

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 incorporated in Bermuda as an exempted company with limited liability. The shares of the Company are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of the registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. Its ultimate holding company is Chinese Estates Holdings Limited ("Chinese Estates"), a company incorporated in Bermuda with its shares listed on the Stock Exchange.

The consolidated financial statements are presented in Hong Kong dollars, which is the same as the functional currency of the Company.

The Company's principal activity is investment holding and the principal activities of its principal subsidiaries, associates and jointly controlled entities are set out in Notes 32, 33 and 34 respectively.

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

In the current year, the Group has applied, for the first time, a number of new standard, 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 consolidated financial statements are set out as follows:

HKAS 21 (Amendment)	The Effects of Changes in Foreign Exchange Rates
HKAS 39 (Amendment)	Cash Flow Hedge Accounting of Forecast Intragroup Transactions
HKAS 39 (Amendment)	The Fair Value Option
HKAS 39 & HKFRS 4 (Amendment)	Financial Guarantee Contracts
HKFRS – Int 4	Determining whether an Arrangement contains a Lease

1. 一般資料

本公司為一間於百慕達註冊成立之受豁免有限公司。本公司之股份在香港聯合交易所有限公司（「聯交所」）上市。本公司之註冊辦事處地址為Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda。其最終控股公司為Chinese Estates Holdings Limited（「華人置業」）。華人置業於百慕達註冊成立，其股份於聯交所上市。

綜合財務報表以港元呈列，而港元為本公司之功能貨幣。

本公司為投資控股公司，其主要附屬公司、聯營公司及共同控制機構之主要業務分別載於附註32、33及34。

2. 應用新訂及經修訂香港財務報告準則

於本年度，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」）。本集團在綜合財務報表應用的新香港財務報告準則載列如下：

香港會計準則第21號 （經修訂）	匯率變動之影響
香港會計準則第39號 （經修訂）	預測集團內公司間交易之現金流量對沖會計處理法
香港會計準則第39號 （經修訂）	公平價值之選擇
香港會計準則第39號及 香港財務報告準則 第4號（經修訂）	財務擔保合約
香港財務報告準則— 詮釋第4號	釐定安排是否包括租賃

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

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

1. Effective for annual periods beginning on or after 1st January, 2007.
2. Effective for annual periods beginning on or after 1st May, 2006.
3. Effective for annual periods beginning on or after 1st June, 2006.
4. Effective for annual periods beginning on or after 1st November, 2006.

2. 應用新訂及經修訂香港財務報告準則(續)

採納上述新香港財務報告準則並無對本集團之會計政策及業績及財政狀況產生重大變動。

本集團並無提早應用下列已頒布但尚未生效之新訂準則、修訂或詮釋。本公司董事預計，應用該等新準則、修訂或詮釋將不會對本集團之業績及財務狀況構成重大影響。

香港會計準則第1號 (經修訂)	股本披露 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8號	香港財務報告準則 第2號之範圍 ²
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 ³
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 ⁴

1. 於二零零七年一月一日或之後開始之年度期間生效。
2. 於二零零六年五月一日或之後開始之年度期間生效。
3. 於二零零六年六月一日或之後開始之年度期間生效。
4. 於二零零六年十一月一日或之後開始之年度期間生效。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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 individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs"), and Interpretations ("Ints") 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 of Hong Kong Limited (the "Listing Rules").

The measurement basis used in the preparation of the consolidated financial statement is historical cost as modified by the revaluation of certain investment properties which are carried at fair value.

The preparation of the consolidated financial statements requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements were disclosed in note 5.

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

(a) **Basis of consolidation**

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

Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operation 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 are considered when assessing whether the Group controls another entity.

3. 主要會計政策

編製此等綜合財務報表所採納之主要會計政策列載如下。除另有說明外，此等政策已貫徹應用於所有呈報年度。

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佈之個別適用香港財務報告準則、香港會計準則（「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，以及香港聯合交易所有限公司證券上市規則（「上市規則」）。

編製綜合財務報表時採用之計量基準為歷史成本法，並按重估若干以公平值列賬之投資物業而作出修訂。

編製綜合財務報表要求管理層於應用本公司之會計政策時作出判斷。需要較精密判斷和比較複雜的領域或涉及綜合財務報表關鍵假設和估計的領域於附註5披露。

本集團及本公司在編製綜合財務報表時奉行的重大會計政策概述如下：

(a) **綜合基準**

綜合財務報告包括本公司及其附屬公司每年截至十二月三十一日止之財務報表。

附屬公司

附屬公司指本集團有權監管其財務及經營政策之一切實體（包括為特殊目的經營的實體），通常擁有其過半數投票權。於評估本集團是否控制另一實體時，會考慮現時可行使或可轉換之潛在投票權之存在及影響。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(a) Basis of consolidation (cont'd)

Subsidiaries (cont'd)

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

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

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

Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Interests in associates are accounted for by the equity method of accounting and are initially recognised at cost. The Group's interests in associates includes goodwill (net of any impairment losses) identified in acquisition.

3. 主要會計政策 (續)

(a) 綜合基準 (續)

附屬公司 (續)

附屬公司自其控制權轉移予本集團當日起綜合入賬，並於控制權終止當日停止綜合入賬。

本集團採用收購會計法為本集團所收購之附屬公司列賬。收購成本按交換日期所獲資產之公平值、所發行之股本工具及所產生或所承擔負債，加上直接與收購事項有關的成本。業務合併中所購入之可識別資產、所承擔之負債及或然負債，均於收購當日按其公平價值初步計算，而不考慮任何少數股東權益之數額。收購成本超出集團應佔所購入可識別資產之公平價值之部分乃記錄為商譽。倘收購成本低於所購入附屬公司資產淨值之公平價值，則差額將直接於收益表確認。

所有重大之集團內公司之間交易、結餘及未變現盈利於綜合時予以抵銷。除非交易有證據顯示所轉讓資產出現減值，未變現虧損亦予以抵銷。本公司已在必要情況下對附屬公司之會計政策予以修訂，以確保與本集團所採納之政策一致。

聯營公司

聯營公司指本集團對其有重大影響力但不擁有控制權之一切實體，並通常擁有附有百分之二十至五十投票權的股權。於聯營公司之權益採用會計權益法列賬，並起初按成本確認。本集團於聯營公司之權益包括於收購時產生的商譽減除任何減值虧損。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(a) Basis of consolidation (cont'd)

Associates (cont'd)

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting. Under the equity method, interest 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 identified impairment loss. When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. An additional share of losses is provided for and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that associate.

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.

Jointly controlled entities

Joint venture arrangements that involve the establishment of a separate entity in which each venturer has an interest are referred to as jointly controlled entities.

The results and assets and liabilities of jointly controlled entities are incorporated in the consolidated financial statements using the equity method of accounting. Under the equity method, investments in jointly controlled entities 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 jointly controlled entities, less any identified impairment loss. When the Group's share of losses of a jointly controlled entity equals or exceeds its interest in that jointly controlled entity (which includes any long-term interests that, in substance, form part of the Group's net investment in the jointly controlled entity), the Group discontinues recognising its share of further losses. An additional share of losses is provided for and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that jointly controlled entity.

3. 主要會計政策 (續)

(a) 綜合基準 (續)

聯營公司 (續)

聯營公司之業績、資產及負債乃以會計權益法於該等財務報表內列賬。根據權益法，於聯營公司之投資乃按成本於綜合資產負債表中列賬，並就本集團應佔該聯營公司之損益及權益於收購後之變動作出調整，以及減去任何已鑒定之減值虧損。當本集團應佔某聯營公司之虧損相等於或超出其於該聯營公司之權益（其包括任何長期權益，而該長期權益實質上構成本集團於該聯營公司之投資淨額一部份），則本集團不再確認應佔之進一步虧損。作出額外應佔虧損撥備及確認負債僅以本集團已產生法律或推定責任或代表該聯營公司作出付款為限。

倘集團實體與本集團之聯營公司進行交易，則會以本集團於有關聯營公司之權益為限而撇銷損益。

共同控制機構

共同控制機構指以合資安排另行成立之獨立機構，其每名合資方擁有共同控制權。

共同控制機構之業績及資產與負債利用會計權益法計入綜合財務報表。根據權益法，於共同控制機構之投資以成本在綜合資產負債表內列賬，並經本集團應佔共同控制機構損益及權益變動之收購後變動而調整，減任何已識別折損列賬。倘本集團應佔共同控制機構之虧損相等於或高於其於該共同控制機構之權益（包括任何實質上構成本集團於該共同控制機構之淨投資一部分之任何長期權益），則本集團會終止確認其應佔之其他虧損。本集團會就額外應佔之虧損撥備，並會確認負債，惟僅以本集團已產生法定或推定責任或代表該共同控制機構付款為限。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(a) Basis of consolidation (cont'd)

Jointly controlled entities (cont'd)

When a group entity transacts with a jointly controlled entity of the Group, unrealised profits or losses are eliminated to the extent of the Group's interest in the jointly controlled entity, except to the extent that unrealised losses provide evidence of an impairment of the asset transferred, in which case, the full amount of losses is recognised.

