

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

1. SIGNIFICANT ACCOUNTING POLICIES

(A) STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. A summary of the significant accounting policies adopted by the Group is set out below.

The HKICPA has issued the following new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company:

| | |
|----------------------|--|
| HKFRS 6 | Exploration for and Evaluation of Mineral Resources |
| Amendment to HKAS 19 | Employee Benefits – Actuarial Gains and Losses, Group Plans and Disclosures |
| Amendment to HKAS 21 | The Effects of Changes in Foreign Exchange Rates – Net Investment in a Foreign Operation |
| Amendment to HKAS 39 | Financial Instruments: Recognition and Measurement <ul style="list-style-type: none"> • "Cash Flow Hedge Accounting of Forecast Intragroup Transactions" • "The Fair Value Option" |

1. 主要會計政策

(A) 合規聲明

該等財務報表已根據香港財務報告準則(「香港財務報告準則」, 此統稱包括香港會計師公會(「香港會計師公會」)頒佈之所有適用之香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋)、香港公認之會計原則及香港公司條例之披露規定編製而成。該等財務報表亦已符合香港聯合交易所有限公司證券上市規則之適用披露規定。下文載列本集團採納之主要會計政策之概要。

香港會計師公會頒佈數項由本集團及本公司本期會計期生效或可提早採納的新增及經修訂的香港財務報告準則如下：

| | |
|---------------|---|
| 香港財務報告準則第6號 | 礦產資源之勘探及估值 |
| 香港會計準則第19號之修訂 | 僱員福利－精算收益及損失、集團計劃及披露 |
| 香港會計準則第21號之修訂 | 外幣匯率變動之影響－境外業務投資額 |
| 香港會計準則第39號之修訂 | 財務工具：確認及計量 <ul style="list-style-type: none"> • 「預測集團內部交易之現金流量對沖會計法」 • 「公平值選擇權」 |

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For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(A) STATEMENT OF COMPLIANCE (CONTINUED)

| | |
|--|---|
| Amendments to HKAS 39 and HKFRS 4 | Financial Instruments: Recognition and Measurement and Insurance Contracts – Financial Guarantee Contracts |
| Hong Kong (IFRIC) Interpretation (“HK(IFRIC) – Int”) 4 | Determining whether an Arrangement contains a lease |
| HK(IFRIC) – Int 5 | Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds |
| HK(IFRIC) – Int 6 | Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment (effective for annual periods beginning from 1 December 2005) |

The adoption of these new and revised HKFRSs did not result in significant change to the Group's accounting policies applied on these financial statements for the years presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period (see note 30).

1. 主要會計政策 (續)

(A) 合規聲明 (續)

| | |
|---------------------------|---|
| 香港會計準則第39號及香港財務報告準則第4號之修訂 | 財務工具：確認及計量及保險合約 – 財務擔保合約 |
| 香港(國際財務報告詮釋委員會) – 詮釋第4號 | 釐定安排是否包括租賃 |
| 香港(國際財務報告詮釋委員會) – 詮釋第5號 | 終止運作、復原及環境修復基金所產生權益之權利 |
| 香港(國際財務報告詮釋委員會) – 詮釋第6號 | 參與特定市場所產生之負債 – 廢棄電力及電子設備 (於二零零五年十二月一日開始之年度期限生效) |

採納該等新增及經修訂的香港財務報告準則並無導致本集團於呈報年度之該等財務報表所應用的會計政策之重大變動。本集團並無應用於本會計期間尚未生效之任何新增準則或詮釋(見附註30)。

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1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(B) BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The consolidated financial statements for the year ended 31 December 2006 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interest in an associate.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets are stated at their fair value as explained in the accounting policies set out below:

- investment property (see note 1(G));
- other buildings (see note 1(H)); and
- financial instruments classified as available-for-sale securities (see note 1(F)).

Non-current assets and disposal groups held for sale are stated at the lower of carrying amount and fair value less costs to sell (see note 1(W)).

1. 主要會計政策 (續)

(B) 財務報表編製基準

截至二零零六年十二月三十一日止年度的綜合財務報表包括本公司及其附屬公司(統稱「本集團」)及本集團於一間聯營公司的權益。

編製財務報表所使用之計量基準為歷史成本法，惟誠如以下會計政策所解釋，下列資產乃按彼等之公平值列賬。

- 投資物業(見附註1(G))；
- 其他樓宇(見附註1(H))；及
- 分類為可供出售證券之金融工具(見附註1(F))。

持作出售之非流動資產及出售組合乃按賬面值及公平值減出售成本兩者之較低者入賬(見附註1(W))。

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(B) BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

Notwithstanding that the Group had net current liabilities as at 31 December 2006, the directors of the Company are of the opinion that the Company and the Group are able to continue as a going concern and to meet their obligations as and when they fall due having regard to an agreement obtained from the financial institutions for a new loan facility of approximately HK\$219 million to the Group.

The directors believe that the Company and the Group will have sufficient cash resources to satisfy its future working capital and other financing requirements. Accordingly, it is appropriate that these financial statements should be prepared on a going concern basis and do not include any adjustments that would be required should the Company and the Group fail to continue as a going concern.

1. 主要會計政策 (續)

(B) 財務報表編製基準 (續)

儘管本集團於二零零六年十二月三十一日擁有流動負債淨值，考慮到本集團與一家金融機構就約219,000,000港元新貸款融資而訂立之協議，本公司董事認為，本公司及本集團能夠持續經營，並能在債務到期時償還有關款項。

董事會認為，本公司及本集團將會有充足的現金資源以滿足未來的營運資金及其他資金需求。因此，此等財務報表以持續經營基準編製，而且不包括若本公司及本集團不能持續經營情況下而需作出的任何調整。

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1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(B) BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 29.

1. 主要會計政策 (續)

(B) 財務報表編製基準 (續)

編製此等符合香港財務報告準則之財務報表需要管理層作出判斷、估計及假設，而該等判斷、估計及假設會影響有關資產、負債、收入及開支之政策應用及申報數額。該等估計及有關假設乃根據過往經驗及管理層相信於該等情況下乃屬合理之各項其他因素為基準而作出，所得結果構成管理層就目前未能從其他來源明顯得出賬面值的資產及負債作出判斷之基準。實際數字或會有別於估計數字。

本集團持續就所作估計及相關假設作出評估。倘若會計估計之修訂僅影響作出有關修訂之期間，則於該期間確認有關修訂；倘若會計估計之修訂影響當期及未來期間，則於當期及未來期間確認有關修訂。

在應用香港財務報告準則時管理層作出對來年有重大調整之主要風險並會對財務報表及估計有重大影響的判斷，在附註29論述。

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For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) SUBSIDIARIES AND MINORITY INTERESTS

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intragroup balances and transactions and any unrealised profits arising from intragroup transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intragroup transactions are eliminated in the same way as unrealised profits but only to the extent that there is no evidence of impairment.

Minority interests represent the portion of the net assets of subsidiaries attributable to interests that are not owned by the Company, whether directly or indirectly through subsidiaries, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. Minority interests are presented in the consolidated balance sheet within equity, separately from equity attributable to the equity shareholders of the Company. Minority interests in the results of the Group are presented on the face of the consolidated income statement as an allocation of the total profit or loss for the year between minority interests and the equity shareholders of the Company.

1. 主要會計政策 (續)

(c) 附屬公司及少數股東權益

附屬公司乃本集團控制之實體。當本集團有權監管財務及營運政策以從其經營活動獲取利益時，則存在控制關係。於評估控制關係時，將考慮現時可行使之潛在投票權。

於附屬公司之投資自控制開始日期直至控制終止日合併入綜合財務報表。集團內公司間之結餘及交易及因集團內交易而產生之任何未變現溢利，均於編製綜合財務報表時全部撇銷。集團內公司間交易所產生之未變現虧損亦按照未變現溢利之方法同樣予以撇銷，惟僅限於沒有減值跡象之情況下。

少數股東權益，為並非由本公司擁有（不論直接或間接透過附屬公司）的權益應佔附屬公司的資產淨值部分，就此而言，本集團並未與該等權益持有人協定任何額外條款，以致本集團整體須承擔就財務負債所界定的合約責任。少數股東權益在綜合資產負債表內與本公司股東應佔權益分開呈列。於本集團業績內之少數股東權益作為年內少數股東權益與本公司權益持有人之間在溢利或虧損總額之分配，並在綜合收益表內呈列。

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For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) SUBSIDIARIES AND MINORITY INTERESTS (CONTINUED)

Where losses applicable to the minority exceed the minority's interest in the equity of a subsidiary, the excess, and any future losses applicable to the minority, are charged against the Group's interest except to the extent that the minority has a binding obligation to, and is able to, make additional investment to cover the losses. If the subsidiary subsequently reports profits, the Group's interest is allocated all such profits until the minority's share of losses previously absorbed by the Group has been recovered.

Loans from holders of minority interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated balance sheet in accordance with notes 1(N) or (O) depending the nature of the liability.

In the Company's balance sheet, an investment in a subsidiary is stated at cost less impairment losses (see note 1(J)), unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale) (see note 1(W)).

1. 主要會計政策 (續)

(c) 附屬公司及少數股東權益 (續)

倘少數股東應佔之虧損超出於附屬公司內少數股東權益，超出部分及任何少數股東之進一步虧損於本集團之權益內扣除，惟倘少數股東有約束責任作出（及能夠作出）額外投資彌償該等虧損除外。倘附屬公司其後錄得溢利，本集團之權益應佔全部該等權益，直至先前由本集團撥出之少數股東應佔虧損部分得以彌補為止。

視乎負債之性質，少數股東權益持有人之貸款及該等持有人之其他合約責任按照附註1(N)或(O)於綜合資產負債表內列為財務負債。

於本公司資產負債表內，於附屬公司之投資按成本減減值虧損列賬（見附註1(J)），除非該投資被分類為持作出售用途（或列入被歸類為持作出售之出售組別內）（見附註1(W)）。

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1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) ASSOCIATE

An associate is an entity in which the Group or Company has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

An investment in an associate is accounted for in the consolidated financial statements under the equity method and is initially recorded at cost and adjusted thereafter for the post acquisition change in the Group's share of the associate's net assets, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale) (see note 1(W)). The consolidated income statement includes the Group's share of the post-acquisition, post-tax results of the associate for the year, including any impairment loss on goodwill relating to the investment in the associate recognised for the year (see notes 1(E) and (J)).

When the Group's share of losses exceeds its interest in the associate, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. For this purpose, the Group's interest in the associate is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associate.

Unrealised profits and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associate, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

1. 主要會計政策 (續)

(d) 聯營公司

聯營公司指本集團或本公司對其有重大影響力，但無法控制或共同控制其管理決定，包括參與財務及經營政策決定。

聯營公司之投資乃根據權益法在綜合財務報表中作會計處理，初步按成本入賬及隨後按收購後本集團攤佔有關聯營公司資產淨值之變動而作出調整，除非該等投資被分類為持作出售用途（或被列入被歸類為持作出售之出售組別內）（見附註1(W)）。綜合收益表包括本集團於該年度攤佔該聯營公司之收購後除稅後業績，包括年內確認與於聯營公司之投資有關之商譽之任何減值虧損（見附註1(E)及(J)）。

倘本集團應佔之虧損超過其於聯營公司之權益，則本集團之權益會撇減至零及不再確認進一步虧損，而除非本集團已代表該聯營公司產生法律或推定之責任或須作出付款。就此而言，本集團於聯營公司之權益為根據權益法計算投資之賬面值連同本集團構成於該聯營公司之本集團淨投資之長期權益部分。

本集團與其聯營公司進行交易產生之任何未變現溢利及虧損，均以本集團於有關聯營公司之權益為限進行撇銷，惟倘未變現虧損顯示所轉讓資產出現減值之證據，在該情況下，有關虧損則在損益表即時確認。

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1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(E) GOODWILL

Goodwill represents the excess of the cost of a business combination or an investment in an associate over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities.

Goodwill is stated at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units and is tested annually for impairment (see note 1(J)). In respect of associate, the carrying amount of goodwill is included in the carrying amount of the interest in the associate.

Any excess of the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of a business combination or an investment in an associate is recognised immediately in profit or loss.

On disposal of a cash generating unit, an associate during the year, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

1. 主要會計政策 (續)

(E) 商譽

商譽指商業合併或於聯營公司之投資之成本超過本集團應佔被收購實體之可辨別資產、負債及或然負債之公平淨值。

商譽按成本減累計減值虧損列賬。商譽被分配為現金生產單位，並須每年作減值測試(見附註1(J))。就聯營公司而言，商譽之賬面值列入於聯營公司之權益之賬面值內。

就商業合併或於聯營公司之投資而言，本集團應佔被收購實體之可辨別資產、負債及或然負債之公平淨值超出成本之部分即在損益表確認。

年內出售聯營公司之現金生產單位時，計算出售溢利或虧損時計入購入商譽應佔之任何金額。

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1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(F) OTHER INVESTMENTS IN DEBT AND EQUITY SECURITIES

The Group's and the Company's policies for investments in debt and equity securities, other than investments in subsidiaries and associate, are as follows:

Investments in debt and equity securities are initially at cost, which is their transaction price unless fair value can be more reliably estimated using valuation techniques whose variables include only data from observable markets. Cost includes attributable transaction costs, except where indicated otherwise below. These investments are subsequently accounted for as follows, depending on their classification.

Investment in securities held for trading are classified as current assets. Any attributable transaction costs are recognised in profit or loss as incurred. At each balance sheet date the fair value is remeasured, with any resultant gain or loss being recognised in profit or loss.

Dated debt securities that the Group and/or the Company have the positive ability and intention to hold to maturity are classified as held-to-maturity securities. Held-to-maturity securities are stated in the balance sheet at amortised cost less impairment losses (see note 1 (J)).

Investments in equity securities that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are recognised in the balance sheet at cost less impairment losses (see note 1 (J)).

1. 主要會計政策 (續)

(F) 於債務及股本證券內之其他投資
本集團及本公司就債務及股本證券投資之政策(不包括於附屬公司或聯營公司之投資)如下:

於債務及股本證券內之投資起初按成本列賬，該成本為交易價格，除非可使用估值法(其變量僅包括自可資觀察之市場取得之數據)可靠估計公平值。成本包括應佔交易成本，惟下文另有說明者除外。隨後該等投資視乎其分類按下列方式會計處理。

於持作交易用途之證券投資歸類為流動資產。任何應佔交易成本於產生時確認為損益。公平值於每個結算日時重新計量，任何產生之盈虧於損益表內確認。

本集團及／或本公司有積極能力及意圖持至到期之有期債務證券歸類為持至到期證券。持至到期證券按攤銷成本減減值虧損於資產負債表內列賬(見附註1(J))。

並無在活躍市場報價及公平值不可以可靠地估計之股本證券投資，於資產負債表內按成本減減值虧損列賬(見附註1(J))。

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(F) OTHER INVESTMENTS IN DEBT AND EQUITY SECURITIES (CONTINUED)

Investments in securities which do not fall into any of the above categories are classified as available-for-sale securities. At each balance sheet date the fair value is remeasured, with any resultant gain or loss being recognised directly in equity, except foreign exchange gains and losses in respect of monetary items such as debt securities which are recognised directly in profit or loss. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in profit or loss. When these investments are derecognised or impaired (see note 1(J)), the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss.

Investments are recognised/derecognised on the date the Group commits to purchase/sell the investments or they expire.

(G) INVESTMENT PROPERTY

Investment properties are land and/or buildings which are owned or held under a leasehold interest (see note 1(I)) to earn rental income and/or for capital appreciation. These include land held for a currently undetermined future use.

Investment properties are stated in the balance sheet at fair value. Any gain or loss arising from a change in fair value or from the retirement or disposal of an investment property is recognised in profit or loss. Rental income from investment properties is accounted for as described in note 1(T)(i).

1. 主要會計政策 (續)

(F) 於債務及股本證券內之其他投資 (續)

不屬於上述類別之證券投資歸類為可供出售證券。於每個結算日，公平值將予以重新計量，任何因此產生之盈虧直接於權益中確認，惟就貨幣項目如債券等而言，匯兌收益及虧損直接於損益表內確認。倘該等投資為計息，根據權益法計算之利息乃於損益表內確認。倘解除確認該等投資或予以減值(見附註1(J))，先前於權益中直接確認之累積收益或虧損於損益表內確認。

該等投資於本集團承諾購買該等投資之日予以確認或於本集團承諾出售該等投資或到期之日解除確認。

(G) 投資物業

投資物業為租賃權益下擁有或持有之土地及／或樓宇(見附註1(I))，以賺取租金收入及／或用於資本增值目的。該等投資物業包括現時未能確定未來用途而持有之土地。

投資物業按公平值在資產負債表內列賬。因公平值變動產生或來自報廢或出售投資物業之任何收益或虧損於損益表內確認。投資物業之租金收入按附註1(T)(i)內所述進行會計處理。

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(G) INVESTMENT PROPERTY (CONTINUED)

When the Group holds a property interest under an operating lease to earn rental income and/or for capital appreciation, the interest is classified and accounted for as an investment property on a property-by-property basis. Any such property interest which has been classified as an investment property is accounted for as if it were held under a finance lease (see note 1(I)), and the same accounting policies are applied to that interest as are applied to other investment properties leased under finance leases. Lease payments are accounted for as described in note 1(I).

(H) OTHER PROPERTY, PLANT AND EQUIPMENT

The following properties held for own use are stated in the balance sheet at their revalued amount, being their fair value at the date of the revaluation less any subsequent accumulated depreciation:

- land held under operating leases and buildings thereon, where the fair values of the leasehold interest in the land and buildings cannot be measured separately at the inception of the lease and the building is not clearly held under an operating lease (see note 1(I)); and

1. 主要會計政策 (續)

(G) 投資物業 (續)

倘本集團根據經營租約持有物業權益以賺取租金收入及／或用於資本增值目的時，該等權益按逐項基準被歸類為及作為投資物業進行會計處理。任何被歸類為投資物業之該等物業權益乃猶如其根據融資租約持有（見附註1(I)）列賬，並採用與根據融資租約租賃之其他投資物業相同之會計政策計算該等權益。租約付款按附註1(I)所述作會計處理。

(H) 其他物業、廠房及設備

下列持作自用物業按其重估金額（即其於重估日期之公平值減任何後續累積折舊）於資產負債表內列賬：

- 根據經營租約持有之土地及土地上之樓宇，而該等土地及樓宇之租賃權益之公平值為不能在租約開始時單獨計量，並且樓宇並不是根據經營租約明確持有（見附註1(I)）；及

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(H) OTHER PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

- buildings held for own use which are situated on leasehold land, where the fair value of the building could be measured separately from the fair value of the leasehold land at the inception of the lease (see note 1(I)).

Revaluations are performed with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from that which would be determined using fair values at the balance sheet date.

