



中國海澱集團有限公司
CHINA HAIDIAN HOLDINGS LIMITED

Incorporated in the Cayman Islands with limited liability
於開曼群島註冊成立之有限公司

Stock Code 股份代號：256

06 | 年報 Annual Report



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BOARD OF DIRECTORS

Executive Directors

HON Kwok Lung (*Chairman*)
WANG Shaolan (*Vice Chairman*)
SHANG Jianguang (*Chief Executive Officer*)
SHI Tao
LAM Toi Man

Non-Executive Director

SIT Lai Hei

Independent Non-executive Directors

FUNG Tze Wa
KWONG Chun Wai, Michael
LI Qiang

QUALIFIED ACCOUNTANT AND COMPANY SECRETARY

FONG Chi Wah

AUDITORS

Grant Thornton

PRINCIPAL BANKERS

China Construction Bank (Asia) Limited
Bank of China (Hong Kong) Limited
Hongkong and Shanghai Banking Corporation Limited
Citic Ka Wah Bank Limited
Industrial Bank Co., Ltd.
Xiamen International Bank

董事會

執行董事

韓國龍 (主席)
王少蘭 (副主席)
商建光 (行政總裁)
石濤
林代文

非執行董事

薛黎曦

獨立非執行董事

馮子華
鄭俊偉
李強

合資格會計師及公司秘書

方志華

核數師

均富會計師行

主要往來銀行

中國建設銀行(亞洲)有限公司
中國銀行(香港)有限公司
香港上海滙豐銀行有限公司
中信嘉華銀行有限公司
興業銀行
廈門國際銀行

CORPORATE INFORMATION

公司資料

SHARE REGISTRAR IN HONG KONG

Secretaries Limited
26th Floor, Tesbury Centre
28 Queen's Road East
Wanchai
Hong Kong

REGISTERED OFFICE

P.O. Box 309
Ugland House
South Church Street
Grand Cayman
Cayman Islands

PRINCIPAL OFFICE

Suites 2701-2705 & 2715-2716
27th Floor, Two International Finance Centre
8 Finance Street, Central
Hong Kong

WEBSITE

<http://www.chinahaidian.com>

香港股份過戶登記處

秘書商業服務有限公司
香港
灣仔
皇后大道東28號
金鐘滙中心26樓

註冊辦事處

P.O. Box 309
Ugland House
South Church Street
Grand Cayman
Cayman Islands

主要辦事處

香港
中環金融街8號
國際金融中心二期27樓
2701至2705及2715至2716室

網站

<http://www.chinahaidian.com>

DIRECTORS AND SENIOR MANAGEMENT

董事及高層管理人員

EXECUTIVE DIRECTORS

HON Kwok Lung (Chairman)

Mr. Hon Kwok Lung, aged 52, is the Chairman of the Board of Directors of Citychamp Dartong Company Ltd. (“Citychamp Dartong”), the shares of which are listed on the Shanghai Stock Exchange in the PRC. Citychamp Dartong and its subsidiaries are principally engaged in manufacturing and sale of enamelled copper wire, high and low voltage cables and oxygen-free copper rod and property development in the PRC. Mr. Hon has extensive business experience in the PRC. Mr. Hon is a member of China Overseas Chinese Committee; Standing Committee of Jinlin Overseas Chinese Committee; Chinese People’s Political Consultative Conference (“CPPCC”), Beijing; CPPCC, Hai Dian District Committee of Beijing; and CPPCC, Fu Zhou Committee. He joined the Board in April 2004.

WANG Shaolan (Vice Chairman)

Mr. Wang Shaolan, aged 44, holds a Bachelor degree in Engineering from Tsinghua University and a Master degree in Economics from Peking University. Mr. Wang was formerly General Manager of China Township Enterprise Investment & Development Company Limited. He joined the Board in June 2000.

SHANG Jianguang (Chief Executive Officer)

Mr. Shang Jianguang, aged 55, graduated in Fuzhou University majoring in Chemistry is a qualified senior engineer in Mainland China. Prior to joining the Group, he assumed senior posts in various large companies, and was General Manager and Director of Min Xin Holdings Limited, a company listed on the main board of the Stock Exchange. He has extensive knowledge and experience in corporate and investment management. He joined the Board in November 2004.

SHI Tao

Mr. Shi Tao, aged 43, holds a Bachelor degree in Engineering from Tsinghua University and a Master degree in Engineering. Mr. Shi has years of business experience in the PRC. He joined the Board in April 2004.

執行董事

韓國龍 (主席)

韓國龍先生，現年五十二歲，是冠城大通股份有限公司（「冠城大通」）的主席，冠城大通的股份乃於中國上海證券交易所上市。冠城大通及其附屬公司在中國主要從事製造及銷售漆包線、高低壓架空線和無氧銅杆以及物業發展等業務。韓先生於中國商界累積豐富經驗，是中華全國歸國華僑聯合會委員、吉林省歸國華僑聯合會常委、中國人民政治協商會議北京市委員會委員、中國人民政治協商會議北京市海澱區委員會常委，以及中國人民政治協商會議福建省福州市委員會委員。彼於二零零四年四月加入本公司董事會。

王少蘭 (副主席)

王少蘭先生，現年四十四歲，王先生持有清華大學工學學士學位和北京大學經濟學碩士學位。彼曾任中國鄉鎮企業投資開發有限公司總經理。彼於二零零零年六月加入本公司董事會。

商建光 (行政總裁)

商建光先生，現年五十五歲，畢業於福州大學化學化工專業，持有中國大陸之合資格高級工程師職稱。彼加入本集團前，曾在多家大機構任高級職位，並曾任閩信集團有限公司（一家於聯交所主板上市之公司）之總經理及董事。彼於企業管理、投資管理等方面擁有廣泛知識及豐富經驗。彼於二零零四年十一月加入本公司董事會。

石濤

石濤先生，現年四十三歲，持有清華大學工程學學士學位，以及工程學碩士學位。石先生於中國商界累積多年經驗。彼於二零零四年四月加入本公司董事會。

DIRECTORS AND SENIOR MANAGEMENT

董事及高層管理人員

EXECUTIVE DIRECTORS (continued)

LAM Toi Man

Mr. Lam Toi Man, aged 49, has various years of experience in property development in the PRC. Mr. Lam has been the General Manager of Zhejiang Huashun Real Estate Investment Co., Ltd. In addition, he has been appointed as an Executive Director and the General Manager of Hangzhou Yuanhua Mart Construction Co., Ltd.. He joined the Board in April 2004. Mr. Lam is the brother-in-law of Mr. Hon Kwok Lung.

NON-EXECUTIVE DIRECTOR

SIT Lai Hei

Ms. Sit Lai Hei, aged 30, graduated in Fuzhou University taking Marketing as her major, is a qualified assistant engineer in Mainland China. She joined the Board in November 2004. Ms. Sit is the daughter-in-law of Mr. Hon Kwok Lung. In addition, Ms. Sit's husband is a nephew of Mr. Lam Toi Man.

INDEPENDENT NON-EXECUTIVE DIRECTORS

FUNG Tze Wa

Mr. Fung Tze Wa, aged 50, is a Certified Public Accountant and a Director of an accounting firm in Hong Kong. Mr. Fung has various years of experience in auditing, taxation and company secretarial practice in Hong Kong. He obtained a Master degree in professional accounting from the Hong Kong Polytechnic University in 2000. He is a member of the Hong Kong Institute of Certified Public Accountants, the Chartered Association of Certified Accountants, the Taxation Institute of Hong Kong and the Society of Chinese Accountants and Auditors. He joined the Board in April 2004.

KWONG Chun Wai, Michael

Dr. Kwong Chun Wai, Michael, aged 42, is a fellow of the International Institute of Management, a member of the Hong Kong Institute of Marketing and a member of the Hong Kong Logistics Association. Dr. Kwong obtained a Bachelor of arts degree with honours in philosophy from the University of Nottingham in the United Kingdom in 1987 and a Doctorate degree in business administration from Newport University in the United States in 2001. Dr. Kwong is also a certified professional marketer of the Hong Kong Institute of Marketing. He joined the Board in April 2004.

執行董事(續)

林代文

林代文先生，現年四十九歲，在中國物業發展方面累積多年經驗，曾任浙江華順房地產投資有限公司總經理。此外，林先生獲委任為杭州元華商城建設有限公司執行董事及總經理。彼於二零零四年四月加入本公司董事會。林先生為韓國龍先生之妻舅。

非執行董事

薛黎曦

薛黎曦女士，現年三十歲，畢業於福州大學市場營銷專業，持有中國大陸之助理工程師職稱。彼於二零零四年十一月加入本公司董事會。薛女士為韓國龍先生之媳婦。此外，薛女士之丈夫為林代文先生之外甥。

獨立非執行董事

馮子華

馮子華先生，現年五十歲，執業會計師及一間香港會計師事務所的董事。馮先生擁有多多年香港核數、稅務及公司秘書經驗，於二零零零年取得香港理工大學專業會計碩士學位。彼為香港會計師公會、特許公認會計師公會、香港稅務學會及華人會計師及核數師公會之會員。彼於二零零四年四月加入本公司董事會。

鄭俊偉

鄭俊偉博士，現年四十二歲，國際專業管理學會資深會員、香港市務學會會員及香港物流協會會員。鄭博士於一九八七年在英國諾定咸大學取得哲學榮譽文學士學位，並於二零零一年在美國Newport University取得工商管理博士學位。鄭博士亦為香港市務學會認許市務師。彼於二零零四年四月加入本公司董事會。

DIRECTORS AND SENIOR MANAGEMENT

董事及高層管理人員

INDEPENDENT NON-EXECUTIVE DIRECTORS (continued)

LI Qiang

Mr. Li Qiang, aged 41, holds a Master of Science degree and a PhD of Economics degree. Since March 2004, he is a senior consultant of Insurance Fund Management Regulatory Department of China Insurance Regulatory Commission. He has over 13 years of experience in the Mainland China financial market, including banking, securities and fund management. He joined the Board in November 2004.

SENIOR MANAGEMENT

FONG Chi Wah

Mr. Fong Chi Wah, aged 44, is the Chief Financial Officer and Secretary of the Company. Mr. Fong is an associate member of HKICPA, a fellow member of CPA Australia, a Chartered Financial Analyst and a member of the Hong Kong Institute of Directors. Mr. Fong has over 20 years of extensive experience in various sectors of the financial industry, including direct investment, project and structured finance, and capital markets with focus on the PRC and Hong Kong. Mr. Fong was a director of Baring Capital (China) Management Limited and held various management positions in ING Bank. He joined the Company in September 2004.

TAO Li

Mr. Tao Li, aged 54, is a Director and General Manager of several subsidiaries of the Company. Mr. Tao is in charge of the watch manufacturing and distribution businesses of the Group. Mr. Tao graduated from Beijing Foreign Trade College (currently known as China Foreign Economy and Trade University) in 1978 is a senior economist in Mainland China. He has over 23 years of experience in business administration, marketing and international trading. He has been working with the Group since 1991.

ZHENG Qinzhang

Mr. Zheng Qinzhang, aged 52, a professional accountant in the PRC. Mr. Zheng has extensive management experience in the PRC business sector, in particular the real estate industry. He has been the General Manager of Beijing Jing Guan Property Development Co. Ltd., a Company's subsidiary since March 2004.

獨立非執行董事 (續)

李強

李強先生，現年四十一歲，持有理學碩士學位及經濟學博士學位。彼自二零零四年三月起，在中國保險監督管理委員會資金運用監管部任高級顧問。彼在中國大陸之金融市場，包括銀行、證券及基金管理方面具有逾十三年豐富經驗。彼於二零零四年十一月加入本公司董事會。

高層管理人員

方志華

方志華先生，現年四十四歲，本公司的集團財務總監及公司秘書。方先生為香港會計師公會會員、澳洲會計師公會資深會員、特許財務分析師及香港董事學會會員。方先生於中國及香港金融界直接投資、項目及結構融資及資本市場等各方面積逾二十年豐富經驗。方先生曾為 Baring Capital (China) Management Limited 之董事，並於 ING Bank 擔任多個管理職位。彼於二零零四年九月加入本公司。

陶立

陶立先生，現年五十四歲，為本公司若干附屬公司之董事兼總經理。陶先生主管本集團鐘錶製造及分銷業務。陶先生於一九七八年在北京對外貿易學院（現稱中國對外經貿大學）畢業，持有中國大陸之高級經濟師職稱。彼於商業管理、市場推廣及國際貿易方面擁有逾二十三年經驗，彼於一九九一年加入本集團。

鄭欽璋

鄭欽璋先生，現年五十二歲，持有中國大陸之會計師從業資格，在大陸商界特別是房地產業積累了豐富的從業管理經驗。彼於二零零四年三月起任本公司附屬公司北京京冠房地產開發有限公司之總經理。

DIRECTORS AND SENIOR MANAGEMENT

董事及高層管理人員

SENIOR MANAGEMENT (continued)

XUE Mingdeng

Mr. Xue Mingdeng, aged 45, graduated from Jiangxi Finance and Economics Institution in 1988. He holds a Bachelor Degree in Financial Accounting and is an accountant and economist. Mr. Xue has been the Chairman of 潮州深寶房地產開發有限公司, the Director of Nanjing Central Emporium Co., Ltd, the Chairman of 深圳天極光電股份有限公司 and the Financial Controller of 深圳華龍房地產開發有限公司. He has been the Executive Director and General Manager of Seti Timber Industry (Shenzhen) Company Limited, a subsidiary of the Company, since August 2005.

高層管理人員(續)

薛命燈

薛命燈先生，現年四十五歲，一九八八年畢業於江西財經學院，持財務會計學學士學位、會計師及經濟師職稱。曾任潮州深寶房地產開發有限公司董事長、南京中央商場股份有限公司董事、深圳天極光電股份有限公司董事長及深圳華龍房地產開發有限公司財務總監等職務。彼於二零零五年八月起任本公司附屬公司森帝木業(深圳)有限公司之執行董事兼總經理。

CHAIRMAN'S STATEMENT

主席報告

I am pleased to announce that the performance of China Haidian Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") in 2006 was healthy with steady growth. Revenue (continuing and discontinued operations) increased by HK\$97,875,000 to HK\$717,711,000 while profit attributable to equity holders increased by HK\$65,622,000 to HK\$22,347,000 in 2006. Earnings per share hurdled from loss per share of HK2.80 cents in 2005 to earnings per share of HK1.44 cents in 2006.

The steady growth in performance was primarily underpinned by four factors. Firstly, EBOHR Luxuries International Company Limited ("EBOHR") achieved growth in operating revenue and net profit after tax due to its expanded product lines and markets. The newly developed product lines comprise 18K gold and sports watch series with new markets being developed in PRC institutional sales and export sales. Secondly, the Group expanded the enamelled copper wires segment through its joint venture and associated company, which contributed higher revenue as a result of increased capacity in 2006. Thirdly, Beijing Jing Guan Real Estate Development Limited ("Beijing Jing Guan") recognized the sales of two blocks, thus generating revenue of HK\$266,781,000. Fourthly, the loss incurred by Seti Timber Industry (Shenzhen) Company Limited ("Seti Timber") was reduced significantly, in particular, in the last quarter of 2006. Finally, returns on the Company's securities portfolio benefited from the buoyant Hong Kong stock market during 2006.

During 2006, the following measures were adopted by the Group in developing various business segments:

Firstly, on 3 August 2006, the Group conditionally agreed to dispose of the entire issued share capital of Beijing Jing Guan in exchange for the 16.4% of the issued share capital of Citychamp Dartong Company Limited ("Citychamp Dartong"), which is engaged in property development in the PRC with management expertise. Subsequent to completion, the Group will have an indirect investment in premium quality property projects in the PRC through its equity interests in Citychamp Dartong without the need of funding their development. Such investment will benefit our Group in the years to come.

Secondly, EBOHR has further developed its watch designs and sales network; and teamed up with international brands for access to manufacturing and distribution opportunities.

本人欣然宣布，中國海澱集團有限公司（「本公司」）及其附屬公司（統稱「本集團」）於二零零六年的業績穩步增長。二零零六年的來自持續經營業務及已終止經營業務收入增加97,875,000港元至717,711,000港元，而權益持有人應佔溢利則增加65,622,000港元至22,347,000港元。二零零六年的每股盈利狀況有所改善，由二零零五年每股虧損2.80港仙轉為錄得每股盈利1.44港仙。

業績穩步增長主要受四項因素推動。其一，依波精品（深圳）有限公司（「依波精品」）的經營收入及除稅後純利因增加產品系列及擴展市場而有所增長。新開發產品包括18K金及運動系列手錶，而新開發的市場則為中國機構銷售及外銷。其二，本集團透過其合營企業及聯營公司擴展漆包銅線業務。合營企業及聯營公司於二零零六年的產量增加，因而提供較高收入。其三，北京京冠房地產開發有限公司（「北京京冠」）已入賬兩幢樓宇的銷售交易，產生收入266,781,000港元。其四，森帝木業（深圳）有限公司（「森帝木業」）的虧損顯著減少，以二零零六年最後一季尤其明顯。最後，本公司所持證券組合的回報因港股於二零零六年表現理想而受惠。

於二零零六年，本集團就拓展各項業務採取以下措施：

其一，於二零零六年八月三日，本集團有條件同意出售北京京冠全部已發行股本，以換取冠城大通股份有限公司（「冠城大通」）16.4%已發行股本。冠城大通於中國從事房地產開發業務，具備豐富的管理專長。於完成後，本集團將透過持有冠城大通的股本權益而間接擁有中國多項優質房地產項目投資，但卻毋須提供開發該等項目所需資金。上述投資將於未來數年為本集團帶來利益。

其二，依波精品進一步開發手錶設計及銷售網絡，並夥拍國際品牌開拓製造及分銷商機。

CHAIRMAN'S STATEMENT

主席報告

Thirdly, in view of the additional investment in raising production capacity and development of customer base for enamelled copper wires, both the joint venture and associated company are expected to bring favourable contributions to the Group. The Group is currently exploring opportunities for acquiring and/or teaming up with other players in targeting aggressive growth and becoming one of the market leaders in the PRC.

Looking forward, our Group will continue to grow into a conglomerate by developing not only its existing businesses but also exploring new businesses with an aim to maximize its shareholders value and sustain long-term development. At the same time, our Group strives to further strengthen corporate governance and internal control.

On behalf of the Board, I would like to express my heartfelt gratitude to our business partners, customers and shareholders. In addition, I would like to take this opportunity to thank all our staff members for their valuable contribution during the past year.

其三，由於已就提高漆包銅線的產量及擴大其客戶基礎作出額外投資，預期合營企業及聯營公司為本集團帶來的進賬將日益豐厚。本集團現正物色機會購入及／或夥拍其他漆包銅線生產商，做強做大漆包線業務，成為領導中國漆包銅線業界的一份子。

展望未來，本集團將繼續發展為一個綜合企業，不僅銳意發展現有業務，亦積極開拓新業務，以盡量提高股東價值及維持長遠發展為目標。與此同時，本集團致力進一步加強企業管治及內部監控。

承蒙本集團的業務夥伴、客戶及股東鼎力支持，本人謹代表董事會衷心致謝。此外，過去一年全體職員為本集團作出寶貴貢獻，本人亦藉此機會向他們表達謝意。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

REVIEW OF RESULTS

For the year ended 31 December 2006, the Group's revenue (continuing and discontinued operations) amounted to HK\$717,711,000, an increase of HK\$97,875,000 over last year. Gross profit increased by HK\$562,000 to HK\$82,424,000 while net profit attributable to equity holders increased by HK\$65,622,000 to HK\$22,347,000.

(1) Property Development Business

Beijing Jing Guan Property Development Co. Ltd. ("Beijing Jing Guan"), a wholly-owned subsidiary of the Group, achieved satisfactory operating results. Two residential blocks of Sunpalace Mercury Garden, with a total area of 46,772 sq.m., were completed and sold, generating revenue of HK\$266,781,000 during the year. The structural work of the office block, with a total area of 23,184 sq.m., has been commenced and were pre-sold at an average selling price of RMB8,450 per sq.m. Such revenue will be recognised in 2007.

