

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2004

1. General

The Company is a public limited company incorporated in Hong Kong and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company is an investment holding company and engaged in property investment, securities trading and distressed assets business. Details of the principal activities of the Company's subsidiaries and the Group's associates are set out in note 47.

2. Potential Impact Arising from the Recently Issued Accounting Standards

In 2004, the Hong Kong Institute of Certified Public Accountants (the "HKICPA") issued a number of new or revised Hong Kong Accounting Standards and Hong Kong Financial Reporting Standards (hereinafter collectively referred to as "new HKFRSs") which are effective for accounting periods beginning on or after 1 January 2005. The Group has not early adopted these new HKFRSs in the financial statements for the year ended 31 December 2004.

The Group has commenced considering the potential impact of these new HKFRSs but is not yet in a position to determine whether these new HKFRSs would have a significant impact on how its results of operations and financial position are prepared and presented. These new HKFRSs may result in changes in the future as to how the results and financial position are prepared and presented.

1. 一般事項

本公司乃在香港註冊成立之公眾有限公司，其股份在香港聯合交易所有限公司（「聯交所」）上市。

本公司為一間控股投資公司並從事物業投資證券買賣及不良資產業務。本公司附屬公司及聯營公司的主要業務詳情列於附註47。

2. 近期頒布之會計準則的潛在影響

於二零零四年，香港會計師公會（「會計師公會」）頒布若干新訂或經修訂的香港會計準則及香港財務報告準則（以下統稱「新會計準則」）適用於二零零五年一月一日開始的會計期間。本集團並無於截至二零零四年十二月三十一日止年度提前採納該等新會計準則。

本集團已著手研究該等新會計準則的潛在影響但尚未能測定該等新會計準則對經營業績及財務狀況的制訂及匯報是否有重大影響。此等新會計準則或會對未來的業績及財務狀況的制訂及匯報帶來改變。

3. Significant Accounting Policies

The financial statements have been prepared under the historical cost convention, as modified for the valuation of properties and investments in securities. The financial statements have been prepared in accordance with accounting principles generally accepted in Hong Kong. The principal accounting policies adopted are as follows:

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to 31 December each year.

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

All significant intercompany transactions and balances within the Group have been eliminated on consolidation.

Where a group enterprise transacts with an associate of the Group, unrealised profits and losses are eliminated to the extent of the Group's interest in the relevant associate, except where unrealised losses provide evidence of an impairment of the asset transferred.

Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary or an associate at the date of acquisition.

3. 主要會計政策

本財務報表乃按照歷史成本慣例編制，並就物業及證券投資估值修訂。財務報表是根據香港普遍採納之會計原則編制。所採納之主要會計政策如下：

綜合基準

本綜合財務報表載入本公司及其附屬公司於截至每年十二月三十一日止之財務報表。

年內所收購或出售之附屬公司之業績，已分別由實際收購日期起或直至實際出售日期（如適用）止載入綜合損益表內。

所有本集團之重大內部交易及結餘均已於進行綜合賬目時消除。

如有集團企業與本集團之聯營公司進行交易，相當於本集團於有關聯營公司權益之未變現之損益會予以消除（除非有證據證明未變現虧損逾所轉讓之資產減值有關）。

商譽

綜合賬目產生之商譽指收購支付之代價超出本集團佔該附屬公司或聯營公司於收購當日之可資辨認資產及負債之公平價值之數額。

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2004

3. Significant Accounting Policies (Continued)

Goodwill (Continued)

Goodwill arising on acquisition prior to 1 January 2001 continues to be held in reserves and will be charged to income statement at the time of disposal of the relevant subsidiary or associate, or at such time as the goodwill is determined to be impaired. Goodwill arising on acquisitions after 1 January 2001 is recognised as an asset and amortised on a straight line basis over its useful economic life of not more than 20 years.

On disposal of a subsidiary or an associate, the attributable amount of unamortised goodwill or goodwill previously eliminated against reserves is included in the determination of the profit or loss on disposal.

Goodwill arising on acquisition of an associate is included within the carrying amount of the associate. Goodwill arising on the acquisition of subsidiaries is presented separately in the balance sheet.

Negative goodwill

Negative goodwill represents the excess of the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary or an associate at the date of acquisition over the cost of acquisition.

Negative goodwill arising on acquisitions prior to 1 January 2001 continues to be held in reserves and will be credited to income at the time of disposal of the relevant subsidiary or associate. Negative goodwill arising on acquisitions after 1 January 2001 is presented as a deduction from assets and will be released to income based on an analysis of the circumstances from which the balance resulted.

3. 主要會計政策 (續)

商譽 (續)

凡於二零零一年一月一日前因收購而產生之商譽繼續保留於儲備中，於出售有關附屬公司或聯營公司或已確定有關商譽出現資產減值損失時賬記收入表支出。於二零零一年一月一日後因收購而產生之商譽，會確認為資產並會用直線基準以最多不超過二十年之可使用年限攤銷。

於出售附屬公司或聯營公司時，未攤銷之商譽或以前已於儲備內注銷之商譽所屬之金額會用以計算出售之溢利或其虧損。

因收購聯營公司產生之商譽賬記有關聯營公司賬面值中。因收購附屬公司產生之商譽於資產負債表單獨呈報。

負商譽

負商譽指本集團於收購日攤佔附屬公司或聯營公司之可支配資產及負債之公允價值超出收購代價之部分。

凡於二零零一年一月一日前因收購而產生之負商譽繼續保留於儲備中，將於出售有關附屬公司或聯營公司時賬記收益。於二零零一年一月一日後因收購而產生之負商譽，以資產扣減方式呈報並會因應對個別結餘產生之情況作出分析後回撥賬記收益。

3. Significant Accounting Policies (Continued)

Negative goodwill (Continued)

To the extent that the negative goodwill is attributable to losses or expenses anticipated at the date of acquisition, it is released to income in the period in which those losses or expenses arise. The remaining negative goodwill is recognised as income on a straight line basis over the remaining average useful life of the identifiable acquired depreciable assets. To the extent that such negative goodwill exceeds the aggregate fair value of the acquired identifiable non-monetary assets, it is recognised in income immediately.

On disposal of a subsidiary or an associate, the attributable amount of unamortised negative goodwill or negative goodwill previously credited to reserves is included in the determination of the profit or loss on disposal.

Negative goodwill arising on the acquisition of an associate is deducted from the carrying value of that associate. Negative goodwill arising on the acquisition of subsidiaries is presented separately in the balance sheet as a deduction from assets.

Investments in subsidiaries

Investments in subsidiaries are included in the Company's balance sheet at cost less any identified impairment loss.

Income from investments in subsidiaries is accounted for when the Company's right to receive the dividend payment has been established.

3. 主要會計政策 (續)

負商譽 (續)

就負商譽於收購日可預期之虧損及支出所屬之相應金額，將於該等虧損及支出產生之期間撥賬記為收益。餘下之負商譽則按照收購所得之可支配及可予折舊之資產剩餘之平均可使用年限以直線基準確認為收益。至於有關負商譽超出所收購之可支配非貨幣性資產之公平價值總額部分，則立即確認為收益。

出售附屬公司或聯營公司時，釐定出售溢利或虧損時計入相關的未攤銷負商譽及先前賬記儲備之負商譽。

收購聯營公司產生之負商譽於該聯營公司之賬面值中扣除。收購附屬公司產生之負商譽於資產負債表中獨立列述為資產扣減。

附屬公司投資

於附屬公司之投資乃以成本減任何減值損失後載入本公司之資產負債表。

附屬公司之業績是按本公司已收股息及應收股息基準入賬。

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2004

3. Significant Accounting Policies (Continued)

Interests in associates

The results and net assets of associates are incorporated in the consolidated financial statements using the equity method of accounting. The carrying amount of such investments is reduced to recognise any identified impairment loss in the value of individual investments.

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

Investment properties

Investment properties are completed properties, which are held for their investment potential, any rental income being negotiated at arm's length. Investment properties are stated at their open market value based on a professional valuation at the balance sheet date.

Any surplus or deficit arising on the revaluation of investment properties is credited or charged to the investment properties revaluation reserve unless the balance on this reserve is insufficient to cover a deficit, in which case the excess of the deficit over the balance on the investment properties revaluation reserve is charged to the income statement. Where a deficit has previously been charged to the income statement and a revaluation surplus subsequently arises, this surplus is credited to the income statement to the extent of the deficit previously charged.

On disposal of an investment property, the balance on the investment properties revaluation reserve attributable to that property is transferred to the income statement.

3. 主要會計政策 (續)

聯營公司權益

聯營公司之業績及資產與負債乃採用權益會計方法載入綜合財務報表內。該等權益之賬面值已予減少以確認個別投資項目之減值損失。

於聯營公司之業績是按本公司已收及應收股息基準入賬。本公司資產負債表之聯營公司權益乃以成本減任何減值損失計算。

投資物業

投資物業為持有為享有其投資潛質之已建成物業，任何租金收入乃按公平基準磋商。投資物業以經由專業評估所得之公開市場價值列賬。

投資物業乃於每個結算日按公開市值以獨立專業估值依據入賬。因重估投資物業而產生之任何盈餘或虧損均撥入或從投資物業重估儲備重扣除，除非該儲備之結餘不足以抵銷虧損，則該投資物業之重估儲備之多餘虧損須自損益表扣除。

出售投資物業後，該物業應佔投資物業儲備之結餘轉撥往損益表。

3. Significant Accounting Policies (Continued)

Investment properties (Continued)

No depreciation is provided in respect of investment properties, which are held on leases with unexpired terms, including the renewable period, of more than twenty years.

Property, plant and equipment

Property, plant and equipment are stated at cost or valuation less accumulated depreciation and identified impairment loss.

Land and buildings are stated in the balance sheet at their revalued amount, being the fair value and any identified impairment losses at the date of revaluation less any subsequent accumulated depreciation. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the balance sheet date.

Any surplus arising on revaluation of land and buildings is credited to the asset revaluation reserve, except to the extent that it reverses a revaluation deficit of the same asset previously recognised as an expense, in which case this surplus is credited to the income statement to the extent of the deficit previously charged. A decrease in net carrying amount arising on revaluation of an asset is charged to the income statement to the extent that it exceeds the balance, if any, on the asset revaluation reserve relating to a previous revaluation of that asset. On the subsequent sale or retirement of a revalued asset, the attributable revaluation surplus is transferred to accumulated profits.

3. 主要會計政策 (續)

投資物業 (續)

通過租約方式持有而剩餘租約年期(包括更新後之期間)逾二十年之投資物業均不提撥折舊。

物業、廠房及設備

物業、廠房及設備按成本值或估值減累計折舊入賬及耗蝕虧損。

土地及樓宇乃按其重估金額於資產負債表列賬，重估金額乃指土地及樓宇於重估日期按照其現有用途基準釐定之公平價值減任何其後之累計折舊。重估乃按照足夠符合規定之方式進行，令賬面值不會與於結算日期使用公平價值釐定值價值有重大差別。

重估土地及樓宇所產生之任何盈餘均計入資產重估儲備，但若該同一資產先前保留一項重估減值而被確認為一項開支，則在此情況下此盈餘中相當於先前被扣除之虧損會列入收入報表內。因重估資產而產生之賬面值淨額之減少超逾與以往重估該資產有關之資產重估儲備結餘(如有)，則須於損益表內扣減。其後出售或報廢重估資產時，應佔重估盈餘將撥為累計溢利。

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2004

3. Significant Accounting Policies (Continued)

Property, plant and equipment (Continued)

Depreciation is provided to write off the cost or valuation of property, plant and equipment over their estimated useful lives, using the straight line method on the following basis:

Leasehold land	50 years or over the unexpired lease term, whichever is shorter
Leasehold buildings	25 years or over the unexpired lease term, whichever is shorter
Leasehold improvements	3 years
Furniture and fixtures	10 years
Office equipment	5 years
Motor vehicles	6-10 years

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the income statement.

Properties under development

Properties under development are stated at cost less any identified impairment losses. Cost comprises the cost of land under development together with the direct costs including borrowing costs attributable to the development of the properties.

Distressed assets

Distressed assets are stated at cost less any identified impairment loss. The gain or loss arising on the disposal of all or part of the distressed assets is determined as the difference between the sales proceeds and the carrying amount of the assets and is recognised in the income statement.

Investments in securities

Investments in securities are recognised on a trade-date basis and are initially measured at cost.

3. 主要會計政策 (續)

物業、廠房及設備 (續)

資產乃採用直線法按照下列資產之估計可用年限作出折舊撥備，以撤銷應計折舊款項：

租賃土地	50年或按有關租約年期(以較短者為準)
租賃樓宇	25年或按有關租約年期(以較短者為準)
租賃物業裝修	3年
傢俬及裝修	10年
辦公室設備	5年
汽車	6-10年

出售或停用資產所得之損益，是以出售所得款項與有關資產賬面值之差額計算，並於收入報表確認。

在建物業

在建物業以成本值減任何減值損失列賬。成本值指發展使用的土地之成本值及包括發展物業應佔借貸費用在內之直接費用。

不良資產

不良資產以成本經扣減任何鑒定的資產能減值損失後列賬。處置全部或部分不良資產所得的盈利或虧損為出售不良資產所得的款項與其賬面值之差額數並且於收入報表確認入賬。

證券投資

證券投資乃於該交易日確認，並初步以成本計算。

NOTES TO THE FINANCIAL STATEMENTS

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財務報表附註

截至二零零四年十二月三十一日止年度

3. Significant Accounting Policies (Continued)

Investments in securities (Continued)

Investments other than held-to-maturity debt securities are classified as investment securities and other investments.

Investment securities, which are securities held for an identified long term strategic purpose, are measured at subsequent reporting dates at cost less any impairment loss that is other than temporary.

Other investments are measured at fair value, with unrealised gains and losses included in the income statement for the year.

Convertible bonds/notes

Convertible bonds/notes are separately disclosed and regarded as liabilities unless conversion actually occurs. The finance cost, including the premium payable upon the final redemption of the convertible bonds/notes, is recognised in the income statement so as to produce a constant periodic rate of charge on the remaining balances of the convertible bonds/notes for each accounting period.