The other items of property, plant and equipment are stated in the balance sheet at cost less accumulated depreciation and impairment losses (see note 1(J)):

Changes arising on the revaluation of properties held for own use are generally dealt with in reserves. The only exceptions are as follows:

- when a deficit arises on revaluation, it will be charged to profit or loss to the extent that it exceeds the amount held in the reserve in respect of that same asset immediately prior to the revaluation; and
- when a surplus arises on revaluation, it will be credited to profit or loss to the extent that a deficit on revaluation in respect of that same asset had previously been charged to profit or loss.

1. 主要會計政策 (續)

(H) 其他物業、廠房及設備 (續)

- 位於租約土地上持作自用之樓宇，而該等樓宇之公平值為可自租約開始時與租賃土地之公平值分開計量 (見附註 1(I))。

重估會每相隔一段合適時間定期進行，確保該等資產之重估值與於結算日採用公平值釐定之價值並無重大偏差。

物業、廠房及設備之其他項目按成本減累積折舊及減值虧損於資產負債表內列賬 (見附註 1(J))；

因重估持作自用物業產生之變動一般在儲備內處理。僅有例外情況如下：

- 倘產生重估虧絀，變動將在損益表內扣除，直至超出於緊接重估前就有關資產於儲備內持有之金額為止；及
- 倘產生重估盈餘，變動將計入損益表，並以就同一項資產先前已於損益表內支銷之重估虧絀為限計算。

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(H) OTHER PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The cost of self-constructed items of property, plant and equipment includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads and borrowing costs (see note 1(V)).

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal. Any related revaluation surplus is transferred from the revaluation reserve to retained profits.

Depreciation is calculated to write off the cost or valuation of items of property, plant and equipment, less their estimated residual value, if any, using the straight line method over their estimated useful lives as follows:

- Buildings situated on leasehold land are depreciated over their estimated useful lives of 40 years.
- Furniture, equipment and other fixed assets are depreciated over 5 years.

Where parts of an item of property, plant and equipment have different useful lives, the cost or valuation of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

1. 主要會計政策 (續)

(H) 其他物業、廠房及設備 (續)

自行興建之物業、廠房及設備之成本，包括材料成本、直接勞工成本，及如適用，初步估計拆卸及搬遷項目以及恢復項目所在地原貌的成本，以及適當比例的其他生產成本和借貸成本（見附註1(V)）。

報廢或出售物業、廠房及設備項目所產生之損益，以出售所得款項淨額與項目之賬面金額之間差額釐定，並於報廢或出售日在損益表內確認。任何相關重估盈餘由重估儲備撥入保留溢利。

物業、廠房及設備項目於以下之預計可用年期限內以直線法撇銷成本或估值減其剩餘可使用價值（如有）以計算折舊：

- 座落在租賃土地之樓宇於其預計可用期限40年期間折舊。
- 傢俬和設備及其他固定資產分5年折舊。

當物業、廠房及設備項目之不同部分有不同使用年期時，項目之成本或估值在不同部分之間按合理基準分配，每個部分分開計算折舊。資產之可使用年期及其剩餘價值（如有）須每年檢討。

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) LEASED ASSETS

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

(ii) *Classification of assets leased to the Group*

Assets that are held by Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases, with the following exceptions:

- property held under operating leases that would otherwise meet the definition of an investment property is classified as an investment property on a property-by-property basis and, if classified as investment property, is accounted for as if held under a finance lease (see note 1(G)); and

1. 主要會計政策 (續)

(i) 租賃資產

倘本集團決定在約定的時期內將特定資產使用權出讓以換取一筆或一連串付款的安排，則包括一項交易或連串交易之該項安排為或包括一項租賃。該項決定乃基於安排內容的估值而作出並不計是否該安排採取法律形式的租賃。

(ii) *租賃予本集團資產之分類*

本集團根據租賃持有之資產，而其中絕大部分風險及擁有權利益均轉移至本集團之租約乃分類為融資租約。不會轉移絕大部分風險及擁有權利益之租賃乃分類為經營租約，惟以下例外：

- 倘根據經營租約持有之物業可另行符合投資物業之定義，則按個別物業之基準分類為投資物業，而倘分類為投資物業，則根據融資租約持有入賬（見附註1(G)）；及

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) LEASED ASSETS (CONTINUED)

(ii) Classification of assets leased to the Group (continued)

- land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease. For these purposes, the inception of the lease is the time that the lease was first entered into by the Group, or taken over from the previous lessee.

(iii) Operating lease charges

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

The cost of acquiring land held under an operating lease is amortised on a straight-line basis over the period of the lease term except where the property is classified as an investment property (see note 1(G)) or is held for development for sale (see note 1(K)(ii)).

1. 主要會計政策 (續)

(i) 租賃資產 (續)

(ii) 租賃予本集團資產之分類 (續)

- 根據經營租約持作自用之土地，而其公平值無法與於其上蓋興建之樓宇於租約生效時之公平值分開計量，有關土地則根據融資租約持有入賬，惟有有關樓宇已根據經營租約持有則例外。就此而言，租賃生效之時間為本集團首次訂立租賃之時間，或從先前承租人接管租賃之時間。

(iii) 經營租約費用

如屬本集團透過經營租約使用資產之情況，則根據租賃作出之付款會於租賃期所涵蓋之會計期間內，以等額在損益表扣除，惟如有其他基準能更清楚反映租賃資產所產生之收益模式則例外。租賃優惠於損益表確認為租賃淨付款總額之組成部分。或有租金在其產生之會計期間內在損益表扣除。

根據經營租約所持有土地之收購成本於租賃期內以直線法攤銷，惟該物業分類為投資物業（見附註1(G)）或持作發展供出售則例外。（見附註1(K)(ii)）。

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(J) IMPAIRMENT OF ASSETS

(i) *Impairment of investments in debt and equity securities and other receivables*

Investments in debt and equity securities and other current and non-current receivables that are stated at cost or amortised cost or are classified as available-for-sale securities are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. If any such evidence exists, any impairment loss is determined and recognised as follows:

- For unquoted equity securities carried at cost, the impairment loss is measured as the difference between the carrying amount of the financial asset and the estimated future cash flows, discounted at the current market rate of return for a similar financial asset where the effect of discounting is material. Impairment losses for equity securities are not reversed.
- For trade and other current receivables and other financial assets carried at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material.

1. 主要會計政策 (續)

(J) 資產減值

(i) *於債務及股本證券內之投資及其他應收款項之減值*

於債務及股本證券內之投資及其他流動及非流動應收款項若以成本或攤銷成本列示，或歸類為可供出售證券，將會於每個結算日被審閱以確定有否客觀減值證據。若存在任何有關證據，則按以下方式釐定及確認任何減值虧損：

- 就按成本列值之非報價股本證券而言，減值虧損乃按金融資產之賬面金額及估計未來現金流量（如折現的影響重大，則按類似金融資產的現行市場回報率折現）兩者之差額計算。股本證券的減值虧損不會被轉回。
- 就按攤銷成本列值的貿易及其他應收款項及其他金融資產而言，如貼現影響重大，減值虧損乃按資產賬面金額與估計未來現金流量按金融資產原有的實際利率（即在初始確認該等資產時計算的實際利率）貼現的現值兩者的差額計量。

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(J) IMPAIRMENT OF ASSETS (CONTINUED)

(i) Impairment of investments in debt and equity securities and other receivables (continued)

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

- For available-for-sale securities, the cumulative loss that has been recognised directly in equity is removed from equity and is recognised in profit or loss. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that asset previously recognised in profit or loss.

Impairment losses recognised in profit or loss in respect of available-for-sale equity securities are not reversed through profit or loss. Any subsequent increase in the fair value of such assets is recognised directly in equity.

1. 主要會計政策 (續)

(J) 資產減值 (續)

(i) 於債務及股本證券內之投資及其他應收款項之減值 (續)

若於其後的期間，減值虧損數額減少，而有關減少可客觀地與在確認減值虧損後發生的事件聯繫，則減值虧損會透過損益表撥回。減值虧損撥回不得導致資產賬面金額超出若在以往年度沒有確認減值虧損之金額。

- 就可供出售證券而言，已直接確認於權益中之累計虧損應從權益轉出並於損益表中確認。於損益表確認之累計虧損金額為收購成本（減去任何本金還款及攤銷）與現行公平值之差額，減去任何以前該資產於損益表中確認的減值虧損。

可供出售股本證券的減值虧損如已於損益表內確認，則不會透過損益表沖回。其後該資產公平值之任何增加會直接於權益中確認。

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(J) IMPAIRMENT OF ASSETS (CONTINUED)

(i) *Impairment of investments in debt and equity securities and other receivables (continued)*

Impairment losses in respect of available-for-sale debt securities are reversed if the subsequent increase in fair value can be objectively related to an event occurring after the impairment loss was recognised. Reversals of impairment losses in such circumstances are recognised in profit or loss.

(ii) *Impairment of other assets*

Internal and external sources of information are reviewed at each balance sheet date to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment (other than properties carried at revalued amounts);
- pre-paid interests in leasehold land classified as being held under an operating lease;
- investments in subsidiaries and associate (except for those classified as held for sale (or included in a disposal group that is classified as held for sale) (see note 1(W)); and
- goodwill.

1. 主要會計政策 (續)

(J) 資產減值 (續)

(i) 於債務及股本證券內之投資及其他應收款項之減值 (續)

若其後公平值的增加可客觀地與在確認減值虧損後發生的事件聯繫，則可供出售債券的減值虧損可被沖回。減值虧損在該情況下沖回會於損益表中確認。

(ii) 其他資產之減值

本集團會在每個結算日審閱內部及外部資料，以確定下列資產是否出現減值跡象，或(商譽除外)以往確認的減值虧損是否不再存在或已經減少：

- 物業、廠房及設備(按重估金額列值之物業除外)；
- 分類為經營租賃項下持有之租賃土地預付利息；
- 於附屬公司及聯營公司之投資，不包括該等投資被分類為持作出售(或包括在分類為持作出售之出售組別內)(參閱附註1(W))；及
- 商譽。

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(J) IMPAIRMENT OF ASSETS (CONTINUED)

(iii) Impairment of other assets (continued)

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, the recoverable amount is estimated annually whether or not there is any indication of impairment.

— Calculation of recoverable amount

The recoverable amount of an asset is the greater of its net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

1. 主要會計政策 (續)

(J) 資產減值 (續)

(iii) 其他資產之減值 (續)

倘若存在任何有關跡象，則會估計資產的可收回金額。此外，就商譽而言，會每年估計可收回金額，以確定是否有任何減值跡象。

— 計算可收回金額

資產之可收回金額為其售價淨額及使用價值之較高者。於評估使用價值時，估計未來現金流量乃按能反映現時市場對貨幣時間值及資產特定風險的評估的稅前貼現率，貼現至其現值。倘資產所產生的現金流入基本上不能獨立於其他資產所產生的現金流入，則以能產生獨立現金流入的最小資產組別 (即賺取現金單位) 來釐定可收回金額。

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(J) IMPAIRMENT OF ASSETS (CONTINUED)

(iii) Impairment of other assets (continued)

— Recognition of impairment losses

An impairment loss is recognised in profit or loss whether the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rate basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs to sell, or value in use, if determinable.

— Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

1. 主要會計政策 (續)

(J) 資產減值 (續)

(iii) 其他資產之減值 (續)

— 確認減值虧損

每當資產或其所屬的賺取現金單位的賬面金額超過其可收回金額，即會於損益表中確認減值虧損。就賺取現金單位確認的減值虧損，首先會分配予減少賺取現金單位（或一組單位）所獲分配的任何商譽賬面金額，然後再按比例減少該單位（或一組單位）中其他資產的賬面金額，惟個別資產賬面值不會減少至低於其本身的公平值減銷售成本或使用價值（若能釐定）。

— 撥回減值虧損

就商譽以外之資產而言，倘用以釐訂定收回金額之估計出現有利轉變，有關減值虧損將予撥回。商譽之減值虧損不會被撥回。

撥回之減值虧損以倘過往年度並未確認減值虧損而應已釐定之資產賬面金額為限。撥回之減值虧損乃於確認撥回之年度內計入損益表。

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(K) INVENTORIES

(i) Horticultural services

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the standard cost basis (which approximates the average actual cost) and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1. 主要會計政策 (續)

(K) 存貨

(i) 園藝服務

存貨以成本及可變現淨值兩者之較低者入賬。

成本乃根據標準成本基準 (即概約平均實際成本) 計算, 包括採購成本、轉換成本和將存貨運至現址及使其達至現時狀況所產生之成本。

可變現淨值按在日常業務過程中之估計售價, 減去估計完成成本及估計進行出售所需之其他成本計算。

於出售存貨後, 其賬面值計入相關收益確認之期間之費用。存貨撇減至可變現淨值之任何撇減金額和虧損之金額, 計入撇銷和虧損發生之期間之費用。撥回就存貨撇減之任何金額乃於撥回產生之期間確認為已確認存貨之減值及列作一項開支。

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(K) INVENTORIES (CONTINUED)

(iii) Property development

Inventories in respect of property development activities are carried at the lower of cost and net realisable value. Cost and net realisable values are determined as follows:

- Property under development for sale

The cost of properties under development for sale comprises specifically identified cost, including the acquisition cost of land, aggregate cost of development, materials and supplies, wages and other direct expenses, an appropriate proportion of overheads and borrowing cost capitalised (see note 1(V)). Net realisable value represents the estimated selling price less estimated costs of completion and costs to be incurred in selling the property.

- Completed property held for sale

In the case of completed properties developed by the Group, cost is determined by apportionment of the total development costs for that development project, attributable to the unsold properties. Net realisable value represents the estimated selling price less costs to be incurred in selling the property.

The cost of completed properties held for sale comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

1. 主要會計政策 (續)

(K) 存貨 (續)

(iii) 物業發展

與物業發展活動有關之存貨按成本及可變現淨值兩者之較低者入賬。成本及可變現淨值計算方式如下：

- 持作出售之發展中物業

持作出售之發展中物業之成本包括特別界定之成本，包括收購土地成本、發展、材料及供給、工資及其他直接費用之成本總額，與及按比例攤分之間接成本及資本化之借貸成本（見附註1(V)）。可變現淨值指估計售價減估計完成及出售物業所產生之成本。

- 持作轉售之落成物業

集團已發展完成物業之成本，按該發展項目中未售物業所佔發展總成本之部分釐定。可變現淨值指估計售價減估計出售物業產生之成本。

持作出售之落成物業之成本包括所有購買成本、轉換成本，以及將存貨達致其現有地點及狀況所產生之其他成本。

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(L) CONSTRUCTION CONTRACTS

The accounting policy for contract revenue is set out in note 1(T)(iv). When the outcome of a construction contract can be estimated reliably, contract costs are recognised as an expense by reference to the stage of completion of the contract at the balance sheet date. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately. When the outcome of a construction contract cannot be estimated reliably, contract costs are recognised as an expense in the period in which they are incurred.

Construction contracts in progress at the balance sheet date are recorded in the balance sheet at the net amount of costs incurred plus recognised profit less recognised losses and progress billings, and are presented in the balance sheet as the "Gross amount due from customers for contract work" (as an asset) or the "Gross amount due to customers for contract work" (as a liability), as applicable. Progress billings not yet paid by the customer are included in the balance sheet under "Trade and other receivables". Amounts received before the related work is performed are included in the balance sheet, as a liability, as "Advances received".

(M) TRADE AND OTHER RECEIVABLES

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost less impairment losses for bad and doubtful debts (see note 1(J)), except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts (see note 1(J)).

1. 主要會計政策 (續)

(L) 建造合約

合約收益之會計政策在附註1(T)(iv)內披露。倘一項建造合約之結果能可靠地估計，合約成本按於結算日完成比例計入費用。倘總合約成本超過總合約收益，可預見之虧損即時計入費用。倘合約結果不能可靠估計，合約成本於其產生期間計入費用。

於結算日在建工程之合約按已產生之成本加已確認溢利減已確認虧損和進度付款，於資產負債表內呈列為「合約客戶之欠款總額」（作為資產）或者「合約客戶應收款項總額」（作為債務）列賬。客戶未付之進度付款在資產負債表列為「貿易及其他應收賬項」。於相關工程履行前已付之款項在資產負債表內列為負債「已收預付款項」項下。

(M) 貿易及其他應收賬項

貿易及其他應收賬項最初按公平值列值，其後按攤銷成本減呆壞賬之減值虧損列值（見附註1(J)），惟應收賬項為向關連人士作出無固定還款期之免息貸款或折現之影響並不重大者除外。在該等情況下，應收賬項按成本減呆壞賬之減值虧損列值（見附註1(J)）。

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(N) INTEREST-BEARING BORROWINGS

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in profit or loss over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

(O) TRADE AND OTHER PAYABLES

Trade and other payables are initially recognised at fair value and are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(P) CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

(Q) EMPLOYEE BENEFITS

(i) *Short term employee benefits and contributions to defined contribution retirement plans*

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

1. 主要會計政策 (續)

(N) 計息借貸

計息借貸初步按公平值減應計之交易成本計算。初步確認後，計息借貸按攤銷成本列值，而成本與贖回之間之任何差額使用實際利率法於借貸年期內在損益表內確認。

(O) 貿易及其他應付賬項

貿易及其他應付賬項最初按公平值列值，其後按攤銷成本列值，除非折現之影響屬重大，在此情況下則按成本列值。

(P) 現金及現金等價物

現金及現金等價物包括銀行及手頭現金、銀行及其他金融機構之活期存款，以及可隨時兌換為已知數額之現金之短期高流動投資，該等投資所面對之價值變動風險並不重大，並為一般於購入時起計之三個月內到期。

(Q) 僱員福利

(i) *短期僱員福利以及界定退休計劃供款*

僱員就年內提供之服務享有薪酬、年度分紅、有薪年假、界定供款計劃供款以及非貨幣性福利等各種福利。如此等付款或結算獲遞延及影響並不重大，則按其現值列值。

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) EMPLOYEE BENEFITS (CONTINUED)

(iii) Share-based payments

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in a capital reserve within equity. The fair value is measured at grant date using the Black-Scholes Option Pricing Model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options that is expected to vest is reviewed. Any adjustment to the cumulative fair value recognised in prior years is charged/credited to the profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the capital reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of share options that vest (with a corresponding adjustment to the reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the share-based compensation reserve until either the option is exercised (when it is transferred to the share premium account) or the option expires (when it is released directly to retained profits).

