

APPLIED DEVELOPMENT HOLDINGS LTD.

實力建業集團有限公司

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

Stock Code 股份代號 : 519



Annual Report

2007

年報



Artists create beautiful things...

We Create Paradise



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實力建業集團有限公司
Annual Report 2007 年報

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Beef Island Development

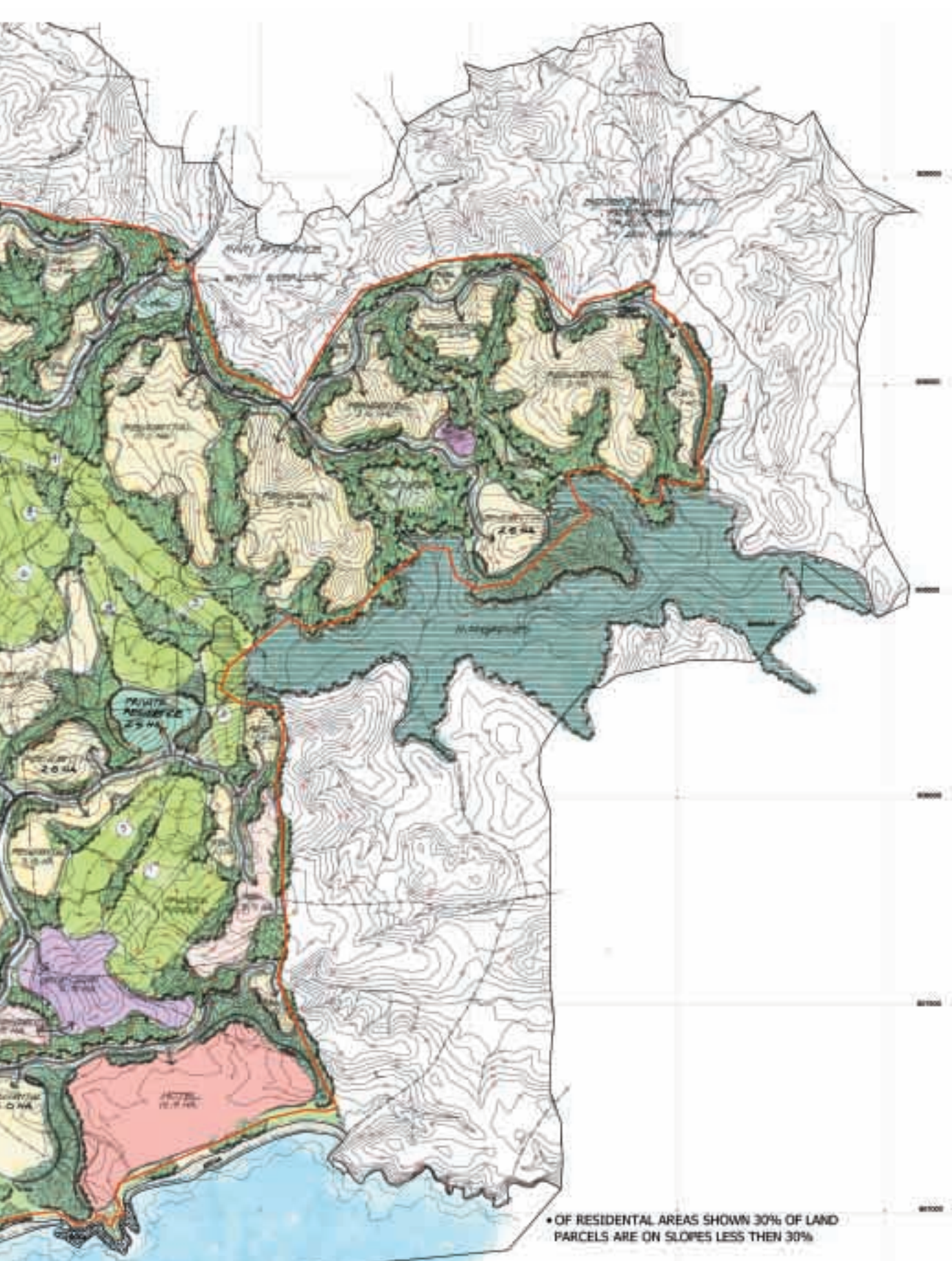
Legend

- | | | | |
|-------------------|----------------------------------|---|-------------------------|
| ① MAIN ENTRANCE | ⑪ TRELLIS BAY RESIDENTIAL | ⑳ MARINA RESIDENCES | Ⓐ RESIDENCE FOUNDATIONS |
| ② HOTEL ISLAND | ⑫ SPRAT POINT RESIDENTIAL | ㉑ THE COVE RESIDENCES | Ⓑ LIMEKILN |
| ③ MARINA BASIN | ⑬ MARINA VILLAGE | ⑳ THE BLUFF RESIDENCES | Ⓒ QUAKER RUINS |
| ④ EXTERIOR MARINA | ⑭ MARINA VILLAGE AT BLUFF BAY | ㉒ LITTLE CAY RESIDENCES | Ⓓ STORAGE FACILITY |
| ⑤ GOLF COURSE | ⑮ MARINA VILLAGE AT QUAKER RUINS | ㉓ LITTLE CAY PARCEL | Ⓔ CATTLE PEN WALLS |
| ⑥ BELLAMY CAY | ⑯ GOLF VILLAS A AND B | ㉔ WELLS BAY | Ⓕ BANANA WHARF CHANNEL |
| ⑦ COMMERCIAL | ⑰ GOLF VILLAS C | ㉕ MAINTENANCE UTILITIES | |
| ⑧ GOLF CLUB | ⑱ GOLF VILLAS D | ㉖ GREEN ZONE | |
| ⑨ SPA | ㉒ GOLF RESIDENCES | ㉗ POTENTIAL LOCATION FOR REVERSE OSMOSIS FACILITY | |
| ⑩ BEACH CLUB | ㉓ MOUNT ALMA ESTATE RESIDENCES | | |

AERIAL MASTER PLAN







• OF RESIDENTIAL AREAS SHOWN 30% OF LAND PARCELS ARE ON SLOPES LESS THEN 30%

PLAYA GRANDE, PANAMA

SCALE 1:8000

0 100 200 300 400 500 METERS

MAY 30, 2000

Corporate Information 公司資料

BOARD OF DIRECTORS

Executive Directors:

Hung Kin Sang, Raymond (*Managing Director*)
Hung Wong Kar Gee, Mimi (*Chairman*)
Hung Kai Mau, Marcus
Fang Chin Ping

Independent Non-executive Directors:

Soo Hung Leung, Lincoln, J.P.
Lo Yun Tai
Lun Tsan Kau
Lam Ka Wai, Graham

COMPANY SECRETARY

Lee Wai Fun, Betty

REGISTERED OFFICE

In Hong Kong

Units 3402-3, 34th Floor
China Merchants Tower
Shun Tak Centre
168-200 Connaught Road Central
Hong Kong

In Bermuda

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

SHARE REGISTRAR IN HONG KONG

Computershare Hong Kong Investor Services Limited
46th Floor
Hopewell Centre
183 Queen's Road East
Hong Kong

SHARE REGISTRAR IN BERMUDA

Butterfield Fund Services (Bermuda) Limited
Rosebank Centre
11 Bermudiana Road
Pembroke HM08
Bermuda

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
Hang Seng Bank Limited
The Bank of East Asia, Limited
Nanyang Commercial Bank, Ltd.

AUDITOR

Deloitte Touche Tohmatsu

SOLICITORS

Richards Butler
Sidley Austin Brown & Wood

董事會

執行董事：

洪建生 (*董事總經理*)
洪王家琪 (*主席*)
洪繼懋
方進平

獨立非執行董事：

蘇洪亮，非官守太平紳士
盧潤帶
倫贊球
林家威

公司秘書

李蕙芬

註冊辦事處

香港
香港
干諾道中168-200號
信德中心
招商局大廈
34樓3402-3室

百慕達

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

在香港之股份登記處

香港中央證券登記有限公司
香港
皇后大道東183號
合和中心46樓

在百慕達之股份登記處

Butterfield Fund Services (Bermuda) Limited
Rosebank Centre
11 Bermudiana Road
Pembroke HM08
Bermuda

主要銀行

香港上海滙豐銀行有限公司
恒生銀行有限公司
東亞銀行有限公司
南洋商業銀行有限公司

核數師

德勤 • 關黃陳方會計師行

律師

齊伯禮律師行
盛德律師事務所



I am pleased to present to you the results for the year ended 30th June, 2007. During the year under review, the Group further strengthened its market position as a world-class resort developer by achieving remarkable progress in the resort development projects in the British Virgin Islands ("BVI Project") and Panama ("Panama Project").

The Group completed the joint venture agreement (the "JV Agreement") with Interlink Realty International, Corp. ("Interlink") and Island Global Yachting Acquisition LLC ("IGY") in April 2007 in respect of the BVI Project. The completion of the JV Agreement not only provided the Group with immediate cash in return for half of the stake in the BVI Project, but also underscored strong confidence of our partners in the prospects of the BVI Project.

Following the completion of the acquisition of the land in Panama in June 2007 for the Panama Project, our land reserve was increased by 53.3 million square feet to 82.05 million square feet. We will capture the enormous business opportunities that have arisen from the buoyant real estate market in Panama due to the expansion of Panama Canal and the booming tourism.

本人欣然向閣下提呈截至二零零七年六月三十日止年度業績。回顧本年度，本集團於英屬處女群島（「英屬處女群島項目」）及巴拿馬（「巴拿馬項目」）度假村發展項目取得非凡進展，進一步鞏固其世界級度假村發展商之市場地位。

本集團已於二零零七年四月完成與 Interlink Realty International, Corp.（「Interlink」）及 Island Global Yachting Acquisition LLC（「IGY」）於英屬處女群島項目之合營協議（「合營協議」）。完成合營協議不只為本集團提供因出售一半英屬處女群島項目之股權而獲得之即時現金回報，同時亦加強合作夥伴對英屬處女群島項目之信心。

於二零零七年六月，本集團完成收購巴拿馬一幅土地作為巴拿馬項目之用後，本集團土地儲備增加53,300,000平方公呎達至82,050,000平方公呎。受惠於擴闊巴拿馬運河及旅遊業迅速增長下，巴拿馬房地產市場得以蓬勃發展，本集團將把握這個龐大商機。

Chairman's Statement

主席報告

RESULTS

The Group's consolidated profit for the year ended 30th June, 2007 amounted to approximately HK\$109,315,000, representing an increase of approximately 998.4% compared to last year. The increase in profit was mainly due to a significant gain on disposal of a 50% equity interest in a wholly-owned subsidiary of the Group, Quorum Island (BVI) Limited. In addition, in line with to the Hong Kong Financial Reporting Standards and accounting general practice, the cost of investment in a new joint venture in the British Virgin Islands, Quorum Island (BVI) Limited, formerly a wholly-owned subsidiary of the Group, is HK\$36,469,000. If Quorum Island (BVI) Limited's properties under development is carried at market value, the investment in the jointly controlled entity will be HK\$163,800,000 (equivalent to US\$21,000,000) and there is an unrecognized gain of approximately HK\$127,331,000. I draw attention of the notes 17 and 34 to the consolidated financial statements for details of the unrecognized gain.

業績

截至二零零七年六月三十日止年度本集團之綜合經營溢利約為109,315,000港元，與去年相比上升約998.4%。經營溢利上升乃主要由於出售一間本集團全資附屬公司Quorum Island (BVI) Limited之50%權益而獲得重大收益。此外，為符合香港財務報告準則及一般會計實務，該已成為新合營於英屬處女群島企業之Quorum Island (BVI) Limited (前為本集團之全資附屬公司)之投資成本為36,469,000港元。如Quorum Island (BVI) Limited之發展中物業以市場價值入賬，則該合營企業之成本應為163,800,000港元(相等於21,000,000美元)及其未確認收益約為127,331,000港元。關於此未確認收益之詳情，請參閱綜合財務報表附註17及34。



PLEDGE OF ASSETS

As at 30th June, 2007, the carrying values of investment properties, properties held for sales, prepaid lease payments, property, plant and equipment pledged by the Group to secure banking facilities granted to the Group amounted to HK\$127,080,000 (2006: HK\$178,750,000), HK\$59,000,000 (2006: HK\$Nil), HK\$211,000 (2006: HK\$216,000) and HK\$1,866,000 (2006: HK\$1,398,000) respectively. As at 30th June, 2007, the Group has also pledged its a fixed deposit of HK\$3,173,000 (2006: HK\$3,059,000).

BUSINESS REVIEW**(I) Resort Development***British Virgin Islands Project (the "BVI Project")*

The BVI Project, our signature resort development project, has been progressing well. The Group completed the JV Agreement with Interlink and IGY on 9th April, 2007. Upon the completion of the JV Agreement, the Group received US\$8,000,000 (approximately HK\$62,400,000) in cash from Quorum Island (BVI) Limited, which is a significant amount of cash inflow to the Group for the year. The value of the BVI Project appreciated by approximately 14.7% to approximately US\$58.5 million (approximately HK\$456,300,000) as confirmed by the valuation appraisal report conducted by the proposed bank.

The approval for the master plan of the BVI Project was obtained from the Chief Minister and the Planning Board of the British Virgin Islands. The site, where a maximum of 663 residential units will be built, will be developed into a mixed-use luxury resort, including a 5-star luxury hotel comprising of a condominium hotel and fractional ownership element, an 18-hole championship golf course, a variety of branded residential units, a marina and a high-end retail commercial area, together with related infrastructure improvements and installation of utilities. The pre-sale of the project was scheduled in the 1st quarter of 2008.

資產抵押

於二零零七年六月三十日，本集團就獲取授予本集團之銀行融資總額而抵押之投資物業、待出售物業、預付租約付款以及物業、廠房及設備之賬面值分別為127,080,000港元(二零零六年：178,750,000港元)、59,000,000港元(二零零六年：無)、211,000港元(二零零六年：216,000港元)及1,866,000港元(二零零六年：1,398,000港元)。於二零零七年六月三十日，本集團亦已抵押其定期存款3,173,000港元(二零零六年：3,059,000港元)。

業務回顧**(I) 度假村發展***英屬處女群島項目(「英屬處女群島項目」)*

本集團英屬處女群島項目之度假村發展項目旗艦進展順利，本集團已於二零零七年四月九日完成與Interlink及IGY之合營協議。合營協議完成後，本集團收到由Quorum Island (BVI) Limited，所付現金8,000,000美元(約相等於62,400,000港元)，為本集團本年度帶來重大的現金收益。由推薦銀行所作之估值，英屬處女群島項目價值上升約14.7%至約58,500,000美元(約相等於456,300,000港元)。

英屬處女群島項目發展藍圖已獲英屬處女群島的總理及其規劃委員會批准。在該可供興建多至663個住宅單位的土地上將被發展成多用途豪華度假村，其中包括一個附設獨立產權及分權單位的五星級豪華酒店、一個18洞錦標賽級高爾夫球場、以營運商命名的多個住宅單位、一個遊艇會及高尚零售商業區、及其相關基建及配套設施安裝工程。英屬處女群島項目將計劃於二零零八年第一季開始預售。

Chairman's Statement

主席報告

The BVI Project is jointly developed by our Group, Interlink and IGY and supported by an experienced team of resort specialists, including Jack Nicklaus, EDSA, ATM, Hill Glazier, Harris Civil Engineers, Wilson & Associates, Norton Consulting Real Estate and Leisure Advisors, and Robert Charles Lesser & Co. With their strong track record in resort development in the Caribbean Sea, they bring extensive property and resort management experience to the project.

Panama Project

In 2006, before the approval of "the extension of Panama Canal" was granted, the Group acquired an area sized approximately 1,223 acres (495 hectares or 53.3 million square feet) named Playa Grande in lots 1807, 4920, 4921, 4923, 4924, 4935, 4936, 4942, 4943, 4944, 4945, 6921, 20435, 33248, 35039, 41583, 41619, together with all beach front property in Boca Chica, District of San Lorenzo, in the Province of Chiriqui in Panama ("Panama Land") to for another multi-purpose resort project targeting the fast-growing vacationers worldwide and the retiree sector from the US. The Group completed the acquisition contract in June 2007. As announced by the Company on 17th July, 2007, the Group received a verbal offer from an independent third party regarding the purchase of the Panama Land for approximately US\$29,640,000 (approximately HK\$231,192,000), representing an excess of approximately 56.5% over the Group's acquisition price. Although the management did not choose to accept the above offer, it evidenced potential of the Panama Land where the Panama Project is situated and hence, the favorable prospects of the project.

本集團已與Interlink及IGY合作發展英屬處女群島項目，並得到經驗豐富的度假村發展專家支持，其中包括Jack Nicklaus、EDSA、ATM、Hill Glazier、Harris Civil Engineers、Wilson & Associates、Norton Consulting Real Estate and Leisure Advisors及Robert Charles Lesser & Co.。憑藉他們在加勒比海發展度假村的豐富經驗，他們定會為項目帶來廣泛的物業及管理度假村經驗。

巴拿馬項目

於二零零六年巴拿馬運河獲得批准擴闊之前，本集團已收購位於Boca Chica, District of San Lorenzo, Province of Chiriqui, Panama, 一塊面積約1,223英畝(495公頃或5,330萬平方呎)的土地，其中包括：1807、4920、4921、4923、4924、4935、4936、4942、4943、4944、4945、6921、20435、33248、35039、41583、41619物業地段連同已興建在其地段上的海景樓宇，稱為Playa Grande，以發展一個多用途旅遊度假村。此度假村的主要市場為全球快速增長的度假群及來自美國退休群。本集團已於二零零七年六月完成收購。於二零零七年七月十七日本公司所發出之公告，本集團收到一獨立第三者的口頭收購出價，以約29,640,000美元(約相等於231,192,000港元)向本集團收購該巴拿馬土地，這出價比本集團所購買價高出約56.5%。雖管理層未有就該出價作決定，卻反映巴拿馬項目所屬土地之地價升值潛力強勁，項目的發展前景樂觀。

Seeking to replicate the successful business model of the BVI Project, the Group will partner with renowned expertise in the resort development industry to study and design the project. The project team members would be similar to those of the BVI Project including Jack Nicklaus, EDSA, ATM, Hill Glazier, Harris Civil Engineers and Wilson & Associates, Robert Charles Lesser & Co. and Norton Consulting Real Estate.

The Panama Project is planned to feature a 5-star luxury hotel, a branded boutique hotel and a luxury condo hotel, a marina facility and a marina village, an 18-hole signature golf course, a branded fractional ownership club, branded ocean-view villas and branded residential lots. After completion, 800-1,000 residential units in the various branded residential will be offered which has a 2.2 km long beach.

Development of the Panama Project is underway smoothly. The Group has developed a master plan for the project, devised golf course routing plans, conducted market studies, environmental studies, IRR studies, and various studies and tests on the project.

The Group will continue to explore other suitable opportunity to further expand our resort business, with a view to bring a sustainable return to our shareholders.

集團會按照英屬處女群島項目成功的經營模式來發展巴拿馬項目，並將與實力雄厚之度假村發展商合作，共同發展及設計項目。項目發展成員將會與英屬處女群島項目之成員相似，其中包括Jack Nicklaus、EDSA、ATM、Hill Glazier、Harris Civil Engineers、Wilson & Associates、Robert Charles Lesser & Co.及Norton Consulting Real Estate。

巴拿馬項目包括一間五星級豪華酒店、以營運商命名的精品酒店、豪華獨立產權酒店、遊艇設施及遊艇村、一個18洞名師設計高爾夫球場、以營運商命名的分權物業及會所、海景別墅及住宅單位。擁有2.2公里長的海灘的巴拿馬項目，竣工後將會提供800至1,000個住宅單位。

巴拿馬項目現時正順利發展，集團已全力展開策劃項目之一個發展藍圖，亦已進行高爾夫球場路線之規劃、市場研究、環境研究、內部投資回報率研究，以及對項目進行不同的研究和測試。

本集團將繼續拓展其他合適的機會，擴展我們的度假村業務，為股東帶來持續回報。

Chairman's Statement

主席報告

(II) Investment Properties

The Group's investment properties, mainly in Hong Kong and the PRC, generated a total rental revenue of approximately HK\$6,785,000 during the year.

In light of the increasing value of office premises in the Hong Kong property market, we believe that it is an appropriate time for the Group to realize investments in the local property market. Hence, during the year ended 30th June, 2007, the Group entered an agreement (the "agreement") to sell an investment property (the "Property") located at 42/F, Far East Finance Centre, No. 16 Harcourt Road, Hong Kong at a consideration of HK\$59,000,000 with its original cost of HK\$33,208,000. The completion date of the agreement is 7th December, 2007. With reference to the market value of similar properties in the same location, the Group believes that the price of the disposal is fair and reasonable and will bring the best investment return to our shareholders.

The Group will continue to seek other appropriate property investment opportunities in Hong Kong and the PRC.

(III) OEM Business

During the year ended 30th June, 2007, the OEM of electronic business continued to face fierce market competition and was under an adverse environment with lower profit margin. The management of the Group will seek for measures to mitigate the negative impacts of the OEM business to the Group.

(II) 投資物業

本集團之投資物業主要位於香港及中國，其本年度之租金總收益約6,785,000港元。

鑒於香港物業市場之寫字樓物業價值不斷攀升，本集團相信此乃實現本地物業市場之投資之大好良機。故此，本集團於截至二零零七年六月三十日止年度期間，本集團訂立了一份協議（「該協議」），出售位於香港夏慤道16號遠東金融中心42樓的投資物業（「該物業」）以代價為59,000,000港元（其原成本為33,208,000港元），該協議完成日期為二零零七年十二月七日。本集團參考相同地點類似物業之市值，並相信該合理及公平的代價將為股東帶來最佳投資回報。

本集團將會繼續在香港及中國尋找其他合適物業投資機會。

(III) 原設備製造業務

於截至二零零七年六月三十日止年度，本集團之原設備電子製造業務繼續面對市場激烈競爭及處於更低邊際利潤之惡劣環境下。本集團管理層將會尋找措施，致力減低原設備製造業務對本集團之負面影響。

OUTLOOK**Resort Development**

In view of the promising prospects of the resort and property sector, the management believes that the main growth driver for the Group will be the upscale resort development business. Hence, we are well positioned to develop more resorts in the tropics, with the BVI Project as our first flagship resort development project and followed by the Panama Project as another significant resort project expansion. We will continue to be strategically allied with world-renowned architects, designers, and resort developers to develop future resort projects and source new islands for development and profit.

BVI Project

The BVI Project continues to bring promising outlook to the Group. Following the completion of the JV Agreement in April 2007, the management expects the BVI Project to generate a substantial amount of profit to the Group.

The BVI Project is intended to feature:

- (1) a 5-star luxury resort with approximately 200 keys condo hotel rooms, spa, restaurants and conference rooms;
- (2) branded residential units of approximately 350 units be located at marina bay, golf residential, Mount Alma and ocean-view residential;
- (3) a fractional ownership club with 60 fractional ownership units;
- (4) an 18-hole Jack Nicklaus Signature golf course;

展望**度假村發展**

有見度假村及物業項目之良好發展前景，管理層相信豪華旅遊度假村發展業務將成為集團主要增長點。因此，本集團已重新定位在熱帶地區發展更多度假村，並以英屬處女群島項目為我們首個旗艦項目及跟隨之另一重要擴展其度假村發展業務－巴拿馬項目。本集團將繼續與世界級知名的建築師、設計師及度假村發展商組成策略聯盟，共同發展未來度假村項目及開發新島嶼發展及帶來收益。

英屬處女群島項目

英屬處女群島項目繼續為本集團帶來良好之發展前景。隨著於二零零七年四月完成之合營協議，管理層預期該英屬處女群島項目會為本集團帶來可觀利潤。

英屬處女群島項目其中包括：

- (1) 五星級豪華旅遊度假村，包括約200間主要產權酒店套房、水療室、餐廳及會議廳；
- (2) 以營運商命名的住宅單位提供約350個住宅單位，分佈於遊艇灣高爾夫球會所住宅，Mount Alma及海景住宅地段；
- (3) 60個分權物業單位連分權會籍；
- (4) 一個18洞Jack Nicklaus名師設計高爾夫球場；

Chairman's Statement

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- (5) a marina village with state-of-the-art mega-yacht facility; and
- (6) an airport commercial with guest house, shops, restaurants, amphitheatre and offices.

The Group expects to launch the presales of residential and fractional units in early 2008.

