



德祥地產集團有限公司

ITC PROPERTIES GROUP LIMITED

(Stock Code 股份代號：199)

Interim Report
2007-2008
中期報告

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CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Cheung Hon Kit (*Chairman*)
Mr. Chan Fut Yan (*Managing Director*)
Mr. Wong Kam Cheong, Stanley (*Deputy Managing Director*)
Mr. Cheung Chi Kit
Mr. Lai Tsan Tung, David
Mr. Ma Chi Kong, Karl

Independent Non-executive Directors

Mr. Wong Chi Keung, Alvin
Mr. Kwok Ka Lap, Alva
Mr. Chui Sai Cheong

COMMITTEES

Audit Committee

Mr. Wong Chi Keung, Alvin (*Chairman*)
Mr. Kwok Ka Lap, Alva
Mr. Chui Sai Cheong

Remuneration Committee

Mr. Wong Chi Keung, Alvin (*Chairman*)
Mr. Chan Fut Yan
Mr. Kwok Ka Lap, Alva

COMPANY SECRETARY

Ms. Yan Ha Hung, Loucia

QUALIFIED ACCOUNTANT

Mr. Cheung Chi Kit

AUTHORISED REPRESENTATIVES

Mr. Cheung Hon Kit
Mr. Wong Kam Cheong, Stanley (*Alternate to Mr. Cheung Hon Kit*)
Mr. Cheung Chi Kit
Ms. Yan Ha Hung, Loucia (*Alternate to Mr. Cheung Chi Kit*)

SOLICITORS

Conyers Dill & Pearman (*Bermuda*)
Iu, Lai & Li (*Hong Kong*)
Vincent T. K. Cheung, Yap & Co. (*Hong Kong*)
Leong Hon Man, Advogado (*Macau*)

AUDITORS

Deloitte Touche Tohmatsu

董事會

執行董事

張漢傑先生(*主席*)
陳佛恩先生(*董事總經理*)
黃錦昌先生(*副董事總經理*)
張志傑先生
賴贊東先生
馬志剛先生

獨立非執行董事

王志強先生
郭嘉立先生
崔世昌先生

委員會

審核委員會

王志強先生(*主席*)
郭嘉立先生
崔世昌先生

薪酬委員會

王志強先生(*主席*)
陳佛恩先生
郭嘉立先生

公司秘書

忻霞虹小姐

合資格會計師

張志傑先生

法定代表

張漢傑先生
黃錦昌先生(*張漢傑先生替任人*)
張志傑先生
忻霞虹小姐(*張志傑先生替任人*)

律師

Conyers Dill & Pearman(*百慕達*)
姚黎李律師行(*香港*)
張葉司徒陳律師事務所(*香港*)
梁瀚民大律師(*澳門*)

核數師

德勤•關黃陳方會計師行

CORPORATE INFORMATION

公司資料

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
Industrial and Commercial Bank of China (Asia) Limited
The Bank of East Asia, Limited
Dah Sing Bank, Limited
Wing Hang Bank, Limited
BNP Paribas Hong Kong Branch
Guangdong Development Bank
UBS, AG Hong Kong Branch

REGISTERED OFFICE

Clarendon House
Church Street
Hamilton HM 11
Bermuda

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

29/F., Paul Y. Centre
51 Hung To Road
Kwun Tong, Kowloon
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

The Bank of Bermuda Limited
6 Front Street
Hamilton HM 11
Bermuda

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Tricor Secretaries Limited
26/F., Tesbury Centre
28 Queen's Road East
Wanchai, Hong Kong

WEBSITE

<http://www.itcproperties.com>

STOCK CODE

Hong Kong Stock Exchange 199

主要往來銀行

中國銀行(香港)有限公司
中國工商銀行(亞洲)有限公司
東亞銀行有限公司
大新銀行有限公司
永亨銀行有限公司
法國巴黎銀行香港分行
廣東發展銀行股份有限公司
瑞士銀行香港分行

註冊辦事處

Clarendon House
Church Street
Hamilton HM 11
Bermuda

香港主要營業地點

香港
九龍觀塘
鴻圖道51號
保華企業中心29樓

主要股份登記及轉名處

The Bank of Bermuda Limited
6 Front Street
Hamilton HM 11
Bermuda

股份登記及轉名香港分處

卓佳秘書商務有限公司
香港灣仔
皇后大道東28號
金鐘匯中心26樓

網址

<http://www.itcproperties.com>

股份代號

香港聯交所 199

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

中期財務資料審閱報告

Deloitte.
德勤

TO THE BOARD OF DIRECTORS OF ITC PROPERTIES GROUP LIMITED
(FORMERLY KNOWN AS MACAU PRIME PROPERTIES HOLDINGS LIMITED)
致德祥地產集團有限公司(前稱澳門祥泰地產集團有限公司)董事會

INTRODUCTION

We have reviewed the interim financial information set out on pages 6 to 44, which comprises the condensed consolidated balance sheet of ITC Properties Group Limited as of 30th September, 2007 and the related condensed consolidated income statement, statement of changes in equity and cash flow statement for the six-month period then ended and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

引言

我們已審閱列載於第6頁至第44頁德祥地產集團有限公司的中期財務資料於二零零七年九月三十日之簡明綜合資產負債表與截至該日止六個月期間的簡明綜合收益表、簡明綜合權益變動表和簡明綜合現金流量表以及附註解釋。根據香港聯合交易所有限公司主板證券上市規則必須符合相關規定和香港會計師公會頒佈的香港會計準則(「香港會計準則」)第34號「中期財務報告」的規定編製中期財務資料。董事須負責根據香港會計準則第34號編製及列報中期財務資料。我們的責任是根據我們的審閱對該中期財務資料作出結論。並按照我們雙方所協定的應聘條款，僅向全體董事會報告。除此以外，我們的報告書不可用作其他用途。我們概不就本報告書的內容向任何其他人士負責或承擔法律責任。

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

中期財務資料審閱報告

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
20th December, 2007

審閱範圍

我們已根據香港會計師公會頒佈的香港審閱工作準則第2410號「獨立核數師對中期財務資料的審閱」進行審閱。中期財務資料審閱工作包括主要向負責財務會計事項的人員詢問，並實施分析和其他審閱程序。由於審閱的範圍遠較按照香港審計準則進行審核的範圍為小，所以不能保證我們會注意到在審核中可能會被發現的所有重大事項。因此我們不會發表任何審核意見。

結論

根據我們的審閱工作，我們並沒有注意到任何事項，使我們相信本財務資料在所有重大方面沒有按照香港會計準則第34號的規定編製。

德勤•關黃陳方會計師行
執業會計師
香港
二零零七年十二月二十日

CONDENSED CONSOLIDATED INCOME STATEMENT

簡明綜合損益表

(For the six months ended 30th September, 2007) (截至二零零七年九月三十日止六個月)

		Six months ended 30th September 截至九月三十日止六個月	
		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
	Notes 附註		
Continuing operations			
Turnover	3	<u>361,077</u>	<u>60,631</u>
Property sales and rental income		7,903	2,117
Golf and leisure income		24,994	11,961
Sales of motorcycles		<u>9,044</u>	<u>6,391</u>
		41,941	20,469
Cost of sales		<u>(20,092)</u>	<u>(10,268)</u>
Gross profit		21,849	10,201
Income from loan financing		58,014	26,471
Net gain (loss) on financial instruments	4	57,035	(5,360)
Other income		8,413	22,540
Administrative expenses		<u>(62,286)</u>	<u>(32,268)</u>
Impairment losses on prepaid lease payments of leasehold land and premium on prepaid lease payments of leasehold land		(45,000)	-
Loss on disposal of an associate	14(b)	<u>(39,486)</u>	-
Compensation for cancellation of call options for acquisition of additional interest in an associate		-	32,154
Share of results of associates		<u>(33,036)</u>	<u>(4,823)</u>
Finance costs	6	<u>(55,523)</u>	<u>(41,216)</u>
(Loss) profit before taxation		(90,020)	7,699
Taxation	7	<u>(2,400)</u>	<u>(957)</u>
(Loss) profit for the period from continuing operations		(92,420)	6,742
Discontinued operation			
(Loss) profit for the period from discontinued operation	8	<u>(17,311)</u>	<u>794</u>
(Loss) profit for the period	9	<u>(109,731)</u>	<u>7,536</u>
Attributable to:			
Equity holders of the Company		(108,877)	12,440
Minority interests		<u>(854)</u>	<u>(4,904)</u>
		<u>(109,731)</u>	<u>7,536</u>
(Loss) earnings per share	11		
From continuing and discontinued operations:			
- Basic (HK cents)		<u>(3.9)</u>	<u>0.6</u>
- Diluted (HK cents)		N/A 不適用	N/A 不適用
From continuing operations:			
- Basic (HK cents)		<u>(4.0)</u>	<u>0.6</u>
- Diluted (HK cents)		N/A 不適用	N/A 不適用

CONDENSED CONSOLIDATED BALANCE SHEET

簡明綜合資產負債表

(At 30th September, 2007) (於二零零七年九月三十日)

			30.9.2007 二零零七年 九月三十日 (unaudited) (未經審核) HK\$'000 港幣千元	31.3.2007 二零零七年 三月三十一日 (audited) (經審核) HK\$'000 港幣千元
	<i>Notes</i> 附註			
Non-current assets		非流動資產		
Property, plant and equipment	12	物業、機械及設備	264,174	279,956
Prepaid lease payments of leasehold land		租賃土地預付租賃款項	65,206	96,772
Premium on prepaid lease payments of leasehold land		租賃土地預付租賃款項之溢價	115,666	131,527
Intangible assets		無形資產	-	430
Available-for-sale investments	13	可供出售投資	232,750	130,036
Interests in associates	14	於聯營公司之權益	148,172	93,879
Unsecured loans and interest due from associates	14	聯營公司之無抵押貸款及應付利息	1,122,902	1,234,443
Debt portion of convertible bonds	15	可換股債券之負債部分	87,881	-
Derivatives embedded in convertible bonds	15	可換股債券附帶之衍生工具	10,694	-
Deposits paid for acquisition of a land use right		收購土地使用權已付按金	44,221	41,466
Deposits paid for acquisition of associates	16	收購聯營公司已付按金	48,951	90,675
Deposits paid for acquisition of properties		收購物業已付按金	-	27,125
Other loan receivables	17	其他應收貸款	13,134	9,634
			<u>2,153,751</u>	<u>2,135,943</u>
Current assets		流動資產		
Inventories		存貨	2,572	76,919
Properties held for sale		待售物業	291,346	58,536
Properties under development		發展中物業	12,397	11,296
Financial assets at fair value through profit or loss		按公平值列賬及計入損益之金融資產	35,850	66,725
Debtors, deposits and prepayments	18	應收賬款、按金及預付款項	661,591	473,160
Other loan receivables	17	其他應收貸款	253,126	205,495
Debt portion of convertible bonds	15	可換股債券之負債部分	153	-
Prepaid lease payments of leasehold land		租賃土地預付租賃款項	2,361	2,480
Amounts due from associates		應收一間聯營公司款項	-	68
Unsecured loans and interest due from related companies		關連公司之無抵押貸款及應付利息	58,215	54,567
Amount due from a related company		應收關連公司款項	283	-
Tax recoverable		可退回稅款	274	1,506
Pledged bank deposits		已抵押銀行存款	51,156	40,783
Bank balances and cash		銀行結餘及現金	315,213	254,622
			<u>1,684,537</u>	<u>1,246,157</u>

CONDENSED CONSOLIDATED BALANCE SHEET

簡明綜合資產負債表

(At 30th September, 2007) (於二零零七年九月三十日)

		Notes 附註	30.9.2007 二零零七年 九月三十日 (unaudited) (未經審核) HK\$'000 港幣千元	31.3.2007 二零零七年 三月三十一日 (audited) (經審核) HK\$'000 港幣千元
Current liabilities	流動負債			
Creditors, deposits and accrued charges	應付賬款、按金及應計開支	19	201,718	158,947
Amount due to an associate	應付一間聯營公司款項		135	–
Amounts due to minority shareholders of subsidiaries	應付附屬公司少數股東款項		2,076	1,884
Dividend payable to a minority shareholder of a subsidiary	應付一間附屬公司之一名少數股東股息		2,468	2,354
Tax payable	應繳稅項		11,788	12,340
Unsecured loans from minority shareholders of subsidiaries	附屬公司少數股東之無抵押貸款		14,374	4,515
Unsecured loan from a related company	一間關連公司之無抵押貸款		1,643	1,616
Convertible note payables – due within one year	一年內到期之可換股票據應付款項	20	2,742	7,945
Obligations under finance leases – due within one year	一年內到期之融資租賃承擔		21	24
Bank and other borrowings – due within one year	一年內償還之銀行及其他借貸	21	391,540	111,439
			628,505	301,064
Net current assets	淨流動資產		1,056,032	945,093
Total assets less current liabilities	總資產減流動負債		3,209,783	3,081,036
Non-current liabilities	非流動負債			
Convertible note payables – due after one year	一年後到期之可換股票據應付款項	20	1,193,298	1,360,455
Obligations under finance leases – due after one year	一年後到期之融資租賃承擔		51	71
Bank and other borrowings – due after one year	一年後償還之銀行及其他借貸	21	46,187	8,081
Deferred tax liabilities	遞延稅項負債		43,384	40,609
			1,282,920	1,409,216
			1,926,863	1,671,820
Capital and reserves	股本及儲備			
Share capital	股本	22	30,955	23,123
Reserves	儲備		1,846,657	1,598,516
Equity attributable to the equity holders of the Company	本公司權益持有人應佔權益		1,877,612	1,621,639
Minority interests	少數股東權益		49,251	50,181
			1,926,863	1,671,820

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

簡明綜合權益變動表

(For the six months ended 30th September, 2007) (截至二零零七年九月三十日止六個月)

		Attributable to equity holders of the Company 本公司權益持有人應佔部分													
		Share capital	Share premium	Convertible Capital redemption reserve	Convertible loan notes equity reserve	Share-based payment reserve	Available-for-sale investments reserve	Other reserve	Special reserve	Revaluation reserve	Translation reserve	Accumulated profits	Total	Minority interests	Total
		股本	股份溢價	可換股 贖回儲備	可換股 股本儲備	股份 付款儲備	可供出售 投資儲備	其他儲備	特別儲備	重估儲備	換算儲備	累計溢利	總計	少數 股東權益	總計
		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
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
At 1st April, 2006 (audited)	於二零零六年四月一日 (經審核)	6,314	213,224	646	157,053	-	-	32,308	(8,908)	-	2,296	42,084	445,017	816	445,833
Exchange differences arising on translation of foreign operations and income recognised directly in equity	換算香港境外業務之匯兌差額及於股本權益直接確認之收入	-	-	-	-	-	-	-	-	-	2,138	-	2,138	2,335	4,473
Profit for the period	本期間溢利	-	-	-	-	-	-	-	-	-	-	12,440	12,440	(4,904)	7,536
Total recognised income and expenses for the period	期內已確認收入及開支總額	-	-	-	-	-	-	-	-	-	2,138	12,440	14,578	(2,569)	12,009
Transfer (note i)	轉撥 (附註i)	-	-	-	-	-	-	(32,308)	-	-	-	32,308	-	-	-
Recognition of equity component of convertible notes	確認可換股票據之股本部分	-	-	-	274,644	-	-	-	-	-	-	-	274,644	-	274,644
Conversion of convertible notes	兌換可換股票據	8,953	393,688	-	(63,393)	-	-	-	-	-	-	-	339,248	-	339,248
Issue of shares	發行股份	8,334	491,666	-	-	-	-	-	-	-	-	-	500,000	-	500,000
Expenses incurred in connection with issue of shares	發行股份產生之開支	-	(12,908)	-	-	-	-	-	-	-	-	-	(12,908)	-	(12,908)
Repurchase and cancellation of shares	購回及註銷股份	(478)	(19,615)	478	-	-	-	-	-	-	-	(478)	(20,093)	-	(20,093)
Recognition of equity-settled share-based payments	確認股本結算股份付款	-	-	-	-	1,517	-	-	-	-	-	-	1,517	-	1,517
Acquired on acquisition of subsidiaries	收購附屬公司時購入	-	-	-	-	-	-	-	-	-	-	-	-	157,963	157,963
At 30th September, 2006 (unaudited)	於二零零六年九月三十日 (未經審核)	23,123	1,066,055	1,124	368,304	1,517	-	-	(8,908)	-	4,434	86,354	1,542,003	156,210	1,698,213

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

簡明綜合權益變動表

(For the six months ended 30th September, 2007) (截至二零零七年九月三十日止六個月)

		Attributable to equity holders of the Company 本公司權益持有人應佔部分													
		Share capital	Share premium	Convertible Capital redemption reserve	Convertible loan notes equity reserve	Share-based payment reserve	Available-for-sale investments reserve	Other reserve	Special reserve	Revaluation reserve	Translation reserve	Accumulated profits	Total	Minority interests	Total
		股本	股份溢價	股本贖回儲備	貸款票據股本儲備	股份付款儲備	可供出售投資儲備	其他儲備	特別儲備	重估儲備	換算儲備	累計溢利	總計	少數股東權益	總計
		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
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
At 1st April, 2007 (audited)	於二零零七年四月一日 (經審核)	23,123	1,066,055	1,124	368,304	3,296	3,481	-	(8,908)	1,795	10,364	153,005	1,621,639	50,181	1,671,820
Exchange differences arising on translation of foreign operations and income recognised directly in equity	換算香港境外業務之匯兌差額及於股本權益直接確認之收入	-	-	-	-	-	-	-	-	-	2,148	-	2,148	428	2,576
Gain on fair value changes of available-for-sale investments	可供出售投資之公平值變動盈利	-	-	-	-	-	20,579	-	-	-	-	-	20,579	-	20,579
Income and expenses recognised directly in equity	直接於權益中確認之收入及開支	-	-	-	-	-	20,579	-	-	-	2,148	-	22,727	428	23,155
Loss for the period	本期間虧損	-	-	-	-	-	-	-	-	-	-	(108,877)	(108,877)	(854)	(109,731)
Released on disposal of subsidiaries	於出售附屬公司時轉出	-	-	-	-	-	-	-	-	-	(3,801)	-	(3,801)	(504)	(4,305)
Released on disposal of available-for-sale investments	於出售可供出售投資時轉出	-	-	-	-	-	(32,007)	-	-	-	-	-	(32,007)	-	(32,007)
Total recognised income and expenses for the period	期內已確認收入及開支總額	-	-	-	-	-	(11,428)	-	-	-	(1,653)	(108,877)	(121,958)	(930)	(122,888)
Conversion of convertible notes	兌換可換股票據	4,832	268,001	-	(60,585)	-	-	-	-	-	-	-	212,248	-	212,248
Issue of shares	發行股份	3,000	165,000	-	-	-	-	-	-	-	-	-	168,000	-	168,000
Expenses incurred in connection with issue of shares	發行股份之開支	-	(5,088)	-	-	-	-	-	-	-	-	-	(5,088)	-	(5,088)
Recognition of equity-settled share-based payments	確認股本結算股份付款	-	-	-	-	2,771	-	-	-	-	-	-	2,771	-	2,771
At 30th September, 2007 (unaudited)	於二零零七年九月三十日 (未經審核)	30,955	1,493,968	1,124	307,719	6,067	(7,947)	-	(8,908)	1,795	8,711	44,128	1,877,612	49,251	1,926,863

Notes:

附註:

- (i) Other reserve of the Group represents net balance from capital reduction, cancellation of share premium and set-off against the deficit pursuant to the capital reorganisation on 15th April, 2003. Pursuant to a resolution of the Directors passed on 29th September, 2006, the carrying amount was transferred to the accumulated profits.
- (ii) Special reserve of the Group represents the difference between the nominal value of the share capital of the subsidiaries acquired and the nominal amount of the share capital of the Company issued as consideration under the group reorganisation in 1994.