1. 主要會計政策 (續)

(a) 僱員福利 (續)

(iii) 股份形式之付款

授予僱員之購股權之公平值計入僱員成本，並在權益中之資本儲備作相應增加。公平值按授出日期當日採用畢蘇期權定價模式計算，並計入授出購股權之條款與條件。倘僱員須於無條件有權享有該等購股權前須達到某些歸屬條件，則於歸屬期內攤分計入購股權之估計公平值總額，並計入該購股權將予歸屬之可能性。

於歸屬期間須對預期將予歸屬之購股權數目進行評估。對以往年度確認之累積公平值之任何調整，於進行檢討之年度計入／在損益表內扣除，並於資本儲備內作相應調整除非原有之僱員開支符合確認為資產之條件。於歸屬日期，確認為開支之金額須予調整，以反映實際上已歸屬之購股權數目（並於儲備內作相應調整），惟倘只因未能達到與本公司股份市價有關之歸屬條件而導致被沒收則除外。有關之權益部分在股份形式之之薪酬儲備內確認，直至有關之購股權已獲行使（其時轉撥入股份溢價賬）或購股權已屆滿（其時直接解除至保留溢利）為止。

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(R) INCOME TAX

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised directly in equity, in which case they are recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

1. 主要會計政策 (續)

(R) 所得稅

本年度之所得稅包括即期及遞延稅項資產及負債變動。除直接與權益有關之項目確認為權益外，現期稅項及遞延稅項資產及負債變動均於收益表內確認。

本期稅項是根據年內應課稅收入，按結算日已頒行或大致已頒行之稅率計算之預期應付稅項，並就過往年度的應付稅項作出調整。

遞延稅項之資產及負債乃分別來自資產及負債項目為財務報告目的所呈列之賬面值，與其就稅基計算之賬面值之可扣稅或須課稅暫時差額。遞延稅項資產亦可由尚未動用之稅務虧損及稅收抵免所產生。

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(R) INCOME TAX (CONTINUED)

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

1. 主要會計政策 (續)

(R) 所得稅 (續)

除若干有限之特別情況外，所有遞延稅項負債及遞延稅項資產（資產確認之上限乃基於未來有可能產生之稅務利潤並能沖銷已確認之遞延稅項資產）均被確認。足以支持確認可予扣減暫時差異所產生遞延稅項資產之日後應課稅溢利，包括因轉回現有應課稅暫時差異而產生之數額；但這些差異必須與同一稅務機關及同一應課稅實體有關，並預期在預計轉回可予扣減暫時差異之同一期間或遞延稅項資產所產生稅務虧損可予撥回或結轉之期間內轉回。在決定現有應課稅暫時差異是否足以支持確認由未使用稅項虧損及稅項撥回所產生的遞延稅項資產時，亦會採用同一準則，即須計及與同一稅務機關及同一應課稅實體有關的差異，並預期在能夠使稅項虧損或稅項撥回之期間內轉回。

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(R) INCOME TAX (CONTINUED)

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

1. 主要會計政策 (續)

(R) 所得稅 (續)

確認遞延稅項資產及負債之有限例外情況包括：不可扣稅商譽所產生之暫時差異、不影響會計或應稅溢利（如屬業務合併的一部分則除外）之資產或負債之初步確認，以及於附屬公司之投資之暫時差異，如為應課稅差異，只限於本集團控制轉回時間而且在可預見未來不大可能轉回之差異；或如屬可予扣減的差異，則只限於可在將來可能轉回的差異。

所確認之遞延稅項金額，乃按照各資產及負債項目原計劃之變現及償還方式，以其賬面值及於結算日所頒行或大致頒行之稅率所計算。遞延稅項資產及負債並未以折現法計算。

遞延稅項資產之賬面值會於每一個結算日予以評估。當不再可能產生足夠應課稅溢利以使用相關之稅務利益，則遞延稅項資產會相應地被減少至其預期可實現之數額。但如可能有足夠應課稅溢利，該減值將被撥回。

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(R) INCOME TAX (CONTINUED)

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
 - the same taxable entity; or
 - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realize the current tax liabilities on a net basis or realise and settle simultaneously.

1. 主要會計政策 (續)

(R) 所得稅 (續)

本期稅項結餘及遞延稅項結餘以及當中之變動乃各自分開呈列及不予沖銷。只有當符合以下之額外條件，而本公司或本集團擁有沖銷現期之稅項資產及稅項負債之法律權利，本期稅項資產才會與本期稅項負債抵銷，而遞延稅項資產則與遞延稅項負債抵銷：

- 就本期之稅項資產及負債而言，本公司或本集團計劃以淨額方式結算，或同時變現資產及償還負債；或
- 就遞延稅項資產及負債而言，如該資產及負債所產生之所得稅乃為同一個稅務機關所徵收，而：
 - 稅項乃為同一個繳稅單位；或
 - 對不同繳稅單位，但於每一個未來期間，意料到可觀之遞延稅項負債或資產或資產將被償還或回收，計劃以淨額方式變現本期之稅項資產及償還本期之稅項負債或同時變現及償還。

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) PROVISIONS AND CONTINGENT LIABILITIES

Provisions are recognised for liabilities of uncertain timing or amount when the Group or the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

1. 主要會計政策 (續)

(s) 準備及或然負債

當本集團或本公司因過去事項須承擔法定義務或推定義務，而履行該義務很可能需要付出經濟利益及有可靠估計時，則須就未確定時間或金額之負債確認準備。如果金錢之時間價值重大，準備會以履行義務預期所需支出之現值列報。

當不可能導致經濟利益流出，或其數額未能可靠地估計，除非經濟利益流出之可能性極小，否則須披露該義務為或然負債。其存在僅能以一項或數項未來事項之發生或不發生來證實之潛在責任，除非經濟利益流出之可能性極小，亦同時被披露為或然負債。

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(T) REVENUE RECOGNITION

Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in the profit or loss as follows:

(i) *Rental income from operating leases*

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned.

(ii) *Sale of properties*

Revenue arising from the sale of properties held for sale is recognised upon the signing of the sale and purchase agreement or the issue of an occupation permit by the relevant government authorities, whichever is the later. Deposits and instalments received on properties sold prior to the date of revenue recognition are included in the balance sheet under forward sales deposits and instalments received.

(iii) *Sale of goods*

Revenue is recognised when goods are delivered at the customers' premises which is taken to be the point in time when the customer has accepted the goods and the related risks and rewards of ownership. Revenue excludes value added tax or other sales taxes and is after deductible of any trade discounts.

1. 主要會計政策 (續)

(T) 收益確認

收益在本集團可取得經濟利益及收益可按下列基準可靠地計量時於損益表內確認：

(i) 經營租約之租金收入

應收經營租約之租金收入乃按等額分期於租賃期所涵蓋會計期間於損益表內確認，但如有其他基準更清楚地反映租賃資產所產生之收益模式則除外。就租賃給予之優惠措施於損益表中確認為應收租賃款項淨額總額之組成部分。或然租金於賺取該等租金之會計期間確認為收益。

(ii) 物業出售

來自持作出售之物業之出售收益於簽訂買賣協議時或由相關政府專責機構簽發入伙紙時(兩者中較遲者)被確認。於確認收益日期前就出售物業收取之按金及分期付款，列入資產負債表下已收之未來銷售按金及分期付款內。

(iii) 銷售貨物

收入於貨物送抵客戶處所，即客戶接收貨物之地點及因擁有該等貨物而產生之風險及回報之時確認。收入不包括增值稅或其他銷售稅，並於扣除任何貿易折扣後計算。

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(T) REVENUE RECOGNITION (CONTINUED)

(iv) Contract revenue

When the outcome of a construction contract can be estimated reliably:

- revenue from a fixed price contract is recognised using the percentage of completion method, measured by reference to the percentage of contract costs incurred to date to estimate total contract costs for the contract; and
- revenue from a cost plus contract is recognised by reference to the recoverable costs incurred during the period plus an appropriate proportion of the total fee, measured by reference to the proportion that costs incurred to date bear to the estimated total costs of the contract.

When the outcome of a construction contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable.

(v) Management fee income

Management fee income is recognised at the time when the services are rendered.

1. 主要會計政策 (續)

(T) 收益確認 (續)

(iv) 合約收益

倘建造合約之結果可被可靠地估計時：

- 來自固定價格合約之收益採用完成百分比法確認，乃參考迄今為止已產生之合約成本相當於估計合約之合約成本總額之百分比計量；及
- 來自成本加合約之收益，乃參考於該期間產生之可回收成本加費用總額之適當比例確認，而費用總額乃參考迄今為止所產生之成本相當於估計合約成本總額之比例計算。

倘建造合約之結果不能被可靠地估計，收入僅以所產生合約成本可能收回之部分確認。

(v) 管理費收入

管理費收入於提供服務後確認。

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(T) REVENUE RECOGNITION (CONTINUED)

(vi) Dividends

- Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established.
- Dividend income from listed investments is recognised when the share price of the investment goes ex-dividend.

(vii) Interest income

Interest income is recognised as it accrues using the effective interest method.

(u) TRANSLATION OF FOREIGN CURRENCIES

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the balance sheet date. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was determined.

1. 主要會計政策 (續)

(T) 收益確認 (續)

(vi) 股息

- 非上市投資之股息收入於股東收取付款之權利確定時確認。
- 上市投資之股息收入在該投資價格除息時確認。

(vii) 利息收入

利息收入乃採用實際利率法於其產生利息時確認。

(u) 外幣換算

於年內進行之外幣交易以交易日之適用外匯匯率換算。於結算日以外幣結算之貨幣資產及負債按該日之外匯匯率換算。匯兌盈虧則計入損益表內。

按過往成本以外幣為單位之非貨幣性資產及負債，按交易日之匯率換算。以公平值列賬的非貨幣性資產及負債按釐定其公平值當日適用之匯率換算。

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(u) TRANSLATION OF FOREIGN CURRENCIES (CONTINUED)

The results of foreign operations are translated into Hong Kong dollars at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Balance sheet items, including goodwill arising on consolidation of foreign operations acquired on or after 1 January 2005, are translated into Hong Kong dollars at the foreign exchange rates ruling at the balance sheet date. The resulting exchange differences are recognised directly in a separate component of equity. Goodwill arising on consolidation of a foreign operation acquired before 1 January 2005 is translated at the foreign exchange rate that applied at the date of acquisition of the foreign operation.

On disposal of a foreign operation, the cumulative amount of the exchange differences recognised in equity which relate to that foreign operation is included in the calculation of the profit or loss on disposal.

(v) BORROWING COSTS

Borrowing costs are expensed in profit or loss in the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

1. 主要會計政策 (續)

(u) 外幣換算 (續)

外國企業之業績乃按與交易日之外匯匯率相若之匯率換算為港元。資產負債表項目(包括於二零零五年一月一日或之後因合併所收購之外國企業產生之商譽)乃按結算日之外匯匯率換算為港元。產生之匯率差額直接於權益成分內獨立確認為一分開之項目。綜合於二零零五年一月一日之前收購之外國企業產生之商譽，按收購外國企業日期適用之外匯匯率換算。

於出售外國企業時，於權益內確認為有關該外國企業之匯兌差額之累計數額，乃計入出售之損益中。

(v) 借貸成本

借貸成本於發生期間在損益表確認，但與收購、建設或生產需要長時間才可以投入擬定用途或銷售的資產直接相關的借貸成本則會資本化。

屬於合資格資產成本一部分的借貸成本在用於資產的開支產生、產生借貸成本及使資產投入擬定用途或銷售所必需的準備工作進行期間開始資本化。當使合資格資產投入擬定用途或銷售所必需的絕大部分準備工作中止或完成時，借貸成本便會暫停或停止資本化。

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(w) NON-CURRENT ASSETS HELD FOR SALE

A non-current asset (or disposal group) is classified as held for sale if it is highly probable that its carrying amount will be recovered through a sale transaction rather than through continuing use and the asset (or disposal group) is available for sale in its present condition. A disposal group is a group of assets to be disposed of together as a group in a single transaction, and liabilities directly associated with those assets that will be transferred in the transaction.

Immediately before classification as held for sale, the measurement of the non-current assets (and all individual assets and liabilities in a disposal group) is brought up-to-date in accordance with the accounting policies before the classification. Then, on initial classification as held for sale and until disposal, the non-current assets (except for certain assets as explained below), or disposal groups, are recognised at the lower of their carrying amount and fair value less costs to sell. The principal exceptions to this measurement policy so far as the financial statements of the Group and the Company are concerned are deferred tax assets, assets arising from employee benefits, financial assets (other than investments in subsidiaries and associate) and investment properties. These assets, even if held for sale, would continue to be measured in accordance with the policies set out elsewhere in note 1.

Impairment losses on initial classification as held for sale, and on subsequent remeasurement while held for sale, are recognised in profit or loss. As long as a non-current asset is classified as held for sale, or is included in a disposal group that is classified as held for sale, the non-current asset is not depreciated or amortised.

1. 主要會計政策(續)

(w) 持作出售非流動資產

倘非流動資產(或出售組別)之賬面值很有可能將透過銷售交易而非透過持續使用而收回，而該資產(或出售組別)於其現況下可供出售，則會分類為持作出售。出售組別指一組將於單一交易中以一組別一併出售之資產，以及直接與該等資產相關關於交易中轉移之負債。

於緊接分類為持作出售前，非流動資產(及於出售組別內之所有個別資產及負債)之計量根據分類前之會計政策計至截至當日止。其後於初次分類為持作出售及直至出售之期間，非流動資產(不包括下列所解釋之若干資產)或出售組別按其賬面金額及公平值減出售成本之較低者列值。就本集團及本公司之財務報表而言，此一計量政策之主要例外為遞延稅項資產、僱員福利產生之資產、金融資產(不包括於附屬公司及聯營公司之投資)及投資物業。該等資產(即使列作持作出售)將持續根據附註1所載之政策計量。

於初次分類為持作出售以及於列作持作出售之期間重新計量而產生之減值虧損，在損益表內確認。只要非流動資產被分類為持作出售，或被列入歸類為持作出售之出售組別，該非流動資產即不予折舊及攤銷。

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(x) RELATED PARTIES

For the purposes of these financial statements, a party is considered to be related to the Group if:

- (i) the party has the ability, directly or indirectly through one or more intermediaries, to control the Group or exercise significant influence over the Group in making financial and operating policy decisions, or has joint control over the Group;
- (ii) the Group and the party are subject to common control;
- (iii) the party is an associate of the Group;
- (iv) the party is a member of key management personnel of the Group or the Group's parent, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;
- (v) the party is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals; or
- (vi) the party is a post-employment benefit plan which is for the benefit of employees of the Group or of any entity that is a related party of the Group.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

1. 主要會計政策 (續)

(x) 關聯人士

在編製本賬項時，與集團關聯人士是指：

- (i) 該人士有能力直接或間接透過一個或多個中介人控制，或可發揮重大影響本集團的財務及經營決策，或共同控制本集團；
- (ii) 本集團及該人士均受共同控制；
- (iii) 該人士屬本集團的聯營公司；
- (iv) 該人士屬本集團主要管理人員的成員、或屬該人的近親家庭成員、或受該等個別人士控制、或共同控制或重大影響的實體；
- (v) 該人士如屬(i)所指的近親家庭成員或受該等個別人士控制、或共同控制或重大影響的實體；
- (vi) 該人士屬提供福利予集團或與本集團關聯的實體的僱員離職後福利計劃。

個人的近親家庭成員指可影響，或受該個人影響，他們與該實體交易的家庭成員。

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(v) SEGMENT REPORTING

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

In accordance with the Group's internal financial reporting system, the Group has chosen business segment information as the primary reporting format and geographical segment information as the secondary reporting format for the purposes of these financial statements.

Segment revenue, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment. For example, segment assets may include inventories, trade receivables and property, plant and equipment. Segment revenue, expenses, assets, and liabilities are determined before intragroup balances and intragroup transactions are eliminated as part of the consolidation process, except to the extent that such intragroup balances and transactions are between group entities within a single segment. Inter-segment pricing is based on similar terms as those available to other external parties.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets (both tangible and intangible) that are expected to be used for more than one period.

Unallocated items mainly comprise financial and corporate assets, interest-bearing loans, borrowings, tax balances, corporate and financing expenses.

1. 主要會計政策 (續)

(v) 分類報告

分類乃指本集團可區分部分，包括提供之產品或服務（業務分類）或提供產品或服務之特定經濟環境（地區分類），均受有別於其他分類之風險及回報所影響。

根據本集團之內部財務報告制度，就此等財務報表而言，本集團選擇業務分類資料為主要報告形式，而地區分類資料則為次要報告形式。

分類收益、開支、業績、資產及負債包括直接劃分至該分類之項目及可合理劃分為該分類之項目。例如，分類資產可包括存貨、貿易應收賬款及物業、廠房及設備。分類收益、開支、資產及負債未計集團內公司間結算，集團內公司間交易則予以抵銷作為綜合處理之部分，惟該等集團內公司間之結餘及交易乃屬於一個單一類別內之集團實體之間之交易及結餘則除外。分類間交易之定價乃按給予外間人士之類似條款釐定。

分類資本開支乃指期內因收購預計可使用超過一個期間之分類資產（包括有形及無形資產）所產生之總成本。

未分配項目主要包括金融和企業資產、計息貸款、借貸、稅項結餘、企業及融資開支。

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

2. TURNOVER

The principal activities of the Group are property investment and management, property development and construction, and provision of horticultural services.

