

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 September 2006

截至二零零六年九月三十日止六個月

### 1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants.

### 2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's consolidated financial statements for the year ended 31 March 2006, except for the change in accounting policy as disclosed in note 3 and that, in the current period, the Group has applied, for the first time, the following new or amendments to Hong Kong Financial Reporting Standards ("HKFRSs"), HKASs and Interpretations ("HK(IFRIC) – INTs") (hereinafter collectively referred to as the "new HKFRSs") which are effective for accounting periods beginning on or after 1 December 2005, 1 January 2006 or 1 March 2006:

HKAS 21 (Amendment)	The Effects of Changes in Foreign Exchange Rates
HKAS 39 (Amendment)	Cash Flow Hedge Accounting of Forecast Intragroup Transactions
HKAS 39 (Amendment)	The Fair Value Option
HKAS 39 & HKFRS 4 (Amendment)	Financial Guarantee Contracts
HK (IFRIC) – Int 4	Determining Whether an Arrangement Contains a Lease
HK (IFRIC) – Int 5	Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
HK (IFRIC) – Int 6	Liabilities Arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment
HK(IFRIC) – Int 7	Applying the Restatement Approach under HKAS 29 "Financial Reporting in Hyperinflationary Economies"

The application of the new HKFRSs had no material effect on how the results for the current or prior accounting periods have been prepared and presented.

The Group has not early applied the following new standard, amendment and interpretations that have been issued but are not yet effective. The directors of the Company anticipate that the application of these standard, amendment or interpretations will have no material impact on the financial statements of the Group:

HKAS 1 (Amendment)	Capital Disclosure <sup>1</sup>
HKFRS 7	Financial Instruments: Disclosures <sup>1</sup>
HK(IFRIC) – Int 8	Scope of HKFRS 2 <sup>2</sup>
HK(IFRIC) – Int 9	Reassessment of Embedded Derivatives <sup>3</sup>
HK(IFRIC) – Int 10	Interim Financial Reporting and Impairment <sup>4</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2007.

<sup>2</sup> Effective for annual periods beginning on or after 1 May 2006.

<sup>3</sup> Effective for annual periods beginning on or after 1 June 2006.

<sup>4</sup> Effective for annual periods beginning on or after 1 November 2006.

### 1. 編製基準

簡明綜合財務報表乃根據香港聯合交易所有限公司證券上市規則附錄16之適用披露規定及香港會計師公會頒布之香港會計準則（「香港會計準則」）第34號「中期財務申報」編製。

### 2. 主要會計政策

除若干金融工具按公平價值估量外，簡明綜合財務報表乃根據歷史成本法編製。

除於附註3披露之會計政策更改外，編製本簡明綜合財務報表採納之會計政策與本集團截至二零零六年三月三十一日止年度之綜合財務報表所採納者相符，惟於本期間，本集團首次採納下列於二零零五年十二月一日、二零零六年一月一日或二零零六年三月一日或以後開始之會計期間生效之新訂或修訂香港財務報告準則（「香港財務報告準則」）、香港會計準則及詮釋（「香港（國際詮釋委員會）－詮釋」）（下文統稱「新訂香港財務報告準則」）：

香港會計準則第21號（修訂）	匯率變動之影響
香港會計準則第39號（修訂）	預測集團內部交易之現金流量對沖會計法
香港會計準則第39號（修訂）	公平價值方案
香港會計準則第39號及香港財務報告準則第4號（修訂）	財務擔保合約
香港（國際詮釋委員會）－詮釋第4號	釐定安排是否包含租賃
香港（國際詮釋委員會）－詮釋第5號	解除運作、復原及環境修復基金產生權益之權利
香港（國際詮釋委員會）－詮釋第6號	因參與特定市場之責任－廢料、電力及電子設備
香港（國際詮釋委員會）－詮釋第7號	根據香港會計準則第29號「惡性通貨膨脹經濟中的財務報告」採用重列法

採納該等新訂香港財務報告準則對本期間或過往會計期間業績之編製及呈列方式並無重大影響。

本集團並無提早採納以下已頒布但未生效之新準則、修訂或詮釋。保華之董事預期應用該等準則、修訂或詮釋對本集團之財務報表將無重大影響：

香港會計準則第1號（修訂）	資本披露 <sup>1</sup>
香港財務報告準則第7號	金融工具：披露 <sup>1</sup>
香港（國際詮釋委員會）－詮釋第8號	香港財務報告準則第2號之範疇 <sup>2</sup>
香港（國際詮釋委員會）－詮釋第9號	重新評估附帶衍生工具 <sup>3</sup>
香港（國際詮釋委員會）－詮釋第10號	中期財務申報及減值 <sup>4</sup>

<sup>1</sup> 於二零零七年一月一日或以後開始之全年期間生效。

<sup>2</sup> 於二零零六年五月一日或以後開始之全年期間生效。

<sup>3</sup> 於二零零六年六月一日或以後開始之全年期間生效。

<sup>4</sup> 於二零零六年十一月一日或以後開始之全年期間生效。

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### 3. CHANGE IN ACCOUNTING POLICY

During the current period, the Group acquired a 9.9% interest from a minority shareholder of a non wholly-owned subsidiary which holds the Yangkou Port subsidiaries. Prior to 1 April 2006, purchase of additional shares in a subsidiary was recognised by calculating the goodwill or discount as the difference between the consideration paid for the additional interest and the share of the carrying amount of the net assets of the subsidiary. In the current period, the Company has changed its accounting policy for recognising such acquisitions. Under the new accounting policy, the Group revalues all of the identifiable assets and liabilities of the subsidiary to fair value and recognises its additional share of the fair value by debiting the capital reserve. Goodwill or discount arising on the purchase of the additional interest is calculated as the difference between the additional cost of the interest acquired and the increase in the Group's interest, based on the fair value of all identifiable assets and liabilities of the subsidiary. This change in accounting policy had no material impact on the profit for the current period.