Panama Project

Panama is emerging as a prime destination for American and European tourists including those seeking second homes or retirement alternatives. The country has low living costs compared to the US and Europe, and is of stable inflation rate. Panama offers a modern American-style healthcare system with reputable hospitals that meets US standard. Driven primarily by the expansion of the Panama Canal and increased tourism, the country records a robust economic growth and a significant uplift of the real estate market. In view of these favorable conditions, the Group is confident that the project will deliver promising returns.

The management believes that by replicating the successful business model of the BVI Project and partnering with renowned expertise in the resort development industry, the Panama Project will take the Group's resort development business to another high.

The Panama Project is intended to feature:

- (1) a 5-star luxury hotel, branded boutique hotel and luxury condo hotel;
- (2) marina facility and marina village;
- (3) an 18-hole signature golf course;
- (4) a branded fractional ownership club; and
- (5) branded residential lots.

- (5) 擁有先進大型遊艇設施之遊艇村；及
- (6) 機場商業區內擁有旅店、商店、餐廳、著名建築物及辦公室。

本集團預期於二零零八年初推出住宅及分層單位預售。

巴拿馬項目

巴拿馬除晉身成為美國及歐洲遊客的首選旅遊地，亦特別受正在尋找第二居所及退休居所之人士歡迎。巴拿馬的生活指數相比美國及歐洲較低，其通貨膨脹率亦穩定。巴拿馬能提供現代化的美式醫療制度、符合美國標準及聲譽良好的醫院。受惠於擴闊巴拿馬運河及旅遊業迅速增長的利好條件下，巴拿馬錄得強勁的經濟增長及其房地產市場發展亦蓬勃。鑒於以上有利的發展前景，本集團有信心此項目將帶來可觀的回報。

管理層相信憑著英屬處女群島項目之成功的經營模式及跟實力雄厚之度假村發展商合作，巴拿馬項目將為本集團之度假村發展業務推向另一高峰。

巴拿馬項目計劃其中包括：

- (1) 五星級豪華酒店、以營運商命名的精品酒店及豪華產權酒店；
- (2) 遊艇設施及遊艇村；
- (3) 一個18洞名師設計高爾夫球場；
- (4) 以營運商命名的分權物業及會所；及
- (5) 以營運商命名的住宅單位。

Recently, the Group has entered into an agreement for the acquisition of a hot spring, which is located in the Borough of San Felix, Chiriqui, Panama. This hot spring has been certified by ASOTEMPA, an affiliate of an international medical thermal association, as one of the medical hot springs in the world. This hot spring will be an amenity of the Panama Project.

In view of the strong potential for growth of the resort and property sector, the Group is determined to further expand its resort business and consolidate its position as the world's leading resort developer by exploring new islands for resort development in the upcoming years.

PORTAL OPERATION

The Group has established a corporate website www.applieddev.com. The website serves as an electronic channel to enhance relationships between the Company and the shareholders by informing them of the most updated corporate and investor information.

LIQUIDITY AND FINANCIAL INFORMATION

At 30th June, 2007, the Group's total net assets value and borrowings amounted to HK\$534.6 million and HK\$120.4 million respectively and the gearing ratio of the total borrowings was 22.5% as compared to 11.0% of the corresponding year.

As at 30th June, 2007, the majority of the Group's assets were in Hong Kong or United States dollars and the exposure of foreign exchange and fluctuation of the US dollars were insignificant to the Group.

EMPLOYEES

At 30th June, 2007, the total number of employees of the Group amounted to 435 (2006: 337). The staff of the Group are rewarded by attractive salary packages and comprehensive medical insurance, provident fund and discretionary bonus.

最近，本集團已簽訂一份收購位於巴拿馬齊里基省San Felix鎮熱溫泉協議。該熱溫泉已獲得“ASOTEMPA”（國際熱能醫學協會成員）認證為全世界有醫療用途熱溫泉之一。該熱溫泉將成為巴拿馬項目設施之一。

鑒於度假村發展業務擁有強大潛力，本集團決定於來年進一步擴展其度假村業務及探察新島嶼發展度假村業務，以鞏固本集團成為業界有領導地位之度假村發展商。

網站營運

本集團已設立本公司網站 www.applieddev.com。該網站作為加強本公司與股東溝通之電子渠道，可使股東獲得最新本公司資料及投資者資料。

流動現金及財務資料

於二零零七年六月三十日，本集團資產淨值總額及總借款淨額為534,600,000港元及120,400,000港元，負債比率為22.5%，上年度之負債比率則為11.0%。

於二零零七年六月三十日，本集團大部份資產均以港元或美元計值，故本集團之外匯及美元波動風險屬不重要。

員工

於二零零七年六月三十日，本集團員工總數為435人（二零零六年：337人）。本集團員工獲得具吸引力之薪金、週全之醫療保險、公積金及酌情花紅。

Chairman's Statement

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ACKNOWLEDGEMENTS

On behalf of the Board, I would like to take this opportunity to express my heartfelt thanks to all of the staff and business partners for their hard work and dedication.

By order of the Board

Hung Wong Kar Gee, Mimi

Chairman

Hong Kong, 8th October, 2007

鳴謝

謹借此機會代表董事會衷心感謝所有員工及業務夥伴所付出之辛勤努力及奉獻。

承董事會命

洪王家琪

主席

香港，二零零七年十月八日

Biographies of Directors and Senior Management

董事及高層管理人員履歷

EXECUTIVE DIRECTORS

Hung Kin Sang, Raymond, aged 59, Managing Director, holds a B.Sc. degree in Electrical Engineering from the University of Illinois and a MBA degree from the University of Chicago, USA. He has overall responsibility for the activities of the Company. In April 1976, he founded the Group and has been actively involved in the Group's development over the last 31 years.

Hung Wong Kar Gee, Mimi, aged 59, Chairman, holds a B.Sc. degree in Economics of Purdue University, USA in 1971 and a EMBA degree of Cheung Kong Graduate School of Business, Peking in 2005. 2006 Peking University 中國管理思想董事長高級研修班的畢業生. She has joined the Group since 1977 and also was a former Chairman of a former listed subsidiary of our Group. She has extensive experience in the management and finance of the electronics industry. She had been a Director of Tung Wah Group of Hospitals ("Tung Wah") for a few years and is a Voting Member of Tung Wah and a Trustee of Friend of Hong Kong Museum of Art.

Hung Kai Mau, Marcus, aged 25, Director, graduated from the University of Chicago with a Bachelor's degree in Economics. He joined the Company since 2005 as the Assistant to Chairman. He has taken active role in resort development projects.

Fang Chin Ping, aged 65, Director, holds a B.Sc. degree in Physics from Peking University. He joined the Group in 1982 and has overall responsibility for the operations of the Group and other business opportunities in China. He has over 36 years experience in the electronics industry.

董事

洪建生先生，59歲，董事總經理，持有伊利諾州立大學頒授之電機工程理學士學位及美國芝加哥大學頒授之工商管理學碩士學位。彼全權負責本公司之業務。於一九七六年四月，彼創辦本集團，過往三十一年一直積極參與本集團之發展。

洪王家琪女士，59歲，主席，持有一九七一年美國Purdue University之經濟理學士學位及二零零五年北京長江商學院之高級管理人員工商管理碩士學位。2006年為北京大學中國管理思想董事長高級研修班的畢業生。彼於一九七七年加入本集團，亦曾擔任本集團其下前上市附屬公司之前主席。彼於電子業管理及財務方面擁有豐富經驗。另外，亦為東華三院歷屆總理和現任選舉委員及香港藝術館之友信託基金人。

洪繼懋先生，25歲，董事，持有美國芝加哥大學之經濟學士學位。彼於二零零五年加入本公司為主席助理，負責度假村發展項目。

方進平先生，65歲，董事，持有北京大學頒授之物理學理學士學位。彼於一九八二年加入本集團，全權負責本集團營運，並在中國物色其他發展業務之機會。彼在電子業有逾三十六年經驗。

Biographies of Directors and Senior Management

董事及高層管理人員履歷

INDEPENDENT NON-EXECUTIVE DIRECTORS

Soo Hung Leung, Lincoln, aged 62, BScChE, MBA, J.P., Independent Non-executive Director, A stock broker and Chairman of Soo Pei Shao & Co. Ltd., and also an Independent Non-executive Director of Wing Lung Bank Limited and Wah Ha Realty Company Limited. A member of the HKSAR Insider Dealing Tribunal, the Committee of the Spastics Association, Chairman of the English Advisory Committee of Hong Kong Baptist University, and Chairman of the HKSAR Board of Review (Film Censorship).

Lo Yun Tai, aged 62, Independent Non-executive Director, holds a B.Sc. degree in Mechanical Engineering from National Taiwan University. He has over 37 years experience in the electronics industry. His extensive engineering and manufacturing background is strengthened by his expertise in corporate management and operations of some electronic companies.

Lun Tsan Kau, aged 53, Independent Non-executive Director, holds a master of science degree in Electronics and Computer Science from the University of California at Berkeley, USA and a master of business administration degree from the University of Hong Kong. He joined the Group in 1997. He has over 28 years experience in investment, manufacturing, banking and real estate development. He was previously affiliated with several international banks, an electronics manufacturing company and a US based investment holding company. He is an Executive Director and the Deputy Managing Director of K. Wah International Holdings Limited.

Lam Ka Wai, Graham, aged 39, Independent Non-executive director, graduated from the University of Southampton, England with a Bachelor of Science degree in Accounting and Statistics. He is an associate member of the Hong Kong Institute of Certified Public Accountants and a member of the American Institute of Certified Public Accountants. He is currently an Executive Director of an investment bank and he has over 12 years experience in corporate finance as well as around 4 years experience in Accounting and Auditing. He is also an Independent Non-executive Director of another two Mainboard listed companies in Hong Kong, namely Cheuk Nang (Holdings) Limited and China Conservational Power Holdings Limited.

獨立非執行董事

蘇洪亮先生，62歲，化學工程理學士，工商管理碩士，非官守太平紳士，獨立非執行董事，蘇佩珢有限公司之股票經紀及主席，亦是永隆銀行有限公司及華夏置業有限公司之獨立非執行董事。另為香港特別行政區內幕交易審裁處成員、香港痙攣協會委員、香港浸會大學英文科諮詢委員會主席及香港電影檢查審核上訴委員會主席。

盧潤帶先生，62歲，獨立非執行董事，持有國立台灣大學頒發之機械工程學士學位。彼於電子業有逾三十七年經驗。彼曾先後負責數家電子公司之企業管理及營運，有關專業技術愈發精進，大大充實了彼於工程及製造方面之豐富經驗。

倫贊球先生，53歲，獨立非執行董事，持有美國加州柏克萊大學電子及電腦碩士學位及香港大學工商管理碩士學位。彼於一九九七年加入本集團。於投資、製造、銀行業及地產發展擁有逾二十八年經驗。彼曾任職於數家國際銀行、一家電子製造公司及一家以美國為基地之控股公司。亦是嘉華國際集團有限公司之執行董事及副董事總經理。

林家威先生，39歲，獨立非執行董事，持有英國修咸頓大學之會計及統計學的學士學位。彼為資深香港會計師公會會員及美國會計師協會會員。彼現為一所投資銀行的執行董事，有超過十二年以上的公司融資及約四年的會計及審計經驗。亦是兩間香港上市公司—卓能(集團)有限公司及中國環保電力控股有限公司的獨立非執行董事。

Biographies of Directors and Senior Management

董事及高層管理人員履歷

SENIOR MANAGEMENT

Ma Yi Fat, aged 56, Managing Director from our subsidiary. He has overall responsibility for the factory. He has over 27 years experience in the manufacturing of electronic products.

Ng Kit Ling, Tess, aged 42, Deputy Financial Controller. She has over 21 years experience in finance and accounting matters of listed group companies. She is a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants, a fellow member of the Association of Chartered Certified Accountants in United Kingdom and holds a Master Degree in Accountancy from the Hong Kong Polytechnic University.

COMPANY SECRETARY

Lee Wai Fun, Betty, aged 47, the Company Secretary of the Company. She is a professional company secretary retained by the Company for the purpose of attending and assisting the Company in ensuring compliance with filing requirements under the Companies Ordinance. She is also an employee of Richards Butler, legal advisers to the Company. She is an associate member of the Institute of Chartered Secretaries and Administrators in the United Kingdom and The Hong Kong Institute of Chartered Secretaries.

高層管理人員

馬二發先生，56歲，本集團附屬公司董事總經理，負責廠房之整體管理工作，擁有逾二十七年製造電子產品之經驗。

吳潔玲女士，42歲，副財務總監，彼擁有超過二十一年以上之上市集團財務管理及會計方面之經驗。亦是香港會計師公會之註冊會計師、英國特許會計師公會資深會員及持有香港理工大學會計學碩士學位。

公司秘書

李蕙芬女士，47歲，本公司之公司秘書。彼為本公司任命之專業公司秘書，專責協助確保本公司遵守公司條例之存檔規定。彼亦為本公司法律顧問齊伯禮律師行之僱員。彼為英國特許秘書及行政人員公會及香港特許秘書公會之會員。

Directors' Report 董事會報告書

The directors present their annual report and the audited consolidated financial statements of the Company for the year ended 30th June, 2007.

CHANGE OF NAME OF THE COMPANY

Pursuant to a resolution passed at a special general meeting of the Company held on 28th September, 2006, the name of the Company was changed from Applied International Holdings Limited 實力國際集團有限公司 to Applied Development Holdings Limited 實力建業集團有限公司.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The Group is principally engaged in resort and property development; property and investment holding; and design, manufacture, marketing and distribution of consumer electronic products. The activities of the principal subsidiaries of the Company and a jointly controlled entity of the Group are set out in notes 39 and 17, respectively, to the consolidated financial statements.

RESULTS

The results of the Group for the year ended 30th June, 2007 are set out in the consolidated income statement on page 39.

The directors do not recommend the payment of a dividend and propose that the profit for the year be retained.

MAJOR SUPPLIERS AND CUSTOMERS

During the year, the aggregate purchases attributable to the five largest suppliers and the largest supplier of the Group were 34% and 13% of the total purchases of the Group, respectively. The aggregate sales attributable to the five largest customers and the largest customer of the Group were 35% and 11% of the total sales of the Group, respectively.

董事會謹此提呈截至二零零七年六月三十日止年度本公司之週年報告書及經審核綜合財務報告。

更改公司名稱

根據二零零六年九月二十八日召開之本公司股東特別大會上通過之一項決議案，本公司名稱由「實力國際集團有限公司」更改為「實力建業集團有限公司」。

主要業務

本公司為一家投資控股公司。本集團之主要業務為度假村及物業發展、物業投資控股，同時亦從事設計、製造、市場推廣及分銷電子消費產品。主要附屬公司及一間共同控制公司之業務分別載於綜合財務報告附註39及17。

業績

本集團截至二零零七年六月三十日止年度內業績載於本年報第39頁之綜合收益表。

董事不建議派付本年度之股息及建議保留本年度盈利。

主要供應商及客戶

於本年度，本集團首五大供應商及最大供應商之採購總額分別佔總採購額34%及13%。而本集團首五大客戶及最大客戶之銷售總額分別佔總銷售額35%及11%。

None of the directors, their associates or any shareholders of the Company which, to the knowledge of the directors, owned more than 5% of the issued share capital of the Company had any beneficial interest in the share capital of any of the five largest customers or suppliers of the Group.

INVESTMENT PROPERTIES

During the year, the Group entered into a binding agreement with an independent third party for the disposal of certain of its investment properties with carrying values of approximately HK\$59,000,000 for a consideration of HK\$59,000,000. These investment properties were classified as properties held for sale as at 30th June, 2007. All remaining investment properties of the Group were revalued at 30th June, 2007. The increase in fair value of HK\$10,530,000 has been credited to the consolidated income statement.

Details of these and other movements during the year in the investment properties of the Group are set out in note 13 to the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of movements during the year in the property, plant and equipment of the Group are set out in note 14 to the consolidated financial statements.

MAJOR PROPERTIES

Details of the major properties of the Group at 30th June, 2007 are set out on pages 111 to 112.

SHARE CAPITAL

Details of movements during the year in share capital of the Company are set out in note 27 to the consolidated financial statements.

本公司各董事、聯繫人士或據董事會所知擁有本公司股本5%以上權益之任何股東概無實益擁有任何本集團首五大客戶或供應商之權益。

投資物業

於本年度，本集團與一獨立第三者訂立了一份具有約束力協議出售之投資物業賬面值約59,000,000港元，以代價為59,000,000港元出售。該投資物業於二零零七年六月三十日列作為待出售之物業。所有餘下投資物業均於二零零七年六月三十日進行重估。其公平值增加為10,530,000港元已記入綜合收益表。

本集團投資物業於年內之此等變動及其他變動之詳情載於綜合財務報告附註13。

物業、廠房及設備

本集團本年度物業、廠房及設備之變動詳情載於綜合財務報告附註14。

主要物業

本集團於二零零七年六月三十日之主要物業詳情載於第111頁至第112頁。

股本

本公司股本之變動詳情載於綜合財務報告附註27。

Directors' Report

董事會報告書

DISTRIBUTABLE RESERVES OF THE COMPANY

Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus account of the Company is available for distribution. However, the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if:

- (a) it is, or would after payment be, unable to pay its liabilities as they become due; or
- (b) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium.

In the opinion of the directors, the reserves of the Company available for distribution to shareholders as at 30th June, 2007 amounted to HK\$225,026,000 (2006: HK\$117,660,000).

DIRECTORS

The directors of the Company during the year and up to the date of this report were:

Executive directors:

Hung Kin Sang, Raymond (*Managing Director*)
 Hung Wong Kar Gee, Mimi (*Chairman*)
 Hung Kai Mau, Marcus
 Fang Chin Ping

Independent Non-executive directors:

Lo Yun Tai
 Lun Tsan Kau
 Soo Hung Leung, Lincoln, J.P.
 Lam Ka Wai, Graham

In accordance with Clauses 86(2) and 87(1) of the Company's Bye-Laws, Messrs. Soo Hung Leung, Lincoln, J.P. and Lun Tsan Kau retire and, being eligible, offer themselves for re-election. All remaining directors will continue in office. The terms of office of the independent non-executive directors are the periods up to their retirement by rotation in accordance with the Company's Bye-Laws.

本公司之可分派之儲備

根據百慕達一九八一年公司法(經修訂), 公司盈餘貢獻是可供分派, 惟公司不能在下列情況下分派股息或作出分派盈餘:

- (a) 在/或分派後不能償還已確認的債務; 或
- (b) 資產現值低於負債總數及其股本和股份溢價。

董事認為於二零零七年六月三十日, 本公司之可供分配予股東之儲備為225,026,000港元(二零零六年: 117,660,000港元)。

董事

本年度及截至本報告書刊發日期之本公司董事為:

執行董事:

洪建生 (*董事總經理*)
 洪王家琪 (*主席*)
 洪繼懋
 方進平

獨立非執行董事:

盧潤帶
 倫贊球
 蘇洪亮, 非官守太平紳士
 林家威

按照本公司之公司細則第86(2)條及第87(1)條, 蘇洪亮先生, 非官守太平紳士、倫贊球先生依章告退, 惟願膺選連任。其餘董事均全部留任。各獨立非執行董事之任期均至依照本公司之公司細則規定依章輪值告退為止。

The directors being proposed for re-election at the forthcoming annual general meeting do not have any service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No contracts of significance to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

At 30th June, 2007, the interests and short positions of the directors of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in register required to be kept by the Company under Section 352 of the SFO or otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") contained in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), were as follows:

於應屆股東週年大會上擬膺選連任之董事與本公司或其任何附屬公司並無訂立任何本集團不可於一年內不付賠償（法定補償除外）而終止之服務合約。

董事於重大合約之權益

於年結或年內任何時間，本公司或其任何附屬公司概無訂立本公司之董事於其中有直接或間接重大權益之重大合約。

董事之股份及相關股份權益

於二零零七年六月三十日，按本公司根據證券及期貨條例（「證券及期貨條例」）第352條存置之登記冊所載，本公司董事擁有本公司及其相聯法團（定義見證券及期貨條例第XV部份）股份、相關股份及債券之權益及淡倉，或根據香港聯合交易所有限公司（「交易所」）證券上市規則（「上市規則」）所載上市公司董事進行證券交易的標準守則（「標準守則」）須知會本公司及交易所之權益如下：

Directors' Report

董事會報告書

Long position in shares of the Company

本公司股份好倉持有

Name of directors 董事姓名	Number of ordinary shares 普通股數目			Total 總計	Approximate % of shareholding 概約持股 百分比
	Beneficial owner 實益擁有人	Held by a discretionary trust 由全權信託 基金持有	Held by controlled corporation 由受控制 公司持有		
Hung Kin Sang, Raymond 洪建生	3,280,000	405,655,584 (Note 1) (附註1)	34,329,000 (Note 2) (附註2)	443,264,584	50.35%
Hung Wong Kar Gee, Mimi 洪王家琪	9,310,056	405,655,584 (Note 1) (附註1)	34,329,000 (Note 2) (附註2)	449,294,640	51.03%
Hung Kai Mau, Marcus 洪繼懋	2,760,000	–	–	2,760,000	0.31%
Fang Chin Ping 方進平	100,000	–	–	100,000	0.01%
Soo Hung Leung, Lincoln, J.P. 蘇洪亮，非官守太平紳士	1,100,000	–	–	1,100,000	0.12%

Notes:

附註：

(1) These shares were held by the following companies:

(1) 該等股份由下列公司持有：

	Number of ordinary shares 普通股數目
Malcolm Trading Inc.	43,992,883
Primore Co. Inc.	2,509,266
Capita Company Inc.	359,153,435
	405,655,584

Malcolm Trading Inc., Primore Co. Inc. and Capita Company Inc. are wholly-owned by the Marami Foundation as the trustee of Raymond Hung/Mimi Hung & Family Trust. All units in Raymond Hung/Mimi Hung & Family Trust are beneficially owned by a discretionary trust, the beneficiaries of which include the family members of Mr. Hung Kin Sang, Raymond and Madam Hung Wong Kar Gee, Mimi.

Malcolm Trading Inc.、Primore Co. Inc.及 Capita Company Inc.均由作為Raymond Hung/Mimi Hung & Family Trust信託人之Marami Foundation全資擁有。Raymond Hung/Mimi Hung & Family Trust之全部單位均由一全權信託基金實益擁有，而該全權信託基金之受益人包括洪建生先生及洪王家琪女士之家族成員。

(2) These shares were held by Applied Investment (Asia) Limited (formerly known as iQuorum Cybernet Limited), a wholly-owned subsidiary of the Company.

(2) 該等股份由本公司一全資附屬公司實力投資發展有限公司(前稱為盈聯網絡有限公司)持有。

Save as disclosed above and other than certain nominee shares in subsidiaries held in trust for the Company by certain directors at 30th June, 2007, none of the directors, chief executive or their associates had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations.

除上文所披露者及若干董事以信託方式代本集團持有於附屬公司之若干代理人股份外，於二零零七年六月三十日，各董事、行政總裁或彼等之聯繫人士並無擁有本公司或其任何相聯法團股份或相關股份或債券之權益或淡倉持有。

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

購買股份及債券安排

The directors and employees of the Company and its subsidiaries are entitled to participate in the share option scheme of the Company adopted by the Company on 16th September, 2002 (the "Scheme"). Particulars of the Scheme are set out in note 28 to the consolidated financial statements.

本公司及其附屬公司之董事及僱員均可參與本公司於二零零二年九月十六日所採納之本公司認購股權計劃(「計劃」)。計劃之詳情載於綜合財務報告附註28。

The following table discloses share options of the Company granted to the directors of the Company. There were no movements during the year.

給予本公司董事之公司購股權如下。本年度，本公司購股權並沒有變動。

Name of directors	Notes	Date of share options granted	Outstanding at beginning and end of the year 於本年度開始及本年結時 購股權結餘	Exercise price 行使價 HK\$ 港元
董事名稱	附註	購股權給予日期		
Hung Kin Sang, Raymond 洪建生	(1)	25th April, 2006 二零零六年四月二十五日	45,611,141	0.54
Hung Kai Mau, Marcus 洪繼懋	(2)	25th April, 2006 二零零六年四月二十五日	3,000,000	0.54
Total for directors 總數予董事			48,611,141	

Directors' Report

董事會報告書

Notes:

- (1) The exercise period of the share options of the Company granted to Mr. Hung Kin Sang, Raymond is five years from the date of grant. There is no minimum vesting period for the share options of the Company granted to Mr. Hung Kin Sang, Raymond.
- (2) The exercise period of the share options of the Company granted to Mr. Hung Kai Mau, Marcus is three years from the date of grant. Except for the requirement that 50% of the share options granted must be held for at least one year before they can be exercised, there is no minimum vesting period for the remaining 50% share options of the Company granted to Mr. Hung Kai Mau, Marcus.