(b) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiaries, associates and jointly controlled entities at the date of acquisition. Goodwill on acquisitions of subsidiaries is presented separately in the balance sheet. Goodwill on acquisitions of associates or jointly controlled entities is included in interests in associates or jointly controlled entities and is tested for impairment as part of the overall balance. Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed.

Capitalised goodwill arising on an acquisition of a subsidiary is presented separately in the balance sheet. Capitalised goodwill arising on an acquisition of an associate is included in the cost of the investment of the relevant associate.

For the purposes of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the acquisition. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication that the unit may be impaired. For goodwill arising on acquisition in a financial year, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in the income statement. An impairment loss for goodwill is not reversed in subsequent periods.

3. 主要會計政策 (續)

(a) 綜合基準 (續)

共同控制機構 (續)

倘某集團機構與本集團之共同控制機構進行交易，撇銷未變現之損益則會以本集團於有關共同控制機構之權益為限，惟倘未變現虧損證實已轉讓資產出現減值，則全數確認虧損。

(b) 商譽

商譽指收購之成本超出收購當日本集團應佔所收購附屬公司、聯營公司及共同控制機構可識別資產淨值之公平值之差額。收購附屬公司之商譽乃個別呈列於資產負債表中。收購聯營公司或共同控制機構之商譽乃納入於聯營公司或共同控制機構之權益，並以為整體結餘之一部分進行減值測試。分別確認之商譽乃每年評估減值，並按成本減累計減值虧損列賬。商譽之折損不會撥回。

收購附屬公司所產生之已撥充資本商譽乃於資產負債表分開呈列。收購聯營公司所產生之已撥充資本商譽包括在投資有關該聯營公司成本中。

就減值測試而言，收購產生之商譽會分配至各預期可受惠於收購之協同效益之有關現金產生單位或多組現金產生單位。商譽所屬之現金產生單位會每年及於有跡象顯示與商譽有關之現金產生單位可能出現減值時進行減值測試。就財政年度內收購所產生之商譽而言，商譽所屬之現金產生單位會於該財政年度結束前進行減值測試。倘現金產生單位之可收回金額低於其賬面值，則折損會先分配以調減該單位任何商譽之賬面值，其後則按該單位內各項資產之賬面值之比例分配至該單位之其他資產。任何商譽之折損會即時於收益表中確認。商譽之折損不會於其後期間撥回。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(b) Goodwill (cont'd)

On subsequent disposal of a subsidiary, jointly-controlled entities and associates, the gain or loss on disposal is calculated by reference to the net assets at the date of disposal, including the attributable amount of goodwill which remains unamortised and any relevant reserves, as appropriate.

(c) Investments in subsidiaries

Investments in subsidiaries are included in the Company's balance sheet at cost less any identified impairment loss. The results of subsidiaries are accounted by the Company on the basis of dividend received or receivables.

(d) Revenue recognition

Rental income, including rental invoiced in advance from properties under operating leases, is recognised in income statement on a straight line basis over the period of the relevant lease.

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

(e) Investment properties

On initial recognition, investment properties are measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured using the fair value model. Any gain or loss arising from a change in the fair value of the investment properties is recognised directly in the income statement in which they arise.

(f) Patent

Patent is stated at cost less amortisation and accumulated impairment losses. Amortisation is calculated to write off the cost of patent over its estimated useful life, using the straight line method.

3. 主要會計政策 (續)

(b) 商譽 (續)

於其後出售附屬公司、共同控制機構及聯營公司時，出售之收益或虧損均參考出售日期之資產淨值計算，包括任何仍未攤銷之應佔商譽及有關儲備（如適用）。

(c) 在附屬公司之投資

在附屬公司之投資乃按成本減任何已識別之折損列入本公司資產負債表。附屬公司之業績乃由本公司按已收及應收股息之基準列賬。

(d) 收入確認

租金收入（包括根據經營租約租出之物業預先發出發票之租金）以直線法按有關租約年期確認。

利息收入根據尚未償還之本金金額以適用利率按時間比例基準計算。

(e) 投資物業

於初步確認時，投資物業乃按成本（包括任何直接應佔之開支）計量。於初步確認後，投資物業利用公平值模型計量。投資物業公平值變動產生之損益會於產生期間計入收益表。

(f) 專利權

專利權按成本減攤銷及累積折損列賬。計算攤銷時乃按估計可用年期以直線法撇銷專利權之成本。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(g) Impairment of assets

Internal and external sources of information are reviewed at each balance sheet date to determine whether there is any indication of impairment of assets, or whether there is any indication that an impairment loss previously recognised no longer exists or may have decreased. If any such indication exists, the recoverable amount of the asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. An impairment loss is charged to the income statement in the year in which it arises, unless the asset is carried at a revalued amount, when the impairment loss is accounted for in accordance with the relevant policy for that revalued asset.

(i) Calculation of recoverable amount

The recoverable amount of an asset is the higher of its net selling price and value in use. The net selling price is the amount obtainable from the sale of an asset in an arm's length transaction while value in use is the present value of estimated future cash flows expected to arise from the continuing use of any asset and from its disposal at the end of its useful life. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of asset that generates cash inflows independently (i.e. a cash-generating unit).

(ii) Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been change in the estimates used to determine the recoverable amount. An impairment loss of goodwill is reversed only if the loss was caused by a specific external event of an exceptional nature that is not expected to recur, and the increase in recoverable amount relates the reversal effect of that specific event. A reversal of impairment losses is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to the income statement in the year in which the reversals are recognised.

3. 主要會計政策 (續)

(g) 資產減值

內外資訊於每個結算日審閱，以決定資產有否減值或是否有跡象顯示之前已確認之減值是否已不存在或減少。倘出現任何減值跡象，則須估計有關資產之可收回價值。倘資產之賬面值超逾其可收回價值，則確認其減值虧損。除非該資產以重估數額列賬，減值虧損方根據有關會計政策就該重估資產處理，否則任何減值虧損於產生當期之損益賬內扣除。

(i) 計算可收回價值

資產之可收回價值為其售價淨額及使用價值之較高者。淨售價指於公平交易出售資產所得款項之數額。可使用價值則按持續使用資產預期取得之估計未來現金流量之現值，加資產使用期屆滿後出售估計所得現金之現值而計算。倘資產並未能在大致獨立於其他資產下賺取現金流量，則釐訂可獨立賺取現金流量之最小組別資產（即賺取現金單位）之可收回價值。

(ii) 撥回減值虧損

就商譽以外之資產而言，倘用以釐訂可收回數額之估計出現轉變，則為撥回減值虧損。有關商譽之減值虧損乃因預期不會再發生屬非經常性質之特定外界事項所導致，而可收回數額之上升明顯因該特定事件之影響逆轉所致，始可撥回商譽減值虧損。減值虧損之撥回僅限於資產之賬面值（在以往年度內並無確認任何減值虧損之情況下原應已經釐定者）。減值虧損之撥回在確認撥回之年度內撥入收益表內處理。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(h) 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 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 an expense on a straight-line basis over the lease term.

The Group as lessee

Rentals payable under operating leases are charged to income statement on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight-line basis.

(i) 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 exchange 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 income statement in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in income statement 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)

(h) 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回報轉移至承租人之租約均列為財務租約。所有其他租約分類為經營租約。

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收益中扣除。作為訂立經營租約獎勵之已收及應收利益以直線法按有關租約年期確認為租金開支扣減。

(i) 外幣換算

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量之非貨幣項目不會重新換算。

結算貨幣項目及換算貨幣項目時產生之匯兌差額於產生之期間在收益表中確認。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收益表中，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權益確認，在此情況下，匯兌差額亦會直接於股本權益中確認。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(i) 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 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 translation reserve). Such exchange differences are recognised in income statement in the period in which the foreign operation is disposed of.

(j) 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 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 items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on differences between the carrying amounts 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 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.

3. 主要會計政策 (續)

(i) 外幣換算 (續)

為呈列綜合財務報表的目的，本集團境外業務的資產及負債均以結算日通用匯率換算為本公司的呈列貨幣（即港元），而其收入及開支則以本年度平均匯率予以換算。除非匯率於期內波動很大。在此情況下，以交易日通用之匯率換算。產生的匯兌差異確認為一個股本權益的獨立部分（換算儲備）。該匯兌差額於該境外業務被出售期間於收益表內確認。

(j) 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純利不同，此乃由於其不包括在其他年度應課稅或可扣減之收入及支出項目，亦不包括收益表內永不課稅或扣減之項目。本集團結算日前制定或實際制定之稅率釐定當期稅項負債。

遞延稅項確認為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，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較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。若暫時差異因於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，則不會確認該等資產及負債。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(j) **Taxation (cont'd)**

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, 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 rates that are expected to apply in the period when the liability is settled or the asset is realised based on sales that have been enacted or substantially enacted by the balance sheet date. 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.