In relation to the acquisition of an additional 15% interest in the Yangkou Port subsidiaries during the year ended 31 March 2006, a prior year adjustment of approximately HK\$211,392,000 was credited to the accumulated profits and debited to the capital reserve.

### 4. SEGMENT INFORMATION

For management purposes, the Group's operations are currently organised into six operating divisions, namely management contracting, project management, facilities management, port and infrastructure development, treasury investment and property investment. These divisions form the basis on which the Group reports its primary segment information.

In the previous period, the Group's operations were organised into six segments, namely building construction, civil engineering, project management, facilities management, treasury investment and property investment. During the period, management has reorganised the operating segments by grouping the building construction and civil engineering segments into the management contracting segment. Comparative segment information has been restated accordingly.

### 3. 會計政策更改

於本期間，本集團向一間持有洋口港附屬公司之非全資附屬公司的少數股東收購9.9%權益。於二零零六年四月一日前，購買附屬公司之額外股份，就額外權益支付之代價與攤佔該附屬公司淨資產賬面值兩者如有出現差額，則通過計算商譽或負商譽確認。於本期間，本公司已更改確認該等收購之會計政策。根據新會計政策，本集團重估該附屬公司之所有可識別資產及負債之公平價值，並通過抵扣資本儲備確認額外股份之公平價值。購買額外股份產生之商譽或負商譽乃根據該附屬公司之所有可識別資產及負債之公平價值計算收購權益之額外成本與本集團之權益增加兩者間差額而釐訂，該會計政策變更並沒對本期收益造成重大影響。

有關於截至二零零六年三月三十一日止年度收購洋口港附屬公司額外15%權益，約211,392,000港元之過往年度調整已於累計溢利記作進賬及於資本儲備作出抵扣。

### 4. 分部資料

就管理方面而言，本集團之業務現分為六個營運部門，分別為承建管理、項目管理、設施管理、港口及基建發展、庫務投資及物業投資。此等部門組成本集團匯報主要分部資料之基準。

於上期間，本集團之業務乃分為六個分部，分別為樓宇建造、土木工程、項目管理、設施管理、庫務投資及物業投資。於本期間內，管理層將其經營分部重組，將樓宇建造及土木工程歸納為承建管理分部，比較之分類資料已相應地獲重新呈列。

#### 4. SEGMENT INFORMATION – Continued

Business segment information for the six months ended 30 September 2006 is presented below:

#### 4. 分部資料一續

截至二零零六年九月三十日止六個月之業務分類資料呈列如下：

		Management contracting	Project management	Facilities management	Port and infrastructure development	Treasury investment	Property investment	Others	Eliminations	Consolidated
		承建管理 HK\$'000 千港元	項目管理 HK\$'000 千港元	設施管理 HK\$'000 千港元	港口及 基建發展 HK\$'000 千港元	庫務投資 HK\$'000 千港元	物業投資 HK\$'000 千港元	其他 HK\$'000 千港元	對銷 HK\$'000 千港元	綜合 HK\$'000 千港元
<b>TURNOVER</b>	<b>營業額</b>									
External sales	對外銷售	1,558,423	1,050	10,263	-	134,421	1,812	-	-	1,705,969
Inter-segment sales	分部間銷售	-	3,843	243	-	-	-	-	(4,086)	-
Total	合共	1,558,423	4,893	10,506	-	134,421	1,812	-	(4,086)	1,705,969
<b>RESULT</b>	<b>業績</b>									
Segment result	分部業績	31,329	3,107	(1,391)	-	75,084	360	-	-	108,489
Interest income	利息收入									22,661
Unallocated corporate expenses	未經分配之公司 開支									(53,868)
Finance costs	融資成本									(7,254)
Discount on acquisition of interest in an associate	收購聯營公司 權益之 負商譽	-	-	-	145,023	-	-	-	-	145,023
Gain on disposal of interest in an associate	出售聯營公司 權益之 收益	-	-	-	-	5,067	-	-	-	5,067
Share of results of associates	攤佔聯營公司 業績	1,139	-	-	-	-	-	32,281	-	33,420
Share of results of jointly controlled entities	攤佔共同控制 機構業績	(1)	-	-	-	-	-	-	-	(1)
Profit before taxation	除稅前溢利									253,537
Taxation	稅項									(3,194)
Profit for the period	期間溢利									250,343

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### 4. SEGMENT INFORMATION – Continued

Business segment information for the six months ended 30 September 2005 is presented below:

		Management contracting	Project management	Facilities management	Port and infrastructure development 港口及基建發展	Treasury investment	Property investment	Others	Eliminations	Consolidated
		承建管理 HK\$'000 千港元	項目管理 HK\$'000 千港元	設施管理 HK\$'000 千港元	基建發展 HK\$'000 千港元	庫務投資 HK\$'000 千港元	物業投資 HK\$'000 千港元	其他 HK\$'000 千港元	對銷 HK\$'000 千港元	綜合 HK\$'000 千港元
<b>TURNOVER</b>	<b>營業額</b>									
External sales	對外銷售	1,447,113	6,044	1,919	-	307,639	28,796	-	-	1,791,511
Inter-segment sales	分部間銷售	-	-	-	-	-	9,659	-	(9,659)	-
Total	合共	1,447,113	6,044	1,919	-	307,639	38,455	-	(9,659)	1,791,511
<b>RESULT</b>	<b>業績</b>									
Segment result	分部業績	51,626	3,899	1,702	-	33,776	100,056	-	-	191,059
Interest income	利息收入									17,477
Unallocated other income	未經分配之其他收入									79,928
Unallocated corporate expenses	未經分配之公司開支									(71,110)
Finance costs	融資成本									(6,020)
Loss on disposal of subsidiaries	出售附屬公司之虧損									(82)
Reversal of impairment loss on interest in an associate	聯營公司權益之減值虧損撥回	-	-	-	-	-	-	23,289	-	23,289
Share of results of associates	攤佔聯營公司業績	651	608	-	-	-	-	(23,339)	-	(22,080)
Share of results of jointly controlled entities	攤佔共同控制機構業績	2,101	-	-	-	-	-	-	-	2,101
Profit before taxation	除稅前溢利									214,562
Taxation	稅項									(49,421)
Profit for the period	期間溢利									165,141

Inter-segment sales are charged at market price or, where no market price is available, at terms determined and agreed by both parties.

分部之間收益乃按市場價格收取，或倘無可參考之市場價格則按雙方釐定及同意之條款收取。

### 5. OTHER INCOME

### 5. 其他收入

		Six months ended 30 September 截至九月三十日止六個月	
		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Interest income	利息收入	22,661	17,477
Recovery of interest and legal expenses in connection with a court action against the vendor of a former associate	收回有關針對前聯營公司之賣方而提出之法庭訴訟之利息及法律費用	-	79,928
Write back of allowance for doubtful debts	撥回呆賬撥備	26,377	4,501
Exchange gain on foreign currency	外幣匯兌收益	6,554	-
Increase in fair value of investments held for trading	持作買賣投資公平價值增加	29,325	-
		<b>84,917</b>	101,906

## 6. PROFIT BEFORE TAXATION

## 6. 除稅前溢利

		Six months ended 30 September	
		截至九月三十日止六個月	
		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Profit before taxation has been arrived at after charging:	除稅前溢利已扣除：		
Depreciation of property, plant and equipment	物業、機械及設備之折舊		
Owned assets	自置資產	5,508	19,318
Less: Amount capitalised in respect of contracts in progress	減：撥作在建合約工程資本之數額	(1,473)	(1,215)
		4,035	18,103
Decrease in fair value of investments held for trading	持作買賣投資公平價值減少	-	4,029
Decrease in fair value of conversion option embedded in loan receivable (included in other expenses)	應收貸款附帶之換股權公平價值減少(包括於其他費用)	1,566	-
Release of prepaid land lease payments	調撥預付土地租賃款項	287	1,595
Allowance for doubtful debts	呆賬撥備	18,000	1,711
Share of taxation of associates (included in share of results of associates)	攤佔聯營公司稅項(包括於攤佔聯營公司業績)	7,283	446
Share of taxation of jointly controlled entities (included in share of results of jointly controlled entities)	攤佔共同控制機構稅項(包括於攤佔共同控制機構業績)	-	390

## 7. TAXATION

## 7. 稅項

		Six months ended 30 September	
		截至九月三十日止六個月	
		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
The charge comprises:	稅項支出包括：		
Hong Kong Profits Tax:	香港利得稅：		
Current period	本期間	-	1,871
Underprovision in prior period	過往期間撥備不足	-	3,197
		-	5,068
Overseas taxation:	海外稅項：		
Current period	本期間	3,194	-
Underprovision in prior period	過往期間撥備不足	-	40,000
		3,194	40,000
Deferred taxation	遞延稅項	-	4,353
Taxation attributable to the Company and its subsidiaries	本公司及其附屬公司應佔稅項	3,194	49,421

Hong Kong Profits Tax is calculated at the rate of 17.5% (2005: 17.5%) of the estimated assessable profits for the period.

香港利得稅乃按期內之估計應課稅溢利以稅率 17.5% (二零零五年：17.5%) 計算。

Overseas taxation is calculated at the rates prevailing in the respective jurisdictions.

海外稅項按有關司法權區適用之稅率計算。

# Notes to the Condensed Consolidated Financial Statements

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### 8. DISTRIBUTION

### 8. 分派

		Six months ended 30 September	
		截至九月三十日止六個月	
		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Dividends recognised as distributions to equity holders of the Company during the current period:	於期內確認為向本公司權益持有人分派之股息：		
Final dividend approved for 2006 – HK1.5 cents (2005: HK1.5 cents) per share	已批准二零零六年末期股息 – 每股 1.5 港仙 (二零零五年：1.5 港仙)	21,939	20,380
Special dividend by way of distribution of the value derived from the Group's divestment of China Strategic Holdings Limited – HK22.2 cents (2005: Nil) per share	本集團從出讓中策集團有限公司資產所得價值之方式宣派特別股息 – 每股 22.2 港仙 (二零零五年：無)	325,660	–
Special dividend paid for current period – Nil (2005: HK70.0 cents per share)	本期間已派付特別股息 – 無 (二零零五年：每股 70.0 港仙)	–	957,177
		<b>347,599</b>	<b>977,557</b>
Dividends proposed:	擬派股息：		
Interim dividend proposed for the current period – HK1.5 cents (2005: HK1.5 cents) per share	本期間擬派中期股息 – 每股 1.5 港仙 (二零零五年：1.5 港仙)	22,049	20,380

The amount of the interim dividend proposed for the six months ended 30 September 2006, which will be in form of cash with a scrip option, has been calculated by reference to the 1,469,955,166 issued shares as at the date of this report.