Save as disclosed above, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate. None of the directors or their spouses or children under the age of 18 had any right to subscribe for securities of the Company or had exercised any such rights during the year.

SUBSTANTIAL SHAREHOLDERS

Other than the interests disclosed above under the heading "Directors' interests in shares, underlying shares and debentures" in respect of certain directors, the register of substantial shareholders maintained by the Company pursuant to section 336 of the SFO discloses no person as having a notifiable interests or short positions in the issued share capital of the Company at 30th June, 2007.

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of the independent non-executive directors, an annual confirmation of his independence pursuant to the guidelines set out in Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive directors are independent.

附註：

- (1) 洪建生先生購股權行使期為期5年(由給予日起計)。其沒有限制行使本公司購股權期。
- (2) 洪繼懋先生購股權行使期為期3年(由給予日起計)。其餘50%之給予購股權須有一年限制行使條件外，其沒有限制行使本公司之購股權。

除上文所披露者外，本公司或其任何附屬公司於本年度內任何時間概無訂立任何安排，致使本公司之董事可藉購買本公司或任何其他法人團體之股份或債券而獲得利益。各董事或彼等之配偶或未滿十八歲子女概無認購本公司證券之權利，亦無於本年度行使任何該等權利。

主要股東

除上文「董事之股份、相關股份及債券權益」一節所披露若干董事之權益外，本公司根據證券及期貨條例第336條之規定而存置之主要股東名冊顯示，於二零零七年六月三十日並無任何人士擁有本公司已發行股本而須予公佈之權益或淡倉持有。

委任獨立非執行董事

本公司收到由每位獨立非執行董事之每年就上市條例3.13所載之指引的確認書。本公司認為所有獨立非執行董事均是獨立。

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year, the Company repurchased 29,540,000 ordinary shares on the Stock Exchange at an aggregate consideration of HK\$14,893,000. All of the shares were subsequently cancelled. The nominal value of the cancelled shares of HK\$296,000 was credited to capital redemption reserve and the relevant aggregate consideration of HK\$14,893,000 was charged to the Company's retained profits. Details of the repurchases are as follows:

Month of the repurchases	購回月份	Total number of the ordinary shares repurchased 回購 普通股總數	Highest price	Lowest price	Aggregate consideration 總代價 HK\$'000 千港元
			paid per share 已付每股 最高價 HK\$ 港元	paid per share 已付每股 最低價 HK\$ 港元	
July 2006	二零零六年七月	5,000,000	0.560	0.470	2,509
August 2006	二零零六年八月	4,160,000	0.550	0.500	2,200
September 2006	二零零六年九月	2,920,000	0.560	0.540	1,601
October 2006	二零零六年十月	1,900,000	0.520	0.495	962
November 2006	二零零六年十一月	2,600,000	0.530	0.450	1,294
December 2006	二零零六年十二月	2,130,000	0.470	0.380	947
January 2007	二零零七年一月	850,000	0.455	0.395	366
February 2007	二零零七年二月	130,000	0.470	0.450	60
March 2007	二零零七年三月	945,000	0.460	0.430	427
April 2007	二零零七年四月	4,385,000	0.500	0.425	2,109
May 2007	二零零七年五月	2,855,000	0.560	0.460	1,446
June 2007	二零零七年六月	1,665,000	0.620	0.550	972
		29,540,000			14,893

The purchases were made for the benefit of the shareholders as a whole as they enhanced the net asset value and/or earnings per share of the Company.

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold, or redeemed any of the listed securities of the Company during the year.

買賣或贖回本公司上市證券

本公司於年內以總代價14,893,000港元在聯交所購回29,540,000股普通股。全部購回股份其後均已註銷。註銷股份之面值共296,000港元已記入資本贖回儲備，相關總代價14,893,000港元乃自本公司保留溢利支付。購回詳情概述如下：

購回乃基於全體股東之利益而作出，因購回可提高本公司每股資產淨值及／或每股盈利。

除上文披露者外，本公司或其任何附屬公司於年內並無買賣或贖回任何其上市之證券。

Directors' Report 董事會報告書

DONATIONS

During the year, the Group made charitable and other donations of HK\$1,144,000.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-Laws, or the laws of Bermuda, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the year ended 30th June, 2007.

AUDITOR

A resolution will be submitted to the annual general meeting to re-appoint Messrs. Deloitte Touche Tohmatsu as auditor of the Company.

On behalf of the Board

Hung Wong Kar Gee, Mimi
Chairman

Hong Kong, 8th October, 2007

捐款

本集團於本年度合共作出1,144,000港元之慈善捐款及其他捐款。

優先購買權

本公司之公司細則及百慕達法律均無優先購買權之條文，規定本公司必須按比例發售新股予現有股東。

足夠之公眾持股量

於截至二零零七年六月三十日止年度，本公司已維持足夠之公眾持股量。

核數師

本公司將於股東週年大會上提呈一項決議案，續聘德勤•關黃陳方會計師行為本公司之核數師。

代表董事會

主席
洪王家琪

香港，二零零七年十月八日

Corporate Governance Report

企業管治報告書

The Board of Directors of the Company (the “Board”) is pleased to present the Corporate Governance Report for the year ended 30th June 2007.

The Company is committed to the good corporate governance principles and practice essential to safeguard the interests of its shareholders and uphold accountability, transparency and responsibility of the Company.

The Company has complied with the code (“Code Provisions”) in the Code on Corporate Governance Practices (“CG Code”) set out in Appendix 14 and 23 of the rules (“Listing Rules”) governing the listing of securities on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) throughout the year. After specific enquiries of each of the Directors, the Directors confirmed that they have complied with the standards set out in Appendix 10 of the Listing Rules.

The Company regularly reviews its corporate governance practices to ensure that the Company continues to meet the requirements of the CG Code.

THE BOARD

(i) Board Composition

Executive Directors

1. Mr Hung Kin Sang, Raymond
(*Managing Director and father of Mr Hung Kai Mau, Marcus*)
2. Madam Hung Wong Kar Gee, Mimi
(*Chairman and mother of Mr Hung Kai Mau, Marcus*)
3. Mr Hung Kai Mau, Marcus
(*son of Mr Hung Kin Sang, Raymond and Madam Hung Wong Kar Gee, Mimi*)
4. Mr Fang Chin Ping

Independent Non-executive Directors

1. Mr Lo Yun Tai
2. Mr Lun Tsan Kau
3. Mr Soo Hung Leung, Lincoln, J.P.
4. Mr Lam Ka Wai, Graham

公司董事會(「董事會」)，欣然提呈截至二零零七年六月三十日止年度之企業管治報告書。

就對保障股東利益、保持公司之問責性、透明度及提升表現之關鍵為本公司所致力於維持高度企業管治水平及其實踐。

本公司已遵守香港聯合交易所有限公司(「交易所」)之證券上市規則(「上市規則」)附錄十四及二十三所載之企業管治常規守則(「管治守則」)之所有守則條文(「守則條文」)。根據每位董事的諮詢後，其均已遵守就上市規則附錄十所載有關條文。

本公司定期對其企業管治實踐作出監察，從以達到符合管治守則所要求。

董事會

(i) 董事會成員

執行董事

1. 洪建生先生
(*董事總經理及洪繼懋先生之父親*)
2. 洪王家琪女士
(*主席及洪繼懋先生之母*)
3. 洪繼懋先生
(*洪建生先生及洪王家琪女士之兒子*)
4. 方進平先生

獨立非執行董事

1. 盧潤帶先生
2. 倫贊球先生
3. 蘇洪亮先生，非官守太平紳士
4. 林家威先生

Corporate Governance Report

企業管治報告書

Save as above, there is no relationship (including financial, business, family or other material/relevant relationship(s)), among members of the Board and in particular, between the Chairman and the Chief Executive Officer.

(ii) Responsibility

The business and affairs of the Company and its subsidiaries (“Group”) is under the direction of and vested with the Board pursuant to the bye-laws of the Company (the “Bye-laws”). The Board subject to election by the shareholders in general meeting, is the ultimate decision-making body of the Group except in respect of matters reserved for shareholders. The Board is ultimately accountable and responsible for the performance and affairs of the Group. The Board retains oversight responsibility for all major matters of the Group which include approving and monitoring all policy matters managing, overall strategies and budgets, internal control and risk management systems, entering into material transactions (especially any transaction with a conflict of interest etc.), providing financial information, appointing directors of the Company and other significant financial and operational matters. Certain of that authority is delegated by the Board to the management in order to enable the management to develop and implement the Group’s strategic planning and operations, and to conduct the Group’s day-to-day activities. The Board diligently monitors the management’s performance in that regard but responsibility for conducting the Group’s daily operations rests with the management.

除以上披露外，各董事成員之間（包括財務上、商業上、家庭上及其他重要關係）概無關係（尤其是主席和董事總經理）。

(ii) 職責

本公司及其附屬公司（「本集團」）之業務及事務乃根據本公司組織章程細則（「章程細則」）由董事會領導及授權。董事會乃由股東在股東會上選出，為本集團最終決策單位，惟須由股東處理之事宜則除外。董事會須就本集團之表現及事務作最終問責及負責。董事會對本公司所有重大事宜保留監察責任，其包括批准及監管所有政策事務、整體策略及預算、內部監控及風險管理系統、構成重大交易事宜（尤其是可能涉及利益衝突之該等交易）、財務資料提供、本公司委任董事及其他重要財務及經營上之事宜，董事會會下放若干權力予管理層，使管理層可以發展和推行本公司的策略性計劃和年度營運方案與及進行本公司之日常經營活動。董事會盡心監察管理層之表現，惟本公司日常運作則留待管理層處理。

Corporate Governance Report

企業管治報告書

The role of the Group's Chairman is separate from that of the Group's Managing Director and their respective responsibilities are endorsed by the Board in writing. The Managing Director is responsible for day-to-day management of the business of the Group. The Chairman provides leadership for the Board to ensure that the Board acts diligently and in the best interest of the Group and that meetings are planned and conducted effectively. The Chairman is also responsible for approving the agenda for each Board meeting, taking into account of, where appropriate, matters proposed by the directors of the Company ("Directors"). The Chairman also actively encourages the Directors to make full contributions and active participations to the Board's affairs.

The Board established two Board committees, namely the Audit Committee and Remuneration Committee to oversee particular aspects of the Group's affairs. The Company reviews the said delegation arrangements on a periodic basis to ensure that they remain appropriate to its needs. The Board and the Board committees work under the well-established corporate governance practices in accordance with the requirements of the Listing Rules and other relevant statutory requirements.

Each Director of the Company is provided upon reasonable request made to the Board with means, at the Company's expense, to seek independent professional advice in furtherance of his/her duties if necessary. The Independent Non-executive Directors are high calibre executives or professionals with relevant industry experience and provide their skills and expertise to the Board. Their brief biographical details are on page 17 of this Annual Report. They ensure that the Board maintains high standards of financial and other mandatory reportings as well as providing adequate checks and balances to safeguard the interests of shareholders and the Company as a whole.

The Board regularly reviews its composition and structure to ensure appropriate levels of expertise and independence are attained and maintained.

本集團主席角色獨立於董事總經理，其各自之職責由董事會書面批准。董事總經理肩負本集團日常營運管理的職責。主席負責領導董事會，確保董事會履行其職責，並以本集團最佳利益行為及有效地策劃及進行董事會議。主席亦根據本公司董事建議事項，如適合，負責批准董事局會議議程。主席亦鼓勵各董事全力及積極參與董事會事務。

董事會已委任兩個董事委員會，分別為審核委員會及薪酬委員會，以監察集團事務的各特定範疇。本公司會定期檢討上述委派權力之安排，以確保其切合所需。董事會及董事委員會按照良好的企業管治常規及其職權範圍運作，此等常規及職權範圍乃根據上市規則及其他有關法定要求規定，旨在加強本公司董事之承擔。

本公司每位董事，倘有需要，可向董事會提出要求，尋求獨立專業意見，以覆行其職責，費用由本公司支付。獨立非執行董事均為高才幹行政人員或專業人士，擁有相關專業經驗，就提供重要的技術及經驗予董事會。彼等之履歷簡介資料載於年報第17頁。彼等確保董事會維持高水準之財務及其他規定報告，並進行充分查核和判斷衡量，維護股東及本公司之整體利益。

董事會會定期檢討其本身架構及組成，確保其專業知識及獨立性能夠維持及達到。

Corporate Governance Report

企業管治報告書

(iii) Appointment and Succession Planning of the Directors

The Company follows a formal, considered and transparent procedure for the appointment and removal of Directors. All newly appointed Directors who are filling casual vacancy are subject to election at the first general meeting after their appointments by the Board. All Directors, including the Independent Non-executive Directors are subject to retirement by rotation at least once every three years and may be re-elected.

(iv) Securities Transactions

The Company has adopted a code of conduct regarding securities transactions by the Directors of the Company (the "Securities Code") on terms no less exacting than the standard set out in Model Code for Securities Transactions by the Directors of Listed Issuers (the "Model Code") contained in Appendix 10 of the Listing Rules. Pursuant to the Securities Code, the Directors shall notify the Chairman or his/her alternates in writing of the specific purpose for dealing in securities of the Company and have to receive a dated written acknowledgement before any dealing. All Directors have confirmed that they have complied with the required standard set out in the Securities Code throughout the year.

(v) The attendance record of the Directors at the regular meetings during the reporting period is as follows:

Name	姓名	No. of meetings attended/held 出席會議次數／總數
Mr Hung Kin Sang, Raymond	洪建生先生	5/6
Madam Hung Wong Kar Gee, Mimi	洪王家琪女士	4/6
Mr Hung Kai Mau, Marcus	洪繼懋先生	6/6
Mr Fang Chin Ping	方進平先生	6/6
Mr Soo Hung Leung, Lincoln, J.P.	蘇洪亮先生， 非官守太平紳士	3/6
Mr Lun Tsan Kau	倫贊球先生	4/6
Mr Lo Yun Tai	盧潤帶先生	4/6
Mr Lam Ka Wai, Graham	林家威先生	3/6

(iii) 本公司董事之委任及繼任計劃

本公司為提名及罷免本公司董事，制定了一套正式、經深思熟慮及具透明度之程序。所有獲委任填補臨時空缺之任何新董事，均應於委任後在首次股東週年大會上膺選連任。全部董事包括非執行董事均須至少每三年輪值告退一次。

(iv) 證券交易

本公司已應用一套標準不遜於上市規則附錄十中之上市公司董事進行證券交易的標準守則（「標準守則」），作為本公司董事進行證券交易之操守守則（「證券守則」）。根據證券守則，本公司董事於進行任何本公司證券交易前，須通知主席或其代理人及收到其確認書。全體董事確認，彼等於整個本年度內均已完成遵守證券守則列示所要求標準。

(v) 在報告期間，各董事出席常規會議次數列示如下：

REMUNERATION COMMITTEE

The Remuneration Committee was established on 20th April 2005 and includes a majority of Independent Non-executive Directors. The Remuneration Committee comprises of two Independent Non-executive Directors, namely Mr Lo Yun Tai (Chairman of the Remuneration Committee), Mr Soo Hung Leung, Lincoln, J.P. and one Executive Director, Mr Hung Kin Sang, Raymond. The Remuneration Committee is responsible for making recommendations to the Board regarding the Company's policy and structure in relation to the remuneration of the Directors and senior management of the Company. The Committee also reviews the assessment criteria and remuneration policies and terms of employment of all Executive and Independent Non-executive Directors and senior management of the Company with reference to corporate goals and objectives resolved by the Board from time to time.

The attendance record at the meetings during the reporting period for each of the committee members is as follows:

薪酬委員會

於二零零五年四月二十日，本公司設立薪酬委員會，成員大多數為獨立非執行董事。薪酬委員會成員包括有兩名獨立非執行董事即盧潤帶先生（薪酬委員會主席）、蘇洪亮先生，非官守太平紳士和一名執行董事洪建生先生。薪酬委員會負責向董事會建議本公司董事及高級管理人員之薪酬政策及架構，以及參考董事會完成之使命及目標檢討所有董事及高級管理人員之特定薪酬組合。

在報告期間，每名委員會成員之出席會議次數列示如下：

Name	姓名	No. of meetings attended/held 出席會議次數／總數
Mr Lo Yun Tai	盧潤帶先生	2/2
Mr Soo Hung Leung, Lincoln, J.P.	蘇洪亮先生，非官守太平紳士	2/2
Mr Hung Kin Sang, Raymond	洪建生先生	2/2

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AUDIT COMMITTEE

The Audit Committee comprises of Independent Non-executive Directors, namely, Mr Soo Hung Leung, Lincoln, J.P. (Chairman of the Audit Committee), Mr Lun Tsan Kau, Mr Lo Yun Tai and Mr Lam Ka Wai, Graham. All of them have relevant professional qualifications in accounting or related financial management expertise. The Audit Committee is responsible for reviewing/and assessing senior management and external auditors of the Company, the internal control system and external auditing process and findings, the accounting principles and practices adopted by the Group, Listing Rules and statutory compliance, and for discussing matters relating to auditing, internal control, risk management and financial reporting (including the interim financial report for the six-months ended for each financial years).

The attendance record at the meetings during the reporting period for each of the committee members is as follows:

Name	姓名	No. of meetings attended/held 出席會議次數／總數
Mr Soo Hung Leung, Lincoln, J.P.	蘇洪亮先生，非官守太平紳士	2/2
Mr Lun Tsan Kau	倫贊球先生	2/2
Mr Lo Yun Tai	盧潤帶先生	2/2
Mr Lam Ka Wai, Graham	林家威先生	2/2

The main duties of the Audit Committee include making proposals and recommendations to the Board on the appointment and removal of external auditors and their terms of engagement and termination as well as monitoring the independence and effectiveness of the external auditors and recommending appropriate actions if required. During the reporting year the total remuneration paid to the external auditors are as follows:

Services rendered	服務	Fee paid/payable 金額已付／應付 HK\$ 港幣
Audit Services	核數	1,117,000
Non-audit Services	非核數	30,000

審核委員會

審核委員會成員全為獨立非執行董事，包括蘇洪亮先生，非官守太平紳士（審核委員會主席）、倫贊球先生、盧潤帶先生及林家威先生。他們均具備相關專業資格和會計及有關財務管理之專業知識。審核委員會（與高級管理層及外聘核數師）之責任包括監察及評審本集團內部監控運作程序及外聘核數師審計工作流程及調查結果，本集團所採用之會計原則及實務，上市條例及法例之遵守，及檢討有關審核工作、內部監控、風險管理及財務匯報（其中包括每六個月之財政年度之中期財務報表）。

在報告期間，每名委員會成員之出席會議次數列示如下：

審核委員會其主要職務是提出意見及推薦予董事會就有關聘請及辭退外聘核數師及其聘請條款，同時亦監察其獨立性、效率性及其建議之合適行為要求。在本年度內，外聘核數費用總額為：

INTERNAL CONTROL AND RISK MANAGEMENT

As the Board believes that a well-designed system of internal control is crucial to safeguard the assets of the Group and to ensure reliability of the financial reporting as well as compliance with the relevant rules and regulations, a system of internal controls has been set up, intended to prevent material misstatements and losses and to manage rather than eliminate risks of failure in operational systems to achieve the Group's objectives.

The Board has overall responsibility for the Group's internal control, financial control and risk management system and shall monitor their effectiveness from time to time as well as the scopes and frequencies of audit reviews according to risk assessment. Special reviews may also be performed on areas of concern identified by management or the audit committee from time to time as there are no establishment of internal audit functions.

During the reporting year, the Directors arranged a review over the effectiveness of the internal control system of the Group including functions of financial, operation, compliance and risk management. The review showed a satisfactory control system. The review has reported to the Audit Committee. The Directors also, where necessary, initiated necessary improvement and reinforcement to the internal control system.

SHAREHOLDERS' RIGHTS AND INVESTOR RELATIONS

The rights of shareholders and the procedures for demanding a poll on resolutions at shareholders' meeting are contained in the Company's Bye-laws. Procedures for voting by poll have been included in the circulars issued by the Company accompanying the relevant notices convening such general meetings and are read out by the Chairman at the general meeting. The Company has taken steps to ensure compliance with the requirements about voting by poll and arrangements have been made for the voting of each of the resolutions being put to the meetings to be dealt with by means of poll vote. At general meeting the Board and the members of Audit Committee and Remuneration Committee are responsible for answering questions raised by the shareholders.

內部監控及風險管理

董事會明白設計完善之內部監控制度，以保障本公司之資產，確保財務報告可靠性以遵守法例及規則甚為重要，所以本公司致力設立並維持一個良好的內部監控系統，以提供合理而非絕對之保證，以防出現嚴重誤報或損失的情況，並管理達致集團目標，而非杜絕運作系統出現失誤風險。

董事會亦明白有關本公司內部監控、財務控制及風險管理制度之整體責任，並不時監察其效能，及根據風險管理對其範疇及頻次作審核監察。因沒有內部審核部門，故管理層或審核委員會會隨時就某些重要事務提出特別監察。

在報告期間，董事們均對本集團的內部監控之有效性(其中包括財務、營運、符合法律及風險管理等)已進行審察。這審察報告並已給審核委員會，結果令人滿意。董事們也就其作出適當改善及加強執行內部監控系統。

股東權利及投資者關係

股東權利及於股東大會上要求就決議案投票表決之程序已載於本公司細則內。投票表決程序之詳情載於所有致股東之通函內，並於會議舉行期間由主席加以說明。於股東週年大會上，本公司已根據法律及要求作出決議案安排，其中個別已由主席提出決議案。董事會主席以及審核及薪酬委員會各委員會之成員將於股東大會上回答任何提問。

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In order to provide detailed and up-to-date information to our shareholders, the Company has a range of communication channels to ensure its shareholders are kept well-informed. These comprise of annual general meetings, annual report, public notices, announcements and circulars.

The Company seeks to enhance communications and positive relationships with investors by maintaining regular dialogues with institutional investors and analysts to keep them up to date about the business and operation information and development of the Group, and to reply to any enquiries from investors appropriately. Investors are welcome to make enquiries to the Company at its office in Hong Kong or directly visit the Company's website (www.applieddev.com) for any updated corporate and financial information.

PUBLIC FLOAT

The Board's knowledge of the public float is based on information publicly available to the Company. As at the date of this report, over 25% of the total issued share capital of the Company was held by the public.

THE BOARD'S STATEMENT

The Company believes that good corporate governance reflects a high quality of management and operations of the Group's operations and business. Good corporate governance can safeguard the proper use of funds and effective allocation of resources which in turn, protect the interests of the shareholders. The management recognises the importance of a good corporate governance practice and will use its best endeavours to maintain, strengthen and improve the standard and quality of the Group's corporate governance.