- (i) 本集團其他儲備為根據於二零零三年四月十五日之股本重組削減股本、註銷股份溢價及抵銷虧絀所得淨額。根據於二零零六年九月二十九日通過之決議案，其他儲備金額已撥往累計溢利。
- (ii) 本集團特別儲備為本公司根據於一九九四年集團重組所收購附屬公司之股本面值與本公司發行作為代價之股本面值兩者之差額。

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

簡明綜合現金流量表

(For the six months ended 30th September, 2007) (截至二零零七年九月三十日止六個月)

		Six months ended 30th September 截至九月三十日止六個月	
		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
	Notes 附註		
Operating cash flows before movements in working capital	未計營運資金變動前之經營業務現金流量	72,631	(8,076)
Increase in properties held for sale	待售物業增加	(205,685)	-
Increase in debtors, deposits and prepayment	應收賬款、按金及預付款項增加	(234,598)	(1,933)
Decrease (increase) in other loan receivables	其他應收貸款減少 (增加)	7,151	(255,000)
Other operating cash flows	其他經營現金流量	27,455	(23,612)
Net cash used in operating activities	經營業務所耗現金淨額	<u>(333,046)</u>	<u>(288,621)</u>
Net cash used in investing activities	投資業務所耗現金淨額		
Loans advanced to associates	墊付予聯營公司之貸款	(166,016)	(645,000)
Disposal of subsidiaries (net of cash and cash equivalents disposed of)	出售附屬公司 (扣除已出售現金及現金等值項目)	8	-
Purchase of available-for-sale investments	購入可供出售投資	(41,307)	-
Proceeds from disposal of an associate	出售一間聯營公司所得款項	136,607	-
Refundable earnest money received	已收可退回誠意金	21,884	140,000
Refundable earnest money paid	已付可退回誠意金	-	(80,000)
Acquisition of subsidiaries (net of cash and cash equivalents acquired)	收購附屬公司 (扣除所購入現金及現金等值項目)	-	(67,082)
Other investing cash flows	其他投資現金流量	(10,343)	(11,533)
		<u>(120,984)</u>	<u>(663,615)</u>
Net cash from financing activities	融資業務所得現金淨額		
New bank and other borrowings raised	新增銀行及其他借貸	406,591	85,422
Proceeds from issue of shares	發行股份之所得款項	168,000	500,000
Repayment of bank and other borrowings	償還銀行及其他借貸	(63,924)	(86,495)
Expenses paid in connection with issue of shares	發行股份已付開支	-	981,731
Net proceeds from issue of convertible notes	發行可換股票據所得款項淨額	(5,088)	(12,908)
Other financing cash flows	其他融資現金流量	10,961	(25,204)
		<u>516,540</u>	<u>1,442,546</u>
Net increase in cash and cash equivalents	現金及現金等值項目增加淨額	62,510	490,310
Cash and cash equivalents at beginning of the period	期初之現金及現金等值項目	254,622	705,480
Effect of foreign exchange rate changes	匯率變動影響	(1,919)	(825)
Cash and cash equivalents at end of the period	期終之現金及現金等值項目	<u>315,213</u>	<u>1,194,965</u>
Analysis of the balances of cash and cash equivalents	現金及現金等值項目結餘分析		
Bank balances and cash	銀行結餘及現金	315,213	1,195,610
Bank overdrafts	銀行透支	-	(645)
		<u>315,213</u>	<u>1,194,965</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

(For the six months ended 30th September, 2007) (截至二零零七年九月三十日止六個月)

1. BASIS OF PREPARATION

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

2. PRINCIPAL ACCOUNTING POLICIES

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

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31st March, 2007. In addition, the Group has applied the following accounting policies during the current interim period:

(a) Debt portion of convertible bonds

Convertible bonds held by the Group are separately recognised as a debt portion and derivatives embedded in convertible bonds. On initial recognition, the debt portion of the convertible bonds and the embedded derivatives are recognised separately at fair value. The debt portion is subsequently measured at amortised cost according to the effective interest method.

1. 編製基準

簡明綜合財務報表乃根據香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)附錄十六之適用披露規定及香港會計師公會(「香港會計師公會」)頒佈之香港會計準則第34號「中期財務報告」編製。

2. 主要會計政策

除若干金融工具乃於適用情況下按公平值計算外，簡明綜合財務報表乃按歷史成本法編製。

此簡明綜合財務報表所採納會計政策與編製本集團截至二零零七年三月三十一日止年度之年度財務報表所依循者一致。此外，本集團於本中期期間已應用下列會計政策：

(a) 可換股債券之負債部份

本集團所持有之可換股債券乃按負債部份及可換股債券所附帶之衍生工具分開確認。於初始確認時，可換股債券的負債部份及附帶衍生工具各自以公平值分開確認。於其後期間，負債部份以實際利率法按攤銷成本計量。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 簡明綜合財務報表附註

(For the six months ended 30th September, 2007) (截至二零零七年九月三十日止六個月)

2. PRINCIPAL ACCOUNTING POLICIES

(Cont'd)

(b) Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain or loss is recognised in profit or loss immediately.

Embedded derivatives

Derivatives embedded in non-derivative host contracts are separated from the relevant host contracts and are treated as separate derivative when the economic characteristics and risks of the embedded derivatives are not closely related to those of the host contracts, and the host contracts are not measured at fair value with changes in fair value recognised in profit or loss. In all other circumstances, derivatives embedded are not separated and are accounted for together with the host contracts in accordance with appropriate standards.

In the current interim period, the Group has applied, for the first time, a new standard, amendment and interpretations ("new HKFRSs") issued by the HKICPA, which are effective for the Group's financial year beginning 1st April, 2007. The adoption of these 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 has been recognised.

2. 主要會計政策(續)

(b) 衍生工具

衍生工具最初於衍生工具合約簽訂當日按公平值確認，並且之後於各結算日按照公平值重新計算。由此產生的損益立即於損益賬確認。

附帶衍生工具

當附帶衍生工具之經濟特質及風險與主合同之經濟特質及風險並無密切關係，及主合同並非按公平值以公平值變動計入損益時，附帶於非衍生主合同之衍生工具乃自有關主合同分開，並被視作獨立衍生工具。在所有其他情況下，附帶衍生工具不會分開處理，並根據適用準則與主合同一併處理。

於本中期期間，本集團首次應用由香港會計師公會頒佈並於二零零七年四月一日開始之會計期間生效之一項新準則、修訂及若干詮釋(「新香港財務報告準則」)。採納該等新香港財務報告準則並未對現時或過往會計期間之業績或財務狀況構成重大影響，因此並未確認過往期間之調整。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 簡明綜合財務報表附註

(For the six months ended 30th September, 2007) (截至二零零七年九月三十日止六個月)

2. PRINCIPAL ACCOUNTING POLICIES

(Cont'd)

The Group has not early applied the following new or revised standards or interpretations that have been issued but are not yet effective:

HKAS 23 (Revised)	Borrowing Costs ¹
HKFRS 8	Operating Segments ¹
HK(IFRIC) – INT 12	Service Concession Arrangements ²
HK(IFRIC) – INT 13	Customer Loyalty Programmes ³
HK(IFRIC) – INT 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction ²

¹ Effective for annual periods beginning on or after 1st January, 2009

² Effective for annual periods beginning on or after 1st January, 2008

³ Effective for annual periods beginning on or after 1st July, 2008

The directors of the Company (the “Directors”) anticipate that the application of these new or revised standards or interpretations will have no material impact on the results and the financial position of the Group.

2. 主要會計政策(續)

本集團並無提早應用下列已頒佈惟尚未生效之新訂或經修訂準則或詮釋：

香港會計準則第23號 (修訂本)	借貸成本 ¹
香港財務報告準則 第8號	經營分部 ¹
香港(國際財務報告 詮釋委員會) — 詮釋第12號	服務特許權 安排 ²
香港(國際財務報告 詮釋委員會) — 詮釋第13號	客戶忠誠度 計劃 ³
香港(國際財務報告 詮釋委員會) — 詮釋第14號	香港會計準則 第19號— 界定福利資產 之限制、最低 資金需求及兩者 之互動關係 ²

¹ 於二零零九年一月一日或以後開始之年度期間生效

² 於二零零八年一月一日或以後開始之年度期間生效

³ 於二零零八年七月一日或以後開始之年度期間生效

本公司董事(「董事」)預期，應用此等新訂或經修訂準則或詮釋將不會對本集團之業績及財務狀況構成重大影響。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 簡明綜合財務報表附註

(For the six months ended 30th September, 2007) (截至二零零七年九月三十日止六個月)

3. SEGMENT INFORMATION

For management purposes and before the disposal of medicine and health products business, the Group is organised into seven operating divisions for both periods. These divisions are the basis on which the Group reports its primary segment information.

Principal activities are as follows:

Property development	–	development of property
Property investment	–	trading of properties
Golf and leisure	–	development and operation of golf resort and hotel
Securities investment	–	trading of securities
Motorcycles	–	trading of motorcycles and spare parts
Finance	–	loan financing services
Medicine and health products	–	manufacture and trading of medicine and health products

During the period, the Group disposed of its entire interest in medicine and health products business.

3. 分部資料

就管理而言以及出售醫藥及健康產品業務前，本集團於兩段期間分為七個營運部門。該等部門為本集團報告其首要分部資料之基準。

主要業務如下：

物業發展	–	物業發展
物業投資	–	物業買賣
高爾夫球及消閒	–	發展及經營高爾夫球度假村及酒店
證券投資	–	證券買賣
摩托車	–	買賣摩托車及配件
融資	–	貸款融資服務
醫藥及健康產品	–	製造及買賣醫藥及健康產品

於期內，本集團出售其於醫藥及健康產品業務之全部權益。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 簡明綜合財務報表附註

(For the six months ended 30th September, 2007) (截至二零零七年九月三十日止六個月)

3. SEGMENT INFORMATION (Cont'd)

For the six months ended 30th September, 2007

3. 分部資料(續)

截至二零零七年九月三十日止六個月

		Continuing operations 持續經營業務							Segment total 分部合計	Adjustments 調整	Total 總計	Discontinued operation 非持續 經營業務	Consolidated 綜合
		Property development 物業發展 HK\$'000 港幣千元	Property investment 物業投資 HK\$'000 港幣千元	Golf and leisure 高爾夫球 及消閒 HK\$'000 港幣千元	Securities investment 證券投資 HK\$'000 港幣千元	Motorcycles 摩托車 HK\$'000 港幣千元	Finance 融資 HK\$'000 港幣千元	Elimination 對銷 HK\$'000 港幣千元				Medicine and health products 醫藥及 健康產品 HK\$'000 港幣千元	
TURNOVER	營業額	978	6,925	24,994	261,122	9,044	58,014	-	361,077	-	361,077	115,741	476,818
EXTERNAL SALES	對外之銷售	978	6,925	24,994	-	9,044	58,014	-	99,955	-	99,955	115,741	215,696
INTER-SEGMENT SALES*	分部之間之 銷售*	-	-	-	-	-	14,005	(14,005)	-	-	-	-	-
		978	6,925	24,994	-	9,044	72,019	(14,005)	99,955	-	99,955	115,741	215,696
SEGMENT RESULTS	分部業績	(322)	2,215	(10,651)	54,079	350	1,406	-	47,077	56,434	103,511	12,580	116,091
Unallocated corporate income	未分配企業 收入								6,704	-	6,704	689	7,393
Unallocated corporate expenses	未分配企業 費用								(27,190)	-	(27,190)	(10,833)	(38,023)
Impairment losses on prepaid lease payments of leasehold land and premium on prepaid lease payments of leasehold land	租賃土地預付 租賃款項以及 租賃土地預付 租賃款項之 溢價之減值 虧損	-	-	(45,000)	-	-	-	-	(45,000)	-	(45,000)	-	(45,000)
Loss on disposal of an associate	出售一間聯營 公司所產生之 虧損	-	(39,486)	-	-	-	-	-	(39,486)	-	(39,486)	-	(39,486)
Share of results of associates	應佔聯營公司 業績	(38,036)	5,000	-	-	-	-	-	(33,036)	-	(33,036)	-	(33,036)
Finance costs	財務費用								(55,523)	-	(55,523)	(612)	(56,135)
Loss before taxation	除稅前虧損								(146,454)	56,434	(90,020)	1,824	(88,196)
Taxation	稅項								(2,400)	-	(2,400)	(558)	(2,958)
Loss on disposal of discontinued operation	出售非持續經營 業務所產生之 虧損								-	-	-	(18,577)	(18,577)
Loss for the period	本期間虧損								(148,854)	56,434	(92,420)	(17,311)	(109,731)

* Inter-segment sales were charged at terms determined and agreed between group companies.

* 分部之間之銷售乃按集團內各公司之間釐定及同意之條款計費。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 簡明綜合財務報表附註

(For the six months ended 30th September, 2007) (截至二零零七年九月三十日止六個月)

3. SEGMENT INFORMATION (Cont'd)

For the six months ended 30th September, 2006

3. 分部資料(續)

截至二零零六年九月三十日止六個月

		Continuing operations 持續經營業務							Segment total	Adjustments	Total	Discontinued operation 非持續 經營業務	Consolidated 綜合
		Property development 物業發展 HK\$'000 港幣千元	Property investment 物業投資 HK\$'000 港幣千元	Golf and leisure 高爾夫球 及消閒 HK\$'000 港幣千元	Securities investment 證券投資 HK\$'000 港幣千元	Motorcycles 摩托車 HK\$'000 港幣千元	Finance 融資 HK\$'000 港幣千元	Elimination 對銷 HK\$'000 港幣千元				Medicine and health products 醫藥及 健康產品 HK\$'000 港幣千元	
TURNOVER	營業額	1,082	1,035	11,961	13,691	6,391	26,471	-	60,631	-	60,631	167,039	227,670
EXTERNAL SALES	對外銷售	1,082	1,035	11,961	-	6,391	26,471	-	46,940	-	46,940	167,039	213,979
INTER-SEGMENT SALES*	分部之間之 銷售*	-	-	-	-	-	4,599	(4,599)	-	-	-	-	-
		1,082	1,035	11,961	-	6,391	31,070	(4,599)	46,940	-	46,940	167,039	213,979
SEGMENT RESULTS	分部業績	(4,572)	102	(1,325)	(5,392)	197	2,896	-	(8,094)	23,575	15,481	16,604	32,085
Unallocated corporate income	未分配企業 收入								22,265	-	22,265	1,211	23,476
Unallocated corporate expenses	未分配企業 費用								(16,162)	-	(16,162)	(15,071)	(31,233)
Compensation for cancellation of call options for acquisition of additional interest in an associate	就註銷收購一間 聯營公司額外 權益認購期權 之補償								32,154	-	32,154	-	32,154
Share of results of associates	應佔聯營公司 業績	(4,823)	-	-	-	-	-	-	(4,823)	-	(4,823)	-	(4,823)
Finance costs	財務費用								(41,216)	-	(41,216)	(893)	(42,109)
Profit before taxation	除稅前溢利								(15,876)	23,575	7,699	1,851	9,550
Taxation	稅項								(957)	-	(957)	(1,057)	(2,014)
Profit for the period	本期間溢利								(16,833)	23,575	6,742	794	7,536

* Inter-segment sales were charged at terms determined and agreed between group companies.

* 分部之間之銷售乃按集團內各公司之間釐定及同意之條款計費。

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(For the six months ended 30th September, 2007) (截至二零零七年九月三十日止六個月)

4. NET GAIN (LOSS) ON FINANCIAL INSTRUMENTS

4. 金融工具淨收益(虧損)

	Continuing operations		Discontinued operation		Consolidated	
	Six months ended		Six months ended		Six months ended	
	30th September		30th September		30th September	
	持續經營業務		非持續經營業務		綜合	
	截至九月三十日止六個月		截至九月三十日止六個月		截至九月三十日止六個月	
	2007	2006	2007	2006	2007	2006
	二零零七年	二零零六年	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	HK\$'000	HK\$'000
	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Gain on disposal of available-for-sale investments	38,410	-	-	-	38,410	-
Increase (decrease) in fair values of:						
— investments held-for-trading	19,488	(5,360)	-	-	19,488	(5,360)
— equity-linked notes	(323)	-	-	-	(323)	-
— derivatives embedded in convertible bonds	(1,397)	-	-	-	(1,397)	-
Dividend income on financial instruments	857	-	-	-	857	-
	57,035	(5,360)	-	-	57,035	(5,360)

5. IMPAIRMENT LOSSES ON PREPAID LEASE PAYMENTS OF LEASEHOLD LAND AND PREMIUM ON PREPAID LEASE PAYMENTS OF LEASEHOLD LAND

With the enforcement of 外商投資產業指導目錄 (2007年修訂) as jointly announced by the National Development and Reform Commission and Ministry of Commerce in the People's Republic of China (the "PRC"), Hong Kong investors are prohibited to develop and operate golf course in the PRC unless relevant permits have been granted prior to 1st December, 2007. The operating permits of the golf course business in Panyu, Guangdong Province and in Sanya, Hainan in the PRC will be expired on 17th March, 2008 and 6th June, 2049, respectively. Therefore the Group assessed the recoverable amount of the related segment assets.

5. 租賃土地預付租賃款項及租賃土地預付租賃款項之溢價之減值虧損

隨著中華人民共和國(「中國」)國家發展和改革委員會和商務部聯合宣佈實施《外商投資產業指導目錄》(2007年修訂)，香港投資者除非於二零零七年十二月一日以前已獲相關許可證，否則他們被禁止在中國發展及經營高爾夫球場。在中國廣東省番禺以及在海南省三亞的高爾夫球場經營許可證，將分別於二零零八年三月十七日和二零四九年六月六日到期。因此，本集團評估相關分部資產的可退回金額。

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5. IMPAIRMENT LOSSES ON PREPAID LEASE PAYMENTS OF LEASEHOLD LAND AND PREMIUM ON PREPAID LEASE PAYMENTS OF LEASEHOLD LAND (Cont'd)

Impairment losses of HK\$14,319,000 and HK\$30,681,000 in respect of the premium on prepaid lease payments of leasehold land and prepaid lease payments of leasehold land, respectively, was charged to the condensed consolidated income statement as, in the opinion of the Directors, the Group will cease to have any beneficial interest in the company operating the golf course business upon the expiry of the permits.

