



Tapping on three decades of expertise as one of Asia's most respected multi-faceted contractors, HKC (Holdings) Limited is now a major China property developer, with its core focus on commercial developments and investments. In addition, HKC is also emerging as a major player in China's alternative energy industry with an operational waste to energy plant in Shandong, an operating wind power station in Heilongjiang, and with two more stations currently under way in Hebei and Inner Mongolia.

積逾三十年專業經驗，香港建設（控股）有限公司向來被譽為亞洲才能兼備之承建商，現為中國主要物業投資發展商，範疇集中於商業項目發展及投資。

此外，香港建設亦冒起成為中國替代能源業之重要營運商，分別於山東省及黑龍江經營垃圾發電站及風力發電站，而於河北省及內蒙古之兩個發電站則處於準備階段。

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CORPORATE INFORMATION

公司資料

HONORARY CHAIRMAN

YU Ching Po

名譽主席

于鏡波

DIRECTORS

OEI Tjie Goan

LI Xueming

XU Zheng

OEI Kang, Eric

CHEN Libo

NG Chi Man, Michael

TSANG Sai Chung, Kirk

CHAN Kwok Fong, Joseph

TANG Sau Wai, Tom

YEN Teresa

WAN Ming Sun

LIU Guolin

FAN Yan Hok, Philip

CHUNG Cho Yee, Mico

CHENG Yuk Wo

Albert Thomas DA ROSA, Junior

董事

黃志源

李學明

徐征

黃剛

陳立波

吳志文

曾細忠

陳國芳

鄧守偉

閻孟琪

尹明山

劉國林

范仁鶴

鍾楚義

鄭毓和

羅凱栢

SOLICITORS

Iu, Lai & Li

律師

姚黎李律師行

AUDITORS

PricewaterhouseCoopers

核數師

羅兵咸永道會計師事務所

PRINCIPAL BANKERS

The Bank of East Asia Limited

Hang Seng Bank Limited

The Hongkong and Shanghai Banking Corporation Limited

China Construction Bank

Bank of Communications

Dah Sing Bank Limited

Industrial and Commercial Bank of China

主要往來銀行

東亞銀行有限公司

恒生銀行有限公司

香港上海滙豐銀行有限公司

中國建設銀行

交通銀行

大新銀行

中國工商銀行

PUBLIC RELATION CONSULTANT

Strategic Financial Relations Limited

公關顧問

縱橫財經公關顧問有限公司

COMPANY SECRETARY

TSANG Sai Chung, Kirk

公司秘書

曾細忠

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Bermuda

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STOCK CODE

190

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股份代號

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FINANCIAL HIGHLIGHTS

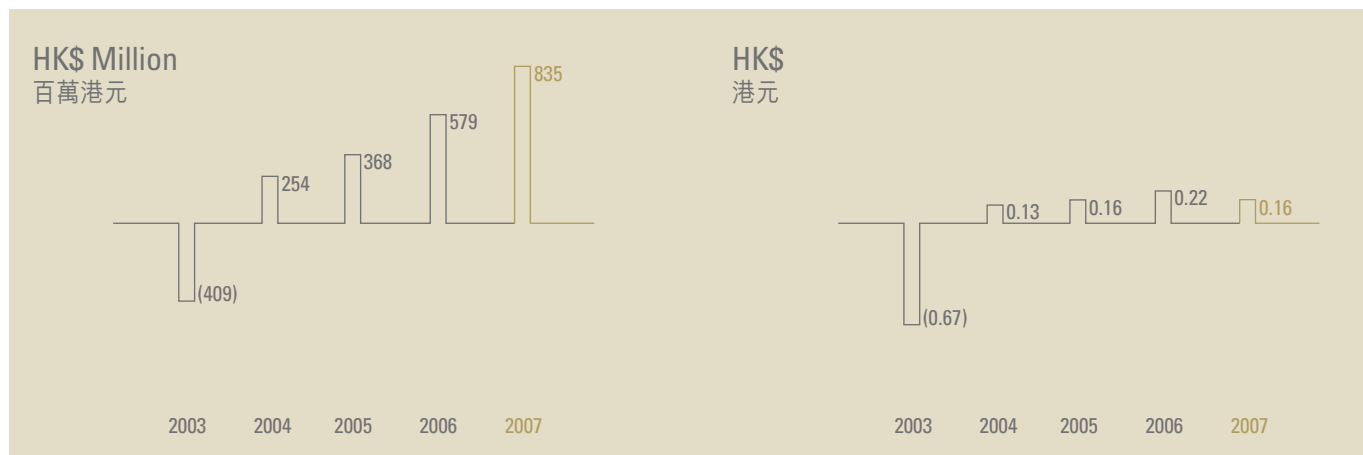
財務摘要

5 YEAR FINANCIAL SUMMARY

五年財務摘要

FOR THE YEARS ENDED 31ST DECEMBER 2003 TO 2007

由二零零三年至二零零七年十二月三十一日止年度



PROFIT/(LOSS) ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

本公司股東權益持有人應佔溢利/(虧損)

EARNINGS/(LOSS) PER SHARE

每股盈利/(虧損)



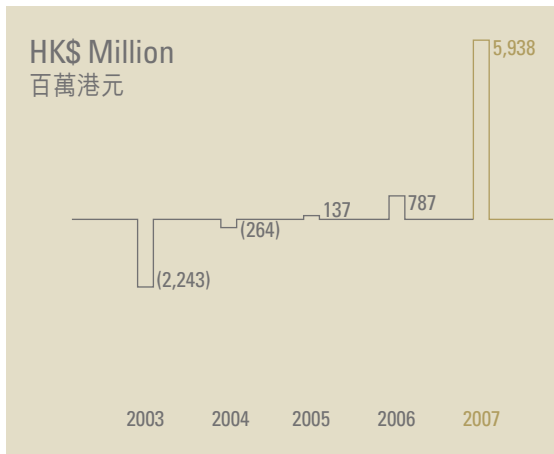
Ningbo Road Shenyang

瀋陽寧波路項目

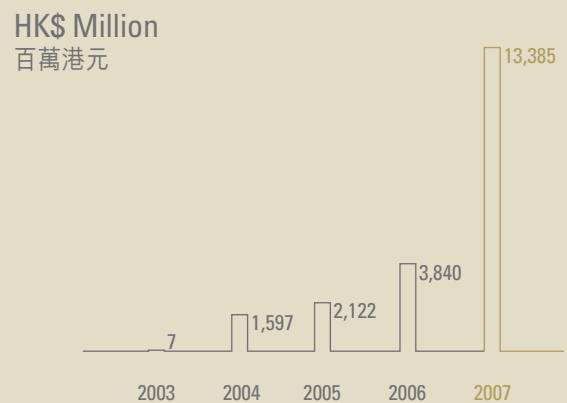
Tuanbo Lake Tianjin

天津團泊湖項目





NET CURRENT ASSETS/(LIABILITIES)
流動資產／(負債)淨額



NET ASSETS INCLUDING MINORITY INTERESTS
資產淨額(包括少數股東權益)

Nanxun International Building Supplies City Zhejiang
浙江南潯國際建材城



Sichuan North Road Shanghai
上海四川北路項目



Chairman – OEI Tjie Goan
主席 – 黃志源

CHAIRMAN'S STATEMENT 主席報告書

In recent years HKC (Holdings) Limited (“HKC” or “the Group”) has been vigorously and successfully transforming itself from a construction company into a major property developer and alternative energy player in mainland China. The year 2007 marked the twentieth anniversary of the Group’s listing on the Stock Exchange of Hong Kong: in this landmark anniversary year we made some of the biggest steps forward in our corporate history. For instance, we made some important acquisitions of well-placed and reasonably priced land in China to add to our quality landbank for development. At the same time, the Group’s market capitalization continued to grow, passing the HK\$20.0 billion mark at one point in 2007. That growth in turn attracted large-scale institutional investors whose input has helped us to build further momentum.

近年來，香港建設(控股)有限公司(「香港建設」或「本集團」)一直積極並成功地由一間建築公司搖身一變成為國內主要物業發展商及替代能源營運商。二零零七年為本集團於香港聯交所上市二十週年的誌慶，在此踏入新里程的週年，本集團於多方面邁出其成立以來的最大進展。例如，本集團於中國進行多項重要收購，以合理價格購入多幅地點優越的土地，並納入土地儲備作發展之用。與此同時，本集團市值持續攀升，於二零零七年一度超越20,000,000,000港元水平。市值增長吸引了大型機構投資者之青睞，其投資進一步推動本集團增長。

The China property sector has been swept along by booming economic growth and huge levels of demand in China in recent years. One of the significant developments of 2007 was the moves by the PRC government to implement cooling measures on the overheating economy. We are very confident that the tough government measures which are certain to squeeze many lesser developers will work in favour of HKC. This is the case because our business model and our activities over the past year have put HKC in an ideal position for navigating and taking advantage of a tighter property market. Let me outline some of our key achievements of 2007 which have put HKC into such a strong position for the coming year.

STRONG NET CASH POSITION

By launching a strategic fund-raising programme beginning in late 2006 which included further significant capital injections by major international investors in 2007, we have reached the end of the year as a cash-rich Group. Since November 2006 we have raised a total of HK\$8.58 billion from the capital market. This means that we now enjoy significant reserves of funding which are readily available for pushing forward with development projects and for acquiring further quality land for our landbank.

Unlike many other players in the property development sector in China, the Group has a very strong net cash position and low gearing, a crucial situation under the current climate. We are eager to continue acquiring good-quality land, and this will be easier as the market begins to cool, and property prices are reined in. Furthermore, other players who will struggle in the tightened macro environment may need to sell properties or projects at cut rates to cash buyers. Because of this, the Group may well have opportunities for acquiring good-value land from both public tenders and from the private sector.

STRATEGIC PARTNERS

During 2007, the Group gained important independent strategic investors Cerberus Asia Capital Management, LLC ("Cerberus") and Penta Investment Advisers Ltd ("Penta"). Besides the significant cash injection they have provided (in conjunction with further investment from substantial shareholder Mr Eric Oei), their participation has led to direct input at the level of management experience and advice, improved internal management systems, and a boost to the Group's international reputation. In addition, at the project level, we have agreed to partner with CB Richard Ellis Strategic Partners Asia II, LP ("CBRE") to develop properties in China. In our first project together, CBRE will take a minority stake in our Nankai property in Tianjin, allowing us to raise cash for other projects, while at the same time, bringing in a partner with valuable international real estate expertise.

由於經濟近年蓬勃增長，加上需求強勁，中國物業市場一直發展暢旺。二零零七年之其中一項重大發展為中國政府就過熱經濟推出冷卻措施。本集團深信，政府的嚴格措施定必驅使更多小型發展商與香港建設合作，原因是本集團的業務模式及於過往一年的活動已令香港建設處於有利位置，於緊縮的物業市場扮演主導角色並抓緊箇中惠益。本人謹此列出二零零七年各項為香港建設來年奠定穩實根基的多項主要成就。

強勁現金淨額狀況

自二零零六年年底起推出策略集資計劃(當中包括主要國際投資者於二零零七年作出進一步重大注資)後，本集團於年結日已擁有雄厚現金。自二零零六年十一月以來，本集團自資本市場集資共8,580,000,000港元，意味著本集團現已具備龐大資金儲備，可隨時用作進行發展項目及進一步購入優質土地納入土地儲備。

有別於國內眾多其他物業發展商，本集團的現金淨額狀況非常穩健，而資本負債比率亦處於低水平，在現時市場氣氛下實為非常重要。本集團矢志繼續購入優質土地，而隨著市場開始冷卻，加上物業價格放緩，將更容易達成此目標。此外，其他受宏觀經濟環境收緊困擾的營運商可能需要割價出售物業或項目予現金買家。基於此原因，本集團或可透過公開投標及從私人機構購入極具價值的土地。

策略夥伴

於二零零七年，本集團獲得重要的獨立策略投資者Cerberus Asia Capital Management, LLC(「Cerberus」)及Penta Investment Advisers Ltd(「Penta」)加入。除提供重大現金注資(連同主要股東黃剛先生之進一步投資)外，該兩家公司之加入於管理經驗及意見以及改善內部管理制度帶來直接貢獻，並提升了本集團的國際聲譽。此外，於項目層面方面，本集團同意與CB Richard Ellis Strategic Partners Asia II, LP(「CBRE」)結成夥伴，於中國發展物業。作為與本集團合作的首個項目，CBRE將購入本集團於天津南開物業之少數股權，在本集團得以為其他項目籌集現金的同時，亦為本集團引進了擁有寶貴國際物業專業知識的夥伴。

EXISTING AND UP-AND-COMING PIPELINE PROJECTS

The Group's strong cash reserves are earmarked for a range of exciting investment projects, located in high-potential cities of China. During the year, we continued our investments in existing projects, increasing our equity stake in our prestige development in Shanghai's North Bund; and acquiring a second piece of land on Sichuan Road, on the north bank of the Suzhou River. Both sites have unobstructed views of the Bund and Pudong. Construction is now ready to begin in a part of Shanghai in which property values have been spiralling. Meanwhile in Huzhou, near Shanghai, the design of the new Nanxun commercial complex has been completed and construction has started.

We were also able to use our strong financial situation to acquire new land and embark on new development projects through the year. A number of projects are underway in Tianjin, including residential development at Tuanbo Lake after we acquired a property company during the year; and more recently, a site at Nankai District after a swap of land for enhanced immense growth opportunities. We also acquired two pieces of prime land in Shenyang-one, near Southlake Park, and the other on Nanjing North Street. Both projects are currently at the planning stage.

A PROMISING ALTERNATIVE ENERGY BUSINESS WITH POTENTIAL FOR SEPARATE DEVELOPMENT

Revenues from new alternative energy projects began to come on stream. For instance, the first stage of our wind power plants in Heilongjiang was completed and began to generate electricity, bringing in a revenue stream from this source. Our experiences during the year have confirmed that the alternative energy sector remains a high-potential growth area, and the China government's increasing subsidisation of alternative energy and waste-to-energy options is bringing these activities more into the spotlight.

The Group feels, however, that the value of its burgeoning alternative energy operations may to some extent be hidden by the fact that they form part of a Group primarily seen as a property developer. To address this, in February 2008, the Group entered into a share purchase agreement with Nam Tai Electronics, Inc, to acquire approximately 74.99% of Hong Kong listed company J.I.C. Technology Company Ltd ("JIC") (stock code: 987). The takeover of JIC was completed on 10th April 2008. It intends to use this as a vehicle through which to launch any new alternative energy projects.

現有及未來的主導項目

本集團的強勁現金儲備將會用於一系列位於中國各大高潛力城市內令人振奮的投資項目。年內，本集團繼續投資現有項目並不斷增加其享負盛名的上海北外灘發展項目的股權，並於蘇州河北岸四川路購入第二幅土地。該兩幅土地均可盡覽外灘及浦東景緻。上海市部分建築工程已準備展開，其物業價值正節節上升。與此同時，毗鄰上海的湖洲市之新南潯商業綜合式大樓設計工作已告完成，並已開始興建。

年內，本集團亦憑藉其穩健的財務狀況購入新土地並著手進行新發展項目。本集團現正於天津市進行多個項目，當中包括本集團於年內購入一間物業公司後於團泊湖展開的住宅發展項目，以及近期調換土地後取得的南開區地塊，令增長機會大大提高。本集團亦於瀋陽購入兩幅黃金土地，一幅毗鄰南湖公園，另一幅則位於南京北路。該兩個項目現時處於規劃階段。

前景秀麗並有潛力獨立發展的替代能源業務

新替代能源項目開始帶來收益。例如，本集團黑龍江風力發電廠的第一期已經落成並開始發電，帶來了收益來源。本集團於年內所累積經驗確認了替代能源業仍然具備高增長潛力，加上中國政府增加對替代能源及廢物能源的資助，令此等業務更受矚目。

儘管如此，本集團感到，縱使替代能源業務價值不斷急升，惟於某程度上或會由於本集團基本上被視為一間物業發展商而遭掩蓋。有鑑於此，本集團於二零零八年二月與Nam Tai Electronics, Inc訂立購股協議，購入香港上市公司J.I.C. Technology Company Ltd (「JIC」) (股份代號：987)約74.99%股權，並於二零零八年四月十日完成收購JIC，計劃透過此公司作為推出任何新替代能源項目的平台。

LANDLORD IN THE MAKING

These are all key factors that help to explain why HKC's position within a tightened China economy should be seen in a far more positive light than those of many other players in the industry. HKC concentrates on developing commercial projects in prime locations for long-term investment upon completion. We have been characterised as a 'landlord in the making', and part of that involves adopting a strategy to maintain a significant ratio of long-term commercial investment, mainly in prime cities where demand is high, vs residential developments in second- and third-tier cities. In the light of all of the above, we are very confident about the Group's prospects for the coming year.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to take this opportunity to express my greatest thanks to all business partners, employees, the management and shareholders for your dedication and support critical to the long-term growth of HKC.

OEI Tjie Goan
Chairman

Hong Kong, 23rd April 2008

強勢崛起的土地發展商

上文所述各項解釋了香港建設在中國緊縮經濟下，仍較其他多個同業具備更正面前景的所有關鍵因素。香港建設集中於黃金地段發展商業項目，當完成時用作長期投資。本集團被譽為「強勢崛起的土地發展商」，部分歸因於其採取策略，在需求強勁之主要城市作出長期商業投資並維持重大比重，而較小比重則放於二三線城市的住宅發展。鑑於上述各項，本集團對來年之前景深感樂觀。

致謝

本人謹藉此機會代表董事會，向一直努力不懈及大力支持香港建設長期增長的所有業務夥伴、員工、管理人員及股東衷心致謝。

黃志源
主席

香港，二零零八年四月二十三日



Managing Director and CEO – Oei Kang, Eric
董事總經理兼行政總裁 – 黃剛

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL REVIEW

HKC (Holdings) Limited (“HKC” or the “Group”) continued its success during the year under review with turnover for the year ended 31st December 2007 amounted to HK\$706.1 million, an increase of 78.4% over turnover of HK\$395.7 million for 2006. Meanwhile, gross profit for the year of HK\$102.7 million also represented an increase over last year’s gross profit of HK\$79.3 million. Net profit attributable to equity holders of the Group amounted to HK\$834.6 million for the year under review (2006: HK\$579.4 million). This increase was primarily due to the revaluation of the Group’s properties in the PRC, and to the Group’s acquisition of additional share interests in and equity interests in property companies in Shanghai and Tianjin respectively. Basic earnings per share amounted to HK15.8 cents (2006: HK21.5 cents).

財務回顧

於回顧年內，香港建設(控股)有限公司(「香港建設」或「本集團」)繼續成績斐然，截至二零零七年十二月三十一日止年度之營業額為706,100,000港元，較二零零六年之營業額395,700,000港元增加78.4%。與此同時，年內毛利為102,700,000港元，亦較去年毛利79,300,000港元有所增加。於回顧年度，本集團股東權益持有人應佔純利為834,600,000港元(二零零六年：579,400,000港元)，增加之主要原因為本集團重估於中國之物業以及本集團增購於上海及天津之物業公司的股權及股本權益所致。每股基本盈利為15.8港仙(二零零六年：21.5港仙)。

During the second half of 2007, the Group benefited from the sale of the Beijing Jingguang Centre. HKC values its hotels at historical cost, so upon sale of the hotel, the Group recorded a substantial profit. In addition, the Group recorded a significant revaluation gain on the Shenzhen Jingguang Centre and Shun Hing Plaza. Because of improved management, office occupancy rates increased. Also, renovations have significantly improved the value of the properties. The Group also recorded a significant write back on the value of a parcel of land in Jiangmen, Guangdong. The site is located along a river bank and is within walking distance to a pier. The local government has gradually developed the site into an important residential and commercial area for the city, thereby increasing the value of our property.

Placing and Subscription of Shares

In the first quarter of 2007, HKC placed 1,167,522,000 new shares at the price of HK\$1.37 per share to independent institutional investors, Penta Investment Advisers Ltd. ("Penta"), a Hong Kong institutional investor and Creator Holdings Limited ("Creator"), the substantial shareholder. The gross proceeds were approximately HK\$1,599.5 million.

On 1st August 2007, the Group placed 450,000,000 shares for independent institutional investors by top-up placing, at a price of HK\$2.8 per share. Gross proceeds of the placing amounted to approximately HK\$1,260.0 million.

In October 2007, Cerberus Asia Capital Management, LLC ("Cerberus") invested US\$375.0 million (equivalent to approximately HK\$2,925.0 million) in equity in the Group. At the same time, the Group received a top-up amount of US\$200.0 million (equivalent to approximately HK\$1,560.0 million) from Creator, and a top-up of US\$150.0 million (equivalent to approximately HK\$1,170.0 million) from Penta, a Hong Kong institutional investor. The gross proceeds were approximately HK\$5,655.0 million.

The Group also issued bonus warrants to shareholders, on the basis of one warrant for every ten shares held. The subscription price for the bonus warrants is revised to HK\$2.05, and the subscription period is extended to 24 months.

Liquidity and Financial Resources

As at 31st December 2007, the Group's total borrowings amounted to HK\$2,710.2 million, representing a rise of 21.2% when compared with the equivalent figure of HK\$2,235.5 million as at 31st December 2006. Total borrowings as at 31st December 2007 included Hong Kong Dollar borrowings of HK\$63.0 million (2006: HK\$139.8 million) and Renminbi borrowings equivalent to HK\$2,647.2 million (2006: HK\$2,095.7 million).

The maturity dates for most of the Group's outstanding borrowings are spread over the next five years, with HK\$330.5 million repayable within one year or on demand, HK\$1,049.1 million repayable within two to five years, and HK\$1,330.6 million repayable after five years.

二零零七年下半年，本集團自出售北京京廣中心受惠。香港建設按歷史成本對其酒店進行估值，故出售酒店後，本集團錄得可觀溢利。此外，本集團就深圳京廣中心及信興廣場錄得重大重估收益。由於管理有所改善，故辦公室出租率上升，裝修亦大大提升物業之價格。再者，本集團就於廣東江門市之一幅土地錄得重大回撥。該物業位於河畔，信步可達鄰近碼頭。當地政府逐漸將該區發展成市內重要住宅及商業區，因而帶動本集團之物業價格上升。

配售及認購股份

於二零零七年第一季，香港建設按每股1.37港元之價格向獨立機構投資者、香港機構投資者Penta Investment Advisers Ltd. (「Penta」) 及主要股東創達集團有限公司 (「創達」) 配售1,167,522,000股新股份。所得款項總額約為1,599,500,000港元。

於二零零七年八月一日，本集團按每股2.8港元之價格，以先舊後新方式向獨立機構投資者配售450,000,000股股份。配售所得款項總額約為1,260,000,000港元。

於二零零七年十月，Cerberus Asia Capital Management, LLC (「Cerberus」) 向本集團股本注資375,000,000美元 (相等於約2,925,000,000港元)。與此同時，本集團分別收到創達及香港機構投資者Penta補足金額200,000,000美元 (相等於約1,560,000,000港元) 及150,000,000美元 (相等於約1,170,000,000港元)。所得款項總額約為5,655,000,000港元。

本集團亦按每持有十股股份獲發一份認股權證之基準，向股東發行紅利認股權證。紅利認股權證之認購價修訂為2.05港元，而認購期延長至24個月。

流動資金及財務資源

於二零零七年十二月三十一日，本集團之借款總額為2,710,200,000港元，較二零零六年十二月三十一日之2,235,500,000港元增加21.2%。於二零零七年十二月三十一日之借款總額包括港元借款63,000,000港元 (二零零六年：139,800,000港元) 及相等於2,647,200,000港元 (二零零六年：2,095,700,000港元) 之人民幣借款。

本集團大部分尚未償還借款於未來五年內到期，其中330,500,000港元須於一年內或應要求償還；1,049,100,000港元須於二至五年內償還；而1,330,600,000港元則須於五年後償還。



Heilongjiang Wind Power Station

黑龍江風力發電廠

Most of the Group's outstanding borrowings take the form of interest-bearing loans, with interest rates fixed at market prices.

本集團大部分未償還借款均屬計息貸款，利率按市場價格釐定。

As at 31st December 2007, the Group had restricted deposits of HK\$1,508.9 million and unrestricted cash and cash equivalents amounting to HK\$4,416.0 million. These figures compare very favorably with the equivalent respective figures of HK\$294.2 million and HK\$1,062.5 million as at 31st December 2006

於二零零七年十二月三十一日，本集團受限制存款1,508,900,000港元及無限制現金及現金等價物4,416,000,000港元，較二零零六年十二月三十一日之294,200,000港元及1,062,500,000港元大幅上升。

The Group did not use financial instruments for financial hedging purposes during the year under review.

回顧年內，本集團並無利用金融工具作財務對沖用途。

Details of the capital expenditure commitments refer to Note 38.

資本開支承擔詳情載於附註38。

The Group will continue its efforts to create an optimum financial structure that best reflects the long-term interests of its shareholders, and will actively consider a variety of alternative sources of funding to finance future investments.

本集團將繼續致力建立最佳財務結構，以有效反映股東之長遠利益，並積極考慮各類融資方法，為日後投資項目籌集資金。

Details of Charges in Group Assets

In the period under review, the Group and certain of its subsidiaries had charged certain properties worth approximately HK\$1,815.6 million (2006: HK\$2,118.3 million) as security for bank and other loans.

本集團資產抵押詳情

回顧期內，本集團及其若干附屬公司將總值約1,815,600,000港元(二零零六年：2,118,300,000港元)之物業作為銀行及其他貸款之抵押。

Gearing Ratio

The Group maintained a net cash position of approximately HK\$3,214.7 million as at 31st December 2007, compared with the gearing ratio of 22.9% as at 31st December 2006. This ratio represents total borrowings (excluding the amounts due to minority shareholders) less cash and cash equivalents (including restricted cash) divided by total equity.

負債資本比率

本集團於二零零七年十二月三十一日維持現金淨額狀況約3,214,700,000港元，而於二零零六年十二月三十一日之負債資本比率則為22.9%。此比率為借款總額(不包括應付少數股東款項)減現金及現金等價物(包括受限制現金)除權益總額之比率。

Contingent Liabilities

The Group had contingent liabilities in respect of housing facility fund for a property held in the PRC.

或然負債

本集團就國內持有一項物業產生的條例項下房屋公用設施專用基金有或然負債。

BUSINESS REVIEW

As part of its drive to transform itself into a leading China property developer while concurrently building up a major alternative energy business, the Group took some significant steps in 2007 to acquire the capital and the levels of investor backing that would enable it to operate on a larger scale in the market. The success of these moves has seen the Group's market capitalisation increase up to HK\$20.0 billion mark at one point in 2007.

Following the placing of new shares and investment from strategic partners to strengthen its financial base, the Group now has available significant cash reserves for acquiring land for development. In addition, it has gained the valuable services of its new investors Cerberus and Penta, each of which is now represented on the Group's Board of Directors and also has a seat on the four-seat Investment Committee. This level of involvement from widely respected international firms whose global investments are selected with great care represents a strong endorsement of the Group's operations and strategic direction.

Property Investment, Development and Management

During 2007 and the first quarter of 2008, the Group made significant steps forward in acquiring land and launching projects that, over the next few years, will transform its existing property investment portfolio as well as generating revenue from sales of residential property. During the year under review, the Group has enlarged its landbank by 1.78 million sq.m.

Shanghai

The property markets in Shanghai strengthened considerably in 2007, with the markets reaching a frenzy over the summer when a Mainland investor successfully bid approximately RMB67,000 per square meter at a public auction for a prime piece of land on Nanjing Road, within a half hour walking distance from HKC's two properties in the North Bund.

In March 2007, the Group increased its shareholding in Shanghai Jingang North Bund Real Estate Company Limited from 10% to 25%, paying approximately RMB15,520 sq.m. (equivalent to approximately HK\$16,642 sq.m.). This company is principally engaged in the development of a complex comprising a hotel, shopping mall and office premises on a 56,670 sq.m. site in Hongkou in Shanghai, situated along the north side of the International Cruise Terminal.

業務回顧

作為推動本集團蛻變成中國龍頭物業開發商，以及同時建立替代能源為主要業務其中一環，本集團於二零零七年作出多項重要行動，以取得資本及投資者支持，致使其能夠於市場內以更大規模經營。該等策略已取得成功，令本集團於二零零七年之市值一度升至20,000,000,000港元。

隨著本集團配售新股及獲得策略性夥伴投資加強其財務基礎後，本集團現已具備大量現金儲備可用作收購地皮進行發展。此外，本集團已獲得新投資者Cerberus及Penta的寶貴貢獻，該兩家公司均已委派代表加入本集團董事會，此外亦於有四名成員之投資委員會各佔一席。該兩家享負盛名的國際公司於全球各地之投資均經過嚴格挑選，故彼等之積極參與等同對本集團之經營及策略方向的肯定。

物業投資、發展及管理

於二零零七年及二零零八年第一季，本集團於收購地皮及展開項目方面取得重大進展，令本集團現有物業投資組合可望於未來數年煥然一新，並從銷售住宅物業產生收益。於回顧年度，本集團之土地儲備已增加1,780,000平方米。

上海

上海物業市場於二零零七年顯著上升，市場於夏季非常熾熱，一名內地投資者於公開拍賣中以每平方米約人民幣67,000元成功投得南京路一幅優質地皮，該幅地皮距離香港建設於北外灘之兩項物業的步程僅半小時。

於二零零七年三月，本集團將其於上海金港北外灘置業有限公司之股權由10%增加至25%，就每平方米支付約人民幣15,520元（相當於每平方米約16,642港元）。該公司主要從事將上海虹口區國際客運中心以北一幅面積為56,670平方米之地皮發展為包羅酒店、購物中心及辦公室物業之綜合項目。



Shanghai North Bund Project

上海北外灘項目

More recently, in March 2008, the Group announced the purchase of 60% stake in a prime piece of land on Sichuan Road. The site is in a prime area of Shanghai, within 5–10 minutes walk to the Bund and the East Nanjing Road shopping district. On the north bank of the Suzhou River, the site faces the Peninsula Shanghai and Rockefeller projects currently under development on the south bank of the river, and is connected to these projects via the Zhapu Road Bridge and Sichuan Road Bridge. The planned office towers will offer tenants panoramic views of Pudong, the Bund, Nanjing Road, and the passenger cruise terminal along the Huangpu River.

近期於二零零八年三月，本集團宣佈購入四川路一幅優質地皮之60%股權。該地皮位於上海市黃金地段，距離外灘及南京東路購物區僅5至10分鐘步程。該地皮於蘇州河北岸，面向上海半島酒店及正在蘇州河南岸發展中的Rockefeller項目，並經由乍浦路橋及四川路橋連接該等項目。計劃興建的兩幢辦公室大樓將提供盡覽浦東、外灘、南京路及黃浦江客運中心的景觀。

The total GFA of the Site is approximately 152,000 sq.m. which the Group plans to develop as an integrated commercial-retail complex consisting of two office buildings not to exceed 120 meters, and a ground-level shopping arcade. The office GFA will be 144,000 sq.m., while retail space will be 8,000 sq.m. In addition, there will be an underground carpark with a capacity of 1,300 cars.

該地皮之總樓面面積約為152,000平方米，本集團計劃發展為商業零售綜合大樓，當中包括兩幢高度不超過120米的辦公室大樓及一個地面購物商場。辦公室之總樓面面積將為144,000平方米，而零售空間將為8,000平方米，此外將會設有可停泊1,300架汽車的地下停車場。



Map of Shanghai North Bund
上海北外灘地圖



Map of Nanxun Zhejiang China
浙江省南潯地圖

In January 2007, the Group successfully acquired a plot of land of approximately 207,628 sq.m. in the Nanxun Economic Development District in Huzhou City, Zhejiang Province for RMB129.0 million (equivalent to approximately HK\$138.3 million). The Group is currently developing a building complex on the site that will centralize the suppliers of furniture and building materials for which the Nanxun District is renowned. These suppliers currently are scattered around five different sites in the city. The Group plans to sell a portion of the commercial premises, and keep the rest of them, together with a hotel serving the complex, for investment purposes. Pre-sale is scheduled by early 2009.

Tianjin

Tianjin has recently emerged as one of China's fastest growing cities, and is set to continue its rapid growth. HKC is optimistic about the prospects for Tianjin given the imminent completion of a new high speed railway between Tianjin and Beijing which will reduce the traveling time between the two cities to just thirty minutes. Moreover, the city has been given special status as a second major development region, along with Pudong, in China's Eleventh Five-Year Plan. Binhai New City, a special economic zone in Tianjin, is expected to grow rapidly following strong support from the central government which is also currently considering a proposal that would allow mainland Chinese investors to invest directly in Hong Kong securities via accounts opened in Binhai. A major new oil discovery in the Bohai Sea near Tianjin is expected to further contribute to economic development in the area.

於二零零七年一月，本集團成功以人民幣129,000,000元（相等於約138,300,000港元），購入一幅位於浙江省湖州市南潯經濟開發區面積約207,628平方米之土地。本集團現正於該處發展一幢綜合大樓，網羅南潯區馳名的傢具及建築材料供應商。該等供應商目前分佈於該城市五個不同位置。本集團計劃出售部分商用物業，並保留其餘物業及一間為綜合式大樓提供服務之酒店作投資用途。該綜合大樓預期於二零零九年初開始預售。

天津

天津為近期中國發展最迅速城市之一，並預期會繼續急速發展。鑑於天津之間之高速鐵路即將竣工，此後，乘車時間將能縮短，僅需半小時即可直達彼端，故香港建設對天津之前景充滿信心。此外，於中國第十一個五年計劃中，天津市繼浦東之後獲給予第二主要開發區之特別地位。天津特別經濟區濱海新城在中央政府大力支持下，預期將得以急速發展，而政府現正考慮批准內地投資者可透過於濱海開設之賬戶，直接投資香港證券，加上天津附近之渤海發現大規模新油田，預期將進一步為該地區之經濟發展作出貢獻。

Given the strong growth potential, in May 2007, the Group acquired a property company engaged in developing land along the eastern shore of Tuanbo Lake in Jinhai County, Tianjin for approximately HK\$774.9 million. Following this acquisition, and in accordance with Hong Kong Financial Reporting Standard (“HKFRS”) rules, the Tuanbo Lake property was revalued, a move which resulted in a negative goodwill for the Group of approximately HK\$374.5 million. The site, some 18km from downtown Tianjin, is an attractive one that the Group is developing into residential villas and apartments for sale.

In March 2008, the Group agreed to sell a 25% stake for approximately US\$42.2 million (equivalent to approximately HK\$329.2 million) in our Nankai District site in Tianjin to CB Richard Ellis Strategic Partners Asia II LP. (“CBRE”) as part of a strategic plan to co-develop properties in China. The site was secured through a swap with the Tianjin Municipal Government for another piece of land owned by HKC adjacent to the Olympic Sports Centre in Tianjin. The original site, acquired by HKC in early 2007 for approximately RMB445.3 million (equivalent to approximately HK\$477.5 million), was to be developed into hotels and commercial property. However, given the proximity to the Olympic stadium, the land was recently rezoned to be a “green area” as there were concerns that our high rise building would tower over the Olympic stadium. Reflecting the strength of the Group’s relationship with Tianjin, the government, in compensation, agreed to give HKC the new site within walking distance of the original site.

鑑於天津市之強勁增長潛力，本集團於二零零七年五月以約774,900,000港元，收購一間於天津市靜海縣團泊湖東部沿岸從事地皮發展物業公司。是項收購後，團泊湖物業根據香港財務報告準則（「香港財務報告準則」）進行重估，導致本集團產生約374,500,000港元之負商譽。該地皮距離天津市區約18公里，本集團現正將該地皮發展為住宅別墅及公寓發售。

於二零零八年三月，本集團就締造於中國共同開發物業之策略性計劃同意以約42,200,000美元（相等於約329,200,000港元）向CB Richard Ellis Strategic Partners Asia II LP.（「CBRE」）出售其於天津南開區地塊之25%股權，此地塊乃透過給予天津市政府一幅由香港建設所擁有毗鄰天津奧林匹克體育中心之土地而交換取得。原有地塊由香港建設於二零零七年初以約人民幣445,300,000元（相等於約477,500,000港元）購入，原先計劃發展為酒店及商用物業。然而，鑑於該地塊鄰近奧運場館，加上考慮到本集團之高樓可能遮蓋奧運場館，該地塊最近重新規劃為「綠化地區」。作為重新規劃的賠償，政府同意與香港建設交換一幅可從原有地塊步行前往的新地塊，彰顯了本集團與天津市的深厚關係。



Map of Nankai District Tianjin
天津南開區地圖

The approximately 77,961 sq.m. site will have an above ground GFA of approximately 150,000 sq.m., and can be used for 40 years. The Group plans to develop the site into commercial property consisting of serviced and regular apartments. Construction work is expected to begin conditionally at the end of 2008, targeting for completion in 2011. The development will result in a quicker return compared to the original plan on the site next to the stadium.

Shenyang

Shenyang is located at the centre of the Northeast Asian economic ring, encompassing China, Korea, and Japan, and is also at the centre of the Bohai economic ring. The city has been growing rapidly, with GDP rising about 17.7% in 2007. With Shenyang's economy continuing to expand, HKC expects the property market to continue to strengthen over the near and long term.

In 2007, HKC invested in two development projects in Shenyang: a commercial site in the center of downtown Shenyang, and a residential/commercial site at Southlake Park. The commercial site is located at the center of Nanjing North Road in the Heping District of the city. HKC paid approximately RMB170 million (equivalent to approximately HK\$182.3 million) for the land at public auction. The total site area of the land is 7,105 sq. m. with an approved design gross floor area of about 92,000 sq. m. above ground. The site is within Shenyang's central business district and is within walking distance of the city's most famous shopping road on Taiyuan Street. In addition, a new subway station is currently under construction under HKC's site, and is expected to commence operation in 2009. For the second site, the Group paid approximately RMB746.3 million (equivalent to approximately HK\$800.3 million) for a 67,786 sq.m. residential site which is at a prime site next to Shenyang's central park, one of Shenyang's most scenic areas, and will offer buyers excellent view of the park.

該地塊之面積約為77,961平方米，地面以上之總樓面面積將約為150,000平方米，可用年期為40年。本集團計劃將地塊發展為集服務式及標準公寓於一身的商用物業。建造工程預期將於二零零八年底有條件地動工，目標於二零一一年完成。此發展項目將會較原先發展鄰近體育館之地塊的計劃更快帶來回報。

瀋陽

瀋陽位於包圍中國、韓國及日本之東北亞經濟圈中心，並為渤海經濟圈的中心。瀋陽近年迅速發展，當地生產總值於二零零七年增長約17.7%。隨著瀋陽經濟持續增長，香港建設預期，不論短期及長期均將持續發展。

於二零零七年，香港建設於瀋陽投資兩項發展項目，包括一幅位於瀋陽市中心之商業地塊，以及一幅位於南湖公園之住宅／商業地塊。前者位處於市內和平區南京北路心臟地帶，由香港建設於公開拍賣中投得，拍賣價約為人民幣170,000,000元(相等於約182,300,000港元)。該地塊之總土地面積為7,105平方米，規劃批准的地上總建築面積則約為92,000平方米，位於沈陽商業中心地帶，可步行前往市內著名購物地段太原街。此外，香港建設擁有之地塊下正展開新地鐵站建設工程，預期於二零零九年正式啟用。至於第二幅地塊則為位於瀋陽市著名風景區瀋陽中央公園鄰近黃金地段之住宅地塊，面積達67,786平方米，由本集團以約人民幣746,300,000元(相等於約800,300,000港元)購入，為瀋陽市內景色最優美的地區之一，可盡覽園內怡人景緻。



Heilongjiang Wind Power Station

黑龍江風力發電廠

Alternative Energy

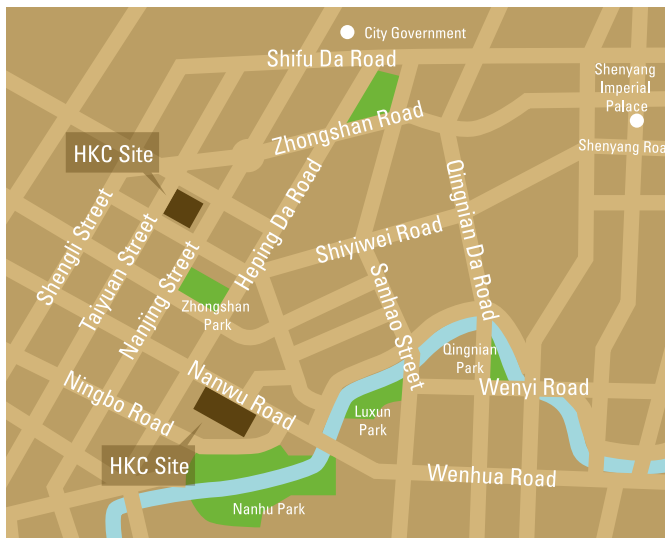
The Group has three major investments in wind power plants, and developments made good progress during 2007. During the year it completed construction of its two 30MW wind power stations in Heilongjiang, which have now begun generating electricity and are contributing revenue to the Group.

The Group also continued construction during the year of its joint venture project in Hebei Province, together with the China Energy Conservation Investment Corporation ("CECIC"). CECIC is the only national level SOE involved in energy conservation and environmental protection, and is a partner on a number of the Group's alternative energy projects. CECIC reports directly to China's State Council, and has assets of approximately RMB24.0 billion. Total investment in the project will amount to approximately RMB1.6 billion, with the Group and CECIC contributing 40% and 60% of the registered capital respectively. The first phase of the proposed 200 MW capacity wind power plant is well underway, and on completion will offer a 40.5MW generating capacity. Electricity may begin to be generated by late 2008.

替代能源

於二零零七年間，本集團於風力發電廠方面作出三項主要投資，進展理想。年內，本集團已完成興建黑龍江兩個30,000千瓦特風力發電廠，並已投入發電，為本集團帶來收益。

年內，本集團繼續聯同中國節能投資公司(「中節能」)於河北省興建其合營項目。中節能乃唯一參與能源節約及環境保護工作之國家級國有企業，並為本集團多項替代能源項目之合作夥伴。中節能直屬中國國務院，其所持資產約達人民幣24,000,000,000元。有關項目之總投資額約為人民幣1,600,000,000元，本集團及中節能分別注入40%及60%註冊資本。第一期建議產能為200,000千瓦特之風力發電廠正在興建中，落成後將提供40,500千瓦特之發電產能，預期將於二零零八年底投產。



Map of Central Business District of Shenyang
瀋陽市商業中心地圖

The Group is developing wind power plants in the Siziwang Qi area in Inner Mongolia, China. This area potentially covers some 1,000 sq.km, and has the potential to develop installed capacity of up to 1,000MW. To date, generating capacity of 50MW has been approved by the relevant authorities.

The Group's joint venture waste-to-energy plant in Shandong, China, undertaken in partnership with the China National Environmental Protection Corporation, a wholly-owned subsidiary of CECIC, began its trial operations in August 2007, with a 24MW output capacity. The project offers the Group multiple revenue streams, since revenue is earned not only from the generation of electricity, but also from fees for garbage treatment from the Linyi municipal government, from trading within the Clean Development Mechanism (carbon credits), and from sales of ash-based materials.

Infrastructure

The Group's water supply plant in the Yangpu Economic Development Zone in Hainan contributed good returns for the Group. It enjoys the position of being the sole supplier of raw water for industrial use in the area.

The Group's Build-Operate-Transfer toll road project in Guilin, which links up with China's Western Expressway, was largely completed during the year and is now at the trial run stage. It is expected to make contribution to the Group's income starting from April 2008.

Construction

During the year, the Group completed construction of the Hong Kong School of Creativity on behalf of the Hong Kong Institute of Contemporary Culture, for a contract sum of approximately HK\$97.0 million.

The Group also won a contract to carry out drainage improvements in the Tuen Mun and Sham Tseng areas of Hong Kong from the Drainage Services Department of the HKSAR government, for a contract sum of approximately HK\$68.3 million.

OUTLOOK

The Group's position as a cash-rich enterprise, supported by experienced investment partners, gives it advantages for the coming year that are not widely shared by other players in the property sector in China. Since January 2008 to date, the Group has further increased its landbank by 53,700 sq.m. and plans to continue increasing its land bank in the coming year, aiming to set aside 70% of its land for commercial investment projects. While most of its investment property developments are still at the construction stage, the Group will continue to generate rental returns from its existing property portfolios.

For 2008, in addition to developing its existing projects, HKC will look to unlock the value of its undervalued landbank through selling stakes to strategic investors. By selling these stakes, the Group will not only obtain a valuable long term partner, but also it will obtain cash which can be used to acquire other properties during the current "buyer's market", and will realize a gain on the sale of the stake. For example, in the first quarter of 2008, the Group sold a 25% stake for approximately HK\$329.2 million in our Nankai District site in Tianjin to CBRE, and will record a profit from the sale. HKC has

本集團亦於中國內蒙古四子王旗發展風力發電廠。該區潛在佔地約1,000平方公里，具潛力發展至達1,000,000千瓦特的發電產能。目前為止，有關部門已批准興建50,000千瓦特之發電廠。

本集團與中節能全資附屬公司中國環境保護公司，於中國山東省合作成立之垃圾發電合營企業已於二零零七年八月展開試營運，產能達24,000千瓦特。除發電所得收益外，有關項目亦透過臨沂市人民政府所支付垃圾處理費、按照清潔能源發展機制(碳排放額度)進行交易及銷售灰基原料產生收益，為本集團提供多元化收益來源。

基建

本集團位於海南洋浦經濟發展區之供水廠為本集團帶來可觀回報。該廠房為區內唯一工業用水供應商，佔盡優勢。

年內，本集團於桂林進行與西部高速公路連接之「建設－營運－轉讓」收費公路項目已大致竣工，目前正處於試通車階段。有關公路預期於二零零八年四月開始為本集團收入作出貢獻。

建築

年內，本集團為香港當代文化中心興建之香港創意書院已經落成，合同金額約為97,000,000港元。

本集團亦自香港特區政府渠務署取得香港屯門及深井區之渠道改善工程合約，合約金額約為68,300,000港元。

前景

來年，憑藉本集團雄厚資金後盾，加上富經驗之投資夥伴支持，本集團將較中國地產市場其他同業佔優。自二零零八年一月至今，本集團之土地儲備已進一步增加53,700平方米，並計劃於來年進一步增加其土地儲備，目標為將其70%土地撥作商業投資項目。由於本集團大部分投資物業尚處於興建階段，本集團將繼續自其現有物業組合取得租金收入。

於二零零八年，除發展現有項目外，香港建設將透過向策略投資者出售股權，推動估值偏低之土地儲備價值上升。透過出售該等股權，本集團不單獲得寶貴之長期夥伴，亦可取得現金，用作於現時「買方市場」收購其他物業，且就出售股權變現收益。例如，於二零零八年第一季，本集團以約329,200,000港元向CBRE出售於天津市南開區地塊25%權



Linyi Power Station Shandong China

山東臨沂垃圾發電廠

other land and properties such as the The Peninsula Beijing Hotel, Beijing that are not mark to market, but which could result in a significant profit if sold.

Property Investment, Development and Management

During the first quarter of 2008, the Group continued to make careful acquisitions of reasonably-priced, high-potential land to swell its landbank. For 2008, the Group acquired the Sichuan Road site in Shanghai, and brought in CBRE as a partner for its Nankai site in Tianjin. In Tianjin, demand remains strong for high end properties around the Tuanbo Lake area. The government is offering fewer permits for high end housing in its attempts to encourage middle class housing. However, with local residents income still rising, demand is strong. Finally, the Group is currently looking at opportunities in Qingdao, Hangzhou, Tianjin, and other areas in China.

Alternative Energy

The Group's alternative energy businesses are continuing to benefit from ongoing incentives from the government in favour of alternative energy. Most have the potential for expansion in future. For instance, the Group's Shandong waste-to-energy plant can be expanded into Phase II as the city expands. The first Phase of the Group's Hebei wind farm is expected to begin generating electricity later this year, and further Phases that will significantly increase generating capacity are planned in due course.

Formal approval has recently been obtained from the relevant PRC authorities for the development of the first 50MW wind power plant in the Siziwang Qi area of Inner Mongolia, China. The 1,000 sq. km site has the potential to be developed so as to achieve a generation capacity of up to 1,000MW in coming years.

In February 2008, local government authorities in Jiuquan, Gansu Province, accepted the Group's tender for a wind power project, which was jointly submitted with the China Energy Conservation Investment Corporation ("CECIC"). The Group and CECIC plan to establish a joint venture to invest in, construct and operate a wind power plant with a total capacity of 200MW. The Group will contribute 40% of the registered capital for the project and CECIC 60%, representing a total investment of approximately RMB1.7 billion (equivalent to approximately HK\$1.8 billion).

益，並將自該出售錄得溢利。香港建設擁有低於市場估計的土地及物業，如北京王府半島酒店，倘出售該等土地及物業，將會帶來重大溢利。

物業投資、發展及管理

於二零零八年首季，本集團繼續以審慎態度收購價格合理而潛力優厚之地皮，以擴大其土地儲備。於二零零八年，本集團收購上海四川路地皮，並引入CBRE作為其天津南開區地皮之合作夥伴。於天津方面，對團泊湖畔高級物業之需求仍然強勁。為鼓勵發展中級住宅，政府已減少批出高檔住宅許可證。然而，鑑於當地人民收入持續攀升，對高檔住宅需求仍然殷切。最後，本集團正積極於青島、杭州、天津及中國其他地區尋求發展機遇。

替代能源

本集團之替代能源業務繼續受惠於政府持續優待替代能源之政策，當中大部分業務具備未來拓展潛力，例如本集團位於山東省之垃圾發電廠可隨著城市擴張而發展第二期。本集團河北風力發電廠第一期預期於年內投產，而進一步發展計劃將於適當時候展開，屆時將大幅提高發電量。

本集團最近取得有關中國官方機構之正式批文以發展位於內蒙古四子王旗產能為50,000千瓦特之風力發電廠。該面積為1,000平方公里之地盤具潛力於未來發展為產能達1,000,000千瓦特之風力發電廠。

於二零零八年二月，甘肅省酒泉市地方政府機關接納本集團與中節能共同就一項風力發展項目作出之投標。本集團與中節能計劃成立合營企業，以投資、建設及營運合共產能為200,000千瓦特之風力發電廠。本集團與中節能將就此項目分別注入40%及60%註冊資本，總投資額約為人民幣1,700,000,000元(相等於約1,800,000,000港元)。

The Group is continuing to explore the range of possibilities within the burgeoning alternative energy industry, and seek out new and profitable ventures, for example in the field of biofuels. Expanding beyond its involvement in wind energy and waste-to-energy projects, the Group recently entered into an investment agreement to acquire a majority stake in an ethanol plant in Chongqing. The plant has a current capacity of 100,000 tons per year, with potential for further expansion to 600,000 tons per year. This biofuel project is currently in the process of applying for a fuel ethanol license.