On 4 May 2006, the directors of the Company resolved to declare a special dividend by way of distribution ("PYI Distribution Scheme") of the value to be derived from the Group's divestment of China Strategic Holdings Limited ("China Strategic"), an associate of the Group as at 31 March 2006, to the Company's shareholders whose names appeared on the register of members of the Company on 26 May 2006 upon the completion of the group restructuring of China Strategic ("Group Restructuring").

On 19 May 2006, China Strategic completed the Group Restructuring which involved (i) the transfer of all the subsidiaries of China Strategic carrying on property development and investment holding business and investing in vessels for sand mining and all other associates of China Strategic carrying on manufacturing and marketing of tires and providing package tour, travel and other related services to Group Dragon Investments Limited ("GDI"), and (ii) the distribution in specie of shares in GDI ("GDI Share") to its shareholders, including the Group, on the basis of one GDI Share for every China Strategic consolidated share held.

截至二零零六年九月三十日止六個月之擬派中期股息金額將以現金(可選擇以股代息)支付, 並已參考於本業績公布日期之 1,469,955,166 股已發行股份計算。

於二零零六年五月四日, 本公司董事議決待中策集團有限公司(「中策」, 其於二零零六年三月三十一日為本集團之聯營公司)集團重組(「集團重組」)完成後分派本集團從出讓中策資產所得價值之方式宣派一項特別股息予二零零六年五月二十六日名列本公司股東名冊之本公司股東。

二零零六年五月十九日, 中策完成集團重組, 涉及(i) 將中策旗下全部經營物業投資及投資持有業務及投資於採砂船, 以及中策所有其他經營車胎產銷及旅遊團、旅遊及其他相關服務之聯營公司轉讓予群龍投資有限公司(「群龍」); 及(ii) 實物分派群龍之股份(「群龍股份」)予其股東(包括本集團), 基準為每持有一股中策合併股份可獲發一股群龍股份。

## 8. DISTRIBUTION – Continued

Upon completion of the Group Restructuring, the Group was entitled to 129,409,897 GDI Shares and Hanny Holdings Limited (“Hanny”, a substantial shareholder of China Strategic) would make a voluntary offer (“GDI Offer”) to the shareholders of GDI to acquire all the GDI Shares on the basis of either (a) 1 share in Hanny (“Hanny Share”) plus HK\$1.8 in cash for every 5 GDI Shares, or (b) a 2% 5-year convertible bond issued by Hanny with face value of HK\$15 each (“Hanny Bonds”) for every 5 GDI Shares.

Under the PYI Distribution Scheme, for every 500 shares in the Company, the Company's shareholders would be entitled to receive the value derived from 40 GDI shares in the form of either (a) 8 Hanny Shares plus HK\$14.4 in cash, or (b) 8 Hanny Bonds.

Based on the election of the Company's shareholders on 16 June 2006, the Company announced that holders of approximately 311,232,201 shares and 1,153,100,543 shares in the Company elected for Hanny Shares plus cash and for Hanny Bonds, respectively. Consequently, the Company accepted the GDI Offer in respect of the entire 129,409,897 GDI Shares held by it and distributed to its shareholders special dividend of 117,143,920 GDI Shares. The GDI shares entitle the shareholders to receive in total the following:

- (a) an aggregate of 4,979,616 Hanny Shares plus HK\$8,963,000 in cash; and
- (b) an aggregate face value of HK\$276,737,000 Hanny Bonds.

The directors consider that the fair value of a GDI Share, when liquidated in the form of Hanny Bond, is HK\$2.78 by reference to the valuation report dated 19 May 2006 prepared by RHL Appraisal Ltd., an independent valuer not connected with the Company. As such, the special dividend is equivalent to about HK22.2 cents per share of the Company.

Details of the above transactions were set out in the Company's circular and announcement dated 29 May 2006 and 16 June 2006, respectively.

## 8. 分派一續

於集團重組完成時，本集團享有 129,409,897 股群龍股份，而錦興集團有限公司（「錦興」，中策之主要股東）則向群龍股東提出收購全部群龍股份之自願收購建議（「群龍收購建議」），基準為 (a) 每 5 股群龍股份換 1 股錦興股份（「錦興股份」）加 1.8 港元現金，或 (b) 每 5 股群龍股份換 1 份錦興發行之面值 15 港元之 2% 五年期可換股債券（「錦興債券」）。

根據保華分派計劃，本公司股東每持有 500 股本公司股份有權收取 40 股群龍股份所產生之價值，形式為 (a) 8 股錦興股份加 14.4 港元現金，或 (b) 8 份錦興債券。