為向股東提供有關本公司之詳細情況及最新資料，本公司已採用多種通訊工具，以確保股東充分獲悉主要業務之重要事項，其中包括股東週年大會、年報、多項通告、公告及通函。

本公司不斷加強為維持與投資者之溝通及關係，所委派之高級管理人員與機構投資者及分析員定期溝通及會談，以確保彼等了解本公司之最新業務運作情況及發展，本公司亦會及時處理投資者之查詢，為彼等提供所需資料。投資者如有查詢，可直接致函至本公司於香港之主要營業地點或直接到本公司網頁 (www.applieddev.com) 瀏覽以獲取所有最新企業及財務資料。

公眾人士持股量

就董事會根據本公司所得公開資料所知，於本報告簽發日期，公眾人士持有本公司全部已發行股本總數不少於25%。

總結

本公司深信，企業管治之質素及水準反映管理層質素及本集團之業務運作。良好企業管治能維護及妥善運用資金及有效分配資源，並保障股東權益。管理層致力提倡良好企業管治及將嘗試盡最大努力維繫、鞏固及完善本集團企業管治之水準及質素。

Independent Auditor's Report
獨立核數師報告書**Deloitte.**
德勤

**TO THE MEMBERS OF
APPLIED DEVELOPMENT HOLDINGS LIMITED
(FORMERLY KNOWN AS APPLIED INTERNATIONAL
HOLDINGS LIMITED)**

(incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of Applied Development Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 39 to 109, which comprise the consolidated balance sheet as at 30th June, 2007, and the consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

**DIRECTORS' RESPONSIBILITY FOR THE
CONSOLIDATED FINANCIAL STATEMENTS**

The directors of the Company are responsible for the preparation and the true and fair presentation of these consolidated financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in

**致實力建業集團有限公司
全體股東
(前稱實力國際集團有限公司)
(於百慕達註冊成立之有限公司)**

本核數師(以下簡稱「我們」)已審核列載於第39至109頁實力建業集團有限公司(以下簡稱「貴公司」)及其附屬公司(以下合稱「貴集團」)的綜合財務報表，此綜合財務報表包括於二零零七年六月三十日的綜合資產負債表與截至該日止年度的綜合收益表、綜合權益變動表和綜合現金流量表，以及主要會計政策概要及其他附註解釋。

董事就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例之披露規定編制及真實而公平地列報該等綜合財務報表。這責任包括設計、實施及維護與編制及真實而公平地列報綜合財務報表相關的內部控制，以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述；選擇和應用適當的會計政策；及按情況下作出合理的會計估計。

核數師的責任

我們的責任是根據我們的審核對該等綜合財務報表作出意見。我們的報告僅按照百慕達公司法第90條，為股東(作為一個團體)而編制，並不為其他任何目的。我們並不就本報告之內容對任何其他人士承擔任何義務或接受任何責任。我們已根據香港會計師公

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accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 30th June, 2007 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong
8th October, 2007

會頒佈的香港審計準則進行審核。這些準則要求我們遵守道德規範，並規劃及執行審核，以合理確定綜合財務報表是否不存有任何重大錯誤陳述。

審核涉及執程序以獲取有關綜合財務報表所載金額及披露資料的審核憑證。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致綜合財務報表存有重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該公司編制及真實而公平地列報綜合財務報表相關的內部控制，以設計適當的審核程序，但並非為對公司的內部控制的效能發表意見。審核亦包括評價董事所採用的會計政策的合適性及所作出的會計估計的合理性，以及評價綜合財務報表的整體列報方式。

我們相信，我們所獲得的審核憑證是充足和適當地為我們的審核意見提供基礎。

意見

我們認為，該等綜合財務報表已根據香港財務報告準則真實而公平地反映貴集團於二零零七年六月三十日的事務狀況及貴集團截至該日止年度的溢利及現金流量，並已按照香港公司條例之披露規定妥為編制。

德勤•關黃陳方會計師行
執業會計師

香港
二零零七年十月八日

Consolidated Income Statement

For the year ended 30th June, 2007

綜合收益表

截至二零零七年六月三十日止

			2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Turnover	營業額	5	120,613	107,634
Cost of sales	銷售成本		(108,332)	(93,902)
Gross profit	毛利		12,281	13,732
Other income	其他收入		4,774	3,766
Distribution costs	分銷成本		(1,532)	(1,817)
Administrative expenses	行政費用		(39,871)	(30,013)
Increase in fair value of investment properties	投資物業 公平值增加		10,530	19,000
Waiver of other borrowings	豁免其他借貸	7	-	19,651
Share-based payment expenses	以股份為基礎之付款 費用		(379)	(8,233)
Finance costs	融資成本	8	(3,878)	(5,265)
Gain (loss) on disposal of subsidiaries	出售附屬公司之收益 (虧損)	34	127,331	(61)
Profit before taxation	除稅前溢利		109,256	10,760
Taxation	稅項	9	59	(808)
Profit for the year	年內溢利	10	109,315	9,952
Attributable to:	應佔：			
Equity holders of the parent	母公司股權持有人		110,173	10,757
Minority interests	少數股東權益		(858)	(805)
			109,315	9,952
EARNINGS PER SHARE	每股盈利	12		
Basic and diluted	基本及攤薄		12.83 HKcents 港仙	1.22 HKcents 港仙

Consolidated Balance Sheet At 30th June, 2007

綜合資產負債表 於二零零七年六月三十日

		Notes 附註	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Non-current assets	非流動資產			
Investment properties	投資物業	13	159,030	207,500
Property, plant and equipment	物業、廠房及設備	14	178,313	171,307
Prepaid lease payments	預付租賃付款			
– non-current portion	– 非流動部份	15	1,957	2,003
Other assets	其他資產	16	1,846	1,701
Interest in a jointly controlled entity	於一間共同控制 公司權益	17	36,469	–
Available-for-sale investments	可供銷售投資	18	1,144	26,391
Deposits paid on acquisition of investment properties	收購投資物業之 已付按金		7,756	–
			386,515	408,902
Current assets	流動資產			
Inventories	存貨	19	1,898	2,256
Trade and other receivables	貿易及其他應收款項	20	13,744	46,660
Promissory note receivable from a jointly controlled entity	應收一間共同控制 公司承兌票據	21	171,600	–
Amount due from a jointly controlled entity	應收一間共同控制 公司之款項	22	12,955	–
Prepaid lease payments	預付租賃付款			
– current portion	– 流動部份	15	46	46
Pledged bank deposits	已抵押銀行存款	23	3,173	3,059
Bank balances and cash	銀行結存及現金	23	23,299	37,836
			226,715	89,857
Properties held for sale	待出售之物業	13	59,000	–
			285,715	89,857
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	24	7,623	10,021
Tax payable	應付稅項		712	1,084
Secured bank borrowings	已抵押銀行借貸			
– due within one year	– 於一年內到期	25	17,853	11,374
Obligations under finance leases	融資租約承擔			
– due within one year	– 於一年內到期	26	3,582	3,732
Bank overdrafts	銀行透支	23	4,539	4,771
			34,309	30,982
Liabilities associated with properties held for sale	待出售物業有關之負債		8,880	–
			43,189	30,982
Net current assets	流動資產淨值		242,526	58,875
			629,041	467,777

Consolidated Balance Sheet

At 30th June, 2007

綜合資產負債表

於二零零七年六月三十日

			2007	2006
			二零零七年	二零零六年
		Notes	HK\$'000	HK\$'000
		附註	千港元	千港元
Capital and reserves	資本及儲備			
Share capital	股本	27	8,804	9,100
Treasury shares	庫存股份	29	(8,911)	(8,911)
Share premium and reserves	股份溢價及儲備金		534,731	438,472
Equity attributable to equity holders of the parent	母公司股權持有人應佔權益		534,624	438,661
Minority interests	少數股東權益		-	858
Total equity	權益總額		534,624	439,519
Non-current liabilities	非流動負債			
Secured bank borrowings	已抵押銀行借貸			
– due after one year	– 於一年後到期	25	92,269	24,846
Obligations under finance leases	融資租約承擔			
– due after one year	– 於一年後到期	26	2,148	3,412
			94,417	28,258
			629,041	467,777

The consolidated financial statements on pages 39 to 109 were approved and authorised for issue by the Board of Directors on 8th October, 2007 and are signed on its behalf by:

第39頁至第109頁所載之綜合財務報告已於二零零七年十月八日經董事會批准及授權發行，並由下列董事代表簽署：

Hung Kin Sang, Raymond

Managing Director

洪建生
董事總經理

Fang Chin Ping

Director

方進平
董事

Consolidated Statement of Changes in Equity For the year ended 30th June, 2007

綜合權益變動表 截至二零零七年六月三十日止

		Attributable to equity holders of the parent 母公司權益持有人應佔權益													
		Share capital	Treasury shares	Share premium account	Share options	Investment revaluation reserve	Other reserve	Capital redemption reserve	Capital reserve	Distributable reserve	Translation reserve	Retained profits	Total	Minority interests	Total
		股本	庫存股份	溢價賬	購股權儲備	重估儲備	其他儲備	贖回儲備	資本儲備	儲備	換算儲備	保留溢利	合計	權益	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	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	千港元	千港元	千港元	千港元	千港元	千港元
							(Note 1) (附註1)		(Note 2) (附註2)	(Note 3) (附註3)					
At 1st July, 2005	於二零零五年七月一日	9,372	(12,546)	1	-	624	8,551	10,931	204,610	93,961	(2,499)	109,315	422,320	70,298	492,618
Loss on fair value changes of available-for-sale investments recognised directly in equity	可供銷售投資公平值變動產生之虧損	-	-	-	-	(244)	-	-	-	-	-	-	(244)	-	(244)
Realised on disposal of available-for-sale investments	出售可供銷售投資變現	-	-	-	-	(316)	-	-	-	-	-	-	(316)	-	(316)
Translation reserve released upon disposal of a subsidiary	出售附屬公司解除換算儲備	-	-	-	-	-	-	-	-	-	2,564	-	2,564	-	2,564
Profit for the year	年內溢利	-	-	-	-	-	-	-	-	-	-	10,757	10,757	(805)	9,952
Total recognised income and expense for the year	本年度確認之總收入及支出	-	-	-	-	(560)	-	-	-	-	2,564	10,757	12,761	(805)	11,956
Waiver of loan from a minority shareholder of a subsidiary	一間附屬公司之少數股東豁免借貸	-	-	-	-	-	-	-	428	-	-	-	428	-	428
Repurchase of own shares	回購股份	(272)	-	-	-	-	-	272	-	-	-	(11,338)	(11,338)	-	(11,338)
Realised on disposal of treasury shares	出售庫存股份變現	-	3,635	-	-	-	-	-	-	-	-	2,622	6,257	-	6,257
Disposal of a subsidiary	出售附屬公司	-	-	-	-	-	-	-	-	-	-	-	-	(68,635)	(68,635)
Recognition of equity-settled share-based payment expenses	股本結算—以股份為基礎付款—交易確認	-	-	-	8,233	-	-	-	-	-	-	-	8,233	-	8,233
At 1st July, 2006	於二零零六年七月一日	9,100	(8,911)	1	8,233	64	8,551	11,203	205,038	93,961	65	111,356	438,661	858	439,519
Gain on fair value changes of available-for-sale investments	可供銷售投資公平值變動產生之收益	-	-	-	-	2,241	-	-	-	-	-	-	2,241	-	2,241
Exchange difference arising on translation of foreign operations	換算海外業務之匯兌差價	-	-	-	-	-	-	-	-	-	22	-	22	-	22
Net income recognised directly in equity	於權益直接確認淨收入	-	-	-	-	2,241	-	-	-	-	22	-	2,263	-	2,263
Realised on disposal of available-for-sale investments	出售可供銷售投資變現	-	-	-	-	(1,959)	-	-	-	-	-	-	(1,959)	-	(1,959)
Profit for the year	年內溢利	-	-	-	-	-	-	-	-	-	-	110,173	110,173	(858)	109,315
Total recognised income and expense for the year	本年度確認之總收入及支出	-	-	-	-	282	-	-	-	-	22	110,173	110,477	(858)	109,619
Repurchase of own shares	回購股份	(296)	-	-	-	-	-	296	-	-	-	(14,893)	(14,893)	-	(14,893)
Recognition of equity-settled share-based payment expenses	股本結算—以股份為基礎付款—交易確認	-	-	-	379	-	-	-	-	-	-	-	379	-	379
At 30th June, 2007	於二零零七年六月三十日	8,804	(8,911)	1	8,612	346	8,551	11,499	205,038	93,961	87	206,636	534,624	-	534,624

Consolidated Statement of Changes in Equity

For the year ended 30th June, 2007

綜合權益變動表

截至二零零七年六月三十日止

Notes:

- (1) The other reserve of the Group represents the fair value adjustment at the date of transfer of property, plant and equipment to investment properties.
- (2) The capital reserve of the Group arose from the cancellation of share premium account of the Company pursuant to a special resolution passed by the Company on 22nd February, 1999 and a waiver of loan from a minority shareholder of a subsidiary of the Company.
- (3) The distributable reserve of the Group arose from the cancellation of share capital and share premium account of Applied Electronics Limited pursuant to a scheme of arrangement which became effective on 10th January, 1989.

附註：

- (1) 本集團之其他儲備已就物業、廠房及設備轉至投資物業而作公平價值調整。
- (2) 資本儲備為乃根據本公司於一九九九年二月二十二日通過之一項特別決議案。註銷本公司股份溢價賬而產生及本公司之一附屬公司之少數股東豁免借貸。
- (3) 本集團可分派儲備乃根據於一九八九年一月十日起生效之一項安排計劃，將實力電子有限公司之股本及股份溢價賬註銷而產生。

Consolidated Cash Flow Statement For the year ended 30th June, 2007

綜合現金流量表 截至二零零七年六月三十日止

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
OPERATING ACTIVITIES	經營活動		
Profit before taxation	除稅前溢利	109,256	10,760
Adjustments for:	調整項目：		
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	7,703	7,036
Dividend income	股息收入	(805)	(59)
Finance costs	融資成本	3,878	5,265
Gain on disposal of available-for-sale investments	出售可供銷售投資之收益	(1,959)	(813)
Gain on disposal of investment properties	出售投資物業之收益	-	(1,162)
(Gain) loss on disposal of subsidiaries	出售附屬公司之(收益)虧損	(127,331)	61
Impairment loss recognised in respect of trade and other receivables	貿易及其他應收款項已確認減值虧損	-	714
Increase in fair value of investment properties	投資物業之公平價值增加	(10,530)	(19,000)
Interest income	利息收入	(850)	(361)
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	-	461
Release of prepaid lease payments	解除預付租賃付款	46	46
Reversal of impairment loss recognised in respect of prepaid lease payments	預付租賃付款已確認減值虧損撥回	-	(613)
Reversal of impairment loss recognised in respect of property, plant and equipment	物業、廠房及設備之已確認減值虧損撥回	-	(178)
Share-based payment expenses	以股份為基礎付款	379	8,233
Waiver of other borrowings	豁免其他借貸	-	(19,651)
Operating cash flows before movements in working capital	營運資金變動前之經營現金流量	(20,213)	(9,261)
Decrease (increase) in inventories	存貨減少(增加)	358	(23)
(Increase) decrease in trade and other receivables	貿易及其他應收款項(增加)減少	(738)	21,394
Increase (decrease) in trade and other payables	貿易及其他應付款項增加(減少)	6,482	(7,147)
Cash (used in) from operations	經營活動(所用)來自之現金	(14,111)	4,963
Hong Kong Profits Tax paid	已付香港利得稅	(313)	(105)
NET CASH (USED IN) FROM OPERATING ACTIVITIES	經營活動(所用)來自之現金淨額	(14,424)	4,858

Consolidated Cash Flow Statement

For the year ended 30th June, 2007

綜合現金流量表

截至二零零七年六月三十日止

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
INVESTING ACTIVITIES	投資活動		
Purchase of property, plant and equipment	購入物業、廠房及設備	(154,473)	(57,913)
Advance to a jointly controlled entity	貸款予一間共同控制公司	(12,955)	-
Deposits paid on acquisition of investment properties	購買投資物業之已付按金	(7,756)	-
Purchase of other assets	購入其他資產	(145)	-
Increase in pledged bank deposits	已抵押銀行存款增加	(114)	(90)
Repayment of amount due from Quorum Island (BVI) Limited	應收Quorum Island (BVI) Limited 款項之還款	62,400	-
Repayment of receivable on disposal of subsidiaries	出售附屬公司款項之還款	33,654	-
Proceeds from disposal of available-for-sale investments	出售可供銷售投資所得款項	27,488	7,683
Interest received	已收利息	850	361
Dividends received	已收股息	805	59
Proceeds from disposal of investment properties	出售投資物業所得款項	-	118,162
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	-	408
Purchase of available-for-sale investments	購入可供銷售投資	-	(25,196)
NET CASH (USED IN) FROM INVESTING ACTIVITIES	投資活動(所用)所得之現金淨額	(50,246)	43,474
FINANCING ACTIVITIES	融資活動		
Repayment of bank borrowings	償還銀行貸款	(84,045)	(136,572)
Repurchase of own shares	回購股份	(14,893)	(11,338)
Repayment of obligations under finance leases	償還融資租賃承擔	(4,788)	(3,610)
Interest paid	已付利息	(3,387)	(4,921)
Finance charges paid in respect of obligations under finance leases	融資租賃承擔已付融資費用	(491)	(344)
New bank borrowings raised	新增銀行貸款	157,947	118,320
Proceeds from disposal of treasury shares	出售庫存股份所得款項	-	6,257
NET CASH FROM (USED IN) FINANCING ACTIVITIES	融資活動所得(所用)之現金淨額	50,343	(32,208)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等值物之淨額(減少)增加	(14,327)	16,124
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	年初現金及現金等值物	33,065	16,941
Effect of foreign exchange rate changes	外幣兌換率變動之影響	22	-
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	年末現金及現金等值物	18,760	33,065
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等值物結餘之分析		
Bank balances and cash	銀行結存及現金	23,299	37,836
Bank overdrafts	銀行透支	(4,539)	(4,771)
		18,760	33,065

Notes to the Consolidated Financial Statements

綜合財務報告附註

1. GENERAL

The Company is incorporated in Bermuda as an exempted company with limited liability. Its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The addresses of the registered office and the principal place of business of the Company are disclosed in the section headed "Corporate Information" in the annual report.

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

The Company acts as an investment holding company. The Group is principally engaged in resort and property development; property and investment holding; and design, manufacture, marketing and distribution of consumer electronic products. The activities of the principal subsidiaries of the Company and a jointly controlled entity of the Group are set out in notes 39 and 17 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 ("new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") which are effective for the Group's financial year beginning 1st July, 2007. The adoption of the new HKFRSs had no material effect on the results or financial position of the Group for the current or prior accounting periods. Accordingly, no prior period adjustment is required.

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

1. 一般事項

本公司為一家於百慕達註冊成立之獲豁免有限公司，其股份在香港聯合交易所有限公司（「交易所」）上市。本公司之註冊辦事處地址及主要營業地點已於本年報「公司資料」中披露。

本綜合財務報告乃以港元呈列，港元亦為本公司之功能性貨幣。

本公司乃一家投資控股公司。本集團主要從事度假村及物業發展、物業及投資控股以及設計、製造、市場推廣及分銷電子消費產品之業務。本公司主要附屬公司及一間共同控制公司之業務載於附註39及17。

2. 採用新訂及修訂香港財務報告準則

於本年度，本集團已首次採用多項由香港會計師公會（「香港會計師公會」）頒佈之新香港財務報告準則修訂及詮釋（「新香港財務報告準則」），該等準則於二零零七年七月一日開始之會計期間生效，經採納之新香港財務報告準則對本集團本年度或過往會計期間之業績並無重大影響。故不需要作過往年度修改。

本集團並無提早採用下列已頒佈但尚未生效之新準則、修訂及詮釋。本公司董事認為該等準則、修訂及詮釋對本集團之會計期間的業績及財務狀況並無重大影響。

Notes to the Consolidated Financial Statements

綜合財務報告附註

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

HKAS 1 (Amendment)	Capital Disclosures ¹
HKAS 23 (Revised)	Borrowing Costs ²
HKFRS 7	Financial Instruments: Disclosures ¹
HKFRS 8	Operating Segments ²
HK(IFRIC) – INT 10	Interim Financial Reporting and Impairment ³
HK(IFRIC) – INT 11	HKFRS 2 – Group and Treasury Share Transactions ⁴
HK(IFRIC) – INT 12	Service Concession Arrangements ⁵
HK(IFRIC) – INT 13	Customer Loyalty Programmes ⁶
HK(IFRIC) – INT 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction ⁵

- ¹ Effective for annual periods beginning on or after 1st January, 2007
- ² Effective for annual periods beginning on or after 1st January, 2009
- ³ Effective for annual periods beginning on or after 1st November, 2006
- ⁴ Effective for annual periods beginning on or after 1st March, 2007
- ⁵ Effective for annual periods beginning on or after 1st January, 2008
- ⁶ Effective for annual periods beginning on or after 1st July, 2008

2. 採用新訂及修訂香港財務報告準則(續)

香港會計準則 第1號(經修訂)	資本披露 ¹
香港會計準則 第23號(更新)	借貸成本 ²
香港財務報告準則 第7號	財務工具：披露 ¹
香港財務報告準則 第8號	經營分類 ²
香港(國際財務 報告解釋委員會) — 詮釋第10號	中期財務報告及 減值 ³
香港(國際財務 報告解釋委員會) — 詮釋第11號	香港財務報告 準則第2號— 集團及庫存 股份交易 ⁴
香港(國際財務 報告解釋委員會) — 詮釋第12號	特許服務權安排 ⁵
香港(國際財務 報告解釋委員會) — 詮釋第13號	客戶忠誠度計劃 ⁶
香港(國際財務 報告解釋委員會) — 詮釋第14號	香港會計準則 第19號— 定額 福利資產之 限制、最低 資金要求及 兩者之互動 關係 ⁵

- ¹ 於二零零七年一月一日或之後開始之年度期間生效。
- ² 於二零零九年一月一日或之後開始之年度期間生效。
- ³ 於二零零六年十一月一日或之後開始之年度期間生效。
- ⁴ 於二零零七年三月一日或之後開始之年度期間生效。
- ⁵ 於二零零八年一月一日或之後開始之年度期間生效。
- ⁶ 於二零零八年七月一日或之後開始之年度期間生效。

Notes to the Consolidated Financial Statements

綜合財務報告附註

3. SIGNIFICANT ACCOUNTING POLICIES

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

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

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.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other members of the Group.

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

3. 主要會計政策

除會計政策所載某些財務工具及投資物業、以其公平值計算(如下面其會計政策所詳釋)外，綜合財務報告乃根據原值本法編製。

綜合財務報告已按照香港會計師公會頒佈之香港財務報告準則而編製。此外，綜合財務報告書包括香港聯合交易所有限公司證券上市規則及香港公司條例規定之適當披露。

綜合賬目基準

綜合財務報告包括本公司及本公司控制公司(其附屬公司)之財務報告。控制之實現乃本公司有權力管治其控制公司之財務及營運政策，而得到該活動之利益。

本年度收購或出售之附屬公司之業績視乎情況而自收購生效日期起或截至出售生效日期止納入綜合收益表內。

在需要時，附屬公司之會計政策會與本集團其他公司函接並在其財務報告中調整。

本集團內部公司相互間之所有交易、結餘、收入及支出均於綜合賬目時對銷。

Notes to the Consolidated Financial Statements

綜合財務報告附註

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Basis of consolidation (continued)

Minority interests in the net assets of consolidated subsidiaries are presented separately from the Group's equity therein. Minority interests in the net assets 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 interest 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.

Non-current assets classified as held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amounts 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 asset or disposal group is available for immediate sale in its present condition.

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

3. 主要會計政策 (續)

綜合賬目基準 (續)

綜合附屬公司淨資產內之少數股東權益與本集團之股本權益分開呈列。少數股東於資產淨值之權益包括於原有業務合併日該權益數額，以及自合併日後少數股東應佔之權益變動。倘少數股東應佔之虧損高於少數股東應佔附屬公司之股本之權益，除非該少數股東須受約束性責任及有能力支付額外資金以彌補附屬公司之虧損，否則該虧損應由本集團承擔。

列為持有待售之非流動資產

倘非流動資產及出售群之賬面值將主要透過一項銷售交易而非透過持續使用變現，該等非流動資產及出售群則列為待售持有，唯該流動資產及出售群可即時出售的現況及其有極高可能出售。

列為待售之非流動資產及出售群乃按其先前賬面值及公平值減銷售成本（兩者以較低者為準）計算。

Notes to the Consolidated Financial Statements

綜合財務報告附註

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Jointly controlled entity

Joint venture arrangements that involve the establishment of a separate entity in which venturers have joint control over the economic activity of the entity 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 net assets 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.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the jointly controlled entity recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment.

Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

3. 主要會計政策(續)

共同控制公司

在涉及成立一間合營企業的安排上，如各經營者均共同控制該獨立企業的經濟活動時，該企業乃列為共同控制公司。

共同控制公司的業績、資產及負債按權益法計入本綜合財務報告內。按照權益法，共同控制公司的投資是按成本及於收購後本集團應佔共同控制公司損益及權益之變動調整並扣除任何經確認資產減值，列於綜合資產負債表內。倘本集團所佔的虧損等於或超逾集團於共同控制公司應佔的權益(包括實質上會構成集團對共同控制公司淨投資的任何長期權益)，集團即終止確認應佔往後的虧損。集團額外確認的應佔虧損及負債，只限於本集團須負約束性法律責任或代共同控制公司支付額外款項。

本集團於收購共同控制公司當日之收購成本超出當時本集團佔有關共同控制公司可識別資產、負債及或然負債之公平淨值之差額，指為商譽。倘商譽會包括在其投資賬面值中，則被視為其中可減值的投資。

集團收購之可識別資產、負債及或然負債應佔部份之公平淨值超出收購成本，經重新估計，即在損益表中確認。

Notes to the Consolidated Financial Statements

綜合財務報告附註

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Jointly controlled entity (continued)

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.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold by the Group to outside customers, net of discounts, and property rental income during the year.