Beijing Xin Yang Property Development Co. Ltd. ("Beijing Xin Yang"), a 80% owned subsidiary of the Group, has completed the resettlement work of the Guangqumen redevelopment project, which has a total site area of 11.62 hectares, a construction area of 8.66 hectares and a gross floor area of 545,400 sq.m. Preparatory works for the construction are in progress.

(2) Watches and Timepieces Business

Revenue of EBOHR Luxuries International Company Limited ("EBOHR"), a wholly-owned subsidiary of the Group, increased by 6% to approximately HK\$130,358,000 in 2006 over the previous year, contributing net profit of approximately HK\$18,765,000 to the Group. The growth was mainly attributable to the innovative designs, emerging brand recognition, and strong sales network and market development. As at the end of December 2006, there were 25 sale offices in key cities, approximately 300 distribution points and 300 authorized dealers all over the PRC. In 2006, institutional sales and exports accounted for 20% and 3% of total sales respectively.

業績回顧

截至二零零六年十二月三十一日止年度，本集團來自持續經營業務及已終止經營業務的收入為717,711,000港元，較上年度增加97,875,000港元。毛利增加562,000港元至82,424,000港元，而權益持有人應佔純利則增加65,622,000港元至22,347,000港元。

(1) 房地產開發業務

本集團的全資附屬公司北京京冠房地產開發有限公司（「北京京冠」）取得良好的經營業績。年內太陽星城水星園兩幢面積合共46,772平方米的住宅樓宇落成售出，為本集團帶來266,781,000港元收入。另總面積23,184平方米的辦公大樓的結構工程已經展開，並以每平方米人民幣8,450元的平均售價推出預售。所得收入將於二零零七年入賬。

本集團擁有80%權益的附屬公司北京鑫陽房地產開發有限公司（「北京鑫陽」）已完成廣渠門重建工程項目的拆遷工程。該項目總規劃用地11.62公頃，建設用地8.66公頃，總建築面積545,400平方米。現正進行工程前期工作。

(2) 鐘錶業務

本集團全資附屬公司依波精品（深圳）有限公司（「依波精品」）於二零零六年度的銷售收入增至130,358,000港元，較上年度增長6%，為本集團帶來淨利潤約18,765,000港元。增長主要歸因於產品設計新穎、品牌聲譽日隆以及加強銷售網絡及市場拓展。於二零零六年十二月末，本集團在中國主要城市設有25個銷售辦事處，另有約300個分銷點及300名認可經銷商分布全中國。於二零零六年，機構銷售額及外銷額分別佔總銷售額20%及3%。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

REVIEW OF RESULTS (continued)

(3) Timber Business

Seti Timber Industry (Shenzhen) Company Limited (“Seti Timber”), a wholly-owned subsidiary of the Group, remained in tatters in 2006. Of all the negative factors contributing to the unsatisfactory performance, the imbalance between supply and demand of the products is crucial. Owing to increase in business volume during the second half of 2006, the performance in the second half showed slight improvement. The management has implemented strategies to realign product mix, increase production and sales of profitable products, save costs, focus on profitable product lines and streamline the operation in order to resume profitability in 2007.

(4) Enamelled Copper Wires Business

Fuzhou Dartong M&E Co. Ltd. (“Fuzhou Dartong”), a 49% owned joint venture of the Group contributed revenue and net profit after tax of approximately HK\$196,414,000 and HK\$4,287,000 respectively in 2006. In the first half of 2006, the annual full production capacity was 7,500 tons with an additional production capacity of 2,500 tons being added in the latter half. At the end of 2006, annual production capacity of 10,000 tons was fully operational. The increased production capacity led to corresponding increases in revenue and net profit after tax in 2006. The annual production capacity will be increased to 15,000 tons in 2007.

Jiangsu Dartong M&E Co. Ltd. (“Jiangsu Dartong”), a 25% owned associated company of the Group recorded contributions of approximately HK\$5,028,000 in 2006. Jiangsu Dartong increased production capacity to satisfy market demand in 2006. As such, sales volume increased from 13,000 tons in 2005 to 16,000 tons in 2006.

業績回顧(續)

(3) 木材業務

本集團全資附屬公司森帝木業(深圳)有限公司(「森帝木業」)於二零零六年仍錄得經營虧損。在導致森帝木業表現欠佳的所有不利因素中,主要某些產品不能適銷對路屬關鍵因素。由於二零零六年下半年的生意額上升,故下半年表現略有改善。管理層已實施調整產品結構、增加可盈利產品之生產及銷售、控制成本、專注有利可圖的產品系列及精簡業務的戰略,務求於二零零七年恢復盈利能力。

(4) 漆包線業務

本集團持有49%權益的合營企業福州大通機電有限公司(「福州大通」)於二零零六年的收入及除稅後純利分別約為196,414,000港元及4,287,000港元。於二零零六年上半年,福州大通全面運作的年產量為7,500噸,下半年再增加2,500噸。於二零零六年底,福州大通全面運作的年產量達到10,000噸。產量增加令二零零六年度的收入及除稅後純利亦相應增加。二零零七年的年產量將會增加至15,000噸。

本集團持有25%權益的聯營公司江蘇大通機電有限公司(「江蘇大通」)於二零零六年帶來進賬約5,028,000港元。江蘇大通於二零零六年提高產量以滿足市場需求。因此,銷量由二零零五年的13,000噸增至二零零六年的16,000噸。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

REVIEW OF RESULTS (continued)

(5) Property Investment

The factory complex in Dongguan, the property on Yan He South Road, Luohu District, Shenzhen and the office floor and three shop units on Xianghua Road, Zhuhai, in Guangdong Province of the PRC, owned by the Group have been leased out, with stable rental returns to the Group for the year under review.

In December 2006, the Group purchased an investment property in Hong Kong for HK\$98,640,000. Such investment is expected to generate satisfactory returns to the Group, given the robust luxury residential market conditions in Hong Kong.

FINANCIAL POSITION

(1) Liquidity, Financial Resources and Capital Structure

As at 31 December 2006, the Group had non-pledged cash and bank balances of approximately HK\$234,616,000 (31 December 2005: HK\$370,909,000). Based on bank loans of HK\$501,701,000 (31 December 2005: HK\$413,462,000) and shareholders' equity of HK\$537,935,000 (31 December 2005: HK\$459,018,000), the Group's gearing ratio (being loans divided by shareholders' equity) was 93% (31 December 2005: 90%). As at 31 December 2006, the Group's bank loans amounting to HK\$116,353,000 (23% of all bank loans) were repayable within one year.

業績回顧(續)

(5) 物業投資

本集團位於中國廣東省東莞市的工廠綜合大樓、深圳市羅湖區沿河南路的物業及珠海市香華路一層辦公樓及三個舖位已全部用作出租用途，並於回顧年度為本集團帶來穩定租金回報。

於二零零六年十二月，本集團以98,640,000港元在香港購入一項投資物業。鑑於香港的豪宅市道暢旺，預期該項投資將為本集團帶來理想回報。

財務狀況

(1) 流動資金、財務資源及資本結構

於二零零六年十二月三十一日，本集團無抵押現金及銀行結存約為234,616,000港元（二零零五年十二月三十一日：370,909,000港元）。根據銀行貸款501,701,000港元（二零零五年十二月三十一日：413,462,000港元）及股東權益537,935,000港元（二零零五年十二月三十一日：459,018,000港元）計算，本集團的資本負債率（貸款除股東權益）為93%（二零零五年十二月三十一日：90%）。於二零零六年十二月三十一日，本集團23%銀行貸款共116,353,000港元須於一年內償還。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL POSITION (continued)

(2) Charge on Assets

Bank loans of HK\$330,000,000 were granted to Beijing Jing Guan, which is secured by the land use rights of the East Part of E Area, Taiyanggong New District, Chao Yang Qu, Beijing, the PRC. Bank loans of HK\$27,000,000 and other banking facilities of Seti Timber are secured by land and buildings in Nanshan District, Shenzhen owned by the Group in the PRC with net book values amounting to approximately HK\$128,233,000 as at 31 December 2006.

(3) Capital Commitments

As at 31 December 2006, the Group had capital commitments of approximately HK\$198,383,000 mainly relating to the construction costs payable in respect of the Group's property development projects in Beijing and the proposed acquisition of 21% equity interests in Beijing Haidian Science Park Development Co., Ltd., which will be satisfied by funds generated from the sales of property and the Group's available cash.

(4) Contingent Liabilities

The Company had no material contingent liabilities as at the balance sheet date.

財務狀況(續)

(2) 資產抵押

銀行貸款330,000,000港元乃向北京京冠授出，以集團位於中國北京朝陽區太陽宮北街太陽宮新區E區東部的土地使用權作抵押。森帝木業的27,000,000港元銀行貸款，以位於深圳市南山區於二零零六年十二月三十一日賬面淨值約128,233,000港元的土地及樓宇作抵押。

(3) 資本承擔

於二零零六年十二月三十一日，本集團的資本承擔約為198,383,000港元，主要涉及就本集團於中國北京市的物業發展項目所應付建築成本及建議收購北京海澱科技園建設股份有限公司21%股本權益。上述資本承擔將由出售物業所得的資金與本集團可動用的現金支付。

(4) 或然負債

截至結算日，本公司並無重大或然負債。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

OUTLOOK

The growth of the PRC economy is expected to be buoyant in the next few years, which will benefit our property, watches and timepieces, enamelled copper wires and property investment segments.

In the next few years, the 2008 Olympiad will favour the property market in Beijing and the Group's project in Guangqumen.

For the watches and timepieces business, the Group will devote more efforts in expanding sales network and establishing cooperation with famous international brands. Leveraging on its market leading position and comprehensive sales network and the awareness of the international brands, it will achieve increasing revenue in the PRC. Besides, export sales are also growing steadily.

Following the consolidation of the enamelled copper wires industry, our peers with poor product quality and weak financial strength have been gradually eliminated. Sales revenue and market shares of Fuzhou Dartong and Jiangsu Dartong are expected to increase due to advanced technology with international standards, specialized products and strong financial capability. China's accession to WTO and the gradual shift of global manufacturing base to the PRC will also contribute to the growth of Fuzhou Dartong and Jiangsu Dartong. The Group is actively seeking further growth of the enamelled copper wires business by acquiring and teaming up with our peers. In 2007, the Group will continue to engage in the existing five business segments. Capitalising on the economic growth of PRC and Hong Kong, the Group will actively expand all business segments except timber segment. More efforts will be put in the timber segment to stem the loss. Besides, the Group will seek additional opportunities so as to diversify the Group's sources of revenue and generate satisfactory returns for shareholders.

展望

預期中國經濟將於未來數年強勁增長，屆時本集團的房地產、鐘錶、漆包線及物業投資等業務將會受惠。

於未來數年，二零零八北京奧運將有利於北京房地產市場的發展，亦惠及本集團的廣渠門項目。

鐘錶業務方面，本集團將投入更大的人力物力來擴展銷售網絡及與國際知名品牌合作。憑藉本身的市場領導地位、廣泛的銷售網絡及對國際品牌的認識，本集團在中國的收入將與日俱增。此外，外銷額亦穩步增長。

在漆包線業界進行整固後，生產劣質產品及財力薄弱的同業逐步遭淘汰。福州大通及江蘇大通掌握符合國際標準的先進技術，有能力生產專門產品及財力雄厚，預料其銷售收入及市場佔有率將會增加。中國加入世貿及全球企業逐步將生產基地轉移至中國，亦促使福州大通及江蘇大通的業務有所增長。本集團正積極尋求透過收購及夥拍同業來進一步擴展漆包線業務。於二零零七年，本集團將繼續從事五項現有業務。本集團將把握中港兩地經濟增長之利，積極擴展木材業務以外之全線業務，而木材業務方面則致力減少虧損。此外，本集團將努力發掘商機，務求增闢收入來源，為股東爭取理想回報。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2006, the Group had approximately 2,000 full-time staffs in Hong Kong and the PRC. Remuneration packages offered to the employees are determined and reviewed on the principles of fairness with reference to market condition and individual performance. The Group also provides other benefits to its employees, including year-end double pay, medical insurance and retirement benefits, and incentive bonus are offered with reference to the Group's operating results and employees' individual performance. All employees of the Group in Hong Kong have joined the provident fund scheme.

APPRECIATION

The Directors would like to take this opportunity to express our gratitude to all shareholders, customers, bankers, professional consultants, the management as a whole and all staff for their dedication and contribution to the Group.

Shang Jianguang
Chief Executive Officer

Hong Kong, 25 April 2007

僱員及薪酬政策

本集團於二零零六年十二月三十一日分別在香港及中國內地聘用全職員工約二千名。僱員薪酬乃本着公平原則，參考市場情況及根據個別員工表現制定及檢討。本集團並為員工提供其他福利，包括年終雙糧、醫療保險及退休福利，並視乎集團的經營業績及員工個人的工作表現向僱員發放獎金花紅。本集團全體香港僱員均已參加公積金計劃。

致意

董事會願藉此機會，衷心感謝所有股東、客戶、往來銀行、專業顧問、管理層和全體員工於回顧年內對本集團之竭誠服務及貢獻。

行政總裁
商建光

香港，二零零七年四月二十五日

CORPORATE GOVERNANCE PRACTICES

The Company has applied the principles and complied with all the applicable code provisions of the Code on Corporate Government Practices (“Code”) as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) for the year ended 31 December 2006. The board will continuously review and improve the corporate governance practices and standards of the Company to ensue that business activities and decision making processes are regulated in a proper manner.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code”) as set out in Appendix 10 of the Listing Rules for securities transactions by directors of the Company in 2004. All the members of the board have confirmed, following specific enquiry by the Company, that they have complied with the required standard as set out in the Model Code throughout the year ended 31 December 2006.

BOARD OF DIRECTORS

Composition and role

The board of directors of the Company comprises:

Executive Directors:

執行董事：

HON Kwok Lung (*Chairman*)

韓國龍 (主席)

WANG Shaolan (*Vice Chairman*)

王少蘭 (副主席)

SHANG Jianguang (*Chief Executive Officer*)

商建光 (行政總裁)

SHI Tao

石濤

LAM Toi Man

林代文

Non-executive Director:

非執行董事：

SIT Lai Hei

薛黎曦

Independent Non-executive Directors:

獨立非執行董事：

FUNG Tze Wa

馮子華

KWONG Chun Wai, Michael

鄺俊偉

LI Qiang

李強

企業管治常規

本公司於截至二零零六年十二月三十一日止年度已應用香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十四所載企業管治常規守則（「守則」）的原則及遵守所有適用守則條文。董事會將不斷檢討及改進本公司的企業管治常規及準則，確保業務活動及決策流程受到妥善規管。

董事進行證券交易

本公司於二零零四年就本公司董事進行證券交易採納上市規則附錄十所載上市發行人董事進行證券交易的標準守則（「標準守則」）。本公司經作出具體查詢後，獲全體董事會成員確認，彼等於截至二零零六年十二月三十一日止年度一直遵守標準守則載列的指定標準。

董事會

成員及角色

本公司董事會成員包括：

BOARD OF DIRECTORS (continued)

Composition and role (continued)

The principal focus of the board is on the overall strategic development and direction of the Group. The board also monitors the financial performance and the internal controls of the Group's business operations. The board has established a clear segregation of duties and responsibilities between the board and the management as to which types of decisions are to be taken by the board and which are to be delegated to management. This segregation of duties and responsibilities will be reviewed by the board on a regularly basis.

The board comprises of five Executive Directors (one of whom is the Chairman and the other of whom is the Chief Executive Officer), one Non-executive Director and three Independent Non-executive Directors. In addition, one of the Independent Non-executive Directors possesses appropriate professional accounting qualifications and financial management expertise. Details of backgrounds and qualifications of directors are set out in the pages 4 to 6 of the Annual Report.

With a wide range of expertise and a balance of skills, the Non-executive Director bring independent judgment on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conduct through her participating in board meetings and committee work.

The views of the Independent Non-executive Directors carry significant weight in the board's decision-making process. The board considers that each Independent Non-executive Director is independent in character and judgment and that they all meet the specific independence criteria as required by the Listing Rules. The Company has received from each Independent Non-executive Director an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules and the Company still considers such directors to be independent. The Independent Non-executive Directors are explicitly identified in all corporate communications.

董事會 (續)

成員及角色 (續)

董事會主要負責制定本集團的整體策略發展及方向。董事會亦監管本集團業務營運的財務表現及內部監控。董事會已清晰劃分董事會與管理層的職務及職責，以釐定董事會作出的決策類別及管理層獲指派的工作。董事會將定期檢討該等職務及職責的分工。

董事會由五名執行董事（其中一名為主席，另外一名為行政總裁）、一名非執行董事及三名獨立非執行董事組成。此外，其中一名獨立非執行董事擁有適當專業會計資格及財務管理知識。各董事的履歷及專業資格載於年報第4至第6頁

非執行董事憑藉廣泛專業知識及各方技能，透過參與董事會會議及委員會事務，就策略、政策、表現、問責、資源、重要委聘及操守準則各項事宜作出獨立判斷。

獨立非執行董事的意見於董事會決策過程中發揮重大影響力。董事會認為，各獨立非執行董事在身分及判斷力上均互相獨立，而彼等均符合上市規則所規定的指定獨立條件。本公司已接獲每名獨立非執行董事根據上市規則第3.13條有關其獨立身分的年度確認函，而本公司認為該等董事仍具獨立性。所有企業通訊內均明確識別各獨立非執行董事的身分。

BOARD OF DIRECTORS (continued)

Composition and role (continued)

The board meets regularly throughout the year to review the overall strategy, discuss business opportunities and to monitor the operation as well as the financial performance of the Group. With the assistance of the Company Secretary, the Chairman and the Chief Executive Officer are primarily responsible for drawing up and approving the agenda for each board meeting in consultation with all directors. Notice of at least 14 days have been given to all directors for all regular board meetings and the directors can include matters for discussion in the agenda if necessary. Agenda and accompanying board papers in respect of regular board meetings are sent out in full to all directors within reasonable time prior to confirmation.

Minutes of board meetings and meetings of board committees are kept by duly appointed secretaries of the respective meetings and all directors have access to board papers and related materials, and are provided with adequate information on a timely manner, which enable the board to make an informed decision on matters placed before it.

Save as mentioned below, there is no relationship among members of the board:

- (i) Mr. Lam Toi Man (Executive Director) is the brother-in-law of Mr. Hon Kwok Lung (Chairman of the board).
- (ii) Ms. Sit Lai Hei (Non-executive Director) is the daughter-in-law of Mr. Hon Kwok Lung and Ms. Sit's husband is a nephew of Mr. Lam Tai Man.

董事會 (續)

成員及角色 (續)

董事會於年內定期開會檢討整體策略、討論業務商機及監管本集團營運及財務表現。在公司秘書的協助下，主席及行政總裁主要負責在諮詢全體董事後，草擬及批准各董事會會議的議程。董事會就所有董事會例會向全體董事發出最少十四日通知，而董事可於需要時在議程內納入討論課題。有關董事會例會的議程及隨附董事會文件均於確認前在合理時間內全部寄交各董事。

董事會及董事委員會的會議記錄均由各會議經正式委任的秘書保管。所有董事均可取閱董事會文件及相關資料，並適時獲取充足資料，確保董事會就有待處理事宜作出知情決定。

除下文所述者外，董事會成員間並無任何關係：

- (i) 執行董事林代文先生為董事會主席韓國龍先生的妻舅。
- (ii) 非執行董事薛黎曦女士為韓國龍先生的媳婦，而薛女士的丈夫則為林代文先生的外甥。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF DIRECTORS (continued)

董事會 (續)

Composition and role (continued)

成員及角色 (續)

During the year, five board meetings were held and the individual attendance of each director is set out below:

年內，本公司共舉行五次董事會會議，個別董事之出席率載列如下：

Name of director 董事姓名		Number of board meetings attended 出席董事會會議次數	Attendance rate 出席率
HON Kwok Lung	韓國龍	2/5	40%
WANG Shaolan	王少蘭	2/5	40%
SHANG Jianguang	商建光	5/5	100%
SHI Tao	石濤	4/5	80%
LAM Toi Man	林代文	1/5	20%
SIT Lai Hei	薛黎曦	2/5	40%
FUNG Tze Wa	馮子華	5/5	100%
KWONG Chun Wai, Michael	鄭俊偉	5/5	100%
LI Qiang	李強	5/5	100%

Chairman and Chief Executive Officer

主席及行政總裁

The roles of Chairman and Chief Executive Officer are separate and performed by two different individuals namely, Mr. Hon Kwok Lung as the Chairman and Mr. Shang Jianguang as the Chief Executive Officer. As such, there is a clear division of the responsibilities at the board level to ensure a balance of power and authority, so that power is not concentrated in any one individual.