5. 租賃土地預付租賃款項及租賃土地預付租賃款項之溢價之減值虧損(續)

租賃土地預付租賃款項之溢價及租賃土地預付租賃款項之減值虧損分別為港幣14,319,000元和港幣30,681,000元，乃於簡明綜合損益表支銷。董事認為，該等許可證到期後，本集團將不再實益擁有經營高爾夫球場業務之公司之權益。

6. FINANCE COSTS

6. 財務費用

	Continuing operations		Discontinued operation		Consolidated	
	Six months ended	Six months ended	Six months ended	Six months ended	Six months ended	Six months ended
	30th September	30th September	30th September	30th September	30th September	30th September
	持續經營業務	持續經營業務	非持續經營業務	非持續經營業務	綜合	綜合
	截至九月三十日止六個月	截至九月三十日止六個月	截至九月三十日止六個月	截至九月三十日止六個月	截至九月三十日止六個月	截至九月三十日止六個月
	2007	2006	2007	2006	2007	2006
	二零零七年	二零零六年	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	HK\$'000	HK\$'000
	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Interest on:	利息：					
Bank and other borrowings wholly repayable within five years		須於五年內悉數償還之銀行及其他借貸				
	5,376	3,144	612	892	5,988	4,036
Unsecured loans from minority shareholders of subsidiaries		附屬公司少數股東無抵押貸款				
	216	606	-	-	216	606
Unsecured loan from a related company		一間關連公司之無抵押貸款				
	49	110	-	-	49	110
Obligations under finance leases		融資租賃承擔				
	4	4	-	1	4	5
Effective interest on convertible note payables		可換股票據應付款項之實際利息				
	49,878	37,352	-	-	49,878	37,352
	55,523	41,216	612	893	56,135	42,109

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(For the six months ended 30th September, 2007) (截至二零零七年九月三十日止六個月)

7. TAXATION

7. 稅項

	Continuing operations		Discontinued operation		Consolidated	
	Six months ended		Six months ended		Six months ended	
	30th September		30th September		30th September	
	持續經營業務		非持續經營業務		綜合	
	截至九月三十日止六個月		截至九月三十日止六個月		截至九月三十日止六個月	
	2007	2006	2007	2006	2007	2006
	二零零七年	二零零六年	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	HK\$'000	HK\$'000
	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Current tax:	即期稅項：					
Hong Kong Profits Tax	56	33	-	-	56	33
Taxation in other jurisdictions	66	1	558	1,057	624	1,058
	122	34	558	1,057	680	1,091
Deferred tax	2,278	923	-	-	2,278	923
	2,400	957	558	1,057	2,958	2,014

Hong Kong Profits Tax is calculated at 17.5% of the estimated assessable profits for both periods.

香港利得稅乃就該兩段期間內估計應課稅溢利按17.5%稅率計算。

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

其他司法權區產生之稅項乃按有關司法權區之現行稅率計算。

8. DISCONTINUED OPERATION

On 27th February, 2007, the Group entered into a sale and purchase agreement to dispose of its entire 100% equity interest in Tung Fong Hung Investment Limited ("TFH") (together with its subsidiaries, the "TFH Group"), which carried out all of the Group's business of manufacturing and trading of medicine and health products, together with an assignment of the outstanding loan owing by TFH amounting to HK\$99,728,000 to the acquirer. The disposal was completed on 31st July, 2007, on which the control of TFH Group was passed to the acquirer.

8. 非持續經營業務

於二零零七年二月二十七日，本集團訂立一份銷售及購買協議，出售其於東方紅投資有限公司（「東方紅」）（連同其附屬公司一併稱為「東方紅集團」）之全部股本權益（東方紅原負責本集團的製造及買賣醫藥及健康產品一切業務），同時將東方紅所欠之港幣99,728,000元未償還貸款撥予收購方。出售事項於二零零七年七月三十一日完成，而本集團對東方紅集團的控制權亦於同日轉至收購方手中。

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(For the six months ended 30th September, 2007) (截至二零零七年九月三十日止六個月)

8. DISCONTINUED OPERATION (Cont'd)

The (loss) profit for the period from the discontinued operation is analysed as follows:

8. 非持續經營業務(續)

期內來自非持續經營業務之(虧損)溢利分析如下：

		1.4.2007 to 31.7.2007 二零零七年 四月一日至 二零零七年 七月三十一日 <i>HK\$'000</i> 港幣千元	1.4.2006 to 30.9.2006 二零零六年 四月一日至 二零零六年 九月三十日 <i>HK\$'000</i> 港幣千元
Profit from manufacturing and trading of medicine and health products for the period	期內來自製造及買賣醫藥及健康產品之溢利	1,266	794
Loss on disposal of the business of manufacturing and trading of medicine and health products	出售製造及買賣醫藥及健康產品業務之虧損	(18,577)	-
		(17,311)	794

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(For the six months ended 30th September, 2007) (截至二零零七年九月三十日止六個月)

8. DISCONTINUED OPERATION (Cont'd)

The results of the operation of manufacturing and trading of medicine and health products were as follows:

8. 非持續經營業務(續)

製造及買賣醫藥及健康產品業務之業績如下：

		1.4.2007 to 31.7.2007 二零零七年 四月一日至 二零零七年 七月三十一日 HK\$'000 港幣千元	1.4.2006 to 30.9.2006 二零零六年 四月一日至 二零零六年 九月三十日 HK\$'000 港幣千元
Turnover	營業額	115,741	167,039
Cost of sales	銷售成本	(77,496)	(109,569)
Gross profit	毛利	38,245	57,470
Other income	其他收入	967	1,656
Distribution costs	分銷成本	(25,580)	(40,422)
Administrative expenses	行政費用	(11,196)	(15,960)
Finance costs	財務開支	(612)	(893)
Profit before taxation	除稅前溢利	1,824	1,851
Taxation	稅項	(558)	(1,057)
Profit for the period	本期間溢利	1,266	794
Attributable to:	下列人士應佔：		
Equity holders of the Company	本公司權益持有人	1,336	988
Minority interests	少數股東權益	(70)	(194)
		1,266	794

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(For the six months ended 30th September, 2007) (截至二零零七年九月三十日止六個月)

8. DISCONTINUED OPERATION (Cont'd)

The net assets of the TFH Group at the date of disposal were as follows:

Net assets disposed of	出售資產淨額	130,483
Realisation of translation reserve	換算儲備變現	<u>(3,801)</u>
		126,682
Loss on disposal	出售虧損	<u>(18,577)</u>
		108,105
Total consideration	代價總額	<u>108,105</u>
Satisfied by:	以下列方式支付：	
Cash consideration	現金代價	20,000
Other loan receivable (note 17)	其他應收貸款 (附註17)	90,000
Expenses incurred for the disposal	出售開支	<u>(1,895)</u>
		<u>108,105</u>
		1.4.2007
		to
		31.7.2007
		二零零七年
		四月一日至
		二零零七年
		七月三十一日
		HK\$'000
		港幣千元
Net cash outflow arising on the disposal:	出售之現金流出淨額：	
Cash consideration	現金代價	20,000
Bank balances and cash disposed of	出售銀行結餘及現金	(79,914)
Expenses incurred for the disposal	出售開支	<u>(1,895)</u>
		<u>(61,809)</u>
Cash flows from TFH Group:	來自東方紅集團之現金流量：	
Net cash from operating activities	經營業務所得之現金淨額	28,864
Net cash used in investing activities	投資業務所耗之現金淨額	(2,327)
Net cash from financing activities	融資業務所得之現金淨額	1,826
Effect of foreign exchange rate changes	匯率變動之影響	<u>(468)</u>
Net cash flows	現金流量淨額	<u>27,895</u>

8. 非持續經營業務(續)

出售東方紅集團當日之資產淨額如下：

31.7.2007
二零零七年
七月三十一日
HK\$'000
港幣千元

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(For the six months ended 30th September, 2007) (截至二零零七年九月三十日止六個月)

9. (LOSS) PROFIT FOR THE PERIOD

9. 本期間(虧損)溢利

	Continuing operations		Discontinued operation		Consolidated	
	Six months ended		Six months ended		Six months ended	
	30th September		30th September		30th September	
	持續經營業務		非持續經營業務		綜合	
	截至九月三十日止六個月		截至九月三十日止六個月		截至九月三十日止六個月	
	2007	2006	2007	2006	2007	2006
	二零零七年	二零零六年	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	HK\$'000	HK\$'000
	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
(Loss) profit for the period has been arrived at after charging (crediting):	本期間(虧損)溢利已扣除(計入):					
Depreciation of property, plant and equipment	8,712	3,875	1,881	4,587	10,593	8,462
Release of prepaid lease payments of leasehold land	1,237	710	10	15	1,247	725
Amortisation of premium on prepaid lease payments of leasehold land	1,542	968	-	-	1,542	968
Amortisation of intangible assets (included in administrative expenses)	-	-	-	65	-	65
Equity-settled share-based payments expenses (note 23)	2,771	1,517	-	-	2,771	1,517
Loss (gain) on disposal of property, plant and equipment	33	(135)	14	120	47	(15)
Interest income	(63,232)	(48,735)	(691)	(1,212)	(63,923)	(49,947)

10. DIVIDENDS

The directors do not recommend the payment of an interim dividend in respect of the six months ended 30th September, 2007 (Six months ended 30th September, 2006: Nil).

10. 股息

董事不建議派付截至二零零七年九月三十日止六個月之中期股息(截至二零零六年九月三十日止六個月:無)。

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11. (LOSS) EARNINGS PER SHARE

From continuing and discontinued operations

The calculation of the basic and diluted (loss) earnings per share attributable to the ordinary equity holders of the Company is based on the following data:

Earnings:
(Loss) profit for the period attributable to the equity holders of the Company and (loss) earnings for the purpose of basis (loss) earnings per share

Number of shares:
Weighted average number of ordinary shares for the purpose of basic (loss) earnings per share

No diluted earnings per share had been presented for the six months ended 30th September, 2007 and 2006 because the exercise of the share options and the conversion of the convertible notes would result in a decrease (increase) in (loss) earnings per share, respectively.

盈利：
本公司權益持有人應佔本期間（虧損）溢利及計算每股基本（虧損）盈利之（虧損）盈利

股份數目：
計算每股基本（虧損）盈利之普通股加權平均數

11. 每股（虧損）盈利

來自持續經營及非持續經營業務

本公司普通股權益持有人應佔每股基本及攤薄（虧損）盈利乃按照以下數據計算：

Six months ended 30th September 截至九月三十日止六個月	
2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
(108,877)	12,440
2,781,227,390	1,932,681,786

由於行使購股權及兌換可換股票據會分別導致每股（虧損）盈利減少（增加），故截至二零零七年及二零零六年九月三十日止六個月並無呈列每股攤薄盈利。

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11. (LOSS) EARNINGS PER SHARE (Cont'd)

From continuing operations

The calculation of the basic and diluted (loss) earnings per share from continuing operations attributable to the ordinary equity holders of the Company is based on the following data:

Earnings:	盈利：
(Loss) profit for the period attributable to the equity holders of the Company and (loss) earnings for the purpose of basis (loss) earnings per share	本公司權益持有人應佔本期間 (虧損) 溢利及計算每股基本 (虧損) 盈利之 (虧損) 盈利
Less: profit for the period from discontinued operation attributable to the equity holders of the Company	減：本公司權益持有人應佔 本期間來自非持續經營業務之溢利
(Loss) earnings for the purpose of basic (loss) earnings per share from continuing operations	計算每股基本 (虧損) 盈利之 來自持續經營業務之 (虧損) 盈利

The denominators used are the same as those detailed above for both basic and diluted (loss) earnings per share.

From discontinued operation

Basic earnings per share from discontinued operation is 0.05 HK cent per share (six months ended 30th September, 2006: 0.05 HK cent per share), based on the profit for the period from discontinued operation attributable to the equity holders of the Company of HK\$1,336,000 (six months ended 30th September, 2006: HK\$988,000) and the denominators detailed above for both basic and diluted (loss) earnings per share.

11. 每股(虧損)盈利(續)

來自持續經營業務

本公司普通股權益持有人應佔來自持續經營業務之每股基本及攤薄(虧損)盈利乃按照以下數據計算：

Six months ended 30th September 截至九月三十日止六個月	
2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
(108,877)	12,440
(1,336)	(988)
<u>(110,213)</u>	<u>11,452</u>

所用之分母與上文所述計算兩項每股基本及攤薄(虧損)盈利所用者相同。

來自非持續經營業務

根據本期間來自非持續經營業務之本公司權益持有人應佔溢利港幣1,336,000元(截至二零零六年九月三十日止六個月：港幣988,000元)及上文所述計算每股基本及攤薄(虧損)盈利所用之分母計算，來自非持續經營業務之每股基本盈利為每股0.05港仙(截至二零零六年九月三十日止六個月：每股0.05港仙)。

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12. PROPERTY, PLANT AND EQUIPMENT

During the period, the Group disposed of certain property, plant and equipment with a carrying amount of HK\$187,000 for proceeds of HK\$140,000, resulting in a loss on disposal of HK\$47,000. The Group also disposed of property, plant and equipment of approximately HK\$31,016,000 as a result of the disposal of the TFH Group as set out in note 8.

In addition, the Group spent approximately HK\$22,665,000 on acquisition of property, plant and equipment.

13. AVAILABLE-FOR-SALE INVESTMENTS

During the period, the Group acquired 126,262,626 shares of Get Nice Holdings Limited ("Get Nice", a company whose shares are listed on the Stock Exchange) at HK\$83,333,000 as part of consideration for the disposal of an associate as set out in note 14(b). The Group also acquired other listed equity securities at an aggregate consideration of HK\$41,307,000.

In addition, the Group disposed of certain of its available-for-sale investments with a carrying value of HK\$11,618,000.

14. INTERESTS IN ASSOCIATES/ UNSECURED LOANS AND INTEREST DUE FROM ASSOCIATES

Cost of investment in associates, unlisted	於聯營公司投資成本，非上市
Share of post-acquisition profits, net of dividend received	應佔收購後溢利（扣除已收股息）
Unsecured loans to associates (note c)	無抵押貸款予聯營公司（附註c）
Interest receivables	應收利息
Less: loss allocated in excess of cost of investment	減：分配於超出投資成本的虧損

12. 物業、機械及設備

期內，本集團出售賬面值為港幣187,000元之若干物業、機械及設備，所得款項港幣140,000元，導致出售虧損港幣47,000元。本集團亦因出售東方紅集團（見附註8），而出售物業、機械及設備約港幣31,016,000元。

此外，本集團斥資約港幣22,665,000元收購物業、機械及設備。

13. 可供出售投資

期內，本集團以港幣83,333,000元收購結好控股有限公司（「結好」，一間其股份於聯交所上市的公司）之126,262,626股股份，以作為出售一間聯營公司代價之一部分（見附註14(b)）。本集團亦購買其他的上市股票證券，合共代價為港幣41,307,000元。

此外，本集團出售若干面值港幣11,618,000元之可供出售投資。

14. 於聯營公司之權益／應收聯營公司無抵押貸款及利息

30.9.2007 二零零七年 九月三十日 HK\$'000 港幣千元	31.3.2007 二零零七年 三月三十一日 HK\$'000 港幣千元
94,136	6,807
54,036	87,072
148,172	93,879
1,042,908	1,226,237
79,994	59,288
1,122,902	1,285,525
—	(51,082)
1,122,902	1,234,443

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14. INTERESTS IN ASSOCIATES/ UNSECURED LOANS AND INTEREST DUE FROM ASSOCIATES (Cont'd)

- (a) On 25th January, 2007, the Group entered into an acquisition agreement with Forever Charm Group Limited (“Forever Charm”) to acquire an additional 8.7% of the registered share capital of an associate, Empresa De Fomento Industrial E Comercial Concórdia, S.A. (“Concordia”), a company incorporated in Macau, from Forever Charm and a shareholder’s loan and interests accrued thereon due by Concordia to Forever Charm of MOP114,346,000 (equivalent to approximately HK\$111,016,000). The consideration and shareholder’s loan granted to Concordia amounted to approximately HK\$245,700,000 (the “Concordia Acquisition”), of which HK\$90,000,000 was paid and included in deposits paid for acquisition of associates at 31st March, 2007.

Concordia is engaged in property development. Its principal asset is the leasehold interests in 14 parcels of land (the “Leasehold Interest”) situated in Estrada de Seac Pai Van, Macau. The lease of the Leasehold Interest was expired in 2000. According to the Macau Gazette published on 31st October, 2007, the Chief Executive of Macau had endorsed, and Concordia had accepted, the offer for the granting of a new land lease concession in August 2007 at an additional land premium of approximately MOP578.4 million (equivalent to approximately HK\$561.6 million).

The Group will develop the Leasehold Interest with other shareholders of Concordia. The Concordia Acquisition results in an acquisition of additional 8.7% interest in the Leasehold Interest. Accordingly, the value of the cost of acquiring additional interests in Concordia is recognised at the consideration paid for the Concordia Acquisition of HK\$136,182,000.

14. 於聯營公司之權益／應 收聯營公司無抵押貸款 及利息(續)

- (a) 於二零零七年一月二十五日，本集團與永美集團有限公司（「永美」）訂立一項收購協議，向永美收購聯營公司聯生發展股份有限公司（「聯生發展」，一間於澳門註冊成立之公司）已註冊股本8.7%之額外權益，以及聯生發展結欠永美之股東貸款總額約為澳門幣114,346,000元（相等於約港幣111,016,000元）該代價及授予聯生發展之股東貸款總額約港幣245,700,000元（「聯生發展收購」），其中港幣90,000,000元於二零零七年三月三十一日已支付並計入收購聯營公司之訂金內。

聯生發展經營物業發展業務，其主要資產為位於澳門石排灣馬路之十四幅租賃土地之租賃權益（「租賃權益」），該租賃權益之租約至二零零零年屆滿。根據澳門政府於二零零七年十月三十一日刊登的公報，澳門行政長官已批准以重新批給聯生發展新租約之形式重續租期之要約，而聯生發展已於二零零七年八月接納有關要約，額外地價約為澳門幣578,400,000元（相等於約港幣561,600,000元）。

本集團將與聯生發展其他股東發展租賃權益。聯生發展收購於租賃權益產生收購額外8.7%權益。故收購聯生發展額外權益的成本於支付聯生發展收購中之代價港幣136,182,000元中確認。

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14. INTERESTS IN ASSOCIATES/ UNSECURED LOANS AND INTEREST DUE FROM ASSOCIATES (Cont'd)

(a) (Cont'd)

The Concordia Acquisition was completed during the period (the "Completion"). Upon the Completion, the Group's effective interest in the registered share capital of Concordia increased from 26.8% at 31st March, 2007 to 35.5% at 30th September, 2007 and Concordia remains as an associate of the Group.

During the period, the Group paid an additional amount of HK\$25,700,000 and the remaining balance of HK\$130,000,000 was included in creditors, deposits and accrued charges at 30th September, 2007.