Turnover represents the rental income, proceeds from sales of properties, revenue from provision of property management services and revenue from provision of horticultural services. The amount of each significant category of revenue recognised in turnover during the year is as follows:

2. 營業額

本集團之主要業務為物業投資及管理、物業發展及建造及提供園藝服務。

營業額指租金收入、出售物業之所得款項、來自提供物業管理服務之收益及來自提供園藝服務之收益。年內於營業額確認之每一重大收入類別之金額如下：

| | | 2006 二零零六年 HK\$'000 千港元 | 2005 二零零五年 HK\$'000 千港元 |
|--|----------------|----------------------------------|----------------------------------|
| Gross rentals from investment and other properties | 來自投資及其他物業之租金總額 | 20,488 | 32,729 |
| Gross proceeds from properties sold | 來自已出售物業之所得款項總額 | 2,091 | 92,156 |
| Revenue from provision of property management services | 來自提供物業管理服務之收益 | 389 | 398 |
| Revenue from provision of horticultural services | 來自提供園藝服務之收益 | 3,201 | 3,066 |
| | | 26,169 | 128,349 |

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

3. OTHER REVENUE AND NET INCOME/(LOSS)

3. 其他收益及收入／（虧損）淨額

| | | 2006 二零零六年 HK\$'000 千港元 | 2005 二零零五年 HK\$'000 千港元 |
|--|---------------------|----------------------------------|----------------------------------|
| Other revenue | 其他收益 | | |
| Interest income | 利息收入 | | |
| – bank | – 銀行 | 139 | 81 |
| – others | – 其他 | 63 | 23 |
| | | 202 | 104 |
| Dividend income from unlisted securities | 非上市投資股息 | – | 142 |
| Others | 其他 | 107 | 160 |
| | | 309 | 406 |
| Other net income/(loss) | 其他收入／（虧損）淨額 | | |
| Net (loss)/gain on disposal of fixed assets | 出售固定資產 （虧損）／收益淨額 | (150) | 28,054 |
| Loss on disposal of other financial assets | 出售其他金融資產之虧損 | (208) | – |
| Provision for impairment of properties held for sale | 持作出售物業之減值撥備 | – | (360) |
| Impairment loss on available-for-sale equity securities | 可供出售股本證券 之減值虧損 | – | (2,027) |
| Impairment loss on property held for future development | 持作日後發展之物業 之減值虧損 | – | (67,500) |
| Revaluation losses on buildings | 樓宇重估虧損 | (48) | (18) |
| Write-off of long outstanding creditors | 撇銷長期未償還之應付賬款 | 2,358 | 704 |
| Net foreign exchange gain | 外匯收益淨額 | 17 | – |
| | | 1,969 | (41,147) |

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

4. PROFIT BEFORE TAXATION

4. 除稅前溢利

Profit before taxation is arrived at after charging/(crediting):

除稅前溢利已扣除／(計入)：

| | | 2006 二零零六年 HK\$'000 千港元 | 2005 二零零五年 HK\$'000 千港元 |
|--|---|----------------------------------|----------------------------------|
| (A) Finance costs | (A) 財務成本 | | |
| Interest on bank borrowings | 銀行借款利息 | | |
| – wholly repayable within five years | – 於五年內須悉數償還 | 17,083 | 14,850 |
| – repayable after five years | – 五年之後償還 | 7,291 | 5,318 |
| | | 24,374 | 20,168 |
| (B) Staff costs (including directors' remuneration) | (B) 員工成本 (包括董事酬金) | | |
| Contributions to defined contribution retirement plan | 界定退休計劃供款 | 290 | 346 |
| Equity settled share-based payment expenses | 以股份支付之開支 | – | 8,911 |
| Salaries, wages and other benefits | 薪金、工資及其他福利 | 24,072 | 21,110 |
| | | 24,362 | 30,367 |
| (C) Other items | (C) 其他項目 | | |
| Amortisation of land lease premium | 租賃土地費用攤銷 | 12 | 35 |
| Depreciation of fixed assets | 固定資產折舊 | 655 | 723 |
| Auditors' remuneration | 核數師酬金 | | |
| – audit services | – 審核服務 | 444 | 279 |
| – tax services | – 稅務服務 | 18 | 54 |
| – other services | – 其他服務 | 55 | 40 |
| Operating lease charges: minimum lease payments | 營業租約開支：最低租約付款 | | |
| – hire of plant and machinery | – 租用廠房及機器 | 9 | 9 |
| – hire of other assets (including property rentals) | – 租用其他資產 (包括物業租金) | 2,463 | 641 |
| Impairment loss for bad and doubtful debts | 呆壞賬減值虧損 | 379 | – |
| Bad debts written off | 壞賬撇銷 | 232 | – |
| Share of an associate's taxation | 應佔一間聯營公司稅項 | 230 | (185) |
| Rentals receivable from investment and other properties less direct outgoings of HK\$6,070,000 (2005: HK\$7,539,000) | 自投資及其他物業收取之租金減直接支出6,070,000港元 (二零零五年：7,539,000港元) | 14,418 | 25,190 |
| Cost of inventories (note 15(C)) | 存貨成本 (附註15(C)) | 2,130 | 73,507 |

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

5. INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT

5. 綜合收益表內之所得稅

(A) TAXATION IN THE CONSOLIDATED INCOME STATEMENT
REPRESENTS:

(A) 綜合收益表內稅項為：

| | |
|---|------------|
| Current tax – Hong Kong Profits Tax | 本期稅項－香港利得稅 |
| Under-provision in respect of prior years | 過往年度撥備不足 |
| Current tax – PRC Income Tax | 本期稅項－中國所得稅 |
| Over-provision in respect of prior years | 過往年度之超額撥備 |
| Deferred tax | 遞延稅項 |
| Origination and reversal of temporary differences | 暫時差異之產生及回撥 |

| 2006 二零零六年 HK\$'000 千港元 | 2005 二零零五年 HK\$'000 千港元 |
|----------------------------------|----------------------------------|
| 10 | 14 |
| (14) | — |
| 4,059 | 28,230 |
| 4,055 | 28,244 |

No provision for Hong Kong Profits Tax and PRC Income Tax for the year ended 31 December 2006 has been made as the Group has no estimated assessable profits arising in Hong Kong and the PRC for the year (2005: Nil).

由於本集團截至二零零六年十二月三十一日止年度於香港及中國並無產生估計應課稅溢利，故此並無作出香港利得稅及中國所得稅撥備（二零零五年：零）。

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

5. INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT
(CONTINUED)

5. 綜合收益表內之所得稅(續)

(B) RECONCILIATION BETWEEN TAX EXPENSE AND ACCOUNTING
PROFIT AT APPLICABLE TAX RATES:(B) 採用適用稅率計算之稅項開支與
會計溢利對賬：

| | | 2006 二零零六年 HK\$'000 千港元 | 2005 二零零五年 HK\$'000 千港元 |
|---|------------------------------------|----------------------------------|----------------------------------|
| Profit before tax | 除稅前溢利 | 154,587 | 140,306 |
| Notional tax on profit before tax, calculated at the rates applicable to profits in the countries concerned | 除稅前溢利之名義稅項， 按有關國家適用於溢利 之稅率計算 | 27,053 | 24,554 |
| Tax effect of non-deductible expenses | 不可扣除費用之稅務影響 | 1,585 | 752 |
| Tax effect of non-taxable income | 非課稅收入之稅務影響 | (1,310) | (8,545) |
| Tax effect of unused tax losses not recognised | 未確認之未用稅項虧損 之稅務影響 | 7,788 | 18,738 |
| Tax effect of prior years' tax losses utilised this year | 本年動用過往年度之稅項 虧損之稅務影響 | (403) | (1,554) |
| Tax effect of share of profit of an associate | 應佔一間聯營公司溢利 之稅務影響 | (31,162) | (5,333) |
| Under-provision in prior years – Hong Kong Profit Tax | 過往年度撥備不足 – 香港利得稅 | 10 | 14 |
| Over-provision in prior years – PRC Income Tax | 過往年度超額撥備 – 中國所得稅 | (14) | – |
| Others | 其他 | 508 | (382) |
| Actual tax expense | 實際稅項開支 | 4,055 | 28,244 |

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

6. DIRECTORS' REMUNERATION

Directors' remuneration disclosed pursuant to section 161 of the Hong Kong Companies Ordinance is as follows:

6. 董事酬金

根據香港公司條例第161條披露之董事酬金如下：

| | | Salaries, allowances and benefits | | | Share- based | Retirement scheme | 2006 Total |
|--------------------------------------|----------------|---|-----------------|----------|-----------------|----------------------|---------------|
| | Directors' fee | in kind | Discretionary | payments | contributions | | |
| | 董事袍金 | 薪金、津貼 及實物利益 | bonuses 酌情花紅 | 支付股份 | 退休計劃供款 | 二零零六年 合計 | |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | |
| | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | |
| Executive directors: | 執行董事： | | | | | | |
| Cheong Pin Chuan, Patrick | 鍾斌銓 | – | 2,176 | – | 12 | 2,188 | |
| Cheong Kim Pong | 鍾金榜 | – | 98 | – | – | 98 | |
| Cheong Sim Eng | 鍾榮榮 | – | 1,317 | 1,500 | 12 | 2,829 | |
| Independent non-executive directors: | 獨立非執行董事： | | | | | | |
| Kan Fook Yee | 簡福飴 | 100 | – | – | – | 100 | |
| Lai Hing Chiu, Dominic | 黎慶超 | 100 | – | – | – | 100 | |
| Chan Yee Hoi, Robert | 陳以海 | 100 | – | – | – | 100 | |
| Non-executive directors: | 非執行董事： | | | | | | |
| Lim Ghee | 林義 | – | – | 300 | – | 300 | |
| Cheong Hooi Kheng (note (i)) | 鍾惠卿（附註(i)） | – | 143 | – | 7 | 150 | |
| | | 300 | 3,734 | 1,800 | 31 | 5,865 | |

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

6. DIRECTORS' REMUNERATION (CONTINUED)

6. 董事酬金 (續)

| | | Salaries, allowances and benefits | | Discretionary | Share-based payments | Retirement scheme | 2005 |
|--------------------------------------|-------------|-----------------------------------|----------|---------------|----------------------|-------------------|----------|
| | | in kind | | bonuses | (note (ii)) | contributions | Total |
| | | 薪金、津貼及實物利益 | | 酌情花紅 | 支付股份 (附註(ii)) | 退休計劃供款 | 二零零五年合計 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| Executive directors: | 執行董事： | | | | | | |
| Cheong Pin Chuan, Partick | 鍾斌銓 | – | 1,755 | – | 2,228 | 12 | 3,995 |
| Cheong Kim Pong | 鍾金榜 | – | 93 | – | 2,228 | – | 2,321 |
| Cheong Sim Eng | 鍾榮榮 | – | 1,317 | 500 | 2,228 | 12 | 4,057 |
| Independent non-executive directors: | 獨立非執行董事： | | | | | | |
| Kan Fook Yee | 簡福齡 | 100 | – | – | – | – | 100 |
| Lai Hing Chiu, Dominic | 黎慶超 | 100 | – | – | – | – | 100 |
| Chan Yee Hoi, Robert | 陳以海 | 100 | – | – | – | – | 100 |
| Non-executive directors: | 非執行董事： | | | | | | |
| Lim Ghee | 林義 | 200 | – | – | – | – | 200 |
| Cheong Hooi Kheng (note (i)) | 鍾惠卿 (附註(i)) | – | 143 | – | 2,227 | 7 | 2,377 |
| | | 500 | 3,308 | 500 | 8,911 | 31 | 13,250 |

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

6. DIRECTORS' REMUNERATION (CONTINUED)

Notes: (i) Ms. Cheong Hooi Kheng's directorship is alternate to Madam Lim Ghee.

- (ii) These represented the estimated value of share options granted to certain directors under the Company's share option scheme. The value of these share options is measured according to the Group's accounting policies for share-based payment transactions as set out in note 1(Q)(ii). The details of these benefits in kind, including the principal terms and number of options granted, are disclosed under the paragraph "Share option scheme" in note 22.

The above emoluments do not include the monetary value of the rent-free accommodation provided to Mr. Cheong Pin Chuan, Patrick, an executive director of the Company, through a property owned by the Group. During the year, the monetary value of such residential accommodation provided to this executive director based on the tenancy agreement entered into by the Group was HK\$720,000 (2005: HK\$720,000).

6. 董事酬金 (續)

附註：(i) 鍾惠卿女士為林義女士之替任董事。

- (ii) 該等酬金相當於根據本公司購股權計劃授予若干董事之購股權之估計價值。該等購股權之價值，乃按附註1(Q)(ii)所載本集團有關支付股份交易之會計政策計量。該等實物利益之詳情(包括所授購股權之主要條款及數目)，披露於附註22「購股權計劃」一段。

上述酬金不包括由本集團擁有而由本公司一名執行董事鍾斌銓先生使用之免租住宅單位之貨幣價值。本年內，根據本集團就類似物業訂立之租約協議，提供予該名執行董事之住宅單位之貨幣價值為720,000港元(二零零五年：720,000港元)。

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

7. INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, two (2005: four) are directors whose emoluments are disclosed in note 6. The aggregate of the emoluments in respect of the other three (2005: one) individuals are as follows:

| | |
|---------------------------------|---------|
| Salaries and other emoluments | 薪金及其他薪酬 |
| Discretionary bonuses | 酌情花紅 |
| Retirement scheme contributions | 退休計劃供款 |

The emoluments of three individuals (2005: one) with the highest emoluments are within the following bands:

| | |
|-------------------------------|-----------------------|
| HK\$1,500,001 – HK\$2,000,000 | 1,500,001元–2,000,000元 |
| HK\$3,000,001 – HK\$3,500,000 | 3,000,001元–3,500,000元 |
| HK\$4,000,001 – HK\$4,500,000 | 4,000,001元–4,500,000元 |
| HK\$5,000,001 – HK\$5,500,000 | 5,000,001元–5,500,000元 |

7. 最高薪酬人士

五名最高薪酬人士中，二名(二零零五年：四名)為董事，其權益於附註6中披露。另三名(二零零五年：一名)人士之薪酬總額如下：

| 2006 二零零六年 HK\$'000 千港元 | 2005 二零零五年 HK\$'000 千港元 |
|----------------------------------|----------------------------------|
| 6,301 | 3,491 |
| 3,530 | 500 |
| 36 | 12 |
| 9,867 | 4,003 |

三名(二零零五年：一名)最高薪酬人士之薪酬在以下範圍內：

| 2006 二零零六年 Number individuals 人數 | 2005 二零零五年 Number individuals 人數 |
|--|--|
| 1 | – |
| 1 | – |
| – | 1 |
| 1 | – |

8. PROFIT ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY

The consolidated profit attributable to equity shareholders of the Company includes a loss of HK\$441,000 (2005: HK\$9,267,000) which has been dealt with in the financial statements of the Company.

8. 本公司權益持有人應佔溢利

本公司權益持有人應佔綜合溢利包括441,000港元之虧損(二零零五年：9,267,000港元)，該虧損已於本公司財務報表中處理。

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

9. EARNINGS PER SHARE

(A) BASIC EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of HK\$150,532,000 (2005: HK\$115,131,000) and the weighted average of 1,492,410,986 (2005: 1,492,410,986) ordinary shares in issue during the year.

(B) DILUTED EARNINGS PER SHARE

The calculation of diluted earnings per share for the year ended 31 December 2006 is based on the profit attributable to ordinary equity shareholders of the Company of HK\$150,532,000 (2005: HK\$115,131,000) and the weighted average number of ordinary shares of 1,502,927,847 (2005: 1,503,304,597) shares, calculated as follows:

9. 每股盈利

(A) 每股基本盈利

每股基本盈利乃根據年內本公司普通股股東應佔溢利 150,532,000 港元(二零零五年：115,131,000 港元)及年內已發行普通股股份之加權平均數 1,492,410,986 股(二零零五年：1,492,410,986 股)計算。

(B) 每股攤薄盈利

截至二零零六年十二月三十一日止年度之每股攤薄盈利乃根據本公司普通股股東應佔溢利 150,532,000 港元(二零零五年：115,131,000 港元)及普通股股份之加權平均數 1,502,927,847 股(二零零五年：1,503,304,597 股)計算，其計算如下：

| | | 2006 二零零六年 | 2005 二零零五年 |
|--|--------------------------------|---------------|---------------|
| Weighted average number of ordinary shares at 31 December | 於十二月三十一日之普通股股份之加權平均數 | 1,492,410,986 | 1,492,410,986 |
| Effect of deemed issue of shares under the Company's share option scheme for nil consideration (note 22) | 根據本公司之購股權計劃(附註22)視為以零代價發行股份之影響 | 10,516,861 | 10,893,611 |
| Weighted average number of ordinary shares (diluted) at 31 December | 於十二月三十一日之普通股股份(攤薄)之加權平均數 | 1,502,927,847 | 1,503,304,597 |

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

10. SEGMENT REPORTING

Segment information is presented in respect of the Group's business and geographical segments. Business segment information is chosen as the primary reporting format because this is more relevant to the Group's internal financial reporting.

BUSINESS SEGMENTS

The Group comprises the following main business segments:

Property investment and management: the leasing of properties to generate rental income and to gain from the appreciation in the properties' values in the long term, and provision of building management services.

Property construction and development: the development, construction and sale of properties, and project management.

Horticultural services: the provision for horticultural services.

10. 分類申報

分類資料乃按本集團之業務及地區分類呈列。因業務分類資料較近似本集團之內部財務報告方式，故其被選為主要申報形式。

業務分類

本集團主要包括以下業務分類：

物業投資及管理：租賃物業以賺取租金收入及獲取長期物業升值收益，及提供樓宇管理服務。

物業建造及發展：發展、建造及銷售物業，以及項目管理。

園藝服務：提供園藝服務。

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

10. SEGMENT REPORTING (CONTINUED)

10. 分類申報(續)

BUSINESS SEGMENTS (CONTINUED)

業務分類(續)

| | | Property investment and management | | Property construction and development | | Horticultural services | | Inter-segment elimination | | Unallocated | | Consolidated | |
|---|---------------|---------------------------------------|----------|--|----------|---------------------------|----------|------------------------------|----------|-------------|----------|--------------|----------|
| | | 物業投資及管理 | | 物業建造及發展 | | 園藝服務 | | 內部分類之間撇銷 | | 未分配 | | 綜合 | |
| | | 2006 | 2005 | 2006 | 2005 | 2006 | 2005 | 2006 | 2005 | 2006 | 2005 | 2006 | 2005 |
| | | 二零零六年 | 二零零五年 | 二零零六年 | 二零零五年 | 二零零六年 | 二零零五年 | 二零零六年 | 二零零五年 | 二零零六年 | 二零零五年 | 二零零六年 | 二零零五年 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| Revenue from external customers | 銷予對外客戶之收益 | 21,115 | 119,917 | 1,853 | 5,366 | 3,201 | 3,066 | - | - | - | - | 26,169 | 128,349 |
| Inter-segment revenue | 內部分類之間之收益 | 761 | 2,835 | 11,912 | 3,657 | 16 | 28 | (12,689) | (6,520) | - | - | - | - |
| Other revenue from external customers | 來自對外客戶之其他收益 | 73 | 133 | 28 | 16 | 4 | - | - | - | 2 | 153 | 107 | 302 |
| Total | 總計 | 21,949 | 122,885 | 13,793 | 9,039 | 3,221 | 3,094 | (12,689) | (6,520) | 2 | 153 | 26,276 | 128,651 |
| Segment result | 分類業績 | 31,662 | 221,831 | 11,261 | (64,828) | 6 | 114 | (12,689) | (6,520) | (29,551) | (20,699) | 689 | 129,898 |
| Unallocated operating income and expenses | 未分配經營收入及開支 | | | | | | | | | | | 202 | 104 |
| Profit from operations | 經營溢利 | | | | | | | | | | | 891 | 130,002 |
| Finance costs | 融資成本 | | | | | | | | | | | (24,374) | (20,168) |
| Share of profit of an associate | 應佔一間聯營公司之溢利 | 178,070 | 30,472 | - | - | - | - | - | - | - | - | 178,070 | 30,472 |
| Income tax | 所得稅 | | | | | | | | | | | (4,055) | (28,244) |
| Profit for the year | 本年溢利 | | | | | | | | | | | 150,532 | 112,062 |
| Depreciation and amortisation for the year | 年內折舊及攤銷 | 173 | 345 | 2 | 1 | 65 | 57 | | | | | | |
| Impairment loss on property held for future development | 持作日後發展之物業減值虧損 | - | - | - | 67,500 | - | - | | | | | | |

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10. SEGMENT REPORTING (CONTINUED)

10. 分類申報 (續)

BUSINESS SEGMENTS (CONTINUED)

業務分類 (續)

| | | Property investment and management | | Property construction and development | | Horticultural services | | Consolidated | |
|---|------------|---------------------------------------|-----------|--|----------|------------------------|----------|--------------|-----------|
| | | 物業投資及管理 | | 物業建造及發展 | | 園藝服務 | | 綜合 | |
| | | 2006 | 2005 | 2006 | 2005 | 2006 | 2005 | 2006 | 2005 |
| | | 二零零六年 | 二零零五年 | 二零零六年 | 二零零五年 | 二零零六年 | 二零零五年 | 二零零六年 | 二零零五年 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| Segment assets | 分類資產 | 2,000,436 | 1,986,916 | 12,995 | 14,610 | 996 | 790 | 2,014,427 | 2,002,316 |
| Interest in an associate | 於一間聯營公司之權益 | 612,771 | 393,602 | — | — | — | — | 612,771 | 393,602 |
| Unallocated assets | 未分配資產 | | | | | | | 13,804 | 10,262 |
| Total assets | 總資產 | | | | | | | 2,641,002 | 2,406,180 |
| Segment liabilities | 分類負債 | 749,599 | 698,688 | 6,187 | 5,807 | 216 | 93 | 756,002 | 704,588 |
| Unallocated liabilities | 未分配負債 | | | | | | | 710 | 9,032 |
| Total liabilities | 總負債 | | | | | | | 756,712 | 713,620 |
| Capital expenditure incurred during the year | 本年內之資本開支 | 10,780 | 94 | 14 | — | 305 | 3 | | |

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For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

10. SEGMENT REPORTING (CONTINUED)

GEOGRAPHICAL SEGMENTS

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets and capital expenditure are based on the geographical location of the assets.