On 26th February 2008, the Company entered into a share purchase agreement with Nam Tai Electronics, Inc, to acquire approximately a 74.99% share interest of J.I.C. Technology Company Limited (“JIC”), a company listed on the Main Board of the Stock Exchange of Hong Kong, at a consideration of approximately HK\$397.5 million. The acquisition had been completed, the Group made a mandatory unconditional cash offer for minority shareholders of JIC at a price not less than the equivalent price under the share purchase agreement, pursuant to Rule 26.1 of the Hong Kong Code of Takeovers and Mergers. Upon the close of the Offer on 10th April 2008, 3,320 shares, representing less than 0.01% of the total issued share capital of JIC were accepted by the Group. Taking into account of the valid acceptance, 190,936,889 shares, representing 25.01% of the total issued share capital of JIC are held by the public. JIC has continued to comply with the public float requirement under Rule 8.08 of the Listing Rules.

The Group’s intention is to channel any new investment in the alternative energy businesses through JIC, which will become its principal vehicle for wind power, biofuel and biomass projects. The Group considers this move to be a strategically appropriate one, which will secure long term expansion funding for development with great potential.

Steering Committee and Investment Committee

In view of the Group’s rapid expansion, the management of the Company has established the Steering Committee and Investment Committee under the board of directors. The Steering Committee’s role is to make decisions and oversee investments on behalf of the Board, and to oversee other important matters and business activities.

The purpose of the Investment Committee is to enhance corporate governance by carefully screening all major investments. The committee will be able to utilize the valuable financial and strategic expertise of Cerberus and Penta as they had appointed representatives as members of the committee.

Employees

As at the end of 2007, the Group’s operations in Hong Kong and Mainland China employed a total of around 487 employees. The Group also appoints technical and engineering consultants on contract terms for its ongoing construction projects. All employees are remunerated according to the nature of their jobs, their individual performances, the Group’s overall performance, and prevailing marketing conditions.

本集團將繼續於正在萌芽的替代能源業開拓機會，並尋找有利可圖的新投資，例如於生物燃料方面。為擴展到風力能源及垃圾能源以外項目，本集團近期訂立一份投資協議，收購重慶一間乙醇廠之大多數股權。該廠房現時之產能為每年100,000噸，具備潛力進一步擴展至每年600,000噸。此項生物燃料項目現正申請乙醇燃料牌照。

於二零零八年二月二十六日，本公司與Nam Tai Electronics, Inc.訂立購股協議，購入香港聯交所主板上市公司J.I.C. Technology Company Limited(「JIC」)74.99%股權，作價約397,500,000港元。收購已經完成，本集團已根據香港公司收購及合併守則規則26.1，按不低於購股協議下之同等價格，向JIC少數股東提出強制性無條件現金收購建議。於二零零八年四月十日收購建議結束時，本集團接納3,320股股份，相當於JIC已發行股本總額少於0.01%。經計及有效接納後，190,936,889股股份由公眾人士持有，相當於JIC已發行股本總額25.01%。JIC繼續符合上市規則第8.08條之公眾持股量規定。

本集團計劃透過JIC進行替代能源業務之任何新投資，JIC將主力經營風力發電、生物燃料及生物質發電項目。本集團認為是項收購乃屬恰當策略，將確保獲得長期擴充資金，用於極具潛力的發展項目。

執行委員會及投資委員會

鑑於本集團急速擴展，本公司管理層已成立董事會旗下的執行委員會及投資委員會。執行委員會的職責為代表董事會作出決策及監督投資，並監察其他重要事宜及業務活動。

投資委員會之目的為透過審慎甄選所有重大投資提升企業管治。由於Cerberus及Penta已委派代表出任委員會成員，委員會將可吸取該兩家公司之寶貴財務及策略專業知識。

僱員

於二零零七年年底，本集團在香港及中國內地合共約有487名僱員。本集團亦以合約條款就持續建築項目委任技術及工程顧問。所有僱員薪酬按其職務性質、個別工作表現、本集團整體業績及主要的市場狀況而釐定。

CORPORATE GOVERNANCE REPORT

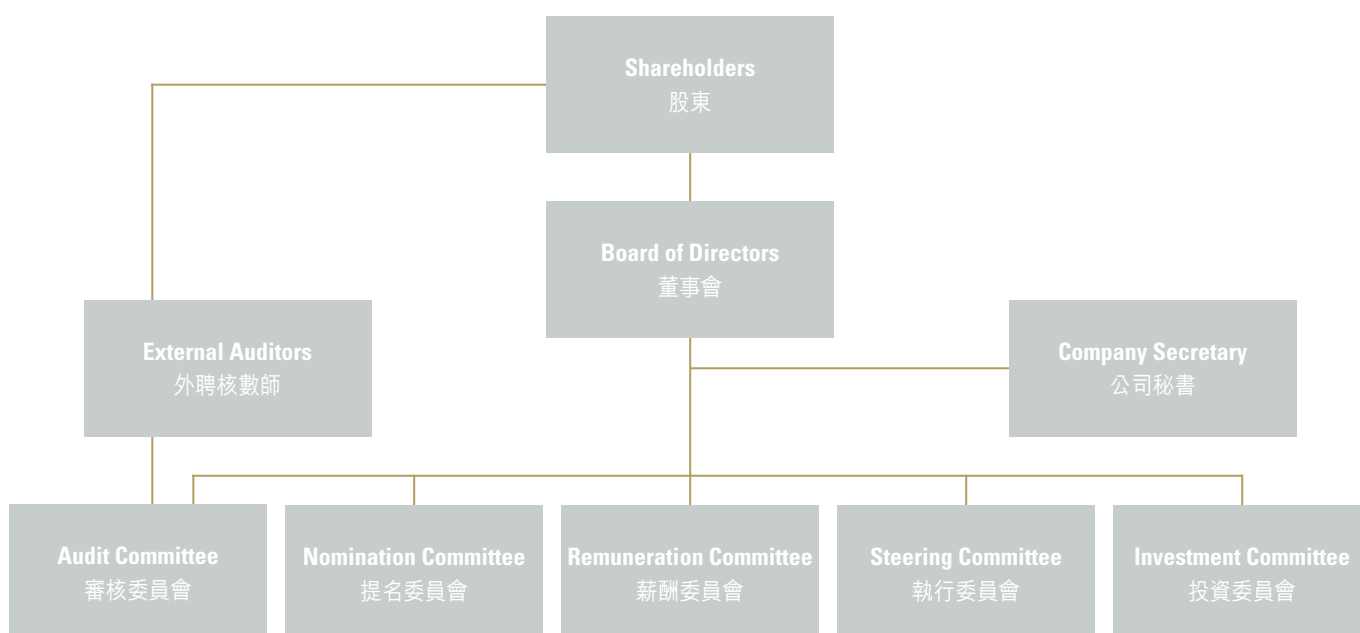
企業管治報告

The quality of corporate governance of a company mirrors its commitment in accountability, transparency and responsibility to its stockholders.

COMMITMENT IN CORPORATE GOVERNANCE

The Company is committed to good corporate governance principles and practice and its board of directors (“Board”) recognizes that it is essential to safeguard the interests of stockholders, customers and employees and uphold accountability, transparency and responsibility of the Company. The Company has complied with the code provisions (“Code Provisions”) in the Code on Corporate Governance Practices (“CG Code”) set out in Appendix 14 of the rules (“Listing Rules”) governing the listing of securities on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) throughout the year ended 31st December 2007 except for deviations from the A.4.1 and E.1.2 of the Code Provisions in the CG Code, particulars of which are set out below. With a view to monitor and continuously improve its performance, the Company reviews its corporate governance practices from time to time and always aims to enhance its corporate governance practices in line with local and international practices.

Composition of the Board and various Board Committees



公司之企業管治質素反映其於問責性、透明度及責任方面向股東的承諾。

企業管治方面之承諾

本公司致力達致良好之企業管治原則及常規，而其董事會（「董事會」）明白，有關原則及常規對保障股東、客戶及僱員之利益以及維持本公司問責性、透明度及責任方面攸關重要。於截至二零零七年十二月三十一日止年度，本公司一直遵守香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄十四所載企業管治常規守則（「企管守則」）之守則條文（「守則條文」），惟企管守則項下守則條文第A.4.1及E.1.2條則有所偏離，有關詳情載於下文。為監控及持續改進表現，本公司不時檢討其企業管治常規，並一向以提高企業管治常規以符合本地及國際常規為目標。

董事會及各董事委員會之組成

A. DIRECTORS

A. 董事

A.1 The Board 董事會

Code no. 守則編號	Code Provisions 守則條文	Alignment 合規與否	Remarks 備註
A.1.1	<p>Board meetings should be held at least 4 times a year at approximately quarterly intervals.</p> <p>董事會會議應最少每年舉行四次，約每季一次。</p>	Yes 合規	<p>The Board meets physically and regularly.</p> <p>13 Board meetings were held during the year ended 31st December 2007 and at least once quarterly. The Chief Executive Officer (“CEO”), Chief Operation Officer (“COO”) and Chief Financial Officer (“CFO”) were invited to attend certain Board meetings, and other senior management may from time to time be invited to attend Board meetings to make presentations or answer the Board’s enquiries.</p> <p>董事會定期親身會面。</p> <p>董事會截至二零零七年十二月三十一日止年度曾舉行13次會議，並最少每季舉行一次。行政總裁、營運總監及財務總監均獲邀出席若干董事會會議，而其他高級管理人員會不時獲邀出席董事會會議，以作出呈報或回答董事會提問。</p>
A.1.2	<p>All directors should be given opportunity to include matters in the agenda for regular board meetings.</p> <p>全體董事均有機會將有關事項列入董事會常規會議議程內</p>	Yes 合規	<p>Agenda for Board and Board Committee meetings are sent to all directors in advance and they are given opportunities with reasonable time to include relevant matters for discussion in the Board meetings.</p> <p>董事會及董事委員會會議之議程均事先寄交全體董事，而彼等均有機會於合理時間納入有關事項於董事會會議內討論。</p>
A.1.3	<p>At least 14 days notice should be given for regular board meetings.</p> <p>應就董事會常規會議發出最少14天通知。</p>	Yes 合規	<p>Timetable for regular Board meetings are scheduled well in advance to facilitate and maximize the attendance and participation of directors whilst reasonable notices are given for all other Board meetings.</p> <p>董事會常規會議之時間表均事先編排妥當，以方便董事出席及提高參與機會，另會就所有其他董事會會議發出合理通知。</p>
A.1.4	<p>Directors should have access to company secretary’s advice.</p> <p>董事應可獲取公司秘書之意見。</p>	Yes 合規	<p>Directors have access to the advice and services of the company secretary of the Company (“Company Secretary”) to ensure that Board procedures, and all applicable rules and regulations, are followed.</p> <p>董事可獲取本公司之公司秘書(「公司秘書」)之意見及服務，以確保遵守董事會程序及一切適用規則及規例。</p>
A.1.5	<p>Board minutes and committee minutes should be kept by company secretary and open for inspection.</p> <p>董事會會議及董事委員會會議之會議記錄應由公司秘書備存，並可供查閱。</p>	Yes 合規	<p>Minutes of the Board meetings and Board committees meetings are kept by the Company Secretary and they are open for inspection at reasonable time upon reasonable notice by any director.</p> <p>董事會會議及董事委員會會議之會議記錄乃由公司秘書備存，並可供任何董事於給予合理通知後在合理時間內查閱。</p>

Code no. 守則編號	Code Provisions 守則條文	Alignment 合規與否	Remarks 備註
A.1.6	<p>Minutes should record sufficient detail, concerns raised and dissenting views and draft and final versions should be sent to directors for comments and record.</p> <p>會議記錄應充分記錄有關詳情、提問及異議，而草擬本及最終定稿應送交各董事，以供彼等提供意見及記錄。</p>	Yes 合規	<p>Minutes of the Board and Board committees recorded in sufficient detail the matters considered by the Board and the Board committees and decisions reached, including any concerns raised by directors or dissenting views expressed. Draft and final versions of minutes of the Board and Board Committee were sent to all the relevant directors for their comment and records respectively, in both cases within a reasonable time after the Board and Board committee meetings were held.</p> <p>董事會及董事委員會會議之會議記錄均充分載列董事會及董事委員會所考慮事項之詳情及所達成之決策，包括董事之提問或所表達之異議。董事會及董事委員會會議之會議記錄草擬本及最終定稿均於會議舉行後一段合理時間內寄交全體有關董事，以供提供意見及記錄。</p>
A.1.7	<p>Upon reasonable request, there should be procedure agreed by the board to enable directors to seek independent professional advice at the Company's expenses.</p> <p>董事會應協定程序，致使董事能於提出合理要求後，徵求獨立專業意見，而有關費用由本公司承擔。</p>	Yes 合規	<p>There are procedures to enable the Directors, upon reasonable request, to seek independent professional advice in appropriate circumstances at the Company's expense.</p> <p>本公司已制定有關程序，致使董事能於提出合理要求後，在適當情況下徵求獨立專業意見，而有關費用由本公司承擔。</p>
A.1.8	<p>If a substantial shareholder or director has conflict of interest in a material matter, the matter should be dealt with by board meeting with independent non-executive directors with no material interest present.</p> <p>倘主要股東或董事於重大事項中有重大利益衝突，則該事項應於並無擁有重大權益之獨立非執行董事在場之董事會會議上處理。</p>	Yes 合規	<p>If a substantial shareholder or a director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter shall not be dealt with by way of circulation or by a committee (except an appropriate Board committee set up for that purpose pursuant to a resolution passed in a Board meeting) but a Board meeting shall be held, during which such director must abstain from voting. Independent Non-executive directors ("INEDs") who, and whose associates, have no material interest in the transaction shall be present at such Board meeting.</p> <p>倘主要股東或董事於將由董事會考慮，且董事會認為屬重大之事項中擁有利益衝突，則該事項不得以傳閱文件方式或由委員會處理(根據於董事會會議所通過決議案就此成立之適當董事委員會不在此限)，而須舉行董事會會議，而有關董事須於會上放棄投票。並無於交易中擁有重大權益之獨立非執行董事及彼之聯繫人士須出席該董事會會議。</p>

The business and affairs of the Company and its subsidiaries (“Group”) shall be under the direction of and vest with the Board pursuant to the bye-laws of the Company (“Bye-laws”). The Board is elected by the shareholders and is the ultimate decision making body of the Group except in respect of matters reserved for shareholders. The Board accepts that it is ultimately accountable and responsible for the performance and affairs of the Group. However, while the Board retains oversight responsibility, certain of that authority is necessarily delegated by the Board to the management in order to enable the management to develop and implement the Company’s strategic plans and annual operating plans, and to conduct the Company’s day-to-day activities.

The Board diligently monitors the management’s performance in that regard but responsibility for conducting the Company’s day-to-day operations rests with the management.

The Board appointed five Board committees, namely audit committee, remuneration committee, nomination committee, steering committee and investment committee to oversee particular aspects of the Group’s affairs. The Company shall review the said delegation arrangements on a periodic basis to ensure that they remain appropriate to its needs. The Board and the Board committees work under well established corporate governance practices and its terms of reference which reinforces the responsibilities of directors in accordance with the requirements of the Listing Rules and other relevant statutory requirements.

本公司及其附屬公司(「本集團」)之業務及財務狀況須根據本公司之組織章程細則(「細則」)，依循董事會之指引營運並受其管轄。董事會經股東推選，除須待股東決定之事項外，董事會為本集團之最終決策機關。董事會願對本集團之表現及財務狀況接受最終問責及承擔負責。儘管董事會保留監督責任，然而，當中若干權力需由董事會授權管理層，以便管理層發展及推行本公司之策略規劃及年度營運計劃，同時進行本公司日常業務。

董事會努力不懈監控管理層就此方面之表現，而進行本公司日常業務之責任則由管理層肩負。

董事會委任五個董事委員會，分別為審核委員會、薪酬委員會、提名委員會、執行委員會及投資委員會。以監督本集團事務之特定範疇。本公司須定期檢討上述授權安排，以確保該等安排仍切合其需要。董事會及董事委員會乃按照根據上市規則及其他有關法定規例妥善制定之企業管治常規及當中重申董事責任之職權範圍行事。

The directors' attendance at the Board and Board committee meetings of the Company during the year ended 31st December 2007 are set out in the following table:

下表載列截至二零零七年十二月三十一日止年度，董事出席董事會及董事委員會會議之情況：

Meeting attendance 會議出席情況

Name of directors 董事姓名	Board Meeting 董事會會議	Audit committee meeting 審核委員會會議	Remuneration committee meeting 薪酬委員會會議	Nomination committee meeting 提名委員會會議
Executive directors				
執行董事				
Mr. OEI Kang, Eric 黃剛先生	13/13	2/2 (Note 附註1)	3/3 (Note 附註2)	2/2 (Note 附註3)
Mr. CHEN Libo 陳立波先生	13/13	N/A 不適用	N/A 不適用	N/A 不適用
Mr. NG Chi Man, Michael 吳志文先生 (appointed on 1st June 2007) (於二零零七年六月一日獲委任)	7/13	N/A 不適用	N/A 不適用	N/A 不適用
Mr. TSANG Sai Chung, Kirk 曾細忠先生	13/13	1/2 (Note 附註4)	N/A 不適用	N/A 不適用
Mr. CHAN Kwok Fong, Joseph 陳國芳先生 (appointed on 29th June 2007) (於二零零七年六月二十九日獲委任)	7/13	2/2 (Note 附註5)	N/A 不適用	N/A 不適用
Mr. TANG Sau Wai, Tom 鄧守偉先生	9/13	N/A 不適用	N/A 不適用	N/A 不適用
Mr. CHENG Sum Hing, Sam 鄭森興先生 (resigned on 29th June 2007) (於二零零七年六月二十九日辭任)	4/13	N/A 不適用	N/A 不適用	N/A 不適用
Mr. OEI Tjie Goan 黃志源先生	0/13	N/A 不適用	N/A 不適用	N/A 不適用
Mr. WANG Jun 王軍先生 (resigned on 17th April 2008) (於二零零八年四月十七日辭任)	0/13	N/A 不適用	N/A 不適用	N/A 不適用
Mr. LI Xueming 李學明先生	0/13	N/A 不適用	N/A 不適用	N/A 不適用
Mr. XU Zheng 徐征先生	0/13	N/A 不適用	N/A 不適用	N/A 不適用
Ms. Teresa YEN 閻孟琪女士 (appointed on 3rd October 2007) (於二零零七年十月三日獲委任)	0/13	N/A 不適用	N/A 不適用	N/A 不適用
Mr. LIU Guolin 劉國林先生	1/13	N/A 不適用	N/A 不適用	N/A 不適用
Mr. FAN Yan Hok, Philip 范仁鶴先生	10/13	2/2	3/3	2/2
Mr. CHUNG Cho Yee, Mico 鍾楚義先生	2/13	1/2	1/3	1/2
Mr. CHENG Yuk Wo 鄭毓和先生	10/13	2/2	3/3	2/2
Mr. Albert Thomas DA ROSA, Junior 羅凱栢先生	6/13	2/2	3/3	2/2

Notes:

- Mr. OEI Kang, Eric attended 2 audit committee meetings as an invitee.
- Mr. OEI Kang, Eric attended 3 remuneration committee meetings as an invitee.
- Mr. OEI Kang, Eric attended 2 nomination committee meetings as an invitee.
- Mr. TSANG Sai Chung, Kirk attended 1 audit committee meeting as an invitee.
- Mr. CHAN Kwok Fong, Joseph attended 2 audit committee meetings as an invitee.

附註:

- 黃剛先生曾應邀出席2次審核委員會會議。
- 黃剛先生曾應邀出席3次薪酬委員會會議。
- 黃剛先生曾應邀出席2次提名委員會會議。
- 曾細忠先生曾應邀出席1次審核委員會會議。
- 陳國芳先生曾應邀出席2次審核委員會會議。

A.2 Chairman and chief executive officer 主席及行政總裁

Code no. 守則編號	Code provisions 守則條文	Alignment 合規與否	Remarks 備註
A.2.1	<p>Roles of chairman and CEO should be separate, clearly established and set out in writing.</p> <p>主席與行政總裁之角色應予區分，並應清晰界定及書面載列職權範圍。</p>	Yes 合規	<p>Mr. OEI Tjie Goan is the chairman and Mr. CHEN Libo is the CEO of the Company as from 1st February 2008. Their responsibilities were clearly set out. Given the Group's current stage of development, the Board considers that this arrangement facilitates the execution of the Group's business strategies and maximizes effectiveness of its operation. The Board shall nevertheless review the structure from time to time and it will consider the appropriate move to take should suitable circumstance arise.</p> <p>黃志源先生為本公司主席，另陳立波先生於二零零八年二月一日起出任本公司行政總裁。彼等之職責已清晰界定，鑑於本集團目前尚在發展階段，董事會認為，此項安排有助執行本集團之業務策略及發揮其營運效能。然而，董事會將不時檢討該結構，並將考慮在合適情況出現時作出適當變動。</p>
A.2.2	<p>Chairman should ensure directors are briefed on issues arising at board meetings.</p> <p>主席應確保董事獲簡述將於董事會會議商討之事項。</p>	Yes 合規	<p>The chairman accepts his responsibility to ensure that major issues of the Company are addressed by the Board, and that these issues are presented in a manner which facilitates thorough discussion and the appropriate resolution and all Directors are properly briefed on issues arising at the Board meetings. He shall also ensure that Directors receive adequate information, which must be complete and reliable, in a timely manner.</p> <p>主席接納其責任，以確保董事會能針對本公司之主要問題，並以有關方式提呈此等問題，以便進行透徹討論及達成合適決議案，而全體董事均獲妥為簡述將於董事會會議商討之事項。主席應確保董事適時獲取充分、完整及可靠之資料。</p>
A.2.3	<p>Chairman should ensure directors receive timely and adequate information.</p> <p>主席應確保董事適時接獲充足資料。</p>	Yes 合規	

A.3 Board composition 董事會之組成

Code no. 守則編號	Code provisions 守則條文	Alignment 合規與否	Remarks 備註
A.3.1	<p>Independent non-executive directors should be expressly identified as such in all communications disclosing its names.</p> <p>應於所有披露彼姓名之公司通訊內，明確肯定獨立非執行董事之身份。</p>	Yes 合規	<p>The INEDs are expressly identified in all corporate communications that disclose the names of the directors of the Company.</p> <p>於所有披露本公司董事姓名之公司通訊內明確肯定獨立非執行董事之身份。</p>

The Board currently comprises six executive directors, namely Mr. OEl Kang, Eric, Mr. CHEN Libo, Mr. NG Chi Man, Michael, Mr. TSANG Sai Chung, Kirk, Mr. CHAN Kwok Fong, Joseph and Mr. TANG Sau Wai, Tom and ten non-executive directors in which three of them are INEDs. The INEDs are Mr. CHUNG Cho Yee, Mico, Mr. CHENG Yuk Wo, and Mr. Albert Thomas DA ROSA, Junior who offer diversified expertise and serve to advise the Board and management on strategy development and provide checks and balances for safeguarding the interest of the shareholders and the Group as a whole. The Company has received annual written confirmation from each of the INEDs that they have met all the independent guidelines set out in Rule 3.13 of the Listing Rules. Biographies with relevant relationships among members of the Board, if any, are shown on pages 48 to 54 under the section "Directors and Management Executives." Terms of appointment of non-executive directors are shown on page 56 of the Report of the Directors.

董事會目前由六名執行董事黃剛先生、陳立波先生、吳志文先生、曾細忠先生、陳國芳先生及鄧守偉先生；以及十名非執行董事組成，其中三名為獨立非執行董事。獨立非執行董事為鍾楚義先生、鄭毓和先生及羅凱栢先生，彼等為董事會帶來豐富專業知識及意見、管理策略發展，並收相互制衡之效，以保障股東及本集團整體利益。本公司已接獲各獨立非執行董事發出之年度確認書，表示彼等已符合上市規則第3.13條載列之所有獨立指引。彼等之簡歷連同與董事會成員間之有關關係(如有)，載於第48至54頁之「董事及行政管理人員」一節。非執行董事之委任條款載於第56頁之董事會報告內。

A.4 Appointments, re-election and removal 委任、重選及罷免

Code no. 守則編號	Code provisions 守則條文	Alignment 合規與否	Remarks 備註
A.4.1	Non-executive directors should be appointed for specific term, subject to re-election. 非執行董事應按指定任期獲委任，並須接受重選。	Please refer to remarks 請參閱備註	All the non-executive directors of the Company were not appointed for specific term because they are subject to retirement by rotation and re-election at the Annual General Meeting of the Company pursuant to the provisions of the Company's Bye-laws. 本公司全體非執行董事概無按指定任期獲委任，原因為彼等須根據本公司細則之條文在股東週年大會輪席告退及重選。
A.4.2	All directors appointed to fill casual vacancy subject to election by shareholders at the first general meeting; every director subject to retirement by rotation at least once every 3 years. 所有就填補臨時空缺獲委任之董事應於首次股東大會上接受股東推選；每名董事應最少每三年輪席告退一次。	Yes 合規	All directors appointed to fill casual vacancy are subject to election at the first general meeting and every director including those appointed for a specific term are subject to retirement by rotation once every three years. 所有為填補臨時空缺獲委任之董事均須於首次股東大會接受推選，每名董事，包括以指定年期獲委任者，均須最少每三年輪席告退一次。

The Board of the Group had established a nomination committee on 22nd August 2005, whose members are Mr. CHUNG Cho Yee, Mico, Mr. CHENG Yuk Wo, Mr. Albert Thomas DA ROSA, Junior and Mr. FAN Yan Hok, Philip, of which three are INEDs. The terms of reference of the nomination committee adopted on 22nd August 2005, which is made available on the website of the Group, has set out details of its role and functions, nomination procedures and the process and criteria adopted for selection and recommendation of candidates for the directorship of the Company.

The Nomination Committee is responsible for, inter alia:—

- (i) Reviewing the structure, size and composition (including skills, knowledge and expertise) of the Board on a regular basis making recommendations to the Board regarding any proposed changes;
- (ii) and identifying individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of, individuals nominated for directorship.

本集團之董事會已於二零零五年八月二十二日成立提名委員會，其成員包括鍾楚義先生、鄭毓和先生、羅凱栢先生及范仁鶴先生，其中三名為獨立非執行董事。另已於二零零五年八月二十二日採納提名委員會之職權範疇，當中載列有關其角色及職能、提名程序以及就甄選及推薦候選人擔任本公司董事職務所採納程序及條件之詳情。該職權範圍於本集團網站可供查閱。

提名委員會負責(其中包括):

- (i) 定期檢討董事會之結構、規模及組成(包括技能、知識及專業知識)，並就任何建議改動向董事會提供推薦意見；
- (ii) 及物色合資格成為董事會成員之適當人選，並就甄選獲提名擔任董事職務之人選，作出選擇及向董事會提供推薦意見。

A.5 Responsibilities of directors 董事責任

Code no. 守則編號	Code provisions 守則條文	Alignment 合規與否	Remarks 備註
A.5.1	<p>Every newly appointed director should receive a comprehensive, formal induction, and subsequent briefing and development as is necessary.</p> <p>每名獲委任之新任董事應獲得全面兼正式之就職介紹，其後獲得所需之簡報及發展。</p>	Yes 合規	<p>A tailored induction shall be provided to familiarize the newly appointed director with the Company's business operations and financial positions, his/her responsibilities under statute and common law, the Listing Rules, applicable legal and other regulatory requirements and business and governance policies respectively.</p> <p>新任董事應獲提供度身設計之就職介紹，致令其熟悉本公司之業務運作及財務狀況；彼於法規及普通法、上市規則、適用法律、其他監管規定項下之職責；以及業務及管治政策。</p> <p>Subsequent briefing and professional development shall be provided to the newly appointed director as and when necessary.</p> <p>新任董事其後將獲提供所需之簡報及專業發展。</p>
A.5.2	<p>Functions of non-executive directors should include A.5.2 of the Code Provision in the CG Code.</p> <p>非執行董事之職能應包括企管守則項下守則條文第A.5.2條。</p>	Yes 合規	<p>Strategic planning and monitoring the Company's performance are, among others, the major functions of the directors. The Board shall be accountable and responsible for the performance and affairs of the Company.</p> <p>董事之主要職能(其中包括)策略規劃及監察本公司表現。董事會將就本公司之表現及財務狀況問責及承擔負責。</p>
A.5.3	<p>Directors should give sufficient time and attention to company's affairs.</p> <p>董事應投放充足時間處理及關注本公司事務。</p>	Yes 合規	<p>Directors are aware that they shall give sufficient time and attention to the affairs of the Company.</p> <p>董事知悉彼等須投放充足時間處理及關注本公司事務。</p>
A.5.4	<p>Directors must comply with model code for securities transaction by directors of listed issuers ("Model Code") in Appendix 10 of the Listing Rules, and the board should establish written guidelines on no less exacting terms than the Model Code for relevant employees in respect of their dealings in company's shares.</p> <p>董事必須遵守上市規則附錄十所載上市發行人董事進行證券交易的標準守則(「標準守則」)，而董事會應就有關僱員在買賣本公司股份制定其條款不會較標準守則寬鬆之書面指引。</p>	Yes 合規	<p>The Company adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard set out in the Model Code ("Company's Code"). Having made specific enquiry of all directors, all directors confirmed that they had complied with the required standard set out in the Model Code and the Company's Code. The Board also applied no less exacting terms than the Model Code for the relevant employees in respect of their dealings in the securities of the Company.</p> <p>本公司已採納有關董事進行證券交易之操守守則，其條款不會較標準守則載列規定標準寬鬆(「本公司守則」)。經向全體董事作出具體查詢後，全體董事均確認，彼等一直遵守標準守則及本公司守則載列之規定標準。董事會亦就有關僱員買賣本公司證券應用不會較標準守則寬鬆之條款。</p>

A.6 Supply of and access to information 供應及獲取資料

Code no. 守則編號	Code provisions 守則條文	Alignment 合規與否	Remarks 備註
A.6.1	<p>Agenda and board papers should be sent to directors at least 3 days before regular board meeting or committee meeting.</p> <p>應於舉行董事會常規會議或委員會會議前最少三天向董事送交議程及董事會文件。</p>	Yes 合規	<p>In respect of regular Board meetings, and so far as practicable in all other cases, Board papers are dispatched to Board and Board Committee members not less than 3 days or such other agreed period before Board or Board committee meetings.</p> <p>就董事會常規會議而言，及只要於一切其他情況均屬切實可行，董事會文件會於董事會或董事委員會會議舉行前最少三天或經協定之其他期限，向董事會及董事委員會成員寄發。</p>
A.6.2	<p>Management should supply board and its committees with adequate information in timely manner. Each director should have separate and independent access to the issuer's senior management.</p> <p>管理層應向董事會及其委員會及時提供充足資料。每名董事應能自行及獨立聯絡發行人之高級管理層。</p>	Yes 合規	<p>Each director is given contact details of the senior management and is accessible to them to obtain information and for enquiries when required.</p> <p>每名董事均獲給予高級管理層之聯絡詳情，並可向彼等獲取資料及於需要時作出查詢。</p>
A.6.3	<p>Directors are entitled to have access to Board papers and related materials.</p> <p>董事有權獲取董事會文件及相關資料。</p>	Yes 合規	<p>Board papers and minutes are made available for inspection by the directors and Board committee members. Where queries are raised by directors, the Company shall respond as promptly and fully as possible.</p> <p>董事會文件及會議記錄可供董事會及董事委員會成員查閱。倘董事提出查詢，本公司須即時並盡可能作出詳盡回應。</p>

B. REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

B. 董事及高級管理人員薪酬

B.1 The level and make-up of remuneration and disclosure 薪酬水平與釐定方法及披露

Code no. 守則編號	Code provisions 守則條文	Alignment 合規與否	Remarks 備註
B.1.1	<p>Issuers should establish remuneration committee, majority of which shall be independent non-executive directors.</p> <p>發行人應成立薪酬委員會，其中過半數成員須為獨立非執行董事。</p>	Yes 合規	
B.1.2	<p>Remuneration committee should consult chairman and/or CEO about proposals relating to remuneration of other executive directors.</p> <p>薪酬委員會應就其他執行董事之酬金建議徵詢主席及／或行政總裁之意見。</p>	Yes 合規	
B.1.3	<p>Terms of reference of the remuneration committee should include B.1.3 of the Code Provision in the CG Code.</p> <p>薪酬委員會之職權範圍應包括企管守則項下守則條文第B.1.3條。</p>	Yes 合規	Please refer to the section below. 請參閱下文。
B.1.4	<p>Remuneration committee should make available its terms of reference explaining its role and the authority delegated to it by the board.</p> <p>薪酬委員會應公開其職權範圍，並闡釋其角色及獲董事會授予之權力。</p>	Yes 合規	
B.1.5	<p>Remuneration committee should be provided with sufficient resources to discharge its duties.</p> <p>薪酬委員會應獲提供充足資源以履行其職務。</p>	Yes 合規	

A remuneration committee of the Group had been formed in 22nd August 2005. There are four remuneration committee members currently, namely Mr. FAN Yan Hok, Philip, Mr. CHUNG Cho Yee, Mico, Mr. CHENG Yuk Wo and Mr. Albert Thomas DA ROSA, Junior of which three are INEDs.

The role and authorities of the remuneration committee, including those set out in B.1.3 of the Code Provision in the CG Code, were clearly set out in its terms of reference which are available at the Company's website and on request. Pursuant to its terms of reference, the remuneration committee was provided with sufficient resources to discharge its duties, including obtaining independent professional advice in appropriate circumstances as and when deemed necessary.

During the year ended 31st December 2007, the remuneration committee held three meetings in which over 50% remuneration committee members attended. The remuneration committee had, among others, reviewed the remuneration of the executive and non-executive directors of the Company and approved performance-based remuneration by reference to corporate goals and objectives resolved by the Board and/or the management from time to time. The Remuneration Committee, after reviewing all relevant remuneration data and market conditions as well as the performance of individuals and the profitability of the Group, and consulting the CEO, shall consider and make recommendation to the Board for approval of the remuneration packages for executive directors and senior management. Executive Directors do not participate in the determination of their own remuneration.

本集團薪酬委員會於二零零五年八月二十二日組成。薪酬委員會目前共有四名成員，分別為范仁鶴先生、鍾楚義先生、鄭毓和先生及羅凱栢先生，其中三名為獨立非執行董事。

薪酬委員會之角色及權力，包括企管守則項下守則條文第B.1.3條所載者，已清晰載於其職權範圍，該職權範圍可於本公司網站供查閱及要求索取。根據其職權範圍，薪酬委員會已獲提供充足資源以履行其職責，包括在台適及需要情況下獲取獨立專業意見。

截至二零零七年十二月三十一日止年度，薪酬委員會曾舉行三次會議，並獲過半數薪酬委員會成員出席。薪酬委員會曾(其中包括)檢討本公司執行及非執行董事之薪酬，並批准經參考董事會及/管理層不時議決之企業目標及宗旨後釐定之表現掛鈎薪酬。在審閱一切有關薪酬數據、市況、個人表現及本集團盈利能力，並諮詢行政總裁之意見後，薪酬委員會應考慮及向董事會作出建議，以批准執行董事及高級管理人員之薪酬待遇。執行董事概無參與釐定彼等本身之薪酬。

C. ACCOUNTABILITY AND AUDIT

C. 問責及審核

C.1 Financial Reporting 財務申報

Code no. 守則編號	Code provisions 守則條文	Alignment 合規與否	Remarks 備註
C.1.1	<p>Management should provide information to the Board to enable the Board to make informed assessment of financial situation.</p> <p>管理層應向董事會提供資料，致使董事會能就財務狀況作出知情評估。</p>	Yes 合規	
C.1.2	<p>Directors should acknowledge responsibility for preparing accounts, on a going concern basis and there should be a statement by auditors about their reporting responsibilities in the auditors' report on the financial statements. The corporate governance report should contain sufficient information to enable investors to understand severity and significance of matters at hand.</p> <p>董事應瞭解按持續經營基準編製賬目之責任，另核數師應就於財務報表之核數師報告內申報責任作出聲明。企業管治報告應載有充足資料，致使投資者瞭解當前事務之嚴重及重要程度。</p>	Yes 合規	<p>Please refer to the section below. 請參閱下文。</p>
C.1.3	<p>Board should present a balanced, clear and understandable assessment including in the reports to regulators and to information required to be disclosed pursuant to statutory requirements.</p> <p>董事會應於致監管人員之報告及根據法例規定須予披露之資料內，呈列公平、清晰及易於理解之評估。</p>	Yes 合規	

Management shall provide explanation and information to the Board so as to enable the Board to make an informed assessment of the financial and other information put before the Board for approval.

The directors of the Company acknowledged their responsibility for preparation of financial statements which give a true and fair view of the Group's state of affairs of the results and cashflow for the year. In preparing the financial statements for the year ended 31st December 2007, the directors have:

- (i) approved the adoption of all applicable Hong Kong Financial Reporting Standards which are issued by the Hong Kong Institute of Certified Public Accountants;
- (ii) selected and applied consistently appropriate accounting policies;
- (iii) made judgments and estimates that are prudent and reasonable; and
- (iv) prepared the financial statements on the going concern basis.

The Board recognizes the importance of good corporate governance and transparency and its accountability to shareholders, it shall present a balanced, clear and understandable assessment to annual and interim reports, other price-sensitive announcements and other financial disclosures of the Group as required under the Listing Rules, and reports to regulators as well as to information required to be disclosed pursuant to statutory requirements. The Company has announced its annual and interim results before the prescribed period of four months after the financial year and three months after the end of first six months of the financial year respectively as required by the Listing Rules.

管理層須向董事會提供說明及資料，致使董事會可於提供董事會批准前，就財務及其他資料作出知情評估。

本公司董事瞭解彼等之責任，為編製真實公平反映本集團年內業績狀況及現金流量之財務報表。於編製截至二零零七年十二月三十一日止年度之財務報表時，董事已：

- (i) 批准及採納香港會計師公會頒佈之所有適用香港財務報告準則；
- (ii) 揀選及貫徹應用合適之會計政策；
- (iii) 作出審慎及合理之判斷及估計；及
- (iv) 按持續經營基準編製財務報表。

董事會知悉良好企業管治、透明度及其對股東問責甚為重要，故董事會將於年報及中期報告、其他有關股價敏感資料之公佈與根據上市規則規定須予披露之本集團其他財務資料、致監管人員之報告，以及根據法例規定須予披露之資料內，提呈公平、清晰及易於理解之評估。本公司已按照上市規則之規定，分別於財政年度後四個月及財政年度首六個月結束後三個月之指定期間前，公佈其年度及中期業績。

C.2 Internal controls 內部監控

Code no. 守則編號	Code provisions 守則條文	Alignment 合規與否	Remarks 備註
C.2.1	<p>Directors should at least annually review effectiveness of internal control by the Group and state so in corporate governance report.</p> <p>董事應最少每年檢討本集團內部監控之成效，並於企業管理報告載列檢討結果。</p>	Yes 合規	Please refer to the section below. 請參閱下文。

Internal control environment

The Group has had in place an integrated framework of internal controls which is consistent with the Committee of Sponsoring Organisations of the Treadway Commission's ("COSO") framework. Under the framework, the management is primarily responsible for the design, implementation and maintenance of internal controls while the Board and its audit committee oversee the actions of the management and monitor the effectiveness of the controls that have been put in place. The framework and activities taken are illustrated below:

內部監控環境

本集團已設立與Committee of Sponsoring Organisations of the Treadway Commission(「COSO」)框架一致之內部監控綜合架構。根據該架構，管理層主要負責內部監控之制定、實施及維持，而董事會及其審核委員會則負責監督管理層之行動及監查已設立的監控制度之成效。該架構及所採取之措施說明如下：

Framework area 架構範疇	Activities taken 所採取之措施
Control Environment 監控環境	<ul style="list-style-type: none"> Management takes a hands-on approach and is fully committed to set the controls environment ensuring that individuals are controls conscious The Board has set up relevant committees to ensure regulations are complied with and internal controls are carried out properly A code of conduct exists to guide individuals' integrity and ethic in daily operations Management closely monitors the organization structure and the responsibilities of individuals granting appropriate authorities for them to handle assigned tasks Performance evaluations and recruitment procedures are available to ensure individuals are competent 管理層積極參與，致力建立監控環境，確保各人均具備監控意識 董事會已設立相關委員會，以確保各項規例得以遵守，而內部監控得以妥善執行 現存操守準則，就個別人士在日常營運中之誠信及道德操守，作出指引 管理層密切留意組織結構及個人責任，作出適當授權，以便處理獲指派之工作 設有表現評估及招聘程序，以確保個別人士表現稱職

Framework area	Activities taken
架構範疇	所採取之措施
Risk Assessment 風險評估	<ul style="list-style-type: none"> • Management has established clear strategic direction and business objectives • Formal risk assessment involving the Board and the top management has been conducted to identify and analyse key risks associated with achieving the Group's objectives which forms the basis for determining key control activities • 管理層設有清晰的策略及業務目標 • 董事會和高級管理層參與正式風險評估，找出及分析跟達致集團目標有關的主要風險，從而作為設立主要監控行動的基礎
Control Activities 監控活動	<ul style="list-style-type: none"> • Policies/procedures on key control activities are established to ensure management directives are carried out • Ranges of activities including approvals, authorization, verifications, recommendations, performance reviews, asset security and segregation of duties are identified and implemented • 制定有關主要監控活動之政策／程序，以確保管理層之指示得以執行 • 識別及建立一系列行動，當中包括：批准、授權、核實、建議、表現審核、資產保護及職責劃分
Information and Communication 資料及通訊	<ul style="list-style-type: none"> • Pertinent information is identified, captured, processed and reported • Access to internal and external general information is available • Management maintains an open-door policy to allow communication taking place both across and vertically though the organization • 識別、擷取、處理及匯報相關資料 • 可獲取內部及外界一般資訊 • 管理層維持公開政策，以容許組織內進行縱向及橫向溝通
Monitoring 監察	<ul style="list-style-type: none"> • Management closely monitors daily operations and the related controls • Internal audit function, the Internal Control and Risk Management Department ("ICRM"), with adequate resources and well qualified staff conducts annual internal controls review on major operating units and projects • External audit function ensures financial reporting and the related controls are proper and effective • External tax advisor is hired to ensure proper tax treatment and compliance on tax regulations • External legal advisor and internal company secretary function ensures the compliance of regulations, standards and listing rules • 管理層密切監察日常運作及有關監控 • 肩負內部監控職能之內部監控及風險管理部門(「內部監控部」)，具備充足資源及資歷優秀之員工，每年審閱主要營運單位及項目之內部監控情況 • 外聘核數師確保財務匯報及相關監控屬恰當及有效 • 委任外聘稅務顧問，以確保稅務事宜處理妥當及遵守稅務規例 • 外聘法律顧問及內部公司秘書，確保遵守有關規例、準則及上市規則

Risk assessment and management

The Group conducted a risk assessment in 2007 following an annual update plan. The entire management team has been involved to assume responsibilities and evaluate the effectiveness of the Group's internal control systems.

Under the COSO framework, management identified difference in the objects of the Group from last year assessment exercise and defined the related risk categories impacting those objectives. Four risk categories were considered: business, operational, financial and compliance.

A systematic "top-down" approach was adopted to identify, source and evaluate individual risks and the interrelationships between risks in the key areas under those four categories, to which high priorities and resources were given. Evaluation sheet were given to all members of the management team for ranking the significance and likelihood of the key risks. Mitigation strategies and plans with respect to each key risk identified were planned and put into action, which included establishing or enhancing internal controls and procedures.

Control processes

The Board establishes and maintains a sound internal control system through the following major processes:

- (i) Systems and procedures are in place to identify and measure risks on an ongoing basis. Senior management reviews and defines the annual risk assessment process and monitor the progress of risk mitigation plans.
- (ii) An organization structure with defined lines of responsibility and delegation of authority is devised.
- (iii) The Board reviews its strategic plans and objectives on an annual basis.
- (iv) Financial performance is analysed against budget with variances being accounted for and appropriate actions are taken to rectify deficiencies.
- (v) Having aware the fact that all systems of internal control can only provide reasonable but not absolute assurance, the ICRM are required to evaluate the adequacy and effectiveness of major controls over principal operations independently. Full access to the all data and every operation of the Group is granted to the ICRM. A risk-based approach is adopted which concentrates on areas of significant risks or where significant changes have occurred. Major findings and recommendations, if any, are reported to the Board and the audit committee after each review.

風險評估及管理

本集團於二零零七年進行風險評估，之後每年修訂。全體管理層均有參與，承擔責任，及評估集團內部監控系統之成效。

根據COSO架構，管理層找出本集團目標跟去年評估中目標的差異，並識別影響該等目標之相關風險類別。所考慮到的四項風險類別為：業務、營運、財務及守規。

採用「由上而下」的方法，有系統地找出、尋源及評估，在該四項類別下，主要範疇中的個別風險及其相互關係，以便優先及劃撥資源處理該風險。各管理層成員獲發評估表格，按主要風險之影響程度及發生可能性進行排序，並因應各已識別主要風險，計劃及推行對策及舒緩方案，其中包括成立或加強內部監控制度及程序。

監控程序

董事會透過下列主要程序，建立及維持有效內部監控制度：

- (i) 建立制度及程序，持續識別及評估風險。高級管理人員檢討及界定年度風險評估程序及監控風險舒緩計劃之實行進度。
- (ii) 訂立具清晰職責及授權範圍之組織架構。
- (iii) 董事會每年檢討其策略計劃及目標。
- (iv) 就財務表現與預算作比較分析，考慮當中差異，並採取適當行動以修正不足之處。
- (v) 在瞭解所有內部監控制度僅可提供合理而非絕對保證後，內部監控部須獨立評估主要營運業務的重要監控，是否足夠及有效。內部監控部可全面掌握本集團所有數據及各運作情況，並採納以風險為基礎之方法，集中評估有重大風險或會出現重大變動之範疇。每次檢討後，如有主要發現及建議，會向董事會及審核委員會呈報。

Annual internal control assessment

The Board is responsible for the Group's system of internal controls and for reviewing its effectiveness. The ICRM conducts reviews of the effectiveness of the Group's system of internal controls, including those of its subsidiaries. The Board and the Audit Committee reviews the findings and opinion of the ICRM in the effectiveness after such reviews.

In respect of the year ended 31st December 2007, the Board considered the internal controls system effective and adequate.

Price-sensitive information

With respect to procedures and internal controls for the handling and dissemination of price-sensitive information, the Group has performed the following actions:

- (i) Management and relevant personnel are made aware of the Group's obligations under the Listing Rules and the overriding principle that information which is expected to be price-sensitive and/or the subject of a major decision should be announced immediately.
- (ii) Management and relevant personnel are required to conduct the Group's affairs with close regard to the "Guide on Disclosure of Price-sensitive Information" issued by the Hong Kong Stock Exchange in 2002.
- (iii) Members of the Group's top management are identified and authorised to act as the Group's spokespersons and respond to external enquiries.

年度內部監控評估

董事會負責本集團之內部監控制度及檢討其效能。內部監控部審查本集團及其附屬公司的內部監控制度之效能。董事會及審核委員會於進行有關審查後，審閱內部監控部的發現及意見。

就截至二零零七年十二月三十一日止年度而言，董事會認為，有關內部監控制度屬有效及足夠。

股價敏感資料

就有關處理及發放對股價會有影響的敏感資料之程序及內部監控方面，本集團已採取下列措施：

- (i) 管理層及有關人員已得悉本集團於上市規則下之責任及凌駕原則，即時披露預期會影響股價的敏感資料及／或對用作做重大決定的資料。
- (ii) 管理層及有關人員需恪守香港聯交所於二零零二年頒佈之「股價敏感資料披露指引」，以進行本集團之事務。
- (iii) 本集團已選定高級管理層成員，並授權彼等擔任本集團發言人，以回應外界提問。

C.3 Audit committee 審核委員會

Code no. 守則編號	Code provisions 守則條文	Alignment 合規與否	Remarks 備註
C.3.1	Minutes of audit committee should be kept and sent to all members for comment and records within reasonable time. 審核委員會之會議記錄應予備存，並於合理時間內送交全體成員，以供彼等發表意見及記錄。	Yes 合規	Pursuant to its terms of reference, minutes of audit committee were kept and sent to all its committee members within reasonable time. 根據其職權範圍，已備存審核委員會之會議記錄，並已於合理時間內送交全體委員會成員。
C.3.2	A former partner of the issuer's audit firm should not act as a member of the audit committee. 發行人核數師事務所之前任合夥人不應出任審核委員會成員。	Yes 合規	The current audit committee members are not former partner of the Company's existing auditing firm. 審核委員會現任成員均非本公司現有核數師事務所之前任合夥人。
C.3.3	The terms of reference of audit committee should include terms set out pursuant to C.3.3 of the Code Provision in the CG Code. 審核委員會之職權範圍應包括企管守則項下守則條文第C.3.3條款。	Yes 合規	The terms of reference of the audit committee, which have included the role and authority delegated to it by the Board together with C.3.3 of the Code Provision, are available at the Group's website and on request. 審核委員會之職權範圍已涵蓋職位及董事會所授予權力，連同守則條文第C.3.3條所載列者，均可於本公司網站查閱及要求索取。
C.3.4	Audit committee should make available its terms of reference. 審核委員會應公開其職權範圍。	Yes 合規	Please refer to the section above. 請參閱上文。
C.3.5	Disclosure of any disagreement between board and audit committee on selection, appointment, resignation or dismissal of external auditors. The issuer should state recommendation and reasons for difference in view in corporate governance report. 董事會與審核委員會就甄選、委任、辭任或罷免外聘核數師方面之任何分歧意見須予披露。發行人應在企業管治報告內列明推薦意見及意見迥異之理由。	Yes 合規	The audit committee recommended and the Board agreed that the Company shall re-appoint PwC to be the Company's auditors and the recommendation will be put forward for the approval of shareholders at the forthcoming AGM. 審核委員會建議及董事會同意，本公司將再委聘羅兵咸永道會計師事務所為本公司核數師，而推薦意見將於應屆股東週年大會呈呈供股東批准。
C.3.6	Sufficient resources should be provided to the audit committee to discharge its duties. 審核委員會應獲提供充足資源以履行其職務。	Yes 合規	Pursuant to its terms of reference, the audit committee should be provided with sufficient resources, including advice of professional firms, to discharge its duties, if necessary. 根據其職權範圍，審核委員會將於需要時獲提供充足資源(包括專業公司之意見)，以履行其職務。

The Group established an audit committee with written terms of reference 22nd August 2005. There are four current audit committee members, namely, Mr. CHUNG Cho Yee, Mico, Mr. CHENG Yuk Wo, Mr. Albert Thomas DA ROSA, Junior and Mr. FAN Yan Hok, Philip, of which three are INEDs and at least one of whom possess the appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10(2) of the Listing Rules.

