

Notes to the Financial Statements

For the year ended 31st December, 2006

財務報表附註

截至二零零六年十二月三十一日止年度

1. GENERAL INFORMATION

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

The Company acts as an investment holding company and its subsidiaries are principally engaged in property investment and development. The principal activities and other particulars of its principal subsidiaries are set out in Note 39 to the financial statements.

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

In the current year, the Company and its subsidiaries (the "Group") has applied, for the first time, a number of new standards, amendments and interpretations (the "new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), which are either effective for accounting periods beginning on or after 1st December, 2005 or 1st January, 2006. The new HKFRSs adopted by the Group in the financial statements are set out as follows:

HKAS 19 (Amendment)	Actuarial Gains and Losses, Group Plans and Disclosures
HKAS 21 (Amendment)	Net Investment in a Foreign Operation
HKAS 39 & HKFRS 4 (Amendments)	Financial Guarantee Contracts
HKAS 39 (Amendment)	The Fair Value Option
HKAS 39 (Amendment)	Cash Flow Hedge Accounting of Forecast Intragroup Transactions
HKFRS 6	Exploration for and Evaluation of Mineral Resources
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

1. 一般資料

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

本公司乃投資控股公司，其附屬公司主要從事物業投資及發展。其主要附屬公司之主要業務及其他資料載於財務報表附註39。

2. 應用新訂及經修訂香港財務報告準則

於本年度，本公司及其附屬公司（「本集團」）首次應用香港會計師公會（「香港會計師公會」）頒布並於二零零五年十二月一日或二零零六年一月一日或之後開始之會計期間生效之若干新訂準則、修訂及詮釋（「新香港財務報告準則」）。本集團於財務報表內應用之新香港財務報告準則載列如下：

香港會計準則第19號（修訂）	精算損益、集團計劃及披露
香港會計準則第21號（修訂）	海外業務之淨投資
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
香港會計準則第39號（修訂）	公平值之選擇
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處理
香港財務報告準則第6號	礦產資源的開採及評估
香港（國際財務報告詮釋委員會）— 詮釋第4號	釐定安排是否包含租賃
香港（國際財務報告詮釋委員會）— 詮釋第5號	拆卸、復原及環境修復基金產生權益之權利
香港（國際財務報告詮釋委員會）— 詮釋第6號	參與特定市場所產生之負債—電子廢料及電子設備

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

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

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

HKAS 1 (Amendment)	Capital Disclosures ¹
HKFRS 7	Financial Instruments: Disclosures ¹
HK(IFRIC) – Int 7	Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies ²
HK(IFRIC) – Int 8	Scope of HKFRS 2 ³
HK(IFRIC) – Int 9	Reassessment of Embedded Derivatives ⁴
HK(IFRIC) – Int 10	Interim Financial Reporting and Impairment ⁵
HK(IFRIC) – Int 11	HKFRS 2 – Group and Treasury Share Transactions ⁶

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

² Effective for annual periods beginning on or after 1st March, 2006.

³ Effective for annual periods beginning on or after 1st May, 2006.

⁴ Effective for annual periods beginning on or after 1st June, 2006.

⁵ Effective for annual periods beginning on or after 1st November, 2006.

⁶ Effective for annual periods beginning on or after 1st March, 2007.

2. 應用新訂及經修訂香港財務報告準則(續)

應用上述新香港財務報告準則將不會對本集團之會計政策及業績與財務狀況構成重大影響。

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

香港會計準則第1號(修訂)	資本披露 ¹
香港財務報告準則第7號	金融工具：披露 ¹
香港(國際財務報告詮釋委員會) – 詮釋第7號	根據香港會計準則第29號惡性通貨膨脹經濟體中之財務報告採用重列法 ²
香港(國際財務報告詮釋委員會) – 詮釋第8號	香港財務報告準則第2號之範圍 ³
香港(國際財務報告詮釋委員會) – 詮釋第9號	重新評估內含衍生工具 ⁴
香港(國際財務報告詮釋委員會) – 詮釋第10號	中期財務報告及減值 ⁵
香港(國際財務報告詮釋委員會) – 詮釋第11號	香港財務報告準則第2號 – 集團及庫務股票交易 ⁶

¹ 於二零零七年一月一日或之後開始之年度期間生效。

² 於二零零六年三月一日或之後開始之年度期間生效。

³ 於二零零六年五月一日或之後開始之年度期間生效。

⁴ 於二零零六年六月一日或之後開始之年度期間生效。

⁵ 於二零零六年十一月一日或之後開始之年度期間生效。

⁶ 於二零零七年三月一日或之後開始之年度期間生效。

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3. SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

(a) **Basis of preparation**

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

3. 主要會計政策

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

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

有關管理層在應用香港財務報告準則時所作出對本財務報表有重大影響之判斷，以及作出極可能在下一年度構成重大調整風險之估計，已於附註4論述。

本集團於編製財務報表所採納主要會計政策之概要如下：

(a) **編製基準**

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

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3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(b) **Basis of consolidation**

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

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

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

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

(c) **Investments in subsidiaries**

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

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

3. 主要會計政策 (續)

(b) **綜合賬目基準**

綜合財務報表包括本公司及其附屬公司之財務報表。

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

所有本集團內公司間之交易，往來結餘收入及支出均於綜合賬目中對銷。

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

(c) **附屬公司投資**

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(c) *Investments in subsidiaries (cont'd)*

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

(d) *Interests in associates*

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

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, investments in associates are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the Group's share of the profit or loss and of changes in equity of the associate, less any impairment in the value of individual investments. Losses of an associate in excess of the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate) are not recognised.

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

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

3. 主要會計政策 (續)

(c) *附屬公司投資 (續)*

本集團採用收購會計法為本集團所收購之附屬公司列賬。收購成本為於交易當日所獲資產之公平值、所發行之股本工具及所產生或承擔之負債，加上直接與收購事項有關之成本。在業務合併過程中所收購之可識別資產、所承擔之負債及或然負債，均於收購當日按其公平值初步計算（不論任何少數股東權益之款額）。收購成本超出本集團應佔所收購之可識別淨資產之差額乃記錄為商譽。倘收購成本低於所收購附屬公司淨資產之公平值，則有關差額將直接於收益表內確認。

(d) *聯營公司權益*

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

聯營公司之業績及資產與負債利用會計權益法計入此等綜合財務報表。根據權益法，聯營公司投資以成本在綜合資產負債表內列賬，並經收購後本集團應佔聯營公司損益及權益變動而調整，須減除個別投資之減值後列賬。聯營公司之虧損若超逾本集團於該聯營公司之權益（包括任何長期權益，此在實質上構成本集團於聯營公司內淨投資之一部分）長期權益則不予確認。

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(e) **Investment properties**

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

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

(f) **Property, plant and equipment**

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

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

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

(g) **Property interests held for development**

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

(h) **Properties held for development**

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

3. 主要會計政策 (續)

(e) **投資物業**

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

在出售投資物業時所產生的利潤或虧損直接在收益表中確認。

(f) **物業、廠房及設備**

物業、廠房及設備按成本減累計折舊以及任何累計減值虧損列賬。

物業、廠房及設備之折舊，乃按其估計可使用年期以直線法撇銷成本。

當物業、廠房及設備項目出售，或預期繼續使用有關資產時將不會產生未來經濟利益時不再確認入賬。不再確認資產所產生之盈虧（按銷售所得款項淨額與項目之賬面值兩者間之差額計算），乃於不再確認該項目之年度內計入收益表。

(g) **持作發展之物業權益**

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

(h) **持作發展物業**

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

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3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(i) **Properties held for sale**

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

(j) **Leasing**

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

The Group as lessor

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

The Group as lessee

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

(k) **Cash and cash equivalents**

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

(l) **Revenue recognition**

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

3. 主要會計政策 (續)

(i) **持作出售物業**

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

(j) **租約**

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

本集團為出租人

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

本集團為承租人

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

(k) **現金及現金等同項目**

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

(l) **收入確認**

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

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3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(l) Revenue recognition (cont'd)

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

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

(m) Foreign currencies

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

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

3. 主要會計政策 (續)

(l) 收入確認 (續)

經營租賃項下物業之租金收入於有關租賃期內以直線法攤銷確認。

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

(m) 外幣

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

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

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3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(m) Foreign currencies (cont'd)

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

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

(n) Retirement benefit costs

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

(o) Financial instruments

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

3. 主要會計政策 (續)

(m) 外幣 (續)

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

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

(n) 退休福利成本

界定供款計劃之供款於其到期支付時作為開支扣除。

(o) 金融工具

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

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

Financial assets

The Company's and the Group's financial assets are classified into loans and receivables and available-for-sale financial asset. The accounting policies adopted are set out below.

