

# Managing Director's Statement

## 董事總經理報告

### REVIEW OF RESULTS

Turnover of the current period recorded an increase of HK\$229.5 million to HK\$528.4 million, representing an increment of 77%.

The increase in turnover was mainly attributable to the HK\$369.1 million increase in turnover of listed securities trading and was partially reduced by the HK\$143.2 million decrease in turnover of dealing in distressed assets.

The increase in turnover of listed securities trading was a result of the realization of the China Construction Bank H shares ("the CCB Shares") acquired at its IPO.

Due to the realization of the CCB Shares, the corresponding acquisition costs of the CCB Shares were recognized as direct operating expenses. This was the main reason leading to the significant increase in direct operating expenses in the current period.

The decrease in turnover of dealing in distressed assets was mainly due to the fact that turnover of dealing in distressed assets in the previous period included a performance return from the disposal of the Macau Assets amounted to HK\$100.0 million. Since the Macau Assets were all disposed in the previous period, there was no such corresponding amount in the current period.

Profit for the period attributable to equity holders of the Company was HK\$332.6 million. Compared to the previous period, the profit has decreased by HK\$22.4 million, representing a decrease of 6%.

### 業績回顧

本期間之營業額錄得229,500,000港元增長至528,400,000港元，增幅77%。

營業額的增長，主要基於證券投資的營業額增加了369,100,000港元，但同時亦被處置不良資產的營業額減少143,200,000港元而抵銷部份的增幅。

上市證券買賣的營業額增加是由於套現於新股上市時購入的中國建設銀行H股（「建行股份」）股份所致。

由於套現建行股份，相應的建行股份購入成本被確認為直接經營費用。此乃導致本期間的直接經營費用大幅度增加的主要原因。

處置不良資產的營業額減少的主要原因是由於去年同期的處置不良資產的營業額中包括有一項金額為100,000,000港元來自處置澳門資產的超收分成。由於澳門資產已於去年同期全部處置完畢，因此於本期間並無錄得對應的金額。

本公司股本持有人應佔本期間的溢利為332,600,000港元。與去年同期比較，溢利減少22,400,000元，相當於減幅6%。

## REVIEW OF RESULTS (Continued)

There were significant changes in several major profit components, which has a net effect leading to the mild decrease in profit attributable to equity holders of the Company. The changes are explained in the following paragraphs:

The gain from the realization of the CCB Shares together with the gain from other held-for-trading investments, (i.e. trading in listed securities) contributed HK\$106.8 million increase to the profit. In addition, there was an increase in the fair value of listed securities amounting to HK\$48.0 million. Moreover, fair value gain in investment properties also contributed HK\$32.8 million increase to the profit. These major items have an effect of increasing profit for the current period by HK\$187.6 million in aggregate.

The disposal of the Macau Assets was completed in 2005 and had contributed HK\$100.0 million performance return to the Group in the previous period. No such performance return was recorded in the current period. Interest income generated from the Cinda Portfolio decreased by HK\$43.2 million following the reduction in the amount of un-disposed distressed assets in the Cinda Portfolio. Discount on acquisition of additional equity interest in a subsidiary also decreased by HK\$48.7 million. In addition, share of results of associates also decreased by HK\$20.4 million due to the decrease in profit contribution from CII Limited ("CII"). These major items have an effect of decreasing profit for the current period by HK\$212.3 million in aggregate.