The audit committee is responsible for, inter alia, reviewing and monitoring the relationship between the Company and its auditors, reviewing of the financial information of the Company and overseeing the Company's financial controls, internal control and risk management systems. The audit committee members have met with external and internal auditors and discussed the general scope of the audit works and reviewed the audit reports and the interim and annual accounts of the Group. During the year, the audit committee met privately with the external auditors, without the presence of the executive directors of the Company, to discuss matters or issues arising from the audit and any other matters the external auditor may wish to raise.

There were two audit committee meetings during the year ended 31st December 2007 and the CEO, the CFO, other members of the senior management team and the external auditors of the Company shall be invited, as and when necessary, to join the discussion of the audit committee meetings. Particulars of the Board committee members' individual attendance and other details of the meetings were set out above in this report. The following is a summary of works performed by the audit committee during the year:

本集團於二零零五年八月二十二日成立具職權範圍書之審核委員會。審核委員會現有四名成員，分別為鍾楚義先生、鄭毓和先生、羅凱栢先生及范仁鶴先生，其中三人為獨立非執行董事，另如上市規則第3.10(2)條之規定，當中最少一人具備合適專業資格或會計或相關財務管理知識。

審核委員會負責(其中包括)審閱及監控本公司與其核數師間之關係、審閱本公司之財務資料及監督本公司之財務監控、內部監控及風險管理制度。審核委員會成員已與外聘及內部核數師會面，並討論審核工作之一般範圍及審閱本集團之審核報告及中期與年度報告。年內，審核委員會曾於本公司執行董事不在場情況與外聘核數師私下會面，以討論審核引致之事項或問題及外聘核數師可能提出之任何其他事項。

截至二零零七年十二月三十一日止年度，審核委員會曾舉行兩次會議，而行政總裁、財務總監、高級管理層其他成員及本公司外聘核數師於有需要時會應邀出席審核委員會會議並參與討論。董事委員會成員個別出席情況之詳情及會議之其他詳情，載於本報告前部份。以下為審核委員會於年內所進行工作之概要：

- | | |
|--|---|
| (i) review of the Group's final and interim results statements and the related result announcements and documents prior to Board approval; | (i) 於提交董事會批准前，審閱本集團之末期及中期業績報表及相關業績公佈及文件； |
| (ii) review of the development in accounting standards and its effects on the Group; | (ii) 審閱會計準則之發展及其對本集團構成之影響； |
| (iii) review of external auditor's audit plan and its nature and scope, the external auditors' reports and the letter of representation by the Company and other matters or issues raised by the external auditors; | (iii) 審閱外聘核數師之審核計劃及其性質與範圍、外聘核數師之報告、本公司之聲明函件，以及外聘核數師提出之其他事項或問題； |
| (iv) review of the risk management assessment report by the external consultants and their recommendations; | (iv) 審閱外聘顧問之風險管理報告及其推薦意見； |
| (v) review of, and with recommendation to the Board, the adoption of the policy on provision of audit and non-audit services by external auditors and the semiannual summary of audit and non-audit services by external auditors; | (v) 就採納有關外聘核數師提供審核及非審核服務以及外聘核數師作出之審核及非審核服務半年度概要之政策作出檢討，並向董事會作出建議； |
| (vi) review of the independence of the external auditors and approval of its engagement letters and audit fee; | (vi) 審閱外聘核數師之獨立身分，並批准其委聘函件及核數費用； |
| (vii) review of, and with recommendation to the Board, the foreign currency and treasury policy of the Group; and | (vii) 檢討本集團之外匯及庫務政策，並向董事會作出建議；及 |
| (viii) review of internal audit reports by the ICRM Department in respect of the Group's internal control system and procedures, its effectiveness and the regular updates on key risk areas of financial control. | (viii) 審閱內部監控及風險管理部門就本集團內部監控及程序編製之內部審核報告、其效益及就財務監控主要風險範圍之定期更新資料。 |

All issues raised by the audit committee were addressed and/or dealt with by the senior management of the Company and the work, findings and recommendations of the audit committee were reported to the Board from time to time. During the year ended 31st December 2007, no issues brought to the attention of senior management and the Board was of sufficient importance to require disclosure in the annual report under the Listing Rules.

During the year ended 31st December 2007, the fees paid to PricewaterhouseCoopers, the Company's external auditor amounted to approximately HK\$4.6 million, comprising the audit fees of HK\$4.1 million and non-audit fees of HK\$0.5 million respectively. The non-audit services consist mainly of tax advisory services and review of the Group's interim financial information in 2007.

審核委員會提出之所有問題已經本公司高級管理人員解決及/或處理，而審核委員會之工作、結果及建議已不時向董事會匯報。截至二零零七年十二月三十一日止年度，並無任何已知會高級管理人員及董事會之問題具足夠重要程度，須根據上市規則在年報中披露。

截至二零零七年十二月三十一日止年度，向本公司外聘核數師羅兵咸永道會計師事務所支付之費用約為4,600,000港元，包括審核費用4,100,000港元及非審核費用500,000港元。非審核服務主要包括稅務諮詢服務及審閱本集團二零零七年中期財務資料。

D. DELEGATION BY THE BOARD

D. 董事會之授權

D.1 Management functions 管理層之職能

Code no. 守則編號	Code provisions 守則條文	Alignment 合規與否	Remarks 備註
D.1.1	<p>Board must give clear directions as to powers of management, particularly on delegation to management and matters required prior approval from the board.</p> <p>董事會須就管理權力提供清晰指引，特別是向管理層授權及須事先取得董事會批准之事項。</p>	Yes 合規	Please refer to the section below. 請參閱下文。
D.1.2	<p>Company should formalize functions reserved to the board and functions delegated to management.</p> <p>公司應界定保留交董事會處理之職能及授權管理層之職能。</p>	Yes 合規	

The management, consisting of the Executive Directors of the Company along with other senior executives, shall be responsible for the implementation of the strategy and direction as adopted by the Board from time to time. The Board also delegates management and administrative functions to the management for their conduct of the day-to-day operations of the Company, effectively, legally and ethically. Executive Directors and management executives meet monthly to review and performance of the businesses of various business units of the Group as a whole, co-ordinate overall resources and make financial and operation decision.

管理層(包括本公司執行董事)連同其他高級行政人員，須負責不時實行董事會採納之政策及方向。董事會亦向管理層授出管理及行政職能，致使彼等能以有效、合法及合乎道德之方式，進行本公司之日常營運，執行董事及管理層每月均會開會整體檢閱本集團各業務單位之業務表現、調整整體資源以及作出財務經營決定。

D.2 Board committees 董事委員會

Code no. 守則編號	Code provisions 守則條文	Alignment 合規與否	Remarks 備註
D.2.1	Board committees should have clear terms of reference to enable such committees to discharge their functions properly. 董事委員會應具清晰職權範圍，致使該等委員會妥善履行職務。	Yes 合規	
D.2.2	Terms of reference of board committees should require such committees to report their decisions to the board. 董事委員會之職權範圍應規定該等委員會向董事會匯報其決定。	Yes 合規	Please refer to terms of reference of the audit committee, remuneration committee and nomination committee of the Company. 請參閱本公司審核委員會、薪酬委員會及提名委員會之職權範圍。

E. COMMUNICATION WITH SHAREHOLDERS

E. 與股東之溝通

E.1 Effective communication 有效溝通

Code no. 守則編號	Code provisions 守則條文	Alignment 合規與否	Remarks 備註
E.1.1	A separate resolution at a general meeting on each substantially separate issue should be proposed by the chairman of that meeting. 股東大會主席應就各項很大程度上屬個別情況之事宜，在該大會提呈獨立決議案。	Yes 合規	Separate resolutions are proposed at the AGM on each substantially separate issue, including election of individual directors. 會就各項很大程度上屬個別情況之事宜，於股東週年大會提呈獨立決議案，當中包括推選個別董事。
E.1.2	Chairman of the board should attend AGM and arrange for chairmen of audit, remuneration and nomination committees to attend and be available to answer questions. 董事會主席應出席股東週年大會，並安排審核、薪酬及提名委員會之主席出席該大會，同時準備於會上回答提問。	Please refer to remarks 請參閱備註	The chairman of the Board did not attend the annual general meeting of the Group as he had another business engagement but the Chairmen of the relevant committee were available to answer question at the shareholders meetings. 董事會主席因公務而未能出席本集團之股東週年大會，惟有關委員會主席於股東大會回答提問。

Investor relations

The Group is committed to fostering productive and long-term relationships with shareholders and investors through open and prompt communication. Various channels have been established to facilitate transparency. Key information on the Group, which is continuously updated, annual reports and webcasts of results presentations are available on our corporate website www.hkcholdings.com. In addition to the AGM in which shareholders can put questions to directors about the Group's performance, press and analysts' conferences are held at least twice a year subsequent to the interim and final results announcements. At these conferences, the management team explains the Group's business performance and future direction. The Group also seeks opportunities to communicate its strategies to investors and the public through active participation at investors' conferences, regular meetings with fund managers and potential investors, as well as through press interviews and timely press releases.

The market capitalization of the Company as at 31st December 2007, the last trading day in 2007, was HK\$18,319,684,163.38 (issued share capital : 8,215,105,006 shares at closing market price :HK\$2.23), and there is sufficient public float of more than 25% of the Company's issued shares.

Shareholders' Rights

Shareholders are encouraged to attend the annual general meetings for which at least 21 days' notice is given. All shareholders have statutory rights to call for special general meeting and put forward agenda items for consideration by shareholders. The Chairman and/or Directors are available to answer questions on the Group's businesses at the meetings.

To foster effective communications with shareholders and investors, the Company is committed to providing clear and full performance information of the Group in its annual report, interim report and press releases. In addition to dispatching circulars, notices, financial reports to shareholders, the Company also disseminates information relating to the Group and its business electronically through its website at www.hkcholdings.com.

投資者關係

本集團致力透過公開及即時溝通，與股東及投資人士締結具成效之長遠關係，並已建立不同渠道，以提高透明度。本集團持續更新之主要資料、年報及網上呈報之業績，均於公司網站www.hkcholdings.com可供查閱。除可供股東就本集團表現向董事提出問題之股東週年大會外，記者招待會及分析員會議亦將於中期及全年業績公佈後舉行，最少一年舉行兩次。在該等會議上，管理層隊伍闡釋本集團之業務表現及未來方向。本集團亦將物色機會，透過積極參與投資者會議、與基金經理及有意投資者定期會面，以及透過報章訪問及適時發放新聞稿，向投資者及公眾人士傳達其策略。

本公司於二零零七年最後一個交易日二零零七年十二月三十一日之市值為18,319,684,163.38港元(按收市時之市價2.23港元計算及已發行股本8,215,105,006股股份計算)，及本公司維持足夠的公眾持股量，超過本公司已發行股份25%以上。

股東權利

本集團鼓勵股東出席股東週年大會，而彼等就此將獲給予最少21天的通知。所有股東均有法定權利召開股東特別大會，並提呈討論事項以供股東考慮。主席及/或董事將於大會上解答有關本集團業務之提問。

為促進股東與投資者之間的有效溝通，本公司承諾於其年度報告、中期報告及新聞稿中提供有關本集團清晰及詳盡之資料。除了向股東寄發通函、通告及財務報告外，本公司亦透過其網站www.hkcholdings.com以電子形式發放有關本集團及其業務之資料。

E.2 Voting by poll 按股數投票表決

Code no. 守則編號	Code provisions 守則條文	Alignment 合規與否	Remarks 備註
E.2.1	<p>Chairman of the meeting should disclose in circular procedures and rights to demand a poll.</p> <p>大會主席應在通函披露要求以按股數投票方式表決之程序及權利。</p>	Yes 合規	<p>The procedures for demanding a poll by the shareholders were incorporated in the circular for each event.</p> <p>股東要求以按股數投票方式表決之程序已載於就各事件刊發之通函內。</p>
E.2.2	<p>Chairman should count and indicate level of proxies lodged on each resolution, and the balance for and against the resolution.</p> <p>主席應點算及指出就各決議案提交受委代表之水平，以及贊成及反對該決議案之對比。</p>	Yes 合規	<p>The chairman of the Meeting had duly performed the E.2.2 and E.2.3 of the Code Provisions in the shareholders meeting. The share registrar of the Company, was present to assist and ensure the votes were properly counted.</p> <p>董事會主席已於股東大會正式履行守則條文第E.2.2及E.2.3條之規定。本公司之股份過戶登記處出席大會，以協助及確保票數點算妥當。</p>
E.2.3	<p>Chairman should explain procedures for demanding and conducting a poll at the commencement of meeting.</p> <p>主席應於大會開始時解釋要求及進行按股數投票表決之程序。</p>	Yes 合規	

Beyond the Code

With a view to continuously improve its corporate governance, transparency and accountability to its shareholders, the Company goes beyond the Code Provisions in the following aspects:-

- (i) the Company has arranged appropriate liability insurance cover, which is reviewed on an annual basis, for liabilities arising out of activities from being directors of the Group;
- (ii) the Group established a nomination committee on 22nd August 2005, in which two-third of its committee members are INEDs. The terms of reference of nomination committee adopted by the Board dealt clearly with the Board committee's authority and duties and incorporated all the duties set out in A.4.5 (a) to (d) of the recommended best practices in the CG Code. The terms of reference of the nomination committee with its role and authority delegated by the Board is made available on the Company's website. Pursuant to its terms of reference, the nomination committee should be provided with sufficient resources;
- (iii) disclosure on division of responsibility between the Board and management is set out in the section A – Directors of the corporate governance report.

守則以外範圍

為持續改善企業管治、透明度及對其股東之問責性，本公司甚至超出守則條文，於以下範疇恪守良好管治：

- (i) 本公司已就本集團董事於業務活動產生之責任投資合適責任保險，並每年審閱；
- (ii) 本集團於二零零五年八月二十二日成立提名委員會，成員中三分之二為獨立非執行董事。董事會採納之提名委員會職權範圍與董事委員會之權力及職責清晰區分，並已納入企管守則之建議最佳常規第A.4.5(a)至(d)條載列之所有職責。提名委員會之職權範圍連同其角色及董事會授予之權力，於本公司網站可供查閱。根據其職權範圍，提名委員會將獲提供足夠資源；
- (iii) 董事會與管理層職責分工之披露載於企業管治報告A節 – 董事內。



from left to right: Mr. Tang Sau Wai, Tom (Executive Director), Mr. Chan Kwok Fong, Joseph (Executive Director), Mr. Tsang Sai Chung, Kirk (Executive Director), Mr. Oei Kang, Eric (Executive Director), Mr. Chen Libo (Executive Director), Mr. Ng Chi Man, Michael (Executive Director)
由左至右：鄧守偉（執行董事）、陳國芳（執行董事）、曾細忠（執行董事）、黃剛（執行董事）、陳立波（執行董事）、吳志文（執行董事）

DIRECTORS AND MANAGEMENT EXECUTIVES

董事及行政管理人員

MR. OEI TJIE GOAN

(Chairman and Non-executive Director)

A director of the Group since April 2004, 63-year old. Mr. Oei was a graduate of the Mathematics & Dynamics Department of Beijing University where he majored in Computational Mathematics. Involved in Asia's pulp and paper, finance, banking, property and agricultural industries since 1974, Mr. Oei sits on the board of two listed companies in Indonesia: PT. Indah Kiat Pulp & Paper Tbk. and PT. Pabrik Kertas Tjiwi Kimia Tbk. Mr. Oei is the father of Mr. OEI Kang, Eric, an executive director and the Chairman of the Steering Committee of the Company.

黃志源先生

(主席兼非執行董事)

黃志源先生現年六十三歲，自二零零四年四月起一直出任本集團董事職務。黃先生畢業於北京大學數學與力學系，主修計算數學。黃先生自一九七四年起一直在亞洲地區從事造紙、財經及銀行業、物業及農業業務。黃先生現時為 PT. Indah Kiat Pulp & Paper Tbk. 及 PT. Pabrik Kertas Tjiwi Kimia Tbk. 之董事，該兩家公司均為印尼上市公司。黃先生乃本集團執行董事兼執行委員會主席黃剛先生之父親。

MR. LI XUEMING

(Deputy Chairman and Non-executive Director)

A director of the Group since March 1999, 60-year old. Mr. Li holds a Bachelor's Degree in Industrial Automation from Tsinghua University. Mr. Li was formerly the Vice-president of China Aerospace International Holdings Ltd. Mr. Li is also currently an executive director and Deputy General Manager of China Everbright Group Limited and China Everbright Holdings Company Limited. Mr. Li is the Chairman of Shanghai Everbright Convention and Exhibition Center Co., Ltd. and Vice-chairman of China Everbright Investment Management Corporation. Mr. Li is also an executive director and Vice-chairman of China Everbright International Limited, a publicly listed company in Hong Kong.

MR. XU ZHENG

(Deputy Chairman and Non-executive Director)

A director of the Group since April 2004, 47-year old. Mr. Xu holds a Master's Degree in Business Administration. A Senior Engineer (Professor Grade) in China, Mr. Xu was formerly the Assistant Manager and Deputy Manager of Shanghai No. 2 Construction Co., Ltd. He has also served as Assistant to the General Manager, Deputy Chief Engineer and Deputy General Manager of Shanghai Construction (Group) General Corporation, and as General Manager of Shanghai Construction Co., Ltd. Mr. Xu is currently an executive director and General Manager of Shanghai Construction (Group) General Corporation and Chairman of Shanghai Construction Co., Ltd.

MR. OEI KANG, ERIC

(Executive Director)

A director of the Group since April 2004, 37-year old. Mr. Oei also holds several directorships in other members of the Group. Mr. Oei is the sole director and the sole shareholder of Creator Holdings Limited ("Creator"), the controlling shareholder of the Company. Mr. Oei was educated in the USA and obtained a Bachelor's Degree in Economics (with a minor in Electrical Engineering), and a Master's Degree in Business Administration. Earlier in his career, Mr. Oei worked with Peregrine Securities Ltd. and PCCW in Hong Kong, the LG Group in Seoul and McKinsey & Co. in Los Angeles, USA. Mr. Oei was appointed as the Chairman of the Steering Committee of the Group since February 2008. Mr. Oei is a son of Mr. OEI Tjie Goan, the Chairman of the Group. Mr. Oei currently is the Chairman and Chief Executive Officer of J.I.C. Technology Company Limited, the shares of which are listed on the Main Board of the Stock Exchange.

李學明先生

(副主席兼非執行董事)

李學明先生現年六十歲，自一九九九年三月起一直出任本集團董事職務。李先生持有清華大學工業自動化學士學位。李先生曾任航天科技國際集團有限公司副總裁，現為中國光大(集團)總公司及中國光大集團有限公司執行董事兼副總經理。此外，彼為上海光大會展中心有限公司董事長和中國光大投資管理公司副董事長。李先生亦為香港上市公司中國光大國際有限公司之執行董事兼副主席。

徐征先生

(副主席兼非執行董事)

徐征先生現年四十七歲，自二零零四年四月起一直出任本集團董事職務。徐先生持有工商管理碩士學位，並為中國高級工程師(教授級)。彼曾任上海上第二建築工程公司之助理經理及副經理、上海建工(集團)總公司之助理總經理、副總工程師及副總經理，以及上海建工股份有限公司之總經理。彼現時為上海建工(集團)總公司之執行董事兼總經理，並為上海建工股份有限公司之主席。

黃剛先生

(執行董事)

黃剛先生現年三十七歲，自二零零四年四月起出任本集團董事職務。黃先生亦於本集團其他成員公司出任董事職務。黃先生乃本公司控股股東創達集團有限公司(「創達」)之唯一董事及唯一股東。彼於美國升學，持有經濟學學士學位(副修電機工程)，以及持有工商管理碩士學位。彼曾任職於百富勤證券有限公司、香港電訊盈科、首爾(漢城)LG Group及美國洛杉磯McKinsey & Co.。黃先生於二零零八年二月獲委任為本集團執行委員會之主席。黃先生乃本集團主席黃志源先生之兒子。黃先生現時為於香港聯合交易所有限公司主板上市之 J.I.C. Technology Company Limited 之主席及行政總裁。



Toll Road of Guilin, Guangxi

廣西桂林收費公路

MR. CHEN LIBO
(Executive Director)

A director of the Group since September 1997, 58-year old. Mr. Chen also serves on the boards of several other members of the Group. A graduate of China's Northeastern University of Finance (formerly the Liaoning Institute of Finance), Mr. Chen is a respected authority on finance and corporate affairs in China. Before joining the Group, Mr. Chen served as a Vice-President of the Pudong branch of China Construction Bank. Mr. Chen was appointed as the Chief Executive Officer of the Group since February 2008. Mr. Chen currently is the Vice-chairman and Executive Director of J.I.C. Technology Company Limited, the shares of which are listed on the Main Board of the Stock Exchange.

MR. NG CHI MAN, MICHAEL
(Executive Director)

A director of the Group since June 2007, 49-year old. Mr. Ng is a fellow member of the Hong Kong Institute of Certified Public Accountants and a member of the American Institute of Certified Public Accountants. He holds a Master's degree in Business Administration from St. John's University in New York.

陳立波先生
(執行董事)

陳立波先生現年五十八歲，自一九九七年九月起出任本集團董事職務。陳先生亦於本集團其他成員公司出任董事職務。陳先生卒業東北財經大學(前稱遼寧財經學院)，是中國事務專家，在財務及公司事務方面有豐富經驗，曾任中國建設銀行浦東分行副行長。陳先生於二零零八年二月起獲委任為本集團之行政總裁。黃先生現時為於聯交所主板上市之 J.I.C. Technology Company Limited 之副主席及執行董事。

吳志文先生
(執行董事)

吳志文先生現年四十九歲，自二零零七年六月起出任本集團董事職務。吳先生為香港會計師公會資深會員及美國會計師公會會員。彼持有紐約聖約翰大學(St. John's University)工商管理碩士銜。

MR. TSANG SAI CHUNG, KIRK

(Executive Director)

A director of the Group since April 2004, 44-year old. Mr. Tsang also serves as a director of several other members of the Group. Mr. Tsang graduated from The University of Hong Kong with a Bachelor's Degree of Arts and also holds a Postgraduate Certificate in Laws from the same university. A qualified solicitor in Hong Kong, he has more than 10 years' experience in private practice and as an in-house counsel for various listed companies. Mr. Tsang was appointed as the Company Secretary and Legal Counsel of the Group since April 2004. Mr. Tsang was also appointed as the Chief Operation Officer of the Group since February 2008. Mr. Tsang currently is the Legal Counsel of Creator and an Executive Director and Company Secretary of J.I.C. Technology Company Limited, the shares of which are listed on the Main Board of the Stock Exchange.

MR. CHAN KWOK FONG, JOSEPH

(Executive Director)

A director of the Group since June 2007, 48-year old. Mr. Chan also serves on the boards of several other members of the Group. Mr. Chan holds a Bachelor of Arts degree in Economics from York University in Canada. He has over 20 years' solid experience in banking and finance field. He was appointed as the Chief Financial Officer of the Group since August 2006. Mr. Chan currently is an Executive Director of J.I.C. Technology Company Limited, the shares of which are listed on the Main Board of the Stock Exchange.

MR. TANG SAU WAI, TOM

(Executive Director)

A director of the Group since April 2004, 50-year old. Mr. Tang also sits on the boards of several other members of the Group. A graduate of the University of Saskatchewan, Saskatoon, Canada, Mr. Tang holds a B.Sc. (Civil Engineering) and is both a Chartered Engineer and a Registered Professional Engineer (Civil, Geotechnical). His other qualifications include memberships of The Institution of Civil Engineers (MICE) and the Hong Kong Institution of Engineers (MHKIE). He joined the Group in August 2000 and was appointed as the Chief Technical Officer of the Group since February 2008. Before joining the Group, Mr. Tang worked with the Hip Hing Construction Group for 20 years. During his time with the Hip Hing Construction Group, he served as a Consulting Geotechnical Engineer of Paul Tong & Associates from 1980 to 1988 and as a director of Vibro (H.K.) Ltd., a civil engineering contractor specialising in foundations, from 1988 to 2000.

曾細忠先生

(執行董事)

曾細忠先生現年四十四歲，自二零零四年四月起出任本集團董事職務。曾先生於本集團其他成員公司出任董事職務。曾先生畢業於香港大學，持有文學士學位，並持有香港大學法律深造文憑。彼為香港合資格律師，擁有逾十年私人執業及出任多間上市公司法律顧問之經驗。曾先生自二零零四年四月獲委任為本集團之公司秘書及法律顧問，並於二零零八年二月獲委任為本集團之營運總監。曾先生現時為創達之法律顧問及於聯交所主板上市之 J.I.C. Technology Company Limited 之執行董事及公司秘書。

陳國芳先生

(執行董事)

陳國芳先生現年四十八歲，自二零零七年六月起出任本集團董事職務。陳先生於本集團其他成員公司出任董事職務。陳先生持有加拿大約克大學 (York University) 經濟學文學士學位。彼於銀行及金融業擁有逾20年穩固經驗。彼於二零零六年八月獲委任為本集團首席財務官。陳先生現時為於香港聯合交易所有限公司主板上市之 J.I.C. Technology Company Limited 之執行董事。

鄧守偉先生

(執行董事)

鄧守偉先生現年五十歲，自二零零四年四月起出任本集團董事職務。鄧先生亦於本集團其他成員公司出任董事職務。鄧先生畢業於加拿大薩克其萬省Saskatoon 的University of Saskatchewan，持有理學士(土木工程)學位，為註冊工程師及註冊專業工程師(土木、岩土)，亦是英國土木工程師學會(MICE)及香港工程師學會(MHKIE)會員。鄧先生於二零零零年八月加入本集團，並於二零零八年二月獲委任為本集團技術總監。於加盟本集團前，鄧先生曾於協興建築集團公司任職二十年，於一九八零年至一九八八年期間出任唐玉麟土力工程顧問公司之岩土顧問工程師，後於一九八八年至二零零零年期間出任惠保(香港)有限公司之董事，該公司乃一間專門從事地基工程之土木工程承包商。



Heilongjiang Wind Power Station

黑龍江風力發電廠

MS. TERESA YEN

(Non-executive Director)

A director of the Group since October 2007, 38-year old. Ms. Yen is a Senior Advisor to Cerberus Asia Capital Management, LLC. ("Cerberus"), a substantial shareholder of the Company. In her capacity as Senior Advisor, Ms. Yen is responsible for advising the Cerberus group on all of its investments in the Greater China region, including the PRC, Hong Kong and Taiwan. Moreover, Ms. Yen brings particular expertise to real estate and real estate related transactions. Prior to joining Cerberus, she was part of the KPMG real estate consulting practice where she managed real estate consulting engagements involving United States, Japan, Korea and Taiwan, and worked extensively in the distressed debt market in Japan between 1999 and 2001. She also has corporate and real estate banking background from her earlier career with Sumitomo Bank, Long-Term Credit Bank of Japan and Heller Financial. Ms. Yen received her undergraduate degree from University of California at Berkeley and her master degree in business administration from University of Southern California, Marshall School of Business.

MR. WAN MING SUN

(Non-executive Director)

A director of the Group since February 2008, 34-year old. Mr. Wan holds a Bachelor of Arts degree in Economics from Illinois Wesleyan University in U.S.A. Mr. Wan is a Senior Equity Analyst for Penta Investment Advisers Ltd. ("Penta"), a substantial shareholder of the Company. He has over 10-years investment experience. Prior to joining Penta, Mr. Wan worked for UBS AG, Hong Kong as a Director of Sales Trading and was responsible for trading Asian equities and generating investment ideas for clients. Asiamoney's annual poll named Mr. Wan The Best Regional Sales Trader in 2003. Mr. Wan's knowledge of the real estate sector is extensive.

閻孟琪女士

(非執行董事)

閻孟琪女士現年三十八歲，自二零零七年十月起出任本集團董事職務。閻女士乃本公司主要股東Cerberus Asia Capital Management, LLC. (「Cerberus」)之高級顧問。作為高級顧問，閻女士負責就Cerberus集團於大中華區(包括中華人民共和國、香港及台灣)向該集團所有投資提供意見。此外，閻女士於房地產及房地產相關交易方面尤其具有專業知識。於加入Cerberus前，彼為畢馬威房地產諮詢事務部成員之一，任內負責管理有關美國、日本、韓國及台灣之房地產諮詢項目，並曾於一九九九至二零零一年間積極參與日本債務市場危機工作。彼早期亦曾任職Sumitomo Bank、Long-Term Credit Bank of Japan及Heller Financial，累積豐富企業及房地產銀行經驗。閻女士持有柏克萊加州大學(University of California at Berkeley)頒授之學士學位以及University of Southern California, Marshall School of Business頒授之工商管理碩士學位。

尹明山先生

(非執行董事)

尹明山先生現年三十四歲，自二零零八年二月起出任本集團董事職務。尹先生持有美國Illinois Wesleyan University經濟學文學士學位。尹先生為本公司主要股東Penta Investment Advisers Ltd. (「Penta」)之高級證券分析員。彼擁有逾十年豐富之投資經驗。在加入Penta前，尹先生曾任職香港UBS AG銷售貿易董事，負責買賣亞洲股票，並為客戶提供投資意見。於二零零三年，Asiamoney之年度選舉選出尹先生為地區最佳銷售交易員(The Best Regional Sales Trader)。尹先生於房地產擁有豐富之經驗。

MR. LIU GUOLIN

(Non-executive Director)

A director of the Group since July 2001, 57-year old. Mr. Liu is a graduate of Shanghai University of Finance & Economics where he majored in Infrastructure Financing. A Senior Accountant, Mr. Liu currently serves as a director and General Accountant of Shanghai Construction (Group) General Corporation and is also the Vice President of Shanghai Construction Co., Ltd. His career to date includes extensive experience in finance and corporate matters.

MR. FAN YAN HOK, PHILIP

(Non-executive Director)

A director of the Group since November 1999, 58-year old. Mr. Fan is presently an executive director and general manager of China Everbright International Limited, a Hong Kong listed company. Prior to joining China Everbright International Limited, Mr. Fan had been an executive director of CITIC Pacific Limited in charge of industrial projects in the PRC. His main academic qualifications include a Bachelor's Degree in Industrial Engineering and a Master's Degree in Operations Research from Stanford University, together with a Master's Degree in Management Science from Massachusetts Institute of Technology.

MR. CHUNG CHO YEE, MICO

(Independent non-executive Director)

A director of the Group since April 2004, 47-year old Mr. Chung graduated from the University College, University of London, England with a Law Degree in 1983. After qualifying as a solicitor in Hong Kong in 1986, Mr. Chung spent 2 years working with the commercial department of a local law firm. He subsequently joined the corporate finance department of Standard Chartered Asia Ltd., the investment banking arm of Standard Chartered Bank, in 1988. In 1990, Mr. Chung became a director and General Manager of Bond Corporation International Ltd., leaving to join China Strategic Holdings Ltd in 1992. In March 1999, he joined the Pacific Century Group as executive director with responsibility for the group's merger and acquisition activities. Mr. Chung is currently an executive director of PCCW Ltd. He also serves as a non-executive director of Capital Strategic Investment Ltd. and an independent non-executive director of E2-Capital (Holdings) Ltd. and Pacific Century Insurance Holdings Ltd. All four of these companies are listed on the Stock Exchange.

劉國林先生

(非執行董事)

劉國林先生現年五十七歲，自二零零一年七月起一直出任本集團之董事職務。劉先生畢業於上海財經大學基建財務專業，具有高級會計師職稱。現任上海建工(集團)總公司董事、總會計師，上海建工股份有限公司副董事長。彼在財務及公司事務方面有豐富的管理經驗。

范仁鶴先生

(非執行董事)

范仁鶴先生現年五十八歲，自一九九九年十一月起一直出任本集團之董事職務。范先生現任香港上市公司中國光大國際有限公司執行董事兼總經理，在加入中國光大國際有限公司前為中信泰富有限公司執行董事，主管中國工業業務。彼持有史丹福大學頒授之工業工程學士銜及統籌學碩士銜，以及麻省理工學院管理科學碩士銜。

鍾楚義先生

(獨立非執行董事)

鍾楚義先生現年四十七歲，自二零零四年四月起一直出任本集團董事職務。鍾先生於一九八三年畢業於英國倫敦大學University College，取得法律學位。彼於一九八六年成為香港執業律師，其後在香港一家律師行之商業部門任職兩年。彼於一九八八年加入渣打銀行之投資銀行分公司渣打(亞洲)有限公司之企業融資部。於一九九零年，彼成為奔達國際有限公司之董事兼總經理，其後於一九九二年加盟中策集團有限公司。彼於一九九九年三月加盟盈科拓展集團，並出任執行董事一職，負責盈科拓展集團之併購事項。彼現為電訊盈科有限公司之執行董事，以及資本策略投資有限公司之非執行董事及金匯投資(集團)有限公司及盈科保險集團有限公司之獨立非執行董事，全部四間為聯交所上市公司。

MR. CHENG YUK WO

(Independent non-executive Director)

A director of the Group since July 2004, 47-year old. Mr. Cheng holds a Master of Science Degree in Economics, Accounting and Finance and a Bachelor of Arts (Hons.) Degree in Accounting. He is a fellow of the Institute of Chartered Accountants in England and Wales and the Hong Kong Institute of Certified Public Accountants, and a member of the Institute of Chartered Accountants of Ontario. His career includes more than 20 years' accounting and corporate advisory services expertise in several listed companies in Hong Kong. The co-founder of a Hong Kong merchant banking firm, Mr. Cheng is the proprietor of a certified public accountancy practice in Hong Kong. Mr. Cheng is currently an independent non-executive director of Capital Strategic Investment Limited, South China Land Limited, GFT Holdings Limited, Goldbond Group Holdings Limited, Chia Tai Enterprises International Limited and Chong Hing Bank Limited and a non-executive director of Henry Group Holdings Limited, all being Hong Kong listed companies.

MR. ALBERT THOMAS DA ROSA, JUNIOR

(Independent non-executive Director)

A director of the Group since September 2004, 54-year old. Mr. da Rosa holds both Bachelor's and Master's Law Degrees from the University of Hong Kong. He was qualified as a solicitor in Hong Kong in 1980. He currently is a practicing solicitor and a partner of Messrs. Cheung, Tong & Rosa, Solicitors, Hong Kong. Mr. da Rosa is also a fellow of the Chartered Institute of Arbitrators and a member of the Hong Kong Securities Institute. He is a non-executive director (formerly independent non-executive director, redesignated on 30th September 2004) of TCL Multimedia Technology Holdings Limited (formerly known as TCL International Holdings Limited before 25th February 2005) and the company secretary of Y.T. Realty Group Limited and Yugang International Limited, all of which are companies listed on the Stock Exchange. He also serves as a member of the Solicitors Disciplinary Tribunal Panel, as a member of the Academic and Accreditation Advisory Committee of the Securities and Futures Commission and as a member of the Panel of the Board of Review (Inland Revenue).

鄭毓和先生

(獨立非執行董事)

鄭毓和先生現年四十七歲，自二零零四年七月起一直出任本集團之董事職務。鄭先生持有會計及財務經濟科學碩士學位及榮譽文學士學位(會計)。彼為英格蘭及威爾斯特許會計師公會及香港會計師公會資深會員，並為加拿大安大略省特許會計師公會會員。彼擁有超過廿年會計及企業顧問服務之專業知識，並曾於香港多間上市公司擔任高級管理職位。鄭先生為香港一間商人銀行機構之共同創辦人，現為香港一間執業會計師行之擁有人。彼現為香港上市公司資本策略投資有限公司、南華置地有限公司、真樂發控股有限公司、金榜集團控股有限公司、正大企業國際有限公司及創興銀行有限公司之獨立非執行董事及鎮科集團控股有限公司之非執行董事。

羅凱栢先生

(獨立非執行董事)

羅凱栢先生現年五十四歲，自二零零四年九月起一直出任本集團之董事職務。羅先生畢業於香港大學，持有法律學士學位，並在同一所大學取得法律碩士學位。彼於一九八零年獲得香港律師資格，現為香港執業律師，並為香港張秀儀、唐匯棟、羅凱栢律師行的合夥人。彼亦為英國仲裁學會資深會員及香港證券專業學會之會員。彼現時為香港聯合交易所有限公司上市之TCL多媒體科技控股有限公司(二零零五年二月二十五日前稱TCL國際控股有限公司)之非執行董事(在二零零四年九月三十日調任前為獨立非執行董事)及同為上市公司之渝太地產集團有限公司和渝港國際有限公司之公司秘書。彼亦出任香港律師紀律審裁團之委員、香港證券及期貨事務監察委員會學術評審諮詢委會之委員及香港稅務上訴委員會小組成員。

REPORT OF THE DIRECTORS

董事會報告書

The Directors submit their annual report together with the audited financial statements for the year ended 31st December 2007.

PRINCIPAL ACTIVITIES AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

The principal activities of the Company are construction, property development and investment, infrastructure and alternative energy investment. The activities of the principal subsidiaries are set out in pages 193 to 198 of the financial statements.

An analysis of the Group's performance for the year by geographical and business segments is set out in note 5 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 77.

The Directors recommend the payment of final and special dividends of totalling HK3.5 cents per ordinary share, totally HK\$283.7 million in respect of the year ended 31st December 2007. Subject to shareholders' approval at the forthcoming 2008 annual general meeting of the Company to be held on 27th May 2008 ("AGM"), the proposed final and special dividends will be paid on or around 2nd June 2008 to shareholders who are on the Register of Members of the Company on 27th May 2008.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group and the Company are set out in note 18 to the financial statements.

SHARE CAPITAL

Details of the movements in share capital of the Company during the year are set out in note 33 to the financial statements.

DISTRIBUTABLE RESERVES

Distributable reserves of the Company at 31st December 2007, calculated in accordance with the Companies Act 1981 of Bermuda (as amended), amount to HK\$334.6 million.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Bye-laws of the Company ("Bye-Laws") and there is no restriction against such rights under the laws of Bermuda.

董事會全人謹此提呈截至二零零七年十二月三十一日止年度之年報及經審核之財務報表。

主要業務及營業地區分析

本公司之主要業務是承建工程、物業發展及投資、基建及替代能源投資。主要附屬公司之業務載於財務報表第193至198頁。

年內，本集團按地域及業務分部劃分之業績分析列於財務報表附註5。

業績及分派

本集團於本年度之業績載於第77頁綜合損益表。

董事會建議就截至二零零七年十二月三十一日止年度派付末期及特別股息每股普通股共3.5港仙，合共283,700,000港元。待股東於本公司將於二零零八年五月二十七日舉行之應屆股東週年大會（「股東週年大會」）批准後，擬派末期及特別股息將於二零零八年六月二日或前後派付予於二零零八年五月二十七日名列本公司股東名冊之股東。

物業、機器及設備

本集團及本公司之物業、機器及設備變動詳情載於財務報表附註18。

股本

年內，本公司之股本變動詳情載於財務報表附註33。

可供分派儲備

本公司於二零零七年十二月三十一日的可供分派儲備，按照百慕達一九八一年公司法（修訂本）計算為334,600,000港元。

優先認股權

本公司之公司細則（「公司細則」）並無有關優先認股權之條文，而百慕達法例亦無對優先認股權有所限制。

DIRECTORS

The Directors during the year and at the date of this report were:

- * OEI Tjie Goan (*Chairman*)
- * WANG Jun (*Honorary Chairman*)
(resigned on 17th April 2008)
- * LI Xueming (*Deputy Chairman*)
- * XU Zheng (*Deputy Chairman*)
- # OEI Kang, Eric
- # CHEN Libo
- # NG Chi Man, Michael (appointed on 1st June 2007)
- # TSANG Sai Chung, Kirk
- # CHAN Kwok Fong, Joseph
(appointed on 29th June 2007)
- # TANG Sau Wai, Tom
- # CHENG Sum Hing, Sam (resigned on 29th June 2007)
- * YEN Teresa (appointed on 3rd October 2007)
- * WAN Ming Sun (appointed on 1st February 2008)
- * LIU Guolin
- * FAN Yan Hok, Philip
- @ CHUNG Cho Yee, Mico
- @ CHENG Yuk Wo
- @ Albert Thomas DA ROSA, Junior

Executive Director

* Non-executive Director

@ Independent Non-executive Director

The Company has received the annual confirmation of independence from all the Independent Non-executive Directors pursuant to rule 3.13 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and considers that all of them continue to be independent.

At the AGM, Mr. LI Xueming, Mr. CHEN Libo, Mr. FAN Yan Hok, Philip, Mr. CHENG Yuk Wo and Mr. Albert Thomas DA ROSA, Junior will retire from office by rotation in accordance with Bye-law 87(1) and being eligible, will offer themselves for re-election to serve for another term. Further, Mr. NG Chi Man, Michael, Mr. CHAN Kwok Fong, Joseph and Mr. WAN Ming Sun who were newly appointed by the Board on 1st June 2007, 29th June 2007 and 1st February 2008 respectively, will also retire from office in accordance with Bye-law 86(2) and will offer themselves for re-election for another term at the AGM, except for Mr. NG Chi Man, Michael who had tendered his resignation as an executive director of the Company with effect from 15th June 2008 and thus would not offer himself for re-election.

DIRECTORS' SERVICE CONTRACTS

None of the Directors offering themselves for re-election at the AGM has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

董事

年內及於本報告日期之董事如下：

- * 黃志源(主席)
- * 王軍(榮譽主席)
(於二零零八年四月十七日辭任)
- * 李學明(副主席)
- * 徐征(副主席)
- # 黃剛
- # 陳立波
- # 吳志文(於二零零七年六月一日獲委任)
- # 曾細忠
- # 陳國芳(於二零零七年六月二十九日獲委任)
- # 鄧守偉
- # 鄭森興(於二零零七年六月二十九日辭任)
- * 閻孟琪(於二零零七年十月三日獲委任)
- * 尹明山(於二零零八年二月一日獲委任)
- * 劉國林
- * 范仁鶴
- @ 鍾楚義
- @ 鄭毓和
- @ 羅凱栢

執行董事

* 非執行董事

@ 獨立非執行董事

本公司已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」)第3.13條接獲全體獨立非執行董事之年度獨立身份確認函，因而認為全體非執行董事繼續為獨立人士。

於本公司之應屆股東週年大會上，李學明先生、陳立波先生、范仁鶴先生、鄭毓和先生及羅凱栢先生將根據公司細則第87(1)條輪席告退，並符合資格同意膺選連任。此外，吳志文先生、陳國芳先生及尹明山先生分別為於二零零七年六月一日、二零零七年六月二十九日及二零零八年二月一日獲董事會新委任之成員，彼等將根據公司細則第86(2)條告退，並同意於股東週年大會膺選連任，惟吳志文先生將自二零零八年六月十五日起辭任本公司執行董事，因而並無膺選連任。

董事服務合約

概無於股東週年大會膺選連任之董事與本公司訂立本公司不可於一年內予以終止而毋須賠償之服務合約(法定賠償除外)。

SHARE OPTION SCHEME

The Company's existing share option scheme ("Option Scheme") was adopted on 16th June 2006. A summary of the Option Scheme is set out below:–

購股權計劃

本公司於二零零六年六月十六日採納現有購股權計劃(「購股權計劃」)。該等購股權計劃現概述如下：

Option Scheme

購股權計劃

Purpose

目的

To recruit and retain high caliber Eligible Persons (as defined below) and attract human resources that are valuable to the Group or any entity in which any member of the Group holds an equity interest ("Invested Entity")

聘請及留聘優秀之合資格人士(定義見下文)及吸引對本集團或旗下任何成員公司持有股本權益之任何實體(「投資實體」)有價值之人力資源

To recognise the significant contributions of the Eligible Persons to the growth of the Group or Invested Entity by rewarding them with opportunities to obtain ownership interest in the Company

透過提供機會讓合資格人士取得本公司之擁有權權益，確認彼等對本集團或投資實體之增長所作出之重大貢獻

To further motivate and to give incentives to these Eligible Persons to continue to contribute to the long term success and prosperity of the Group or Invested Entity

進一步鼓勵及獎勵該等合資格人士繼續為本集團或投資實體之長遠成功作出貢獻

Eligible Persons

合資格人士

Any employee (whether full time or part time), senior executive or officer, manager, director or consultant of any members of the Group or any Invested Entity who have contributed or will contribute to the growth and development of the Group or any Invested Entity

任何曾經或將會對本集團或任何投資實體之增長及發展作出貢獻之本集團旗下任何成員公司或投資實體之全職或兼職僱員、高級行政人員或主要人員、經理、董事或顧問

Option Scheme

購股權計劃

<p>Total number of shares available for issue under the Option Scheme and percentage of the issued share capital</p> <p>根據購股權計劃可供發行之股份總數，以及佔已發行股本之百分比</p>	<p>821,279,383 shares and representing approximately 10% of the issued share capital as at 31st December 2007</p> <p>於二零零七年十二月三十一日有821,279,383股，約佔已發行股本10%</p>
<p>Maximum entitlement of each Eligible Person</p> <p>各合資格人士之最高配額</p>	<p>In any 12-month period, the total number of shares of the Company issued and to be issued upon exercise of the options granted under the Option Scheme or any other scheme (if any) adopted by the Company must not exceed:</p> <p>於任何十二個月期間，行使根據購股權計劃或本公司採納之任何其他計劃(如有)已授出購股權而已發行及將予發行之本公司股份總數不得超過：</p> <p>(a) 1% of the issued share capital (excluding substantial shareholders and independent non-executive directors, or any of their respective associates (as defined in the Listing Rules)) unless otherwise approved by the shareholders of the Company</p> <p>(a) 已發行股本1%(不包括主要股東及獨立非執行董事或任何彼等各自之聯繫人士(定義見上市規則))，惟本公司股東另行批准者則作別論</p> <p>(b) 0.1% of the issued share capital and an aggregate value (based on the closing price of the shares of the Company at the date of grant) of HK\$5 Million (for substantial shareholders and independent non-executive directors or any of their respective associates (as defined in the Listing Rules))</p> <p>(b) 已發行股本0.1%及按授出日期本公司股份收市價計算之總值5,000,000港元(就主要股東及獨立非執行董事或任何彼等各自之聯繫人士(定義見上市規則)而言)</p>
<p>The Period within which the shares must be taken</p> <p>須認購股份之期間</p>	<p>Not earlier than the date on which the option is granted or deemed to be granted and not more than 10 years from the date of grant</p> <p>不得早於購股權授予日期或視作授予日期，以及自授予日期起計不得超過十年</p>
<p>The minimum period for which an option must be held</p> <p>持有購股權之最短期限</p>	<p>The Option Scheme does not contain any provision which specify such minimum period but such period may be specified by the Directors</p> <p>購股權計劃並無載有任何條文訂明有關最短期間，惟有關期間可由董事訂明</p>

Option Scheme

購股權計劃

The amount payable on application or acceptance of the option and the period within which payments or calls must or may be made or loans for such purposes must be repaid	Payment of HK\$1.00 within 28 business days from the date of offer 自提呈日期起計二十八個營業日內支付1.00港元
申請或接納購股權之應付金額以及必須或可能付款或通知付款須就此償還貸款之期限	<p>The highest of:</p> <p>以下較高者：</p> <p>(a) the closing price of the shares on the Stock Exchange on the date of grant; (a) 股份於授出日期在聯交所之收市價；</p> <p>(b) the average closing prices of the shares on the Stock Exchange for 5 business days immediately preceding the date of grant; and (b) 股份緊接於授出日期前五個營業日在聯交所之平均收市價；及</p> <p>(c) the nominal value of a share on the date of grant (c) 授出日期之股份面值</p>
The basis of determining the subscription price of an option 釐定購股權認購價之基準	Until 15th June 2016 直至二零一六年六月十五日止
The remaining life 餘下年期	

SHARE OPTION SCHEME (continued)

At 31st December 2007, details of the share options granted under the Option Scheme are as follows:

購股權計劃(續)

於二零零七年十二月三十一日，根據購股權計劃授予之購股權詳情如下：

	Nature of interest	Number of options outstanding at 1st January 2007	Number of options cancelled/lapsed during the year	Number of options exercised during the year	Number of options outstanding at 31st December 2007	Date of grant	Options granted during the year	Exercise period	Exercise price per share	Closing price per share immediately before the date of grant
	權益性質	於二零零七年一月一日未行使之購股權數目	於年內註銷/失效之購股權數目	於年內行使之購股權數目	於二零零七年十二月三十一日未行使之購股權數目	授出日期	於年內授出之購股權	行使期	每股行使價	緊接於購股權授出日期前每股股份之收市價
Director 董事 Oei Kang, Eric 黃剛	Personal 個人	562,500	-	-	562,500	15th December 2006 二零零六年十二月十五日	-	15th December 2007 to 14th December 2016 二零零七年十二月十五日至 二零一六年十二月十四日	1.42	1.41
		937,500	-	-	937,500	15th December 2006 二零零六年十二月十五日	-	15th December 2008 to 14th December 2016 二零零八年十二月十五日至 二零一六年十二月十四日	1.42	1.41
	Family (Note) 家族(附註)	562,500	-	-	562,500	15th December 2006 二零零六年十二月十五日	-	15th December 2007 to 14th December 2016 二零零七年十二月十五日至 二零一六年十二月十四日	1.42	1.41
		937,500	-	-	937,500	15th December 2006 二零零六年十二月十五日	-	15th December 2008 to 14th December 2016 二零零八年十二月十五日至 二零一六年十二月十四日	1.42	1.41
CHEN Libo 陳立波	Personal 個人	4,000,000	-	-	4,000,000	15th December 2006 二零零六年十二月十五日	-	15th December 2007 to 14th December 2016 二零零七年十二月十五日至 二零一六年十二月十四日	1.42	1.41
		6,500,000	-	-	6,500,000	15th December 2006 二零零六年十二月十五日	-	15th December 2008 to 14th December 2016 二零零八年十二月十五日至 二零一六年十二月十四日	1.42	1.41
		2,500,000	-	-	2,500,000	15th December 2006 二零零六年十二月十五日	-	15th December 2009 to 14th December 2016 二零零九年十二月十五日至 二零一六年十二月十四日	1.42	1.41

Note: The family interest of Mr. Oei represents an interest in 1,500,000 underlying Shares in respect of options granted by the Company to his wife, Mrs. Oei.