Loans and receivables

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

Available-for-sale financial assets

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

3. 主要會計政策 (續)

(o) **金融工具 (續)**

金融資產

本公司及本集團之金融資產分類為貸款及應收款項以及可供出售金融資產，而所採納之會計政策載列如下。

貸款及應收款項

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

可供出售金融資產

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

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3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

Financial liabilities and equity

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

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

Other financial liabilities

Other financial liabilities including creditors and accruals, deposits received, provision for a litigation claim and loans from minority shareholders of subsidiaries are subsequently measured at amortised cost, using the effective interest method.

Equity instruments

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

(p) **Taxation**

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

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

3. 主要會計政策 (續)

(o) **金融工具 (續)**

金融負債及股本

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

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

其他金融負債

其他金融負債（包括應付賬款及應計費用、已收按金、訴訟索賠撥備及應付附屬公司少數股東貸款）均於其後使用實際利息法按攤銷成本計算。

股本工具

本公司發行之股本工具按已收所得款項扣除直接發行成本入賬。

(p) **稅項**

所得稅支出指當期應付稅項及遞延稅項。

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

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(p) Taxation (cont'd)

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

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

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

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

3. 主要會計政策 (續)

(p) 稅項 (續)

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(q) **Related party transactions**

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

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

(r) **Borrowings**

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

(s) **Impairment losses**

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

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

3. 主要會計政策 (續)

(q) **關連人士交易**

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

倘一項交易涉及關連人士進行資源或責任轉移，則該項交易被視為關連人士交易。

(r) **借款**

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

(s) **減值虧損**

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(t) Provisions

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

(u) Contingent liabilities and assets

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

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

(v) Segment reporting

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

3. 主要會計政策 (續)

(t) 撥備

當本集團因過往事件而須承擔現有法律或推定責任，且大大可能需要資源流出以應付有關債務時，則確認為撥備，且有關債務所涉及數額必須能可靠地估計。撥備於每一年結日檢討，並調整以反映現時之最佳估計。如資金之時值影響重大，撥備之金額為預期須用以償付債務之支出之現值。

(u) 或然負債及或然資產

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

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

(v) 分類報告

業務分類指從事物業發展或物業租賃之一組資產和業務，而物業發展或物業租賃之風險和回報與其他業務分類不同。一個地區分類乃於某一特定經濟環境中從事物業發展或物業租賃，其所涉及之風險及回報與於其他經濟環境當中營運之地區分類不同。

Notes to the Financial Statements

For the year ended 31st December, 2006

財務報表附註

截至二零零六年十二月三十一日止年度

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

Critical accounting estimates and assumptions

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

(a) Income taxes

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

(b) Impairment of assets

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

(c) Estimate of fair value of investment properties

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

- (i) current prices in an active market for properties of different nature, condition or location (or subject to different lease or other contracts), adjusted to reflect those differences;

4. 關鍵會計估計及判斷

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

關鍵會計估計及假設

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

(a) 所得稅

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

(b) 資產減值

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

(c) 投資物業之公平值估計

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

- (i) 不同性質、狀況或地點（或受不同租約或其他合約規限）之物業當時在活躍市場上之最新價格（須就該等差異作出調整）；

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

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

- (ii) recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; and

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

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

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

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

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

4. 關鍵會計估計及判斷 (續)

(c) 投資物業之公平值估計 (續)

- (ii) 活躍程度稍遜之市場所提供相類物業最近期價格(須就自以該等價格成交當日以來經濟狀況出現之任何變化作出調整); 及

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

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

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

預計未來市場租值乃根據地點及狀況相同之類似物業之現行市場租值釐定。

本集團根據香港合資格獨立專業測量師釐定之估價評估其投資物業之公平值。

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

(d) **Property interests held for development**

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

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

5. FINANCIAL RISK MANAGEMENT

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

(a) **Market risks**

Foreign exchange risk

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

Price risk

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

(b) **Credit risk**

The Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations as at 31st December, 2006 in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated balance sheet. The Group's and the Company's time deposits are deposited with banks of high credit quality in Hong Kong. For rent receivable, the Group obtained sufficient deposits from tenants and stringent monitoring procedures are in place to deal with overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at each balance sheet date to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

4. 關鍵會計估計及判斷 (續)

(d) **持作發展之物業權益**

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

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

5. 財務風險管理

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

(a) **市場風險**

外匯風險

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

價格風險

本集團擁有按各個結算日之公平值計算之投資物業及可供出售金融資產。本集團通過密切監察可能影響有關投資價值之價格及市況之變動來管理其風險。

(b) **信貸風險**

本集團就倘交易對手未能履行其於二零零六年十二月三十一日有關各類已確認金融資產之責任所面對最大信貸風險為綜合資產負債表所述該等金融資產之賬面值。本集團及本公司之定期存款存於香港高信貸質素之銀行。就應收租金而言，本集團收取租戶足夠按金及設有嚴格監控程序以處理逾期債務。此外，本集團於每個結算日檢討各項個別貿易債務之可收回金額，以確保就無法收回之款項作出足夠減值虧損。就此，本公司董事認為，本集團之信貸風險已大大減少。

5. FINANCIAL RISK MANAGEMENT (cont'd)

(b) Credit risk (cont'd)

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

The Company has no significant credit risk as at 31st December, 2006.

(c) Interest rate risk

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

The Group and the Company have no significant interest-bearing assets except for interest-bearing advances to associates and time deposits and bank balances, details of which have been disclosed in Note 22 and Note 26.

(d) Liquidity risk

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

(e) Cash flow and fair value interest rate risk

Long term borrowings at variable interest rates expose the Group to cash flow interest rate risk and those at fixed rates expose the Group to fair value interest rate risk.

The Group monitors the interest rate risk exposure on a continuous basis and adjusts the portfolio of borrowings where necessary.

5. 財務風險管理 (續)

(b) 信貸風險 (續)

本集團並無重大集中之信貸風險，風險分佈於多個交易對手及客戶。

截至二零零六年十二月三十一日止，本公司並無重大之信貸風險。

(c) 利率風險

本集團及本公司並無因借款產生利率風險。

本集團及本公司並無重大計息資產(墊付聯營公司之計息款項除外)；及定期存款及銀行結餘，詳情於附註22及附註26披露。

(d) 流動資金風險

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

(e) 現金流量及公平值利率風險

按浮動利率的長期借貸使本集團面對現金流量利率風險。按固定利率的長期借貸則使本集團面對公平值利率風險。

本集團以持續基準監察利率風險及在有需要時調整借款組合。

Notes to the Financial Statements

For the year ended 31st December, 2006

財務報表附註

截至二零零六年十二月三十一日止年度

6. SEGMENT INFORMATION

Business segments

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

Principal activities are as follows:

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

Segment information about these businesses is presented below:

Income statement

For the year ended 31st December, 2006

6. 分類資料

按業務劃分

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

主要業務活動如下：

物業發展	–	物業發展及物業銷售
物業租賃	–	物業租賃

該等業務之分類資料如下：

收益表

截至二零零六年十二月三十一日止年度

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

Notes to the Financial Statements

For the year ended 31st December, 2006

財務報表附註

截至二零零六年十二月三十一日止年度

6. SEGMENT INFORMATION (cont'd)

Business segments (cont'd)

Balance sheet

As at 31st December, 2006

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

Other information

For the year ended 31st December, 2006

其他資料

截至二零零六年十二月三十一日止年度

		Property development	Property leasing	Others	Consolidated
		物業發展	物業租賃	其他	綜合
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Capital additions	資本增加	26,386	-	-	26,386
Depreciation	折舊	-	-	35	35
Amortisation of prepaid lease payments	預付租賃款項攤銷	14	-	20	34
Fair value changes on investment properties	投資物業之公平值變動	-	(14,874)	-	(14,874)

