five largest suppliers amounted to less than 30% of the Group's total purchases for the Year.

The aggregate turnover attributable to the Group's largest customer and five largest customers accounted for 30% and 95% of the Group's total turnover for the Year.

None of the Directors, their associates, or any shareholders of the Company (which to the knowledge of the Directors owned more than 5% of the Company's issued shares) had a beneficial interests in any of the Group's five largest suppliers or customers.

DIRECTORS

The Directors during the Year and up to the date of this report are:

Executive Directors:

Mr. Matthew Cheong, Veng-va (*Chairman*)

Ms. Teresa Poon, Mun-chie (*Chief Executive Officer*)

Independent Non-executive Directors:

Mr. Lai, Yun-hung

Mr. Mok, Hon-sang

Mr. Wong, Tik-tung

In accordance with Article 101 of the Company's Articles of Association, Ms. Teresa Poon, Mun-chie and Mr. Mok, Hon-sang will retire and being eligible, offer themselves for re-election at the forthcoming annual general meeting.

No Director being proposed for re-election at the forthcoming annual general meeting has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

董事會報告書

慈善捐款

年內，本集團概無作出慈善捐款(二零零六年：無)。

主要供應商及客戶

本年度本集團累計之五位最大供應商應佔之購貨額佔本集團購貨總額少於30%。

本年度本集團累計之最大客戶及五大客戶應佔之營業額分別佔本集團營業總額之30%及95%。

董事、彼等之聯繫人士或本公司任何股東(據董事所知擁有本公司已發行股份逾5%者)概無擁有本集團任何五大供應商或客戶之實益權益。

董事

於年內及直至本報告日期止，董事為：

執行董事：

昌榮華先生(主席)

潘敏慈小姐(行政總裁)

獨立非執行董事：

賴恩雄先生

莫漢生先生

汪滌東先生

根據本公司組織章程細則第101條之規定，潘敏慈小姐及莫漢生先生將告退，惟彼等合資格並願於即將舉行之股東週年大會上膺選連任。

擬於即將舉行之股東週年大會上膺選連任之董事概無訂立本集團不可於一年內毋須支付賠償(法定賠償除外)而終止之服務合約。

Directors' Report

DIRECTORS' AND CHIEF EXECUTIVE(S)' INTERESTS IN THE SECURITIES OF THE COMPANY AND ASSOCIATED CORPORATIONS

As at 31st December, 2007, none of the Directors or chief executive(s) of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register kept by the Company under section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). During the Year, none of the Directors or chief executive(s) of the Company nor their spouses or children under the age of 18 years were granted or had exercised any right to subscribe for any securities of the Company or its associated corporations.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE SECURITIES OF THE COMPANY

As at 31st December, 2007, so far as are known to any Director or chief executive of the Company, the following parties (other than a Director or chief executive of the Company) were recorded in the register kept by the Company under section 336 of the SFO, or as otherwise notified to the Company, as being directly or indirectly interested or deemed to be interested in 5% or more of the issued share capital of the Company:

Name 名稱	Number of Shares (ordinary share) 股份數目(普通股)	Capacity 身份	Percentage of Issued Share Capital 已發行股本百分比
Billion Up Limited	209,931,186 (note 1) (附註1)	Beneficial Owner 實益擁有人	61.96%
Lucky Years Ltd.	209,931,186 (note 1) (附註1)	Interests in Controlled Corporation 於受控制公司之權益	61.96%
Chinese Estates Holdings Limited 華人置業集團	209,931,186 (note 1) (附註1)	Interests in Controlled Corporation 於受控制公司之權益	61.96%
Mr. Joseph Lau, Luen-hung 劉鑾雄先生	209,931,186 (note 2) (附註2)	Interests in Controlled Corporation 於受控制公司之權益	61.96%

董事會報告書

董事及最高行政人員於本公司及相關法團之證券權益

於二零零七年十二月三十一日，董事或本公司最高行政人員概無於本公司或其任何相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部所指的相聯法團)之股份、相關股份或債券中擁有根據證券及期貨條例第352條置存之登記冊所載錄或根據香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)所載《上市發行人董事進行證券交易的標準守則》(「標準守則」)須知會本公司及聯交所之任何權益或淡倉。年內，董事或本公司最高行政人員以及彼等之配偶或十八歲以下子女概無獲授予或已行使任何可認購本公司及其相關法團任何證券之權利。

主要股東於本公司之證券權益

據董事及本公司最高行政人員所知悉，於二零零七年十二月三十一日，本公司根據證券及期貨條例第336條須置存之登記冊所載錄或另行知會本公司，直接或間接擁有或被視為擁有本公司已發行股本5%或以上權益之人士(董事或本公司最高行政人員除外)如下：

Directors' Report

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE SECURITIES OF THE COMPANY (cont'd)

董事會報告書

主要股東於本公司之證券權益 (續)

Name 名稱	Number of Shares (ordinary share) 股份數目 (普通股)	Capacity 身份	Percentage of Issued Share Capital 已發行股本百分比
Global King Ltd.	209,931,186 (note 3) (附註3)	Trustee 信託人	61.96%
GZ Trust Corporation	209,931,186 (note 3) (附註3)	Trustee and Beneficiary of a Trust 信託人及一項信託之受益人	61.96%
Mr. Li Ka-shing 李嘉誠先生	20,827,142 (notes 4 & 5) (附註4及5)	Founder of Discretionary Trusts and Interests of Controlled Corporations 酌情信託之創立人及 受控制公司之權益	6.15%
Li Ka-Shing Unity Trustcorp Limited	20,827,142 (notes 4 & 5) (附註4及5)	Trustee and Beneficiary of a Trust 信託人及一項信託之受益人	6.15%
Li Ka-Shing Unity Trustee Corporation Limited	20,827,142 (notes 4 & 5) (附註4及5)	Trustee and Beneficiary of a Trust 信託人及一項信託之受益人	6.15%
Li Ka-Shing Unity Trustee Company Limited	20,827,142 (notes 4 & 5) (附註4及5)	Trustee 信託人	6.15%
Cheung Kong (Holdings) Limited 長江實業(集團)有限公司	20,827,142 (notes 4 & 5) (附註4及5)	Interests of Controlled Corporations 受控制公司之權益	6.15%
Hutchison Whampoa Limited 和記黃埔有限公司	20,827,142 (note 4) (附註4)	Interests of Controlled Corporations 受控制公司之權益	6.15%
Hutchison International Limited 和記企業有限公司	20,827,142 (note 4) (附註4)	Interests of a Controlled Corporation 一間受控制公司之權益	6.15%
Primetek Holdings Limited	20,827,142 (note 4) (附註4)	Beneficial Owner 實益擁有人	6.15%

Directors' Report

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE SECURITIES OF THE COMPANY (cont'd)

Notes:

1. Billion Up Limited is a wholly-owned subsidiary of Lucky Years Ltd., which in turn is a wholly-owned subsidiary of Chinese Estates Holdings Limited ("Chinese Estates"). By virtue of the SFO, Lucky Years Ltd. and Chinese Estates were deemed to be interested in the 209,931,186 shares of the Company held by Billion Up Limited.
2. Mr. Joseph Lau, Luen-hung, by virtue of his approximately 53.48% interests in the issued share capital of Chinese Estates, was deemed to be interested in the same interests stated against Chinese Estates under the SFO.
3. GZ Trust Corporation as trustee of a discretionary trust held units in a unit trust of which Global King Ltd. is the trustee. Global King Ltd. is entitled to exercise more than one-third of the voting power at the general meetings of Chinese Estates. Accordingly, Global King Ltd. and GZ Trust Corporation were deemed to be interested in the same interests stated against Chinese Estates by virtue of the SFO.
4. Primetek Holdings Limited ("Primetek") is a wholly-owned subsidiary of Hutchison International Limited ("HIL"), which in turn is a wholly-owned subsidiary of Hutchison Whampoa Limited ("HWL"). By virtue of the SFO, HWL and HIL were deemed to be interested in the 20,827,142 shares of the Company held by Primetek.
5. Li Ka-Shing Unity Holdings Limited, of which each of Mr. Li Ka-shing, Mr. Li Tzar Kuoi, Victor and Mr. Li Tzar Kai, Richard is interested in one-third of the entire issued share capital, owns the entire issued share capital of Li Ka-Shing Unity Trustee Company Limited ("TUT1"). TUT1 as trustee of The Li Ka-Shing Unity Trust ("UT1"), together with certain companies which TUT1 as trustee of UT1 is entitled to exercise or control the exercise of more than one-third of the voting power at their general meetings, hold more than one-third of the issued share capital of Cheung Kong (Holdings) Limited ("CKH"). Subsidiaries of CKH are entitled to exercise or control the exercise of more than one-third of the voting power at the general meetings of HWL.

董事會報告書

主要股東於本公司之證券權益 (續)

附註:

1. Billion Up Limited 為 Lucky Years Ltd. 之全資附屬公司，而後者為華人置業集團（「華人置業」）之全資附屬公司。根據證券及期貨條例，Lucky Years Ltd. 及華人置業均被視為擁有 Billion Up Limited 持有之 209,931,186 股本公司股份之權益。
2. 根據證券及期貨條例，劉鑾雄先生於華人置業已發行股本中擁有約 53.48% 權益，因此被視為擁有華人置業所擁有之相同權益。
3. GZ Trust Corporation（作為一項酌情信託之信託人）持有一項以 Global King Ltd. 為信託人之單位信託基金之單位。Global King Ltd. 有權於華人置業之股東大會上行使三分之一以上之投票權。因此，根據證券及期貨條例，Global King Ltd. 及 GZ Trust Corporation 被視為擁有華人置業所擁有之相同權益。
4. Primetek Holdings Limited（「Primetek」）為和記企業有限公司（「和記企業」）之全資附屬公司，而後者為和記黃埔有限公司（「和黃」）之全資附屬公司。根據證券及期貨條例，和黃及和記企業被視為擁有 Primetek 持有之 20,827,142 股本公司股份之權益。
5. 由李嘉誠先生、李澤鉅先生及李澤楷先生各自擁有全部已發行股本之三分之一權益之 Li Ka-Shing Unity Holdings Limited，擁有 Li Ka-Shing Unity Trustee Company Limited（「TUT1」）之全部已發行股本。TUT1 以 The Li Ka-Shing Unity Trust（「UT1」）信託人之身份，連同若干公司（TUT1 以 UT1 信託人之身份有權在其股東大會上行使或控制行使三分之一以上之投票權之公司）合共持有長江實業（集團）有限公司（「長實」）三分之一以上之已發行股本。長實之附屬公司有權在和黃之股東大會上行使或控制行使三分之一以上之投票權。

Directors' Report

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE SECURITIES OF THE COMPANY (cont'd)

Notes: (cont'd)

In addition, Li Ka-Shing Unity Holdings Limited also owns the entire issued share capital of Li Ka-Shing Unity Trustee Corporation Limited ("TDT1") as trustee of The Li Ka-Shing Unity Discretionary Trust ("DT1") and Li Ka-Shing Unity Trustcorp Limited ("TDT2") as trustee of another discretionary trust ("DT2"). Each of TDT1 and TDT2 holds units in the UT1.

By virtue of the SFO, Mr. Li Ka-shing, being the settlor of DT1 and DT2 may be regarded as a founder of DT1 and DT2 and for the purpose of the SFO, each of Mr. Li Ka-shing, TDT1, TDT2, TUT1 and CKH was deemed to be interested in the 20,827,142 shares of the Company held by Primetek.

All the interests stated above represent long positions. As at 31st December, 2007, no short positions were recorded in the register kept by the Company under section 336 of the SFO.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

There were no arrangements to which the Company, its ultimate holding company, or any of its ultimate holding company's subsidiaries was a party to enable the Directors to acquire benefit by means of the acquisition of shares in, or debentures of, the Company or any other body corporate during the Year.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS

Save as disclosed in the "Connected Transactions" as mentioned below, there were no contracts of significance in relation to the Company's business, to which the Company or any of the Company's subsidiaries was a party, subsisting at the end of the Year or at any time during the Year, and in which a Director had, whether directly or indirectly, a material interest, nor there were any other contracts of significance in relation to the Company's business between the Company or any of the Company's subsidiaries and a controlling shareholder or any of its subsidiaries.

董事會報告書

主要股東於本公司之證券權益 (續)

附註：(續)

此外，Li Ka-Shing Unity Holdings Limited 亦擁有 Li Ka-Shing Unity Trustee Corporation Limited (「TDT1」) (The Li Ka-Shing Unity Discretionary Trust (「DT1」) 之信託人) 及 Li Ka-Shing Unity Trustcorp Limited (「TDT2」) (另一酌情信託 (「DT2」) 之信託人) 之全部已發行股本。TDT1 及 TDT2 各持有 UT1 之單位。

根據證券及期貨條例，李嘉誠先生身為 DT1 及 DT2 之財產授予人，可被視為 DT1 及 DT2 之創立人；李嘉誠先生、TDT1、TDT2、TUT1 及長實就證券及期貨條例而言個別被視為擁有 Primetek 持有之 20,827,142 股本公司股份之權益。

上述所有權益均為好倉。於二零零七年十二月三十一日，本公司按證券及期貨條例第 336 條置存之登記冊所載概無任何淡倉。

購買股份或債券之安排

本公司、其最終控股公司或其最終控股公司之任何附屬公司概無於本年度內作出任何安排，以使董事可藉購入本公司或任何其他法人團體之股份或債券而獲得利益。

董事及控權股東於合約之權益

除以下「關連交易」所述者外，本公司或本公司之任何附屬公司概無於年結時或本年度內任何時間訂立與本公司業務有關之重大合約而董事於其中直接或間接擁有重大權益，亦概無與控權股東或其任何附屬公司訂立與本公司業務有關之重大合約。

Directors' Report

CONNECTED TRANSACTIONS

During the Year, the Company entered into a conditional sale and purchase agreement with Chinese Estates, a substantial shareholder under the Listing Rules, to dispose of certain assets in Hong Kong in exchange for the certain assets of Chinese Estates in the People's Republic of China, the transaction under which would generate a net consideration of some HK\$9,760.7 million to be settled by the Company by means of cash and convertible bonds to Chinese Estates (the "Conditional Agreement"). The transactions contemplated under the Conditional Agreement constituted a connected transaction of the Company.

Since the Conditional Agreement was not approved by the independent shareholders of the Company, the Conditional Agreement and the transactions contemplated thereunder has been terminated on 28th November, 2007.

Save as mentioned above, there were no other discloseable non-exempted connected transactions or non-exempted continuing connected transactions under the Listing Rules.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

As at 31st December, 2007, none of the Directors were interested in any business, which competed or was likely to compete, either directly or indirectly, with the Company's businesses.

RETIREMENT BENEFIT SCHEMES

The Group operates two retirement benefit schemes:

- (1) the provident fund scheme as defined in the Mandatory Provident Fund Schemes Ordinance, Chapter 485 of the laws of Hong Kong (the "MPF Scheme"); and
- (2) the provident fund scheme as defined in the Occupational Retirement Schemes Ordinance, Chapter 426 of the laws of Hong Kong (the "Top-up Scheme").

Both the MPF Scheme and the Top-up Scheme were defined contribution schemes and the assets of both schemes were managed by their respective trustees accordingly.

董事會報告書

關連交易

年內，本公司與華人置業（按上市規則為一主要股東）簽訂一項有條件買賣協議出售若干位於香港之資產以交換華人置業位於中華人民共和國之若干資產。該交易所產生9,760,700,000港元之淨代價將由本公司以現金及可換股債券之方式向華人置業支付（「有條件協議」）。有條件協議下之交易對本公司構成一項關連交易。

由於有條件協議不獲本公司獨立股東批准，有條件協議及當中之交易已於二零零七年十一月二十八日終止。

除上文所述外，根據上市規則，並無其他不獲豁免關連交易或不獲豁免持續關連交易須作出披露。

董事於競爭性業務之權益

於二零零七年十二月三十一日，董事概無於與本公司業務直接或間接構成競爭或可能構成競爭之任何業務中擁有權益。

退休福利計劃

本集團設有兩項退休福利計劃：

- (1) 香港法例第485章強積金計劃條例下界定之公積金計劃（「強積金計劃」）；及
- (2) 香港法例第426章職業退休計劃條例下界定之公積金計劃（「補足計劃」）。

強積金計劃及補足計劃均為定額供款計劃，該兩項計劃之資產均由各自之受託人管理。

Directors' Report

RETIREMENT BENEFIT SCHEMES (cont'd)

The MPF Scheme was available to all employees aged 18 to 64 and with at least 60 days of service under the employment of the Group in Hong Kong. Contributions were made by the Group at 5% based on the staff's relevant income. The statutory maximum level of relevant income for contribution purpose is HK\$20,000 per month. Staff members were entitled to 100% of the Group's contributions together with accrued returns irrespective of their length of service with the Group, but the benefit was required by law to be preserved until the retirement age of 65. Forfeited contributions of MPF Scheme cannot be used by the Group to offset the existing level of contributions.

The Top-up Scheme was available to those employees with basic salary over HK\$20,000 and/or years of service over 5. Contributions to the Top-up Scheme were made by the Group at 5%, 7.5% or 10% of staff's basic salary (depending on the length of service) less the Group's mandatory contribution under the MPF Scheme. Staff members were entitled to 100% of the Group's contributions together with accrued returns after completing 10 years of service or more, or attaining the retirement age, or were entitled at a reduced scale between 30% to 90% of the Group's contributions after completing a period of service of at least 3 years but less than 10 years. The Top-up Scheme allowed any forfeited contributions (made by the Group for any staff member who subsequently left the Top-up Scheme prior to vesting fully in such contributions) to be used by the Group to offset the current level of contributions of the Group.

The Group's cost for the MPF scheme charged to consolidated income statement for the Year amounted to HK\$152,000 (2006: HK\$87,000).

During both years, no employee of the Group was entitled to the benefit of the Top-up Scheme and no contributions had been made by the Group to the Top-up Scheme.

董事會報告書

退休福利計劃(續)

強積金計劃可供所有18至64歲受僱於香港最少60天之本集團僱員參加。本集團根據僱員之有關入息作出5%之供款。就供款而言，有關法定入息水平上限為每月20,000港元。不論其於本集團之服務年期，僱員均可取得100%本集團供款連同應計回報，惟根據法例，有關利益將保留至退休年齡65歲方可領取。本集團不可動用強積金計劃下之已沒收供款，以抵銷現有之供款水平。

補足計劃可供基本薪金超過20,000港元及／或年資超過五年之僱員參加。本集團乃根據僱員之基本薪金按其服務年期，作出5%、7.5%或10%之補足計劃供款，並減去本集團根據強積金計劃作出之強制性供款。僱員服務滿10年或以上或到退休年齡時可取得100%本集團供款連同應計回報，而服務年期滿3年但不足10年之僱員則可按遞減比例取得30%至90%本集團供款。補足計劃容許本集團將任何已沒收供款(即本集團就任何可獲得全部供款前退出補足計劃之僱員而作出之供款)用以抵銷本集團現有之供款水平。

本集團於年內就強積金計劃於綜合收益表扣除之費用為152,000港元(二零零六年: 87,000港元)。

於上述兩個年度內，本集團概無僱員受惠於補足計劃，而本集團對補足計劃亦無供款。

Directors' Report

ADVANCES TO ENTITIES

As at 31st December, 2007, the Group had made advances to associated companies of approximately HK\$125.1 million (before provision). The shareholder loans had been granted either for financing their acquisition of assets or daily operations. The shareholder loans are unsecured, with no specific maturity dates and are repayable on demand.

Pursuant to Rule 13.20 of the Listing Rules, the Company discloses details of the loans advanced to the entities as at 31st December, 2007 as below:-

董事會報告書

墊付實體款項

於二零零七年十二月三十一日，本集團向聯營公司提供之墊款約為125,100,000港元（未扣除撥備）。該等股東貸款乃用作收購資產或日常營運所需。該等股東貸款為無抵押、無特定到期日並須於通知時償還。

根據上市規則第13.20條，於二零零七年十二月三十一日本公司披露向實體提供之貸款詳情如下：

Name of associated companies 聯營公司名稱	Attributable interest held by the Group 本集團持有之應佔權益 %	Interest rates 利率 %	Interest-bearing 計息 HK\$'000 千港元	Non-interest bearing 不計息 HK\$'000 千港元	Total advances 墊款總額 HK\$'000 千港元
Finedale Industries Limited 廣坤實業有限公司	33 ¹ / ₃	Prime - 2.75 最優惠利率減2.75	66,706	—	66,706
Canaria Holding Limited	50	N/A 不適用	—	48,909	48,909
Earn Elite Development Limited 盈才發展有限公司	50	6.75	9,500	—	9,500
			<hr/> 76,206	48,909	<hr/> 125,115 <hr/>

Directors' Report

PROFORMA COMBINED BALANCE SHEET OF THE AFFILIATED COMPANIES

Pursuant to Rule 13.22 of the Listing Rules, a proforma combined balance sheet of the affiliated companies with financial assistance from the Group as at 31st December, 2007 (the latest practicable date) is presented below:

Non-current assets	非流動資產
Current assets	流動資產
Current liabilities	流動負債
Non-current liabilities	非流動負債
Net assets	資產淨值

Note: Proforma combined balance sheet has been adjusted so as to align with the Group's accounting policies.

AUDIT COMMITTEE

The Audit Committee comprised Independent Non-executive Directors of the Company and the annual results of the Group for the Year had been reviewed by the Audit Committee.

董事會報告書

聯繫公司之備考合併資產負債表

根據上市規則第13.22條，獲本集團財政援助之聯繫公司於二零零七年十二月三十一日（最後實際可行日期）之備考合併資產負債表如下：

(Note)	Interest
Combined	attributable
total	to the Group
(附註)	本集團
合併總額	應佔權益
HK\$'000	HK\$'000
千港元	千港元
1,436,000	461,667
14,450	3,919
(34,975)	(11,551)
(492,954)	(125,379)
922,521	328,656

附註：備考合併資產負債表已作調整，以配合本集團之會計政策。

審核委員會

審核委員會乃由本公司獨立非執行董事組成，而本集團之本年度業績已由審核委員會審閱。

Directors' Report

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company had maintained the prescribed amount of public float during the Year and up to the date of this report as required under the Listing Rules.

AUDITORS

A resolution will be submitted to the forthcoming annual general meeting of the Company to re-appoint Messrs. HLB Hodgson Impey Cheng, who will retire at the conclusion of the forthcoming annual general meeting, and being eligible, will offer themselves for re-appointment, as auditors of the Company.

On behalf of the Board

Matthew Cheong, Veng-va

Chairman

Hong Kong, 6th March, 2008

董事會報告書

公眾持股量

根據本公司所得悉的公開資料及董事所知悉，本公司於本年度內及截至本報告書日已按上市規則規定維持指定數額的公眾持股量。

核數師

本公司即將舉行之股東週年大會上將提呈一項決議案，國衛會計師事務所於即將舉行之股東週年大會結束時將任滿告退，並符合資格及願獲續聘為本公司核數師。

代表董事會

主席

昌榮華

香港，二零零八年三月六日

Corporate Governance Report

The Board of Directors (the “Directors” or the “Board”) of the Company together with its subsidiaries (the “Group”) is committed to maintaining high standards of corporate governance so as to ensure better transparency and protection of shareholders’ interest in general. The Board endeavours to ensure effective self-regulatory practices, to maintain sound internal control system and to absorb high calibre members to the Board.

The purpose of this Corporate Governance Report is to present to shareholders how the Company has applied the principles in the Code on Corporate Governance Practices (the “Code”) under Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) issued by The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) throughout the year ended 31st December, 2007 (the “Year”).

CODE ON CORPORATE GOVERNANCE PRACTICES

Since 2005, the Company has adopted the code provisions and certain recommended best practices set out in the Code to enhance corporate governance in the interests of the Company and its shareholders.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) contained in Appendix 10 to the Listing Rules. Having made specific enquiry of all Directors, all Directors confirmed that they have complied with the required standard set out in the Model Code and the code of conduct regarding securities transactions by directors adopted by the Company during the Year. In addition, the Company has a separate written guidelines on terms no less exacting than the Model Code for the relevant employees of the Company who are likely to be in possession of unpublished price-sensitive information in respect of their dealings in the securities of the Company.

BOARD OF DIRECTORS

The Board is responsible for directing and supervising the Company’s affairs. Each Director acts in good faith for the best interest of the Company. The Directors are collectively and individually responsible to the Company for the manner in which the affairs of the Company are managed, controlled and operated. They had devoted sufficient time and attention to the Company’s affairs during the Year.

企業管治報告書

本公司(連同其附屬公司,「本集團»)董事會(「董事」或「董事會»)銳意維持高度企業管治,以確保運作更具透明度及全面保障股東利益。董事會致力確保制訂有效之自我監管常規,以維持良好之內部監控制度及吸納卓越之成員加入董事會。

本企業管治報告書是向股東呈示本公司於截至二零零七年十二月三十一日止年度(「本年度»)如何應用香港聯合交易所有限公司(「聯交所»)頒布之聯交所證券上市規則(「上市規則»)附錄十四《企業管治常規守則》(「守則»)之原則。

企業管治常規守則

自二零零五年起,本公司已採納載於守則之守則條文及若干建議最佳常規,以提高企業管治對本公司及股東之利益。

證券交易之標準守則

本公司已就董事進行證券交易採納了一套不遜於上市規則附錄十《上市發行人董事進行證券交易的標準守則》(「標準守則»)規定之操守準則。本公司向全體董事作出具體查詢後,所有董事確認彼等於年內一直遵守標準守則以及本公司就董事進行證券交易採納之操守準則載列之所需標準。再者,本公司亦已就可能擁有未公布的股價敏感資料之相關僱員,制訂不遜於標準守則之書面指引,作為彼等進行本公司證券交易之指引。

董事會

董事會以負責及有效之方法領導及監督本公司事務。每位董事應以本公司之最佳利益為前題,以誠信態度履行職責。董事知悉彼等在管理、控制及經營本公司事務上,共同及個別向本公司負責。年內,彼等已付出足夠時間及專注力以處理本公司事務。

Corporate Governance Report

BOARD OF DIRECTORS (cont'd)

The Board currently comprises two Executive Directors and three Independent Non-executive Directors (the "INED(s)") which represent more than one-third of the Board. The Directors' biographies are available on the Company's website. There is no relationship among members of the Board and in particular, between the chairman and the chief executive officer. The INEDs are highly experienced professionals and businessmen with a broad range of expertise and experience in accounting, finance and business management and one of them has appropriate professional qualification as required by the Stock Exchange. During the Year, they had participated in Board meetings to bring independent opinion and judgement on Company's strategy, performance and standards of conduct; had taken the lead where potential conflicts of interests arise; had served on Board committees; had ensured that the Board maintains high standards of financial and other mandatory reporting; and had provided adequate checks and balance to safeguard the interests of the shareholders in general and the Company as a whole.