Sales of goods are recognised when goods are delivered and title has passed.

Rental income, including rentals invoiced in advance from properties let under operating leases, are recognised on a straight line basis over the terms 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.

Dividend income from investments is recognised when the Group's rights to receive payment have been established.

3. 主要會計政策 (續)

共同控制公司 (續)

當本集團與共同控制公司進行交易，未變現的損益須於編製綜合財務報告時，按本集團所佔共同控制公司的權益抵銷。除該未變現虧損證實為資產轉讓減值，則該虧損總額須即時確認。

收益確認

本年度之收益以因本集團出售物品予外來顧客(於一般正常交易下計算，扣除回收及贈額)和物業出售之可收或已收淨額之公平值計算。

銷售貨品乃於貨品交付及擁有權轉手時入賬。

租金收入，包括按經營租約出租物業所得之租金收入(包括預收之租金)乃按有關租約年期以直線法予以確認。

財務資產利息收入按時間基準根據未償還本金額以適用實際利率計算。該利率乃將該財務資產於預計年期內估計未來現金收益貼現至該資產賬面淨值之利率。

投資之股息收入在股東收取股息之權利確立後確認。

Notes to the Consolidated Financial Statements

綜合財務報告附註

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use or no future economic benefits are expected from its disposals. 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 asset) is included in the consolidated income statement in the year in which the item is derecognised.

Property, plant and equipment

Property, plant and equipment other than properties under development are stated at cost less subsequent accumulated depreciation and accumulated impairment losses.

Properties under development are stated at cost less any identified impairment losses. Cost includes development expenditure, borrowing costs capitalised and other directly attributable expenses.

Depreciation is provided to write off the cost of items of property, plant and equipment other than properties under development over their estimated useful lives and after taking into account of their estimated residual value, using the straight line method.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, whereas shorter, the terms of the relevant lease.

3. 主要會計政策(續)

投資物業

於確認初期，投資物業以成本，其中包括其任何直接費用計算，其初期確認後，投資物業以公平值方法計算。於投資物業公平值變動時，其盈利或虧損均在發生期間於損益表中入賬。

投資物業於出售時或當投資存在永遠不能應用或失去其將來經濟價值時，會當作出售而不被確認。任何因不被確認之盈利或虧損(其出售時所收之淨金額和資產現價之差額)會於年內綜合損益賬中入賬。

物業、廠房及設備

物業、廠房及設備以成本減隨後累積折舊及累積減值虧損入賬。

待發展物業以成本減其確實減值。成本包括其發展費用、資本化借貸成本及其他所有費用。

折舊按物業、廠房及設備之估計可使用年期及估計殘餘價值採用直線法撇銷成本。

根據融資租約持有之資產乃按自置資產相同之基準，根據其期望可使用年期或有關租約年期(較低者)計算折舊。

Notes to the Consolidated Financial Statements

綜合財務報告附註

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment (continued)

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 consolidated income statement in the year in which the item is derecognised.

Other assets

Other assets are antiques held for long-term purposes and are stated at cost less any identified impairment losses.

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 consolidated income statement on a straight line basis over the terms of the relevant lease.

3. 主要會計政策 (續)

物業、廠房及設備 (續)

於出售時或當物業、廠房和設備存在不能應用或失去其將來經濟價值時會當作出售而不被確認。任何因不被確認之盈利或虧損(其出售時所收之金額和資產現價之差額)會於年內綜合收益表中入賬。

其他資產

作長期持有之其他資產均為古董，按成本減任何已確認減值虧損入賬。

租賃

凡租賃條款規定將擁有租賃資產之絕大部份風險及回報轉移予承租人，則該租約被視為融資租約。所有其他租約均列為經營租約。

集團為放租者

營運租賃所得之租金收益會於綜合收益表中根據相關租賃期以直線法確認。

Notes to the Consolidated Financial Statements

綜合財務報告附註

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Leasing (continued)

The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated balance sheet as finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see below).

Rentals payable under operating leases are charged to profit or loss on a straight line basis over the terms 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 on a straight line basis over the lease terms.

Leasehold land and building

The land and building elements of a lease of land and building are considered separately for the purpose of lease classification. Leasehold land which title is not expected to pass to the lessee by the end of the lease term is classified as an operating lease unless the lease payments cannot be allocated reliably between the land and building elements, in which case, the entire lease is classified as a finance lease.

3. 主要會計政策 (續)

租賃 (續)

集團為承租者

融資租約持有之資產於租賃開始時以公平值確認為本集團之資產，如其現價值低於最少租賃付款。相關予租賃人的債務承擔於綜合資產負債表中列為融資租約承擔。租約付款按比例分攤為財務費用及租約承擔減少，從而讓該等負債應付餘額以固定息率計算。財務費用直接於損益賬支銷。除非該費用可直接歸屬於合資格資產，在這方面該費用可根據本集團之借貸成本一般政策計入資本賬(見如下)。

營運租約應付租賃於損益賬中以直線法按相關租約期支銷。因租約產生之可收或已收之利益會在租金支出中按租期以直線法扣減。

租賃土地及樓宇

土地及樓宇租賃之土地及樓宇部份在進行租賃分數時須分開考慮，租賃租約為租賃地擁有權於租賃期完結後不能預期轉移至承租者。除非租金沒法可靠劃分為土地及樓宇兩部份，在此情況下，整項租約一般當作融資租約處理。

Notes to the Consolidated Financial Statements

綜合財務報告附註

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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. 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 on non-monetary items in respect of which gain and losses are recognised directly in equity, in which cases, the exchange differences are also recognised directly in equity.

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 Group (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 profit or loss in the period in which the foreign operation is disposed of.

3. 主要會計政策 (續)

外幣

於編製各個別集團實體之財務報告表時，以該實體之功能貨幣以外之貨幣（「外幣」）進行之交易乃按於交易日期之匯率換算為其功能貨幣（即該實體經營所在地之主要經濟環境之貨幣）。於各結算日，以外幣定值之貨幣項目乃按結算日之匯率重新換算。按公平值列賬及以外幣定值之非貨幣項目乃按其公平值釐定當日之匯率重新換算。以外幣計值且以歷史成本入賬之非貨幣項目概不換算。

貨幣項目結算及貨幣項目換算產生之匯兌差額乃於產生之期間確認損益。除於權益中直接產生之盈利或虧損，或匯兌差額直接確認在權益中，再重新換算的非貨幣項目以其該期間之公平值於損益賬中入賬。

就呈列綜合財務報表而言，本集團境外業務之資產及負債均按結算當日匯率換算為本集團之呈列貨幣（即港元），而有關之收入及開支項目乃按年度期間平均匯率換算，除非期內匯率出現重大波幅，則於此情況下，將採用交易日期之匯率。所產生匯兌差額（如有）均確認為股本權益之獨立部份（換算儲備）。有關換算差額於該項境外業務出售期間在損益表中確認。

Notes to the Consolidated Financial Statements

綜合財務報告附註

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Borrowings costs

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

All other borrowing costs are recognised as and included in finance costs in the consolidated income statement in the period in which they are incurred.

Retirement benefit scheme

Payments to defined contribution retirement benefit scheme and mandatory provident fund scheme are charged as expenses when employees have rendered service entitling them to the contributions.

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 consolidated income statement because it excludes items of income or expense that are taxable or deductible in other periods, 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.

3. 主要會計政策 (續)

借貸成本

為購買、建造或生產合資格資產，其直接應計之借貸成本，均資本化作為此等資產成本之一部分。當該等資產大致上已完成作其預計用途或銷售時，該等借貸成本便停止資本化。

所有其餘借貸成本於發生時均於綜合收益表確認為當期融資成本。

退休福利計劃

對定額供款退休福利計劃及強制性公積金計劃之供款於僱員已提供之服務而應享有供款時以開支列賬。

稅項

所得稅支出指即期應付稅項及遞延稅項之總和。

即期應付稅項乃按本年度應課稅溢利計算。應課稅溢利與綜合收益表中所呈報之溢利不同，乃由於應課稅溢利不包括於其他年度課稅之收入或抵扣之開支，亦不包括永不須課稅或獲抵扣之項目。本集團之即期稅項負債乃按結算日已頒佈或大體上已頒佈之稅率計算。

Notes to the Consolidated Financial Statements

綜合財務報告附註

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation (continued)

Deferred taxation is recognised on differences between the carrying amounts of assets and liabilities in the consolidated 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.

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 taxation 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 taxation is charged or credited to the consolidated income statement, except when it relates to items charged or credited directly to equity, in which case the deferred taxation is also dealt with in equity.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the first-in, first-out method.

3. 主要會計政策 (續)

稅項 (續)

遞延稅項指從綜合財務報告表內資產及負債賬面值與計算應課稅溢利所採用相應課稅基之差額，並以資產負債表負債法處理。遞延稅項負債一般就所有應課稅暫時性差額確認，而遞延稅項資產則按可能可扣減暫時性差額對銷應課稅溢利時確認。若交易中因商譽或因首次確認之其他資產及負債(業務合併以外)而產生之暫時性差額並不影響應課稅溢利或會計溢利時，則不會確認該等遞延稅項資產及負債。

遞延稅項資產之賬面值於每個結算日作出檢討，並按無足夠應課稅溢利以收回全部或部分資產價值而予以相應扣減。

遞延稅項乃按預期於負債償還或資產變現之期間之稅率計算。遞延稅項於綜合收益表中扣除或計入收益表，惟倘遞延稅項相關項目直接自權益中扣除或計入，在此情況下遞延稅項亦會於權益中處理。

存貨

存貨乃根據成本及可變現淨值兩者之較低值入賬。成本乃按先進先出法計算。

Notes to the Consolidated Financial Statements

綜合財務報告附註

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments

Financial assets and financial liabilities are recognised on the consolidated 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.

Financial assets

The Group's financial assets are classified into one of the two categories, which are loans and receivables and available-for-sale investments. 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 market place. The accounting policies adopted in respect of each category of financial assets are set out below.

3. 主要會計政策 (續)

財務工具

倘一集團實體成為財務工具合約條文之訂約方，則於綜合資產負債表中確認財務資產及財務負債。財務資產及財務負債首先按公平值計量。因收購或發行財務資產及財務負債(控公平值於損益中處理之財務資產及負債除外)而直接產生之交易成本於首次確認時計入財務資產或財務負債(如適用)之公平值或自財務資產或財務負債(如適用)之公平值扣除。就按公平值於損益中處理之財務資產或財務負債而言，直接產生之交易成本即時於損益賬確認。

財務資產

本集團之財務資產分為貸款及應收款項及可供銷售投資。所有財務資產常規購買或出售按於買賣日期被確認或不再確認。常規買賣或出售為購買或出售財務資產而需要在市場已成立之規則或慣例下在預定時間內交付資產。就各類財務資產採納之會計政策載列下文。

Notes to the Consolidated Financial Statements

綜合財務報告附註

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

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 trade and other receivables, promissory note receivable from a jointly controlled entity, amount due from a jointly controlled entity, pledged bank deposits and bank balances) 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)

財務工具 (續)

財務資產 (續)

貸款及應收款項

貸款及應收款項乃指固定或可確定付款金額但在活躍市場並無報價之非衍生財務資產。於首次確認後之每個結算日，貸款及應收款項（包括貿易及其他應收款項、應收共同控制公司承兌票據、應收共同控制公司款項、已抵押存款及銀行結餘）採用實際利率法按經攤銷成本減任何被確定之減值虧損列賬。當有客觀證據證明資產出現減值時，減值虧損於損益中確認，並以該資產之賬面值與按原實際利率貼現估計未來現金流量之現值之差額計量。倘引致資產減值之事件其後在客觀上發生變化而使該資產之可收回數額增加，則減值虧損會於其後期間予以撥回，惟須受於減值日期撥回之資產賬面值不得超過原本未確認減值時之經攤銷成本之限制。

Notes to the Consolidated Financial Statements

綜合財務報告附註

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Available-for-sale investments

Available-for-sale investments are non-derivatives that are either designated or not classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments. At each balance sheet date subsequent to initial recognition, available-for-sale investments 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 investments are recognised in profit or loss. Impairment losses on available-for-sale equity investments will not reverse in profit or loss in subsequent periods.

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.

Financial liabilities

Financial liabilities including trade and other payables and bank borrowings are subsequently measured at amortised cost, using the effective interest method.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds, net of direct issue costs.

3. 主要會計政策 (續)

財務工具 (續)

財務資產 (續)

可供銷售投資

可供銷售投資為非衍生項目，其為已選定為或非分類為以公平值計入損益賬之財務資產、貸款及應收款項或持至到期投資。於首次確認後各結算日，可供銷售投資按公平值計算。公平值之變動於權益中確認，直至該財務資產被出售或決定有所減值，屆時過往於權益確認之累計收入或虧損會自權益剔除，並於損益中確認。可供銷售投資之任何減值虧損於損益中確認。可供銷售之股權投資之減值虧損將不會於以後期間透過損益中撥回。

財務負債及權益

由一集團公司發行之財務負債及權益工具乃根據所訂立之合約之實質安排與財務負債及權益工具之定義而分類。

財務負債

財務負債包括貿易及其他應付賬款、銀行借貸及財務合約承擔其後採用實際利率按經攤銷成本計算。

權益工具

權益工具是證明在扣除所有負債後享有本集團資產餘下權益之任何合約。本公司發行之權益工具乃按已收取之所得款扣除直接發行成本後入賬。

Notes to the Consolidated Financial Statements

綜合財務報告附註

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial liabilities and equity (continued)

Treasury shares

Applied Investment (Asia) Limited (formerly known as iQuorum Cybernet Limited) (“Applied Investment”) became a subsidiary of the Company in 1995. On consolidation, the shares in the Company held by Applied Investment have been accounted for using the treasury stock method whereby consolidated shareholders’ equity is reduced by the carrying amount of the shares in the Company held by Applied Investment at the date when Applied Investment became the subsidiary of the Company. On disposal of the shares in the Company held by Applied Investment, consideration received is recognised directly in equity. The difference between the sale consideration and the carrying amount of the shares disposed of is recognised in retained profits. No gain or loss is recognised in profit or loss.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expire, or the financial assets are transferred and the Group has transferred substantially all the risks rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset’s carrying amount and the sum of the consideration received and the cumulative gain or loss that had been recognised directly in equity is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3. 主要會計政策 (續)

財務工具 (續)

財務負債及權益 (續)

庫存股份

實力投資發展有限公司 (前稱「盈聯網絡有限公司」) (「實力投資」) 已於一九九五年為本公司附屬公司，於綜合計算上，其持有本公司之股份以其成為附屬公司日起之現值，採用庫存股份法在綜合股東權益中減值處理。於出售其持有本公司股份時，已收代價將於權益中確認。出售代價與現值之差額於保留盈利中記賬，而其收益或虧損不會於損益內確認。

不予確認

當自資產收取現金流量之權利屆滿或財務資產被轉讓及本集團已將財務資產之所有權之絕大部分風險及回報轉移，則財務資產不再確認。於不再確認財務資產時，資產賬面值與所收取代價及已直接於權益中確認之累計損益之總和兩者間之差額確認損益。

當有關合約中訂明之責任已解除、註銷或屆滿時，則財務負債不再確認。不再確認財務負債之賬面值與已付代價之差額確認於損益內。

Notes to the Consolidated Financial Statements

綜合財務報告附註

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Equity-settled share-based payment transactions

Share options granted to employees of the Group

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 share options reserve in equity.

At each balance sheet date, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the estimates, if any, is recognised in profit or loss with a corresponding adjustment to share options reserve.

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

Impairment

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

3. 主要會計政策(續)

股本結算－以股份為基礎付款－之交易

購股權授予本集團之員工

所獲服務之公平值乃參考購股權於授出日期之公平值釐定，在購股權歸屬期間以直接法列作開支，並於權益(即購股權儲備金)作相應之增加。

於各結算日，本集團修訂其對預期最終歸屬之購股權數目之估算。對估算之修訂之影響(如有)按損益確認入賬，並對購股權儲備相應作出調整。

購股權獲行使時，先前於購股權儲備金中確認之款項將撥入股份溢價。當購股權於屆滿日仍未行使或已被充公，先前於購股權儲備金中確認之款項將撥入保留溢利。

減值

於每一結算日，本集團均會審閱其資產之賬面值，以確定該等資產有否出現任何減值虧損跡象。倘估計某資產之可收回金額低於其賬面值，則其資產之賬面值將減至其可收回金額，即時確認其減值虧損為開支。

Notes to the Consolidated Financial Statements

綜合財務報告附註

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Impairment (continued)

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

4. FINANCIAL INSTRUMENTS

(a) Financial risk management objectives and policies

The Group's major financial instruments include available-for-sales investments, trade and other receivables, promissory note receivable from a jointly controlled entity, amount due from a jointly controlled entity, pledged bank deposits, bank balances and cash, trade and other payables, bank borrowings and obligations under finance leases. 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. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

3. 主要會計政策 (續)

減值 (續)

倘減值虧損其後撥回，則資產之賬面值將增至其經重新估計之可收回金額，惟所增加之賬面值不會超出假設於以往年度並無確認減值虧損而釐定之面值。減值虧損之撥回即時確認為收入。

4. 財務工具

(a) 財務風險管理目標及政策

本集團之主要財務工具包括可供銷售投資、貿易及其他應收款項、應收一間共同控制公司承兌票據、應收一間共同控制公司款項、已抵押銀行存款、銀行結餘、貿易及其他應付款項、銀行借貸以及融資租約承擔。此等財務工具之詳情於相關附註中披露。有關此等財務工具之風險以及如何減低此等風險之政策載於下文。管理層負責管理及監控該等風險，以確保及時與有效地採取適當之措施。

Notes to the Consolidated Financial Statements

綜合財務報告附註

4. FINANCIAL INSTRUMENTS (continued)

(a) Financial risk management objectives and policies (continued)

Market risk

Currency risk

Certain secured bank borrowings of the Group are denominated in foreign currencies. The Group currently does not have a foreign currency hedging policy. However, management will monitor the foreign exchange exposure closely and will consider the usage of hedging instruments when the need arises.

Interest rate risk

The Group's exposure to cash flow interest rate risk relates primarily to the variable-rate bank balances and secured bank borrowings.

The Group also exposed to fair value interest rate risks which is related primarily to its fixed-rate obligations under finance leases.

The Group currently does not have a policy to hedge against the interest rate risk as management believes that changes in the interest rate will not have a significant impact on the Group's financial position. However, management will monitor the interest rate exposure closely and will consider hedging significant interest rate exposure when the need arises.

Price risk

The Group is exposed to equity security price risk through the available-for-sale investments. Management manages this exposure by maintaining a portfolio of investments with different risk profiles.

4. 財務工具 (續)

(a) 財務風險管理目標及政策 (續)

市場風險

貨幣風險

本集團之部份有抵押銀行借貸以外幣計算。本集團現時並沒有就此作對沖政策。然而，管理層密切監控外匯風險並將於必要時考慮對沖重大外幣匯率波動政策。

利率風險

本集團承受之現金流量利率風險主要與銀行浮息結餘及已抵押銀行借貸有關。

本集團亦承受之公平值利率風險主要與其定息融資租約承擔有關。

本集團現時沒有對沖利率風險的政策，因管理層相信利率變動不會對本集團財政狀況構成重大影響。然而，管理層密切監控利率風險，並將於必要時考慮對沖重大利率波動。

價格風險

本集團通過可供銷售投資承受股本證券價格風險。管理層通過維持具不同風險特性之投資組合管理該類風險。

Notes to the Consolidated Financial Statements

綜合財務報告附註

4. FINANCIAL INSTRUMENTS (continued)

(a) Financial risk management objectives and policies (continued)

Credit risk

At 30th June, 2007, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to perform an obligation by the counterparties and financial guarantee issued by the Group arising from:

- the carrying amount of the respective recognised financial assets as stated in the consolidated balance sheet; and
- the amount of financial guarantee disclosed in note 37(a).

The Group is subject to concentration of credit risks over certain of its major customers for sales of consumer electronic products. At 30th June, 2007, the outstanding balances from the five largest customers amounted to approximately HK\$4,973,000. The Group has no significant concentration of credit risk for the remaining customers, with exposure spread over a number of customers. In order to minimise the credit risk and the concentration of credit risk, 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 trade debts. In addition, the Group reviews the recoverable amount of each individual receivable at each balance sheet date to ensure that adequate impairment losses are recognised for irrecoverable amounts. In this regards, the directors of the Company consider that the Group's credit risk is significantly reduced.

4. 財務工具 (續)

(a) 財務風險管理目標及政策 (續)

信貸風險

於二零零七年六月三十日，本集團因交易方未能履行責任及本集團提供財務擔保而引致財務虧損的最大信貸風險來自：

- 綜合資產負債表所載已確認財務資產之賬面值；及
- 附註37(a)披露之財務承擔金額。

本集團於銷售電子消費產品之某些主要顧客中承受信貸集中風險。於二零零七年六月三十日，五位最大客戶之尚未償還款項總額為4,973,000港元。於其餘之客戶中，本集團並無重大信貸集中風險，信貸分散於若干客戶。為減低信貸風險及信貸集中風險，本集團管理層已設立專門小組負責信貸額之釐定、信貸批准及其他監控程序，以確保採取跟進措施收回逾期之貿易賬款。此外，本集團於各結算日檢討各應收款項之可收回金額，以確保已就不可收回金額作出足夠之減值虧損。就此而言，本公司董事認為本集團信貸風險已大幅減低。

Notes to the Consolidated Financial Statements

綜合財務報告附註

4. FINANCIAL INSTRUMENTS (continued)

(a) Financial risk management objectives and policies (continued)

Credit risk (continued)

At 30th June, 2007, management reviews the financial positions of the jointly controlled entity and the repayment records. In this regards, the management considers that the Group's credit risk on amount due from and promissory note receivable from a jointly controlled entity is minimal.

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings and ensures compliance with loan covenants.

(b) Fair value

The fair value of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets traded on active liquid markets are determined with reference to quoted market bid prices; and
- the fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices and rates from observable current market transactions as input.

4. 財務工具 (續)

(a) 財務風險管理目標及政策 (續)

信貸風險 (續)

於二零零七年六月三十日，管理層評估該共同控制公司之財務狀況及還款記錄。就此方面，管理層考慮到本集團於一間共同控制公司之應收款項及承兌票據之信貸風險是輕微的。

流動資金風險

有關管理流動資金風險，本集團監察及維持現金及現金等價物於某一管理層認為足夠的水平，以作本集團經營融資及減輕現金流量之波動。管理層監察其使用之銀行借貸款項及確保其符合貸款合約。

(b) 公平值

財務資產及財務負債之公平值按以下釐定：

- 在高流通量市場買賣之財務資產之公平值，乃參考所報市場成交價釐定；
- 其他財務資產及財務負債之公平值乃根據普遍採納之價格模式，利用可取得目前市場交易之價格按貼現現金流量分析釐定。

Notes to the Consolidated Financial Statements

綜合財務報告附註

4. FINANCIAL INSTRUMENTS (continued)

(b) Fair value (continued)

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

5. TURNOVER

Sales of goods	銷售貨品
Rental income	租金收入

4. 財務工具 (續)

(b) 公平值 (續)

董事認為，於綜合財務報表上按已攤銷成本列賬之財務資產及財務負債與其公平價值相約。

5. 營業額

2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
113,828	99,108
6,785	8,526
120,613	107,634

6. BUSINESS AND GEOGRAPHICAL SEGMENTS

Business segments

For management purposes, the Group's operations are organised into three operating divisions namely resort development, property investment and manufacture and distribution of electronic products. The Group's resort development division includes multi-purpose resort communities as well as sales of condo hotels, residential units and club memberships. These divisions are the basis on which the Group reports its primary segment information.