於二零零六年六月十六日，根據本公司股東之選擇，本公司宣布分別有約 311,232,201 股及 1,153,100,543 股本公司股份之持有人選擇換取錦興股份加現金及選擇換取錦興債券。結果，本公司接納就其所持全部 129,409,897 股群龍股份接受群龍收購建議，並向其股東分派 117,143,920 股群龍股份之特別股息。群龍股份賦予持有人權利以下列形式收取代價：

- (a) 合共 4,979,616 股錦興股份加 8,963,000 港元現金；及
- (b) 合共面值 276,737,000 港元之錦興債券。

董事認為，參考與本公司概無關連之獨立估值師行永利行評值顧問有限公司（「永利行」）於二零零六年五月十九日編製之估值報告，以錦興債券形式變現後，群龍股份之公平價值為 2.78 港元。故此，特別股息相等於每股本公司股份約 22.2 港仙。

上述交易詳見本公司分別於二零零六年五月二十九日及二零零六年六月十六日之通函及公布。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

### 9. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the equity holders of the Company for the period is based on the following data:

		Six months ended 30 September 截至九月三十日止六個月	
		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Earnings:	盈利：		
Profit for the period attributable to equity holders of the Company for the purposes of basic and diluted earnings per share	每股基本及攤薄盈利之本公司權益持有人應佔溢利	231,631	149,280
Number of shares:	股份數目：		
Weighted average number of ordinary shares for the purpose of basic earnings per share	計算每股基本盈利之普通股加權平均數	1,448,234,817	1,365,282,332
Effect of dilutive potential ordinary shares:	潛在攤薄普通股之效應：		
Share options	購股權	18,192,825	—
Weighted average number of ordinary shares for the purpose of diluted earnings per share	計算每股攤薄盈利之普通股加權平均數	1,466,427,642	1,365,282,332

No diluted earnings per share has been presented for the period ended 30 September 2005 as the exercise price of the Company's share options was higher than the average market price per share during that period.

### 9. 每股盈利

於本期間本公司之股權持有人應佔每股基本及攤薄盈利乃根據以下數據計算：

由於本公司購股權之行使價高於每股股份截至二零零五年九月三十日止六個月之平均市價，因此並無呈列該期間之每股攤薄盈利。

### 10. PROPERTY, PLANT AND EQUIPMENT

During the period, the Group acquired property, plant and equipment of approximately HK\$463,507,000 (2005: HK\$7,848,000), which mainly represented assets related to liquid bulk logistics business located in Wuhan, the People's Republic of China (the "PRC"), through the acquisition of business. The Group also disposed of property, plant and equipment with an aggregate carrying value of approximately HK\$1,318,000 (2005: HK\$2,912,000).

### 10. 物業、機械及設備

期內，本集團購入約 463,507,000 港元（二零零五年：7,848,000 港元）之物業、機械及設備，主要為通過收購業務而持有於中華人民共和國（「中國」）武漢與大宗濕貨物流業務有關之資產。本集團亦出售賬面值合共約為 1,318,000 港元（二零零五年：2,912,000 港元）之物業、機械及設備。

### 11. PROJECT UNDER DEVELOPMENT

		30.9.2006 HK\$'000 千港元	31.3.2006 HK\$'000 千港元
Land and sea use rights	土地及海域使用權	1,634,110	1,649,337
Development costs	發展成本	407,380	309,532
		2,041,490	1,958,869

The amount relates to a development project located in Jiangsu Province, the PRC. The Group is undergoing the reclamation of certain parcels of land from the sea for development for future sale. According to the land/sea area use certificates, the land/sea area use rights are granted for a term of not less than 50 years commencing 2004. The project development will not be completed within the normal business cycle and, accordingly, the amount is classified as non-current.

### 11. 發展中項目

此筆款項與位於中國江蘇省之發展項目有關，本集團擬將填海所得若干幅土地用作發展作未來出售用途。根據土地 海域使用證，獲授之土地 海域使用權之有效期為二零零四年起不少於 50 年。該發展項目將不會於正常商業週期內完成，是故此筆款項乃列作非流動。



## 12. INTERESTS IN ASSOCIATES

## 12. 聯營公司權益

		30.9.2006 HK\$'000 千港元	31.3.2006 HK\$'000 千港元 (restated) (重新列賬)
Cost of investment in associates, less impairment:	投資聯營公司之成本扣除減值：		
Listed shares in Hong Kong (Note (a))	香港上市股份 (附註(a))	–	513,192
Unlisted investment in the PRC (Note (b))	中國非上市投資 (附註(b))	433,569	–
Other unlisted investments	其他非上市投資	65,147	64,985
		<b>498,716</b>	578,177
Discount on acquisition released to income statement	撥至收益表之收購負商譽	145,023	–
Share of post-acquisition profits (losses), net of dividends received	攤佔收購後溢利(虧損)，扣除 已收股息	746	(166,720)
		<b>644,485</b>	411,457
Market value of listed shares in Hong Kong	香港上市股份之市值	–	258,820

## Notes:

(a) The listed shares in Hong Kong as at 31 March 2006 represented the Group's 29.36% equity interest in China Strategic. The Group's share of net assets in China Strategic at 31 March 2006 was calculated based on the net assets of China Strategic at 31 December 2005 as shown in its latest published annual report.