The Company has received, from each INED, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers that all of the INEDs are independent.

Throughout their period in office, the Directors were informed of the Group's business, the competitive and regulatory environments in which it operates and other changes affecting the Group and the industry it operates in as a whole. They were also advised on appointment of their legal and other duties and obligations as directors of a listed company and updated on changes to the legal and governance requirements of the Group and upon themselves as the Directors.

The Directors are given access to independent professional advice at the Company's expense, when they deem it is necessary in order for them to carry out their responsibilities from time to time.

The Directors are consulted and properly briefed for matters to be included in the meeting agenda. The Board is supplied with relevant information as well as reports relating to operational and financial performance of the Group before each regular Board meeting. At least 14 days' notice of a regular Board meeting is given to all Directors to provide them with the opportunity to attend. Board papers are dispatched to all Directors at least 3 days before the meeting to ensure that they have sufficient time to review the same and will be adequately prepared for the meeting. Senior management is invited to the meeting to address the Board members' queries. This enables the Board to have pertinent data and insight for a comprehensive and informed evaluation as part of the Board's decision-making purpose.

企業管治報告書

董事會 (續)

董事會目前由兩位執行董事及三位獨立非執行董事(「獨立非執行董事」)組成。獨立非執行董事之人數超過董事會成員總數之三分之一。董事簡歷可於本公司網頁瀏覽。董事會成員之間，尤其是主席與行政總裁之間，並無關係。獨立非執行董事為極富經驗之專業人士及商界人士，在會計、金融及商業管理具備豐富專業知識及經驗，其中一人更具備聯交所規定之相關專業資格。年內，彼等參與董事會會議，對本公司之策略、表現及守則標準作出獨立意見及判斷；在有潛在利益衝突時發揮領導作用；出任董事會委員會委員；確保董事會維持高水平之財務及其他強制申報準則；以及提供足夠審查及平衡以保障全體股東與本公司整體利益。

本公司已接獲各獨立非執行董事之年度確認書，確認彼等符合上市規則第 3.13 條所載有關獨立性之規定。本公司認為全體獨立非執行董事均為獨立人士。

本公司於董事在任期間，向彼等匯報有關本集團業務、經營所在地之競爭及規管環境，以及整體上影響本集團及其經營行業之其他變動的資料。彼等亦就委任為上市公司董事之法定及其他職能以及職責提供意見，並於彼等成為董事後更新有關本集團之法定及監管規定之變動。

董事可不時視乎履行其職責所需而尋求獨立專業意見，費用概由本公司承擔。

董事可獲諮詢及簡報會議議程內所載之事宜，並於每次定期董事會會議前獲發有關本集團營運及財務表現之相關資料及報告。定期董事會會議通知於開會前最少十四日送交全體董事，供其選擇是否出席會議。董事會文件於會議舉行前最少三日發給全體董事，以確保彼等具備足夠時間審閱該文件，並為會議作好充份準備。高級管理層成員獲邀與會，解答董事會成員之提問。此舉令董事會在作出全面而知情之評估時，具有中肯之數據及認知，有助董事會作出決策。

Corporate Governance Report

BOARD OF DIRECTORS (cont'd)

The Chairman has delegated the responsibility to the Company Secretary of the Company (the "Company Secretary") for drawing up and approving the meeting agenda for each Board meeting, taking into account of any matters proposed by the other Directors for inclusion in the agenda.

The proceedings of the Board at its meetings are generally monitored by the Chairman who ensures that sufficient time is allocated for discussion and consideration of each item on the agenda. Equal opportunities are given to the Directors to express their views and concerns.

Each Director has to declare his/her interest and to abstain from voting on any board resolution in which he/she or any of his/her associates has a material interest pursuant to the Company's Articles of Association and the Companies Ordinance (Cap. 32, Laws of Hong Kong).

All Directors have full access to the advice and services of the Company Secretary to ensure the Board's procedures, rules and regulations are followed. Draft and final versions of minutes of each Board meeting in sufficient details were sent to the Directors for comments and records within reasonable time after the meeting is held. The minutes of Board meetings and meetings of the Board committees are kept by the Company Secretary, which are open for inspection by the Directors on reasonable notice.

Four regular Board meetings were held on 13th March, 3rd July, 2nd August and 23rd November for the Year. The Company Secretary, Qualified Accountant and the Company's senior management had attended the Board meetings to report matters arising from corporate governance, risk management, statutory compliance, accounting, finance and business. The individual attendance of each Director at the regular Board meetings held during the Year is as follows:

Directors	No. of regular Board meetings attended/held (Percentage of attendance in total)
Executive Directors	
Mr. Matthew Cheong, Veng-va (Chairman)	4/4 (100%)
Ms. Teresa Poon, Mun-chie (Chief Executive Officer)	4/4 (100%)
Independent Non-executive Directors	
Mr. Lai, Yun-hung	4/4 (100%)
Mr. Mok, Hon-sang	4/4 (100%)
Mr. Wong, Tik-tung	4/4 (100%)

企業管治報告書

董事會(續)

主席已委派本公司之公司秘書(「公司秘書」)負責在考慮各董事建議之議程後，編撰及批核每次董事會會議之議程。

董事會之議事程序一般由主席主持，以確保分配充裕之時間作出討論及考慮議程內之各個項目。各董事均獲平等機會表達其意見及關注事宜。

根據本公司之組織章程細則及公司條例(香港法例第32章)，每位董事均須申報其權益，並就其本身或其任何聯繫人士擁有重大權益之任何董事決議案放棄投票。

全體董事有權全面尋求公司秘書之意見及服務，以確保遵守董事會程序、規則及規例。詳盡之各董事會會議記錄之草稿及定稿將於舉行會議後之合理時間內，送交董事提供意見及記錄。董事會會議及董事委員會會議之記錄由公司秘書存置，並可由董事發出合理通知下供其查閱。

董事會已於本年度三月十三日、七月三日、八月二日及十一月二十三日舉行共四次定期董事會會議。公司秘書、合資格會計師及本公司高級管理層均已出席董事會會議，匯報企業管治、風險管理、法例遵守、會計、財務及業務相關之事宜。年內各董事於定期董事會會議之出席率如下：

董事	出席/舉行定期董事會會議數目(總出席率)
執行董事	
昌榮華先生(主席)	4/4 (100%)
潘敏慈小姐(行政總裁)	4/4 (100%)
獨立非執行董事	
賴恩雄先生	4/4 (100%)
莫漢生先生	4/4 (100%)
汪滌東先生	4/4 (100%)

Corporate Governance Report

BOARD OF DIRECTORS (cont'd)

The INEDs had actively participated in the Board meetings, brought independent judgement and given their comments to the information or reports submitted to the meetings. The INEDs also constituted the members of the independent board committees to consider the major transaction, very substantial acquisition, very substantial disposal and connected transactions of the Company during the Year.

To enhance the Director's consciousness on the importance of the directors' duties under common law and to comply with the requirement of the Companies Ordinance (Cap. 32, Laws of Hong Kong), a "Non-statutory Guidelines on Directors' Duties" in which the general principles a director should follow in the performance of his/her functions and exercise of his/her powers has been distributed to the Directors.

AMENDMENT OF ARTICLES OF ASSOCIATION

In order to comply with the Code's requirements on the appointment of the non-executive Directors for a specified term and having all Directors (including those appointed for a specific term) to retire by rotation at least once every three years, a special resolution was passed at the 2007 annual general meeting of the Company to amend the articles of association by providing that no Director shall hold office for a continuous period in excess of 3 years, or past the third annual general meeting, following the Director's appointment or re-election, whichever is longer, without submitting himself for re-election at the annual general meeting.

As a result of amendment of the articles of association of the Company, every Director now has been appointed for a specific term and all Directors shall retire by rotation at least once every three years.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The roles of the Chairman and Chief Executive Officer (the "CEO") are separate and not performed by the same individual. As at 31st December, 2007, Mr. Matthew Cheong, Veng-va was the Chairman with responsibility for overseeing the function of the Board, formulating overall strategies and policies of the Company. Ms. Teresa Poon, Mun-chie was the CEO with responsibility for the overall business and operation of the Group. This segregation is clearly established and set out in writing to ensure a clear distinction between the Chairman's responsibility to manage the Board and the CEO's responsibility to manage the Group's business.

企業管治報告書

董事會 (續)

獨立非執行董事積極參與董事會會議，就會議事項作出獨立判斷及在提呈於會議上之資料或報告發表意見。獨立非執行董事亦成為獨立董事委員會成員，以考慮本公司年內之主要交易、非常重大收購事項、非常重大出售事項及關連交易。

為提高董事對普通法下董事職責重要性之意識及遵守公司條例(香港法例第32章)之要求，一份載有董事於執行職能及行使權力時應遵守之一般原則之「有關董事責任的非法定指引」已分發予董事。

修訂組織章程細則

為遵守標準守則就非執行董事以特定任期聘任及所有董事(包括以特定任期聘任之董事)須每三年告退一次之要求，一項特別決議案已於本公司二零零七年股東週年大會上通過以修訂組織章程細則，規定董事在未於股東週年大會上膺選連任之情況下，出任董事職位之持續期間不得超過三年或獲委任或重選連任後超逾三次股東週年大會，兩者以較長期間為準。

就修訂本公司組織章程細則後，現時每位董事均以特定任期聘任，而所有董事將至少每三年輪席告退一次。

主席及行政總裁

主席及行政總裁(「行政總裁」)之角色須予分開，且不得由同一個人擔任。於二零零七年十二月三十一日，昌榮華先生為主席，負責監督董事會職能、制訂本公司整體策略及政策。潘敏慈小姐為行政總裁，負責監督本集團之整體業務及運作。主席及行政總裁職能分配已清楚以書面訂立，以清楚劃分主席負責管理董事會，而行政總裁負責管理本集團業務。

Corporate Governance Report

BOARD COMMITTEES

The Board has established Audit Committee and Remuneration Committee with defined roles and terms of reference.

Audit Committee

The Audit Committee has been established since December 2000 with the role to assist the Board in establishing formal and transparent arrangements for considering how it will apply the financial reporting and internal control principles and for maintaining an appropriate relationship with the Company's auditors (the "Independent Auditors"). It acts in an advisory capacity and makes recommendations to the Board.

All the Audit Committee members possess diversified industry experience. The chairman has appropriate professional qualification, accounting or related financial management expertise as required by the Listing Rules. The Audit Committee is made up of the INEDs, namely:

Mr. Wong, Tik-tung (*Chairman*)
Mr. Lai, Yun-hung
Mr. Mok, Hon-sang

The Audit Committee's terms of reference can be found on the Group's website.

The major duties of the Audit Committee are summarised below:

- i) to make recommendations to the Board on the appointment, re-appointment and removal of the Company's Independent Auditors, review and monitor their independence and objectivity as well as the effectiveness of the audit process;
- ii) to monitor the integrity of the interim and annual consolidated financial statements, reports and accounts and quarterly reports of the Company, and to review any significant financial reporting judgements contained in them; and
- iii) to review and ensure the effectiveness of the Company's financial controls, internal control and risk management systems.

The Audit Committee shall meet at least twice each year. The Company prepares and delivers an information memorandum that includes all relevant information about the meetings to the Audit Committee members at least 3 days prior to such meetings. Audit Committee members review the information memorandum with due care and discuss with the Company's Qualified Accountant, the Company Secretary and other senior management (if necessary) during the meetings.

企業管治報告書

董事委員會

董事會已成立審核委員會及薪酬委員會，並界定其角色及職權範圍。

審核委員會

審核委員會於二零零零年十二月成立，其角色為協助董事會建立正式及具透明度之安排，讓董事會考慮如何應用財務匯報及內部監控原則，以及如何與本公司核數師（「獨立核數師」）維持恰當的關係。審核委員會具有顧問職能，並向董事會提供意見。

審核委員會全體成員，具備多元化的業務經驗。主席具備了上市規則規定之相關專業資格、會計或相關財務管理專業知識。審核委員會由獨立非執行董事組成，彼等為：

汪滌東先生 (*主席*)
賴恩雄先生
莫漢生先生

有關審核委員會之職權範圍，可瀏覽本集團網頁。

審核委員會之主要職責概述如下：

- i) 就委任、重新委任及罷免本公司獨立核數師向董事會提供推薦意見、審核及監控彼等之獨立性及客觀性，以及審核程序之有效性；
- ii) 監察本公司中期及全年綜合財務報表、報告和賬目及季度報告之真實性，以及審閱上述各項所載之任何重大財務報告之判斷；及
- iii) 審閱及確保本公司財務監控、內部監控及風險管理系統之有效性。

審核委員會每年須最少開會兩次。本公司編製及派發資料備忘錄，內容包括會議時所需之所有資料，於審核委員會開會前最少三日提交予審核委員會成員。審核委員會成員謹慎地審閱資料備忘錄，並於會議上與本公司合資格會計師、公司秘書及其他高級管理層成員（如有需要）討論。

Corporate Governance Report

BOARD COMMITTEES (cont'd)

Audit Committee (cont'd)

The Audit Committee held 3 meetings on 6th March, 1st August and 14th December, 2007 with the presence of the Company's senior management during the Year. The Audit Committee members met and discussed with the Independent Auditors without the presence of the Company's senior management in one of the said three meetings. Minutes drafted by the Company Secretary were circulated to the Audit Committee members for comments within a reasonable time after each meeting. Executed minutes were kept by the Company Secretary and copies of the minutes were sent to the Audit Committee members for records.

Individual attendance of each committee member at the Audit Committee meetings is as follows:

Members	No. of meetings attended/held (Percentage of attendance in total)	成員	出席/舉行會議數目 (總出席率)
Mr. Wong, Tik-tung	3/3 (100%)	汪滌東先生	3/3 (100%)
Mr. Lai, Yun-hung	3/3 (100%)	賴恩雄先生	3/3 (100%)
Mr. Mok, Hon-sang	3/3 (100%)	莫漢生先生	3/3 (100%)

The works performed by the Audit Committee in the Year are summarized below:

- i) reviewed and considered the Group accounts and financial statements for the year ended 31st December, 2006, and interim and quarterly accounts for 2007;
- ii) reviewed and discussed with the Independent Auditors in respect of the audit fee for the year 2007; the terms of the engagement letters; the nature, scope of audit and reporting obligations for the Year;
- iii) reviewed and assessed the adequacy and effectiveness of the Group's financial controls, internal control and risk management systems;
- iv) reviewed the corporate governance practices and monitored the progress of compliance of the Code;
- v) prepared and submitted to the Board an Audit Committee Report detailing the works performed by the Audit Committee during the Year, presented its findings and made recommendations for considerations by the Board; and

企業管治報告書

董事委員會(續)

審核委員會(續)

年內，審核委員會於二零零七年三月六日、八月一日及十二月十四日舉行共三次會議，而本公司的高級管理層成員均有出席。審核委員會成員在本公司的高級管理層成員避席之情況下曾經在前述之三次會議中一次與獨立核數師會晤進行討論。公司秘書草擬的會議記錄已於每次會議後一段合理時間內交予審核委員會成員傳閱及給予意見。公司秘書已經存置全部會議記錄，有關副本亦已送交審核委員會成員以作記錄。

各委員會成員於審核委員會會議之出席率如下：

審核委員會於本年度履行之工作概述如下：

- i) 審閱及省覽本集團截至二零零六年十二月三十一日止年度之賬目及財務報表，以及二零零七年之中期及季度賬目；
- ii) 與獨立核數師審閱及討論二零零七年核數費用；委聘書之條款；本年度核數之性質、範圍及申報責任；
- iii) 審閱及評估本集團之財務監控、內部監控及風險管理系統是否足夠及有效；
- iv) 檢討企業管治常規及監控遵循守則之進度；
- v) 編製並向董事會呈交審核委員會報告，當中詳列審核委員會於年內已履行之工作，以及呈交其審核結果及向董事會提供建議以作考慮；及

Corporate Governance Report

BOARD COMMITTEES (cont'd)

Audit Committee (cont'd)

- vi) considered ad hoc important transactions such as the major transaction of the Company and their financial implication.

On 4th March, 2008, the Audit Committee reviewed the Group accounts and draft financial statements for the Year.

Remuneration Committee

The Remuneration Committee has been established since June 2005 with the role to assist the Board in reviewing and determining the framework or broad policy for remuneration packages of the Directors and senior management, overseeing any major changes in employee benefit structures and considering other topics as defined by the Board.

The Remuneration Committee comprises all the INEDs namely:

Mr. Wong, Tik-tung (*Chairman*)
Mr. Lai, Yun-hung
Mr. Mok, Hon-sang

The Remuneration Committee's terms of reference can be found on the Group's website.

The principal responsibilities of the Remuneration Committee are as follows:

- i) setting, reviewing and recommending to the Board for approving the Group's overall remuneration policy and strategy;
- ii) setting, reviewing and approving performance-based remuneration and individual remuneration packages for the Executive Directors and senior management including terms and conditions of employment as well as compensation payable due to loss or termination of office, and dismissal or removal for misconduct; and
- iii) recommending to the Board of the remuneration of Non-executive Directors.

The Remuneration Committee would consult the Chairman and/or the CEO about its proposals on remuneration of other Executive Directors and seek internal and external professional advices if considered necessary.

企業管治報告書

董事委員會(續)

審核委員會(續)

- vi) 考慮特別重要交易，如本公司之主要交易及其財務影響。

於二零零八年三月四日，審核委員會已審閱本集團本年度之賬目及財務報表之草稿。

薪酬委員會

薪酬委員會於二零零五年六月成立，其角色為協助董事會檢討及釐定董事及高級管理層之薪酬待遇之結構或具體政策，監督僱員福利架構之任何重大變動，以及考慮董事會釐定之其他事項。

薪酬委員會全體成員均為獨立非執行董事，彼等為：

汪滌東先生(*主席*)
賴恩雄先生
莫漢生先生

有關薪酬委員會之職權範圍，可瀏覽本集團網頁。

薪酬委員會之主要職責如下：

- i) 製訂、檢討及建議董事會批准本集團之整體薪酬政策及策略；
- ii) 製訂、檢討及批准以表現為考慮基礎之薪酬，以及執行董事及高級管理層之個別薪酬待遇，包括僱傭條款及條件，以及因離職或終止受僱及因行為不當而遭解散或罷免所產生需支付之賠償；及
- iii) 就非執行董事之薪酬向董事會提供意見。

薪酬委員會須就其他執行董事之薪酬建議諮詢主席及／或行政總裁，並在其認為有需要時尋求內部及外界專業意見。

Corporate Governance Report

BOARD COMMITTEES (cont'd)

Remuneration Committee (cont'd)

The Remuneration Committee held a meeting on 6th March, 2007 to discuss the employees' emolument including ratifying the discretionary bonus for the year ended 31st December, 2006 to employees of the Company as well as to recommend the remuneration of the INEDs for the Year to the Board for approval.

Individual attendance of each committee member at the meeting is as follows:

Members	No. of meetings attended/held (Percentage of attendance in total)
Mr. Wong, Tik-tung	1/1 (100%)
Mr. Lai, Yun-hung	1/1 (100%)
Mr. Mok, Hon-sang	1/1 (100%)

The INEDs are not entitled to any other emoluments for holding office as the INEDs except for their entitlement of an annual remuneration of HK\$140,000 determined by the Board subject to annual review with reference to the prevailing market condition. No share option scheme is adopted by the Company during the Year.

Nomination Committee

No Nomination Committee is established in view of the current business requirement of the Company. Currently, the Board is responsible for reviewing its composition, identifying and selecting suitable Board members, assessing independence of the INEDs, considering appointment or re-appointment of the Directors and succession planning for the Directors. The Board shall exercise its power under Article 92 of the Articles of Association of the Company to appoint any person as a director either to fill as casual vacancy or as an addition to the Board whenever the business of the Company requires.

MANAGEMENT FUNCTIONS

The Executive Directors have defined clear directions on powers of management and delegate daily management and administration functions to the management. The functions reserved to the Board and those delegated to the senior management are reviewed from time to time. The Company would formalize the division of responsibility between the Board and the management when the operational requirement of the Group justifies such division.

企業管治報告書

董事委員會(續)

薪酬委員會(續)

於二零零七年三月六日，薪酬委員會舉行會議，以討論僱員酬金，包括批准發放予本公司僱員之截至二零零六年十二月三十一日止年度之酌情花紅，以及就獨立非執行董事於本年度之薪酬提供意見，供董事會批准。

各委員會成員於該等會議之出席率如下：

成員	出席／舉行 會議數目 (總出席率)
汪滌東先生	1/1 (100%)
賴恩雄先生	1/1 (100%)
莫漢生先生	1/1 (100%)

獨立非執行董事除每年享有 140,000 港元之酬金外，並無就擔任獨立非執行董事收取任何其他酬金。有關薪金須由董事會釐定，並參考當時市況而每年作出檢討。年內，本公司並無採納任何購股權計劃。

提名委員會

鑑於本公司之現時業務現狀，本公司並無成立提名委員會。目前，董事會負責檢討其組成，物色及甄選合適之董事會成員，評估獨立非執行董事之獨立性，考慮委任或重新委任董事，以及制訂董事之接任安排。董事會將按本公司之業務需要，根據本公司組織章程細則第 92 條行使其權力，委任任何人士為董事以填補臨時空缺或作為新增董事會成員。

管理層職能

執行董事就管理層的權力給予清晰的指引，並指派管理層處理日常管理及行政職能。董事會所保留與委派予高級管理層之職能乃不時予以檢討。倘本集團之規模發展至須劃分董事會與管理層之職責時，本公司將製訂該等職責劃分。

Corporate Governance Report

INDEPENDENT AUDITORS

Messrs. HLB Hodgson Impey Cheng (“HLB”) were re-appointed as the Independent Auditors by shareholders at the 2007 annual general meeting of the Company. In order to maintain the independence and objectivity of the Independent Auditors (which for these purposes include any entity under common control, ownership or management with the audit firm or any entity that a reasonable and informed third party having knowledge of all relevant information would reasonably conclude as part of the audit firm nationally or internationally), they will not be engaged for non-audit works unless it has been approved by the Audit Committee or the independent board committee (as may be established under the Listing Rules from time to time) as appropriate.

The Independent Auditors were engaged on an ad hoc basis to supply non-audit service such as the appointment of reporting accountants for the major transaction, the very substantial acquisition, very substantial disposal and connected transaction during the Year. The fundamental policy is to ensure that the engagement of the Independent Auditors for non-audit services will not harm their independence or cause any bias on the preparation of financial statements of the Company on auditing. During the Year, the fee for engaging the Independent Auditors to carry out reporting accountants works on major transaction, very substantial acquisition, very substantial disposal and connected transaction amounted to HK\$2,425,000.

At the annual general meeting held on 15th May, 2007, HLB were re-appointed by the shareholders as the Independent Auditors of the Company at a fee to be agreed with the Board. The Audit Committee reviewed the terms of engagement letter of the Independent Auditors in mid December 2007 and agreed with HLB the audit fees for auditing the financial statements of the Group for the Year at HK\$398,000.

It is recommended that HLB shall be re-appointed as the Independent Auditors for the financial year 2008 at a fee to be agreed with the Board.

SHAREHOLDERS' RIGHTS

The Company is committed to safeguard the shareholders' and the Company's interests as a whole and encourages shareholders to attend the general meetings of the shareholders to participate on the important decisions of the Company for which the shareholders' approval is required under the Listing Rules and the Companies Ordinance. The Company regards the general meeting of the shareholders as an important event as it provides an important opportunity for direct communication between the Board and the shareholders. The Directors, including the INEDs were available to answer questions at the annual general meeting and the extraordinary general meeting held in 2007. Chairman of the Audit Committee and Remuneration Committee, the Independent Auditors and Chairman of the independent board committee were also available at the respective meetings to address shareholders' queries.

企業管治報告書

獨立核數師

國衛會計師事務所(「國衛」)已獲股東於本公司二零零七年股東週年大會上續聘為獨立核數師。為保持獨立核數師之獨立性及客觀性(就此而言包括與核數師行共同控制擁有或管理之任何實體，或合理或知情第三方在接獲一切相關資格後合理認為在國家或國際方面屬核數師行一部份之任何實體)，其將不會受聘進行非核數工作，除非已獲審核委員會或獨立董事委員會(不時按上市規則成立者)視乎情況而言批准。

獨立核數師於特別情況下提供非審核之服務，如被聘任為申報會計師以處理年內之主要交易、非常重大收購事項、非常重大出售事項及關連交易。本公司之基本政策乃確保獨立核數師對非審核服務之參與不會損害其獨立性或導致編製本公司財務報表時構成審核偏頗。年內，聘任獨立核數師為申報會計師以處理主要交易、非常重大收購事項、非常重大出售事項及關連交易之費用為2,425,000港元。

於二零零七年五月十五日舉行之股東週年大會上，國衛獲股東重選為本公司之獨立核數師，費用有待與董事會商討。審核委員會於二零零七年十二月中旬檢討獨立核數師之委聘書之條款，並與國衛商定審核本年度本集團財務報表之審核費用為398,000港元。

茲建議續聘國衛為本公司二零零八年財政年度之獨立核數師，費用有待與董事會磋商。

股東權利

本公司銳意保障股東及本公司之整體利益，並鼓勵彼等出席股東大會，以參與上市規則及公司條例要求股東批准之重要決策。鑑於股東大會為董事會與股東直接溝通之主要機會，故本公司視股東大會為一項重要活動。董事(包括獨立非執行董事)均已出席二零零七年舉行之股東週年大會及股東特別大會並回答提問。審核委員會和薪酬委員會主席、獨立核數師及獨立董事委員會主席亦已出席各大會並解答股東提問。

Corporate Governance Report

SHAREHOLDERS' RIGHTS (cont'd)

Procedures for and the rights of shareholders to demand a poll under the articles of association of the Company in compliance with the requirements about voting by poll as specified in the Listing Rules were disclosed in all the Company's circulars to shareholders in 2007. Separate resolutions for each substantially separate issue were proposed by the chairman at the annual general meeting and extraordinary general meeting held in 2007. The level of proxies lodged on each resolution, and the balance for and against the resolution, after it had been dealt with on a show of hands were indicated by the chairman of the annual general meeting. Also, the chairman, at the commencement of the shareholders' general meetings, explained the procedures for demanding a poll by shareholders before putting a resolution to the vote on a show of hands, and the detailed procedures for conducting a poll and then prepared to answer any questions from shareholders whenever voting by way of a poll were required. The results of the poll at the general meeting were made public by means of public announcements.