10. 分類申報(續)

地區分類

於按地區分類呈列資料時，分類收益乃按客戶地點分類。分類資產及資本開支則按資產地點分類。

| | | Hong Kong and Mainland China 香港及中國內地 | | Singapore 新加坡 | | Total 總計 | |
|--|-------------|--|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | | 2006 二零零六年 HK\$'000 千港元 | 2005 二零零五年 HK\$'000 千港元 | 2006 二零零六年 HK\$'000 千港元 | 2005 二零零五年 HK\$'000 千港元 | 2006 二零零六年 HK\$'000 千港元 | 2005 二零零五年 HK\$'000 千港元 |
| Revenue from external customers | 銷予對外客戶之收益 | 26,169 | 128,349 | — | — | 26,169 | 128,349 |
| Other revenue from external customers | 來自對外客戶之其他收益 | 107 | 302 | — | — | 107 | 302 |
| Segment assets | 分類資產 | 2,028,144 | 2,012,439 | 612,858 | 393,741 | 2,641,002 | 2,406,180 |
| Capital expenditure incurred during the year | 本年內之資本開支 | 14,198 | 678 | — | — | 14,198 | 678 |

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11. FIXED ASSETS

11. 固定資產

(A) THE GROUP

(A) 本集團

| | | | | | | | | | Interests in leasehold land held for own use under | |
|--|---|---|------------------------------------|---|---|---|--|---|--|--|
| | Buildings held for own use carried at fair value 以公平值列賬之 持作自用樓宇 HK\$'000 千港元 | Furniture, equipment and other fixed assets 傢俬、設備 及其他 固定資產 HK\$'000 千港元 | Sub-total 小計 HK\$'000 千港元 | Investment property 投資物業 HK\$'000 千港元 | Property development 持作日後 發展之物業 HK\$'000 千港元 | Property held for future 於根據經營 租約持作自 用租賃土地 之權益 HK\$'000 千港元 | operating leases 租賃 HK\$'000 千港元 | Total fixed assets 固定資產 總值 HK\$'000 千港元 | | |
| Cost or valuation: | | | | | | | | | | |
| At 1 January 2005 | 於二零零五年一月一日 | 6,490 | 12,711 | 19,201 | 1,800,640 | 215,652 | 30,300 | 2,065,793 | | |
| Exchange adjustments | 匯兌調整 | - | (6) | (6) | - | - | - | (6) | | |
| Reclassified to property held for sale | 重新歸類為持作 出售物業 | - | - | - | - | (32,252) | - | (32,252) | | |
| Additions | 添置 | - | 678 | 678 | - | - | - | 678 | | |
| Disposal | 出售 | (6,000) | (138) | (6,138) | - | - | (29,700) | (35,838) | | |
| Deficit on revaluation | 重估虧絀 | (18) | - | (18) | - | - | - | (18) | | |
| Less: elimination of accumulated depreciation | 減：累積折舊對銷 | (12) | - | (12) | - | - | - | (12) | | |
| Fair value adjustment | 公平值調整 | - | - | - | 166,000 | - | - | 166,000 | | |
| At 31 December 2005 | 於二零零五年 十二月三十一日 | 460 | 13,245 | 13,705 | 1,966,640 | 183,400 | 600 | 2,164,345 | | |
| Representing: | | | | | | | | | | |
| Cost | 原值 | - | 13,245 | 13,245 | - | 183,400 | 600 | 197,245 | | |
| Valuation 2005 | 估值—二零零五年 | 460 | - | 460 | 1,966,640 | - | - | 1,967,100 | | |
| | | 460 | 13,245 | 13,705 | 1,966,640 | 183,400 | 600 | 2,164,345 | | |
| At 1 January 2006 | 於二零零六年一月一日 | 460 | 13,245 | 13,705 | 1,966,640 | 183,400 | 600 | 2,164,345 | | |
| Exchange adjustments | 匯兌調整 | - | 22 | 22 | - | - | - | 22 | | |
| Additions | 添置 | - | 3,484 | 3,484 | 7,037 | - | - | 10,521 | | |
| Disposal | 出售 | - | (3,200) | (3,200) | (320) | - | - | (3,520) | | |
| Deficit on revaluation | 重估虧絀 | (48) | - | (48) | - | - | - | (48) | | |
| Less: elimination of accumulated depreciation | 減：累積折舊對銷 | (12) | - | (12) | - | - | - | (12) | | |
| Fair value adjustment | 公平值調整 | - | - | - | 20,963 | - | - | 20,963 | | |
| At 31 December 2006 | 於二零零六年 十二月三十一日 | 400 | 13,551 | 13,951 | 1,994,320 | 183,400 | 600 | 2,192,271 | | |
| Representing: | | | | | | | | | | |
| Cost | 原值 | - | 13,551 | 13,551 | - | 183,400 | 600 | 197,551 | | |
| Valuation 2006 | 估值—二零零六年 | 400 | - | 400 | 1,994,320 | - | - | 1,994,720 | | |
| | | 400 | 13,551 | 13,951 | 1,994,320 | 183,400 | 600 | 2,192,271 | | |

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11. FIXED ASSETS (CONTINUED)

11. 固定資產(續)

(A) THE GROUP (CONTINUED)

(A) 本集團(續)

| | | Buildings held for own use carried at fair value | Furniture, equipment and other fixed assets 傢俬、設備及其他固定資產 | Sub-total 小計 | Investment property 投資物業 | Property held for future development 持作日後發展之物業 | Interests in leasehold land held for own use under operating leases 於根據經營租約持作自用租賃土地之權益 | Total fixed assets 固定資產總值 |
|---|-----------------|--|--|--------------|--------------------------|--|--|---------------------------|
| | | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |
| Accumulated amortisation and depreciation: | 累積攤銷及折舊： | | | | | | | |
| At 1 January 2005 | 於二零零五年一月一日 | - | 11,146 | 11,146 | - | 135,652 | 322 | 147,120 |
| Exchange adjustments | 匯兌調整 | - | (6) | (6) | - | - | - | (6) |
| Reclassified to property held for sale | 重新歸類為持作出售物業 | - | - | - | - | (19,752) | - | (19,752) |
| Charge for the year | 本年度支出 | 112 | 611 | 723 | - | - | 35 | 758 |
| Impairment loss | 減值虧損 | - | - | - | - | 67,500 | - | 67,500 |
| Written back on disposal | 出售後撥回 | (100) | (121) | (221) | - | - | (233) | (454) |
| Elimination on revaluation | 重估時對銷 | (12) | - | (12) | - | - | - | (12) |
| At 31 December 2005 | 於二零零五年十二月三十一日 | - | 11,630 | 11,630 | - | 183,400 | 124 | 195,154 |
| At 1 January 2006 | 於二零零六年一月一日 | - | 11,630 | 11,630 | - | 183,400 | 124 | 195,154 |
| Exchange adjustments | 匯兌調整 | - | 22 | 22 | - | - | - | 22 |
| Charge for the year | 本年度支出 | 12 | 643 | 655 | - | - | 12 | 667 |
| Written back on disposal | 出售後撥回 | - | (3,029) | (3,029) | - | - | - | (3,029) |
| Elimination on revaluation | 重估時對銷 | (12) | - | (12) | - | - | - | (12) |
| At 31 December 2006 | 於二零零六年十二月三十一日 | - | 9,266 | 9,266 | - | 183,400 | 136 | 192,802 |
| Net book value: | 賬面淨值： | | | | | | | |
| At 31 December 2006 | 於二零零六年十二月三十一日 | 400 | 4,285 | 4,685 | 1,994,320 | - | 464 | 1,999,469 |
| At 31 December 2005 | 於二零零五年十二月三十一日 | 460 | 1,615 | 2,075 | 1,966,640 | - | 476 | 1,969,191 |

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For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

11. FIXED ASSETS (CONTINUED)

(A) THE GROUP (CONTINUED)

Impairment loss

Impairment loss of approximately HK\$67,500,000 was recognised on property held for future development for the year ended 31 December 2005. In prior years, the land, which is located in the People's Republic of China (the "PRC"), was planned to be developed in four phases as a comprehensive private housing development, and the Group has completed certain portion of the first phase of this development project. In view of the market condition and the economic policy of the PRC government, the Group postponed the further development to wait for an opportune time. As at the balance sheet date, the directors were of the view that development would not be recommenced in the foreseeable future and assessed the recoverable amount of the undeveloped land on such basis. Based on this assessment, the carrying amount of this portion of land was written down by HK\$67,500,000. The estimates of recoverable amount were based on the experience of the Company's directors by reference to the PRC property market.

- (B) All investment properties of the Group were revaluated as at 31 December 2006 on an open market value basis calculated by reference to recent market transactions in comparable properties (2005: net rental income allowing for reversionary income potential). The valuations were carried out by an independent firm of CB Richard Ellis Limited (2005: Savills Valuation and Professional Services Limited), who have among their staff Fellows of the Hong Kong Institute of Surveyors with recent experience in the location and category of property being valued.

11. 固定資產 (續)

(A) 本集團 (續)

減值虧損

於截至二零零五年十二月三十一日止年度，持作日後發展之物業已確認減值虧損約為67,500,000港元。於過往年度，計劃將該位於中華人民共和國（「中國」）境內之土地分四期發展為綜合性私人住宅，且本集團已完成該發展項目之第一期若干部分。鑑於市場狀況及中國政府之經濟政策，本集團押後進一步發展，以候適當時機。截至結算日，董事認為於可見將來不會重新開始發展該項目，並據該等基準評估未發展土地之可收回金額。根據是項評估，該部分土地之賬面值撇減67,500,000港元。對可收回款項之估計乃基於本公司董事之經驗並參考中國物業市場作出。

- (B) 於二零零六年十二月三十一日，本集團所有投資物業進行重估。重估以公開市值計算並參考可比物業之近期市場交易（二零零五年：就復歸收入潛力作出之淨租金收入準備）進行。估值由獨立公司世邦魏理仕有限公司（二零零五年：第一太平戴維斯估值及專業顧問有限公司）（彼擁有屬於香港測量師學會資深會士之員工並對位於所估物業地點及類別有較近之經驗）進行。

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For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

11. FIXED ASSETS (CONTINUED)

- (c) The buildings held by the Group for own use were revalued as at 31 December 2006 at their open market value by reference to recent market transactions in comparable properties. The valuations were carried out by an independent firm of CB Richard Ellis Limited (2005: Savills Valuation and Professional Services Limited), who have among their staff Fellows of the Hong Kong Institute of Surveyors with recent experience in the location and category of property being valued.

The revaluation deficits of HK\$48,000 (2005: HK\$18,000) have been transferred to the income statement of the Group.

Had these buildings held for own use been carried at cost less accumulated depreciation, the carrying amounts would have been HK\$551,000 (2005: HK\$570,000).

11. 固定資產(續)

- (c) 於二零零六年十二月三十一日，本集團持作自用樓宇進行重估。重估以經參考相關市場獲得之可比銷售得出之公開市價為基準。估值由獨立公司世邦魏理仕有限公司(二零零五年：第一太平戴維斯估值及專業顧問有限公司)(彼擁有屬於香港測量師學會資深會士之員工並對位於所估值物業地點及類別有較近之經驗)進行。

重估虧絀48,000港元(二零零五年：18,000港元)已轉入本集團之收益表。

倘該等持作自用樓宇按成本減累積折舊列賬，其賬面值將為551,000港元(二零零五年：570,000港元)。

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11. FIXED ASSETS (CONTINUED)

- (b) The analysis of net book value of properties is as follows:

11. 固定資產 (續)

- (b) 物業賬面淨值分析如下：

| | | The Group 本集團 | |
|--------------------------------------|---------------|----------------------------------|----------------------------------|
| | | 2006 二零零六年 HK\$'000 千港元 | 2005 二零零五年 HK\$'000 千港元 |
| In Hong Kong | 位於香港 | | |
| – long leases | – 長期租賃 | 1,989,000 | 1,961,000 |
| – medium-term leases | – 中期租賃 | 1,184 | 1,576 |
| | | 1,990,184 | 1,962,576 |
| Outside Hong Kong | 香港以外 | | |
| – long leases | – 長期租賃 | 5,000 | 5,000 |
| | | 1,995,184 | 1,967,576 |
| Representing: | 相當於： | | |
| Buildings held for own use | 以公平值列賬之持作自用樓宇 | 400 | 460 |
| carried at fair value | | | |
| Investment property | 投資物業 | 1,994,320 | 1,966,640 |
| Interests in leasehold land held for | 於根據經營租約持作 | | |
| own use under operating leases | 自用租賃土地之權益 | 464 | 476 |
| | | 1,995,184 | 1,967,576 |

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11. FIXED ASSETS (CONTINUED)

(E) FIXED ASSETS LEASED OUT UNDER OPERATING LEASES

The Group leases out investment property under operating leases. The leases typically run for an initial period of one year, with an option to renew the lease after that date at which time all terms are renegotiated. Lease payments are usually reviewed every year to reflect market rentals. None of the leases includes contingent rentals.

All properties held under operating leases that would otherwise meet the definition of investment property are classified as investment property.

The Group's total future minimum lease payments under non-cancellable operating leases are receivable as follows:

| | |
|---------------------------------|----------|
| Within 1 year | 1年以內 |
| After 1 year but within 5 years | 1年以上5年以內 |

11. 固定資產(續)

(E) 根據經營租約出租之固定資產

本公司根據經營租約出租投資物業，初步租期通常為一年，到期後可選擇就條款重新磋商以續租。租金通常每年進行考察以反映市場租金水平。概無租賃包含或然租金。

所有根據經營租約持有並符合投資物業定義之物業歸類為投資物業。

本集團根據不可撤銷經營租約之未來應收最低租金總額如下：

| 2006 二零零六年 HK\$'000 千港元 | 2005 二零零五年 HK\$'000 千港元 |
|----------------------------------|----------------------------------|
| 6,437 | 9,387 |
| — | — |
| 6,437 | 9,387 |

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12. INVESTMENTS IN SUBSIDIARIES

12. 於附屬公司之投資

| | | The Company 本公司 | |
|--------------------------|----------|----------------------------------|----------------------------------|
| | | 2006 二零零六年 HK\$'000 千港元 | 2005 二零零五年 HK\$'000 千港元 |
| Unlisted shares, at cost | 未上市股份，原值 | 1,418,163 | 1,418,163 |

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group as at 31 December 2006.