## 業績回顧 (續)

由於若干主要溢利科目的重大轉變，其淨影響導致本公司股本持有人應佔溢利出現輕微下降。該等轉變的說明見下文：

套現建行股份所得的收益連帶其他持作買賣投資（亦即買賣上市證券）所得的收益合共提供106,800,000港元溢利增長。加上上市證券的公平值增加48,000,000港元。此外，投資物業的公平值增加亦為溢利貢獻32,800,000港元增長。此等主要項目的影響為本期間的溢利帶來總額187,600,000港元增長。

澳門資產的處置已於二零零五年完成，並於去年同期為本集團貢獻100,000,000港元超收分成。於本期間並無錄得任何對應的超收分成。由於信達資產包內未予處置的不良資產金額減少，來自信達資產包的利息收入減少了43,200,000港元。收購一間附屬公司額外股本權益的折讓亦減少了48,700,000港元。加上攤佔聯營公司業績因為中基建設投資有限公司（「中基」）的溢利貢獻減少的原因亦減少了20,400,000港元。此等主要項目的影響為本期間的溢利帶來總額212,300,000港元下降。

## BUSINESS REVIEW & PROSPECTS

### Property Investments, Development and Management

The operations of the Group's property leasing, property development and property management were relatively stable during the current period.

During the current period, the Group has increased its investment in East Gate by acquiring the remaining 4.11% equity interest from the minority shareholders of East Gate at a total consideration of HK\$25.7 million. The acquisition resulted in a discount on acquisition of HK\$24.7 million and was recognized as income in the current period. After the acquisition, East Gate becomes a wholly owned subsidiary of the Group.

The Group did not recognize any sales of development property during the current period. Despite the Group has commenced selling of the development properties of East Gate Metro Garden and the Group has already secured approximately HK\$197.3 million contracted-sales in aggregate during the current period, the Group will only recognize sales and profit after the issuance of the relevant occupancy permits. The Board expects that total sales amount for East Gate Metro Garden will approximately be HK\$423.1 million. The Group intends to complete the selling of East Gate Metro Garden units in 2006. After the completion of the sales of the East Gate Metro Garden units, the third phase, which is also the last phase of the Tiexi development project, will commence.

For the time being, the progress of the development project "Zi You Xiao Zhen" is still at the stage of demolishing and relocating the existing tenants. "Zi You Xiao Zhen" has a site area of approximately 320,000 square meters and can be developed into saleable units with gross floor area of approximately 830,000 square meters in aggregate. The Group intends to develop "Zi You Xiao Zhen" by four phases in four years' time.

The Group is also considering making investment in new development projects in Beijing including "Si He Yuan" properties.

## 業務回顧及展望

### 物業投資、發展及管理

本集團的物業租賃、物業發展及物業管理於本期內的經營維持相對穩定。

於本期間，本集團透過以總代價25,700,000港元向東環置業的少數股東購入餘下的4.11%股本權益，增加投資於東環置業。是項增持行動產生收購折讓24,700,000港元並已於本期間確認為收益。經是項增持行動後，東環置業成為本集團的全資附屬公司。

本集團於本期間沒有確認任何發展物業的銷售額。雖然本集團已開展了東環國際花園的銷售工作以及本集團於本期間已落實總額約197,300,000港元的合同銷售額，然而本集團只會在已發出相關的入住許可証後方確認銷售額及收入。董事會預期東環國際花園的總銷售金額將可達約423,100,000港元。本集團有意於二零零六年內完成銷售東環國際花園的單位。在完成銷售東環國際花園的單位後，鐵西發展項目的第三期亦即是最後一期的發展將會展開。

重建項目《自由小鎮》的進度，目前仍然處於遷拆及安置現有居民的階段。《自由小鎮》項目之地盤面積約320,000平方米並將可發展成為可供銷售單位的總建築面積約830,000平方米。本集團有意在四年時間內分開四期發展《自由小鎮》。

本集團現正考慮於北京市投資興建包括「四合院」在內的物業開發項目。

## BUSINESS REVIEW & PROSPECTS (Continued)

### Infrastructure Investments

For the current period, profit contribution from CII was HK\$39.8 million (2005: HK\$58.8 million). The decrease in profit contribution was mainly due to the reduction in toll fee income from road and bridge projects as a result of disposal of those road and bridge projects in the previous periods.

During the current period, CII has entered into an agreement to dispose its entire interest in Jiangxi #320 State-road project at a total consideration of RMB250.0 million (equivalent to approximately HK\$238.1 million) and recognized a gain in the amount of HK\$1.3 million. CII expects to receive the whole amount of the sale proceeds in the second half year.