Pursuant to the Concordia Acquisition, the Group undertook to advance to Concordia a shareholder's loan of not more than HK\$70,000,000, of which HK\$55,000,000 was advanced to Concordia at 30th September, 2007. The remaining balance of HK\$15,000,000 was disclosed as other commitment in note 24.

(b) On 26th June, 2007, the Group disposed of its entire 40% equity interest in an associate, More Profit International Limited ("More Profit"), through disposal of a subsidiary, Dragon Rainbow Limited ("Dragon Rainbow"), together with the shareholder's loan due from Dragon Rainbow to the Group amounting to HK\$260,412,000, to Get Nice (the "Disposal"). More Profit is an investment holding company incorporated in the British Virgin Islands. Its principal asset is a 50% equity interest in Great China Company Limited which is a company incorporated in Macau and is the owner of a land situated in Sul da Marina Taipa-Sul Junto à Rotunda do Dique Oeste, Macau and a hotel complex, the Grand Waldo Hotel, erected thereon.

14. 於聯營公司之權益／應 收聯營公司無抵押貸款 及利息(續)

(a) (續)

聯生發展收購於期內完成(「完成」)。完成後本集團於聯生發展已註冊股本的實益權益由二零零七年三月三十一日的26.8%增至二零零七年九月三十日的35.5%，而聯生發展仍為本集團的聯營公司。

本期內，本集團額外支付港幣25,700,000元，而餘下金額港幣130,000,000元則記入於二零零七年九月三十日之應付款項、訂金及應計開支內。

根據聯生發展收購，本集團承諾向聯生發展墊支最多港幣70,000,000元之股東貸款，其中港幣55,000,000元已於二零零七年九月三十日墊支予聯生發展，餘下港幣15,000,000元則於附註24作為其他承諾披露。

(b) 於二零零七年六月二十六日，本集團透過出售附屬公司 Dragon Rainbow Limited (「Dragon Rainbow」)，以及 Dragon Rainbow 結欠本集團之股東貸款港幣260,412,000元，向結好出售於聯營公司 More Profit International Limited (「More Profit」)全部40%之股本權益(「出售」)。More Profit為一間於英屬處女群島成立之投資控股公司，其主要資產為擁有大中華有限公司之50%股本權益。大中華有限公司是澳門註冊成立之公司，為澳門一幅位於澳門氹仔南部遊艇碼頭毗鄰西堤圓形地之土地及其上所建酒店，金都酒店之擁有人。

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14. INTERESTS IN ASSOCIATES/ UNSECURED LOANS AND INTEREST DUE FROM ASSOCIATES (Cont'd)

(b) (Cont'd)

The total consideration for the Disposal amounted to HK\$350 million, which was satisfied as to (i) HK\$150 million in cash; (ii) 126,262,626 shares of Get Nice at an agreed price of HK\$0.792 each which market price at the date of completion of the Disposal was HK\$0.66 each; and (iii) HK\$100 million 5% convertible bonds due 2010 of Get Nice ("Get Nice Bonds").

The Disposal was completed in September 2007. Loss of the Disposal of approximately HK\$39,486,000 has been charged to the condensed consolidated income statement during the period. Details of the Disposal were disclosed in a circular of the Company dated 24th August, 2007.

(c) The loans to associates are unsecured, have no fixed repayment terms and are interest free except for an amount of approximately HK\$351,150,000 which carries interest at rates ranging from 7.5% to 7.75% per annum. The effective interest rate on the interest-free amounts was 8% per annum. In the opinion of the directors, the amounts would not be repaid within twelve months from the balance sheet date and have been therefore classified as non-current asset.

14. 於聯營公司之權益／應 收聯營公司無抵押貸款 及利息(續)

(b) (續)

出售總代價為港幣350,000,000元，並以下列方式支付：(i) 現金港幣150,000,000元；(ii) 126,262,626股、按雙方同意每股發行價港幣0.792元之結好股份，於出售完成日每股股份之市價為港幣0.66元；及(iii) 港幣100,000,000元、息率5%、於二零一零年到期之結好可換股債券(「結好債券」)。

出售於二零零七年九月完成。出售虧損約港幣39,486,000元，虧損已於期內之簡明綜合損益表內支銷。出售詳情於二零零七年八月二十四日刊發之本公司通函內披露。

(c) 借予聯營公司的貸款為無抵押，無固定還款期及免息，惟一筆約港幣351,150,000元貸款之年息介乎7.5%至7.75%之間。該筆免息貸款的實際年息率為8%。董事認為，由於該等貸款自結算日起12個月內不會償付，因而分類為非流動資產。

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15. DEBT PORTION OF CONVERTIBLE BONDS/DERIVATIVES EMBEDDED IN CONVERTIBLE BONDS

As detailed in note 14(b), the Get Nice Bonds in the principal amount of HK\$100 million with maturity on 20th September, 2010 was issued to the Group as part of consideration for the disposal of Dragon Rainbow in September 2007. The Group is entitled to convert the Get Nice Bonds into shares in Get Nice at an initial conversion price of HK\$0.924 per share, which was subsequently adjusted to HK\$0.907 per share as a result of share placement of Get Nice on 19th July, 2007 and further adjusted to HK\$0.901 per share as a result of share placement of Get Nice on 8th November, 2007. Both Get Nice and the Group may at any time after the expiry of the 18th month following the date of issue of the Get Nice Bonds and prior to the maturity date redeem or require Get Nice to redeem the outstanding Get Nice Bonds at par together with interest accrued thereon.

The Group classified the debt portion of the Get Nice Bonds as loans and receivables and the embedded derivative component as financial assets at fair value through profit or loss on initial recognition. The fair value of each component of the Get Nice Bonds on initial recognition are determined by the directors of the Company with reference to the valuation performed by Greater China Appraisal Limited, a firm of independent valuers. The effective interest rate of the debt portion of Get Nice Bonds is 9.75% per annum.

At 30th September, 2007, the fair value of the embedded derivative component of the Get Nice Bonds was approximately HK\$10,694,000. Interest receivable on the debt portion of the Get Nice Bonds due within one year of HK\$153,000 has been shown as current assets.

15. 可換股債券之負債部分／可換股債券附帶之兌換期權

誠如附註14(b)所載，本集團收取本金金額港幣100,000,000元、到期日為二零一零年九月二十日之結好債券，以作為於二零零七年九月出售Dragon Rainbow之代價一部分。本集團有權將該等結好債券兌換成結好股份，初步兌換價為每股港幣0.924元，其後因結好於二零零七年七月十九日配售股份而調整為每股港幣0.907元，並於二零零七年十一月八日因再次配售股份而進一步調整為每股港幣0.901元。結好及本集團可於結好債券之發行日期後18個月屆滿後及於到期日前，以面值（連同應計利息）贖回或要求結好贖回尚未兌換之結好債券。

本集團將結好債券之負債部分列作借貸及應收款項，而附帶衍生工具部分於初步確認時透過損益賬按公平值列作金融資產。該等結好債券各部分於初步確認時之公平值，乃由本公司董事參考漢華評值有限公司（一家獨立估值公司）之估值而釐定。結好債券負債部分之實際年息率為9.75%。

於二零零七年九月三十日，結好債券附帶衍生工具部分之公平值約港幣10,694,000元，其中約港幣153,000元為一年內到期之結好債券負債部分之應收利息，已當作流動資產列示。

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16. DEPOSITS PAID FOR ACQUISITION OF ASSOCIATES

The amount at 31st March, 2007 represented deposits paid for the Concordia Acquisition. As detailed in note 14(a), the amount has been transferred to interests in associates during the period.

On 17th July, 2007, the Group entered into an acquisition agreement with Mr. Gilbert Bing Mar (the "Vendor") to acquire a 29.41% equity interest in UCDC International Limited ("UCDC"), a company incorporated in the British Virgin Islands, for a cash consideration of US\$17 million (equivalent to approximately HK\$132.6 million), of which a deposit of US\$6 million (equivalent to approximately HK\$46.8 million) and transaction costs of HK\$2.1 million was paid at 30th September, 2007. The acquisition has not yet been completed at the date of this report. The remaining outstanding purchase consideration of US\$11 million (equivalent to approximately HK\$85.8 million) was disclosed as other commitment in note 24. UCDC is an investment holding company which has an effective interest of 85% in the registered capital of Shanghai Tianma Country Club Co., Ltd. (上海天馬鄉村俱樂部有限公司), which is engaged in property development and the operation of a golf club, namely Shanghai Tianma Country Club, in the PRC with 2 club houses equipped with resort facilities including food and beverage outlets, swimming pool, fitness and recreational centres. The Shanghai Tianma Country Club commenced business in 1999.

Details of the acquisition were disclosed in the announcement of the Company dated 17th July, 2007.

17. OTHER LOAN RECEIVABLES

It includes HK\$90 million as part of consideration for the disposal of TFH Group in July 2007 as detailed in note 8 which carries interest at 5% per annum and is secured by the entire issued share capital of TFH and assignment of all loans due by TFH to its shareholder with maturity on 31st January, 2008.

During the period, the Group advanced an additional loan of HK\$3,500,000 to an existing borrower and received repayment of HK\$12,055,000.

16. 收購聯營公司已付訂金

於二零零七年三月三十一日之款項指支付聯生發展收購之訂金。誠如附註14(a)所載，該筆款項於期內已轉撥至聯營公司之權益內。

於二零零七年七月十七日，本集團與馬賓農先生(「賣方」)訂立一項收購協議以美金17,000,000元(相等於約港幣132,600,000元)之現金代價收購UCDC International Limited(「UCDC」，一間於英屬處女群島註冊成立之公司)之29.41%股本權益，其中美金6,000,000元(相等於約港幣46,800,000元)之訂金及港幣2,100,000元之交易開支已於二零零七年九月三十日支付。該收購於本報告刊發日期仍未完成。餘下美金11,000,000元(相等於約港幣85,800,000元)之收購代價則當作其他承諾於附註24披露。UCDC為一間投資控股公司，實益持有上海天馬鄉村俱樂部有限公司已註冊股本之85%權益。上海天馬鄉村俱樂部有限公司於中國從事物業發展及經營高爾夫球會上海天馬鄉村俱樂部，該俱樂部包括兩間擁有度假設施(包括食肆、游泳池、健身及娛樂中心)之會所。上海天馬鄉村俱樂部於一九九九年開業。

有關收購詳情於二零零七年七月十七日刊發之本公司公佈內披露。

17. 其他應收貸款

誠如附註8所載，於二零零七年七月以港幣90,000,000元作為出售東方紅集團之部分代價，年息率為5%，以東方紅之全部已發行股本及轉讓東方紅所欠其股東之一切貸款作抵押，到期日為二零零八年一月三十一日。

期內，本集團向現有借款人提供港幣3,500,000元的額外借貸，以及已收得港幣12,055,000元之還款。

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18. DEBTORS, DEPOSITS AND PREPAYMENTS

The Group allows credit period ranging from 0 to 30 days to its trade customers. The following is an aged analysis of trade debtors at the reporting date:

Trade debtors aged:	應收貿易賬款之賬齡：
0 – 60 days	零至六十日
61 – 90 days	六十一至九十日
Over 90 days	九十日以上
Refundable earnest money (note a)	可退還誠意金 (附註a)
Refundable subscription money (note b)	可退還認購款項 (附註b)
Other debtors, deposits and prepayments	其他應收賬款、訂金及預付款項

Notes:

- (a) The amount represents refundable earnest money paid for acquisition of interests in properties located in the PRC and Macau. An amount of HK\$21,884,000 was refunded for unsuccessful acquisition during the period. Included in the balance is an amount of HK\$330,191,000 paid by the Group through Wing On Travel (Holdings) Limited (“Wing On”, a company whose shares are listed on the Stock Exchange) (together with its subsidiaries “Wing On Group”) for the negotiation of possible acquisition of ownership and interest in properties located in the PRC. Wing On will procure to return the earnest money to the Group within three months upon conclusion of the negotiations unless the fund is applied towards any payment for acquisition of the property interest. Up to the date of this report, the negotiations have not yet been concluded.
- (b) The amount represents refundable subscription money paid for the application for subscribing shares to be issued by two companies pursuant to their initial public offering in Hong Kong. HK\$224,361,000 of the amount has been pledged to secure short term loan of approximately HK\$149 million and HK\$75 million carrying interest at 6.15% per annum and 6.25% per annum, respectively, raised by the Group to finance the subscription.

18. 應收賬款、訂金及預付款項

本集團給予客戶之信貸期由零至三十日不等。應收貿易賬款於呈報日期之賬齡分析如下：

30.9.2007 二零零七年 九月三十日 HK\$'000 港幣千元	31.3.2007 二零零七年 三月三十一日 HK\$'000 港幣千元
3,296	35,555
541	1,118
12,550	13,361
16,387	50,034
340,191	362,075
249,290	–
55,723	61,051
661,591	473,160

附註：

- (a) 該款項指有關收購位於中國及澳門物業權益之可退還誠意金。港幣21,884,000元款項已於期內因收購失敗而退還。結餘中一筆港幣330,191,000元之金額，乃本集團透過永安旅遊(控股)有限公司(「永安」，一間其股份於聯交所上市之公司，連同其附屬公司「永安集團」)來支付，以磋商可能收購位於中國之物業擁有權及權益。永安將促使於磋商結束後三個月內退還誠意金予本集團(除非該筆金額用作支付收購物業權益)。截至本報告日期，有關磋商尚未結束。
- (b) 該金額指申請兩間公司根據彼等於香港首次公開發售將予發行之認購股份而支付之可退還認購款項。本集團已抵押港幣224,361,000元，作為籌得兩筆短期貸款約港幣149,000,000元和港幣75,000,000元之按金，兩筆貸款之年息率分別為6.15%和6.25%。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 簡明綜合財務報表附註

(For the six months ended 30th September, 2007) (截至二零零七年九月三十日止六個月)

19. CREDITORS, DEPOSITS AND ACCRUED CHARGES

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

19. 應付賬款、訂金及應計開支

應付貿易賬款於呈報日期之賬齡分析如下：

		30.9.2007 二零零七年 九月三十日 <i>HK\$'000</i> 港幣千元	31.3.2007 二零零七年 三月三十一日 <i>HK\$'000</i> 港幣千元
Trade creditors aged:	應付貿易賬款之賬齡：		
0 – 60 days	零至六十日	1,144	61,825
61 – 90 days	六十一至九十日	381	8,956
Over 90 days	九十日以上	677	9,245
		2,202	80,026
Consideration payable on acquisition of additional interests in an associate (note 14(a))	收購一間聯營公司額外權益之應付代價 (附註14(a))	130,000	–
Other creditors, deposits and accrued expenses	其他應付賬款、訂金及應計開支	69,516	78,921
		201,718	158,947

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(For the six months ended 30th September, 2007) (截至二零零七年九月三十日止六個月)

20. CONVERTIBLE NOTE PAYABLES

20. 可換股票據應付款項

			30.9.2007 二零零七年 九月三十日	31.3.2007 二零零七年 三月三十一日
		Notes 附註	HK\$'000 港幣千元	HK\$'000 港幣千元
Carrying amount of debt component of convertible notes issued on:	於下列日期發行之可換股票據負債部分之賬面值：			
11th August, 2005	二零零五年八月十一日	(a)	440,515	529,123
8th June, 2006	二零零六年六月八日	(b)	14,829	48,785
15th June, 2006	二零零六年六月十五日	(c)	740,696	790,492
			1,196,040	1,368,400
Analysed for reporting purposes as:	就申報用途之分析如下：			
Current liability	流動負債		2,742	7,945
Non-current liability	非流動負債		1,193,298	1,360,455
			1,196,040	1,368,400

Notes:

- (a) During the period, the principal amount of the convertible notes of HK\$111,000,000 were converted into 252,272,727 ordinary shares of HK\$0.01 each in the Company at the conversion price of HK\$0.44 per share.
- (b) During the period, the principal amount of the convertible notes of HK\$42,524,000 were converted into 96,645,455 ordinary shares of HK\$0.01 each in the Company at the conversion price of HK\$0.44 per share.
- (c) During the period, the principal amount of the convertible notes of HK\$94,000,000 were converted into 134,285,303 ordinary shares of HK\$0.01 each in the Company at the conversion price of HK\$0.70 per share.

附註：

- (a) 期內，本金金額港幣111,000,000元之可換股票據已按兌換價每股港幣0.44元獲兌換為252,272,727股本公司每股面值港幣0.01元之普通股。
- (b) 期內，本金金額港幣42,524,000元之可換股票據已按兌換價每股港幣0.44元獲兌換為96,645,455股本公司每股面值港幣0.01元之普通股。
- (c) 期內，本金金額港幣94,000,000元之可換股票據已按兌換價每股港幣0.70元獲兌換為134,285,303股本公司每股面值港幣0.01元之普通股。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 簡明綜合財務報表附註

(For the six months ended 30th September, 2007) (截至二零零七年九月三十日止六個月)

21. BANK AND OTHER BORROWINGS

During the period, the Group obtained new bank and other borrowings of HK\$406,591,000 (1.4.2006 to 30.9.2006: HK\$85,422,000) which carry interest at rates ranging from 5.79% to 7.25% per annum and are repayable over a period from 10 days to 5 years. The Group repaid bank and other borrowings of HK\$63,924,000 during the period (1.4.2006 to 30.9.2006: HK\$86,495,000).

21. 銀行及其他貸款

期內，本集團取得新造銀行及其他貸款為港幣406,591,000元(二零零六年四月一日至二零零六年九月三十日：港幣85,422,000元)，年息率介乎5.79%至7.25%之間，還款期介乎10日至5年。期內本集團已償還的銀行及其他貸款為港幣63,924,000元(二零零六年四月一日至二零零六年九月三十日：港幣86,495,000元)。

22. SHARE CAPITAL

22. 股本

		Number of shares 股份數目	Amount 金額 HK\$'000 港幣千元
Ordinary shares of HK\$0.01 each	每股面值港幣0.01元之普通股		
Authorised:	法定：		
At 1st April, 2007 and 30th September, 2007	於二零零七年四月一日及 二零零七年九月三十日	<u>40,000,000,000</u>	<u>400,000</u>
Issued and fully paid:	已發行及已繳足：		
At 1st April, 2007	於二零零七年四月一日	2,312,314,541	23,123
Placement of shares	配售股份	300,000,000	3,000
Conversion of convertible notes (note 20)	兌換可換股票據 (附註20)	<u>483,203,485</u>	<u>4,832</u>
At 30th September, 2007	於二零零七年九月三十日	<u>3,095,518,026</u>	<u>30,955</u>

On 18th May, 2007, the Company entered into an agreement for the placing of 300,000,000 new ordinary shares of HK\$0.01 each in the Company at an issue price of HK\$0.56 per share. The net proceeds of approximately HK\$163 million would be used for general working capital of the Group.

於二零零七年五月十八日，本公司訂立股份配售協議，以按發行價每股港幣0.56元配售300,000,000股本公司每股面值港幣0.01元之新普通股。所得款項淨額約港幣163,000,000元，將用作本集團一般營運資金用途。

The new shares rank *pari passu* with all the other shares in issue in all respects.