下表僅提供於二零零六年十二月三十一日主要影響本集團業績、資產或負債之附屬公司之資料。

| Name of company 公司名稱 | Place of incorporation and operation 註冊成立及營業地點 | Particulars of issued and paid-up capital 已發行及繳足股本詳情 | Proportion of ownership interests 擁有權權益比例 | | | Principal activity 主要業務 |
|--------------------------------|---|---|--|------------------------------|-----------------------------------|----------------------------|
| | | | Group's effective interest 本集團之實益權益 | Held by the Company 本公司持有 | Held by a subsidiary 由一間附屬公司持有 | |
| Allied Crown Limited 邦冠有限公司 | Hong Kong 香港 | 2 ordinary shares of HK\$1 each 2股每股面值1港元之普通股 | 100% | — | 100% | Property holding 持有物業 |
| Bossiney Limited | Hong Kong 香港 | 98 ordinary shares of HK\$10 each and 2 non-voting deferred shares of HK\$10 each 98股每股面值10港元之普通股及2股每股面值10港元之無投票權遞延股 | 100% | — | 100% | Property holding 持有物業 |

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For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

12. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

12. 於附屬公司之投資(續)

| Name of company 公司名稱 | Place of incorporation and operation 註冊成立及 營業地點 | Particulars of issued and paid-up capital 已發行及繳足 股本詳情 | Proportion of ownership interests 擁有權益比例 | | | Principal activity 主要業務 |
|--|---|---|--|-------------------------------------|--|---|
| | | | Group's effective interest 本集團之 實益權益 | Held by the Company 本公司 持有 | Held by a subsidiary 由一間附屬 公司持有 | |
| Cheung Kee Garden Limited 張記花園有限公司 | Hong Kong 香港 | 100 ordinary shares of HK\$1 each and 450,000 non-voting deferred shares of HK\$1 each 100股每股面值1港元 之普通股及450,000股 每股面值1港元之 無投票權遞延股 | 100% | — | 100% | Investment holding and provision of horticultural services 投資控股及提供 園藝服務 |
| Giant Yield Limited 載益有限公司 | Hong Kong 香港 | 98 ordinary shares of HK\$1 each and 2 non-voting deferred shares of HK\$1 each 98股每股面值1港元之 普通股及2股每股 面值1港元之無 投票權遞延股 | 100% | — | 100% | Property holding 持有物業 |
| Hugoton Limited | Hong Kong 香港 | 98 ordinary shares of HK\$10 each and 2 non-voting deferred shares of HK\$10 each 98股每股面值10港元 之普通股及2股每股 面值10港元之無投票 權遞延股 | 100% | — | 100% | Property holding 持有物業 |

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

12. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

12. 於附屬公司之投資(續)

| Name of company 公司名稱 | Place of incorporation and operation 註冊成立及 營業地點 | Particulars of issued and paid-up capital 已發行及繳足 股本詳情 | Proportion of ownership interests 擁有權益比例 | | | Principal activity 主要業務 |
|--|---|--|--|-------------------------------------|--|------------------------------|
| | | | Group's effective interest 本集團之 實益權益 | Held by the Company 本公司 持有 | Held by a subsidiary 由一間附屬 公司持有 | |
| Super Homes Limited | Hong Kong 香港 | 100 ordinary shares of HK\$1 each and 100 non-voting deferred shares of HK\$0.3 each 100股每股面值1港元之 普通股及100股每股面值 0.3港元之無投票權遞延股 | 100% | — | 100% | Property holding 持有物業 |
| Sui Chong International Resources Limited 瑞昌國際資源有限公司 | Hong Kong 香港 | 1,000 ordinary shares of HK\$1 each 1,000股每股面值1港元之普通股 | 100% | — | 100% | Project Management 工程計劃管理 |
| Winfoong Holding Limited 榮豐控股有限公司 | Hong Kong 香港 | 10,500,000 ordinary shares of HK\$10 each 10,500,000股每股面值 10港元之普通股 | 100% | — | 100% | Investment holding 投資控股 |
| Winfoong Investment Limited 榮豐投資有限公司 | Hong Kong 香港 | 1,143,724,986 ordinary shares of HK\$0.25 each 1,143,724,986股每股 面值0.25港元之普通股 | 100% | — | 100% | Investment holding 投資控股 |
| 江門棠泉房地產 有限公司 [#] | The People's Republic of China 中華人民共和國 | US\$7,365,356 7,365,356美元 | 92% | — | 92% | Property development 物業發展 |

* Audited by other auditors

Sino-foreign equity joint venture enterprise

* 經其他核數師審核

中外合資合營企業

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

13. INTEREST IN AN ASSOCIATE

13. 於一間聯營公司之權益

| | | The Group 本集團 | |
|---|--------------------|----------------------------------|----------------------------------|
| | | 2006 二零零六年 HK\$'000 千港元 | 2005 二零零五年 HK\$'000 千港元 |
| Share of net assets | 應佔資產淨值 | 612,771 | 393,602 |
| Market value of shares listed in the Republic of Singapore | 於新加坡共和國上市之 股份市值 | 561,912 | 251,723 |

| | | | Proportion of ownership interests 擁有權益比例 | | | Principal activity 主要業務 |
|---|--|---|--|---------------------------------|--|----------------------------|
| Name of associate 聯營公司名稱 | Form of business structure 業務結構形式 | Place of incorporation and operation 註冊成立及營業地點 | Group's effective interest 本集團之 實益權益 | Held by the Company 本公司持有 | Held by a subsidiary 由一間附屬 公司持有 | |
| Hong Fok Corporation Limited ("HFC") * 鴻福實業有限公司 (「鴻福實業」) * | Incorporated 法團公司 | Republic of Singapore 新加坡共和國 | 20.2% | — | 20.2% | Investment holding 投資控股 |

* Audited by other auditors

* 經其他核數師審核

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

13. INTEREST IN AN ASSOCIATE (CONTINUED)

13. 於一間聯營公司之權益(續)

SUMMARY FINANCIAL INFORMATION ON ASSOCIATES

聯營公司之摘要財務資料

| | | Assets 資產 HK\$'000 千港元 | Liabilities 負債 HK\$'000 千港元 | Equity 權益 HK\$'000 千港元 | Revenues 收益 HK\$'000 千港元 | Profit/(loss) 溢利/(虧損) HK\$'000 千港元 |
|----------------------------|--------------|---------------------------------|--------------------------------------|---------------------------------|-----------------------------------|---|
| 2006 | 二零零六年 | | | | | |
| 100 per cent | 100% | 6,371,237 | 2,578,616 | 3,792,621 | 321,807 | (81,934) |
| Group's effective interest | 本集團實益權益 | | | | | 178,070 |
| 2005 | 二零零五年 | | | | | |
| 100 per cent | 100% | 5,128,848 | 2,386,443 | 2,742,405 | 180,555 | (42,135) |
| Group's effective interest | 本集團實益權益 | | | | | 30,472 |

The above financial information of the associate is a summary of the consolidated operating results and financial position of the associate, which are based on its financial statements. The Group's share of the associate's results are based on the associate's financial statements and adjusted for the cross-holding between the Company and the associate as well as the alignment of the associate's accounting policies with those of the Group. In particular as they relate to Singapore Financial Reporting Standard 40 "Investment Property" (the equivalent of HKAS 40), which is not adopted by the associate during the year.

上述聯營公司之財務資料為該聯營公司綜合經營業績及財務狀況之摘要，乃基於其財務報表。本集團應佔聯營公司之業績乃基於聯營公司之財務報表並根據本公司與該聯營公司交叉持股而調整，並按本集團之會計政策調整該聯營公司之會計政策，尤其是該聯營公司於年內沒有採納之有關新加坡財務報告準則第40號「投資物業」(等同於香港會計準則第40號)之會計政策。

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

14. OTHER FINANCIAL ASSETS

14. 其他金融資產

| | | The Group 本集團 | |
|--|------------------|----------------------------------|----------------------------------|
| | | 2006 二零零六年 HK\$'000 千港元 | 2005 二零零五年 HK\$'000 千港元 |
| Available-for-sale equity securities, at fair value | 可供出售股本證券， 公平值 | 1,610 | 1,350 |
| Unlisted debentures, at cost | 非上市債券，原值 | — | 100 |
| Investment in club membership | 投資於俱樂部會籍 | — | 310 |
| Loan receivable (note) | 應收貸款(附註) | 990 | 990 |
| | | 2,600 | 2,750 |

Note: Loan receivable is unsecured, interest bearing at HIBOR plus 2% per annum and repayable on 31 August 2010.

附註：應收貸款乃無抵押，年息為香港銀行同業拆息加2厘，並須於二零一零年八月三十一日償還。

15. INVENTORIES

15. 存貨

(A) Inventories in the consolidated balance sheet comprise:

(A) 列入綜合資產負債表內之存貨包括：

| | | The Group 本集團 | |
|--------------------------|--------|----------------------------------|----------------------------------|
| | | 2006 二零零六年 HK\$'000 千港元 | 2005 二零零五年 HK\$'000 千港元 |
| Properties held for sale | 持作出售物業 | 12,500 | 14,146 |
| Plants | 植物 | 228 | 224 |
| | | 12,728 | 14,370 |

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

15. INVENTORIES (CONTINUED)

(B) The analysis of carrying value of properties is as follows:

15. 存貨(續)

(B) 物業之賬面值分析如下：

| | | The Group 本集團 | |
|----------------------------------|-------------------|----------------------------------|----------------------------------|
| | | 2006 二零零六年 HK\$'000 千港元 | 2005 二零零五年 HK\$'000 千港元 |
| In Hong Kong | 在香港 | | |
| – 50 years or more (long leases) | – 50年或50年以上（長期租賃） | – | 1,646 |
| Outside Hong Kong | 香港以外 | | |
| – 50 years or more (long leases) | – 50年或50年以上（長期租賃） | 12,500 | 12,500 |
| | | 12,500 | 14,146 |

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

15. INVENTORIES (CONTINUED)

(C) The analysis of the amount of inventories recognised as an expense is as follows:

15. 存貨(續)

(C) 確認為開支之存貨金額分析如下：

| | | The Group 本集團 | | | | | |
|--|--------------|------------------|-----------------|------------------|-----------------|-----------------|-----------------|
| | | Plants 植物 | | Properties 物業 | | Total 總計 | |
| | | 2006 二零零六年 | 2005 二零零五年 | 2006 二零零六年 | 2005 二零零五年 | 2006 二零零六年 | 2005 二零零五年 |
| | | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |
| Carrying amount of inventories sold | 已售存貨 之賬面值 | 484 | 501 | 1,646 | 72,646 | 2,130 | 73,147 |
| Write down of inventories | 撇減存貨 | - | - | - | 360 | - | 360 |
| | | 484 | 501 | 1,646 | 73,006 | 2,130 | 73,507 |

All of the inventories are expected to be recovered within one year.

所有該等存貨預計於一年內收回。

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

16. TRADE AND OTHER RECEIVABLES

16. 貿易及其他應收賬項

| | | The Group 本集團 | | The Company 本公司 | |
|--|--------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | | 2006 二零零六年 HK\$'000 千港元 | 2005 二零零五年 HK\$'000 千港元 | 2006 二零零六年 HK\$'000 千港元 | 2005 二零零五年 HK\$'000 千港元 |
| Amount due from a subsidiary | 一間附屬公司之欠款 | — | — | 230,520 | 230,970 |
| Tax reserve certificate | 儲稅券 | — | 14,449 | — | — |
| Trade debtors | 應收貿易賬款 | 738 | 432 | — | — |
| Gross amounts due from customers for contract work (note 17) | 應收客戶合約工程款項總額(附註17) | 595 | 595 | — | — |
| Retentions receivable (note 17) | 應收保留款項(附註17) | 338 | 338 | — | — |
| Other debtors, deposits and prepayments | 其他應收款, 按金及預付款 | 6,426 | 4,123 | 293 | 273 |
| | | 8,097 | 19,937 | 230,813 | 231,243 |

The amount due from the subsidiary is unsecured, non-interest bearing and has no fixed terms of repayment.

該附屬公司之欠款乃無抵押、無息且無固定還款期。

All of the trade and other receivables, apart from amount due from a subsidiary and those mentioned in note 17, are expected to be recovered within one year.

除該附屬公司之欠款及附註17提及者外, 所有貿易及其他應收賬項, 預計將於一年內收回。

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

16. TRADE AND OTHER RECEIVABLES (CONTINUED)

Included in trade and other receivables are trade debtors (net of impairment losses for bad and doubtful debts) with the following ageing analysis as of the balance sheet date:

| | |
|-------------------------|---------|
| Within 1 month | 一個月以下 |
| 1 to 3 month | 一至三個月 |
| More than 3 months | 超過三個月 |
| but less than 12 months | 但短於十二個月 |

The Group's credit policy is set out in note 25(A).

16. 貿易及其他應收賬項 (續)

於貿易及其他應收賬項內，應收貿易款項(扣除呆壞賬減值虧損)於結算日之賬齡分析如下：

| The Group 本集團 | |
|----------------------------------|----------------------------------|
| 2006 二零零六年 HK\$'000 千港元 | 2005 二零零五年 HK\$'000 千港元 |
| 561 | 374 |
| 171 | 54 |
| 6 | 4 |
| 738 | 432 |

本集團之信貸政策載於附註25(A)。

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

17. CONSTRUCTION CONTRACTS

17. 建造合約

| | | The Group 本集團 | |
|--|------------------------|----------------------------------|----------------------------------|
| | | 2006 二零零六年 HK\$'000 千港元 | 2005 二零零五年 HK\$'000 千港元 |
| Costs incurred plus recognised profits less recognised losses to date | 成本加迄今為止已確認溢利 減已確認虧損 | 75,333 | 75,333 |
| Progress payments received and receivable | 已收及應收之進度付款 | (74,738) | (74,738) |
| Gross amounts due from customers for contract work | 客戶合約工程之欠款總額 | 595 | 595 |

These amounts are related to construction contracts which have been completed in prior years. Since there are ongoing negotiations on the determination of, inter alia, final contract sums or variation orders between the Group and its contract employers, suppliers, subcontractors and subcontractors' employees, the directors have not been able to agree final completion accounts for these construction contracts.

The gross amount due from customers for contract work at 31 December 2006 that is expected to be recovered after more than one year is HK\$595,000 (2005: HK\$595,000).

該等金額與過往年度已完成建造合約有關。由於本集團與其合約僱主、供應商、分判商及分判商之僱員仍就釐定（其中包括）最終合約之數額或可變動訂單進行商討，因此董事並未能就該等建造合約達成最終完成賬目。

於二零零六年十二月三十一日，客戶就合約工程欠款總額為595,000港元（二零零五年：595,000港元），預計於超過一年後收回。

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

17. CONSTRUCTION CONTRACTS (CONTINUED)

In respect of construction contracts completed in prior year, the amount of retentions receivable from customers at 31 December 2006 is HK\$338,000 (2005: HK\$338,000). The amount of those retentions is expected to be recovered after more than one year is HK\$338,000 (2005: HK\$338,000). The amount of retentions payable to suppliers at 31 December 2006 is HK\$2,040,000 (2005: HK\$2,795,000), which is expected to be payable after more than one year.

17. 建造合約(續)

就於過往年度完成之建造合約而言，於二零零六年十二月三十一日應收自客戶之保留款項金額為338,000港元(二零零五年：338,000港元)。預計超過一年之後收回之保留款項金額為338,000港元(二零零五年：338,000港元)。於二零零六年十二月三十一日應向供應商支付保留款項之金額為2,040,000港元(二零零五年：2,795,000港元)，預計超過一年之後予以支付。

18. CASH AND CASH EQUIVALENTS

18. 現金及現金等價物

| | | The Group 本集團 | | The Company 本公司 | |
|--|----------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | | 2006 二零零六年 HK\$'000 千港元 | 2005 二零零五年 HK\$'000 千港元 | 2006 二零零六年 HK\$'000 千港元 | 2005 二零零五年 HK\$'000 千港元 |
| Cash at bank | 銀行之現金 | 5,224 | 4,498 | 12 | 7 |
| Cash in hand | 手頭之現金 | 30 | 29 | — | — |
| | | 5,254 | 4,527 | 12 | 7 |
| Pledged bank balances and deposits for bank borrowings | 抵押銀行借貸之銀行結存及存款 | (912) | (912) | — | — |
| Cash and cash equivalents | 現金及現金等價物 | 4,342 | 3,615 | 12 | 7 |

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

19. TRADE AND OTHER PAYABLES

19. 貿易及其他應付賬項

| | | The Group 本集團 | | The Company 本公司 | |
|--|------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | | 2006 二零零六年 HK\$'000 千港元 | 2005 二零零五年 HK\$'000 千港元 | 2006 二零零六年 HK\$'000 千港元 | 2005 二零零五年 HK\$'000 千港元 |
| Trade creditors | 應付貿易賬款 | 1,893 | 2,241 | — | — |
| Other creditors and accrued charges | 其他應付賬款 及應計開支 | 14,742 | 8,052 | 401 | 385 |
| Retentions payable (note 17) | 應付保留款項 (附註17) | 2,040 | 2,795 | — | — |
| Deposits received | 已收按金 | 3,630 | 4,646 | — | — |
| | | 22,305 | 17,734 | 401 | 385 |

All of the trade and other payables, apart from those mentioned in note 17, are expected to be settled within one year.

除附註17提及者外，所有貿易及其他應付賬項預計於一年內支付。

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

19. TRADE AND OTHER PAYABLES (CONTINUED)

Included in trade and other payables are trade creditors with the following ageing analysis as of the balance sheet date:

19. 貿易及其他應付賬項 (續)

於貿易及其他應付賬項內，應付貿易款項於結算日之賬齡分析如下：

| | | The Group 本集團 | |
|----------------------|----------|----------------------------------|----------------------------------|
| | | 2006 二零零六年 HK\$'000 千港元 | 2005 二零零五年 HK\$'000 千港元 |
| Within 1 month | 一個月以下 | 30 | 80 |
| After 1 month | 一個月後 | | |
| but within 3 months | 但不超過三個月 | 10 | 50 |
| After 3 months | 三個月後 | | |
| but within 6 months | 但不超過六個月 | 16 | 24 |
| After 6 months | 六個月後 | | |
| but within 12 months | 但不超過十二個月 | 15 | 23 |
| Over 1 year | 一年以上 | 1,822 | 2,064 |
| | | 1,893 | 2,241 |

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

20. BANK BORROWINGS, SECURED

At 31 December 2006, the secured bank borrowings were repayable as follows:

20. 銀行借款，有抵押

於二零零六年十二月三十一日，有抵押銀行借款須於以下期間償還：

| | | The Group 本集團 | |
|--|--------------------------|----------------------------------|----------------------------------|
| | | 2006 二零零六年 HK\$'000 千港元 | 2005 二零零五年 HK\$'000 千港元 |
| Within 1 year or on demand as classified under current liabilities | 於一年內或於要求時償還 (歸類為流動負債) | 81,891 | 80,204 |
| After 1 year but within 2 years | 一年後但不超過兩年 | 22,745 | 41,027 |
| After 2 years but within 5 years | 兩年後但不超過五年 | 314,848 | 234,680 |
| After 5 years | 五年以上 | 58,641 | 71,512 |
| After 1 year as classified under non-current liabilities | 一年以上 (歸類為非流動負債) | 396,234 | 347,219 |
| | | 478,125 | 427,423 |

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

20. BANK BORROWINGS, SECURED (CONTINUED)

At 31 December 2006, the bank facilities of certain subsidiaries were secured by:

- (i) fixed charges over certain of the Group's investment properties situated in Hong Kong with an aggregate carrying value of HK\$1,989,000,000 (2005: HK\$1,961,000,000);
- (ii) assignment of insurance, sale and rental proceeds of the aforementioned investment properties situated in Hong Kong;
- (iii) charges over certain of the Group's bank balances of HK\$912,000 (2005: HK\$912,000) for the purpose of assignment of sales and rental proceeds and issued shares of certain wholly-owned subsidiaries of the Group;
- (iv) subordination and assignment of intragroup and shareholders' loans to certain wholly-owned subsidiaries of the Group in favour of the banks;
- (v) floating charges over the assets of Hugoton Limited and Super Homes Limited ("SHL"), wholly-owned subsidiaries of the Group;
- (vi) share mortgages over the entire issued share capital of SHL; and
- (vii) corporate guarantees given by the Company.

The effective interest rates for bank borrowings range from 4.86% to 6.14% (2005: 3.84% to 5.88%) per annum.

20. 銀行借款，有抵押（續）

於二零零六年十二月三十一日，若干附屬公司之銀行融資額由下列各項抵押：

- (i) 賬面總值為1,989,000,000港元（二零零五年：1,961,000,000港元）之本集團若干位於香港之投資物業之固定抵押；
- (ii) 轉讓上述位於香港之投資物業之保險、銷售及租金所得款項；
- (iii) 本集團若干銀行結存912,000港元（二零零五年：912,000港元）之抵押，以轉讓本集團銷售及租金所得款項以及若干全資附屬公司之已發行股份；
- (iv) 以銀行為受益人將集團間及授予本集團若干全資附屬公司之股東貸款改為後償及予以轉讓；
- (v) Hugoton Limited及Super Homes Limited（「SHL」）（本集團全資附屬公司）之資產之浮動抵押；
- (vi) 就SHL之全部已發行股本之股份抵押；及
- (vii) 本公司作出之公司擔保。

銀行借款之實際利率介乎每年4.86%至6.14%（二零零五年：3.84%至5.88%）。

Notes to the Financial Statements 財務報表附註

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21. DEFINED CONTRIBUTION RETIREMENT PLAN

The Group operates a Mandatory Provident Fund Scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF Scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF Scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$20,000. Contributions to the plan vest immediately.