The direct costs incurred in connection with the issue of convertible bonds/notes are deferred and amortised on a straight line basis over the lives of the convertible bonds/notes from the date of issue of the bonds/notes to their final redemption date. If any of the convertible bonds/notes are purchased and cancelled, redeemed or converted prior to the final redemption date, an appropriate portion of any remaining unamortised costs will be charged immediately to the income statement.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average method.

3. 主要會計政策 (續)

證券投資 (續)

持有至到期日債務證券以外之投資分類為投資證券及其他投資。

持有一個明確的長期投資目的之投資證券於其後之報告日期以成本值計算，減去暫時虧損以外任何耗蝕虧損。

其他投資以公平價值計算，其未實現之損益計入本年度之收入報表內。

可換股債權／票據

除非換股實際發生，否則可換股債券／票據會分開披露並列為負債。融資成本（包括最後贖回可換股債券／票據時須支付之溢價）於收入報表之內以一個可使換股債券／票據的剩餘結餘能於各會計期間以一個不變的周期性利率確認。

發行可換股債券／票據所產生的直接成本被遞延處理並按可換股債券／票據發行日期起至最後贖回日期止期間以直線法攤銷。若有任何可換股債券／票據於最後贖回日期前被回購並註銷、贖回或兌換，任何餘下未攤銷之成本之適當部分將於收入報表內即時扣除。

存貨

存貨以成本或可變現淨值之較低者記賬。成本是以加權平均法計算。

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2004

3. Significant Accounting Policies (Continued)

Revenue recognition

Rental income under operating leases is recognised on a straight line basis over the term of the leases.

Service income, commission income and other management fee income is recognised when services are provided.

Property management fee income is recognised when management service is rendered.

Dividends from investments are recognised when the rights to receive the dividend payment have been established.

Income from the trading of securities is recognised upon the exercise of a legally binding and irrevocable contract of sale.

Interest income is accrued on a time basis by reference to the principal outstanding and at the interest rate applicable.

Sale of properties is recognised upon execution of the sale agreements.

When a property is sold in advance of completion, income is recognised only when the property is completed and has passed the inspection process. Deposits received from the purchasers prior to this stage are recognised as customers' deposits and included in current liabilities.

Income from recoveries of interest in distressed assets in excess of the carrying amount are recognised in the income statement, on individual distressed assets basis.

Performance return is recognised when the right to receive the performance return has been established.

3. 主要會計政策 (續)

收益之確認

營運租約之租金收入於租約期限內以直線基準確認。

服務收入、佣金收入及其他管理收入於提供服務時確認。

物業管理費收入於提供管理服務時確認。

投資所得股息於收取股息款項之權利獲確立時確認。

買賣證券之收益於具法律約束力及不可撤銷之銷售合約獲執行時確認。

利息收入以時間基準並參照未償還本金及適用利率計算確認。

物業銷售於執行銷售合同當時確認。

當物業於建成前以預售方式售出，收入只會在物業完畢並完成驗收後方會獲確認。在此之前收到客戶的按金只確認為客戶按金並列為流動負債處理。

處置不良資產權益回收所得款項以超過賬面值之金額(以個別不良資產為基準)在款項實際收到時於收入報表確認為收益。

超收分成在有權收取超收分成的權利獲確定時確認。

3. Significant Accounting Policies (Continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, are capitalised as part of the cost of those assets. Capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

Impairment

At each balance sheet date, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as revaluation decrease under that Statement & Standard Accounting Practise ("SSAP") issued by the HKICPA.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase under that SSAP.

3. 主要會計政策 (續)

借貸費用

購入、建造或製造合資格資產而產生的直接借貸費用，被資本化為該等資產的成本。當資產大致可依既定用途使用或出售時，有關借貸費用將停止作資本化。

所有其他借貸費用均於產生時確認為期內開支。

資產減值

本集團於每一結算日均檢討資產之賬面值以決定有否任何跡象顯示該等資產出現資產減值損失。如資產的估計可收回金額將會低於其賬面值，該資產值的賬面值將調減至可收回金額。資產減值損失被即時確認為支出，除非有關資產是以重估值列賬，則有關資產減值損失將根據香港會計師公會頒佈的該會計實務準則被視為重估減值。

當資產減值損失於其後期間回撥，有關資產賬面值將予調升至經修正之預期可收回金額，惟僅限於經調升後之賬面值不會超過有關資產於先前年度未有作出資產減值損失調整前之賬面值。資產減值損失之回撥即時確認為收益，除非該資產是以重估值列賬，則根據有關會計實務準則視有關資產減值損失之回撥為重估增加。

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2004

3. Significant Accounting Policies (Continued)

Taxation

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years, and it further excludes income statement items that are never taxable or deductible.

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

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

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

3. 主要會計政策 (續)

稅項

入息稅指即期稅項與遞延稅項的總和。

即期稅項按年內應課稅溢利計算。應課稅溢利不包括其他年度的應課稅或可扣減收支項目，亦不包括不應課稅或不可扣減收入報表項目，因而與收入報表所呈報的溢利淨額有所不同。

遞延稅項乃就財務報表內資產負債賬面值與計算應課稅溢利時採用的相應稅基兩者間的差異預期應付或可收回的稅項，此為採用資產負債表負債法確認入賬。遞延稅項負債一般就所有應課稅暫時差異確認入賬，遞延稅項資產則於可能有應課稅溢利可用於對銷應扣減暫時差異時確認入賬。如暫時差異乃因在一項不會對稅務溢利及會計溢利造成影響的交易中初步確認(業務合併除外)其他資產及負債而產生，此類資產及負債將不會確認入賬。

遞延稅項負債乃就附屬公司投資所產生的應課稅暫時差異確認入賬，惟倘本公司能夠控制暫時差異的轉回及暫時差異於可見將來可能不會轉回則除外。

遞延稅項資產的賬面值於各結算日均會進行審閱，如不再可能有足夠應課稅溢利可用於抵免全部或部分相關資產，則會予以撇減。

3. Significant Accounting Policies (Continued)

Taxation (Continued)

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

Foreign currencies

Transactions in foreign currencies are translated at the exchange rates ruling on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are re-translated at the rates ruling on the balance sheet date. Gains and losses arising on exchange are dealt with in the income statement.

On consolidation, the assets and liabilities of the Group's overseas operations are translated at exchange rates ruling on the balance sheet date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising on consolidation are dealt with in the exchange reserve.

Operating leases

Rentals payable under operating leases are charged to the income statement on a straight-line basis over the period of the leases.

Retirement benefit costs

Payments to the state-managed retirement benefit schemes for staff in the People's Republic of China, excluding Hong Kong and Macau (the "PRC") and the Mandatory Provident Fund Scheme for staff in Hong Kong are charged as expense as they fall due.

3. 主要會計政策 (續)

稅項 (續)

遞延稅項乃按預期將於負債獲償付或資產獲變現期間適用的稅率計算。遞延稅項均計入收入報表或自收入報表內扣除，惟倘遞延稅項與直接計入權益或自權益中扣除的項目有關，則亦將在權益中處理。

外幣

以外幣進行之交易按交易當日適用的匯率折算。以外貨幣為單位的金融資產及負債按結算日當日的匯率再次折算。匯兌盈虧均撥入收入報表處理。

編製綜合賬目時，本集團海外業務之資產及負債均按結算日之適用匯率折算。收入及開支項目乃按期內之平均匯率折算。因綜合賬目而產生之匯兌差異均於匯兌儲備內處理。

營運租約

根據營運租約應繳付之租金乃於租約年期內按直線基準賬記收益表支出。

退休福利成本

為中華人民共和國，不包括香港及澳門（「中國」）員工之國家管理退休福利計劃及香港員工之強制性公積金計劃作出之供款，乃於到期時以支出入賬。

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2004

4. Turnover and Segment Information

4. 營業額及分類資料

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Turnover is analyzed as follows:	營業額分析如下：		
Income from recoveries of interest in distressed assets	處置回收不良資產權益的收入	126,851	—
Commission income and performance return of dealing in distressed assets	處置不良資產佣金及超收分成收入	119,761	—
Sales of properties	物業銷售	152,249	—
Proceeds from trading of securities	買賣證券所得款項	125,670	354,562
Property management fee income	物業管理費收入	82,149	72,881
Rental income	租金收入	75,004	84,513
Dividend income from listed securities	上市證券股息收入	3,539	299
		685,223	512,255

(A) By business segments:

The Group is organized into five operating divisions: distressed assets business, investments, sales of properties, property leasing and property management. These operating divisions are the basis on which the Group reports its primary segment information.

(A) 按業務分類：

本集團由五個營運部門組成：不良資產業務、投資、物業銷售、物業租賃及物業管理。此等營運部門是本集團呈報其基本分類資料之基礎。

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2004

財務報表附註

截至二零零四年十二月三十一日止年度

4. Turnover and Segment Information (Continued)

4. 營業額及分類資料 (續)

(A) By business segments: (Continued)

(i) An analysis of the Group's turnover and results by business segments is as follow:

(A) 按業務分類：(續)

(i) 本集團營業額按業務分類的分析如下：

Year ended 31 December 2004	截至2004年 12月31日止年度	Distressed assets business	Investments	Sales of properties	Property leasing	Property management	Consolidated
		不良 資產業務 HK\$'000 千港元	投資 HK\$'000 千港元	物業銷售 HK\$'000 千港元	物業租賃 HK\$'000 千港元	物業管理 HK\$'000 千港元	綜合 HK\$'000 千港元
Turnover	營業額	246,612	129,209	152,249	75,004	82,149	685,223
Result	業績						
Segment result	分部業績	228,056	(6,209)	22,871	59,331	2,313	306,362
Interest income	利息收入						11,948
Surplus on revaluation of leasehold properties	租賃物業重估 盈餘						13,675
Unallocated corporate expenses	未予分配公司 費用						(38,269)
Profit from operations	經營溢利						293,716
Finance costs	財務費用						(30,987)
Share of results of associates	攤佔聯營公司業績						89,253
Gain on partial disposal of interest in distressed assets	出售部分不良資產 權益所得的收益						53,777
Gain on disposal of a subsidiary	出售附屬公司 收益						46,696
Gain on disposal of an associate	出售聯營公司 收益						182
Profit before taxation	稅前溢利						452,637
Taxation	稅項						(35,038)
Profit before minority interests	少數股東 權益前溢利						417,599
Minority interests	少數股東權益						(12,624)
Net profit for the year	年內溢利淨額						404,975
Year ended 31 December 2003	截至2003年 12月31日止年度						
Turnover	營業額	—	354,861	—	84,513	72,881	512,255
Result	業績						
Segment result	分部業績	—	40,977	—	69,317	2,597	112,891
Interest income	利息收入						10,841
Unallocated corporate expenses	未予分配公司費用						(42,181)
Profit from operations	經營溢利						81,551
Finance costs	財務費用						(46,565)
Share of results of associates	攤佔聯營公司業績						160,027
Profit before taxation	稅前溢利						195,013
Taxation	稅項						(8,687)
Profit before minority interests	少數股東權益前溢利						186,326
Minority interests	少數股東權益						(3,510)
Net profit for the year	年內溢利淨額						182,816

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2004

4. Turnover and Segment Information
(Continued)

(A) By business segments: (Continued)

(ii) Other information

Year ended		Distressed assets		Sales of properties	Property leasing	Property management	Corporate	Consolidated
		business	Investments					
		不良資產業務	投資	物業銷售	物業租賃	物業管理	企業	綜合
		HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
Year ended	截至2004年							
31 December 2004	12月31日止年度							
Capital additions	資本添置							
— property, plant and equipment	— 物業、廠房及設備	—	—	892	3,571	1,100	132	5,695
— properties under development	— 在建物業	—	—	147,794	—	—	—	147,794
		—	—	148,686	3,571	1,100	132	153,489
Depreciation	折舊	—	—	328	1,828	1,287	2,225	5,668
Amortisation of goodwill	商譽攤銷	—	—	—	—	5,587	—	5,587
Release of negative goodwill	負商譽回撥	—	—	—	3,711	—	—	3,711
Unrealised holding loss on other investments	其它投資未變現的持有虧損	—	1,545	—	—	—	—	1,545
Gain on disposal of investment properties	出售投資物業產生的收益	—	—	—	3,785	—	—	3,785
Gain on disposal of property, plant and equipment	出售物業、廠房及設備產生的收益	—	—	—	—	—	629	629
Amortisation of direct issue costs of convertible notes	可換股票據直接發行費用攤銷	—	—	—	—	—	196	196
Year ended	截至2003年							
31 December 2003	12月31日止年度							
Capital additions	資本添置							
— property, plant and equipment	— 物業、廠房及設備	—	—	—	2,936	2,172	2,943	8,051
— investment properties	— 投資物業	—	—	—	4,475	—	—	4,475
— properties under development	— 在建物業	—	—	—	10,132	—	—	10,132
		—	—	—	17,543	2,172	2,943	22,658
Depreciation	折舊	—	—	—	578	1,061	3,648	5,287
Amortisation of goodwill	商譽攤銷	—	—	—	—	5,587	—	5,587
Release of negative goodwill	負商譽回撥	—	—	—	3,711	—	—	3,711
Unrealised holding gain on other investments	其它投資未變現的持有收益	—	1,565	—	—	—	—	1,565
Impairment loss recognised in respect of investments in securities	投資證券已確認的減值損失	—	2,070	—	—	—	—	2,070
Loss on disposal of property, plant and equipment	出售物業、廠房及設備產生的虧損	—	—	—	—	—	193	193

4. 營業額及分類資料 (續)

(A) 按業務分類：(續)

(ii) 其他資料

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2004

財務報表附註

截至二零零四年十二月三十一日止年度

4. Turnover and Segment Information (Continued)

(A) By business segments: (Continued)

(iii) An analysis of the Group's balance sheet by principal activities is as follows:

		Distressed assets business 不良資產業務 HK\$'000 千港元	Investments 投資 HK\$'000 千港元	Sales of properties 物業銷售 HK\$'000 千港元	Property leasing 物業租賃 HK\$'000 千港元	Property management 物業管理 HK\$'000 千港元	Property management 綜合 HK\$'000 千港元
As at 31 December 2004	於2004年12月31日						
Assets	資產						
Segment assets	分類資產	769,731	60,000	161,711	2,132,312	20,853	3,144,607
Goodwill	商譽	—	—	—	—	33,525	33,525
Negative goodwill	負商譽	—	—	—	(59,376)	—	(59,376)
Interests in associates	聯營公司權益						1,256,601
Deferred tax assets	遞延稅項資產						18,500
Unallocated corporate assets	未予分配公司資產						1,477,676
Consolidated total assets	綜合總資產						5,871,533
Liabilities	負債						
Segment liabilities	分類負債	—	(22,445)	(34,033)	(142,530)	(63,879)	(262,887)
Amounts due to associates	應付聯營公司款項						(457,639)
Amount due to holding company of a shareholder	應付一名股東的 控股公司款項						(18,537)
Taxation payable	應付稅金						(4,960)
Deferred tax liabilities	遞延稅項負債						(87,273)
Unallocated corporate liabilities	未予分配公司負債						(1,429,097)
Consolidated total liabilities	綜合總負債						(2,260,393)
As at 31 December 2003	於2003年12月31日						
Assets	資產						
Segment assets	分類資產	—	13,365	—	2,232,726	12,859	2,258,950
Goodwill	商譽	—	—	—	—	39,112	39,112
Negative goodwill	負商譽	—	—	—	(63,087)	—	(63,087)
Interests in associates	聯營公司權益						1,192,562
Deferred tax assets	遞延稅項資產						11,296
Unallocated corporate assets	未予分配公司資產						405,766
Consolidated total assets	綜合總資產						3,844,599
Liabilities	負債						
Segment liabilities	分類負債	—	(49,102)	—	(159,043)	(52,290)	(260,435)
Amounts due to associates	應付聯營公司款項						(510,300)
Taxation payable	應付稅金						(3,611)
Deferred tax liabilities	遞延稅項負債						(35,203)
Unallocated corporate liabilities	未予分配公司負債						(671,819)
Consolidated total liabilities	綜合總負債						(1,481,368)

4. 營業額及分類資料 (續)

(A) 按業務分類：(續)

(iii) 本集團資產負債表按照主要經營活動的分析如下：

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2004

4. Turnover and Segment Information

(Continued)

(B) By geographical segments:

- (i) An analysis of the Group's turnover by geographical location of customers is as follow:

		Turnover 營業額	
		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
The PRC	中國	432,465	153,966
Hong Kong	香港	132,997	358,289
Macau	澳門	119,761	—
		685,223	512,255

- (ii) An analysis of the carrying amount of segment assets analysed by geographical location in which the assets are located is as follow:

		Segment assets 分類資產		Capital additions 資本添置	
		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Hong Kong	香港	2,192,853	772,761	2,555	2,942
The PRC	中國	3,660,180	3,060,542	150,934	19,716
		5,853,033	3,833,303	153,489	22,658

4. 營業額及分類資料 (續)

(B) 按地域分類:

- (i) 本集團營業額按照客戶的地域位置劃分的分析如下:

- (ii) 按資產所在的地域位置劃分的分類資產結餘分析如下:

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For the year ended 31 December 2004

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5. Other Operating Income

5. 其他經營收益

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Other operating income includes the following income:	其他經營收益包括下述收入:		
Interest income	利息收入	11,948	10,841
Gain on disposal of investment properties	出售投資物業所得收益	3,785	—
Release of negative goodwill	負商譽回撥	3,711	3,711
Compensation income	補償收入	3,484	—
Bad debts recovered	收回壞賬	1,434	4,811
Commission income	佣金收入	882	923
Gain on disposal of property, plant and equipment	出售物業、廠房及設備所得收益	629	—
Gain on disposal of investments in securities (note 40)	出售投資證券所得收益(附註40)	—	4,475
Management fee income in respect of a property redevelopment project in the PRC	收取一項於中國的物業重建項目的管理費收入	—	3,536
Unrealised holding gain on other investments	其他投資的未變現持有收益	—	1,565
Dividend income from trading securities	買賣證券所得的股息收入	—	424
Others	其他	2,024	1,851
		27,897	32,137

6. Other Operating Expenses

6. 其他經營費用

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Other operating expenses comprises:	其他經營費用包括:		
Amortisation of goodwill	商譽攤銷	(5,587)	(5,587)
Unrealised holding loss on other investments	其他投資未變現的持有虧損	(1,545)	—
Compensation paid to a shareholder of an associate of the Group	支付本集團一聯營公司之一名股東補償款	—	(7,806)
Impairment loss recognised in respect of investments in securities	已確認的投資證券之減值損失	—	(2,070)
Write off of interest and other receivables	撇銷利息及其他應收款	—	(269)
Loss on disposal of property, plant and equipment	出售物業、廠房及設備產生的虧損	—	(193)
Surplus on revaluation of leasehold properties	租賃物業重估盈餘	—	852
Others	其他	—	(111)
		(7,132)	(15,184)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2004

7. Profit from Operations

7. 經營溢利

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Profit from operations has been arrived at after charging:	經營溢利已扣除：		
Auditors' remuneration	核數師酬金	1,000	835
Depreciation	折舊	5,668	5,287
Repair and maintenance fund expensed relating to the Group's investment properties in the PRC (note 24)	本集團於中國之投資物業維修保養支出(附註24)	1,371	1,371
Loss on repurchase of convertible bonds	回購可換股債券虧損	632	—
Operating lease rentals in respect of land and buildings	土地及樓宇之營業租約租金	3,336	826
Staff cost including directors' remuneration set out in note 10 and the retirement benefit costs of HK\$1,669,000 (2003: HK\$2,067,000)	員工費用包括附註10所示董事酬金及退休福利成本1,669,000港元(2003年：2,067,000港元)	53,492	51,376
Realised losses on disposal of other investments	其他投資的已變現虧損	8,204	—
And after crediting:	並已計入：		
Rental income under operating leases, less outgoings of HK\$2,549,000 (2003: HK\$2,324,000)	營業租約租金收入扣除支出2,549,000港元(2003年：2,324,000港元)	72,455	82,189
Realised gains on disposal of other investments	其他投資的已變現收益	—	39,412

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8. Finance Costs

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Interest on bank borrowings	銀行借款利息		
— wholly repayable within five years	— 五年內悉數償還	(32,294)	(34,858)
— not wholly repayable within five years	— 非五年內悉數償還	(261)	(289)
Interest on other loans wholly repayable within five years	五年內悉數償還之其他貸款利息	(2,199)	(12,834)
Interest on advance from an associate	聯營公司墊款利息	—	(3,872)
Interest on provision in respect of borrowings of associate	提撥有關聯營公司借貸之利息	—	(1,480)
Interest on convertible bonds/notes	可換股債券／票據利息	(1,346)	(16)
Amortisation of direct issue costs of convertible notes (note 35)	攤銷可換股票據直接發行費用 (附註35)	(196)	—
Total borrowing costs	財務費用總額	(36,296)	(53,349)
Less: Amount capitalized in properties under development	減：於在建物業中資本化之金額	5,309	6,784
		(30,987)	(46,565)

Borrowing costs capitalised during the year arose on the general borrowing pool and are calculated by applying a capitalisation rate of 5% (2003: 5%) per annum to expenditure on qualifying assets.

於年內資本化之借貸成本源自一般合併借貸資金，有關金額乃根據合資格資產開支採用每年5% (二零零三年：5%) 之資本化率計算。

9. Gain on Partial Disposal of Interest in Distressed Assets

The amount represents a gain on disposal of 20% interest in distressed assets to Citigroup Financial Products Inc. ("CFPI"), pursuant to an agreement dated 10 December 2004 entered into by both parties, at a consideration of an amount in US dollars which was equivalent to approximately RMB227,600,000 (equivalent to approximately HK\$214,497,000) (note 25).

9. 出售部分不良資產權益所得的收益

該金額為根據雙方於二零零四年十二月十日簽訂的協議協定出售20%的不良資產權益予Citigroup Financial Products Inc. ("CFPI")以美元支付的等值代價金額人民幣約227,600,000元 (相當於214,500,000港元) (附註25)。

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10. Directors' Remuneration

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Directors' fee:	董事袍金：		
Executive	執行董事	2,400	2,300
Independent non-executive	非執行董事	600	400
		3,000	2,700
Other emoluments (executive directors):	其他酬金(執行董事)：		
Salaries and other benefits	薪金及其他福利	3,462	2,501
Performance related incentive payments	按表現發放之獎金	1,800	2,900
Retirement benefit costs	退休福利成本	36	24
		5,298	5,425
		8,298	8,125

The above directors' remuneration includes the estimated monetary value of a quarter provided rent-free during the year to one of the executive directors. The estimated rental value of such accommodation was approximately HK\$630,000 (2003: HK\$512,000).

The remuneration of the directors is within the following bands:

上述董事酬金包括年內提供予一名執行董事的免租宿舍的估計貨幣價值。該住所的估計租值約為630,000港元(二零零三年：512,000港元)。

各董事的酬金介乎下列範圍：

		Number of directors 董事人數	
		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Nil to HK\$1,000,000	零至1,000,000港元	10	11
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至2,000,000港元	2	—
HK\$2,500,001 to HK\$3,000,000	2,500,001港元至3,000,000港元	—	1
HK\$3,000,001 to HK\$3,500,000	3,000,001港元至3,500,000港元	1	1
		13	13

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11. Employee's Remuneration

The five highest paid individuals of the Group included three (2003: two) directors, details of whose emoluments are set out in note 10 above. The emoluments of the remaining two (2003: three) individuals are as follows:

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Salaries and other benefits	薪金及其他福利	3,906	2,287
Performance related incentive payments	按表現分發之獎金	6,600	3,200
Retirement benefit costs	退休福利成本	24	36
		10,530	5,523

Their emoluments are within the following bands:

薪金介乎下列款額之僱員人數如下:

		Number of employees 僱員人數	
		2004 二零零四年	2003 二零零三年
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	—	2
HK\$2,000,001 to HK\$2,500,000	2,000,001港元至2,500,000港元	1	—
HK\$2,500,001 to HK\$3,000,000	2,500,001港元至3,000,000港元	—	1
HK\$8,000,001 to HK\$8,500,000	8,000,001港元至8,500,000港元	1	—
		2	3

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12. Taxation

12. 稅項

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Current tax:	即期稅項:		
Company and subsidiaries	本公司及附屬公司		
Hong Kong Profits Tax	香港利得稅		
— current year	— 當年度	—	(2,018)
— overprovision in prior year	— 前年度超額提撥	53	—
PRC Enterprises Income Tax	中國企業所得稅	(8,315)	(1,341)
		(8,262)	(3,359)
Deferred taxation (note 39)	遞延稅項 (附註39):		
Companies and subsidiaries	本公司及附屬公司		
Current year	當年度	(26,519)	(534)
Attributable to changes in tax rate	因稅率改變導致	—	1,039
		(26,519)	505
Taxation attributable to the Company and its subsidiaries	本公司及附屬公司 所屬稅項	(34,781)	(2,854)
Share of taxation attributable to associates	攤佔聯營公司應佔稅項	(257)	(5,833)
		(35,038)	(8,687)

Hong Kong Profits Tax is calculated at 17.5% of estimated assessable profit for the year.

年內，香港利得稅是以估計的應課稅溢利按照稅率 17.5% 計算。

No provision for Hong Kong Profits Tax had been made in the current year financial statements as the Group did not have any assessable profit in Hong Kong for the year.

由於本年度本集團於香港並無任何應課稅溢利，本年度財務報表中並無提撥香港利得稅。

The taxation charge of the PRC Enterprise Income Tax for the year has been made based on the Group's estimated assessable profits calculated in accordance with the relevant income tax laws applicable to the subsidiaries and associates in the PRC.

年內，中國企業所得稅的稅項支出乃根據預期的應課稅溢利按各司法權區當時適用於相關的附屬公司及聯營公司的稅率計算。

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12. Taxation (Continued)

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

12. 稅項 (續)

年內稅項支出可與收益報表中稅前溢利對賬如下：

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Profit before taxation	稅前溢利	452,637	195,013
Tax at the Hong Kong Profits Tax rate of 17.5%	按香港利得稅稅率 17.5%計算的稅項	(79,211)	(34,127)
Tax effect of expense not deductible for tax purpose	就稅務用途不得扣減開支 的稅務影響	(2,137)	(6,168)
Tax effect of income not taxable for tax purpose	就稅務用途毋須應課稅收入 的稅務影響	40,777	1,990
Tax effect on share of results of associates	應佔聯營公司業績的稅務影響	15,362	22,172
Tax effect of deferred tax losses not recognised	未確認遞延稅項虧損的稅務影響	(910)	(1,237)
Tax effect of different tax rates of subsidiaries operating in other jurisdiction	其他司法權區經營的附屬公司 不同稅率的影響	(16,524)	(278)
Increase in opening deferred tax assets and liabilities resulting from change in tax rate	因稅率改變引起的期初遞延 稅項資產及負債增加	—	1,039
Utilisation of tax loss previously not recognised	扣除過往並未確認的稅務虧損 的稅務影響	7,886	8,013
Others	其他	(281)	(91)
Tax charge for the year	年內稅項支出	(35,038)	(8,687)

13. Dividend

13. 股息

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Final dividend of 5 HK cents (2003: 4 HK cents) per share, proposed	建議派付末期股息 每股5港仙 (二零零三年：4港仙)	87,934	61,689

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14. Earnings Per Share

The calculation of the basic and diluted earnings per share is based on the following data:

14. 每股盈利

每股基本及攤薄盈利乃根據下列數據計算所得：

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Earnings for the purpose of basic earnings per share	用以計算每股基本盈利之盈利	404,975	182,816
Effect of dilutive potential shares:	潛在攤薄股份的影響：		
Interest on convertible notes/bonds	可換股票據／債券利息	1,272	—
Earnings for the purpose of diluted earnings per share	用以計算每股攤薄盈利之盈利	406,247	182,816

		Number of shares 股數 (in thousand) (單位：千)	
Weighted average number of shares for the purpose of basic earnings per share	用以計算每股基本盈利之加權平均股數	1,553,591	1,312,222
Effect of dilutive potential ordinary shares from:	潛在攤薄股份的影響：		
— convertible notes/bonds	— 可換股票據／債券	35,808	—
— share options	— 購股權	47,761	13,506
Weighted average number of shares for the purpose of diluted earnings per share	用以計算每股攤薄盈利之加權平均股數	1,637,160	1,325,728

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15. Investment Properties

15. 投資物業

		THE GROUP		THE COMPANY	
		本集團		本公司	
		2004	2003	2004	2003
		二零零四年	二零零三年	二零零四年	二零零三年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Valuation	估值				
At beginning of the year	於年初	1,897,520	1,871,414	113,347	98,992
Addition upon disposal of investment in securities (note 40)	在出售投資證券時添置 (附註40)	—	4,475	—	—
Disposals	出售	(30,495)	—	(30,495)	—
Transfer from leasehold land and buildings	從租賃土地及房屋轉入	—	11,400	—	11,400
Surplus on revaluation	重估盈餘	68,534	10,231	13,024	2,955
At the end of the year	於年末	1,935,559	1,897,520	95,876	113,347

At the balance sheet date, the carrying value of the investment properties comprises:

於結算日，投資物業之賬面值包括：

		THE GROUP		THE COMPANY	
		本集團		本公司	
		2004	2003	2004	2003
		二零零四年	二零零三年	二零零四年	二零零三年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Held under long term leases/ land use rights:	以長期租約／土地使用權形式持有：				
Situated in Hong Kong	位於香港	54,800	73,600	54,800	73,600
Situated in the PRC	位於中國	169,213	990,234	—	17,495
		224,013	1,063,834	54,800	91,095
Held under medium term leases/ Land use rights:	以中期租約／土地使用權形式持有：				
Situated in Hong Kong	位於香港	48,610	28,980	26,560	8,200
Situated in the PRC	位於中國	1,662,936	804,706	14,516	14,052
		1,711,546	833,686	41,076	22,252
		1,935,559	1,897,520	95,876	113,347

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15. Investment Properties (Continued)

All the investment properties are held for rental income under operating leases.