On 14 March 2006, China Strategic, Hanny and certain others announced a proposed Group Restructuring by China Strategic, and the Company and Hanny entered into a conditional sale and purchase agreement with an independent third party for the disposal of a 15.32% equity interest in China Strategic (the "Disposal") by each of the Company and Hanny for a consideration of HK\$26,055,000 each. The Disposal was conditional upon, inter alia, the completion of capital reorganisation and Group Restructuring of China Strategic. Details of the Group Restructuring of China Strategic and the declaration by the Company of an in specie distribution of the value derived from the Group's divestment of China Strategic to the Company's shareholders are set out in note 8.

During the period, the Disposal was completed and the Group's interest decreased from 29.36% to 14.04% as at 30 September 2006. The Group's interest in the shares of China Strategic was classified as investments held for trading as at 30 September 2006.

## 附註：

(a) 於二零零六年三月三十一日，香港上市股份指本集團於中策之29.36%股本權益。本集團於二零零六年三月三十一日所分佔之中策資產淨值乃根據中策最近期刊發之年報所示其於二零零五年十二月三十一日之資產淨值計算。

於二零零六年三月十四日，中策、錦興及若干其他方宣布中策擬進行集團重組，而本公司及錦興則與一名獨立第三方訂立有條件買賣協議，內容關於本公司及錦興各自以代價26,055,000港元出售各自於中策之15.32%股本權益（「出售事項」）。出售事項須待（其中包括）中策之股本重組及集團重組得以完成後方告作實。關於中策集團重組及本公司就出讓中策資產所得價值向本公司股東宣派實物股息的進一步詳情載於附註8。

於期內，出售事項已告完成，而本集團之權益已由29.36%減持至於二零零六年九月三十日之14.04%。本集團於中策股份之權益於二零零六年九月三十日乃分類為持作買賣投資。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

### 12. INTERESTS IN ASSOCIATES – Continued

(b) The unlisted investment in the PRC represents the Group's 45% equity interest in Nantong Port Group Limited ("Nantong Port Group"), which is a Sino-foreign joint venture enterprise registered in the PRC as at 30 September 2006. Nantong Port Group is principally engaged in providing cargo loading and off loading, storage, shipping agent, cargo agent, ship anchoring, ship repairing, port machinery, shipping logistics and ship piloting services in Nantong Port, Jiangsu Province, the PRC. According to an agreement entered into by the Group on 12 August 2005 to participate into the assets reorganisation of Nantong Port Group (the "Assets Reorganisation Agreement"), the Group would inject approximately RMB435 million (approximately HK\$433,569,000) in cash into Nantong Port Group in return for a 45% interest in its registered capital.

In September 2006, the Group had completed the capital contribution upon fulfilment of certain conditions as stated in the agreement. No profit or loss of Nantong Port Group was shared by the Group during the current period. Discount arising on the acquisition of approximately HK\$145,023,000, being the excess in the Group's share of the fair values of Nantong Port Group's net identifiable assets over the cost of acquisition, has been recognised in the income statement during the current period.

At 31 March 2006, Nantong Port Group had not accomplished certain major conditions prescribed in the Asset Reorganisation Agreement, including the assets reorganisation and net assets value due diligence review of Nantong Port Group. As stipulated in the Assets Reorganisation Agreement and certain supplementary agreements entered with the Nantong Port Group, the Group was not entitled to appropriation of results and voting power of Nantong Port Group until injection of all committed capital contribution into Nantong Port Group. In this regard, the amount incurred and paid to Nantong Port Group of approximately HK\$160,211,000 as at 31 March 2006, which mainly represented an earnest money deposit paid to Nantong Port Group, was reclassified from interests in associates to deposit for acquisition of an associate.

### 13. DEBTORS, DEPOSITS AND PREPAYMENTS

The Group's credit terms for contracting business are negotiated at terms determined and agreed with its trade customers. Trade debtors which arise from the property leasing business are payable monthly in advance and the credit terms granted by the Group to other trade debtors normally range from 30 days to 90 days.

The following is an aged analysis of trade debtors at the reporting date:

		30.9.2006 HK\$'000 千港元	31.3.2006 HK\$'000 千港元
Within 90 days	90日內	555,224	504,584
More than 90 days and within 180 days	超過90日但於180日內	3,465	13,704
More than 180 days	超過180日	48,998	54,510
		<b>607,687</b>	<b>572,798</b>

### 12. 聯營公司權益一續

(b) 中國非上市投資指本集團於南通港口集團有限公司(「南通港口集團」)之45%股本權益。於二零零六年九月三十日，南通港口集團為一間於中國註冊之中外合營企業。南通港口集團主要於中國江蘇省南通港從事提供貨物裝卸、堆存、貨運代理、理貨業務、港口船舶服務、船舶航修、海港機械修造、船舶供應服務、引航等業務。根據本集團於二零零五年八月十二日就參與南通港口集團資產重組訂立之協議(「資產重組協議」)，本集團將向南通港口集團注資現金約435,000,000人民幣(約433,569,000港元)，換取擁有其註冊資本45%權益。

於二零零六年九月，本集團已於協議所載若干條件達成後完成有關出資。於本期間本集團並無錄得攤佔南通港口集團之損益。收購所產生之負商譽約145,023,000港元(即本集團攤佔南通港口集團之可認定資產淨值之公平價值高於收購成本之數額)，已於本期間內在收益表內確認。