The strategy of CII is to dispose all the road and bridge projects when opportunities arise. At 30 June 2006, CII was still holding two road and bridge projects with a total carrying value of approximately HK\$150.4 million in aggregate.

### *The Taian Natural Gas Pipeline project*

CII holds an 80% effective interest in the Taian Natural Gas Pipeline project. The carrying value of the project as at 30 June 2006 was approximately HK\$90.1 million. The operation of the project was relatively stable during the current period.

During the current period, CII invested in a new energy project by investing in 泰安港新燃氣有限公司. CII holds a 74% effective interest in the project and has invested RMB74.0 million (equivalent to approximately HK\$70.5 million) to the project.

## 業務回顧及展望 (續)

### 基礎建設投資

於本期間，中基的盈利貢獻為39,800,000港元（二零零五年：58,800,000港元）。盈利貢獻減少的主要原因是由於出售道路及橋樑項目後導致路費收入減少所致。

於本期間，中基已簽訂一項協議書，協議以總代價人民幣250,000,000元（相當於約238,100,000港元）出售其於江西320國道的全部權益，並確認一項金額為1,300,000港元的收益。中基預期可於下半年全部收取該代價款項。

中基的策略是在遇到合適機會時，全部出售其道路及橋樑項目。於二零零六年六月三十日，中基仍然持有兩個道路及橋樑項目，賬面總值約150,400,000港元。

### 泰安天然氣管道項目

中基持有泰安天然氣管道項目80%有效權益。該項目於二零零六年六月三十日的賬面值約為90,100,000港元。於本期間，該項目的經營維持相對穩定。

於本期間，中基透過投資泰安港新燃氣有限公司而新投資於一項能源項目。中基持有該項目74%有效權益並已就項目投入人民幣74,000,000元（相當於約70,500,000港元）。

## BUSINESS REVIEW & PROSPECTS (Continued)

### Infrastructure Investments (Continued)

#### *The United East Petrochemical project*

CII holds a 25% effective interest in the United East Petrochemical project. The carrying value of the project as at 30 June 2006 was approximately HK\$112.6 million. For the current period, profit contribution to CII from the project was limited and the profit amounted to only HK\$1.5 million.

CII is negotiating with the holding company of the local partner for a long term and secured supply of crude oil for the project's refinery business. CII has confidence to reach an agreement for the supply of the crude oil in 2006.

### Financial Investments

#### *Distressed Assets Business*

##### *The Cinda Portfolio*

For the current period, the Cinda Portfolio has contributed approximately HK\$46.8 million (2005: HK\$90.0 million) interest income to the Group. Up to 30 June 2006, the principal amount of distressed assets in the Cinda Portfolio that has been disposed was approximately HK\$20.3 billion in aggregate, representing 37.4% of the total principal amount of the Cinda Portfolio. The amount of cash recovered was approximately HK\$793.4 million in aggregate. The effective cash recovery rate was approximately 3.9%.

During the current period, the total principal amount of distressed assets in the Cinda Portfolio that has been disposed was approximately HK\$1.7 billion and the total amount of cash recovered was approximately HK\$128.5 million. The cash recovery rate for the current period was approximately 7.6%.

## 業務回顧及展望 (續)

### 基礎建設投資 (續)

#### *東聯化工項目*

中基持有東聯化工項目25%有效權益。該項目於二零零六年六月三十日的賬面值約為112,600,000港元。於本期間，該項目僅為中基貢獻有限的溢利，溢利金額只有1,500,000港元。

中基現時正與當地合作方的控股公司進行磋商，為該項目的煉油業務落實長期並且穩定的原油供應。中基有信心於二零零六年內就該原油供應達成協議。

### 金融投資

#### *不良資產業務*

##### *信達資產包*

於本期間，信達資產包為本集團貢獻約46,800,000港元(二零零五年：90,000,000港元)利息收入。截至二零零六年六月三十日，累計已處置的信達資產包債權資產本金總額約達203億港元，約相當於信達資產包本金總額的37.4%。累計處置回收現金約為793,400,000港元。折算所得的現金回收率約為3.9%。