新股份於各方面與其他已發行股份享有同等地位。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 簡明綜合財務報表附註

(For the six months ended 30th September, 2007) (截至二零零七年九月三十日止六個月)

23. SHARE - BASED PAYMENT TRANSACTIONS 23. 股份付款交易

The Company has a share option scheme for eligible directors of the Company and employees and other participants, who render similar services as employees, of the Group. The following table discloses details of movements of the Company's share options during the period:

本公司已就本公司合資格董事及本集團僱員及提供與僱員相近服務之其他參與人士採納購股權計劃。期內本公司購股權變動詳情載列如下：

Date of grant 授出日期	Exercisable period 行使期間	Exercise price per share 每股 行使價 HK\$ 港幣	Number of share options 購股權數目		
			Outstanding at 1.4.2007 於二零零七年 四月一日 尚未行使數目	Granted during the period 期內已 授出數目	Outstanding at 30.9.2007 於二零零七年 九月三十日 尚未行使數目
15th August, 2006 二零零六年 八月十五日	15th August, 2006 to 14th August, 2008 二零零六年八月十五日至 二零零八年八月十四日	0.50	15,650,000	-	15,650,000
	15th August, 2007 to 14th August, 2008 二零零七年八月十五日至 二零零八年八月十四日	0.50	15,650,000	-	15,650,000
27th July, 2007 二零零七年 七月二十七日	27th July, 2008 to 26th July, 2011 二零零八年七月二十七日至 二零一一年七月二十六日	0.67	-	31,850,000	31,850,000
	27th July, 2009 to 26th July, 2011 二零零九年七月二十七日至 二零一一年七月二十六日	0.67	-	31,850,000	31,850,000
			<u>31,300,000</u>	<u>63,700,000</u>	<u>95,000,000</u>

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(For the six months ended 30th September, 2007) (截至二零零七年九月三十日止六個月)

23. SHARE - BASED PAYMENT TRANSACTIONS (Cont'd) 23. 股份付款交易 (續)

In respect of the share options granted during the period, the closing price of the Company's shares immediately before the date of grant of the options was HK\$0.66 and the estimated fair value of the options at the date of grant was approximately HK\$15,269,000. This fair value was calculated using the Binomial option pricing model. The assumptions used for the calculation are as follows:

Weighted average share price	HK\$0.63
Weighted average exercise price	HK\$0.67
Expected life of options	1 to 2 years
Expected volatility	59.03%
Expected dividend yield	Nil
Risk free rate	4.278%

The variables and assumptions used above are based on the directors' best estimate. The value of an option varies with different variables of certain subjective assumptions.

During the period, the Group recognised a share-based payment expense of approximately HK\$2,771,000 (1.4.2006 to 30.9.2006: HK\$1,517,000) in relation to the share options granted by the Group.

就期內已授出之購股權而言，本公司股份於緊接購股權授出日期前之收市價為港幣0.66元。於授出日期購股權之估計公平值約為港幣15,269,000元。該公平值乃採用二項式期權定價模式釐定。以下為用作計算公平值之假設：

加權平均股價	港幣0.63元
加權平均行使價	港幣0.67元
預計購股權年期	1至2年
預計波幅	59.03%
預計股息率	無
無風險利率	4.278%

上述所採用之變數及假設乃按董事之最佳估計作出。購股權價值基於若干主觀假設而有所不同。

期內，本集團就本集團授出之購股權而確認以股份付款開支約港幣2,771,000元(二零零六年四月一日至二零零六年九月三十日：港幣1,517,000元)。

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(For the six months ended 30th September, 2007) (截至二零零七年九月三十日止六個月)

24. CAPITAL AND OTHER COMMITMENTS 24. 資本及其他承擔

		30.9.2007 二零零七年 九月三十日 <i>HK\$'000</i> 港幣千元	31.3.2007 二零零七年 三月三十一日 <i>HK\$'000</i> 港幣千元
Capital expenditure contracted for but not provided in the condensed consolidated financial statements in respect of:	就以下各項之已訂約但未於簡明綜合財務報表撥備之資本開支：		
– acquisition of property, plant and equipment	– 購置物業、機械及設備	38,211	35,080
– acquisition of properties	– 收購物業	–	61,964
		<u>38,211</u>	<u>97,044</u>
Other commitments:	其他承擔：		
– acquisition of an associate (note 16)	– 收購一間聯營公司 (附註16)	85,800	155,700
– acquisition of leasehold interest in land	– 收購土地租賃權益	10,013	10,013
– loan to an associate (note 14(a))	– 向一間聯營公司提供貸款 (附註14(a))	15,000	–
– loan to an associate to be acquired	– 向將予收購之一間聯營公司提供貸款	–	70,000
		<u>110,813</u>	<u>235,713</u>
		<u>149,024</u>	<u>332,757</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 簡明綜合財務報表附註

(For the six months ended 30th September, 2007) (截至二零零七年九月三十日止六個月)

25. PLEDGE OF ASSETS

At the balance sheet date, the following assets were pledged by the Group to secure banking and other financing facilities granted to the Group:

Bank deposits	銀行存款
Properties held for sales	持作銷售之物業
Prepaid lease payments of leasehold land	租賃土地之預付租賃款項
Financial assets at fair value through profit or loss	按公平值列賬及計入損益之金融資產
Available-for-sale investments	可供出售之投資
Refundable subscription money	可退還之認購款項
Properties, plant and equipment	物業、機械及設備

25. 資產抵押

於結算日，本集團之銀行及其他融資由下列項目作抵押：

30.9.2007 二零零七年 九月三十日 HK\$'000 港幣千元	31.3.2007 二零零七年 三月三十一日 HK\$'000 港幣千元
51,156	40,783
291,346	58,536
57,884	143,211
2,057	29,599
–	75,970
224,361	–
66	–
626,870	348,099

26. RELATED PARTY DISCLOSURES

(i) Compensation of key management personnel

The remunerations of the Directors in respect of the period are as follows:

Short-term benefits	短期利益
Share-based payments	股份付款

26. 關連人士披露

(i) 主要管理人員報酬

期內董事酬金如下：

Six months ended 30th September 截至九月三十日止六個月	
2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
6,571	3,169
2,036	1,236
8,607	4,405

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(For the six months ended 30th September, 2007) (截至二零零七年九月三十日止六個月)

26. RELATED PARTY DISCLOSURES (Cont'd)

(i) Compensation of key management personnel

(Cont'd)

The remunerations of the Directors were determined by the remuneration committee having regard to the performance of individuals and market trends.

(ii) During the period, the Group had the following transactions with related parties:

26. 關連人士披露(續)

(i) 主要管理人員報酬(續)

董事酬金由薪酬委員會經參考個人表現及市場趨勢而釐定。

(ii) 期內，本集團與關連人士進行之交易如下：

Related parties 關連人士	Nature of transactions 交易性質	Six months ended 30th September 截至九月三十日止六個月	
		2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
Director: 董事：			
Mr. Lai Tsan Tung, David 賴贊東先生	Interest expense 利息開支	—	180
Minority shareholders of subsidiaries: 附屬公司之少數股東：			
Braniff Developments Limited (note a below)	Interest expense 利息開支	—	448
Braniff Developments Limited (下文之附註a)			
廣州市番禺旅游總公司	Interest expense 利息開支	216	158
	Management fee paid 已付管理費	153	145
三亞博后經濟開發有限公司	Rental paid 已付租金	115	—

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(For the six months ended 30th September, 2007) (截至二零零七年九月三十日止六個月)

26. RELATED PARTY DISCLOSURES (Cont'd)

(ii) (Cont'd)

Related parties
關連人士

Other related companies:

其他關連公司：

番禺高爾夫球協會

L.F. Sam (HK) Ltd.
聯豐生(香港)有限公司

Wing On Group
永安集團

Associates:
聯營公司：

Orient Town Limited
華鎮有限公司

More Profit (note b below)
More Profit(下文之附註b)

Notes:

(a) It became a wholly-owned subsidiary of the Company on 28th February, 2007.

(b) More Profit ceased to be an associate of the Group since 20th September, 2007 as stated in note 14(b).

26. 關連人士披露(續)

(ii) (續)

Six months ended
30th September

截至九月三十日止六個月

	2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元
Interest expense 利息開支	49	70
Interest expense 利息開支	—	40
Interest income 利息收入	2,489	1,199
Imputed interest income 估算利息收入	23,813	—
Interest income 利息收入	—	21,240
Management fee paid 已付管理費	455	—
Management fee received 已收管理費	190	—
Interest income 利息開支	9,068	—

附註：

(a) 於二零零七年二月二十八日成為本公司之全資附屬公司。

(b) 誠如附註14(b)所載，More Profit自二零零七年九月二十日起不再成為本集團之聯營公司。

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(For the six months ended 30th September, 2007) (截至二零零七年九月三十日止六個月)

27. CONTINGENT LIABILITIES

At 30th September, 2007 and 31st March, 2007, the Group had given an indemnity to the purchaser relating to unrecorded taxation liabilities, if any, and warranties relating to the affairs and business of a subsidiary disposed of in the previous year. The maximum aggregate liability of the Group in respect of all claims for breach of the warranties shall, when taken together with the aggregate liability of the Group in respect of all claims under the indemnity, not exceed the sum of HK\$60,000,000. All related claims may be brought against the Group up to the expiry of 10 years from 31st March, 1998. In the opinion of the Directors, the indemnity is not probable to be claimed by the purchaser.

At 30th September, 2007, the Group had given a financial guarantee of HK\$10,285,000 to banks in respect of banking facilities granted to the TFH Group.

27. 或然負債

於二零零七年九月三十日及二零零七年三月三十一日，本集團就關於一間在過往年度出售附屬公司之事務及業務涉及之未記錄稅項負債(如有)向買方作出彌償保證。本集團就違反保證全部索償涉及之最高負債總額，連同本集團就彌償保證全部索償涉及之負債總額，將不超過港幣60,000,000元。買方可由一九九八年三月三十一日起計十年期間屆滿前，向本集團提出一切有關索償。董事認為買方就彌償保證而申索的機會不大。

於二零零七年九月三十日，本集團已就授予東方紅集團銀行信貸向銀行提供港幣10,285,000元之財務擔保。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 簡明綜合財務報表附註

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28. POST BALANCE SHEET EVENTS

Subsequent to 30th September, 2007, the Group has the following significant post balance sheet events:

- (i) In November 2007, the Group has entered into agreements to dispose of its entire interest in the Guangzhou Panyu Golf & Country Club Co., Ltd (“Panyu Golf”), Guangzhou Lian Chui Property Management Company Limited and Guangzhou Wei Di Si Golf Property Company Limited, subsidiaries of the Company, to a fellow subsidiary of the PRC partner for an aggregate cash consideration of RMB20 million, equivalent to approximately HK\$20.5 million. Simultaneously, pursuant to the agreements the Group intends to:
- (a) remain as a lessee of the golf resort owned by Panyu Golf to maintain similar source of revenue from the golf resort;
 - (b) remain as a partner to the development of villas of saleable area of about 23,000 m² within the golf resort; and
 - (c) have the first right to participate in any new business opportunities within the golf resort, including property developments.

Details of this transaction have been included in an announcement of the Company dated 7th December, 2007.

The directors are in the process of determining the financial effect of the above transactions and the process has not yet completed at the date of this report.

- (ii) On 10th and 11th December, 2007, the Group has entered into agreements to acquire property interests in Hong Kong at an aggregate consideration of about HK\$229 million with re-developable gross floor area is approximately 30,000 ft². It is currently intended that the properties will be held for resale purpose.

28. 結算日後事項

直至二零零七年九月三十日，本集團出現下列重大結算日後事項：

- (i) 於二零零七年十一月，本集團訂立協議以合共人民幣20,000,000元（相等於約港幣20,500,000元）之現金代價，出售其於廣州番禺蓮花山高爾夫球度假俱樂部有限公司（「番禺高爾夫球」）、廣州市蓮翠房產物業管理有限公司及廣州市番禺偉迪斯高爾夫房地產有限公司（本公司之附屬公司）全部權益予一間同系附屬公司（於中國的合營夥伴）。同時，根據協議本集團將：
- (a) 繼續成為番禺高爾夫球之承租人，以保持來自用戶使用高爾夫球度假村設施之收益；
 - (b) 繼續成為高爾夫球度假村內可銷售面積約23,000平方米之別墅發展之夥伴；及
 - (c) 擁有高爾夫球度假村內任何新商機（包括物業發展）之優先參與權。

該交易之詳情載於二零零七年十二月七日刊發之本公司通告內。

董事正衡量上述交易帶來的財務影響，而交易於本報告日期仍未完成。

- (ii) 於二零零七年十二月十日及十一日，本集團已訂立協議，收購位於香港之物業權益，總作價約港幣229,000,000元，重建樓面面積合共約為30,000平方呎。該等物業目前擬持有以待轉售。

MANAGEMENT DISCUSSION AND ANALYSIS

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BUSINESS REVIEW

The Group's turnover from continuing operations for the six months ended 30th September, 2007 was approximately HK\$361.1 million, representing a growth of more than 5 folds as compared with the comparative period of HK\$60.6 million, primarily attributable to increase in securities investment transactions during the period. As a result, the Group achieved a gross profit for the current period of approximately HK\$21.8 million, showing an encouraging improvement from the comparative figure of HK\$10.2 million.

Loan financing income, including interest charged on shareholder's loan of HK\$978 million to Orient Town Limited ("Orient Town", together with its subsidiaries "Orient Town Group"), an associate of the Group, amounted to HK\$58.0 million for the current period as compared to HK\$26.5 million for the comparative period.

The current golf and leisure business was acquired in June 2006 and its results for the six months ended 30th September, 2007 were consolidated by the Group. As a result, the administrative expenses increased significantly to HK\$62.2 million as compared with the same period last year of HK\$32.3 million.

Since Concordia Land (as defined below) was still in its early stage of development, Orient Town Group incurred a loss during the period mainly as a result of interest charged on shareholders' loans which was included in sharing of the results of associates in the amount of HK\$33 million.

業務回顧

於截至二零零七年九月三十日止六個月，本集團來自持續經營業務之營業額由比較期間之港幣60,600,000元增加至約港幣361,100,000元，主要因為本期間之證券投資交易增加。因此，本集團錄得本期間的毛利約港幣21,800,000元，與上年比較港幣10,200,000元相比，顯示增幅令人鼓舞。

倘計及就應收本集團聯營公司華鎮有限公司（「華鎮」，連同其附屬公司「華鎮集團」）之港幣978,000,000元股東貸款收取之利息，本期間之貸款融資收入達港幣58,000,000元，比較期間為港幣26,500,000元。

現有高爾夫球及消閒業務乃於二零零六年六月購入，故本集團已將其截至二零零七年九月三十日止六個月之業務綜合列賬。因此，行政費用由去年同期之港幣32,300,000元顯著上升至港幣62,200,000元。

由於聯生土地（定義見下文）依然處於初步發展階段，故華鎮集團於本期間產生虧損，主要來自股東貸款之應付利息，有關款項已計入應佔聯營公司業績港幣33,000,000元之中。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW (Cont'd)

The Group recorded a loss for the six months ended 30th September, 2007 of HK\$109.7 million, as compared to the profit of HK\$7.5 million for the comparative period, mainly due to the following non-recurring items from the corporate exercises as previously announced:

1. In September 2007, the Group disposed of its effective 20% interest in Grand Waldo Hotel in Macau for an aggregate consideration of HK\$350 million, of which HK\$150 million was paid in cash, HK\$100 million was settled by 126,262,626 shares in Get Nice Holdings Limited (“Get Nice”) at HK\$0.792 each and remaining HK\$100 million was settled by convertible bonds issued by Get Nice. Upon the completion of the acquisition, the market price of the share of Get Nice was considerably below HK\$0.792 and a loss on disposal of an associate of HK\$39.5 million was recorded. Subsequent to 30th September, 2007, the loss from this share price fluctuation was recovered since all these shares in Get Nice were disposed of at market prices above HK\$0.792 each. Taking into account the share of profit from Grand Waldo Hotel of approximately HK\$92.1 million recognised in last year, there is a reasonably good return from this investment;
2. In addition, an impairment loss of HK\$45 million was recognised in view of an estimated loss on disposal of the Group’s entire interest in the Lotus Hill Golf Resort due to the recent unexpected change in regulations of the People’s Republic of China (the “PRC”), details of which are included in “Golf and Leisure” paragraph below; and
3. The disposal of the Group’s entire interest in Tung Fung Hung Investment Limited (“TFH”) incurred a loss of approximately HK\$18.6 million.

業務回顧(續)

本集團截至二零零七年九月三十日止六個月錄得港幣109,700,000元之虧損，而比較期間則錄得溢利港幣7,500,000元，主要由於如先前公佈之下列非經常性項目所致：

1. 於二零零七年九月，本集團出售其於澳門金都酒店之20%實際權益，總代價為港幣350,000,000元，其中港幣150,000,000元以現金支付，港幣100,000,000元以每股港幣0.792元之126,262,626股結好控股有限公司(「結好」)股份結付，而其餘港幣100,000,000元以結好發行之可換股債券結付。於收購完成後，結好股份之市價顯著低於港幣0.792元，及產生港幣39,500,000元之出售聯營公司虧損。緊隨二零零七年九月三十日後，因股價波動而產生的虧損已收回，因為所有該等結好股份已按高於每股港幣0.792元之市價出售。倘計及去年已確認之應佔金都酒店約港幣92,100,000元之溢利，此項投資整體上錄得合理的回報；
2. 此外，由於最近中華人民共和國(「中國」)的法規出現令人意外的變動，本集團因出售於蓮花山高爾夫球度假村之全部權益估計會錄得虧損，故已確認港幣45,000,000元之減值虧損，有關該出售之詳情載於下文「高爾夫球及消閒」一段；及
3. 本集團出售東方紅投資有限公司「東方紅」之全部權益而錄得虧損約港幣18,600,000元。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW (Cont'd)

Property Development and Investment

Macau:

In April 2007, the Group acquired 44 residential units in a residential/office/commercial complex nearby the Sands Macao Hotel for a consideration of HK\$88.5 million. These properties have been upgraded with major renovation and improvements which are currently held for the purpose of resale at an opportune time. The total gross floor area of the units is approximately 57,432 ft².

In July 2007, the Group further acquired another 18 residential units and 18 car parking spaces in a newly completed luxury residential building on the waterfront of Taipa for a consideration of HK\$118.6 million, which are also currently held for resale purpose. The total gross floor area of the units is approximately 44,046 ft².

After the acquisition of an additional 8.7% interest in, and shareholder loans to, Empresa De Fomento Industrial E Comercial Concórdia, S.A. ("Concordia"), the Group's effective interest in Concordia increased to 35.5%. In October 2007, the Government of Macau has granted to Concordia the new concession of 14 parcels of leased land situated in Estrada de Seac Pai Van, Macau for a 25 year plus 25 year from 2007 ("Concordia Land"), which absolutely confirmed the value of the Group's investment in Concordia. Development plans are being submitted to the Government of Macau for approval and other preparatory works for the marketing and development are being actively taken out.