於二零零六年三月三十一日，南通港口集團仍未完成資產重組協議所訂明之若干主要條件，包括南通港口集團之資產重組及其資產淨值之盡職審查。根據與南通港口集團訂立之資產重組協議及若干補充協議所規定，直至本集團對南通港口集團注入所有已承諾之注資額為止，本集團無權攤佔南通港口集團之業績及投票權。就此而言，於二零零六年三月三十一日已產生及付予南通港口集團之金額約160,211,000港元(主要為付予南通港口集團之誠意按金)已由聯營公司權益重新分類至收購聯營公司按金。

### 13. 應收賬款、訂金及預付款項

本集團合約承包業務之信貸期乃與貿易客戶按正常商業條款磋商及訂立。物業租賃業務帶來之應收賬款預先按月支付，而本集團就其他應收賬款授出之信貸期一般由30至90日不等。

以下為貿易應收賬款於呈報日期之賬齡分析：

#### 14. CREDITORS AND ACCRUED EXPENSES

The following is an aged analysis of trade creditors at the reporting date:

		30.9.2006 HK\$'000 千港元	31.3.2006 HK\$'000 千港元
Within 90 days	90日內	226,675	312,038
More than 90 days and within 180 days	超過90日但於180日內	12,644	22,037
More than 180 days	超過180日	8,872	13,085
		<b>248,191</b>	<b>347,160</b>

#### 14. 應付賬款及應計開支

以下為應付賬款於呈報日期之賬齡分析：

#### 15. SHARE CAPITAL

#### 15. 股本

		Number of shares 股份數目	Value 金額 HK\$'000 千港元
Ordinary shares of HK\$0.10 each:	每股面值0.10港元之普通股股份：		
Authorised:	法定：		
At 1 April 2006 and 30 September 2006	於二零零六年四月一日及 二零零六年九月三十日	3,000,000,000	300,000
Issued and fully paid:	已發行繳足股款：		
At 1 April 2006	於二零零六年四月一日	1,378,799,910	137,880
Issue of new shares (Note)	發行新股份(附註)	68,500,000	6,850
Issue of shares under share options scheme	根據購股權計劃發行股份	17,344,000	1,734
Shares repurchased	購回股份	(2,000,000)	(200)
At 30 September 2006	於二零零六年九月三十日	1,462,643,910	146,264

#### Note:

On 8 May 2006, the Company issued and allotted 68,500,000 ordinary shares at a fair price of HK\$2.91315 per share to a then minority shareholder of a 90.1% owned subsidiary of the Company, which is holding the investment in the Yangkou Port project. The allotted shares represent the consideration paid by the Group to acquire the remaining 9.9% interest from the minority shareholder in the subsidiary. Details of the above transaction are set out in the Company's announcement dated 11 April 2006.

During the period, the Company granted 30,600,000 share options to the directors and the employees at an exercise price ranging from HK\$2.43 to HK\$3.50. The fair value of the share options granted during the period is approximately HK\$20,978,000. The share options granted are subjected to vesting conditions from zero to two years.

#### 附註：

於二零零六年五月八日，本公司已按每股2.91315港元之公平價格發行及配發68,500,000股普通股股份予本公司持有90.1%權益之附屬公司之一名少數股東，而該附屬公司持有洋口港項目之投資，已配發之股份為本集團向當時之少數股東收購該附屬公司餘下9.9%權益支付之代價。上述交易之詳情載於本公司在二零零六年四月十一日刊登之公布內。

期內，本公司以界乎2.43港元至3.50港元之行使價向董事及僱員授出30,600,000份購股權，而授出之購股權於期內之公平價值約為20,978,000港元，所授出之購股權之歸屬期限為零至兩年。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

### 16. ACQUISITION OF BUSINESS

Pursuant to an agreement dated 12 May 2006, the Group acquired from an independent third party assets and gas and oil logistics and distribution operations across Wuhan, PRC, at a total consideration of approximately RMB470 million. This transaction has been accounted for using the purchase method of accounting. The net assets acquired in the transaction and the provisional effect is summarised as follows:

### 16. 收購業務

根據二零零六年五月十二日所訂立的協議，本集團以總代價約470,000,000人民幣，從一名獨立第三方購得資產及天然氣和中國武漢的燃油運輸及分銷業務。是項交易金額以購買方式計算。是項交易及其臨時效力所需的資產淨值如下作結：

		Acquiree's carrying amount before combination 承購人合併前 賬面總額 HK\$'000 千港元	Provisional fair value adjustments 臨時公平價值 調整 HK\$'000 千港元	Provisional fair value 臨時公平價值 HK\$'000 千港元
Net assets acquired:	購入資產淨值：			
Property, plant and equipment	物業、機械及設備	417,865	38,285	456,150
Other intangible assets (Note)	其他無形資產(附註)	–	7,759	7,759
Prepaid land lease payments	預付土地租賃款項	46,973	–	46,973
Deferred tax liability	遞延稅項負債	–	(15,194)	(15,194)
		464,838	30,850	495,688
Satisfied by:	支付方式：			
Cash consideration paid	已付現金代價			233,005
Unsettled purchase consideration included in creditors and accrued expenses	未支付應付賬款及應計開支內之購買代價			230,049
Unsettled transaction costs included in creditors and accrued expenses	未支付應付賬款及應計開支內之交易成本			13,320
Transaction costs paid	已付交易成本			19,314
				495,688
Net cash outflow arising on acquisition:	收購產生之現金流出淨額：			
Cash consideration paid	已付現金代價			252,319

The business acquired did not make any significant impact on the Group's results and cash flows for the period.

#### Note:

The amount represented the fair value adjustment in relation to the leasehold land portion of the acquired assets in Wuhan, PRC.