Notes to the Financial Statements

For the year ended 31st December, 2006

財務報表附註

截至二零零六年十二月三十一日止年度

6. SEGMENT INFORMATION (cont'd)

Business segments (cont'd)

Income statement

For the year ended 31st December, 2005

6. 分類資料 (續)

按業務劃分 (續)

收益表

截至二零零五年十二月三十一日止年度

		Property development	Property leasing	Consolidated
		物業發展	物業租賃	綜合
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
Segment turnover	分類營業額	–	3,370	3,370
Segment result	分類業績			
– Operating results before fair value changes on investment properties	– 投資物業之公平值變動前 經營業績	(931)	8,093	7,162
– Fair value changes on investment properties	– 投資物業之公平值 變動	–	4,600	4,600
– Segment result after fair value changes on investment properties	– 投資物業之公平值變動後 分類業績	(931)	12,693	11,762
Unallocated corporate expenses	未分攤之公司支出			(563)
Finance costs	財務費用			(2,100)
Impairment loss recognised in respect of advances to associates	就墊付聯營公司款項確認之 減值虧損	–	(4)	(4)
Write-back of allowance for amount due from an associate	聯營公司欠款準備之 撥回金額	–	1,024	1,024
Write-back of allowance for amounts due from former associates	前聯營公司欠款準備之 撥回金額	2,964	5,756	8,720
Share of results of associates	應佔聯營公司業績	–	100,977	100,977
Profit before taxation	稅前溢利			119,816
Taxation	稅項			(398)
Profit for the year	本年度溢利			119,418

Notes to the Financial Statements

For the year ended 31st December, 2006

財務報表附註

截至二零零六年十二月三十一日止年度

6. SEGMENT INFORMATION (cont'd)

Business segments (cont'd)

Balance sheet

As at 31st December, 2005

		Property development	Property leasing	Consolidated
		物業發展	物業租賃	綜合
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
Assets	資產			
Segment assets	分類資產	75,724	236,999	312,723
Interests in associates	聯營公司權益	–	246,345	246,345
Advances to associates	墊付聯營公司款項	–	124,756	124,756
Unallocated corporate assets	未分攤之公司資產			38
Consolidated total assets	綜合資產總額			<u>683,862</u>
Liabilities	負債			
Segment liabilities	分類負債	5,649	10,214	15,863
Unallocated corporate liabilities	未分攤之公司負債			1,850
Consolidated total liabilities	綜合負債總額			<u>17,713</u>

Other information

For the year ended 31st December, 2005

		Property development	Property leasing	Consolidated
		物業發展	物業租賃	綜合
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
Capital additions	資本增加	23,151	–	23,151
Depreciation	折舊	18	29	47
Amortisation of prepaid lease payments	預付租賃款項攤銷	33	–	33
Fair value changes on investment properties	投資物業之公平值變動	–	(4,600)	(4,600)

6. 分類資料 (續)

按業務劃分 (續)

資產負債表

於二零零五年十二月三十一日

其他資料

截至二零零五年十二月三十一日止年度

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截至二零零六年十二月三十一日止年度

6. SEGMENT INFORMATION (cont'd)

Geographical segments

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

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

		Carrying amount of segment assets		Capital additions	
		分類資產賬面值		資本增加	
		2006	2005	2006	2005
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Hong Kong	香港	776,549	683,750	26,386	23,151
PRC	中國	116	112	–	–
		776,665	683,862	26,386	23,151

6. 分類資料 (續)

按地區市場劃分

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

以下為於結算日之分類資產賬面值之分析，及年內的資產增加按資產所在地所作之分析：

7. TURNOVER AND OTHER REVENUE

Turnover represents the aggregate amounts received and receivable from property rental income, analysed as follows:

		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Turnover	營業額		
Property rental income	物業租金收入	2,916	3,370
Other revenue	其他收益		
Interest income from bank deposits	銀行存款利息收入	7,070	4,928
Interest income on advances to associates	墊付聯營公司款項之利息收入	4,855	3,557
Sundry income	雜項收入	7	19
		11,932	8,504

7. 營業額及其他收益

營業額指已收及應收之物業租金收入，分析如下：

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8. FINANCE COSTS

8. 財務費用

	2006	2005
	HK\$'000	HK\$'000
	千港元	千港元
Imputed interest expenses relating to interest-free loans from minority shareholders of certain subsidiaries	若干附屬公司少數股東提供之 免息貸款名義利息開支	2,100
	58	2,100

9. SHARE OF RESULTS OF ASSOCIATES

9. 應佔聯營公司業績

	2006	2005
	HK\$'000	HK\$'000
	千港元	千港元
Operating income	經營收入	4,731
Gain on disposal of properties	出售物業之收益	6,273
Fair value changes on investment properties	投資物業之公平值變動	112,071
Less: deferred tax arose from fair value changes on investment properties	減：投資物業之公平值變動 所產生之遞延稅項	(19,612)
	80,416	92,459
Imputed interest expense relating to interest-free advance from shareholder	股東免息墊款之名義 利息開支	(906)
Current tax	年內稅項	(1,580)
Other deferred tax	其他遞延稅項	-
	84,886	100,977

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For the year ended 31st December, 2006

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10. PROFIT BEFORE TAXATION

10. 稅前溢利

	2006	2005
	HK\$'000	HK\$'000
	千港元	千港元
Profit before taxation is stated after charging:		
Auditors' remuneration	365	373
Depreciation	35	47
Amortisation of prepaid lease payments	34	33
Staff costs (excluding directors' remuneration)		
– salaries and allowances	1,843	1,057
– retirement benefit costs	87	55
Impairment loss recognised in respect of property held for sale	600	–
Impairment loss recognised in respect of trade receivable	38	–
and after crediting:		
Imputed interest income relating to interest-free advance to an associate	924	906
Gain on disposal of investment properties	24	–
Exchange gain	8	–
Gross rental income from properties	2,916	3,370
Less: direct operating expenses from properties that generated rental income during the year	(438)	(541)
direct operating expenses from properties that not generated rental income during the year	(819)	(822)
	1,659	2,007

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11. TAXATION

11. 稅項

		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Current tax	年內稅項		
Hong Kong	香港	1,805	7
Overprovision in prior years	過往年度超額撥備		
Hong Kong	香港	(1)	-
		1,804	7
Deferred tax (See Note 31)	遞延稅項(見附註31)	225	391
		2,029	398

Hong Kong Profits Tax is calculated at 17.5% (2005: 17.5%) on the estimated assessable profit for both years. Taxation in any other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

香港利得稅乃按兩個年度之估計應課稅溢利按稅率17.5%(二零零五年:17.5%)計算。任何其他司法權區之稅項乃按有關司法權區之適用稅率計算。

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

由於中國附屬公司於年內產生虧損，因此並無就中國稅項作出撥備。

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財務報表附註

截至二零零六年十二月三十一日止年度

11. TAXATION (cont'd)

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

11. 稅項 (續)

本年度稅項支出與收益表之稅前溢利對賬如下：

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

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11. TAXATION (cont'd)

11. 稅項 (續)

		Hong Kong		2005 PRC		Total	
		香港		中國		合計	
		HK\$'000	%	HK\$'000	%	HK\$'000	%
Profit/(loss) before taxation	稅前溢利/(虧損)	120,439		(623)		119,816	
Tax at domestic profits tax rate	按本地利得稅稅率計算之稅項	21,175	17.5	(207)	(33.3)	20,968	17.5
Tax effect of share of results of associates	攤佔聯營公司業績之稅務影響	(17,671)	(14.7)	–	–	(17,671)	(14.7)
Estimated tax effect of expenses not deductible in determining profits tax	計算利得稅時不可扣稅支出之估計稅務影響	590	0.5	–	–	590	0.5
Estimated tax effect of income not taxable in determining profits tax	計算利得稅時毋須課稅收入之估計稅務影響	(2,856)	(2.4)	–	–	(2,856)	(2.4)
Estimated tax effect of unrecognised tax losses	未確認稅務虧損之估計稅務影響	(1,039)	(0.7)	207	33.3	(832)	(0.7)
Others	其他	199	0.1	–	–	199	0.1
Tax charge at the Group's effective rate for the year	本年度按本集團實際稅率計算之稅項支出	398	0.3	–	–	398	0.3

12. PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

12. 本公司權益持有人應佔溢利

For the year ended 31st December, 2006, net profit of HK\$6,123,000 (2005: net profit of HK\$21,517,000) has been dealt with in the financial statements of the Company.