6. 業務及地區分類

按業務分類

就管理而言，本集團現組成三個業務部門—度假村發展、物業投資及製造及分銷電子產品。本集團之度假村發展項目包括多用途度假村及建設和出售分權酒店、住宅單位及會所會籍，該等部門乃本集團報告其主要分類資料之基礎。

Notes to the Consolidated Financial Statements

綜合財務報告附註

6. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

Business segments (continued)

Business segment information for the year ended 30th June, 2007 is presented below:

6. 業務及地區分類 (續)

按業務分類 (續)

截至二零零七年六月三十日止年度之業務分類資料呈列如下：

		Resort development 度假村發展 HK\$'000 千港元	Property investment 物業投資 HK\$'000 千港元	Manufacture and distribution of electronic products 製造及分銷 電子產品 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Turnover	營業額	-	6,785	113,828	120,613
Results	業績				
Segment results	分類業績	(563)	12,339	27	11,803
Unallocated corporate income	未分配公司收入				3,627
Unallocated corporate expenses	未分配公司費用				(29,627)
Finance costs	融資成本				(3,878)
Gain on disposal of subsidiaries	出售附屬公司之 收益	127,331			127,331
Profit before taxation	除稅前溢利				109,256
Taxation	稅項				59
Profit for the year	年內溢利				109,315

Notes to the Consolidated Financial Statements

綜合財務報告附註

6. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

6. 業務及地區分類 (續)

Business segments (continued)

按業務分類 (續)

		Resort development 度假村發展 HK\$'000 千港元	Property investment 物業投資 HK\$'000 千港元	Manufacture and distribution of electronic products 製造及分銷 電子產品 HK\$'000 千港元	Segment total 分類總計 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Assets	資產	155,767	226,034	25,966	407,767	264,463	672,230
Liabilities	負債	-	11,180	5,160	16,340	121,266	137,606
Other information	其他資料						
Capital expenditure	資本開支	151,986	482	4,575	157,043	804	157,847
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	-	253	2,952	3,205	4,498	7,703
Release of prepaid lease payments	解除預付租賃付款	-	41	5	46	-	46

Notes to the Consolidated Financial Statements

綜合財務報告附註

6. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

Business segments (continued)

Business segment information for the year ended 30th June, 2006 is presented below:

6. 業務及地區分類 (續)

按業務分類 (續)

截至二零零六年六月三十日止年度之業務分類資料呈列如下：

		Resort development 度假村發展 HK\$'000 千港元	Property investment 物業投資 HK\$'000 千港元	Manufacture and distribution of electronic products 製造及分銷 電子產品 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Turnover	營業額	-	8,526	99,108	107,634
Results	業績				
Segment results	分類業績	(1,478)	16,120	(1,948)	12,694
Unallocated corporate income	未分配公司收入				19,651
Unallocated corporate expenses	未分配公司費用				(16,259)
Finance costs	融資成本				(5,265)
Loss on disposal of a subsidiary	出售附屬公司之 虧損				(61)
Profit before taxation	除稅前溢利				10,760
Taxation	稅項				(808)
Profit for the year	年內溢利				9,952

Notes to the Consolidated Financial Statements

綜合財務報告附註

6. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

6. 業務及地區分類 (續)

Business segments (continued)

按業務分類 (續)

		Resort development 度假村發展 HK\$'000 千港元	Property investment 物業投資 HK\$'000 千港元	Manufacture and distribution of electronic products 製造及分銷 電子產品 HK\$'000 千港元	Segment total 分類總計 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Assets	資產	143,572	265,729	23,404	432,705	66,054	498,759
Liabilities	負債	245	32,712	5,255	38,212	21,028	59,240
Other information	其他資料						
Capital expenditure	資本開支	53,494	3,415	5,743	62,652	1,667	64,319
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	-	3,897	2,893	6,790	246	7,036
Release of prepaid lease payments	解除預付租賃付款	-	41	5	46	-	46
Allowance for trade and other receivables	貿易及其他應收款項撥備	-	179	535	714	-	714
Reversal of impairment loss recognised in respect of property, plant and equipment	物業、廠房及設備之已確認減值虧損撥回	-	178	-	178	-	178
Reversal of impairment loss recognised in respect of prepaid lease payments	預付租賃付款之已確認減值虧損撥回	-	613	-	613	-	613

Notes to the Consolidated Financial Statements

綜合財務報告附註

6. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

Geographical segments

The Group's operations are principally located in Hong Kong, the People's Republic of China other than Hong Kong (the "PRC"), the British Virgin Islands (the "BVI") and Panama.

The following table provides an analysis of the Group's turnover by geographical market, irrespective of the origin of the goods:

6. 業務及地區分類 (續)

地區分類

本集團之經營地區主要位於香港、中華人民共和國(「中國」，不包括香港)、英屬處女群島(「英屬處女群島」)及巴拿馬。

下表提供本集團按地區市場劃分之營業額分析(不論貨品之來源地)：

		Sales revenue by geographical market	
		按地區市場劃分之 銷售收益	
		2007	2006
		二零零七年	二零零六年
		HK\$'000	HK\$'000
		千港元	千港元
Hong Kong	香港	115,654	102,542
The PRC	中國	4,032	3,893
The BVI	英屬處女群島	927	1,199
		120,613	107,634

Notes to the Consolidated Financial Statements

綜合財務報告附註

6. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

Geographical segments (continued)

The following is an analysis of the carrying amount of segment assets and additions to property, plant and equipment analysed by the geographical area in which the assets are located:

		Carrying amount of segment assets		Additions to property, plant and equipment	
		分類資產賬面值	新增物業、廠房及設備	分類資產賬面值	新增物業、廠房及設備
		2007	2006	2007	2006
		二零零七年	二零零六年	二零零七年	二零零六年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Hong Kong	香港	208,915	255,936	5,861	10,825
The PRC	中國	40,694	33,171	-	-
United States of America	美國	-	26	-	-
The BVI	英屬處女群島	2,391	143,572	-	53,494
Panama	巴拿馬	155,767	-	151,986	-
		407,767	432,705	157,847	64,319

7. WAIVER OF OTHER BORROWINGS

During the year ended 30th June, 2006, the Company received a waiver of claim of other loans with a principal of HK\$18,449,000 and accrued interest of HK\$1,202,000 from the lender of the other loans, without any conditions and consideration as well as any actions to retrocede or claim for any loss or money of the waiver.

6. 業務及地區分類 (續)

地區分類 (續)

按資產所在地區劃分之分類資產賬面值以及新增物業、廠房及設備之分析如下：

7. 豁免其他借貸

於截至二零零六年六月三十日止年度，本公司收到其他貸款貸款人本金額為18,449,000港元及應計利息為1,202,000港元之其他貸款之償還豁免，並表示將無條件及無償撤回就任何豁免損失或金額進行索償或停止有關索償行動。

Notes to the Consolidated Financial Statements

綜合財務報告附註

8. FINANCE COSTS

8. 融資成本

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Interest expense on:	利息開支：		
bank borrowings wholly repayable within five years	須於五年內悉數償還之銀行借貸	3,387	3,597
bank borrowings not wholly repayable within five years	毋須於五年內悉數償還之銀行借貸	-	1,324
Finance charges on obligations under finance leases	融資租約承擔之融資費用	491	344
		3,878	5,265

9. TAXATION

9. 稅項

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
The (credit) charge comprises:	稅項(抵免)支出包括：		
Hong Kong Profits Tax	香港利得稅		
Current year	本年度	473	742
(Over)under provision in previous years	以往年度(超額撥備)撥備不足	(532)	66
		(59)	808

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

香港利得稅乃按年內估計應課稅溢利以稅率17.5%計算。

Notes to the Consolidated Financial Statements

綜合財務報告附註

9. TAXATION (continued)

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

9. 稅項 (續)

本年度稅項(抵免)支出與綜合收益表所列之除稅前溢利之對賬如下：

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Profit before taxation	除稅前溢利	109,256	10,760
Tax at Hong Kong Profits Tax rate of 17.5%	按香港利得稅稅率17.5% 計算稅項	19,120	1,883
Tax effect of expenses not deductible in determining taxable profit	釐定應課稅溢利時不可 扣稅開支之稅務影響	7,678	6,721
Tax effect of income not taxable in determining taxable profit	釐定應課稅溢利時毋須 課稅收入之稅務影響	(25,128)	(3,408)
Tax effect of tax losses not recognised	未確認稅務虧損之稅務影響	203	309
Tax effect of recognition of deferred tax assets in respect of tax losses previously not recognised	關於先前未確認稅務 虧損遞延稅項資產 之稅務影響	(1,400)	(4,763)
(Over)under provision in previous years	前年度(超額撥備)撥備不足	(532)	66
Tax (credit) charge for the year	本年度稅項(抵免)支出	(59)	808

Notes to the Consolidated Financial Statements
綜合財務報告附註

10. PROFIT FOR THE YEAR

10. 年內溢利

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Profit for the year has been arrived at after charging:	年內溢利已扣除下列各項：		
Staff costs, including directors' emoluments:	員工成本，包括董事酬金：		
Salaries and other benefits	薪金及其他福利	21,708	19,266
Share-based payment expenses	以股份為基礎之付款開支	379	8,233
Retirement benefit scheme contributions	退休福利計劃供款	188	338
Total staff costs	總員工成本	22,275	27,837
Impairment loss recognised in respect of trade and other receivables	貿易及其他應收款項之已確認減值虧損	-	714
Auditors' remuneration:	核數師酬金：		
Current year	本年度	960	950
Underprovision in prior years	過往年度撥備不足	157	244
Cost of inventories recognised as expenses	確認為開支之存貨成本	108,332	93,902
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	7,703	7,036
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	-	461
Net foreign exchange loss	外幣匯兌虧損淨額	269	114
Release of prepaid lease payments	解除預付租賃付款	46	46
and after crediting:	並經計入：		
Dividend income from listed available-for-sale investments	可供銷售上市投資股息收入	805	59
Gain on disposal of available-for-sale investments	出售可供銷售投資之收益	1,959	813
Gain on disposal of investment properties	出售投資物業之收益	-	1,162
Interest income	利息收入	850	361
Reversal of impairment loss recognised in respect of property, plant and equipment included in other income	計入其他收入之物業、廠房及設備之已確認減值虧損撥回	-	178
Reversal of impairment loss recognised in respect of prepaid lease payments included in other income	計入其他收入之預付租賃付款之已確認減值虧損撥回	-	613

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綜合財務報告附註

11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

11. 董事及僱員酬金

(a) Directors' emoluments

(a) 董事酬金

The emoluments paid or payable to each of the eight (2006: eight) directors were as follows:

須向八位董事(二零零六年：八位)支付或已付之酬金如下：

		Hung Kin Sang, Raymond 洪建生	Hung Wong Kar Gee, Mimi 洪王家琪	Hung Kai Mau, Marcus 洪繼懋	Fang Chin Ping 方進平	Lo Yun Tai 盧潤帶	Lun Tsan Kau 倫贊球	Soo Hung Leung, Lincoln 蘇洪亮	Lam Ka Wai, Graham 林家威	Total 總計
		HK\$'000 千港元 (Note) (附註)	HK\$'000 千港元 (Note) (附註)	HK\$'000 千港元 (Note) (附註)	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	
2007	二零零七年									
Fees	費用	-	-	-	-	100	100	100	100	400
Other emoluments	其他酬金									
Salaries and other benefits	薪金及其他福利	5,286	4,326	1,151	626	-	-	-	-	11,389
Share-based payment expenses	以股本為基礎之付款支出	-	-	316	-	-	-	-	-	316
Retirement benefit scheme contributions	退休福利計劃供款	12	12	12	-	-	-	-	-	36
Total emoluments	總酬金	5,298	4,338	1,479	626	100	100	100	100	12,141
2006	二零零六年									
Fees	費用	-	-	-	-	100	100	100	75	375
Other emoluments	其他酬金									
Salaries and other benefits	薪金及其他福利	3,345	3,689	612	589	-	-	-	-	8,235
Share-based payment expenses	以股本為基礎之付款支出	7,854	-	316	-	-	-	-	-	8,170
Retirement benefit scheme contributions	退休福利計劃供款	12	12	12	-	-	-	-	-	36
Total emoluments	總酬金	11,211	3,701	940	589	100	100	100	75	16,816

Note: During the year, in addition to the above, the Group provided rent-free accommodation with estimated rateable values of approximately HK\$342,000 (2006: HK\$342,000), HK\$1,847,000 (2006: HK\$953,000) and HK\$469,000 (2006: HK\$242,000), respectively, to Mr. Hung Kin Sang, Raymond, Madam Hung Wong Kar Gee, Mimi and Mr. Hung Kai Mau, Marcus.

附註：本年度，除上述之外，集團亦給予免租住所予洪建生先生、洪王家琪女士及洪繼懋先生之估計租值分別為342,000港元(二零零六年：342,000港元)，1,847,000港元(二零零六年：953,000港元)及469,000港元(二零零六年：242,000港元)。

Notes to the Consolidated Financial Statements

綜合財務報告附註

11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (continued)

(b) Employees' emoluments

The five highest paid individuals included four (2006: four) directors of the Company, details of whose emoluments are set out above. The emoluments of the remaining (2006: one) individual is 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

During both years, 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 or as compensation for loss of office. During both years, no directors waived any emoluments.

11. 董事及僱員酬金 (續)

(b) 僱員酬金

五名最高薪人士包括四名(二零零六年：四名)董事，其酬金詳情載於上文。其餘一名(二零零六年：一名)人士之酬金如下：

	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
	660	715
	12	12
	672	727

於本及上年度內，本集團並無向五名最高薪人士(包括董事)支付任何報酬作為加盟本集團之聘金，或於加入本集團時作為報酬或支付離職補償金。於本及上年度內，各董事並無放棄收取任何酬金。

Notes to the Consolidated Financial Statements

綜合財務報告附註

12. EARNINGS PER SHARE

The calculation of the basic earnings per share for the year is based on the profit attributable to equity holders of the parent for the year of HK\$110,173,000 (2006: HK\$10,757,000) and on the weighted average of 858,835,347 (2006: 879,858,648) ordinary shares of the Company in issue during the year. The weighted average number of shares adopted in calculation of earnings per share has been arrived after eliminating the shares in the Company held by Applied Investment.

The calculation of diluted earnings per share has not considered the effect of share options because the exercise price of the share options granted is higher than the average market price of shares for both years.

12. 每股盈利

本年度每股基本盈利乃根據年內母公司股權持有人應佔溢利110,173,000港元(二零零六年: 10,757,000港元)及年內本公司已發行普通股之加權平均數858,835,347股(二零零六年: 879,858,648股)計算。計算每股盈利所採用之加權平均股份數目乃經撇除實力投資持有本公司之股份後釐定。

計算每股攤薄盈利時並無考慮購股權之影響，原因為所授予之購股權之行使價高於截至二零零七年六月三十日止及二零零六年六月三十日止年度股份之平均市價。

13. INVESTMENT PROPERTIES

13. 投資物業

		HK\$'000 千港元
FAIR VALUE	公平值	
At 1st July, 2005	於二零零五年七月一日	305,500
Disposals	出售	(117,000)
Increase in fair value	公平值增加	19,000
At 30th June, 2006	於二零零六年六月三十日	207,500
Transferred to properties held for sale	轉撥到待出售之物業	(59,000)
Increase in fair value	公平值增加	10,530
At 30th June, 2007	於二零零七年六月三十日	159,030

During the year, the Group entered into a binding agreement with an independent third party for the disposal of investment properties with carrying values of approximately HK\$59,000,000 for a consideration of HK\$59,000,000. The investment properties are expected to be sold within twelve months from the agreement date and have been classified as properties held for sale and are presented separately in the consolidated balance sheet.

於本年度，本集團與一獨立第三者訂立了一份具有約束力之協議，出售賬面值為約59,000,000港元之投資物業，代價為59,000,000港元。該投資物業預期在協議日期後十二個月內售出，故此被列作為待出售之物業及於綜合資產負債表中分開呈列。

Notes to the Consolidated Financial Statements

綜合財務報告附註

13. INVESTMENT PROPERTIES (continued)

The properties held for sale of the Group are leasehold properties held in Hong Kong under medium-term leases.

The fair values of the investment properties of the Group at 30th June, 2007 have been arrived at on the basis of a valuation carried out on that date by Asset Appraisal Ltd., an independent firm of qualified professional valuers not connected with the Group. Asset Appraisal Ltd. is a member of the Hong Kong Institute of Surveyors ("HKIS") and has appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations. The valuation, which conforms to HKIS Valuation Standards on properties, was arrived at by reference to market evidence of transaction prices for similar properties.

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.

The carrying values of investment properties held by the Group comprise:

13. 投資物業 (續)

本集團之待出售之物業為於香港持有中期租約之租賃物業。

於二零零七年六月三十日，本集團投資物業之公平價值乃根據與本集團並無關連之獨立專業物業估值師Asset Appraisal Ltd.於該日進行之估值得出。其為Hong Kong Institute of Surveyors (「香港測量師學會」)成員及有合適資格和相關地點同類型物業之估值經驗，而該估值乃根據香港測量師學會刊發之《香港測量師學會物業估值標準》編製，並參照市場上類似物業交易價格之憑證得出。

所有本集團以租賃合約持有之物業權益而獲租金收益或以作為資本增值以公平值方法計算和分類為及列為投資物業。

本集團持有之投資物業之賬面值包括：

		2007	2006
		二零零七年	二零零六年
		HK\$'000	HK\$'000
		千港元	千港元
Held in Hong Kong:	於香港持有：		
Long leases	長期租約	125,000	117,000
Medium-term leases	中期租約	2,080	61,750
Held outside Hong Kong:	於香港以外地方持有		
Medium-term leases	中期租約	31,950	28,750
		159,030	207,500

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綜合財務報告附註

14. PROPERTY, PLANT AND EQUIPMENT

14. 物業、廠房及設備

		Properties under development 發展中物業 HK\$'000 千港元	Land and buildings 土地 及樓宇 HK\$'000 千港元	Leasehold improvements 租賃物業 裝修 HK\$'000 千港元	Plant and machinery 廠房 及機器 HK\$'000 千港元	Furniture, fixtures and equipment 傢俬、裝置 及設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Motor boats 汽船 HK\$'000 千港元	Total 總值 HK\$'000 千港元
COST 成本									
At 1st July, 2005	於二零零五年七月一日	89,642	4,879	12,783	63,292	60,495	12,819	-	243,910
Additions	添置	53,494	-	1,442	4,234	286	3,213	1,650	64,319
Disposals	出售	-	-	(1,189)	(264)	-	(2,557)	-	(4,010)
At 30th June, 2006	於二零零六年六月三十日	143,136	4,879	13,036	67,262	60,781	13,475	1,650	304,219
Additions	添置	151,986	-	1,205	3,988	485	183	-	157,847
Disposal of subsidiaries	出售附屬公司	(143,138)	-	-	-	-	-	-	(143,138)
At 30th June, 2007	於二零零七年六月三十日	151,984	4,879	14,241	71,250	61,266	13,658	1,650	318,928
DEPRECIATION AND IMPAIRMENT 折舊及減值									
At 1st July, 2005	於二零零五年七月一日	-	1,205	3,470	57,526	59,926	7,068	-	129,195
Provided for the year	年度之撥備	-	59	2,349	2,594	177	1,829	28	7,036
Eliminated on disposals	出售時註銷	-	-	(348)	(236)	-	(2,557)	-	(3,141)
Reversal of impairment loss	減值虧損撥回	-	(178)	-	-	-	-	-	(178)
At 30th June, 2006	於二零零六年六月三十日	-	1,086	5,471	59,884	60,103	6,340	28	132,912
Provided for the year	年度之撥備	-	57	2,280	2,605	219	2,212	330	7,703
At 30th June, 2007	於二零零七年六月三十日	-	1,143	7,751	62,489	60,322	8,552	358	140,615
CARRYING VALUES 賬面值									
At 30th June, 2007	於二零零七年六月三十日	151,984	3,736	6,490	8,761	944	5,106	1,292	178,313
At 30th June, 2006	於二零零六年六月三十日	143,136	3,793	7,565	7,378	678	7,135	1,622	171,307

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

Freehold land	Nil
Land and buildings	Over the shorter of the term of the leases or 25 years, whichever is shorter
Leasehold improvements	20%
Plant and machinery	10% to 25%
Furniture, fixtures and equipment	10% to 50%
Motor vehicles	10% to 33 $\frac{1}{3}$ %
Motor boats	10% to 20%

上述物業、廠房及設備乃採用直線法按下列折舊年率撇銷成本：

永久業權土地	無
土地及樓宇	按租期或二十五年釐訂(以較短者為準)
租賃物業裝修	20%
廠房及機器	10%至25%
傢俬、裝置及設備	10%至50%
汽車	10%至33 $\frac{1}{3}$ %
汽船	10%至20%

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綜合財務報告附註

14. PROPERTY, PLANT AND EQUIPMENT (continued)

The carrying values of land and buildings held by the Group comprises:

Freehold properties held in Canada	在加拿大持有之永久業權物業
Leasehold properties held in Hong Kong under medium-term leases	在香港以中期租約持有之租賃物業
Held in the PRC under long-term land use rights	在中國以長期土地使用權持有

The properties under development of the Group are freehold properties located in Panama (2006: the BVI).

The carrying values of property, plant and equipment of the Group include an aggregate amount of HK\$11,756,000 (2006: HK\$12,623,000) in respect of assets held under finance leases.

14. 物業、廠房及設備(續)

本集團持有之土地及樓宇賬面值包括：

2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
2,556	2,556
656	704
524	533
3,736	3,793

本集團持有發展中之物業為位於巴拿馬(二零零六年：英屬處女群島)之永久業權物業。

本集團之物業、廠房及設備之賬面值包括根據融資租約持有之資產總值約11,756,000港元(二零零六年：12,623,000港元)。

Notes to the Consolidated Financial Statements

綜合財務報告附註

15. PREPAID LEASE PAYMENTS

15. 預付租賃付款

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
The Group's prepaid lease payments comprise leasehold interest in land held on:	本集團之預付租賃付款包括租賃土地權益：		
– medium-term leases in Hong Kong	– 於香港持有中期租約	211	216
– long leases in the PRC	– 於中國持有長期租約	1,792	1,833
		2,003	2,049
Analysed for reporting purposes as:	分析作報告用途：		
Current portion	流動部份	46	46
Non-current portion	非流動部份	1,957	2,003
		2,003	2,049

16. OTHER ASSETS

16. 其他資產

Other assets of the Group represent antiques held for long-term investment purpose.

本集團其他資產為作長期投資用途持有之古董。

17. INTEREST IN A JOINTLY CONTROLLED ENTITY

17. 於一間共同控制公司權益

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Cost of unlisted investment in a jointly controlled entity	於一間共同控制公司非上市投資之成本	36,469	–
Share of post-acquisition profits	應佔收購後溢利	–	–
		36,469	–

Notes to the Consolidated Financial Statements

綜合財務報告附註

17. INTEREST IN A JOINTLY CONTROLLED ENTITY (continued)

As at 30th June, 2007, the Group had interest in the following jointly controlled entity:

Name of jointly controlled entity	Form of business structure	Place of incorporation/ operation 註冊成立/ 營業地點	Class of shares held 持有 股份類別	Proportion of issued share capital held by the Group 本集團持有已發行股本比例 %	Principal activities 主要業務
共同控制公司名稱	業務結構形式	營業地點	股份類別	發行股本比例 百分比	主要業務
Quorum Island (BVI) Limited ("Quorum")	Incorporation 有限公司	The BVI 英屬處女群島	Ordinary 普通股	50	Resort and property development 度假村及物業發展

Pursuant to an agreement dated 11th August, 2006 (the "Agreement") entered into by Quorum, Applied Toys Limited ("Applied Toys"), Applied Enterprises Limited ("Applied Enterprises"), all of which are wholly-owned subsidiaries of the Company, and InterIsle Holdings Limited ("InterIsle"), an independent third party:

- (1) Applied Toys and Applied Enterprises agreed to receive US\$30 million (equivalent to HK\$234,000,000) from Quorum for the redemption 50% of the issued share capital of Quorum and the settlement of all indebtednesses owed by Quorum to the Group; and
- (2) InterIsle agreed to subscribe 50% equity interest in Quorum for a consideration of US\$21 million (equivalent to HK\$163,800,000).