21. 界定供款退休計劃

本集團根據香港強制性公積金計劃條例對於香港僱用條例管轄範圍內僱用之僱員執行強制性公積金計劃(「強制性公積金計劃」)。強制性公積金計劃為由獨立受託人管理之界定供款退休計劃。根據強制性公積金計劃，僱主及僱員各須按僱員有關收入之5%向該計劃供款，且每月有關收入上限為20,000港元。該計劃之供款乃即時歸屬。

22. EQUITY SETTLED SHARE-BASED TRANSACTIONS

The Company has a share option scheme which was adopted on 15 April 2002 whereby the directors of the Company are authorised, at their discretion, to invite employees of the Group, including directors of any company in the Group, to take up options at nil consideration to subscribe for shares of the Company. The options vest from the date of grant and are then exercisable within a period of not more than ten years. Each option gives the holder the right to subscribe for one ordinary share in the Company.

22. 以股份支付之股份形式交易

本公司現有一項於二零零二年四月十五日採納之購股權計劃，據此，本公司董事獲授權酌情邀請本集團僱員(包括本集團任何公司之董事)接納購股權(免付代價)以認購本公司股份。購股權自授出當日起歸屬，在不多於十年之期限內可予行使。每份購股權賦予持有人認購一股本公司普通股之權利。

(A) The terms and conditions of the grants that existed during the year are as follows, whereby all options are settled by physical delivery of shares:

(A) 於年內在授出認股權之條款及條件如下，據此所有購股權以實物交收股份之形式結算：

| | | Number of instruments 票據數目 | Vesting conditions 歸屬條件 | Contractual life of options 購股權之 合約年期 |
|--|---------------------------------------|----------------------------------|--------------------------------------|--|
| Options granted to directors/employees: – on 18 January 2005 | 授予董事／僱員之 購股權： — 於二零零五年 一月十八日 | 53,040,000 | From the date of grant 自授出當日起計 | 7.25 years 7.25年 |

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For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

22. EQUITY SETTLED SHARE-BASED TRANSACTIONS
(CONTINUED)

(b) The number and weighted average exercise prices of share options are as follows:

| | | 2006 二零零六年 | |
|---|-------|---|---|
| | | Weighted average exercise price 加權平均 行使價 | Number of options 購股權數目 '000 千份 |
| Outstanding at the beginning of the year | 年初未行使 | HK\$0.377 | 53,040 |
| Granted during the year | 年內授出 | — | — |
| Outstanding at the end of the year | 年末未行使 | HK\$0.377 | 53,040 |
| Exercisable at the end of the year | 年末可行使 | HK\$0.377 | 53,040 |

The options outstanding at 31 December 2006 had an exercise price of HK\$0.377 (2005: HK\$0.377) and a weighted average remaining contractual life of 5.3 years (2005: 6.3 years).

22. 以股份支付之股份形式交易
(續)

(b) 購股權之數目及加權平均行使價如下：

| | | 2005 二零零五年 | |
|---|-------|---|---|
| | | Weighted average exercise price 加權平均 行使價 | Number of options 購股權數目 '000 千份 |
| Outstanding at the beginning of the year | 年初未行使 | — | — |
| Granted during the year | 年內授出 | HK\$0.377 | 53,040 |
| Outstanding at the end of the year | 年末未行使 | HK\$0.377 | 53,040 |
| Exercisable at the end of the year | 年末可行使 | HK\$0.377 | 53,040 |

於二零零六年十二月三十一日尚未行使之購股權行使價為0.377港元(二零零五年：0.377港元)，加權平均剩餘合約年期為5.3年(二零零五年：6.3年)。

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For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

22. EQUITY SETTLED SHARE-BASED TRANSACTIONS
(CONTINUED)

(c) FAIR VALUE OF SHARE OPTIONS AND ASSUMPTIONS

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the share options granted is measured based on a Black-Scholes Option Pricing Model ("B-S Model"). The contractual life of the share option is used as an input into this model. Expectations of early exercise are incorporated into the B-S Model.

Fair value of share options and assumptions

| | |
|--|-----------------------------|
| Fair value at measurement date | 於計量日之公平值 |
| Market price per share | 每股市價 |
| Exercise price per share | 每股行使價 |
| Expected volatility (expressed as weighted average volatility used in the modelling under B-S Model) | 預期波幅(以柏力克－舒爾斯模式使用之加權平均波幅列示) |
| Time to expiration | 尚餘到期年期 |
| Expected dividends | 預期股息 |
| Risk-free interest rate (based on Hong Kong government bond) | 無風險息率(以香港政府債券為基準) |

22. 以股份支付之股份形式交易
(續)

(c) 購股權之公平值及假設

就所提供之服務換取授出購股權之價值，乃參考已授出購股權之公平值計量。所收取服務費之估計公平值以柏力克－舒爾斯期權定價模式(「柏力克－舒爾斯模式」)計量。購股權之合約年期用作該模式之一項輸入參數。預計之提早行使已計入柏力克－舒爾斯模式之內。

購股權之公平值及假設

2005
二零零五年

HK\$0.168
HK\$0.365
HK\$0.377

62%

3.62 years年

0%

2.4%

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

22. EQUITY SETTLED SHARE-BASED TRANSACTIONS
(CONTINUED)

(c) FAIR VALUE OF SHARE OPTIONS AND ASSUMPTIONS (CONTINUED)

The expected volatility is based on the historic volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility due to publicly available information. Expected dividends are based on historical dividends. Changes in the subjective input assumptions could materially affect the fair value estimate.

Share options were granted under a service condition. This condition has not been taken into account in the grant date fair value measurement of the services received. There were no market conditions associated with the share option grants.

22. 以股份支付之股份形式交易
(續)

(c) 購股權之公平值及假設 (續)

預期波幅以歷史波幅為基準(根據購股權之加權平均剩餘年期計算),並根據因可公開獲得之資料產導致未來波幅之任何預期變化予以調整。預期股息以歷史股息為基準。所採用主觀假設之變動可對公平值之估計產生重大影響。

購股權按一項服務條件授出。於計算已獲取之服務於授出日期公平值時,此一條件並無計入內。概無與授出購股權有關之市場條件。

23. INCOME TAX IN THE BALANCE SHEET

- (A) Current taxation in the consolidated balance sheet represents:

| | |
|---------------------------------------|-----------|
| Balance of Hong Kong Profits | 有關過往年度之香港 |
| Tax provision relating to prior years | 利得稅撥備 |

23. 資產負債表內之所得稅

- (A) 綜合資產負債表內之本期稅項指：

| The Group 本集團 | |
|----------------------------------|----------------------------------|
| 2006 二零零六年 HK\$'000 千港元 | 2005 二零零五年 HK\$'000 千港元 |
| — | 14,449 |

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

23. INCOME TAX IN THE BALANCE SHEET (CONTINUED)

23. 資產負債表內之所得稅(續)

(B) Deferred tax assets and liabilities recognised:

The components of deferred tax (assets)/liabilities recognised in the consolidated balance sheet and the movements during the year are as follows:

(B) 已確認之遞延稅項資產及負債：

綜合資產負債表內已確認遞延稅項(資產)/負債之成分及年內變動如下：

| | | The Group 本集團 | | | |
|---|---------------|---|--|--------------------|-----------------|
| | | Revaluation of investment property 投資物業重估 | Depreciation allowances in excess of the related depreciation 超過相關 折舊之折舊 備抵 | Tax losses 稅項虧損 | Total 總計 |
| | | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |
| Deferred tax arising from: 下列各項目產生之遞延稅項： | | | | | |
| At 1 January 2005 | 於二零零五年一月一日 | 218,000 | 1,426 | (1,015) | 218,411 |
| Charged/(credited) to profit or loss | 損益表內扣除/(計入) | 29,050 | 544 | (1,364) | 28,230 |
| At 31 December 2005 | 於二零零五年十二月三十一日 | 247,050 | 1,970 | (2,379) | 246,641 |
| At 1 January 2006 | 於二零零六年一月一日 | 247,050 | 1,970 | (2,379) | 246,641 |
| Charged/(credited) to profit or loss | 損益表內扣除/(計入) | 3,650 | (1,970) | 2,379 | 4,059 |
| At 31 December 2006 | 於二零零六年十二月三十一日 | 250,700 | — | — | 250,700 |

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

23. INCOME TAX IN THE BALANCE SHEET (CONTINUED)

(b) Deferred tax assets and liabilities recognised:
(continued)

23. 資產負債表內之所得稅 (續)

(b) 已確認之遞延稅項資產及負債：
(續)

| | | The Group 本集團 | |
|--|-------------------|----------------------------------|----------------------------------|
| | | 2006 二零零六年 HK\$'000 千港元 | 2005 二零零五年 HK\$'000 千港元 |
| Net deferred tax asset recognised on the balance sheet | 資產負債表內確認之遞延稅項資產淨額 | — | (1,791) |
| Net deferred tax liability recognised on the balance sheet | 資產負債表內確認之遞延稅項負債淨額 | 250,700 | 248,432 |
| | | 250,700 | 246,641 |

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

23. INCOME TAX IN THE BALANCE SHEET (CONTINUED)

23. 資產負債表內之所得稅(續)

(c) DEFERRED TAX ASSETS NOT RECOGNISED

(c) 未確認之遞延稅項資產

(i) The Group

(i) 本集團

In accordance with the accounting policy set out in note 1(R), at 31 December 2006, the Group has not recognised deferred tax assets in respect of cumulative tax losses of HK\$679,697,000 (2005: HK\$625,136,000) as it is not probable that future taxable profits against which the tax losses can be utilised will be available in the relevant tax jurisdiction and entity. The tax losses do not expire under current tax legislation.

根據附註1(R)所載之會計政策，於二零零六年十二月三十一日，本集團並無就679,697,000港元(二零零五年：625,136,000港元)之累計稅項虧損確認遞延稅項資產，因為在有關之稅務司法權區或實體而言不大可能未來應課稅溢利可動用稅項虧損。根據現行稅務法規，該等稅項虧損並未到期。

(ii) The Company

(ii) 本公司

At 31 December 2006, the Company has cumulative tax losses of HK\$9,042,000 (2005: HK\$10,099,000) available for against future taxable profits for an unlimited period of time. No deferred tax asset has been recognised in respect of such cumulative tax losses as it is not probable that future taxable profits against which the tax losses can be utilised will be available in the relevant tax jurisdiction and such tax losses are subject to the agreement with the tax authority.

於二零零六年十二月三十一日，本公司可供抵銷未來應課稅溢利之無限期累計稅項虧損為9,042,000港元(二零零五年：10,099,000港元)。未就該等累計稅項虧損確認遞延稅項資產，因為在有關之稅務司法權區或實體而言不大可能未來應課稅溢利可動用稅項虧損，且該等稅項虧損須待稅務當局同意，方可作實。

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24. CAPITAL AND RESERVES

24. 資本及儲備

(A) THE GROUP

(A) 本集團

| Attributable to equity shareholders of the Company | | | | | | | | | | | | | | | |
|--|---------------|--------------------|---------------|----------|---------------------|---------------------|------------------|--------------------|-----------------------|----------------------------------|------------|-------------------------|--------------------|----------|--------------|
| 本公司權益持有人應佔 | | | | | | | | | | | | | | | |
| | | Capital redemption | | | | Revaluation reserve | | | | Share-based compensation reserve | | Retained profits/losses | Minority interests | | |
| | | Share capital | Share premium | reserves | Contributed surplus | Capital reserve | Exchange reserve | Land and buildings | Investment properties | Fair value reserve | 以股份支付之酬勞儲備 | (accumulated losses) | Total | 少數股東權益 | Total equity |
| | | 股本 | 股份溢價 | 贖回儲備 | 繳入盈餘 | 資本儲備 | 匯兌儲備 | 土地及樓宇 | 投資物業 | 公平價值儲備 | 之酬勞儲備 | (累計虧損) | 總計 | 股東權益 | 總權益 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| At 1 January 2005 | 於二零零五年一月一日 | | | | | | | | | | | | | | |
| - as previously reported | 一如前呈報 | 74,620 | 196,873 | 121 | 618,098 | 145,549 | (134,354) | 12,178 | 1,245,819 | - | - | (349,160) | 1,809,744 | 3,052 | 1,812,796 |
| - prior period adjustment | 一就下列項目作出 | | | | | | | | | | | | | | |
| in respect of: | 之以往期間調整： | | | | | | | | | | | | | | |
| - HKAS 17 | 一香港會計準則第17號 | - | - | - | - | - | - | (12,178) | - | - | - | (2,144) | (14,322) | - | (14,322) |
| - HKAS 40 | 一香港會計準則第40號 | - | - | - | - | - | - | - | (1,245,819) | - | - | 1,027,819 | (218,000) | - | (218,000) |
| - as restated, | 一經重列，於期初結餘 | | | | | | | | | | | | | | |
| before opening | 調整前 | | | | | | | | | | | | | | |
| balance adjustments | | 74,620 | 196,873 | 121 | 618,098 | 145,549 | (134,354) | - | - | - | - | 676,515 | 1,577,422 | 3,052 | 1,580,474 |
| - HKFRS 3 | 一香港財務報告準則第3號 | - | - | - | - | (145,549) | - | - | - | - | - | 145,549 | - | - | - |
| - as restated, | 一經重列，於期初 | | | | | | | | | | | | | | |
| after opening | 結餘調整後 | | | | | | | | | | | | | | |
| balance adjustments | | 74,620 | 196,873 | 121 | 618,098 | - | (134,354) | - | - | - | - | 822,064 | 1,577,422 | 3,052 | 1,580,474 |
| Exchange difference on | 換算海外附屬公司財務 | | | | | | | | | | | | | | |
| translation of financial | 報表之匯兌差額 | | | | | | | | | | | | | | |
| statements of overseas | | | | | | | | | | | | | | | |
| subsidiaries | | - | - | - | - | - | (7) | - | - | - | - | - | (7) | 17 | 10 |
| Share of movements in | 應佔一間聯營公司儲備 | | | | | | | | | | | | | | |
| reserves of an associate | 變動 | - | - | - | - | - | (9,416) | - | - | 519 | - | - | (8,897) | - | (8,897) |
| Equity settled share-based | 以股份支付之以股份 | | | | | | | | | | | | | | |
| transactions | 形式交易 | - | - | - | - | - | - | - | - | - | 8,911 | - | 8,911 | - | 8,911 |
| Profit for the year | 年度溢利 | - | - | - | - | - | - | - | - | - | - | 115,131 | 115,131 | (3,069) | 112,062 |
| At 31 December 2005 | 於二零零五年十二月三十一日 | 74,620 | 196,873 | 121 | 618,098 | - | (143,777) | - | - | 519 | 8,911 | 937,195 | 1,692,560 | - | 1,692,560 |

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For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

24. CAPITAL AND RESERVES (CONTINUED)

24. 資本及儲備 (續)

(A) THE GROUP (CONTINUED)

(A) 本集團 (續)

| | | Attributable to equity shareholders of the Company 本公司權益持有人應佔 | | | | | | | | | | | | |
|---|-------------------|--|---------------|----------|---------------------|---------------------|------------------|--------------------|-----------------------|--------------------------|------------|------------------|--------------------|----------|
| | | Capital redemption | | | | Revaluation reserve | | | | Share-based compensation | | | Minority interests | |
| | | Share capital | Share premium | reserves | Contributed surplus | Capital reserve | Exchange reserve | Land and buildings | Investment properties | Fair value reserve | 以股份支付之酬勞儲備 | Retained profits | Total | 少數股東權益 |
| | | 股本 | 股份溢價 | 贖回儲備 | 繳入盈餘 | 資本儲備 | 匯兌儲備 | 土地及樓宇 | 投資物業 | 公平值儲備 | 之酬勞儲備 | 保留溢利 | 總計 | 股東權益 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| At 1 January 2006 | 於二零零六年一月一日 | 74,620 | 196,873 | 121 | 618,098 | - | (143,777) | - | - | 519 | 8,911 | 937,195 | 1,692,560 | - |
| Exchange difference on translation of financial statements of overseas subsidiaries | 換算海外附屬公司財務報表之匯兌差額 | - | - | - | - | - | (162) | - | - | - | - | - | (162) | - |
| Change in fair value of available-for-sale securities | 可供銷售證券公平值之變動 | - | - | - | - | - | - | - | - | 260 | - | - | 260 | - |
| Share of movements in reserves of an associate | 應佔一間聯營公司儲備變動 | - | - | - | - | - | 41,047 | - | - | 53 | - | - | 41,100 | - |
| Profit for the year | 年度溢利 | - | - | - | - | - | - | - | - | - | - | 150,532 | 150,532 | - |
| At 31 December 2006 | 於二零零六年十二月三十一日 | 74,620 | 196,873 | 121 | 618,098 | - | (102,892) | - | - | 832 | 8,911 | 1,087,727 | 1,884,290 | - |

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

24. CAPITAL AND RESERVES (CONTINUED)

24. 資本及儲備(續)

(B) THE COMPANY

(B) 本公司

| | | Share capital 股本 HK\$'000 千港元 | Share premium 股份溢價 HK\$'000 千港元 | Capital redemption reserve 資本贖回 儲備 HK\$'000 千港元 | Contributed surplus 繳入盈餘 HK\$'000 千港元 | Share-based compensation reserve 以股份支付 之酬勞儲備 HK\$'000 千港元 | Accumulated losses 累計虧損 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|---|-------------------|---|---|---|---|---|--|--------------------------------|
| At 1 January 2005 | 於二零零五年 一月一日 | 74,620 | 196,873 | 121 | 1,386,571 | – | (8,801) | 1,649,384 |
| Equity settled share- based transactions | 以股份支付之 股份形式交易 | – | – | – | – | 8,911 | – | 8,911 |
| Loss for the year | 年度虧損 | – | – | – | – | – | (9,267) | (9,267) |
| At 31 December 2005 | 於二零零五年 十二月三十一日 | 74,620 | 196,873 | 121 | 1,386,571 | 8,911 | (18,068) | 1,649,028 |
| At 1 January 2006 | 於二零零六年 一月一日 | 74,620 | 196,873 | 121 | 1,386,571 | 8,911 | (18,068) | 1,649,028 |
| Loss for the year | 年度虧損 | – | – | – | – | – | (441) | (441) |
| At 31 December 2006 | 於二零零六年 十二月三十一日 | 74,620 | 196,873 | 121 | 1,386,571 | 8,911 | (18,509) | 1,648,587 |

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

24. CAPITAL AND RESERVES (CONTINUED)

24. 資本及儲備 (續)

(c) SHARE CAPITAL

(c) 股本

(i) Authorised and issued share capital

(i) 法定及已發行股本

| | | 2006 二零零六年 | | 2005 二零零五年 | |
|------------------------|----------|-------------------------------------|-----------------|-------------------------------------|-----------------|
| | | No. of shares '000 股份數目 千股 | HK\$'000 千港元 | No. of shares '000 股份數目 千股 | HK\$'000 千港元 |
| Authorised: | 法定： | | | | |
| Ordinary shares of | 每股面值0.05 | | | | |
| HK\$0.05 each | 港元之普通股 | 2,000,000 | 100,000 | 2,000,000 | 100,000 |
| Ordinary shares, | 普通股，已發行 | | | | |
| issued and fully paid: | 及繳足： | | | | |
| At 1 January and 31 | 於一月一日及 | | | | |
| December | 十二月三十一日 | 1,492,411 | 74,620 | 1,492,411 | 74,620 |

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

普通股持有人有權獲派不時宣派之股息，且在本公司會議上每股可獲一票投票權。所有普通股對本公司之剩餘資產享有同等權益。

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

24. CAPITAL AND RESERVES (CONTINUED)

(c) SHARE CAPITAL (CONTINUED)

- (ii) *Terms of unexpired and unexercised share options at balance sheet date*

| Exercise period 行使期 | Exercise price 行使價 |
|---|-----------------------|
| 18 January 2005 to 14 April 2012 二零零五年一月十八日至 二零一二年四月十四日 | HK\$0.377 0.377港元 |

Each option entitles the holder to subscribe for one ordinary share in the Company. Further details of these options are set out in note 22 to the financial statements.