截至二零零六年十二月三十一日止年度，於本公司財務報表內處理之純利淨額6,123,000港元(二零零五年：純利21,517,000港元)。

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財務報表附註

截至二零零六年十二月三十一日止年度

13. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

13. 董事及僱員之酬金

(a) Directors' emoluments

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

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Director's fees:	董事袍金：		
Executive Directors	執行董事	-	-
Independent Non-executive Directors	獨立非執行董事		
- Mr. Lai, Yun-hung	- 賴恩雄先生	10	-
- Mr. Mok, Hon-sang	- 莫漢生先生	120	100
- Mr. Wong, Tik-tung	- 汪滌東先生	120	100
- Mr. Wang, Jian-guo	- 王健國先生	110	100
		360	300
Other emoluments:	其他酬金：		
Executive Directors	執行董事		
Salaries and other benefits	薪金及其他福利	-	-
Retirement benefit schemes contributions	退休福利計劃供款	-	-
Independent Non-executive Directors	獨立非執行董事	-	-
		-	-
		360	300

(b) Employees' emoluments

During the year, no directors of the Company were included in the five highest paid individuals of the Group (2005: two directors) whose emoluments are set out above. The emoluments payable to the five highest paid individuals (2005: three individuals) were as follows:

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Salaries and other benefits	薪金及其他福利	963	385
Retirement benefit schemes contributions	退休福利計劃供款	42	19
		1,005	404

The emoluments of individual employees were all less than HK\$500,000.

(a) 董事酬金

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

	2006 HK\$'000 千港元	2005 HK\$'000 千港元
Director's fees:		
Executive Directors	-	-
Independent Non-executive Directors		
- Mr. Lai, Yun-hung	10	-
- Mr. Mok, Hon-sang	120	100
- Mr. Wong, Tik-tung	120	100
- Mr. Wang, Jian-guo	110	100
	360	300
Other emoluments:		
Executive Directors		
Salaries and other benefits	-	-
Retirement benefit schemes contributions	-	-
Independent Non-executive Directors	-	-
	-	-
	360	300

(b) 僱員酬金

年內，本公司董事全非本集團五名最高薪酬人士（二零零五年：兩名董事），其酬金詳情載於上文。應付五名最高薪酬人士之酬金（二零零五年：三名）如下：

	2006 HK\$'000 千港元	2005 HK\$'000 千港元
Salaries and other benefits	963	385
Retirement benefit schemes contributions	42	19
	1,005	404

個別僱員之酬金全部低於500,000 港元。

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截至二零零六年十二月三十一日止年度

14. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the profit attributable to the ordinary equity holders of the Company of HK\$94,349,000 (2005: HK\$121,518,000) and the weighted average number of 338,765,987 (2005: 333,816,069) ordinary shares in issue during the year.

For the years ended 31st December, 2006 and 31st December, 2005, diluted earnings per share has been presented even though there were no diluting events during these years.

15. DIVIDENDS

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

16. INVESTMENT PROPERTIES

14. 每股盈利

每股基本盈利乃根據本公司股本持有人應佔溢利94,349,000港元(二零零五年:121,518,000港元)及年內已發行普通股之加權平均數338,765,987股(二零零五年:333,816,069股)計算。

儘管截至二零零六年十二月三十一日及二零零五年十二月三十一日止年度並無攤薄事項,惟仍然呈列每股攤薄盈利。

15. 股息

兩個年度均無派發或建議派發任何股息,自結算日以來亦概無建議派發任何股息。

16. 投資物業

		HK\$'000 千港元
The Group	本集團	
Fair value	公平值	
At 1st January, 2005	於二零零五年一月一日	49,350
Fair value changes recognised in income statement	於收益表確認之 公平值變動	4,600
At 31st December, 2005 and 1st January, 2006	於二零零五年十二月三十一日及 二零零六年一月一日	53,950
Disposals	出售	(5,424)
Fair value changes recognised in income statement	於收益表確認之 公平值變動	14,874
At 31st December, 2006	於二零零六年十二月三十一日	63,400

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16. INVESTMENT PROPERTIES (cont'd)

The fair value of the Group's investment properties at 31st December, 2006 has been arrived at on the basis of valuation carried out on that date by Norton Appraisals Limited ("Norton Appraisals"), independent qualified professional surveyors not connected with the Group. Norton Appraisals has appropriate qualifications and recent experience in the valuation of similar properties in the relevant locations. The valuation, which conformed to The Hong Kong Institute of Surveyors Valuation Standards on Properties (1st Edition 2005) published by the Hong Kong Institute of Surveyors was based on open market value basis.

All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties. As at 31st December, 2006, the carrying amount of such property interests amounted to HK\$63,400,000 (2005: HK\$53,950,000).

The carrying amounts of investment properties shown above comprise:

Properties in Hong Kong held under:

Long lease

Medium-term lease

於香港按以下租約持有之物業:

長期租約

中期租約

16. 投資物業 (續)

本集團投資物業於二零零六年十二月三十一日之公平值按一家與本集團無關之獨立合資格專業測計師行普敦國際評估有限公司(「普敦國際評估」)於該日進行之估值為基準而計算。普敦國際評估對於相關地點之同類型物業估值具有適合資格及近期之估值經驗。該項估值乃遵守香港測量師學會所頒布的物業估值準則(二零零五年第一版),並按公開市值基準進行重估。

本集團根據經營租賃持有以賺取租金或作增值用途之物業權益全部利用公平值模式計算,並已分類及入賬列作投資物業。於二零零六年十二月三十一日,該等物業權益之賬面金額為63,400,000港元(二零零五年:53,950,000港元)。

上述投資物業之賬面值包括:

2006	2005
HK\$'000	HK\$'000
千港元	千港元
3,600	3,350
59,800	50,600
63,400	53,950

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17. PROPERTY, PLANT AND EQUIPMENT

17. 物業、廠房及設備

		Buildings	Furniture, fixtures and equipment	Total
		樓宇	傢俬、裝置 及設備	總額
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
The Group	本集團			
Cost	成本值			
At 1st January, 2005,	於二零零五年一月一日、			
31st December, 2005,	二零零五年十二月三十一日、			
1st January, 2006 and	二零零六年一月一日及			
31st December, 2006	二零零六年十二月三十一日	882	1,121	2,003
Depreciation and amortisation	折舊及攤銷			
At 1st January, 2005	於二零零五年一月一日	643	1,073	1,716
Charge for the year	本年度扣除	18	29	47
At 31st December, 2005 and	於二零零五年十二月三十一日			
1st January, 2006	及二零零六年一月一日	661	1,102	1,763
Charge for the year	本年度扣除	18	17	35
At 31st December, 2006	於二零零六年十二月三十一日	679	1,119	1,798
Net book value	賬面淨值			
At 31st December, 2006	於二零零六年十二月三十一日	203	2	205
At 31st December, 2005	於二零零五年十二月三十一日	221	19	240

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

上述物業、廠房及設備項目以直線法按下列年率計算折舊：

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

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

17. 物業、廠房及設備 (續)

		Furniture, fixtures and equipment 傢俬、裝置及設備 HK\$'000 千港元
The Company	本公司	
Cost	成本值	
At 1st January, 2005, 31st December, 2005, 1st January, 2006 and 31st December, 2006	於二零零五年一月一日、二零零五年十二月 三十一日、二零零六年一月一日及 二零零六年十二月三十一日	1,117
Depreciation	折舊	
At 1st January, 2005	於二零零五年一月一日	1,072
Charge for the year	本年度扣除	29
At 31st December, 2005 and 1st January, 2006	於二零零五年十二月三十一日及 二零零六年一月一日	1,101
Charge for the year	本年度扣除	16
At 31st December, 2006	於二零零六年十二月三十一日	1,117
Net book value	賬面淨值	
At 31st December, 2006	於二零零六年十二月三十一日	-
At 31st December, 2005	於二零零五年十二月三十一日	16