The professional valuations of the investment properties of the Group and the Company at 31 December 2004 were carried out by Vigers Appraisal & Consulting Limited, a firm of independent property valuer, on an open market value basis.

15. 投資物業 (續)

所有投資物業均以營運租約持有作收租用途。

本集團及本公司之投資物業於二零零四年十二月三十一日之專業估值是由獨立物業估值師行威格斯資產評估顧問有限公司按公開市值基準進行評估所得。

16. Property, Plant and Equipment

16. 物業、廠房及設備

		Leasehold land and buildings	Leasehold improvements	Furniture and fixtures	Office equipment	Motor vehicles	Total
		租賃土地 及樓宇	租賃 物業裝修	傢俬 及設備	辦公室 設備	汽車	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
THE GROUP	本集團						
COST OR VALUATION	成本值或估值						
At 1 January 2004	於2004年1月1日	75,443	4,662	4,149	7,178	11,967	103,399
Additions	添置	2,423	—	272	668	2,332	5,695
Disposals	出售	(2,400)	(254)	—	(25)	(2,356)	(5,035)
Revaluation	重估	21,695	—	—	—	—	21,695
At 31 December 2004	於2004年12月31日	97,161	4,408	4,421	7,821	11,943	125,754
Comprising:	包括:						
At cost	按成本值	—	4,408	4,421	7,821	11,943	28,593
At professional valuation — 2004	按2004年之專業估值	97,161	—	—	—	—	97,161
		97,161	4,408	4,421	7,821	11,943	125,754
ACCUMULATED DEPRECIATION	累積折舊						
At 1 January 2004	於2004年1月1日	—	2,163	2,843	3,373	6,862	15,241
Provided for the year	年度準備	2,452	608	480	1,083	1,045	5,668
Eliminated on disposal	出售時撇銷	(12)	(98)	—	(25)	(2,120)	(2,255)
Eliminated on revaluation	重估時撇銷	(2,440)	—	—	—	—	(2,440)
At 31 December 2004	於2004年12月31日	—	2,673	3,323	4,431	5,787	16,214
NET BOOK VALUES	賬面淨值						
At 31 December 2004	於2004年12月31日	97,161	1,735	1,098	3,390	6,156	109,540
At 31 December 2003	於2003年12月31日	75,443	2,499	1,306	3,805	5,105	88,158

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16. Property, Plant and Equipment (Continued)

16. 物業、廠房及設備 (續)

		Leasehold land and buildings	Leasehold improvements	Furniture and fixtures	Office equipment	Motor vehicles	Total
		租賃土地 及樓宇	租賃 物業裝修	傢俬 及設備	辦公室 設備	汽車	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
THE COMPANY	本公司						
COST OR VALUATION	成本值或估值						
At 1 January 2004	於2004年1月1日	38,874	3,988	2,121	535	2,492	48,010
Additions	添置	—	—	—	132	—	132
Disposals	出售	—	—	—	(25)	—	(25)
Revaluation	重估	7,357	—	—	—	—	7,357
At 31 December 2004	於2004年12月31日	46,231	3,988	2,121	642	2,492	55,474
Comprising:	包括:						
At cost	按成本值	—	3,988	2,121	642	2,492	9,243
At professional valuation — 2004	按2004年之專業估值	46,231	—	—	—	—	46,231
		46,231	3,988	2,121	642	2,492	55,474
ACCUMULATED DEPRECIATION	累積折舊						
At 1 January 2004	於2004年1月1日	—	1,868	1,765	485	1,577	5,695
Provided for the year	年度準備	1,365	455	142	44	219	2,225
Eliminated on disposal	出售時撤銷	—	—	—	(25)	—	(25)
Eliminated on revaluation	重估時撤銷	(1,365)	—	—	—	—	(1,365)
At 31 December 2004	於2004年12月31日	—	2,323	1,907	504	1,796	6,530
NET BOOK VALUES	賬面淨值						
At 31 December 2004	於2004年12月31日	46,231	1,665	214	138	696	48,944
At 31 December 2003	於2003年12月31日	38,874	2,120	356	50	915	42,315

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16. Property, Plant and Equipment
(Continued)

The net book value of the leasehold properties comprises:

16. 物業、廠房及設備 (續)

租賃物業之賬面淨值包括：

	THE GROUP		THE COMPANY		
	本集團		本公司		
	2004	2003	2004	2003	
	二零零四年	二零零三年	二零零四年	二零零三年	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
	千港元	千港元	千港元	千港元	
Long term leasehold properties situated in Hong Kong	在香港的長期租賃物業	72,200	51,200	25,700	19,000
Properties under long term land use rights situated in the PRC	在中國的長期土地使用權物業	224	—	—	—
Properties under medium term land use rights situated in the PRC	在中國的中期土地使用權物業	24,737	24,243	20,531	19,874
		97,161	75,443	46,231	38,874

The professional valuations of the leasehold properties of the Group and the Company at 31 December 2004 were carried out by Vigers Appraisal & Consulting Limited, A-Plus Surveyors Limited and Dynasty Premium Asset Valuation & Real Estate Consultancy Limited, firms of independent property valuers, on an open market value basis.

本集團及本公司之租賃物業於二零零四年十二月三十一日之專業估值是由獨立物業估值師行威格斯資產評估顧問有限公司、恆信測計師行有限公司及雍盛資產評估及房地產顧問有限公司按公開市值基準進行評估所得。

If leasehold properties had not been revalued, they would have been included on a historical cost basis at the following amounts:

倘租賃物業未予重估，則該等物業會以歷史成本法按下列款額入賬：

	THE GROUP		THE COMPANY	
	本集團		本公司	
	2004	2003	2004	2003
	二零零四年	二零零三年	二零零四年	二零零三年
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元
Cost	成本值	106,721	38,848	
Accumulated depreciation and impairment losses	累積折舊及資產減值損失	(40,147)	(4,585)	
Net book value at 31 December 2004	於2004年12月31日之賬面淨值	66,574	34,263	
Net book value at 31 December 2003	於2003年12月31日之賬面淨值	69,856	35,429	

17. Properties under Development

The amount comprises the cost incurred for the development of certain property projects in the PRC, including the payment in respect of compensation for resettlement and use of land in relation to the property development project. At 31 December 2004, the interest capitalised in the properties under development amounted to approximately HK\$5,309,000 (2003: HK\$6,784,000).

In the opinion of the directors, the properties under development as at 31 December 2004 will be completed and ready for sales within one year from the balance sheet date. Accordingly, the properties under development as at 31 December 2004 were classified as current assets in the balance sheet.

18. Loan Receivable

The Group

During the year ended 31 December 2003, a subsidiary of the Company advanced a loan of RMB120,000,000 (equivalent to approximately HK\$112,150,000) to 北京京隆房地產開發有限公司 (the "Borrower"), a property development company established in the PRC, through a PRC bank (the "PRC Agent Bank"). The loan receivable is secured by 100,000,000 ordinary shares of the PRC Agent Bank, which are owned by 北京通產投資集團有限公司 (the "Guarantor"), a company established in the PRC. The Guarantor also provides a guarantee to the Group for any shortfall in settlement of the loan receivable and interest receivable from the Borrower. The loan receivable bears interest at 8% per annum and will be repayable in a lump sum in June 2005.

17. 在建物業

該筆款項乃於中國之物業發展項目所產生之成本，當中包括就該物業發展項目支付之拆遷賠償金及土地使用款項。於二零零四年十二月三十一日，在建物業已資本化利息為數約5,309,000港元（二零零三年：6,784,000港元。）

董事會認為於二零零四年十二月三十一日的在建物業將可於資產負債表日起計的一年內完成並準備好發售。因此於二零零四年十二月三十一日的在建物業於資產負債表中界定為流動資產。

18. 應收貸款

本集團

於二零零三年十二月三十一日止年度，本公司一附屬公司通過一家中國銀行（「中國委托銀行」）墊付人民幣120,000,000元貸款（相等於112,150,000港元）予北京京隆房地產開發有限公司（「借款人」），其為於中華人民共和國（「中國」）註冊成立的物業發展公司。有關應收貸款以北京通產投資集團有限公司（一家於中國註冊成立的公司）（「擔保人」）擁有的100,000,000股的中國委托銀行的普通股作抵押。該擔保人同時對借款人償付有關應收貸款及應收利息的任何缺少部分向本集團作出償付擔保。有關應收貸款之利息以年利率8%計提並將於二零零五年六月一次性償還。

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2004

19. Goodwill

19. 商譽

THE GROUP
本集團
HK\$'000
千港元

COST	成本值	
At 1 January 2004 and 31 December 2004	於2004年1月1日及2004年12月31日	55,874
AMORTIZATION	攤銷	
At 1 January 2004	於2004年1月1日	16,762
Provided for the year	年度撥備	5,587
At 31 December 2004	於2004年12月31日	22,349
NET BOOK VALUE	賬面淨值	
At 31 December 2004	於2004年12月31日	33,525
At 31 December 2003	於2003年12月31日	39,112

Goodwill is amortised over its estimated useful economic life of 10 years.

商譽是根據估計可使用年限十年予以攤銷。

20. Negative Goodwill

20. 負商譽

THE GROUP
本集團
HK\$'000
千港元

GROSS AMOUNT	毛額	
At 1 January 2004 and 31 December 2004	於2004年1月1日及2004年12月31日	(74,220)
RELEASED TO INCOME	回撥至收益	
At 1 January 2004	於2004年1月1日	11,133
Released for the year	本年度回撥	3,711
At 31 December 2004	於2004年12月31日	14,844
NET BOOK VALUE	賬面淨值	
At 31 December 2004	於2004年12月31日	(59,376)
At 31 December 2003	於2003年12月31日	(63,087)

The negative goodwill is released to income on a straight line basis over a period of 20 years, the remaining operating period of the major assets of the subsidiary acquired.

負商譽是以直線法分二十年回撥進收益，該年期乃附屬公司之主要資產之剩餘運作期限。

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2004

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截至二零零四年十二月三十一日止年度

21. Interests in Subsidiaries

		THE COMPANY 本公司	
		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Unlisted shares, at cost	非上市股份，按成本值	56,010	56,001
Amount due from subsidiaries	附屬公司欠款	2,084,737	1,479,131
		2,140,747	1,535,132

The amounts due from subsidiaries are unsecured and have no fixed terms of repayment. The amounts are non-interest bearing except for an amount of HK\$ 106,270,000 (2003: HK\$198,302,000) which bears interest at prevailing Hong Kong prime interest rate. In the opinion of the directors, no part of the amounts will be repayable in the next twelve months, and accordingly, the amounts are shown as non-current assets.

Particulars of the Company's subsidiaries at 31 December 2004 are set out in note 47.

21. 附屬公司權益

附屬公司欠款均為無抵押及無固定還款期。該等款項乃不計利息，惟其中一筆106,270,000港元(二零零三年：198,302,000港元)之款項須按照香港現行最優惠利率計息。董事認為，欠款於未來十二個月將不會償還，故將有關款額列作非流動資產。

有關本公司各附屬公司於二零零四年十二月三十一日之詳情載於附註47。

22. Interests in Associates

		THE GROUP 本集團		THE COMPANY 本公司	
		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Unlisted shares, at cost	非上市股份，按成本值	—	—	388,843	363,843
Less: Impairment loss recognised	減：已確認之減值損失	—	—	(9,574)	(9,574)
		—	—	379,269	354,269
Share of net assets	攤佔資產淨值	1,236,401	1,172,362	—	—
Amounts due from associates	應收聯營公司款	20,200	20,200	20,200	20,200
		1,256,601	1,192,562	399,469	374,469

22. 聯營公司權益

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2004

22. Interests in Associates (Continued)

The amounts due from associates are unsecured, non-interest bearing and have no fixed repayment terms. In the opinion of the directors, no part of the amounts will be repayable in the next twelve months, and accordingly, the amounts are shown as non-current assets.

Particulars of the associates of the Group and the Company as at 31 December 2004 are set out in note 47.

The following information relates to the Group's significant associates, namely CII and Nonferrous Metals International (BVI) Limited ("NMIL (BVI)"), for the year ended 31 December 2004 and 31 December 2003.