Statutory announcements, financial and other information of the Group are made available on the Company's website, which is regularly updated.

Shareholders may put their enquires to the Board and also put forward proposals at general meetings by way of a written notice addressed to the Company Secretary at the registered office.

FINANCIAL REPORTING

The management provides explanation, information and progress update to the Board for it to make an informed assessment of the financial and other issues put before the Board for approval and consideration.

Throughout the Year, the Directors have selected appropriate accounting policies and applied them consistently. The Directors acknowledge their responsibilities for preparing the financial accounts of the Group which give a true and fair view and are in accordance with generally accepted accounting standards published by the Hong Kong Institute of Certified Public Accountants. A statement by the Independent Auditors about their reporting responsibilities for the Year is set out in this annual report.

The Independent Auditors did not report for the Year that there were any material uncertainties relating to events or conditions that might cast significant doubt upon the Company's ability to continue as a going concern.

企業管治報告書

股東權利(續)

本公司之組織章程細則內有關以投票方式表決之程序及權利，已根據上市規則訂明投票方式表決之規定，載列於本公司於二零零七年寄發予股東之所有通函內。涉及各項重大個別事項之個別決議案，已由會議主席於二零零七年股東週年大會及股東特別大會上提呈。經舉手表決後，提交各決議案之受委代表數目及投票贊成及反對決議案之比例，已由會議主席於股東週年大會上宣布。此外，會議主席於股東大會開始時，已解釋於提呈決議案以舉手方式表決前，股東可要求以投票方式表決之程序，以及進行投票表決時之詳細程序，並在提出要求以投票方式表決時解答股東之任何提問。股東大會上以投票表決結果已以公布形式作出。

本集團之法定公布、財務及其他資料可於本公司網頁瀏覽，並定期更新。

股東可向董事會作出提問，並以書面通知方式致註冊辦事處向公司秘書提交於股東大會提呈之建議。

財務報告

管理層向董事會提供解釋、資料及最新進度，讓董事會就財務及其他事項於提交董事會審批及考慮前，可作出知情評估。

董事已於年內選取合適之會計政策並貫徹應用。董事確認彼等之責任為編製本集團之財務賬目，賬目須真實而公平，並根據香港會計師公會公布而普遍被採用之會計準則。獨立核數師就彼等於本年度之報告責任聲明載於本年報內。

獨立核數師並無就本年度有關任何重大不確定因素涉及可能對本集團持續經營能力存疑之事件或狀況作出報告。

Corporate Governance Report

FINANCIAL REPORTING (cont'd)

The Company aims to present a clear, balanced and understandable assessment of its financial position and prospects. Financial results are announced as early as possible, with interim report and annual report as well as other price-sensitive announcements and financial disclosures published as required under the Listing Rules.

INTERNAL CONTROL

The Board recognizes its responsibility for the establishment, maintenance and review of the internal control system that provides reasonable assurance on the reliability and integrity of financial and operational information, effective and efficient operations, safeguarding of assets and compliance with laws and regulations. The internal control system is designed to manage rather than eliminate all risks of failure while its goal is to provide reasonable, not absolute, assurance regarding the achievement of organizational objectives. The Audit Committee is responsible to assist the Board for the annual review of the effectiveness of the internal control system of the Group.

With respect to procedures and internal control for the handling and dissemination of price-sensitive information, the Company is aware of its obligations under the Listing Rules and the overriding principle that information which is expected to be price-sensitive should be announced promptly after it becomes known to and/or is the subject of a decision by the Directors or senior management of the Company, and conducts its affairs with close regard to the "Guide on disclosure of price-sensitive information" issued by the Stock Exchange in 2002.

To ensure sufficient resources provided to the Audit Committee, information and assessment of financial and internal controls, risk management systems were sent to the Audit Committee members. Internal control procedures of the Group had been commented by the committee members during the Year.

The Audit Committee had reviewed the financial control, internal control and risk management systems of the Company for the Year. It considered the internal control systems effective and adequate as they allowed the Board to monitor the Group's overall financial position and to provide reasonable assurance that assets are safeguarded against unauthorized use or material financial misstatement; transactions were executed in accordance with management's authorization; and the accounting records were reliable for preparing financial information used within the business or for publication and reflecting accountability for assets and liabilities. Further reviews will be conducted on the request of any Audit Committee members, the Company Secretary, the Qualified Accountant and/or the Directors.

企業管治報告書

財務報告(續)

本公司旨在對其財務狀況及前景作出清晰、平衡及可理解評估之呈報。財務業績以盡早發布為基礎，而中期報告、年報、其他股價敏感資料公布及財務披露則根據上市規則之規定而公布。

內部監控

董事會確認其責任為製訂、維持及檢討內部監控制度，就財務及營運資料之可靠性及完整性、營運效率及效能、資產保障以及法例及法規遵守方面提供合理保證。內部監控制度乃為管理(而非完全消除)失責風險而設，旨在為達至機構目標而提供合理(而非絕對)保證。審核委員會負責協助董事會對本集團內部監控制度進行年度檢討及效用評估。

就處理及公布股價敏感資料之程序及內部監控方面，本公司知悉根據上市規則之責任，並知悉當董事或本公司高級管理層成員得悉股價敏感資料及/或彼將據該等資料作出業務決定時，預期屬股價敏感資料須即時公布之優先原則。本公司須嚴格按照聯交所於二零零二年頒布之「股價敏感資料披露指引」處理其事務。

為確保審核委員會獲得足夠資源，財務及內部監控、風險管理系統之資料及評估已送交審核委員會成員。年內，本集團內部監控程序已由委員會成員批閱。

審核委員會已審閱本公司本年度之財務監控、內部監控及風險管理系統。審核委員會認為內部監控系統屬有效及足以讓董事會監察本集團之整體財務狀況及可合理保證資產不會被未授權使用或虛報重大財務資料；交易乃根據管理層之授權簽立；及會計記錄能可靠地編製供業務內使用或作刊發之財務資料，並反映資產及負債之可表述性。在任何審核委員會成員、公司秘書、合資格會計師及/或董事要求之情況下，可進行額外審閱。

Corporate Governance Report

INTERNAL CONTROL (cont'd)

The Audit Committee considered that the careful management of risk as a key management activity and concluded that the business risks, which may be strategic, operational, reputation-related or financial, should be understood and visible. The Board acknowledges the areas of concern and would devote to in-depth study with senior management in each situation about the level of acceptable risk and controls.

The Audit Committee and the Board considered that the Company had complied with the code provisions on internal control during the Year, and the internal control system is effective and adequate, as

- a framework of prudent and effective controls has been established to enable risks to be identified, evaluated and managed; and
- periodic review of the system of the internal control is carried out by the Audit Committee to ensure the effectiveness of such control.

The Company has established an Internal Audit function with the key tasks as below:

- to review all aspects of the Group's activities and internal controls with unrestricted right of access and direct access to any level of management as considered necessary;
- to conduct comprehensive audits of the practices and procedures, income and expenditures, and internal controls of all business units of the Group on a regular basis; and
- to conduct special reviews and investigations of areas of concern identified by management for corrective actions.

INVESTOR RELATIONS

Accountability and transparency are indispensable for ensuring good corporate governance and, in this regard, timely communication with the shareholders, including institutional investors, is crucial. The Company considers a good investor relations as a key part of its operations and continues to promote investor relations and enhances communications with the investors.

The Company maintains a company website (www.chicheung.com) to make corporate information available on the internet to facilitate its communication with shareholders and to provide important information to the investing public on corporate governance structure, policies and systems, profiles of the Directors and senior management as well as terms of reference of Board committees.

企業管治報告書

內部監控(續)

審核委員會認為審慎之風險管理為重要管理活動，並認為業務風險，可能涉及策略、營運、聲譽或財務，須為明確及清晰。董事會明瞭所關注之範圍，並與高級管理層致力對各項情況之可承受風險水平及監控進行深入研究。

審核委員會及董事會認為本公司已於年內遵守內部監控之守則條文，而內部監控系統為足夠且有效，因為：

- 已設立審慎有效監控之架構，以確保能識別、評估及管理風險；及
- 審核委員會定期審閱內部監控系統，以確保有關監控之有效性。

本公司已製訂之內部稽核職能主要工作如下：

- 檢討本集團各方面之活動及內部監控，及在認為必須之情況下具備無限制及直接接觸任何管理階層之權利；
- 定期對本集團之所有業務單位進行全面之常規及程序、收支及內部監控審核；及
- 就管理層認定之範疇進行特殊檢討及調查，以作出修正行動。

投資者關係

問責制及透明度乃確保良好企業管治之不二法門。就此，與股東(包括機構投資者)定時溝通更屬不可或缺之部份。本公司認為良好投資者關係乃其運作之主要部份，並持續推廣投資者關係及加強與投資者之溝通。

本公司設有公司網頁(www.chicheung.com)，使股東可透過互聯網取得公司資料，加強與股東之溝通，並讓公眾投資者了解企業管治架構、政策及制度、董事及高級管理層簡介，以及董事委員會之職權範圍。

Corporate Governance Report

INVESTOR RELATIONS (cont'd)

The Company welcomes suggestions from investors and shareholders, and invites them to share their views and suggestions by contacting the investor relations team at investor.relations@chineseestates.com.

CONCLUSION

The Company believes that corporate governance principles and practices are essential to the business communities. Ongoing effort will be put to review its corporate governance practices from time to time so as to accommodate the changing circumstances. The Company will try its best to maintain, strengthen and improve the standard and quality of its corporate governance.

In conclusion, the Board considered that the Company had applied the principles of the Code and complied with the code provisions and certain recommended best practices set out in the Code throughout the Year.

企業管治報告書

投資者關係(續)

本公司歡迎投資者及股東向我們提出意見，並誠邀彼等聯絡投資者關係部，分享彼等之意見及建議。投資者關係部之電郵為 investor.relations@chineseestates.com。

總結

本公司相信企業管治原則及常規對商業社會而言至關重要，故本公司亦將持續不時檢討其企業管治常規，以符合多變之情況。本公司將致力維持、加強及改善其企業管治標準及質素。

總括而言，董事會認為本公司於全年內已應用守則原則，並遵守載於守則之守則條文及若干建議最佳常規。



Independent Auditors' Report



Chartered Accountants
Certified Public Accountants

TO THE SHAREHOLDERS OF CHI CHEUNG INVESTMENT COMPANY, LIMITED

(incorporated in Hong Kong with limited liability)

We have audited the consolidated financial statements of Chi Cheung Investment Company, Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 39 to 101, which comprise the consolidated and company balance sheets as at 31st December, 2007, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation and the true and fair presentation of these consolidated financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITORS' RESPONSIBILITY

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

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement.

獨立核數師報告書

31/F, Gloucester Tower
The Landmark
11 Pedder Street
Central
Hong Kong

致至祥置業有限公司股東

(於香港註冊成立之有限公司)

吾等已審核第39頁至第101頁所載至祥置業有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表。綜合財務報表包括於二零零七年十二月三十一日之綜合及公司資產負債表、截至該日止年度之綜合收益表、綜合股本權益變動報表及綜合現金流量表，以及主要會計政策概要及其他說明附註。

董事編製財務報表之責任

貴公司董事須遵照香港會計師公會頒布之香港財務報告準則以及香港公司條例之規定，負責編製並真實公平地呈列此等綜合財務報表。此責任包括設計、實行及維持與編製並真實公平地呈列綜合財務報表有關之內部監控，以確保其並無重大錯誤陳述(不論其由欺詐或錯誤引起)；選擇及採用適當會計政策；並在不同情況下作出合理之會計估算。

核數師之責任

吾等負責根據吾等之審核結果對綜合財務報表發表意見。本報告謹按照香港公司條例第141條而僅向閣下編製，並不作其他用途。吾等不會就報告內容而向任何其他人士負責或承擔責任。

吾等按照香港會計師公會頒布之香港核數準則進行審核工作。該等準則要求吾等在策劃和進行審核工作時須符合道德規範，使吾等能就綜合財務報表是否存有重大錯誤陳述作合理之確定。

Independent Auditors' Report

AUDITORS' RESPONSIBILITY (cont'd)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and true and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31st December, 2007 and of the profit and cash flows of the Group for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

HLB Hodgson Impey Cheng

Chartered Accountants

Certified Public Accountants

Hong Kong, 6th March, 2008

獨立核數師報告書

核數師之責任(續)

審核範圍包括進行程序以取得與綜合財務報表所載數額及披露事項有關之審核憑證。選用之程序須視乎核數師之判斷，包括評估綜合財務報表之重大錯誤陳述(不論其由欺詐或錯誤引起)之風險。在作出該等風險評估時，核數師將考慮與公司編製並真實公平地呈列綜合財務報表有關之內部監控，就不同情況設計適當審核程序，但並非旨在就公司內部監控是否有效表達意見。審核範圍亦包括評估所用會計政策之恰當性，董事所作會計估算之合理性，並就綜合財務報表之整體呈列方式作出評估。

吾等相信，就提出審核意見而言，吾等所獲審核憑證屬充分恰當。

意見

吾等認為，根據香港財務報告準則，綜合財務報表真實公平地反映 貴公司及 貴集團於二零零七年十二月三十一日之財務狀況以及 貴集團截至該日止年度之溢利及現金流量，並已按照香港公司條例妥為編製。

國衛會計師事務所

英國特許會計師

香港執業會計師

香港，二零零八年三月六日

Consolidated Income Statement

For the year ended 31st December, 2007

綜合收益表

截至二零零七年十二月三十一日止年度

			2007	2006
		Notes	HK\$'000	HK\$'000
		附註	千港元	千港元
Turnover	營業額	7	69,974	2,916
Cost of sales	銷售成本		(25,239)	(1,257)
Gross profit	毛利		44,735	1,659
Other revenue	其他收益	7	13,371	11,932
Other income	其他收入	10	1,037	956
Administrative expenses	行政開支		(5,887)	(4,711)
Other operating expenses	其他經營開支		(6,517)	(638)
Fair value changes on investment properties	投資物業之公平值變動	16	5,061	14,874
Finance costs	財務費用	8	(61)	(58)
Impairment loss recognised in respect of advances to associates	就墊付聯營公司款項確認之減值虧損	22	(573)	(13,477)
Write-back of allowance for amount due from an associate	聯營公司欠款準備之撥回金額	22	-	897
Write-back of allowance for amounts due from former associates	前聯營公司欠款準備之撥回金額		1,720	-
Share of results of associates	應佔聯營公司業績	9	62,509	84,886
Profit before taxation	稅前溢利	10	115,395	96,320
Taxation	稅項	11	(7,805)	(2,029)
Profit for the year	本年度溢利		107,590	94,291
Attributable to:	下列應佔：			
Equity holders of the Company	本公司股本持有人		107,651	94,349
Minority interest	少數股東權益		(61)	(58)
			107,590	94,291
Earnings per share	每股盈利			
Basic and diluted	基本及攤薄	14	31.78 cents 仙	27.85 cents 仙

The accompanying notes form an integral part of these financial statements.

隨附附註為本財務報表之一部份。

Consolidated Balance Sheet

As at 31st December, 2007

綜合資產負債表

於二零零七年十二月三十一日

		Notes 附註	2007 HK\$'000 千港元	2006 HK\$'000 千港元
Non-current assets	非流動資產			
Investment properties	投資物業	16	57,450	63,400
Property, plant and equipment	物業、廠房及設備	17	186	205
Prepaid lease payments	預付租賃款項	20	9,633	9,666
Interests in associates	聯營公司權益	22(a)	390,951	329,152
Advances to associates	墊付聯營公司款項	22(b)	93,391	106,911
Available-for-sale financial asset	可供出售金融資產	23	270	270
			551,881	509,604
Current assets	流動資產			
Properties held for sale	持作出售物業	24	56,304	78,483
Debtors, deposits and prepayments	應收賬項、按金及預付款項	25	1,871	672
Advance to the ultimate holding company	墊付最終控股公司款項	26	695	–
Taxation recoverable	可收回稅項		3	6
Cash and cash equivalents	現金及現金等同項目	27	274,224	187,900
			333,097	267,061
Current liabilities	流動負債			
Creditors and accruals	應付賬項及應計費用	28	6,148	8,886
Deposits received	已收按金		2,837	3,276
Taxation payable	應付稅項		5,906	1,805
Loan from minority shareholder	少數股東貸款	29	1,084	–
			15,975	13,967
Net current assets	流動資產淨值		317,122	253,094
Total assets less current liabilities	資產總額減流動負債		869,003	762,698
Non-current liabilities	非流動負債			
Loan from minority shareholder	少數股東貸款	29	–	1,023
Deferred taxation liabilities	遞延稅項負債	30	964	1,235
			964	2,258
Total assets and liabilities	資產及負債總額		868,039	760,440
Equity	權益			
Capital and reserves attributable to equity holders of the Company	本公司股本持有人應佔股本及儲備			
Share capital	股本	31	3,388	3,388
Reserves	儲備		865,735	758,075
Equity attributable to equity holders of the Company	本公司股本持有人應佔權益		869,123	761,463
Minority interest	少數股東權益		(1,084)	(1,023)
Total equity	權益總額		868,039	760,440

Approved by the Board of Directors on 6th March, 2008 and are signed on its behalf by:

經由董事會於二零零八年三月六日批准並由下列代表簽署：

Matthew Cheong, Veng-va

Director

昌榮華

董事

Teresa Poon, Mun-chie

Director

潘敏慈

董事

The accompanying notes form an integral part of these financial statements.

隨附附註為本財務報表之一部份。

Balance Sheet

As at 31st December, 2007

資產負債表

於二零零七年十二月三十一日

			2007	2006
	Notes		HK\$'000	HK\$'000
	附註		千港元	千港元
Non-current assets		非流動資產		
Interests in subsidiaries		附屬公司權益	21	184,104
Advances to subsidiaries		墊付附屬公司款項	21	217,466
Advance to an associate		墊付聯營公司款項	22(b)	9,500
Available-for-sale financial asset		可供出售金融資產	23	270
			332,138	411,340
Current assets		流動資產		
Deposits and prepayments		按金及預付款項	25	549
Advance to the ultimate holding company		墊付最終控股公司款項	26	-
Cash and cash equivalents		現金及現金等同項目	27	183,911
			274,758	184,460
Current liabilities		流動負債		
Creditors and accruals		應付賬項及應計費用	28	1,042
Net current assets		流動資產淨值	272,361	183,418
Total assets and liabilities		資產及負債總額	604,499	594,758
Equity		權益		
Capital and reserves attributable to equity holders of the Company		本公司股本持有人應佔		
		股本及儲備		
Share capital		股本	31	3,388
Reserves		儲備	32	591,370
Total equity		權益總額	604,499	594,758

Approved by the Board of Directors on 6th March, 2008 and are signed on its behalf by:

經由董事會於二零零八年三月六日批准並由下列代表簽署：

Matthew Cheong, Veng-va

Director

昌榮華

董事

Teresa Poon, Mun-chie

Director

潘敏慈

董事

The accompanying notes form an integral part of these financial statements.

隨附附註為本財務報表之一部份。

Consolidated Statement of Changes in Equity

For the year ended 31st December, 2007

綜合股本權益變動報表

截至二零零七年十二月三十一日止年度

Equity attributable to equity holders of the Company

本公司股本持有人應佔權益

		Contribution					Minority interest	Total equity	
		Share capital	Share premium	Contribution from shareholders	Exchange reserve	Retained profits			
		股本	股份溢價	股東注資	滙兌儲備	保留溢利	少數股東權益	權益總額	
		HK\$'000	HK\$'000	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	千港元	千港元	
The Group	本集團								
At 1st January, 2006	於二零零六年一月一日	3,388	495,160	104,225	-	64,341	667,114	(965)	666,149
Profit for the year and total recognised income for the year	本年度溢利及本年度確認之總收入	-	-	-	-	94,349	94,349	(58)	94,291
At 31st December, 2006 and 1st January, 2007	於二零零六年十二月三十一日及二零零七年一月一日	3,388	495,160	104,225	-	158,690	761,463	(1,023)	760,440
Exchange difference on translation of foreign operations	換算海外業務之滙兌差額	-	-	-	9	-	9	-	9
Profit for the year and total recognised income for the year	本年度溢利及本年度確認之總收入	-	-	-	-	107,651	107,651	(61)	107,590
At 31st December, 2007	於二零零七年十二月三十一日	3,388	495,160	104,225	9	266,341	869,123	(1,084)	868,039

Note:

Contribution from shareholders represents the excess of the fair value of the net assets acquired from Chinese Estates Holdings Limited over the consideration paid in relation to the asset transaction completed on 7th November, 2003.

附註：

股東注資指有關於二零零三年十一月七日完成的資產交易中，向華人置業集團收購之資產淨值的公平值超出所付代價之金額。

Consolidated Cash Flow Statement

For the year ended 31st December, 2007

綜合現金流量表

截至二零零七年十二月三十一日止年度

		2007 HK\$'000 千港元	2006 HK\$'000 千港元
Operating activities	經營業務		
Profit before taxation	稅前溢利	115,395	96,320
<i>Adjustments for:</i>	<i>按下列各項調整：</i>		
Share of results of associates	應佔聯營公司業績	(62,509)	(84,886)
Interest income	利息收入	(14,052)	(12,851)
Finance costs	財務費用	61	58
Depreciation	折舊	19	35
Amortisation of prepaid lease payments	預付租賃款項攤銷	33	34
Impairment loss recognised in respect of trade receivable	就應收貿易賬項確認之減值虧損	-	38
Impairment loss recognised in respect of properties held for sale	就持作出售物業確認之減值虧損	-	600
Impairment loss recognised in respect of advances to associates	就墊付聯營公司款項確認之減值虧損	573	13,477
Write-back of allowance for amounts due from former associates	前聯營公司欠款準備之撥回金額	(1,720)	-
Write-back of allowance for amount due from an associate	聯營公司欠款準備之撥回金額	-	(897)
Fair value changes on investment properties	投資物業之公平值變動	(5,061)	(14,874)
Gain on disposal of investment properties	出售投資物業收益	(86)	(24)
Operating cash flows before movements in working capital	營運資金變動前之經營現金流量	32,653	(2,970)
Decrease in properties held for sale	持作出售物業減少	22,179	-
(Increase)/decrease in debtors, deposits and prepayments	應收賬項、按金及預付款項(增加)/減少	(1,071)	27
(Decrease)/increase in creditors and accruals	應付賬項及應計費用(減少)/增加	(2,738)	455
(Decrease)/increase in deposits received	已收按金(減少)/增加	(1,308)	110
Decrease in provision for a litigation claim	索償訴訟撥備減少	-	(8,427)
Cash generated from (used in) operating activities	經營業務所得(所用)現金	49,715	(10,805)
Hong Kong Profits Tax paid	已付香港利得稅	(4,068)	(6)
Overseas tax refunded	已退回海外稅項	96	-
Net cash generated from (used in) operating activities	經營業務所得(所用)現金淨額	45,743	(10,811)
Investing activities	投資業務		
Increase in properties held for development	持作發展物業增加	-	(24,853)
Net proceeds from disposal of investment properties	出售投資物業所得款項淨額	9,416	5,448
Interest received	已收利息	8,877	7,103
Deposit received from disposal of properties	已收出售物業按金	2,550	2,819
Dividend received from an associate	已收聯營公司股息	710	2,020
Repayment from associates	聯營公司還款	17,994	11,044
Repayment from former associates	前聯營公司還款	1,720	-
Net cash generated from investing activities	投資業務所得現金淨額	41,267	3,581

Consolidated Cash Flow Statement

For the year ended 31st December, 2007

綜合現金流量表

截至二零零七年十二月三十一日止年度

		2007	2006
		HK\$'000	HK\$'000
		千港元	千港元
Financing activities	融資活動		
Increase in advance to the ultimate holding company	墊付最終控股公司 款項增加	(695)	—
Net cash used in financing activities	融資活動所用現金淨額	(695)	—
Net increase/(decrease) in cash and cash equivalents	現金及現金等同項目之 增加/(減少)淨額	86,315	(7,230)
Effect of foreign exchange rate changes	外幣滙率變動之影響	9	—
Cash and cash equivalents at beginning of the year	年初之現金及現金等同項目	187,900	195,130
Cash and cash equivalents at end of the year	年終之現金及現金等同項目	274,224	187,900
Analysis of the balances of cash and cash equivalents	現金及現金等同項目 結餘分析		
Cash and cash equivalents	現金及現金等同項目	274,224	187,900

Notes to the Financial Statements

For the year ended 31st December, 2007

1. GENERAL INFORMATION

The Company is a public listed company incorporated in Hong Kong with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Its ultimate holding company is Chinese Estates Holdings Limited ("Chinese Estates"), a company incorporated in Bermuda with its securities listed on the Stock Exchange. The address of the registered office of the Company is disclosed in the "Corporate Information" section to the annual report.

The Company acts as an investment holding company and its subsidiaries are principally engaged in property investment and development. The principal activities and other particulars of its principal subsidiaries are set out in Note 38 to the financial statements.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Company and its subsidiaries (the "Group") has applied, for the first time, a number of new standards, amendments and interpretations (the "new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), which are effective for the Group's financial year beginning on 1st January, 2007. The new HKFRSs adopted by the Group in the financial statements are set out as follows:

HKAS 1 (Amendment)	Capital Disclosures
HKFRS 7	Financial Instruments: Disclosures
HK(IFRIC) – Int 7	Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies
HK(IFRIC) – Int 8	Scope of HKFRS 2
HK(IFRIC) – Int 9	Reassessment of Embedded Derivatives
HK(IFRIC) – Int 10	Interim Financial Reporting and Impairment

The adoption of the above new HKFRSs has no material impact on the results and financial position of the Group.