(k) **Retirement benefits scheme contributions**

The pension cost charged in the income statement represents the contributions payable in respect of the current year to the defined contribution schemes.

(l) **Financial instruments**

Financial assets and financial liabilities are recognised on the balance sheet when a group entity becomes a party to the contractual provisions of the instrument. 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)

(j) **稅項 (續)**

除非本集團可控制有關暫時差異之回撥及暫時差異在可見將來不會回撥之情況下，由投資附屬公司、聯營公司及共同控制實體產生之應課稅暫時差異，其遞延稅項負債均予以確認。

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資產時減少。

遞延稅項乃按預期於負債或資產根據於結算日前已採用或實際採用之銷售償還或變現期間之稅率計算。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權益之項目，其遞延稅項亦會於股本權益中處理。

(k) **退休福利計劃供款**

自收益表扣除之退休金成本指於本年度向定額供款計劃所作之供款。

(l) **金融工具**

當一家集團實體成為金融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量。收購或發行金融資產及金融負債直接應佔之交易成本（以公平值計量且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價值扣除。收購以公平值計量且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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(I) Financial instruments (cont'd)

Financial assets

The Group's financial assets are classified into one of the four categories, including financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. The Group's major financial assets are trade and other receivables and club debentures which fall within the category of loans and receivables and available-for-sale financial assets respectively and 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, trade and other receivables 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.

3. 主要會計政策 (續)

(I) 金融工具 (續)

金融資產

本集團之金融資產分類為以下四個類別其中之一，包括以公平值計量且公平值計入損益之金融資產、貸款及應收款項、持有至到期之投資及可供出售金融資產。所有正常購買或銷售之金融資產，按交易日之基準確認及不予確認。正常購買或銷售金融資產是指按照市場規定或慣例須在一段期限內進行資產交付之金融資產買賣。本集團之主要金融資產為貿易及其他應收款項以及會籍債券，分別屬貸款及應收款項以及可供出售金融資產兩類，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，貸款及應收款項使用實際利率法按經攤銷成本減任何可識別折損列賬。當有客觀證據顯示資產已減值，則於損益賬確認折損，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量。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，折損於其後期間撥回，但以所撥回於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之經攤銷成本。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

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 profit or loss. Any impairment losses on available-for-sale financial assets are recognised in profit or loss. 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.

Financial liabilities and equity

Financial liabilities and equity instruments issued by a group entity 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 asset of the Group after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

The Group's financial liabilities are mainly comprised of other financial liabilities which include secured borrowings from a fellow subsidiary, trade and other payables and amounts due to fellow subsidiaries which fall within the category of other financial liabilities. These financial liabilities are subsequently measured at amortised cost, using the effective interest rate method.

(m) *Cash and cash equivalents*

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

3. 主要會計政策 (續)

(l) 金融工具 (續)

可供待售之金融資產

可供待售之金融資產為非衍生項目，無論是否劃分為香港會計準則第39號下之任何其他類別。於初步確認後之每個結算日，可供待售金融資產按公平值計量。公平值之變動於股本中確認，直至該金融資產被出售或釐定為已減值，屆時過往於股本中確認之累計收益或虧損會自股本中剔除，並於損益確認。可供待售之金融資產之任何折損於損益確認。可供待售股本投資之折損將不會於往後期間撥回。就可供待售債項投資而言，倘該投資之公平值增加可客觀地與確認折損後之事件有關，則折損將獲撥回。

金融負債及股本權益

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。本公司發行之股本工具乃按已收所得款項扣除直接發行成本後記錄。

本集團之金融負債主要包括其他金融負債（包括來自同系附屬公司之有抵押借貸、貿易及其他應付款項以及應付同系附屬公司款項（屬其他金融負債））。該等金融負債其後利用實際利率法按經攤銷成本計算。

(m) 現金及現金等項目

現金及現金等項目包括手頭現金、銀行通知存款及原到期日不超過三個月之其他高流動性短期投資。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(n) Provision

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

(o) Share-based payment transactions

Equity-settled share-based payment transactions

Share options granted to employees of the Company

The fair value of services received determined by reference to the fair value of share options granted at the grant date is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share option reserve).

At the time when the share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium. When the share options are forfeited or are still not exercised at the expiry date, the amount previously recognised in equity (share option reserve) will be transferred to retained profits.

(p) 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 operation decisions. Parties are also considered to be related if they are subject to common control or common significant influences.

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

3. 主要會計政策 (續)

(n) 撥備

倘本集團因過往事件而導致現時須承擔法律性或推定性責任，而履行該等責任時將可能需要資源外流，並可就有關責任之金額作出可靠之估計，則會確認撥備。倘貨幣時間價值之影響重大，則撥備金額為預計履行責任所需支出於結算日之現值。

(o) 以股份支付之交易

以股權結算並以股份支付之交易

授予本公司僱員之購股權

已接獲服務之公平值參考於授出日期所授出購股權之公平值釐定，以直線法於歸屬日期支銷，並相應增加股本（購股權儲備）。

於行使購股權時，以往於購股權儲備確認之款項將撥入股份溢價。當購股權已沒收或於屆滿日期仍未行使時，以往於股權（購股權儲備）確認之款項將撥入保留溢利。

(p) 關連人士交易

倘任何一方直接或間接控制另一方式在財務及營運決策上對其發揮重大影響力，則雙方視為有關連。倘任何人士均受同一人士控制或發揮重影響，則雙方亦視為有關連。

當關連人士之間發生資源或責任轉讓時，則該項交易被視為關連人士交易。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(q) *Assets classified as held for sale*

Assets classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the assets are available for immediate sale in its present condition.

Non-current assets classified as held for sale are measured at the lower of the assets' previous carrying amount and fair value less costs to sell.

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's major financial instruments include borrowings, trade receivables and trade payables. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

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. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover 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.

3. 主要會計政策 (續)

(q) 列為持作出售之資產

倘非流動資產之賬面值主要由出售交易而非透過持續使用取得，將被列為持作出售之資產。僅於出售極有可能發生及資產能以現狀即時出售時方符合此條件。

列為持作出售之非流動資產以資產過往之賬面值及公平價值減出售成本之較低金額計算。

4. 財務風險管理目標及政策

本集團之主要金融工具包括借貸、貿易應收款項及貿易應付款項。該等金融工具之詳情披露於各附註內。該等金融工具附帶之風險及有關如何降低該等風險之政策載於下文。管理層管理及監察該等風險，確保能以有效方式及時實施適當之措施。

信貸風險

倘若交易對手無法履行彼等截至二零零六年十二月三十一日有關各類已確認金融資產之債項，本集團承受之最大信貸風險為綜合資產負債表內列示之該等資產之賬面值。為盡量降低信貸風險，本集團管理層已指派一組人員負責釐定信貸額度、信貸批核及其他監管程序，確保能採取跟進行動追收逾期貸款。此外，於每個結算日，本集團檢討每宗個別貿易債項之可收回款項，確保就無法收回款項作出足夠之減值虧損。就此而言，本公司董事認為本集團之信貸風險已大幅降低。

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5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying the Group's accounting policies which are described in Note 3, the management has made the following judgement that have most significantly effect on the amounts recognised in the financial statements (apart from those involving estimations, which are dealt with below).

Income taxes

As at 31st December, 2006, a deferred tax asset has been recognised in relation to the unused tax losses of approximately HK\$2,077,000 (2005: HK\$1,140,000). The realisability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where the actual future profits generated are less than expected, a material reversal of deferred tax assets may arise, which would be recognised in the income statement for the period in which such a reversal takes place.

6. TURNOVER

Turnover represents the net amounts received and receivable from third parties and is summarised as follows:

Rental income	租金收入
Income from loans financing	財務收入

7. BUSINESS AND GEOGRAPHICAL SEGMENTS

Business segments

For management purposes, the Group is currently organised into two operating divisions – (i) investment and finance and (ii) properties investment. These divisions are the basis on which the Group reports its primary segment information. The business segments of energy saving machine (manufacturing and trading of energy saving machine) and other investments (trading of investments in securities) have not been presented because of these segments for the years did not have significant contribution to the Group.