22. 聯營公司權益 (續)

應收聯營公司款為無抵押、免息及無固定還款期限。董事意見認為，欠款於未來十二個月將不會償還，故將有關款額列作非流動資產。

本集團及本公司各聯營公司於二零零四年十二月三十一日之詳情載於附註47。

以下為本集團的主要聯營公司，即中基及 Nonferrous Metals International (BVI) Limited ("NMIL(BVI)") 於截至二零零四年十二月三十一日及二零零三年十二月三十一日止年度的相關資料。

		CII 中基		NMIL(BVI)	
		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Operating result	經營業績				
Turnover/Income	營業額/收益	71,626	97,560	—	—
Net profit for the year	本年度溢利淨額	175,691	174,603	12	138,685
Profit for the year attributable to the Group	本集團應佔 本年度溢利	87,846	87,302	6	69,342
Financial position	財務狀況				
Property, plant and equipment	物業、廠房及設備	20	113	—	—
Investments	投資	1,183,478	1,430,594	—	—
Other assets	其他資產	102,000	102,000	670,076	671,153
Current assets	流動資產	757,616	515,434	17	99
Current liabilities	流動負債	(313,457)	(255,108)	—	(60)
Non-current liabilities	非流動負債	(20,200)	(187,662)	—	—
Minority interests	少數股東權益	(30,234)	(1,839)	—	—
Net assets	資產淨值	1,679,223	1,603,532	670,093	671,192
Net assets attributable to the Group	本集團應佔 資產淨值	839,612	801,766	335,047	335,596

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2004

財務報表附註

截至二零零四年十二月三十一日止年度

22. Interest in Associates (Continued)

Capital commitments contracted but not provided for in the financial statements of CII at 31 December 2004 in respect of capital contribution and investments in its investee companies amounted to HK\$102 million (2003: HK\$102 million).

22. 聯營公司權益 (續)

中基於二零零四年十二月三十一日財務報表中已約訂但未撥備而承諾投放被投資公司資本之資本承擔為數102,000,000港元(二零零三年：102,000,000港元)。

23. Investments in Securities

23. 證券投資

		THE GROUP		THE COMPANY	
		本集團		本公司	
		2004	2003	2004	2003
		二零零四年	二零零三年	二零零四年	二零零三年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Investment securities, carried at cost:	證券投資， 按成本入賬：				
Unlisted shares	非上市股份	2,070	2,070	2,070	2,070
Club debentures	會所債券	1,000	1,000	1,000	1,000
Other debentures	其他債券	467	467	—	—
		3,537	3,537	3,070	3,070
Less: Impairment loss recognised	減：已確認減值損失	(2,070)	(2,070)	(2,070)	(2,070)
		1,467	1,467	1,000	1,000
Other investments, carried at market value:	其他投資， 按市值入賬：				
Shares listed in Hong Kong	於香港上市之股份	56,127	9,505	54,281	7,194
		57,594	10,972	55,281	8,194
Carrying amount analysed for reporting purposes as:	賬面金額就呈報 用途的分析為：				
Current	流動	56,127	9,505	54,281	7,194
Non-current	非流動	1,467	1,467	1,000	1,000
		57,594	10,972	55,281	8,194

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2004

24. Other Asset

The Group

The other asset is a lump sum payment for repair and maintenance fund made for the future repair and maintenance of the general areas of one of the Group's investment properties in the PRC. The amount is amortised over its estimated useful life of 10 years.

25. Interest in Distressed Assets

At the beginning of the year	於年初	—	—
Acquired during the year	年內購入	803,600	—
Partial disposal	部分出售	(160,720)	—
Realised upon recoveries	於回收時變現	(58,518)	—
At the end of the year	於年末	584,362	—

Distressed assets represent the non-performing loans (the "NPL") purchased by Silver Grant International Assets Management Limited ("SGIAM"), a wholly-owned subsidiary of the Company, from China Cinda Asset Management Corporation ("China Cinda"), holding company of a shareholder of the Company, pursuant to an agreement dated 17 September 2004 entered by both parties at consideration of approximately RMB853.5 million (equivalent to approximately HK\$803,600,000) (the "NPL Acquisition"). Details of the NPL Acquisition are set out in a circular of the Company dated 13 October 2004.

On 10 December 2004, SGIAM entered into an agreement (the "NPL Disposal Agreement") to dispose of 20% interest in the NPL to CFPI at consideration of RMB227.6 million (equivalent to approximately HK\$214,497,000).

24. 其他資產

本集團

其他資產是維修及保養基金之一次整筆付款，為本集團於中國其中一項投資物業作公用地方之將來維修及保養用途。有關款項依據估計可用年限分十年攤銷。

25. 不良資產權益

THE GROUP
本集團

2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
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不良資產指銀建國際資產管理有限公司(「銀建資產管理」)從中國信達資產管理公司(「中國信達」)根據雙方於二零零四年九月十七日簽訂的一項協議之條款以約人民幣853,500,000元(相當於803,600,000港元)代價購入的不履約貸款(「不履約貸款」)(「不履約貸款收購」)。不履約貸款收購的詳情已刊載於本公司二零零四年十月十三日發出的通函內。

於二零零四年十二月十日，銀建資產管理簽訂一項協議(「不履約貸款出售協議」)以人民幣227,600,000元(約相當於214,497,000港元)代價向CFPI出售20%不履約貸款權益。

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For the year ended 31 December 2004

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25. Interest in Distressed Assets (Continued)

In the opinion of the Directors, the NPL will be settled or disposed of within one year from the balance sheet date and is classified as current assets in the balance sheet accordingly.

26. Trade Receivables

The Group allows an average credit period of 30 days to its trade customers.

The following is the aged analysis of trade receivables at the balance sheet date:

		THE GROUP	
		本集團	
		2004	2003
		二零零四年	二零零三年
		HK\$'000	HK\$'000
		千港元	千港元
0 – 30 days	零至三十日	9,061	2,609
31 – 90 days	三十一至九十日	818	2,815
Over 90 days	超過九十日	6,487	2,673
		16,366	8,097

27. Amounts due from/to Associates

The Group and the Company

The amounts are unsecured, interest-free and have no fixed terms of repayment.

28. Restricted Bank Balances

The amount represents the bank balance kept in a bank account under the name of China Cinda in the PRC for the purpose of dealing with the funds recovered from the distressed assets. The bank account is jointly controlled by the Company and China Cinda that a mutual consent has to be obtained from the Company and China Cinda for the withdrawal of fund from the bank account.

25. 不良資產權益 (續)

董事會認為，該不履約貸款將可於結算日起計一年之內完成回收或處置完畢並因此於資產負債表中界定為流動資產。

26. 應收賬款

本集團給與貿易客戶平均三十天信用期。

下述是應收賬款於結算日之賬齡分析：

27. 應收／付聯營公司款

本集團及本公司

有關金額為無抵押，免息及無固定還款期。

28. 監管戶口結餘

金額為一個以中國信達名義於中國開設的銀行賬戶的銀行結餘，目的旨在存入處置不良資產回收所得資金。該銀行賬戶的資金提取由本公司及中國信達共同監管並需要得到雙方同意。

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2004

29. Trade Payables

The following is the aged analysis of trade payables at the balance sheet date:

		THE GROUP	
		本集團	
		2004	2003
		二零零四年	二零零三年
		HK\$'000	HK\$'000
		千港元	千港元
0 – 30 days	零至三十日	48,792	3,820
31 – 90 days	三十一至九十日	3,985	9,250
Over 90 days	超過九十日	2,259	2,039
		55,036	15,109

30. Accrued Charges, Rental Deposits and Other Payables

The Group

The balance includes an amount of HK\$28,788,000 (2003: HK\$41,446,000) payable to a minority shareholder of a subsidiary in relation to construction works rendered for properties. The amount is unsecured, non-interest bearing and has no fixed terms of repayment.

31. Amount due to Holding Company of a Shareholder

The Group

The amount is unsecured, interest-free and have no fixed terms of repayment.

29. 應付賬款

下述是應付賬款於結算日之賬齡分析：

30. 應計費用、租務按金及其他應付款

本集團

結餘包括一筆為數28,788,000港元(二零零三年：41,446,000港元)應付一家附屬公司之少數股東之有關物業建築工程有關之款項。有關金額為無抵押、免息及無既定還款期。

31. 應付一股東的控股公司款項

本集團

有關金額為無抵押、免息及無既定還款期。

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32. Other Loans

The Group and the Company

The loans were unsecured and bore interest at prevailing market interest rate.

33. Secured Bank Loans

The bank loans bear interest at commercial rates and are secured by certain investment properties and leasehold properties of the Group (see note 44). The related obligation is repayable as follows:

32. 其他借款

本集團及本公司

貸款為無抵押及需以當前市場利率計付利息。

33. 銀行抵押貸款

銀行貸款按商業利率計算利息，並以本集團之若干投資物業及租賃物業(見附註44)作抵押。相關之還款責任如下：

		THE GROUP 本集團		THE COMPANY 本公司	
		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Within one year	一年內	580,589	601,150	1,150	1,150
More than one year, but not exceeding two years	一年以上 但不超過二年	1,150	2,300	1,150	2,300
More than two years, but not exceeding five years	二年以上 但不超過五年	3,450	3,450	3,450	3,450
More than five years	五年以上	3,450	3,450	3,450	3,450
		588,639	610,350	9,200	10,350
Less: Amount due within one year shown under current liabilities	減：一年內到期 並列作流動 負債之金額	(580,589)	(601,150)	(1,150)	(1,150)
Amount due after one year	一年後到期金額	8,050	9,200	8,050	9,200

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34. Convertible Notes/Bonds

34. 可換股票據／債券

		THE GROUP		THE COMPANY	
		本集團		本公司	
		2004	2003	2004	2003
		二零零四年	二零零三年	二零零四年	二零零三年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
2-year convertible note (note a)	2年期可換股票據 (附註a)	440,000	—	440,000	—
5-year convertible note (note b)	5年期可換股票據 (附註b)	409,500	—	409,500	—
Convertible bonds (note c)	可換股債券(附註c)	—	1,560	—	—
		849,500	1,560	849,500	—
Less: Direct issue cost (note 35)	減：直接發行成本 (附註35)	(9,211)	—	(9,211)	—
		840,289	1,560	840,289	—
Less: Amount due within one year shown under current liabilities	減：一年內到期 並列作流動 負債之金額	—	(1,560)	—	—
Amount due after one year	一年後到期金額	840,289	—	840,289	—

34. Convertible Notes/Bonds (Continued)

Notes:

- (a) On 23 November 2004, the Company issued a convertible note in the principal amount of HK\$440 million to Catic Limited, a shareholder of the Company, in accordance with a convertible note subscription agreement dated 20 September 2004 entered into between the Company and Catic Limited. The interest is charged at 1.5% per annum and is payable semi-annually in arrears. The Company shall repay principal amount outstanding under the convertible note to the noteholder together with all interest accrued on the second anniversary of the date of the issue of the convertible note. The conversion price is HK\$2.2 per share, which is subject to adjustment for, among other matters, subdivision or consolidation of shares, bonus issues, capital reduction, rights issues and other events which have diluting effects on the issued share capital of the Company. The noteholder will have the right to convert the whole or part of the principal amount of the convertible note into shares at any time and from time to time, from the date of issue of the convertible note up to the second anniversary of the issue of the convertible note in amount not less than HK\$30,000,000 on each conversion, save that if at any time, the principal outstanding amount of the convertible note is less than HK\$30,000,000, the whole (but not part only) of the principal amount of the convertible note may be converted. Shares to be issued upon conversion shall rank *pari passu* in all respects with all the existing shares outstanding at the date of the conversion.

34. 可換股票據／債券 (續)

附註：

- (a) 於二零零四年十一月二十三日，本公司根據一項由Catic Limited與本公司簽訂、日期為二零零四年九月二十日的可換股票據認購協議的條款授出一份本金總額440,000,000港元的可換股票據予Catic Limited (為本公司之股東)。票據利息以年利率1.5%計算並須每半年以下期形式支付。本公司須於票據發出日期起計的第二個週年日向票據持有人償還票據項下未有贖回的本金額和所有的應付利息。票據的換股價為每股2.2港元，並須受到(其中包括)股份拆細或合併、發行紅股、縮減股本、供股和其他對本公司已發行股份具有攤薄效應的事件的影響作出調整。票據持有人有權於票據發出日期起至票據發出後的第二個週年日止期間內的任何時間和隨時全部或部分轉換股份，惟每次轉換的金額不可少於30,000,000港元，除此以外，如於任何時間可換股票據的剩餘的本金額少於30,000,000港元，則票據的全部(而並非部分)本金額可予轉換股份。因轉換股份而發行的股份在各方面均與轉換股份當日所有已存在的股份享有相同權利。

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2004

34. Convertible Notes/Bonds (Continued)

Notes: (Continued)

- (b) On 24 November 2004, the Company issued a convertible note to Citigroup Global Markets Limited ("CGML") in the principal amount of US\$52,500,000 in accordance with a subscription agreement dated 5 November 2004 entered into between the Company and CGML. The interest rate is 1.5% per annum and payable semi-annually in arrears. The Company shall repay the principal amount outstanding under the convertible note to the noteholder together with all interest accrued on the fifth anniversary of the date of the issue of the convertible note. The conversion price is HK\$2.95 per share which is subject to adjustment for, among other matters, subdivision or consolidation of shares, bonus issues, capital reduction, rights issues and other events which have diluting effects on the issued share capital of the Company. The noteholder will have the right to convert the whole or part of the principal amount of the convertible note into shares at any time and from time to time, from the date of issue of the convertible note up to the fifth anniversary of the date of issue of the convertible note in an amount not less than US\$100,000 on each conversion, save that if at any time, the principal outstanding amount of the convertible note is less than US\$100,000, the whole (but not part only) of the principal amount of the convertible note may be converted. The number of shares to be issued on conversion of the convertible note will be determined by dividing the principal amount of the convertible note to be converted (translated into Hong Kong dollars at a fixed rate of HK\$7.8 = US\$1.00 (rounded upwards to the nearest cent)) by the conversion price in effect at the date of conversion of the convertible note. The conversion shares to be issued upon conversion shall rank pari passu in all respects with all other existing shares outstanding at the date of the conversion.