18. PROPERTIES HELD FOR DEVELOPMENT

18. 持作發展物業

		HK\$'000 千港元
The Group	本集團	
Cost	成本值	
At 1st January, 2005	於二零零五年一月一日	750
Addition	添置	23,151
At 31st December, 2005 and 1st January, 2006	於二零零五年十二月三十一日及 二零零六年一月一日	23,901
Addition	添置	26,386
Transfer to properties held for sale (See Note 24)	轉撥至持作出售物業 (見附註24)	(50,287)
At 31st December, 2006	於二零零六年十二月三十一日	-

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

本集團持作發展物業位於香港，並以中期租約持有。

19. PROPERTY INTERESTS HELD FOR DEVELOPMENT

19. 持作發展之物業權益

	HK\$'000 千港元
The Group	
Cost	
At 1st January, 2005, 31st December, 2005, 1st January, 2006 and 31st December, 2006	183,381
Impairment	
At 1st January, 2005, 31st December, 2005, 1st January, 2006 and 31st December, 2006	(183,381)
Net book value	
At 31st December, 2006	-
At 31st December, 2005	-

Notes:

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

附註:

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

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財務報表附註

截至二零零六年十二月三十一日止年度

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

Notes: (cont'd)

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

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

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

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

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

19. 持作發展之物業權益 (續)

附註: (續)

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

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

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

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

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

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截至二零零六年十二月三十一日止年度

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

Notes: (cont'd)

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

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

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

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

On 23rd January, 2007, the Chenghai Bureau submitted an application of appeal to the High People's Court of Guangdong Province (the "High Court") and SPV also sent out a reply to the High Court on 13th February, 2007. According to the legal opinion of our PRC lawyer, it is more likely that the High Court will sustain the judgment of the Intermediate Court.

Up to the date of approval of these financial statements, the application of appeal is pending for hearing.

19. 持作發展之物業權益 (續)

附註：(續)

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

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

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

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

於二零零七年一月二十三日，澄海當局向廣東省高級人民法院（「高級法院」）提交上訴申請，而SPV亦已於二零零七年二月十三日向高級法院提交回應。根據本公司中國律師的法律意見，高級法院很大機會維持中級法院的裁決。

截至批准此等財務報表日期，上訴申請仍有待聆訊。

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財務報表附註

截至二零零六年十二月三十一日止年度

20. PREPAID LEASE PAYMENTS

20. 預付租賃款項

		HK\$'000	
		千港元	
The Group	本集團		
Cost	成本值		
At 1st January, 2005, 31st December, 2005, 1st January, 2006 and 31st December, 2006	於二零零五年一月一日、二零零五年 十二月三十一日、二零零六年一月一日及 二零零六年十二月三十一日		12,958
Depreciation and amortisation	折舊及攤銷		
At 1st January, 2005	於二零零五年一月一日		3,225
Charge for the year	本年度扣除		33
At 31st December, 2005 and 1st January, 2006	於二零零五年十二月三十一日及 二零零六年一月一日		3,258
Charge for the year	本年度扣除		34
At 31st December, 2006	於二零零六年十二月三十一日		3,292
Net book value	賬面淨值		
At 31st December, 2006	於二零零六年十二月三十一日		9,666
At 31st December, 2005	於二零零五年十二月三十一日		9,700
		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
The Group's non-current prepaid lease payments shown above comprise:	本集團上文所示非流動預付 租賃款項包括:		
Leasehold land in Hong Kong:	於香港之租賃土地:		
Long lease	長期租約	9,446	9,460
Medium-term lease	中期租約	220	240
		9,666	9,700

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財務報表附註

截至二零零六年十二月三十一日止年度

21. INTERESTS IN SUBSIDIARIES/ADVANCES TO SUBSIDIARIES

21. 附屬公司權益／墊付附屬公司款項

		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
The Company	本公司		
Unlisted shares, at cost	非上市股份·成本值	192,070	192,070
Capital contribution	注資	5,888	3,632
Less: impairment loss recognised in respect of the investments in subsidiaries	減: 就附屬公司投資確認之減值虧損	(13,854)	(10,391)
		184,104	185,311
Advances to subsidiaries	墊付附屬公司款項	682,178	666,404
Less: impairment loss recognised in respect of the advances to subsidiaries	減: 就墊付附屬公司款項確認之減值虧損	(464,712)	(458,668)
		217,466	207,736

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

注資指墊付附屬公司免息款項所計之名義利息。

The advances to subsidiaries, net of allowances are unsecured. Included in the balance as at 31st December, 2006, the amount of HK\$167,462,000 (2005: HK\$153,358,000) is interest-bearing. In the opinion of the directors, the Company will not demand repayment within one year from the balance sheet date and are therefore considered as non-current. The directors of the Company estimate the advances by discounting their future cash flow at the prevailing market borrowing rate. The directors of the Company consider that the carrying amount of advances to subsidiaries approximate to their fair values.

墊付附屬公司款項(扣除準備)為無抵押。於二零零六年十二月三十一日之結存中,包括一筆為數167,462,000港元之計息款項(二零零五年:153,358,000港元)。董事認為,本公司將不會要求於結算日後一年內還款,因此被視為非流動。本公司董事按當時市場借貸利率折現墊款之未來現金流量而估計墊款。本公司董事認為,墊付附屬公司款項之賬面金額與公平值相若。

Particulars of the Group's principal subsidiaries at 31st December, 2006 are set out in Note 39 to the financial statements.

本集團主要附屬公司於二零零六年十二月三十一日之詳情載於財務報表附註39。

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財務報表附註

截至二零零六年十二月三十一日止年度

22. INTERESTS IN ASSOCIATES/ADVANCES TO ASSOCIATES

22. 聯營公司權益／墊付聯營公司款項

	The Group		The Company	
	本集團		本公司	
	2006	2005	2006	2005
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元
(a) Interests in associates	(a) 聯營公司權益			
Cost of investments in associates	聯營公司投資成本			
– Unlisted in Hong Kong	– 香港非上市公司			
	103,252	103,252	–	–
Share of post-acquisition profits, net of dividends received (Note ii)	所佔收購後溢利，扣除已收股息 (附註ii)			
	225,900	143,093	–	–
	329,152	246,345	–	–
(b) Advances to associates	(b) 墊付聯營公司款項			
Interest-bearing advances to associates (Note iii)	墊付聯營公司計息款項 (附註iii)			
	90,742	96,028	9,500	9,500
Interest-free advances to associates, net of allowances (Note iv)	墊付聯營公司免息款項 (扣除準備) (附註iv)			
	99,979	99,977	–	–
	190,721	196,005	9,500	9,500
Less: impairment loss recognised (Note i)	減：已確認之減值虧損 (附註i)			
	(83,810)	(71,249)	–	–
	106,911	124,756	9,500	9,500

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For the year ended 31st December, 2006

財務報表附註

截至二零零六年十二月三十一日止年度

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

(b) Advances to associates (cont'd)

Notes:

- (i) The movements in provision for impairment loss recognised in respect of advances to associates are as follows:

At 1st January, 2006/2005	於二零零六年／二零零五年 一月一日	71,249	72,269
Impairment loss recognised during the year	年內確認之減值虧損	13,477	4
Amount due from an associate written off	撇銷聯營公司欠款	(19)	-
Write-back of allowance for amount due from an associate	撥回聯營公司 欠款準備	(897)	(1,024)
At 31st December, 2006/2005	於二零零六年／二零零五年 十二月三十一日	83,810	71,249

- (ii) The investment properties of the associates were revalued at 31st December, 2006 on the basis of a valuation carried out on that date by Norton Appraisals. The Group recognised an interest in the fair value gain on the investment properties of the associates of HK\$80.4 million (net of deferred tax impact of HK\$16.6 million) as at 31st December, 2006. Details are set out in Note 9 to the financial statements.
- (iii) Except for an amount of HK\$9,500,000 (2005: HK\$9,500,000) which bears interest at 6.75% (2005: 6.75%), the remaining balances of interest-bearing advances to associates bear interest at Prime minus 2.75%. The advances are unsecured and the Group will not demand repayment within one year from the balance sheet date and are therefore considered as non-current. The directors of the Company consider that the carrying amount of advances to associates approximate to their fair values.
- (iv) The interest-free advances are unsecured and the Group will not demand repayment within one year from the balance sheet date and are therefore considered as non-current. The directors of the Company estimate the fair value of the interest-free advances by discounting their future cash flow at the prevailing market borrowing rate. The directors of the Company consider that the carrying amount of interest-free advances approximate to their fair values.