財務報表附註

截至二零零七年十二月三十一日止年度

1. 一般資料

本公司為一間在香港註冊成立而其股份在香港聯合交易所有限公司(「聯交所」)上市之有限公司。其最終控股公司為於百慕達註冊成立，其證券在聯交所上市之華人置業集團(「華人置業」)。本公司之註冊辦事處地址已於本年報「公司資料」一節中披露。

本公司乃投資控股公司，其附屬公司主要從事物業投資及發展。其主要附屬公司之主要業務及其他資料載於財務報表附註38。

2. 應用新訂及經修訂香港財務報告準則

於本年度，本公司及其附屬公司(「本集團」)首次應用香港會計師公會(「香港會計師公會」)頒布並於二零零七年一月一日開始之本集團財政年度生效之若干新訂準則、修訂本及詮釋(「新香港財務報告準則」)。本集團於財務報表內採納之新香港財務報告準則載列如下：

香港會計準則第1號 (修訂本)	資本披露
香港財務報告準則 第7號	金融工具：披露
香港(國際財務報告 詮釋委員會)－ 詮釋第7號	根據香港會計準則第29號 惡性通貨膨脹經濟體中 之財務報告採用重列法
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	重新評估內含衍生工具
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

採納上述香港財務報告準則不會對本集團之業績與財務狀況構成重大影響。

Notes to the Financial Statements

For the year ended 31st December, 2007

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (cont'd)

The Group has applied the disclosure requirements under HKAS 1 (Amendment) and HKFRS 7 retrospectively. Certain information presented in prior year under the requirements of HKAS 32 has been removed and the relevant comparative information based on the requirements of HKAS 1 (Amendment) and HKFRS 7 has been presented for the first time in the current year.

The Group has not early adopted the following new HKFRSs that have been issued but are not yet effective. The Group is in the process of assessing the potential impact of these new HKFRSs but is not yet in a position to determine whether these new HKFRSs will have a significant impact on how its results of operations and financial position are prepared and presented. These new HKFRSs may result in changes in the future as to how the results and financial position are prepared and presented.

HKAS 1 (Revised)	Presentation of Financial Statements ¹
HKAS 23 (Revised)	Borrowing Costs ¹
HKFRS 8	Operating Segments ¹
HK(IFRIC) – Int 11	HKFRS 2 – Group and Treasury Share Transactions ²
HK(IFRIC) – Int 12	Service Concession Arrangements ³
HK(IFRIC) – Int 13	Customer Loyalty Programmes ⁴
HK(IFRIC) – Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction ³

¹ Effective for annual periods beginning on or after 1st January, 2009.

² Effective for annual periods beginning on or after 1st March, 2007.

³ Effective for annual periods beginning on or after 1st January, 2008.

⁴ Effective for annual periods beginning on or after 1st July, 2008.

財務報表附註

截至二零零七年十二月三十一日止年度

2. 應用新訂及經修訂香港財務報告準則(續)

本集團已追溯應用香港會計準則第1號(修訂本)及香港財務報告準則第7號之披露規定。過往年度根據香港會計準則第32號呈列之若干資料已被移除，並在本年度首次根據香港會計準則第1號(修訂本)及香港財務報告準則第7號之相關比較資料已首次於本年度呈列。

本集團並未提早採納下列已頒布但尚未生效之新香港財務報告準則。本集團現正評估該等新香港財務報告準則之潛在影響，惟仍未能釐定該等新香港財務報告準則會否對其經營業績及財務狀況之編製及呈列方式構成重大影響。該等新香港財務報告準則可能於未來導致業績及財務狀況之編製及呈列方式有變。

香港會計準則第1號	財務報表呈列 ¹ (經修訂)
香港會計準則第23號	借貸成本 ¹ (經修訂)
香港財務報告準則第8號	經營分部 ¹
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 – 集團及庫務股票交易 ²
香港(國際財務報告詮釋委員會) – 詮釋第12號	服務專營權安排 ³
香港(國際財務報告詮釋委員會) – 詮釋第13號	客戶忠誠計劃 ⁴
香港(國際財務報告詮釋委員會) – 詮釋第14號	香港會計準則第19號 – 界定利益資產之限制，最低資金要求及其相互影響 ³

¹ 於二零零九年一月一日或之後開始之年度期間生效。

² 於二零零七年三月一日或之後開始之年度期間生效。

³ 於二零零八年一月一日或之後開始之年度期間生效。

⁴ 於二零零八年七月一日或之後開始之年度期間生效。

Notes to the Financial Statements

For the year ended 31st December, 2007

3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which is a collective term that includes all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards, and Interpretations issued by the HKICPA, accounting principles generally accepted in Hong Kong, the disclosure requirements of the Hong Kong Companies Ordinance and applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules"). These financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand (HK\$'000) except otherwise indicated.

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and estimates with a significant risk of material adjustments in the next year are discussed in Note 4 to the financial statements.

A summary of the significant accounting policies followed by the Group in the preparation of the financial statements is set out below:

(a) **Basis of preparation**

The financial statements have been prepared on the historical cost basis except for certain financial assets, financial liabilities and investment properties, which are measured at their fair values, as explained in the accounting policies set out below.

財務報表附註

截至二零零七年十二月三十一日止年度

3. 主要會計政策

本財務報表乃根據所有適用香港財務報告準則（「香港財務報告準則」）及香港公司條例之披露規定，以及聯交所證券上市規則（「上市規則」）之適用披露規定編製。香港財務報告準則為一個統稱，包括所有由香港會計師公會頒布之適用香港財務報告準則、香港會計準則及詮釋、香港公認會計原則。除另有說明外，本財務報表以港元呈報，所有價值均四捨五入至最接近之千位數（千港元）。

管理層需在編製符合香港財務報告準則之財務報表時作出對政策應用、以及資產、負債、收入和支出之報告數額構成影響之判斷、估計和假設。該等估計和相關假設是根據以往經驗和管理層因應當時情況認為合理之多項其他因素作出的，其結果構成了管理層在無法依循其他途徑得知資產與負債之賬面值時所作出判斷之基礎。實際結果可能有別於估計數額。管理層會不斷審閱各項估計和相關假設。如果會計估計之修訂只是影響某一期間，其影響便會在該期間內確認；如果修訂對當前和未來期間均有影響，則在作出修訂之期間和未來期間確認。

有關管理層在應用香港財務報告準則時所作出對財務報表有重大影響之判斷，以及作出極可能在下年度構成重大調整風險之估計，已於附註4論述。

本集團於編製財務報表所採納之主要會計政策之概要如下：

(a) **編製基準**

財務報表乃按歷史成本法編製，惟若干金融資產、金融負債及投資物業如下文所載會計政策所述按其公平值計算。

Notes to the Financial Statements

For the year ended 31st December, 2007

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(b) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Minority interest in the net assets of consolidated subsidiary is presented separately from the Group's equity therein. Minority interest consist of the amount of those interest at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's share in the subsidiary's equity are allocated against the interest of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

(c) Investments in subsidiaries

Subsidiaries are all 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.

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

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured at 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. 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.

財務報表附註

截至二零零七年十二月三十一日止年度

3. 主要會計政策(續)

(b) 綜合賬目基準

綜合財務報表包括本公司及其附屬公司之財務報表。

年內收購或出售之附屬公司業績，乃由實際收購日期起或直至實際出售日期止(按適當情況)計入綜合收益表內。

所有集團內公司間之交易，結餘、收入及支出均於綜合賬目中對銷。

綜合附屬公司資產淨值內之少數股東權益與本集團於其中之權益分開呈列。少數股東權益包括在原業務合併日期之有關權益數額，以及自合併日期起計少數股東應佔之股權變動。適用於少數股東之虧損超出於附屬公司股權之少數股東權益之數額將與本集團之權益作出分配，惟少數股東具約束力責任及可以其他投資補足虧損者除外。

(c) 附屬公司投資

附屬公司乃本集團有權監管其財務及營運政策之所有實體，通常擁有其過半數投票權之股權。在評估本集團是否控制另一實體時，會考慮是否存在即時可行使或轉換之潛在投票權及其作用。

在本公司之資產負債表中，於附屬公司之投資乃以成本減除減值虧損撥備列賬。附屬公司之業績由本公司按已收及應收股息基準列賬。

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、所發行之股本工具及所產生或承擔之負債之公平值，加上收購事項直接應佔之成本。在業務合併過程中所收購之可識別資產、所承擔之負債及或然負債，均於收購當日按其公平值初步計算(不論任何少數股東權益之款額)。收購成本超出本集團應佔所收購之可識別淨資產之公平值之差額乃記錄為商譽。倘收購成本低於所收購附屬公司淨資產之公平值，則有關差額將直接於收益表內確認。

Notes to the Financial Statements

For the year ended 31st December, 2007

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(d) *Interests in associates*

An associate is an entity which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, investments in associates are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the Group's share of the profit or loss and of changes in equity of the associate, less any impairment in the value of individual investments. Losses of an associate in excess of the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate) are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that associate.

Where a group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

Investments in associates are included in the Company's balance sheet at cost, less any identified impairment loss. The results of the associates are accounted for by the Company on the basis of dividends received and receivable during the year.

(e) *Investment properties*

Investment property, which is property held to earn rentals and/or for capital appreciation, is stated at its fair value at the balance sheet date. Gains or losses arising from changes in the fair value of investment properties are included in income statement for the year in which they arise.

On disposal of investment properties, the gain or loss is directly recognised in the income statement.

財務報表附註

截至二零零七年十二月三十一日止年度

3. 主要會計政策(續)

(d) *聯營公司權益*

聯營公司為本集團擁有重大影響力而並非附屬公司或合營公司權益之實體。重大影響力指有權參與投資公司之財務及營運政策決定，但非對該等政策擁有控制權或共同控制權。

聯營公司之業績及資產與負債利用權益會計法計入此等綜合財務報表。根據權益法，聯營公司投資以成本在綜合資產負債表內列賬，並經收購後本集團應佔聯營公司損益及權益變動而調整，須減除個別投資之價值減值後列賬。聯營公司之虧損若超逾本集團於該聯營公司之權益(包括任何長期權益，此在實質上構成本集團於聯營公司內淨投資之一部份)僅以本集團已產生之法定或推定責任或代表該聯營公司支付之款項為限予以確認。

倘一集團實體與本集團之聯營公司進行交易，則按本集團於有關聯營公司所佔之權益為限撇銷盈虧。

聯營公司投資按成本減去任何已辨識減值虧損計入本公司資產負債表。本公司於年內按已收及應收股息為基準計入聯營公司之業績。

(e) *投資物業*

持作賺取租金及／或作資本增值物業之投資物業，於結算日按公平值列賬。投資物業因公平值之變動所產生之盈虧，於產生之年度內計入收益表。

在出售投資物業時所產生的利潤或虧損直接在收益表中確認。

Notes to the Financial Statements

For the year ended 31st December, 2007

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(f) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the year in which the item is derecognised.

(g) Property interests held for development

Property interests held for development represent a right to develop properties on a piece of land upon payment of a final amount or land acquired pending any definite intention, and are carried at cost, less any identified impairment losses.

(h) Properties held for development

When the leasehold land and buildings are in the course of development for production, rental, for administrative purposes or for sale, the leasehold land component is classified as a prepaid lease payment and amortised over a straight-line basis over the lease term. During the construction period, the amortisation charge provided for the leasehold land is included as part of costs of buildings under construction. Buildings under construction are carried at cost, less any identified impairment losses. Depreciation of buildings commences when they are available for use.

(i) Properties held for sale

Completed properties held for sale remaining unsold at the balance sheet date are stated at the lower of cost and net realisable value.

財務報表附註

截至二零零七年十二月三十一日止年度

3. 主要會計政策(續)

(f) 物業、廠房及設備

物業、廠房及設備按成本減累計折舊以及任何累計減值虧損列賬。

物業、廠房及設備之折舊，乃按其估計可使用年期以直線法撇銷成本。

當物業、廠房及設備項目出售，或預期繼續使用有關資產時將不會產生未來經濟利益時不再確認入賬。不再確認資產所產生之盈虧(按銷售所得款項淨額與項目之賬面金額兩者間之差額計算)，乃於不再確認該項目之年度內計入收益表。

(g) 持作發展之物業權益

持作發展之物業權益指於支付最後款項後在土地上發展物業之權利或已購入而未有任何具體意向之土地，乃按成本扣除任何可辨認減值虧損列賬。

(h) 持作發展物業

在發展中作生產、租賃、行政或出售用途之租賃土地及樓宇，租賃土地部份須列作預付租賃款項類別，並於租期內按直線法攤銷。在建築期內，為租賃土地所作之攤銷費用可包括在興建中樓宇之成本內。興建中樓宇按成本減任何已辨認減值虧損列賬。樓宇於可供使用時開始折舊。

(i) 持作出售物業

可持作出售惟於結算日仍未售出的已落成物業按成本與可變現淨值兩者中之較低者入賬。

Notes to the Financial Statements

For the year ended 31st December, 2007

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(j) **Leasing**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Rental income from operating leases is recognised in the income statement on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as expenses on a straight-line basis over the lease term.

The Group as lessee

Rental payable under operating leases is charged to profit or loss on a straight-line basis over the term of the relevant lease. Benefit received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expenses over the lease term on a straight-line basis.

(k) **Cash and cash equivalents**

Cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

(l) **Revenue recognition**

Revenue from properties held for sale is recognised on the execution of a binding sales agreement. Payments received from the purchasers prior to this stage are recorded as deposits received on sales of properties and are grouped under current liabilities.

財務報表附註

截至二零零七年十二月三十一日止年度

3. 主要會計政策(續)

(j) **租約**

凡租約條款規定將租賃資產擁有權之絕大部份風險及利益轉移至承租人之租約均列為財務租約。所有其他租約均分類為營業租約。

本集團為出租人

營業租約之租金收入會以直線法按有關租約年期在收益表確認。磋商及安排營業租約時產生之初步直接成本會加入租賃資產之賬面金額，並以直線法按租約年期確認為開支。

本集團為承租人

根據營業租約應付之租金會以直線法按有關租約年期在損益賬中扣除。作為訂立營業租約獎勵之已收及應收利益乃以直線法按有關租約年期確認減少租金支出。

(k) **現金及現金等同項目**

現金等同項目包括銀行存款及現金、存放於銀行及其他金融機構之活期存款及購入後一般在三個月內可予兌現及可隨時轉換為已知數額現金且價值變動風險較少之短期高度流動性投資，減須應要求償還並構成本集團現金管理之組成部份之銀行透支。

(l) **收入確認**

持作出售物業之收入在執行具約束力之銷售協議時方予確認入賬。於上述階段前從買家收取之款項乃列作銷售物業之已收按金，並計入流動負債內。

Notes to the Financial Statements

For the year ended 31st December, 2007

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(l) Revenue recognition (cont'd)

Rental income from properties under operating leases is recognised on a straight-line basis over the term of the relevant lease.

Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

(m) Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in its functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair values were determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise, except for exchange differences arising on a monetary item that forms part of the Group's net investment in a foreign operation, in which case, such exchange differences are recognised in equity in the consolidated financial statements. Exchange differences arising on the retranslation of non-monetary items carried at fair values are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity, in which cases, the exchange differences are also recognised directly in equity.

財務報表附註

截至二零零七年十二月三十一日止年度

3. 主要會計政策(續)

(l) 收入確認(續)

營業租約項下物業之租金收入於有關租賃期內以直線法攤銷確認。

金融資產之利息收入乃就本金結餘按適用利率及時間比例計算，適用利率為將金融資產於預期年期內之未來現金收款準確貼現至賬面淨值之利率。

(m) 外幣

在編製個別集團實體的財務報表時，以實體功能貨幣以外之貨幣(外幣)進行之交易按交易日通用之匯率以其功能貨幣(即該實體經營之主要經濟環境之貨幣)記錄。於各結算日，以外幣列值之貨幣項目以結算日通用之匯率重新換算。以外幣列值並按公平值列賬之非貨幣項目以釐定公平值當日通用之匯率重新換算。以外幣列值並以歷史成本計算之非貨幣項目不會重新換算。

結算貨幣項目及重新換算貨幣項目時產生之匯兌差額於產生之期間在損益中確認，惟因貨幣項目而產生並構成本集團之海外業務淨投資一部份之匯兌差額則於綜合財務報表中之股本確認。重新換算按公平值列賬之非貨幣項目產生之匯兌差額計入期內之損益，惟重新換算非貨幣項目產生之差額有關之損益直接於股本確認，在此情況下，匯兌差額亦會直接於股本中確認。

Notes to the Financial Statements

For the year ended 31st December, 2007

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(m) Foreign currencies (cont'd)

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Company (i.e. Hong Kong dollars) at the rate of exchange prevailing at the balance sheet date, and their income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised as a separate component of equity (the exchange reserve). Such exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the balance sheet date. Exchange differences arising are recognised in the exchange reserve.

(n) Retirement benefit costs

Payments to defined contribution schemes are charged as expenses as they fall due.

(o) Financial instruments

Financial assets and financial liabilities are recognised on the balance sheet when an entity of the Company and the Group becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

財務報表附註

截至二零零七年十二月三十一日止年度

3. 主要會計政策(續)

(m) 外幣(續)

就綜合財務報表之呈報而言，本集團海外業務之資產及負債按結算日之匯率換算為本公司之呈列貨幣(即港元)，而收支則按該年度之平均匯率換算。倘期內匯率大幅波動，則使用交易日之匯率換算。產生之匯兌差額(如有)確認為股本之獨立部份(匯兌儲備)。該等匯兌差額於出售海外業務期間在損益內確認。

收購海外業務產生之已收購可識別資產商譽及公平值調整，被視為該海外業務之資產及負債，並按結算日適用之匯率換算。由此產生之匯兌差額於匯兌儲備確認。

(n) 退休福利成本

界定供款計劃之供款於其到期支付時作為開支扣除。

(o) 金融工具

當本公司及本集團之實體成為工具合約條文之一方，則於資產負債表內確認金融資產及金融負債。金融資產及金融負債初步按公平值計算。收購或發行金融資產及金融負債直接應佔之交易成本(以公平值計算且以公平值計入損益之金融資產及金融負債除外)乃於初步確認時加入金融資產或金融負債(如適用)之公平值，或從金融資產或金融負債之公平值扣除。收購以公平值計量且以公平值計入損益之金融資產或金融負債直接應佔之交易成本，即時於損益內確認。

Notes to the Financial Statements

For the year ended 31st December, 2007

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(o) Financial instruments (cont'd)*Financial assets*

The Company's and the Group's financial assets are classified into loans and receivables and available-for-sale financial asset. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. The accounting policies adopted are set out below.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At each balance sheet date subsequent to initial recognition, loans and receivables (including debtors, deposits and prepayments) are carried at amortised cost using the effective interest method, less any identified impairment losses. An impairment loss is recognised in income statement when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

財務報表附註

截至二零零七年十二月三十一日止年度

3. 主要會計政策(續)

(o) 金融工具(續)*金融資產*

本公司及本集團之金融資產分類為貸款及應收款項以及可供出售金融資產。所有正常買賣之金融資產按交易日之基準確認及不予確認。正常買賣之金融資產是指按照市場規定或慣例須在一段期間內進行資產交付之金融資產買賣。所採納之會計政策載列如下。

貸款及應收款項

貸款及應收款項為並未於交投活躍之市場內報價而附帶固定或可議定付款之非衍生金融資產。於初步確認後之每個結算日，貸款及應收款項(包括應收賬款、按金及預付款項)使用實際利息法按經攤銷成本減任何可識別減值虧損列賬。當有客觀證據顯示資產已減值，則於收益表確認減值虧損，並以資產之賬面金額與按原實際利率折現其估計未來現金流量之現值兩者之差額計算。當於確認減值後發生一項事件可以客觀地與資產可收回款項增加有關，減值虧損可於其後會計期間撥回，但撥回以減值日期資產之賬面金額為限，不得超過該項資產原未確認減值時之已攤銷成本。

Notes to the Financial Statements

For the year ended 31st December, 2007

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(o) **Financial instruments (cont'd)**

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as any of the other categories under HKAS 39. At each balance sheet date subsequent to initial recognition, available-for-sale financial assets are measured at fair value. Changes in fair value are recognised in equity, until the financial asset is disposed of or is determined to be impaired, at which time, the cumulative gain or loss previously recognised in equity is removed from equity and recognised in income statement. Any impairment losses on available-for-sale financial assets are recognised in income statement. Impairment losses on available-for-sale equity investments will not reverse in subsequent periods. For available-for-sale debt investments, impairment losses are subsequently reversed if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Financial liabilities and equity

Financial liabilities and equity instruments issued by an entity of the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

The Group's financial liabilities are classified into other financial liabilities. The accounting policies adopted in respect of financial liabilities and equity instruments are set out below.

Other financial liabilities

Other financial liabilities including creditors and accruals, deposits received and loan from minority shareholder are subsequently measured at amortised cost, using the effective interest method.

財務報表附註

截至二零零七年十二月三十一日止年度

3. 主要會計政策(續)

(o) **金融工具(續)**

可供出售金融資產

可供出售金融資產為根據香港會計準則第39號指定或並無分類為任何其他分類之非衍生工具。於首次確認後之各個結算日，可供出售金融資產按公平值計算。公平值變動於權益確認，直至出售金融資產或金融資產被釐定為減值為止。屆時，以往於權益確認之累計收益或虧損會於權益扣除，並於收益表確認。可供出售金融資產之任何減值虧損於收益表確認。可供出售股本投資之減值虧損不會於往後期間撥回。就可供出售債務投資而言，倘投資之公平值增加可能客觀地涉及確認減值虧損後發生之事件，減值虧損則於其後撥回。

金融負債及股本

本集團實體發行之金融負債及股本工具乃根據所訂立合約安排之內容及金融負債與股本工具之定義予以分類。股本工具為可證明於本集團資產經扣除其所有負債後之餘額權益之任何合約。

本集團之金融負債分類為其他金融負債，而就金融負債及股本工具所採納之會計政策載列如下。

其他金融負債

其他金融負債(包括應付賬款及應計費用、已收按金及少數股東貸款)均於其後使用實際利息法按攤銷成本計算。

Notes to the Financial Statements

For the year ended 31st December, 2007

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(o) Financial instruments (cont'd)*Equity instruments*

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(p) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes income statement items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantially enacted at the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill (or negative goodwill) or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

財務報表附註

截至二零零七年十二月三十一日止年度

3. 主要會計政策(續)

(o) 金融工具(續)*股本工具*

本公司發行之股本工具按已收所得款項扣除直接發行成本入賬。

(p) 稅項

所得稅支出指當期應付稅項及遞延稅項。

當期應付稅項按年度應課稅溢利計算。應課稅溢利與收益表所報稅前溢利不同，此乃由於其不包括在其他年度應課稅或可扣減之收入或支出項目，亦不包括收益表內永不課稅或扣減之項目。本集團有關當期稅項之負債按結算日已實施或大致實施之稅率計算。

遞延稅項為預期就財務報表內資產及負債賬面金額與用於計算應課稅溢利之相應稅基兩者之差異而應付或可收回之稅項，並以資產負債表負債法處理。遞延稅項負債通常會就所有應課稅暫時差異確認，而遞延稅項資產則限於可能於日後取得應課稅溢利，並可用以抵銷可扣減暫時差異時確認。若暫時差異乃因商譽(或負商譽)或一項既不影響應課稅溢利亦不影響會計溢利之交易(業務合併除外)中開始確認其他資產及負債而引致，則不會確認該等稅項資產及負債。

遞延稅項負債乃就附屬公司及聯營公司投資產生之應課稅暫時差異而確認，惟倘本集團能夠控制該等暫時差異之回轉及該等暫時差異預料不會在可見將來回轉則屬例外。

Notes to the Financial Statements

For the year ended 31st December, 2007

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(p) **Taxation (cont'd)**

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

(q) **Related party transactions**

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

A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

(r) **Borrowings**

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

財務報表附註

截至二零零七年十二月三十一日止年度

3. 主要會計政策(續)

(p) **稅項(續)**

遞延稅項資產之賬面金額於每個結算日均作檢討，並在不大可能再有足夠應課稅溢利收回全部或部份稅項資產時減少。

遞延稅項乃按預期於負債償還或資產變現期間之適用稅率計算。遞延稅項會扣自或計入收益表，惟有關直接扣自或計入股本之項目，則有關之遞延稅項亦會於股本中處理。

(q) **關連人士交易**

倘一方有能力直接或間接控制另一方或在財務及營運決策方面對另一方行使重大影響，則雙方被視為關連。倘雙方均受共同控制或受到共同重大影響，則雙方亦被視為關連。關連人士可以是個人(即主要管理人員、重要股東及／或與彼等關係密切之家族成員)或其他實體，並且包括受到本集團之關連人士重大影響之實體(該等人士為個人及以本集團或為本集團關連人士之任何實體之僱員為受益人而設之離職後福利計劃)。

倘一項交易涉及關連人士進行資源或責任轉移，則該項交易被視為關連人士交易。

(r) **借款**

借款初步按公平值扣除所產生之交易成本確認。交易成本為直接與收購、發行或出售金融資產或金融負債有關之增加成本，包括支付予代理、顧問、經紀及交易商之費用及佣金，監管機關及證券交易所之徵費，以及轉讓稅項及稅收。借款其後按攤銷成本列賬，所得款項(扣除交易成本)與贖回價值兩者間之任何差額，使用實際利息法於借款期間內在收益表中確認。

Notes to the Financial Statements

For the year ended 31st December, 2007

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(s) Impairment losses

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

(t) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligations.

(u) Contingent liabilities and assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably. A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that outflow is probable, they will then be recognised as a provision.