主席及行政總裁的角色有獨立區分，並由兩名不同人士出任，主席為韓國龍先生，而行政總裁則為商建光先生。因此，董事會各項職責獲清晰劃分，確保權力及職權得以取得平衡，使權力不會集中於任何一名個別人士身上。

BOARD OF DIRECTORS (continued)

Re-election of Directors

Each of the directors is appointed for a specific term and is subject to the rotation provision of the Company's Articles of Association and shall retire at least once every three years.

Pursuant to the existing Articles of Association of the Company, at every annual general meeting, one-third of the directors for the time being or, if their number is not a multiple of three, then the number nearest to but not greater than one-third shall retire from office. Besides, the Company will ensure full compliance with the Code provision that every director should be subject to retirement by rotation at least once every three years.

In order to bring the Company's Articles of Association in alignment with code A.4.2 of the Code, the Company proposes to seek approval from the shareholders of the Company at the annual general meeting on amendments to Articles 99 and 116 of the Company's Articles of Association so that any director elected to fill a casual vacancy shall hold office only until the next following general meeting of the Company.

Remuneration Committee

Members of the Remuneration Committee are Mr. Fung Tze Wa (Committee Chairman), Dr. Kwong Chun Wai, Michael, Mr. Li Qiang, Mr. Hon Kwok Lung and Mr. Shang Jianguang.

The majority of the Remuneration Committee members are Independent Non-executive Directors. The Remuneration Committee recommends the board on the Group's overall policy and structure for all remuneration of directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration. The Remuneration Committee ensures that no director or any of his/her associates is involved in deciding his/her own remuneration. The terms of reference of the Remuneration Committee were adopted are consistent with the requirements of the Code, a copy of which is posted on the Company's website.

董事會 (續)

重選董事

各董事均按指定任期獲委任，且須遵守本公司章程細則有關輪值退任的條文，至少須每三年退任一次。

根據本公司的現行組織章程細則規定，於每屆股東週年大會上，當時三分之一董事，或倘有關人數並非三的倍數則最接近但不超過三分之一的董事須退任。此外，本公司將確保全面遵守有關每名董事須最少每三年輪值退任一次的守則條文。

為令本公司的組織章程細則與守則第A.4.2條一致，本公司建議於股東週年大會上徵求本公司股東批准，修訂本公司組織章程細則第99及116條，以致獲選填補臨時空缺的董事任期僅至本公司下屆股東大會為止。

薪酬委員會

薪酬委員會的成員包括馮子華先生（委員會主席）、鄭俊偉博士、李強先生、韓國龍先生及商建光先生。

薪酬委員會大多數成員均為獨立非執行董事。薪酬委員會就本集團所有董事及高層管理人員薪酬的整體政策及結構，以及就制定薪酬政策確立正規而具透明度程序，向董事會提出建議。薪酬委員會須確保董事或其任何聯繫人士均不得參與釐定其本身薪酬。薪酬委員會已採納與守則規定貫徹一致之書面職權範圍。有關書面職權範圍已刊載於本公司網站。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF DIRECTORS (continued)

董事會 (續)

Remuneration Committee (continued)

薪酬委員會 (續)

The Remuneration Committee has met once on 25 August 2006 to review the main elements of the Company's remuneration policy for directors and senior management, and to review and approve the specific remuneration packages of all directors and senior management.

薪酬委員會曾於二零零六年八月二十五日舉行會議，以檢討本公司董事及高層管理人員薪酬政策的主要內容，並審閱及批准全體董事及高層管理人員的具體薪酬組合。

During the year, one Remuneration Committee meeting was held. The individual attendance of each member is set out below:

年內，薪酬委員會曾舉行一次會議，個別成員的出席率載列如下：

Name of director 董事姓名		Number of meetings attended 出席薪酬委員會會議次數	Attendance rate 出席率
FUNG Tze Wa	馮子華	1/1	100%
KWONG Chun Wai, Michael	鄺俊偉	1/1	100%
LI Qiang	李強	1/1	100%
HON Kwok Lung	韓國龍	1/1	100%
SHANG Jianguang	商建光	1/1	100%

Nomination of Directors

董事提名

The Company has not established a Nomination Committee. The board will assume the responsibilities to manage the matters relating to appointment and removal of directors.

本公司並無設立提名委員會。董事會將承擔管理董事任免事宜。

During the year under review, as the board had no plan to nominate new directors and the respective terms of service for all the existing directors are still in effect, the board has not yet discussed or set up the nomination procedures and the process and criteria to select and recommend candidates for directorship during the year.

回顧年度內，由於董事會並無計劃委任新任董事，而全體現任董事各自的任期仍然生效。因此於年內，董事會尚未討論或訂立提名程序以及甄選及推薦候任董事的程序及準則。

BOARD OF DIRECTORS (continued)

Audit Committee

Members of the Audit Committee are Mr. Fung Tze Wa (Committee Chairman), Dr. Kwong Chun Wai, Michael and Mr. Li Qiang.

All members of the Audit Committee are Independent Non-executive Directors. The board considers that each Audit Committee member has broad commercial experience and there is a suitable mix of expertise in business, accounting and financial management on the Audit Committee. The composition and members of the Audit Committee complies with the requirements under Rule 3.21 of the Listing Rules. The written terms of reference which describe the authority and duties of the Audit Committee were adopted in 1999 and subsequently revised on 23 August 2005 to conform to the provisions of the Code, a copy of which is posted on the Company's website.

During the year under review, the Audit Committee has met four times to review the reporting of financial (including half-yearly and annual results) and other information to shareholders, the system of internal controls, risk management, effectiveness and objectivity of the audit process as well as to perform its other duties set out in this terms of reference. Besides, the Audit Committee has discussed the resignation and approval of auditors. Mr. Fung Tze Wah, Committee Chairman, has visited three subsidiaries and enquired about and comment on the matters related to system of internal controls and risk management of those subsidiaries.

The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of the accounts for the year ended 31 December 2006.

董事會 (續)

審核委員會

審核委員會成員包括馮子華先生 (委員會主席)、鄭俊偉博士及李強先生。

全體審核委員會成員均為獨立非執行董事。董事會認為，各審核委員會成員均擁有廣博的商業經驗，而審核委員會於營運、會計及財務管理方面亦具備適當且多元化的經驗。審核委員會的組成及成員均符合上市規則第3.21條規定。詳述審核委員會的權力及職責的書面職權範圍，已於一九九九年獲採納，其後於二零零五年八月二十三日獲修訂，以符合守則條文的規定。有關書面職權範圍已刊載於本公司網站。

回顧年度內，審核委員會共舉行四次會議，以審閱包括中期及年度業績的財務報告與須向股東提供的其他資料、內部監控系統、風險管理、核數程序的成效與客觀性以及履行職權範圍所載其他職務。此外，審核委員會已就核數師的呈辭及批准事宜進行商討。委員會主席馮子華先生曾視察三間附屬公司，並查詢有關該等附屬公司的內部監控制度及風險管理等事項並作出評價。

審核委員會已與管理層審閱本集團採納的會計準則及慣例，並討論內部監控及財務申報事宜，包括審閱截至二零零六年十二月三十一日止年度賬目。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF DIRECTORS (continued)

董事會 (續)

Audit Committee (continued)

審核委員會 (續)

During the year, four Audit Committee meetings were held and the individual attendance of each member is set out below:

年內，審核委員會共舉行四次會議，個別成員的出席率載列如下：

Name of director 董事姓名		Number of meetings attended 出席審核委員會會議次數	Attendance rate 出席率
FUNG Tze Wa	馮子華	4/4	100%
KWONG Chun Wai, Michael	鄺俊偉	4/4	100%
LI Qiang	李強	4/4	100%

AUDITORS' REMUNERATION

核數師酬金

For the year ended 31 December 2006, the Company has paid an audit fee of HK\$1,480,000 in relation to the audit services for the financial statements for the year ended 31 December 2005.

截至二零零六年十二月三十一日止年度，本公司就截至二零零五年十二月三十一日止年度財務報表之審核服務支付1,480,000港元核數費用。

INTERNAL CONTROLS

內部監控

The board has overall responsibility for maintaining an adequate system of internal controls of the Company and for reviewing its effectiveness. The board is committed to implementing an effective and sound internal controls system to safeguard the interest of shareholders and the Group's assets. The board has delegated to management the implementation of the system of internal controls and reviewing of all relevant financial, operational, compliance controls and risk management function within an established framework and reporting to the board and Audit Committee on its material findings.

董事會對維持本公司完善內部監控制度及檢討其成效承擔整體責任。董事會致力推行有效及穩健的內部監控制度，保障股東利益及本集團資產。董事會已委派管理層推行內部監控制度，並檢討已建立架構內所有相關財務、營運、合規監控及風險管理職能，並向董事會及審核委員會匯報重要發現。

CORPORATE GOVERNANCE REPORT

企業管治報告

DIRECTORS' RESPONSIBILITY STATEMENT

The directors are responsible for the preparation of accounts for each financial period which give a true and fair view of the state of affairs of the Group and of the results and cash flow for that period. In preparing the accounts for the year ended 31 December 2006, the directors have selected suitable accounting policies and applied them consistently; adopted appropriate Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards; made adjustments and estimates that are prudent and reasonable; and have prepared the accounts on the going concern basis. The directors are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company.

INVESTOR RELATIONSHIP AND COMMUNICATION

The Company endeavours to maintain a high level of transparency in communicating with shareholders and the investment community at large. In order to ensure effective, clear and accurate communications with the shareholders and investors, all corporate communications are arranged and handled by the Executive Directors and designated senior executives according to established practices and procedures of the Company.

The Company has announced its annual results and interim results in a timely manner during the year under review, which is within the time limits set out in the Listing Rules. Separate resolutions are proposed at the general meetings on each substantially separate issue, including the re-election of individual directors. In addition, procedures for demanding a poll are included in the circular to shareholders dispatched together with the annual report.

The Company has also maintained a website at www.chinahaidian.com which enables shareholders, investors and the general public to have access to the information of the Company on a timely basis. Financial information and all shareholder corporate communications of the Company are made available on the Company's website and updated regularly.

董事責任聲明

董事負責編製各財政期間的賬目，該等賬目真確反映本集團於該期間的事務、業績及現金流量。編製截至二零零六年十二月三十一日止年度賬目時，董事選用及貫徹應用適當會計政策；採納適當香港財務申報準則及香港會計準則；作出多項審慎合理的調整及估計；以及按持續經營基準編製賬目。董事亦有責任存管適當會計記錄，於任何時間合理準確地披露本公司的財政狀況。

投資者關係及溝通

本公司致力維持高水平透明度，務求與股東及投資界大眾連繫溝通。為確保與股東及投資者維持有效、清晰而準確的溝通渠道，所有公司通訊由執行董事及指定高層管理人員，根據本公司的既定慣例及程序安排及處理。

回顧年度內，本公司於上市規則所載時限內，適時公佈其全年及中期業績。於股東大會就各重大個別事項（包括重選個別董事）提呈獨立決議案。此外，要求按股數投票表決的程序已載入連同年報一併送交股東的通函內。

本公司另設立網站www.chinahaidian.com，供股東、投資者及公眾人士適時瀏覽本公司資料。本公司財務資料及所有與股東的公司通訊均刊載於本公司網站，並會定期更新。

REPORT OF THE DIRECTORS

董事會報告

The directors present their report and the audited financial statements of the Company and of the Group for the year ended 31 December 2006.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Details of the principal activities of the principal subsidiaries are set out in note 21 to the financial statements. There were no significant changes to the Group's principal activities during the year except for property development, which were presented as discontinued operations during the year.

RESULTS AND DIVIDENDS

The Group's profit for the year ended 31 December 2006 and the state of affairs of the Company and of the Group at that date are set out in the financial statements on pages 35 to 38.

The directors do not recommend the payment of any dividend in respect of the year ended 31 December 2006.

SUMMARY FINANCIAL INFORMATION

A summary of the published results, assets, liabilities, minority interests of the Group for the last five financial years, as extracted from the audited financial statements, is set out on pages 141 and 142. This summary does not form part of the audited financial statements.

PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

Details of movements in the property, plant and equipment, and investment properties of the Company and of the Group during the year are set out in notes 17 and 18 to the financial statements, respectively. Further details of the Group's investment properties are set out on pages 100 and 101 of the annual report.

PROPERTIES UNDER DEVELOPMENT AND PROPERTIES HELD FOR SALE

Details of the Group's properties under development are set out in note 26 to the financial statements. Further details of the Group's properties under development and properties held for sale are set out on page 144 of the annual report.

董事謹此提呈董事會報告以及本公司及本集團截至二零零六年十二月三十一日止年度之經審核財務報表。

主要業務

本公司之主要業務為投資控股。主要附屬公司之主要業務詳情載於財務報表附註21。除物業發展於本年報呈列為已終止經營業務外，本集團之主要業務於年內並無重大變動。

業績及股息

本集團截至二零零六年十二月三十一日止年度之溢利以及本公司和本集團於當日的財務狀況載於財務報表第35至38頁。

董事並不建議就截至二零零六年十二月三十一日止年度派付任何股息。

財務資料概要

本集團過去五個財政年度已刊發業績、資產、負債與少數股東權益概要載於第141頁及第142頁，乃摘錄自經審核財務報表。該概要並不構成經審核財務報表其中部分。

物業、廠房及設備以及投資物業

本公司及本集團物業、廠房及設備以及投資物業於年內的變動詳情，分別載於財務報表附註17及18內。本集團投資物業之進一步詳情載於年報第100頁及第101頁。

發展中物業及待售物業

本集團發展中物業詳情載於財務報表附註26，本集團之發展中物業及待售物業進一步詳情則載於年報第144頁。

REPORT OF THE DIRECTORS

董事會報告

SHARE CAPITAL

Details of the movements in the share capital of the Company are set out in note 39 to the financial statements.

PRE-EMPTIVE RIGHTS

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

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year.

RESERVES

Details of movements in the reserves of the Company and of the Group during the year are set out in note 41 to the financial statements and in the consolidated statement of changes in equity, respectively.

DISTRIBUTABLE RESERVES

At 31 December 2006, the Company had reserves of available HK\$317,560,000 for cash distribution and/or distribution in specie.

MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, sales to the Group's five largest customers accounted for less than 18% of the total sales for the year. Purchases from the Group's five largest suppliers accounted for 15% of the total purchases.

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

股本

本公司股本於年內變動詳情，載於財務報表附註39。

優先購買權

本公司之公司組織章程細則或開曼群島法律並無有關優先購買權的條文，規定本公司須按比例向現有股東發售新股份。

購買、贖回或出售本公司上市證券

年內，本公司或其任何附屬公司概無購買、贖回或出售本公司任何上市證券。

儲備

本公司及本集團儲備於年內的變動詳情分別載於財務報表附註41及綜合權益變動表內。

可供分派儲備

於二零零六年十二月三十一日，本公司有可供作現金及／或實物分派的儲備317,560,000港元。

主要客戶與供應商

於回顧年內，本集團五大客戶的銷售額佔年內總銷售額不足18%。本集團五大供應商的購貨額佔總購貨額15%。

本公司董事或彼等任何聯繫人士或就董事所深知任何擁有本公司已發行股本5%以上的股東，概無擁有本集團五大客戶或五大供應商任何實益權益。

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS

The directors of the Company during the year were:

Executive Directors:

Mr. Hon Kwok Lung, *Chairman*
Mr. Wang Shaolan, *Vice Chairman*
Mr. Shang Jianguang, *Chief Executive Officer*
Mr. Shi Tao
Mr. Lam Toi Man

Non-executive Director:

Ms. Sit Lai Hei

Independent Non-executive Directors:

Mr. Fung Tze Wa
Dr. Kwong Chun Wai, Michael
Mr. Li Qiang

In accordance with article 116 of the Company's articles of association, Mr. Hon Kwok Lung, Ms. Sit Lai Hei and Mr. Li Qiang will retire by rotation and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

The Company has received annual confirmation of independence from each of the three Independent Non-executive Directors, Mr. Fung Tze Wa, Dr. Kwong Chun Wai, Michael and Mr. Li Qiang that they have met all the factors concerning their independence as set out in Rule 3.13 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and that there are no other factors which may affect their independence. The Company's board of directors (the "Board") considers these Independent Non-executive Directors to be independent.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the directors of the Company and the senior management of the Group are set out on pages 4 to 7 of the annual report.

DIRECTORS' INTERESTS IN CONTRACTS

No director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year.

董事

以下為本公司本年度在任之董事：

執行董事：

韓國龍先生（主席）
王少蘭先生（副主席）
商建光先生（行政總裁）
石濤先生
林代文先生

非執行董事：

薛黎曦女士

獨立非執行董事：

馮子華先生
鄭俊偉博士
李強先生

根據本公司組織章程細則第116條之規定，韓國龍先生、薛黎曦女士及李強先生將於應屆股東週年大會依章輪值告退，並願且符合資格膺選連任。

本公司已獲取三名獨立非執行董事馮子華先生、鄭俊偉博士及李強先生各自發出之年度獨立確認書，表示彼等已符合香港聯合交易所有限公司證券上市規則（「上市規則」）第3.13條有關彼等獨立身分的因素，以及並無其他可能會影響彼等獨立身分的因素。本公司董事會（「董事會」）認為，該三名獨立非執行董事均為獨立人士。

董事及高層管理人員之履歷

本公司董事及本集團高層管理人員之履歷詳情載於年報第4至第7頁。

董事於合約中之權益

年內，各董事概無於本公司或其任何附屬公司參與訂立而對本集團業務屬重大之任何合約中直接或間接擁有任何重大權益。

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS' SERVICE CONTRACTS

Mr. Wang Shaolan, an Executive Director and the Vice Chairman of the Company, has a service contract with the Company for a term of three years commencing from 5 July 2004. If the Company terminates the service contract with Mr. Wang prior to the expiry of the contract term, the Company shall compensate Mr. Wang twelve months' salaries.

Mr. Shang Jianguang, an Executive Director and the Chief Executive Officer of the Company, has a service contract with the Company for a term of two years commencing from 18 November 2006 and is subject to termination by either party by giving not less than three month's written notice.

Mr. Hon Kwok Lung, the Chairman of the Company, Mr. Shi Tao, and Mr. Lam Toi Man, Executive Directors of the Company, have service contracts with the Company for an initial term of two years commencing from 1 July 2004 and is subject to termination by either party by giving not less than two months' written notice. These service contracts will each continue for successive terms of one year unless terminated by not less than two months' written notice served by either party to the other.

Mr. Fung Tze Wa and Dr. Kwong Chun Wai, Michael, Independent Non-executive Directors of the Company, have service contracts with the Company for an initial term of two years commencing from 3 May 2004. These service contracts will each continue for successive terms of one year unless terminated by not less than one month's written notice served by either party to the other.

No director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' REMUNERATION

The directors' fees can be fixed by the directors of the Company and are subject to shareholders' authorisation at general meetings. Other emoluments are determined by the Board with reference to the duties, responsibilities and performance of the directors and the results of the Group.