Particulars of the Group's principal associates as at 31st December, 2006 are set out in Note 40 to the financial statements.

22. 聯營公司權益／墊付聯營公司款項(續)

(b) 墊付聯營公司款項(續)

附註：

- (i) 就墊付聯營公司款項確認之減值虧損撥備變動如下：

2006 HK\$'000 千港元	2005 HK\$'000 千港元
71,249	72,269
13,477	4
(19)	-
(897)	(1,024)
83,810	71,249

- (ii) 聯營公司投資物業於二零零六年十二月三十一日按普敦國際評估於該日進行之估值為基準而重估。本集團已確認聯營公司投資物業於二零零六年十二月三十一日之公平值收益權益80,400,000港元(扣除遞延稅項影響16,600,000港元)。有關詳情載於財務報表附註9。
- (iii) 除一筆9,500,000港元之款項(二零零五年：9,500,000港元)按6.75厘(二零零五年：6.75厘)計息外，墊付聯營公司計息款項之餘款按最優惠利率減2.75厘計算。該筆墊款為無抵押，且本集團將不會於結算日起一年內要求還款，因此被視為非流動。本公司董事認為墊付聯營公司款項之賬面金額與其公平值相若。
- (iv) 免息墊款為無抵押，而本集團將不會於結算日起一年內要求還款，因此被視為非流動。本公司董事按當時市場借貸利率折現免息墊款之未來現金流量而估計其公平值。本公司董事認為免息墊付聯營公司款項之賬面值與其公平值相若。

有關本集團於二零零六年十二月三十一日之主要聯營公司之詳情載於財務報表附註40。

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財務報表附註

截至二零零六年十二月三十一日止年度

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

(b) Advances to associates (cont'd)

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

		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Total assets	資產總額	1,426,413	1,160,507
Total liabilities	負債總額	(556,208)	(514,533)
Net assets	資產淨值	870,205	645,974
Group's share of net assets of associates	本集團應佔聯營公司資產淨值	329,152	246,345
Turnover	營業額	46,465	36,681
Profit for the year	本年度溢利	228,390	274,106
Group's share of results of associates for the year (See Note 9)	本集團應佔本年度聯營公司之 業績(見附註9)	84,886	100,977

22. 聯營公司權益／墊付聯營公司款項(續)

(b) 墊付聯營公司款項(續)

本集團聯營公司之財務資料概述如下：

	2006	2005
	HK\$'000	HK\$'000
	千港元	千港元
資產總額	1,426,413	1,160,507
負債總額	(556,208)	(514,533)
資產淨值	870,205	645,974
本集團應佔聯營公司資產淨值	329,152	246,345
營業額	46,465	36,681
本年度溢利	228,390	274,106
本集團應佔本年度聯營公司之 業績(見附註9)	84,886	100,977

23. AVAILABLE-FOR-SALE FINANCIAL ASSET

The Group and the Company

Club debenture, at fair value

本集團及本公司

會籍債券·公平值

	2006	2005
	HK\$'000	HK\$'000
	千港元	千港元
本集團及本公司 會籍債券·公平值	270	270

23. 可供出售金融資產

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24. PROPERTIES HELD FOR SALE

The Group

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

Less: impairment loss recognised

本集團

持作出售物業
從持作發展物業轉入
(附註18)

減: 已確認之減值虧損

At 31st December, 2006, the directors of the Company reviewed the carrying value of the properties held for sale with reference to current market situation and the estimated selling price of the properties held for sale provided by Norton Appraisals. An impairment loss of approximately HK\$600,000 (2005: HK\$Nil) was made by reference to the recoverable amount of the properties held for sale.

25. DEBTORS, DEPOSITS AND PREPAYMENTS

The Group and the Company

The directors of the Company consider that the carrying amounts of the Group's and the Company's trade debtors approximates to their fair values.

The Group

Included in debtors, deposits and prepayments are trade debtors of HK\$2,000 (2005: HK\$68,000) comprising mainly rental receivables which are billed in advance and settlements are expected upon receipt of bills. The following is an aged analysis of trade debtors at the balance sheet date:

24. 持作出售物業

2006	2005
HK\$'000	HK\$'000
千港元	千港元
28,796	28,796
50,287	–
79,083	28,796
(600)	–
78,483	28,796

於二零零六年十二月三十一日，本公司董事已參照現行市況及普敦國際評估提供之持作出售物業估計售價審閱持作出售物業之賬面金額。本集團參照持作出售物業之可收回金額作出約600,000港元之減值虧損（二零零五年：零港元）。

25. 應收賬項、按金及預付款項

本集團及本公司

本公司董事認為本集團及本公司之應收貿易賬項之賬面金額與其公平值相若。

本集團

應收賬項、按金及預付款項包括應收貿易賬項2,000港元（二零零五年：68,000港元），主要為預先開立賬單之應收租金，並預期租客將於收取賬單時清付。於結算日應收貿易賬項之賬齡分析如下：

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

		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Within 30 days	三十日內	2	14
31 – 60 days	三十一至六十日	-	12
Over 60 days	六十日以上	-	42
		2	68

25. 應收賬項、按金及預付款項 (續)

26. CASH AND CASH EQUIVALENTS

		The Group		The Company	
		本集團		本公司	
		2006	2005	2006	2005
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Cash at banks and on hand	銀行存款及現金	1,400	1,030	611	422
Time deposits	定期存款	186,500	194,100	183,300	194,100
		187,900	195,130	183,911	194,522

26. 現金及現金等同項目

The time deposits of the Group and the Company carry interest rate ranging from 3.7% to 4.0% (2005: 3.9% to 4.0%) per annum and these deposits had maturity within 3 months.

本集團及本公司之定期存款按年利率介乎3.7厘至4.0厘(二零零五年:3.9厘至4.0厘)計息,而此等存款於三個月內到期。

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

本公司董事認為本集團及本公司之現金及現金等同項目之賬面金額與其公平值相若。

27. CREDITORS AND ACCRUALS

The Group and the Company

There were no trade payables included in creditors and accruals as at 31st December, 2006 and 2005. The directors of the Company consider that the carrying amount of the Group's and the Company's creditors and accruals approximate to their fair values.

27. 應付賬項及應計費用

本集團及本公司

於二零零六年及二零零五年十二月三十一日,應付賬項及應計費用並無包括應付貿易賬項。本公司董事認為本集團及本公司之應付賬項及應計費用之賬面金額與其公平值相若。

28. PROVISION FOR A LITIGATION CLAIM

The Group and the Company

A finance company (in liquidation) (the "finance company") served a writ and claimed against the Company for an amount of approximately HK\$8.4 million. The claim related to a margin loan granted to the Company for the dealing of securities between the years of October 1996 and January 1998. The Company filed a Defence and Counterclaim in December 2004 and the finance company also filed their Reply and Defence to Counterclaim in January 2005. The Group made a provision of approximately HK\$8.4 million in 2004 for the claim. In January 2006, upon seeking legal advice including London QC opinion, the Company paid the finance company a sum of HK\$8.3 million for full and final settlement of all claims of the finance company. Consent Summons was filed and an order from the High Court dated 20th January, 2006 was sealed to record the discontinuance of the legal proceedings.

The directors of the Company consider that the carrying amount of the Group's and the Company's provision for a litigation claim approximates to its fair value.

Apart from disclosed as above, the Group and the Company did not have any provision for litigation claim as at 31st December, 2006 and 2005.