17. 於一間共同控制公司權益 (續)

於二零零七年六月三十日，本集團於下列共同控制公司擁有權益：

Name of jointly controlled entity	Form of business structure	Place of incorporation/ operation 註冊成立/ 營業地點	Class of shares held 持有 股份類別	Proportion of issued share capital held by the Group 本集團持有已發行股本比例 %	Principal activities 主要業務
共同控制公司名稱	業務結構形式	營業地點	股份類別	發行股本比例 百分比	主要業務
Quorum Island (BVI) Limited ("Quorum")	Incorporation 有限公司	The BVI 英屬處女群島	Ordinary 普通股	50	Resort and property development 度假村及物業發展

根據 Quorum、Applied Toys Limited (「Applied Toys」)、Applied Enterprises Limited (「Applied Enterprises」)、全為本公司之全資附屬公司及 InterIsle Holdings Limited (「InterIsle」) (為一獨立第三者) 於二零零六年八月十一日所簽訂之協議(該「協議」)：

- (1) Applied Toys 及 Applied Enterprises 同意收取 Quorum 30,000,000 美元 (相等於 234,000,000 港元)，以支付其於 Quorum 所持之 50% 已發行股份及償還 Quorum 結欠本集團之所有負債；及
- (2) InterIsle 答應認購 Quorum 之 50% 股權，總代價 21,000,000 美元 (相等於 163,800,000 港元)。

Notes to the Consolidated Financial Statements

綜合財務報告附註

17. INTEREST IN A JOINTLY CONTROLLED ENTITY (continued)

The Agreement was completed on 9th April, 2007. Quorum became a jointly controlled entity of the Group and a gain on disposal of HK\$127,331,000 was recognised in the consolidated income statement. The sole asset of Quorum upon the date of the completion of the Agreement is a piece of land held for development in the BVI (the "Land").

Upon completion of the Agreement, InterIsle paid US\$8 million (equivalent to HK\$62,400,000) to Quorum. Quorum then repaid US\$8 million (equivalent to HK\$62,400,000) to the Group and issued a promissory note due for repayment on 9th April, 2008 to the Group for the remaining balance of US\$22 million (equivalent to HK\$171,600,000). Details are set out on note 34.

The summarised financial information in respect of the Group's interest in jointly controlled entity which is accounted for using the equity method is set out below:

17. 於一間共同控制公司權益 (續)

該協議已於二零零七年四月九日完成。完成之後，Quorum已成為本集團之一間共同控制公司，本集團並於綜合收益表上獲得出售之收益127,331,000港元。於協議完成日期，Quorum之唯一資產為於英屬處女群島待發展之一幅土地(該「土地」)。

該協議完成之後，InterIsle已支付8,000,000美元(相等於62,400,000港元)予Quorum。Quorum已償還本集團8,000,000美元(相等於62,400,000港元)及已就餘額22,000,000美元(相等於171,600,000港元)發行一張到期日為二零零八年四月九日承兌票據。詳情載於附註34。

按權益法計算，本集團佔一間共同控制公司之權益之財務資料概要如下：

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Current assets	流動資產	57,178	-
Non-current assets	非流動資產	71,569	-
Current liabilities	流動負債	92,278	-
Income	收入	-	-
Expenses	支出	-	-

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綜合財務報告附註

17. INTEREST IN A JOINTLY CONTROLLED ENTITY (continued)

At 30th June, 2007, included in the balance sheet of Quorum is the Land with carrying amount of HK\$143,138,000, of which HK\$71,569,000 relates to the Group's interest. The market value of the Land is US\$51 million (equivalent to HK\$397,800,000) which has been arrived at on the basis of a valuation carried out on that date by Edward Childs, a member of the Royal Institution of Chartered Surveyors in United Kingdom ("RICS") who has experience in the valuation of resort and commercial property in the Caribbean region. The valuation, which conforms to RICS Appraisal and Valuation Standards, was arrived at by reference to market evidence of transaction prices for similar properties.

18. AVAILABLE-FOR-SALE INVESTMENTS

AT FAIR VALUE	按公平值
Equity securities	證券
Listed in Hong Kong	香港上市
Listed in overseas	海外上市

2007	2006
二零零七年	二零零六年
HK\$'000	HK\$'000
千港元	千港元
1,144	25,649
-	742
1,144	26,391

19. INVENTORIES

Raw materials	原料
---------------	----

2007	2006
二零零七年	二零零六年
HK\$'000	HK\$'000
千港元	千港元
1,898	2,256

17. 於一間共同控制公司權益 (續)

於二零零七年六月三十日，Quorum之資產負債表包括了一幅賬面值為143,138,000港元之土地，其中本集團所佔權益為71,569,000港元。該土地市值為51,000,000美元（相等於397,800,000港元），由一位英國Royal Institution of Chartered Surveyors（「RICS」）會員－Edward Childs於該日估值計出，其於加勒比海地區擁有度假村及商用物業估值經驗。而該估值乃根據RICS Appraisal and Valuation Standards編製，亦參照市場上類似物業交易價格之憑證得出。

18. 可供銷售投資

19. 存貨

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綜合財務報告附註

20. TRADE AND OTHER RECEIVABLES

The Group allows credit period ranging from 30 to 90 days to its trade customers.

Included in trade and other receivables of the Group are trade receivables of HK\$6,151,000 (2006: HK\$3,777,000) and their aging analysis is as follows:

Within 90 days	90天以內
More than 90 days and within 180 days	90天以上至180天內

Included in trade and other receivables of the Group as at 30th June, 2006 were other receivables of HK\$33,654,000 which represent the remaining balance of consideration for the disposal of a 60% owned subsidiary of the Company, 惠陽縣淡水新陽城建設有限公司 (“Danshui”). On 16th October, 2003, the Group entered into an agreement to dispose of its equity interest in Danshui at a consideration of HK\$61,956,000. The transaction was completed on 27th June, 2006 and the Group received the partial settlement of the consideration of HK\$28,302,000 up to 30th June, 2005. The remaining balance of the consideration of HK\$33,654,000 was retained by 惠州市惠陽區淡水鎮人民政府 (“淡水鎮人民政府”), who is the witness of the agreement. The amount was fully repaid by 惠州市大亞灣經濟技術開發集團公司 (“大亞灣集團公司”), an affiliate of 淡水鎮人民政府 during the year.

20. 貿易及其他應收款項

本集團給予其貿易客戶之平均信貸期介乎30至90天。

本集團之貿易及其他應收款項已計入貿易應收款項6,151,000港元(二零零六年: 3,777,000港元)及其賬齡分析如下:

	2007	2006
	二零零七年	二零零六年
	HK\$'000	HK\$'000
	千港元	千港元
Within 90 days	5,851	3,588
More than 90 days and within 180 days	300	189
	6,151	3,777

本集團於二零零六年六月三十日貿易及其他應收款項中之其他應收額為33,654,000港元為出售60%持有附屬公司，惠陽縣淡水新陽城建設有限公司(「淡水」)之餘款。於二零零三年十月十六日，本集團簽訂出售協議，以代價61,956,000港元出售淡水公司股份權益。該交易已於二零零六年六月二十七日完成和本集團截至二零零五年六月三十日已收到部份代價28,302,000港元，其餘額33,654,000港元已由惠州市惠陽區淡水鎮人民政府(「淡水鎮人民政府」)(為協議公證人)持有，該餘額於本年度內由一間淡水鎮人民政府附屬公司惠州市大亞灣經濟技術開發集團公司(「大亞灣集團公司」)償還。

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綜合財務報告附註

21. PROMISSORY NOTE RECEIVABLE FROM A JOINTLY CONTROLLED ENTITY

The amount is unsecured, interest-free and repayable on or before 9th April, 2008.

22. AMOUNT DUE FROM A JOINTLY CONTROLLED ENTITY

The amount is unsecured, interest-free and recoverable within one year.

23. PLEDGED BANK DEPOSITS/BANK BALANCES AND CASH/BANK OVERDRAFTS

Bank deposits of HK\$3,173,000 (2006: HK\$3,059,000) are pledged to banks to secure short-term general banking facilities granted to the Group and are therefore classified as current assets.

The pledged bank deposits carry fixed interest of 3.8% (2006: 3.9%) per annum. The pledged bank deposits will be released upon the settlement of relevant bank borrowings.

Bank balances and cash comprises bank balances and cash held by the Group and short-term bank deposits that are interest-bearing at prevailing market interest rates. All bank deposits are with maturity of three months or less. The bank deposits carry average interest rates of 2.26% (2006: 2.11%) per annum.

Bank overdrafts are repayable on demand and carry interest at prevailing market interest rates ranging from Hong Kong Prime rate ("P") to P plus 1.00% (2006: from P plus 0.75% to P plus 1.75%) per annum. The effective interest rate ranged from 8.00% to 9.00% (2006: 8.25% to 9.25%) per annum.

21. 應收一間共同控制公司承兌票據

該款項乃無抵押，免息及於二零零八年四月九日或之前償還。

22. 應收一間共同控制公司之款項

該款項乃無抵押，免息及於一年內償還。

23. 已抵押銀行定期存款／銀行存款和現金／銀行透支

銀行存款3,173,000港元(二零零六年：3,059,000港元)被抵押予銀行作為短期銀行信貸額予本集團，並因此列作流動資產。

所抵押之銀行定期存款以定息年息3.8%(二零零六年：3.9%)計算。當相關銀行借貸償還後，該抵押銀行定期存款亦會被解除。

銀行存款及現金包括本集團持有銀行存款及現金及有利息之短期存款。所有定期存款均少於或於三個月到期。其銀行存款利息平均年息為2.26%(二零零六年：2.11%)。

銀行透支須於要求時償還，並按當時的市場利率，由香港最優惠利率("P")至香港最優惠利率加1.00%(二零零六年：由P加0.75%至P加1.75%)計息。實際年利率由8.00%至9.00%(二零零六年：8.25%至9.25%)。

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綜合財務報告附註

24. TRADE AND OTHER PAYABLES

Included in trade and other payables of the Group are trade payables of HK\$3,459,000 (2006: HK\$4,184,000) and their aged analysis is as follows:

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Within 90 days	90天以內	1,661	3,506
More than 90 days and within 180 days	90天以上至180天內	1,798	678
		3,459	4,184

24. 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貿易應付款項3,459,000港元(二零零六年: 4,184,000港元)及其賬齡分析如下:

25. SECURED BANK BORROWINGS

The bank and other borrowings comprise:			
Bank loans	銀行貸款	95,607	27,743
Import loans	進口貸款	14,515	8,477
		110,122	36,220
Carrying amount repayable:	賬面值按以下年期償還:		
On demand or within one year	即期或一年內	17,853	11,374
More than one year, but not exceeding two years	超過一年， 但少於兩年	3,269	2,910
More than two years, but not exceeding three years	超過兩年， 但少於三年	89,000	2,531
More than three years, but not exceeding four years	超過三年， 但少於四年	-	2,350
More than four years, but not exceeding five years	超過四年， 但少於五年	-	2,442
More than five years	超過五年	-	14,613
		110,122	36,220
Less: Amount due within one year shown under current liabilities	減: 一年內到期而列作 流動負債之款項	(17,853)	(11,374)
Amount due after one year	一年後到期之款項	92,269	24,846

25. 已抵押銀行借貸

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
		110,122	36,220

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綜合財務報告附註

25. SECURED BANK BORROWINGS (continued)

All of the Group's borrowings carried variable interest rates ranging from P minus 1.25% to P plus 1.00% (2006: from P plus 0.50% to 3.00%) per annum. The effective interest rates ranged from 6.10% to 7.23% (2006: 7.13% to 7.88%) per annum.

The Group's borrowings that are denominated in currencies other the functional currencies of the relevant group entities are set out below:

25. 已抵押銀行借貸(續)

本集團之借貸為以浮動利息，由P減1.25%至P加1.00%（二零零六年：由P加0.50%至3.00%）。實際借貸年利率為由6.10%至7.23%（二零零六年：由7.13%至7.88%）。

本集團之借貸以其貨幣而非功能貨幣之相關公司集團列載如下：

		HK\$ equivalent of Japanese yen 相等於 港元之日圓 HK\$'000 千港元	HK\$ equivalent of United States dollar 相等於 港元之美元 HK\$'000 千港元
As at 30th June, 2007	於二零零七年六月三十日	251	11,408
As at 30th June, 2006	於二零零六年六月三十日	-	8,097

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綜合財務報告附註

26. OBLIGATIONS UNDER FINANCE LEASES

26. 融資租約承擔

		Minimum lease payments 最低租約付款		Present value of minimum lease payments 最低租約付款現值	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Amounts payable under finance leases:	融資租約乃按以下年期到期：				
Within one year	一年內	3,850	4,052	3,582	3,732
In more than one year but not more than two years	超過一年但少於兩年	2,104	2,630	2,040	2,473
In more than two years but not more than three years	超過兩年但少於三年	85	1,019	82	939
In more than three years but not more than four years	超過三年但少於四年	28	-	26	-
		6,067	7,701	5,730	7,144
Less: Future finance charges	減：遠期融資費用	(337)	(557)		
Present value of lease obligations	租約承擔之現值	5,730	7,144		
Less: Amount due within one year shown under current liabilities	減：一年內到期列作流動負債之款項			(3,582)	(3,732)
Amount due after one year	一年後到期之款項			2,148	3,412

The obligations under finance leases of the Group are secured by the lessor's charge over the leased assets.

The lease term is ranging from one to four years. For the year ended 30th June, 2007, the average effective borrowing rate was 5.59% (2006: 5.99%) per annum. Interest rates were fixed at the contract date. All leases are on a fixed repayment basis.

本集團之融資租約承擔已將租約資產抵押予租約人。

租約年期由一至四年。截至二零零七年六月三十日止年度，平均實際借貸率為5.59%（二零零六年：5.99%）。利率在合約日期釐定。所有租約均為固定還款期。

Notes to the Consolidated Financial Statements

綜合財務報告附註

27. SHARE CAPITAL

27. 股本

		Number of ordinary shares 普通股數目	Amount 金額 HK\$'000 千港元
Ordinary shares of HK\$0.01 each	普通股每股面值0.01港元		
Authorised:	法定：		
At 1st July, 2005,	於二零零五年七月一日、		
30th June, 2006 and	二零零六年六月三十日及		
30th June, 2007	二零零七年六月三十日	6,000,000,000	60,000
Issued and fully paid:	已發行及繳足：		
At 1st July, 2005	於二零零五年七月一日	937,222,826	9,372
Cancellation upon repurchase of own shares	因回購註銷	(27,240,000)	(272)
At 30th June, 2006	於二零零六年六月三十日	909,982,826	9,100
Cancellation upon repurchase of own shares	因回購註銷	(29,540,000)	(296)
At 30th June, 2007	於二零零七年六月三十日	880,442,826	8,804

During the year, the Company repurchased on the Stock Exchange a total of 29,540,000 (2006: 27,240,000) shares of HK\$0.01 each of the Company at an aggregate consideration of HK\$14,893,000 (2006: HK\$11,338,000), all of these shares were subsequently cancelled. The nominal value of cancelled shares was credited to the capital redemption reserve and the aggregate consideration was charged to the retained profits of the Company.

年內，本公司於交易所購回本公司每股面值0.01港元股份合共29,540,000股（二零零六年：27,240,000股），總代價14,893,000港元（二零零六年：11,338,000港元），該等股份其後全部註銷。已註銷股份之賬面值已計入資本贖回儲備，而總代價乃以本公司保留溢利支付。

Notes to the Consolidated Financial Statements

綜合財務報告附註

28. SHARE-BASED PAYMENTS

The Company adopted a share option scheme on 16th September, 2002 (the "Scheme") for the primary purpose of providing incentives to directors and eligible employees. The Scheme will expire on 15th September, 2012. Under the Scheme, the board of directors of the Company may grant options to any employees, including executive directors, or consultants of the Company and/or its subsidiaries, to subscribe for shares in the Company.

The total number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 10% of the shares of the Company in issue at the date of adoption of the Scheme. Unless approved by the shareholders of the Company, the number of shares in respect of which options may be granted to any individual is not permitted to exceed the higher of 1% of the number of shares issued and issuable under the Scheme or any other limit as may be permitted under the Rules Governing the Listing of Securities on the Stock Exchange.

Options granted must be taken up within 30 days of the date of grant, upon payment of HK\$1 per grant. Options may be exercised at any time from the date of grant to the 10th anniversary of the date of grant. In each grant of options, the board of directors may at their discretion determine the specific exercise period. The exercise price is determined by the directors of the Company, and will be the highest of (i) the closing price of the Company's share on the date of grant; (ii) the average closing price of the Company's shares for the five business days immediately preceding the date of grant, and (iii) the nominal value of the Company's shares.

The directors and employees of the Company and its subsidiaries are entitled to participate in the Scheme.

28. 以股本為基礎之付款

於二零零二年九月十六日，本公司採納購股權計劃（該「計劃」），旨在為董事及合資格僱員提供獎勵。該計劃將於二零一二年九月十五日屆滿。根據該計劃，本公司董事會可向本公司及／或其附屬公司之僱員（包括執行董事）或顧問授出可認購本公司股份之購股權。

根據該計劃授出之購股權所涉及之股份總數，不得超過採納該計劃當日本公司已發行股份之10%。除非得到公司股東批准，可授予任何個別人士之購股權所涉及之股份數目，不得超過根據該計劃已發行及可發行之股份數目之1%或根據交易所證券上市規則所容許之任何其他限制（以較高者為準）。

授出之購股權必須於授出日期起計30日內接納，於接納時須繳付1港元。購股權可由授出日期起至授出日期第10週年止期間隨時行使。於授出購股權時，董事會可酌情釐定特定行使期。行使價由本公司董事釐定，並相等於(i)授出日期本公司股份之收市價；(ii)緊接授出日期前五個營業日本公司股份之平均收市價；或(iii)本公司股份之面值（以較高者為準）。

本公司及其附屬公司之董事及僱員均可參與本公司之購股權計劃。

Notes to the Consolidated Financial Statements

綜合財務報告附註

28. SHARE-BASED PAYMENTS (continued)

At 30th June, 2007, the number of shares in respect of which options were granted under the Scheme and which remained outstanding was approximately 5.59% of the Company in issue at that date.

The following table discloses movements of the share options of the Company during the year ended 30th June, 2006. There were no movements during the year.

28. 以股本為基礎之付款 (續)

於二零零七年六月三十日，根據購股權計劃在給予日之購股權數目及其餘額約佔本公司發行5.59%。

於截至二零零六年六月三十日止年度，本公司購股權的變動詳情如下。於本年度並無任何變動：

Name of directors	Notes	Date of share options granted	Exercisable period	Granted during the year and outstanding at 30.6.2006 and 30.6.2007 於本年度授出及於二零零六年六月三十日及二零零七年六月三十日未行使 HK\$ 港元	Exercise price
董事姓名	附註	購股權授出日期	可行使期間		行使價
Hung Kin Sang, Raymond 洪建生	(1)	25.4.2006 二零零六年 四月二十五日	25.4.2006 to 24.4.2011 二零零六年四月二十五日至 二零一一年四月二十四日	45,611,141	0.54
Hung Kai Mau, Marcus 洪繼懋	(2)	25.4.2006 二零零六年 四月二十五日	25.4.2006 to 24.4.2009 二零零六年四月二十五日至 二零零九年四月二十四日	1,500,000	0.54
	(2)	25.4.2006 二零零六年 四月二十五日	24.4.2007 to 24.4.2009 二零零七年四月二十四日至 二零零九年四月二十四日	1,500,000	0.54
Total for directors 董事總數				48,611,141	
Employees 員工					
	(2)	25.4.2006 二零零六年 四月二十五日	25.4.2006 to 24.4.2009 二零零六年四月二十五日至 二零零九年四月二十四日	300,000	0.54
	(2)	25.4.2006 二零零六年 四月二十五日	24.4.2007 to 24.4.2009 二零零七年四月二十四日至 二零零九年四月二十四日	300,000	0.54
Total for employees 員工總數				600,000	
Grand total 總和				49,211,141	

Notes to the Consolidated Financial Statements

綜合財務報告附註

28. SHARE-BASED PAYMENTS (continued)

Notes:

- (1) The exercise period of the share options of the Company granted to Mr. Hung Kin Sang, Raymond is five years from the date of grant. There is no minimum vesting period for the share options of the Company granted to Mr. Hung Kin Sang, Raymond.
- (2) The exercise period of the share options of the Company granted to Mr. Hung Kai Mau, Marcus and the employees is three years from the date of grant. Except for the requirement that 50% of the share options granted must be held for at least one year before they can be exercised, there is no minimum vesting period for the remaining 50% share options of the Company granted to Mr. Hung Kai Mau, Marcus and the employees.
- (3) The closing price of the shares of the Company immediately before the date of grant is HK\$0.54.
- (4) The fair values of the share options of the Company were calculated using The Binomial model. The valuation of fair values determination as at 25th April, 2006 was carried out by Sallmanns (Far East) Limited. The inputs into the model were as follows:

Closing share price at date of grant	授出日期收市價	HK\$0.54	HK\$0.54
Exercise price	行使價	HK\$0.54	HK\$0.54
Expected volatility	預期波幅	98.00%	98.00%
Suboptimal exercise factor	預期行使值	1.50	1.50
Risk-free interest rate	無風險利率	4.54%	4.31%
Expected dividend yield	預期派息率	nil沒有	nil沒有

The suboptimal exercise factor was to account for the early exercise behaviour of the share options granted by the Company.

The risk-free rate interest was based on the yield of the Hong Kong Exchange Fund Note.

28. 以股本為基礎之付款(續)

附註：

- (1) 洪建生先生之購股權行使期為期5年(由給予日起計)。其沒有限制行使本公司購股權期。
- (2) 洪繼懋先生及員工之購股權行使期為期3年(由給予日起計)。其中除50%之給予購股權須有一年限制行使條件外，其他50%沒有限制行使本公司購股權期。
- (3) 給予購股權日之前之本公司股份收市價為0.54港元。
- (4) 本公司購股權公平值仍利用二項式期權定價模式計算。於二零零六年四月二十五日之公平值估值由西門(遠東)有限公司進行。其模式計算數據如下：

2006
二零零六年

Share options granted to Mr. Hung Kin Sang, Raymond 授予洪建生先生之購股權	Share options granted to Mr. Hung Kai Mau, Marcus and the employees 授予洪繼懋先生及員工之購股權
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預期行使值以較早行使本公司給予之購股權之行為計算。

無風險利率以香港外匯基金債券回報為基礎。

Notes to the Consolidated Financial Statements

綜合財務報告附註

28. SHARE-BASED PAYMENTS (continued)

Notes: (continued)

- (4) Expected volatility was determined by using the historical volatility of the Company's share prices in the prior five years.

The Group recognised expenses of HK\$379,000 for the year ended 30th June, 2007 (2006: HK\$8,233,000) in relation to the share options granted by the Company, in which HK\$316,000 (2006: HK\$8,170,000) was related to options granted to the Group's directors and shown as directors' emoluments, and the remaining balance represented share options expenses for employees and shown as staff costs.

29. TREASURY SHARES

At 1st July, 2005	於二零零五年七月一日	48,329,000	12,546
Disposals during the year	於本年度出售	(14,000,000)	(3,635)
At 30th June, 2006 and 30th June, 2007	於二零零六年六月三十日及 二零零七年六月三十日	34,329,000	8,911

Treasury shares represent ordinary shares of the Company held by Applied Investment before Applied Investment became a subsidiary of the Company in 1995.

In the opinion of the directors of the Company, these treasury shares are held for long-term purpose.

28. 以股本為基礎之付款 (續)

附註：(續)

- (4) 預期波幅決定於本公司過往五年度股價之波幅計算。其預期年期予以調整，以管理層之最佳估計及其轉變能力之影響，行使之限制及行為決定。

於二零零七年六月三十日止年度，本集團就購股權給予本公司董事及員工確認之支出為379,000港元（二零零六年：8,233,000港元），其中316,000港元（二零零六年：8,170,000港元）已在董事酬金列示。其餘支出為給予員工已在員工支列出示。

29. 庫存股份

Number of treasury shares 庫存股份數目	Amount 金額 HK\$'000 千港元
--	---------------------------------

庫存股份指實力投資成為本公司附屬公司之前持有之本公司普通股。

董事認為，該等庫存股份乃長期持有。

Notes to the Consolidated Financial Statements

綜合財務報告附註

30. DEFERRED TAXATION

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

30. 遞延稅項

於本年度及過往年度，本集團確認之主要遞延稅項負債(資產)及其變動如下：

		Accelerated tax depreciation	Revaluation of properties	Tax losses	Total
		加 速 稅 項 折 舊	物 業 重 估	稅 項 虧 損	總 計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1st July, 2005	於二零零五年 七月一日	168	86	(254)	-
Charge (credit) to the consolidated income statement	綜合收益表之 支出(進賬)	1,748	3,132	(4,880)	-
At 30th June, 2006	於二零零六年 六月三十日	1,916	3,218	(5,134)	-
Charge (credit) to the consolidated income statement	綜合收益表之 支出(進賬)	78	1,433	(1,511)	-
At 30th June, 2007	於二零零七年 六月三十日	1,994	4,651	(6,645)	-

At 30th June, 2007, the Group had unused tax losses of HK\$257,423,000 (2006: HK\$310,579,000) available for offset against future profits. A deferred tax asset of the Group has been recognised in respect of HK\$37,970,000 (2006: HK\$29,337,000) of such losses. No deferred tax asset was recognised in respect of the remaining HK\$219,453,000 (2006: HK\$281,242,000) due to the unpredictability of future profit streams. The tax losses may be carried forward indefinitely.