PRC:

The Group has entered into an agreement to acquire in Hengqin, Zhuhai a plot of land in the area of approximately 26,000 m² at the consideration of approximately RMB51 million. The plot ratio is 1.6 under the current town plans. This site can be developed into residential condominium, office, retail plaza and/or hotel.

HK:

In December 2007, the Group has entered into agreements to acquire 2 adjacent blocks of building located at the busy junction of Nathan Road and Fife Street for about HK\$229 million which re-developable gross floor area is approximately 30,000 ft². It is currently intended that the properties will be held for resale purpose.

During the current period, some units at Talon Tower on Connaught Road West were sold at a slight profit and 22 residential units and 1 commercial unit remained unsold as at 30th September, 2007.

業務回顧(續)

物業發展及投資

澳門:

於二零零七年四月，本集團收購一座鄰近澳門金沙酒店之住宅／辦公室／商用綜合大樓中之44個住宅單位，代價為港幣88,500,000元。該等物業已進行大型升級翻新及裝修，目前正持有以待轉售時機出現。該等單位之總建築面積約為57,432平方呎。

於二零零七年七月，本集團進一步收購位於氹仔海濱之新落成豪宅樓宇內之18個住宅單位及18個停車位，作價港幣118,600,000元，目前亦正持有等候轉售。該等單位之總建築面積約為44,046平方呎。

於收購聯生發展股份有限公司(「聯生發展」)之額外8.7%權益及股東貸款後，本集團於聯生之實際權益增至35.5%。於二零零七年十月，澳門政府向聯生發展授出位於澳門石排灣馬路之十四幅租賃土地之新租約，由二零零七年起計25年及另加25年(「聯生土地」)，確切肯定本集團於聯生發展之投資價值。發展計劃現正呈交澳門政府以待審批，其他市場推廣及發展工程亦正如火如荼地進行。

中國:

本集團已訂立協議收購珠海橫琴一幅土地，面積約為26,000平方米，作價約人民幣51,000,000元，根據現時城市規劃，地積比率為1.6。此地盤可發展為住宅大廈、辦公室、零售商場及／或酒店。

香港:

於二零零七年十二月，本集團已訂立協議收購位於繁盛的彌敦道與快富街交界之兩座相連樓宇，作價約港幣229,000,000元，重建建築面積約為30,000平方呎。該等物業目前擬持有以待轉售。

於本期間，干諾道西達隆名居部分單位已售出，獲得微利，於二零零七年九月三十日尚餘22個住宅單位及1個商業單位依然待售。

MANAGEMENT DISCUSSION AND ANALYSIS

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BUSINESS REVIEW (Cont'd)

Golf and Leisure

The turnover from the golf and leisure business during the six months ended 30th September, 2007 was HK\$25 million (six months ended 30th September, 2006: HK\$12 million) with a segmental loss of HK\$10.7 million (six months ended 30th September, 2006: HK\$1.3 million). The first half year is normally the low season, in particular for the Sun Valley Golf Resort in Sanya. The construction of additional 9 holes in Sun Valley Golf Resort have been completed and opened to golfers in November 2007. The hotel development plan inside its golf resort, comprising approximately 30 low-density deluxe villas and 300-room hotel with full amenities, is progressing well and the relevant governmental authorities have in principle approved this enlarged hotel development of gross floor area of approximately 80,000 m².

In November 2007, the National Commission of Development and Reform and the Ministry of Commerce of the PRC have jointly announced that foreign investors are prohibited to take part in golf business in the PRC unless consent has been obtained prior to 1st December, 2007. The joint venture for the Sun Valley Golf Resort will expire in 2049 and therefore shall not be affected by this new regulation in the foreseeable future. However, this new regulation has significant impact on the joint venture for the Lotus Hill Golf Resort in Guangzhou since its contract period expired in September 2007 which has been temporarily extended by further 6 months in order to facilitate the negotiation with the PRC joint venture partner for a practical re-arrangement of the joint venture. In November 2007, the Group has entered into agreements to dispose of its entire interest in the Lotus Hill Golf Resort to an associate of the PRC joint venture partner. Simultaneously the Group will:

- (a) remain as a lessee of the golf resort to maintain revenue from guests for using facilities in the golf resort;
- (b) remain as a partner to the development of villas of saleable area of about 23,000 m² within the golf resort; and
- (c) have the first right to participate in any new business opportunities within the golf resort, including property developments.

業務回顧(續)

高爾夫球及消閒

截至二零零七年九月三十日止六個月來自高爾夫球及消閒業務之營業額為港幣25,000,000元(截至二零零六年九月三十日止六個月:港幣12,000,000元),分部虧損港幣10,700,000元(截至二零零六年九月三十日止六個月:港幣1,300,000元)。首半年一般為淡季,尤以三亞紅峽谷高爾夫球度假俱樂部為甚。紅峽谷高爾夫球度假俱樂部新增9個洞之建築工程已經完工,並已於二零零七年十一月開放予客戶使用。該高爾夫球度假俱樂部內之酒店發展計劃(包括約30間低密度豪華別墅及300間附設全套設施的酒店)進度理想,有關政府部門原則上已批准該建築面積約80,000平方米經擴大之酒店計劃。

於二零零七年十一月,中國國家發展和改革委員會及商務部作出聯合公佈,除非於二零零七年十二月一日前已獲得同意,否則外國投資者不得在中國參與高爾夫球業務。由於紅峽谷高爾夫球度假俱樂部之合資企業年期將於二零四九年屆滿,故於可見將來不會受此新規定影響。然而,由於廣州蓮花山高爾夫球度假村之合約期已於二零零七年九月屆滿,故此新規定對其有重大影響,惟該合約期已暫時額外延長6個月,以便就合資公司的可行重組安排與中國合資公司夥伴進行磋商。於二零零七年十一月,本集團已訂立協議向中國合資企業夥伴之聯營公司出售於蓮花山高爾夫球度假村之全部權益。同時,本集團將:

- (a) 繼續成為高爾夫球度假村之承租人,以保持來自用戶使用高爾夫球度假設施之收益;
- (b) 繼續成為高爾夫球度假村內可銷售面積約23,000平方米之別墅發展之夥伴;及
- (c) 擁有高爾夫球度假村內任何新商機(包括物業發展)之優先參與權。

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BUSINESS REVIEW (Cont'd)

Golf and Leisure (Cont'd)

Details of this transaction have been included in an announcement of the Company dated 7th December, 2007.

In July 2007, the Group has entered into an agreement to acquire an effective 25% interest in Shanghai Tianma Country Club which comprises of a 27-hole golf course and 2 club-houses equipped with resort facilities including food and beverage outlets, swimming pool, fitness and recreational centres. In addition, villas in total number of 135 units had been developed in 2 phases which had already been sold out. Another 128 units of villas are currently under construction which pre-sale are well received. The acquisition is in the stage of due diligence review.

Securities Investment

As part of its treasury management to obtain better return from the surplus cash, the Group has increased its activities in securities investment. During the six months ended 30th September, 2007, gross proceed and segmental profit from securities investment were HK\$261.1 million (six months ended 30th September, 2006: HK\$13.7 million) and HK\$54.1 million (six months ended 30th September, 2006: a segmental loss of HK\$5.4 million) respectively. As at 30th September, 2007, the Group had available-for-sale investments and financial assets at fair value through profit or loss in an aggregate sum of HK\$268.6 million, mainly comprised shares listed in Hong Kong, Japan, Singapore and USA.

Manufacture and Trading of Medicine and Health Products

Following the disposal of entire interest in TFH in July 2007, the Group has discontinued the operation of manufacture and trading of medicine and health products. Its turnover for current period up to the date of disposal was HK\$115.7 million (six months ended 30th September, 2006: HK\$167 million) with a pre-tax profit contribution of HK\$1.8 million (six months ended 30th September, 2006: HK\$1.9 million).

業務回顧(續)

高爾夫球及消閒(續)

上述交易詳情已載於本公司日期為二零零七年十二月七日之公佈內。

於二零零七年七月，本集團訂立協議收購於上海天馬鄉村俱樂部之25%實際權益，該俱樂部包括擁有27個洞之高爾夫球場及兩間擁有度假設施(包括食肆、游泳池、健身及娛樂中心)之會所。此外，合共135個單位之別墅分兩期發展，且已售罄。另外128個單位之別墅建築工程進行中，其預售亦反應熱烈。有關收購正處於進行盡職審查階段。

證券投資

作為庫務管理之一部分，以從剩餘現金取得更佳回報，本集團已增加其證券投資活動。於截至二零零七年九月三十日止六個月，證券投資分部之總所得款項及分部溢利分別為港幣261,100,000元(截至二零零六年九月三十日止六個月：港幣13,700,000元)及港幣54,100,000元(截至二零零六年九月三十日止六個月：分部虧損港幣5,400,000元)。於二零零七年九月三十日，本集團之可供出售投資及按公平值列賬及計入損益之金融資產合共為數港幣268,600,000元，主要包括在香港、日本、新加坡及美國上市之股份。

製造及買賣醫藥及健康產品

於二零零七年七月出售東方紅之全部權益後，本集團已終止經營其製造及買賣醫藥及健康產品業務。本期間截至出售日期止之營業額為港幣115,700,000元(截至二零零六年九月三十日止六個月：港幣167,000,000元)，除稅前盈利貢獻為港幣1,800,000元(截至二零零六年九月三十日止六個月：港幣1,900,000元)。

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FINANCIAL REVIEW

During the period, convertible notes in an aggregate principal amount of HK\$247.5 million were converted into approximately 483.2 million shares of the Company and the outstanding principal amount of the convertible notes as at 30th September, 2007 was approximately HK\$1,394.5 million.

To further strengthen the Group's resources, the Company had entered into a placing and subscription agreement for the issue of 300,000,000 new shares at HK\$0.56 each ("Top-Up Placing") which was completed in June 2007. The net proceeds of approximately HK\$163 million were retained as general working capital.

The Group adopts a prudent funding and treasury policy with regard to its overall business operations. In addition to the above convertible note payables, a variety of credit facilities is maintained so as to meet its working capital requirements.

During the period, the Group has obtained additional bank loans of approximately HK\$144 million to partially finance the acquisition of properties in Macau. As at 30th September, 2007, total borrowings from financial institutions amounted to HK\$437.7 million, of which HK\$46.2 million was repayable after one year. The net gearing ratio of the Group, calculated with reference to the bank and other borrowings of HK\$453.7 million and the fair value of the debt component of convertible note payables of HK\$1,196 million, offsetting with the pledged bank deposits and the bank and cash balances of HK\$366.4 million, and the Group's shareholders' funds of HK\$1,877.6 million, was 0.68 as at 30th September, 2007, showing some decreases from 0.74 as at 31st March, 2007.

About HK\$163.5 million of the borrowings from financial institutions were interest-bearing with variable rates while interest of the remaining balance was calculated on fixed rate. The management anticipates that interest rate remains stable in the capital market and therefore no hedge is to be made against any unfavourable fluctuation in interest rate. Most of the assets and liabilities of the Group were denominated in Hong Kong dollars, Renminbi and Macau Pataca, and hence the directors of the Company (the "Directors") considered that the Group was not subject to any material adverse exchange rate exposure.

財務回顧

於本期間，本金總額港幣247,500,000元之可換股票據乃兌換為約483,200,000股本公司股份，而於二零零七年九月三十日尚未兌換之可換股票據之本金金額則約為港幣1,394,500,000元。

為進一步加強本集團資源，本公司已訂立配售及認購協議，以發行300,000,000股新股，作價每股港幣0.56元（「補充配售」），並於二零零七年六月完成。所得款項淨額約港幣163,000,000元已保留作一般營運資金。

本集團就其整體業務採納審慎融資及財務政策。除上述可換股票據應付款項外，本集團維持多項信貸融資，以應付其營運資金所需。

於本期間，本集團已取得額外銀行貸款約港幣144,000,000元，作為收購澳門物業之部分融資。於二零零七年九月三十日，金融機構借貸總額為港幣437,700,000元，當中港幣46,200,000元將於一年後償還。於二零零七年九月三十日，本集團之淨資產負債比率為0.68，比較二零零七年三月三十一日為0.74有所減少，當中已計及銀行及其他借貸港幣453,700,000元及可換股票據應付款項負債部分之公平值港幣1,196,000,000元，並抵銷已抵押銀行存款與銀行及現金結餘港幣366,400,000元以及本集團股東資金港幣1,877,600,000元。

約港幣163,500,000元之金融機構借貸乃按浮動利率計息，而餘下的大部分結餘按固定利率計息。管理層預料資本市場之利率將維持穩定，故毋須就任何負面利率波動作出對沖。本集團大部分資產及負債均以港幣、人民幣及澳門幣列值，故本公司董事（「董事」）認為，本集團並無面對任何重大匯率風險。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

OUTLOOK

In September 2007, the name of the Company has been changed from Macau Prime Properties Holdings Limited to ITC Properties Group Limited so as to reflect that in addition to Macau being a major geographical market, the Group has considerable investments in the PRC and the interests of ITC Corporation Limited in the Group.

Further to the rapid real growth in the GDP of 16.6% recorded in full year 2006, the GDPs of Macau for the first quarter and second quarter of 2007 are estimated to attain strong real growth of 25.8% and 31.9% respectively. Unemployment rate remains low at around 3.1% with enviable increases in household income which accelerates the local demand for better living condition. As a result, the Macau property market has been strong in all sectors, including residential, shops, office and hotels. The recent opening of Venetian Macao Resort Hotel, the convention and exhibition facilities as well as launches of world-class events including soccer and tennis games stage the area in Cotai Strip, Macau as an international focal spot. The Group's investment in the luxury and large-scale residential development over the Concordia Land, superiorly located at the southern end of the Cotai Strip, enjoys a magnificent view of the golf course, Studio City, the Venetian Macao Resort Hotel and other surrounding deluxe entertainment developments. The Group believes that once this development is ready for pre-sale which will take place in the first half of 2008, it will be one of the most popular luxury residential projects in Macau.

The Group continues to look for suitable opportunities to expand its golf and leisure business in the PRC. The Group's interest and commitment in golf resorts in the prime cities of Sanya, Guangzhou and Shanghai are strategically located to form a network. In addition to the leisure facilities including the hotels to be built within the Sun Valley Golf Resort, which will further strengthen the Group's recurring source of revenue, the Group will plan for property development including villas as member facilities within the Shanghai Tianma Country Club.

The Group has also made step to understand the property market and make acquisitions in Vietnam. The Group has targeted a developable site of about 1 square kilometre in Greater Ho Chi Ming City to be developed into residential houses and units with amenity facilities.

展望

於二零零七年九月，本公司名稱由澳門祥泰地產集團有限公司改為德祥地產集團有限公司，以反映本集團之主要地域市場不限於澳門，亦已於中國作出可觀投資，以及德祥企業集團有限公司於本集團之權益。

澳門之國內生產總值繼二零零六年全年錄得16.6%迅速實質增長後，二零零七年首兩季估計將分別取得25.8%及31.9%強勁增長。失業率處於約3.1%之低水平，家庭收入增長可觀，提升了當地人對優質生活環境之需求。因此，澳門各分部物業市場均表現強勁，包括住宅、商舖及酒店。澳門威尼斯人度假村酒店、會議及展覽設施最近開幕，且舉辦了多項世界級盛事，包括在路氹金光大道內舉行之足球及網球賽，令澳門成為全球焦點。本集團投資於路氹金光大道南端優越地段聯生土地之大型豪宅發展項目，可享有高爾夫球場、星麗門、澳門威尼斯人度假村酒店及其他周邊豪華娛樂發展項目之壯麗景觀。本集團相信，一旦該發展項目可供預售(預期將於二零零八年上半年進行預售)，定必成為澳門其一最受歡迎之豪宅項目。

本集團繼續尋找合商機，拓展於中國之高爾夫球及消閒業務。本集團於三亞、廣州及上海一線城市高爾夫球度假村之權益及承擔座落於策略性位置，組成網絡。除將於紅峽谷高爾夫球度假俱樂部內興建之酒店等消閒設施以進一步增強本集團的經常性收益來源外，本集團亦將計劃進行物業發展，包括上海天馬鄉村俱樂部內作為會員設施之別墅。

本集團亦著手了解越南地產市場，以便於該國進行收購。本集團目標為位於胡志明市周邊地區之土地項目，其可發展面積約1平方公里，可發展為單幢及多層住宅單位，並附設配套設施。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

OUTLOOK (Cont'd)

The Group is actively and cautiously looking for further investment opportunities in Macau, the PRC and surrounding area, with a view to expanding its investments in quality properties. We are optimistic about the Group's future prospects to take advantage of the intrinsic value of the excellent property portfolio as held and targeted by the Group.

PLEDGE OF ASSETS

As at 30th September, 2007, the Group's properties held for sale in an aggregate value of approximately HK\$291.3 million, bank balances of HK\$51.2 million, prepaid lease payments of HK\$57.9 million, refundable subscription money of initial-public-offering of shares to be listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") of HK\$224.4 million and financial assets at fair value through profit or loss of approximately HK\$2.1 million had been pledged to banks and financial institutions to secure general credit facilities granted to the Group and TFH.

CONTINGENT LIABILITIES

As at 30th September, 2007, the Group had contingent liabilities in respect of a tax indemnity given upon disposal of a subsidiary in the previous year at HK\$60 million, guarantees in relation to banking facilities granted by banks to TFH, of which approximately HK\$10.3 million had been utilised.

NUMBER OF EMPLOYEES, REMUNERATION POLICIES AND SHARE OPTION SCHEME

As at 30th September, 2007, the number of employees of the Group was 1,171 (31st March, 2007: 1,861). Employees are remunerated according to their qualifications and experience, job nature and performance, under the pay scales aligned with market conditions. Other benefits to employees include medical, insurance cover and retirement schemes. On 27th July, 2007, the Company had granted share options with an exercise price of HK\$0.67 per share to certain directors, senior management and employees of the Group pursuant to the terms and conditions of the share option scheme adopted by the Company on 26th August, 2002.

展望(續)

本集團積極及謹慎地尋找在澳門、中國及鄰近地區進一步投資的機會，從而擴大其於優質物業中之投資。本集團深信將得益於本集團持有及鎖定的優質物業投資組合之內在價值，因而對前景深感樂觀。

資產抵押

於二零零七年九月三十日，本集團總值約港幣291,300,000元之待售物業、港幣51,200,000元之銀行結餘、港幣57,900,000元之預付租賃款項、港幣224,400,000元之將於香港聯合交易所有限公司(「聯交所」)上市之可退還首次公開發售股份認購款項及約港幣2,100,000元之按公平值列賬及計入損益之金融資產，已抵押予多家銀行及財務機構，作為本集團及東方紅獲授一般信貸融資之抵押。

或然負債

於二零零七年九月三十日，本集團之或然負債包括就去年出售一家附屬公司所提供稅務彌償保證港幣60,000,000元，以及就授予東方紅之銀行融資之擔保，其中約港幣10,300,000元已經動用。

僱員人數、薪酬政策及購股權計劃

於二零零七年九月三十日，本集團之員工人數為1,171人(二零零七年三月三十一日：1,861人)。本集團按員工之資歷及經驗、工作性質及表現以及市場薪酬情況釐定薪酬待遇。其他僱員福利包括醫療、保險及退休計劃。於二零零七年七月二十七日，本公司根據於二零零二年八月二十六日採納之購股權計劃之條款及條件，向本集團若干董事、高級管理人員及僱員授出每股行使價港幣0.67元之購股權。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30th September, 2007.