財務報表附註

截至二零零七年十二月三十一日止年度

3. 主要會計政策(續)

(s) 減值虧損

每結算日，本集團會檢討其有形及無形資產之賬面金額，以釐定該等資產有否出現減值虧損之現象。倘估計資產之可收回金額將低於其賬面金額，則將該資產之賬面金額減至其可收回金額。減值虧損則即時確認為開支。

倘減值虧損其後撥回，則有關資產之賬面金額會增至其經修訂估計可收回之金額，惟已增加之賬面金額不得超過假設有關資產於過往年度並無確認減值虧損而釐定之賬面金額。減值虧損撥回將即時確認為收入。

(t) 撥備

當本集團因過往事件而須承擔現有法律或推定責任，且大大可能需要資源流出以應付有關債務時，則確認為撥備，且有關債務所涉及數額必須能可靠地估計。撥備於每結算日檢討，並調整以反映現時之最佳估計。如資金之時值影響重大，撥備之金額為預期須用以償付債務之支出之現值。

(u) 或然負債及或然資產

或然負債乃一項因過往事件產生之有可能承擔，而該等過往事件之存在僅可由一項或多項並非由本集團全權控制之日後不明朗事件之存在與否確定。其亦可為一項因不大可能需要耗用經濟資源或承擔之金額未能可靠地計算而未有確認之過往事件產生之現有承擔。或然負債未有予以確認，惟已於財務報表附註中披露。倘耗用經濟資源之可能性出現變動致使有可能需耗用經濟資源，則或然負債將確認為撥備。

Notes to the Financial Statements

For the year ended 31st December, 2007

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(u) **Contingent liabilities and assets (cont'd)**

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent assets are not recognised but are disclosed in the notes to the financial statements when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognised.

(v) **Segment reporting**

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

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

Critical accounting estimates and assumptions

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

財務報表附註

截至二零零七年十二月三十一日止年度

3. 主要會計政策(續)

(u) **或然負債及或然資產(續)**

或然資產乃一項因過往事件產生之有可能資產，而該等過往事件之存在僅可由一項或多項並非由本集團全權控制之日後不明朗事件之存在與否確定。或然資產不會在財務報表確認，但於可能出現經濟利益流入時於財務報表附註中予以披露。當流入獲實質確定時將對資產確認。

(v) **分類報告**

業務分類指從事物業發展或物業租賃之一組資產和業務，其所涉及之風險和回報與其他業務分類不同。地區分類乃於某一特定經濟環境中從事物業發展或物業租賃，其所涉及之風險及回報與其他經濟環境當中營運之地區分類不同。

4. 關鍵會計估計及判斷

估計及判斷會不斷重估，並依據過往經驗及其他因素，包括在若干情況下屬合理之未來事件預測。

關鍵會計估計及假設

本集團就未來作出估計及假設。鑑於其推測性質，所得之會計估計很少與實際情況完全相同。極可能構成下一財政年度之資產及負債賬面金額作出重大調整之重要風險估計及假設之討論載列如下。

Notes to the Financial Statements

For the year ended 31st December, 2007

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

(a) Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues 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 impact the income tax and deferred tax provisions in the period in which such determination is made.

(b) Impairment of assets

The Group tests annually whether the assets have suffered any impairment. The recoverable amount of an asset or a cash generating unit is determined based on value-in-use calculations which require the use of assumptions and estimates.

(c) Estimate of fair value of investment properties

The best evidence of fair value is current prices in an active market for similar lease and other contracts. In the absence of such information, the Group determines the amount within a range of reasonable fair value estimates. In making its judgement, the Group considers information from a variety of sources including:

- (i) current prices in an active market for properties of different nature, condition or location (or subject to different lease or other contracts), adjusted to reflect those differences;
- (ii) recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; and

財務報表附註

截至二零零七年十二月三十一日止年度

4. 關鍵會計估計及判斷(續)

(a) 所得稅

本集團須繳納若干司法權區之所得稅。在釐定全球所得稅撥備時須作出重大判斷。在日常業務過程中，大部份交易及計算之最終稅務決定均不明朗。本集團根據附加稅項會否到期之估計來確認預計稅項審核事宜之負債。倘此等事宜之最終稅務結果有別於首次錄得之金額，有關差額將對作出決定期間之所得稅及遞延稅項撥備構成影響。

(b) 資產減值

本集團每年進行資產減值測試，並利用須作出若干假設及估計之使用價值計算法，釐定資產或現金產生單位之可收回金額。

(c) 投資物業之公平值估計

公平值之最佳憑證為同類租約及其他合約於活躍市場所提供之現行價格。倘缺乏此方面資料，本集團在合理公平值估計範圍內釐定有關金額。在作出判斷時，本集團考慮多方面資料，其中包括：

- (i) 不同性質、狀況或地點(或受不同租約或其他合約規限)之物業當時在活躍市場上之現行價格(須就該等差異作出調整)；
- (ii) 活躍程度稍遜之市場所提供類似物業最近期價格(須就自以該等價格成交當日以來經濟狀況出現之任何變化作出調整)；及

Notes to the Financial Statements

For the year ended 31st December, 2007

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

(c) Estimate of fair value of investment properties (cont'd)

- (iii) discounted cash flow projections based on reliable estimates of future cash flows, derived from the terms of any existing lease and other contracts, and (where possible) from external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

If information on current or recent prices of investment properties is not available, the fair values of investment properties are determined using discounted cash flow valuation techniques. The Group uses assumptions that are mainly based on market conditions existing at each balance sheet date.

The principal assumptions underlying management's estimation of fair value are those related to: the receipt of contractual rentals; expected future market rentals; void periods; maintenance requirements; and appropriate discount rates. These valuations are regularly compared to actual market yield data, and actual transactions by the Group and those reported by the market.

The expected future market rentals are determined on the basis of current market rentals for similar properties in the same location and condition.

The Group assesses the fair value of its investment properties based on valuation determined by qualified independent professional surveyors in Hong Kong.

(d) Property interests held for development

As explained in Note 19, the Group made a full provision for an impairment loss of HK\$183,381,000 in respect of property interests held for development in Shantou in 2004.

The write-back of impairment loss to other income (if any) will rely on the conclusive judgment of legal proceedings and the actual amount that could be recovered from the recourse action (if necessary).

財務報表附註

截至二零零七年十二月三十一日止年度

4. 關鍵會計估計及判斷(續)

(c) 投資物業之公平值估計(續)

- (iii) 根據未來現金流量所作可靠估計而預測之折現現金流量，此項預測源自任何現有租約及其他合約之條款及(在可能情況下)外在證據(如地點及狀況相同之類似物業現行市場租值)，並採用反映當時無法肯定有關現金流量金額及時間之折現率計算。

倘無法取得有關投資物業現行或最近期價格之資料，則採用折現現金流量估值法釐定投資物業之公平值。本集團所用假設主要以每結算日出現之市況為依據。

支持管理層所作公平值估計之主要假設涉及：約定租金收入、預計未來市場租值、空置期、維修保養規定及適當之折現率。此等估值定期與實際市場回報數據及本集團進行實際交易及市場提供之交易記錄作比較。

預計未來市場租值乃根據地點及狀況相同之類似物業之現行市場租值釐定。

本集團根據香港合資格獨立專業測量師釐定之估價評估其投資物業之公平值。

(d) 持作發展之物業權益

誠如附註19所述，本集團就於二零零四年在汕頭之持作發展之物業權益之減值虧損183,381,000港元作出全數撥備。

減值虧損撥回至其他收入(如有)將取決於法律訴訟之最後裁決及追索行動(如必須)所收回之實際金額而定。

Notes to the Financial Statements

For the year ended 31st December, 2007

5. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to a variety of financial risks. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

There has been no change to the Group's exposure to its financial risks or the manner in which it manages and measure the risk.

(a) Market risks

Foreign exchange risk

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

Price risk

The Group has financial assets which are measured at fair value at each balance sheet date. The Group manages its exposure by closely monitoring the price movements and the changes in market conditions that may affect the value of these investments.

As at the balance sheet date, the Group has no significant exposure to foreign exchange risk and price risk.

財務報表附註

截至二零零七年十二月三十一日止年度

5. 財務風險管理

財務風險因素

本集團之業務面對不同財務風險。本集團之整體風險管理計劃針對金融市場不可預測之情況，尋求減低其對本集團財務表現構成之潛在不利影響。

本集團之財務風險或其管理及計量該風險之方式並無變動。

(a) 市場風險

外匯風險

本集團之外匯風險來自不同貨幣，當中以港元為主。外匯風險來自海外業務之未來商業交易及已確認資產及負債及投資淨額。

價格風險

本集團擁有按每結算日之公平值計算之金融資產。本集團通過密切監察可能影響有關投資價值之價格及市況之變動來管理其風險。

於結算日，本集團並無重大之外匯風險及價格風險。

Notes to the Financial Statements

For the year ended 31st December, 2007

5. FINANCIAL RISK MANAGEMENT (cont'd)

(b) Credit risk

The Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations as at 31st December, 2007 in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated balance sheet. The Group's and the Company's time deposits are deposited with banks of high credit quality in Hong Kong. For rent receivable, the Group obtained sufficient deposits from tenants and stringent monitoring procedures are in place to deal with overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at each balance sheet date to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The Group has no significant concentration of credit risk, with exposure spread over a number of counterparties and customers.

The Company has no significant credit risk as at 31st December, 2007.

(c) Interest rate risk

The Group and the Company have no interest rate risk arises from bank borrowings.

The Group and the Company have no significant interest-bearing assets except for interest-bearing advances to associates, time deposits and bank balances, details of which have been disclosed in Note 22 and Note 27.

The Group analyses its interest rate exposure on a dynamic basis. Its advances to associates, time deposits and bank balances were issued at fixed and variable rates. As such, the impact of the increase or decrease in prime rate would be an effect on interest income arising from advances to associates, time deposits and bank balances for the Group.

The Group's interest rate risk is mainly concentrated on the fluctuation of interest income arising from the Group's Hong Kong dollar denominated interest-bearing advances to associates, time deposits and bank balances.

財務報表附註

截至二零零七年十二月三十一日止年度

5. 財務風險管理(續)

(b) 信貸風險

本集團就倘交易對手未能履行其於二零零七年十二月三十一日有關各類已確認金融資產之責任所面對最大信貸風險為綜合資產負債表所述該等金融資產之賬面金額。本集團及本公司之定期存款存於香港高信貸質素之銀行。就應收租金而言，本集團收取租戶足夠按金及設有嚴格監控程序以處理逾期債務。此外，本集團於每結算日檢討各項個別貿易債務之可收回金額，以確保就無法收回之款項作出足夠減值虧損。就此，本公司董事認為，本集團之信貸風險已大大減少。

本集團並無重大集中之信貸風險，風險分佈於多個交易對手及客戶。

截至二零零七年十二月三十一日止，本公司並無重大之信貸風險。

(c) 利率風險

本集團及本公司並無因銀行借款產生利率風險。

本集團及本公司並無重大計息資產(墊付聯營公司之計息款項、定期存款及銀行結餘除外)，詳情於附註22及附註27披露。

本集團按持續基準分析其利率風險。其墊付聯營公司款項、定期存款及銀行結餘按固定及浮動利率發行。因此，最優惠利率之上升或下降將對本集團來自墊付聯營公司款項、定期存款及銀行結餘之利息收入產生影響。

本集團之利率風險主要集中於來自本集團以港元計值之墊付聯營公司之計息款項、定期存款及銀行結餘利息收入之波動。

Notes to the Financial Statements

For the year ended 31st December, 2007

5. FINANCIAL RISK MANAGEMENT (cont'd)

(c) Interest rate risk (cont'd)*Sensitivity analysis*

The sensitivity analyses below have been determined based on the exposure to interest rates for interest-bearing advances to associates, time deposits and bank balances at the balance sheet date. For variable-rate assets, the analysis is prepared assuming the amount of financial assets held at the balance sheet date was held for the whole year. A 50 basis points increase or decrease in prime rate represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's profit before taxation for the year ended 31 December 2007 and retained profits would decrease/increase by HK\$1,693,000 (2006:decrease/increase by HK\$1,339,000).

The Group's sensitivity to interest rates has increased during the current year mainly due to the increase in time deposits held.

(d) Liquidity risk

The Group manages liquidity risk by regularly monitoring current and expected liquidity requirements and ensuring sufficient liquid cash and intended credit lines of funding from major financial institutions to meet the Group's liquidity requirements in the short and long term.

As at the balance sheet date, the Group does not have significant exposure to liquidity risk.

財務報表附註

截至二零零七年十二月三十一日止年度

5. 財務風險管理(續)

(c) 利率風險(續)*敏感度分析*

下文敏感度分析乃根據於結算日墊付聯營公司之計息款項、定期存款及銀行結餘之利率釐定。就浮動利率資產而言，分析乃假設於結算日所持之金融資產於整個年度持有而編製。最優惠利率上升或下降50個基點，代表管理層對利率合理可能變動之評估。

倘利率上升/下降50個基點及所有其他可變數不變，則本集團截至二零零七年十二月三十一日之稅前溢利及保留溢利將減少/增加1,693,000港元(二零零六年：減少/增加1,339,000港元)。

年內，由於所持定期存款增加，本集團之利率敏感度有所上升。

(d) 流動資金風險

本集團管理流動資金風險之方法為定期監察現時及預測之流動資金需要，並確保具備足夠流動現金及取得計劃來自主要金融機構之融資，以應付本集團之短期及長期流動資金需要。

於結算日，本集團並無重大之流動資金風險。

Notes to the Financial Statements

For the year ended 31st December, 2007

5. FINANCIAL RISK MANAGEMENT (cont'd)

Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern while maximising stakeholders value through the optimisation of debt and equity balance.

The Group manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may make dividend payments, issue shares and convertible bonds, raise or repay bank borrowings.

The Group monitors the capital structure on regular basis using the gearing ratio. The gearing ratio is calculated as bank and other borrowings divided by total equity. The capital structure as at 31st December, 2007 and 2006 were as follows:

Bank and other borrowings	銀行及其他借貸
Total equity	權益總額
Gearing ratio	資本負債比率

The Group overall strategy remains unchanged during the year. As at 31st December, 2007, the Group was not subject to externally imposed capital requirements.

財務報表附註

截至二零零七年十二月三十一日止年度

5. 財務風險管理(續)

資本管理

本集團資本管理的首要目標，為確保本集團具備繼續運作之能力，並透過維持適當的負債及權益結餘，爭取最大的股東價值。

本集團根據經濟情況的變動及相關資產的風險特徵，管理其資本結構並作出調整。為維持或調整資本結構，本集團可能會派發股息、發行股份及可換股債券、籌集或償還銀行貸款。

本集團運用資本負債比率，藉此定期監控資本結構的情況。資本負債比率乃按銀行及其他借貸除以權益總額計算。於二零零七年及二零零六年十二月三十一日之資本結構如下：

2007	2006
HK\$'000	HK\$'000
千港元	千港元
—	—
868,039	760,440
0%	0%

年內本集團的整體策略仍保持不變。於二零零七年十二月三十一日，本集團不受外部實施的資本規定限制。

Notes to the Financial Statements

For the year ended 31st December, 2007

6. SEGMENT INFORMATION

Business segments

For management purposes, the Group is currently organised into two operating divisions – property development and property leasing. These divisions are the basis on which the Group reports its primary segment information.

Principal activities are as follows:

Property development	–	Property development and sales of properties
Property leasing	–	Property rental

Segment information about these businesses is presented below:

Income statement**For the year ended 31st December, 2007**

		Property development	Property leasing	Consolidated
		物業發展	物業租賃	綜合
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
Segment turnover	分類營業額	67,256	2,718	69,974
Segment result	分類業績			
– Operating results before fair value changes on investment properties	– 投資物業之公平值變動前經營業績	44,159	4,710	48,869
– Fair value changes on investment properties	– 投資物業之公平值變動	600	4,461	5,061
– Segment result after fair value changes on investment properties	– 投資物業之公平值變動後分類業績	44,759	9,171	53,930
Unallocated corporate income	未分攤之公司收入			9,332
Unallocated corporate expenses	未分攤之公司支出			(11,462)
Finance costs	財務費用			(61)
Impairment loss recognised in respect of advances to associates	就墊付聯營公司款項確認之減值虧損	–	(573)	(573)
Write-back of allowance for amounts due from former associates	前聯營公司欠款準備之撥回金額	1,347	373	1,720
Share of results of associates	應佔聯營公司業績	–	62,509	62,509
Profit before taxation	稅前溢利			115,395
Taxation	稅項			(7,805)
Profit for the year	本年度溢利			107,590

財務報表附註

截至二零零七年十二月三十一日止年度

6. 分類資料

按業務劃分

就業務管理而言，本集團之業務目前可分為兩個經營部份－物業發展及物業租賃。該等部份為本集團申報其主要分類資料之基準。

主要業務活動如下：

物業發展	–	物業發展及物業銷售
物業租賃	–	物業租賃

該等業務之分類資料如下：

收益表

截至二零零七年十二月三十一日止年度

Notes to the Financial Statements

For the year ended 31st December, 2007

6. SEGMENT INFORMATION (cont'd)

Business segments (cont'd)**Balance sheet****As at 31st December, 2007**

		Property development	Property leasing	Consolidated
		物業發展	物業租賃	綜合
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
Assets	資產			
Segment assets	分類資產	80,892	44,210	125,102
Interests in associates	聯營公司權益	-	390,951	390,951
Advances to associates	墊付聯營公司款項	-	93,391	93,391
Unallocated corporate assets	未分攤之公司資產			275,534
Consolidated total assets	綜合資產總額			884,978
Liabilities	負債			
Segment liabilities	分類負債	5,175	1,096	6,271
Unallocated corporate liabilities	未分攤之公司負債			10,668
Consolidated total liabilities	綜合負債總額			16,939

Other information**For the year ended 31st December, 2007**

其他資料

截至二零零七年十二月三十一日止年度

		Property development	Property leasing	Others	Consolidated
		物業發展	物業租賃	其他	綜合
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Depreciation	折舊	-	-	19	19
Amortisation of	預付租賃款項				
prepaid lease payments	攤銷	13	-	20	33
Impairment loss recognised	就墊付聯營公司款項				
in respect of advances	確認之減值虧損	-	573	-	573
to associates					
Fair value changes on	投資物業之公平值				
investment properties	變動	(600)	(4,461)	-	(5,061)

Notes to the Financial Statements

For the year ended 31st December, 2007

6. SEGMENT INFORMATION (cont'd)

Business segments (cont'd)**Income statement**

For the year ended 31st December, 2006

財務報表附註

截至二零零七年十二月三十一日止年度

6. 分類資料(續)

按業務劃分(續)**收益表**

截至二零零六年十二月三十一日止年度

		Property development 物業發展 HK\$'000 千港元	Property leasing 物業租賃 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Segment turnover	分類營業額	–	2,916	2,916
Segment result	分類業績			
– Operating results before fair value changes on investment properties	– 投資物業之公平值變動前 經營業績	(391)	5,889	5,498
– Fair value changes on investment properties	– 投資物業之公平值 變動	–	14,874	14,874
– Segment result after fair value changes on investment properties	– 投資物業之公平值變動後 分類業績	(391)	20,763	20,372
Unallocated corporate income	未分攤之公司收入			7,649
Unallocated corporate expenses	未分攤之公司支出			(3,949)
Finance costs	財務費用			(58)
Impairment loss recognised in respect of advances to associates	就墊付聯營公司款項確認之 減值虧損	–	(13,477)	(13,477)
Write-back of allowance for amount due from an associate	聯營公司欠款準備之 撥回金額	–	897	897
Share of results of associates	應佔聯營公司業績	–	84,886	84,886
Profit before taxation	稅前溢利			96,320
Taxation	稅項			(2,029)
Profit for the year	本年度溢利			94,291

Notes to the Financial Statements

For the year ended 31st December, 2007

6. SEGMENT INFORMATION (cont'd)

Business segments (cont'd)**Balance sheet**

As at 31st December, 2006

		Property development 物業發展 HK\$'000 千港元	Property leasing 物業租賃 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Assets	資產			
Segment assets	分類資產	102,207	53,076	155,283
Interests in associates	聯營公司權益	—	329,152	329,152
Advances to associates	墊付聯營公司款項	—	106,911	106,911
Unallocated corporate assets	未分攤之公司資產			185,319
Consolidated total assets	綜合資產總額			776,665
Liabilities	負債			
Segment liabilities	分類負債	1,523	10,528	12,051
Unallocated corporate liabilities	未分攤之公司負債			4,174
Consolidated total liabilities	綜合負債總額			16,225

Other information

For the year ended 31st December, 2006

		Property development 物業發展 HK\$'000 千港元	Property leasing 物業租賃 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Capital additions	資本增加	26,386	—	—	26,386
Depreciation	折舊	—	—	35	35
Amortisation of prepaid lease payments	預付租賃款項 攤銷	14	—	20	34
Impairment loss recognised in respect of advances to associates	就墊付聯營公司款項 確認之減值虧損	—	13,477	—	13,477
Fair value changes on investment properties	投資物業之公平值 變動	—	(14,874)	—	(14,874)

財務報表附註

截至二零零七年十二月三十一日止年度

6. 分類資料(續)

按業務劃分(續)**資產負債表**

於二零零六年十二月三十一日

		Property development 物業發展 HK\$'000 千港元	Property leasing 物業租賃 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Assets	資產				
Segment assets	分類資產	102,207	53,076		155,283
Interests in associates	聯營公司權益	—	329,152		329,152
Advances to associates	墊付聯營公司款項	—	106,911		106,911
Unallocated corporate assets	未分攤之公司資產				185,319
Consolidated total assets	綜合資產總額				776,665
Liabilities	負債				
Segment liabilities	分類負債	1,523	10,528		12,051
Unallocated corporate liabilities	未分攤之公司負債				4,174
Consolidated total liabilities	綜合負債總額				16,225

其他資料

截至二零零六年十二月三十一日止年度

		Property development 物業發展 HK\$'000 千港元	Property leasing 物業租賃 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Capital additions	資本增加	26,386	—	—	26,386
Depreciation	折舊	—	—	35	35
Amortisation of prepaid lease payments	預付租賃款項 攤銷	14	—	20	34
Impairment loss recognised in respect of advances to associates	就墊付聯營公司款項 確認之減值虧損	—	13,477	—	13,477
Fair value changes on investment properties	投資物業之公平值 變動	—	(14,874)	—	(14,874)

Notes to the Financial Statements

For the year ended 31st December, 2007

6. SEGMENT INFORMATION (cont'd)

Geographical segments

The Group's operations are located in Hong Kong and the People's Republic of China, other than Hong Kong, (the "PRC"). The Group's turnover is all derived from Hong Kong in both years.

The following is an analysis of the carrying amount of segment assets at the balance sheet date, and capital additions during the year analysed by the geographical area in which the assets are located:

		Carrying amount of segments assets		Capital additions	
		分類資產賬面金額	資本增加	2007	2006
		2007	2006	2007	2006
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Hong Kong	香港	884,756	776,549	-	26,386
The PRC	中國	222	116	-	-
		884,978	776,665	-	26,386

7. TURNOVER AND OTHER REVENUE

Turnover represents the aggregate amounts received and receivable, analysed as follows:

		2007	2006
		HK\$'000	HK\$'000
		千港元	千港元
Turnover	營業額		
Property rental income	物業租金收入	2,718	2,916
Sales of properties held for sale	出售持作出售物業	67,256	-
		69,974	2,916
Other revenue	其他收益		
Interest income from bank deposits	銀行存款利息收入	8,991	7,070
Interest income on advances to associates	墊付聯營公司款項之利息收入	4,105	4,855
Sundry income	雜項收入	275	7
		13,371	11,932

財務報表附註

截至二零零七年十二月三十一日止年度

6. 分類資料(續)

按地區市場劃分

本集團在香港及中華人民共和國(香港除外)(「中國」)經營業務。在上述兩個年度本集團之營業額全部來自香港。

以下為於結算日之分類資產賬面金額及年內的資本增加按資產所在地所作之分析：

7. 營業額及其他收益

營業額指已收及應收之合計金額，分析如下：

Notes to the Financial Statements

For the year ended 31st December, 2007

8. FINANCE COSTS

		2007	2006
		HK\$'000	HK\$'000
		千港元	千港元
Imputed interest expense relating to interest-free loan from minority shareholder	少數股東提供之免息貸款名義利息開支	61	58

9. SHARE OF RESULTS OF ASSOCIATES

		2007	2006
		HK\$'000	HK\$'000
		千港元	千港元
Operating income	經營收入	11,519	6,660
Gain on disposal of properties	出售物業之收益	1,176	-
Fair value changes on investment properties	投資物業之公平值變動	63,025	97,024
Less: deferred tax arising from fair value changes on investment properties	減：投資物業之公平值變動所產生之遞延稅項	(11,030)	(16,608)
		51,995	80,416
Imputed interest expense relating to interest-free advance from shareholder	股東免息墊款之名義利息開支	-	(924)
Current tax	年內稅項	(2,522)	(1,063)
Other deferred tax	其他遞延稅項	341	(203)
		62,509	84,886

財務報表附註

截至二零零七年十二月三十一日止年度

8. 財務費用

	2007	2006
	HK\$'000	HK\$'000
	千港元	千港元
Imputed interest expense relating to interest-free loan from minority shareholder	61	58

9. 應佔聯營公司業績

		2007	2006
		HK\$'000	HK\$'000
		千港元	千港元
Operating income	經營收入	11,519	6,660
Gain on disposal of properties	出售物業之收益	1,176	-
Fair value changes on investment properties	投資物業之公平值變動	63,025	97,024
Less: deferred tax arising from fair value changes on investment properties	減：投資物業之公平值變動所產生之遞延稅項	(11,030)	(16,608)
		51,995	80,416
Imputed interest expense relating to interest-free advance from shareholder	股東免息墊款之名義利息開支	-	(924)
Current tax	年內稅項	(2,522)	(1,063)
Other deferred tax	其他遞延稅項	341	(203)
		62,509	84,886

Notes to the Financial Statements

For the year ended 31st December, 2007

財務報表附註

截至二零零七年十二月三十一日止年度

10. PROFIT BEFORE TAXATION

10. 稅前溢利

		2007	2006
		HK\$'000	HK\$'000
		千港元	千港元
Profit before taxation is stated after charging:	稅前溢利已扣除：		
Auditors' remuneration	核數師酬金	417	365
Depreciation	折舊	19	35
Amortisation of prepaid lease payments	預付租賃款項攤銷	33	34
Staff costs (excluding directors' remuneration)	員工成本(不包括董事酬金)		
– salaries and allowances	– 薪金及津貼	3,126	1,843
– retirement benefit costs	– 退休福利成本	152	87
Impairment loss recognised in respect of property held for sale	就持作出售物業確認之減值虧損	–	600
Impairment loss recognised in respect of trade receivable	就應收貿易賬項確認之減值虧損	–	38
		<hr/> <hr/>	<hr/> <hr/>
and after crediting:	並已計入：		
Imputed interest income relating to interest-free advance to an associate	墊付聯營公司免息款項之名義利息收入	942	924
Gain on disposal of investment properties	出售投資物業之收益	86	24
Exchange gain	匯兌收益	9	8
Gross rental income from properties	物業之租金收入總額	2,718	2,916
Less: direct operating expenses from properties that generated rental income during the year	減：年內產生租金收入之物業直接經營開支	(356)	(438)
direct operating expenses from properties that did not generate rental income during the year	年內並無產生租金收入之物業直接經營開支	(2,279)	(819)
		<hr/> <hr/>	<hr/> <hr/>
		83	1,659

Notes to the Financial Statements

For the year ended 31st December, 2007

財務報表附註

截至二零零七年十二月三十一日止年度

11. TAXATION

11. 稅項

		2007	2006
		HK\$'000	HK\$'000
		千港元	千港元
Current tax	年內稅項		
Hong Kong	香港	8,172	1,805
The PRC	中國	(96)	-
Overprovision in prior years – Hong Kong	過往年度超額撥備 – 香港	-	(1)
		8,076	1,804
Deferred tax (Note 30)	遞延稅項(附註30)	(271)	225
		7,805	2,029

Hong Kong Profits Tax is calculated at 17.5% (2006: 17.5%) on the estimated assessable profits for both years. Taxation in any other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

香港利得稅乃按兩個年度之估計應課稅溢利按稅率 17.5% (二零零六年: 17.5%) 計算。任何其他司法權區之稅項乃按有關司法權區之適用稅率計算。

No PRC tax provision has been made as the PRC subsidiaries incurred loss during the year.