董事服務合約

本公司執行董事兼副主席王少蘭先生與本公司訂有服務合約，任期由二零零四年七月五日起為期三年。倘本公司於合約期限屆滿前終止與王先生訂立之服務合約，本公司須向王先生作出相當於十二個月薪金之補償。

本公司執行董事兼行政總裁商建光先生與本公司訂有服務合約，任期由二零零六年十一月十八日起為期兩年，惟任何一方可向另一方發出不少於三個月書面通知終止該服務合約。

本公司主席韓國龍先生、本公司執行董事石濤先生及林代文先生與本公司訂有服務合約，初步任期由二零零四年七月一日起為期兩年，惟任何一方可向另一方發出不少於兩個月書面通知予以終止。除非任何一方向另一方發出不少於兩個月書面通知予以終止，此等服務合約將繼續有效，並續期一年。

本公司獨立非執行董事馮子華先生及鄭俊偉博士均與本公司訂有服務合約，初步任期由二零零四年五月三日起為期兩年。除非任何一方向另一方發出不少於一個月書面通知予以終止，此等服務合約將繼續有效，並續期一年。

概無建議於應屆股東週年大會膺選連任之董事與本公司訂有任何本公司不可在一年內毋須支付賠償（法定賠償除外）而終止之服務合約。

董事酬金

董事袍金可由本公司董事會釐定，惟須獲股東於股東大會授權。其他薪酬由董事會參考董事之職務、責任及表現以及本集團業績釐定。

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

At 31 December 2006, the interests or short positions of the directors and chief executive in the share capital and underlying shares of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") of the Listing Rules, were as follows:

Long position in ordinary shares of the Company:

Name of director 董事姓名		Capacity and nature of interest 身分及權益性質	Number of ordinary shares held 所持普通股數目	Percentage of the Company's issued share capital 佔本公司已發行股本百分比
Mr. Hon Kwok Lung	韓國龍先生	Through a controlled corporation 透過受控制公司	648,081,515 (Note) (附註)	36.16

Note:

The 648,081,515 shares of the Company are kept by and registered in the name of HSBC Nominees (Hong Kong) Limited. The beneficial owner of the shares is Sincere View International Limited ("Sincere View"), which is owned as to 50% and 20% by Mr. Hon Kwok Lung and his wife, Ms. Lam Suk Ying, respectively.

Mr. Hon Kwok Lung and Ms. Lam Suk Ying are deemed to have an interest in the same parcel of shares of 648,081,515 held by Sincere View.

Save as disclosed above, as at 31 December 2006, no person had registered an interest or short position in the shares and underlying shares of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

董事及主要行政人員於股份及相關股份之權益及淡倉

於二零零六年十二月三十一日，按本公司根據證券及期貨條例（「證券及期貨條例」）第352條規定存置之登記冊所記錄，董事及主要行政人員於本公司或其相聯法團（定義見證券及期貨條例第XV部）之股本及相關股份中擁有之權益或淡倉或已根據上市規則項下上市公司董事進行證券交易的標準守則（「標準守則」）知會本公司及香港聯合交易所有限公司（「聯交所」）之權益或淡倉如下：

本公司普通股之好倉：

	Capacity and nature of interest 身分及權益性質	Number of ordinary shares held 所持普通股數目	Percentage of the Company's issued share capital 佔本公司已發行股本百分比
Mr. Hon Kwok Lung	韓國龍先生	Through a controlled corporation 透過受控制公司	648,081,515 (Note) (附註)

附註：

該648,081,515股本公司股份由HSBC Nominees (Hong Kong) Limited存置及以其名義登記。此等股份之實益擁有人為信景國際有限公司（「信景」），而韓國龍先生及彼之妻子林淑英女士分別持有信景50%及20%權益。

韓國龍先生及林淑英女士被視作於信景所持同一批648,081,515股股份中擁有權益。

除上文披露者外，於二零零六年十二月三十一日，概無任何人士於本公司或其任何相聯法團之股份及相關股份中擁有須根據證券及期貨條例第352條記錄之任何權益或淡倉，或須根據標準守則知會本公司及聯交所之任何權益或淡倉。

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES

At 31 December 2006, the following interests of 5% or more of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Long position:

Name of director 董事姓名	Capacity and nature of interest 身分及權益性質	Number of ordinary shares held 所持普通股數目	Percentage of the Company's issued share capital 佔本公司已發行股本百分比
Sincere View International Limited 信景國際有限公司	Directly beneficially owned 直接實益擁有	648,081,515	36.16

Save as disclosed above, as at 31 December 2006, no person, other than the directors and chief executive of the Company, whose interests are set out in the section headed "Directors' and chief executive's interests and short positions in shares and underlying shares" above, had registered an interest or short position in shares and underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

董事購買股份或債券之權利

於年內任何時間，董事或彼等各自的配偶或未成年子女概無獲授或行使可藉購買本公司股份或債券獲益的權利，而本公司或其任何附屬公司亦無參與任何安排，致使董事可於任何其他法團獲取該等權利。

主要股東於股份及相關股份之權益

於二零零六年十二月三十一日，按照本公司根據證券及期貨條例第336條存置之權益登記冊所記錄，下列人士持有本公司已發行股本5%或以上權益：

好倉：

除上文披露者外，於二零零六年十二月三十一日，除其權益載於上文「董事及主要行政人員於股份及相關股份中之權益及淡倉」一節之本公司董事及主要行政人員外，概無任何人士於本公司股份及相關股份中登記擁有須根據證券及期貨條例第336條予以記錄之權益或淡倉。

REPORT OF THE DIRECTORS

董事會報告

CONNECTED TRANSACTION

During the year, there is no connected transaction of the Group under the Listing Rules.

DIRECTORS' INTERESTS IN A COMPETING BUSINESS

During the year, no director is considered to have an interest in a business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group pursuant to the Listing Rules, other than those businesses to which the directors were appointed as directors to represent the interest of the Company and/or the Group.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the directors, the Company's shares which are in the hands of the public exceeded 25% of the Company's total issued share capital as at the date of this report.

POST BALANCE SHEET EVENTS

Details of the significant post balance sheet events of the Group are set out in note 48 to the financial statements.

CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the directors, the Company has applied the principles and complied with the code provisions in the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Listing Rules throughout the accounting period covered by the annual report, except for the deviations from code provisions A.2.1, A.4.1, A.5.4, B.1.1, C.3.3, D.1.2 and E.1.2 of the Code as explained in the Company's interim report for the period ended 30 June 2006.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Board adopted the Model Code as the Company's code of conduct for dealings in securities of the Company by the directors. Having made specific enquiry with all the Company's directors, the Company has ascertained that all of its directors have complied with the required standards set out in the Model Code throughout the accounting period covered by this annual report.

關連交易

根據上市規則，本集團於年內並無任何關連交易。

董事於競爭業務之權益

年內，除董事因代表本公司及／或本集團權益而獲委聘為董事之該等業務外，根據上市規則，概無董事被視為在直接或間接與本集團業務構成競爭或可能構成競爭之業務中擁有權益。

足夠公眾持股量

按本公司可公開獲取之資料及據董事所知悉，公眾人士所持本公司股份數目超過本公司於本報告日期之全部已發行股本25%。

結算日後事項

本集團於結算日後之重大事項詳情載於財務報表附註48。

企業管治常規守則

董事認為，除本公司截至二零零六年六月三十日止期間之中期報告所闡釋偏離守則條文第A.2.1、A.4.1、A.5.4、B.1.1、C.3.3、D.1.2及E.1.2條外，本公司於年報所涵蓋會計期間已應用上市規則附錄14所載企業管治常規守則（「守則」）之原則及遵守守則條文。

證券交易的標準守則

董事會已採納標準守則作為本公司董事買賣本公司證券之操守準則。經向本公司全體董事作出具體查詢後，本公司確定所有董事於本年報所涵蓋整個會計期間一直遵守標準守則所載之規定準則。

REPORT OF THE DIRECTORS

董事會報告

REMUNERATION COMMITTEE

The Company has established a remuneration committee (the "Remuneration Committee") on 23 August 2005 in compliance with the Listing Rules, terms of reference of which have been adopted by the Board of the Company are consistent with the requirements of the Code. The Remuneration Committee currently comprises the three Independent Non-executive Directors, Mr. Fung Tze Wa (the Chairman of the Committee), Dr. Kwong Chun Wai, Michael and Mr. Li Qiang, the Chairman of the Board, Mr. Hon Kwok Lung and the Chief Executive Officer, Mr. Shang Jianguang.

AUDIT COMMITTEE

The Company has an audit committee which was established in compliance with Rule 3.21 of the Listing Rules for the purpose of reviewing and providing supervision over the Group's financial reporting process and internal controls. The audit committee comprises the three Independent Non-executive Directors of the Company. The audit committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial matters including the review of the audited financial statements for the year ended 31 December 2006.

AUDITORS

In January 2007, Ernst & Young resigned as auditors of the Company and Grant Thornton were appointed by the directors to fill the causal vacancy so arising. There have been no other changes of auditors in the past three years. A resolution for the re-appointment of Grant Thornton as auditors of the Company will be proposed at the forthcoming annual general meeting.

ON BEHALF OF THE BOARD

Hon Kwok Lung
Chairman

Hong Kong
25 April 2007

薪酬委員會

本公司已於二零零五年八月二十三日按照上市規則成立薪酬委員會（「薪酬委員會」），其經本公司董事會採納之職權範圍與守則之規定一致。薪酬委員會現由三名獨立非執行董事馮子華先生（委員會主席）、鄭俊偉博士、李強先生及董事會主席韓國龍先生及行政總裁商建光先生組成。

審核委員會

本公司已遵照上市規則第3.21條成立審核委員會，以審閱及監督有關本集團財務申報程序及內部監控。審核委員會由本公司三名獨立非執行董事組成。審核委員會已與管理層審閱本集團所採納之會計原則及慣例，並討論審計、內部監控及財務事宜，包括審閱截至二零零六年十二月三十一日止年度之經審核財務報表。

核數師

於二零零七年一月，安永會計師事務所辭任本公司核數師，均富會計師行獲董事委聘以填補所產生之臨時空缺。核數師於過去三年並無其他變動。本公司將於應屆股東週年大會提呈有關委聘均富會計師行為本公司核數師之決議案。

代表董事會

主席
韓國龍

香港
二零零七年四月二十五日

INDEPENDENT AUDITORS' REPORT

獨立核數師報告

執業會計師
Member of Grant Thornton International

Grant Thornton 
均富會計師行

To the members of China Haidian Holdings Limited
(incorporated in the Cayman Islands with limited liability)

致中國海澱集團有限公司列位股東
(於開曼群島註冊成立之有限公司)

We have audited the consolidated financial statements of China Haidian Holdings Limited (the "Company") set out on pages 35 to 140, which comprise the consolidated and company balance sheets as at 31 December 2006, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

本核數師已審核載於第35至140頁中國海澱集團有限公司(「貴公司」)之綜合財務報表，此財務報表包括於二零零六年十二月三十一日之綜合及公司資產負債表、截至該日止年度之綜合損益表、綜合權益變動表及綜合現金流量表，以及主要會計政策概要及其他附註解釋。

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

董事對財務報表之責任

貴公司董事須負責根據香港會計師公會頒佈之香港財務申報準則及香港公司條例之披露規定編製並真實及公平地呈報該等財務報表。這些責任包括設計、實施及維持與編製並真實而公平地呈報財務報表有關之內部監控，以確保不存在重大錯誤陳述(不論其由欺詐或錯誤引起)；選取並應用適當的會計政策；及作出適合不同情況的合理會計估計。

AUDITORS' RESPONSIBILITY

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

核數師之責任

本核數師之責任是根據審核工作的結果，對這些財務報表發表意見。本核數師之報告僅向整體股東作出，除此之外不作其它用途。本核數師概不就本報告之內容向任何其他人士負責或承擔責任。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告

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

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

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2006 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Grant Thornton

Certified Public Accountants
13th Floor, Gloucester Tower
The Landmark
15 Queen's Road Central
Hong Kong

25 April 2007

本核數師已按照香港會計師公會頒佈之香港核數準則進行審核工作。該等準則要求本核數師遵守操守規定以及規劃及進行審核，以合理地確定財務報表是否不存在重大錯誤陳述。

審核工作包括進程序以取得與財務報表所載數額及披露事項有關的審核憑證。選取之程序須視乎核數師的判斷，包括評估財務報表之重大錯誤陳述（不論其由欺詐或錯誤引起）的風險。在作出該等風險評估時，核數師將考慮與實體編製並真實而公平地呈列財務報表有關之內部監控，以設計適合不同情況的審核程序，但並非旨在就實體內部監控之效能表達意見。審核工作亦包括評估董事所用會計政策是否合適，及所作會計估計是否合理，並就財務報表之整體呈列方式作出評估。

本核數師相信，本核數師取得之審核憑證就提供審核意見而言屬充分及恰當。

意見

本核數師認為，綜合財務報表根據香港財務報告準則真實與公平地反映 貴公司及 貴集團於二零零六年十二月三十一日之財務狀況，及 貴集團截至該日止年度之溢利及現金流量，並已按照香港公司條例之披露規定適當編製。

均富會計師行

執業會計師
香港
皇后大道中15號
置地廣場
告羅士打大廈13樓

二零零七年四月二十五日

CONSOLIDATED INCOME STATEMENT

綜合損益表

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

		Notes 附註	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元 (Restated) (重列)
Continuing operations:	持續經營業務:			
Revenue	收入	6	434,758	320,497
Cost of sales	銷售成本		(367,672)	(269,447)
Gross profit	毛利		67,086	51,050
Other revenue	其他收益	7	13,195	5,331
Selling and distribution expenses	銷售及分銷成本		(48,339)	(40,337)
Administrative expenses	行政費用		(82,278)	(65,027)
Gain/(loss) on fair value changes in financial assets at fair value through profit or loss, net	按公平值計入溢利或 虧損之金融資產公平值 變動之收益/(虧損) 淨額		38,589	(329)
Net surplus on revaluation of investment properties	投資物業重估盈餘淨額		22,031	996
Other operating income, net	其他經營收入淨額		15,826	10,072
Operating profit/(loss)	經營溢利/(虧損)		26,110	(38,244)
Financial revenue	財務收益	7	1,724	2,056
Finance costs	財務費用	8	(5,061)	(2,699)
Share of results of an associate	應佔一家聯營公司業績		5,028	-
Profit/(loss) before income tax	除所得稅前溢利/ (虧損)	9	27,801	(38,887)
Income tax expense	所得稅開支	10	(7,815)	(3,362)
Profit/(loss) after income tax from continuing operations	持續經營業務除所得稅後 溢利/(虧損)		19,986	(42,249)
Discontinued operations:	已終止經營業務:			
Profit/(loss) for the year from discontinued operations	已終止經營業務之 本年度溢利/(虧損)	11	2,081	(1,462)
Profit/(loss) for the year	本年度溢利/(虧損)		22,067	(43,711)
Attributable to:	以下人士應佔:			
Equity holders of the Company	本公司權益持有人	12	22,347	(43,275)
Minority interest	少數股東權益		(280)	(436)
Profit/(loss) for the year	本年度溢利/(虧損)		22,067	(43,711)

CONSOLIDATED INCOME STATEMENT

綜合損益表

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

			2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元 (Restated) (重列)
		Notes 附註		
Earnings/(loss) per share from continuing operations attributable to equity holders of the Company	本公司權益持有人應佔持續經營業務之每股盈利／(虧損)	14		
Basic	基本		<u>HK1.29 cents港仙</u>	<u>HK(2.74) cents港仙</u>
Diluted	攤薄		<u>N/A不適用</u>	<u>N/A不適用</u>
Earnings/(loss) per share from discontinued operations attributable to equity holders of the Company	從已終止經營業務可歸屬於本公司股東之每股盈利／(虧損)	14		
Basic	基本		<u>HK0.15 cent港仙</u>	<u>HK(0.06) cent港仙</u>
Diluted	攤薄		<u>N/A不適用</u>	<u>N/A不適用</u>

CONSOLIDATED BALANCE SHEET

綜合資產負債表

As at 31 December 2006 於二零零六年十二月三十一日

			2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
	Notes 附註			
ASSETS AND LIABILITIES				
資產及負債				
Non-current assets				
非流動資產				
Property, plant and equipment	物業、廠房及設備	17	200,684	213,587
Investment properties	投資物業	18	159,748	66,689
Prepaid land lease payments	預付土地租賃款項	19	46,545	48,029
Interest in an associate	所佔一家聯營公司權益	24	29,272	-
Available-for-sale financial assets	可供出售金融資產	25	-	-
Properties under development	發展中物業	26	-	291,046
Prepayments and deposits	預付款項及按金	27	41,982	48,128
Deferred tax assets	遞延稅項資產	37	1,062	1,021
			479,293	668,500
Current assets				
流動資產				
Properties held for sale	持作出售物業	26	-	70,330
Properties under development	發展中物業	26	-	194,133
Inventories	存貨	28	114,424	105,922
Trade and bills receivables	應收賬款及票據	29	90,937	25,288
Prepaid land lease payments	預付土地租賃款項	19	3,764	3,619
Prepayments, deposits and other receivables	預付款項、按金及其他應收款	27	33,391	37,212
Financial assets at fair value through profit or loss	按公平值計入溢利或虧損之金融資產	30	48,765	44,210
Due from minority equity holders	應收少數權益持有人欠款	31	-	7,480
Pledged deposits	已抵押存款	32	4,892	18,653
Cash and cash equivalents	現金及現金等價物	32	39,836	370,909
			336,009	877,756
Assets in disposal group classified as held for sale	分類為持作出售之出售組別資產	11	1,262,408	-
			1,598,417	877,756
Current liabilities				
流動負債				
Trade payables	應付賬款	33	46,683	108,760
Deposits received from customers	已收客戶按金		1,613	255,163
Other payables and accruals	其他應付款及應計費用	34	58,623	98,135
Tax payable	應付稅項		9,597	12,007
Borrowings	借貸	35	116,353	96,154
Due to related companies	應付有關連公司欠款	36	180,000	134
			412,869	570,353
Liabilities in disposal group classified as held for sale	列入持作出售之出售組別負債	11	1,038,855	-
			1,451,724	570,353
Net current assets	流動資產淨值		146,693	307,403

CONSOLIDATED BALANCE SHEET

綜合資產負債表

As at 31 December 2006 於二零零六年十二月三十一日

			2006 二零零六年	2005 二零零五年
		Notes 附註	HK\$'000 千港元	HK\$'000 千港元
Total assets less current liabilities	總資產減流動負債		625,986	975,903
Non-current liabilities	非流動負債			
Borrowings	借貸	35	55,348	317,308
Deferred tax liabilities	遞延稅項負債	37	-	794
Deferred income	遞延收入	38	-	177,906
			55,348	496,008
Net assets	資產淨值		570,638	479,895
EQUITY	權益			
Equity attributable to equity holders of the Company	本公司權益持有人應佔權益			
Share capital	股本	39	179,203	154,483
Reserves	儲備	41	348,715	304,535
Income and expense recognised directly in equity relating to disposal group	就出售組別直接於權益確認之收入及開支		10,017	-
			537,935	459,018
Minority interest	少數股東權益		32,703	20,877
Total equity	權益總額		570,638	479,895

Hon Kwok Lung

韓國龍

Director

董事

Shang Jianguang

商建光

Director

董事

BALANCE SHEET

資產負債表

As at 31 December 2006 於二零零六年十二月三十一日

			2006 二零零六年	2005 二零零五年
		Notes 附註	HK\$'000 千港元	HK\$'000 千港元
ASSETS AND LIABILITIES	資產及負債			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	17	6,360	1,969
Interests in subsidiaries	所佔附屬公司權益	21	377,095	297,771
Due from disposal group	應收出售組別欠款	22	1,735	-
Interests in a jointly-controlled entity	所佔一家共同控制實體權益	23	46,203	46,199
Interests in an associate	所佔一家聯營公司權益	24	24,244	-
Deposits	按金	27	27,000	27,000
			482,637	372,939
Current assets	流動資產			
Prepayments and deposits	預付款項及按金	27	6,987	4,135
Financial assets at fair value through profit or loss	按公平值計入溢利或虧損之金融資產	30	37,627	28,297
Pledged deposits	已抵押存款	32	4,892	7,500
Cash and cash equivalents	現金及現金等價物	32	3,812	23,238
			53,318	63,170
Current liabilities	流動負債			
Other payables and accruals	其他應付款及應計費用	34	12,847	13,597
Borrowings	借貸	35	3,652	-
			16,499	13,597
Net current assets	流動資產淨值		36,819	49,573
Total assets less current liabilities	總資產減流動負債		519,456	422,512
Non-current liabilities	非流動負債			
Borrowings	借貸	35	55,348	-
Net assets	資產淨值		464,108	422,512