於二零零七年六月三十日，本集團有未動用稅項虧損257,423,000港元(二零零六年：310,579,000港元)，可抵銷將來溢利。就上述虧損37,970,000港元(二零零六年：29,337,000港元)，本集團之遞延稅項資產已予確認。就餘下219,453,000港元(二零零六年：281,242,000港元)，並無遞延稅項資產予以確認，因將來溢利流存有不明朗因素。稅項虧損可無限期結轉。

Notes to the Consolidated Financial Statements

綜合財務報告附註

31. OPERATING LEASE COMMITMENTS

The Group as lessee

Minimum lease payments paid in respect of properties under operating leases

經營租約物業之最低已付租金

3,157

3,317

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

Within one year	一年內
In the second to fifth year inclusive	第二至第五年
Over five years	超過五年

2007	2006
二零零七年	二零零六年
HK\$'000	HK\$'000
千港元	千港元

2,655

2,687

6,029

4,372

3,041

3,740

11,725

10,799

Operating lease payments represent rentals payable by the Group for certain of its offices and warehouse premises. The lease term is ranging from three to five years. Rentals are fixed over the lease period and no arrangements has been entered into for contingent rental payments.

31. 經營租約承擔

本集團為承租人

2007	2006
二零零七年	二零零六年
HK\$'000	HK\$'000
千港元	千港元

於結算日，本集團就租賃物業之不可註銷經營租約須支付之未來最低租金如下：

經營租約付款指本集團若干寫字樓及貨倉物業應付之租金。租約租期由三至五年。租金於租約期間為固定且並無就或然租金付款訂立安排。

Notes to the Consolidated Financial Statements

綜合財務報告附註

32. OPERATING LEASE ARRANGEMENTS

The Group as lessor

At the balance sheet date, the Group had contracted with tenants for future minimum lease payments, which represent rentals receivable by the Group for its investment properties, under non-cancellable operating leases which fall due as follows:

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Within one year	一年內	5,427	5,550
In the second to fifth year inclusive	第二至第五年	6,218	2,148
		11,645	7,698

The properties held have committed tenants with rental fixed for terms ranging from two to five years.

33. CAPITAL COMMITMENTS

Capital expenditure in respect of the acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements

- the Group
- share of a jointly controlled entity

32. 經營租約安排

本集團為出租人

於結算日，本集團就其投資物業之應收租金乃根據不可註銷經營租約之最低租金收入如下：

	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
一年內	5,427	5,550
第二至第五年	6,218	2,148
	11,645	7,698

有合約租客之持有物業(固定租金)之固定期約由兩年至五年。

33. 資本承擔

已簽約但未在綜合財務報表撥備之有關物業、廠房及設備之資本承擔

- 本集團
- 於一間共同控制公司應佔

	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
	1,115	226,344
	31,000	–

Notes to the Consolidated Financial Statements

綜合財務報告附註

34. DISPOSAL OF SUBSIDIARIES

On 9th April, 2007, the Group disposed of its 50% equity interest in Quorum for US\$30 million (equivalent to HK\$234,000,000). US\$8 million (equivalent to HK\$62,400,000) was received during the year and the remaining balance was by way of Quorum issuing a promissory note to the Group.

On 27th June, 2006, the Group disposed of its 60% equity interest in Danshui for HK\$61,956,000. Deposits of HK\$28,302,000 were received during the year ended 30th June, 2005 and the remaining balance of the consideration was received during the year.

The net assets of these disposed subsidiaries at the date of disposal were as follows:

34. 出售附屬公司

於二零零七年四月九日，本集團出售其於Quorum之50%權益，總代價為30,000,000美元（相等於234,000,000港元）。8,000,000美元（相等於62,400,000港元）已於本年度收到，餘額則由Quorum發行承兌票據予本集團。

於二零零六年六月二十七日，本集團出售其於淡水之60%權益，總代價為61,956,000港元。其按金28,302,000港元已於二零零五年六月三十日止年度收到，代價餘額已於本年度收到。

於出售日期出售附屬公司之淨資產如下：

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Net assets disposed of:	淨資產出售：		
Property under development	發展中之物業	143,138	-
Interest on a leasehold land	租賃土地權益	-	128,003
Trade and other receivables	貿易及其他應收款項	-	110
Trade and other payables	貿易及其他應付款項	-	(25)
Amounts due to group companies	應付本集團公司款項	(234,000)	-
		(90,862)	128,088
Release of translation reserve	換算儲備解除	-	2,564
Minority interests	少數股東權益	-	(68,635)
Gain (loss) on disposal of subsidiaries	出售附屬公司之收益(虧損)	127,331	(61)
Reclassification to interest in a jointly controlled entity	重新分類為一間共同控制公司之權益	(36,469)	-
		-	61,956
Represented by:	以下列方式支付：		
Other receivables	其他應收款項	-	33,654
Deposits received	已收按金	-	28,302
		-	61,956

Notes to the Consolidated Financial Statements

綜合財務報告附註

34. DISPOSAL OF SUBSIDIARIES (continued)

The subsidiaries disposed of during the year ended 30th June, 2007 and 30th June, 2006 did not contribute significantly to the Group's turnover or results for both years.

35. MAJOR NON-CASH TRANSACTION

During the year, the Group entered into finance lease arrangements in respect of the acquisition of property, plant and equipment with a total capital value at the inception of the lease of HK\$3,374,000 (2006: HK\$6,406,000).

36. PLEDGE OF ASSETS

At the balance sheet date, the Group pledged the following assets to banks to secure general banking facilities granted to the Group:

Investment properties	投資物業	127,080	178,750
Property, plant and equipment	物業、廠房及設備	1,866	1,398
Prepaid lease payments	預付租賃付款	211	216
Properties held for sale	待出售之物業	59,000	–
Bank deposits	銀行存款	3,173	3,059

As agreed with the bank, the pledge of the Group's properties held for sale will be released when the properties are sold.

34. 出售附屬公司(續)

於二零零七年六月三十日止年度及二零零六年六月三十日止年度出售之附屬公司對本集團這兩年度之營業額或業績沒有帶來重大貢獻。

35. 主要非現金交易

本集團於年內就收購一項於融資租約開始時資本總值為3,374,000港元(二零零六年: 6,406,000港元)之物業、廠房及設備而訂立一項融資租約。

36. 資產抵押

於結算日，本集團以以下資產作抵押為本集團獲授一般銀行信貸之擔保：

	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
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獲得該銀行同意，本集團待出售物業之抵押將於出售時被解除。

Notes to the Consolidated Financial Statements

綜合財務報告附註

37. RELATED PARTY DISCLOSURES

(a) Transactions

At 30th June, 2007, a minority shareholder of Wideland Electronics Limited ("Wideland"), which is a 51% owned subsidiary of the Company, had outstanding guarantee, issued in respect of lessors of the leased assets under finance leases arrangement of the Group with an aggregate amount of HK\$554,000 (2006: HK\$643,000).

At 30th June, 2007, banking facilities granted to the Group of HK\$20,814,000 (2006: HK\$15,058,000) were also secured by personal guarantee from and properties owned by the minority shareholder of Wideland.

At 30th June, 2007, Wideland had outstanding corporate guarantee issued in favour of a bank in respect of credit facilities granted by the bank to a related company amounting to HK\$2,000,000 (2006: HK\$2,120,000). The minority shareholder of Wideland was interested in this transaction as a sole proprietor of the related company.

During the year ended 30th June, 2007, the Group paid rental expenses of approximately HK\$384,000 (2006: HK\$384,000) for premises owned by the minority shareholder of Wideland.

At 30th June, 2006, two directors of the Company, had outstanding joint and several guarantees issued in favour of a bank in respect of credit facilities granted by the bank to a subsidiary amounting to HK\$19,744,000. The guarantees were released during the year upon the repayment of the relevant bank borrowings.

37. 關連人士披露

(a) 交易

於二零零七年六月三十日，本公司之51%附屬公司威能電子有限公司（「威能」）之少數股東已就本集團之融資租約資產安排作出保證承擔，其金額為554,000港元（二零零六年：643,000港元）。

於二零零七年六月三十日，以威能少數股東個人承擔及其持有之物業作為本集團之銀行信貸額抵押，其金額為20,814,000港元（二零零六年：15,058,000港元）。

於二零零七年六月三十日，威能對銀行以公司承擔2,000,000港元（二零零六年：2,120,000港元）作為一有關連公司之信貸額。威能之少數股東為該關連公司之經營人。

截至二零零七年六月三十日期間，本集團就該物業持有之由威能少數股東已付租約支出約為384,000港元（二零零六年：384,000港元）。

於二零零六年六月三十日，本公司兩名董事就銀行向附屬公司提供信貸而向該銀行共同及個別作出未解除擔保約19,744,000港元。於本年度，相關之銀行借貸已償還，該擔保已被解除。

Notes to the Consolidated Financial Statements

綜合財務報告附註

37. RELATED PARTY DISCLOSURES (continued)

(b) Balances

Details of the Group's outstanding balances with a related party are set out in the consolidated balance sheet and in notes 21 and 22.

(c) The remuneration of directors and other members of key management during the year was as follows:

Short-term benefits	短期利益
Post-employment benefits	完成僱傭合約後利益
Share-based payment expenses	以股份為基礎之付款支出

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

37. 關連人士披露 (續)

(b) 結餘

本集團與關連人士尚未償還之結餘詳情載於綜合資產表及附註21及22。

(c) 於本年度，董事及管理層其他成員酬金如下：

2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
12,561	9,434
60	60
379	8,233
13,000	17,727

本公司薪酬委員會根據個人表現及市場趨勢釐定董事及主要行政人員之薪酬。

Notes to the Consolidated Financial Statements
綜合財務報告附註

38. BALANCE SHEET OF THE COMPANY

38. 本公司資產負債表

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Total assets	資產總值	464,575	324,753
Total liabilities	負債總額	(210,633)	(178,798)
		253,942	145,955
Capital and reserves	資本及儲備		
Share capital	股本	8,804	9,100
Share premium and reserves	股份溢價及儲備金 (a)	245,138	136,855
		253,942	145,955

Note:

(a) Share premium and reserves

附註：

(a) 股份溢價及儲備金

		Shares premium account 股份溢價賬 HK\$'000 千港元	Share options reserve 購股權儲備 HK\$'000 千港元	Investment revaluation reserve 投資重估儲備 HK\$'000 千港元	Capital redemption reserve 資本贖回儲備 HK\$'000 千港元	Contributed surplus 實繳盈餘 HK\$'000 千港元 (Note) (附註)	(Accumulated losses)/ retained profits (累計虧損)/ 保留溢利 HK\$'000 千港元	Total 合計 HK\$'000 千港元
At 1st July, 2005	於二零零五年七月一日	1	-	351	10,931	204,610	(80,978)	134,915
Loss on fair value changes of available-for-sale investments	可供出售投資公平值 變動產生之虧損	-	-	(242)	-	-	-	(242)
Realised on disposal of available-for-sale investments	出售可供出售投資變現	-	-	(351)	-	-	-	(351)
Profit for the year	本年度溢利	-	-	-	-	-	5,366	5,366
Repurchase of own shares	回購股份	-	-	-	272	-	(11,338)	(11,066)
Recognition of equity-settled share-based payment expenses	以股本支付以股份為 基礎之付款支出	-	8,233	-	-	-	-	8,233
At 30th June, 2006	於二零零六年六月三十日	1	8,233	(242)	11,203	204,610	(86,950)	136,855
Realised on disposal of available-for-sale investments	出售可供出售投資變現	-	-	242	-	-	-	242
Profit for the year	本年度溢利	-	-	-	-	-	122,259	122,259
Repurchase of own shares	回購股份	-	-	-	296	-	(14,893)	(14,597)
Recognition of equity-settled share-based payment expenses	以股本支付以股份為 基礎之付款支出	-	379	-	-	-	-	379
At 30th June, 2007	於二零零七年六月三十日	1	8,612	-	11,499	204,610	20,416	245,138

Note:

The contributed surplus of the Company arose from the cancellation of share premium account of the Company pursuant to a special resolution passed by the Company on 22nd February, 1999.

附註：

根據一九九九年二月二十二日本公司通過之一項特別決議案，本公司取消股份溢價賬因而產生了實繳盈餘。

Notes to the Consolidated Financial Statements

綜合財務報告附註

39. PARTICULARS OF SUBSIDIARIES

Particulars of the principal subsidiaries at 30th June, 2007 are as follows:

39. 附屬公司詳情

主要附屬公司於二零零七年六月三十日之詳情如下：

Name of subsidiary 附屬公司名稱	Place of incorporation or registration/ operation 註冊成立或登記/ 營業地點	Nominal value of issued and paid up share capital/ registered capital 已發行及繳足股本/ 註冊資本面值	Proportion of issued share capital/registered capital held by the Company 本公司持有已發行股本/ 註冊資本比例 (Note a) (附註a)	Principal activities 主要業務
AEL (Bahamas) Limited	Bahamas/PRC 巴哈馬群島/ 中國	Ordinary US\$5,000 Redeemable preference US\$300 普通股5,000美元 可贖回優先股300美元	100%	Property holding 持有物業
Applied Electronics Limited 實力電子有限公司	Hong Kong 香港	Ordinary HK\$86,000,000 普通股86,000,000港元	100%	Investment holding 投資控股
Applied Enterprises	Hong Kong 香港	Ordinary HK\$1,000 普通股1,000港元	100%	Investment holding 投資控股
Applied Toys	Hong Kong 香港	Ordinary HK\$2 普通股2港元	100%	Property, plant and equipment holding 持有物業、廠房 及設備

Notes to the Consolidated Financial Statements

綜合財務報告附註

39. PARTICULARS OF SUBSIDIARIES (continued) 39. 附屬公司詳情 (續)

Name of subsidiary 附屬公司名稱	Place of incorporation or registration/ operation 註冊成立或登記/ 營業地點	Nominal value of issued and paid up share capital/ registered capital 已發行及 繳足股本/ 註冊資本面值	Proportion of issued share capital/registered capital held by the Company 本公司持有 已發行股本/ 註冊資本比例 (Note a) (附註a)	Principal activities 主要業務
Data Pen Limited 資料筆有限公司	Hong Kong 香港	Ordinary HK\$2 普通股2港元	100%	Property, plant and equipment holding 持有物業、廠房及設備
Severn Villa Limited	Hong Kong 香港	Ordinary HK\$7,545,000 普通股7,545,000港元	100%	Property holding 持有物業
Applied Investment 實力投資	Hong Kong 香港	Ordinary HK\$574,630,911 普通股574,630,911港元	100%	Investment holding 投資控股
盈聯多科技企業(深圳)有限公司(附註b) (Quorum Electronics (Shenzhen) Co., Ltd.) (Note b)	PRC 中國	Registered capital HK\$10,000,000 註冊資本10,000,000港元	100%	Property, plant and equipment holding 持有物業、廠房及設備
Applied Hong Kong Properties Limited	Hong Kong 香港	Ordinary HK\$500,000 普通股500,000港元	100%	Holding of property, plant and equipment and investment holding 持有物業、廠房及設備及投資控股

Notes to the Consolidated Financial Statements

綜合財務報告附註

39. PARTICULARS OF SUBSIDIARIES (continued)

39. 附屬公司詳情 (續)

Name of subsidiary 附屬公司名稱	Place of incorporation or registration/ operation 註冊成立或登記/ 營業地點	Nominal value of issued and paid up share capital/ registered capital 已發行及 繳足股本/ 註冊資本面值	Proportion of issued share capital/registered capital held by the Company 本公司持有 已發行股本/ 註冊資本比例 (Note a) (附註a)	Principal activities 主要業務
AppliedLand Limited 實力創建控股有限公司	Hong Kong 香港	Ordinary HK\$2 普通股2港元	100%	Holding of property, plant and equipment and investment holding 持有物業、廠房及設備及投資控股
Applied Mission Limited	Hong Kong 香港	Ordinary HK\$10,000 普通股10,000港元	100%	Property investment 物業投資
Playa Grande Development Holdings Inc. (Panama)	Panama 巴拿馬	Ordinary US\$200 普通股200美元	100%	Resort and property development 度假村及物業發展
Wideland 威能	Hong Kong 香港	Ordinary HK\$200,000 普通股200,000港元	51%	Manufacturing and trading of electronic products 製造及買賣電子產品

Notes:

- (a) The above principal subsidiaries are indirectly held by the Company, with the exception of Applied Electronics Limited, Applied Investment, AppliedLand Limited and Data Pen Limited.
- (b) This PRC subsidiary is a wholly foreign owned enterprise established in the PRC.

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

附註：

- (a) 除實力電子有限公司、實力投資、AppliedLand Limited 及Data Pen Limited，上述主要附屬公司由本公司間接擁有。
- (b) 該中國附屬公司為於中國成立之全外資企業。

於本年度年結或本年度任何時間，各附屬公司均無任何尚未償還之債務證券。

Notes to the Consolidated Financial Statements

綜合財務報告附註

39. PARTICULARS OF SUBSIDIARIES (continued)

The above list includes the subsidiaries of the Company which, in the opinion of the directors, principally affected the results of the year or assets and liabilities of the Group. To give details of all other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

40. RETIREMENT BENEFIT SCHEME

The Group operates a defined contribution retirement scheme (the "Defined Contribution Scheme") for certain qualifying employees. The assets of the Defined Contribution Scheme are held separately from those of the Group in funds under the control of trustees.

The retirement benefits cost of the Defined Contribution Scheme charged to the consolidated income statement represents contributions paid or payable to the fund by the Group at rates specified in the rules of the scheme. Where there are employees who leave the scheme prior to vesting fully in the contribution, the contributions payable by the Group are reduced by the amount of forfeited contributions.

At the balance sheet date, there was no significant forfeited contributions which arose upon employees leaving the Defined Contribution Scheme and which was available to reduce the contributions payable in future years.

39. 附屬公司詳情(續)

上列附屬公司為董事認為對本集團年內業績或資產及負債有主要影響之公司。董事認為，列出所有其他附屬公司之詳情將使篇幅過於冗長。

40. 退休福利計劃

本集團為若干合資格僱員實行定額供款退休計劃(「定額供款計劃」)。定額供款計劃之資產與本集團之資產分開，由受託人管理之基金持有。

在綜合收益表扣除之定額供款計劃退休福利成本指本集團按計劃規則指定之比率已付或應付予基金之供款。倘僱員於全數享有供款前退出計劃，則本集團將以沒收之供款扣減應付之供款。

於結算日，概無因僱員退出定額供款計劃而產生之重大已沒收供款可供扣減日後應付之供款。

Notes to the Consolidated Financial Statements

綜合財務報告附註

40. RETIREMENT BENEFIT SCHEME (continued)

With effective from 1st December, 2000, the Group has also joined a mandatory provident fund scheme (the “MPF Scheme”) for all other qualifying employees. The MPF Scheme is registered with the Mandatory Provident Fund Scheme Authority under the Mandatory Provident Fund Scheme Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the rules of the MPF Scheme, the employer and its employees are each required to make contributions to the MPF Scheme at rates specified in the rules. The only obligation of the Group with respect to the MPF Scheme is to make the required contributions under the scheme. No forfeited contribution is available to reduce the contributions payable in future years.

The retirement benefits cost of the MPF Scheme charged to the consolidated income statement represents contributions payable to the fund by the Group at rates specified in the rules of the MPF Scheme.

40. 退休福利計劃 (續)

由二零零零年十二月一日起，本集團已為所有其他合資格僱員加入強制性公積金計劃（「強積金計劃」）。強積金計劃乃根據強制性公積金計劃條例於強制性公積金管理局註冊。強積金計劃之資產乃與本集團之資產分開，由獨立受託人管理之基金持有。根據強積金計劃之規則，僱主及其僱員須按規例指定之比率向強積金計劃供款。本集團於強積金計劃之唯一責任為根據計劃作出規定之供款。概無已放棄之供款可用作扣減未來數年之供款。

強積金計劃之退休福利成本已於綜合收益表扣除，即本集團按強積金計劃規則指定之比率向基金支付供款。

Financial Summary

財務概要

RESULTS

業績

		Year ended 30th June, 截至六月三十日止年度				
		2003	2004	2005	2006	2007
		二零零三年	二零零四年	二零零五年	二零零六年	二零零七年
		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
TURNOVER	營業額	125,866	104,070	105,295	107,634	120,613
(LOSS) PROFIT BEFORE TAXATION	除稅前(虧損)溢利	(220,803)	90,258	100,124	10,760	109,256
TAXATION	稅項	2,863	(421)	2,665	(808)	59
(LOSS) PROFIT FOR THE YEAR	年內(虧損)溢利	(217,940)	89,837	102,789	9,952	109,315
ATTRIBUTABLE TO:	應佔：					
EQUITY HOLDERS OF THE PARENT	母公司股權持有人	(167,386)	96,481	103,525	10,757	110,173
MINORITY INTERESTS	少數股東權益	(50,554)	(6,644)	(736)	(805)	(858)
		(217,940)	89,837	102,789	9,952	109,315

ASSETS AND LIABILITIES

資產及負債

		At 30th June, 於六月三十日				
		2003	2004	2005	2006	2007
		二零零三年	二零零四年	二零零五年	二零零六年	二零零七年
		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
TOTAL ASSETS	資產總值	497,690	479,050	600,530	498,759	672,230
TOTAL LIABILITIES	負債總值	(220,726)	(129,973)	(130,461)	(59,240)	(137,606)
		276,964	349,077	470,069	439,519	534,624
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	母公司股權持有人 應佔權益	171,616	278,043	399,771	438,661	534,624
MINORITY INTERESTS	少數股東權益	105,348	71,034	70,298	858	-
		276,964	349,077	470,069	439,519	534,624

Particulars Of Major Properties
主要物業詳情

Particulars of investment properties held by the Group at 30th June, 2007 are as follows:

本集團於二零零七年六月三十日持有之投資物業詳情載列如下：

Name/location		Lease expiry	Type	Effective % held
名稱／地點		租約屆滿年份	類型	實際持有百分比
Hong Kong		香港		
Room 1206-7, Leader Industrial Centre, 57-59 Au Pui Wan St., Fo Tan, Shatin, New Territories	新界 沙田火炭 坳背灣街57-59號 利達工業中心 1206-7室	2047 二零四七年	C	51
Flat A on 1st Floor, Flat B on 1st Floor, 2nd Floor, 3rd Floor, the roof and carpark 1, 2, 3, 4, 5 and 7 Severn Villa, 3 Severn Road, The Peak, Hong Kong	香港 山頂施勳道3號 施勳別墅1樓A室、 1樓、2樓、3樓B室、 平台及停車位1、2、3、 4、5及7號	2070 二零七零年	R	100
The People's Republic of China (excluding Hong Kong)		中華人民共和國 (不包括香港)		
Level 1 & 2 No. 42, Zhan Qian Road, Zi Pian B Qu, Guangdong Province	廣東省 自編B區 站前路 一樓及二樓42室	2042 二零四二年	C	100
A site at Ping Hu Town, Baoan County, Shenzhen, Guangdong Province	位於廣東省 深圳寶安縣 平湖鎮之地盤	2041 二零四一年	C	100

Particulars Of Major Properties

主要物業詳情

Particulars of properties held for development by the Group at 30th June, 2007 are as follows:

本集團於二零零七年六月三十日持作發展之物業詳情載列如下：

Name/location	Lease expiry	Type	Gross site area	Effective % held	Stage of completion	Anticipated completion
名稱/地點	租約屆滿年份	類型	總土地面積	實際持有百分比	竣工階段	預期竣工
Panama						
	巴拿馬					
Lots 1807, 4920, 4921, 4923, 4924, 4935, 4936, 4942, 4943, 4944, 4945, 6921, 20435, 33248, 35039, 41583, 41619 together with all beach front property known as Playa Grande in Boca Chica, District of San Lorenzo, Province of Chiriqui, Panama	Freehold 永久業權	R/C	53.3 million Sq. ft 53,300,000 平方呎	100	Under development 發展中	N/A 不適用

Type of properties: R – residential
C – commercial

物業類型： R – 住宅
C – 商用