由於中國附屬公司於年內產生虧損，因此並無就中國稅項作出撥備。

The taxation charge for the year can be reconciled to profit before taxation per the income statement as follows:

本年度稅項支出與收益表之稅前溢利對賬如下：

		Hong Kong		2007 The PRC		Total	
		香港		中國		合計	
		HK\$'000	%	HK\$'000	%	HK\$'000	%
		千港元		千港元		千港元	
Profit/(loss) before taxation	稅前溢利/(虧損)	115,726		(331)		115,395	
Tax at domestic profits tax rate	按本地利得稅稅率計算之稅項	20,303	17.5	(109)	(33.0)	20,194	17.5
Tax effect of share of results of associates	應佔聯營公司業績之稅務影響	(10,939)	(9.5)	-	-	(10,939)	(9.5)
Estimated tax effect of expenses not deductible in determining profits tax	計算利得稅時不可扣減支出之估計稅務影響	1,728	1.5	109	33.0	1,837	1.6
Estimated tax effect of income not taxable in determining profits tax	計算利得稅時毋須課稅收入之估計稅務影響	(2,726)	(2.4)	-	-	(2,726)	(2.4)
Estimated tax effect of utilisation of unrecognised tax losses from prior periods	動用過往期間未確認稅項虧損之估計稅務影響	(2)	0.0	-	-	(2)	0.0
Estimated tax effect on tax depreciation	稅項折舊之估計稅務影響	(26)	0.0	-	-	(26)	0.0
Estimated tax effect of unrecognised tax losses	未確認稅項虧損之估計稅務影響	(617)	(0.5)	-	-	(617)	(0.5)
Others	其他	180	0.2	(96)	(29.0)	84	0.1
Tax charge at the Group's effective rate for the year	本年度按本集團實際稅率計算之稅項支出	7,901	6.8	(96)	(29.0)	7,805	6.8

Notes to the Financial Statements

For the year ended 31st December, 2007

財務報表附註

截至二零零七年十二月三十一日止年度

11. TAXATION (cont'd)

11. 稅項(續)

		Hong Kong 香港		2006 The PRC 中國		Total 合計	
		HK\$'000 千港元	%	HK\$'000 千港元	%	HK\$'000 千港元	%
Profit/(loss) before taxation	稅前溢利/(虧損)	96,602		(282)		96,320	
Tax at domestic profits tax rate	按本地利得稅稅率計算之稅項	16,949	17.5	(93)	(33.3)	16,856	17.5
Tax effect of share of results of associates	應佔聯營公司業績之稅務影響	(14,855)	(15.4)	-	-	(14,855)	(15.4)
Estimated tax effect of expenses not deductible in determining profits tax	計算利得稅時不可扣減支出之估計稅務影響	3,292	3.4	-	-	3,292	3.4
Estimated tax effect of income not taxable in determining profits tax	計算利得稅時毋須課稅收入之估計稅務影響	(2,344)	(2.4)	-	-	(2,344)	(2.4)
Estimated tax effect of utilisation of unrecognised tax losses from prior periods	動用過往期間未確認稅項虧損之估計稅務影響	(1,443)	(1.5)	-	-	(1,443)	(1.5)
Estimated tax effect of unrecognised tax losses	未確認稅項虧損之估計稅務影響	(40)	0.0	93	33.3	53	0.0
Others	其他	470	0.5	-	-	470	0.5
Tax charge at the Group's effective rate for the year	本年度按本集團實際稅率計算之稅項支出	2,029	2.1	-	-	2,029	2.1

12. PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

12. 本公司權益持有人應佔溢利

For the year ended 31st December, 2007, net profit of HK\$9,741,000 (2006: net profit of HK\$6,123,000) has been dealt with in the financial statements of the Company.

截至二零零七年十二月三十一日止年度，於本公司財務報表內處理之純利為9,741,000港元(二零零六年：純利6,123,000港元)。

Notes to the Financial Statements

For the year ended 31st December, 2007

13. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

(a) Directors' emoluments

The emoluments, pension and compensation arrangements paid or payable to the directors and past directors for their services on the Company were as follows:

Director's fees:	董事袍金：		
Executive Directors	執行董事	-	-
Independent Non-executive Directors	獨立非執行董事		
- Mr. Lai, Yun-hung	— 賴恩雄先生	140	10
- Mr. Mok, Hon-sang	— 莫漢生先生	140	120
- Mr. Wong, Tik-tung	— 汪滌東先生	140	120
- Mr. Wang, Jian-guo	— 王建國先生	-	110
		420	360
Other emoluments:	其他酬金：		
Executive Directors	執行董事		
Salaries and other benefits	薪金及其他福利	-	-
Retirement benefit schemes contributions	退休福利計劃供款	-	-
Independent Non-executive Directors	獨立非執行董事	-	-
		420	360

(b) Employees' emoluments

During the year, no director of the Company was included in the five highest paid individuals of the Group (2006: nil) whose emoluments are set out above. The emoluments payable to the five highest paid individuals (2006: five individuals) were as follows:

Salaries and other benefits	薪金及其他福利	1,911	963
Retirement benefit schemes contributions	退休福利計劃供款	90	42
		2,001	1,005

The emoluments of individual employees were all less than HK\$1,000,000.

財務報表附註

截至二零零七年十二月三十一日止年度

13. 董事及僱員之酬金

(a) 董事酬金

就董事及前任董事向本公司提供服務而已付或應付彼等之酬金、退休金及補償安排如下：

	2007 HK\$'000 千港元	2006 HK\$'000 千港元
Director's fees:		
Executive Directors	-	-
Independent Non-executive Directors		
- Mr. Lai, Yun-hung	140	10
- Mr. Mok, Hon-sang	140	120
- Mr. Wong, Tik-tung	140	120
- Mr. Wang, Jian-guo	-	110
	420	360
Other emoluments:		
Executive Directors		
Salaries and other benefits	-	-
Retirement benefit schemes contributions	-	-
Independent Non-executive Directors	-	-
	420	360

(b) 僱員酬金

年內，本公司董事全非本集團五名最高薪酬人士（二零零六年：無），其酬金詳情載於上文。應付五名最高薪酬人士之酬金（二零零六年：五名）如下：

	2007 HK\$'000 千港元	2006 HK\$'000 千港元
Salaries and other benefits	1,911	963
Retirement benefit schemes contributions	90	42
	2,001	1,005

個別僱員之酬金全部低於1,000,000港元。

Notes to the Financial Statements

For the year ended 31st December, 2007

14. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the profit attributable to the ordinary equity holders of the Company of HK\$107,651,000 (2006: HK\$94,349,000) and the weighted average number of 338,765,987 (2006: 338,765,987) ordinary shares in issue during the year.

For the years ended 31st December, 2007 and 31st December, 2006, diluted earnings per share is the same as the basic earnings per share as there were no diluting events during these years.

15. DIVIDENDS

No dividend was paid or proposed during both years 2007 and 2006, nor has any dividend been proposed since the balance sheet date.

16. INVESTMENT PROPERTIES

		HK\$'000 千港元
The Group	本集團	
Fair value	公平值	
At 1st January, 2006	於二零零六年一月一日	53,950
Disposals	出售	(5,424)
Fair value changes recognised in income statement	於收益表確認之 公平值變動	14,874
At 31st December, 2006 and 1st January, 2007	於二零零六年十二月三十一日及 二零零七年一月一日	63,400
Disposals	出售	(11,011)
Fair value changes recognised in income statement	於收益表確認之 公平值變動	5,061
At 31st December, 2007	於二零零七年十二月三十一日	57,450

The fair value of the Group's investment properties at 31st December, 2007 has been arrived at on the basis of valuation carried out on that date by Norton Appraisals Limited ("Norton Appraisals"), independent qualified professional surveyors not connected with the Group. Norton Appraisals has appropriate qualifications and recent experience in the valuation of similar properties in the relevant locations. The valuation, which conformed to The Hong Kong Institute of Surveyors Valuation Standards on Properties (1st Edition 2005) published by the Hong Kong Institute of Surveyors, was based on open market value basis.

財務報表附註

截至二零零七年十二月三十一日止年度

14. 每股盈利

每股基本盈利乃根據本公司普通股本持有人應佔溢利107,651,000港元(二零零六年: 94,349,000港元)及年內已發行普通股之加權平均數338,765,987股(二零零六年: 338,765,987股)計算。

截至二零零七年十二月三十一日及二零零六年十二月三十一日止年度，由於年內並無攤薄事項，每股攤薄盈利與每股基本盈利相同。

15. 股息

二零零七年及二零零六年兩個年度均無派發或建議派發任何股息，自結算日以來亦概無建議派發任何股息。

16. 投資物業

本集團投資物業於二零零七年十二月三十一日之公平值按一家與本集團無關之獨立合資格專業測計師行普敦國際評估有限公司(「普敦國際評估」)於該日進行之估值為基準而計算。普敦國際評估對於相關地點之同類型物業估值具有適合資格及近期之估值經驗。該項估值乃遵守香港測量師學會所頒布的物業估值準則(二零零五年第一版)，並按公開市值基準進行重估。

Notes to the Financial Statements

For the year ended 31st December, 2007

16. INVESTMENT PROPERTIES (cont'd)

All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties. As at 31st December, 2007, the carrying amounts of such property interests amounted to HK\$57,450,000 (2006: HK\$63,400,000).

The carrying amounts of investment properties shown above comprise:

Properties in Hong Kong held under:

Long lease

Medium-term lease

於香港按以下租約持有之物業：

長期租約

中期租約

財務報表附註

截至二零零七年十二月三十一日止年度

16. 投資物業(續)

本集團根據營業租約持有以賺取租金或作資本增值用途之物業權益全部利用公平值模式計算，並已分類及入賬列作投資物業。於二零零七年十二月三十一日，該等物業權益之賬面金額為57,450,000港元(二零零六年:63,400,000港元)。

上述投資物業之賬面金額包括：

2007	2006
HK\$'000	HK\$'000
千港元	千港元
4,350	3,600
53,100	59,800
57,450	63,400

17. PROPERTY, PLANT AND EQUIPMENT

17. 物業、廠房及設備

The Group**本集團****Cost****成本值**

At 1st January, 2006,
31st December, 2006,
1st January, 2007 and
31st December, 2007

於二零零六年一月一日、
二零零六年十二月三十一日、
二零零七年一月一日及
二零零七年十二月三十一日

Depreciation and amortisation**折舊及攤銷**

At 1st January, 2006
Charge for the year

於二零零六年一月一日
本年度扣除

At 31st December, 2006 and
1st January, 2007
Charge for the year

於二零零六年十二月三十一日
及二零零七年一月一日
本年度扣除

At 31st December, 2007

於二零零七年十二月三十一日

Net book value**賬面淨值**

At 31st December, 2007

於二零零七年十二月三十一日

At 31st December, 2006

於二零零六年十二月三十一日

Buildings	Furniture, fixtures and equipment	Total
樓宇	傢俬、裝置 及設備	總額
HK\$'000	HK\$'000	HK\$'000
千港元	千港元	千港元
882	1,121	2,003
661	1,102	1,763
18	17	35
679	1,119	1,798
19	-	19
698	1,119	1,817
184	2	186
203	2	205

Notes to the Financial Statements

For the year ended 31st December, 2007

財務報表附註

截至二零零七年十二月三十一日止年度

17. PROPERTY, PLANT AND EQUIPMENT (cont'd)

17. 物業、廠房及設備(續)

The above items of property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

上述物業、廠房及設備項目以直線法按下列年率計算折舊：

Type	Basis	種類	基準
Buildings	Over the shorter of the unexpired period of the land lease and 20 years	樓宇	土地租賃尚餘年期及二十年 (以較短者為準)
Furniture, fixtures and equipment	10%	傢俬、裝置及設備	10%

**Furniture,
fixtures and
equipment**
傢俬、裝置及設備
HK\$'000
千港元

The Company

本公司

Cost

成本值

At 1st January, 2006, 31st December, 2006,
1st January, 2007 and 31st December, 2007

於二零零六年一月一日、二零零六年十二月
三十一日、二零零七年一月一日及
二零零七年十二月三十一日

1,117

Depreciation

折舊

At 1st January, 2006
Charge for the year

於二零零六年一月一日
本年度扣除

1,101

16

At 31st December, 2006,
1st January, 2007 and
31st December, 2007

於二零零六年十二月三十一日、
二零零七年一月一日及
二零零七年十二月三十一日

1,117

Net book value

賬面淨值

At 31st December, 2007

於二零零七年十二月三十一日

-

At 31st December, 2006

於二零零六年十二月三十一日

-

Notes to the Financial Statements

For the year ended 31st December, 2007

財務報表附註

截至二零零七年十二月三十一日止年度

18. PROPERTIES HELD FOR DEVELOPMENT

18. 持作發展物業

		HK\$'000 千港元
The Group	本集團	
Cost	成本值	
At 1st January, 2006	於二零零六年一月一日	23,901
Addition	添置	26,386
Transfer to properties held for sale (Note 24)	轉撥至持作出售物業(附註24)	(50,287)
		<hr/>
At 31st December, 2006, 1st January, 2007 and 31st December, 2007	於二零零六年十二月三十一日、 二零零七年一月一日及 二零零七年十二月三十一日	-
		<hr/> <hr/>

The Group's properties held for development are situated in Hong Kong and held under medium-term lease.

本集團持作發展物業位於香港，並以中期租約持有。

19. PROPERTY INTERESTS HELD FOR DEVELOPMENT

19. 持作發展之物業權益

		HK\$'000 千港元
The Group	本集團	
Cost	成本值	
At 1st January, 2006, 31st December, 2006, 1st January, 2007 and 31st December, 2007	於二零零六年一月一日、二零零六年 十二月三十一日、二零零七年一月一日及 二零零七年十二月三十一日	183,381
		<hr/>
Impairment	減值	
At 1st January, 2006, 31st December, 2006, 1st January, 2007 and 31st December, 2007	於二零零六年一月一日、二零零六年 十二月三十一日、二零零七年一月一日及 二零零七年十二月三十一日	(183,381)
		<hr/>
Net book value	賬面淨值	
At 31st December, 2007	於二零零七年十二月三十一日	-
		<hr/> <hr/>
At 31st December, 2006	於二零零六年十二月三十一日	-
		<hr/> <hr/>

Notes to the Financial Statements

For the year ended 31st December, 2007

19. PROPERTY INTERESTS HELD FOR DEVELOPMENT (cont'd)

Notes:

The Group through a wholly-owned subsidiary ("SPV") has a property interest held for development in Chenghai Royal Garden (the "Development Project"). The site with an area of approximately 466,662 sq.m. (5,023,150 sq.ft) (the "Land") is situated at the estuary of Xinjin River, Longhu District, Shantou, Guangdong Province, the People's Republic of China (the "PRC"). Pursuant to a Contract for Pre-registration of Grant of State-owned Land Use Rights dated 5th August, 1992 (the "Contract"), SPV has been granted a pre-registered land use rights of the Land by Shantou City Chenghai District Planning and State-owned Land Resources Bureau (the "Chenghai Bureau"). The carrying amount of the Development Project as recorded by the Group (the "Carrying Amount") is approximately HK\$183.4 million (equivalent to RMB195.1 million). Included in the Carrying Amount is a payment of approximately HK\$49.8 million (equivalent to RMB53 million) to the Chenghai Bureau under the Contract (the "Amount Paid"). After submitting the application for the land requisition to the Chenghai Bureau and upon the land use rights of the Land being granted, SPV has to make a final payment of approximately HK\$23.4 million (equivalent to RMB24.9 million) (the "Final Payment"). The deadline of the application for the land requisition was 4th August, 1993 which had been extended four times at the request of SPV to 16th July, 2004 (the "Deadline"). The Group believed that SPV had the following entitlements or options under the Contract: (i) proceeds to apply for the land requisition of the Land on or before the Deadline and settle the Final Payment; (ii) applies for an extension of the Deadline; or (iii) terminates the Contract and claim for a refund of approximately HK\$46.2 million (equivalent to RMB49.1 million), being the Amount Paid (the "Amount Claimed").

The Group considered that it was not the suitable time to proceed with the land requisition and determined to request an extension of time. SPV therefore delivered a letter dated 19th April, 2004 to the Chenghai Bureau to request an extension of the Deadline but the Chenghai Bureau refused to accept the letter and advised that such request should be diverted to Shantou City Longhu District Planning and State-owned Land Resources Bureau (the "Longhu Bureau") and their supervisory bureau, Shantou City Planning and State-owned Land Resources Bureau (the "Shantou Bureau"), since the authority and administrative power over the Land had already been transferred to the Longhu Bureau by that time. SPV then delivered letters of the same request to the Longhu Bureau and the Shantou Bureau. Both bureaus however insisted that they would not consider the request either and advised SPV to go back to the Chenghai Bureau for resolving the matter. Given the insistence of the three bureaus in refusing SPV's request of extension, SPV sought advices and assistance from Shantou Governmental authorities, but to no avail.

In early July 2004, the Deadline became imminent and having considered that (i) extension of the Deadline was unlikely in view of the unexpected and undesirable replies from the bureaus; and (ii) the slowdown of luxury residential market in Shantou, the Group decided not to proceed with the application for the land requisition and instead terminated the Contract and requested the Chenghai Bureau to refund the Amount Claimed.

財務報表附註

截至二零零七年十二月三十一日止年度

19. 持作發展之物業權益(續)

附註：

本集團透過一全資附屬公司("SPV")於澄海海麗花園(「發展項目」)擁有物業發展權益。該地盤面積約為466,662平方米(5,023,150平方呎)(「該土地」)，位於中華人民共和國(「中國」)廣東省汕頭市龍湖區新津河口。根據一九九二年八月五日訂立之國有土地使用權預約合同(「該合同」)，SPV獲汕頭市澄海區規劃與國土資源局(「澄海當局」)就發展項目授予該土地的預約土地使用權。本集團錄得發展項目之帳面值(「帳面值」)約為183,400,000港元(等同人民幣195,100,000元)。在帳面值中，約49,800,000港元(等同人民幣53,000,000元)之款項已付予澄海當局(「已付金額」)。向澄海當局遞交徵地申請後並獲授予該土地的土地使用權時，SPV須支付約23,400,000港元(等同人民幣24,900,000元)之最後付款(「最後付款」)。徵地申請的最後限期曾為一九九三年八月四日，後應SPV之要求，四度延期至二零零四年七月十六日(「該限期」)。本集團根據該合同，認為SPV擁有下列權益或購股權：(i)在該限期屆滿或以前進行土地的徵地申請及清付最後付款；(ii)申請延長該限期；或(iii)終止該合同及要求退還已付金額其中約46,200,000港元(等同人民幣49,100,000元)(「索償金額」)。

本集團認為現時並非適當時候進行徵地，並決定申請延長限期。SPV因此於二零零四年四月十九日向澄海當局發出函件，要求延長該限期。但澄海當局拒絕接受函件，並建議這要求應向汕頭市龍湖區規劃與國土資源局(「龍湖當局」)及其上級機構汕頭市規劃與國土資源局(「汕頭當局」)提出，因為其時土地管理及行政權已被轉移至龍湖當局。SPV接著分別向龍湖當局及汕頭當局提出相同要求。然而，兩局堅持不會考慮該要求，並建議SPV轉返澄海當局尋求解決。面對三局堅拒接納SPV之延期要求，SPV遂向汕頭政府部門尋求建議及協助，但沒有實效。

於二零零四年七月初，該限期已臨近，並考慮到(i)基於以上當局的意外及不理想回應，申請延長該限期難以達致，以及(ii)汕頭豪宅市場的冷卻，本集團決定不進行徵地，並終止該合同及要求澄海當局退還索償金額。

Notes to the Financial Statements

For the year ended 31st December, 2007

19. PROPERTY INTERESTS HELD FOR DEVELOPMENT (cont'd)

Notes: (cont'd)

Between July 2004 and February 2005, SPV issued four letters of demand to the Chenghai Bureau to notify the termination of the Contract and requested for a refund of the Amount Claimed. SPV received three reply letters by which the Chenghai Bureau denied its obligations for the refund on the allegation that the pre-registration relationship between the parties under the Contract still existed. The Chenghai Bureau suggested the following three alternatives for SPV's consideration:

1. SPV proceeds to apply for land requisition of the Land and settle the Final Payment pursuant to the Contract despite of the Deadline; or
2. SPV applies for a portion of the Land with an area equivalent to the Amount Paid; or
3. The Chenghai Bureau, upon the application from SPV for the termination of the Contract, refunds the Amount Paid without interest after the Land is successfully sold to third parties by the Chenghai Bureau.

Based on the opinion from a legal firm in the PRC, which has taken into consideration the recent PRC policy for the granting of land issued by the Ministry of Land Resources, the Group was in doubt as to whether the Chenghai Bureau could effect any of the above alternatives. Further, if SPV accepted any alternative as suggested, then SPV would be deemed to have waived its right in the Amount Claimed.

The Group, after considered the further advice from the legal firm, decided not to accept any of the above alternatives as suggested and initiated legal action against the Chenghai Bureau for its entitlements under the Contract including but not limited to the Amount Claimed.

Having considered the uncertainty in the recoverability of the Amount Claimed and any other entitlements under the Contract, the Group made a full provision for an impairment loss of HK\$183,381,000 in the financial statements for the year ended 31st December, 2004.

On 19th April, 2005, SPV commenced legal proceedings by issuing a Writ of Summons against the Chenghai Bureau. SPV requested Shantou City Intermediate People's Court (the "Intermediate Court") for the following issues in particular: (1) Examine the validity of the Contract; (2) Terminate the Contract; and (3) Order the Chenghai Bureau to refund the land cost of RMB53 million with interest to SPV. On 27th December, 2005, the Intermediate Court notified SPV that the trial period had been extended for six months and the trial would be expected to be adjudicated by the end of June 2006.

On 28th December, 2006, the Intermediate Court made the judgment in favour of SPV as follows: (1) The Contract and other related agreements and correspondence are null and void; (2) the Chenghai Bureau shall refund SPV the pre-payment in the sum of RMB53 million and interest accrued from 28th April, 2005 to the date of settlement within 10 days from the effective date of the judgment; and (3) the Chenghai Bureau shall be liable for the court fees in sum of RMB285,020 and pay the same to SPV directly.

財務報表附註

截至二零零七年十二月三十一日止年度

19. 持作發展之物業權益(續)

附註：(續)

於二零零四年七月及二零零五年二月間，SPV發出四封函件，通知澄海當局該合同的終止並要求退還索償金額。SPV收到三封回函，澄海當局於信函中否認其退還款項責任，聲稱雙方在該合同下的預約關係仍然存在。澄海當局提供三個選擇，供SPV考慮：

1. 不管該限期，SPV按該合同進行該土地的徵地申請並清付最後付款；或
2. 根據已付金額，SPV申請該土地中等量面積；或
3. 按SPV終止該合同的申請，澄海當局在成功售出該土地予第三者後，不計利息退還已付金額。

根據一中國律師事務所之意見(該律師事務所已了解國土資源部最近頒發的土地出讓政策)，本集團質疑澄海當局能否履行上述任何一項選擇。此外，假如SPV接受以上任何選擇，SPV將被視為放棄對索償金額的權利。

考慮律師事務所進一步的意見後，本集團決定不接受澄海當局建議的以上任何選擇，並已採取法律行動控告澄海當局，以取回該合同授予之權利(包括但不限於索償金額)。

因考慮到追討索償金額及該合同授予之其他權利涉及的不明朗情況，本集團於截至二零零四年十二月三十一日止年度之財務報表作出183,381,000港元之全數減值虧損撥備。

於二零零五年四月十九日，SPV向澄海當局發出傳訊令狀展開法律程序。SPV要求汕頭市中級人民法院(「中級法院」)特別就下列事件採取行動：(1)查核該合同是否有效；(2)終止該合約；(3)命令澄海當局向SPV退回土地成本人民幣53,000,000元連同利息。於二零零五年十二月二十七日，中級法院知會SPV該審訊期被延長六個月，且預期將於二零零六年六月底裁決。

於二零零六年十二月二十八日，中級法院判處SPV勝訴：(1)該合同及其他相關協議及文件失效及作廢；(2)澄海當局須向SPV退還合共人民幣53,000,000元的預付款項，連同由二零零五年四月二十八日至裁決生效日期起計10日內還款當日之累計利息；及(3)澄海當局須支付堂費合共人民幣285,020元，並直接向SPV支付相同款額。

Notes to the Financial Statements

For the year ended 31st December, 2007

19. PROPERTY INTERESTS HELD FOR DEVELOPMENT (cont'd)

Notes: (cont'd)

On 23rd January, 2007, the Chenghai Bureau submitted an application of appeal to the High People's Court of Guangdong Province (the "High Court") and SPV also sent out a reply to the High Court on 13th February, 2007.