BALANCE SHEET

資產負債表

As at 31 December 2006 於二零零六年十二月三十一日

			2006 二零零六年	2005 二零零五年
		Notes 附註	HK\$'000 千港元	HK\$'000 千港元
EQUITY	權益			
Share capital	股本	39	179,203	154,483
Reserves	儲備	41	284,905	268,029
Total equity	權益總額		<u>464,108</u>	<u>422,512</u>

Hon Kwok Lung
韓國龍
Director
董事

Shang Jianguang
商建光
Director
董事

CONSOLIDATED CASH FLOW STATEMENT

綜合現金流量表

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

	Notes 附註	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元 (Restated) (重列)
Cash flows from operating activities of continuing and discontinued operations	持續經營及已終止經營業務之經營業務產生之現金流量		
Profit/(Loss) before income tax	除所得稅前溢利/(虧損)		
Continuing operations	持續經營業務	27,801	(38,887)
Discontinued operations	已終止經營業務	11 12,912	16,757
Total	總計	40,713	(22,130)
Adjustments for:	經調整:		
Interest income	利息收入	(2,813)	(4,397)
Finance costs	財務費用	8 5,061	2,699
Dividend income from financial assets at fair value through profit & loss	按公平值計入溢利或虧損之金融資產之股息收入	7 (756)	(238)
Loss/(Gain) on disposal/write off of property, plant and equipment, net	出售/撇銷物業、廠房及設備項目之虧損/(收益)淨額	9 31	(1,429)
Gain on disposal of available-for-sale investments	出售可供出售投資之收益	9 -	(13,145)
Impairment of available-for-sale financial assets	可供出售金融資產減值	9, 25 -	3,477
Gain on revaluation of investment properties	投資物業之重估收益	(25,214)	(3,378)
Depreciation	折舊	21,908	18,282
Recognition of prepaid land lease payments	確認預付土地租賃款項	9, 19 3,465	3,585
Share of results of associate	應佔一家聯營公司業績	(5,028)	-
Impairment of goodwill	商譽減值	9, 20 -	4,816
Gain on disposals of an associate	出售一家聯營公司之收益	9 -	(3,769)
Impairment for doubtful debts	呆賬減值	9 1,997	-
Write-back for Inventories	存貨撥回	9 (6,379)	-
Provision for inventories	存貨撥備	9 261	3,775
Operating profit/(loss) before working capital changes	營運資金變動前之經營溢利/(虧損)	33,246	(11,852)
Increase in properties under development	發展中物業增加	(393,585)	(126,117)
Decrease/(Increase) in properties held for sale	待售物業減少/(增加)	166	(70,330)
Increase in inventories	存貨增加	(2,384)	(14,402)
Increase in trade and bills receivables	應收賬款及票據增加	(73,940)	(7,808)
Increase in prepayments, deposits and other receivables	預付款項、按金及其他應收款增加	(39,254)	(13,622)
Increase in financial assets at fair value through profit or loss	按公平值計入溢利或虧損之金融資產增加	(4,555)	(31,418)
Decrease in non-pledged deposits with original maturity over three months when acquired	於購入時原定三個月後到期之無抵押存款減少	-	3,769
Increase in trade payables	應付賬款增加	27,696	18,771
Increase in other payables and accruals	其他應付款及應計費用增加	18,756	15,447
Increase in deposits received from customers	已收客戶按金增加	16,938	163,647
Decrease in amounts due from minority equity holders	應收少數股東欠款減少	7,480	-
Increase/(Decrease) in amounts due to related companies	應付有關連公司欠款增加/(減少)	163	(3,240)
Cash used in operations	經營業務所用現金	(409,273)	(77,155)
Interest received	已收利息	2,813	4,397
Interest paid	已付利息	(5,061)	(2,699)
Hong Kong profits tax refunded	退回香港利得稅	-	26
Overseas tax paid	已付海外稅項	(6,895)	(25,702)
Net cash used in operating activities	經營業務所用現金淨額	(418,416)	(101,133)

CONSOLIDATED CASH FLOW STATEMENT

綜合現金流量表

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

	Notes 附註	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元 (Restated) (重列)
Cash flows from investing activities of continuing and discontinued operations	從持續經營業務及已終止經營業務之投資活動產生之現金流量		
Dividends received from financial assets at fair value through profit or loss	已收按公平值計入溢利或虧損之金融資產股息	756	238
Purchases of property, plant and equipment	購買物業、廠房及設備項目	(21,986)	(43,664)
Purchases of investment properties	購買投資物業	(88,795)	(25,207)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備項目所得款項	-	39,018
Proceeds from disposal of investment properties	出售投資物業所得款項	-	47,200
Proceeds from disposal of available-for-sale financial assets	出售可出售金融資產所得款項	-	30,460
Acquisition of an associate	收購一家聯營公司	(24,244)	-
Acquisition of a subsidiary	收購一家附屬公司	-	1,510
Disposal of an associate	出售一家聯營公司	-	120
(Increase)/Decrease in pledged deposits	已抵押存款(增加)/減少	5,670	(13,808)
Net cash (used in)/generated from investing activities	投資活動(所用)/產生之現金淨額	(128,599)	35,867
Cash flows from financing activities of continuing and discontinued operations	從持續經營業務及已終止經營業務之融資活動產生之現金流量		
New bank loans	新增銀行貸款	207,800	74,234
Receipt of government grant	收取政府補助金	-	177,906
Proceeds from issue of new shares	發行新股份所得款項	48,420	-
Repayment of bank loan and other loans	償還銀行及其他貸款	(73,000)	-
Contribution from minority interest	少數股東注資	12,019	-
Loan from a related party	一名有關連人士之貸款	180,000	-
Net cash generated from financing activities	融資活動產生之現金淨額	375,239	252,140
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物之(減少)/增加淨額	(171,776)	186,874
Cash and cash equivalents at 1 January	於一月一日之現金及現金等價物	370,909	183,057
Effect of foreign exchange rate changes, net	匯率變動影響淨額	35,483	978
Cash and cash equivalents at 31 December	於十二月三十一日之現金及現金等價物	234,616	370,909
Analysis of balances of cash and cash equivalents	現金及現金等價物結餘分析		
Cash at bank and in hand	銀行結存及庫存現金		
Continuing operations	持續經營業務	39,836	39,946
Discontinued operations	已終止經營業務	194,780	299,493
Non-pledged time deposits with original maturity of less than three months when acquired	收購時原定三個月內到期之無抵押定期存款	-	31,470
		234,616	370,909

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

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

		Equity attributable to equity holders of the Company 本公司權益持有人應佔權益								
		Share capital 股本	Share premium account* 股份溢價賬*	Goodwill arising on consolidation* 綜合賬目所產生之商譽*	Statutory reserves* 法定儲備基金*	Exchange fluctuation reserve* 外匯波動儲備*	Retained profits/(accumulated losses)* 保留溢利/(累積虧損)*	Total 總計	Minority interests 少數股東權益	Total equity 權益總額
		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	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2005, as previously reported as equity	於二零零五年一月一日· 早前呈報為權益	154,483	677,882	(15,300)	10,620	478	(329,270)	498,893	-	498,893
At 1 January 2005, as previously reported separately as minority interests	於二零零五年一月一日· 早前獨立呈報為少數股東權益	-	-	-	-	-	-	-	2,121	2,121
Effect of changes in accounting policies resulting from the adoption of HKAS 39 "Financial Instruments; Recognition and Measurement"	採納香港會計政策 第39號「金融工具— 確認及計量」所導致 會計政策變之影響	-	-	-	-	-	(2,925)	(2,925)	-	(2,925)
At 1 January 2005, as restated	於二零零五年一月一日· 重列	154,483	677,882	(15,300)	10,620	478	(332,195)	495,968	2,121	498,089
Exchange realignment and total income and expense for the year recognised directly in equity	匯兌調整及直接 於權益確認之本年度 收入及開支總額	-	-	-	-	6,325	-	6,325	45	6,370
Transfer to statutory reserves	轉撥至法定儲備基金	-	-	-	4,127	-	(4,127)	-	-	-
Net loss for the year	年內虧損淨額	-	-	-	-	-	(43,275)	(43,275)	(436)	(43,711)
Total recognised income and expense for the year	已確認之本年度收入 及開支總額	-	-	-	4,127	6,325	(47,402)	(36,950)	(391)	(37,341)
Acquisition of a subsidiary	收購一家附屬公司	-	-	-	-	-	-	-	19,147	19,147
Cancellation of share premium	註銷股份溢價	-	(677,882)	-	-	-	677,882	-	-	-
At 31 December 2005 and 1 January 2006	於二零零五年 十二月三十一日及 二零零六年一月一日	154,483	-	(15,300)	14,747	6,803	298,285	459,018	20,877	479,895
Exchange realignment and total income and expense for the year recognised directly in equity	匯兌調整及直接 於權益確認之本年度 收入及開支總額	-	-	-	-	8,150	-	8,150	87	8,237
Transfer to statutory reserves	轉撥至法定儲備基金	-	-	-	3,072	-	(3,072)	-	-	-
Net profit for the year	年內純利	-	-	-	-	-	22,347	22,347	(280)	22,067
Total recognised income and expense for the year	已確認之本年度收入 及開支總額	-	-	-	3,072	8,150	19,275	30,497	(193)	30,304
Issue of new shares	發行新股份	24,720	23,700	-	-	-	-	48,420	-	48,420
Increase in paid up capital of a subsidiary	一家附屬公司繳入 股本增加	-	-	-	-	-	-	-	12,019	12,019
Balance at 31 December 2006	於二零零六年十二月 三十一日之餘額	179,203	23,700	(15,300)	17,819	14,953	317,560	537,935	32,703	570,638
Income and expense recognised directly in equity relating to disposal group	就出售組別直接於權益 確認之收入及開支	-	-	-	-	(10,017)	-	(10,017)	-	(10,017)
Balance excluding income and expense recognised directly in equity relating to disposal group at 31 December 2006	於二零零六年十二月 三十一日之結餘 (不包括就出售組別 直接於權益確認之 收入及開支)	179,203	23,700	(15,300)	17,819	4,936	317,560	527,918	32,703	560,621

* These reserve accounts comprise the consolidated reserves of HK\$348,715,000 (2005: HK\$304,535,000) in the consolidated balance sheet.

* 該等儲備賬目包括綜合資產負債表內之綜合儲備348,715,000港元(二零零五年:304,535,000港元)。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 December 2006 二零零六年十二月三十一日

1. GENERAL INFORMATION

China Haidian Holdings Limited (the “Company”) is a limited liability company incorporated and domiciled in the Cayman Islands. The address of its registered office is P.O. Box 309, Ugland House, South Church Street, Grand Cayman, Cayman Islands and its principal place of business is Suites 2701–2705 & 2715–2716, 27th Floor, Two International Finance Centre, 8 Finance Street, Central, Hong Kong. The Company’s shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

During the year, the principal activities of the Company and, its subsidiaries (together referred to as the “Group”) include:

- Manufacture and distribution of watches and timepieces
- Manufacture and distribution of timber products
- Property investment

The principal activities of a jointly-controlled entity of the Group are manufacture and distribution of enamelled copper wires.

On 15 September 2006, a shareholders’ resolution was passed to dispose of the entire paid-up capital of two subsidiaries, namely Beijing Jing Guan Property Development Company Limited (“Jing Guan”) and Beijing Xin Yang Property Development Company Limited (“Xin Yang”) (which is 80% owned by Jing Guan). Jing Guan and Xin Yang were both incorporated in the People’s Republic of China (the “PRC”) and are principally engaged in the property development. These two subsidiaries are collectively referred to as the “Disposal Group” hereafter whilst the Company and the remaining subsidiaries are collectively referred to as the “Remaining Group”. Details of this transaction have been set out in the Company’s circular dated on 30 August 2006 (the “Circular”).

1. 一般資料

中國海澱集團有限公司(「本公司」)為於開曼群島註冊成立及存冊之有限公司，其註冊辦事處地址為P.O. Box 309, Ugland House, South Church Street, Grand Cayman, Cayman Islands。主要營業地點位於香港中環金融街8號國際金融中心二期27樓2701-2705及2715-2716室。本公司股份於香港聯合交易所有限公司(「聯交所」)上市。

年內，本公司及其附屬公司(統稱「本集團」)之主要業務包括：

- 鐘錶及時計產品製造及分銷
- 木材產品製造及分銷
- 物業投資

本集團一家共同控制實體之主要業務為製造及生產漆包銅線。

於二零零六年九月十五日通過一項股東決議案，以出售兩家附屬公司北京京冠房地產開發有限公司(「京冠」)及(京冠擁有80%權益)之北京鑫陽房地產開發有限公司(「鑫陽」)之全部繳入股本。京冠及鑫陽均於中華人民共和國(「中國」)註冊成立，主要從事物業發展業務。該兩家附屬公司於下文稱為「出售組別」，而本公司及餘下附屬公司則統稱為「保留組別」。該項交易之詳情載於本公司日期為二零零六年八月三十日之通函(「通函」)。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 December 2006 二零零六年十二月三十一日

1. GENERAL INFORMATION (continued)

As the property development carried out by the Disposal Group represents a component of the Group's business, the operation and cash flow of which can be clearly distinguished from the rest of the Group and which represents a separate main line of business, the Group presented, in its financial statements during the year, the operations of the Disposal Group as discontinued operation in accordance with Hong Kong Financial Reporting Standard ("HKFRS") 5. Further details regarding the Disposal Group's results for the years ended 31 December 2006 and 2005 and its assets and liabilities as at 31 December 2006 are set out in Note 11.

The financial statements on pages 35 to 140 have been prepared in accordance with HKFRSs which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKAS") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The financial statements also include the applicable disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules").

The financial statements for the year ended 31 December 2006 were approved for issue by the board of directors on 25 April 2007.

1. 一般資料 (續)

由於出售組別從事之物業發展為本集團業務一部分，其營運及現金流量可清晰地與本集團其餘業務區分，並為獨立之主要業務。根據香港財務申報準則（「香港財務申報準則」）第5號，本集團在其本年度之財務報表中，將出售組別之業務呈列為已終止經營業務。有關出售組別於截至二零零六年及二零零五年十二月三十一日止年度之業績以及其於二零零六年十二月三十一日之資產及負債之進一步詳情載於附註11。

於第35至140頁之財務報表乃根據香港會計師公會頒佈之香港財務申報準則（為包括所有個別適用的香港財務申報準則）以及香港會計準則（「香港會計準則」）及詮釋。財務報表亦包括香港公司條例及聯交所證券上市規則（「上市規則」）之規定披露。

截至二零零六年十二月三十一日止年度之財務報表已獲董事會於二零零七年四月二十五日批准。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 December 2006 二零零六年十二月三十一日

2. ADOPTION OF NEW OR REVISED HKFRS

2.1 During the year, the Group has applied, for the first time, a number of new and amended HKFRSs, which are effective for accounting periods beginning on or after 1 December 2005 or 1 January 2006. These include the following:

HKAS 1, HKAS 27 & HKFRS 3 (Amendments)	Presentation of Financial Statements, Consolidated and Separate Financial Statements & Business Combinations – Amendments as a consequence of the Hong Kong Companies (Amendment) Ordinance 2005
HKAS 19 (Amendment)	Employee Benefits – Actuarial Gains and Losses, Group Plans and Disclosures
HKAS 21 (Amendment)	The Effects of Changes in Foreign Exchange Rates – Net Investment in a Foreign Operation
HKAS 39 (Amendment)	Financial Instruments: Recognition and Measurement – Cash Flow Hedge Accounting of Forecast Intragroup Transactions
HKAS 39 (Amendment)	Financial Instruments: Recognition and Measurement – The Fair Value Option
HKAS 39 & HKFRS 4 (Amendment)	Financial Instruments: Recognition and Measurement and Insurance Contracts – Financial Guarantee Contracts
HKFRS 1 & HKFRS 6 (Amendments)	First-time Adoption of Hong Kong Financial Reporting Standards and Exploration for and Evaluation of Mineral Resources
HKFRS 6	Exploration for and Evaluation of Mineral Resources
HK(IFRIC) – Int 4	Determining whether an Arrangement contains a lease
HK(IFRIC) – Int 5	Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
HK(IFRIC) – Int 6	Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment

2. 採納新訂或經修訂香港財務申報準則

2.1 年內，本集團首次採納多項於二零零五年十二月一日或二零零六年一月一日或之後開始之會計期間生效之新訂及經修訂香港財務申報準則。該等準則包括：

香港會計準則第1號、香港會計準則第27號及香港財務申報準則第3號 (修訂)	財務報表呈報、綜合及獨立財務報表及業務合併 – 因香港二零零五年公司 (修訂) 條例而作出修訂
香港會計準則第19號 (修訂)	僱員福利 – 精算損益、集團計劃及披露
香港會計準則第21號 (修訂)	匯率變動之影響 – 於海外業務投資淨額
香港會計準則第39號 (修訂)	金融工具：確認及計量 – 預測集團內公司間交易之現金流量對沖會計處理
香港會計準則第39號 (修訂)	金融工具：確認及計量 – 選擇以公平值入賬選擇
香港會計準則第39號及香港財務申報準則第4號 (修訂)	金融工具：確認及計量及保險合約 – 財務擔保合約
香港財務申報準則第1號及香港財務申報準則第6號 (修訂)	首次採納香港財務申報準則及勘探及評估礦物資產
香港財務申報準則第6號	勘探及評估礦物資產
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而產生權益的權利
香港 (國際財務報告詮釋委員會) – 詮釋第6號	參與特定市場產生之負債 – 廢棄電力及電子設備產生

2. ADOPTION OF NEW OR REVISED HKFRS (continued)

The adoption of the above new and amended HKFRSs has resulted in changes to the Group's accounting policies as set out below, but these had no material effect on the amounts reported for the current and prior accounting periods:

(a) Financial guarantee contracts

In the current year, the Group has adopted the amendments to HKAS 39 "Financial Instruments: Recognition and Measurement – Financial Guarantee Contracts" which is effective for annual period beginning on or after 1 January 2006. A financial guarantee contract is defined by HKAS 39 "Financial Instruments: Recognition and Measurement" as a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

The Group act as the issuer of financial guarantee contracts.

Prior to 1 January 2006, financial guarantee contracts were not accounted for in accordance with HKAS 39 and those contracts were disclosed as contingent liabilities. A provision for financial guarantee was only recognised when it was probable that an outflow of resources would be required to settle the financial guarantee obligations and the amount can be estimated reliably.

2. 採納新訂或經修訂香港財務申報準則 (續)

採納上述新訂及經修訂香港財務申報準則導致本集團下文所載之會計政策有所變動，惟該等變動對當前及過往會計期間呈報之數額並無重大影響：

(a) 財務擔保合約

於本年度，本集團已採納於二零零六年一月一日或之後開始之年度期間生效之香港會計準則第39號修訂本「金融工具：確認及計量－財務擔保合約」。財務擔保合約於香港會計準則第39號「金融工具：確認及計量」定義為因指定債務人未能按一項債務工具之原有或經修訂條款如期付款時，發行人需支付指定金額予持有人以補償其所遭受損失之合約。

本集團作為財務擔保合約之發行人。

於二零零六年一月一日前，財務擔保合約並非按香港會計準則第39號列賬，該等合約乃披露為或然負債。當解決財務擔保責任時有可能導致資源流出，而當金額能夠被可靠估計時，才會就財務擔保確認撥備。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 December 2006 二零零六年十二月三十一日

2. ADOPTION OF NEW OR REVISED HKFRS (continued)

(a) Financial guarantee contracts (continued)

Upon the adoption of these amendments, a financial guarantee contract issued by the Group and not designated as at fair value through profit or loss is recognised initially at its fair value less transaction costs that are directly attributable to the issue of the financial guarantee contract. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of: (i) the amount determined in accordance with HKAS 37 “Provisions, Contingent Liabilities and Contingent Assets”; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with HKAS 18 “Revenue”. In connection with financial guarantees in favour of certain banks for mortgage loans granted by the bankers of the Group’s properties under development (Note 46) and a financial guarantee to a bank for a loan granted by the bank to the joint venturer (Note 23) this change in accounting policy has had no material effect on the Group’s amounts reported for the current and prior accounting periods.