附註：黃先生之家族權益指本公司授予彼之妻子黃太之購股權有關之1,500,000股相關股份權益。

SHARE OPTION SCHEME (continued)

購股權計劃(續)

	Nature of interest	Number of options outstanding at 1st January 2007	Number of options cancelled/lapsed during the year	Number of options exercised during the year	Number of options outstanding at 31st December 2007	Date of grant	Options granted during the year	Exercise period	Exercise price per share	Closing price per share immediately before the date of grant
	權益性質	於二零零七年一月一日未行使之購股權數目	於年內註銷/失效之購股權數目	於年內行使之購股權數目	於二零零七年十二月三十一日未行使之購股權數目	授出日期	於年內授出之購股權	行使期	每股行使價	緊接於購股權授出日期前每股股份之收市價
NG Chi Man, Michael 吳志文	Personal 個人	-	-	-	3,330,000	7th June 2007 二零零七年六月七日	3,330,000	7th June 2008 to 6th June 2017 二零零八年六月七日至 二零一七年六月六日	1.948	1.948
		-	-	-	3,330,000	7th June 2007 二零零七年六月七日	3,330,000	7th June 2009 to 6th June 2017 二零零九年六月七日至 二零一七年六月六日	1.948	1.948
		-	-	-	3,340,000	7th June 2007 二零零七年六月七日	3,340,000	7th June 2010 to 6th June 2017 二零一零年六月七日至 二零一七年六月六日	1.948	1.948
TSANG Sai Chung, Kirk 曾細忠	Personal 個人	3,000,000	-	-	3,000,000	15th December 2006 二零零六年十二月十五日	-	15th December 2007 to 14th December 2016 二零零七年十二月十五日至 二零一六年十二月十四日	1.42	1.41
		5,000,000	-	-	5,000,000	15th December 2006 二零零六年十二月十五日	-	15th December 2008 to 14th December 2016 二零零八年十二月十五日至 二零一六年十二月十四日	1.42	1.41

SHARE OPTION SCHEME (continued)

購股權計劃(續)

	Nature of interest	Number of options outstanding at 1st January 2007	Number of options cancelled/lapsed during the year	Number of options exercised during the year	Number of options outstanding at 31st December 2007	Date of grant	Options granted during the year	Exercise period	Exercise price per share	Closing price per share immediately before the date of grant
	權益性質	於二零零七年一月一日未行使之購股權數目	於年內註銷/失效之購股權數目	於年內行使之購股權數目	於二零零七年十二月三十一日未行使之購股權數目	授出日期	於年內授出之購股權	行使期	每股行使價	緊接於購股權授出日期前每股股份之收市價
CHAN Kwok Fong, Joseph 陳國芳	Personal 個人	1,000,000	-	-	1,000,000	15th December 2006 二零零六年十二月十五日	-	15th December 2007 to 14th December 2016 二零零七年十二月十五日至二零零六年十二月十四日	1.42	1.41
		1,500,000	-	-	1,500,000	15th December 2006 二零零六年十二月十五日	-	15th December 2008 to 14th December 2016 二零零八年十二月十五日至二零零六年十二月十四日	1.42	1.41
		2,500,000	-	-	2,500,000	15th December 2006 二零零六年十二月十五日	-	15th December 2009 to 14th December 2016 二零零九年十二月十五日至二零零六年十二月十四日	1.42	1.41
TANG Sau Wai, Tom 鄧守偉	Personal 個人	3,600,000	-	-	3,600,000	15th December 2006 二零零六年十二月十五日	-	15th December 2007 to 14th December 2016 二零零七年十二月十五日至二零零六年十二月十四日	1.42	1.41
		5,900,000	-	-	5,900,000	15th December 2006 二零零六年十二月十五日	-	15th December 2008 to 14th December 2016 二零零八年十二月十五日至二零零六年十二月十四日	1.42	1.41
		1,500,000	-	-	1,500,000	15th December 2006 二零零六年十二月十五日	-	15th December 2009 to 14th December 2016 二零零九年十二月十五日至二零零六年十二月十四日	1.42	1.41
CHENG Sum Hing, Sam (resigned on 29 June 2007) 鄭森興 (於二零零七年六月二十九日辭任)	Personal 個人	1,800,000	-	-	1,800,000	15th December 2006 二零零六年十二月十五日	-	15th December 2007 to 14th December 2016 二零零七年十二月十五日至二零零六年十二月十四日	1.42	1.41
		3,000,000	-	-	3,000,000	15th December 2006 二零零六年十二月十五日	-	15th December 2008 to 14th December 2016 二零零八年十二月十五日至二零零六年十二月十四日	1.42	1.41
TOTAL 合計		44,800,000	-	-	54,800,000		10,000,000			

SHARE OPTION SCHEME (continued)

購股權計劃(續)

Nature of interest	Number of options outstanding at 1st January 2007	Number of options cancelled/ lapsed during the year	Number of options exercised during the year	Number of options outstanding at 31st December 2007	Date of grant	Options granted during the year	Exercise period	Exercise price per share	Closing price per share immediately before the date of grant
權益性質	於二零零七年一月一日未行使之購股權數目	於年內註銷/失效之購股權數目	於年內行使之購股權數目	於二零零七年十二月三十一日未行使之購股權數目	授出日期	於年內授出之購股權	行使期	每股行使價	緊接於購股權授出日期前每股股份之收市價
Employee and other participants 僱員及其他參與人士	23,300,000	-	2,200,000	21,100,000	15th December 2006 二零零六年十二月十五日	-	15th December 2007 to 14th December 2016 二零零七年十二月十五日至二零零六年十二月十四日	1.42	1.41
	36,550,000	-	-	36,550,000	15th December 2006 二零零六年十二月十五日	-	15th December 2008 to 14th December 2016 二零零八年十二月十五日至二零零六年十二月十四日	1.42	1.41
	34,250,000	-	-	34,250,000	15th December 2006 二零零六年十二月十五日	-	15th December 2009 to 14th December 2016 二零零九年十二月十五日至二零零六年十二月十四日	1.42	1.41
	-	-	-	5,000,000	3rd July 2007 二零零七年七月三日	5,000,000	15th December 2007 to 2nd July 2017 二零零七年十二月十五日至二零零七年七月二日	2.3	2.37
	-	-	-	1,800,000	3rd July 2007 二零零七年七月三日	1,800,000	3rd July 2008 to 2nd July 2017 二零零八年七月三日至二零零七年七月二日	2.3	2.37
	-	-	-	2,500,000	3rd July 2007 二零零七年七月三日	2,500,000	15th December 2008 to 2nd July 2017 二零零八年十二月十五日至二零零七年七月二日	2.3	2.37
	-	-	-	2,700,000	3rd July 2007 二零零七年七月三日	2,700,000	3rd July 2009 to 2nd July 2017 二零零九年七月三日至二零零七年七月二日	2.3	2.37
	-	-	-	2,500,000	3rd July 2007 二零零七年七月三日	2,500,000	15th December 2009 to 2nd July 2017 二零零九年十二月十五日至二零零七年七月二日	2.3	2.37
	-	-	-	4,500,000	3rd July 2007 二零零七年七月三日	4,500,000	3rd July 2010 to 2nd July 2017 二零一零年七月三日至二零零七年七月二日	2.3	2.37
TOTAL 合計	94,100,000	-	2,200,000	110,900,000		19,000,000			

DIRECTORS' INTERESTS

At 31st December 2007, the interests and short positions of the Directors and Chief Executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of the Securities and Futures Ordinance (the "SFO")) which (a) are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which are taken or deemed to have under such provisions of the SFO); or (b) were recorded in the register required to be kept under Section 352 of the SFO; or (c) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies in the Listing Rules were as follows:

Interests of the Directors in shares and underlying shares of the Company:

董事權益

於二零零七年十二月三十一日，各董事及本公司主要行政人員於本公司及其任何相聯法團(定義見證券及期貨條例)的股份、相關股份及債券中擁有(a)根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所之權益及淡倉(包括根據證券及期貨條例上述規定視為或當作擁有之權益及淡倉)；或(b)登記於證券及期貨條例第352條規定存置的登記冊之權益及淡倉；或(c)根據上市規則所載之上市公司董事進行證券交易的標準守則規定須知會本公司及聯交所之權益及淡倉如下：

董事於本公司股份及相關股份之權益：

Name of Director	Nature of interest	Number of Shares (long Position)	Approximate percentage of existing issued share capital of the Company 佔本公司現有 已發行股本 概約百分比	Number of Shares (short position)	Approximate percentage of existing issued share capital of the Company 佔本公司現有 已發行股本 概約百分比
董事姓名	權益性質	股份數目 (好倉)		股份數目 (淡倉)	
OEI Kang, Eric 黃剛	Personal 個人	191,440,410 ¹	2.330%	—	—
	Corporate 公司	3,273,607,001 ²	39.849%	—	—
	Joint 共同	1,786,735 ³	0.022%	—	—
	Family 家族	1,500,000 ⁴	0.018%	—	—
CHEN Libo 陳立剛	Personal 個人	85,064,394 ⁵	1.035%	—	—
NG Chi Man, Michael 吳志文	Personal 個人	10,582,693 ⁶	0.129%	—	—
TSANG Sai Chung, Kirk 曾細忠	Personal 個人	9,983,749 ⁷	0.122%	—	—
CHAN Kwok Fong, Joseph 陳國芳	Personal 個人	5,000,000 ⁸	0.061%	—	—
TANG Sau Wai, Tom 鄧守偉	Personal 個人	11,127,982 ⁹	0.135%	—	—
	Family 家族	181,737 ¹⁰	0.002%	—	—

DIRECTORS' INTERESTS (continued)

Notes:

1. The personal interest of Mr. OEI represents an interest in 172,673,100 Shares, an interest in 17,267,310 underlying Shares in respect of warrants issued by the Company and an interest in 1,500,000 underlying Shares in respect of options granted by the Company as stated above.
2. The corporate interest of Mr. OEI represents an interest in 2,784,432,448 Shares and an interest in 278,443,244 underlying Shares in respect of warrants issued by the Company held by Creator Holdings Limited ("Creator"), a company wholly-owned by Mr. OEI, and an interest in 191,573,918 Shares and an interest in 19,157,391 underlying Shares in respect of warrants issued by the Company held by Genesis Capital Group Limited ("Genesis"), a company owned as to 50% by Mr. OEI and as to the remaining 50% by his wife, Mrs. OEI Valonia Lau ("Mrs. OEI").
3. The joint interest of Mr. OEI represents an interest in 1,624,305 Shares and an interest in 162,430 underlying Shares in respect of warrants issued by the Company jointly held with his wife, Mrs. OEI.
4. The family interest of Mr. OEI represents an interest in 1,500,000 underlying Shares in respect of options granted by the Company to Mrs. OEI.
5. The personal interest of Mr. CHEN represents an interest in 65,513,086 Shares, an interest in 6,551,308 underlying Shares in respect of warrants issued by the Company and an interest in 13,000,000 underlying Shares in respect of options granted by the Company as stated above.
6. The personal interest of Mr. NG represents an interest in 529,721 Shares, an interest in 52,972 underlying Shares in respect of warrants issued by the Company and an interest in 10,000,000 underlying Shares in respect of options granted by the Company as stated above.
7. The personal interest of Mr. TSANG represents an interest in 1,803,409 Shares, an interest in 180,340 underlying Shares in respect of warrants issued by the Company and an interest in 8,000,000 underlying Shares in respect of options granted by the Company as stated above.

董事權益(續)

附註：

1. 黃先生之個人權益指於172,673,100股股份之權益、與本公司所發行認股權證有關之17,267,310股相關股份權益及上文本公司所授出購股權有關之1,500,000股相關股份權益。
2. 黃先生之公司權益指於2,784,432,448股股份之權益、與本公司所發行且由黃先生全資擁有之創達集團有限公司(「創達」)持有之認股權證有關之278,443,244股相關股份權益，以及於191,573,918股股份之權益、與本公司所發行且由黃先生及彼之妻子劉慧女士(「黃太」)各自擁有50%權益之華創集團有限公司(「華創」)持有之認股權證之19,157,391股相關股份權益。
3. 黃先生之共同權益指於1,624,305股股份之權益，以及與本公司所發行認股權證有關之162,430股相關股份權益，所有股份由彼與其妻子黃太共同持有。
4. 黃先生之家族權益指本公司授予黃太之購股權有關之1,500,000股相關股份權益。
5. 陳先生之個人權益指於65,513,086股股份之權益、與本公司所發行認股權證有關之6,551,308股相關股份權益，以及與上文所述本公司授出購股權有關之13,000,000股相關股份權益。
6. 吳先生之個人權益指於529,721股股份之權益、與本公司所發行認股權證有關之52,972股相關股份權益，以及與上文所述本公司所授出購股權有關之10,000,000股相關股份權益。
7. 曾先生之個人權益指於1,803,409股股份之權益、與本公司所發行認股權證有關之180,340股相關股份權益，以及與上文所述本公司所授出購股權有關之8,000,000股相關股份權益。

DIRECTORS' INTERESTS (continued)

Notes:

8. The personal interest of Mr. CHAN represents an interest in 5,000,000 underlying Shares in respect of options granted by the Company as stated above.
9. The personal interest of Mr. TANG represents an interest in 116,348 Shares, an interest in 11,634 underlying Shares in respect of warrants issued by the Company and an interest in 11,000,000 underlying Shares in respect of options granted by the Company as stated above.
10. The family interest of Mr. TANG represents an interest in 165,216 Shares and an interest in 16,521 underlying Shares in respect of warrants issued by the Company held by his wife.

Save as disclosed above, as at 31st December 2007, none of the Directors or chief executive of the Company held any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 31st December 2007, according to the register of interests kept by the Company under section 336 of the SFO and so far as was known to the Directors and chief executive of the Company, the following persons (other than a Director or chief executive of the Company) had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital (including any option in respect of such capital) carrying rights to vote in all circumstances at general meetings of any other member of the Group:

董事權益(續)

附註：

8. 陳先生之個人權益指於與上文所述本公司所授出購股權有關之5,000,000股相關股份權益。
9. 鄧先生之個人權益指於116,348股股份之權益、與本公司所發行認股權證有關之11,634股相關股份權益，以及與上文所述本公司所授出購股權有關之11,000,000股相關股份權益。
10. 鄧先生之家族權益指由彼之妻子所持有於165,216股股份之權益以及與本公司所發行認股權證有關16,521股相關股份權益。

除上文披露者外，於二零零七年十二月三十一日，本公司各董事或主要行政人員於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份或債券中，概無擁有根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所之權益或淡倉(包括根據證券及期貨條例有關條文被當作或視為擁有之權益及淡倉)，或根據證券及期貨條例第352條須記入該條所指登記冊之權益及淡倉，或根據上市規則所載上市公司董事進行證券交易的標準守則須知會本公司及聯交所之權益或淡倉。

主要股東權益

於二零零七年十二月三十一日，根據本公司根據證券及期貨條例第336條須存置之權益登記冊之記錄，且就董事及本公司主要行政人員所知，下列人士(本公司董事或主要行政人員除外)本公司股份及相關股份中擁有根據證券及期貨條例第XV部第2及3分部規定須向本公司披露之權益或淡倉，或直接或間接擁有附有權利在任何情況下可於本集團任何成員公司股東大會上投票之任何類別股本(包括有關該等股本之任何購股權)面值10%或以上權益：

Interests and short positions in Shares:

於股份之權益及淡倉：

Name of Shareholder	Nature of interest	Number of Shares (long position)	Approximate percentage of existing issued share capital of the Company	Number of Shares (short position)	Approximate percentage of existing issued share capital of the Company
股東名稱	權益性質	股份數目 (好倉)	佔本公司現有 已發行股本 概約百分比	股份數目 (淡倉)	佔本公司現有 已發行股本 概約百分比
Mrs. OEI 黃太	Personal 個人	1,500,000 ¹	0.018%	—	—
	Corporate 公司	210,731,309 ²	2.565%	—	—
	Joint 共同	1,786,735 ³	0.022%	—	—
	Family 家族	3,254,316,102 ⁴	39.614%	—	—
Creator 創建	Beneficial owner 實益擁有人	3,062,875,692 ⁵	37.283%	—	—
Stephen A. FEINBERG	Corporate 公司	1,569,511,900	19.105%	—	—
Cerberus Institutional Associates, L.L.C. ("Cerberus")	Corporate 公司	1,569,511,900 ⁶	19.105%	—	—
Promontoria Europe Investments XII LDC	Corporate 公司	1,569,511,900	19.105%	—	—
Promontoria Holding Cooperatie U.A.	Corporate 公司	1,569,511,900	19.105%	—	—
Penta Investment Advisers Limited ("Penta")	Investment manager 投資經理	1,482,125,339 ⁷	18.041%	—	—
John ZWAANSTRA	Corporate 公司	1,482,125,339	18.041%	—	—
Mercurius GP LLC	Founder of a discretionary trust 信託基金創辦人	750,736,603	9.138%	—	—
Penta Asia Fund, Ltd.	Corporate 公司	750,736,603	9.138%	—	—
Todd ZWAANSTRA	Trustee 信託人	750,736,603	9.138%	—	—

SUBSTANTIAL SHAREHOLDERS' INTERESTS (continued)

Notes:

1. The personal interest of Mrs. OEI represents an interest in 1,500,000 underlying Shares in respect of options granted by the Company to her.
2. The corporate interest of Mrs. OEI represents the Shares and underlying Shares in respect of warrants issued by the Company held by Genesis, a company owned as to 50% by Mrs. OEI and as to the remaining 50% by her husband, Mr. OEI.
3. The joint interest of Mrs. OEI represents the Shares and underlying Shares in respect of warrants issued by the Company jointly held with her husband, Mr. OEI.
4. The family interest of Mrs. OEI represents an interest in 2,784,432,448 Shares and an interest in 278,443,244 underlying Shares in respect of warrants issued by the Company held by Creator, an interest in 172,673,100 Shares and an interest in 17,267,310 underlying Shares in respect of warrants issued by the Company held by Mr. OEI, and an interest in 1,500,000 underlying Shares in respect of options granted by the Company to Mr. OEI.
5. The beneficial interest of Creator includes an interest in 2,784,432,448 Shares and an interest in 278,443,244 underlying Shares in respect of warrants issued by the Company. Mr. OEI is a director of Creator.
6. The beneficial interest of Cerberus includes an interest in 1,426,829,000 Shares and an interest in 142,682,900 underlying Shares in respect of warrants issued by the Company held by certain funds of Cerberus which are managed by Penta on a discretionary basis.
7. The investment manager interest of Penta includes an interest in 1,347,976,586 Shares and an interest in 134,148,753 underlying Shares in respect of warrants issued by the Company held by certain funds of Cerberus which are managed by Penta on a discretionary basis.

主要股東權益(續)

附註：

1. 黃太之個人權益指本公司授予黃太之購股權有關之1,500,000股相關股份。
2. 黃太之公司權益指華創(由黃太擁有50%權益之公司，其餘50%權益由彼之丈夫黃先生持有)持有之股份，以及與本公司所發行認股權證有關之相關股份。
3. 黃太之共同權益指與彼之丈夫黃先生共同持有之股份，以及與本公司所發行認股權證有關之相關股份。
4. 黃太之家族權益指於2,784,432,448股股份之權益、與本公司所發行之認股權證有關而由創達所持有之278,443,244股相關股份權益、於172,673,100股股份之權益、與本公司所發行認股權證有關而由黃先生持有之17,267,310股相關股份權益，以及本公司向黃先生所授出購股權有關之1,500,000股相關股份權益。
5. 創達之實益權益包括於2,784,432,448股股份之權益，以及與本公司所發行認股權證有關之278,443,244股相關股份權益。黃先生為創達之董事。
6. Cerberus之實益權益包括於1,426,829,000股股份之權益，以及與本公司所發行認股權證有關而由Cerberus若干項基金(由Penta全權管理)持有之142,682,900股相關股份之權益。
7. Penta之投資經理權益包括於1,347,976,586股股份之權益，以及與本公司所發行認股權證有關而由Cerberus若干項基金(由Penta全權管理)持有之134,148,753股相關股份之權益。

CONTINUING CONNECTED TRANSACTION

Details of the continuing connected transaction are set out in note 41(h) to the financial statements.

(1) Opinion from the Independent non-executive directors on the continuing connected transaction

Pursuant to Rule 14A.37 of the Listing Rules, the Independent non-executive directors of the Company have reviewed the continuing connected transaction as set out in note 41(h) to the financial statements and confirmed that the transaction has been entered into:

- (a) in the ordinary and usual course of the business of the Group;
- (b) on terms no less favourable to the Group than terms available from independent third parties; and
- (c) in accordance with the relevant agreement governing it on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

(2) Report from the auditors on the continuing connected transaction

For the purpose of Rule 14A.38 of the Listing Rules, PricewaterhouseCoopers, the auditors of the Company, have performed certain agreed-upon procedures on the above continuing connected transaction and reported that the transaction entered into:

- (a) was approved by the Board of Directors of the Company;
- (b) has been entered into in accordance with the relevant agreement governing the transaction; and
- (c) has not exceeded the annual caps stated in the relevant announcement.

EVENTS AFTER BALANCE SHEET DATE

Details of the events after balance sheet date are disclosed in Note 43 to the consolidated financial statements.

DIRECTORS' INTERESTS IN CONTRACTS

Other than the service contracts, there is no contracts of significance in relation to which the Company or its subsidiaries was a party and in which a Director had a material interest subsisted at the end of the year or at any time during the year.

持續關連交易

持續關連交易之詳情載於財務報表附註41(h)。

(1) 獨立非執行董事對持續關連交易之意見

根據上市規則第14A.37條，本公司獨立非執行董事已審閱載於財務報表附註41(h)之持續關連交易，並確認交易乃於以下情況訂立：

- (a) 本集團一般日常業務中；
- (b) 不遜於獨立第三方向本集團提供之條款；及
- (c) 根據規管有關交易之相關協議，而其條款屬公平合理且符合本公司股東之整體利益。

(2) 有關持續關連交易之核數師報告

根據上市規則第14A.38條，本公司核數師羅兵咸永道會計師事務所已就上述持續關連交易履行若干議定之程序，並報告交易乃於以下情況訂立：

- (a) 經本公司董事會之批准；
- (b) 根據監管交易之相關協議訂立；及
- (c) 並無超出相關公佈之年度上限。

結算日後事項

結算日後事項詳情於綜合財務報表附註43披露。

董事之合約權益

除服務合約外，於年結日或年內任何時間，本公司或其任何附屬公司概無訂立任何董事在其中擁有重大權益之重要合約。

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

Mr. OEI Tjie Goan is the chairman and a director of PT. Sinar Mas, a company together with its subsidiaries, associates, including Asia Pulp & Paper Company, Ltd., and its holding companies (if any) (the "Sinar Mas Group") are engaged in, among other things, general trading and, property development and investment. One of the business activities of the Sinar Mas Group is property development and investment in the PRC.

Save as disclosed above, Mr. OEI Tjie Goan is not interested in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

Mr. OEI Kang, Eric, a member of the Oei family and a son of Mr. OEI Tjie Goan, does not have any directorship in the Sinar Mas Group.

Mr. LI Xueming is a director of China Everbright Holdings Company Limited and Mr. FAN Yan Hok, Philip is a director of China Everbright International Limited, both companies are members of the China Everbright Group. One of its business activities is property development/ infrastructure project investment.

Mr. LIU Guolin and Mr. XU Zheng are directors and senior management in Shanghai Construction (Group) General Corporation (together with its subsidiaries, associates and holding companies (if any), the "Shanghai Construction Group") which is a former substantial Shareholder (as defined in Part XV of the SFO) as well as a sub-contractor and a joint venture partner for certain construction projects of the Group. One of its business activities is construction business in the PRC.

No non-competition undertakings have been obtained from the abovementioned Directors as they are, by law, fiduciaries of the Company and are prohibited by law from placing themselves in a position where their duties may conflict with their interests.

Having considered that the Company itself has its own management supervising the daily operation and making financial and business decisions, the Company can operate its business independently from the Sinar Mas Group, China Everbright Group and the Shanghai Construction Group.

Save as disclosed above, none of the Directors or their respective associate(s) was interested in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

董事在競爭業務之權益

黃志源先生為PT. Sinar Mas主席兼董事。PT. Sinar Mas連同其附屬公司、聯營公司(包括亞洲漿紙業有限公司)及其控股公司(如有)(統稱「金光集團」)從事(其中包括)一般貿易以及物業發展與投資業務。金光集團業務之一為於中國從事物業發展及投資。

除上文披露者外，黃志源先生並無擁有足以或可能對本集團業務直接或間接構成競爭之業務權益。

黃剛先生為黃氏家族之成員及黃志源先生之子，並無於金光集團擔任任何董事職務。

李學明先生為中國光大集團有限公司董事，而范仁鶴先生則為中國光大國際有限公司董事。此兩家公司均為中國光大集團成員公司，而其中一類業務為物業發展／基建項目投資。

劉國林先生及徐征先生均為上海建工(集團)總公司(連同其附屬公司、聯營公司及控股公司(如有)統稱「上海建工集團」)董事兼高級管理層成員。上海建工集團為前主要股東(定義見證券及期貨條例第XV部)兼本集團若干建築項目之分判商及合營夥伴。上海建工集團其中一項業務為於中國從事建築業務。

上述董事並無提供不競爭承諾，原因為在法律上彼等為本公司之受信人，而法例禁止彼等處於職責與個人利益可能存在衝突之位置。

鑑於本公司擁有本身之管理層負責監督日常業務運作以及作出財務及商業決策，故本公司之業務運作能夠獨立於金光集團、中國光大集團及上海建工集團。

除上文披露者外，董事或彼等各自之聯繫人士概無擁有足以或可能對本集團業務直接或間接構成競爭之業務權益。

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

MAJOR CUSTOMERS AND SUPPLIERS

The percentages of the Group's purchases and sales for the year attributable to major suppliers and customers were as follows:

Purchases

The largest supplier	25.33%
Five largest suppliers	69.61%

Sales

The largest customer	20.93%
Five largest customers	60.94%

None of the Directors, their associated companies or shareholders, to the knowledge of the Directors, held any interests in the share capital of the suppliers or customers noted above.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

The Company had purchased the following ordinary shares of HK\$0.01 each during the financial year:-

Trading Date 交易日期	Number of shares purchased 已購買股份數目	Method of purchase 購買方式	Highest price paid per share 每股已付最高價格 (HK\$) (港元)	Lowest price paid per share 每股已付最低價格 (HK\$) (港元)	Aggregate consideration paid 已付代價總數 (HK\$) (港元)
16/8/2007 二零零七年八月十六日	8,858,000	on the Stock Exchange 聯交所	1.61	1.59	14,153,884.60

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

BORROWINGS

Particulars of borrowings of the Group at 31st December 2007 are set out in note 35 to the financial statements.

FIVE-YEAR FINANCIAL SUMMARY

A five-year financial summary of the results and of the assets and liabilities of the Group is set out on page 201.

管理合約

本公司於年內並無訂立或擁有任何有關本公司全部或其中任何重大部分業務之管理及行政合約。

主要客戶及供應商

主要供應商及客戶於年內佔本集團購貨額及銷售量之百分比如下：

購貨額

最大供應商	25.33%
五大供應商	69.61%

銷售量

最大客戶	20.93%
五大客戶	60.94%

董事、彼等之相聯公司或據董事所知股東，概無於上述供應商或客戶中擁有任何權益。

購買、出售或贖回上市證券

於本財政年度，本公司曾購買以下每股面值0.01港元之普通股：

除上文披露者外，本公司或其任何附屬公司概無於年內購買、出售或贖回本公司任何上市證券。

借款

本集團於二零零七年十二月三十一日之借款詳情，列於財務報表附註35。

五年財務資料概要

本集團業績、資產及負債之五年財務資料概要刊載於第201頁。

LIQUIDITY

As of the balance sheet date, the Group's unpledged cash and bank deposits were HK\$4,416.0 million (2006: HK\$1,062.5 million). The directors anticipate that the Group will utilize the available cash balances, the proceeds from its construction contracts and future sales of properties, rental income and revenue from alternative energy and infrastructure businesses together with any new loans which is expected to be available from the banks to meet its funding requirements of its major construction contracts and working capital requirements in both Hong Kong and China.

PRINCIPAL PROPERTIES

Details of the principal properties of the Group are set out on page pages 202 to 204.

DONATIONS

During the year, the Group made charitable and other donations of approximately HK\$0.7 million (2006: HK\$1.0 million).

RESERVES

Movements in the reserves of the Group and the Company during the year are set out in note 34 to the financial statements.

RETIREMENT SCHEMES

The Group operates a Mandatory Provident Fund Scheme. Particulars of the retirement scheme are set out in note 11(a) to the financial statements.

CORPORATE GOVERNANCE

In the opinion of the directors, save as disclosed below, the Company has complied with the code provisions (the "Code Provision") set out in the Code on Corporate Governance Practices (the "CG Code") contained in Appendix 14 of the Listing Rules throughout the year ended 31st December 2007.

Code Provision E.1.2

The Chairman of the Board did not attend the annual general meeting of the Group as he had another business engagement but the Chairmen of the relevant committee were available to answer question at the shareholders meetings.

現金流動

於結算日，本集團未抵押之現金及銀行存款合共為4,416,000,000港元(二零零六年：1,062,500,000港元)。董事會預料本集團將從可用現金結餘，建築合約和將來出售物業所得款項、租金收入、替代能源及基建業務收益和預期可以從銀行獲得之新貸款，以應付香港和中國之主要建築工程合約和日常營運資金需要。

主要物業

本集團之主要物業詳情載於第202至204頁。

捐款

年內，本集團捐出約700,000港元(二零零六年：1,000,000港元)作慈善及其他捐贈用途。

儲備

本集團及本公司於年內之儲備變動載於財務報表附註34。

退休金計劃

本集團設有一項強制性公積金計劃。退休計劃詳情列於財務報表附註11(a)內。

企業管治

董事認為，除下文披露者外，截至二零零七年十二月三十一日止整個年度，本公司已遵守上市規則附錄十四內企業管治常規守則(「企管守則」)所載之守則條文(「守則條文」)。

守則條文第E.1.2條

董事會主席因公務而未能出席本集團之股東週年大會，惟有關委員會主席於股東大會上回答提問。

Code Provision A.4.1

Under the Code Provision A.4.1, non-executive directors should be appointed for a specific term, subject to re-election. However, the independent non-executive directors of the Company were not appointed for a specific term because they are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the Company's Bye-laws.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors set out in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. Specified employees who are likely to be in possession of unpublished price-sensitive information of the Group are also subject to compliance with guidelines on no less exacting terms than the Model Code. A Code for Securities Dealings by Employees has also been adopted in this regard.

AUDIT COMMITTEE

The audit committee comprises three independent non-executive directors and one non-executive director with written terms of reference in accordance with the requirements of the Listing Rules, and reports to the board of directors. The audit committee has reviewed the Group's annual results for the year of 2007.

REMUNERATION COMMITTEE

The Company established a Remuneration Committee in 2005 with written terms of reference in accordance with the requirements of the Listing Rules. The Remuneration Committee comprises three independent non-executive directors and one non-executive director.

NOMINATION COMMITTEE

The Company established a Nomination Committee in 2005 with written terms of reference in accordance with the requirements of the Listing Rules. The Nomination Committee comprises three independent non-executive directors and one non-executive director.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, it is confirmed that there is sufficient public float of more than 25% of the Company's issued shares as at the latest practicable date prior to the issue of this annual report.

守則條文第A.4.1條

根據守則條文第A.4.1條，非執行董事應按指定任期委任及重選。然而，本公司獨立非執行董事並非按指定任期獲委任，惟彼等須根據本公司之公司細則條文在股東大會輪席告退及重選。

董事進行證券交易之標準守則

本公司已採納上市規則附錄十所載董事進行證券交易之標準守則作為其本身董事進行證券交易之守則。特定僱員若可能擁有本集團尚未公開之股價敏感資料，亦須遵守一套標準不遜於標準守則之指引。本公司亦已就此採納僱員買賣證券之守則。

審核委員會

審核委員會包括三名獨立非執行董事及一名非執行董事，已根據上市規則制訂書面職權範圍，並須向董事會匯報。審核委員會已審閱本集團二零零七年之年度業績。

薪酬委員會

本公司二零零五年成立薪酬委員會，並根據上市規則之規定制訂書面職權範圍。薪酬委員會由三名獨立非執行董事及一名非執行董事組成。

提名委員會

本公司於二零零五年成立提名委員會，並根據上市規則之規定制訂書面職權範圍。提名委員會由三名獨立非執行董事及一名非執行董事組成。

公眾持股量

根據本公司所獲公開資料及就董事所知，截至本年報刊發之前最後實際可行日，本公司維持足夠的公眾持股量，即公眾持有本公司已發行股份25%以上。

AUDITORS

The financial statements have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment. A resolution for the reappointment of PricewaterhouseCoopers as auditors of the Company is to be proposed at the forthcoming AGM.

On behalf of the board

OEI Kang, Eric

Executive Director

Hong Kong, 23rd April 2008

核數師

該等財務報表已由告退並符合資格膺選連任之羅兵咸永道會計師事務所審核。有關重新委任羅兵咸永道會計師事務所為本公司核數師之決議案將於應屆股東週年大會提呈。

代表董事會

黃剛

執行董事

香港，二零零八年四月二十三日

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書



羅兵咸永道會計師事務所

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香港中環
太子大廈二十二樓
電話 (852) 2289 8888
傳真 (852) 2810 9888

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF HKC (HOLDINGS) LIMITED (incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of HKC (Holdings) Limited (the "Company") set out on pages 77 to 200, 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 disclosure requirements of 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 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.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with Section 90 of the Companies Act 1981 of Bermuda and for no other purpose. We do not assume responsibility towards or accept liability to any person for the contents of this report.

獨立核數師報告
致香港建設(控股)有限公司股東
(於百慕達註冊成立的有限公司)

本核數師(以下簡稱「我們」)已審核列載於第77至200頁香港建設(控股)有限公司(「貴公司」)的綜合財務報表,此綜合財務報表包括於二零零七年十二月三十一日的綜合及公司資產負債表與截至該日止年度的綜合損益表、綜合權益變動表和綜合現金流量表,以及主要會計政策概要及其他附註解釋。

董事就財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港《公司條例》的披露規定編製及真實而公平地列報該等綜合財務報表。這責任包括設計、實施及維護與編製及真實而公平地列報財務報表相關的內部控制,以使財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述;選擇和應用適當的會計政策;及按情況下作出合理的會計估計。

核數師的責任

我們的責任是根據我們的審核對該等綜合財務報表作出意見,並按照百慕達一九八一年公司法第90條僅向整體股東報告,除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

AUDITOR'S RESPONSIBILITY (continued)

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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the 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 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 the Group as at 31st December 2007 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 23rd April 2008

核數師的責任(續)

我們已根據香港會計師公會頒佈的香港審計準則進行審核。這些準則要求我們遵守道德規範，並規劃及執行審核，以合理確定此等財務報表是否不存有任何重大錯誤陳述。

審核涉及執行情序以獲取有關財務報表所載金額及披露資料的審核憑證。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致財務報表存有重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該公司編製及真實而公平地列報財務報表相關的內部控制，以設計適當的審核程序，但並非為對公司的內部控制的效能發表意見。審核亦包括評價董事所採用的會計政策的合適性及所作出的會計估計的合理性，以及評價財務報表的整體列報方式。

我們相信，我們所獲得的審核憑證是充足和適當地為我們的審核意見提供基礎。

意見

我們認為，該等綜合財務報表已根據香港財務報告準則真實而公平地反映 貴公司及 貴集團於二零零七年十二月三十一日的事務狀況及 貴集團截至該日止年度的溢利及現金流量，並已按照香港《公司條例》的披露規定妥為編製。

羅兵咸永道會計師事務所
執業會計師

香港，二零零八年四月二十三日

CONSOLIDATED INCOME STATEMENT

綜合損益表

FOR THE YEAR ENDED 31ST DECEMBER 2007
截至二零零七年十二月三十一日止年度

		Note 附註	2007 二零零七年 HK\$ Million 百萬港元	2006 二零零六年 HK\$ Million 百萬港元
Revenue	收益	5	706.1	395.7
Cost of sales	銷售成本	8	(603.4)	(316.4)
Gross profit	毛利		102.7	79.3
Other revenues	其他收益		13.5	10.3
Other income	其他收入	6	1,097.7	587.1
Administrative expenses	行政費用	8	(278.3)	(156.4)
Other expenses	其他費用	7	(118.2)	(77.7)
Operating profit	經營溢利		817.4	442.6
Finance income	財務收入	9	81.4	9.7
Finance costs	融資成本	9	(162.3)	(67.0)
Finance costs – net	融資成本淨額	9	(80.9)	(57.3)
Share of profits less losses of associated companies	應佔聯營公司溢利減虧損	25	33.7	116.2
Share of losses less profits of jointly controlled entities	應佔合營公司虧損減溢利	26	(6.2)	72.8
Gain on disposal of associated companies	出售聯營公司收入		181.2	–
Profit before income tax	所得稅前溢利		945.2	574.3
Income tax (expense)/credit	所得稅(支出)/抵免	12	(95.5)	4.0
Profit for the year	本年度溢利		849.7	578.3
Attributable to:	以下應佔：			
Equity holders of the Company	本公司股東權益持有人	13	834.6	579.4
Minority interests	少數股東權益		15.1	(1.1)
			849.7	578.3
Earnings per share for profit attributable to equity holders of the Company, expressed in HK cents per share	本公司權益持有人應佔溢利之每股盈利，以每股港仙列示	14		
Basic	基本		15.8	21.5
Diluted	攤薄		15.7	21.5
Dividends	股息	15		
Interim and special	中期及特別股息		543.3	130.6
Proposed final and special	擬派末期及特別股息		283.7	288.8
			827.0	419.4

CONSOLIDATED BALANCE SHEET

綜合資產負債表

AS AT 31ST DECEMBER 2007
於二零零七年十二月三十一日

	Note 附註	2007 二零零七年 HK\$ Million 百萬港元	2006 二零零六年 HK\$ Million 百萬港元
ASSETS			
Non-current assets			
Investment properties	16	2,922.2	2,193.4
Prepaid land lease payments	17	2,259.8	224.6
Property, plant and equipment	18	1,741.4	1,108.6
Properties under development	19	1,358.8	—
Intangible assets	20	62.9	63.3
Derivative financial instruments	21	5.0	8.0
Available-for-sale financial assets	23	25.8	4.1
Associated companies	25	1,014.1	1,111.3
Jointly controlled entities	26	1,023.8	363.6
Non-current receivables		37.0	100.3
Total non-current assets		10,450.8	5,177.2
Current assets			
Properties held for sale	27	7.1	95.1
Financial assets at fair value through profit or loss	28	93.3	11.2
Trade and other receivables	29	978.2	320.3
Restricted cash	31	1,508.9	294.2
Cash and cash equivalents	32	4,416.0	1,062.5
Total current assets		7,003.5	1,783.3
Total assets		17,454.3	6,960.5

		Note 附註	2007 二零零七年 HK\$ Million 百萬港元	2006 二零零六年 HK\$ Million 百萬港元
EQUITY	權益			
Capital and reserves attributable to equity holders of the Company	本公司權益持有人應佔資本及儲備			
Share capital	股本	33	82.2	36.5
Reserves	儲備	34	13,029.1	3,578.1
Proposed final and special dividends	擬派末期及特別股息	15	283.7	288.8
Equity attributable to equity holders of the Company	本公司股東權益持有人應佔權益		13,395.0	3,903.4
Minority interests	少數股東權益		(9.6)	(63.7)
Total equity	權益總額		13,385.4	3,839.7
LIABILITIES	負債			
Non-current liabilities	非流動負債			
Borrowings	借款	35	2,458.7	1,944.6
Non-current payables	非流動應付款		112.7	161.1
Deferred income tax liabilities	遞延所得稅負債	36	431.5	18.3
Total non-current liabilities	非流動負債總額		3,002.9	2,124.0
Current liabilities	流動負債			
Trade and other payables	應付賬款及其他應付款	37	720.6	614.9
Borrowings	借款	35	330.5	369.9
Current income tax liabilities	即期所得稅負債		14.9	12.0
Total current liabilities	流動負債總額		1,066.0	996.8
Total liabilities	負債總額		4,068.9	3,120.8
Total equity and liabilities	權益及負債總額		17,454.3	6,960.5
Net current assets	流動資產淨額		5,937.5	786.5
Total assets less current liabilities	資產總額減流動負債		16,388.3	5,963.7

OEI Kang, Eric
CHAN Kwok Fong, Joseph
Directors

黃剛
陳國芳
董事

BALANCE SHEET

資產負債表

AS AT 31ST DECEMBER 2007
於二零零七年十二月三十一日

		Note 附註	2007 二零零七年 HK\$ Million 百萬港元	2006 二零零六年 HK\$ Million 百萬港元
ASSETS	資產			
Non-current asset	非流動資產			
Investments in subsidiaries	於附屬公司投資	24	150.0	30.4
Current assets	流動資產			
Amounts due from subsidiaries	應收附屬公司款項	24	8,164.0	2,251.7
Financial assets at fair value through profit or loss	按公平值在損益表列賬之 金融資產	28	81.3	—
Other receivables	其他應收款	29	0.7	0.4
Restricted cash	受限制現金	31	440.8	—
Cash and cash equivalents	現金及現金等價物	32	1,933.2	—
Total current assets	流動資產總額		10,620.0	2,252.1
Total assets	資產總額		10,770.0	2,282.5
EQUITY	權益			
Capital and reserves attributable to equity holders of the Company	本公司股東權益持有人 應佔資本及儲備			
Share capital	股本	33	82.2	36.5
Reserves	儲備	34	10,401.0	1,957.2
Proposed final and special dividends	擬派末期及特別股息	15	283.7	288.8
Total equity	權益總額		10,766.9	2,282.5
Current liabilities	流動負債			
Other payables	其他應付款	37	3.1	—
Total equity and liabilities	權益及負債總額		10,770.0	2,282.5

OEI Kang, Eric
CHAN Kwok Fong, Joseph
Directors

黃剛
陳國芳
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

FOR THE YEAR ENDED 31ST DECEMBER 2007
截至二零零七年十二月三十一日止年度

		Note	Attributable to equity holders of the Company	Minority interests	Total equity
		附註	本公司股東權益持有人應佔 HK\$ Million 百萬港元	少數股東權益 HK\$ Million 百萬港元	股東權益總額 HK\$ Million 百萬港元
Balance at 1st January 2006	於二零零六年一月一日結餘		2,094.3	28.2	2,122.5
Currency translation differences	匯兌換算差額	34	86.5	3.1	89.6
Available-for-sale financial assets: – changes in fair value	可供出售金融資產： – 公平值變動	34	1.5	–	1.5
Net income recognised directly in equity	直接在權益確認之收入淨額		88.0	3.1	91.1
Profit/(loss) for the year	本年度溢利/(虧損)		579.4	(1.1)	578.3
Total recognised income and expense for 2006	就二零零六年確認之收入及開支總額		667.4	2.0	669.4
Employee share option benefits	僱員購股權福利	34	15.0	–	15.0
Payment made in respect of cancellation of old share option scheme	註銷舊購股權計劃之付款	34	(5.8)	–	(5.8)
Issue of new shares	發行新股份	33	13.2	–	13.2
Share premium arising from issue of shares	發行股份產生之股份溢價	34	1,379.7	–	1,379.7
Share issue expenses	發行股份費用	34	(13.4)	–	(13.4)
Movements in equity arising from capital transactions	自股本交易產生之權益變動		1,388.7	–	1,388.7
2005 final dividend	二零零五年末期股息		(116.4)	–	(116.4)
2006 interim dividend	二零零六年中期股息	15	(130.6)	–	(130.6)
Change in minority interests arising from acquisition of a subsidiary	收購一間附屬公司產生之少數股東權益變動		–	(76.0)	(76.0)
Change in minority interests arising from acquisition of additional interests in subsidiaries	收購附屬公司額外權益產生之少數股東權益變動		–	(18.8)	(18.8)
Repayment of amounts due from minority shareholders	償還少數股東應付款項		–	0.9	0.9
			(247.0)	(93.9)	(340.9)
Balance at 31st December 2006	於二零零六年十二月三十一日結餘		3,903.4	(63.7)	3,839.7

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

FOR THE YEAR ENDED 31ST DECEMBER 2007
截至二零零七年十二月三十一日止年度

		Note	Attributable to equity holders of the Company	Minority interests	Total equity
		附註	本公司股東權益 持有人應佔 HK\$ Million 百萬港元	少數股東權益 HK\$ Million 百萬港元	權益總額 HK\$ Million 百萬港元
Balance at 1st January 2007	於二零零七年一月一日結餘		3,903.4	(63.7)	3,839.7
Currency translation differences	匯兌換算差額	34	428.6	6.4	435.0
Available-for-sale financial assets: – changes in fair value	可供出售金融資產： – 公平值變動	34	0.2	–	0.2
Net income recognised directly in equity	直接在權益確認 之收入淨額		428.8	6.4	435.2
Profit for the year	本年度溢利		834.6	15.1	849.7
Total recognised income and expense for 2007	就二零零七年確認之收入 及開支總額		1,263.4	21.5	1,284.9
Employee share option benefits	僱員購股權福利	34	36.7	–	36.7
Issue of new shares	發行新股份	33	45.8	–	45.8
Share premium arising from issue of shares	發行股份產生 之股份溢價	34	9,011.7	–	9,011.7
Exercise of bonus warrants	行使紅利認股權證	34	0.2	–	0.2
Exercise of share options	行使購股權	34	3.1	–	3.1
Share issue expenses	發行股份費用	34	(55.3)	–	(55.3)
Share repurchase	購回股份	33&34	(14.2)	–	(14.2)
Movements in equity arising from capital transactions	自股本交易產生 之權益變動		9,028.0	–	9,028.0
2006 final dividend	二零零六年末期股息	15	(288.8)	–	(288.8)
2007 interim dividend	二零零七年中期股息	15	(543.3)	–	(543.3)
Dividends paid to minority shareholders	已付少數股東股息		–	(1.1)	(1.1)
Write off minority shareholder receivable	撇銷少數股東應收款		–	32.9	32.9
Repayment of amounts due from minority shareholders	少數股東償還應付款 款項		–	0.8	0.8
Release of reserves upon disposal of associated companies	出售聯營公司時 解除儲備		36.2	–	36.2
Release of reserves upon further acquisition of a subsidiary	進一步收購一間附屬公司時 解除儲備		(3.9)	–	(3.9)
			(799.8)	32.6	(767.2)
Balance at 31st December 2007	於二零零七年十二月三十一日結餘		13,395.0	(9.6)	13,385.4

CONSOLIDATED CASH FLOW STATEMENT

綜合現金流量表

FOR THE YEAR ENDED 31ST DECEMBER 2007
截至二零零七年十二月三十一日止年度

		Note	2007	2006
		附註	二零零七年	二零零六年
			HK\$ Million	HK\$ Million
			百萬港元	百萬港元
Cash flows used in operating activities	經營業務所用現金流量			
Cash used in operations	營業所用現金	42(a)	(2,311.4)	(84.1)
Income tax paid, net	已付所得稅淨額		(0.8)	(21.7)
Net cash used in operating activities	經營業務所用現金淨額		(2,312.2)	(105.8)
Cash flows from investing activities	投資活動之現金流量			
Interest received	已收利息		81.4	7.9
Purchase of property, plant and equipment	購買物業、機器及設備		(501.1)	(570.7)
Purchase of financial assets at fair value through profit or loss	購買按公平值在損益表列賬之金融資產		(77.7)	—
Purchase of available-for-sale financial assets	購買可供出售金融資產		(21.5)	—
Proceeds from disposal of Property, plant and equipment	出售所得款項 物業、機器及設備		0.5	0.7
Financial assets at fair value through profit or loss	按公平值在損益表列賬之金融資產		—	8.3
Derivative financial instruments	衍生金融工具		—	0.9
Associated companies	聯營公司		505.0	—
Prepaid lease payments for land	預付土地租賃款		(197.9)	(68.1)
Investment in an associated company	於一間聯營公司之投資		(45.2)	(39.0)
Investment in a jointly controlled entity	於一間合營公司之投資		(582.0)	(340.2)
Increase in net advances to associated companies	向聯營公司墊支淨額增加		(66.0)	(22.6)
Decrease in net advances to jointly controlled entities	向合營公司墊支淨額減少		2.8	197.2
Dividend received from an associated company	已收一間聯營公司股息		2.0	3.5
Profit distribution from jointly controlled entities	合營公司溢利分派		22.9	50.5
Purchase of subsidiaries (net of cash and cash equivalents acquired)	收購附屬公司(已扣除購入之現金及現金等價物)	40	(532.7)	(175.2)
Purchase of additional interests in subsidiaries	購買附屬公司額外權益		—	(22.0)
Payment of outstanding cash consideration for acquisition of subsidiaries in prior year	上年度收購附屬公司未支付現金代價之付款		(53.0)	(85.6)
Net cash used in investing activities	投資活動所用之現金淨額		(1,462.5)	(1,054.4)

CONSOLIDATED CASH FLOW STATEMENT

綜合現金流量表

FOR THE YEAR ENDED 31ST DECEMBER 2007
截至二零零七年十二月三十一日止年度

		2007 二零零七年 HK\$ Million 百萬港元	2006 二零零六年 HK\$ Million 百萬港元
Cash flows from financing activities	融資活動之現金流量		
Proceeds from issuance of ordinary shares	發行普通股所得款項	8,517.8	668.4
Payment for repurchase of ordinary shares	購回普通股之付款	(14.2)	—
Share issue expenses	發行股份費用	(55.3)	(13.4)
Repayment of bank and other loans (net of restricted cash)	償還銀行及其他貸款 (已扣除受限制現金)	(1,836.7)	(569.9)
Increase in new bank and other loans	新增銀行及其他貸款	951.8	1,496.3
Net proceeds from ultimate holding company	來自最終控股公司之 所得款項淨額	—	161.3
Dividends paid to Company's shareholders	已付本公司股東股息	(289.1)	(8.8)
Dividends paid to minority shareholders	已付少數股東股息	(1.1)	—
Interest paid	已付利息	(253.0)	(117.3)
Net cash generated from financing activities	融資活動所得之現金淨額	7,020.2	1,616.6
Net increase in cash and cash equivalents	現金及現金等價物增加淨額	3,245.5	456.4
Cash and cash equivalents at 1st January	於一月一日之現金及 現金等價物	1,062.5	597.7
Exchange gains on cash and cash equivalents	現金及現金等價物之 匯兌收益	108.0	8.4
Cash and cash equivalents at 31st December	於十二月三十一日之現金及 現金等價物	4,416.0	1,062.5

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

1. GENERAL INFORMATION

HKC (Holdings) Limited (the “Company”) is a limited liability company incorporated in Bermuda. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda.

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

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

These consolidated financial statements are presented in million of units of Hong Kong dollars (“HK dollar”) (HK\$ Million), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 23rd April 2008.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

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

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

1. 一般資料

香港建設(控股)有限公司(「本公司」)為於百慕達註冊成立之有限責任公司。註冊辦事處地址為Clarendon House, 2 Church Street, Hamilton HM11, Bermuda。

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

本公司於香港聯合交易所有限公司上市。

除另有列明外，本綜合財務報表以百萬港元(「港元」，「百萬港元」)為單位列示。董事會已於二零零八年四月二十三日批准刊發本綜合財務報表。

2. 主要會計政策概要

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

2.1 編製基準

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

- (a) Standards, amendment and interpretations effective in 2007
HKFRS 7, “Financial instruments: Disclosures”, and the complementary amendment to HKAS 1, “Presentation of financial statements – Capital disclosures”, introduces new disclosures relating to financial instruments and does not have any impact on the classification and valuation of the Group’s financial instruments, or the disclosures relating to taxation and trade and other payables.