SECURITIES IN ISSUE

During the period, the Company had issued a total of 483,203,485 ordinary shares upon conversion of convertible notes including 348,917,775 ordinary shares at the conversion price of HK\$0.44 per share and 134,285,710 ordinary shares at the conversion price of HK\$0.70 per share. In addition, the Company had issued 300,000,000 new ordinary shares at the price of HK\$0.56 per share by way of Top-Up Placing on 1st June, 2007.

As at 30th September, 2007, there were 3,095,518,026 ordinary shares in issue and a total of outstanding share options of 95,000,000 shares including 31,300,000 shares at an exercise price of HK\$0.50 per share and 63,700,000 shares at an exercise price of HK\$0.67 per share. Save as disclosed above, there was no movement in the issued share capital during the period.

購入、出售或贖回本公司之上市證券

本公司或其任何附屬公司於截至二零零七年九月三十日止六個月概無購買、出售或贖回本公司上市證券。

已發行證券

期內，本公司於可換股票據獲兌換時已發行合共483,203,485股普通股，其中348,917,775股普通股按換股價每股港幣0.44元發行，而134,285,710股普通股按換股價每股港幣0.70元發行。此外，本公司於二零零七年六月一日以補充配售方式按每股港幣0.56元發行300,000,000股新普通股。

於二零零七年九月三十日，已發行3,095,518,026股普通股，並有合共涉及95,000,000股之尚未行使購股權，其中31,300,000股之每股行使價為港幣0.50元，而63,700,000股之每股行使價為港幣0.67元。除上文所披露者外，本期間之已發行股本概無任何變動。

OTHER INFORMATION

其他資料

INTERIM DIVIDEND

The board of directors (the “Board”) does not recommend the payment of interim dividend in respect of the six months ended 30th September, 2007 (six months ended 30th September, 2006: Nil).

中期股息

董事會(「董事會」)不建議就截至二零零七年九月三十日止六個月派付中期股息(截至二零零六年九月三十日止六個月：無)。

DIRECTORS’ AND CHIEF EXECUTIVE’S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND CONVERTIBLE NOTES

As at 30th September, 2007, the interests and short positions of the directors and chief executive of the Company and/or their associates in the shares, underlying shares and convertible notes of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)), which (a) were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or (b) were required to be entered in the register maintained by the Company pursuant to section 352 of the SFO, or (c) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) contained in the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”), were as follows:

董事及主要行政人員於股份、相關股份及可換股票據之權益及淡倉

於二零零七年九月三十日，本公司董事及主要行政人員及／或彼等之聯繫人士於本公司或其任何相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)股份、相關股份及可換股票據中，擁有(a)根據證券及期貨條例第XV部第7及8分部須知會本公司及香港聯合交易所有限公司(「聯交所」)之權益及淡倉(包括根據證券及期貨條例該等條文彼等被當作或視作擁有之權益及淡倉)；或(b)根據證券及期貨條例第352條須記入本公司存置登記冊之權益及淡倉；或(c)根據聯交所證券上市規則(「上市規則」)所載上市發行人董事進行證券交易的標準守則(「標準守則」)須知會本公司及聯交所之權益及淡倉如下：

Interests in the shares and underlying shares under equity derivatives (as defined in Part XV of the SFO)

於股份及股本衍生工具所涉及相關股份之權益(定義見證券及期貨條例第XV部)

Name of director 董事姓名	Long position/ Short position 好倉/淡倉	Capacity 身分	Number of issued shares held 已發行股份數目	Number of underlying shares (under equity derivatives of the Company) 本公司股本 衍生工具所涉及 相關股份數目		Aggregate interest 權益總額	Approximate percentage of the issued share capital of the Company 佔本公司已發行 股本概約百分比 (%)
Mr. Cheung Hon Kit (“Mr. Cheung”) 張漢傑先生(「張先生」)	Long position 好倉	Beneficial owner 實益擁有人	7,000,000	–	–	7,000,000	0.23
Mr. Lai Tsan Tung, David (“Mr. Lai”) 賴贊東先生(「賴先生」)	Long position 好倉	Interest of controlled corporation 受控法團權益	–	39,718,584 (Note) (附註)	–	39,718,584	1.28

OTHER INFORMATION

其他資料

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND CONVERTIBLE NOTES (Cont'd)

Note:

Mr. Lai, an executive director of the Company, was interested in 39,718,584 underlying shares of HK\$17,476,177 zero coupon convertible notes due 2010 issued by the Company on 8th June, 2006 at a conversion price of HK\$0.44 per share held by Green Label Investments Limited ("Green Label") by virtue of his beneficial interest in the entire issued share capital of Green Label.

Save as disclosed above, as at 30th September, 2007, none of the directors or the chief executive of the Company nor their associates had any interests or short positions in any shares, underlying shares or convertible notes of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which any such director or chief executive is taken or deemed to have taken under such provisions of the SFO), or (b) were required pursuant to section 352 of the SFO to be entered into the register maintained by the Company, or (c) were required pursuant to the Model Code contained in the Listing Rules to be notified to the Company and the Stock Exchange.

SHARE OPTIONS

A share option scheme was adopted by the Company on 26th August, 2002 (the "Scheme"). On 15th August, 2006, the Company granted share options under the Scheme to certain directors, employees and other participant to subscribe for a total of 31,300,000 shares in the Company at the exercise price of HK\$0.50 per share. The closing price of the shares of the Company immediately before the date of grant was HK\$0.445 per share. The consideration of grant of the share options was HK\$1.00. On 27th July, 2007, the Company granted share options under the Scheme to certain directors, employees and other participants to subscribe for a total of 63,700,000 shares in the Company at the exercise of HK\$0.67 per share. The closing price of the shares of the Company immediately before the date of grant was HK\$0.66 per share. The consideration of grant of the share options was HK\$1.00.

董事及主要行政人員於股份、相關股份及可換股票據之權益及淡倉(續)

附註：

由於本公司執行董事賴先生實益擁有Green Label Investments Limited(「Green Label」)已發行股本全部權益，故擁有Green Label所持本公司於二零零六年六月八日發行於二零一零年到期兌換價為每股港幣0.44元的港幣17,476,177元零息率可換股票據所涉及的39,718,584股相關股份權益。

除上文披露者外，於二零零七年九月三十日，本公司董事或主要行政人員或彼等之聯繫人士概無於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)任何股份、相關股份或可換股票據中，擁有任何(a)須根據證券及期貨條例第XV部第7及8分部知會本公司及聯交所之權益或淡倉(包括任何該等董事或主要行政人員根據證券及期貨條例有關條文被視作或當作擁有之權益及淡倉)；或(b)根據證券及期貨條例第352條須記入本公司存置之登記冊之權益或淡倉；或(c)根據上市規則所載標準守則須知會本公司或聯交所之權益或淡倉。

購股權

於二零零二年八月二十六日，本公司採納購股權計劃(「計劃」)。於二零零六年八月十五日，本公司根據計劃向若干董事、僱員及其他參與人士授出可按每股行使價港幣0.50元認購本公司合共31,300,000股股份之購股權。緊接授出日期前之本公司股份收市價為每股港幣0.445元。授出購股權之代價為港幣1.00元。於二零零七年七月二十七日，本公司根據計劃向若干董事、僱員及其他參與人士授出可按每股行使價港幣0.67元認購本公司合共63,700,000股股份之購股權。緊接授出日期前之本公司股份收市價為每股港幣0.66元。授出購股權之代價為港幣1.00元。

OTHER INFORMATION

其他資料

SHARE OPTIONS (Cont'd)

The following table sets out the movements in the Scheme during the six months ended 30th September, 2007 (the "Period"):

購股權(續)

下表載列截至二零零七年九月三十日止六個月(「期間」)之計劃變動：

Name or category of participants 姓名或參與人士類別	Date of grant 授出日期	Option period* 購股權期限*	Exercise price per share 每股股份行使價	Number of share options 購股權數目				Outstanding as at 30.9.2007 於二零零七年九月三十日尚未行使
				Outstanding as at 1.4.2007 於二零零七年四月一日尚未行使	Granted during the Period 期間授出	Exercised during the Period 期間行使	Cancelled/Lapsed during the Period 期間註銷/失效	
				HK\$ 港幣				
Directors 董事								
Mr. Cheung 張先生	15th August, 2006 二零零六年八月十五日	15th August, 2006 – 14th August, 2008 二零零六年八月十五日至 二零零八年八月十四日	0.50	10,000,000	-	-	-	10,000,000
	27th July, 2007 二零零七年七月二十七日	27th July, 2007 – 26th July, 2011 二零零七年七月二十七日至 二零一一年七月二十六日	0.67	-	12,000,000	-	-	12,000,000
Mr. Chan Fut Yan 陳佛恩先生	15th August, 2006 二零零六年八月十五日	15th August, 2006 – 14th August, 2008 二零零六年八月十五日至 二零零八年八月十四日	0.50	6,000,000	-	-	-	6,000,000
	27th July, 2007 二零零七年七月二十七日	27th July, 2007 – 26th July, 2011 二零零七年七月二十七日至 二零一一年七月二十六日	0.67	-	7,000,000	-	-	7,000,000
Mr. Wong Kam Cheong, Stanley 黃錦昌先生	15th August, 2006 二零零六年八月十五日	15th August, 2006 – 14th August, 2008 二零零六年八月十五日至 二零零八年八月十四日	0.50	2,000,000	-	-	-	2,000,000
	27th July, 2007 二零零七年七月二十七日	27th July, 2007 – 26th July, 2011 二零零七年七月二十七日至 二零一一年七月二十六日	0.67	-	3,000,000	-	-	3,000,000
Mr. Cheung Chi Kit 張志傑先生	15th August, 2006 二零零六年八月十五日	15th August, 2006 – 14th August, 2008 二零零六年八月十五日至 二零零八年八月十四日	0.50	2,000,000	-	-	-	2,000,000
	27th July, 2007 二零零七年七月二十七日	27th July, 2007 – 26th July, 2011 二零零七年七月二十七日至 二零一一年七月二十六日	0.67	-	5,000,000	-	-	5,000,000

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SHARE OPTIONS (Cont'd)

購股權(續)

Name or category of participants 姓名或參與人士類別	Date of grant 授出日期	Option period* 購股權期限*	Exercise price per share 每股股份 行使價	Number of share options 購股權數目				Outstanding as at 30.9.2007 於二零零七年 九月三十日 尚未行使
				Outstanding as at 1.4.2007 於二零零七年 四月一日 尚未行使	Granted during the Period 期間授出	Exercised during the Period 期間行使	Cancelled/ Lapsed during the Period 期間註銷/ 失效	
			<i>HK\$</i> 港幣					
Directors (Cont'd) 董事(續)								
Mr. Lai 賴先生	27th July, 2007 二零零七年七月二十七日	27th July, 2007 – 26th July, 2011 二零零七年七月二十七日至 二零一一年七月二十六日	0.67	-	3,000,000	-	-	3,000,000
Mr. Ma Chi Kong, Karl 馬志剛先生	27th July, 2007 二零零七年七月二十七日	27th July, 2007 – 26th July, 2011 二零零七年七月二十七日至 二零一一年七月二十六日	0.67	-	9,000,000	-	-	9,000,000
Mr. Wong Chi Keung, Alvin 王志強先生	15th August, 2006 二零零六年八月十五日	15th August, 2006 – 14th August, 2008 二零零六年八月十五日至 二零零八年八月十四日	0.50	1,500,000	-	-	-	1,500,000
	27th July, 2007 二零零七年七月二十七日	27th July, 2007 – 26th July, 2011 二零零七年七月二十七日至 二零一一年七月二十六日	0.67	-	1,500,000	-	-	1,500,000
Mr. Kwok Ka Lap, Alva 郭嘉立先生	27th July, 2007 二零零七年七月二十七日	27th July, 2007 – 26th July, 2011 二零零七年七月二十七日至 二零一一年七月二十六日	0.67	-	1,500,000	-	-	1,500,000
Mr. Chui Sai Cheong 崔世昌先生	15th August, 2006 二零零六年八月十五日	15th August, 2006 – 14th August, 2008 二零零六年八月十五日至 二零零八年八月十四日	0.50	1,500,000	-	-	-	1,500,000
	27th July, 2007 二零零七年七月二十七日	27th July, 2007 – 26th July, 2011 二零零七年七月二十七日至 二零一一年七月二十六日	0.67	-	1,500,000	-	-	1,500,000
				23,000,000	43,500,000	-	-	66,500,000

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SHARE OPTIONS (Cont'd)

購股權(續)

Name or category of participants 姓名或參與人士類別	Date of grant 授出日期	Option period* 購股權期限*	Exercise price per share 每股股份 行使價	Number of share options 購股權數目				
				Outstanding as at 1.4.2007 於二零零七年 四月一日 尚未行使	Granted during the Period 期間授出	Exercised during the Period 期間行使	Cancelled/ Lapsed during the Period 期間註銷/ 失效	Outstanding as at 30.9.2007 於二零零七年 九月三十日 尚未行使
Former Directors (Note) 前任董事 (附註)								
Mr. Ho Hau Chong, Norman ("Mr. Lo") 何厚鏘先生(「何先生」)	15th August, 2006 二零零六年八月十五日	15th August, 2006 – 14th August, 2008 二零零六年八月十五日至 二零零八年八月十四日	0.50	3,000,000	–	–	–	3,000,000
Mr. Lo Lin Shing, Simon ("Mr. Lo") 魯連城先生(「魯先生」)	15th August, 2006 二零零六年八月十五日	15th August, 2006 – 14th August, 2008 二零零六年八月十五日至 二零零八年八月十四日	0.50	1,500,000	–	–	–	1,500,000
				<u>4,500,000</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>4,500,000</u>
Employees and other participants 僱員及其他參與人士								
In aggregate 總額	15th August, 2006 二零零六年八月十五日	15th August, 2006 – 14th August, 2008 二零零六年八月十五日至 二零零八年八月十四日	0.50	3,800,000	–	–	–	3,800,000
	27th July, 2007 二零零七年七月二十七日	27th July, 2007 – 26th July, 2011 二零零七年七月二十七日至 二零一一年七月二十六日	0.67	–	20,200,000	–	–	20,200,000
				<u>3,800,000</u>	<u>20,200,000</u>	<u>–</u>	<u>–</u>	<u>24,000,000</u>
Total 總計				<u>31,300,000</u>	<u>63,700,000</u>	<u>–</u>	<u>–</u>	<u>95,000,000</u>

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SHARE OPTIONS (Cont'd)

- * In relation to the grant of share options on 15th August, 2006 subject to the terms and conditions of the Scheme, the share options shall be exercisable at any time during the option period and subject further to a maximum of 50% of the share options shall be exercisable during the period commencing from 15th August, 2006 to 14th August, 2007, with the balance of the share options not yet exercised may be exercised during the period commencing from 15th August, 2007 to 14th August, 2008. In relation to the grant of share options on 27th July, 2007 subject to the terms and conditions of the Scheme, the share options shall be exercisable at any time during the option period and subject further to a maximum of 50% of the share options shall be exercisable during the period commencing from 27th July, 2008 to 26th July, 2009, with the balance of the share options not yet exercised may be exercised during the period commencing from 27th July, 2009 to 26th July, 2011.

Note:

Following the retirements of Mr. Ho and Mr. Lo as deputy chairman and non-executive director and non-executive director of the Company respectively at the annual general meeting held on 12th September, 2007, 3,000,000 share options granted by the Company to Mr. Ho and 1,500,000 share options granted by the Company to Mr. Lo both on 15th August, 2006 at an exercise price of HK\$0.50 per share will be expired on 11th March, 2008, which is six months after the date of their retirements pursuant to clause 7.2(a) of the Scheme.

購股權(續)

- * 有關於二零零六年八月十五日授出的購股權在計劃之條款及條件規限下，購股權可於購股權期限內隨時行使，惟最多50%之購股權可於二零零六年八月十五日至二零零七年八月十四日起計期間行使，而餘下仍未行使的購股權可於二零零七年八月十五日至二零零八年八月十四日起計期間行使。有關於二零零七年七月二十七日授出的購股權在計劃之條款及條件規限下，購股權可於購股權期限內隨時行使，惟最多50%之購股權可於二零零八年七月二十七日至二零零九年七月二十六日起計期間行使，而餘下仍未行使的購股權可於二零零九年七月二十七日二零一一年七月二十六日起計期間行使。

附註:

隨著何先生及魯先生分別於二零零七年九月十二日舉行的股東週年大會上退任為本公司副主席兼非執行董事及非執行董事，於二零零六年八月十五日由本公司以每股港幣0.50元的行使價授出予何先生3,000,000股及魯先生1,500,000股之購股權將於二零零八年三月十一日，即根據計劃第7.2(a)項所述由彼等退任日期起計六個月之後失效。

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SUBSTANTIAL SHAREHOLDERS

As at 30th September, 2007, so far as was known to the directors or chief executive of the Company based on the register maintained by the Company pursuant to Part XV of the SFO, the following persons (other than a director or chief executive of the Company) had, or were deemed or taken to have interests or short positions in the shares and underlying shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, were directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or had any option in respect of such capital:

(i) Interests in the shares

Name of shareholder 股東姓名／名稱	Long position/ Short position 好倉／淡倉	Capacity 身分	Number of issued shares 已發行股份數目	Approximate percentage of the issued shares capital of the Company 佔本公司 已發行股本 概約百分比 (%)
Loyal Concept Limited ("Loyal Concept")	Long position 好倉	Beneficial owner 實益擁有人	470,317,272 (Note 1) (附註 1)	15.19
Hanny Magnetics (B.V.I.) Limited ("Hanny Magnetics")	Long position 好倉	Interest of controlled corporation 受控法團權益	510,317,272 (Note 1) (附註 1)	16.49
Hanny Holdings Limited ("Hanny Holdings") 錦興集團有限公司(「錦興」)	Long position 好倉	Interest of controlled corporation 受控法團權益	510,317,272 (Note 1) (附註 1)	16.49
Famex Investment Limited ("Famex") 其威投資有限公司(「其威」)	Long position 好倉	Interest of controlled corporations 受控法團權益	510,317,272 (Note 1) (附註 1)	16.49

主要股東

於二零零七年九月三十日，據本公司董事或主要行政人員所知，按照本公司根據證券及期貨條例第XV部所存置登記冊，以下人士(本公司董事或主要行政人員除外)於股份及相關股份中，擁有或被視作或當作擁有根據證券及期貨條例第XV部第2及3分部條文須向本公司披露之權益或淡倉，或直接或間接擁有附帶權利可於任何情況下在本集團任何其他成員公司股東大會投票之任何類別股本面值10%或以上權益，或擁有涉及有關股本之任何購股權：

(i) 股份權益

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SUBSTANTIAL SHAREHOLDERS (Cont'd)