29. LOANS FROM MINORITY SHAREHOLDERS OF SUBSIDIARIES

The Group

The loans are unsecured and non-interest bearing. The directors of the Company consider that the minority shareholders will not demand for repayment within one year from the balance sheet date and are therefore shown in the balance sheet as non-current. The directors of the Company consider the fair value of the loans by discounting their future cash flow at the prevailing market borrowing rate and consider that the carrying amount of the Group's loans from minority shareholders of subsidiaries approximates to their fair values.

28. 索償訴訟撥備

本集團及本公司

一間清盤中之財務公司（「財務公司」）向本公司提交令狀及向本公司追討一筆約8,400,000港元之金額。該筆追討金額乃關於一九九六年十月至一九九八年一月期間就買賣證券授予本公司之孖展貸款之申索。本公司已於二零零四年十二月提交抗辯書及反申索，而該財務公司亦已於二零零五年一月提交答辯書及反申索之抗辯書。本集團已於二零零四年就申索作出約8,400,000港元之撥備。本公司於徵求法律意見（包括倫敦御用大律師法律意見）後，於二零零六年一月就財務公司所有索償，向財務公司作出8,300,000港元之全數和最終清償。本公司已呈交同意和解傳票，高等法院亦已於二零零六年一月二十日頒令以蓋章記錄終止該法律訴訟。

本公司董事認為，本集團及本公司之索償訴訟撥備之賬面金額與其公平值相若。

除上文所披露者外，本集團及本公司於二零零六年及二零零五年十二月三十一日並無任何索償訴訟撥備。

29. 附屬公司少數股東貸款

本集團

該等貸款為無抵押及免息。本公司董事認為，少數股東將不會於結算日起一年內要求還款，因此於資產負債表列為非流動。本公司董事按當時市場借貸利率折現該等貸款之未來現金流量而考慮其公平值，並認為本集團來自附屬公司少數股東貸款之賬面金額與公平值相若。

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30. ADVANCE FROM AN ASSOCIATE

The Group

The amount is unsecured and non-interest bearing. The directors of the Company consider that the associate will not demand for repayment within one year from the balance sheet date and is therefore shown in the balance sheet as non-current. The amount was fully settled during the year ended 31st December, 2006. The directors of the Company consider that the carrying amount of the Group's advance from an associate approximates to its fair value.

31. DEFERRED TAXATION LIABILITIES

The Group

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

		Revaluation of investment properties	Accelerated tax depreciation	Tax losses	Total
		投資物業 重估	加速 稅務折舊	稅務虧損	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
At 1st January, 2005	於二零零五年一月一日	(1,692)	136	937	(619)
Credit (charge) to the income statement for the year (See Note 11)	撥入(扣自)本年度收益表(見附註11)	193	(112)	(472)	(391)
At 31st December, 2005 and 1st January, 2006	於二零零五年十二月三十一日及二零零六年一月一日	(1,499)	24	465	(1,010)
Credit (charge) to the income statement for the year (See Note 11)	撥入(扣自)本年度收益表(見附註11)	245	(5)	(465)	(225)
At 31st December, 2006	於二零零六年十二月三十一日	(1,254)	19	-	(1,235)

30. 聯營公司墊款

本集團

該筆款項為無抵押及免息。本公司董事認為聯營公司將不會於結算日起一年內要求還款，因此於資產負債表列為非流動。該筆款項已於截至二零零六年十二月三十一日止年度悉數清償。本公司董事認為本集團來自聯營公司墊款之賬面金額與其公平值相若。

31. 遞延稅項負債

本集團

以下為本集團於本個及過往申報期間確認之主要遞延稅項(負債)與資產及其變動:

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31. DEFERRED TAXATION LIABILITIES (cont'd)

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

Deferred taxation assets	遞延稅項資產
Deferred taxation liabilities	遞延稅項負債

At the balance sheet date, the Group had not recognised deferred tax assets in respect of tax losses of HK\$201,387,000 (2005: HK\$206,669,000) due to the unpredictability of future profit streams. The unrecognised tax losses may be carried forward indefinitely.

31. 遞延稅項負債 (續)

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

2006	2005
HK\$'000	HK\$'000
千港元	千港元
19	489
(1,254)	(1,499)
(1,235)	(1,010)

於結算日，由於難以預測未來溢利多寡，本集團無就稅務虧損201,387,000港元(二零零五年：206,669,000港元)確認遞延稅項資產。未確認之稅務虧損可能會永久結轉。

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32. SHARE CAPITAL

32. 股本

	Number of shares	Share capital
	股份數目	股本
		HK\$'000
		千港元
The Group and the Company		
Ordinary shares of HK\$0.01 each		
Authorised:		
At 1st January, 2005, 31st December, 2005, 1st January, 2006 and 31st December, 2006	於二零零五年一月一日、 二零零五年十二月三十一日、 二零零六年一月一日及 二零零六年十二月三十一日	50,000,000,000 500,000
Issued and fully paid:	已發行及繳足:	
At 1st January, 2005	於二零零五年一月一日	282,305,987 2,823
Allotted on share placing	於股份配售時配發	56,460,000 565
At 31st December, 2005, 1st January, 2006 and 31st December, 2006	於二零零五年十二月三十一日、 二零零六年一月一日及 二零零六年十二月三十一日	338,765,987 3,388

On 2nd February, 2005, 56,460,000 shares of the Company were issued and allotted to independent investors pursuant to a placing agreement entered into between the Company and its placing agent on 24th January, 2005.

於二零零五年二月二日，本公司根據其與配售代理於二零零五年一月二十四日訂立之配售協議，向獨立投資者發行及配發56,460,000股股份。

33. RESERVES

33. 儲備

The Group

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

本集團

本集團於本年度及過往年度之儲備金額及其變動於綜合股本權益變動報表呈列。

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33. RESERVES (cont'd)

33. 儲備 (續)

The Company

本公司

		Contribution from shareholders	Share premium	Special capital reserve I & II 特別股本 儲備I及II	Accumulated losses	Total
		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
At 1st January, 2005	於二零零五年一月一日	117,054	442,917	54,720	(103,204)	511,487
Amount received from share placing	股份配售所得款項	–	53,072	–	–	53,072
Issue cost on share placing	股份配售之發行成本	–	(829)	–	–	(829)
Transfer upon issue of shares for share placing (Note)	於股份配售發行股份時 轉撥 (附註)	–	–	(54,720)	54,720	–
Profit for the year	本年度溢利	–	–	–	21,517	21,517
At 31st December, 2005 and 1st January, 2006	於二零零五年十二月 三十一日及二零零六年 一月一日	117,054	495,160	–	(26,967)	585,247
Profit for the year	本年度溢利	–	–	–	6,123	6,123
At 31st December, 2006	於二零零六年十二月 三十一日	117,054	495,160	–	(20,844)	591,370

Note:

As part of the capital reorganisation, an order on petition dated 7th October, 2003 (the "Order") was issued by the High Court of Hong Kong Special Administrative Region of the People's Republic of China in connection with the reduction of the capital of the Company for an amount of HK\$296,536,000. Pursuant to the Order, the Company applied HK\$245,025,000 of the above amount to eliminate its accumulated losses as at 31st December, 2002 while the remaining balance of HK\$51,511,000 was included in a "Special Capital Reserve I" account.

The Company also undertook that any future recoveries of the advances to Super Series Limited, a former wholly-owned subsidiary of Company, which was disposed of under the Asset Transaction, beyond their written down value had to be credited to "Special Capital Reserve II". Accordingly, the gain on disposal of Super Series amounting to HK\$3,209,000 was included in this reserve.

附註:

作為股本重組一部份，中華人民共和國香港特別行政區高等法院於二零零三年十月七日就削減本公司股本296,536,000港元之呈請發出命令（「命令」）。根據命令，本公司運用了上述金額中245,025,000港元撇銷其於二零零二年十二月三十一日之累計虧損，餘下51,511,000港元撥入「特別股本儲備I」賬目。

本公司亦已承諾，日後若收回墊付予本公司已根據資產交易出售之前全資附屬公司Super Series Limited之款項超出其已撇減之數值，則多出之部分須撥入「特別股本儲備II」。因此，出售Super Series為數3,209,000港元之收益已撥入該項儲備。

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33. RESERVES (cont'd)

Note: (cont'd)

It was also provided in the Order that, notwithstanding the above undertaking, the amount standing to the credit of the Special Capital Reserve I & II might be reduced by the amount of any increase in the paid-up share capital or the amount standing to the credit of the share premium account of the Company as the result of the payment up of shares by the receipt of the new consideration or capitalisation of distributable profits after 8th October, 2003, the effective date (the "effective date") for capital reduction.