5. 關鍵會計判斷及估計不確定性之主要來源

應用附註3所述本集團之會計政策時，管理層已作出下列判斷，對財務報表中確認之金額有最重大之影響（於下文處理涉及估計者除外）。

所得稅

於二零零六年十二月三十一日，有關未使用稅項虧損之遞延稅項資產約2,077,000港元（二零零五年：1,140,000港元）已經確認。遞延稅項資產能否變現主要視乎日後是否具有足夠之未來溢利或應課稅暫時差異。倘若未來之實際溢利低於預期，則可能產生重大之遞延稅項資產撥回，該項撥回將於出現撥回發生之期間內在收益表內確認。

6. 營業額

營業額為已收及應收第三者之款項淨額，茲概述如下：

	2006	2005
	HK\$'000	HK\$'000
	千港元	千港元
	3,227	4,189
	285	509
	3,512	4,698

7. 業務及地區分類

業務分類

因應管理需要，本集團現將營運業務劃分為以下兩個部門 – (i) 投資與財務及(ii) 物業投資。本集團乃按上述部門申報其主要之分類資料。由於能源節省器（製造及買賣能源節省器）及其他投資（買賣證券投資）等業務分類於本年度並無為本集團帶來重大貢獻，故並無呈報該等分類。

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截至二零零六年十二月三十一日止年度

7. BUSINESS AND GEOGRAPHICAL SEGMENTS (cont'd)

Business segments (cont'd)

Principal activities are as follows:

Investment and finance	–	investing and financing activities
Properties investment	–	property rental and leasing of equipment and trading of properties held for resale

Segment information about these businesses is presented below:

For the year ended 31st December, 2006

7. 業務及地區分類 (續)

業務分類 (續)

主要業務如下:

投資與財務	–	投資及財務業務
物業投資	–	租賃物業及租賃設備以及買賣待轉售物業

上述業務之分類資料呈列如下:

截至二零零六年十二月三十一日止年度

		Investment and finance	Properties investment	Consolidated
		投資與財務	物業投資	綜合
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
Income statement:	收益表:			
Turnover	營業額			
External sales	外界銷售	285	3,227	3,512
Segment result	分類業績	612	6,264	6,876
Interest income	利息收入			1,846
Unallocated corporate expenses	未分攤公司開支			(3,211)
Profit before tax	除稅前溢利			5,511
Income tax expense	所得稅開支			(692)
Profit for the year	本年度溢利			4,819
Balance sheet:	資產負債表:			
Assets	資產			
Segment assets	分類資產	–	44,679	44,679
Unallocated corporate assets	未分攤公司資產			89,134
Consolidated total assets	綜合總資產			133,813
Liabilities	負債			
Segment liabilities	分類負債	–	3,810	3,810
Unallocated corporate liabilities	未分攤公司負債			1,327
Consolidated total liabilities	綜合總負債			5,137
Other segment information	其他分類資料			
Surplus arising on revaluation of investment properties	重估投資物業產生之盈餘	–	5,318	5,318
Impairment losses reversed in the income statement	收益表內減值虧損撥回	327	–	327
Other non-cash expenses	其他非現金開支	–	(12)	(12)

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截至二零零六年十二月三十一日止年度

7. BUSINESS AND GEOGRAPHICAL SEGMENTS (cont'd)

Business segments (cont'd)

For the year ended 31st December, 2005

Income statement:

Turnover	營業額
External sales	外界銷售
Segment result	分類業績
Interest income	利息收入
Unallocated corporate expenses	未分攤公司開支
Finance costs	財務費用
Profit before tax	除稅前溢利
Income tax expense	所得稅開支
Profit for the year	本年度溢利

Balance sheet:

Assets

Segment assets	分類資產
Unallocated corporate assets	未分攤公司資產
Consolidated total assets	綜合總資產

Liabilities

Segment liabilities	分類負債
Unallocated corporate liabilities	未分攤公司負債
Consolidated total liabilities	綜合總負債

Other segment information

Surplus arising on revaluation of investment properties	重估投資物業產生之盈餘
Impairment losses reversed in the income statement	收益表內減值虧損撥回

Geographical segments

The Group's operations are principally located in Hong Kong. All identifiable assets of the Group are located in Hong Kong. Accordingly, no geographical segments is presented.

7. 業務及地區分類 (續)

業務分類 (續)

截至二零零五年十二月三十一日止年度

Investment and finance 投資與財務 HK\$'000 千港元	Properties investment 物業投資 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
509	4,189	4,698
897	10,744	11,641
		429
		(2,695)
		(159)
		9,216
		(2,124)
		7,092
		108,866
		27,241
		136,107
		3,104
		1,205
		4,309
		5,047
388	-	388

地區分類

本集團之業務主要位於香港。本集團所有可識別資產均位於香港。因此，並無呈列地區分類。

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

8. OTHER OPERATING INCOME

8. 其他經營收入

		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Other operating income included the followings:	其他經營收入包括以下項目：		
Interest income	利息收入	1,846	429
Write back of allowance for bad and doubtful debts	撥回呆壞賬撥備	327	388

9. FINANCE COSTS

9. 財務費用

		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Interest on bank and other borrowings not wholly repayable within five years	毋須於五年內全數償還之銀行及其他借貸利息	-	159

10. PROFIT BEFORE TAX

10. 除稅前溢利

		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Profit before tax have been arrived at after charging:	除稅前溢利已扣除：		
Staff costs:	員工成本		
Directors' remuneration (Note 11)	董事酬金(附註11)	204	153
Salaries and other benefits	薪金及其他福利	1,066	976
Retirement benefit scheme contributions excluding directors and after forfeited contribution of HK\$9,000 (2005: HK\$8,000)	退休福利計劃供款，不包括董事並已扣除已沒收供款9,000港元(二零零五年:8,000港元)	52	40
Auditors' remuneration and after crediting:	核數師酬金並已計入：	300	460
Property rental income, net of outgoings of HK\$965,000 (2005: HK\$1,103,000)	物業租金收入－扣除開支965,000港元(二零零五年:1,103,000港元)	2,262	3,086

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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

11. DIRECTORS' EMOLUMENTS AND EMPLOYEES' EMOLUMENTS

11. 董事及僱員酬金

(a) Directors' emoluments

The aggregate amount of emoluments payable to the directors of the Company during the year was HK\$204,000 (2005: HK\$153,000).

The remuneration of every director for the year ended 31st December, 2006 and 31st December, 2005 is shown as below:

(a) 董事酬金

本年度應付本公司董事酬金總額為204,000港元(二零零五年:153,000港元)。

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各董事之酬金呈列如下:

Name of directors	董事姓名	Directors' fees		Salaries and other benefits		Retirement scheme contributions		Total	
		2006	2005	2006	2005	2006	2005	2006	2005
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Executive directors	執行董事								
Halina Hung, Shi-wei	熊思慧	4	-	-	-	-	-	4	-
Aaron Tam, Chong-cheong	譚頌翔	-	-	-	-	-	-	-	-
Leung, Wing-pong	梁榮邦	10	-	-	-	-	-	10	-
Kong, Chi-ming	江志明	10	-	-	-	-	-	10	-
		24	-	-	-	-	-	24	-
Independent non-executive directors	獨立非執行董事								
Leung, Yun-fai	梁潤輝	60	52	-	-	-	-	60	52
Lam, Yat-fai	林日輝	60	51	-	-	-	-	60	51
David Chain, Chi-woo	錢其武	60	50	-	-	-	-	60	50
		180	153	-	-	-	-	180	153
		204	153	-	-	-	-	204	153

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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. DIRECTORS' EMOLUMENTS AND EMPLOYEES' EMOLUMENTS (cont'd)

(b) Employees' emoluments

Of the five individuals with the highest emoluments in the Group, one (2005: one) was independent non-executive director of the Company whose emoluments are included in (a) above. The emoluments of the remaining four (2005: four) individuals were as follows:

Salaries and other benefits	薪金及其他福利
Retirement benefit scheme contributions	退休福利計劃供款

The emoluments of each individual were within the emolument band of less than HK\$1,000,000.

During the year ended 31st December, 2006 and 2005, no emoluments were paid by the Group to the five highest paid individuals, including directors, as an inducement to join or upon joining the Group. No directors waived any emoluments in the year ended 31st December, 2006 and 31st December, 2005.

12. INCOME TAX EXPENSE

The tax charge comprises:

Current tax of the Company and its subsidiaries	本公司及其附屬公司之當期稅項
Deferred tax (Note 27)	遞延稅項(附註27)

11. 董事及僱員酬金(續)

(b) 僱員酬金

本集團五位最高薪酬僱員其中一位(二零零五年:一位)為本公司之獨立非執行董事,其酬金資料載列於上文(a)。餘下四位(二零零五年:四位)人士之酬金資料載列如下:

2006 HK\$'000 千港元	2005 HK\$'000 千港元
-------------------------	-------------------------

1,125	976
52	41

1,177	1,017
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每位人士之酬金為1,000,000港元以下之酬金級別。

於截至二零零六年及二零零五年十二月三十一日止年度內,本集團概無支付任何酬金予該五位最高薪酬僱員(包括董事)作為其加入或加入本集團時之報酬。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內,並無董事放棄任何酬金。

12. 所得稅開支

2006 HK\$'000 千港元	2005 HK\$'000 千港元
-------------------------	-------------------------

-	-
692	2,124

692	2,124
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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

12. INCOME TAX EXPENSE (cont'd)

No provision for Hong Kong Profits Tax has been made as the group companies which are subject to Hong Kong Profits Tax either incurred tax losses for the year or have tax losses brought forward to set off assessable profit for the year.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdiction.