On 27th June, 2007, High Court accepted the application of appeal by the Chenghai Bureau and made the judgment as follows: (1) The judgment made by the Intermediate Court on 28th December, 2006 was revoked; (2) The case is remitted to the Intermediate Court for rehearing. On 22nd August, 2007, the Intermediate Court accepted for rehearing the case within six months.

On 18th February, 2008, the Intermediate Court notified SPV that the trial period had been extended for six months to August 2008.

20. PREPAID LEASE PAYMENTS

The Group**Cost**

At 1st January, 2006, 31st December, 2006,
1st January, 2007 and 31st December, 2007

Depreciation and amortisation

At 1st January, 2006

Charge for the year

At 31st December, 2006 and

1st January, 2007

Charge for the year

At 31st December, 2007

Net book value**At 31st December, 2007**

At 31st December, 2006

本集團**成本值**

於二零零六年一月一日、二零零六年
十二月三十一日、二零零七年一月一日及
二零零七年十二月三十一日

折舊及攤銷

於二零零六年一月一日

本年度扣除

於二零零六年十二月三十一日及

二零零七年一月一日

本年度扣除

於二零零七年十二月三十一日

賬面淨值

於二零零七年十二月三十一日

於二零零六年十二月三十一日

HK\$'000

千港元

12,958

3,258

34

3,292

33

3,325

9,633

9,666

財務報表附註

截至二零零七年十二月三十一日止年度

19. 持作發展之物業權益(續)

附註：(續)

於二零零七年一月二十三日，澄海當局向廣東省高級人民法院(「高級法院」)提交上訴申請，而SPV亦已於二零零七年二月十三日向高級法院提交回應。

於二零零七年六月二十七日，高級法院接受澄海當局之上訴申請並作出如下裁決：(1) 撤銷中級法院於二零零六年十二月二十八日作出之裁決；(2) 案件被發還予中級法院重審。於二零零七年八月二十二日，中級法院受理案件之重審，並於六個月內審理。

於二零零八年二月十八日，中級法院知會SPV審訊期被延長六個月至二零零八年八月。

20. 預付租賃款項

Notes to the Financial Statements

For the year ended 31st December, 2007

20. PREPAID LEASE PAYMENTS (cont'd)

		2007	2006
		HK\$'000	HK\$'000
		千港元	千港元
The Group's non-current prepaid lease payments shown above comprise:	本集團上文所示非流動預付租賃款項包括：		
Leasehold land in Hong Kong:	於香港之租賃土地：		
Long lease	長期租約	9,433	9,446
Medium-term lease	中期租約	200	220
		9,633	9,666

21. INTERESTS IN SUBSIDIARIES/ADVANCES TO SUBSIDIARIES

		2007	2006
		HK\$'000	HK\$'000
		千港元	千港元
The Company	本公司		
Unlisted shares, at cost	非上市股份，成本值	192,070	192,070
Capital contribution	注資	5,888	5,888
Less: impairment loss recognised in respect of the investments in subsidiaries	減：就附屬公司投資確認之減值虧損	(13,854)	(13,854)
		184,104	184,104
Advances to subsidiaries	墊付附屬公司款項	601,532	682,178
Less: impairment loss recognised in respect of the advances to subsidiaries	減：就墊付附屬公司款項確認之減值虧損	(462,998)	(464,712)
		138,534	217,466

Capital contribution represents imputed interest on interest-free advances to subsidiaries.

財務報表附註

截至二零零七年十二月三十一日止年度

20. 預付租賃款項(續)

		2007	2006
		HK\$'000	HK\$'000
		千港元	千港元
The Group's non-current prepaid lease payments shown above comprise:	本集團上文所示非流動預付租賃款項包括：		
Leasehold land in Hong Kong:	於香港之租賃土地：		
Long lease	長期租約	9,433	9,446
Medium-term lease	中期租約	200	220
		9,633	9,666

21. 附屬公司權益／墊付附屬公司款項

		2007	2006
		HK\$'000	HK\$'000
		千港元	千港元
The Company	本公司		
Unlisted shares, at cost	非上市股份，成本值	192,070	192,070
Capital contribution	注資	5,888	5,888
Less: impairment loss recognised in respect of the investments in subsidiaries	減：就附屬公司投資確認之減值虧損	(13,854)	(13,854)
		184,104	184,104
Advances to subsidiaries	墊付附屬公司款項	601,532	682,178
Less: impairment loss recognised in respect of the advances to subsidiaries	減：就墊付附屬公司款項確認之減值虧損	(462,998)	(464,712)
		138,534	217,466

注資指墊付附屬公司免息款項所計之名義利息。

Notes to the Financial Statements

For the year ended 31st December, 2007

21. INTERESTS IN SUBSIDIARIES/ADVANCES TO SUBSIDIARIES (cont'd)

The advances to subsidiaries, net of allowances are unsecured. Included in the balance as at 31st December, 2007, the amount of HK\$120,894,000 (2006: HK\$167,462,000) is interest-bearing. In the opinion of the directors, the Company will not demand repayment within one year from the balance sheet date and are therefore considered as non-current. The directors of the Company estimate the investment costs and the advances by discounting their future cash flow at the prevailing market borrowing rate and considered impairment loss should be provided as at the balance sheet date at the amount mentioned above. The directors of the Company consider that the carrying amount of advances to subsidiaries approximate to their fair values.

Particulars of the Group's principal subsidiaries at 31st December, 2007 are set out in Note 38 to the financial statements.

22. INTERESTS IN ASSOCIATES/ADVANCES TO ASSOCIATES

財務報表附註

截至二零零七年十二月三十一日止年度

21. 附屬公司權益／墊付附屬公司款項(續)

墊付附屬公司款項(扣除準備)為無抵押。於二零零七年十二月三十一日之結存中,包括一筆為數120,894,000港元(二零零六年:167,462,000港元)之計息款項。董事認為,本公司將不會要求於結算日後一年內還款,因此被視為非流動。本公司董事按當時市場借貸利率折現未來現金流量而估計投資成本及墊款,並認為就上述款項應於結算日作出減值虧損撥備。本公司董事認為,墊付附屬公司款項之賬面金額與其公平值相若。

本集團主要附屬公司於二零零七年十二月三十一日之詳情載於財務報表附註38。

22. 聯營公司權益／墊付聯營公司款項

	The Group		The Company	
	本集團		本公司	
	2007	2006	2007	2006
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元
(a) Interests in associates				
Cost of investments in associates				
– Unlisted in Hong Kong		103,252	–	–
Share of post-acquisition profits, net of dividends received (Note ii)	287,699	225,900	–	–
	390,951	329,152	–	–
(b) Advances to associates				
Interest-bearing advances to associates (Note iii)	76,206	90,742	9,500	9,500
Interest-free advances to associates, net of allowances (Note iv)	48,909	99,979	–	–
	125,115	190,721	9,500	9,500
Less: impairment loss recognised (Note i)	(31,724)	(83,810)	–	–
	93,391	106,911	9,500	9,500

(a) 聯營公司權益

聯營公司投資成本

– 香港非上市公司

所佔收購後溢利,

扣除已收股息(附註ii)

(b) 墊付聯營公司款項

墊付聯營公司計息

款項(附註iii)

墊付聯營公司免息款項

(扣除準備)(附註iv)

減: 已確認之減值

虧損(附註i)

Notes to the Financial Statements

For the year ended 31st December, 2007

22. INTERESTS IN ASSOCIATES/ADVANCES TO ASSOCIATES (cont'd)

(b) Advances to associates (cont'd)

Notes:

- (i) The movements in provision for impairment loss recognised, which represents the difference between the carrying amount of the advances to associates and the expected proceeds, are as follows:

At 1st January, 2007/2006	於二零零七年／二零零六年 一月一日
Impairment loss recognised during the year	年內確認之減值虧損
Advances to associates written off	撤銷墊付聯營公司款項
Write-back of allowance for amount due from an associate	聯營公司欠款準備 之撥回金額
At 31st December, 2007/2006	於二零零七年／二零零六年 十二月三十一日

- (ii) The investment properties of the associates were revalued at 31st December, 2007 on the basis of a valuation carried out on that date by Norton Appraisals. The Group recognised an interest in the fair value gain on the investment properties of the associates of HK\$52 million (net of deferred tax impact of HK\$11 million) as at 31st December, 2007. Details are set out in Note 9 to the financial statements.
- (iii) Except for an amount of HK\$9,500,000 (2006: HK\$9,500,000) which bears interest at 6.75% (2006: 6.75%), the remaining balance of interest-bearing advance to an associate bears interest at Prime minus 2.75%. The advances are unsecured and the Group will not demand repayment within one year from the balance sheet date and are therefore considered as non-current. The directors of the Company consider that the carrying amounts of advances to associates approximate to their fair values.
- (iv) The interest-free advances are unsecured and the Group will not demand repayment within one year from the balance sheet date and are therefore considered as non-current. The directors of the Company estimate the fair value of the interest-free advances by discounting their future cash flow at the prevailing market borrowing rate. The directors of the Company consider that the carrying amounts of interest-free advances to associates approximate to their fair values.
- (v) During the year, the Group has received HK\$1,720,000 (2006: Nil) in respect of advances to former associates, for which the Group has provided full impairment losses in previous years. The impairment losses provided were reversed accordingly.

Particulars of the Group's principal associates as at 31st December, 2007 are set out in Note 39 to the financial statements.

財務報表附註

截至二零零七年十二月三十一日止年度

22. 聯營公司權益／墊付聯營公司款項(續)

(b) 墊付聯營公司款項(續)

附註：

- (i) 確認之減值虧損(指墊付聯營公司款項之賬面金額與預期所得款項之差額)撥備變動如下：

2007	2006
HK\$'000	HK\$'000
千港元	千港元
83,810	71,249
573	13,477
(52,659)	(19)
-	(897)
31,724	83,810

- (ii) 聯營公司投資物業於二零零七年十二月三十一日按普敦國際評估於該日進行之估值為基準而重估。本集團已確認聯營公司投資物業於二零零七年十二月三十一日之公平值收益權益52,000,000港元(扣除遞延稅項影響11,000,000港元)。有關詳情載於財務報表附註9。
- (iii) 除一筆9,500,000港元之款項(二零零六年：9,500,000港元)按6.75厘(二零零六年：6.75厘)計息外，墊付聯營公司計息款項之餘款按最優惠利率減2.75厘計算。墊款為無抵押，且本集團將不會於結算日起一年內要求還款，因此被視為非流動。本公司董事認為墊付聯營公司款項之賬面金額與其公平值相若。
- (iv) 免息墊款為無抵押，而本集團將不會於結算日起一年內要求還款，因此被視為非流動。本公司董事按當時市場借貸利率折現免息墊款之未來現金流量而估計其公平值。本公司董事認為免息墊付聯營公司款項之賬面金額與其公平值相若。
- (v) 年內，本集團已收回墊付前聯營公司款項1,720,000港元(二零零六年：無)，本集團於往年已就該款項作出全數減值虧損撥備，並已相應地撥回已撥備之減值虧損。

有關本集團於二零零七年十二月三十一日之主要聯營公司之詳情載於財務報表附註39。

Notes to the Financial Statements

For the year ended 31st December, 2007

22. INTERESTS IN ASSOCIATES/ADVANCES TO ASSOCIATES (cont'd)

(b) Advances to associates (cont'd)

The summarised financial information in respect of the Group's associates is set out below:

		2007	2006
		HK\$'000	HK\$'000
		千港元	千港元
Total assets	資產總額	1,598,306	1,426,413
Total liabilities	負債總額	(551,197)	(556,208)
Net assets	資產淨值	1,047,109	870,205
Group's share of net assets of associates	本集團應佔聯營公司資產淨值	390,951	329,152
Turnover	營業額	58,845	46,465
Profit for the year	本年度溢利	178,324	228,390
Group's share of results of associates for the year (Note 9)	本集團應佔本年度聯營公司之業績(附註9)	62,509	84,886

23. AVAILABLE-FOR-SALE FINANCIAL ASSET

The Group

Club debenture

本集團

會籍債券

270

270

The Company

Club debenture

本公司

會籍債券

-

270

財務報表附註

截至二零零七年十二月三十一日止年度

22. 聯營公司權益／墊付聯營公司款項(續)

(b) 墊付聯營公司款項(續)

本集團聯營公司之財務資料概述如下：

		2007	2006
		HK\$'000	HK\$'000
		千港元	千港元
Total assets	資產總額	1,598,306	1,426,413
Total liabilities	負債總額	(551,197)	(556,208)
Net assets	資產淨值	1,047,109	870,205
Group's share of net assets of associates	本集團應佔聯營公司資產淨值	390,951	329,152
Turnover	營業額	58,845	46,465
Profit for the year	本年度溢利	178,324	228,390
Group's share of results of associates for the year (Note 9)	本集團應佔本年度聯營公司之業績(附註9)	62,509	84,886

23. 可供出售金融資產

2007**HK\$'000**

千港元

2006

HK\$'000

千港元

The Group

Club debenture

本集團

會籍債券

270

270

The Company

Club debenture

本公司

會籍債券

-

270

Notes to the Financial Statements

For the year ended 31st December, 2007

24. PROPERTIES HELD FOR SALE

The Group

Properties held for sale
Disposals
Transfer from properties held
for development (Note 18)

Less: impairment loss recognised

本集團

持作出售物業
出售
從持作發展物業轉入
(附註18)

減：已確認之減值虧損

財務報表附註

截至二零零七年十二月三十一日止年度

24. 持作出售物業

2007	2006
HK\$'000	HK\$'000
千港元	千港元
78,483	28,796
(22,179)	-
-	50,287
56,304	79,083
-	(600)
56,304	78,483

At 31st December, 2007, the directors of the Company reviewed the carrying amounts of the properties held for sale with reference to current market situation and the estimated selling price of the properties held for sale provided by Norton Appraisals. No impairment loss was made by reference to the recoverable amount of the properties held for sale (2006: HK\$600,000).

25. DEBTORS, DEPOSITS AND PREPAYMENTS

The Group and the Company

The directors of the Company consider that the carrying amounts of the Group's and the Company's debtors, deposits and prepayments approximate to their fair values.

The Group

Included in debtors, deposits and prepayments are trade debtors of HK\$2,000 (2006: HK\$2,000) comprising mainly rental receivables which are billed in advance and settlements are expected upon receipt of bills.

於二零零七年十二月三十一日，本公司董事已參照現行市況及普敦國際評估提供之持作出售物業估計售價審閱持作出售物業之賬面金額。本集團參照持作出售物業之可收回金額並無作出減值虧損(二零零六年：600,000港元)。

25. 應收賬項、按金及預付款項

本集團及本公司

本公司董事認為本集團及本公司之應收賬項、按金及預付款項之賬面金額與其公平值相若。

本集團

應收賬項、按金及預付款項包括應收貿易賬項2,000港元(二零零六年：2,000港元)，主要為預先開立賬單之應收租金，並預期租客將於收取賬單時清付。

Notes to the Financial Statements

For the year ended 31st December, 2007

25. DEBTORS, DEPOSITS AND PREPAYMENTS
(cont'd)

The following is the aged analysis of trade debtors, net of impairment, at the balance sheet date:

Within 30 days	三十日內
----------------	------

The Group's trade debtors are balances with carrying amounts of HK\$2,000 (2006: HK\$2,000) which are past due at the balance sheet date for which the Group has not provided impairment loss. The Group does not hold any collateral over these balances.

26. ADVANCE TO THE ULTIMATE HOLDING COMPANY

The Group and the Company

The advance to the ultimate holding company is unsecured, interest-free and repayable on demand. The directors of the Company consider that the carrying amount of the Group's and the Company's advance to the ultimate holding company approximates to its fair value.

The Group and the Company do not hold collateral over the balance.

財務報表附註

截至二零零七年十二月三十一日止年度

25. 應收賬項、按金及預付款項
(續)

於結算日，應收貿易賬項(扣除減值)之賬齡分析如下：

2007	2006
HK\$'000	HK\$'000
千港元	千港元

2	2
----------	---

本集團之應收貿易賬項為賬面金額2,000港元之結餘(二零零六年：2,000港元)，已於結算日到期，據此本集團並未作出減值虧損撥備。本集團並未對該等結餘作出任何抵押。

26. 墊付最終控股公司款項

本集團及本公司

墊付最終控股公司款項為無抵押，免息及按要求時償還。本公司董事認為本集團及本公司墊付最終控股公司款項之賬面金額與其公平值相若。

本集團及本公司並無對結餘作出抵押。

Notes to the Financial Statements

For the year ended 31st December, 2007

27. CASH AND CASH EQUIVALENTS

Cash at banks and on hand 銀行存款及現金
Time deposits 定期存款

		The Group		The Company	
		本集團		本公司	
		2007	2006	2007	2006
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
		2,424	1,400	508	611
		271,800	186,500	271,800	183,300
		274,224	187,900	272,308	183,911

The time deposits of the Group and the Company had maturity within 3 months and carry interests at prevailing market deposit rates.

The directors of the Company consider that the carrying amounts of the Group's and the Company's cash and cash equivalents approximate to their fair values.

28. CREDITORS AND ACCRUALS

The Group and the Company

There were no trade payables included in creditors and accruals as at 31st December, 2007 and 2006. The directors of the Company consider that the carrying amounts of the Group's and the Company's creditors and accruals approximate to their fair values.

29. LOAN FROM MINORITY SHAREHOLDER

The Group

The loan is unsecured, repayable on demand and non-interest bearing. The directors of the Company consider that the carrying amount of the loan from minority shareholder approximates to its fair value.

財務報表附註

截至二零零七年十二月三十一日止年度

27. 現金及現金等同項目

本集團及本公司之定期存款於三個月內到期，並按當時市場存款利率計息。

本公司董事認為本集團及本公司之現金及現金等同項目之賬面金額與其公平值相若。

28. 應付賬項及應計費用

本集團及本公司

於二零零七年及二零零六年十二月三十一日，應付賬項及應計費用並無包括應付貿易賬項。本公司董事認為本集團及本公司之應付賬項及應計費用之賬面金額與其公平值相若。

29. 少數股東貸款

本集團

該貸款為無抵押、按要求時償還及免息。本公司董事認為少數股東貸款之賬面金額與其公平值相若。

Notes to the Financial Statements

For the year ended 31st December, 2007

30. DEFERRED TAXATION LIABILITIES

The Group

The following are the major deferred taxation (liabilities) and assets recognised by the Group and movements thereon during the current and prior reporting periods:

		Revaluation of investment properties	Accelerated tax depreciation	Tax losses	Total
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
At 1st January, 2006	於二零零六年一月一日	(1,499)	24	465	(1,010)
Credit (charge) to the income statement for the year (Note 11)	撥入(扣自)本年度收益表(附註11)	245	(5)	(465)	(225)
At 31st December, 2006 and 1st January, 2007	於二零零六年十二月三十一日及二零零七年一月一日	(1,254)	19	-	(1,235)
Credit (charge) to the income statement for the year (Note 11)	撥入(扣自)本年度收益表(附註11)	147	(4)	128	271
At 31st December, 2007	於二零零七年十二月三十一日	(1,107)	15	128	(964)

For the purpose of balance sheet presentation, certain deferred taxation assets and (liabilities) have been offset. The following is the analysis of the deferred taxation balances for financial reporting purposes:

		2007 HK\$'000 千港元	2006 HK\$'000 千港元
Deferred taxation assets	遞延稅項資產	143	19
Deferred taxation liabilities	遞延稅項負債	(1,107)	(1,254)
		(964)	(1,235)

At the balance sheet date, the Group had not recognised deferred tax assets in respect of tax losses of HK\$197,813,000 (2006: HK\$201,387,000) due to the unpredictability of future profit streams. The unrecognised tax losses may be carried forward indefinitely.

財務報表附註

截至二零零七年十二月三十一日止年度

30. 遞延稅項負債

本集團

以下為本集團於本個及過往申報期間確認之主要遞延稅項(負債)與資產及其變動:

就資產負債表之呈列而言,若干遞延稅項資產及(負債)已經抵銷。作財務申報用途之遞延稅項結餘分析如下:

於結算日,由於難以預測未來溢利多寡,本集團無就稅項虧損197,813,000港元(二零零六年:201,387,000港元)確認遞延稅項資產。未確認之稅項虧損可無限期予以結轉。

Notes to the Financial Statements

For the year ended 31st December, 2007

31. SHARE CAPITAL

財務報表附註

截至二零零七年十二月三十一日止年度

31. 股本

	Number of shares 股份數目	Share capital 股本 HK\$'000 千港元
The Group and the Company		
Ordinary shares of HK\$0.01 each		
Authorised:		
At 1st January, 2006, 31st December, 2006, 1st January, 2007 and 31st December, 2007	本集團及本公司 每股面值 0.01 港元之普通股 法定： 於二零零六年一月一日、 二零零六年十二月三十一日、 二零零七年一月一日及 二零零七年十二月三十一日	50,000,000,000 500,000
Issued and fully paid:		
At 1st January, 2006, 31st December, 2006, 1st January, 2007 and 31st December, 2007	已發行及繳足： 於二零零六年一月一日、 二零零六年十二月三十一日、 二零零七年一月一日及 二零零七年十二月三十一日	338,765,987 3,388

Notes to the Financial Statements

For the year ended 31st December, 2007

32. RESERVES

The Group

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity.

The Company

		Contribution from shareholders	Share premium	Accumulated losses	Total
		股東注資	股份溢價	累計虧損	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
At 1st January, 2006	於二零零六年一月一日	117,054	495,160	(26,967)	585,247
Profit for the year	本年度溢利	-	-	6,123	6,123
At 31st December, 2006 and 1st January, 2007	於二零零六年十二月三十一日 及二零零七年一月一日	117,054	495,160	(20,844)	591,370
Profit for the year	本年度溢利	-	-	9,741	9,741
At 31st December, 2007	於二零零七年十二月三十一日	117,054	495,160	(11,103)	601,111

In the opinion of the directors of the Company, the Company had no reserves available for distribution as at 31st December, 2007 and 2006.

33. MAJOR NON-CASH TRANSACTIONS

For the year ended 31st December, 2007, the Group had not entered into any major non-cash transactions.

For the year ended 31st December, 2006, the Group had the following major non-cash transactions:

The Group had incurred costs for additions of properties under development of approximately HK\$26,386,000 of which approximately HK\$7,117,000 had not been paid as at 31st December, 2006 which was included in creditors and accruals.

財務報表附註

截至二零零七年十二月三十一日止年度

32. 儲備

本集團

本集團於本年度及過往年度之儲備金額及其變動於綜合股本權益變動報表呈列。

本公司

		Contribution from shareholders	Share premium	Accumulated losses	Total
		股東注資	股份溢價	累計虧損	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
At 1st January, 2006	於二零零六年一月一日	117,054	495,160	(26,967)	585,247
Profit for the year	本年度溢利	-	-	6,123	6,123
At 31st December, 2006 and 1st January, 2007	於二零零六年十二月三十一日 及二零零七年一月一日	117,054	495,160	(20,844)	591,370
Profit for the year	本年度溢利	-	-	9,741	9,741
At 31st December, 2007	於二零零七年十二月三十一日	117,054	495,160	(11,103)	601,111

本公司董事認為，本公司於二零零七年及二零零六年十二月三十一日並無可供分派之儲備。

33. 主要非現金交易

截至二零零七年十二月三十一日止年度，本集團並無訂立任何主要非現金交易。

截至二零零六年十二月三十一日止年度，本集團曾進行下列主要非現金交易：

本集團已產生添置發展中物業之成本約26,386,000港元，其中已計入應付賬項及應計費用之約7,117,000港元於二零零六年十二月三十一日尚未支付。

Notes to the Financial Statements

For the year ended 31st December, 2007

34. OPERATING LEASE COMMITMENTS

The Group as lessee

Minimum lease payments under operating leases
in respect of office premises during the year

於年內有關辦公室物業之
營業租約最低租金

At the balance sheet date, the Group had outstanding commitments under non-cancellable operating leases, which fall due as follows:

Within one year

一年內

Operating lease payments represent rentals payable by the Group for certain of its office premises. Lease is negotiated for a fixed term of two years.

The Group as lessor

At the balance sheet date, the Group had contracted with tenants for the following future minimum lease payments:

Within one year

一年內

In the second to fifth year inclusive

第二至第五年(包括首尾兩年)

The investment properties of the Group are expected to generate annual rental yields of approximately 6% on an ongoing basis. All of the properties held have committed tenants not exceeding approximately three years.

財務報表附註

截至二零零七年十二月三十一日止年度

34. 營業租約承擔

本集團作為承租人

2007	2006
HK\$'000	HK\$'000
千港元	千港元

83	78
-----------	----

於結算日，本集團不可取消營業租約之未償還承擔於下列期間到期：

2007	2006
HK\$'000	HK\$'000
千港元	千港元

-	83
---	----

營業租約租金為本集團就其若干辦公室物業應付之租金。租約每兩年磋商一次。

本集團作為出租人

於結算日，本集團已就下列日後最低租金與租戶訂約：

2007	2006
HK\$'000	HK\$'000
千港元	千港元

329	461
------------	-----

-	329
---	-----

329	790
------------	-----

本集團之投資物業預期將每年持續產生約6%之租金回報率。持有之物業均已與租戶訂立不超過約三年之租約。

Notes to the Financial Statements

For the year ended 31st December, 2007

35. CAPITAL COMMITMENTS

At the balance sheet date, the Group had the following capital commitment:

Contracted but not provided for	已訂約但未撥備
Acquisition of 50% shareholding in and shareholder's loan due from Canaria Holding Limited and the loan due from Earn Elite Development Limited	收購 Canaria Holding Limited 之 50% 股權及其應付之股東貸款及盈才發展有限公司應付之貸款

The acquisition was terminated subsequent to the balance sheet date as the vendor and debt vendor could not fulfil the conditions precedent by 31st January, 2008. For further details, please refer to Note 40 to the financial statements and the Company's announcement dated 1st February, 2008.