34. 可換股票據／債券 (續)

附註：(續)

- (b) 於二零零四年十一月二十四日，根據本公司與Citigroup Global Markets Limited(「花旗集團」)於二零零四年十一月五日簽訂的一項認購協議，本公司授予(「花旗集團」)一份本金額52,500,000美元的可換股票據。票據利息以年利率1.5%計算並須每半年以下期形式支付。本公司須於票據發出日期起計的第五個週年日向票據持有人償還票據項下未有贖回的本金額和所有的應付利息。票據的換股價為每股2.95港元，並須受到(其中包括)股份拆細或合併、發行紅股、縮減股本、供股和其他對本公司已發行股份具有攤薄效應的事件的影響作出調整。票據持有人有權於票據發出日期起至票據發出後的第五個週年日止期間內的任何時間和隨時全部或部分轉換股份，惟每次轉換的金額不可少於100,000美元，除此以外，如於任何時間可換股票據的剩餘的本金額少於100,000美元，則票據的全部(而非部分)本金額可予轉換股份。可換股票據轉換股份時需要發行的股份數量乃按照可換股票據需要轉換股份的本金額(以7.8港元兌1美元固定匯率折成港元(向上計算至最接近的仙))除以於可換股票據轉換股份當日適用的換股價得出。因轉換股份而發行的股份在各方面均與轉換股份當日所有已存在的股份享有相同權利。

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2004

財務報表附註

截至二零零四年十二月三十一日止年度

34. Convertible Notes/Bonds (Continued)

Notes: (Continued)

- (c) The Group issued US\$100,000,000 and US\$15,000,000 one per cent. convertible guaranteed bonds due 2004 (the "Bonds") on 19 August 1997 and 25 September 1997 respectively. The Bonds are listed on the Luxembourg Stock Exchange.

During the year, the Group repurchased the Bonds with total principal amount of US\$200,000 (2003: nil). Total principal amount of the Bonds in issue as at 31 December 2004 was nil (2003: US\$200,000).

34. 可換股票據／債券(續)

附註：(續)

- (c) 本集團分別於一九九七年八月十九日及一九九七年九月二十五日發行100,000,000美元及15,000,000美元於二零零四年到期，按利率1%計息之有擔保可換股債券(「債券」)。債券於盧森堡證券交易所上市。

本集團於年內將本金額美元200,000的債券全部購回(二零零三年：無)。於二零零四年十二月三十一日已發行債券的本金額為零(二零零三年：200,000美元)。

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2004

35. Direct Issue Costs of Convertible Notes

Balance at beginning of the year	年初之結餘
Incurred during the year	年內新增
Amortisation for the year	年內攤銷
Balance at end of the year	年末之結餘

The amount represented direct issue costs incurred in related to the convertible notes as explained in note 34, as reduced by subsequent amortisation and write off upon conversion or repurchase.

36. Share Capital

Ordinary shares of HK\$0.20 each <i>Authorised:</i>	每股面值0.20港元之普通股 法定股本：
Balance at 1 January 2003 and 31 December 2003	於2003年1月1日及 2003年12月31日之結餘
Increase during the year	年內增加
Balance at 31 December 2004	於2004年12月31日之結餘
<i>Issued and fully paid:</i>	已發行及繳足股本：
Balance at 1 January 2003 and 31 December 2003	於2003年1月1日及 2003年12月31日之結餘
Issue of new shares on 27 January 2004 (note a)	於2004年1月27日 發行的新股份 (註a)
Issue of new shares on 24 November 2004 (note b)	於2004年11月24日 發行的新股份 (註b)
Issue of shares upon exercise of share options	行使購股權促使 發行的新股份
Balance at 31 December 2004	於2004年12月31日之結餘

35. 可換股票據直接發行費用

THE GROUP AND THE COMPANY

本集團及本公司

2004	2003
二零零四年	二零零三年
HK\$'000	HK\$'000
千港元	千港元

有關金額為發出可換股票據 (見附註34之說明) 已支付的直接發行費用，並須扣減隨後的攤銷和於換股或回購當時需要註銷扣減。

36. 股本

Number of shares	Nominal value
股份數目	票面值
	HK\$'000
	港幣千元

2,000,000,000	400,000
2,000,000,000	400,000
4,000,000,000	800,000
1,312,221,611	262,444
165,000,000	33,000
169,450,000	33,890
112,000,000	22,400
1,758,671,611	351,734

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2004

財務報表附註

截至二零零四年十二月三十一日止年度

36. Share Capital (Continued)

Notes:

- (a) On 14 January 2004, the Company entered into a subscription agreement with Catic Limited, a shareholder of the Company, pursuant to which Catic Limited has conditionally agreed to subscribe for 165,000,000 new shares of the Company of HK\$0.20 each at subscription price of HK\$2.00 per shares, representing a discount of 7.0% to the closing market price of the Company's shares on 13 January 2004. The proceeds have been used for acquisition of non-performing loan by SGIAM from China Cinda. The new shares were issued under the general mandate granted to the directors at the annual general meeting of the Company held on 27 May 2003 and rank pari passu with the existing shares in all respects.
- (b) On 5 November 2004, the Company entered into a subscription agreement with CGML, pursuant to which CGML has conditionally agreed to subscribe for 169,450,000 new shares of the Company of HK\$0.20 each at a subscription price of HK\$2.63 per share, representing a discount of 19.7% to the closing market price of the Company's shares on 3 November 2004. The proceeds have been used for investment in non-performing loans acquired and general working capital purpose.

37. Share Options

On 27 May 2002, the shareholders of the Company approved the termination (to the effect that no further options shall be offered) of the share option scheme adopted by the Company on 26 June 1995 (the "Old Scheme") and the adoption of a new share option scheme (the "New Scheme") with effect from 27 May 2002. The Old Scheme and the New Scheme were adopted for the primary purpose of giving incentives to the directors and eligible employees of the Group.

36. 股本 (續)

附註：

- (a) 於二零零四年一月十四日，本公司與Catic Limited (為本公司的股東) 簽訂一項認購協議，據此Catic Limited有條件同意認購本165,000,000股本公司面值0.20港元的新股，認購價為每股2.00港元，較二零零四年一月十三日本公司股份的收市價折讓7%。集資所得款項已經全數劃作流動資金用途。該等新股份為根據二零零三年五月二十七日舉行的本公司週年大會內授予董事會的一般授權發行並且在各方面與現有的股份享有相同權利。
- (b) 於二零零四年十一月五日，本公司與花旗集團簽訂一項認購協議，據此花旗集團有條件同意認購169,450,000股本公司面值0.20港元的新股份，認購價為每股2.63港元，較二零零四年十一月三日本公司股份的收市價折讓19.7%。集資所得款項將投資於不履約貸款及為流動資金用途。

37. 購股權

二零零二年五月二十七日，本公司股東批准終止 (其作用為不得再授出其他購股權) 本公司於一九九五年六月二十六日採納之購股權計劃 (「舊計劃」)，並自二零零二年五月二十七日起採納新購股權計劃 (「新計劃」)。採納舊計劃及新計劃之主要目的為獎勵本集團董事及合資格僱員。

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2004

37. Share Options (Continued)

According to the Old Scheme, the board of directors of the Company were authorised, at any time within ten years after the adoption date, to grant options to any directors or employees of the Company or any of its subsidiaries to subscribe for shares in the Company at a price not less than 80 per cent of the average of closing prices of the Company's shares on the five trading days immediately preceding the offer date of the options or the nominal value of the Company's shares, whichever is higher. The maximum number of shares in respect of which options may be granted under the Old Scheme cannot exceed 10 per cent of the aggregate nominal amount of the issued share capital of the Company from time to time.

According to the New Scheme, the board of directors of the Company are authorised, at any time within ten years after the adoption date, to grant options to any directors or employees of the Company or any of its subsidiaries to subscribe for shares in the Company at a price not less than the closing price of the Company's shares on the date of grant, the average closing prices of the Company's shares on the five trading days immediately preceding the offer date of the options or the nominal value of the Company's shares, whichever is higher. The maximum number of shares in respect of which options may be granted under the New Scheme cannot exceed 30 per cent. of the aggregate nominal amount of the issued share capital of the Company from time to time.

At 31 December 2004, the number of shares in respect of which options had been granted and remained outstanding under the Old Scheme and the New Scheme, representing 1.3% and 0.6% (2003: 5.8% and 5.3%), respectively, of the shares of the Company in issue at that date.

37. 購股權 (續)

根據舊計劃，本公司董事局獲授權於採納日期後十年內任何時間，授予本公司或其任何附屬公司董事或僱員購股權以認購本公司股份，價格不得少於緊接購股權授出日期前五個交易日本公司股份平均收市價之80%或本公司股份之面值(以較高者為準)。有關根據舊計劃授出之購股權可認購之股份數目，乃以不超過本公司不時已發行股本總面值之10%為限。

按照新計劃，本公司董事局獲授權於採納日期後十年內任何時間，授予本公司或其任何附屬公司董事或僱員購股權以認購本公司股份，價格不得少於授出日期日本公司股份之收市價、緊接購股權授出日期前五個交易日本公司股份平均收市價或本公司股份之面值(以較高者為準)。有關根據新計劃授出之購股權可認購之股份數目，乃以不超過本公司不時已發行股本總面值之30%為限。

於二零零四年十二月三十一日，根據舊計劃及新計劃已授出但尚未行使之購股權可認購之股份數目，分別佔當日本公司已發行股份之1.3%及0.6%(二零零三年：5.8%及5.3%)。

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財務報表附註

截至二零零四年十二月三十一日止年度

37. Share Options (Continued)

No consideration was paid for the share options granted. The financial impact of the share options granted is not recorded in the Company's or the Group's balance sheet until such time as the options are exercised, and no charge is recorded in the income statement or balance sheet for their costs. Upon the exercise of the share options, the resulting shares issued are recorded by the Company as additional share capital at the nominal value of the shares, and the excess of the exercise price per share over the nominal value of the shares is recorded in the share premium account.

Movements during the year of share options under the Old Scheme and the New Scheme are set out below:

37. 購股權 (續)

授出購股權不會收取任何代價。授出購股權之財務影響不會記錄於本公司或本集團之資產負債表內，直至購股權獲行使時為止，另不會於收入報表或資產負債表中就有關成本記錄任何支賬。行使購股權後，本公司會將因此而發行之股份按股份面值記錄為額外股本，而每股股份行使價高出股份面值之差額則會記錄於股份溢價賬內。

年內根據舊計劃及新計劃授出之購股權之變動載列如下：

Subscription price per share 每股股份之認購價	Exercisable period 可予行使期間	Outstanding as at 1.1.2004 於2004年1月1日 之尚餘數目	Number of share options 購股權數目			
			Granted during the year 年內授出 之數目	Exercised during the year 年內行使 之數目	Lapsed during the year 年內失效 之數目	Outstanding as at 31.12.2004 於2004年 12月31日 之尚餘數目
HK\$ 港元						
Old Scheme 舊計劃						
0.967	9.1.1997-8.1.2007	30,000,000	—	(15,000,000)	—	15,000,000
0.900	27.7.1999-26.7.2009	20,000,000	—	(16,000,000)	(2,000,000)	2,000,000
0.535	25.7.2001-24.7.2011	26,000,000	—	(21,000,000)	—	5,000,000
		76,000,000		(52,000,000)	(2,000,000)	22,000,000
New Scheme 新計劃						
0.700	7.6.2002-6.6.2012	70,000,000	—	(60,000,000)	—	10,000,000
		146,000,000	—	(112,000,000)	(2,000,000)	32,000,000

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2004

37. Share Options (Continued)

37. 購股權 (續)

Subscription price per share 每股股份之認購價	Exercisable period 行使期間	Outstanding as at 1.1.2003 於2003年 1月1日之尚餘數目	Number of share options 購股權數目			Outstanding as at 31.12.2003 於2003年 12月31日 之尚餘數目
			Granted during the year 年內授出 之數目	Exercised during the year 年內行使 之數目	Lapsed during the year 年內失效 之數目	
HK\$ 港元						
Old Scheme 舊計劃						
0.967	9.1.1997-8.1.2007	30,000,000	—	—	—	30,000,000
0.900	27.7.1999-26.7.2009	20,000,000	—	—	—	20,000,000
0.535	25.7.2001-24.7.2011	26,000,000	—	—	—	26,000,000
		76,000,000	—	—	—	76,000,000
New Scheme 新計劃						
0.700	7.6.2002-6.6.2012	70,000,000	—	—	—	70,000,000
		146,000,000	—	—	—	146,000,000

The market prices of the Company's shares at dates of exercise of share options during the year ended 31 December 2004 ranged between HK\$2.45 and HK\$3.95 (2003: nil).

於二零零四年十二月三十一日止年度，購股權被行使日的本公司股份的收市價介乎2.45港元至3.95港元(二零零三年：無)。

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2004

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截至二零零四年十二月三十一日止年度

37. Share Options (Continued)

Movements during the year of share options held by the directors included in the above tables are as follow:

37. 購股權 (續)

年內根據舊計劃及新計劃授出予董事之購股權之變動載列如下：

Subscription price per share 每股份之認購價	Exercisable period 行使期間	Outstanding as at 1.1.2004 於2004年1月1日 之尚餘數目	Number of share options 購股權數目			
			Granted during the year 年內授出 之數目	Exercised during the year 年內行使 之數目	Lapsed during the year 年內失效 之數目	Outstanding as at 31.12.2004 於2004年 12月31日 之尚餘數目
HK\$						
港元						
Old Scheme						
舊計劃						
0.967	9.1.1997-8.1.2007	15,000,000	—	—	—	15,000,000
0.900	27.7.1999-26.7.2009	4,000,000	—	(2,000,000)	—	2,000,000
0.535	25.7.2001-24.7.2011	5,000,000	—	(3,000,000)	—	2,000,000
		24,000,000	—	(5,000,000)	—	19,000,000
New Scheme						
新計劃						
0.700	7.6.2002-6.6.2012	15,000,000	—	(5,000,000)	—	10,000,000
		39,000,000	—	(10,000,000)	—	29,000,000

Subscription price per share 每股份之認購價	Exercisable period 行使期間	Outstanding as at 1.1.2003 於2003年 1月1日之尚餘數目	Number of share options 購股權數目			
			Granted during the year 年內授出 之數目	Exercised during the year 年內行使 之數目	Lapsed during the year 年內失效 之數目	Outstanding as at 31.12.2003 於2003年 12月31日 之尚餘數目
HK\$						
港元						
Old Scheme						
舊計劃						
0.967	9.1.1997-8.1.2007	15,000,000	—	—	—	15,000,000
0.900	27.7.1999-26.7.2009	4,000,000	—	—	—	4,000,000
0.535	25.7.2001-24.7.2011	5,000,000	—	—	—	5,000,000
		24,000,000	—	—	—	24,000,000
New Scheme						
新計劃						
0.700	7.6.2002-6.6.2012	15,000,000	—	—	—	15,000,000
		39,000,000	—	—	—	39,000,000

NOTES TO THE FINANCIAL STATEMENTS

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37. Share Options (Continued)

The market price of the Company's shares at the date of exercise of share options during the year ended 31 December 2004 was HK\$2.73 (2003: nil).