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

		2006		2005	
		HK\$'000	%	HK\$'000	%
		千港元		千港元	
Profit before tax	除稅前溢利	5,511		9,216	
Tax at the Hong Kong Profits tax rate of 17.5%	按香港利得稅稅率17.5%計算之稅項	965	17.5	1,612	17.5
Tax effect of income not taxable for tax purpose	毋須課稅收入之稅務影響	(1,264)	(22.9)	(2,523)	(27.4)
Tax effect of expenses not deductible for tax purposes	稅務上不可扣減支出之稅務影響	977	17.7	714	7.7
Tax effect of tax losses/deferred tax assets not recognised	不予確認稅項虧損/遞延稅項資產之稅務影響	1,850	33.6	2,321	25.2
Utilisation of tax losses previously not recognised	動用先前未確認之稅務虧損	(1,836)	(33.3)	-	-
Tax charge for the year	年度稅項支出	692	12.6	2,124	23.0

Details of deferred tax are set out in note 27.

13. DIVIDENDS

Proposed final dividend of HK\$ 0.01
(2005: HK\$0.01) per share

擬派末期股息每股0.01港元
(二零零五年:0.01港元)

13. 股息

	2006	2005
	HK\$'000	HK\$'000
	千港元	千港元
	7,941	7,941

The directors of the Company have resolved to recommend the payment of a final dividend of HK\$7,941,000 representing HK\$0.01 (2005: HK\$0.01) per share in respect of the year ended 31st December, 2006. The final dividend proposed after the balance sheet date has not been recognised as a liability at the balance sheet date.

The proposed final dividends for the year ended 31st December, 2005 of HK\$0.01 per share was approved by the shareholders in general meeting and paid during the year.

董事議決建議派發截至二零零六年十二月三十一日止年度之末期股息7,941,000港元，即每股0.01港元（二零零五年：0.01港元）。於結算日後建議之末期股息於結算日並未確認為負債。

截至二零零五年十二月三十一日止年度擬派末期股息每股0.01港元已在股東大會獲股東批准，並已於年內派付。

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14. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the profit for the year of HK\$4,819,000 (2005: HK\$7,092,000) and on the weighted average number of ordinary shares in issue of 794,057,800 shares during the year (2005: 781,383,827 shares).

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

15. ASSETS CLASSIFIED AS HELD FOR SALE

On 27th December, 2006 and 8th December, 2006, Superkey Development Limited and Boria Enterprises Limited, indirect wholly owned subsidiaries of the Company, entered into two sale and purchase agreements with two independent third parties ("the Purchasers") in relation to the disposals of a car park located at No. 4106, 4/F., Bank of America Tower, 12 Harcourt Road, Hong Kong (the "Car Park") and a property located at 3rd Floor, Chung Kiu Godown Building, 63-71 Lei Muk Road, Kwai Chung, New Territories, Hong Kong (the "Property") at considerations of HK\$538,000 and HK\$8,800,000 respectively. The Car Park was satisfied by the Purchasers in cash and the transaction was completed on 19th January, 2007. The Property shall be satisfied in cash and the transaction would be completed on or before 31st May, 2007. In accordance with HKFRS 5, the above investment properties have been presented as assets classified as held for sale in the balance sheet for the year ended 31st December, 2006.

14. 每股盈利

每股基本盈利按本年度溢利4,819,000港元(二零零五年:7,092,000港元)及本年度已發行普通股加權平均股數794,057,800股(二零零五年:781,383,827股)計算。

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

15. 列為持作出售之資產

於二零零六年十二月二十七日及二零零六年十二月八日,本公司之間接全資附屬公司偉祺發展有限公司及博永企業有限公司與兩名獨立第三方(「買方」)訂立兩份買賣協議,分別以代價538,000港元及8,800,000港元出售香港夏慤道12號美國銀行中心4樓4106號停車位(「停車位」)及位於香港新界葵涌梨木道63-71號中僑貨倉大廈3樓之物業(「物業」)。出售停車位已由買方於二零零七年一月十九日以現金支付及完成,出售物業則將由買方於二零零七年五月三十一日或之前以現金支付及完成。根據香港財務報告準則第5號,上述投資物業已於截至二零零六年十二月三十一日止年度之資產負債表內列為持作出售之資產。

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截至二零零六年十二月三十一日止年度

16. INVESTMENT PROPERTIES

16. 投資物業

		HK\$'000
		千港元
Fair value	公平值	
At 1st January, 2005	於二零零五年一月一日	108,080
Disposals	出售	(5,407)
Increase in fair value recognised in the income statement	已於收益表確認之公平值增加	5,047
		<hr/>
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	107,720
Disposals	出售	(68,100)
Increase in fair value recognised in the income statement	已於收益表確認之公平值增加	5,318
Reclassification to assets classified as held for sale	重新分類列為持作出售之資產	(9,338)
		<hr/>
At 31st December, 2006	於二零零六年十二月三十一日	35,600
		<hr/> <hr/>

The Group's investment properties comprise land and buildings in Hong Kong as follows:

本集團在香港包括土地及樓宇之投資物業如下：

		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Long leases	長期租約	-	620
Medium-term leases	中期租約	35,600	107,100
		<hr/>	<hr/>
		35,600	107,720
		<hr/> <hr/>	<hr/> <hr/>

The fair value of the Group's investment properties at 31st December, 2006, has been arrived at on the basis of a valuation carried out on the date by Norton Appraisals Limited, independent qualified professional surveyors not connected with the Group. Norton Appraisals Limited 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) published by the Hong Kong Institute of Surveyors was based on open market value basis.

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概無關連之獨立合資格專業測計師行普敦國際評估有限公司於該日進行之估值為基準而計算。普敦國際評估有限公司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之物業估值準則（第一版），並按公開市值基準進行重估。

All of the Group's investment properties 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.

本集團所有根據經營租約持有以賺取租金或作資本增值用途之投資物業，乃以公平值模式計算，並分類及列作投資物業。

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17. INTANGIBLE ASSET

		Patent 專利權 HK\$'000 千港元
Cost	成本	
At 1st January, 2005, 31st December, 2005 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及 二零零六年十二月三十一日	29,670
Amortisation and impairment	攤銷及減值	
At 1st January, 2005, 31st December, 2005 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及 二零零六年十二月三十一日	29,670
At 31st December, 2006 and 31st December, 2005	於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	-

18. INTERESTS IN ASSOCIATES

18. 聯營公司權益

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Share of net assets of associates	攤佔聯營公司資產淨額	-	-

Details of the Group's associates at 31st December, 2006 are set out in note 33.

本集團聯營公司於二零零六年十二月三十一日之詳情載於附註33。

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

本集團聯營公司之財務資料概述如下：

		2006 HK\$'000 千港元	2005 HK\$'000 千港元
Turnover	營業額	1,395	-
Loss for the year	本年度虧損	(12,678)	(12,432)
Loss attributable to the Group	本集團應佔虧損	-	-
Total assets	總資產	15,633	11,023
Total liabilities	總負債	(75,196)	(65,875)
Net liabilities	淨負債	(59,563)	(54,852)
Net assets attributable to the Group	本集團應佔淨資產	-	-

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財務報表附註

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19. INTERESTS IN JOINTLY CONTROLLED ENTITIES

19. 共同控制機構權益

		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Share of net assets of jointly controlled entities	攤佔共同控制機構資產淨額	-	-

Details of the Group's jointly controlled entities at 31st December, 2006 are set out in note 34.

本集團於二零零六年十二月三十一日之共同控制機構之詳情載於附註34。

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

本集團共同控制機構之財務資料概述如下：

		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Turnover	營業額	-	-
Loss for the year	本年度虧損	(20)	(24)
Loss attributable to the Group	本集團應佔虧損	-	-
Total assets	總資產	4,314	4,314
Total liabilities	總負債	(160,497)	(160,485)
Net liabilities	淨負債	(156,183)	(156,171)
Net assets attributable to the Group	本集團應佔淨資產	-	-

20. AVAILABLE-FOR-SALE FINANCIAL ASSETS

20. 可供待售之金融資產

		2006	2005
		HK\$'000	HK\$'000
		千港元	千港元
Club debentures	會藉債券	220	220

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21. TRADE AND OTHER RECEIVABLES

Included in trade and other receivables of the Group are trade receivables of HK\$271,000 (2005: HK\$182,000) comprising mainly rental receivables which are billed in advance and settlements are expected upon receipts of billings. Its aged analysis at the balance sheet date is as follows:

Within 30 days	30日內
31-60 days	31-60日
Over 60 days	超過60日

The Directors consider that the carrying amounts of the Group's trade and other receivables at 31st December, 2006 approximate to their fair values.

22. SHORT-TERM LOANS RECEIVABLE

Loans receivable	應收貸款
Less: Allowance for bad and doubtful debts	減: 呆壞賬準備

The Group maintained a defined credit policy in accordance with respective loan agreements. The age of loans receivable of the Group at the balance sheet date was over due.