The Company had increased its issued share capital and share premium account up to the requirement of the Order for reduction of the Special Capital Reserve I & II by the issue and allotment of shares for cash consideration from the effective date up to year ended 31st December, 2005. Accordingly, based on legal opinion, the total amount of HK\$54,720,000 standing to the credit of the Special Capital Reserve I & II can be totally reduced and transferred to the retained profits/(accumulated losses) of the Company.

In the opinion of the directors of the Company, the Company had no reserves available for distribution as at 31st December, 2006 and 2005.

34. MAJOR NON-CASH TRANSACTIONS

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

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

For the year ended 31st December, 2005, the Group had the following major non-cash transactions:

- (i) the Group applied for the voluntary winding-up of certain subsidiaries and the loans from the minority shareholders amounting to HK\$39,228,000 were written off;
- (ii) the Group had incurred costs for additions of properties under development of approximately HK\$23,151,000 of which approximately HK\$5,097,000 had not been paid as at 31st December, 2005 which was included in creditors and accruals; and
- (iii) the Group had received dividend income of approximately HK\$14,000,000 from an associate by way of set off against the advance from the associate.

33. 儲備 (續)

附註: (續)

命令亦有規定，儘管有上述承諾，本公司可於二零零三年十月八日（即削減股本之生效日期（「生效日期」））後因收取增加股本之新代價或將可供分派溢利撥充資本以支付股份款項，利用繳足股本所增加之金額或本公司股份溢價賬之進賬金額以削減特別股本儲備I及II之進賬金額。

由生效日期起至截至二零零五年十二月三十一日止年度，本公司已增加已發行股本及股份溢價賬，以符合命令有關透過發行及配發股份換取現金代價而削減特別資本儲備I及II之規定。因此，根據法律意見，特別股本儲備I及II之進賬總額54,720,000港元可全數削減並將之轉撥至本公司之保留溢利／（累計虧損）。

本公司董事認為，本公司於二零零六年及二零零五年十二月三十一日並無可供分派之儲備。

34. 主要非現金交易

截至二零零六年十二月三十一日止年度，本集團曾進行下列主要非現金交易：

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

截至二零零五年十二月三十一日止年度，本集團曾進行下列主要非現金交易：

- (i) 本集團就若干附屬公司申請自願清盤，並已撇銷少數股東貸款39,228,000港元；
- (ii) 本集團已產生添置發展中物業之成本約23,151,000港元，其中已計入應付賬項及應計費用約5,097,000港元於二零零五年十二月三十一日尚未支付；及
- (iii) 本集團透過抵銷聯營公司墊款而收取聯營公司股息收入約14,000,000港元。

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35. OPERATING LEASE COMMITMENTS

The Group as lessee

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

於本年度有關辦公室物業之
營業租約最低租金

78

58

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

Within one year

一年內

83

10

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

營業租約租金為本集團就其若干辦公室物業應付之租金。租約每兩年磋商一次。

The Group as lessor

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

Within one year

一年內

461

629

In the second to fifth year inclusive

第二至第五年(包括首尾兩年)

329

210

790

839

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

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

36. COMMITMENTS

The Group and the Company did not have any significant capital commitments at 31st December, 2006 and 2005.

36. 承擔

於二零零六年及二零零五年十二月三十一日，本集團及本公司並無任何重大資本承擔。

35. 營業租約承擔

本集團作為承租人

2006

2005

HK\$'000

HK\$'000

千港元

千港元

於結算日，本集團不可取消營業租約之未償還承擔於下列期間到期：

2006

2005

HK\$'000

HK\$'000

千港元

千港元

本集團作為出租人

於結算日，本集團已就下列日後最低租金與租戶訂約：

2006

2005

HK\$'000

HK\$'000

千港元

千港元

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37. RETIREMENT BENEFIT SCHEMES

The Group operates two retirement benefit schemes:

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

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

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

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

The Group's cost for the MPF Scheme charged to consolidated income statement for the Year amounted to HK\$87,000 (2005: HK\$55,000).

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

37. 退休福利計劃

本集團設有兩項退休福利計劃：

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

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

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

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

本集團於年內就強積金計劃於綜合收益表扣除之費用為87,000港元（二零零五年：55,000港元）。

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

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38. RELATED PARTY TRANSACTIONS

Saved as disclosed in Note 21 and Note 22 to the financial statements as above, the Group had entered into transactions with related parties which, in the opinion of the directors, were carried out in normal commercial terms and in the ordinary course of the Group's business as shown below:

Key management personnel remuneration

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

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

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

Notes:

- (i) During the year, the Company renewed the sub-lease agreement with Chinese Estates, Limited ("CEL"), a wholly owned subsidiary of Chinese Estates Holdings Limited. Pursuant to the renewed sub-lease agreement, CEL sub-leases the office premises at Room 103, 1st Floor, MassMutual Tower, 38 Gloucester Road, Wanchai, Hong Kong to the Company for the period from 1st March, 2006 to 31st December, 2007 at a monthly rental of HK\$6,881.
- (ii) Interest was charged on outstanding balance during the year.

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

38. 關連人士交易

除上文財務報表附註21及附註22所披露者外，本集團曾與關連人士訂立下列交易，而董事認為有關交易乃於本集團日常業務過程中按正常商業條款進行：

主要管理人員酬金

主要管理人員之酬金於財務報表附註13(a)披露。

年內，本集團曾與關連人士進行下列交易：

2006	2005
HK\$'000	HK\$'000
千港元	千港元
78	58
4,855	3,557
924	906
5,857	4,521

附註：

- (i) 年內，本公司與Chinese Estates Holdings Limited之全資附屬公司華人置業有限公司（「華置」）續訂分租協議，根據該項續租協議，華置向本公司分租位於香港灣仔告士打道38號美國萬通大廈1樓103室之辦公室物業，租期由二零零六年三月一日起至二零零七年十二月三十一日止，月租為6,881港元。
- (ii) 利息根據年內尚欠結餘計算。

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

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39. PARTICULARS OF PRINCIPAL SUBSIDIARIES

The directors of the Company are of the opinion that a complete list of the particulars of all subsidiaries would be of excessive length and therefore the following list discloses only the particulars of those subsidiaries as at 31st December, 2006 which principally affect the results or assets of the Group.

39. 主要附屬公司詳情

本公司董事認為列出全部附屬公司資料會令篇幅過於冗長，故下表只披露於二零零六年十二月三十一日對本集團之業績或資產有重要影響之附屬公司之詳情。

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

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39. PARTICULARS OF PRINCIPAL SUBSIDIARIES (cont'd)

39. 主要附屬公司詳情 (續)

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

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

概無任何附屬公司於年結時或本年度內任何時間存在任何借貸股本。

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40. PARTICULARS OF PRINCIPAL ASSOCIATES

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

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

41. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year's presentation.

42. POST BALANCE SHEET EVENT

As contained in the Company's announcement on 13th September, 2006 and the circular dated 4th October, 2006, the Group entered into a sale and purchase agreement to dispose of an investment property at a consideration of HK\$11.2 million. The disposal had been completed on 28th February, 2007 and did not result in significant gain or loss based on the book value of the investment property as at 31st December, 2006.

43. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 13th March 2007.

40. 主要聯營公司詳情

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

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

41. 比較數字

若干比較數字已經重列，以符合本年度之呈列方式。

42. 結算日後事項

根據本公司於二零零六年九月十三日之公布及日期為二零零六年十月四日之本公司通函所述，本集團就出售一項投資物業訂立買賣協議，代價為11,200,000港元。該項出售交易已於二零零七年二月二十八日完成，且按照投資物業於二零零六年十二月三十一日之賬面值計算，並無引致重大盈利或虧損。

43. 授權刊發財務報表

董事會已於二零零七年三月十三日批准及授權刊發財務報表。