(b) Leases

In the current year, the Group has adopted HK(IFRIC) – Int 4 which concludes that an arrangement may contain a lease if the substance of the transaction (for a series of transactions) is the transfer of the right to use a specific asset or assets for an agreed period of time in return for a payment (or a series of payments) even if there is no legal form of a lease.

2. 採納新訂或經修訂香港財務申報準則 (續)

(a) 財務擔保合約 (續)

於應用有關修訂時，本集團已發行且並非指定為按公平值計入溢利或虧損的財務擔保合約，初步其公平值減發行財務擔保合約的直接應佔交易費用確認。於初步確認後，本集團以(i)根據香港會計準則第37號「撥備、或然負債及或然資產」釐定的金額；及(ii)初步確認的金額減(如合適)根據香港會計準則第18號「收益」確認的累計攤銷兩者中的較高者計算財務擔保合約的賬面值。有關若干銀行就本集團發展中物業授出之按揭貸款之財務擔保(附註46)，以及就一家銀行向合營方授出貸款而向該銀行作出之財務擔保(附註23)，是項會計政策變動對本集團於當前及過往會計期間呈報之數額並無重大影響。

(b) 租賃

在本年度，本集團應用香港(國際財務報告詮釋委員會) – 詮釋第4號。該準則訂明倘一項交易(就一系列交易)實質為轉讓於議定期間內使用特定資產或多項資產的權利，以獲取付款(或一連串付款)，即使並無法定形式的租約，該項安排可能包含租賃。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 December 2006 二零零六年十二月三十一日

2. ADOPTION OF NEW OR REVISED HKFRS (continued)

(b) Leases (continued)

The Group has followed the guidance in HK(IFRIC)-Int 4 to assess its outsourcing arrangements and does not identify material arrangements containing leases. Accordingly, this change has had no material effect on the Group's results for the current and prior accounting periods.

2. 採納新訂或經修訂香港財務申報準則 (續)

(b) 租賃 (續)

本集團遵照香港(國際財務報告詮釋委員會)－詮釋第4號的指引，評估其外判安排，而未有識別包含租賃的重大安排。因此，是項安排對本集團當前及過往會計期間的業績並無重大影響。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 December 2006 二零零六年十二月三十一日

2. ADOPTION OF NEW OR REVISED HKFRS (continued)

2.2 New or amended HKFRSs that have been issued but are not yet effective

The Group has not early adopted the following HKFRSs that have been issued but are not yet effective. The directors of the Company is currently assessing the impact of these HKFRSs but are not yet in a position to state whether they would have material financial impact on the Group's financial statements.

HKAS 1 (Amendment)	"Presentation of Financial Statements" – Capital Disclosures ¹
HKFRS 7	"Financial Instruments: Disclosures" ¹
HKFRS 8	"Operating segments" ²
HK(IFRIC) Interpretation 7	"Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies" ³
HK(IFRIC) Interpretation 8	"Scope of HKFRS 2" ⁴
HK(IFRIC) Interpretation 9	"Reassessment of Embedded Derivatives" ⁵
HK(IFRIC) Interpretation 10	"Interim Financial Reporting and Impairment" ⁶
HK(IFRIC) Interpretation 11	"Group and Treasury Share Transactions" ⁷
HK(IFRIC) Interpretation 12	"Service Concession Arrangements" ⁸

- 1 Effective for annual periods beginning on or after 1 January 2007
- 2 Effective for annual periods beginning on or after 1 January 2009
- 3 Effective for annual periods beginning on or after 1 March 2006
- 4 Effective for annual periods beginning on or after 1 May 2006
- 5 Effective for annual periods beginning on or after 1 June 2006
- 6 Effective for annual periods beginning on or after 1 November 2006
- 7 Effective for annual periods beginning on or after 1 March 2007
- 8 Effective for annual periods beginning on or after 1 January 2008

2. 採納新訂或經修訂香港財務申報準則 (續)

2.2 已頒佈但尚未生效之新訂或經修訂香港財務申報準則

本集團並無提早採納下列已頒佈但尚未生效之新訂或經修訂香港財務申報準則。本公司董事現正評估該等香港財務申報準則的影響，惟尚未能確定該等準則對本集團財務報表是否有重大財務影響。

香港會計準則第1號(修訂)	[財務報表呈報] – 資本披露 ¹
香港財務申報準則第7號	[金融工具:披露] ¹
香港財務申報準則第8號	[經營分類] ²
香港(國際財務報告 詮釋委員會)詮釋第7號	[應用香港會計準則第29號惡 性通貨膨脹經濟中的 財務報告之重列方法] ³
香港(國際財務報告 詮釋委員會)詮釋第8號	[香港財務申報準 則第2號範圍] ⁴
香港(國際財務報告 詮釋委員會)詮釋第9號	[再評估內含 衍生工具] ⁵
香港(國際財務報告詮釋 委員會)詮釋第10號	[中期財務報告及減值] ⁶
香港(國際財務報告 詮釋委員會)詮釋第11號	[集團及庫存股份交易] ⁷
香港(國際財務報告詮釋 委員會)詮釋第12號	[服務特許權安排] ⁸

- 1 於二零零七年一月一日或之後開始的年度期間生效
- 2 於二零零九年一月一日或之後開始的年度期間生效
- 3 於二零零六年三月一日或之後開始的年度期間生效
- 4 於二零零六年五月一日或之後開始的年度期間生效
- 5 於二零零六年六月一日或之後開始的年度期間生效
- 6 於二零零六年十一月一日或之後開始的年度期間生效
- 7 於二零零七年三月一日或之後開始的年度期間生效
- 8 於二零零八年一月一日或之後開始的年度期間生效

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 December 2006 二零零六年十二月三十一日

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of preparation

The significant accounting policies that have been used in the preparation of these financial statements are summarised below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The financial statements have been prepared on the historical cost convention except for:

- investment properties and
- financial assets at fair value through profit or loss,

which are stated at fair values. The measurement bases are fully described in the accounting policies below.

It should be noted that accounting estimates and assumptions are used in preparation of the financial statements. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

3. 主要會計政策概要

3.1 編製基準

編製該等財務報表所用主要會計政策概述如下。除另有訂明者外，該等政策已於所有呈報年度貫徹應用。

財務報表乃按歷史成本法編製，惟下列項目則按公平值列賬：

- 投資物業及
- 金融資產則按公平值計入溢利或虧損，

計量基準已於下文會計政策詳述。

謹請注意，在編製財務報表時須作出會計估計及假設。儘管該等估計乃根據管理層對目前事件及行動所深知而作出，惟實際結果最終或會與該等估計有所出入。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1.2 Going concern

The financial statements have been prepared on a going concern basis through the Remaining Group had net current liabilities of HK\$76,860,000 (2005: net current assets of HK\$307,403,000) as at 31 December 2006. The Group has taken and will continue the following measures to ensure the Group will have adequate cash flows for the operations of the Group:

- (i) to impose tight cost controls;
- (ii) to raise funds as and when necessary;
- (iii) to obtain extension of repayment of existing borrowings; and
- (iv) to obtain necessary funding from bankers.

The directors are of the opinion that, in view of the measures taken to date, the Group will have sufficient cash resources to satisfy its future working capital and other financial requirements.

In addition, one of the related companies has taken to extend the repayment date of the amount of HK\$144,000,000 due to it from the Group to 18 December 2008 if the Group is not financially viable to make the repayment on or before 18 December 2007 (Note 36) and the directors do not foresee any circumstances that the banks will not continue their bank loan facilities for the Group. Accordingly, the directors are satisfied that the Group will be able to meet in full its financial obligations as and when they fall due for the next twelve months from 31 December 2006 without significant curtailment of operations and are satisfied that it is appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments relating to the carrying amounts and reclassifications of assets and liabilities that might be necessary should the Group be unable to continue as a going concern.

3.2 Basis of consolidation

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

3. 主要會計政策概要 (續)

3.1.2 持續經營

財務報表乃按持續經營基準編製，於二零零六年十二月三十一日，餘下組別之流動負債淨額為76,860,000港元（二零零五年：流動資產淨額為307,403,000港元）。本集團已採取並將繼續採取以下措施確保本集團擁有充足經營現金流量：

- (i) 施行緊縮成本控制；
- (ii) 於必要時增加資金；
- (iii) 取得延遲償還現有債務；及
- (iv) 向往來銀行取得所需資金。

董事認為，對於一直至今所採納之措施，本集團將擁有充足現金來源以滿足未來營運資本及其他財務規定。

此外，其中一家有關連公司已承諾，倘本集團於二零零七年十二月十八日或之前無財務能力償還結欠該公司合共144,000,000港元之款項，將延遲該款之還款日期至二零零八年十二月二十八日（附註36）。而董事預測不會出現任何銀行將終止向本集團提供貸款之情況。因此，董事對本集團能夠自二零零六年十二月三十一日起未來十二個月期間承擔本身之財務責任而不存在重大營運縮減，以及按持續經營基準妥善編制財務報表感到滿意。財務報表不包括與賬面值及資產和負債分類（當本集團無法持續經營時或會成為必需）有關之任何調整。

3.2 綜合基準

綜合財務報表包括本公司及其附屬公司截至每年十二月三十一日止年度之財務報表。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Subsidiaries

Subsidiaries are entities over which the Group has the power to control the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are excluded from consolidation from the date that control ceases.

Business combinations (other than those the combining entities are group entities) are accounted for by applying the purchase method. This involves the revaluation at fair value of all identifiable assets and liabilities, including contingent liabilities of the subsidiary, at the acquisition date, regardless of whether or not they were recorded in the financial statements of the subsidiary prior to acquisition. On initial recognition, the assets and liabilities of the subsidiary are included in the consolidated balance sheet at their fair values, which are also used as the bases for subsequent measurement in accordance with the Group's accounting policies.

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

In the Company's balance sheet, subsidiaries are carried at cost less any impairment loss unless the subsidiary is held for sale or included in disposal group. The results of the subsidiaries are accounted for by the Company on the basis of dividends received and receivable at the balance sheet date.

3. 主要會計政策概要 (續)

3.3 附屬公司

附屬公司為本集團有權控制其財政及營運決策以自其業務獲利益之實體。於評估本集團是否控制另一實體時，會考慮現時是否存在可予行使或轉換之潛在投票權及其影響。附屬公司於控制權轉移至本集團之日起全面綜合入賬，並自控制權終止當日起停止綜合入賬。

業務合併（該等集團旗下合併實體除外）均以購買法計算。該方法涉及於收購當日按公平值重估所有可識別資產及負債，當中包括附屬公司之或然負債（不論是否於收購前已記錄在附屬公司之財務報表內）。於初步確認時，附屬公司之資產及負債乃按其公平值計入綜合資產負債表，有關金額亦會作為其後根據本集團之會計政策所進行計量之依據。

編製綜合財務報表時，集團內公司間交易、交易之結餘及未變現收益會予以撇銷。除非交易提供所轉讓資產出現減值之憑證，否則未變現虧損亦會予以撇銷。

在本公司之資產負債表中，除非附屬公司為持作出售或計入出售組別，否則附屬公司按成本減任何減值虧損列賬。本公司按於結算日之已收及應收股息之基準將附屬公司業績入賬。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Subsidiaries (continued)

Minority interest represents the portion of the profit or loss and net assets of a subsidiary attributable to equity interests that are not owned by the Group and are not the Group's financial liabilities.

Minority interest is presented in the consolidated balance sheet within equity, separately from the equity attributable to the equity holders of the Company. Profit or loss attributable to the minority interest is presented separately in the consolidated income statement as an allocation of the Group's results. Where losses applicable to the minority exceed the minority interest in the subsidiary's equity, the excess and further losses applicable to the minority are allocated against the minority interest to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses. Otherwise, the losses are charged against the Group's interests. If the subsidiary subsequently reports profits, such profits are allocated to the minority interest until the minority's share of losses previously absorbed by the Group has been recovered.

3.4 Joint ventures

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. Joint control is the contractually agreed sharing of control over an economic activity, and exists only when the strategic financial and operating decision relating to the activity require the unanimous consent of the venturers.

3. 主要會計政策概要(續)

3.3 附屬公司(續)

少數股東權益指並非由本集團擁有之股本權益，且並非本集團金融負債之應佔一家附屬公司損益及資產淨值部分。

少數股東權益於綜合資產負債表之權益中呈列，且獨立於本公司權益持有人應佔權益。少數股東權益應佔損益在綜合損益表中獨立呈列為本集團業績之分配。倘若少數股東應佔虧損超過少數股東於附屬公司股本之權益，則超過部分及少數股東所承擔之進一步虧損於少數股東權益中扣除，惟少數股東有約束力的責任及有能力作出額外投資填補虧損除外，否則虧損則在本集團權益中扣除。倘該附屬公司其後錄得溢利，該等溢利將分配至少數股東權益，直至本集團先前承擔之少數股東權益應佔虧損已填補為止。

3.4 合營公司

合營公司乃一項合約安排，據此，兩名或以上人士進行受到共同控制之經濟活動。共同控制乃按合約同意分享經濟活動之控制權，並只會於與該活動有關之策略財務及營運決定必須獲得合營各方一致同意時方會存在。

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財務報表附註

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Joint ventures (continued)

Interests in jointly controlled entities are accounted for using proportionate consolidation. The Group combines its share of the joint ventures' individual income and expenses, assets and liabilities and cash flows on a line-by-line basis with similar items in the Group's financial statements. The Group recognises the portion of gains or losses on the sale of assets by the Group to the joint venture that it is attributable to the other venturers. The Group does not recognise its share of profits or losses from the joint venture that result from the Group's purchase of assets from the joint venture until it resells the assets to an independent party. However, a loss on the transaction is recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets, or an impairment loss.

In the Company's balance sheet, investment in jointly controlled entities is stated at cost less any impairment losses. The results of jointly controlled entities are accounted for by the Company on the basis of dividends received and receivable.

3. 主要會計政策概要(續)

3.4 合營公司(續)

於共同控制實體之權益乃按比例合併法計算。本集團將其應佔各合營公司之個別收入及開支、資產及負債以及現金流量逐項合併計入本集團財務報表中之相關部分。本集團確認其向合營公司出售資產之損益中其他合營夥伴應佔的部分。本集團不會確認就其向合營公司購買資產而應佔合營公司之損益，直至本集團向獨立第三方轉售該等資產為止。然而，倘若有跡象顯示流動資產之可變現淨值減少或出現減值虧損，則會即時確認有關交易虧損。

於本公司之資產負債表中，於共同控制實體之投資按成本減任何減值虧損列賬。本公司按已收及應收股息之基準將共同控制實體業績入賬。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Associates

Associates are those entities over which the Group is able to exert significant influence, generally accompanying a shareholding of between 20% and 50% of voting rights but which are neither subsidiaries nor investment in a joint venture. In consolidated financial statements, investment in associates is initially recognised at cost and subsequently accounted for using the equity method. Under the equity method, the Group's interest in the associate is adjusted for the post-acquisition changes 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). 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 associate recognised for the year.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it 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 gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where the associate uses accounting policies other than those of the Group for like transactions and events in similar circumstances, adjustments are made to conform the associate's accounting policies to those of the Group when the associate's financial statements are used by the Group in applying the equity method.

3. 主要會計政策概要 (續)

3.5 聯營公司

聯營公司為本集團對其有重大影響力之公司，一般擁有20%至50%投票權之持股量，惟並不歸類為附屬公司或合營企業投資之公司。於綜合財務報表中，聯營公司之投資初步乃按成本確認，其後採用權益法入賬。根據權益法，本集團於聯營公司之權益乃按本集團應佔聯營公司資產淨值之收購後變動作出調整，惟已分類為持作出售（或計入分類為持作出售之出售組別資產除外）。綜合損益表載有本集團於收購後應佔權益，聯營公司於年內之收購後稅項業績，包括有關年內確認於聯營公司之投資之任何商譽減值虧損。

倘本集團應佔聯營公司之虧損相等於或超逾其於有關聯營公司之權益，則本集團不會進一步確認虧損，惟本集團已經代表該聯營公司承擔法律或推定義務或支付款項之情況則除外。就此而言，本集團於聯營公司之權益為按權益法計算之投資賬面值，連同組成本集團於聯營公司之淨投資主要部分之本集團長期權益。

本集團與其聯營公司進行交易所產生之未變現收益予以撇銷，惟以本集團於聯營公司之權益為限。除非交易所提供證據顯示所轉讓資產出現減值，否則亦會撇銷未變現虧損。倘聯營公司所用會計政策並非為本集團於同類情況下就類似交易及事件所採用者，則於本集團為應用權益法而使用聯營公司之財務報表時作出調整，致使該聯營公司之會計政策與本集團所採用者一致。

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財務報表附註

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Associates (continued)

In the Company's balance sheet, investment in associates is stated at cost less any impairment losses. The results of associates are accounted for by the Company on the basis of dividends received and receivable.

3.6 Goodwill

Goodwill represents the excess of the cost of a business combination or an investment in an associate or a jointly controlled entity 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 3.7). In respect of associates or jointly controlled entities, the carrying amount of goodwill is included in the carrying amount of the Group's interest in the associate or jointly controlled entity.

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 or a jointly controlled entity is recognised immediately in income statement.

On subsequent disposal of a subsidiary, an associate or a jointly controlled entity, the attributable amount of goodwill capitalised is included in the determination of the amount of gain or loss on disposal.

Goodwill relating to business combinations or investments in associates or jointly controlled entities prior to 1 January 2001 continues to be held in reserves and will be charged to the retained profits at the time when the business, associate or jointly controlled entity to which the goodwill relates is disposed of or when a cash-generating unit to which goodwill relates becomes impaired.

3. 主要會計政策概要 (續)

3.5 聯營公司 (續)

在本公司之資產負債表中，於聯營公司之投資按成本減任何減值虧損列賬。本公司按已收及應收股息之基準將聯營公司業績入賬。

3.6 商譽

商譽指業務合併成本或於聯營公司或共同控制實體之投資，超出本集團於被收購公司之可識別資產、負債及或然負債之公平淨值權益之差額。

商譽是按成本減累計減值虧損後列賬。商譽會分配至現金產生單位，並於每年進行減值檢測（見附註3.7）。就聯營公司或共同控制實體而言，商譽之賬面值會計入本集團於聯營公司或共同控制實體權益之賬面值。

本集團於被收購公司之可識別資產、負債及或然負債之公平淨值權益，超過業務合併之成本或於聯營公司或共同控制實體之投資部分，會即時在損益表中確認。

其後出售附屬公司、聯營公司或共同控制實體時，在計算出售損益金額時，包括應佔已資本化商譽金額。

有關於二零零一年一月一日前之業務合併或於聯營公司或共同控制實體之投資之商譽，繼續於儲備內列賬，並將於出售與商譽有關之業務、聯營公司或共同控制實體或與商譽有關之現金產生單位出現減值時，於保留溢利扣除。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 Impairment of assets

Goodwill, property, plant and equipment and prepaid land lease payments measured under the cost model and interests in subsidiaries, associates and jointly controlled entities are subject to impairment testing.

Goodwill is tested for impairment at least annually, irrespective of whether there is any indication that it is impaired. All other assets are tested for impairment whenever there are indications that the asset's carrying amount may not be recoverable.

An impairment loss is recognised as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount unless the relevant asset is carried at a revalued amount under the Group's accounting policy, in which case the impairment loss is treated as a revaluation decrease according to that policy. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, 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 assessment of time value of money and the risk specific to the asset.