21. 貿易及其他應收款項

本集團之貿易及其他應收款項已計入271,000港元(二零零五年: 182,000港元)之應收貿易款項, 主要為預先簽發之賬單而預期於收到賬單後會支付之應收租金。以下為於結算日之賬齡分析:

2006	2005
HK\$'000	HK\$'000
千港元	千港元

215	172
38	3
18	7

271	182
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董事認為本集團之貿易及其他應收款項於二零零六年十二月三十一日之公平值與其賬面值相約。

22. 應收短期貸款

2006	2005
HK\$'000	HK\$'000
千港元	千港元

3,203	3,530
(3,203)	(3,530)

-	-
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本集團因應個別之貸款協議而採用既定之信貸政策。本集團於結算日之應收貸款賬齡為已到期。

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23. TRADE AND OTHER PAYABLES

Included in trade and other payables of the Group are trade creditors of HK\$10,000 (2005: HK\$146,000). Its aged analysis at the balance sheet date is as follows:

Within 30 days	30日內
31-60 days	31-60日
Over 60 days	超過60日

The Directors consider that the carrying amount of the Group's trade and other payables at 31st December, 2006 approximate to their fair values.

24. AMOUNTS DUE TO FELLOW SUBSIDIARIES

The amounts are unsecured, non-interest bearing and repayable on demand. The Directors consider that the carrying amounts of the Group's amounts due to fellow subsidiaries at 31st December, 2006 approximate to their fair values.

25. SHARE CAPITAL

Ordinary shares of HK\$0.01 each
Authorised:
At 31st December, 2006 and 2005

Issued and fully paid:
At 1st January, 2005
Issue of new ordinary shares (note)
At 31st December, 2006 and 2005

每股面值0.01港元之普通股
法定股本:
於二零零六年及二零零五年
十二月三十一日

已發行及繳足股本:
於二零零五年一月一日
發行新普通股(附註)
於二零零六年及
二零零五年十二月三十一日

23. 貿易及其他應付款項

本集團之貿易及其他應付款項已計入10,000港元(二零零五年:146,000港元)之應付貿易款項。以下為於結算日之賬齡分析:

2006 HK\$'000 千港元	2005 HK\$'000 千港元
4	28
-	10
6	108
10	146

董事認為本集團之貿易及其他應付款項於二零零六年十二月三十一日之公平值與其賬面值相若。

24. 應付同系附屬公司款項

有關金額為無抵押、免息及按通知償還，董事認為本集團之應付同系附屬公司款項於二零零六年十二月三十一日之公平值與其賬面值相若。

25. 股本

Number ordinary shares 普通股數目	Amount 款項 HK\$'000 千港元
------------------------------------	---------------------------------

80,000,000,000	800,000
691,257,800	6,912
102,800,000	1,028
794,057,800	7,940

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25. SHARE CAPITAL (cont'd)

Note:

Pursuant to a share placing agreement dated 1st February, 2005, the Company issued 102,800,000 ordinary shares at price of HK\$0.255 per share in February, 2005. The proceeds was mainly used to repay the secured borrowings from a fellow subsidiary. The new shares issued during the year rank pari passu with the then existing shares in all respect.

26. SHARE OPTION SCHEME

The Company has adopted a share option scheme on 15th February, 2002 (the "2002 Scheme") for the primary purpose of providing incentives to directors and eligible employees. Details are as set out below:

Pursuant to the terms of the 2002 Scheme which will expire on 14th February, 2012, the Company may grant options to directors and full time employees of the Company or its subsidiaries to subscribe for shares in the Company at a consideration of HK\$10 per grant. The subscription price for the shares under the 2002 Scheme shall be a price determined by the directors of the Company being at least the higher of the closing price of the shares as stated in the Stock Exchange's daily quotation sheets on the date of grant, or the average closing price of the shares stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant. Options granted are exercisable at any time during a period to be notified by the board of directors of the Company but limited to a maximum period of ten years after the date the options are granted. Options granted should be accepted within 21 days from date of offer.

The maximum number of shares which may be issued upon exercise of all options to be granted under the 2002 Scheme and the other schemes shall not exceed 10% of the shares in issue at the date on which the 2002 Scheme becomes unconditional (the "Mandate Limit"). Options lapsed will not be counted for the purpose of calculating the Mandate Limit. For the avoidance of doubt, the share underlying the options which have been cancelled and have not lapsed will be counted as part of the Mandate Limit.

25. 股本 (續)

附註:

根據日期為二零零五年二月一日之股份配售協議，本公司於二零零五年二月按每股0.255港元之價格發行102,800,000股普通股。所得款項主要用於償還同系附屬公司之有抵押借貸。年內發行之所有新股在各方面均與當時之現有股份享有同等權益。

26. 認購股權計劃

本公司於二零零二年二月十五日採納一項認購股權計劃（「二零零二年計劃」），主要目的是獎勵董事及合資格僱員，詳情載列如下：

根據將於二零一二年二月十四日屆滿之二零零二年計劃，本公司可按10港元之代價向本公司或其附屬公司之董事及全職僱員授出可認購本公司股份之認購股權。二零零二年計劃之股份認購價由本公司董事決定，惟最低為股份於授出日期在聯交所每日報價表所示之收市價或股份於緊接授出日期前五個交易日在聯交所每日報價表所示之收市價平均值（以較高者為準）。已授出之認購股權於本公司董事會知會之期間內可隨時行使，惟該期間最多以認購股權授出日期起計十年為限。所授出之認購股權於提呈日期起計21天內可供接納。

因行使按二零零二年計劃及其他計劃將予獲授之所有認購股權而可予發行之股數上限，不得超過於二零零二年計劃成為無條件當日已發行股份之10%（「授權限額」）。於計算授權限額時，已作廢之認購股權不會計入。為免混淆，已註銷但未有作廢之認購股權涉及之股份，將計入作為授權限額之一部份。

26. SHARE OPTION SCHEME (cont'd)

The Mandate Limit may be refreshed at any time by the approval of the shareholders in general meeting provided that the total number of shares which may be issued upon exercise of all options to be granted under the 2002 Scheme and the other share option schemes must not exceed 10% of the shares in issue at the date of such shareholders' approval. For the avoidance of doubt, options previously granted under the 2002 Scheme and the other share option schemes (including those outstanding, cancelled, lapsed in accordance with the 2002 Scheme and the other share option schemes of the Company or exercised options) will not be counted for the purpose of calculating the refreshed 10%.

The Company may, by the approval of the shareholders in general meeting, grant options beyond the 10% limit provided that the options in excess of the 10% limit are granted only to employees specifically identified by the Company before shareholders' approval is sought.

Unless approved by the shareholders as set out herein, the total number of shares issued and to be issued upon exercise of the options granted to each employee (including both exercised and outstanding options) in any twelve-month period must not exceed 1% of the shares of the Company in issue. Where any further grant of options to an employee would result in the shares issued and to be issued upon exercise of all options granted and to be granted to such person (including exercised, cancelled and outstanding options) in the twelve-month period up to and including the date of such further grant representing in aggregate over 1% of the shares in issue, such further grant must be separately approved by the shareholders in general meeting with such employee and his associates abstaining from voting.

However, the overall limit on the number of shares which may be issued upon exercise of all options granted under all share option schemes of the Company must not exceed 30% of the shares in issue from time to time.

No options were outstanding at 31st December, 2006 and 31st December, 2005 under the 2002 Scheme. No options were granted, exercised, cancelled or lapsed during the two years.

26. 認購股權計劃 (續)

授權限額經股東在股東大會上批准後可隨時更新，惟因行使按二零零二年計劃及其他認購股權計劃授出之所有認購股權可予發行之股份總數，不得超過取得上述股東批准當日之已發行股份之10%。為免混淆，過往按二零零二年計劃及其他認購股權計劃授出之認購股權（包括未行使、已註銷、按二零零二年計劃及本公司其他購股權計劃作廢之認購股權或已行使之認購股權），於計算更新之10%時不會計入。

本公司可在股東於股東大會批准之情況下，授出超過10%限額之認購股權，惟超過10%限額之認購股權只可授予本公司於尋求股東批准前列明之僱員。

除非按本文所述獲得股東批准，否則，因行使於任何十二個月期間內向各僱員授出之認購股權（包括已行使及未行使認購股權）而已獲及將獲發行之股份總數，不得超過本公司已發行股份之1%。如向任何僱員進一步授出認購股權會導致因其行使於截至進一步授出認購股權之日期（該日期包括在內）止之任何十二個月期間內經已及將會獲授之所有認購股權（包括已行使、已註銷及未行使之認購股權）而已獲及將獲發行之股份，合共超過已發行股份之1%，則進一步授出認購股權之事宜須在股東大會上獲股東另行批准，而有關僱員及其聯繫人士均不得投票。

然而，因行使本公司所有認購股權計劃授出之全部認購股權而可予發行之股份之整體限制，不得超過不時之已發行股份之30%。

於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，概無二零零二年計劃之認購股權尚未行使。該兩個年度內，概無認購股權授出、行使、註銷或失效。