37. 購股權 (續)

於二零零四年十二月三十一日止年度，購股權被行使日的本公司股份的收市價為2.73港元(二零零三年：無)。

38. Reserves

38. 儲備

		Investment properties revaluation	Asset revaluation	Share premium	Accumulated profits	Total
		reserve	reserve			
		投資物業重估儲備	資產重估儲備	股份溢價	累積溢利	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
THE COMPANY	本公司					
At 1 January 2003	於2003年1月1日	1,210,737	42,631	14,342	88,163	1,355,873
Surplus arising on revaluation of investment properties	投資物業重估盈餘	—	2,955	—	—	2,955
Surplus arising on revaluation of leasehold properties	租賃物業重估盈餘	—	—	1,828	—	1,828
Net profit for the year	本年度溢利	—	—	—	240,897	240,897
2002 final dividend paid	支付2002年末期股息	—	—	—	(39,367)	(39,367)
At 31 December 2003 and 1 January 2004	於2003年12月31日及2004年1月1日	1,210,737	45,586	16,170	289,693	1,562,186
Surplus arising on revaluation of investment properties	投資物業重估盈餘	—	13,024	—	—	13,024
Realised upon disposal of investment properties	於出售投資物業時變現	—	96	—	—	96
Surplus arising on revaluation of leasehold properties	租賃物業重估盈餘	—	—	8,722	—	8,722
Premium arising on issue of new shares	發行新股溢價	768,503	—	—	—	768,503
Share issue expenses	股份發行費用	(21,483)	—	—	—	(21,483)
Net profit for the year	本年度溢利	—	—	—	97,558	97,558
2003 final dividend paid	支付2003年末期股息	—	—	—	(61,689)	(61,689)
Transfer to accumulated profits upon disposal of leasehold properties	於出售租賃物業時劃轉累積溢利	—	—	(12,419)	12,419	—
Deferred tax arising on revaluation of leasehold property	重估租賃物業產生的遞延稅項	—	—	(347)	—	(347)
At 31 December 2004	於2004年12月31日	1,957,757	58,706	12,126	337,981	2,366,570

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38. Reserves (Continued)

Notes:

- (a) Other reserves comprise the Group's share of capital surplus, statutory surplus reserve and discretionary surplus reserve of the subsidiaries and associates in the PRC.
- (b) The accumulated profits of the Group include profits of approximately HK\$417,449,000 (2003: profits of HK\$328,271,000) retained by the Group's associates.
- (c) The Company's reserves available for distribution to shareholders as at 31 December 2004 represents the accumulated profits of approximately HK\$337,981,000 (2003: HK\$289,693,000).

38. 儲備 (續)

附註：

- (a) 其他儲備包括本集團攤佔中國附屬公司及聯營公司之資本盈餘、法定盈餘儲備及酌情盈餘儲備。
- (b) 本集團之累積溢利包括本集團聯營公司之保留溢利約417,449,000港元(二零零三年：溢利328,271,000港元)。
- (c) 本公司於二零零四年十二月三十一日可分派予股東之儲備為累積溢利約337,981,000港元(二零零三年：289,693,000港元)。

39. Deferred Taxation

The following are the major deferred tax assets (liabilities) recognised and movements thereon during the current and previous years:

THE GROUP

		Accelerated tax depreciation 加速稅務折舊 HK\$'000 港幣千元	Revaluation of properties 物業重估 HK\$'000 港幣千元	Distressed assets 不良資產 HK\$'000 港幣千元	Tax losses 稅務虧損 HK\$'000 港幣千元	Total 合計 HK\$'000 港幣千元
At 1 January 2003	於2003年1月1日	—	(33,015)	—	11,084	(21,931)
Change in tax rate	稅率變動	—	—	—	1,039	1,039
(Charge) credit to income for the year	於本年度收益 (扣除)計入	(555)	293	—	(272)	(534)
Charge to investment properties revaluation reserve	於投資物業重估 儲備扣除	—	(2,481)	—	—	(2,481)
At 31 December 2003 and 1 January 2004	於2003年12月31日 及2004年1月1日	(555)	(35,203)	—	11,851	(23,907)
Credit (charge) to income for the year	於本年度收益計入 (扣除)	500	(1,229)	(32,494)	6,704	(26,519)
Charge to asset revaluation reserve	於資產重估儲備扣除	—	(448)	—	—	(448)
Charge to investment properties revaluation reserve	於投資物業重估儲備扣除	—	(17,899)	—	—	(17,899)
At 31 December 2004	於2004年12月31日	(55)	(54,779)	(32,494)	18,555	(68,773)

39. 遞延稅項

以下為本申報年度及以前年度已確認之主要遞延稅項資產(負債)與其變動：

本集團

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39. Deferred Taxation (Continued)

For the purpose of balance sheet presentation, certain deferred tax assets and liabilities have been offset in accordance with the conditions set out in SSAP 12 (Revised). The following is the analysis of the deferred tax balances for financial purpose:

		2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
Deferred tax assets	遞延稅項資產	18,500	11,296
Deferred tax liabilities	遞延稅項負債	(87,273)	(35,203)
		(68,773)	(23,907)

At the balance sheet date, the Group has unused tax losses of approximately HK\$271,725,000 (2003: HK\$286,020,000) available for offset against future profits. A deferred tax asset has been recognised in respect of approximately HK\$106,030,000 (2003: HK\$67,720,000) of such losses. No deferred tax asset has been recognised in respect of the remaining HK\$165,695,000 (2003: HK\$218,300,000) due to unpredictability of future profit streams. At 31 December 2004, included in unrecognised tax losses are losses of approximately HK\$159,537,000 which will expire in 2006. At 31 December 2003, included in unrecognised tax losses are losses of approximately HK\$204,598,000, HK\$2,456,000 and HK\$5,088,000 those will expire in 2006, 2007 and 2008 respectively. Other tax losses may be carried forward indefinitely.

39. 遞延稅項 (續)

就資產負債表呈報而言，本集團已根據會計實務準則第12號(經修訂)所載的條件抵銷若干遞延稅項資產及負債。

於資產負債表日，本集團有可扣減將來溢利的未抵銷稅務虧損港幣271,725,000元(二零零三年：港幣286,020,000元)。其中港幣106,030,000元(二零零三年：港幣67,720,000元)虧損相關的遞延稅項資產已經確認。其餘港幣165,695,000元(二零零三年：港幣218,300,000元)因涉及未來收益流的不可預測性而未予確認。於二零零四年十二月三十一日，未確認稅務虧損包括港幣159,537,000元將於二零零六年屆滿。於二零零三年十二月三十一日，未確認稅務虧損包括204,598,000港元、2,456,000港元及5,088,000港元虧損將分別於二零零六年、二零零七年及二零零八年屆滿。其他稅務虧損可承上結轉，且並無屆滿日期。

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39. Deferred Taxation (Continued)

THE COMPANY

		本公司			
		Accelerated tax depreciation	Revaluation of properties	Tax losses	Total
		加速稅務折舊	物業重估	稅務虧損	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
At 1 January 2003	於2003年1月1日	—	—	9,973	9,973
Change in tax rate	稅率變動	—	—	935	935
(Charge) credit to income for the year	於本年度收益(扣除)計入	(555)	(388)	943	—
At 31 December 2003 and 1 January 2004	於2003年12月31日及2004年1月1日	(555)	(388)	11,851	10,908
Credit to investment properties revaluation reserve	於投資物業重估儲備扣除	—	(347)	—	(347)
Credit (charge) credit to income for the year	於本年度收益計入(扣除)	500	(78)	5,948	6,370
At 31 December 2004	於2004年12月31日	(55)	(813)	17,799	16,931

39. 遞延稅項 (續)

40. Non-Cash Transaction

During the year ended 31 December 2003, the Group disposed of its investments in securities for a consideration of an investment property situated in the PRC with carrying value of approximately HK\$4,475,000 (note 15) and resulted for a gain on disposal amounting to HK\$4,475,000 (note 5).

40. 非現金交易

於截至二零零三年十二月三十一日止年度，本集團以位於中國賬面值4,475,000港元(附註15)的投資物業為代價出售其證券投資並產生出售證券投資收益為4,475,000港元(附註5)。

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41. Disposal of a Subsidiary

41. 出售附屬公司

		2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
Net asset of a subsidiary disposed comprise:	出售附屬公司的資產淨值包括：		
Properties under development	在建物業	172,059	—
Bank balances and cash	銀行結餘及現金	3,088	—
Accrued charges and other payables	應計費用及其他應付款	(12,430)	—
Amount due to immediate holding company	應付控股公司款項	(110,295)	—
Minority interests	少數股東權益	(11,783)	—
Group's share of net assets disposed	本集團應佔出售淨資產	40,639	—
Gain on disposal of a subsidiary	出售附屬公司收益	46,696	—
Total consideration	總代價	87,335	—
Satisfy by:	支付方式		
Cash	現金	87,335	—
Net cash inflow arising on disposal:	出售附屬公司之淨現金流入：		
Cash consideration	現金代價	87,335	—
Bank balances and cash disposal of	出售之銀行存款及現金	(3,088)	—
		84,247	—

The subsidiary disposed of during the year contributed no turnover to the Group, and a loss of HK\$5,200,000 to the Group's net profit for the year. After the disposal of the subsidiary, the amount due from the subsidiary disposed of, amounting to HK\$110,295,000, was reclassified to deposits, prepayments and other receivables.

年內已出售的附屬公司為本集團貢獻零營業額及5,200,000港元虧損至本集團的溢利淨額。於出售該附屬公司後，應收該已售出附屬公司、數額為110,295,000港元的款項已重新界定為按金、預付款及其他應收款科目。

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42. Operating Lease Arrangement

The Group as lessee

At the balance sheet date, the Group and the Company had commitments for future minimum lease payments under non-cancellable operating leases in respect of land and buildings which fall due as follows:

	THE GROUP		THE COMPANY	
	本集團		本公司	
	2004	2003	2004	2003
	二零零四年	二零零三年	二零零四年	二零零三年
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元
Within one year	75	488	75	300
In the second to fifth year inclusive	—	75	—	75
	75	563	75	375

The operating lease payments represent rental payable by the Group and the Company for certain of its office premises and staff quarters. Leases are generally negotiated for a term of one year and rentals are fixed.

The Group as lessor

Property rental income earned during the year was approximately HK\$75,004,000 (2003: HK\$84,513,000). The properties held have committed tenants for lease terms ranged from 1 year to 18 years.

42. 營運租約安排

本集團以承租人身份

於結算日，根據下述期限屆滿之土地及樓宇不可撤銷營運租約，本集團及本公司須支付之未來最低租賃款項如下：

營運租約款項指本集團及本公司就其若干辦公室物業及員工宿舍應付之租金。該等租約之租期一般為一年，租金亦已磋商為固定金額。

本集團以出租人身份

年內賺取之物業租金收入約為75,004,000港元(二零零三年：84,513,000港元)。持有之物業於已簽約之租客的租期由一年至十八年不等。

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42. Operating Lease Arrangement (Continued)

The Group as lessor (Continued)

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

		THE GROUP 本集團		THE COMPANY 本公司	
		2004 二零零四年	2003 二零零三年	2004 二零零四年	2003 二零零三年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Within one year	一年內屆滿	7,016	40,847	914	2,156
In the second to fifth year inclusive	第二至第五年 (包括首尾兩年在內)	21,956	66,866	62	641
After five years	五年以後	16,262	32,775	—	—
		45,234	140,488	976	2,797

43. Capital Commitments

43. 資本承擔

		2004 二零零四年	2003 二零零三年
		HK\$'000 港幣千元	HK\$'000 港幣千元
Capital expenditure in respect of the property development project contracted for but not provided in the financial statements	有關已訂約但未於財務報表撥備之物業發展項目之資本開支	54,750	249,224
Capital expenditure in respect of property development project authorised but not contracted for	有關已批准但未訂約之物業發展項目之資本開支	201,147	—

At the balance sheet date, the Company had no significant capital commitments.

於結算日，本公司並無重大資本承擔。

44. Pledge of Assets

At 31 December 2004, the Group has pledged certain investment properties and leasehold properties which have an aggregate carrying value at the balance sheet date of approximately HK\$1,674.3 million (2003: HK\$1,773.2 million) and HK\$68.9 million (2003: HK\$51.2 million) respectively to secure general banking facilities granted to the Group.

At 31 December 2004, the Company has pledged a fixed deposit of HK\$1,700,000 (2003: HK\$2,800,000) and provided all monies floating charge on the Company's assets to a bank in respect of the credit facilities granted by this bank to the Company.

45. Contingent Liabilities

The Group and the Company

The Company has provided a guarantee in respect of a bank loan granted to a wholly-owned subsidiary of an associate amounting to approximately HK\$233,645,000 (2003: HK\$233,645,000), to the extent of 52% (2003: 52%) of the loan balance. The amount of the bank loan outstanding at 31 December 2004 amounted to approximately HK\$85,047,000 (2003: HK\$168,037,000).

The Company has provided guarantee to China Cinda in respect of the performance by SGIAM under an agreement of acquisition of non-performing loans by SGIAM dated 17 September 2004 (see note 25).