For the purposes of assessing impairment, where an asset does not generate cash inflows largely independent from those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e. a cash-generating unit). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill in particular is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which the goodwill is monitored for internal management purpose.

Impairment losses recognised for cash-generating units, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the cash generating unit, except that the carrying value of an asset will not be reduced below its individual fair value less cost to sell, or value in use, if determinable.

3. 主要會計政策概要 (續)

3.7 資產減值

商譽、物業、廠房及設備以及預付土地租賃款項按成本模式計量，於附屬公司、聯營公司或共同控制實體之權益須進行減值檢測。

並無限定可使用年期或尚未可供使用之商譽（不論是否出現任何減值跡象）須至少每年進行減值檢測一次。倘有跡象顯示可能無法收回所有其他資產之賬面值時，該資產則須進行減值檢測。

減值虧損按資產之賬面值超出其可收回金額之差額，即時確認為開支，除非有關資產根據本集團會計政策按重估金額列賬，則減值虧損會根據該政策而視作重估減值。可收回金額為反映市況之公平值減銷售成本與使用價值兩者之較高者。評估使用價值時，估計未來現金流量採用稅前折現率折現至其現值，以反映現時市場對金錢時間值及有關資產特有風險之評估。

就評估減值而言，倘資產產生之現金流入大致上並不獨立於其他資產，可收回金額則按可獨立產生現金流入之最少資產組合（即現金產生單位）釐定。因此，部分資產個別進行減值檢測，另有部分按現金產生單位檢測。商譽分配至該等預期可受惠於相關業務合併協同效應之現金產生單位，即本集團內就內部管理目的而監控商譽之最小單位。

就已分配商譽之現金產生單位確認之減值虧損，初步計入商譽賬面值。除資產賬面值將不會調減至低於其個別公平值減銷售成本或使用價值（如可釐定）外，任何剩餘減值虧損將按比例自該現金產生單位之其他資產扣除。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 Impairment of assets (continued)

An impairment loss on goodwill is not reversed in subsequent periods. In respect of other assets, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.8 Related parties

A party is considered to be related to the Group if:

- (a) the party, directly or indirectly through one or more intermediaries, (i) controls, is controlled by, or is under common control with, the Group; (ii) has an interest in the Group that gives it significant influence over the Group; or (iii) has joint control over the Group;
- (b) the party is an associate;
- (c) the party is a jointly-controlled entity;
- (d) the party is a member of the key management personnel of the Group;
- (e) the party is a close member of the family of any individual referred to in (a) or (d);
- (f) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e); or
- (g) the party is a post-employment benefit plan for the benefit of the employees of the Group, or of any entity that is a related party of the Group.

3. 主要會計政策概要 (續)

3.7 資產減值 (續)

商譽減值虧損不會於其後期間撥回。就其他資產而言，倘用於釐定資產可收回款額之估計出現有利變動時，則撥回減值虧損，惟以資產賬面值不得高於並無確認減值虧損時原應釐定之賬面值（扣除任何折舊或攤銷）為限。

3.8 有關連人士

在以下情況，有關人士將視作本集團之有關連人士：

- (a) 透過一家或以上中介公司直接或間接 (i) 控制、受本集團控制或與本集團受共同控制；(ii) 於本集團擁有權益且對本集團發揮重大影響力；或 (iii) 對本集團擁有共同控制權；
- (b) 為聯繫人士；
- (c) 為共同控制實體；
- (d) 為本集團主要管理人員；
- (e) 為(a)或(d)項所述任何人士之近親；
- (f) 為受直接或間接與(d)或(e)項所述任何人士有關之實體控制、共同控制或受重大影響或行使大量投票權之實體；或
- (g) 為本集團或屬本集團有關連人士之任何實體之僱員福利所設僱用後福利計劃。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.9 Property, plant and equipment

Buildings held for own use which are situated on leasehold land, where the fair value of the buildings could be measured separately from the fair value of the leasehold land at the inception of the lease, and other items of plant and equipment are also stated at cost less accumulated depreciation and impairment losses.

Depreciation on other assets is provided to write off the cost less their residual values over their estimated useful lives, using the straight-line method at the following rates per annum:

Buildings	2% to 15%
Leasehold improvements	10% or over the remaining lease term, whichever is shorter
Plant and machinery	6% to 25%
Furniture and fixtures	10% to 33 $\frac{1}{3}$ %
Motor vehicles	10% to 25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

The gain or loss arising on retirement or disposal is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

3. 主要會計政策概要 (續)

3.9 物業、廠房及設備

於租賃土地上持作自用之樓宇，倘其公平值可與租約開始時租賃土地之公平值分開計算，則連同其他廠房及設備項目，按成本減累積折舊及減值虧損後列賬。

其他資產之折舊乃按估計可使用年期以直線法撇銷成本減餘值計算，年利率如下：

樓宇	2%至15%
租賃物業裝修	10%或尚餘租賃年期(以較短者為準)
廠房及機器	6%至25%
傢具及裝置	10%至33 $\frac{1}{3}$ %
汽車	10%至25%

資產剩餘價值及可使用期於各結算日檢討及視適當情況調整。

廢棄或出售時所產生任何收益或虧損乃按銷售所得款項與資產賬面值之差額釐定，並於損益表確認。

其後成本僅會在項目相關之未來經濟效益可能會流入本集團及能可靠計量項目成本時，始在適當情況下計入資產賬面值或確認為獨立資產。所有其他維修及保養成本，均於產生之財政期間自損益表扣除。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Investment properties

Investment properties are land and/or buildings which are owned or held under a leasehold interest to earn rental income and/or for capital appreciation.

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.

On initial recognition, investment property is measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment property is stated at fair value. Fair value is determined by external professional valuers, with sufficient experience with respect to both the location and the nature of the investment property. The carrying amounts recognised in the balance sheet reflect the prevailing market conditions at the balance sheet date.

Gains or losses arising from either changes in the fair values or the sale of an investment property is included in the income statement for the period in which they arise.

3.11 Properties under development

Properties under development with undermined future use are stated at cost which includes all development expenditure, interest charges and other costs directly attributable to such properties, less any impairment and were classified as non-current assets.

Properties under development which had either been pre-sold or which were intended for sale are stated at lower of cost and net realisable value and were classified as current assets.

3. 主要會計政策概要 (續)

3.10 投資物業

投資物業是指就賺取租金收入及／或資本增值而以租賃權益擁有或持有之土地及／或樓宇。

倘本集團以經營租約持有物業權益以賺取租金收入及／或資本增值，有關權益會按每項物業之基準分類及入賬為投資物業。任何分類為投資物業之物業權益之入賬方式會如同以融資租約持有者一樣。

於初步確認時，投資物業初步乃按成本計量，包括任何直接應佔開支。於初步確認後，投資物業按公平值列賬。公平值乃由具足夠資歷的外聘專業估值師就投資物業之所在地及性質釐定。於資產負債表確認之賬面值反映結算日之當時市況。

投資物業公平值變動或銷售產生之收益或虧損於產生期間計入損益表。

3.11 發展中物業

未定日後用途之發展中的物業按成本值列賬，包括所有發展費用、利息支出及其他直接與該等物業有關之成本，扣除任何減值，並分類為非流動資產。

持有已經預售或擬出售之發展中物業，按成本及可確認淨額之較低者呈列，並列作流動資產。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 Properties held for sale

Properties for sale held at the balance sheet date are stated at the lower of cost and net realisable value. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

3.13 Lease

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.

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

Assets that are held by the 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 except for property held under operating lease 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 accounting for as if held under a financial lease (see Note 3.10).

3. 主要會計政策概要 (續)

3.12 持作出售物業

於結算日，持作出售物業按成本或可變現淨值之較低者列賬。可變現淨值按估計售價減完成及出售所產生任何估計成本計算。

3.13 租約

倘本集團決定於協定期限內將特定資產使用權出讓以換取一筆或一連串付款一項交易或連串交易之安排則屬於或包括一項租約。該項決定乃基於安排內容之估值而作出，而不論該項安排是否採取租約的法律形式。

(i) *租予本集團之資產分類*

就本集團以租約持有之資產，倘當中擁有權絕大部分風險及回報均轉移至本集團，有關資產會分類為以融資租約持有。倘租約不會將擁有權絕大部分風險及回報轉移至本集團，則分類為經營租約，惟以經營租約持有但在其他方面按物業基準均符合投資物業定義且分類為投資物業之物業，其入賬方式會如同以融資租約持有者（見附註3.10）一樣。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.13 Lease (continued)

(ii) Operating lease charges as the lessee

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to the income statement on a straight line basis over the lease terms except where an alternative basis is more representative of the pattern of benefits to be derived from the leased assets. Lease incentives received are recognised in the income statement as an integral part of the aggregate net lease payments made. Contingent rental are charged to the income statement in the accounting period in which they are incurred.

(iii) Prepaid land lease payments

Prepaid land lease payments are up-front payments made for the leasehold land and land use rights. These are recognised at cost less accumulated impairment losses and are amortised on a straight-line basis over the period of the respective leases.

3.14 Financial assets

The Group's accounting policies for financial assets other than investments in subsidiaries, associates and jointly controlled entities are set out below.

Financial assets are classified into the following categories:

- financial assets at fair value through profit or loss
- loans and receivables
- available-for-sale financial assets

Management determines the classification of its financial assets at initial recognition depending on the purpose for which the financial assets were acquired and where allowed and appropriate, re-evaluates this designation at every reporting date.

3. 主要會計政策概要 (續)

3.13 租約 (續)

(ii) 作為承租人之經營租約費用

倘若本集團以經營租約持有資產使用權，以租約作出之付款將於租期內以直線法計入損益表，惟倘若有另一種更能反映租賃資產衍生之利益模式之基準除外。所獲租賃減免在損益表確認為已付淨租金總額一部分。或然租金將於其產生之會計期間計入損益表。

(iii) 預付土地租賃款項

預付土地租賃款項為就租賃土地及土地使用權作出之首筆支付費，乃按成本減累積減值虧損確認，並以直線法於各租賃期間攤銷。

3.14 金融資產

除於附屬公司、聯營公司及共同控制實體之投資外，下文載列本集團關於金融資產的會計政策。

金融資產分類為以下類別：

- 按公平值計入溢利或虧損之金融資產
- 貸款及應收款項
- 可供出售金融資產

管理層視乎收購金融資產之目的，於初步確認時將其金融資產分類，並於許可及適當情況下，於各申報日期重新評估其分類。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 Financial assets (continued)

All financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the instrument. Regular way purchases of financial assets are recognised on trade date. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

Derecognition of financial assets occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred. At each balance sheet date, financial assets are reviewed to assess whether there is objective evidence of impairment. If any such evidence exists, impairment loss is determined and recognised based on the classification of the financial asset.

(i) *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss are mainly financial assets held for trading and they are acquired for the purpose of selling in the near term.

Financial assets may be designated at initial recognition as at fair value through profit or loss if the following criteria are met:

- the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or recognising gains or losses on them on a different basis; or
- the assets are part of a group of financial assets which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management strategy and information about the group of financial assets is provided internally on that basis to the key management personnel; or

3. 主要會計政策概要 (續)

3.14 金融資產 (續)

所有金融資產僅在本集團訂立工具合約協議時確認，日常購買之金融資產乃於交易日期確認。金融資產初步確認時按公平值計量，而並非按公平值計入溢利或虧損之投資，則加上直接應佔交易成本計量。

倘收取投資現金流量之權利屆滿或轉讓，而所有權絕大部分風險及回報轉讓，則剔除確認。不論有否出現減值客觀證據，於各結算日均須檢討金融資產。倘存有任何該等證據，則按金融資產之分類釐定及確認減值虧損。

(i) *按公平值計入溢利或虧損之金融資產*

按公平值計入溢利或虧損之金融資產主要為持作買賣及購入作短期內銷售之金融資產。

倘若符合以下準則，金融資產則可於初步確認時指定作按公平值計入溢利或虧損：

- 有關指定能消除或大大減低因按照不同基準計量有關資產或確認其損益而出現的不一致處理情況；或
- 根據列明的風險管理策略，該等資產為一組受管理而其表現乃按公平值估值之金融資產的其中一部分，而有關該組金融資產的資料均按該基準提供予內部主要管理人員；或

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 Financial assets (continued)

(i) *Financial assets at fair value through profit or loss (continued)*

- the financial asset contains an embedded derivative that would need to be separately recorded.

Subsequent to initial recognition, the financial assets included in this category are measured at fair value with changes in fair value recognised in income statement.

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are subsequently measured at amortised cost using the effective interest method, less any impairment losses. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction cost.

(iii) *Available-for-sale financial assets*

Available-for-sale financial assets include non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of other categories of financial assets.

For available-for-sale investments in equity securities which do not have a quoted market price in an active market, and whose fair value cannot be reliably measured, they are measured at cost less any identified impairment losses at each balance sheet date subsequent to initial recognition.

3. 主要會計政策概要 (續)

3.14 金融資產 (續)

(i) 按公平值計入溢利或虧損之金融資產 (續)

- 有關金融資產包含需要分別記賬的嵌入式衍生工具。

初步確認後，計入此類別之金融資產按公平值計量，而公平值變動在損益表確認。

(ii) 貸款及應收款項

貸款及應收款項為具固定或可予釐定付款金額之非衍生金融資產，在活躍市場中並無報價。該等資產其後以實際利率法按攤銷成本，減任何減值虧損計量。攤銷成本之計算經計及任何收購時產生之折讓或溢價，包括構成實際利率及交易成本之費用。

(iii) 可供出售金融資產

可供出售金融資產為指定為可供出售或並不合資格歸類為其他金融資產類別之非衍生工具。

就於證券投資內且無活躍市場報價之可供出售投資，其公平值不能可靠計量之股本證券投資，乃於初步確認後各結算日，其按成本減任何可識別減值虧損計量。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 Financial assets (continued)

(iii) Available-for-sale financial assets (continued)

Impairment of financial assets

At each balance sheet date, financial assets other than at fair value through profit or loss are reviewed to determine whether there is any objective evidence of impairment. If any such evidence exists, the impairment loss is measured and recognised as follows:

(i) Loans and receivables

Loans and receivables are provided for impairment losses which are recognised in the income statement when objective evidence is received that the Group will not be able to collect all amounts due to it in accordance with the original terms of the receivable. The amount of the provision is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate that exactly discounts estimated future cash receipts through the expected life of the financial assets, or where appropriate, a shorter period.

(ii) Available-for-sale financial assets

When there is evidence that there is impairment loss on available-for-sale financial assets, the amount of impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

3. 主要會計政策概要 (續)

3.14 金融資產 (續)

(iii) 可供出售金融資產 (續)

金融資產減值

於各結算日會檢討按公平值計入溢利或虧損以外之金融資產，以釐定是否出現任何減值客觀證據。如有出現任何該等證據，則按下列方式計量及確認減值虧損：

(i) 貸款及應收款項

貸款及應收款項於有客觀證據顯示本集團將無法根據應收款項之原訂條款收回所有其應收之款項時作出減值撥備，並於損益表確認。撥備金額乃按資產賬面值與按實際利率計算之估計日後現金流量現值之差額釐定。實際利率乃按金融工具預計年期精確折讓估計日後現金收入（或於適當時按較短期間）之比率。

(ii) 可供出售金融資產

倘有跡象顯示可供出售金融資產出現減值虧損，減值虧損之金額以金融資產之賬面值與按目前市場中類似金融資產之回報率折現之估計日後現金流量現值之差額計量。於其後期間將不會撥回有關減值虧損。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 Financial liabilities

The Group's financial liabilities include bank loans, other loans and trade and other payables. They are included in balance sheet line items as borrowings under current or non-current liabilities or trade and other payables.

Financial liabilities are recognised when the Group becomes a party to the contractual agreements of the instrument and are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. All interest related charges are recognised as an expense in finance costs in the income statement.

(i) Borrowings

Borrowings are mainly bank and other loans raised for support of funding of the Group's operations. They are recognised initially at proceeds, net of transaction and direct issue costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

(ii) Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost less settlement payments, using the effective interest rate method.

3. 主要會計政策概要 (續)

3.15 金融負債

本集團之金融負債包括銀行貸款、其他貸款以及應付賬款及其他應付款。該等項目已包括在資產負債表內流動或非流動負債項下之借貸或應付賬款及其他應付款。

金融負債在本集團訂立工具合約協議時確認，倘有關合約訂明之責任已履行、註銷或屆滿時則剔除確認金融負債。所有與利息相關之開支均於損益表中確認為財務費用開支。

(i) 借貸

借貸主要為就本集團營運所籌集之銀行及其他貸款，按所得款項減交易及直接產生之發行成本進行初步確認。借貸其後按攤銷成本列賬，倘扣除交易成本後所得款項與贖回價值間出現任何差額，則於借貸期間按實際利率法在損益表內確認。

除非本集團有權無條件將債務結算日期遞延至結算日後至少十二個月，否則借貸將被分類為流動負債。

(ii) 應付賬款及其他應付款

應付賬款及其他應付款初步按公平值確認，其後按攤銷成本減結算款項以實際利率法列賬。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the weighted average basis, and in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

3.17 Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand, demand deposits with banks and short term highly liquid investments with original maturities of three months or less, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

3.18 Provisions and contingent liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and 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 expenditures expected to settle the obligation.

All provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

3. 主要會計政策概要(續)

3.16 存貨

存貨按成本及可變現淨值兩者之較低者列賬。成本按加權平均基準釐定，在製品及製成品之成本包括直接材料、直接勞工及按適當比例計算之生產成本。可變現淨值乃按照日常業務過程中之估計售價減任何適當銷售開支計算。

3.17 現金及現金等價物

現金及現金等價物包括銀行存款及手頭現金、活期存款以及原到期日三個月以下之短期高度流通投資，另扣除須按要求償還及構成本集團現金管理一部分之銀行透支。

3.18 撥備及或然負債

當本集團因過往事件而須承擔法定或推定責任，而結算債務可能要求經濟利益流出，並能可靠地作出估計時，撥備方予確認。倘貨幣時間價值之影響屬重大，則有關撥備將按預計結算債務所需費用之現值列賬。

所有撥備均於各結算日進行檢討，並作出調整以反映當時最佳估計。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 Provisions and contingent liabilities (continued)

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.

Contingent liabilities are recognised in the course of the allocation of purchase price to the assets and liabilities acquired in a business combination. They are initially measured at fair value at the date of acquisition and subsequently measured at the higher of the amount that would be recognised in a comparable provision as described above and the amount initially recognised less any accumulated amortisation, if appropriate.

3.19 Accounting for income taxes

Income tax comprises current and deferred tax.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the balance sheet date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in the income statement.

3. 主要會計政策概要 (續)

3.18 撥備及或然負債 (續)

當經濟利益流出之可能性不大，或未能可靠地估計數額，則有關債務會披露為或然負債，除非經濟利益流出之可能性很低。純粹視乎日後有否出現一項或多項事件而可能產生之債務，亦會披露為或然負債，除非經濟利益流出之可能性很低。

或然負債乃於將購買價分配予在業務合併中所購入資產及負債之過程中確認。或然負債於收購日期初步按公平值計量，其後按於上述可資比較撥備中將予確認之金額與初步確認之金額減任何累積攤銷（如適用）兩者之較高者計量。

3.19 所得稅會計處理

所得稅包括本期稅項及遞延稅項。

本期所得稅資產及／或負債包括稅收部門要求繳納的、涉及本期或以往報告期間但於結算日尚未支付的納稅責任，乃基於該年度應課稅溢利，根據有關財務年度適用之稅率及稅法計算。本期稅項資產或負債之所有變動均載於損益表內，確認為稅項開支之一部分。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.19 Accounting for income taxes (continued)

Deferred tax is calculated using the liability method on temporary differences at the balance sheet date between the carrying amounts of assets and liabilities in the financial statements and their respective tax bases. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, tax losses available to be carried forward as well as other unused tax credits, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither taxable nor accounting profit or loss.

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

Deferred tax is calculated, without discounting, at tax rates that are expected to apply in the period the liability is settled or the asset realised, provided they are enacted or substantively enacted at the balance sheet date.