HK(IFRIC) – Int 8, “Scope of HKFRS 2”, requires consideration of transactions involving the issuance of equity instruments, where the identifiable consideration received is less than the fair value of the equity instruments issued in order to establish whether or not they fall within the scope of HKFRS 2. This standard does not have any impact on the Group’s financial statements.

HK(IFRIC) – Int 10, “Interim financial reporting and impairment”, prohibits the impairment losses recognised in an interim period on goodwill and investments in equity instruments and in financial assets carried at cost to be reversed at a subsequent balance sheet date. This standard does not have any impact on the Group’s financial statements.

2. 主要會計政策概要(續)

2.1 編製基準(續)

- (a) 於二零零七年已生效準則、修訂及詮釋
香港財務報告準則第7號「金融工具：披露」及香港會計準則第1號「財務報表呈報-資本披露」的補充修訂引入了有關財務工具的新披露規定，對本集團財務工具的分類和估值，或稅項和應付賬款及其他應付款相關的披露並無任何影響。

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」規定，凡涉及發行股本工具的交易當中收取的可識別代價低於所發行股本工具的公平值時，必須確定其是否屬於香港財務報告準則第2號的範圍。此項準則並無對本集團的財務報表構成任何影響。

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」禁止在中期期間確認的商譽按成本值列賬、股本工具投資及金融資產的減值虧損，在之後的結算日撥回。此項準則並無對本集團的財務報表構成任何影響。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

- (b) Standards, amendments and interpretations effective in 2007 but not relevant

The following standards, amendments and interpretations to published standards are mandatory for accounting periods beginning on or after 1st January 2007 but they are not relevant to the Group's operations:

HK(IFRIC) – Int 7, “Applying the restatement approach under HKAS 29, Financial reporting in hyper-inflationary economies”;

HK(IFRIC) – Int 9, “Re-assessment of embedded derivatives”;

HK(IFRIC) – Int 11, “HKFRS 2 – Group and treasury share transactions”.

- (c) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group

The following standards, amendments and interpretations to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 1st January 2008 or later periods, but the Group has not early adopted them:

HKAS 1 (Revised), “Presentation of Financial Statements” (effective from 1st January 2009). HKAS 1 (Revised) requires all owner changes in equity to be presented in a statement of changes in equity. All comprehensive income is presented in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). It requires presenting a statement of financial position as at the beginning of the earliest comparative period in a complete set of financial statements when there are retrospective adjustments or reclassification adjustments. However, it does not change the recognition, measurement or disclosure of specific transactions and other events required by other HKFRSs. The Group will apply HKAS 1 (Revised) from 1st January 2009.

2. 主要會計政策概要(續)

2.1 編製基準(續)

- (b) 於二零零七年已生效但與本集團營運無關的準則、修訂及詮釋

以下準則、修訂及對已公佈準則的詮釋於二零零七年一月一日或之後開始的會計期間強制採納，但與本集團營運無關：

香港(國際財務報告詮釋委員會)－詮釋第7號「應用香港會計準則第29號「嚴重通脹經濟中的財務報告」項下重列法；

香港(國際財務報告詮釋委員會)－詮釋第9號「重新評估嵌入式衍生工具」；及

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－集團及庫存股份交易」。

- (c) 仍未生效而本集團亦無提早採納的準則、修訂及現有準則的詮釋

以下為已公佈的準則、修訂及現有準則的詮釋，而於二零零八年一月一日或之後開始的本集團會計期間或較後期間強制採納，但本集團並無提早採納：

香港會計準則第1號(經修訂)「財務報表呈報」自二零零九年一月一日起生效。香港會計準則第1號(經修訂)規定所有擁有人於權益的變動，必須在權益變動表呈列。所有全面收入必須在全面損益報表，或分開在損益表及全面損益報表呈列。此項修訂規定如有追溯調整或重新分類調整，應於整份財務報表呈列最早的可比較期間開始時的財務狀況報表。然而，此項修訂並無改變其他香港財務報告準則對特定交易及其他事項的確認、計量或披露規定。本集團將由二零零九年一月一日起應用香港會計準則第1號(經修訂)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

(c) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group (continued)
HKAS 23 (Amendment), "Borrowing costs" (effective from 1st January 2009). The amendment requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset. The option of immediately expensing those borrowing costs will be removed. Since the Group chose to capitalise borrowing costs relating to qualifying assets as described in Note 2.15, it is not expected to have any impact on the Group's consolidated financial statements.

HKFRS 8, "Operating segments" (effective from 1st January 2009). HKFRS 8 replaces HKAS 14 and aligns segment reporting with the requirements of the US standard SFAS 131, "Disclosures about segments of an enterprise and related information". The new standard requires a "management approach", under which segment information is presented on the same basis as that used for internal reporting purposes. The Group will apply HKFRS 8 from 1st January 2009. The expected impact is still being assessed in detail by management, but it appears likely that the number of reportable segments, as well as the manner in which the segments are reported, will change in a manner that is consistent with the internal reporting provided to the chief operating decision-maker. As goodwill is allocated to groups of cash-generating units based on segment level, the change will also require management to reallocate goodwill to the newly identified operating segments. Management does not anticipate that this will result in any material impairment to the goodwill balance.

2. 主要會計政策概要(續)

2.1 編製基準(續)

(c) 仍未生效而本集團亦無提早採納的準則、修訂及現有準則的詮釋(續)

香港會計準則第23號(經修訂)「借款成本」自二零零九年一月一日起生效。此項修訂要求實體將收購、興建或生產合資格資產(即需要頗長時間籌備作使用或出售的資產)直接應佔的借款成本資本化,作為該資產的部分成本。將該等借款成本即時作費用支銷的選擇將被刪去。由於本集團選擇如附註2.15所述將合資格資產相關借款成本資本化,故預期不會對本集團之綜合財務報表構成任何影響。

香港財務報告準則第8號「經營分部」自二零零九年一月一日起生效。香港財務報告準則第8號取代了香港會計準則第14號,並統一分部報告與美國準則SFAS 131「有關企業分部及相關資料披露」的規定。此項新準則要求採用「管理方針」,即分部資料須按照與內部報告所採用的相同基準呈報。本集團將會由二零零九年一月一日起應用香港財務報告準則第8號。預期影響現正由管理層詳細評估,惟報告分部數目以及分部之匯報方式,甚可能將以向主要營運決策人提供內部報告貫徹一致之方式變動。由於商譽乃於分部層面分配至現金產生單位類別,有關變動亦導致管理層須重新分配商譽至新識別之經營分部。管理層預期,此舉將不會對商譽結餘造成任何重大減值。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

- (c) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group (continued)
HK(IFRIC) – Int 12, “Service concession arrangements” (effective from 1st January 2008). HK(IFRIC) – Int 12 applies to contractual arrangements whereby a private sector operator participates in the development, financing, operation and maintenance of infrastructure for public sector services. Management anticipate that the application of this interpretation will change the balance sheet presentation and disclosure of the service concession arrangements but are still in the process of assessing the impact on the results and the financial position of the Group. This interpretation is applicable to the Group and the Group will apply it for the annual periods beginning 1st January 2008 retrospectively.

HKAS 32 and HKAS 1 Amendments “Puttable Financial Instruments and Obligations Arising on Liquidation”[#] (effective from 1st January 2009). The amendment requires some puttable financial instruments and some financial instruments that impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation to be classified as equity. The Group will apply HKAS 32 and HKAS 1 Amendments from 1st January 2009, but it is not expected to have any impact on the Group’s consolidated financial statements.

- [#] Equivalent HKFRS has not been published as of 23rd April 2008

2. 主要會計政策概要(續)

2.1 編製基準(續)

- (c) 仍未生效而本集團亦無提早採納的準則、修訂及現有準則的詮釋(續)

香港(國際財務報告詮釋委員會) – 詮釋第12號「服務特許權安排」自二零零八年一月一日起生效。香港(國際財務報告詮釋委員會) – 詮釋第12號適用於由私人營運商參與公營服務基建的發展、融資、營運和維修的合約安排。管理層預計，應用此詮釋將改變資產負債表之呈列及服務特許權安排之披露，惟現正評估對本集團業績及財務狀況之影響。此項詮釋適用於本集團，而其將自二零零八年一月一日開始之年度期間追溯應用。

香港會計準則第32號及香港會計準則第1號(修訂)「可認沽金融工具及清盤時產生的責任」[#]自二零零九年一月一日起生效。有關修訂規定，若干可認沽金融工具以及某實體施加責任於清盤時必須向另一方按比例提供其資產淨值的若干金融工具，必須分類為權益。本集團將由二零零九年一月一日起應用香港會計準則第32號及香港會計準則第1號(修訂)，惟預期不會對本集團之綜合賬目構成任何影響。

- [#] 於二零零八年四月二十三日尚未頒佈相關香港財務報告準則。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

- (c) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group (continued)
- HKAS 27 (Revised) "Consolidated and Separate Financial Statements" (effective from annual period beginning on or after 1st July 2009). The amendment requires non-controlling interests (i.e. minority interests) to be presented in the consolidated statement of financial position within equity, separately from the equity of the owners of the parent. Total comprehensive income must be attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. Changes in a parent's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity. When control of a subsidiary is lost, the assets and liabilities and related equity components of the former subsidiary are derecognised. Any gain or loss is recognised in profit or loss. Any investment retained in the former subsidiary is measured at its fair value at the date when control is lost. The Group will apply HKAS 27 (Revised) from 1st January 2010.

2. 主要會計政策概要(續)

2.1 編製基準(續)

- (c) 仍未生效而本集團亦無提早採納的準則、修訂及現有準則的詮釋(續)

香港會計準則第27號(經修訂)「綜合及獨立財務報表」自二零零九年七月一日或之後開始的年度期間生效。有關修訂規定非控制權益(即少數股東權益)，必須於綜合財務狀況報表之權益項下呈列，並與母公司擁有人權益分開列報。全面收入總額必須歸屬於母公司擁有人及非控制權益，即使可能導致非控制權益出現虧絀結餘。母公司於附屬公司不導致失去控制權的權益變動將於權益記賬。當失去對附屬公司的控制權時，該前附屬公司的資產、負債及相關權益部分剔除確認。任何收益或虧損於損益賬中確認。在該前附屬公司所保留的任何投資按控制權失去當日的公平值記賬。本集團將由二零一零年一月一日起應用香港會計準則第27號(經修訂)。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

- (c) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group (continued)
- HKFRS 3 (Revised) "Business Combination" (effective for business combinations with acquisition date on or after the beginning of the first annual reporting period beginning on or after 1st July 2009). The amendment may bring more transactions into acquisition accounting as combinations by contract alone and combinations of mutual entities are brought into the scope of the standard and the definition of a business has been amended slightly. It now states that the elements are 'capable of being conducted' rather than 'are conducted and managed'. It requires considerations (including contingent consideration), each identifiable asset and liability to be measured at its acquisition-date fair value, except leases and insurance contracts, reacquired right, indemnification assets as well as some assets and liabilities required to be measured in accordance with other HKFRSs. They are income taxes, employee benefits, share-based payment and non current assets held for sale and discontinued operations. Any non-controlling interest in an acquiree is measured either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets. The Group will apply HKFRS 3 (Revised) from 1st January 2010.

2. 主要會計政策概要(續)

2.1 編製基準(續)

- (c) 仍未生效而本集團亦無提早採納的準則、修訂及現有準則的詮釋(續)

香港財務報告準則第3號(經修訂)「業務合併」適用於收購日期為二零零九年七月一日或之後開始首個年度報告期間期初或以後之業務合併。有關修訂或會令更多交易採用收購會計法記賬，主要由於單純以合約方式合併及互助實體間合併已被納入此項準則之範圍內，而業務之定義已作出輕微修改。該準則現闡明有關成份為「能夠進行」而非「進行和管理」，並規定代價(包括或然代價)以及每項可識別資產及負債，必須按其收購日的公平值計量，惟租賃及保險合約、重新購入的權利、賠償保證資產以及須根據其他香港財務報告準則計量的若干資產及負債則除外。有關項目包括所得稅、僱員福利、以股份支付款項以及作銷售用途之非流動資產及已終止經營業務。在某一被收購方的任何非控制權益可按公平值或按非控制權益應佔被收購方可識別資產淨值的比例計量。本集團將由二零一零年一月一日起應用香港財務報告準則第3號(經修訂)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

- (c) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group (continued)

HKFRS 2 Amendment "Share-based Payment Vesting Conditions and Cancellations" (effective from 1st January 2009). The amendment clarifies the definition of "vesting conditions" and specifies the accounting treatment of "cancellations" by the counterparty to a share-based payment arrangement. Vesting conditions are service conditions (which require a counterparty to complete a specified period of service) and performance conditions (which require a specified period of service and specified performance targets to be met) only. All "non-vesting conditions" and vesting conditions that are market conditions shall be taken into account when estimating the fair value of the equity instruments granted. All cancellations are accounted for as an acceleration of vesting and the amount that would otherwise have been recognised over the remainder of the vesting period is recognised immediately. The Group will apply HKFRS 2 Amendment from 1st January 2009, but it is not expected to have any impact on the Group's accounts.

- (d) Interpretations to existing standards that are not yet effective and not relevant for the Group's operations

The following interpretations to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 1st January 2008 or later periods but are not relevant for the Group's operations:

2. 主要會計政策概要(續)

2.1 編製基準(續)

- (c) 仍未生效而本集團亦無提早採納的準則、修訂及現有準則的詮釋(續)

香港財務報告準則第2號(修訂)「以股份支付款項之歸屬條件及註銷」自二零零九年一月一日起生效。有關修訂澄清「歸屬條件」之定義及申明對方「註銷」以股份支付款項安排之會計處理法。歸屬條件僅包括服務條件及表現條件，前者要求對方完成於一段特定期間提供服務，後者則要求於特定期間提供服務並達致特定表現目標。所有「非歸屬條件」及屬市場條件之歸屬條件，須於評估所授出權益工具之公平值時予以考慮。所有註銷將被視為加速歸屬之因素入賬，而原本將於餘下歸屬期間確認之款額須即時確認。本集團將由二零零九年一月一日起應用香港財務報告準則第2號(修訂)，但預期不會對本集團賬目構成任何影響。

- (d) 仍未生效且與本集團營運無關的現有準則的詮釋

以下為已公佈現有準則的詮釋，本集團須於二零零八年一月一日或之後開始的會計期間或較後期間強制採納，但與本集團營運無關：

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

- (d) Interpretations to existing standards that are not yet effective and not relevant for the Group's operations (continued)
HK(IFRIC) – Int 13, "Customer loyalty programmes" (effective from 1st July 2008). HK(IFRIC) – Int 13 clarifies that where goods or services are sold together with a customer loyalty incentive (for example, loyalty points or free products), the arrangement is a multiple-element arrangement and the consideration receivable from the customer is allocated between the components of the arrangement using fair values. HK(IFRIC) – Int 13 is not relevant to the Group's operations because none of the Group's companies operate any loyalty programmes.

HK(IFRIC) – Int 14, "HKAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction" (effective from 1st January 2008). HK(IFRIC) – Int 14 provides guidance on assessing the limit in HKAS 19 on the amount of the surplus that can be recognised as an asset. It also explains how the pension asset or liability may be affected by a statutory or contractual minimum funding requirement. HK(IFRIC) – Int 14 is not relevant to the Group's operations because none of the Group's companies have defined benefit assets.

2. 主要會計政策概要(續)

2.1 編製基準(續)

- (d) 仍未生效且與本集團營運無關的現有準則的詮釋(續)

香港(國際財務報告詮釋委員會) – 詮釋第13號「客戶忠誠計劃」自二零零八年七月一日起生效。香港(國際財務報告詮釋委員會) – 詮釋第13號澄清了倘若貨品或服務連同客戶忠誠獎勵計劃(例如忠誠度積分或贈品)而售出，則有關安排屬於多重組成部份安排，應收客戶的代價採用公平值在有關安排的組成部分之間分配。香港(國際財務報告詮釋委員會) – 詮釋第13號與本集團的營運無關，原因為本集團屬下公司並無運作任何忠誠度計劃。

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 – 界定福利資產限額、最低資金規定及其相互關係」自二零零八年一月一日起生效。香港(國際財務報告詮釋委員會) – 詮釋第14號就評估香港會計準則第19號內有關可確認為資產之盈餘金額限額提供指引，並解釋退休金資產或負債如何可能受法定或合約最低資金規定影響。香港(國際財務報告詮釋委員會) – 詮釋第14號與本集團的營運無關，原因為本集團屬下公司並無界定福利資產。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Consolidation

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

(a) Subsidiaries

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

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

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

2. 主要會計政策概要(續)

2.2 綜合基準

綜合財務報表包括本公司及其所有附屬公司截至十二月三十一日止之財務報表。

(a) 附屬公司

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Consolidation

(a) Subsidiaries (continued)

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

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

(b) Transactions and minority interests

The Group applies a policy of treating transactions with minority interests as transactions with parties external to the Group. Disposals to minority interests result in gains and losses for the Group that are recorded in the consolidated income statement. Purchases from minority interests result in goodwill, being the difference between the consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary.

(c) Associated companies

Associated companies are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associated companies are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associated companies includes goodwill (net of any accumulated impairment loss) identified on acquisition (Note 2.7).

2. 主要會計政策概要(續)

2.2 綜合基準

(a) 附屬公司(續)

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

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

(b) 交易及少數股東權益

本集團應用之政策視與少數股東之交易為與本集團外界人士進行之交易。本集團因向少數股東出售而產生的損益於綜合損益表記錄。向少數股東購買所產生商譽，即所付代價與應佔有關購入附屬公司資產淨值賬面值之差額。

(c) 聯營公司

聯營公司為本集團對其有重大影響力但無控制權之公司，一般附帶有20%至50%投票權之股權。於聯營公司之投資以權益會計法入賬，初始按成本確認。本集團於聯營公司之投資包括收購時已識別之商譽(扣除任何累計減值虧損)(附註2.7)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Consolidation (continued)

(c) Associated companies (continued)

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

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

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

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

2. 主要會計政策概要(續)

2.2 綜合基準(續)

(c) 聯營公司(續)

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

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

於聯營公司之攤薄收益及虧損於綜合損益表確認。

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Consolidation (continued)

(d) Jointly controlled entities

A jointly controlled entity is a contractual arrangement whereby the Group and other parties undertake an economic activity which is subject to joint control and none of the participating parties has unilateral control over the economic activity.

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

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

2.3 Segment reporting

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

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

2. 主要會計政策概要(續)

2.2 綜合基準(續)

(d) 合營公司

合營公司為本集團與其他各方合作進行一項經濟活動之合約安排，該公司受共同控制，而任何參與方不可單方面控制有關經濟活動。

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

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

2.3 分部報告

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Segment reporting (continued)

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

2.4 Foreign currency translation

(a) Functional and presentation currency
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency.

(b) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end-exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

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

2. 主要會計政策概要(續)

2.3 分部報告(續)

未分配成本指企業支出。分部資產主要包括投資物業；發電／供水廠及設備；發展中物業及作銷售用途之物業。分部負債包括經營負債、稅項及借款。資本支出由無形資產以及物業、機器及設備的添置組成，包括透過購買附屬公司所產生收購添置。銷售按客戶所在國家分類。

2.4 外幣換算

(a) 功能及呈報貨幣
本集團各實體之財務報表所包括之項目，乃按該實體經營所在之主要經濟環境之貨幣(「功能貨幣」)計量。綜合財務報表以本公司之功能及呈報貨幣港元呈列。

(b) 交易及結餘
外幣交易均按交易當日之現行匯率換算為功能貨幣。因該等交易結算及按結算日之匯率換算以外幣計值之貨幣資產及負債而產生之匯兌損益，均於損益表確認。

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Foreign currency translation (continued)

(c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- (iii) all resulting exchange differences are recognised as a separate component of equity.

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

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

2. 主要會計政策概要(續)

2.4 外幣換算(續)

(c) 集團公司

集團旗下所有實體如持有與呈報貨幣不一致之功能貨幣(其中並無任何公司持有通脹嚴重之經濟體系之貨幣)，其業績和財務狀況均按以下方法兌換為呈報貨幣：

- (i) 每項資產負債表之資產及負債均按照該資產負債表結算日之匯率換算為呈報貨幣；
- (ii) 每項損益表之收入和開支均按照平均匯率換算為呈報貨幣，但若此平均匯率未能合理地反映各交易日之匯率所帶來之累計影響，則按照各交易日之匯率換算此等收入和開支；及
- (iii) 所有產生之匯兌差異均確認為權益之個別部分。

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Property, plant and equipment

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

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

Buildings	50 years
Water utility plant and equipment	15 years
Electric utility plant and equipment	20 years
Other plant and equipment	3 to 10 years

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

Subsequent costs are included in the carrying amount of the asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated will flow to the Group and the cost of item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged in the consolidated income statement during the financial period in which they are incurred.

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within other income/expenses in the consolidated income statement.

2. 主要會計政策概要(續)

2.5 物業、機器及設備

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

物業、機器及設備以直線法計算折舊，於以下估計可使用年期撇減其成本：

樓宇	50年
供水廠及設備	15年
發電廠及設備	20年
其他機器及設備	3至10年

每個結算日均會檢討資產之餘值及可使用年期，如有需要會作出調整。

其後成本僅於與該項目有關的未來經濟利益很有可能流入本集團及項目成本能夠可靠計量時，方計入資產賬面值或確認為一項獨立資產(視乎適用情況而定)。已置換之部件之賬面值已剔除確認。所有其他維修及保養費用於產生財政期間在綜合損益表扣除。

當資產之賬面值超過預計可收回款額時，資產賬面值即時撇減至其可收回款項(附註2.8)。

出售盈虧按比較所得款項與賬面值釐定，於綜合損益表內其他收入/開支確認。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Investment properties

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

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

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

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

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

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

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

2. 主要會計政策概要(續)

2.6 投資物業

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

投資物業包括根據經營租約持有之土地及根據融資租約持有之樓宇。

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

投資物業初步按成本列賬，並包括相關之交易費用。

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Investment properties (continued)

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

Changes in fair values are recognised in the consolidated income statement.

2.7 Intangible assets

(a) Goodwill

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

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

2. 主要會計政策概要(續)

2.6 投資物業(續)

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

公平值之變動於綜合損益表確認。

2.7 無形資產

(a) 商譽

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

商譽會就減值測試目的分配至現金產生單位，並分配至預期可從商譽產生的業務合併中得益之該等現金產生單位或多組現金產生單位。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Intangible assets (continued)

(b) Concession rights

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

Concession rights are allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the concession rights arose.

2.8 Impairment of investments in subsidiaries, associated companies, jointly controlled entities and non-financial assets

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

2. 主要會計政策概要(續)

2.7 無形資產(續)

(b) 特許權

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

特許權會就減值測試分配至現金產生單位，並分配至預期可從特許權產生的業務合併中得益之該等現金產生單位或多組現金產生單位。

2.8 於附屬公司、聯營公司、合營公司及非金融資產之投資減值

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9 Construction contracts

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

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

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

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

2. 主要會計政策概要(續)

2.9 建築合約

合約成本於產生時確認。當建築合約的結果能可靠估計，則合約收益按很有可能收回已產生之合約成本確認。當建築合約結果能夠可靠預計，且合約將有利可圖，合約收益於合約期間確認。當合約成本總額很有可能超出合約收益總額時，預計虧損會即時確認為開支。

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Financial assets

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

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

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

(b) Loans and receivables

Loans and receivables are classified as “trade and other receivables” and “cash and cash equivalents” in the balance sheet (Notes 2.14 and 2.17).

(c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

2. 主要會計政策概要(續)

2.10 金融資產

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

(a) 按公平值在損益表列賬之金融資產

按公平值在損益表列賬之金融資產為持作買賣之金融資產。倘短期內購入之主要目的是在出售，則該金融資產於此類別分類。除非指定作對沖，否則衍生工具將分類為持作買賣。此類別資產分類為流動資產。

(b) 貸款及應收款

貸款及應收款於資產負債表分類為「應收賬款及其他應收款」及「現金及現金等價物」(附註2.14及2.17)。

(c) 可供出售金融資產

可供出售金融資產為非衍生工具，被指定為此類別或並無分類為任何其他類別。除非管理層有意在結算日後十二個月內出售該項投資，否則此等資產計入非流動資產。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Financial assets (continued)

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the consolidated income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value.

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

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

2. 主要會計政策概要(續)

2.10 金融資產(續)

定期買賣金融資產乃於買賣日期(即本集團承諾買賣有關資產當日)確認入賬。對於所有非按公平值在損益表列賬之金融資產，投資初步按公平值加交易成本確認。按公平值在損益表列賬之金融資產，初步按公平值確認，交易成本於綜合損益表支銷。金融資產於收取投資現金流量的權利屆滿或已經轉讓且本集團已轉讓擁有權絕大部分風險和回報時，解除確認金融資產。可供出售金融資產及按公平值在損益表列賬之金融資產其後按公平值列賬。

因為「按公平值在損益表列賬之金融資產」類別的公平值變動而產生的盈虧，於產生期間綜合損益表列入其他收入／開支。按公平值在損益表列賬之金融資產所得股息收入，於本集團收取款項之權利確定時，於綜合損益表確認，作為其他收入之一部分。

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Financial assets (continued)

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

For the purpose of assessing the fair value of unlisted securities, the Group established fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis and option pricing models, making maximum use of market inputs and relying as little as possible on entity-specific inputs.

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

2. 主要會計政策概要(續)

2.10 金融資產(續)

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

為評估非上市證券之公平值，本集團利用重估技術設定公平值。這些技術包括利用近期公平原則交易、參考大致相同之其他工具、貼現現金流量分析及期權定價模式，並提高使用市場數據投入，且儘可能減少依賴實體特定之數據投入。

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Prepaid land lease payments

Prepaid land lease payments are stated at cost and subsequently are expensed in the consolidated income statement on a straight-line basis over the period of the lease or when there is impairment, the impairment is expensed in the consolidated income statement. During the course of the properties development, the amortisation charged is included as part of the costs of the property under development.

2.12 Completed properties held for sale

Completed properties remaining unsold at the end of the year are stated at the lower of cost and net realisable value.

Cost comprises development costs attributable to the unsold properties.

Net realisable value represents the estimated selling price less costs to be incurred in selling the property.

2.13 Properties under development

Properties under development comprises development costs of properties and the costs paid to acquire land use rights which are stated at the lower of cost and net realisable value. Net realisable value takes into account the price ultimately expected to be realised, less applicable variable selling expenses and the anticipated costs to completion.

Development cost of property comprises construction costs, borrowing costs and professional fees incurred during the development period. Upon obtaining the land use rights certificates, the costs paid for land use rights are transferred to prepaid land lease payments. Upon completion, the properties under development are transferred to either completed properties held for sale or investment properties.

2. 主要會計政策概要(續)

2.11 預付土地租賃款

預付土地租賃款按成本列賬，其後須於租期以直線法在綜合損益表支銷，或倘出現減值，減值會在綜合損益表中支銷。於物業發展過程中，攤銷開支列作發展中物業成本部分。

2.12 作銷售用途之落成物業

於年結尚未出售之作銷售用途之落成物業是按成本與可變現淨值兩者之較低者列賬。

成本包括未出售物業發展成本。

可變現淨值指估計售價扣除出售物業所產生成本後之數額。

2.13 發展中物業

發展中物業包括物業發展成本及就購入土地使用權已付成本，乃按成本與可變現淨值兩者之較低者入賬。可變現淨值已計及預期將可變現之最終價格減適用可變動銷售開支及完成之預期成本。

物業發展成本包括發展期間之建築成本、借款成本及專業費用。於取得土地使用權證時，土地使用權已付成本轉撥至預付土地租賃款。完成時，發展中物業會轉撥至作銷售用途之落成物業或投資物業。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.14 Trade and other receivables

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

2.15 Borrowings

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

2. 主要會計政策概要(續)

2.14 應收賬款及其他應收款

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

2.15 借款

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.15 Borrowings (continued)

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

2.16 Borrowing costs

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

2.17 Cash and cash equivalents

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

2.18 Share capital

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

2.19 Trade payables

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

2.20 Current and deferred income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

2. 主要會計政策概要(續)

2.15 借款(續)

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

2.16 借款成本

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

2.17 現金及現金等價物

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

2.18 股本

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

2.19 應付賬款

應付賬款初步按公平值確認，其後以實際利率法按攤銷成本計量。

2.20 當期及遞延所得稅

即期所得稅開支以本公司附屬公司及聯營公司營運及產生應課稅收入所在國家於結算日已頒佈或實質頒佈之稅法為基準計算。管理層定期就適用稅務規例須作出詮釋的情況評估報稅單，並按預期支付予稅務機關的適當數額計提合適的撥備。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.20 Current and deferred income tax (continued)

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

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

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

2.21 Employee benefits

(a) Employee leave entitlements

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

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

2. 主要會計政策概要(續)

2.20 當期及遞延所得稅(續)

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

遞延所得稅資產是就可能有未來應課稅盈利而就此可使用暫時差異而確認。

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

2.21 僱員福利

(a) 僱員假期應享權利

僱員應享之年假及長期服務休假乃於僱員有權享有時確認。本公司將會就因僱員截至結算日之服務年資而產生之年假及長期服務休假之估計責任計算撥備。

僱員應享病假及產假於僱員放假時方會確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.21 Employee benefits (continued)

(b) Pension obligations

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

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

(c) Share-based compensation

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

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

2. 主要會計政策概要(續)

2.21 僱員福利(續)

(b) 退休金責任

本集團設有強制性公積金計劃(「強積金」)，供香港之合資格僱員參與。

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

(c) 以股份作報酬

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.22 Provisions

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

2.23 Revenue recognition

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

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

- (i) Revenue from individual construction contract is recognised under the percentage of completion method (Note 2.9).
- (ii) Revenue from sales of properties held for sale is recognised upon completion of the sale and purchase agreements or the issue of an occupation permit, by the relevant government authorities, whichever is the later. Deposits and instalments received on properties sold prior to the date of revenue recognition are included in the balance sheet under "trade and other payables".

2. 主要會計政策概要(續)

2.22 撥備

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

2.23 收益確認

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

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

- (i) 來自個別建築合約之收益乃根據完成百分比方法予以確認(附註2.9)。
- (ii) 出售作銷售用途之物業所得收益於完成買賣協議或有關政府當局發出入伙紙時(以較遲者為準)確認。於收益確認日期前已就出售物業所收取之按金及分期付款，列入資產負債表「應付賬款及其他應付款」內。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.23 Revenue recognition (continued)

- (iii) Rental income from investment properties is recognised on a straight-line basis over the terms of the respective leases.
- (iv) Revenue arising from water supply is recognised based on water supplied as recorded by meters read during the year.
- (v) Revenue arising from electricity supply is recognised when electricity is supplied to the provincial grid companies.
- (vi) Dividend income is recognised when the right to receive payment is established.
- (vii) Interest income is recognised on a time proportion basis, taking into account the principal amounts outstanding and the effective interest rates applicable.
- (viii) Property fee income is recognised when the services are rendered.
- (ix) Consultancy fee income is recognised when the services are rendered.
- (x) Grants from the PRC government in relation to the subsidy to the electric utility plants are recognised at their fair value where there is a reasonable assurance that the grant will be received.

2.24 Operating leases

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

2. 主要會計政策概要(續)

2.23 收益確認(續)

- (iii) 來自投資物業之租金收入於有關租期內以直線法確認。
- (iv) 來自供水之收益，按年內讀錶所記錄之供應水量確認。
- (v) 自供電產生之收益於向省級電網公司供電時確認。
- (vi) 股息收入於確立收款之權利時確認。
- (vii) 利息收入根據未償還本金額及適用之實際利率，按時間比例確認。
- (viii) 物業費用收入於提供服務時確認。
- (ix) 顧問費收入於提供服務時確認。
- (x) 就補貼發電廠之中國政府津貼於合理確定將可收取有關津貼時按其公平值確認。

2.24 經營租賃

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.25 Contingent liabilities

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

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

2.26 Dividend distribution

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

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk, and price risk), credit risk and liquidity risk. The Group's major financial instruments include trade and other receivables, cash and bank balances, financial assets at fair value through profit or loss, available-for-sale financial assets, trade and other payables and bank loans. Details of these financial instruments are disclosed in respective notes.

It is the policy of the Group not to enter into derivative transactions for speculative purposes. The derivatives held are not for speculative purpose and cannot be traded in the market. They are part of an embedded investment right to investment assets and are not exposed to market risk (including commodity pricing risk) since the gains and losses on the derivatives are offset by the losses and gains on the underlying assets.

2. 主要會計政策概要(續)

2.25 或然負債

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

或然負債不會確認，但會於財務報表附註披露。倘情況有變可能導致經濟資源流出時，或然負債將確認為撥備。

2.26 派付股息

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

3. 財務風險管理

3.1 財務風險因素

本集團業務涉及多類財務風險：市場風險(包括外匯風險、利率風險及價格風險)、信貸風險及流動資金風險。本集團之主要金融工具包括應收賬款及其他應收款、現金及銀行結餘、按公平值於損益表列賬之金融資產、可供出售金融資產、應付賬款及其他應付款以及銀行貸款。該等金融工具之詳情於各附註披露。

本集團之政策為不會訂立衍生交易作為投機用途。持有的衍生工具並非作投機用途，亦不能在市場上買賣。該等工具乃投資資產之嵌入式投資權利，故並不涉及市場風險(包括商品價格風險)，原因是衍生工具之盈虧被相關資產之盈虧所抵銷。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3. FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

The Group's Board of Directors focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Board of Directors reviews and agrees policies for managing each of these risks and they are summarised below.

(a) Market risk

(i) Foreign exchange risk

The Group operates mainly in Hong Kong and Mainland China and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to HK dollars and the Renminbi.

The Company's subsidiaries are subject to foreign exchange risk arising from future commercial transactions and recognised assets and liabilities such as trade and other receivables, cash and bank balances, trade and other payables and bank loans which are denominated in a currency that is not the functional currency. The majority of the Company's subsidiaries' foreign currency transactions and balances are denominated in the Renminbi. The Group currently does not have any foreign currency hedging policy. However, the management of the Group monitors the foreign exchange exposure closely and will consider hedging significant foreign currency exposure should the need arise.

As at 31st December 2007, if Renminbi had strengthened by 5% against HK dollar with all other variables held constant, the Group's profit for the year would have been approximately RMB26.3 million (2006: Nil) lower.

3. 財務風險管理(續)

3.1 財務風險因素(續)

本集團董事會關注於未能預測之金融市場，並力求減低對本集團財務表現之潛在負面影響。董事會就管理各項風險進行檢討及議定政策，並概述如下。

(a) 市場風險

(i) 外匯風險

本集團主要於香港及中國內地經營業務，面對主要為港元及人民幣等多種外幣之外匯風險。

本公司附屬公司謹須面對未來商業交易及已確認資產及負債(如應收賬款及其他應收款、現金及銀行結餘、應付賬款及其他應付款以及銀行貸款)產生並非以功能貨幣結算之外匯風險。本公司附屬公司大部分外匯交易及結餘以人民幣結算。本集團現時並無任何外匯對沖政策。然而，本集團管理層密切監察外匯風險，並於需要時考慮對沖重大外匯風險。

於二零零七年十二月三十一日，倘人民幣兌港幣升值5%，而所有其他因素維持不變，本集團之年內溢利應減少約人民幣26,300,000元(二零零六年：無)。

3. FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(ii) Price risk

The Group is exposed to the price risk of investment fund because investments held by the Group are classified on the consolidated balance sheet as financial assets at fair value through profit or loss. The Group is not exposed to commodity price risk.

As at 31st December 2007, if the price of the investment fund the Group holds had increased/decreased by 5%, profit for the year would have been increased/decreased by US\$0.5 million (equivalent to approximately HK\$3.9 million).

(iii) Interest rate risk

The Group's interest-rate risk arises from bank borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk due to fluctuation of the prevailing market interest rates. The Group's income and operating cash flows are substantially dependent of changes in market interest rates.

The Group currently does not use any derivative contracts to hedge its exposure to interest rate risk. However, the management will consider hedging significant interest rate exposures should the need arise.

As at 31st December 2007, if interest rate had been increased/decreased 100 basis points with all other variables held constant, the Group's profit for the year would have been decreased/increased by approximately HK\$8.5 million (2006: HK\$6.8 million).

3. 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險(續)

(ii) 價格風險

由於本集團持有之投資於綜合資產負債表分類為按公平值在損益表列賬之金融資產，故本集團面對投資基金價格風險。本集團並無面對商品價格風險。

於二零零七年十二月三十一日，倘本集團持有之投資基金價格增加／減少5%，年內溢利應增加／減少500,000美元(相等於約3,900,000港元)。

(iii) 利率風險

本集團之利率風險源於銀行借款由於現行市場利率波動，按浮動利率授出之借款導致本集團須面對現金流量利率風險。本集團之收入及經營現金流量大致上不受市場利率之變動的影響。

本集團現時並無使用任何衍生合約對沖其面對之利率風險。然而，管理層將於需要時考慮對沖重大利率風險。

於二零零七年十二月三十一日，倘利率增加／減少100個點子，而所有其他因素維持不變，本集團之年內溢利應減少／增加約8,500,000港元(二零零六年：6,800,000港元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3. FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(b) Credit risk

The Group is exposed to credit risk in its restricted cash, cash and cash equivalents and trade and other receivables and deposit paid for a property development project.

The carrying amount of restricted cash, cash and cash equivalents and trade and other receivables, represent the Group's maximum exposure to credit risk in relation to its financial assets.

To manage the credit risk associated with restricted cash and cash and cash equivalents, most of the deposits are mainly placed with certain state-owned banks in the PRC which are high-credit-quality financial institutions and banks with high credit rankings in Hong Kong.

To manage the credit risk associated with trade and other receivables and deposit paid for a property development project, the Group adopts risk control to assess the credit quality of the customer and debtors, taking into accounts of their financial position and past experience.

(c) Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its current obligations when they fall due. The Group measures and monitors its liquidity through the maintenance of prudent ratio regarding to the liquidity structure of the overall assets, liabilities, loans and commitments of the Group. The Group also maintains a conservative level of liquid assets to ensure the availability of sufficient cash flows to meet any unexpected and material cash requirements in the course of ordinary business.

3. 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險

本集團面對受限制現金、現金及現金等價物、應收賬款及其他應收款以及一個物業發展項目已付按金之信貸風險。

受限制現金、現金及現金等價物以及物業發展應收賬款及其他應收款之賬面值，代表本集團就其金融資產面對之最高信貸風險。

為管理受限制現金以及現金及現金等價物之相關信貸風險，大部分存款主要存放於若干中國國有銀行，即高信貸質素之財務機構，以及於香港獲高信貸評級之銀行。

為管理應收賬款及其他應收款以及物業發展項目已付按金之相關信貸風險，本集團已採納風險控制，評估客戶及債務人之信貸質素，並考慮其財務狀況及過往狀況。

(c) 流動資金風險

流動資金風險為本集團未能履行其到期即期責任之風險。本集團就整體資產、負債、貸款及承擔之流動資金架構透過維持審慎的比率計量及監察其流動資金。本集團亦維持流動資產於穩健水平，以確保具備充裕的現金流量應付日常業務中任何未能預測之重大現金需求。

3. FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(c) Liquidity risk (continued)

The following table details the Group's contractual maturity for its financial liabilities. The table has been drawn up with reference to the undiscounted cash flows of financial liabilities before considering the respective interest expenses based on the earliest date on which the Group is required to pay.

3. 財務風險管理(續)

3.1 財務風險因素(續)

(c) 流動資金風險(續)

下表詳列本集團財務負債之合約到期日。下表乃按本集團須付款之最早日期計及不包括相關利息支出之財務負債之未貼現現金流量編製。

		Less than 1 year 一年內 HK\$ Million 百萬港元	Between 1 and 2 years 一至兩年 HK\$ Million 百萬港元	Between 2 and 5 years 二至五年 HK\$ Million 百萬港元	Over 5 years 五年以上 HK\$ Million 百萬港元	Total 總計 HK\$ Million 百萬港元
Group	本集團					
At 31st December 2007	於二零零七年 十二月三十一日					
Bank borrowings and other loans	銀行借款及其他貸款	330.5	185.7	863.4	1,330.6	2,710.2
Trade and other payables	應付賬款及其他應付款	670.0	50.6	–	–	720.6
At 31st December 2006	於二零零六年 十二月三十一日					
Bank borrowings and other loans	銀行借款及其他貸款	369.9	149.6	470.2	1,245.8	2,235.5
Trade and other payables	應付賬款及其他應付款	547.5	67.4	–	–	614.9
Company	本公司					
At 31st December 2007	於二零零七年 十二月三十一日					
Other payables	其他應付款	3.1	–	–	–	3.1
At 31st December 2006	於二零零六年 十二月三十一日					
Other payables	其他應付款	–	–	–	–	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3. FINANCIAL RISK MANAGEMENT (continued)

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or conduct shares buy-back.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings less cash and cash equivalents and restricted cash. Total equity is shown in the consolidated balance sheet.

The gearing ratio at 31st December 2007 and 2006 were as follows:

Current borrowings	流動借款	
Non-current borrowings	非流動借款	
Total borrowings (excluding loans from minority shareholders)	借款總額(不包括少數股東貸款)	
Less: Cash and cash equivalents and restricted cash	減: 現金及現金等價物及受限制現金	
Net (cash)/debt position	(現金)/債務淨額狀況	
Total equity	權益總額	
Gearing ratio	資本負債比率	

As at 31st December 2007, the Group was able to maintain a net cash position of HK\$3,214.7 million, compared with the gearing ratio of 22.9% as at 31st December 2006.

3. 財務風險管理(續)

3.2 資本風險管理

本集團管理資本之宗旨為維持本集團繼續持續經營業務之能力，為股東提供回報及為權益相關者帶來利益，並維持最佳的資本架構從而減少資金成本。

為保持或調整資本架構，本集團或調整付予股東之股息金額、發行新股或進行回購股份。

本集團按資產負債比率基準監控資本。有關比率按債務淨額除以權益總額計算。債務淨額按借款總額減現金及現金等價物計算。權益總額於綜合資產負債表列示。

於二零零七年及二零零六年十二月三十一日之資產負債比率如下：

		Group 本集團	
		2007 二零零七年 HK\$ Million 百萬港元	2006 二零零六年 HK\$ Million 百萬港元
		330.5	369.9
		2,379.7	1,865.6
		2,710.2	2,235.5
		(5,924.9)	(1,356.7)
		(3,214.7)	878.8
		13,385.4	3,839.7
		N/A	22.9%

於二零零七年十二月三十一日，本集團維持現金淨額狀況至3,214,700,000港元，而二零零六年十二月三十一日之負債資本比率則為22.9%。

3. FINANCIAL RISK MANAGEMENT (continued)

3.3 Fair value estimation

The fair value of financial instruments traded in active market (such as the investment fund) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price.

The fair value of financial instruments that are not in an active market is determined by using valuation techniques. The Group takes reference to professional valuations where necessary and uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date.

The carrying value less impairment provision of trade and other receivables and the carrying value of trade and other payables approximate their fair values due to their short maturities. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

3. 財務風險管理(續)

3.3 公平值估計

在活躍市場買賣的金融工具(例如投資基金)之公平值乃根據結算日之市場報價而釐定。本集團所持有金融資產之適用市場報價乃現行買入價。

並非在活躍市場買賣之金融工具公平值乃使用估值方式釐定。本集團於需要時會參考專業估值及採用多種方法，並按各結算日存在之市況作出假設。

賬面值減應收賬款及其他應收款減值撥備以及應付賬款及其他應付款之賬面值與其公平值相若，乃由於其短期到期之性質所致。作為披露目的，財務負債的公平值是根據本集團同類金融工具的現行市場利率對未來合約現金流量貼現而估算。

4. 重大會計估計及判斷

本集團根據以往經驗及其他因素(包括對未來事件所作出在有關情況下相信屬合理之預期)，不斷對估計及判斷作出評估。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

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

(a) Estimates of fair value of investment properties

Knight Frank was engaged to carry out an independent valuation of the Group's investment property portfolio as at 31st December 2007. This valuation was carried out in accordance with the Valuation Standards on Properties of the Hong Kong Institute of Surveyors which defines market value as "the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".

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

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

If the valuation of the investment properties had been 10% higher or lower than the value stated on the valuation report at 31st December 2007, the Group's profit would have been increased or decreased by HK\$53.7 million.

4. 重大會計估計及判斷(續)

本集團對未來作出估計及假設。顧名思義，所得出之會計估算甚少與有關的實際結果相同。導致下一個財務年度資產及負債賬面值出現重大調整風險之估計及假設在下文論述。

(a) 投資物業之公平值估計

萊坊已評估本集團於二零零七年十二月三十一日之投資物業組合。該估值乃根據香港測量師學會之物業估值準則進行。該準則對市值之定義為「該物業於估值日在適當市場推銷後，由自願買方及自願賣方在知情、審慎及並無強迫之情況下，按公平原則進行交易而可交換之估計金額」。

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

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

倘投資物業之估值較二零零七年十二月三十一日之估值報告所列價值高出或低於10%，本集團的溢利應增加或減少53,700,000港元。

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

(b) Estimated impairment of intangible assets

The Group tests annually whether intangible assets has suffered any impairment in accordance with the accounting policy stated in Note 2.7. The calculations use pre-tax cash flow projections based on financial budgets approved by management covering periods of 17 – 29 years.

The unit prices used for the analysis are determined by the management by reference to the agreements approved by the government authorities. The weighted average growth rates used are consistent with the forecasts expected in the industry. The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

(c) Estimate of impairment of properties under development/electric utility plant and equipment

Properties under development/electric utility plant and equipment are reviewed by the management for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amount is the higher of fair value less costs to sell and value in use of the properties under development/electric utility plant and equipment. The management makes judgements on whether such events or changes in circumstances have occurred, and makes estimates in determining the recoverable amount.

(d) Income taxes

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

4. 重大會計估計及判斷(續)

(b) 無形資產之估計減值

本集團根據附註2.7所述之會計政策對無形資產有否出現任何減值進行年度檢測，且已採用稅前現金流量預測按照管理層批准涵蓋17至29年期間之財務預算計算。

分析使用之單位價格經管理層參考政府機關批准之協議釐定。所使用之加權平均增長率與行內之預期預測一致。使用之貼現率為可反映有關分部指定風險之稅前比率。

(c) 發展中物業／發電廠及設備之減值估計

倘有任何事件或情況變動顯示賬面值或未能收回，管理層會審閱發展中物業／發電廠及設備有否出現減值。可收回金額為公平值減銷售成本及發展中物業／發電廠及設備使用價值之較高者。管理層將就有否出現有關事件或情況變動作出判斷，並就釐定可收回金額進行估計。

(d) 所得稅

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

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綜合財務報表附註

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

(e) Revenue recognition

The Group uses the percentage-of-completion method in accounting for its fixed-price contracts to deliver construction services. The use of the percentage-of-completion method requires the Group to estimate the services performed to date as a proportion of the total services to be performed.

4. 重大會計估計及判斷(續)

(e) 收益確認

本集團就提供建築服務之固定價格合約採用完成百分比法計算。完成百分比法的採用規定本集團估計截至該日已履行之服務佔將予履行總服務之比例。

5. SEGMENT INFORMATION

Revenue consists of the gross billing value of contracting work to third parties, sales of properties held for sale, rental income from investment properties and income from water supply and electricity supply, which are HK\$706.1 million and HK\$395.7 million for the years ended 31st December 2007 and 2006 respectively.

5. 分部資料

收益包括向第三方支付合約工程票據總值、作銷售用途之物業銷售、投資物業之租金收入以及供水及供電之收入，於截至二零零七年及二零零六年十二月三十一日止年度分別為706,100,000港元及395,700,000港元。

		2007 二零零七年 HK\$ Million 百萬港元	2006 二零零六年 HK\$ Million 百萬港元
Contract revenue	合約收入	495.1	296.4
Sales proceeds from properties held for sale	作銷售用途之物業銷售所得款項	84.0	15.4
Rental income	租金收入	71.6	58.5
Income from water supply	供水收入	31.4	25.4
Income from electricity supply	供電收入	24.0	—
		706.1	395.7

(a) Primary reporting format – business segments

The Group is organised into four main business segments:

- (1) Construction;
- (2) Property investment and leasing;
- (3) Property development and sales; and
- (4) Infrastructure and alternative energy.