44. 資產抵押

於二零零四年十二月三十一日，本集團已將若干於結算日累計賬面總額分別167,430萬港元（二零零三年：177,320萬港元）及6,890萬港元（二零零三年：5,120萬港元）之投資物業及租賃物業抵押作為本集團所獲取一般性銀行融資之條件。

於二零零四年十二月三十一日，本公司已將1,700,000港元定期存款抵押（二零零三年：2,800,000港元）及以本公司資產提供全額浮動質押予一家銀行作為該銀行向本公司授出相關信貸額度。

45. 或然負債

本集團及本公司

本公司就一間聯營公司之一間全資附屬公司所獲得約233,645,000港元（二零零三年：233,645,000港元）之銀行貸款提供該貸款最多52%（二零零三年：52%）份額之擔保。有關貸款於二零零四年十二月三十一日之結餘金額約為85,047,000港元（二零零三年：168,037,000港元）。

本公司就銀建資產管理根據二零零四年九月十七日的協議項下銀建資產管理收購不履約貸款的責任向中國信達發出履約擔保（見附註25）。

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45. Contingent Liabilities (Continued)**The Group and the Company (Continued)**

The Company has provided a guarantee in respect of the disposal of Beijing East Gate Wangjing Real Estate Co., Ltd. ("Wangjing"), a subsidiary of the Group, under a share transfer agreement, pursuant to which the Company is required to provide guarantee to the buyers of Wangjing (the "Buyers") in respect of any contingent liabilities arising from any guarantees and securities provided by the Wangjing and any contracts entered into by Wangjing not disclosed to the Buyers as at the date of transfer of shares of Wangjing to Buyers. Such guarantee provided by the Company is effective up to 9 November 2007.

The Company

As 31 December 2003, the Company had guaranteed the issue of the Bonds of US\$115 million by Silver Grant International Industries (Cayman) Limited, the Company's wholly-owned subsidiary. At 31 December 2004, the total principal amount of the Bonds in issue was nil (2003: US\$0.2 million). The Bonds may be redeemed at the option of the holders of the Bonds on 19 August 2004 at the principal amount plus accrued interest calculated in accordance with the number of days the Bonds have been outstanding at an annual interest rate of approximately 1 per cent. Unpaid interest on redemption in respect of the Bonds accrued up to 31 December 2004 was nil (2003: HK\$6,000).

45. 或然負債 (續)**本集團及本公司 (續)**

本公司就根據一項股權轉讓協議項下出售北京東環望京房地產有限公司(「望京」)(為本集團的附屬公司)的交易提供擔保，據此本公司向買入望京的買家(「買方」)就於股份專讓當天未有向買方作出披露、以望京名義簽署的合約及授出的擔保及抵押引起的任何或然負債向買方提供擔保。此項擔保持續有效至二零零七年十一月九日。

本公司

於二零零三年十二月三十一日，本公司已就其全資附屬公司Silver Grant International Industries (Cayman) Limited所發行之11,500萬美元可換股債券提供擔保。於二零零四年十二月三十一日，未贖回的債券之本金總額為零(二零零三年：20萬美元)。債券可按債券持有人的選擇，於二零零四年八月十九日按本金額加應收利息(根據債券已發行日數按年息率1%計算)贖回債券。債券之應付利息累積至二零零四年十二月三十一日止之總額為零(二零零三年：6,000港元)。

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46. Related Party Transactions

During the year, the Group entered into the following transactions with related parties:

46. 有關連人士交易

年內，本集團與關聯人士有如下交易：

		2004 二零零四年 HK\$'000 港幣千元	2003 二零零三年 HK\$'000 港幣千元
Interest expense paid to an associate (note a)	支付一聯營公司的利息(附註a)	—	3,872
Management fee income from an associate (note b)	收取一聯營公司的管理費收入(附註b)	—	120
Property management fee income from an associate (note b)	收取聯營公司物業管理費收入(附註b)	64	64
Rental income from an associate (note b)	收取一聯營公司的租金收入(附註b)	175	175
Training fee paid to an associate (note b)	支付一聯營公司的培訓費(附註b)	—	654
Consultancy fee paid to an associate (note c)	支付一聯營公司的顧問費(附註c)	2,991	—
Commission income and performance return received from a fellow subsidiary of a shareholder (note c)	收取一股東之集團附屬公司之佣金收入及超收分成(附註c)	119,761	—
Management fee paid to holding company of a shareholder (note c)	支付一股東之控股公司的管理費用(附註c)	18,537	—
Interests on convertible notes issued to shareholders (note d)	支付授予一股東之可換股票據利息(附註d)	1,341	—

Notes:

- (a) Interest is charged based on the interest rate agreed by both parties.
- (b) The transaction price was determined and agreed between the Group and the related parties on the basis of estimated costs incurred.
- (c) The transactions were carried out in accordance with the terms of relevant agreements.
- (d) Interest is charged at 1.5% per annum.

Details of balances with related companies and other transactions with related parties are set out in the balance sheets and in notes 22, 27, 30 and 31.

附註：

- (a) 利息乃根據雙方同意之利率計算支付。
- (b) 交易價格乃由本集團及關聯人士根據估計產生成本釐定及議定。
- (c) 交易乃根據相關協議之條款進行。
- (d) 利息以年利率1.5%計付。

有關與關聯公司之結餘及與關聯人士之其他交易詳情，已載於資產負債表及附註22、27、30及31。

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47. Particular of Subsidiaries and Associates

(a) Particulars of the Company's subsidiaries at 31 December 2004 are as follows:

47. 附屬公司及聯營公司摘要

(a) 本公司附屬公司於二零零四年十二月三十一日之詳情如下：

Name of Company 公司名稱	Place of incorporation 註冊成立地點	Nominal value of issued ordinary share capital 已發行普通股本/ 註冊資本面值	Proportion of nominal value of issued ordinary share capital/ Registered capital held by the Company 本公司所持有 已發行普通股本/ 註冊資本面值比例		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
			Beijing East Gate Development Co., Ltd. ("East Gate Development") 北京東環置業有限公司 ("東環置業")	PRC 中國	
Beijing Yinda Property Management Limited ("Yinda Property") 北京銀達物業管理 有限責任公司 ("銀達物業")	PRC 中國	RMB10,000,000 人民幣10,000,000元	—	90% (Note ii) (附註ii)	Property management 物業管理
Shenyang East Gate Development Co., Ltd. ("Shenyang East Gate") 沈陽東環置業有限公司 ("沈陽東環")	PRC 中國	US\$10,150,000 10,150,000美元	—	98.5% (Note iii) (附註iii)	Property development and investment 物業發展及投資
East Gate Development (H.K.) Limited 東環置業(香港) 有限公司	Hong Kong 香港	HK\$100 100港元	100%	—	Investment holding 投資控股
Silver Grant International Assets Management Limited 銀建國際資產管理 有限公司	Hong Kong 香港	HK\$10,000 10,000港元	100%	—	Distressed assets business 不良資產業務

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47. Particular of Subsidiaries and Associates (Continued)

(a) (Continued)

47. 附屬公司及聯營公司摘要 (續)

(a) (續)

Name of Company 公司名稱	Place of incorporation 註冊成立地點	Nominal value of issued ordinary share capital 已發行普通股本／ 註冊資本面值	Proportion of nominal value of issued ordinary share capital/ Registered capital held by the Company 本公司所持有 已發行普通股本／ 註冊資本面值比例		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
Greenhill Property Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	100%	—	Investment holding 投資控股
Likesway Limited 利時威有限公司	Hong Kong 香港	HK\$2 2港元	100%	—	Property holding and investment 持有物業及投資
Real China Development Limited 泰景發展有限公司	Hong Kong 香港	HK\$2 2港元	100%	—	Property holding and investment 持有物業及投資
Silver Grant Department Store (BVI) Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	100%	—	Investment holding 投資控股
Silver Grant Hainan Investment (BVI) Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	100%	—	Inactive 暫無業務
Silver Grant Infra-Structure Investment (BVI) Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	100%	—	Investment holding 投資控股
Silver Grant International Department Store Limited 銀建國際百貨有限公司	Hong Kong 香港	HK\$10 10港元	—	100%	Property investment 物業投資

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47. Particular of Subsidiaries and Associates
(Continued)

(a) (Continued)

47. 附屬公司及聯營公司摘要
(續)

(a) (續)

Name of Company 公司名稱	Place of incorporation 註冊成立地點	Nominal value of issued ordinary share capital 已發行普通股本/ 註冊資本面值	Proportion of nominal value of issued ordinary share capital/ Registered capital held by the Company 本公司所持有 已發行普通股本/ 註冊資本面值比例		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
Silver Grant International Industries (Cayman) Limited	Cayman Islands 開曼群島	US\$2 2美元	100%	—	Issue of convertible bonds 發行可換股債券
Silver Grant International Infra-Structure Investment Limited 銀建國際基建投資 有限公司	Hong Kong 香港	HK\$2 2港元	—	100%	Investment holding 投資控股
Silver Grant International Securities Investment Limited 銀建國際證券投資 有限公司	Hong Kong 香港	HK\$2 2港元	—	100%	Securities trading 證券買賣
Silver Grant Securities Investment (BVI) Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	100%	—	Investment holding 投資控股
Straight View Investment Limited 藝景投資有限公司	Hong Kong 香港	HK\$100 100港元	100%	—	Investment holding 投資控股
Twin Sparkle Limited 康而富有限公司	Hong Kong 香港	HK\$2 2港元	100%	—	Property holding and investment 持有物業及投資
Winner Property Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	—	100%	Investment holding 投資控股

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47. Particular of Subsidiaries and Associates (Continued)

(a) (Continued)

Notes:

- (i) East Gate Development is a sino-foreign co-operative joint venture company established in the PRC. Under the joint venture agreement, the Group is responsible to contribute US\$96,598,000 to the registered capital of East Gate Development and share 87.9% of the profits and losses of East Gate Development.
- (ii) Yinda Property is a sino-foreign equity joint venture company established in the PRC. Under the joint venture agreement, the Group is responsible to contribute RMB9,000,000 to the registered capital of Yinda Property and share 90% of the profits and losses of Yinda Property.
- (iii) Shenyang East Gate is a sino-foreign co-operative joint venture company established in the PRC. Under the joint venture agreement, the Group is responsible to contribute US\$10,000,000 to the registered capital of Shenyang East Gate and share 70% of the profits and losses of Shenyang East Gate.

Other than the investment holding companies incorporated in the British Virgin Islands which have no principal place of operation, and East Gate Development, Yinda Property and Shenyang East Gate which operate principally in the PRC, all subsidiaries principally operate in Hong Kong.

47. 附屬公司及聯營公司摘要 (續)

(a) (續)

附註：

- (i) 東環置業是一家於中國成立之中外合作合營企業。根據合作合同，本集團負責出資96,598,000美元作為東環置業之註冊資本，並且有權分享東環置業87.9%損益。
- (ii) 銀達物業是一家於中國成立之中外合資企業。根據合作合同，本集團負責出資人民幣9,000,000元作為銀達物業之註冊資本，並且有權分享銀達物業90%損益。
- (iii) 沈陽東環是一家於中國成立之中外合作合營企業。根據合作合同，本集團須投入10,000,000美元註冊資本予沈陽東環並有權分享沈陽東環70%損益。

除於英屬處女群島註冊成立之投資控股公司外(其並無主要營業地點)，以及東環置業、銀達物業及沈陽東環是主要於中國營運外，所有附屬公司均在香港經營為主。

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47. Particular of Subsidiaries and Associates
(Continued)

(a) (Continued)

Other than the convertible bonds issued by Silver Grant International Industries (Cayman) Limited and convertible notes issued by the Company as explained in note 34, no loan capital has been issued by the Company and any of its subsidiaries.

(b) Particulars of the Group's significant associates at 31 December 2004 are as follows:

Name of Company 公司名稱	Place of incorporation 註冊成立地點	Proportion of nominal value of issued ordinary share capital/Registered capital held by the Group/the Company 本公司所持有已發行普通股本／註冊資本面值比例		Principal activities 主要業務
		Directly 直接	Indirectly 間接	
		Beijing East Bay Investment Consultants Ltd. 北京東灣投資顧問有限公司	PRC 中國	
CII Limited 中基建設投資有限公司	Hong Kong 香港	50%	—	Investment in Infrastructure projects 投資基建項目
Nonferrous Metals International (BVI) Limited	British Virgin Islands 英屬處女群島	50%	50%	Inactive 暫無業務

47. 附屬公司及聯營公司摘要
(續)

(a) (續)

除 Silver Grant International Industries (Cayman) Limited 發行之可換股債券及本公司發行之可換股票據(見附註34)外，本公司及其任何附屬公司概無發行任何資本債務。

(b) 本公司的主要聯營公司於二零零四年十二月三十一日之詳情如下：

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截至二零零四年十二月三十一日止年度

47. Particular of Subsidiaries and Associates (Continued)

(b) (Continued)

Name of Company 公司名稱	Place of incorporation 註冊成立地點	Proportion of nominal value of issued ordinary share capital/Registered capital held by the Group/the Company 本公司所持有 已發行普通股本/ 註冊資本面值比例		Principal activities 主要業務
		Directly 直接	Indirectly 間接	
Ocean Capital Investment Limited	British Virgin Islands 英屬處女群島	30%	30%	Investment holdings 投資控股
Sanva Properties Limited	British Virgin Islands 英屬處女群島	35%	35%	Inactive 暫無業務

48. POST BALANCE SHEET EVENT

On 20 December 2004, Winner Property Limited ("Winner"), a wholly-owned subsidiary of the Company, entered into an agreement to acquire an additional 7.99% equity interest in East Gate Development (the "Acquisition Agreement"), a subsidiary directly held by Winner, from a minority shareholder of East Gate Development at a consideration of approximately HK\$13,486,000. Upon completion of the Acquisition Agreement, the Group will hold equity interest of 95.89% in East Gate Development.

48. 結算日後事項

於二零零四年十二月二十日，Winner Property Limited (「Winner」) (本公司的全資附屬公司) 簽訂一項協議籍以向東環置業的一名少數股東購入東環置業 (為Winner直接持有的附屬公司) 額外的7.99%股份權益 (「收購協議」)，代價約為13,486,000港元。待收購協議完成時，本集團將持有東環置業95.89%股份權益。