(d) NATURE AND PURPOSE OF RESERVES

- (i) *Share premium and capital redemption reserve*
The application of the share premium account and the capital redemption reserve is governed by the Bermuda Companies act.
- (ii) *Contributed surplus*
The contributed surplus of the Group represents the difference between the nominal value of the share capital issued by the Company and the aggregate of the share capital and the share premium accounts of the subsidiaries acquired pursuant to the Group reorganization in 1996. Under the Companies Act 1981 of Bermuda (as amended), the Company may make distributions to its members out of contributed surplus in certain circumstances.

24. 資本及儲備(續)

(c) 股本(續)

- (ii) *於結算日未到期及未行使購股權之條款*

| 2006 二零零六年 Number 數目 | 2005 二零零五年 Number 數目 |
|-------------------------------|-------------------------------|
| 53,040,000 | 53,040,000 |

每份購股權賦予持有人認購本公司一股普通股之權利。該等購股權之進一步詳情載於財務報表附註22。

(d) 儲備性質及用途

- (i) *股份溢價與資本贖回儲備*
股份溢價賬及資本贖回儲備之運用受百慕達公司法監管。
- (ii) *繳入盈餘*
本集團繳入盈餘指本公司已發行股本之面值與一九九六年本集團重組所收購附屬公司之股本及股份溢價賬總額之差額。根據百慕達一九八一年公司法(經修訂)，本公司於若干條件下可向其成員公司分配繳入盈餘。

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

24. CAPITAL AND RESERVES (CONTINUED)

24. 資本及儲備 (續)

(D) NATURE AND PURPOSE OF RESERVES (CONTINUED)

(iii) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in note 1(U).

(iv) Revaluation reserves

The revaluation reserves have been set up and are dealt with in accordance with the accounting policies adopted for land and buildings in notes 1(H).

(v) Share-based compensation reserve

The fair value of the actual or estimated number of unexercised share options granted to employees of the Company recognised in accordance with the accounting policy adopted for share based payments in note 1(Q)(ii).

(vi) Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of available-for-sale securities held at the balance sheet date and is dealt with in accordance with the accounting policies in notes 1(F) and (J).

(E) DISTRIBUTABILITY OF RESERVES

At 31 December 2006, the aggregate amount of reserves available for distribution to equity shareholders of the Company was HK\$1,368,062,000 (2005: HK\$1,368,503,000)

(D) 儲備性質及用途 (續)

(iii) 匯兌儲備

匯兌儲備包含所有因換算海外業務財務報表產生之匯兌差額。該儲備按附註1(U)所載會計政策處理。

(iv) 重估儲備

已設立重估儲備，並按附註1(H)所載就土地及樓宇採納之會計政策處理。

(v) 以股份支付之酬勞儲備

授予本公司僱員尚未行使之購股權實際或估計數目之公平值按附註1(Q)(ii)所載就以股份付款採納之會計政策予以確認。

(vi) 公平值儲備

公平值儲備包含於結算日持有之可供出售證券公平值之累計變動淨額，按附註1(F)及(J)所載之會計政策處理。

(E) 分配儲備

於二零零六年十二月三十一日，可分配予本公司權益持有人之儲備總額為1,368,062,000港元(二零零五年：1,368,503,000)。

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

25. FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business. These risks are limited by the Group's financial management policies and practices described below.

(A) CREDIT RISK

The Group's credit risk is primarily attributable to trade and other receivables. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

In respect of trade and other receivables, credit evaluations are performed on all customers requiring credit over a certain amount. These receivables are due within 60 days from the date of billing. Debtors with balances that are more than 3 months overdue are requested to settle all outstanding balances before any further credit is granted. Normally, the Group does not obtain collateral from customers.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated balance sheet.

(B) INTEREST RATE RISK

The interest rates and maturity information of the Group's non-current loan receivable and bank loans are disclosed in notes 14 and 20 respectively.

(C) FOREIGN CURRENCY RISK

As most of the Group's monetary assets and liabilities are denominated in Hong Kong Dollars and the Group conducted its business transactions principally in Hong Kong Dollars. The Group considers that as the exchange rate risk of the Group is not significant, the Group did not employ any financial instruments for hedging purposes.

25. 金融工具

信貸、流動資金、利率及貨幣風險乃在本集團業務之正常過程中產生。該等風險受下列本集團之財務管理政策及實務所制約。

(A) 信貸風險

本集團之信貸風險主要由貿易及其他應收賬項產生。管理層已制定現成之信貸政策，並對該等信貸風險持續監控。

就貿易及其他應收賬項而言，將須對要求超出若干金額之信貸之客戶進行信貸評估。該等應收賬項自發出賬單日起60日內償還。逾期3個月未結清餘額之債務人須結清所有未償還餘額後方可授予進一步信貸。本集團通常不收取客戶抵押品。

最大信貸風險已透過綜合資產負債表內各項金融資產之賬面值列報。

(B) 利率風險

本集團之應收非即期貸款及銀行貸款之利率及到期情況分別披露於附註14及20。

(C) 外匯風險

由於本集團之貨幣資產及負債大部分以港元計算，且本集團主要以港元進行業務交易。本集團認為由於本集團之匯率風險並不重大，故本集團並無採用任何用於對沖之金融工具。

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

25. FINANCIAL INSTRUMENTS (CONTINUED)

(D) FAIR VALUES

All financial instruments are carried at amounts not materially different from their fair values as at 31 December 2006 and 2005.

(E) ESTIMATION OF FAIR VALUES

The estimation of fair values of share-based compensation is disclosed in note 22.

25. 金融工具 (續)

(D) 公平值

所有金融工具均按與其於二零零六年及二零零五年十二月三十一日之公平值並無重大差異之數額列值。

(E) 公平值之估計

以股份支付之酬勞公平值之估計披露於附註 22。

26. COMMITMENTS

- (A) Capital commitments outstanding at 31 December 2006 not provided for in the financial statements were as follows:

Contracted for 已訂約

- (B) At 31 December 2006, the total future minimum lease payments under non-cancellable operating leases in respect of office properties and office equipment are payable as follows:

Within 1 year 一年以內
After 1 year but within 5 years 一年以後但在五年以內

Significant leasing arrangements in respect of land and buildings classified as being held under finance leases and properties held for sale are described in notes 11 and 15.

26. 承擔

- (A) 財務報表中未予撥備及於二零零六年十二月三十一日未償還之資本承擔如下：

| 2006 二零零六年 HK\$'000 千港元 | 2005 二零零五年 HK\$'000 千港元 |
|----------------------------------|----------------------------------|
| 13,498 | 13,887 |

- (B) 於二零零六年十二月三十一日，有關辦公室物業及辦公室設備之不可撤銷經營租約項下之未來應付最低租賃費用總額如下：

| 2006 二零零六年 HK\$'000 千港元 | 2005 二零零五年 HK\$'000 千港元 |
|----------------------------------|----------------------------------|
| 2,744 | 1,168 |
| 3,798 | 18 |
| 6,542 | 1,186 |

歸類為根據融資租賃持有及持作出售物業之有關土地及樓宇之重大租賃安排載於附註 11 及 15。

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

26. COMMITMENTS (CONTINUED)

(B) (Continued)

Apart from these leases, the Group is the lessee in respect of a number of properties held under operating leases. The leases typically run for an initial period of one to three years, with an option to renew the lease when all terms are renegotiated. None of the leases includes contingent rentals.

- (c) At 31 December 2006, the Company had no material commitments.

26. 承擔 (續)

(B) (續)

除該等租賃外，本集團為數項根據經營租約持有之物業之承租人。該等租賃之初始年期通常為一至三年，可選擇重新磋商所有條款後續約。該等租賃概無包含或然租金。

- (c) 於二零零六年十二月三十一日，本公司概無重大承擔。

27. CONTINGENT ASSETS AND LIABILITIES

- (A) At 31 December 2006, the Company had given unconditional guarantees to banks to secure loan facilities made available to subsidiaries to the extent of approximately HK\$658 million (2005: HK\$496 million). The extent of such facilities utilised by the subsidiaries at the balance sheet date amounted to approximately HK\$478 million (2005: HK\$427 million).

Upon refinancing of an old loan of a subsidiary in January 2007, old guarantee in the amount of approximately HK\$238 million was released and new guarantee in the amount of approximately HK\$559 million was provided by the Company to secure the new loan facilities. The guarantees provided by the Company after refinancing in January 2007 have increased to approximately HK\$979 million.

- (B) At 31 December 2006, the Company had given corporate guarantees to banks for issuing letters of identity to a third party in respect of contracts undertaken by certain subsidiaries amounting to approximately HK\$402,000 (2005: HK\$5.4 million).

27. 或然資產及負債

- (A) 於二零零六年十二月三十一日，本公司已向銀行提供無條件擔保，以擔保附屬公司約658,000,000港元(二零零五年：496,000,000港元)之信貸融資。於結算日，附屬公司已動用該等融資中約478,000,000港元(二零零五年：427,000,000港元)。

於二零零七年一月對一間附屬公司之過往貸款再融資後，金額約238,000,000港元之過往擔保獲解除，而本公司提供金額約559,000,000港元之新擔保以擔保新造信貸融資。於二零零七年一月之再融資後，本公司提供之擔保已增加至約979,000,000港元。

- (B) 於二零零六年十二月三十一日，本公司已就銀行為若干附屬公司所承擔之合約向第三者出具身份證明，向銀行作出公司擔保約402,000港元(二零零五年：5,400,000港元)。

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

28. MATERIAL RELATED PARTY TRANSACTIONS

28. 重要關連交易

(A) KEY MANAGEMENT PERSONNEL REMUNERATION

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in note 6, is as follows:

| | |
|------------------------------|--------|
| Short-term employee benefits | 短期僱員福利 |
| Post-employment benefits | 離職後福利 |
| Equity compensation benefits | 股權報酬福利 |

(A) 主要管理人員酬金

本集團主要管理人員酬金(包括附註6所披露支付予本公司董事之金額)載列如下:

| 2006 二零零六年 HK\$'000 千港元 | 2005 二零零五年 HK\$'000 千港元 |
|----------------------------------|----------------------------------|
| 5,834 | 4,308 |
| 31 | 31 |
| — | 8,911 |
| 5,865 | 13,250 |

Total remuneration is included in "staff costs" (see note 4(B)).

酬金總額已計入「員工成本」(見附註4(B))。

(B) FINANCING ARRANGEMENT

(B) 融資安排

| | | Amount owed by related party 關聯人士欠款 | | Related interest income 相關利息收入 | |
|---|------------------------|---|--------------------------------|--------------------------------------|--------------------------------|
| | | As at 31 December 於十二月三十一日 | | Year ended 31 December 截至十二月三十一日 | |
| | | 2006 二零零六年 HK'000 千港元 | 2005 二零零五年 HK'000 千港元 | 2006 二零零六年 HK'000 千港元 | 2005 二零零五年 HK'000 千港元 |
| Loan to a director of a wholly-owned subsidiary | 予一間全資附屬 公司董事 之借款 | 990 | 990 | 61 | 20 |

Note: The loan bears interest at HIBOR plus 2% per annum, is unsecured and repayable on 31 August 2010. The loan is included in note 14 "Other financial assets".

附註：借款乃無抵押，年息為香港銀行同業拆息加2厘，並須於二零一零年八月三十一日償還。借款已於附註14之「其他金融資產」內。

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

29. ACCOUNTING ESTIMATES AND JUDGEMENTS

The method, estimates and judgements the management used in applying the Group's accounting policies have a significant impact on the Group's financial position and operating results. Some of the accounting policies require the Group to apply estimates and judgements, on matters that are inherently uncertain. Certain critical accounting judgements in applying the Group's accounting policies are described below.

(A) DEPRECIATION AND AMORTISATION

Property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives, after taking into account the estimated residual value. The management reviews annually the useful life of an asset and its residual value, if any. Interests in leasehold land held for own use under operating leases are amortised on a straight-line basis over the shorter of the estimated useful lives of the leased assets and the lease term. Both the period and methods of amortisation are reviewed annually. The depreciation and amortisation expenses for future periods are adjusted if there are significant changes from previous estimates.

(B) VALUATION OF INVENTORIES

Inventories are stated at the lower of cost and net realisable value at the balance sheet date. Net realisable value is determined on the basis of the estimated selling price less the estimated costs necessary to make the sale. The management estimates the net realisable value for inventories based primarily on the latest invoice prices and current market conditions. In addition, the management performs an inventory review on a product-by-product basis at each year end date and assess the need for write down of inventories.

29. 會計估計及判斷

管理層應用於本集團會計政策之方法、估計及判斷，對本集團財務狀況及營運業績有重大影響。部分會計政策要求本集團於本質上屬不確定事務上應用估計及判斷。應用本集團會計政策時所作之若干重要會計判斷描述如下。

(A) 折舊及攤銷

物業、廠房及設備於考慮估計餘值後按估計可用年期以直線基準折舊。管理層每年檢討物業之可用年期及其剩餘值（如有）。按營運租賃持有作自用之租賃土地利息按租賃資產估計可用年期及租期之較短者以直線基準攤銷。攤銷期間及方法每年審閱。倘過往估計出現重大變動，未來期間之折舊及攤銷開支須予調整。

(B) 存貨估值

存貨以成本及可確認淨值之較低者於資產負債表呈列。可確認淨值乃基於估計銷售價減估計銷售所需成本而釐定。管理層主要基於最新之發票價及當時市況，估計存貨之可確認淨值。另外，管理層於年結日按同類貨基準檢討存貨，以衡量撇減存貨之需要。

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

29. ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

29. 會計估計及判斷 (續)

(c) IMPAIRMENTS

If circumstances indicate that the carrying value of fixed assets may not be recoverable, the assets may be considered “impaired”, and an impairment loss may be recognised in accordance with HKAS 36 “Impairment of Assets”. The carrying amounts of fixed assets are reviewed periodically in order to assess whether the recoverable amounts have declined below the carrying amounts. These assets are tested for impairment whenever events or changes in circumstances indicate that their recorded carrying amount is reduced to recoverable amount. The recoverable amount of fixed assets is the greater of the net selling price and the value in use. It is difficult to precisely estimate selling price because quoted market prices for the Group’s asset are not available. In determining the value in use, expected cash flows generated by the asset are discounted to their present value, which requires significant judgement relating to level of sale volume, selling price and amount of operating costs. The management uses all readily available information in determining an amount that is a reasonable approximation of recoverable amount, including estimates based on reasonable and supportable assumptions and projections of sale volume, selling price and amount of operating costs.

Impairment losses for bad and doubtful debts are assessed and provided based on the management’s regular review of ageing analysis and evaluation of collectibility. A considerable level of judgement is exercised by the management when assessing the credit worthiness and past collection history of each individual customer.

Any increase or decrease in the above impairment losses would affect the net profit in future years.

(c) 減值

倘情況顯示固定資產之面值不可收回，該資產會被視為「減值」，而減值虧損乃按香港會計準則第36號「資產減值」確認。固定資產之面值定期檢討，以評估收回款額有否跌至低於面值。當有事件或變動顯示此等資產之記錄面值減至收回款額時，此等資產會作減值測試。固定資產之收回款額為淨銷售價或使用值之較高者。由於並未取得本集團資產之市場報價，因此難於準確估計銷售價。於釐定使用價值時，該資產產生之預期現金流量按其現值折讓，而此需要就銷售量水平、銷售價及概約營運成本金額作重大判斷。管理層以所有現有資料釐定可收回款額之合理概約金額，包括基於銷售量、銷售價及營運成本金額之合理及有支持假設及預測而作之估計。

呆壞賬減值虧損之評估，乃基於管理層就賬齡分析所作之定期檢討及收回可能性之評估而作出。管理層評估各個別客戶之信用及過往收回款項記錄時，運用相當程度之判斷。

以上減值虧損之任何增加或減少均會影響未來年度之純利。

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度

30. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2006

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments, new standards and interpretations which are not yet effective for the year ended 31 December 2006 and which have not been adopted in these financial statements.

The Group is in the process of making an assessment of what the impact of these amendments, new standards and new interpretations is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group's results of operations and financial position.

In addition, the following developments may result in new or amended disclosures in the financial statements:

30. 於截至二零零六年十二月三十一日止之年度會計期間已頒佈但尚未生效之修訂、新訂準則及詮釋之可能影響

截至此等財務報表刊發日期，香港會計師公會已頒佈多項於截至二零零六年十二月三十一日止之年度尚未生效，而本財務表亦未採用之修訂、新訂準則及詮釋。

本集團正對預期此等修訂、新準則及新詮釋對首次適用之期間之影響進行評估。迄今為止結論為採納該等修訂、新準則及新詮釋對本集團經營業績及財務狀況產生重大影響之可能性不大。

此外，以下發展可能導致須於財務報表內作出新訂或修訂披露：

Effective for
accounting periods
beginning on or after
於下列日期或之後開始之
會計期間生效

| | | | |
|---------------------|------------------|--|-----------------------------|
| HKFRS 7 | 香港財務報告 準則第7號 | Financial Instruments: Disclosures 金融工具：披露 | 1 January 2007 二零零七年一月一日 |
| Amendment to HKAS 1 | 香港會計準則 第1號之修訂 | Presentation of Financial Statements: Capital Disclosures 財務報表之呈報：資本披露 | 1 January 2007 二零零七年一月一日 |