27. DEFERRED TAX LIABILITIES/(ASSETS)

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

27. 遞延稅項負債／（資產）

以下為本報告期間及上一個報告期間本集團提撥／（確認）之主要遞延稅項負債／（資產）及有關變動：

		Revaluation of investment properties	Accelerated tax depreciation	Tax losses	Total
		重估 投資物業	加速 稅項折舊	稅項虧損	總額
		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	(2,321)	3,175	(1,947)	(1,093)
Charge to the income statement for the year	扣自本年度收益表	858	305	807	1,970
Realised on disposal of investment property	出售投資物業時變現	264	(110)	-	154
At 31st December, 2005	於二零零五年十二月三十一日	(1,199)	3,370	(1,140)	1,031
Charge to the income statement for the year	扣自本年度收益表	945	130	(937)	138
Realised on disposal of investment property	出售投資物業時變現	1,514	(960)	-	554
At 31st December, 2006	於二零零六年十二月三十一日	1,260	2,540	(2,077)	1,723

At 31st December, 2006, the Group has unused tax losses of HK\$709,818,000 (2005: HK\$709,059,000) available for offset against future profits. A deferred tax asset has been recognised in respect of HK\$11,869,000 (2005: HK\$6,516,000) of such losses. No deferred tax assets have been recognised in respect of the remaining tax losses of HK\$697,949,000 (2005: HK\$702,543,000) due to the unpredictability of future profit streams. All unused tax losses may be carried forward indefinitely.

於二零零六年十二月三十一日，本集團可用作對銷未來溢利但尚未動用之稅項虧損為709,818,000港元（二零零五年：709,059,000港元）。本公司已將11,869,000港元（二零零五年：6,516,000港元）之稅項虧損確認為遞延稅項資產。由於未能預測日後溢利來源，故本公司並無將餘下之697,949,000港元（二零零五年：702,543,000港元）之稅項虧損確認為遞延稅項資產。所有未動用之稅項虧損可無限期結轉。

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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

28. OPERATING LEASE ARRANGEMENTS

The Group as lessee

Minimum lease payments paid under operating leases

按經營租約支付之
最低租金

本集團(以承租人身份)

2006	2005
HK\$'000	HK\$'000
千港元	千港元

56	42
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At the balance sheet date, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

於結算日，本集團按不可撤銷經營租約之日後最低租金承擔之到期日如下：

2006	2005
HK\$'000	HK\$'000
千港元	千港元

59	7
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Within one year

一年內

Operating lease payments represent rentals payable by the Group for its office premises. Leases and rentals are negotiated for a fixed term of two years.

經營租約款項指本集團就辦公室物業應付之租金。租期及租金之有效期固定為兩年。

The Group as lessor

Property rental income earned during the year was HK\$3,227,000 (2005: HK\$4,189,000) with a rental yields of approximately 7.18% (2005: 3.89%). Certain properties have committed tenants for the next two years.

本集團(以出租人身份)

本年內賺取之物業租金收入為3,227,000港元(二零零五年: 4,189,000港元)，其租金收益率約為7.18%(二零零五年: 3.89%)。若干物業在未來兩年擁有已訂約之租戶。

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

於結算日，本集團與租戶已訂有租約之日後最低租金如下：

The Group 本集團

2006	2005
HK\$'000	HK\$'000
千港元	千港元

2,334	1,627
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Within one year

一年內

In the second to fifth year inclusive

第二至第五年(包括首尾兩年在內)

632	455
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2,966	2,082
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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

29. RETIREMENT BENEFIT SCHEMES

The Group operates defined contribution schemes for all eligible employees. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees. The retirement benefit cost charged to the consolidated income statement represents contributions payable to those schemes by the Group for the year.

The total cost charged to consolidated income statement of HK\$52,000 (2005: HK\$40,000) after forfeited contribution for HK\$9,000 (2005: HK\$8,000) represents contributions payable to these schemes by the Group for the year.

30. RELATED PARTY TRANSACTIONS AND BALANCES

(a) Transactions

During the year ended 31st December, 2006:

- (i) The Group paid interest of HK\$ Nil (2005: HK\$159,000) to Oriental Ford Finance Limited, a fellow subsidiary of the Company. This interest was charged at prevailing market rates based on outstanding balances during the year.
- (ii) The Group paid rent of HK\$56,000 (2005: HK\$42,000) to Chinese Estates, Limited, a fellow subsidiary of the Company, for the lease of office premises to the Group. The amount paid was based on terms agreed by both parties.
- (iii) The Group received rental income of HK\$118,000 (2005: HK\$118,000) from The House of Kwong Sang Hong Limited, an associated company of Chinese Estates. The rental was charged at a fixed amount of approximately HK\$10,000 per month, which was based on terms agreed by both parties.

29. 退休福利計劃

本集團為所有合資格僱員設立定額供款計劃。該等計劃之資產由受託人控制之基金持有，並獨立於本集團之資產。退休福利費用自綜合收益表扣除，有關款額相當於本集團年內向該等計劃應付之供款。

沒收供款9,000港元（二零零五年：8,000港元）後於綜合收益表扣除之費用總額為52,000港元（二零零五年：40,000港元）乃本集團於年內向該等計劃作出之供款。

30. 有關連人士交易及結餘

(a) 交易

於截至二零零六年十二月三十一日止年度：

- (i) 本集團向本公司之同系附屬公司 Oriental Ford Finance Limited 支付利息零港元（二零零五年：159,000港元）。該項利息按年內尚未償還餘款以通行市場利率計算。
- (ii) 本集團向本公司之同系附屬公司華人置業有限公司就租賃辦公室予本集團支付租金56,000港元（二零零五年：42,000港元）。已付之款額乃按雙方協定之年期計算。
- (iii) 本集團向華人置業之聯營公司廣生堂有限公司收取租金收入118,000港元（二零零五年：118,000港元）。該項租金乃按每月約10,000港元之固定款額收取，條款乃經雙方同意協定。

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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

30. RELATED PARTY TRANSACTIONS AND BALANCES (cont'd)

(b) Compensation of key management personnel

Compensation for key management personnel, including amount paid to the Company's directors and the senior executives is as follows:—

Salaries and other short-term benefits	薪金及其他短期福利
Pension scheme contributions	退休計劃供款

Further details of directors' emoluments are included in note 11 to the consolidated financial statements.

(c) Balance

Details of balances with related parties at the balance sheet date are set out in the consolidated balance sheet.

30. 有關連人士交易及結餘 (續)

(b) 主要管理人員之薪酬

主要管理人員之薪酬，包括已付本公司董事及高級行政人員之款項呈列如下：

2006 HK\$'000 千港元	2005 HK\$'000 千港元
463	406
22	19
485	425

董事酬金之其他詳情載於綜合財務報表附註11。

(c) 結餘

於結算日之有關連人士交易結餘詳情載於綜合資產負債表。

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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

31. BALANCE SHEET OF THE COMPANY

The Company's balance sheet at the balance sheet dates are as follows:

		附註	2006 千港元	2005 千港元
Non-current assets	非流動資產			
Interests in subsidiaries	附屬公司權益		59,057	89,309
Club debenture	會籍債券		100	100
			59,157	89,409
Current assets	流動資產			
Prepayment and other receivables	預付款項及其他應收款項		309	280
Bank balances and cash	銀行結存及現金		86,995	26,575
			87,304	26,855
Current liabilities	流動負債			
Accruals and other payables	應計款項及其他應收款項		467	487
Amount due to a fellow subsidiary	應付同系附屬公司款項		122	109
			589	596
Net current assets	流動資產淨額		86,715	26,259
Total assets less current liabilities	總資產減流動負債		145,872	115,668
Non-current liability	非流動負債			
Amounts due to subsidiaries	應付附屬公司款項		36,150	65
Total assets and liabilities	資產與負債總額		109,722	115,603
Capital and reserves	股本及儲備			
Share capital	股本		7,940	7,940
Share premium and reserves	股份溢價及儲備	(a)	101,782	107,663
			109,722	115,603

Note:

(a) Share premium and reserves

		Share premium 股份溢價 HK\$'000 千港元	Retained profits 保留溢利 HK\$'000 千港元	Total 總額 HK\$'000 千港元
The Company	本公司			
At 1st January, 2005	於二零零五年一月一日	–	81,919	81,919
Shares placement	配售股份	24,764	–	24,764
Profit for the year	本年度溢利	–	980	980
At 31st December, 2005	於二零零五年十二月三十一日	24,764	82,899	107,663
Dividends	股息	–	(7,941)	(7,941)
Profit for the year	本年度溢利	–	2,060	2,060
At 31st December, 2006	於二零零六年十二月三十一日	24,764	77,018	101,782

附註:

(a) 股份溢價及儲備

		Share premium 股份溢價 HK\$'000 千港元	Retained profits 保留溢利 HK\$'000 千港元	Total 總額 HK\$'000 千港元
The Company	本公司			
At 1st January, 2005	於二零零五年一月一日	–	81,919	81,919
Shares placement	配售股份	24,764	–	24,764
Profit for the year	本年度溢利	–	980	980
At 31st December, 2005	於二零零五年十二月三十一日	24,764	82,899	107,663
Dividends	股息	–	(7,941)	(7,941)
Profit for the year	本年度溢利	–	2,060	2,060
At 31st December, 2006	於二零零六年十二月三十一日	24,764	77,018	101,782

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32. PRINCIPAL SUBSIDIARIES

Details of the Company's principal subsidiaries at 31st December, 2006 are as follows:

Name of Subsidiary	Place of incorporation	Nominal value of issued and fully paid ordinary share capital 已發行及繳足 普通股本之面值	Proportion of nominal value of issued share capital held by the Company		Principal activity
			本公司所持已發行 股本面值比率	本公司所持已發行 股本面值比率	
附屬公司名稱	註冊成立地點	普通股本之面值	Directly 直接	Indirectly 間接	主要業務
Boria Enterprises Limited 博永企業有限公司	Hong Kong 香港	HK\$20 20港元	—	100%	Property investment 物業投資
Gold Concept Limited 金朗有限公司	Hong Kong 香港	HK\$2 2港元	—	100%	Property investment 物業投資
Great King Limited 東帝有限公司	Hong Kong 香港	HK\$2 2港元	—	100%	Property investment 物業投資
Legend Power Ltd. (note) (附註)	British Virgin Islands 英屬維爾京群島	US\$2,000 2,000 美元	—	100%	Investment holding 投資控股
Superkey Development Limited 偉祺發展有限公司	Hong Kong 香港	HK\$2 2港元	—	100%	Property investment 物業投資

Note: Pursuant to the debt restructuring in July 2003, Koga Limited (a creditor of the Group previously) was granted a call option to acquire 50% interest in Legend Power Ltd., within the next 5 years from the date of the completion (January, 2004) of the transfer of the equity interest in Legend Power Ltd. from Koga Limited to the Group under the debt restructuring, at a consideration of the higher of HK\$150,000 and 50% of the consolidated net tangible assets of Legend Power Ltd. when the call option is exercised. Such option has not been exercised during the year.

All of the above subsidiaries operate in Hong Kong.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affect the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

None of the subsidiaries had any debt securities outstanding at the end of the year or at any time during the year.

32. 主要附屬公司

本公司主要附屬公司於二零零六年十二月三十一日之詳情如下：

Name of Subsidiary	Place of incorporation	Nominal value of issued and fully paid ordinary share capital 已發行及繳足 普通股本之面值	Proportion of nominal value of issued share capital held by the Company		Principal activity
			本公司所持已發行 股本面值比率	本公司所持已發行 股本面值比率	
附屬公司名稱	註冊成立地點	普通股本之面值	Directly 直接	Indirectly 間接	主要業務
Boria Enterprises Limited 博永企業有限公司	Hong Kong 香港	HK\$20 20港元	—	100%	Property investment 物業投資
Gold Concept Limited 金朗有限公司	Hong Kong 香港	HK\$2 2港元	—	100%	Property investment 物業投資
Great King Limited 東帝有限公司	Hong Kong 香港	HK\$2 2港元	—	100%	Property investment 物業投資
Legend Power Ltd. (note) (附註)	British Virgin Islands 英屬維爾京群島	US\$2,000 2,000 美元	—	100%	Investment holding 投資控股
Superkey Development Limited 偉祺發展有限公司	Hong Kong 香港	HK\$2 2港元	—	100%	Property investment 物業投資

附註：根據於二零零三年七月進行之債務重組，Koga Limited (本集團之前債權人) 獲授認購期權，於 Koga Limited 根據債務重組完成向本集團完成轉讓 Legend Power Ltd. 股權 (二零零四年一月) 起計五年內，可於行使認購期權時以 150,000 港元或 Legend Power Ltd. 之綜合有形資產淨值 50% (以較高者為準) 之代價，購入 Legend Power Ltd. 之 50% 權益。

所有上述附屬公司均在香港營運。

上表所列為董事認為主要影響本集團業績或資產之本公司附屬公司。董事認為，詳列其他附屬公司之資料將令篇幅冗長。

目前概無附屬公司於年終時或年內任何時間擁有任何未償還債務證券。

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33. ASSOCIATES

Details of the Group's associates which are held indirectly by the Company at 31st December, 2006 are as follows:

Name of associate	Form of business and structure	Place of incorporation	Proportion of nominal value of issued share capital held 所持已發行股本面值比率	Principal activity
聯營公司名稱	業務組建形式	註冊成立地點		主要業務
Legend GP (Canada) Limited	Incorporated 註冊成立	British Virgin Islands 英屬維爾京群島	50%	Investment holding 投資控股
Legend Power System Inc.	Incorporated 註冊成立	Canada 加拿大	50%	Trading of energy saving machines 買賣能源節省器

33. 聯營公司

本公司間接持有之本集團主要聯營公司於二零零六年十二月三十一日之詳情如下：

34. JOINTLY CONTROLLED ENTITIES

Details of the Group's jointly controlled entities which are held indirectly by the Company at 31st December, 2006 are as follows:

Name of jointly controlled entity	Form of business and structure	Place of incorporation	Proportion of nominal value of issued share capital held 所持已發行股本面值比率	Principal activity
共同控制機構名稱	業務組建形式	註冊成立地點		主要業務
Golden Royce Investment Limited 金萊斯投資有限公司	Incorporated 註冊成立	Hong Kong 香港	40%	Property investment 物業投資
Top Grade Assets Limited	Incorporated 註冊成立	British Virgin Islands 英屬維爾京群島	50%	Property investment 物業投資
Upgrade Properties Limited	Incorporated 註冊成立	British Virgin Islands 英屬維爾京群島	50%	Property investment 物業投資

34. 共同控制機構

本公司間接持有之本集團主要共同控制機構於二零零六年十二月三十一日之詳情如下：

35. POST BALANCE SHEET EVENTS

- (a) On 27th December, 2006 and 8th December, 2006, Superkey Development Limited and Boria Enterprises Limited ("Boria"), indirect wholly owned subsidiaries of the Company, entered into two sale and purchase agreements with two independent third parties ("the Purchasers") in relation to the disposals of a car park located at No. 4106, 4/F., Bank of America Tower, 12 Harcourt Road, Hong Kong (the "Car Park") and a property located at 3rd Floor, Chung Kiu Godown Building, 63-71 Lei Muk Road, Kwai Chung, New Territories, Hong Kong (the "Property") at considerations of HK\$538,000 and HK\$8,800,000 respectively. The Car Park was satisfied by the Purchasers in cash and the transaction was completed on 19th January, 2007. The Property shall be satisfied in cash and the transaction would be completed on or before 31st May, 2007. Details of the disposal of the Property was disclosed in the Company's announcement dated 12th December, 2006.
- (b) On 4th January, 2007 and 16th January, 2007, Boria further entered into two preliminary sale and purchase agreements with another two separately independent third parties in relation to the disposals of 11th Floor and 7th Floor to 10th Floor, Chung Kiu Godown Building, 63-71 Lei Muk Road, Kwai Chung, New Territories, Hong Kong at consideration of approximately HK\$5.18 million and HK\$20.66 million respectively, which shall be satisfied by the two purchasers in cash and completed on or before 25th July, 2007 and on 6th August, 2007 respectively. Details of the two disposals were disclosed in the Company's announcement dated 8th January, 2007 and 13th February, 2007.

36. COMPARATIVE FIGURES

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

37. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 8th March, 2007.

35. 結算日後事項

- (a) 於二零零六年十二月二十七日及二零零六年十二月八日，本公司之間接全資附屬公司偉祺發展有限公司及博永企業有限公司（「博永」）與兩名獨立第三方（「買方」）訂立兩份買賣協議，分別以代價538,000港元及8,800,000港元出售香港夏慤道12號美國銀行中心4樓4106號停車位（「停車位」）及位於香港新界葵涌梨木道63-71號中僑貨倉大廈3樓之物業（「物業」），出售停車位已由買方於二零零七年一月十九日以現金支付及完成，出售物業則將由買方於二零零七年五月三十一日或之前以現金支付及完成。出售物業之詳情披露於本公司於二零零六年十二月十二日之公布內。
- (b) 於二零零七年一月四日及二零零七年一月十六日，博永與另外兩名獨立第三方訂立兩項初步買賣協議，分別以代價約5,180,000港元及20,660,000港元出售位於香港新界葵涌梨木道63-71號中僑貨倉大廈11樓及7至10樓，買方須以現金分別於二零零七年七月二十五日或之前及於二零零七年八月六日支付代價及完成出售。兩項出售之詳情披露於本公司於二零零七年一月八日及二零零七年二月十三日之公布內。

36. 比較數字

若干比較金額已重新分類以符合本年度之呈列方式。

37. 授權刊發財務報表

董事會已於二零零七年三月八日批准及授權刊發財務報表。