於本期間內，已處置的信達資產包債權資產本金總額約為17億港元，處置回收現金約為128,500,000港元，本期間的現金回收率約為7.6%。

## BUSINESS REVIEW & PROSPECTS (Continued)

### Financial Investments (Continued)

#### Distressed Assets Business (Continued)

##### The Cinda Portfolio (Continued)

The Board has confidence in recovering a cumulative cash amount in excess of RMB900.0 million, an amount greater than the original acquisition cost in the second half-year. The Board also has confidence in disposing all the remaining distressed assets in the Cinda Portfolio in the first half year of 2007 and achieving a very good net cash return.

##### The Huarong Portfolio

In January 2006, the Group completed the acquisition of a portfolio of distressed assets with a total principal amount of RMB36.4 billion (equivalent to approximately HK\$35.0 billion) including booked interest ("The Huarong Portfolio") from China Huarong Asset Management Corporation ("China Huarong") at a total consideration of RMB546.6 million (equivalent to approximately HK\$526.6 million).

The Huarong Portfolio comprises a total of 11,126 borrowers located in a total of 27 provinces, directly administrated municipalities and autonomies in the PRC. The Group has set a target to complete the disposal of the Huarong Portfolio in two years' time.

The Huarong Portfolio was held through a jointly controlled entity — Platinum One Limited ("POL"). POL was owned equally by Citigroup Financial Products Inc. and the Company.

POL has appointed China Huarong to serve the disposal of and collection of the Huarong Portfolio. Huarong in return is entitled to receive a management fee calculated at 10% of the cash recovered. China Huarong is also entitled to share the profit generated from the disposal of the Huarong portfolio according to a defined profit sharing scheme.

## 業務回顧及展望 (續)

### 金融投資 (續)

#### 不良資產業務 (續)

##### 信達資產包 (續)

董事會有信心於下半年內完成取得累計回收現金總額逾人民幣900,000,000元，超逾原收購成本。董事會同時有信心可於二零零七年上半年內全部處置所有信達資產包項下的不良資產債權並可取得理想的淨現金回報。

##### 華融資產包

於二零零六年一月，本集團完成從中國華融資產管理公司（「中國華融」）收購本金額為人民幣364億元（相當於350億港元）含表內利息的不良資產組合（「華融資產包」），總代價為人民幣546,600,000元（相當於約526,600,000港元）。

華融資產包由分散於全國各地共27個省、直轄市及自治區、總數11,126個借款戶所組成。本集團已定立目標於兩年之內完成處置華融資產包。

華融資產包乃通過一間共同控制的公司—Platinum One Limited（「POL」）持有。POL由Citigroup Financial Products Inc.及本公司共同擁有。

POL已委託中國華融協助處置並回收華融資產包。中國華融有權收取按收回現金的10%計算的管理費作為報酬。中國華融同時亦有權根據一項事先協定的利潤分成機制，分享處置華融資產包所產生的利潤。

## BUSINESS REVIEW & PROSPECTS (Continued)

### Financial Investments (Continued)

#### Distressed Assets Business (Continued)

##### The Huarong Portfolio (Continued)

In the current period, POL and China Huarong focused on the preparatory and planning works for an effective disposal and collection scheme. Therefore, the disposal of the distressed assets in the Huarong Portfolio was limited.

Up to 30 June 2006, the principal amount of distressed assets in the Huarong Portfolio that has been disposed was RMB879.6 million in aggregate (equivalent to approximately HK\$837.7 million), representing approximately to 4.4% of the total principal amount of the Huarong Portfolio. The cash recovered was RMB19.0 million in aggregate (equivalent to approximately HK\$18.1 million). The effective cash recovery rate was approximately 2.3%.