(a) 主要呈報形式－業務分部

本集團由四個主要業務分部組成：

- (1) 建築；
- (2) 物業投資及租賃；
- (3) 物業發展及銷售；及
- (4) 基建及替代能源。

5. SEGMENT INFORMATION (continued)

(a) Primary reporting format – business segments (continued)

The segment results for the year ended 31st December 2007 are as follows:

5. 分部資料(續)

(a) 主要呈報形式 – 業務分部(續)

截至二零零七年十二月三十一日止年度之分部業績如下：

		Construction	Property investment and leasing	Property development and sales	Infrastructure and alternative energy	Other operations	Total Group
		建築	物業投資及租賃	物業發展及銷售	基建及替代能源	其他業務	本集團總額
		HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million
		百萬港元	百萬港元	百萬港元	百萬港元	百萬港元	百萬港元
Revenue	收益	495.1	71.6	84.0	55.4	–	706.1
Operating profit	經營溢利	9.9	602.1	107.6	17.4	80.4	817.4
Finance costs – net (Note 9)	融資成本淨額(附註9)						(80.9)
Share of profits less losses of associated companies	應佔聯營公司溢利減虧損	–	33.7	–	–	–	33.7
Share of losses less profits of jointly controlled entities	應佔合營公司虧損減溢利	16.8	(23.0)	–	–	–	(6.2)
Gain on disposal of associated companies	出售聯營公司之收益	–	–	–	–	181.2	181.2
Profit before income tax	所得稅前溢利						945.2
Income tax expense (Note 12)	所得稅支出(附註12)						(95.5)
Profit for the year	本年度溢利						849.7

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

5. SEGMENT INFORMATION (continued)

(a) Primary reporting format – business segments (continued)

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

5. 分部資料(續)

(a) 主要呈報形式 – 業務分部(續)

截至二零零六年十二月三十一日止年度之分部業績如下：

		Construction	Property investment and leasing 物業投資及租賃	Property development and sales 物業發展及銷售	Infrastructure and alternative energy 基建及替代能源	Other operations 其他業務	Total Group 本集團總額
		HK\$ Million 百萬港元	HK\$ Million 百萬港元	HK\$ Million 百萬港元	HK\$ Million 百萬港元	HK\$ Million 百萬港元	HK\$ Million 百萬港元
Revenue	收益	296.4	58.5	15.4	25.4	–	395.7
Operating profit	經營溢利	13.1	378.9	2.3	5.5	42.8	442.6
Finance costs – net (Note 9)	融資成本淨額(附註9)						(57.3)
Share of profits less losses of associated companies	應佔聯營公司溢利減虧損	–	116.2	–	–	–	116.2
Share of profits less losses of jointly controlled entities	應佔合營公司溢利減虧損	72.8	–	–	–	–	72.8
Profit before income tax	所得稅前溢利						574.3
Income tax credit (Note 12)	所得稅抵免(附註12)						4.0
Profit for the year	本年度溢利						578.3

5. SEGMENT INFORMATION (continued)

(a) Primary reporting format – business segments (continued)

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

5. 分部資料(續)

(a) 主要呈報形式 – 業務分部(續)

其他計入損益表之分部資料如下：

		Year ended 31st December 2007 截至二零零七年十二月三十一日止年度					
		Construction	Property investment and leasing	Property development and sales	Infrastructure and alternative energy	Other operations	Total Group
		建築	物業投資及租賃	物業發展及銷售	基建及替代能源	其他業務	本集團總額
		HK\$ Million 百萬港元	HK\$ Million 百萬港元	HK\$ Million 百萬港元	HK\$ Million 百萬港元	HK\$ Million 百萬港元	HK\$ Million 百萬港元
Depreciation	折舊	–	–	–	(25.1)	(7.1)	(32.2)
Amortisation	攤銷	–	–	(14.7)	(1.6)	(1.6)	(17.9)
Provision for impairment loss on trade and other receivables	應收賬款及其他應收款 減值虧損撥備	–	(1.0)	(32.9)	–	–	(33.9)
Write back of provision for impairment loss on properties held for sale	作銷售用途之物業 減值虧損撥備回撥	–	–	124.3	–	–	124.3
		Year ended 31st December 2006 截至二零零六年十二月三十一日止年度					
		Construction	Property investment and leasing	Property development and sales	Infrastructure and alternative energy	Other operations	Total Group
		建築	物業投資及租賃	物業發展及銷售	基建及替代能源	其他業務	本集團總額
		HK\$ Million 百萬港元	HK\$ Million 百萬港元	HK\$ Million 百萬港元	HK\$ Million 百萬港元	HK\$ Million 百萬港元	HK\$ Million 百萬港元
Depreciation	折舊	–	–	–	(16.7)	(3.7)	(20.4)
Amortisation	攤銷	–	–	–	(1.2)	–	(1.2)
Provision for impairment loss on trade and other receivables	應收賬款及其他應收款 減值虧損撥備	–	(7.4)	–	–	–	(7.4)
Write back of provision for impairment loss on properties held for sale	作銷售用途之物業 減值虧損撥備回撥	–	–	3.0	–	–	3.0

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

5. SEGMENT INFORMATION (continued)

(a) Primary reporting format – business segments (continued)

The segment assets and liabilities at 31st December 2007 and capital expenditure for the year then ended are as follows:

5. 分部資料(續)

(a) 主要呈報形式 – 業務分部(續)

於二零零七年十二月三十一日之分部資產及負債以及截至該日止年度之資本開支如下：

		Construction	Property investment and leasing 物業投資及租賃	Property development and sales 物業發展及銷售	Infrastructure and alternative energy 基建及替代能源	Unallocated 其他業務	Total Group 本集團總額
		HK\$ Million 百萬港元	HK\$ Million 百萬港元	HK\$ Million 百萬港元	HK\$ Million 百萬港元	HK\$ Million 百萬港元	HK\$ Million 百萬港元
Assets	資產	417.9	2,925.1	3,271.4	2,215.1	6,586.1	15,415.6
Associated companies and jointly controlled entities	聯營公司及合營公司	4.1	1,884.3	–	150.3	–	2,038.7
Total assets	資產總額	422.0	4,809.4	3,271.4	2,365.4	6,586.1	17,454.3
Liabilities	負債	475.8	240.7	298.0	1,639.5	1,414.9	4,068.9
Capital expenditure	資本開支	–	–	9.6	548.5	228.4	786.5

5. SEGMENT INFORMATION (continued)

(a) Primary reporting format – business segments (continued)

Segment assets and liabilities are reconciled to entity assets and liabilities as follows:

5. 分部資料(續)

(a) 主要呈報形式 – 業務分部(續)

分部資產及負債與實體資產及負債之對賬如下：

		Assets 資產 HK\$ Million 百萬港元	Liabilities 負債 HK\$ Million 百萬港元
Segment assets/liabilities	分部資產/負債	10,868.2	2,654.0
Unallocated:	未分配：		
Prepaid land lease payments	預付土地租賃款	183.8	—
Property, plant and equipment	物業、機器及設備	51.2	—
Derivative financial instruments	衍生金融工具	5.0	—
Available-for-sale financial assets	可供出售金融資產	25.8	—
Financial assets at fair value through profit or loss	按公平值於損益表列賬之金融資產	93.3	—
Other receivables	其他應收款	302.1	—
Restricted cash	受限制現金	1,508.9	—
Cash and cash equivalents	現金及現金等價物	4,416.0	—
Non-current borrowings	非流動借款	—	926.9
Non-current payables	非流動應付款	—	25.3
Other payables	其他應付款	—	183.6
Current borrowings	流動借款	—	264.2
Current income tax liabilities	當期所得稅負債	—	14.9
Total	總計	17,454.3	4,068.9

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

5. SEGMENT INFORMATION (continued)

(a) Primary reporting format – business segments (continued)

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

5. 分部資料(續)

(a) 主要呈報形式 – 業務分部(續)

於二零零六年十二月三十一日之分部資產及負債以及截至該日止年度之資本開支如下：

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

5. SEGMENT INFORMATION (continued)

(a) Primary reporting format – business segments (continued)

Segment assets and liabilities are reconciled to entity assets and liabilities as follows:

5. 分部資料(續)

(a) 主要呈報形式 – 業務分部(續)

分部資產及負債與實體資產及負債之對賬如下：

		Assets 資產 HK\$ Million 百萬港元	Liabilities 負債 HK\$ Million 百萬港元
Segment assets/liabilities	分部資產/負債	5,530.4	1,911.4
Unallocated:	未分配：		
Property, plant and equipment	物業、機器及設備	14.8	—
Non-current receivables	非流動應收款	1.3	—
Derivative financial instruments	衍生金融工具	8.0	—
Available-for-sale financial assets	可供出售金融資產	4.1	—
Financial assets at fair value through profit or loss	按公平值於損益表列賬之金融資產	11.2	—
Other receivables	其他應收款	34.0	—
Restricted cash	受限制現金	294.2	—
Cash and cash equivalents	現金及現金等價物	1,062.5	—
Deferred income tax liabilities	遞延所得稅負債	—	18.3
Non-current borrowings	非流動借款	—	693.0
Non-current payables	非流動應付款	—	66.6
Other payables	其他應付款	—	207.8
Current borrowings	流動借款	—	211.7
Current income tax liabilities	當期所得稅負債	—	12.0
Total	總計	6,960.5	3,120.8

(b) Secondary reporting format – geographical segments

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

(b) 次要呈報形式 – 地區分部

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

		2007 二零零七年 HK\$ Million 百萬港元	2006 二零零六年 HK\$ Million 百萬港元
Revenue	收益		
Hong Kong	香港	213.8	190.7
Mainland China	中國內地	492.3	205.0
		706.1	395.7

Revenue is allocated based on the region in which the customers are located.

收益乃根據客戶所在地區分配。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

5. SEGMENT INFORMATION (continued)

(b) Secondary reporting format – geographical segments (continued)

		2007 二零零七年 HK\$ Million 百萬港元	2006 二零零六年 HK\$ Million 百萬港元
Segment Assets	分部資產		
Hong Kong	香港	251.4	161.3
Mainland China	中國內地	8,578.1	3,894.2
		8,829.5	4,055.5
Associated companies and jointly controlled entities	聯營公司及合營公司		
Hong Kong	香港	47.4	51.7
Mainland China	中國內地	1,991.3	1,423.2
		2,038.7	1,474.9
Unallocated assets	未分配資產	6,586.1	1,430.1
Total Assets	資產總額	17,454.3	6,960.5

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

資產總額乃按資產所在地分配。

		2007 二零零七年 HK\$ Million 百萬港元	2006 二零零六年 HK\$ Million 百萬港元
Capital expenditure	資本開支		
Hong Kong	香港	98.9	1.6
Mainland China	中國內地	687.6	1,277.5
		786.5	1,279.1

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

資本開支乃按資產所在地分配。

6. OTHER INCOME

6. 其他收入

		2007 二零零七年 HK\$ Million 百萬港元	2006 二零零六年 HK\$ Million 百萬港元
Negative goodwill arising on acquisition of a subsidiary (Note 40)	收購一間附屬公司之負商譽 (附註40)	374.5	178.7
Negative goodwill arising on acquisition of an additional interest in a jointly controlled entity	收購一間合營公司額外權益之負商譽	52.2	—
Fair value gain on investment properties	投資物業之公平值收益	536.8	246.3
Write back of provision for impairment loss on properties held for sale (Note a)	作銷售用途之物業減值虧損撥備回撥 (附註a)	124.3	3.0
Recovery and write back of provision for impairment loss on	以下各項之減值虧損收回及撥備回撥		
– trade receivables	– 應收賬款	0.8	0.8
– other receivables	– 其他應收款	—	4.1
Write back of over provision of PRC tax liabilities (Note b)	中國稅項負債超額撥備回撥 (附註b)	—	148.5
Fair value gain on financial assets at fair value through profit or loss	按公平值在損益表列賬之金融資產之公平值收益	3.2	—
Others	其他	5.9	5.7
		1,097.7	587.1

Notes:

- (a) During the year, the Group has agreed with the relevant local government authorities to develop a parcel of land in Jiangmen, which was vacant and undeveloped in prior years, into a residential and commercial complex. As a result, with reference to the valuation report prepared by Knight Frank, the provision for impairment loss of HK\$124.3 million was written back for the year ended 31st December 2007.
- (b) In prior years, the Group had made provisions to cover potential PRC tax exposures arising from Urban Real Estate Tax, Withholding Tax, Foreign Enterprise Income Tax, Business Tax and City Maintenance and Construction Tax. As a result of obtaining tax clearance from the PRC tax bureau together with a review carried out by an independent tax consultant, the directors reassessed the PRC tax exposures. Accordingly, a write back of the excess PRC tax provision had been made in the last year income statement.

附註：

- (a) 於本年內，本集團與相關當地政府機關同意發展一塊位於江門已空置多年及尚未開發之土地，發展成為住宅及商業中心。參考萊坊編製之估值報告，於截至二零零七年十二月三十一日止年度已撥回減值虧損撥備124,300,000港元。
- (b) 於過往年度，本集團已作出撥備以保障可能因城市房地產稅、代扣稅、外國企業所得稅、營業稅及城市維護建設稅產生之中國稅項風險。因應從中國稅務機關獲得稅項結算及獨立稅務顧問進行審閱，董事已重新評估中國稅項風險。因此，於去年損益表撥回中國稅項超額撥備。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

7. OTHER EXPENSES

7. 其他費用

		2007	2006
		二零零七年	二零零六年
		HK\$ Million	HK\$ Million
		百萬港元	百萬港元
Provision for impairment loss on	減值虧損撥備		
– trade receivables	– 應收賬款	(1.0)	(1.4)
– other receivables	– 其他應收款	(32.9)	(6.0)
Derivative financial instruments – options	衍生金融工具 – 期權	(3.0)	(2.0)
Net exchange losses	匯兌虧損淨額	(41.8)	(14.8)
Amortisation:	攤銷：		
– prepaid land lease payments (Note 17)	– 預付土地租賃款 (附註17)	(16.3)	–
– concession rights (Note 20)	– 特許權(附註20)	(0.4)	(0.3)
Pre-operating expenses:	營運前開支：		
– property development projects	– 物業發展項目	(3.1)	–
– infrastructure projects	– 基建項目	(3.8)	(8.3)
Tendering costs	投標成本	(0.7)	(22.9)
Fair value loss on financial assets at fair value through profit or loss	按公平值在損益表列賬之 金融資產公平值虧損	–	(4.2)
Other expenses	其他開支	(15.2)	(17.8)
		(118.2)	(77.7)

8. EXPENSES BY NATURE

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

8. 按性質劃分之費用

已計入銷售成本及行政費用之開支分析如下：

		2007	2006
		二零零七年	二零零六年
		HK\$ Million	HK\$ Million
		百萬港元	百萬港元
Cost of construction	建築成本	(484.5)	(279.3)
Cost of properties sold	已售物業成本	(82.8)	(17.9)
Direct operating expenses arising from investment properties that generate rental income	可賺取租金收入之投資物業產生之直接經營開支	(11.7)	(4.8)
Employee benefit expenses (including directors' emoluments) (Note 11)	僱員福利開支(包括董事酬金)(附註11)	(128.7)	(66.5)
Amortisation of prepaid land lease payments (Note 17)	預付土地租賃款攤銷(附註17)	(1.2)	(0.9)
Depreciation of property, plant and equipment (Note 18)	物業、機器及設備折舊(附註18)	(32.2)	(20.4)
Auditors' remuneration	核數師酬金	(4.6)	(3.8)
Operating lease rental expenses	經營租賃之租金開支	(4.7)	(5.9)
Corporate expenses	公司費用	(49.7)	(33.3)
Transportation expenses	運輸費用	(13.8)	(6.0)
Property management and agency fees	物業管理及中介費	(19.8)	(12.6)
Advertising costs	廣告成本	(3.3)	(0.6)
Printing expenses	印刷費	(4.7)	(1.7)
Other expenses	其他開支	(40.0)	(19.1)
Total cost of sales and administrative expenses	銷售成本及行政費用總額	(881.7)	(472.8)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

9. FINANCE INCOME AND COSTS

9. 財務收入及融資成本

		2007 二零零七年 HK\$ Million 百萬港元	2006 二零零六年 HK\$ Million 百萬港元
Interest expenses:	利息開支：		
Bank loans, wholly repayable within 5 years	銀行貸款，須於五年內全部償還	(93.2)	(21.1)
Bank loans, not wholly repayable within 5 years	銀行貸款，毋須於五年內全部償還	(113.6)	(67.6)
Other loans, wholly repayable within 5 years	其他貸款，須於五年內全部償還	(39.9)	(22.6)
Other loans, not wholly repayable within 5 years	其他貸款，毋須於五年內全部償還	(5.8)	(6.1)
		<hr/>	<hr/>
		(252.5)	(117.4)
Less: Capitalised in construction-in-progress at capitalisation rates of 5.11% – 7.83% (2006: 2.25% – 6.64%)	減：按資本化率5.11%–7.83% (2006: 2.25%–6.64%)計入在建工程中資本化部分	90.2	50.4
		<hr/>	<hr/>
Finance costs	融資成本	(162.3)	(67.0)
Finance income – interest income on bank deposits	財務收入 – 銀行存款之利息收入	81.4	9.7
		<hr/>	<hr/>
Net finance costs	融資成本淨額	(80.9)	(57.3)

10. DIRECTORS' AND SENIOR MANAGEMENT'S REMUNERATION

(a) Directors' emoluments

The remuneration of every Director for the year ended 31st December 2007 is set out below:

Name of Director	董事姓名	Fees 袍金 HK\$'000 千港元	Special fees 特別袍金 HK\$'000 千港元	Salary & other benefits 薪金及其他福利 HK\$'000 千港元	Discretionary bonus 酌情花紅 HK\$'000 千港元	Employer's contribution to pension scheme 退休金計劃之僱主供款 HK\$'000 千港元	Total 總額 HK\$'000 千港元
OEI Tjie Goan	黃志源	50.0	—	—	—	—	50.0
WANG Jun	王軍	50.0	—	—	—	—	50.0
LI Xueming	李學明	50.0	—	—	—	—	50.0
XU Zheng	徐征	50.0	—	—	—	—	50.0
OEI Kang, Eric	黃剛	50.0	—	5,201.7	5,795.0	12.0	11,058.7
CHEN Libo	陳立波	50.0	—	3,781.7	4,950.0	12.0	8,793.7
NG Chi Man, Michael	吳志文	29.2	—	1,943.3	3,208.3	7.0	5,187.8
TSANG Sai Chung, Kirk	曾細忠	50.0	—	1,532.7	910.0	12.0	2,504.7
CHAN Kwok Fong, Joseph	陳國芳	25.3	—	854.4	985.8	6.1	1,871.6
TANG Sau Wai, Tom	鄧守偉	50.0	—	1,855.7	468.0	12.0	2,385.7
CHENG Sum Hing, Sam	鄭森興	24.7	—	921.3	—	5.9	951.9
YEN Teresa	閻孟琪	12.3	—	—	—	—	12.3
LIU Guolin	劉國林	50.0	—	—	—	—	50.0
FAN Yan Hok, Philip	范仁鶴	125.0	100.0	—	—	—	225.0
CHUNG Cho Yee, Mico	鍾楚義	125.0	100.0	—	—	—	225.0
CHENG Yuk Wo	鄭毓和	125.0	100.0	—	—	—	225.0
Albert Thomas DA ROSA, Junior	羅凱栢	125.0	100.0	—	—	—	225.0
		1,041.5	400.0	16,090.8	16,317.1	67.0	33,916.4

10. 董事及高級管理層酬金

(a) 董事酬金

各董事於截至二零零七年十二月三十一日年度的酬金如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

10. DIRECTORS' AND SENIOR MANAGEMENT'S REMUNERATION (continued)

(a) Directors' emoluments (continued)

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

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

Notes:

- Mr. NG Chi Man, Michael was appointed as an executive director on 1st June 2007.
- Mr. CHAN Kwok Fong, Joseph was appointed as an executive director on 29th June 2007.
- Mr. CHENG Sum Hing, Sam resigned as an executive director on 29th June 2007.
- Ms. YEN Teresa was appointed as a non-executive director on 3rd October 2007.
- Mr. WANG Jun resigned as honorary chairman and non-executive director on 17th April 2008.

10. 董事及高級管理層酬金(續)

(a) 董事酬金(續)

各董事於截至二零零六年十二月三十一日年度的酬金如下：

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

附註：

- 吳志文先生於二零零七年六月一日獲委任為執行董事。
- 陳國芳先生於二零零七年六月二十九日獲委任為執行董事。
- 鄭森興先生於二零零七年六月二十九日辭任執行董事。
- 閻孟琪女士於二零零七年十月三日獲委任為非執行董事。
- 王軍先生於二零零八年四月十七日辭任名譽主席兼非執行董事。

10. DIRECTORS' AND SENIOR MANAGEMENT'S REMUNERATION (continued)

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include four (2006: four) directors whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining one (2006: one) individual during the year are as follows:

		2007 二零零七年 HK\$ Million 百萬港元	2006 二零零六年 HK\$ Million 百萬港元
Basic salaries, housing allowances, share options, other allowances and benefits in kind	基本薪金、房屋津貼、購股權、其他津貼及實物利益	2.5	1.4
Bonuses	花紅	0.9	1.5
		3.4	2.9

The emoluments of the individual fell within the following bands:

Emolument band	酬金範圍	2007 二零零七年 Number of individuals 人數	2006 二零零六年 Number of individuals 人數
HK\$2,500,001 – HK\$3,000,000	2,500,001港元 – 3,000,000港元	–	1
HK\$3,000,001 – HK\$3,500,000	3,000,001港元 – 3,500,000港元	1	–

(c) Share options

The details of the share option schemes of the Company are stated in pages 57 to 63 of the Report of the Directors.

10. 董事及高級管理層酬金(續)

(b) 五名酬金最高人士

年內，本集團五名酬金最高人士包括四名(二零零六年：四名)董事，其酬金詳情載於上文。年內向其餘一名(二零零六年：一名)人士支付的酬金如下：

		2007 二零零七年 HK\$ Million 百萬港元	2006 二零零六年 HK\$ Million 百萬港元
基本薪金、房屋津貼、購股權、其他津貼及實物利益		2.5	1.4
花紅		0.9	1.5
		3.4	2.9

該名人士的酬金介乎下列範圍：

Emolument band	酬金範圍	2007 二零零七年 Number of individuals 人數	2006 二零零六年 Number of individuals 人數
2,500,001港元 – 3,000,000港元		–	1
3,000,001港元 – 3,500,000港元		1	–

(c) 購股權

本公司之購股權計劃詳情載於第57至63頁的董事會報告。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

10. DIRECTORS' AND SENIOR MANAGEMENT'S REMUNERATION (continued)

(c) Share options (continued)

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

		Number of options 購股權數目	
		2007 二零零七年	2006 二零零六年
At 1st January	於一月一日	138,900,000	—
Granted	已授出	29,000,000	143,260,000
Exercised	已行使	(2,200,000)	—
Cancelled	已註銷	—	(4,360,000)
At 31st December	於十二月三十一日	165,700,000	138,900,000
Options vested at 31st December	於十二月三十一日歸屬之購股權	40,625,000	—

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

10. 董事及高級管理層酬金(續)

(c) 購股權(續)

年內，尚未行使之購股權數目變動如下：

		Number of options 購股權數目	
		2007 二零零七年	2006 二零零六年
At 1st January	於一月一日	138,900,000	—
Granted	已授出	29,000,000	143,260,000
Exercised	已行使	(2,200,000)	—
Cancelled	已註銷	—	(4,360,000)
At 31st December	於十二月三十一日	165,700,000	138,900,000
Options vested at 31st December	於十二月三十一日歸屬之購股權	40,625,000	—

於年終時尚未行使購股權之年期如下：

Date of grant 授出日期	Exercise period 行使期間	Exercise price 行使價 HK\$ 港元	Number of options 購股權數目	
			2007 二零零七年	2006 二零零六年
15th December 2006 二零零六年十二月十五日	15th December 2007 to 14th December 2016 二零零七年十二月十五日至 二零一六年十二月十四日	1.420	136,700,000	138,900,000
7th June 2007 二零零七年六月七日	7th June 2008 to 6th June 2017 二零零八年六月七日至 二零一七年六月六日	1.948	10,000,000	—
3rd July 2007 二零零七年七月三日	15th December 2007 to 2nd July 2017 二零零七年十二月十五日至 二零一七年七月二日	2.300	10,000,000	—
3rd July 2007 二零零七年七月三日	3rd July 2008 to 2nd July 2017 二零零八年七月三日至 二零一七年七月二日	2.300	9,000,000	—
At 31st December	十二月三十一日		165,700,000	138,900,000
Options vested at 31st December	於十二月三十一日歸屬 之購股權		40,625,000	—

10. DIRECTORS' AND SENIOR MANAGEMENT'S REMUNERATION (continued)

(c) Share options (continued)

The fair value of options granted during the period determined using the Binomial valuation model is HK\$19.7 million. The significant inputs into the model were share price of HK\$1.92 and HK\$2.3, at the grant date of 7th June 2007 and 3rd July 2007 respectively, exercise price shown above, volatility of 50%, dividend yield of 7%, an expected option life range from 5 years to 8 years and on annual risk-free interest rate range from 4.695% to 4.699%. The volatility measured at the standard deviation of continuously compounded share returns is based on statistical analysis of weekly share prices over the last 12 months.

11. EMPLOYEE BENEFIT EXPENSES

Wages, salaries and other benefits	工資、薪金及其他福利	(99.9)	(58.7)
Employee share option benefits	僱員購股權福利	(36.7)	(15.0)
Pension costs	退休金成本		
– Defined contribution plan (Note a)	– 定額供款計劃(附註a)	(0.5)	(0.5)
Write back of provision for unused annual leave	未使用年假撥備回撥	0.1	0.2
		(137.0)	(74.0)
Capitalised in properties under development	已於發展中物業撥充資本	6.3	–
Charged to cost of construction contracts	在建築合約成本中扣減	2.0	7.5
Amount charged to income statement (Note 8)	在損益表扣除之金額(附註8)	(128.7)	(66.5)

Notes:

- (a) The Group operates the MPF scheme under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement scheme administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the scheme at 5% of the employee's relevant income, subject to a cap of monthly relevant income of HK\$20,000. Contributions to the scheme vest immediately.
- (b) Contributions totaling HK\$0.4 million (2006: HK\$0.4 million) were payable under the MPF scheme at 31st December 2007.

10. 董事及高級管理層酬金(續)

(c) 購股權(續)

使用二項式估值模型釐定於期內授出購股權之公平值為19,700,000港元。輸入該模型的重大變數為於授出日期二零零七年六月七日及二零零七年七月三日，股價分別為1.92港元及2.3港元、上述行使價、波幅50%、股息率7%、購股權預期年期介乎5至8年，並按無風險年息率4.695厘至4.699厘計算。以持續複合股份回報率之標準偏差計算之波幅乃根據過往12個月之每週股價統計分析計算。

11. 僱員福利開支

	2007 二零零七年 HK\$ Million 百萬港元	2006 二零零六年 HK\$ Million 百萬港元
Wages, salaries and other benefits	(99.9)	(58.7)
Employee share option benefits	(36.7)	(15.0)
Pension costs		
– Defined contribution plan (Note a)	(0.5)	(0.5)
Write back of provision for unused annual leave	0.1	0.2
	(137.0)	(74.0)
Capitalised in properties under development	6.3	–
Charged to cost of construction contracts	2.0	7.5
Amount charged to income statement (Note 8)	(128.7)	(66.5)

附註：

- (a) 本集團按照香港強制性公積金計劃條例之規定設立一項強積金計劃。該計劃是為根據香港僱傭條例受僱之僱員而設。強積金計劃是由獨立信託人管理之定額供款退休金計劃。根據強積金計劃，僱主和僱員均須按照僱員相關入息之5%向計劃作出供款；但每月之相關入息上限為20,000港元。計劃供款隨即悉數歸於僱員。
- (b) 合共400,000港元(二零零六年：400,000港元)之供款須根據強積金計劃於二零零七年十二月三十一日向基金支付。

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12. INCOME TAX (EXPENSE)/CREDIT

Hong Kong profits tax has not been provided as the Group has sufficient tax losses brought forward to offset taxable profit for the year (2006: Nil). Mainland China income tax has been provided on the estimated assessable profits of subsidiaries operating in Mainland China at the rates ranging from 15% to 33% (2006: 15% to 33%).

12. 所得稅(支出)／抵免

由於本集團擁有足夠承前稅項虧損以抵銷本年度應課稅溢利，故並無就香港利得稅作出撥備(二零零六年：無)。中國內地所得稅則按照在中國內地經營之附屬公司之估計應課稅溢利，按介乎15%至33%之稅率(二零零六年：15%至33%)作出撥備。

		2007 二零零七年 HK\$ Million 百萬港元	2006 二零零六年 HK\$ Million 百萬港元
Current income tax	當期所得稅		
Mainland China income tax	中國內地所得稅	(5.2)	(1.9)
Over provision in prior years	以往年度超額撥備	1.8	5.9
		(3.4)	4.0
Deferred income tax (Note 36)	遞延所得稅 (附註36)		
Change in fair value of investment properties	投資物業公平值變動	(84.5)	—
Impact of new Corporate Income Tax Law (Note (a))	新企業所得稅法之影響 (附註(a))	(7.6)	—
		(92.1)	—
		(95.5)	4.0

Notes:

- (a) On 16th March 2007, the National People's Congress approved the Corporate Income Tax Law of the People's Republic of China (the new "CIT Law"). The new CIT Law reduces (increases) the corporate income tax rate for domestic enterprises (foreign invested enterprises) from 33% (15% or 24%) to 25% with effect from 1st January 2008. The new CIT Law also provides for preferential tax rates, tax incentives for prescribed industries and activities, grandfathering provisions as well as determination of taxable profit. As a result of the new CIT Law, the carrying amount of net deferred tax liabilities for the year ended 31st December 2007 has been increased by HK\$7.6 million.
- (b) Share of income tax of associated companies amounting to HK\$4.0 million (2006: HK\$71.7 million) are included in the consolidated income statement as share of profits less losses of associated companies. Share of income tax of jointly controlled entities is nil for the years ended 31st December 2007 and 2006.

附註：

- (a) 於二零零七年三月十六日，全國人民代表大會批准中華人民共和國企業所得稅法(「新企業所得稅法」)。新企業所得稅法將國內企業(外資企業)之企業所得稅率由33%(15%或24%)調整至25%，自二零零八年一月一日起生效。新企業所得稅法亦規定優惠稅率、指定行業及活動之稅項優惠、過渡性條文及釐定應課稅溢利。新企業所得稅法導致截至二零零七年十二月三十一日止年度之遞延稅項負債淨額賬面金額增加7,600,000港元。
- (b) 應佔聯營公司的所得稅為4,000,000港元(二零零六年：71,700,000港元)，分別按應佔聯營公司溢利減虧損計入綜合損益表。於截至二零零七及二零零六年十二月三十一日止年度，合營公司之應佔所得稅為零。

12. INCOME TAX (EXPENSE)/CREDIT (continued)

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

12. 所得稅(支出)／抵免(續)

本集團除所得稅前溢利之稅項，與採用加權平均稅率而適用於合併企業溢利之理論稅項，差額如下：

		2007 二零零七年 HK\$ Million 百萬港元	2006 二零零六年 HK\$ Million 百萬港元
Profit before income tax	所得稅前溢利	945.2	574.3
Tax calculated at the domestic rates applicable to profits in the respective countries	按有關國家之溢利所適用 國內稅率計算之稅項	(168.8)	(118.3)
Profits and losses attributable to associated companies	聯營公司應佔溢利及虧損	6.8	31.7
Losses and profits attributable to jointly controlled entities	合營公司應佔虧損及溢利	(0.5)	12.8
Expenses not deductible for taxation purposes	不可扣稅之費用	(93.9)	(41.9)
Income not subject to tax	毋須課稅收入	167.9	112.3
Tax losses not recognised	未確認之稅項虧損	(1.2)	(1.8)
Utilisation of previously unrecognised tax losses	運用過往年度未確認稅項虧損	—	3.3
Effect on opening deferred tax of change in tax rate	稅率變動之年初遞延稅項影響	(7.6)	—
Over provision in prior years	以往年度超額撥備	1.8	5.9
Tax (charge)/credit	稅項(扣除)／抵免	(95.5)	4.0

The weighted average applicable tax rate was 18% (2006: 21%).

加權平均適用稅率為18%(二零零六年：21%)。

13. PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The profit attributable to equity holders of the Company is dealt with in the financial statements of the Company to the extent of HK\$288.5 million (2006: HK\$878.2 million).

13. 本公司股東權益持有人應佔溢利

計入本公司財務報表之本公司股東權益持有人應佔溢利為288,500,000港元(二零零六年：878,200,000港元)。

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14. EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

Profit attributable to equity holders of the Company (HK\$ Million)	本公司股東權益持有人應佔溢利 (百萬港元)	834.6	579.4
Weighted average number of ordinary shares in issue (Million)	已發行普通股之加權平均數 (百萬)	5,296.2	2,695.7
Basic earnings per share (HK cents per share)	每股基本盈利 (每股港仙)	15.8	21.5

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential shares arising from the exercise of the share options. A calculation is made in order to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

Profit attributable to equity holders of the Company (HK\$ Million)	本公司股東權益持有人應佔溢利 (百萬港元)	834.6	579.4
Weighted average number of ordinary shares in issue (Million)	已發行普通股之加權平均數 (百萬)	5,296.2	2,695.7
Adjustments for share options (Million)	購股權調整 (百萬)	31.0	—
Weighted average number of ordinary shares for diluted earnings per share (Million)	計算每股攤薄盈利之 普通股加權平均數 (百萬)	5,327.2	2,695.7
Diluted earnings per share (HK cents per share)	每股攤薄盈利 (每股港仙)	15.7	21.5

14. 每股盈利

(a) 基本

每股基本盈利乃根據本公司股東權益持有人應佔溢利除年內已發行普通股之加權平均數計算。

	2007 二零零七年	2006 二零零六年
Profit attributable to equity holders of the Company (HK\$ Million)	834.6	579.4
Weighted average number of ordinary shares in issue (Million)	5,296.2	2,695.7
Basic earnings per share (HK cents per share)	15.8	21.5

(b) 攤薄

每股攤薄盈利乃透過調整已發行普通股之加權平均數，以假設所有因行使購股權而產生之攤薄潛在股份均已獲兌換而計算。有關計算乃根據尚未行使購股權所附認購權之貨幣價值作出，用以釐定原應以公平值(釐定為本公司股份之全年平均市場股價)收購之股份數目。上文計算之股份數目乃與假設購股權行使而已發行之股份數目作比較。

	2007 二零零七年	2006 二零零六年
Profit attributable to equity holders of the Company (HK\$ Million)	834.6	579.4
Weighted average number of ordinary shares in issue (Million)	5,296.2	2,695.7
Adjustments for share options (Million)	31.0	—
Weighted average number of ordinary shares for diluted earnings per share (Million)	5,327.2	2,695.7
Diluted earnings per share (HK cents per share)	15.7	21.5

15. DIVIDENDS

15. 股息

		2007 二零零七年 HK\$ Million 百萬港元	2006 二零零六年 HK\$ Million 百萬港元
Interim:	中期：		
Special dividend paid, of HK2.0 cents (2006: Nil) per ordinary share	已付特別股息，每股普通股2.0港仙 (二零零六年：無)	108.7	—
Interim dividend paid, of HK8.0 cents (2006: HK4.5 cents) per ordinary share	已付中期股息，每股普通股8.0港仙 (二零零六年：4.5港仙)	434.6	130.6
Final:	末期：		
Proposed special dividend, of HK2.0 cents (2006: Nil) per ordinary share	擬派特別股息，每股普通股2.0港仙 (二零零六年：無)	162.1	—
Proposed final dividend, of HK1.5 cents (2006: HK6.0 cents) per ordinary share	擬派末期股息，每股普通股1.5港仙 (二零零六年：6.0港仙)	121.6	288.8
		827.0	419.4

On 23rd April 2008, the Board of Directors proposed a special dividend of HK2.0 cents per ordinary share and a final dividend of HK1.5 cents per ordinary share payable in cash, the amounts of which are not accounted for until they are approved at the forthcoming annual general meeting. The amounts will be reflected as an appropriation of the retained earnings for the year ending 31st December 2008.

The final dividend of HK6.0 cents per ordinary share for the year ended 31st December 2006, totaling HK\$288.8 million (2005: HK\$116.4 million) was approved at the annual general meeting held on 28th May 2007 and paid in June 2007. It has been reflected as an appropriation of retained earnings for the year ended 31st December 2007.

於二零零八年四月二十三日，董事會建議以現金派付特別股息每股普通股2.0港仙及末期股息每股普通股1.5港仙，有關金額於即將舉行之股東週年大會上獲批准後方會入賬。該金額將入賬列作截至二零零八年十二月三十一日止年度之保留溢利分配。

截至二零零六年十二月三十一日止年度每股普通股6.0港仙之末期股息總數為288,800,000港元(二零零五年：116,400,000港元)。上述股息金額於二零零七年五月二十八日舉行之股東週年大會獲批准，並已於二零零七年六月派付。該金額已入賬列作截至二零零七年十二月三十一日止年度之保留溢利分配。

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16. INVESTMENT PROPERTIES – GROUP

16. 投資物業－集團

		2007	2006
		二零零七年	二零零六年
		HK\$ Million	HK\$ Million
		百萬港元	百萬港元
At 1st January	於一月一日	2,193.4	1,304.8
Acquisition of a subsidiary	收購一間附屬公司	–	578.0
Exchange differences	匯兌差額	192.0	64.3
Fair value gains	公平值收益	536.8	246.3
		<hr/>	<hr/>
At 31st December	於十二月三十一日	2,922.2	2,193.4

The investment properties were revalued at 31st December 2007 on an open market basis by Knight Frank.

投資物業由萊坊於二零零七年十二月三十一日按公開市場基準重估。

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

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

As at 31st December 2007, investment properties in Mainland China of HK\$1,349.9 million (2006: HK\$1,852.2 million) were pledged as securities for the Group's long-term borrowings (Note 35).

於二零零七年十二月三十一日，中國內地價值1,349,900,000港元（二零零六年：1,852,200,000港元）之投資物業，已作為本集團所獲長期借款之抵押（附註35）。

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

本集團於投資物業之權益按賬面淨值及租期分析如下：

		2007	2006
		二零零七年	二零零六年
		HK\$ Million	HK\$ Million
		百萬港元	百萬港元
In Mainland China, held on:	於中國內地持有：		
Leases of between 10 to 50 years	介乎10至50年之租賃	2,922.2	2,193.4
		<hr/>	<hr/>

17. PREPAID LAND LEASE PAYMENTS – GROUP

17. 預付土地租賃款－集團

		2007	2006
		二零零七年 HK\$ Million	二零零六年 HK\$ Million
		百萬港元	百萬港元
At 1st January	於一月一日	224.6	157.4
Exchange differences	匯兌差額	72.1	5.8
Additions	添置	773.6	68.1
Acquisition of a subsidiary (Note 40)	收購一間附屬公司(附註40)	1,189.0	–
Transfer from a deposit paid for a property development project	自物業發展項目之已付按金轉入	16.5	–
Transfer from construction-in-progress (Note 18)	自在建工程轉入(附註18)	14.9	1.3
Amortisation	攤銷		
– Capitalised in properties under development (Note 19)	– 已於發展中物業撥充資本(附註19)	(5.6)	–
– Capitalised in construction-in-progress	– 已於在建工程撥充資本	(7.8)	(7.1)
– Recognised as expenses (Notes 7 & 8)	– 已確認為開支(附註7及8)	(17.5)	(0.9)
At 31st December	於十二月三十一日	2,259.8	224.6
In Hong Kong, held on:	於香港持有:		
Leases of between 10 to 50 years	介乎10至50年之租賃	82.5	–
In Mainland China, held on:	於中國持有:		
Leases of over 50 years	超過50年之租賃	1,240.3	–
Leases of between 10 to 50 years	介乎10至50年之租賃	937.0	224.6
		2,259.8	224.6

Certain bank borrowings are secured by the Group's prepaid land lease payments with carrying values of HK\$18.8 million (2006: HK\$3.7 million) (Note 35).

本集團面值18,800,000港元(二零零六年: 3,700,000港元)之預付土地租賃款已抵押以取得若干銀行借款(附註35)。

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綜合財務報表附註

18. PROPERTY, PLANT AND EQUIPMENT – GROUP

18. 物業、機器及設備－集團

		Construction- in-progress	Electric utility plant and equipment	Water utility plant and equipment	Other plant and equipment 其他 機器及設備	Buildings 樓宇	Total 總額
		HK\$ Million 百萬港元	HK\$ Million 百萬港元	HK\$ Million 百萬港元	HK\$ Million 百萬港元	HK\$ Million 百萬港元	HK\$ Million 百萬港元
At 1st January 2006	於二零零六年一月一日						
Cost	成本	258.7	–	208.8	35.1	8.2	510.8
Accumulated depreciation and impairment	累計折舊及減值	–	–	–	(23.5)	(4.6)	(28.1)
Net book amount	賬面淨值	258.7	–	208.8	11.6	3.6	482.7
Year ended 31st December 2006	截至二零零六年十二月三十一日 止年度						
Opening net book amount	年初賬面淨值	258.7	–	208.8	11.6	3.6	482.7
Exchange differences	匯兌差額	9.5	–	7.7	0.3	–	17.5
Acquisition of a subsidiary	收購一間附屬公司	–	–	–	0.2	–	0.2
Transfer in/(out)	轉入/(出)	(28.8)	–	19.3	–	8.2	(1.3)
Additions	添置	620.9	–	–	11.9	–	632.8
Disposals	出售	–	–	–	(0.5)	–	(0.5)
Depreciation	折舊	–	–	(16.7)	(5.9)	(0.2)	(22.8)
Closing net book amount	年終賬面淨值	860.3	–	219.1	17.6	11.6	1,108.6
At 31st December 2006	於二零零六年十二月三十一日						
Cost	成本	860.3	–	235.8	46.1	16.4	1,158.6
Accumulated depreciation and impairment	累計折舊及減值	–	–	(16.7)	(28.5)	(4.8)	(50.0)
Net book amount	賬面淨值	860.3	–	219.1	17.6	11.6	1,108.6

18. PROPERTY, PLANT AND EQUIPMENT – GROUP
(continued)

18. 物業、機器及設備－集團(續)

		Construction- in-progress	Electric utility plant and equipment	Water utility plant and equipment	Other plant and equipment 其他	Buildings 樓宇	Total 總額
		HK\$ Million 百萬港元	HK\$ Million 百萬港元	HK\$ Million 百萬港元	HK\$ Million 百萬港元	HK\$ Million 百萬港元	HK\$ Million 百萬港元
Year ended 31st December 2007	截至二零零七年十二月三十一日 止年度						
Opening net book amount	年初賬面淨值	860.3	–	219.1	17.6	11.6	1,108.6
Exchange differences	匯兌差額	65.7	(0.4)	16.1	0.4	0.6	82.4
Transfer in/(out)	轉入/(出)	(650.5)	635.6	–	–	–	(14.9)
Additions	添置	544.9	–	0.2	23.9	32.1	601.1
Disposals	出售	–	–	–	(0.8)	–	(0.8)
Depreciation	折舊	–	(7.8)	(17.4)	(8.9)	(0.9)	(35.0)
Closing net book amount	年終賬面淨值	820.4	627.4	218.0	32.2	43.4	1,741.4
At 31st December 2007	於二零零七年十二月三十一日						
Cost	成本	820.4	635.6	254.1	68.0	49.2	1,827.3
Accumulated depreciation and impairment	累計折舊及減值	–	(8.2)	(36.1)	(35.8)	(5.8)	(85.9)
Net book amount	賬面淨值	820.4	627.4	218.0	32.2	43.4	1,741.4

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

在建工程指在資產負債表按所動用成本淨值入賬之建造成本。

Depreciation expenses of HK\$0.8 million (2006: HK\$0.4 million) have been included in cost of construction, HK\$2.0 million (2006: HK\$2.0 million) has been capitalised in infrastructure projects and HK\$32.2 million (2006: HK\$20.4 million) has been included in cost of sales and administrative expenses (Note 8).

折舊開支800,000港元(二零零六年: 400,000港元)包括建築成本, 2,000,000港元(二零零六年: 2,000,000港元)已於基建項目撥充之資本, 而32,200,000港元(二零零六年: 20,400,000港元)已計入銷售成本及行政費用(附註8)。

Certain bank borrowing are secured by the Group's electric utility plant and equipment with carrying values of HK\$446.9 million (2006: Nil) (Note 35).

本集團賬面值446,900,000港元(二零零六年: 無)之發電廠及設備已抵押以取得若干銀行借款(附註35)。

Certain bank borrowings were secured by the Group's construction-in-progress with carrying values of HK\$262.4 million in 2006.

本集團於二零零六年賬面值262,400,000港元之在建工程已抵押以取得若干銀行貸款。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

19. PROPERTIES UNDER DEVELOPMENT – GROUP 19. 發展中物業 – 集團

		2007 二零零七年 HK\$ Million 百萬港元	2006 二零零六年 HK\$ Million 百萬港元
Properties under development comprise:	發展中物業包括：		
Land costs	土地成本	1,139.6	—
Construction costs and capitalised expenditures	建築成本及資本開支	213.6	—
Amortisation of prepaid land lease payments (Note 17)	預付土地租賃款攤銷(附註17)	5.6	—
		1,358.8	—

Included in the properties under development was a deposit of HK\$1,000.2 million paid to acquire land use rights of which the certificates were still in the progress of being obtained.

計入發展中物業之項目為就購入土地使用權之按金1,000,200,000港元，有關使用權證於當時仍未取得。

The properties under development are all located in Mainland China.

發展中物業全部位於中國內地。

20. INTANGIBLE ASSETS – GROUP

20. 無形資產－集團

		Goodwill 商譽 HK\$ Million 百萬港元	Concession rights 特許權 HK\$ Million 百萬港元	Total 總額 HK\$ Million 百萬港元
At 1st January 2006	於二零零六年一月一日			
Cost	成本	–	57.3	57.3
Accumulated amortisation	累計攤銷	–	–	–
Net book amount	賬面淨值	–	57.3	57.3
Year ended 31st December 2006	截至二零零六年 十二月三十一日止年度			
Opening net book amount	年初賬面淨值	–	57.3	57.3
Acquisition of additional interest in subsidiaries	收購附屬公司之額外權益	6.3	–	6.3
Amortisation (Note 7)	攤銷(附註7)	–	(0.3)	(0.3)
Closing net book amount	年終賬面淨值	6.3	57.0	63.3
At 31st December 2006	於二零零六年十二月三十一日			
Cost	成本	6.3	57.3	63.6
Accumulated amortisation	累計攤銷	–	(0.3)	(0.3)
Net book amount	賬面淨值	6.3	57.0	63.3

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

20. INTANGIBLE ASSETS – GROUP (continued)

20. 無形資產－集團(續)

		Goodwill 商譽 HK\$ Million 百萬港元	Concession rights 特許權 HK\$ Million 百萬港元	Total 總額 HK\$ Million 百萬港元
Year ended 31st December 2007		截至二零零七年 十二月三十一日止年度		
Opening net book amount Amortisation (Note 7)	年初賬面淨值 攤銷(附註7)	6.3 —	57.0 (0.4)	63.3 (0.4)
Closing net book amount	年終賬面淨值	6.3	56.6	62.9
At 31st December 2007		於二零零七年十二月三十一日		
Cost	成本	6.3	57.3	63.6
Accumulated amortisation	累計攤銷	—	(0.7)	(0.7)
Net book amount	賬面淨值	6.3	56.6	62.9

The key assumptions used for assessment of goodwill and concession rights are:-

用作評估商譽及特許權之主要假設如下：

Names of projects 項目名稱	Discount rate 貼現率	Years of calculation 計算年份	Weighted average of growth rate 加權平均增長率	
Wind power plants in Heilongjiang	黑龍江風力發電廠	9%	20	5.7%
Toll road in Guilin	桂林收費公路	10%	29	9.4%
Water supply plant in Hainan	海南供水廠	9%	17	4.6%

The discount rates used are pre-tax and reflect specific risks relating to the relevant segments while the weighted average growth rate used are referenced with the forecasts of relevant industries.

所採用之貼現率為稅前及可反映相關分部指定風險之貼現率，而所採用之加權平均增長率則已參考相關行業之預測。

Based on the assessments, no impairment provision was made on goodwill and concession rights as at 31st December 2007 and 2006 respectively.

按照評估，分別於二零零七年及二零零六年十二月三十一日之商譽及特許權並無作出減值撥備。

21. DERIVATIVE FINANCIAL INSTRUMENTS – GROUP

21. 衍生金融工具－集團

	2007 二零零七年 HK\$ Million 百萬港元	2006 二零零六年 HK\$ Million 百萬港元
Put options	5.0	8.0

21. DERIVATIVE FINANCIAL INSTRUMENTS – GROUP (continued)

The balance represents a put option right to sell the Group's 45% interest in Hong Kong Construction Kam Lung Limited, which was fair valued at 31st December 2007 and 2006.

21. 衍生金融工具－集團(續)

餘額指出售本集團於Hong Kong Construction Kam Lung Limited 45%權益之認沽期權，已於二零零七年及二零零六年十二月三十一日按公平值列賬。

22. FINANCIAL INSTRUMENTS BY CATEGORY

22. 按類別劃分之金融工具

Group	本集團	Loans and receivables	Assets at fair value through the profit and loss	Available-for-sale	Total
		按公平值在損益表列賬之資產	按公平值在損益表列賬之資產	可供出售	總額
		貸款及應收款 HK\$ Million 百萬港元	HK\$ Million 百萬港元	HK\$ Million 百萬港元	HK\$ Million 百萬港元
Assets as per consolidated balance sheet	綜合資產負債表之資產				
31st December 2006	於二零零六年十二月三十一日				
Available-for-sale financial assets (Note 23)	可供出售金融資產 (附註23)	–	–	4.1	4.1
Financial assets at fair value through profit or loss (Note 28)	按公平值在損益表列賬之金融資產 (附註28)	–	11.2	–	11.2
Trade receivables (Note 29)	應收賬款 (附註29)	47.3	–	–	47.3
Receivables from a related company (Note 29)	關連公司之應收款 (附註29)	3.6	–	–	3.6
Restricted cash (Note 31)	受限制現金 (附註31)	294.2	–	–	294.2
Cash and cash equivalents (Note 32)	現金及現金等價物 (附註32)	1,062.5	–	–	1,062.5
Total	總計	1,407.6	11.2	4.1	1,422.9
31st December 2007	於二零零七年十二月三十一日				
Available-for-sale financial assets (Note 23)	可供出售金融資產 (附註23)	–	–	25.8	25.8
Financial assets at fair value through profit or loss (Note 28)	按公平值在損益表列賬之金融資產 (附註28)	–	93.3	–	93.3
Trade receivables (Note 29)	應收賬款 (附註29)	115.9	–	–	115.9
Amount due from a jointly controlled entity (Note 29)	合營公司之應收款 (附註29)	0.8	–	–	0.8
Receivables from related companies (Note 29)	關連公司之應收款 (附註29)	7.2	–	–	7.2
Restricted cash (Note 31)	受限制現金 (附註31)	1,508.9	–	–	1,508.9
Cash and cash equivalents (Note 32)	現金及現金等價物 (附註32)	4,416.0	–	–	4,416.0
Total	總計	6,048.8	93.3	25.8	6,167.9

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

22. FINANCIAL INSTRUMENTS BY CATEGORY

(continued)

22. 按類別劃分之金融工具(續)

				Other financial liabilities 其他金融負債 HK\$ Million 百萬港元
Liabilities as per consolidated balance sheet	綜合資產負債表之負債			
31st December 2006	於二零零六年十二月三十一日			
Borrowings (Note 35)	借款(附註35)			2,314.5
31st December 2007	於二零零七年十二月三十一日			
Borrowings (Note 35)	借款(附註35)			2,789.2
Company	本公司			
			Assets at fair value through the profit and loss	Total
		Loans and receivables	按公平值在 損益表列賬 之資產	總額
		貸款及應收款 HK\$ Million 百萬港元	HK\$ Million 百萬港元	HK\$ Million 百萬港元
Assets as per balance sheet	資產負債表之資產			
31st December 2006	於二零零六年十二月三十一日			
Amounts due from subsidiaries (Note 24)	應收附屬公司之款項(附註24)	2,251.7	–	2,251.7
31st December 2007	於二零零七年十二月三十一日			
Amounts due from subsidiaries (Note 24)	應收附屬公司之款項(附註24)	8,164.0	–	8,164.0
Financial assets at fair value through profit or loss (Note 28)	按公平值在損益表列賬 之金融資產(附註28)	–	81.3	81.3
Restricted cash (Note 31)	受限制現金(附註31)	440.8	–	440.8
Cash and cash equivalents (Note 32)	現金及現金等價物(附註32)	1,933.2	–	1,933.2
Total	總計	10,538.0	81.3	10,619.3

23. AVAILABLE-FOR-SALE FINANCIAL ASSETS – GROUP

23. 可供出售金融資產－集團

		2007 二零零七年 HK\$ Million 百萬港元	2006 二零零六年 HK\$ Million 百萬港元
1st January	一月一日	4.1	–
Additions	添置	21.5	2.9
Disposal	出售	–	(0.3)
Net gains recognised as equity (Note 34)	確認為權益之收益淨額 (附註34)	0.2	1.5
31st December	十二月三十一日	25.8	4.1
Unlisted securities	非上市證券		
Equity securities	股本證券	21.5	–
Club debentures	會所債券	4.3	4.1
		25.8	4.1

There were no impairment provisions on available-for-sale financial assets as at 31st December 2007 and 2006 respectively.