(i) Interests in the shares (Cont'd)

Name of shareholder 股東姓名／名稱	Long position/ Short position 好倉／淡倉	Capacity 身分	Number of issued shares 已發行股份數目	Approximate percentage of the issued shares capital of the Company 佔本公司 已發行股本 概約百分比 (%)
Mankar Assets Limited ("Mankar")	Long position 好倉	Interest of controlled corporations 受控法團權益	510,317,272 (Note 1) (附註 1)	16.49
ITC Investment Holdings Limited ("ITC Investment")	Long position 好倉	Interest of controlled corporations 受控法團權益	510,317,272 (Note 1) (附註 1)	16.49
ITC Corporation Limited ("ITC") 德祥企業集團有限公司(「德祥」)	Long position 好倉	Interest of controlled corporations 受控法團權益	510,317,272 (Note 1) (附註 1)	16.49
Shepherd Investments International, Ltd. ("Shepherd")	Long position 好倉	Beneficial owner 實益擁有人	96,418,727 (Note 2) (附註 2)	3.11
Stark Master Fund, Ltd. ("Stark Master")	Long position 好倉	Beneficial owner 實益擁有人	134,978,817	4.36
Stark Investments (Hong Kong) Limited ("Stark HK")	Long position 好倉	Investment manager 投資經理	214,252,725 (Note 2) (附註 2)	6.92
Harmony Investment Fund Limited ("Harmony")	Long position 好倉	Beneficial owner 實益擁有人	52,135,000	1.68

主要股東(續)

(i) 股份權益(續)

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SUBSTANTIAL SHAREHOLDERS (Cont'd)

(ii) Interests in the underlying shares under equity derivatives (as defined in Part XV of the SFO)

主要股東(續)

(ii) 於股本衍生工具(定義見證券及期貨條例第XV部)所涉及相關股份之權益

Name of shareholder 股東姓名/名稱	Long position/ Short position 好倉/淡倉	Capacity 身分	Number of underlying shares (under equity derivatives of the Company) 本公司股本 衍生工具所涉及 相關股份數目	Approximate percentage of the issued shares capital of the Company 佔本公司 已發行股本 概約百分比 (%)
Loyal Concept	Long position 好倉	Beneficial owner 實益擁有人	1,135,714,285 (Note 1) (附註 1)	36.69
Hanny Magnetics	Long position 好倉	Interest of controlled corporation 受控法團權益	1,135,714,285 (Note 1) (附註 1)	36.69
Hanny Holdings 錦興	Long position 好倉	Interest of controlled corporation 受控法團權益	1,135,714,285 (Note 1) (附註 1)	36.69
Famex 其威	Long position 好倉	Interest of controlled corporation 受控法團權益	1,135,714,285 (Note 1) (附註 1)	36.69
Mankar	Long position 好倉	Interest of controlled corporation 受控法團權益	1,135,714,285 (Note 1) (附註 1)	36.69
ITC Investment	Long position 好倉	Interest of controlled corporations 受控法團權益	1,178,571,427 (Note 1) (附註 1)	38.07
ITC 德祥	Long position 好倉	Interest of controlled corporations 受控法團權益	1,178,571,427 (Note 1) (附註 1)	38.07

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SUBSTANTIAL SHAREHOLDERS (Cont'd)

(ii) Interests in the underlying shares under equity derivatives (as defined in Part XV of the SFO) (Cont'd)

主要股東(續)

(ii) 於股本衍生工具(定義見證券及期貨條例第XV部)所涉及相關股份之權益(續)

Name of shareholder 股東姓名/名稱	Long position/ Short position 好倉/淡倉	Capacity 身分	Number of underlying shares (under equity derivatives of the Company) 本公司股本 衍生工具所涉及 相關股份數目	Approximate percentage of the issued shares capital of the Company 佔本公司 已發行股本 概約百分比 (%)
Shepherd	Long position 好倉	Beneficial owner 實益擁有人	200,016,234 (Note 2) (附註 2)	6.46
Stark Master	Long position 好倉	Beneficial owner 實益擁有人	264,594,155	8.55
Stark HK	Long position 好倉	Investment manager 投資經理	391,623,375 (Note 2) (附註 2)	12.65
Gandhara Master Fund Limited	Long position 好倉	Investment manager 投資經理	334,285,715	10.80
Harmony	Long position 好倉	Beneficial owner 實益擁有人	114,285,714	3.69

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SUBSTANTIAL SHAREHOLDERS (Cont'd)

(ii) Interests in the underlying shares under equity derivatives (as defined in Part XV of the SFO) (Cont'd)

Notes:

1. As at 30th September, 2007, Hanny Holdings and Hanny Magnetics were taken to have an interest in 510,317,272 shares (in which 470,317,272 shares were held by Loyal Concept and 40,000,000 shares were held by Cyber Generation Limited ("Cyber")); and a principal amount of HK\$330 million under the zero coupon convertible notes due 2010 issued by the Company on 11th August, 2005 at a conversion price of HK\$0.44 per share ("2005 August Note") and a principal amount of HK\$270 million under the 1% convertible notes due 2011 issued by the Company on 15th June, 2006 at a conversion price of HK\$0.70 per share ("2006 June Note") held by Loyal Concept since Loyal Concept and Cyber were wholly-owned subsidiaries of Hanny Magnetics which, in turn, was a wholly-owned subsidiary of Hanny Holdings, the issued shares of which are listed on the Stock Exchange. Selective Choice Investments Limited ("Selective"), a wholly-owned subsidiary of ITC Investment, owned a principal amount of HK\$30 million under the 2006 June Note. Famex, a wholly-owned subsidiary of Mankar, was the controlling shareholder of Hanny Holdings. Mankar was a wholly-owned subsidiary of ITC Investment, which in turn was a wholly-owned subsidiary of ITC. Famex, Mankar, ITC Investment and ITC were deemed to be interested in 510,317,272 shares held by Loyal Concept and Cyber; and 1,135,714,285 underlying shares (in respect of a principal amount of HK\$330 million under the 2005 August Note and a principal amount of HK\$270 million under the 2006 June Note) held by Loyal Concept. ITC Investment and ITC were also deemed to be interested in 42,857,142 underlying shares (in respect of a principal amount of HK\$30 million under the 2006 June Note) held by Selective.

主要股東(續)

(ii) 於股本衍生工具(定義見證券及期貨條例第XV部)所涉及相關股份之權益(續)

附註：

1. 於二零零七年九月三十日，由於 Loyal Concept及Cyber Generation Limited (「Cyber」) 為 Hanny Magnetics的全資附屬公司，而 Hanny Magnetics為聯交所上市公司錦興的全資附屬公司，故錦興及 Hanny Magnetics被視為擁有Loyal Concept所持510,317,272股股份(其中由Loyal Concept持有470,317,272股股份及Cyber持有40,000,000股股份)、本金額為港幣330,000,000元的本公司於二零零五年八月十一日發行之二零一零年到期零息率可換股票據，兌換價為每股港幣0.44元(「二零零五年八月票據」)及本金額為港幣270,000,000元本公司於二零零六年六月十五日發行之二零一一年到期1厘息可換股票據，兌換價為每股港幣0.70元(「二零零六年六月票據」)權益。ITC Investment全資附屬公司Selective Choice Investments Limited (「Selective」)擁有本金額為港幣30,000,000元的二零零六年六月票據。Mankar全資附屬公司其威為錦興的控股股東。Mankar為德祥全資附屬公司ITC Investment的全資附屬公司。其威、Mankar、ITC Investment及德祥被視為擁有Loyal Concept及Cyber所持510,317,272股股份；及Loyal Concept就本金額為港幣330,000,000元的二零零五年八月票據及本金額為港幣270,000,000元的二零零六年六月票據所持1,135,714,285股相關股份權益。ITC Investment及德祥亦被視為擁有Selective就本金額為港幣30,000,000元的二零零六年六月票據所持42,857,142股相關股份權益。

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SUBSTANTIAL SHAREHOLDERS (Cont'd)

(ii) Interests in the underlying shares under equity derivatives (as defined in Part XV of the SFO) (Cont'd)

Notes: (Cont'd)

2. Stark HK was taken to have an interest as an investment manager in 214,252,725 shares, a principal amount of HK\$95 million under the 2005 August Note and a principal amount of HK\$123 million under the 2006 June Note held by Centar Investments (Asia) Ltd., Shepherd, Stark Asia Master Fund, Ltd. and Stark International.

Save as disclosed above, as at 30th September, 2007, so far as was known to the directors or chief executive of the Company based on the register maintained by the Company pursuant to Part XV of the SFO, no other persons (not being a director or chief executive of the Company) had, or deemed to have, any interests or short positions in the shares or underlying shares which are required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, nor were there any persons, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or held any option in respect of such capital.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30th September, 2007.

主要股東(續)

(ii) 於股本衍生工具(定義見證券及期貨條例第XV部)所涉及相關股份之權益(續)

附註:(續)

2. Stark HK作為投資經理被當作擁有Centar Investments (Asia) Ltd.、Shepherd、Stark Asia Master Fund, Ltd.及Stark International所持214,252,725股股份、本金額為港幣95,000,000元的二零零五年八月票據及本金額為港幣123,000,000元的二零零六年六月票據之權益。

除上文披露者外，於二零零七年九月三十日，據本公司董事或主要行政人員所知，按照本公司根據證券及期貨條例第XV部所存置登記冊，概無其他人士(本公司董事或主要行政人員除外)於股份或相關股份中，擁有或被視作擁有根據證券及期貨條例第XV部第2及3分部條文須向本公司及聯交所披露之任何權益或淡倉；或直接或間接擁有附帶權利可於任何情況下在本集團任何其他成員公司股東大會投票之任何類別股本面值10%或以上權益，或擁有涉及有關股本之任何購股權。

購買、出售或贖回本公司之上市證券

本公司或其任何附屬公司於截至二零零七年九月三十日止六個月概無購買、出售或贖回本公司任何上市證券。

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AUDIT COMMITTEE

The principal duties of the audit committee of the Company (the “Audit Committee”) include reviewing the Group’s interim and final results prior to recommending them to the board of directors of the Company for its approval, appointing external auditors and reviewing the relationship with the external auditors of the Company, reviewing the Group’s financial information and the Company’s financial reporting system and internal control procedures. The Audit Committee, with specific written terms of reference in line with the code provisions of the Code on Corporate Governance Practices (the “Code”) as set out in Appendix 14 to the Listing Rules, currently comprises three independent non-executive directors, namely Mr. Wong Chi Keung, Alvin (chairman of the Audit Committee), Mr. Kwok Ka Lap, Alva and Mr. Chui Sai Cheong.

The Audit Committee has reviewed with the management and the Company’s auditors the accounting principles and practices adopted by the Group and discussed auditing, financial reporting process and internal control matters including a review of the unaudited interim financial report for the six months ended 30th September, 2007.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining a high standard of corporate governance practices and procedures and to complying with statutory and regulatory requirements with an aim to maximizing the shareholders’ values and interests as well as to enhancing the shareholders’ transparency and accountability. The Company has, throughout the period ended 30th September, 2007, complied with the code provisions of the Code.

MODEL CODE

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the directors. Specific enquiry has been made with all directors of the Company and the directors have confirmed that they have complied with the required standard set out in the Model Code during the six months ended 30th September, 2007.

審核委員會

本公司審核委員會(「審核委員會」)之主要職責包括於建議本公司董事會批准前審閱本集團之中期及末期業績、委聘外聘核數師及檢討與本公司外聘核數師之關係、審核本集團之財務資料及本公司之財務申報制度與內部監控程序。審核委員會已遵照上市規則附錄十四所載企業管治常規守則(「守則」)守則條文設定具體書面職權範圍，現時由三名獨立非執行董事王志強先生(審核委員會主席)、郭嘉立先生及崔世昌先生組成。

審核委員會已與管理層及本公司核數師審閱本集團採納之會計原則及慣例，並討論核數、財務申報程序及內部監控事宜，包括審閱截至二零零七年九月三十日止六個月之未經審核中期財務報告。

企業管治常規守則

本公司致力維持高水平企業管治常規及程序，以符合法定及監管規定，務求為股東帶來最大回報及利益，並提高對股東之透明度及問責性。本公司已於截至二零零七年九月三十日止期間內一直遵守守則之守則條文。

標準守則

本公司已採納上市規則附錄十所載標準守則，作為本公司董事進行證券交易之操守準則。經向本公司全體董事作出具體查詢後，董事確認彼等於截至二零零七年九月三十日止六個月一直遵守標準守則所載規定標準。

OTHER INFORMATION

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CONTINUING OBLIGATIONS UNDER CHAPTER 13 OF THE LISTING RULES

The following disclosure is made by the Company pursuant to Rules 13.20 and 13.22 of the Listing Rules:

1. ADVANCES TO AN ENTITY

In accordance with Rule 13.20 of the Listing Rules, details of the advances to an entity made by the Group as at 30th September, 2007, which individually exceeds 8% of the assets ratio as set out in the Rule 14.07 of the Listing Rules are as follows:

Entity 實體	Attributable interest held by the Group 本集團所持 應佔權益	Advances	Interest	Total	Percentage
		墊款	應收利息	合計	佔資產 百分比
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	(Note 1) (附註1)
Orient Town Limited ("Orient Town") and its subsidiary (Notes 2 and 3) 華鎮有限公司(「華鎮」)及其附屬公司(附註2及3)	45%	1,144,016	56,182	1,200,198	31.3%

Notes:

- (1) "Total assets" means the total assets value of the Group of HK\$3,838.3 million as at 30th September, 2007 according to the Group's condensed consolidated balance sheet as at 30th September, 2007.
- (2) The advances are unsecured; HK\$978,000,000 of the advances is non-interest bearing and no demand for repayment will be made by the Group unless approved by the board of directors of Orient Town. HK\$166,016,000 of the advances is non-interest bearing with no fixed terms of repayment.
- (3) Pursuant to an acquisition agreement dated 29th March, 2006 for the Group to acquire 40% issued share capital of Orient Town, the Group undertook to advance to Orient Town by way of shareholder's loan in the amount of HK\$885 million (the "First Shareholder's Loan"). On 30th March, 2007, the Group has exercised the right to acquire further 5% issued share capital of Orient Town, as a condition of which an additional loan of HK\$93 million (the "Second Shareholder's Loan") was advanced to Orient Town. The shareholder loans were principally used for financing acquisition of indirect interest in 14 parcels of leased land situated in Estrada de Seac Pai Van, Macau and for repayment of shareholder's loan due by Orient Town to the vendor. Pursuant to another acquisition agreement dated 25th January, 2007 for the Group to acquire 8.7% issued share capital of, a shareholder's loan and interest accrued thereon of HK\$39.6 million and HK\$71.4 million respectively due by (the "Acquired Loan"), Empresa De Fomento Industrial E Comercial Concordia, S.A. ("Concordia"), an effective 59.5%-owned subsidiary of Orient Town, the Group undertook to further advance to Concordia by way of additional shareholder's loan of not more than HK\$70 million (the "Concordia Loan"), of which HK\$55 million was advanced to Concordia at 30th September, 2007. The First Shareholder's Loan, the Second Shareholder's Loan, the Acquired Loan and the Concordia Loan have been approved in special general meetings of the Company held on 15th June, 2006 and 23rd March, 2007, respectively.

上市規則第13章下之持續責任

以下為根據上市規則第13.20及13.22條作出之披露：

1. 向一間實體提供墊款

根據上市規則第13.20條，於二零零七年九月三十日，本集團向一間實體提供之墊款超過上市規則第14.07條所載資產比率8%其詳情如下：

附註：

- (1) 「總資產」指按本集團於二零零七年九月三十日之簡明綜合資產負債表計算本集團於二零零七年九月三十日之總資產港幣3,838,300,000元。
- (2) 墊款為無抵押，港幣978,000,000元之墊款為免息，並除華鎮之董事會批准外，本集團並不提出還款之要求。港幣166,016,000元之墊款為免息，且無固定還款期。
- (3) 根據日期為二零零六年三月二十九日有關本集團收購華鎮40%已發行股本之收購協議，本集團承諾以股東貸款方式向華鎮墊付港幣885,000,000元(「首份股東貸款」)，於二零零七年三月三十日，本集團已行使權利進一步收購華鎮5%之已發行股本，並以向華鎮額外提供港幣93,000,000元之貸款(「第二次股東貸款」)作為收購條款。股東貸款主要用作融資收購於澳門石排灣馬路之十四幅土地之間接權益及償還華鎮結欠賣方之股東貸款。根據本集團就購入華鎮擁有59.5%實際權益之附屬公司聯生發展股份有限公司(「聯生發展」)8.7%已發行股本以及股東貸款及累計利息(金額分別為港幣39,600,000元及港幣71,400,000元)(「購入貸款」)而於二零零七年一月二十五日訂立之另一項收購協議，本集團承諾透過提供額外股東貸款(金額不超過港幣70,000,000元)(「聯生貸款」)之形式再向聯生發展提供墊款，其中港幣55,000,000元已於二零零七年九月三十日墊支予聯生發展。第一次股東貸款、第二次股東貸款、購入貸款及聯生貸款已分別於二零零六年六月十五日及二零零七年三月二十三日舉行之本公司股東特別大會獲批准。

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CONTINUING OBLIGATIONS UNDER CHAPTER 13 OF THE LISTING RULES (Cont'd)

上市規則第13章下之持續責任(續)

2. FINANCIAL ASSISTANCE AND GUARANTEE TO AFFILIATED COMPANIES

Details as set out in the previous paragraph headed "ADVANCES TO AN ENTITY", the Group had provided financial assistance to an affiliated company in the aggregate amount of HK\$1,200,198,000, which represented 31.3% of the Group's total asset value as at 30th September, 2007. In accordance with the requirement under Rule 13.22 of the Listing Rules, the consolidated balance sheet of Orient Town, being an affiliated company of the Company, and the Group's attributable interests in Orient Town based on its latest financial statements available are presented below:

2. 給予一間聯屬公司之財政援助及擔保

詳情載列於上段標題為「向實體墊款」，本集團已向聯屬公司提供總額為港幣1,200,198,000元之財政援助及擔保，於二零零七年九月三十日佔本集團資產總值之31.3%。根據上市規則第13.22條，以該等聯屬公司可供參閱之最新財務報表為基準，本公司之聯屬公司華鎮綜合資產負債表及本集團於華鎮之應佔權益呈列如下：

		Consolidated balance sheet	Group's attributable interests
		綜合資產負債表	本集團應佔權益
		<i>HK\$'000</i>	<i>HK\$'000</i>
		港幣千元	港幣千元
Non-current assets	非流動資產	2,271,318	1,030,852
Current assets	流動資產	110,596	59,559
Current liabilities	流動負債	(403,505)	(370,088)
Non-current liabilities	非流動負債	<u>(1,979,342)</u>	<u>(890,704)</u>
		<u>(933)</u>	<u>(170,381)</u>

On behalf of the Board

代表董事會

Cheung Hon Kit
Chairman

主席
張漢傑

Hong Kong, 20th December, 2007

香港，二零零七年十二月二十日



德祥地產集團有限公司
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