##### New Distressed Asset Portfolio

The Group is currently considering the investment potential of several assets portfolios and expects to conclude at least one of them in the near future.

### Other Financial Investments

The Group will utilize an appropriate portion of the temporarily idled funds to invest, on a medium-term basis, in listed securities. The Board will make judgment and will invest very selectively in listed securities with good capital appreciation potentials.

During the current period, the Group has invested RMB100.0 million (equivalent to approximately HK\$96.1 million) to acquire a 12% equity interest in a Chinese medicine manufacturer known as Tong Ji Tang. The principal business of Tong Ji Tang is manufacturing of a patented drug to cure osteoporosis. Tong Ji Tang has planned to seek a listing on an appropriate overseas stock market.

## 業務回顧及展望 (續)

### 金融投資 (續)

#### 不良資產業務 (續)

##### 華融資產包 (續)

於本期間內，POL與中國華融的重點工作主要著眼於準備及籌劃一個行之有效的處置回收方案。因此，華融資產包的不良資產處置工作僅屬有限。

截至二零零六年六月三十日，華融資產包已處置的不良資產的本金總額為人民幣879,600,000元（相當於約837,700,000港元），約相等於華融資產包本金總額的4.4%。已收回的現金總額為人民幣19,000,000元（相當於約18,100,000港元）。折算所得的現金回收率約為2.3%。

##### 新的不良資產包

本集團目前正就若干不良資產包的投資潛力作出考核並期望可於短期內落實其中最上一項。

### 其他金融投資

本集團將適當地利用部份臨時閒置之資金透過以中期持有的方式投資於上市證券。董事會將作出判斷並會非常選擇性地投資於具有資本增值潛力的上市證券。

於本期間，本集團已投資人民幣100,000,000元（相當於約96,100,000港元）收購一家以同濟堂名義從事中藥生產的企業的12%股份權益。同濟堂的主要業務為生產一種用於醫治骨質疏鬆的專利藥物。同濟堂已計劃於一個合適的海外證券市場尋求上市。

## GROWTH STRATEGIES

The Group maintains its established strategies of making balanced investments in the Group's three core-businesses: properties, infrastructure investments and financial investments.

The recent macro-economic measures imposed by the PRC Central Government, which is mainly to cool down over-investments in fixed assets in respect of natural resources exploiting and real estate investments. In the opinion of the Board, the measures will not have significant adverse effect on the Group's business for the time being. The Group has adequate internal resources to finance its property investments and the Group's development properties are targeted for selling to the local middle-class customers. These customers are real users and are least affected by the recent measures.

However, the Board believes that these measures will continue for a certain period of time. The Board will keep their eyes open and take appropriate actions should these measures be further extended and raised.

## FINANCIAL REVIEW

### Exchange Exposure & Hedging

At 30 June 2006, the Group had an outstanding convertible note denominated in USD in the amount of USD52.5 million (equivalent to HK\$409.5 million).

Except for the above, the Group's principal assets, liabilities, revenues and payments are denominated in HKD and RMB. Despite the recent mild appreciation of the RMB exchange rate, the Board believes that the RMB exchange rate will only appreciate by a small percentage in the foreseeable future. In addition, HKD is pledged to the USD and such currency peg is unlikely to break in the foreseeable future. In this regard, the Board believes that exposure to exchange rate fluctuations will not have material adverse effect on the Group.