於二零零七年及二零零六年十二月三十一日並無就可供出售金融資產作出減值撥備。

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

可供出售金融資產以下列貨幣計值：

		2007 二零零七年 HK\$ Million 百萬港元	2006 二零零六年 HK\$ Million 百萬港元
Hong Kong dollar	港元	3.3	3.1
Renminbi	人民幣	22.5	1.0
		25.8	4.1

The fair values of unlisted securities are based on discounted cash flows with reference to market interest rate and the risk premium specific to the unlisted securities.

未上市證券之公平值乃參考市場利率及非上市證券指定之風險溢價之貼現現金流量計算。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

24. SUBSIDIARIES – COMPANY (a) Investments in subsidiaries

24. 附屬公司－公司 (a) 於附屬公司之投資

	2007 二零零七年 HK\$ Million 百萬港元	2006 二零零六年 HK\$ Million 百萬港元
Unlisted shares, at cost 非上市股份，按成本	150.0	30.4

Particulars of the principal subsidiaries are set out on pages 193 to 198.

於主要附屬公司之詳情載於第193至198頁。

(b) Amounts due from subsidiaries

The balances with subsidiaries are unsecured, interest free and have no fixed terms of repayment.

(b) 應收附屬公司款項

附屬公司款項為無抵押、免息及並無固定還款期。

25. ASSOCIATED COMPANIES – GROUP

25. 聯營公司－集團

	2007 二零零七年 HK\$ Million 百萬港元	2006 二零零六年 HK\$ Million 百萬港元
Share of net assets/(liabilities) 應佔資產/(負債)淨額	349.2	(185.6)
Amounts due from associated companies 應收聯營公司款項	687.7	1,319.7
Provision for impairment losses 減值虧損撥備	(22.8)	(22.8)
	1,014.1	1,111.3

The balances with associated companies are unsecured, interest free and have no fixed terms of repayment except for the amounts due from associated companies of HK\$71.2 million in 2006 which borne interest at Hong Kong dollar prime rate.

除於二零零六年為數71,200,000港元之應收聯營公司款項是根據港元最優惠利率計息外，與聯營公司間之結餘並無抵押、免息及無固定還款期。

25. ASSOCIATED COMPANIES – GROUP (continued)

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

Assets	資產
Liabilities	負債
Net assets/(liabilities)	資產/(負債)淨額
Revenue	收益
Profit before income tax	所得稅前溢利
Income tax expense	所得稅開支
Profit for the year	本年度溢利

Notes:

- (a) On 20th September 2007, the Group sold its entire shareholding and loan interest in Quick Wealth Investments Limited, Hong Kong Jing Guang Development Limited and Right Choice International Limited to independent third parties at a total consideration of HK\$505.0 million. A gain of HK\$181.2 million was recorded.
- (b) On 18th May 2007, the Group paid RMB43.7 million (equivalent to approximately HK\$45.2 million) to acquire a 40% interest in a newly set up company, CECIC HKC Wind Power Company Limited ("CECIC HKC"), a company incorporated in the PRC. CECIC HKC has issued and paid up share capital of RMB109.2 million (equivalent to approximately HK\$113.0 million). Its principal activities are construction, operation and management of a 200 MW wind power plant in Hebei, the PRC.
- (c) Details of principal associated companies are set out on page 199.

25. 聯營公司－集團(續)

本集團應佔聯營公司之資產及負債與業績概述如下：

	2007 二零零七年 HK\$ Million 百萬港元	2006 二零零六年 HK\$ Million 百萬港元
Assets	1,833.8	2,158.2
Liabilities	(1,484.6)	(2,343.8)
Net assets/(liabilities)	349.2	(185.6)
Revenue	76.3	83.2
Profit before income tax	37.7	187.9
Income tax expense	(4.0)	(71.7)
Profit for the year	33.7	116.2

附註：

- (a) 於二零零七年九月二十日，本集團按總代價505,000,000港元，向獨立第三方出售其於快富投資有限公司、香港京廣開發有限公司及Right Choice International Limited之全部股權及貸款權益。因而錄得收益181,200,000港元。
- (b) 於二零零七年五月十八日，本集團支付人民幣43,700,000元(相等於約45,200,000港元)，以收購新成立公司中節能港建風力發電(張北)有限公司(「張北」)之40%權益，該公司於中國註冊成立，張北之已發行繳入股本為人民幣109,200,000元(相等於約113,000,000港元)。其主要業務為於中國河北省建造、經營及管理發電量達200,000兆瓦特之風力發電廠。
- (c) 主要聯營公司之詳情載於第199頁。

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綜合財務報表附註

26. JOINTLY CONTROLLED ENTITIES – GROUP

26. 合營公司－集團

		2007 二零零七年 HK\$ Million 百萬港元	2006 二零零六年 HK\$ Million 百萬港元
Share of net assets	應佔資產淨值	1,041.8	377.9
Net amounts due to jointly controlled entities	應付合營公司款項淨額	(11.9)	(9.0)
Portion due within one year, classified as current assets	一年內到期分類為流動資產的部分	(0.8)	–
Provision for impairment losses	減值虧損撥備	(5.3)	(5.3)
		1,023.8	363.6

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

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

		2007 二零零七年 HK\$ Million 百萬港元	2006 二零零六年 HK\$ Million 百萬港元
Assets	資產	1,118.3	482.0
Liabilities	負債	(76.5)	(104.1)
Net assets	資產淨值	1,041.8	377.9
(Loss)/profit before income tax	所得稅前(虧損)/溢利	(6.2)	72.8
Income tax expense	所得稅支出	–	–
(Loss)/profit for the year	本年度(虧損)/溢利	(6.2)	72.8

Notes:

附註：

- Balances with jointly controlled entities are unsecured, interest free and have no fixed terms of repayment.
- There are no contingent liabilities relating to the Group's interest in the jointly controlled entities, and contingent liabilities within the respective entities.
- Details of principal jointly controlled entities are set out on page 200.
- On 10th January 2007, the Group entered into an equity transfer agreement to acquire an additional 15% of the paid up share capital of the joint venture engaged in a real estate development project in Shanghai at a total price of HK\$582.0 million. As a result, the Group's interest in the joint venture increased from 10% to 25% after the acquisition. Details of the acquisition are set out in Note 41(c).

- 與合營公司間之結餘並無抵押、免息及無固定還款期。
- 並無有關本集團所佔合營企業權益的或然負債，而相關合營企業各自間亦無或然負債。
- 主要合營公司之詳情載於第200頁。
- 於二零零七年一月十日，本集團訂立一份股權轉讓協議，按總價格582,000,000港元，收購於上海主要從事房地產發展項目之合資企業已繳入股本額外15%權益。因此，本集團於收購後在該合資企業之權益由10%增加至25%。收購詳情載於附註41(c)。

27. PROPERTIES HELD FOR SALE

At 31st December 2007, the carrying amount of properties held for sale that are carried at net realisable value amounted to HK\$7.1 million (2006: HK\$95.1 million), and in which the prepaid land lease payments amounted to HK\$5.1 million (2006: HK\$71.5 million).

28. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

27. 作銷售用途之物業

於二零零七年十二月三十一日，持作銷售用途之物業按可變現淨值列賬，其賬面值為7,100,000港元（二零零六年：95,100,000港元），其中土地預付租賃款為5,100,000港元（二零零六年：71,500,000港元）。

28. 按公平值在損益表列賬之金融資產

	Group 本集團		Company 本公司	
	2007 二零零七年 HK\$ Million 百萬港元	2006 二零零六年 HK\$ Million 百萬港元	2007 二零零七年 HK\$ Million 百萬港元	2006 二零零六年 HK\$ Million 百萬港元
Equity securities:				
– Listed in Hong Kong at market value	0.3	0.1	0.3	–
– Unlisted	93.0	11.1	81.0	–
	93.3	11.2	81.3	–

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

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

Changes in fair values of financial assets at fair value through profit or loss are recorded in other income in the consolidated income statement (Note 6).

按公平值在損益表列賬之金融資產之公平值變動，計入綜合損益表內其他收入(附註6)。

The fair value of listed equity securities is based on the current bid price quoted in market at the balance sheet date. The fair value of financial instrument that is not in an active market is referenced to professional valuations when necessary and uses a variety of methods and makes assumptions that are based on market conditions existing at the balance sheet date.

上市股本證券之公平值乃根據於結算日市場所報當時買入價計算。並不在活躍市場買賣之金融工具公平值於需要時會參考專業估值，並使用多種方法及根據結算日之現行市況作出假設。

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綜合財務報表附註

29. TRADE AND OTHER RECEIVABLES

29. 應收賬款及其他應收款

		Group 本集團		Company 本公司	
		2007 二零零七年 HK\$ Million 百萬港元	2006 二零零六年 HK\$ Million 百萬港元	2007 二零零七年 HK\$ Million 百萬港元	2006 二零零六年 HK\$ Million 百萬港元
Trade receivables	應收賬款	115.9	47.3	—	—
Less: provision for impairment of receivables	減：應收賬款減值撥備	(19.8)	(18.8)	—	—
Trade receivables – net	應收賬款淨額	96.1	28.5	—	—
Bills receivable	應收票據	10.7	—	—	—
Retention receivables	應收保留款額	16.4	15.9	—	—
Other receivables and deposits, net of provisions	其他應收款及按金 (已扣除撥備)	539.8	170.3	0.7	0.4
Deposit paid for a property development project	物業發展項目之 已付按金	69.7	16.5	—	—
Gross amount due from customers for contract works (Note 30)	應收客戶合約工程 款項總額 (附註30)	237.5	85.5	—	—
Amount due from a jointly controlled entity (Note (c))	應收一間合營 公司款項 (附註(c))	0.8	—	—	—
Amounts due from related companies (Note (c))	應收關連公司 款項(附註(c))	7.2	3.6	—	—
		978.2	320.3	0.7	0.4

Notes:

附註：

- (a) At 31st December 2007, retention receivables amounting to HK\$51.5 million (2006: HK\$114.2 million) were included in non-current receivables and current other receivables, depending on their expected date of receipt.
- (b) The ageing analysis of trade receivables, net of provision for impairment of receivables, was as follows:

- (a) 於二零零七年十二月三十一日，應收保留款額為51,500,000港元(二零零六年：114,200,000港元)，已按照預期收款日分別列為非流動應收款以及其他流動應收款。
- (b) 已扣除應收款減值撥備後應收賬款之賬齡分析如下：

		Group 本集團	
		2007 二零零七年 HK\$ Million 百萬港元	2006 二零零六年 HK\$ Million 百萬港元
0 to less than 2 months	零至少於2個月	24.9	14.3
2 to less than 6 months	2至少於6個月	1.5	0.7
6 to less than 12 months	6至少於12個月	0.3	3.2
12 months and more	超過12個月	69.4	10.3
		96.1	28.5

29. TRADE AND OTHER RECEIVABLES (continued)

Notes: (continued)

(b) (continued)

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

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

(c) Amounts due from a jointly controlled entity and related companies are unsecured, interest free and have no fixed terms of repayment.

(d) Depending on the line of business, trade receivables that are less than 12 months past due are not considered impaired. As at 31st December 2007, trade receivables of HK\$69.4 million (2006: HK\$10.3 million) were past due but not impaired.

As at 31st December 2007, trade receivables of HK\$19.8 million (2006: HK\$18.8 million) were subject to impairment provision. Full provision was provided for these receivables. The balance was aged over 12 months.

(e) The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

Hong Kong dollar	港元
Renminbi	人民幣
US dollar	美元

(f) Movements on the provision for impairment of trade receivables are as follows:

As 1st January	於一月一日
Exchange differences	匯兌差額
Provision for receivable impairment	應收款減值撥備
Receivables written off during the year as uncollectible	年內撇銷為不可收回之應收款
At 31st December	於十二月三十一日

29. 應收賬款及其他應收款(續)

附註：(續)

(b) (續)

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

由於本集團客戶為數不少，故應收賬款並無信貸集中之風險。

(c) 應收一間合營公司及關連公司之款項為無抵押、免息及並無固定還款期。

(d) 視業務範圍而定，於12個月內到期之應收賬款無須減值。於二零零七年十二月三十一日，已到期但無減值之應收賬款為69,400,000港元(二零零六年：10,300,000港元)。

於二零零七年十二月三十一日，應收賬款19,800,000港元(二零零六年：18,800,000港元)須作出減值撥備。該等應收款已作全數撥備，結餘之賬齡超過12個月。

(e) 本集團之應收賬款及其他應收款之面值乃以下列貨幣計值：

2007 二零零七年 HK\$ Million 百萬港元	2006 二零零六年 HK\$ Million 百萬港元
241.9	138.0
658.4	182.3
77.9	—
978.2	320.3

(f) 應收賬款之減值撥備變動如下：

2007 二零零七年 HK\$ Million 百萬港元	2006 二零零六年 HK\$ Million 百萬港元
18.8	17.8
0.8	0.4
1.0	1.4
(0.8)	(0.8)
19.8	18.8

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30. CONSTRUCTION CONTRACTS IN PROGRESS – GROUP

30. 在建工程合約－集團

		2007 二零零七年 HK\$ Million 百萬港元	2006 二零零六年 HK\$ Million 百萬港元
Contract costs incurred plus attributable profits recognised less provision for foreseeable losses	合約成本加已確認應佔溢利減可預見虧損撥備	2,970.3	2,532.5
Progress payments received and receivable	已收及應收進度付款	(2,769.2)	(2,495.7)
		201.1	36.8
Representing:	代表：		
Gross amounts due from customers for contract works included in trade and other receivables (Note 29)	計入應收賬款及其他應收款之應收客戶合約工程款項總額(附註29)	237.5	85.5
Gross amounts due to customers for contract works included in trade and other payables (Note 37)	計入應付賬款及其他應付款之應付客戶合約工程款項總額(附註37)	(36.4)	(48.7)
		201.1	36.8

31. RESTRICTED CASH

31. 受限制現金

		Group 本集團		Company 本公司	
		2007 二零零七年 HK\$ Million 百萬港元	2006 二零零六年 HK\$ Million 百萬港元	2007 二零零七年 HK\$ Million 百萬港元	2006 二零零六年 HK\$ Million 百萬港元
Restricted cash represents:	受限制現金指：				
(a) Pledge given to the banks for securing banking facilities granted to certain buyers of properties of Group	(a) 就本集團若干物業買家獲授銀行融資向銀行作出之抵押	4.4	7.9	-	-
(b) Pledge given to the banks for securing performance bonds and guarantee	(b) 就取得履約保證及擔保向銀行作出之抵押	47.9	1.0	-	-
(c) Pledge given to the banks for granting long term bank borrowings to group companies	(c) 就集團公司獲授長期銀行借款作出之抵押	565.4	285.3	-	-
(d) Escrow accounts for the acquisition of a property project which was released subsequent to 31st December	(d) 就收購一單地產項目並於十二月三十一日後已解除之託管賬目	891.2	-	440.8	-
		1,508.9	294.2	440.8	-

32. CASH AND CASH EQUIVALENTS

32. 現金及現金等價物

		Group 本集團		Company 本公司	
		2007 二零零七年 HK\$ Million 百萬港元	2006 二零零六年 HK\$ Million 百萬港元	2007 二零零七年 HK\$ Million 百萬港元	2006 二零零六年 HK\$ Million 百萬港元
Cash and cash equivalents comprises the following:	現金及現金等價物包括以下各項：				
Cash at bank and in hand	銀行及手頭現金	1,271.8	584.3	19.3	—
Short-term bank deposits	短期銀行存款	4,653.1	772.4	2,354.7	—
		5,924.9	1,356.7	2,374.0	—
Less: Restricted cash (Note 31)	減：受限制現金（附註31）	(1,508.9)	(294.2)	(440.8)	—
		4,416.0	1,062.5	1,933.2	—

		Group 本集團		Company 本公司	
		2007 二零零七年 HK\$ Million 百萬港元	2006 二零零六年 HK\$ Million 百萬港元	2007 二零零七年 HK\$ Million 百萬港元	2006 二零零六年 HK\$ Million 百萬港元
Cash and cash equivalents	現金及現金等價物				
(a) Placed in banks in the PRC:	(a) 於中國各銀行存置：				
– denominated in Renminbi	– 以人民幣結算	1,512.9	841.5	—	—
– denominated in Hong Kong Dollars	– 以港元結算	592.1	—	—	—
(b) Placed in banks in Hong Kong:	(b) 於香港各銀行存置：				
– denominated in Hong Kong Dollars	– 以港元結算	3,692.5	464.3	2,374.0	—
– denominated in US Dollars	– 以美元結算	127.4	50.9	—	—
		5,924.9	1,356.7	2,374.0	—

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

於結算日之實際利率如下：

		2007 二零零七年			2006 二零零六年		
		HK\$ 港元	US\$ 美元	RMB 人民幣	HK\$ 港元	US\$ 美元	RMB 人民幣
Short-term bank deposits	短期銀行存款	1.5% – 3.9%	5.0%	0.7% – 4.2%	2.6% – 3.8%	5.2%	1.4% – 1.6%

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綜合財務報表附註

32. CASH AND CASH EQUIVALENTS (continued)

The maximum exposure to credit risk at the reporting date is the carrying value of the cash and bank balances stated above.

The short-term bank deposits of the Group and the Company have original maturities of three months or less.

32. 現金及現金等價物(續)

於報告日期面對之最高信貸風險為上文所述之現金及銀行結餘賬面值。

本集團及本公司短期銀行存款之原到期日為三個月或以下。

33. SHARE CAPITAL

33. 股本

		Note	Number of shares 股份數目 Million 百萬	Ordinary shares 普通股 HK\$ Million 百萬港元
		附註		
Authorised	法定			
At 1st January 2006	於二零零六年一月一日		10.0	0.1
Increased on authorised shares	法定股份增加	(b)(i)&(v)	9,990.0	99.9
At 31st December 2006	於二零零六年十二月三十一日		10,000.0	100.0
At 1st January 2007	於二零零七年一月一日		10,000.0	100.0
Increased on authorised shares	法定股份增加	(b)(xi)	20,000.0	200.0
At 31st December 2007	於二零零七年十二月三十一日		30,000.0	300.0
Issued and fully paid	已發行及繳足			
At 1st January 2006	於二零零六年一月一日		2,328.4	23.3
Share placements – controlling shareholder	配售股份 – 控股股東	(b)(ii)	465.7	4.7
Issue of scrip dividend shares	發行以股代息股份	(a)	244.2	2.4
Cancellation of the shares of HK Co	註銷香港公司股份	(b)(iii)	(3,038.3)	(30.4)
Shares issued and transferred to shareholders of HK Co as consideration for cancellation of shares of HK Co	已發行並轉讓予香港 公司股東作為註銷香港 公司股份之代價的股份	(b)(iii)	3,038.3	30.4
Share placements – other shareholders	配售股份 – 其他股東	(b)(iv)	607.7	6.1
At 31st December 2006	於二零零六年十二月三十一日		3,646.0	36.5
At 1st January 2007	於二零零七年一月一日		3,646.0	36.5
Share placements – controlling shareholder	配售股份 – 控股股東	41(d) &(g)	1,123.9	11.2
Share placements – other shareholders	配售股份 – 其他股東	(b)(vi) & (viii)	1,179.9	11.8
Issue of scrip dividend shares	發行以股代息股份	(b)(vii)	274.3	2.8
Repurchase during the year	年內購回	(b)(ix)	(8.9)	(0.1)
Share placements – major shareholders	配售股份 – 主要股東	(b)(x)	1,997.6	20.0
Exercise of bonus warrants	行使紅利認股權證	(b)(xii)	0.1	–
Exercise of share options	行使購股權		2.2	–
At 31st December 2007	於二零零七年十二月三十一日		8,215.1	82.2

33. SHARE CAPITAL (continued)

Notes:

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

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

Interim dividend for the year ended 31st December 2006	截至二零零六年十二月三十一日止年度之中期股息	135,642,936	HK\$0.94 0.94港元	6th November 2006 二零零六年十一月六日
Final dividend for the year ended 31st December 2005	截至二零零五年十二月三十一日止年度之末期股息	108,598,829	HK\$1.02 1.02港元	27th July 2006 二零零六年七月二十七日
Shares issued for year 2006	二零零六年之已發行股份	244,241,765		

- (b) Upon incorporation, the authorised share capital of the Company was HK\$100,000 divided into 10,000,000 shares of HK\$0.01 each, all of which were issued and allotted on 20th April 2005. Such shares were subsequently credited as fully paid as part of the Group Reorganisation on 16th November 2006. During the period, the changes in the authorised and issued share capital of the Company were as follows:

- (i) By an ordinary resolution passed on 16th November 2006, the authorised share capital of the Company increased to HK\$50,000,000 by the creation of an additional 4,990,000,000 shares of HK\$0.01 each, ranking pari passu with the existing share capital of the Company.
- (ii) On 8th May 2006, HK Co entered into a subscription agreement with Creator Holdings Limited ("Creator"), the controlling shareholder, under which Creator agreed to subscribe 465,681,854 new shares at the price of HK\$1.044 per share. The net proceeds from such issue were approximately HK\$486.2 million.
- (iii) On 16th November 2006, as part of the Group Reorganisation, the Company issued an aggregate of 3,028,332,891 shares of HK\$0.01 each, credited as fully paid and transferred 10,000,000 shares of HK\$0.01 each, also credited as fully paid by HK Co to the shareholders of HK Co in consideration of the cancellation and extinguishment of the shares of HK Co.
- (iv) On 23rd November 2006, the Company entered into a placing agreement pursuant to which an aggregate of 607,664,546 new shares of HK\$0.01 each were issued to certain independent investors at HK\$1.1 per share. The associated issuing expenses were HK\$13.4 million. The net proceeds from such issue were approximately HK\$655.0 million.

33. 股本(續)

附註：

- (a) 香港建設(香港)工程有限公司(「香港公司」)向其股東提呈以股代息計劃，據此，股東可於下列股息宣派期間選擇收取每股面值0.01港元的普通股以代替現金股息，並已根據該等計劃發行普通股：

年內發行之所有股份在各方面與當時現有股份享有同等權益。

Number of new ordinary shares issued 已發行新普通股數目	Issue price per ordinary share 每股普通股之發行價	Issue date 發行日期
135,642,936	HK\$0.94 0.94港元	6th November 2006 二零零六年十一月六日
108,598,829	HK\$1.02 1.02港元	27th July 2006 二零零六年七月二十七日
244,241,765		

- (b) 於註冊成立時，本公司之法定股本為100,000港元，分為10,000,000股每股面值0.01港元之股份，全部股份已於二零零五年四月二十日發行及配發。作為集團重組之一部分，該等股份隨後已於二零零六年十一月十六日入賬列作繳足股款。本公司法定及已發行股本期內之變動如下：

- (i) 於二零零六年十一月十六日通過之普通決議案，藉增設4,990,000,000股每股面值0.01港元之額外股份(該等股份與本公司現有股本享有同等權益)，從而使本公司法定股增加至50,000,000港元。
- (ii) 於二零零六年五月八日，香港公司與控股股東創達集團有限公司(「創達」)訂立認購協議，據此，創達同意以每股1.044港元之價格認購465,681,854股新股份。該項股份發行之所得款項淨額約為486,200,000港元。
- (iii) 於二零零六年十一月十六日，作為本集團重組的其中一部分，本公司向香港公司股東發行合共3,028,332,891股每股面值0.01港元之入賬列作繳足股份，並向香港公司股東轉撥10,000,000股每股面值0.01港元之入賬列作繳足股份，作為支付取消及消毀香港公司股份之代價。
- (iv) 於二零零六年十一月二十三日，本公司訂立一份配售協議，據此，向若干獨立投資者以每股股價1.1港元發行合共607,664,546股每股面值0.01港元之新股。有關發行費用為13,400,000港元。該股份發行產生的所得款項淨額約為655,000,000港元。

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綜合財務報表附註

33. SHARE CAPITAL (continued)

Notes: (continued)

- (v) By an ordinary resolution passed on 21st December 2006, the authorised share capital of the Company further increased to HK\$100,000,000 by the creation of an additional 5,000,000,000 shares of HK\$0.01 each, ranking pari passu with the existing share capital of the Company.
- (vi) On 12th February 2007, the Company entered into a placing agreement pursuant to which an aggregate of 729,927,000 new shares of HK\$0.01 each were issued to certain independent investors at HK\$1.37 per share. The associated issuing expenses were HK\$16.1 million. The net proceeds from such issue were approximately HK\$983.9 million.
- (vii) The Company offered to its shareholders a scrip dividend alternative under which the shareholders could elect to receive ordinary shares of HK\$0.01 each in lieu of a cash dividend during the following dividend declaration and ordinary shares were issued under these schemes:

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

Interim dividend for the year ended 31st December 2007	截至二零零七年十二月三十一日止年度之中期股息	96,025,788	HK\$2.703 2.703港元	20th November 2007 二零零七年十一月二十日
Final dividend for the year ended 31st December 2006	截至二零零六年十二月三十一日止年度之末期股息	178,229,608	HK\$1.59 1.59港元	29th June 2007 二零零七年六月二十九日
Shares issued for year 2007	二零零七年之已發行股份	274,255,396		

- (viii) On 1st August 2007, the Company entered into a placing agreement pursuant to which an aggregate of 450,000,000 new shares of HK\$0.01 each were issued to certain independent investors at HK\$2.8 per share. The associated issuing expenses were HK\$39.2 million. The net proceeds from such issue were approximately HK\$1,220.8 million.

33. 股本(續)

附註：(續)

- (v) 透過於二零零六年十二月二十一日通過的普通決議案，本公司藉額外增設5,000,000,000股每股面值為0.01港元的股份(該等股份與本公司現有股本享有同等權益)，使其法定股進一步增加至100,000,000港元。
- (vi) 於二零零七年二月十二日，本公司訂立一份配售協議，據此已按每股1.37港元之價格向若干獨立投資者發行合共729,927,000股每股面值0.01港元之新股份。有關發行費用為16,100,000港元。該股份發行之所得款項淨額約為983,900,000港元。
- (vii) 本公司向其股東提呈以股代息計劃，據此，股東可於下列股息宣派期間選擇收取每股面值0.01港元之普通股以代替現金股息，並已根據該等計劃發行普通股：

年內發行之所有股份在各方面均與當時現有股份享有同等權益。

Number of new ordinary shares issued 已發行新普通股數目	Issue price per ordinary share 每股普通股之發行價	Issue date 發行日期
96,025,788	HK\$2.703 2.703港元	20th November 2007 二零零七年十一月二十日
178,229,608	HK\$1.59 1.59港元	29th June 2007 二零零七年六月二十九日
274,255,396		

- (viii) 於二零零七年八月一日，本公司訂立一份配售協議，據此已按每股2.8港元之價格向若干獨立投資者發行合共450,000,000股每股面值0.01港元之新股份。有關發行費用為39,200,000港元。該股份發行之所得款項淨額約為1,220,800,000港元。

33. SHARE CAPITAL (continued)

Notes: (continued)

- (ix) During the year, the Company repurchased a total of 8,858,000 of its own shares on The Stock Exchange of Hong Kong Limited, all of which have been cancelled, as follows:

Month/Year	月/年	Number of shares repurchased 購回股份數目	Total purchase price 總購買價 HK\$ Million 百萬港元	Purchase price per share 每股股份購買價	
				Highest 最高 HK\$ 港元	Lowest 最低 HK\$ 港元
August 2007	二零零七年八月	8,858,000	14.2	1.61	1.59

- (x) The Company, Cerberus Asia Capital Management, LLC (“Cerberus”) and Penta Investment Advisers Limited (“Penta”) entered into subscription agreements on 16th July 2007 and supplemental agreements on 26th August 2007 to which 1,426,829,000 new shares and 570,731,000 new shares of HK\$0.01 each were issued to Cerberus and Penta respectively at HK\$2.05 per share. The net proceeds from such issue were approximately HK\$4,095.0 million.
- (xi) By an ordinary resolution passed on 23rd November 2007, the authorised share capital of the Company further increased to HK\$300,000,000 by the creation of an additional 20,000,000,000 shares of HK\$0.01 each, ranking pari passu with the existing share capital of the Company.
- (xii) On 30th November 2007, the Company issued 821,279,383 warrants on the basis of one warrant for every ten existing shares of the Company held by the shareholders (“Bonus Warrants”). The holders of Bonus Warrants are entitled to subscribe at any time during 30th November 2007 to 30th November 2009 for fully paid shares at a subscription price HK\$2.05 per share (subject to adjustment). In December 2007, 111,173 new shares of HK\$0.01 each were issued upon the exercise of 111,173 units of Bonus Warrants. As at 31st December 2007, 821,168,210 units of Bonus Warrants remained outstanding.
- (c) The details of the share option scheme of the Company are set out on pages 57 and 63.

33. 股本(續)

附註：(續)

- (ix) 年內，本公司於香港聯合交易所有限公司購回其合共 8,858,000 股股份，全部該等股份已被註銷，詳情如下：

Month/Year	月/年	Number of shares repurchased 購回股份數目	Total purchase price 總購買價 HK\$ Million 百萬港元	Purchase price per share 每股股份購買價	
				Highest 最高 HK\$ 港元	Lowest 最低 HK\$ 港元
August 2007	二零零七年八月	8,858,000	14.2	1.61	1.59

- (x) 本公司、Cerberus Asia Capital Management, LLC(「Cerberus」)與Penta Investment Advisers Limited(「Penta」)分別於二零零七年七月十六日及二零零七年八月二十六日訂立認購協議及補充協議，據此，本公司按每股股份2.05港元之價格，分別向Cerberus及Penta發行1,426,829,000股及570,731,000股每股面值0.01港元之新股份。有關股份發行之所得款項淨額約為4,095,000,000港元。
- (xi) 透過於二零零七年十一月二十三日通過的普通決議案，本公司藉額外增設20,000,000,000股每股面值為0.01港元的額外股份(該等股份與本公司現有股本享有同等權益)，使其法定股本進一步增加至300,000,000港元。
- (xii) 於二零零七年十一月三十日，本公司按股東每持有10股現有股份可獲發1份認股權證之基準，發行821,279,383份認股權證(「紅利認股權證」)。紅利認股權證持有人有權於二零零七年十一月三十日至二零零九年十一月三十日期間任何時間以認購價每股股份2.05港元(可予調整)認購繳足股份。於二零零七年十二月，111,173股每股面值0.01港元之新股份已於行使111,173份紅利認股權證時發行。於二零零七年十二月三十一日，尚有821,168,210份紅利認股權證仍未行使。
- (c) 本公司購股權計劃之詳情載於第57至63頁。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

34. RESERVES

34. 儲備

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

34. RESERVES (continued)

34. 儲備(續)

		Share premium	Capital reduction reserve	Capital redemption reserve	Capital reserve	Employee share-based compensation reserve	Exchange reserve	Available-for-sale investments reserve	Retained earnings	Total
		股份溢價 (附註a)	股本削減儲備 (附註b)	資本贖回儲備 (附註a)	資本儲備	以股份支付 僱員酬金儲備	匯兌儲備	可供出售 投資儲備	保留溢利	總額
		HK\$ Million 百萬港元	HK\$ Million 百萬港元	HK\$ Million 百萬港元	HK\$ Million 百萬港元	HK\$ Million 百萬港元	HK\$ Million 百萬港元	HK\$ Million 百萬港元	HK\$ Million 百萬港元	HK\$ Million 百萬港元
Group	本集團									
Balance at 1st January 2007	於二零零七年一月一日結餘	1,366.3	784.1	14.6	151.3	9.2	57.2	1.5	1,482.7	3,866.9
Fair value gain on available-for-sale financial assets	可供出售金融資產之公平值收益	-	-	-	-	-	-	0.2	-	0.2
Exchange differences	匯兌差額	-	-	-	-	-	428.6	-	-	428.6
Release of reserves upon disposal of associated companies	出售聯營公司時解除儲備	-	-	-	-	-	36.2	-	-	36.2
Employee share option benefits	僱員購股權福利	-	-	-	-	36.7	-	-	-	36.7
Arising from issue of shares	產生自發行股份	8,471.5	-	-	-	-	-	-	-	8,471.5
Arising from issue of scrip dividend	產生自以股代息計劃	540.2	-	-	-	-	-	-	-	540.2
Exercise of bonus warrants	行使紅利認股權證	0.2	-	-	-	-	-	-	-	0.2
Exercise of share options	行使購股權	3.1	-	-	-	-	-	-	-	3.1
Share issue expenses	發行股份費用	(55.3)	-	-	-	-	-	-	-	(55.3)
2006 final dividend	二零零六年末期股息	-	-	-	-	-	-	-	(288.8)	(288.8)
2007 interim dividend	二零零七年中期股息	-	-	-	-	-	-	-	(543.3)	(543.3)
Share repurchase	購回股份	(14.1)	-	-	-	-	-	-	-	(14.1)
Released on further acquisition of a subsidiary	於進一步收購附屬公司時解除	-	-	-	(3.9)	-	-	-	-	(3.9)
Reclassification of capital reduction reserve	股本削減儲備重新分類	-	(190.0)	-	-	-	-	-	190.0	-
Profit for the year	本年度溢利	-	-	-	-	-	-	-	834.6	834.6
Balance at 31st December 2007	於二零零七年十二月三十一日結餘	10,311.9	594.1	14.6	147.4	45.9	522.0	1.7	1,675.2	13,312.8
Retained by:	予以保留:									
Company and subsidiaries	本公司及附屬公司	10,311.9	594.1	14.6	147.4	45.9	458.7	1.7	1,564.7	13,139.0
Associated companies	聯營公司	-	-	-	-	-	4.6	-	110.3	114.9
Jointly controlled entities	合營公司	-	-	-	-	-	58.7	-	0.2	58.9
		10,311.9	594.1	14.6	147.4	45.9	522.0	1.7	1,675.2	13,312.8
Representing:	代表:									
Reserves at 31st December 2007	於二零零七年十二月三十一日之儲備									13,029.1
2007 proposed final and special dividend	二零零七年擬派末期及特別股息									283.7
										13,312.8

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

34. RESERVES (continued)

34. 儲備(續)

		Share premium	Employee share-based compensation reserve	Retained earnings	Total
		股份溢價	以股份支付僱員酬金儲備	保留溢利	總額
		HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million
		百萬港元	百萬港元	百萬港元	百萬港元
Company	本公司				
Balance at 14th April 2005 (date of incorporation)	於二零零五年四月十四日 (註冊成立日期)結餘	—	—	—	—
Employee share option benefits	僱員購股權福利	—	1.5	—	1.5
Reserves resulting from the Group Reorganisation	因進行集團重組產生之儲備	717.4	—	—	717.4
Arising from issue of shares	因發行股份產生	662.3	—	—	662.3
Share issue expenses	發行股份費用	(13.4)	—	—	(13.4)
Profit for the year	本年度溢利	—	—	878.2	878.2
Balance at 31st December 2006	於二零零六年十二月三十一日結餘	1,366.3	1.5	878.2	2,246.0
Representing:	代表:				
Reserves at 31st December 2006	於二零零六年十二月三十一日之儲備				1,957.2
2006 proposed final dividend	二零零六年擬派末期股息				288.8
					2,246.0

34. RESERVES (continued)

34. 儲備(續)

Company		Share premium 股份溢價 HK\$ Million 百萬港元	Employee share-based compensation reserve 以股份支付 僱員酬金儲備 HK\$ Million 百萬港元	Retained earnings/ (Accumulated losses) 保留溢利/ (累計虧損) HK\$ Million 百萬港元	Total 總額 HK\$ Million 百萬港元
Balance at 1st January 2007	本公司 於二零零七年 一月一日結餘	1,366.3	1.5	878.2	2,246.0
Employee share option benefits	僱員購股權福利	—	36.7	—	36.7
Arising from issue of shares	因發行股份產生	8,471.5	—	—	8,471.5
Arising from issue of scrip dividend	因發行以股代息股份產生	540.2	—	—	540.2
Exercise of bonus warrants	行使紅利認股權證	0.2	—	—	0.2
Exercise of share options	行使購股權	3.1	—	—	3.1
Share issue expenses	發行股份費用	(55.3)	—	—	(55.3)
2006 final dividend	二零零六年末期股息	—	—	(288.8)	(288.8)
2007 interim dividend	二零零七年中期股息	—	—	(543.3)	(543.3)
Share repurchase	購回股份	(14.1)	—	—	(14.1)
Profit for the year	年內溢利	—	—	288.5	288.5
Balance at 31st December 2007	於二零零七年 十二月三十一日結餘	10,311.9	38.2	334.6	10,684.7
Representing: Reserves at 31st December 2007	代表: 於二零零七年 十二月三十一日之儲備				10,401.0
2007 proposed final and special dividend	二零零七年擬派末期 及特別股息				283.7
					10,684.7

Notes:

- (a) The applications of the share premium account and capital redemption reserve account are governed by section 48B and 49H of the Hong Kong Companies Ordinance respectively.
- (b) Based on recommendations from Access Capital Limited, financial adviser, the directors and senior management have reviewed and assessed the Capital Reduction Reserve account with reference to the outstanding amounts of creditors brought forward from the date of sanction of the reduction of capital. An amount of HK\$190.0 million is considered to be available for distribution as at 31st December 2007 (2006: HK\$707.4 million). Accordingly, the amount has been reclassified from Capital Reduction Reserve to Retained Earnings and available for distribution.

附註:

- (a) 股份溢價賬及資本贖回儲備賬之用途須分別受香港公司條例第48B及49H條所管轄。
- (b) 根據財務顧問卓怡融資有限公司作出之建議，董事及高級管理層成員經參考自股本削減批准日期結轉之債權人未償還款項，審閱及評估股本削減儲備賬。於二零零七年十二月三十一日，為數190,000,000港元被視作可供分派(二零零六：707,400,000港元)。因此，有關金額自股本削減儲備賬已重新分類為保留溢利及可供分派款項。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

35. BORROWINGS – GROUP

35. 借款－集團

		2007 二零零七年 HK\$ Million 百萬港元	2006 二零零六年 HK\$ Million 百萬港元
Non-current	非流動		
Bank borrowings	銀行借款	2,260.1	1,737.7
Other loans	其他貸款	119.6	127.9
Loans from minority shareholders	少數股東貸款	79.0	79.0
		2,458.7	1,944.6
Current	流動		
Bank borrowings	銀行借款	312.4	354.5
Other loans	其他貸款	18.1	15.4
		330.5	369.9
Total borrowings	借款總額	2,789.2	2,314.5

Bank borrowings are secured by the investment properties, prepaid land lease payments, toll fee income, electric utility equipment and pledged deposits of the Group (Notes 16, 17, 18 and 31).

銀行借款由本集團之投資物業、預付土地租賃款、收費公路收入、發電設備及抵押存款作抵押(附註16、17、18及31)。

		Secured bank loans 有抵押 銀行貸款 HK\$ Million 百萬港元	Unsecured bank loans 無抵押 銀行貸款 HK\$ Million 百萬港元	Unsecured other loans 無抵押 其他貸款 HK\$ Million 百萬港元	Total 總額 HK\$ Million 百萬港元
The maturity of borrowings as at 31st December 2007 is as follows:	於二零零七年十二月三十一日 須於下列期間償還之 借款如下：				
Within one year	一年內	280.2	32.2	18.1	330.5
In the second year	第二年	167.6	—	18.1	185.7
In the third to fifth year	第三年至第五年	809.0	—	54.4	863.4
After the fifth year	五年後	1,283.5	—	47.1	1,330.6
		2,540.3	32.2	137.7	2,710.2
The maturity of borrowings as at 31st December 2006 is as follows:	於二零零六年十二月三十一日 須於下列期間償還之 借款如下：				
Within one year	一年內	316.6	37.9	15.4	369.9
In the second year	第二年	132.8	—	16.8	149.6
In the third to fifth year	第三年至第五年	419.7	—	50.5	470.2
After the fifth year	五年後	1,185.2	—	60.6	1,245.8
		2,054.3	37.9	143.3	2,235.5

35. BORROWINGS – GROUP (continued)

The carrying amounts of the borrowings approximate their fair value.

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

35. 借款－集團(續)

借款之賬面值與其公平值相若。

於結算日之實際利率如下：

	2007		2006			
	二零零七年		二零零六年			
	HK\$	RMB	HK\$	RMB		
	港元	人民幣	港元	人民幣		
Bank borrowings and other loans	銀行借款及其他貸款		5.11 – 6.29%	5.27 – 7.83%	6.0%	2.25 – 6.14%

The carrying amounts of the borrowings are denominated in the following currencies:

借款之賬面值按以下貨幣列值：

		2007	2006
		二零零七年	二零零六年
		HK\$ Million	HK\$ Million
		百萬港元	百萬港元
Hong Kong dollar	港元	142.0	218.8
Renminbi	人民幣	2,647.2	2,095.7
		2,789.2	2,314.5

The Group has the following undrawn borrowing facilities:

本集團有下列未支用之借款信貸：

Floating rate	浮動利率		
– expiring within one year	—於一年內到期	225.2	155.2

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36. DEFERRED INCOME TAX LIABILITIES – GROUP

The major deferred income tax liabilities recognised and movements are as follows:

36. 遞延所得稅負債－集團

已確認之主要遞延所得稅負債及其變動如下：

		Fair value gain on investment properties 投資物業 公平值收益 HK\$ Million 百萬港元	Fair value gain on land use rights 土地使用權 公平值收益 HK\$ Million 百萬港元	Total 總額 HK\$ Million 百萬港元
At 1st January 2006 and 31st December 2006	於二零零六年一月一日及 二零零六年十二月三十一日	18.3	–	18.3
At 1st January 2007	於二零零七年一月一日	18.3	–	18.3
Exchange differences	匯兌差額	26.3	13.0	39.3
Acquisition of a subsidiary (Note 40)	收購一間附屬公司(附註40)	–	281.8	281.8
Income statement charge (Note 12)	損益表開支(附註12)	84.5	–	84.5
Impact of new CIT Law (Note 12)	新中國所得稅法影響(附註12)	7.6	–	7.6
At 31st December 2007	於二零零七年十二月三十一日	136.7	294.8	431.5

Deferred income tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefits through the future taxable profits are probable. The Group did not recognise deferred income tax assets of HK\$128.0 million (2006: HK\$126.8 million) in respect of tax losses of HK\$734.0 million (2006: HK\$725.9 million) to carry forward against future taxable income. These tax losses have no expiry dates except for the tax losses of HK\$20.8 million (2006: HK\$9.6 million) which will expire at various dates up to and including 2012 (2006: 2011).

倘有可能透過未來應課稅溢利將有關之稅項利益變現，則會就結轉之稅項虧損確認遞延稅項資產。本集團並無就稅項虧損734,000,000港元(二零零六年：725,900,000港元)而確認遞延所得稅項資產128,000,000港元(二零零六年：126,800,000港元)可作結轉，用以抵銷日後應課稅收入。該等稅項虧損並無到期日，惟20,800,000港元之稅項虧損(二零零六年：9,600,000港元)將於截至二零一二年(二零零六年：二零一一年)止各個日期到期。

37. TRADE AND OTHER PAYABLES

37. 應付賬款及其他應付款

		Group 本集團		Company 本公司	
		2007	2006	2007	2006
		二零零七年	二零零六年	二零零七年	二零零六年
		HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million
		百萬港元	百萬港元	百萬港元	百萬港元
Trade payables	應付賬款	89.4	139.8	—	—
Retention payables	應付保留款額	27.5	24.1	—	—
Other payables and accruals	其他應付款及應計費用	567.3	402.3	3.1	—
Gross amount due to customers for contract works (Note 30)	應付客戶合約工程款項總額(附註30)	36.4	48.7	—	—
		720.6	614.9	3.1	—

(a) At 31st December 2007, retention payables for contracts in progress amounting to HK\$84.6 million (2006: HK\$117.7 million) were included in non-current payables and current other payables, depending on their expected date of payment.

(b) Included in other payables and accruals were amounts due to related companies at the year end amounted to HK\$18.1 million in 2006. The balances were unsecured, interest free and repayable within 12 months. No such balances were existed as at 31st December 2007.

(c) The ageing analysis of trade payables was as follows:

(a) 於二零零七年十二月三十一日，在建造工程合約之應付保留款額84,600,000港元(二零零六年：117,700,000港元)已分別視乎預期付款日，列為非流動應付款以及其他流動應付款。

(b) 其他應付款項及應計費用包括於年終時應付關連公司於二零零六年的款項為18,100,000港元。該結餘為無抵押、免息及須於十二個月內償還。於二零零七年十二月三十一日，並無存在有關結餘。

(c) 應付賬款之賬齡分析如下：

		Group 本集團	
		2007	2006
		二零零七年	二零零六年
		HK\$ Million	HK\$ Million
		百萬港元	百萬港元
0 to less than 2 months	零至少於2個月	24.9	24.6
2 to less than 6 months	2至少於6個月	7.2	1.2
6 to less than 12 months	6至少於12個月	6.7	46.6
12 months and more	超過12個月	50.6	67.4
		89.4	139.8

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37. TRADE AND OTHER PAYABLES (continued)

The carrying amounts of the Group's trade and other payables are denominated in the following currencies:

Hong Kong Dollar	港元
Renminbi	人民幣

37. 應付賬款及其他應付款(續)

本集團之應付賬款及其他應付款之賬面值按以下貨幣列值：

2007 二零零七年 HK\$ Million 百萬港元	2006 二零零六年 HK\$ Million 百萬港元
258.1	252.7
462.5	362.2
720.6	614.9

38. COMMITMENTS – GROUP

(a) Capital commitments

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

38. 承擔－集團

(a) 資本承擔

於結算日已承擔但尚未產生之資本開支如下：

	2007 二零零七年 HK\$ Million 百萬港元	2006 二零零六年 HK\$ Million 百萬港元
(i) Capital commitments undertaken by the Group		
Property, plant and equipment		
Contracted but not provided for	186.6	499.5
Authorised but not contracted for	—	109.7
Property development projects		
Contracted but not provided for	631.9	—
	818.5	609.2
(ii) Capital commitments undertaken by a jointly controlled entity		
Property development projects		
Contracted but not provided for the Group's share	28.3	—

(b) Commitments under operating leases

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

(b) 根據經營租賃之承擔

根據有關土地及樓宇之不可撤銷經營租賃之未來最低租金總額如下：

	2007 二零零七年 HK\$ Million 百萬港元	2006 二零零六年 HK\$ Million 百萬港元
In the first year	3.1	3.4
In the second to fifth years inclusive	1.4	1.6
	4.5	5.0

38. COMMITMENTS – GROUP (continued)

(c) Future minimum rental payments receivable

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

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

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

38. 承擔－集團(續)

(c) 未來最低應收租金

根據不可撤銷經營租賃之未來最低應收租金總額如下：

2007 二零零七年 HK\$ Million 百萬港元	2006 二零零六年 HK\$ Million 百萬港元
53.3	60.0
34.5	56.1
5.9	3.8
93.7	119.9

租賃一般初步為期一至十年，並且有權選擇在到期日後續期，屆時所有條款均可重新商定。租金一般會每年上調以反映市場租金。租賃並不包括或然租金。

39. CONTINGENT LIABILITIES – GROUP

As at 31st December 2007,
the Group had the following
material contingent liability:

Provision for housing facility fund

The Group's investment property located in Shenzhen, China is subject to housing facility fund pursuant to 《深圳經濟特區住宅區物業管理條例》 adopted on 1st November 1994. Contingent liabilities arising in this respect have been assessed by management with reference to a legal opinion. Management have requested relief from the relevant local government authorities on the grounds that certain amounts of maintenance costs were already spent for the purposes as specified under the requirement of housing facility fund, hence no further provision for the fund is considered necessary.

39. 或然負債－集團

於二零零七年十二月三十一日，
本集團有以下重大
或然負債：

房屋公用設施專用基金撥備

2007 二零零七年 HK\$ Million 百萬港元	2006 二零零六年 HK\$ Million 百萬港元
81.3	—

根據於一九九四年十一月一日採納之《深圳經濟特區住宅區物業管理條例》，本集團於中國深圳之一項投資物業受限於房屋公用設施專用基金。管理層已於參考法律意見後評估就此產生之或然負債。就此方面產生之或然負債已由管理層參考法律意見後評估。由於已根據房屋公用設施專用基金規定就所指定目的支付若干保養成本金額，管理層已向相關當地政府機關提出寬免要求，因此毋須對基金作進一步撥備。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

40. BUSINESS COMBINATION

On 19th May 2007, the Company, through its wholly-owned subsidiary acquired the entire share capital of Rayman Limited ("Rayman") at an aggregate cash consideration of RMB519.8 million (equivalent to approximately HK\$532.8 million). Rayman holds the entire equity interest in Tianjin Renai Property Development Company Limited ("Renai") which is established in Tianjin Municipality and engaged in real estate development. After the acquisition, Rayman and Renai became wholly-owned subsidiaries of the Group.

There was no income contributed to the Group by the acquired business during the period from 19th May 2007 to 31st December 2007 as its property was still under development as at 31st December 2007.

Details of net assets acquired were as follows:

40. 業務合併

於二零零七年五月十九日，本公司透過其全資附屬公司按現金總代價人民幣519,800,000元(相等於約532,800,000港元)收購Rayman Limited(「Rayman」)之全部股本。Rayman持有天津市仁愛置業發展有限公司(「仁愛」)之全部股本權益，該公司於天津市成立及從事房地產發展業務。收購後，Rayman及仁愛成為本集團之全資附屬公司。

該項被收購之業務於二零零七年五月十九日至二零零七年十二月三十一日止期間並無為本集團帶來收入，原因為旗下物業於二零零七年十二月三十一日仍在開發中。

購入資產淨值之詳情如下：

		HK\$ Million 百萬港元
Purchase consideration – cash paid (Note (a))	收購代價—已付現金(附註(a))	(532.8)
Fair value of net assets acquired (see below)	購入資產淨值之公平值(見下文)	1,189.1
Excess of fair value of net assets acquired over purchase consideration	所收購資產淨值之公平值超出收購代價之數額	656.3
Deferred tax liabilities in respect of revaluation of properties	物業重估之遞延稅項負債	(281.8)
Negative goodwill arising on acquisition of a subsidiary, recognised as other income	收購一間附屬公司產生之負商譽淨值，已確認為其他收入	374.5

40. BUSINESS COMBINATION (continued)

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

40. 業務合併(續)

收購產生之資產及負債如下：

		Acquiree's carrying amount 被收購方之賬面值 HK\$ Million 百萬港元	Fair value 公平值 HK\$ Million 百萬港元
Properties under development (Note (a))	發展中物業(附註(a))	61.8	1,435.0
Less: Reclamation cost (Note (a))	減：填海費用(附註(a))	—	(246.0)
Land use rights	土地使用權	61.8	1,189.0
Cash and cash equivalents	現金及現金等價物	0.1	0.1
Loans from shareholder (Note (b))	股東貸款(附註(b))	(66.6)	(66.6)
		(4.7)	1,122.5
Loan from the Group (Note (b))	來自本集團貸款(附註(b))		66.6
Net assets acquired	購入資產淨值		1,189.1
Net outflow of cash to acquire business:	收購業務之現金流出淨額：		
Purchase consideration – paid	收購代價 – 已付		(532.8)
Cash and cash equivalents in subsidiary acquired	購入附屬公司之現金及現金等價物		0.1
Net cash outflow on acquisition	收購之現金流出淨額		(532.7)

Notes:

附註：

- (a) Upon the completion of the land reclamation which amounts to HK\$246.0 million, the fair value of properties held for development is HK\$1,435.0 million based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. The valuation was reviewed by Knight Frank. In addition to the purchase consideration of HK\$532.8 million, the Group agreed to pay reclamation costs of HK\$246.0 million as part of the acquisition.
- (b) The ex-shareholder has assigned its loan with a carrying amount and fair value of HK\$66.6 million to the Group. The assigned loan was eliminated in the consolidated financial statements.