The Company did not have any significant capital commitments at 31st December, 2007 and 2006.

36. RETIREMENT BENEFIT SCHEMES

The Group operates two retirement benefit schemes:

- (i) the provident fund scheme as defined in the Mandatory Provident Fund Schemes Ordinance, Chapter 485 of the laws of Hong Kong (the "MPF Scheme"); and
- (ii) the provident fund scheme as defined in the Occupational Retirement Schemes Ordinance, Chapter 426 of the laws of Hong Kong (the "Top-up Scheme").

Both the MPF Scheme and the Top-up Scheme were defined contribution schemes and the assets of both schemes were managed by their respective trustees accordingly.

財務報表附註

截至二零零七年十二月三十一日止年度

35. 資本承擔

於結算日，本集團擁有下列資本承擔：

2007	2006
HK\$'000	HK\$'000
千港元	千港元

10,300

—

由於賣方及債務賣方未能於二零零八年一月三十一日前履行先決條件，該項收購已於結算日後被終止。有關之進一步詳情，請參閱財務報表附註40及本公司於二零零八年二月一日之公布。

於二零零七年及二零零六年十二月三十一日，本公司並無重大資本承擔。

36. 退休福利計劃

本集團設有兩項退休福利計劃：

- (i) 香港法例第485章強積金計劃條例下界定之公積金計劃(「強積金計劃」); 及
- (ii) 香港法例第426章職業退休計劃條例下界定之公積金計劃(「補足計劃」)。

強積金計劃及補足計劃均為定額供款計劃，該兩項計劃之資產均相應由各自之受託人管理。

Notes to the Financial Statements

For the year ended 31st December, 2007

36. RETIREMENT BENEFIT SCHEMES (cont'd)

The MPF Scheme was available to all employees aged 18 to 64 and with at least 60 days of service under the employment of the Group in Hong Kong. Contributions were made by the Group at 5% based on the staff's relevant income. The statutory maximum level of relevant income for contribution purpose is HK\$20,000 per month. Staff members were entitled to 100% of the Group's contributions together with accrued returns irrespective of their length of service with the Group, but the benefit was required by law to be preserved until the retirement age of 65. Forfeited contributions of MPF Scheme cannot be used by the Group to offset the existing level of contributions.

The Top-up Scheme was available to those employees with basic salary over HK\$20,000 and/or years of service over 5. Contributions to the Top-up Scheme were made by the Group at 5%, 7.5% or 10% of staff's basic salary (depending on the length of service) less the Group's mandatory contribution under the MPF Scheme. Staff members were entitled to 100% of the Group's contributions together with accrued returns after completing 10 years of service or more, or attaining the retirement age, or were entitled at a reduced scale between 30% to 90% of the Group's contributions after completing a period of service of at least 3 years but less than 10 years. The Top-up Scheme allowed any forfeited contributions (made by the Group for any staff member who subsequently left the Top-up Scheme prior to vesting fully in such contributions) to be used by the Group to offset the current level of contributions of the Group.

The Group's cost for the MPF Scheme charged to consolidated income statement for the year amounted to HK\$152,000 (2006: HK\$87,000).

During both years, no employee of the Group was entitled to the benefit of the Top-up Scheme and no contributions had been made by the Group to the Top-up Scheme.

財務報表附註

截至二零零七年十二月三十一日止年度

36. 退休福利計劃(續)

強積金計劃可供所有18至64歲受僱於香港最少60日之本集團僱員參加。本集團根據僱員之有關入息作出5%之供款。就供款而言，有關法定入息水平上限為每月20,000港元。不論其於本集團之服務年期，僱員均可取得100%本集團供款連同應計回報，惟根據法例，有關利益將保留至退休年齡65歲方可領取。本集團不可動用強積金計劃下之已沒收供款，以抵銷現有之供款水平。

補足計劃可供基本薪金超過20,000港元及／或年資超過五年之僱員參加。本集團乃根據僱員之基本薪金按其服務年期，作出5%、7.5%或10%之補足計劃供款，並減去本集團根據強積金計劃作出之強制性供款。僱員服務滿10年或以上或到退休年齡時可取得100%本集團供款連同應計回報，而服務年期滿3年但不足10年之僱員則可按遞減比例取得30%至90%本集團供款。補足計劃容許本集團將任何已沒收供款(即本集團就任何於可獲得全部供款前退出補足計劃之僱員而作出之供款)用以抵銷本集團現有之供款水平。

本集團於年內就強積金計劃於綜合收益表扣除之費用為152,000港元(二零零六年: 87,000港元)。

於上述兩個年度內，本集團概無僱員受惠於補足計劃，而本集團對補足計劃亦無供款。

Notes to the Financial Statements

For the year ended 31st December, 2007

37. RELATED PARTY TRANSACTIONS

The Group had entered into transactions with related parties which, in the opinion of the directors, were carried out in normal commercial terms and in the ordinary course of the Group's business as shown below:

Key management personnel remuneration

Remuneration for key management personnel is disclosed in Note 13(a) to the financial statements.

During the year, the Group had the following transactions with related parties:

Rental paid to a fellow subsidiary (Note i)	支付予同系附屬公司之租金(附註i)
Interest income on advances to associates (Note ii)	墊付聯營公司款項之利息收入(附註ii)
Imputed interest income relating to interest-free advance to an associate	墊付聯營公司免息款項之名義利息收入

Notes:

- (i) Rental was paid to Chinese Estates, Limited, a wholly owned subsidiary of Chinese Estates for the lease of office premises. The lease was entered into in the ordinary course of business with reference to market rates.
- (ii) Interest was charged on outstanding balance during the year.

None of the related party transactions constituted discloseable non-exempted connected transactions or non-exempted continuing connected transactions under the Listing Rules.

Details of the balances with related parties as at the balance sheet date are set out in Note 22 and Note 26 and Note 29.

財務報表附註

截至二零零七年十二月三十一日止年度

37. 關連人士交易

本集團曾與關連人士訂立下列交易，而董事認為有關交易乃於本集團日常業務過程中按正常商業條款進行：

主要管理人員酬金

主要管理人員之酬金於財務報表附註13(a)披露。

年內，本集團曾與關連人士進行下列交易：

2007	2006
HK\$'000	HK\$'000
千港元	千港元
83	78
4,105	4,855
942	924
5,130	5,857

附註：

- (i) 租金支付予華人置業之全資附屬公司華人置業有限公司作租用辦公室。該租賃是參考市場價格按正常商業條件定立。
- (ii) 利息根據年內尚欠結餘計算。

根據上市規則，關連人士交易概無構成須予披露之非豁免關連交易或非豁免持續關連交易。

於結算日，與關連人士之結餘詳情載於附註22、附註26及附註29。

Notes to the Financial Statements

For the year ended 31st December, 2007

財務報表附註

截至二零零七年十二月三十一日止年度

38. PARTICULARS OF PRINCIPAL SUBSIDIARIES

The directors of the Company are of the opinion that a complete list of the particulars of all subsidiaries would be of excessive length and therefore the following list discloses only the particulars of those subsidiaries as at 31st December, 2007 which principally affect the results or assets of the Group.

38. 主要附屬公司詳情

本公司董事認為列出全部附屬公司資料會令篇幅過於冗長，故下表只披露於二零零七年十二月三十一日對本集團之業績或資產有重要影響之附屬公司之詳情。

Name of subsidiaries 附屬公司名稱	Place of incorporation or operation 註冊成立或經營地點	Class of share/registered capital held 所持股份/註冊股本類別	Fully paid share capital/registered capital 繳足股本/註冊股本	Proportion of nominal value of paid-up capital/registered capital held by the Company 本公司所持繳足股本/註冊股本面值之百分比		Principal activities 主要業務
				Directly 直接	Indirectly 間接	
Cornford Tower Limited	Republic of Liberia 利比里亞共和國	Ordinary 普通股	US\$1 1美元	–	100%	Investment holding 投資控股
Country Homes Limited	Hong Kong 香港	Ordinary 普通股	HK\$200 200港元	–	100%	Property investment 物業投資
		Non-voting deferred ordinary 無投票權 遞延普通股	HK\$164,400 164,400港元			
		Non-voting deferred founder 無投票權 遞延創立人股	HK\$1,000 1,000港元			
Country Honour Limited 國賢有限公司	Hong Kong 香港	Ordinary 普通股	HK\$2 2港元	–	100%	Property investment 物業投資
Farnell Venture Inc.	British Virgin Islands 英屬維爾京群島	Ordinary 普通股	US\$1 1美元	–	100%	Investment holding 投資控股
First Castle Limited	British Virgin Islands 英屬維爾京群島	Ordinary 普通股	US\$1 1美元	–	100%	Property investment 物業投資

Notes to the Financial Statements

For the year ended 31st December, 2007

財務報表附註

截至二零零七年十二月三十一日止年度

38. PARTICULARS OF PRINCIPAL SUBSIDIARIES
(cont'd)

38. 主要附屬公司詳情(續)

Name of subsidiaries 附屬公司名稱	Place of incorporation or operation 註冊成立或經營地點	Class of share/registered capital held 所持股份/註冊股本類別	Fully paid share capital/registered capital 繳足股本/註冊股本	Proportion of nominal value of paid-up capital/registered capital held by the Company 本公司所持繳足股本/註冊股本面值之百分比		Principal activities 主要業務
				Directly 直接	Indirectly 間接	
Konshing Enterprises Limited 冠盛企業有限公司	Hong Kong 香港	Ordinary 普通股	HK\$1,000 1,000港元	–	51%	Property development 物業發展
Lucky Guide International Limited 冠林國際有限公司	Hong Kong 香港	Ordinary 普通股	HK\$6 6港元	–	51%	Property investment 物業投資
Moregift Investments Limited	Hong Kong 香港	Ordinary 普通股	HK\$10,000 10,000港元	100%	–	Property holding 物業持有
Sanewing Investments Limited 先榮投資有限公司	Hong Kong 香港	Ordinary 普通股	HK\$10,000 10,000港元	–	100%	Property trading 物業買賣
Union Spark Investment Limited 彩裕投資有限公司	Hong Kong 香港	Ordinary 普通股	HK\$2 2港元	–	100%	Investment holding 投資控股
View Success Investments Limited 景亨投資有限公司	Hong Kong 香港	Ordinary 普通股	HK\$2 2港元	–	100%	Property investment and trading 物業投資及買賣

None of the subsidiaries had any loan capital subsisting at the end of the year or at anytime during the year.

概無任何附屬公司於年結時或年內任何時間存在任何借貸股本。

Notes to the Financial Statements

For the year ended 31st December, 2007

39. PARTICULARS OF PRINCIPAL ASSOCIATES

The following list contains only the particulars of associates, all of which are unlisted corporate entities, which principally affect the results or assets of the Group:

Name of associates 聯營公司名稱	Place of incorporation and operation 註冊成立及經營地點	Class of share/registered capital held 所持股份/ 註冊股本類別	Fully paid share capital/registered capital 繳足股本/ 註冊股本	Percentage of equity attributable indirectly to the Group 本集團間接應佔股權百分比	Principal activities 主要業務
Earn Elite Development Limited 盈才發展有限公司	Hong Kong 香港	Ordinary 普通股	HK\$2 2港元	50%	Property investment 物業投資
Finedale Industries Limited 廣坤實業有限公司	Hong Kong 香港	Ordinary 普通股	HK\$9,999 9,999港元	33 $\frac{1}{3}$ %	Property investment 物業投資
Healthy Point Limited 強邦有限公司	Hong Kong 香港	Ordinary 普通股 Non-voting preferred 無投票權優先股	HK\$2 2港元 HK\$1 1港元	50%	Property investment 物業投資

財務報表附註

截至二零零七年十二月三十一日止年度

39. 主要聯營公司詳情

以下僅列出對本集團之業績或資產有重要影響之聯營公司(全部均為非上市之公司實體)之詳情:

Notes to the Financial Statements

For the year ended 31st December, 2007

40. POST BALANCE SHEET EVENTS

- (i) On 17th January, 2008, the Group entered into a conditional sale and purchase agreement with Victory Gain Holdings Limited (“Victory Gain”), a wholly-owned subsidiary of Chinese Estates, under which the Group agreed to sell and Victory Gain agreed to purchase (i) the issued shares of each of Moregift Investments Limited, New Hong Kong Inc., Paperkit International Limited, Pinball International Limited, Star Glory Limited, Florta (B.V.I.) Limited, Grade World Investment Limited, Hackney Investments Limited, Paton (B.V.I.) Limited, Perfect Country Limited, Reeden Limited, Shing Ping Development Ltd., Evergo China Group Limited, Comford Tower Limited, Country Homes Limited, Country Honour Limited, Dynamic Master Limited, E-Trade.Com Limited, Farnell Venture Inc., First Castle Limited, Jade Mountain Limited, Jinline Investments Ltd., Kinloch Investments Corp. and Sanewing Investments Limited (the “Sale Companies”) (which, together with their respective subsidiaries and associated companies, are collectively referred to as the “Target Companies”); (ii) all sums due by the Target Companies (excluding those whose shares of which shall not be sold directly or indirectly to Victory Gain) (the “Excluded Companies”) to the other members of the Group (excluding the Target Companies but including the Excluded Companies”) as at the date of completion. The disposal is subject to the approval of the independent shareholders of the Company.

For further details, please refer to the Company’s announcements dated 17th January, 2008, 5th February, 2008 and 6th March, 2008.

- (ii) During the year, the Group had entered into a sale and purchase agreement to dispose a godown unit of a property held for sale at a consideration of HK\$17 million. The disposal was completed on 16th January, 2008.
- (iii) As announced by the Company on 1st February, 2008, the major transaction made on 23rd March, 2007 concerning acquisition of 50% shareholding in and shareholder’s loan due from Canaria Holding Limited and the loan due from Earn Elite Development Limited was terminated as the vendor and debt vendor could not fulfil the conditions precedent by 31st January, 2008. The termination of the transaction would not have any material adverse effect on the business operation and financial position of the Group.

財務報表附註

截至二零零七年十二月三十一日止年度

40. 結算日後事項

- (i) 於二零零八年一月十七日，本集團與華人置業之全資附屬公司勝得控股有限公司（「勝得」）訂立有條件買賣協議，據此，本集團已同意出售而勝得已同意分別購入(i) Moregift Investments Limited、New Hong Kong Inc.、Paperkit International Limited、Pinball International Limited、Star Glory Limited、Florta (B.V.I.) Limited、加世投資有限公司、Hackney Investments Limited、Paton (B.V.I.) Limited、Perfect Country Limited、悅平有限公司、昇平發展有限公司、愛美高中國控股有限公司、Comford Tower Limited、Country Homes Limited、國賢有限公司、Dynamic Master Limited、E-Trade.Com Limited、Farnell Venture Inc.、First Castle Limited、Jade Mountain Limited、Jinline Investments Ltd.、健諾投資有限公司及先榮投資有限公司（「銷售公司」）（連同彼等各自之附屬公司及聯營公司，統稱為「目標公司」）之全部已發行股份；(ii) 目標公司（不包括其股份將不會直接或間接出售予勝得之公司）（「除外公司」）於完成日期所結欠本集團其他成員（不包括目標公司但包括除外公司）之所有款項。出售須待本公司獨立股東批准。

有關之進一步詳情，請參閱本公司於二零零八年一月十七日、二零零八年二月五日及二零零八年三月六日之公布。

- (ii) 年內，本集團訂立一項買賣協議出售一個持作出售物業之貨倉單位，代價為17,000,000港元。該項出售已於二零零八年一月十六日完成。
- (iii) 誠如本公司於二零零八年二月一日所公布，於二零零七年三月二十三日就收購Canaria Holding Limited之50%股權及其應付之股東貸款以及盈才發展有限公司應付之貸款而訂立之主要交易，由於賣方及債務賣方未能於二零零八年一月三十一日前履行先決條件而被終止。終止交易對本集團之業務運作及財務狀況均不會構成任何重大不利影響。

Notes to the Financial Statements

For the year ended 31st December, 2007

41. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 6th March, 2008.

財務報表附註

截至二零零七年十二月三十一日止年度

41. 授權刊發財務報表

董事會已於二零零八年三月六日批准及授權刊發財務報表。

Five-Year Financial Summary

五年財務概要

Summary of the results, assets and liabilities of the Group for the last five years is as follows:

本集團過去五年之業績、資產及負債概列如下：

		For the year ended 31st December,				
		截至十二月三十一日止年度				
		2007	2006	2005	2004	2003
		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
Results	業績					
Turnover	營業額	69,974	2,916	3,370	18,870	890
Profit/(loss) before taxation	稅前溢利/(虧損)	115,395	96,320	119,816	(168,416)	(776)
Taxation	稅項	(7,805)	(2,029)	(398)	(980)	558
Profit/(loss) for the year	本年度溢利/(虧損)	107,590	94,291	119,418	(169,396)	(218)
Attributable to:	下列應佔：					
Equity holders of the Company	本公司股本持有人	107,651	94,349	121,518	(169,396)	(218)
Minority interests	少數股東權益	(61)	(58)	(2,100)	-	-
		107,590	94,291	119,418	(169,396)	(218)
		As at 31st December,				
		於十二月三十一日				
		2007	2006	2005	2004	2003
		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
Assets and liabilities	資產及負債					
Total assets	資產總額	884,978	776,665	683,862	515,969	630,828
Total liabilities	負債總額	(16,939)	(16,225)	(17,713)	(64,400)	(61,076)
Total assets and liabilities	資產與負債總額	868,039	760,440	666,149	451,569	569,752
Minority interests	少數股東權益	1,084	1,023	965	40,312	45,100
Net assets to equity holders of the Company	本公司股本持有人應佔資產淨值	869,123	761,463	667,114	491,881	614,852
Net asset value per share (HK\$)	每股資產淨值(港元)	2.56	2.24	1.97	1.60	2.02
Net assets per share to equity holders of the Company (HK\$)	本公司股本持有人應佔每股資產淨值(港元)	2.57	2.25	1.97	1.74	2.18
Number of shares issued	已發行股份數目	338,765,987	338,765,987	338,765,987	282,305,987	282,305,987

Schedule of Principal Properties

主要物業附表

A. INVESTMENT PROPERTIES
投資物業

Location 地點	Lot number 地段編號	Approx. gross floor area (square feet) 總樓面面積約數 (平方呎)	Usage 用途	Category of the lease term 租期類別	Group's interest 集團 所佔權益
1. Unit B on 3rd Floor No. 1 South Lane Western District Hong Kong 香港西區 南里1號3樓B室	Certain parts or shares of and in Section A of Sub-section 1 of Section C and Sub-section 2 of Section C of Inland Lot No. 1300 內地段1300號C段1分段 之A段及C段2分段 之若干部份或份額	528 [▲]	Residential 住宅	Long 長期	51%
▲	Area represents the saleable area. 面積為實用面積。				
2. Various Portions of No. 1 Hung To Road Kwun Tong Kowloon, Hong Kong (Comprising 399 workshop units and 77 car parking spaces) 香港九龍觀塘 鴻圖道1號 若干單位 (包括399個工場單位 及77個車位)	Certain parts or shares of and in Kwun Tong Inland Lot No. 415 觀塘內地段415號之 若干部份或份額	541,048 [#]	Industrial 工業	Medium 中期	33 ¹ / ₃ %
#	Exclusive of all car parking spaces area. 不包括所有車位之面積。				

Schedule of Principal Properties

主要物業附表

A. INVESTMENT PROPERTIES (cont'd)
投資物業(續)

Location 地點	Lot number 地段編號	Approx. gross floor area (square feet) 總樓面面積約數 (平方呎)	Usage 用途	Category of the lease term 租期類別	Group's interest 集團 所佔權益
3. Tuen Mun Centre Cinema Portion of Ground Floor, 1st to 3rd Floors, Flat Roof on 4th Floor, Portion of external walls of Cinema and Shops Nos. 14 and 16 on Ground Floor Nos. 2-8 Wo Ping Path Nos. 7-35 Yan Ching Street Tuen Mun, New Territories Hong Kong 屯門中心 香港新界屯門 和平徑2-8號、 仁政街7-35號地下、 1樓至3樓戲院部份、 4樓平台、 部份戲院外牆及 地下14號及16號商舖	Certain parts or shares of and in Castle Peak Town Lot No. 57 青山市地段57號之 若干部份或份額	20,048*	Commercial 商業	Medium 中期	50%
* Exclusive of the Flat Roof area on 4th Floor. 不包括4樓平台之面積。					
4. Gemstar Tower Unit C (including storeroom thereof) on 13th Floor and the Roof together with 50 car parking spaces on 1st to 3rd Floors No. 23 Man Lok Street Hung Hom, Kowloon Hong Kong 駿昇中心 香港九龍紅磡 民樂街23號 13樓C室(包括儲物室) 及天台與1樓至3樓 50個車位	Certain parts or shares of and in Hung Hom Inland Lot No. 545 紅磡內地段545號之 若干部份或份額	4,850 [#]	Godown 貨倉	Medium 中期	100%
* Exclusive of the area of all car parking spaces and the Roof. 不包括所有車位及天台之面積。					

Schedule of Principal Properties

主要物業附表

A. INVESTMENT PROPERTIES (cont'd)
投資物業(續)

Location 地點	Lot number 地段編號	Approx. gross floor area (square feet) 總樓面面積約數 (平方呎)	Usage 用途	Category of the lease term 租期類別	Group's interest 集團 所佔權益
5. Inter-Continental Plaza The whole of 3rd Floor and the adjacent Flat Roof and the whole of 8th Floor No. 94 Granville Road Tsim Sha Tsui, Kowloon Hong Kong 明輝中心 香港九龍尖沙咀 加連威老道94號 3樓全層及相連平台 以及8樓全層	Certain parts or shares of and in Kowloon Inland Lot No. 10603 九龍內地段 10603 號之 若干部份或份額	22,204*	Commercial 商業	Long 長期	50%
* Exclusive of the Flat Roof area. 不包括平台之面積。					
6. Sim City of Chung Kiu Commercial Building Unit 301 on 3rd Floor Nos. 47-51 Shantung Street Mong Kok, Kowloon Hong Kong 中僑商業大廈 星際城市 香港九龍旺角 山東街47-51號 3樓301室	Certain parts or shares of and in Kowloon Inland Lot No. 10253 九龍內地段 10253 號之 若干部份或份額	453	Commercial 商業	Long 長期	100%

Schedule of Principal Properties

主要物業附表

A. INVESTMENT PROPERTIES (cont'd)
投資物業(續)

Location 地點	Lot number 地段編號	Approx. site area (square feet) 地盤面積約數 (平方呎)	Usage 用途	Category of the lease term 租期類別	Group's interest 集團 所佔權益
7. So Shi Tau Clear Water Bay New Territories Hong Kong 香港新界 清水灣鎖匙頭	Certain parts or shares of and in Lot Nos. 2, 4, 7, 8 and 9 in Demarcation District 464, So Shi Tau Clear Water Bay New Territories Hong Kong 香港新界清水灣鎖匙頭 丈量約份464號地段2、4、 7、8及9號之若干部份 或份額	370,912	Agricultural* 農業*	Medium 中期	100%
* Land held for undetermined future use. 持有目前未落實未來用途之土地。					
8. Ma Yau Tong [▲] Sai Kung New Territories Hong Kong 香港新界 [▲] 西貢馬游塘	The Remaining Portion of Lot No. 453 in Demarcation District 401 Po Lam Road Ma Yau Tong, Sai Kung New Territories Hong Kong 香港新界西貢馬游塘 寶琳路丈量約份401號 地段453號餘下部份	24,675	Agricultural 農業	Medium 中期	100%

[▲] A sale and purchase agreement for disposal of the property was made after 31st December, 2007.
一份出售此物業之買賣協議已於二零零七年十二月三十一日後簽訂。

Schedule of Principal Properties

主要物業附表

B. PROPERTIES HELD FOR SALE
持作出售物業

Location 地點	Lot number 地段編號	Approx. gross floor area (square feet) 總樓面面積約數 (平方呎)	Usage 用途	Group's interest 集團 所佔權益
1. Gemstar Tower Units C to G on 16th Floor, Units A to F* on 17th Floor (inclusive of Roofs of Units D and E), and Units A to D on 18th Floor No. 23 Man Lok Street Hung Hom, Kowloon Hong Kong 駿昇中心 香港九龍紅磡 民樂街23號 16樓C至G單位、 17樓A至F*單位(包括 D及E單位之天台) 及18樓A至D單位	Certain parts or shares of and in Hung Hom Inland Lot No. 545 紅磡內地段545號 之若干部份或份額	79,361*	Godown 貨倉	100%

* Exclusive of Roofs area of Units D and E on 17th Floor.
不包括17樓D及E單位天台之面積。

* The disposal of Unit E and the Roof on 17th Floor was completed after 31st December, 2007.
17樓E單位及天台已於二零零七年十二月三十一日後完成出售交易。

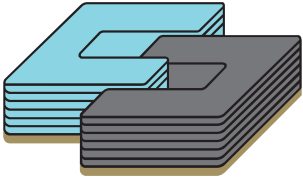
Schedule of Principal Properties

主要物業附表

C. PROPERTIES HELD FOR DEVELOPMENT
持作發展物業

Location 地點	Lot number 地段編號	Approx. site area (square feet) 地盤面積約數 (平方呎)	Usage 用途	Group's interest 集團 所佔權益
1. No. 34 Hill Road Western District Hong Kong 香港西區 山道34號	The Remaining Portion of Section C and Remaining Portion of Sub-section 1 of Section C of Inland Lot No. 1300 內地段1300號C段餘下部份及 C段1分段餘下部份	2,146	Residential* 住宅*	51%

- * The property comprises a 7-storey building completed in 1958, which was held by the Group for the future redevelopment purpose. The property was reclassified under prepaid lease payments upon application of HKAS 17.
該物業包括一幢建於1958年的七層高樓宇，被本集團持有作為未來重建之用。應用香港會計準則第17號時，該物業被重新分類至預付租賃款項。



CHI CHEUNG INVESTMENT COMPANY, LIMITED
至祥置業有限公司