## 發展策略

本集團維持以既定的策略均衡投資於本集團的三大核心業務：房地產、基礎建設投資及金融投資。

中國中央政府近期實施的宏觀經濟調控措施主要是冷卻關於天然資源開採以及房地產投資等方面的固定資產過度投資。董事會意見認為，現時有關調控措施將不會對本集團的業務帶來重大的負面影響。本集團有足夠的內部資源滿足房地產投資所需並且本集團的房地產發展項目的目標顧客群為當地的中等收入階層；這些顧客都是真正的使用者並且為近期的調控措施中受到最少影響的。

然而，董事會相信該等調控措施將會持續一段時間。董事會將會密切留意有關事情的發展並將於該等調控措施可能進一步擴大及加強時採取合適的對策行動。

## 財務回顧

### 匯兌風險及對沖

於二零零六年六月三十日，本集團有以美元為計價單位的可換股票據金額52,500,000美元（相當於409,500,000港元）。

除上文所述外，本集團的主要資產、負債、收入及支出都是以港元及人民幣為主。即使人民幣匯率近期曾作出輕微升值，董事會相信人民幣匯率於可預見的未來只會再升值若干百分點。此外，港元是與美元掛鈎而此項貨幣掛鈎政策於可預見的未來都不會解除。因此董事會相信因為匯率變動所引致的匯兌風險將不會對本集團產生重大負面影響。



## FINANCIAL REVIEW (Continued)

### Exchange Exposure & Hedging (Continued)

The Group's policy is not to engage in any speculative activity other than making appropriate arrangements for hedging purposes where the business requires. There was no hedging transaction contracted for by the Group during the current period.

### Working Capital & Borrowings

The Group's total borrowings excluding convertible notes as at 30 June 2006 amounted to approximately HK\$578.9 million of which approximately HK\$572.6 million was short-term bank loan. The remaining was long-term mortgage loan. Over 90% of the short-term bank loan was represented by the working capital loan to East Gate and the remaining was the current portion of a long-term mortgage loan. Interest rate for the short-term bank loan was charged at floating rate and the prevailing applicable interest rate was 5.85% per annum. The interest rate for the long-term mortgage loan was charged at floating rate and the prevailing applicable interest rate was 5.88% per annum. The Group also has convertible notes with a total outstanding amount of approximately HK\$619.4 million. Approximately 35% of the convertible notes were due within one year and the remaining were due after three years. The convertible notes have a coupon rate of 1.5% per annum but interest was charged to the consolidated income statement at a notional market rate of 4.48% per annum according to the Group's accounting policy adopted.

At the balance sheet date, the cash and bank balances including the restricted bank balances was HK\$799.0 million. In addition, the Group has net current assets in the amount of HK\$700.8 million. Moreover, the Group has unutilized banking facilities in the amount of HK\$313.8 million. In this regard, the Board is confident that the working capital of the Group is adequate for daily operations and the Group has a healthy financial position.

## 財務回顧 (續)

### 匯兌風險及對沖 (續)

本集團的政策一向不鼓勵進行任何投機活動，唯因應業務需要而作出適當的對沖安排除外。本集團於本期內並無簽訂任何合同形式的對沖交易。

### 營運資金及借貸

本集團於二零零六年六月三十日不包括可換股票據的借貸總額約為578,900,000港元，其中約有572,600,000港元為短期銀行貸款，餘數為長期按揭貸款。短期銀行貸款中逾90%為東環置業的流動資金貸款，其餘為一項長期按揭貸款於一年內到期的部分。短期銀行貸款的利息以浮動利率計算，當前適用的年利率為5.85%。長期按揭貸款的利息以浮動利率計算，當前適用的年利率為5.88%。本集團同時亦有未償還總額約619,400,000港元的可換股票據。大約35%的可換股票據將於一年內到期，其餘則於三年後到期。可換股票據的票面利息為年利率1.5%，然而，根據本集團已採納的會計政策，其相關的利息支出則於綜合收益報表按一項推算的市場年利率4.48%計算扣減。

於資產負債表日期，包括監管戶口結餘在內的現金及銀行存款結餘為799,000,000港元。同時本集團有流動資產淨額700,800,000港元。此外本集團有尚未提用之銀行授信額度總額313,787,000港元。據此，董事會有信心本集團的流動資金足夠應付日常營運所需並且本集團擁有一個良好的財務狀況。

## FINANCIAL REVIEW (Continued)

### Working Capital & Borrowings (Continued)

At 30 June 2006, the Company has a convertible note with an outstanding principal amount of HK\$220.0 million. The conversion price of the note is HK\$2.2 per share which is higher than the market closing price of HK\$2.075 at the balance sheet date. Unless the note is converted in full, any unconverted principal amount will be repayable on 23 November 2006. The Group has adequate internal resource to repay the note, if necessary.