- (a) 假設完成填海關地的費用為246,000,000港元，按活躍市價釐定，並於需要時就指定資產於性質、地點或狀況三方面之任何差異作出調整之作發展用途物業之公平值為1,435,000,000港元。該等估值乃經萊坊檢討。除收購代價532,800,000港元外，本集團同意就有關收購支付246,000,000港元之填海費用。
- (b) 前股東已將其賬面值及公平值為66,600,000港元之貸款轉讓予本集團。轉讓之貸款已於綜合財務報表對銷。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

41. RELATED-PARTY TRANSACTIONS

41. 關連人士交易

	Notes 附註	2007 二零零七年 HK\$ Million 百萬港元	2006 二零零六年 HK\$ Million 百萬港元
Income from/(expense to) entities controlled by key management and a shareholder (and his families) of the Company:–	收入來自/(開支應付)本公司主要管理層及一名股東(及彼之家族)所控制實體:		
– Management fee income received from Jinguang Property (Chengdu) Limited	– 已收金光置業(成都)有限公司之管理費收入 (a), (e) & (f)	1.2	–
– Income from supply of water to Jinhai Paper Pulping Industrial Company Limited	– 來自海南金海漿紙業有限公司供水之收入 (a) & (h)	24.7	19.7
– Interest on loans paid to	– 已付貸款利息		
– Creator Holdings Limited	– 創達集團有限公司 (b), (i) & (k)	(44.0)	(22.2)
– OEI Kang, Eric	– 黃剛 (b) & (j)	(6.6)	–
– Genesis Capital Group Limited	– 華創集團有限公司 (b) & (l)	(26.1)	–
		(76.7)	(22.2)

(a) Income from entities controlled by management and a shareholder (and his families) of the Company were conducted on terms as set out in the agreements governing these transactions.

(a) 來自本公司管理層及一名股東(及彼之家族)所控制實體之收入乃根據規管載於該等交易之協議所載條款進行。

(b) Interest expenses were paid to shareholders on terms as set out in the relevant loan agreements.

(b) 利息開支乃根據相關貸款協議條款向股東支付。

41. RELATED-PARTY TRANSACTIONS (continued)

(c) On 10th January 2007, the Group entered into the Equity Transfer Agreement with Sinar Mas Paper (China) Investment Company Limited ("Sinar Mas Paper"), a company indirectly controlled by the Oei family, under which Sinar Mas Paper agreed to transfer 15% of the registered capital of Shanghai Jingang North Bund Real Estate Company Limited ("Shanghai Jingang") to the Group at a total price of HK\$582.0 million. Shanghai Jingang is principally engaged in the development of a complex comprising hotel, shopping mall and office premises on a site which occupies about 56,670 sq. m. and is situated along the north side of the International Passenger Transportation Terminal of Hongkai of Shanghai Municipality. The Group's interest in Shanghai Jingang increased from 10% to 25% after the acquisition. The Equity Transfer Agreement and the transactions contemplated therein constituted discloseable and connected transactions for the Company under Rules 14.06(2) and 14A.13(6) of the Listing Rules, and were subject to reporting, announcement and independent shareholders' approval requirements under Rule 14A.17 of the Listing Rules. Details of such discloseable and connected transactions were set out in the special general meeting circular sent to the shareholders of the Company on 23rd February 2007. The ordinary resolution in relation to this discloseable and connected transactions was adopted by the independent shareholders in the special general meeting on 12th March 2007.

41. 關連人士交易(續)

(c) 於二零零七年一月十日，本集團與黃氏家族間接控制之金光紙業(中國)投資有限公司(「金光紙業」)訂立股權轉讓協議，據此，金光紙業同意以總價格582,000,000港元，向本集團轉讓上海金港北外灘置業有限公司(「上海金港」)15%註冊資本。上海金港之主要業務為於一幅位於上海市虹口區國際客運中心北側之佔地約56,670平方米之土地上發展一綜合項目，包括酒店、購物商場及辦公室物業。於收購後，本集團於上海金港之權益由10%增加至25%。根據上市規則第14.06(2)及14A.13(6)條，該股權轉讓協議及據此擬進行交易構成本公司之須予披露交易及關連交易，故須遵守上市規則第14A.17條項下申報、公佈及獨立股東批准之規定。該等須予披露交易及關連交易之詳情載於在二零零七年二月二十三日向本公司股東寄發之股東特別大會通函。有關此項須予披露及關連交易之普通決議案已於二零零七年三月十二日舉行之股東特別大會獲獨立股東採納。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

41. RELATED-PARTY TRANSACTIONS (continued)

(d) The Company entered into the subscription agreements with Creator Holdings Limited ("Creator") and Penta Investment Advisers Limited ("Penta"), the substantial shareholders of the Company, on 10th January and 12th February 2007 respectively, under which Creator and Penta agreed to subscribe for 437,595,000 new shares and 142,335,000 new shares of the Company at HK\$1.37 per share respectively. The subscription constituted a connected transaction for the Company under Rules 14.06(2) and 14A.13(6) of the Listing Rules, and were subject to independent shareholders' approval requirements under Rule 14A.17 of the Listing Rules. Details of such connected transaction were set out in the special general meeting circular sent to shareholders of the Company on 23rd February 2007. The ordinary resolution in relation to this connected transaction was approved by the independent shareholders in the special general meeting on 12th March 2007.

(e) On 15th December 2006, Hong Kong Construction (China) Engineering Company Limited ("HKC (China)"), a wholly-owned subsidiary of the Company, entered into a project management agreement with Jinguang Property (Chengdu) Limited ("Jinguang Property"), a company indirectly controlled by the Oei family, for a period of 6 months commenced from the date of the agreement and was expired on 30th June 2007. Total service fee income from Jinguang Property amounted to RMB520,000 (equivalent to approximately HK\$558,000) for the year ended 31st December 2007. As the service fee receivable by the Group under the project management agreement was less than 2.5% of the percentage ratio (other than the profit ratio) and HK\$1.0 million, the project management agreement and the transactions contemplated were exempt from the reporting, announcement and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

41. 關連人士交易(續)

(d) 本公司與本公司主要股東創達集團有限公司(「創達」)及 Penta Investment Advisers Limited(「Penta」)分別於二零零七年一月十日及二月十二日訂立認購協議，據此，創達及 Penta 同意以每股 1.37 港元之價格，分別認購 437,595,000 股及 142,335,000 股本公司新股份。根據上市規則第 14.06(2) 及 14A.13(6) 條，認購構成本公司之關連交易，故須遵守上市規則第 14A.17 條項下之獨立股東批准規定。該項關連交易之詳情載於在二零零七年二月二十三日寄發予本公司股東之股東特別大會通函。有關此項關連交易之普通決議案已於二零零七年三月十二日舉行之股東特別大會獲獨立股東批准。

(e) 於二零零六年十二月十五日，本公司全資附屬公司香港建設(中國)工程有限公司(「香港建設(中國)」)與黃氏家族間接控制之金光置業(成都)有限公司(「金光置業」)訂立項目管理協議，自協議日期至二零零七年六月三十日起計為期六個月。截至二零零七年十二月三十一日止年度，應收金光置業之總服務費收入為人民幣 520,000 元(相等於約 558,000 港元)。由於本集團根據項目管理協議應收之服務費百分比率(不包括溢利比率)少於 2.5% 及 1,000,000 港元，故該項目管理協議及據此擬進行交易獲豁免遵守上市規則第 14A 章之申報、公佈及獨立股東批准規定。

41. RELATED-PARTY TRANSACTIONS (continued)

- (f) On 4th July 2007, HKC (China) entered into another project management agreement with Jinguang Property for a period of 18 months commenced from 1st July 2007 for a total service fee of RMB2,180,000 (equivalent to approximately HK\$2,338,000). When the service fee receivable under the project management agreement is aggregated with the service fee received under the project management agreement entered on 15th December 2006 on annual basis, the percentage ratios (other than the profit ratio) attributable to the annual cap of approximately RMB1.5 million (equivalent to approximately HK\$1.6 million), being the approximate amount of annual service fees receivable by the Group under such agreements for each financial years ended 31st December 2007 and , will not exceed 25% and HK\$10.0 million . The project management agreement and the transaction contemplated therein constituted a continuing connected transaction for the Company under the Listing Rules and is therefore only subject to the reporting and announcement requirements made on 9th July 2007 but is exempt from independent shareholders' approval requirements under Rule 14A.34 of the Listing Rules.

41. 關連人士交易(續)

- (f) 於二零零七年七月四日，香港建設(中國)與金光置業以總服務費人民幣2,180,000元(相等於約2,338,000港元)進一步訂立項目管理協議，上述協議自二零零七年七月一日起計為期十八個月。當項目管理協議與於二零零六年十二月十五日訂立之項目管理協議之每年應收服務費合計後，截至二零零七年十二月三十一日止財政年度各年約人民幣1,500,000元(相等於約1,600,000港元)之年度限額(即本集團根據該等協議每年應收服務費之概約金額)百分比率(不包括溢利比率)將不會超過25%及10,000,000港元。根據上市規則，該項目管理協議及據此擬進行交易構成本公司持續關連交易，故須遵守於二零零七年七月九日作出之申報及公佈規定，惟獲豁免遵守上市規則第14A.34章之獨立股東批准規定。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

41. RELATED-PARTY TRANSACTIONS (continued)

(g) During July and August 2007, the Company entered into the shares subscription agreements and supplemental agreements with Cerberus Asia Capital Management, LLC (“Cerberus”), Penta and Creator, under which Cerberus and Penta subscribed 1,426,829,000 shares and 570,731,000 shares respectively at the price of HK\$2.05 per share while Creator subscribed 686,317,000 shares at the price of HK\$2.273 per share. The gross proceeds from the share subscriptions were approximately US\$725.0 million (equivalent to approximately HK\$5,655.0 million). The share subscription constituted connected transactions for the Company under Rules 14.06(2) and 14A.13(6) of the Listing Rules, and was subject to reporting, announcement and independent shareholders’ approval requirements under Rule 14A.17 of the Listing Rules. Details of such connected transactions were set out in the special general meeting circular sent to shareholders of the Company on 12th September 2007. The ordinary resolution in relation to these connected transactions was approved by the independent shareholders at the special general meeting on 23rd October 2007.

41. 關連人士交易(續)

(g) 於二零零七年七月至八月，本公司與Cerberus Asia Capital Management, LLC(「Cerberus」)、Penta及創達訂立認購協議及補充協議，據此，Cerberus及Penta按每股股份2.05港元分別認購1,426,829,000股股份及570,731,000股股份，與此同時，創達按每股股份2.273港元認購686,317,000股股份。自股份認購所得款項總額約為725,000,000美元(約相當於5,655,000,000港元)。根據上市規則第14.06(2)及14A.13(6)條，股份認購構成本公司之關連交易，故須遵守上市規則第14A.17條項下之申報、公佈及獨立股東批准規定。該項關連交易之詳情載於在二零零七年九月十二日向本公司股東寄發之股東特別大會通函。有關此項關連交易之普通決議案已於二零零七年十月二十三日舉行之股東特別大會獲獨立股東批准。

41. RELATED-PARTY TRANSACTIONS (continued)

(h) Yangpu Water Supply Company Limited, held as to 65% indirectly by the Group, entered into a water supply agreement with Jinhai Paper Pulping Industrial Company Limited ("Jinhai"), a company indirectly controlled by the Oei family, for a period of 3 years commencing from 1st January 2006. The water supply agreement and the transactions contemplated therein constituted continuing connected transactions for the Company under Rules 14.06(2) and 14A.13(6) of the Listing Rules and were subject to the reporting, announcement and independent shareholders' approval requirements under Rule 14A.17 of the Listing Rules. Details of such continuing connected transaction were set out in the extraordinary general meeting circular sent to the shareholders of the Company on 12th May 2006. The ordinary resolution in relation to this continuing connected transaction was approved by the independent shareholders in the extraordinary general meeting on 13th June 2006. The approved annual cap for the financial year ended 31st December 2007 is RMB40.4 million (equivalent to approximately HK\$44.0 million). Income received from Jinhai for the supply of raw water during the year under review amounted to RMB23.0 million (equivalent to approximately HK\$25.1 million).

41. 關連人士交易(續)

(h) 本集團間接持有65%權益之洋浦供水有限責任公司與黃氏家族間接控制之海南金海漿紙業有限公司(「金海」)訂立供水協議，自二零零六年一月一日起計為期三年。根據上市規則第14.06(2)及14A.13(6)條，供水協議及據此擬進行交易構成本公司之持續關連交易，故須遵守上市規則第14A.17條項下之申報、公佈及獨立股東批准規定。該持續關連交易之詳情載於在二零零六年五月十二日向本公司股東寄發之股東特別大會通函。有關此項持續關連交易之普通決議案已於二零零六年六月十三日舉行之股東特別大會獲獨立股東批准。截至二零零七年十二月三十一日止財政年度之已批准年度上限為人民幣40,400,000元(相當於約44,000,000港元)。於回顧年間就供應原水自金海收取之收入達人民幣23,000,000元(相當於約25,100,000港元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

41. RELATED-PARTY TRANSACTIONS (continued)

(i) Hong Kong Construction (Hong Kong) Limited ("HK Co"), a wholly-owned subsidiary of the Company, entered into a revolving loan agreement on 6th October 2005 and a supplemental loan agreement on 20th April 2006 and the second supplemental agreement on 1st July 2007 with Creator, under which HK Co might borrow up to HK\$800.0 million or its equivalent in other currency from Creator during a period of 36 months from the date of such agreement. The loan was unsecured and had no fixed repayment terms during the loan period, the interest was bearing at Hong Kong Dollar Prime Rate as quoted by HSBC plus 2%. The maximum amount (including interests) outstanding during the year under review was approximately HK\$657.2 million. There was no outstanding amount due to Creator by HK Co as at 31st December 2007.

(j) On 17th July 2007, HK Co entered into an assignment agreement with Mr. Oei Kang, Eric, an Executive Director of the Company ("Mr. Oei") and the Bank of East Asia Limited ("BEA"), under which BEA agreed to and make available to Mr. Oei a term loan facility of up to US\$150.0 million (equivalent to approximately HK\$1,170 million) for a period of 3 weeks from the date of the assignment agreement. Mr. Oei had on-lent the loan of approximately HK\$1,170.0 million to HK Co for business development. The loan was unsecured and the interest was bearing at Hong Kong Dollar Prime Rate as quoted by HSBC plus 2%. The maximum amount (including interests) outstanding during the year under review was approximately US\$150.6 million, including interests (equivalent to approximately HK\$1,174.7 million). The loan together with the interests calculated there under had been fully paid by HK Co and the assignment agreement was expired on 7th August 2007.

41. 關連人士交易(續)

(i) 本公司附屬公司香港建設(香港)工程有限公司(「香港公司」)與創達於二零零五年十月六日訂立循環貸款協議，並於二零零六年四月二十日及二零零七年七月一日分別訂立補充貸款協議及第二份補充協議，據此，香港公司可於有關協議日期起計36個月期間向創達借入最高800,000,000港元或其他等額貨幣。該貸款為無抵押、於貸款期內並無固定還款期，並以香港上海匯豐銀行所報港元最優惠利率加2%計息。回顧年內尚未償還之最高金額(包括利息)約為657,200,000港元。香港公司於二零零七年十二月三十一日並無任何到期應償還予創達償還之款項。

(j) 於二零零七年七月十七日，香港公司與本公司執行董事黃剛先生(「黃先生」)及東亞銀行有限公司(「東亞銀行」)訂立轉讓協議，據此，東亞銀行同意可於轉讓協議日期起計3個星期期間向黃先生提供最高達150,000,000美元(約相當於1,170,000,000港元)之有期借款融資。黃先生已向香港公司借出約1,170,000,000港元用作業務發展。該貸款為無抵押，並以香港上海匯豐銀行所報港元最優惠利率加2%計息。回顧年內尚未償還之最高金額(包括利息)約為150,600,000美元(約相當於1,174,700,000港元)。借款連據此計算之利息已由香港公司悉數償還，而轉讓協議已於二零零七年八月七日屆滿。

41. RELATED-PARTY TRANSACTIONS (continued)

(k) On 17th July 2007, Creator entered into certain loan documents with Deutsche Bank AG, pursuant to which Deutsche Bank AG agreed to provide Creator with certain loan facilities of up to HK\$800.0 million for a period of 12 months from the date of such loan documents. On 18th July 2007, the Company entered into a loan agreement with Creator, under which Creator agreed to on-lend and make available to the Company a loan facility of up to HK\$800.0 million for a period of 12 months from the date of such agreement. The loan was unsecured and had no fixed repayment terms during the loan period, the interest was bearing at Hong Kong Dollar Prime Rate as quoted by HSBC plus 2%. The maximum amount (including interests) outstanding during the year under review was approximately HK\$818.9 million. There was no outstanding amount due to Creator by the Company as at 31st December 2007.

(l) On 8th October 2007, the Company entered into a revolving loan agreement with Genesis Capital Group Limited ("Genesis"), one of the substantial shareholders, under which the Company might borrow up to HK\$1,000.0 million for a period of 36 months from the date of such agreement. The loan was unsecured and had no fixed repayment terms during the loan period, the interest was bearing at Hong Kong Dollar Prime Rate as quoted by HSBC plus 2%. There was no outstanding amount due to Genesis by the Company as at 31st December 2007.

41. 關連人士交易(續)

(k) 於二零零七年七月十七日，創達與德意志銀行訂立若干借款文件，據此，德意志銀行同意可於該等借款文件日期起計12個月期間向創達提供最高達800,000,000港元之借款融資。於二零零七年七月十八日，本公司與創達訂立借款協議，據此，創達同意可於該等協議日期起計12個月期間向本公司借出最高800,000,000港元之借款融資。該貸款為無抵押、於貸款期內並無固定還款期，並以香港上海匯豐銀行所報港元最優惠利率加2%計息。回顧年內尚未償還之最高金額(包括利息)約為818,900,000港元。本公司於二零零七年十二月三十一日並無任何未償還予創達之款項。

(l) 於二零零七年十月八日，本公司與其中一名主要股東華創集團有限公司(「華創」)訂立循環貸款協議，據此，本公司可於該等協議日期起計36個月期間向華創借用最多達1,000,000,000港元。此項貸款為無抵押、於貸款期內並無固定還款期，並以香港上海匯豐銀行所報港元最優惠利率加2%計息。本公司於二零零七年十二月三十一日並無任何未償還予華創之款項。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

41. RELATED-PARTY TRANSACTIONS (continued)

(m) Under the shares subscription agreements and supplemental agreements entered into between the Company and Cerberus mentioned in Note (g) above, Cerberus agreed to and make available to the Company a loan facility of up to US\$500.0 million (equivalent to approximately HK\$3,900.0 million) for a period of 36 months from 26th August 2007. The loan was secured over the shares and assets of the Company and had no fixed repayment terms during the loan period, the interest was bearing at London Inter-Bank Borrowing Rate as quoted by Reuters or Bloomberg plus 5.5%. There was no outstanding amount due to Cerberus by the Company as at 31st December 2007.

(n) Key management compensation

41. 關連人士交易(續)

(m) 根據上文附註(g)所述由本公司與Cerberus訂立之認購協議及補充協議，Cerberus同意於二零零七年八月二十六日起計36個月期間向本公司提供最高達500,000,000美元(約相當於3,900,000,000港元)之借款融資。此項貸款以本公司之股份及資產作為抵押、於貸款期內並無固定還款期，並以路透社或彭博所報倫敦同業借款利率加5.5%計息。本公司於二零零七年十二月三十一日並無任何未償還予Cerberus之款項。

(n) 主要管理層成員之補償

		2007 二零零七年 HK\$ Million 百萬港元	2006 二零零六年 HK\$ Million 百萬港元
Director's fees	董事袍金	1.4	0.9
Salary	薪金	16.1	13.1
Discretionary bonus	酌情花紅	16.3	7.5
Employer's contribution to pension scheme	退休金計劃之僱主供款	0.1	0.1
		33.9	21.6

42. NOTES TO CONSOLIDATED CASH FLOW STATEMENT

42. 綜合現金流量表附註

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

(a) 經營溢利與經營業務所用之現金淨額之對賬

		2007 二零零七年 HK\$ Million 百萬港元	2006 二零零六年 HK\$ Million 百萬港元
Profit before income tax	除所得稅前溢利	945.2	574.3
Finance income	融資收入	(81.4)	(9.7)
Depreciation and amortisation	折舊及攤銷	50.1	21.6
Employee share option benefits	僱員購股權福利	36.7	15.0
Negative goodwill released to income	撥回收入之負商譽	(426.7)	(178.7)
(Gain)/loss on disposal of Property, plant and equipment	出售下列項目之(收益)/虧損 物業、機器及設備	0.3	(0.2)
Associated companies	聯營公司	(181.2)	-
Derivative financial instrument	衍生金融工具	-	0.1
Write back of over provision of PRC tax liabilities	中國稅項負債超額撥備回撥	-	(148.5)
Net exchange loss	匯兌虧損淨額	41.8	14.8
Fair value gains on investment properties	投資物業公平值收益	(536.8)	(246.3)
Write back of provision for impairment loss on properties held for sale	作銷售用途之物業之減值虧損撥備回撥	(124.3)	(3.0)
Net provision for impairment loss on trade and other receivables	應收賬款及其他應收款減值撥備淨額	0.2	2.5
Decrease in fair value of derivative financial instruments – options	衍生金融工具公平值減少—期權	3.0	2.0
Fair value (gain)/loss on financial assets at fair value through profit or loss	按公平值於損益表列賬之其他金融資產之公平值(收益)/虧損	(3.2)	4.2
Finance costs	融資成本	162.3	67.0
Write off other receivables	撇銷其他應收款	32.9	-
Share of profits less losses of associated companies	分佔溢利減聯營公司虧損	(33.7)	(116.2)
Share of losses less profits of jointly controlled entities	分佔虧損減合營公司溢利	6.2	(72.8)
Operating loss before working capital changes	營運資金變動前經營虧損	(108.6)	(73.9)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

42. NOTES TO CONSOLIDATED CASH FLOW STATEMENT (continued)

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

Net increase in construction contracts in progress	在建工程合約增加淨額	
Increase in properties under development	開發中物業增加	
Increase in prepaid lease payments for land	預付土地租賃款增加	
Decrease in properties held for sale	作銷售用途之物業減少	
Decrease in non-current receivables	非流動應收款減少	
(Increase)/decrease in trade and other receivables	應收賬款及其他應收款 (增加)/減少	
Increase/(decrease) in non-current payables and trade and other payables	非流動應付款、應付賬款及其他 應付款增加/(減少)	
Decrease in minority interests	少數股東權益減少	
Cash used in operations	營業所用現金	

42. 綜合現金流量表附註(續)

(a) 經營溢利與經營業務所用之現金淨額之對賬(續)

2007	2006
二零零七年	二零零六年
HK\$ Million	HK\$ Million
百萬港元	百萬港元
(164.5)	(23.5)
(1,213.1)	—
(575.7)	—
82.4	16.1
63.3	19.9
(501.8)	6.2
105.8	(29.8)
0.8	0.9
(2,311.4)	(84.1)

(b) Non-cash transactions

(i) Loan capitalisation

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

(b) 非現金交易

(i) 貸款資本化

去年，根據日期為二零零六年五月八日之貸款資本化及認購新股份協議，香港公司以總代價486,100,000港元向創達發行465,681,854股普通股。該筆款項已與結欠創達之款項悉數對銷。

43. EVENTS AFTER BALANCE SHEET DATE

- (a) In February 2008, the Company entered into a sale and purchase agreement with Nam Tai Electronics, Inc. to acquire 572,594,978 shares (approximately 74.99% of the issued share capital) in J.I.C. Technology Company Limited (“JIC”), a company listed on the main board of the Stock Exchange of Hong Kong, at a consideration of HK\$397.5 million. Pursuant to Rule 26.1 of the Hong Kong Code of Takeovers and Mergers, the mandatory unconditional cash offer (“the Offer”) was issued on 20th March 2008 for minority shareholders of JIC at HK\$0.695 per share. Upon the close of the Offer on 10th April 2008, 3,320 shares, representing less than 0.01% of the total issued share capital of JIC, were accepted by the Group. Taking into account of the valid acceptance, 190,936,889 shares, representing 25.01% of the total issued share capital of JIC are held by the public. JIC has continued to comply with the public float requirements under Rule 8.08 of the Listing Rules.

43. 結算日後事項

- (a) 於二零零八年二月，本公司與Nam Tai Electronics, Inc. 訂立買賣協議，以約397,500,000港元之代價收購於香港聯交所主板上市之J.I.C. Technology Company Limited (「JIC」) 之572,594,978股股份(佔已發行股本約74.99%)。根據香港公司收購及合併守則第26.1條，本公司已於二零零八年三月二十日以每股股份0.695港元之價格向JIC股東提出強制性無條件現金收購建議(「收購建議」)。於二零零八年四月十日，收購建議結束後，本集團接納3,320股股份，即相當於JIC全部已發行股本少於0.01%。經計及有效接納後，190,936,889股股份(相當於JIC全部已發行股本25.01%)由公眾持有。JIC已繼續遵守上市規則第8.08條項下之公眾持股量規定。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

43. EVENTS AFTER BALANCE SHEET DATE (continued)

(b) In February and March 2008, the Group acquired an aggregate 60% equity interests in Shanghai Guangtian Real Estate Development Company Limited, a property company engaged in developing a parcel of land located at No.4 Sichuan North Road of Hongkai District of Shanghai Municipality, at an aggregated consideration of approximately RMB1.5 billion (equivalent to approximately HK\$1.6 billion). The site occupies an area of approximately 26,820 sq. m. and will be developed an integrated commercial-retail complex consists of office building and a ground-level shopping arcade with above ground gross floor area of approximately 152,000 sq. m.

(c) In March 2008, the Group entered into a sale and purchase agreement with CB Richard Ellis Strategic Partners Asia II, LP ("CBRE"), a wholly-owned subsidiary of CB Richard Ellis Group, Inc. for the transfer of its 25% interest in a property development project at Hong Qi Nan Road, Nankai District in Tianjin to CBRE at an consideration of US\$42.2 million (equivalent to approximately HK\$329.2 million). The site was secured through a swap for another parcel of land adjacent to the Olympic Sports Centre in Tianjin with the government authority of Tianjin Municipality. The site at Hong Qi Nan Road occupies an area of approximately 77,961 sq. m. and will be developed into a commercial property consisting of serviced and regular apartments. Up to the date of this report, the management consider it is premature to estimate the profit arising from the transaction, pending the final arrangement of certain documents.

(d) In April 2008, the Group completed the acquisition of about 70.65% equity interests in an Ethanol project company in Chongqing, the PRC at a total consideration of RMB163.4 million (equivalent to approximately HK\$175.2 million). The Ethanol project company is principally engaged in the manufacture, production and sale of industrial ethanol.

43. 結算日後事項(續)

(b) 於二零零八年二月及三月，本集團以合共約人民幣1,500,000,000元(相等於約1,600,000,000港元)之代價收購上海廣田房地產開發有限公司之60%權益，該公司主要於上海市虹口區四川北路4街之一幅土地從事開發業務。該地塊之面積約為26,820平方米，並將發展為集辦公室大樓及一個地面購物商場於一身，地面總樓面面積約為152,000平方米之綜合項目。

(c) 於二零零八年三月，本集團與CB Richard Ellis Group, Inc. 之全資附屬公司CB Richard Ellis Strategic Partners Asia II, LP (「CBRE」)訂立買賣協議，以按代價42,200,000美元(相等於約329,200,000港元)向CBRE轉讓其於天津市南開區紅旗南路物業開發項目之25%權益。此地塊乃透過與天津市政府交換另一幅毗鄰天津奧林匹克體育中心之土地取得。於紅旗南路之地塊佔地約77,961平方米，並將發展為集服務式及標準公寓於一身的商用物業。直至本年報日期，由於若干文件仍未取得最後安排，管理層認為太早估算自此次交易產生之溢利。

(d) 於二零零八年四月，本集團宣佈以總代價人民幣163,400,000元(相等於約175,200,000港元)收購位於中國重慶之乙醇項目公司約70.65%股本權益。乙醇項目公司主要從事工業用乙醇製造、生產及銷售業務。

PRINCIPAL SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINTLY CONTROLLED ENTITIES

主要附屬公司、聯營公司和合營公司

Listed below are the principal subsidiaries, associated companies and jointly controlled entities which, in the opinion of the directors, principally affect the result and/or net assets of the Group.

下表載列董事認為對本集團業績及／或資產淨值有重大影響之主要附屬公司、聯營公司及合營公司詳情。

1. PRINCIPAL SUBSIDIARIES

1. 主要附屬公司

Name	Place of incorporation/ operation and kind of legal entity	Principal activities	Issued share capital/ Paid up registered capital	Percentage of equity/ Paid up registered capital held
名稱	註冊成立/ 經營地點及 法律實體類型	主要業務	已發行股本/ 實付註冊資本	所持權益/ 實付註冊資本 百分比
(a) Investment holding 投資控股				
Dorboy Investment Limited ⁺ 禧發投資有限公司 ⁺	Hong Kong/PRC 香港／中國	Investment holding 投資控股	HK\$1,000 1,000港元	80%
Eden Investment Group Limited ⁺ 伊甸投資集團有限公司 ⁺	British Virgin Islands/ PRC 英屬處女群島／中國	Investment holding 投資控股	US\$1 1美元	100%
HKC (Nanxun) Holdings Limited ⁺ 香港建設(南潯)建材城控股有限公司 ⁺	Hong Kong/PRC 香港／中國	Investment holding 投資控股	HK\$2 2港元	100%
HKC Infrastructure (Holdings) Limited (formerly known as Hong Kong Infrastructure Limited) ⁺ 香港建設基礎設施(控股)有限公司 (前稱香港基建有限公司) ⁺	British Virgin Islands/ PRC 英屬處女群島／中國	Investment holding 投資控股	US\$1 1美元	100%
HKC Shenyang Heping Investments Limited ⁺ 香港建設瀋陽和平投資有限公司 ⁺	Hong Kong/PRC 香港／中國	Investment holding 投資控股	HK\$1 1港元	100%
HKC Shenyang Hunan Investments Limited ⁺ 香港建設瀋陽渾南投資有限公司 ⁺	Hong Kong/PRC 香港／中國	Investment holding 投資控股	HK\$1 1港元	100%
Hong Kong Construction Tianjin Tuan Po Hu Investment Limited ⁺ 香港建設天津團泊湖投資有限公司 ⁺	Hong Kong/PRC 香港／中國	Investment holding 投資控股	HK\$1 1港元	100%
Hong Kong Energy (Holdings) Limited ⁺ 香港新能源(控股)有限公司 ⁺	British Virgin Islands/ PRC 英屬處女群島／中國	Investment holding 投資控股	US\$1 1美元	100%

PRINCIPAL SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINTLY CONTROLLED ENTITIES

主要附屬公司、聯營公司和合營公司

1. PRINCIPAL SUBSIDIARIES (continued)

1. 主要附屬公司(續)

Name	Place of incorporation/ operation and kind of legal entity	Principal activities	Issued share capital/ Paid up registered capital	Percentage of equity/ Paid up registered capital held
名稱	註冊成立/ 經營地點及 法律實體類型	主要業務	已發行股本/ 實付註冊資本	所持權益/ 實付註冊資本 百分比
(a) Investment holding (continued)				
投資控股(續)				
Ivy Garden Investments Limited ⁺	British Virgin Islands/ PRC 英屬處女群島/中國	Investment holding 投資控股	US\$1 1美元	100%
Karbyony Investment Limited ⁺	Hong Kong/PRC 香港/中國	Investment holding 投資控股	HK\$10,000,000 10,000,000港元	100%
Sinoriver International Limited ⁺ 中川國際有限公司 ⁺	British Virgin Islands/ PRC 英屬處女群島/中國	Investment holding 投資控股	US\$1 1美元	100%
(b) Property investment				
物業投資				
Hong Kong Construction (China) Engineering Company Limited ^{+#} 香港建設(中國)工程有限公司 ⁺	PRC Wholly foreign-owned enterprise 中國 外商獨資企業	Investment in apartments and shopping mall of South Ocean Centre, Shenzhen, the PRC 投資中國深圳南海中心的 住宅單位及商場	US\$36,500,000 36,500,000美元	100%
Karbyony Real Estate Development (Shenzhen) Company Limited ^{+#} 祈福房地產開發(深圳)有限公司 ^{+#}	PRC Wholly foreign-owned enterprise 中國 外商獨資企業	Investment in offices, apartments and shopping mall of Shun Hing Square, Shenzhen, the PRC 投資中國深圳信興廣場的 辦公室、住宅單位及商場	US\$60,000,000 60,000,000美元	100%
Lipmar Hero Limited ⁺	Hong Kong/PRC 香港/中國	Investment in the parcel of land in Jiangmen 投資江門一幅土地	HK\$10,000 10,000港元	89.5%

1. PRINCIPAL SUBSIDIARIES (continued)

1. 主要附屬公司(續)

Name 名稱	Place of incorporation/ operation and kind of legal entity 註冊成立/ 經營地點及 法律實體類型	Principal activities 主要業務	Issued share capital/ Paid up registered capital 已發行股本/ 實付註冊資本	Percentage of equity/ Paid up registered capital held 所持權益/ 實付註冊資本 百分比
(b) Property investment (continued) 物業投資(續)				
Shenzhen Jing-Guang Development Company Limited ⁺ # 深圳京廣發展有限公司 ⁺ #	PRC Limited liability company 中國 有限責任公司	Investment in offices, apartments and shopping mall of Jing Guang Centre, Shenzhen, the PRC 投資中國深圳京廣中心 的辦公室、住宅單位 及商場	HK\$10,000,000 10,000,000港元	80%
Sweet World Limited ⁺ 欣喜有限公司 ⁺	Hong Kong/PRC 香港/中國	Investment in apartment of President Mansion, Shanghai, the PRC 投資中國上海總統公寓的 住宅單位	HK\$100 100港元	100%
Toplan Company Limited ⁺ 泰鵬有限公司 ⁺	Hong Kong/PRC 香港/中國	Investment in apartment of South Ocean Centre, Shenzhen, the PRC 投資中國深圳南海中心的 住宅單位	HK\$3 3港元	100%
(c) Property development 物業發展				
Huzhou Nanxun International Building Market Center Company Limited ⁺ # 湖州南潯國際建材城有限公司 ⁺ #	PRC Wholly foreign-owned enterprise 中國 外商獨資企業	Development and operation of a building market Center in Huzhou, the PRC 於中國湖州發展及營運建材 市場中心	US\$48,000,000 48,000,000美元	100%
Tianjin Renai Properties Development Company Limited ⁺ # ^Δ 天津市仁愛置業發展有限公司 ⁺ # ^Δ	PRC Wholly foreign-owned enterprise 中國 外商獨資企業	Real estate development in Tuanbo Lake of Jinhai County in Tianjin, the PRC 於中國天津市靜海縣團泊湖 開發房地產	HK\$181,000,000 181,000,000港元	100%

PRINCIPAL SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINTLY CONTROLLED ENTITIES

主要附屬公司、聯營公司和合營公司

1. PRINCIPAL SUBSIDIARIES (continued)

1. 主要附屬公司(續)

Name 名稱	Place of incorporation/ operation and kind of legal entity 註冊成立/ 經營地點及 法律實體類型	Principal activities 主要業務	Issued share capital/ Paid up registered capital 已發行股本/ 實付註冊資本	Percentage of equity/ Paid up registered capital held 所持權益/ 實付註冊資本 百分比
(c) Property development (continued) 物業發展(續)				
香鑫置業(瀋陽)有限公司 ^{+#Δ}	PRC Wholly foreign-owned enterprise 中國 外商獨資企業	Real estate development in Heping District in Shenyang, the PRC 於中國瀋陽市和平區 開發房地產	HK\$500,000,000 500,000,000港元	100%
鑫港置業(瀋陽)有限公司 ^{+#Δ}	PRC Wholly foreign-owned enterprise 中國 外商獨資企業	Real estate development in Heping District in Shenyang, the PRC 於中國瀋陽市和平區 開發房地產	HK\$778,000,000 778,000,000港元	100%
(d) Infrastructure and alternative energy 基建及替代能源				
Asia Wind Power (Mudanjiang) Company Limited ^{+#} 亞洲風力發電(牡丹江)有限公司 ^{+#}	PRC Foreign-owned enterprise 中國 外資企業	Construction and operation of a 30 megawatts wind- powered electricity generating stations in Heilongjiang, the PRC 於中國黑龍江省建造及營運 一個發電量達30,000千瓦特 之風力發電廠	HK\$100,000,000 100,000,000港元	86%
HKC (Guilin) Expressway Company Limited ^{+#} 桂林港建高速公路有限公司 ^{+#}	PRC Limited liability company 中國 有限責任公司	Construction and operation of a toll road in Guilin, the PRC on a Build-Operate- Transfer contract 根據建造—經營—轉移 合同書建造及營運 中國桂林市收費公路	RMB416,150,000 人民幣416,150,000元	100%

1. PRINCIPAL SUBSIDIARIES (continued)

1. 主要附屬公司(續)

Name	Place of incorporation/ operation and kind of legal entity 註冊成立/ 經營地點及 法律實體類型	Principal activities	Issued share capital/ Paid up registered capital 已發行股本/ 實付註冊資本	Percentage of equity/ Paid up registered capital held 所持權益/ 實付註冊資本 百分比
(d) Infrastructure and alternative energy (continued) 基建及替代能源(續)				
Hong Kong Wind Power (Muling) Company Limited ^{+#} 香港風力發電(穆稜)有限公司 ^{+#}	PRC Foreign-owned enterprise 中國 外資企業	Construction and operation of a 30 megawatts wind- powered electricity generating stations in Heilongjiang, the PRC 於中國黑龍江省建造及營運 一個發電量達30,000千瓦特 之風力發電廠	HK\$100,000,000 100,000,000港元	80%
Yangpu Water Supply Company Limited ^{+#} 洋浦供水有限責任公司 ^{+#}	PRC Sino-foreign equity joint venture 中國 中外合資企業	Operation and maintenance of raw water supply facilities and water supply services in Yangpu Economic Development Zone 於洋浦經濟開發區管理及 保養原水供應設施以及 提供原水供應服務	RMB181,285,714 人民幣181,285,714元	65%

PRINCIPAL SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINTLY CONTROLLED ENTITIES

主要附屬公司、聯營公司和合營公司

1. PRINCIPAL SUBSIDIARIES (continued)

1. 主要附屬公司(續)

Name 名稱	Place of incorporation/ operation and kind of legal entity 註冊成立/ 經營地點及 法律實體類型	Principal activities 主要業務	Issued share capital/ Paid up registered capital 已發行股本/ 實付註冊資本	Percentage of equity/ Paid up registered capital held 所持權益/ 實付註冊資本 百分比
(e) Construction/property services 建築/物業服務				
Hong Kong Construction (Hong Kong) Limited 香港建設(香港)工程有限公司	Hong Kong 香港	Provision of construction service 提供建設服務	HK\$150,000,000 150,000,000港元	100%
Hong Kong Construction (China) Engineering Company Limited ^{†#} 香港建設(中國)工程有限公司 ^{†#}	PRC Wholly foreign-owned enterprise 中國 外商獨資企業	Provision of construction service 提供建設服務	US\$36,500,000 36,500,000美元	100%
Shenzhen Kumagai Property Management Company Limited ^{†#} 深圳熊谷物業管理有限公司 ^{†#}	PRC Limited liability company 中國 有限責任公司	Provision of property management service 提供物業管理服務	HK\$60,000,000 60,000,000港元	100%

2. PRINCIPAL ASSOCIATED COMPANIES

2. 主要聯營公司

Name 名稱	Issued share capital/ Paid up registered capital 已發行股本/ 實付註冊資本	Place of incorporation/ operation 註冊成立/ 經營地點	Group equity interest 本集團之 股本權益
(a) Property 物業			
Hong Kong Construction SMC Development Limited ⁺ # 香港建設蜆壳發展有限公司 ⁺ #	HK\$10,000,000 10,000,000港元	Hong Kong/PRC 香港/中國	40%
Hong Kong Construction (Investment) Limited ⁺ # 香港建設(置業)有限公司 ⁺ #	HK\$10,000 10,000港元	Hong Kong 香港	20%
(b) Hotel management and operation 酒店管理及運作			
Hong Kong Construction Kam Lung Limited ⁺ #	HK\$100,000 100,000港元	Hong Kong/PRC 香港/中國	45%
(c) Alternative energy 替代能源			
Linyi National Environmental New Energy Company Limited ⁺ # 臨沂中環新能源有限公司 ⁺ #	RMB100,000,000 人民幣100,000,000元	PRC 中國	40%
CECIC HKC Wind Power Company Limited ⁺ # ^Δ 中節能港建風力發電(張北)有限公司 ⁺ # ^Δ	RMB109,193,586 人民幣109,193,586元	PRC 中國	40%

PRINCIPAL SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINTLY CONTROLLED ENTITIES

主要附屬公司、聯營公司和合營公司

3. PRINCIPAL JOINTLY CONTROLLED ENTITIES

3. 主要合營公司

Name 名稱	Form of business structure/ Kind of legal entity 業務架構形式/ 法律實體類型	Place of establishment/ operation 成立/經營地點	Group equity interest 本集團之 股本權益
Construction 建築			
BCJ Joint Venture ^{+#}	Unincorporated partnership 非法人合夥業務	Hong Kong 香港	20%
Hong Kong Construction AMEC Joint Venture ^{+#}	Unincorporated partnership 非法人合夥業務	Hong Kong 香港	55%
AMEC – Hong Kong Construction Joint Venture ^{+#}	Unincorporated partnership 非法人合夥業務	Hong Kong 香港	45%
HK ACE Joint Venture ^{+#}	Unincorporated partnership 非法人合夥業務	Hong Kong 香港	30%
AMEC – Hong Kong CC-202 Joint Venture ^{+#}	Unincorporated partnership 非法人合夥業務	Hong Kong 香港	35%
Property development 物業發展			
Shanghai Jingang North Bund Real Estate Company Limited ^{+#} 上海金港北外灘置業有限公司 ^{+#}	Foreign-owned enterprise 外資企業	PRC 中國	25%

Notes:

+ Interest held by subsidiaries

Not audited by PricewaterhouseCoopers

Δ Newly set up or acquired in 2007

附註：

+ 權益由附屬公司擁有

並非由羅兵咸永道會計師事務所審核

Δ 於二零零七年新成立或收購

FIVE-YEAR FINANCIAL SUMMARY

五年財務資料概要

		2007 二零零七年 HK\$ Million 百萬港元	2006 二零零六年 HK\$ Million 百萬港元	2005 二零零五年 HK\$ Million 百萬港元	2004 二零零四年 HK\$ Million 百萬港元	2003 二零零三年 HK\$ Million 百萬港元
Consolidated income statement						
	綜合損益表					
Revenue	收益	706	396	248	1,007	1,266
Profit/(loss) before income tax	所得稅前溢利/(虧損)	945	574	340	259	(450)
Income tax credit/(expense)	所得稅抵免/(支出)	(95)	4	20	(5)	40
Profit/(loss) for the year	本年度溢利/(虧損)	850	578	360	254	(410)
Minority interests	少數股東權益	(15)	1	8	–	1
Profit/(loss) attributable to equity holders of the Company	本公司股東權益持有人應佔溢利/(虧損)	835	579	368	254	(409)
Dividends	股息	827	419	116	–	–
Consolidated balance sheet						
	綜合資產負債表					
Net current assets/(liabilities)	流動資產/(負債)淨額	5,938	787	137	(264)	(2,243)
Non-current assets	非流動資產	10,450	5,177	3,344	2,657	2,803
Non-current liabilities	非流動負債	(3,003)	(2,124)	(1,359)	(796)	(553)
Net assets including minority interests	資產淨額(包括少數股東權益)	13,385	3,840	2,122	1,597	7
Share capital	股本	82	37	23	1,948	608
Reserves	儲備	13,313	3,867	2,071	(241)	(491)
Minority interests	少數股東權益	(10)	(64)	28	(110)	(110)
Total equity	股東權益總額	13,385	3,840	2,122	1,597	7
		2007 二零零七年 HK\$ 港元	2006 二零零六年 HK\$ 港元	2005 二零零五年 HK\$ 港元	2004 二零零四年 HK\$ 港元	2003 二零零三年 HK\$ 港元
Earnings/(loss) per share	每股盈利/(虧損)					
– basic	– 基本	0.16	0.22	0.16	0.13	(0.67)
– diluted	– 攤薄	0.16	0.22	0.16	0.13	N/A
Dividend per share	每股股息					
– attributable to the year	– 年度應佔	0.135	0.11	0.05	–	–
Return on total equity	股東權益總額回報率	6.4%	15.1%	16.9%	15.9%	(5,857.1)%

Notes:

- Return on total equity represents the current year's profit/loss for the year expressed as a percentage of the closing total equity for the year concerned.
- The comparative figures of the results of the Group for the years ended 31st December 2004 and 2003 and the assets and liabilities of the Group as at 31st December 2004 and 2003 have been restated as a result of the adoption of Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants.

附註：

- 股東權益總額回報率為本年度溢利/虧損於有關年度年終股東權益總額之百分比。
- 由於採納香港會計師公會頒佈的香港財務報告準則、香港會計準則及詮釋，本集團截至二零零四年及二零零三年十二月三十一日止年度的業績及於二零零四年及二零零三年十二月三十一日的資產與負債的比較數字已重列。

SCHEDULE OF PRINCIPAL PROPERTIES (as at the date of the annual report)

主要物業一覽表(於本年報日期)

INVESTMENT PROPERTIES 投資物業

Location 地點	Existing use 目前用途	Term of lease 租賃期
<p>The shopping mall, all car parking spaces and various apartment units South Ocean Centre Dongmen Road Central, Shenzhen, Guangdong Province, the PRC 中國廣東省深圳 東門中路 南海中心 購物商場、所有停車場及多個住宅單位</p>	<p>Commercial/ Residential 商業/住宅</p>	<p>Medium 中期</p>
<p>The shopping mall, all car parking spaces, various apartment units and 1/F, 2/F, 42/F, 52/F and 58/F offices Shun Hing Square, Di Wang Commercial Centre No. 5002 Shennan Road East, Luohu, Shenzhen, the PRC 中國深圳羅湖 深南東路5002號 信興廣場地王商業中心 購物商場、所有停車場、 多個住宅單位及 1樓、2樓、42樓、52樓及58樓辦公室</p>	<p>Commercial/ Residential 商業/住宅</p>	<p>Medium 中期</p>
<p>The shopping mall, all car parking spaces, various apartment units and offices Jingguang Centre Yanhe Road North, Luohu, Shenzhen, the PRC 中國深圳羅湖 沿河北路 深圳京廣中心 購物商場、所有停車場、多個住宅單位及辦公室</p>	<p>Commercial/ Residential 商業/住宅</p>	<p>Medium 中期</p>

PROPERTIES UNDER DEVELOPMENT

發展中物業

	Location	Intended use	Shareholding %	Site area (sq.m.)	GFA (sq.m.)	Attributable GFA (sq.m.)
	地點	擬定用途	股權百分比	地盤面積 (平方米)	樓面總面積 (平方米)	應佔樓面 總面積 (平方米)
1	A parcel of land located in the north side of the International Passenger Transportation Terminal of Hongkou District, Shanghai 位於上海市虹口區國際客運中心北側之一幅土地	Office, hotel and retail 辦公室、酒店及零售	25%	56,670.0	250,000.0	62,500.0
2	A parcel of land located at No.4 Sichuan North Road, Hongkou District, Shanghai * 位於上海市虹口區四川北路4號之一幅土地*	Office and commercial 辦公室及商業	60%	26,820.0	152,000.0	91,200.0
3	A parcel of land along the eastern shore of Tuanbo Lake, Jinhai County, Tianjin 位於天津市靜海縣團泊湖內東部沿岸一幅土地	Residential 住宅	100%	804,000.0	836,938.0	836,938.0
4	A parcel of land located south of Hongqi South Road, Nankai District, Tianjin * 位於天津市南開區紅旗南路南側之一幅土地*	Residential 住宅	75%	77,961.0	150,000.0	112,500.0
5	A parcel of land located at Ningpo Road, Heping District, Shenyang * 位於瀋陽市和平區寧波路之一幅土地*	Residential and retail 住宅及零售	100%	67,786.0	270,800.0	270,800.0
6	A parcel of land located at Nanjing North Road, Heping District, Shenyang * 位於瀋陽市和平區南京北路之一幅土地*	Office and commercial 辦公室及商業	100%	7,105.0	92,000.0	92,000.0

SCHEDULE OF PRINCIPAL PROPERTIES (as at the date of the annual report)

主要物業一覽表(於本年報日期)

PROPERTIES UNDER DEVELOPMENT (continued)

發展中物業(續)

Location	Intended use	Shareholding %	Site area (sq.m.)	GFA (sq.m.)	Attributable GFA (sq.m.)
地點	擬定用途	股權百分比	地盤面積 (平方米)	樓面總面積 (平方米)	應佔樓面 總面積 (平方米)
7 A parcel of land located at Nanxun Economic Development District, Huzhou City, Zhejiang Province # 位於浙江省湖州市南潯經濟開發區之一幅土地#	Mix-use complex 綜合用途	100%	207,628.0	400,000.0	400,000.0
8 A parcel of land located at north of Hong Kong-Macau Pier, Jiangmen, Guangdong Province * 位於廣東省江門市港澳碼頭北側之一幅土地*	Residential and commercial 住宅及商業	89.5%	101,343.3	189,110	169,253.5
					2,035,191.5

* As at the date of the annual report, the Group is in the process of obtaining the certificates of land use rights.

* 於年報日期，本集團尚待取得土地使用權證。

The first phase of Nanxun project is expected to complete in the 3rd quarter of 2009 and is currently at the stage of piling.

南潯項目第一期預期將於二零零九年第三季度完成，目前正處於打樁階段。