被收購業務於期內對本集團業績及現金流量並無構成重大影響。

#### 附註：

該金額為收購中國武漢資產中土地租賃部份之相關公平價值調整。

## 17. CONTINGENT LIABILITIES

## 17. 或然負債

		<b>30.9.2006</b>	31.3.2006
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
Guarantee given to a bank in respect of banking facilities granted to an associate	就授予聯營公司之銀行信貸向銀行作出之擔保	<b>9,454</b>	9,454

## 18. COMMITMENTS

## 18. 承擔

		<b>30.9.2006</b>	31.3.2006
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
Capital expenditure contracted for but not provided for in the financial statements in respect of acquisition of:	就收購以下項目已訂約但未於綜合賬目內撥備之開支：		
– Property, plant and equipment	– 物業、機械及設備	<b>265,499</b>	65
– Project under development	– 發展中項目	<b>85,086</b>	91,893
– Equity investment	– 股本投資	<b>21,700</b>	–
		<b>372,285</b>	91,958

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

### 19. RELATED PARTY TRANSACTIONS

(a) The Group entered into the following transactions with its related parties during the period:

### 19. 關連人士交易

(a) 期內，本集團與其關連人士訂立以下交易：

Class of related party 關連人士之類別	Nature of transactions 交易性質	Six months ended 30 September 截至九月三十日止六個月	
		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Associates of the Group 本集團之聯營公司	Purchase of concrete products by the Group 本集團購買混凝土產品	35	112
	Interest income charged by the Group 本集團收取利息收入	3,122	7,030
	Rentals and related building management fee charged to the Group 本集團支付租金及相關物業管理費	11,735	–
	Rentals and consultancy fee charged by the Group 本集團收取租金及顧問費	247	–
	Building manager remuneration charged by the Group 本集團收取物業經理酬金	600	–
Jointly controlled entities of the Group 本集團之共同控制機構	Project management fees charged by the Group 本集團收取項目管理費	15	854
	Service fees charged to the Group 本集團支付服務費	–	5
Subsidiaries of ITC Corporation Limited ("ITC") 德祥企業集團有限公司(「德祥企業」)之附屬公司	Rentals and related building management fee charged by the Group 本集團收取租金及相關物業管理費	–	35
	Rental income charged by the Group 本集團收取租金	–	210
	Rentals charged to the Group 本集團支付租金	180	–
Associates of ITC (Note) 德祥企業之聯營公司(附註)	Rentals and related building management fee charged by the Group 本集團收取租金及相關物業管理費	–	1,062
	Interest income charged by the Group 本集團收取利息收入	10,463	7,892
	Interest charged to the Group 本集團支付利息	485	–
	Face value of Hanny bonds issued to the Group 本集團獲發錦興債券面值	36,858	–
Other related companies (Note) 其他關連公司(附註)	Rentals and related building management fee charged by the Group 本集團收取租金及相關物業管理費	10	2,290
	Interest income charged by the Group 本集團收取利息收入	925	6,064
	Interest charged to the Group 本集團支付利息	323	–
	Service fees charged to the Group 本集團支付服務費	1,102	72
	Service fees charged by the Group 本集團收取服務費	18	–

Note:

They are companies under common control with ITC.

附註：

以上公司乃為與德祥企業共同控制之公司。

## 19. RELATED PARTY TRANSACTIONS – Continued

### (b) Compensation of key management personnel

The remuneration of directors and other members of key management during the period was as follows:

		Six months ended 30 September 截至九月三十日止六個月	
		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Short-term benefits	短期福利	9,391	8,547
Post-employment benefits	退休福利	282	479
Share-based payment expense	以股份支付款項之開支	6,196	-
		<b>15,869</b>	9,026

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

## 20. SUBSEQUENT EVENTS

Subsequent to the balance sheet date, the Group entered into the following transactions:

- the Group entered into a sales and purchase agreement to dispose of its properties held for sale with a carrying amount of HK\$78,245,000 as at 30 September 2006. The transaction has not been completed at the date of this report.
- the Group entered into a share transfer agreement to acquire the remaining 25% interest of Jiangsu Wanhua Real Estate Development Co., Ltd. ("Jiangsu Wanhua") held by its minority shareholder at a consideration of US\$625,000. Upon completion of the acquisition, Jiangsu Wanhua will become a wholly-owned subsidiary of the Company. The transaction has not been completed at the date of this report. Details of the above transaction are set out in the Company's announcement dated 30 November 2006.

## 19. 關連人士交易—續

### (b) 主要管理人員酬勞

期內董事及其他主要管理層成員之酬金詳情如下：

董事及主要管理人員之酬金乃由薪酬委員會參考個別人員之表現及市場狀況而釐定。

## 20. 結算日後事項

結算日後，本集團進行以下交易：

- 本集團訂立一項買賣協議，出售其持作出售用途之物業，於二零零六年九月三十日賬面值約為78,245,000港元。該交易於本報告日期尚未完成。
- 本集團訂立股權轉讓協議，以代價625,000美元收購江蘇萬華房地產開發有限公司（「江蘇萬華」）之餘下25%股權（由江蘇萬華一名少數股東持有）。完成該收購事項後，江蘇萬華將成為本公司之全資附屬公司。於本報告日期，該項交易尚未完成。有關該項交易之詳情請參閱本公司於二零零六年十一月三十日刊發之公布。