### Capital Structure

At 30 June 2006, the shareholders' fund of the Group was HK\$4,303.7 million, representing an increase of HK\$460.7 million or 12.0% compared to that as at 31 December 2005.

During the current period, the Company raised additional capital in the amount of HK\$241.9 million from the issuance of a total number of 118,000,000 new shares at premium pursuant to the exercise of convertible note and share options, which has an effect of increasing the overall capital.

During the current period, the Company paid HK\$108.4 million to shareholders of the Company as final dividend for the year 2005, which has an effect of reducing the overall capital.

### Human Resources

At 30 June 2006, the Group employed approximately 1,400 employees in Hong Kong and in the PRC. The Group offers its employees competitive remuneration packages, which are consistent with the prevailing market practice. The Group's remuneration policies remain unchanged during the current period. Total staff cost for the current period was HK\$26.3 million (2005: HK\$20.1 million).

## 財務回顧 (續)

### 營運資金及借貸 (續)

於二零零六年六月三十日，本集團有一項未償還本金額220,000,000港元的可換股票據。該票據的換股價為每股2.2港元並且高於資產負債表日期的每股收市價2.075港元。除非該票據全數被轉換，否則任何未予轉換的本金額將需於二零零六年十一月二十三日償還。如有需要，本集團有足夠的內部資源用以償還該票據。

### 股本結構

於二零零六年六月三十日，本集團之股東資金為4,303,700,000港元；較二零零五年十二月三十一日的數額增加460,700,000港元，升幅為12%。

於本期間內，本公司因應可換股票據及購股權被行使而以溢價發行總數118,000,000股新股，額外籌得股本241,900,000港元，此舉有增加整體股本的影響。

於本期間內，本公司已向本公司股東支付108,400,000港元作為二零零五年末期股息，此舉有減少整體股本的影響。

### 人力資源

於二零零六年六月三十日，本集團於香港及中國僱用約1,400名僱員。本集團為其僱員提供一套符合市場慣例且具有競爭性的薪酬制度。本集團的薪酬政策於本期間內維持不變。本期間的總員工支出為26,260,000港元（二零零五年：20,142,000港元）。

## FINANCIAL REVIEW (Continued)

### Capital Commitments & Contingent Liabilities

The Group did not have any material capital commitment as at 30 June 2006. Moreover, the Group did not incur any new contingent liability, which is material during the current period.

### PURCHASE, SALES OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 30 June 2006, the Company did not repurchase any of its listed securities. Neither the Company nor any of its subsidiaries purchased or sold any of its listed securities during the current period.

### APPRECIATION

On behalf of the Board, I would like to express my appreciation and gratitude to our shareholders for their supports and all the Group's employees for their hard working and dedication in carrying out their duties and in achieving the Group's business goal.

By order of the Board of  
**Silver Grant International Industries Limited**  
**Gao Jian Min**  
*Managing Director*

Hong Kong, 8 September 2006

## 財務回顧 (續)

### 資本承擔及或然負債

本集團於二零零六年六月三十日並無任何重大的資本承擔，同時本集團於本期間內並無新做任何重大的或然負債。

### 購回、出售或贖回本公司的上市證券

於截至二零零六年六月三十日止六個月內，本公司並無購回任何其上市證券。於本期間內，本公司或其任何附屬公司概無購買或出售其任何上市證券。

### 致謝

本集團有賴各股東的鼎力支持和全體員工努力不懈的竭誠服務以達至本集團的目標，本人謹代表董事會向彼等致以深切謝意。

承董事會命  
**銀建國際實業有限公司**  
**董事總經理**  
**高建民**

香港，二零零六年九月八日