Changes in deferred tax assets or liabilities are recognised in the income statement, or in equity if they relate to items that are charged or credited directly to equity.

3. 主要會計政策概要 (續)

3.19 所得稅會計處理 (續)

遞延稅項採用負債法就本財務報表內資產及負債之賬面值與其稅基間之暫時差異計算。遞延稅項負債通常將所有稅基間之暫時差異予確認。遞延稅項資產通常將所有可抵扣暫時差額、可滾存未使用之稅項虧損及未使用稅項資產之稅收，應以能抵銷該可抵扣暫時差額、可滾存未使用之稅項虧損及未使用之稅項資產之可能出現的未來應繳稅溢利數額為限。

由商譽或交易中初步確認(除業務合併外)的資產及負債(但對稅務或會計損益均無影響)所產生之暫記差額均不予確認。

除非本集團可以控制暫時差異之撥回，且該撥回在可預見未來不大可能發生；投資於附屬公司及聯營公司所產生有關之應課稅暫時差異確認為遞延負債。

遞延稅項按於結算日已或大致上被制定預期於結清負債或變現資產期間適用之稅率計算，而不須予貼現。

遞延稅項資產或負債之變動均於損益表內確認，惟與直接自權益扣除或計入之項目有關的遞延稅項資產或負債之變動直接計入權益。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.20 Government grants

Government grants are recognised at their fair values where there is a reasonable assurance that the grant will be received and the Group will comply with the attached conditions. Government grants relating to costs are deferred and recognised in the income statement over the period necessary to match them with the costs that they are intended to compensate. Grants related to depreciable assets are included in non-current liabilities as deferred income and are recognised in the income statement on a straight line basis over the useful lives of the assets.

3.21 Revenue recognition

Revenue comprises the fair value for the sale of goods and services and the use by others of the Group's assets yielding interest, royalties and dividends, net of rebates and discounts. 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 as follows:

Sales of goods are recognised upon transfer of significant risks and rewards of ownership to the customer. This is usually taken as the time when the goods are delivered and the customer has accepted the goods.

Revenue arising from the sale of properties held for sale within the Disposal Group 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.

3. 主要會計政策概要(續)

3.20 政府補助金

政府撥款於可合理確保將收取有關補助金及本集團符合所有附帶條件時，按公平值確認。有關成本之政府補助金遞延，並於該補助金擬用作補償之成本相配所需期間，在損益表確認。有關可予折舊資產之補助金乃包括於非流動負債列作遞延收入，並以直線基準按資產之可使用年期於收益表確認。

3.21 收入確認

收入包括銷售貨品及服務之公平值以及其他人士使用本集團資產之權益、專利稅及股息扣減回扣及折扣。當經濟利益可能流入本集團以及收入及成本（如適用）能夠可靠地衡量時，按以下基準確認收入：

貨物銷售於擁有權之大部分回報及風險轉嫁予客戶時確認，一般於貨物交付及客戶接納貨物時確認。

銷售出售組別內持作出售物業所產生之收入在簽訂買賣協議或有關政府部門發出入伙紙（以較遲時間為準）時確認。在確認收入當日前就出售物業已收之訂金及分期付款，則已包括在資產負債表之結轉銷售訂金及已收分期付款。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.21 Revenue recognition (continued)

Rental income, on a time proportion basis over the lease terms;

Interest income is recognised on a time proportion basis using the effective interest method; and

Dividend is recognised when the right to receive payment is established.

3.22 Retirement benefit costs and short term employee benefits

Defined contribution plan

The Group operates a defined contribution staff retirement scheme (the "ORSO Scheme") for certain of its employees, the assets of which are held separately from those of the Group in an independently administered fund. Contributions are made based on a percentage of the eligible employees' basic salaries and are charged to the income statement as they become payable in accordance with the rules of the ORSO Scheme. When an employee leaves the ORSO Scheme prior to his/her interest in the Group's employer contributions vesting fully, the ongoing contributions payable by the Group can be reduced by the relevant amount of forfeited contributions.

3. 主要會計政策概要 (續)

3.21 收入確認 (續)

租金收入於租賃期間按時間比例確認；

利息收入以實際利率法按時間比例確認；及

股息於確立收取款項權利時確認。

3.22 退休福利成本及短期僱員福利

定額供款計劃

本集團為其若干僱員設有定額供款僱員退休計劃（「職業退休計劃」）。該計劃之資產與本集團資產分開由獨立管理基金持有。供款按合資格僱員基本薪金一定百分比作出，於根據職業退休計劃規則應予支付時，在損益表扣除。倘若僱員在本集團之僱主供款完全歸其所有前退出職業退休計劃，本集團可將有關數額之沒收供款用以減低日後應付供款。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.22 Retirement benefit costs and short term employee benefits (continued)

Defined contribution plan (continued)

The Group also operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme"), for those employees who are eligible to participate in the MPF Scheme not previously covered by the ORSO Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the income statement as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

Pension schemes and other retirement benefits

Pursuant to the relevant regulations of the government in the PRC, the subsidiaries operating in the PRC have participated in central pension schemes (the "Schemes") operated by local municipal governments, whereby the subsidiaries in the PRC are required to contribute a certain percentage of the basic salaries of their employees to the Schemes to fund their retirement benefits. The local municipal government undertakes to assume the retirement benefits obligations of all existing and future retired employees of the subsidiaries in the PRC. The only obligation of the Group with respect to the Schemes is to pay the ongoing required contributions under the Schemes mentioned above. Contributions under the Schemes are charged to the income statement as incurred. There are no provisions under the Schemes whereby forfeited contributions may be used to reduce future contributions.

3. 主要會計政策概要 (續)

3.22 退休福利成本及短期僱員福利 (續)

定額供款計劃 (續)

本集團亦為合資格參與強制性公積金計劃(「強積金計劃」)而之前無參與職業退休計劃之僱員設有定額供款計劃。供款按僱員基本薪金一定百分比作出，於根據強積金計劃規則應予支付時，在損益表扣除。強積金計劃資產與本集團資產分開由獨立管理基金持有。本集團的僱主供款於向強積金計劃作出時全數歸屬僱員。

退休計劃及其他退休福利

根據中國政府有關之規例，本公司於中國經營業務之附屬公司須參與有關中國地方政府機關管理之退休福利計劃(「中國計劃」)，當中於中國之附屬公司規定須就中國計劃作出供款以作為彼等退休福利之基金。地方市政府承諾承擔附屬公司所有現有及未來退休僱員之退休福利責任，而本集團對中國計劃之責任僅為就上述之中國計劃持續提供規定之供款。中國計劃之供款乃於產生時在損益表扣除。本集團並無為中國計劃提供撥備，而沒收之供款可用以減沙未來之供款數額。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.22 Retirement benefit costs and short term employee benefits (continued)

Short-term employee benefits

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

3.23 Borrowing costs

Borrowing costs incurred for the acquisition, construction or production of any qualifying assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use or sale. Other borrowing costs are expensed.

3.24 Foreign currency translation

The financial statements are presented in Hong Kong Dollars ("HK\$"), which is also the Company's functional currency and all values are rounded to the nearest thousand except when otherwise indicated.

3. 主要會計政策概要 (續)

3.22 退休福利成本及短期僱員福利 (續)

短期僱員福利

僱員可享有之年假乃於應計予僱員時確認。因僱員於截至結算日止提供服務而估計尚餘之年假須作出撥備。

3.23 借貸成本

將收購、建設或生產任何合資格資產所產生之借貸成本，乃於完成收購、建設或生產有關資產以作所定用途之期間作資本化。合資格資產為需要長時間籌備作所定用途或銷售之資產。其他借貸成本為支銷。

3.24 外幣換算

財務報表乃以港元呈報，港元亦為本公司之功能貨幣。除另有訂明外，所有價值均調整至最接近之千港元單位呈列。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.24 Foreign currency translation (continued)

In the individual financial statements of the consolidated entities, foreign currency transactions are translated into the functional currency of the individual entity using the exchange rates prevailing at the dates of the transactions. At balance sheet date, monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the balance sheet date retranslation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are recognised in the income statement.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined and are reported as part of the fair value gain or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

In the consolidated financial statements, all individual financial statements of foreign operations, originally presented in a currency different from the Group's presentation currency, have been converted into HK\$. Assets and liabilities have been translated into HK\$ at the closing rates at the balance sheet date. Income and expenses have been converted into the HK\$ at the exchange rates ruling at the transaction dates or at the average rates over the reporting period provided that the exchange rates do not fluctuate significantly. Any differences arising from this procedure have been dealt with in the exchange fluctuation reserve in equity.

3. 主要會計政策概要 (續)

3.24 外幣換算 (續)

合併實體之個別財務報表內，其外匯交易按照交易日之市場匯率折算為該個別實體之功能貨幣。於結算日，貨幣資產及負債按結算日匯率換算以外幣計值。結算此類交易及按結算日匯率於結算日重新換算以外幣計值之貨幣資產及負債所產生之匯兌溢利或虧損，均於損益表內確認。

以公平值列賬且以外幣計值之非貨幣項目，乃按釐定公平值當日之市場匯率換算，兩者間之差異以公平值盈虧部分呈報。以外幣計值且以歷史成本計量之非貨幣項目概不換算。

於綜合財務報表內，所有原先以有別於本集團呈報貨幣之貨幣呈列之海外業務個別財務報表，均已折算為港元。資產與負債均以結算日之收市匯率折算為港元。收入與開支則按交易日市場匯率或申報期間之平均匯率折算為港元，惟匯率於期間並無大幅波動。因此而產生之任何差額均於權益之外匯波動儲備內處理。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.24 Foreign currency translation (continued)

Other exchange differences arising from the translation of the net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments are taken to shareholders' equity. When a foreign operation is sold, such exchange differences are recognised in the income statement as part of the gain or loss on sale.

3.25 Financial guarantees issued

A financial guarantee contract is a contract that requires the issuer (or guarantor) to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Where the Group issues a financial guarantee, the fair value of the guarantee is initially recognised as deferred income within trade and other payables. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group's policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in the income statement on initial recognition of any deferred income.

3. 主要會計政策概要 (續)

3.24 外幣換算 (續)

換算海外實體投資淨值而產生之其他匯兌差額、借貸及其他指定作對沖該等投資之其他貨幣工具乃記入股東權益內。當出售海外業務時，該匯兌差額於損益表中確認為出售收益或虧損部分。

3.25 已發出之財務擔保合約

財務擔保合約為因指定債務人未能按一項債務工具之條款如期付款時，發行人或擔保人須支付指定金額予持有人以補償其所蒙受損失之合約。

倘本集團發出財務擔保，該擔保之公平價值初步確認為應付賬款及其他應付款內之遞延收入，倘在發行該擔保時收取或可收取代價，該代價則根據適用於該類資產之本集團政策予以確認。倘有關代價尚未收取或應予收取，於初步確認任何遞延收入時，即時開支於損益表內確認。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.25 Financial guarantees issued (continued)

The amount of the guarantee initially recognised as deferred income is amortised in the income statement over the term of the guarantee as income from financial guarantees issued. In addition, provisions are recognised if and when it becomes probable that the holder of the guarantee will call upon the Group under the guarantee and the amount of that claim on the Group is expected to exceed the current carrying amount i.e. the amount initially recognised less accumulated amortisation, where appropriate.

3.26 Segment reporting

In accordance with the Group's internal financial reporting the Group has determined that business segments be presented as the primary reporting format and geographical segments as the secondary reporting format.

In respect of business segment reporting, unallocated costs represent corporate expenses. Segment assets consist primarily of property, plant and equipment, prepaid land lease payments, inventories, receivables and operating cash, and mainly exclude investment properties and financial assets at fair value through profit or loss. Segment liabilities comprise operating liabilities and exclude items such as tax payable and certain corporate borrowings.

Capital expenditure comprises additions to property, plant and equipment.

In respect of geographical segment reporting, revenue are based on the country in which the customers are located and total assets and capital expenditure are where the assets are located.

3. 主要會計政策概要 (續)

3.25 已發出之財務擔保合約 (續)

初步確認為遞延收入之擔保金額，於擔保年期在損益表內攤銷為已發出財務擔保收入。此外，倘擔保持有人有可能根據財務擔保向本集團提出索償通知時，且對本集團之申索金額預期超過現時賬面值（即初步確認金額減累積攤銷）（如適用），則確認撥備。

3.26 分類報告

按照本集團之內部財務報告，本集團已決定將業務分類作為主要呈報方式呈列，而地區分類則以次要呈報方式呈列。

就業務分類呈報而言，未分配成本指企業開支。分類資產主要包括物業、廠房及設備、預付土地租賃款項、存貨、應收款項及經營現金，並主要不包括投資物業及按公平值計入溢利或虧損之金融資產。分類負債包括經營負債，而不包括應付稅項及若干企業借貸。

資本性開支包括添置物業、廠房及設備之開支。

就地區分類呈報而言，收入乃根據客戶所在國家計算，而總資產及資本開支則按資產所在地計算。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.27 Assets in disposal group classified as held for sale

Disposal groups are classified as assets held for sale if their carrying amount is recovered principally through a sale transaction rather than through continuing use and stated at the lower of carrying amount and fair value less costs to sell.

The adoption of HKFRS 5 has resulted in a change in the accounting policy for disposal groups held for sale. The disposal groups held for sale were previously neither classified nor presented as current assets or liabilities and there was no difference in measurement for disposal groups held for sale or continuing use.

The application of HKFRS 5 does not impact on the prior-year financial statements other than a change in the presentation of the results and cash flows of discontinuing operations.

3.28 Share capital

Ordinary shares are classified as equity. Share capital is determined using the nominal value of shares that have been issued.

Any transaction costs associated with the issuing of shares are deducted from share premium to the extent they are incremental costs directly attributable to the equity transaction.

3. 主要會計政策概要 (續)

3.27 分類為持作出售之出售組別資產

出售組別分類為持作出售之資產，倘其主要透過銷售交易收回而非透過繼續使用收回賬面值，則按賬面值及公平值減出售成本之較低者列賬。

採納香港財務申報準則第5號導致持作出售之出售組別會計政策改變。持作出售之出售組別過往過往不會分類或呈列為流動資產或負債，而持作出售或繼續使用之出售組別之計量並無差異。

除即將終止經營業務之業績及現金流量呈報方式有變外，應用香港財務申報準則第5號對過往年度之財務報表並無任何影響。

3.28 股本

普通股分類為權益。股本採用已發行股份之面值釐定。

任何有關發行股份之直接交易成本值於股份溢價內扣減，惟以該權益交易應佔遞增成本為限。

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4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

4.1 Critical judgements in applying the entity's accounting policies

Operating lease commitments – Group as lessor

The Group has entered into commercial property leases on its investment property portfolio and has determined that it retains all the significant risks and rewards of ownership of these properties which are leased out on operating leases.

4.2 Critical accounting estimates and assumptions

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

Estimated impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

The carrying amount of goodwill of the Group at 1 January 2005 of HK\$4,816,000 was fully impaired for the year ended 31 December 2005, further details of which are set out in Note 20 to the financial statements.

4. 關鍵會計估計及判斷

本集團會持續評估所採用之估計及判斷，並以過往經驗及其他因素為基礎，包括在有關情況下相信為合理之未來事項之預期。

4.1 應用實體會計政策之關鍵判斷

經營租賃承擔 – 本集團作為出租人

本集團就其投資物業組合訂立商業物業租賃，並已決定保留此等按經營租賃租出之物業擁有權之絕大部分風險及回報。

4.2 關鍵會計估計及假設

本集團對未來作出估計及假設。顧名思義，因此而作出之會計估計甚少與有關實際結果相符。下文載列導致下個財政年度之資產及負債賬面值須作重大調整風險之主要風險及假設之討論：

商譽估計減值

本集團最少每年釐定商譽是否出現減值。此舉須估計獲分配商譽之現金產生單位之使用價值。本集團估計使用價值時須估計預期自該現金產生單位產生之日後現金流量，亦須選用合適貼現率，以計算該等現金流量之現值。

本集團於二零零五年一月一日之商譽賬面值4,816,000港元已於截至二零零五年十二月三十一日止年度全數減值，進一步詳情載於財務報表附註20。

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財務報表附註

31 December 2006 二零零六年十二月三十一日

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

4.2 Critical accounting estimates and assumptions (continued)

Provision against slow-moving inventories

Provision for slow-moving inventories is made based on the aging and estimated net realisable value of inventories. The assessment of the provision amount required involves management judgement and estimates. Where the actual outcome or expectation in future is different from the original estimate, such differences will impact the carrying value of inventories and provision charge/write-back in the period in which such estimate has been changed.

Impairment of property, plant and equipment

The carrying value of the property, plant and equipment is reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable in accordance with the accounting policies as disclosed in Note 3.7. The recoverable amount of items of property, plant and equipment is the higher of fair value less costs to sell and value in use, the calculations of which involve the use of estimates.

Estimated impairment of trade receivable

The impairment loss on trade receivables of the Group is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired.

4. 關鍵會計估計及判斷(續)

4.2 關鍵會計估計及假設(續)

滯銷存貨撥備

滯銷存貨按存貨之賬齡及估計可變現淨值作出撥備。評估撥備金額涉及管理層判斷及估計。倘日後實際結果或預期有別於原定估計，則有關差別將影響存貨賬面值，而撥備會於估計有變期間扣除／撥回。

物業、廠房及設備減值

當發生事故或情況有變，顯示物業、廠房及設備之賬面值或不能根據附註3.7所披露會計政策收回，則會就物業、廠房及設備賬面值審閱減值。物業、廠房及設備之可收回金額為公平值減出售成本與使用價值兩者之較高者，有關計算涉及估計。

貿易應收款項之減值虧損

倘有客觀證據證明本集團將不能按應收款項之原有條款收回全部應收款項，則確立本集團貿易應收賬款之減值虧損。債務人出現重大財政困難、債務人可能破產或進行財務重組，以及拖欠或未能償還借款，均被視為貿易應收款項出現減值之跡象。

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財務報表附註

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5. SEGMENT INFORMATION

Primary reporting format – business segments

The Group's operating businesses are structured and managed separately according to the nature of their operations and the products and services they provide. Each of the Group's business segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other business segments. Summary details of the business segments are as follows:

- (a) manufacture and distribution of watches and timepieces;
- (b) manufacture and distribution of timber products;
- (c) manufacture and distribution of enamelled copper wires;
- (d) property investment; and
- (e) corporate and others segment, comprising corporate income and expense items and other businesses.

Property development carried out by the Disposal Group as mentioned in Note 1 during the year have been classified as discontinued operations for the year (Note 11).

Intersegment sales are charged at prevailing market prices.

5. 分類資料

主要呈報方式 – 業務分類

本集團經營業務按經營業務之性質及業務提供之產品及服務個別分類及管理。本集團各業務分類均為策略性業務單位，所提供之產品及服務之風險及回報與其他業務分類不同。業務分類之詳情概述如下：

- (a) 鐘錶及時計產品製造及分銷；
- (b) 木材產品製造及分銷；
- (c) 漆包銅線製造及分銷；
- (d) 物業投資；及
- (e) 公司及其他分類，包括公司收支項目及其他業務。

誠如附註1所述，出售組別於年內進行之物業發展已被列為本年度已終止經營業務（附註11）。

分類間之銷售按現時市場價格進行交易。

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財務報表附註

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5. SEGMENT INFORMATION (continued)

5. 分類資料 (續)

Primary reporting format – business segments (continued)

主要呈報方式 – 業務分類 (續)

2006

二零零六年

		Continuing operations					Discontinued operations
		持續經營業務					已終止經營業務
		Watches and timepieces	Timber products	Enamelled copper wires	Property investment	Corporate and others	Property development
		鐘錶及時計產品	木材產品	漆包銅線	物業投資	公司及其他	物業發展
		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
						Total	
Segment revenue and gains:	分類收入及盈利:						
Sales to external customers	向外界客戶銷售	130,358	103,984	196,414	4,002	-	434,758
Other revenue and financial revenue	其他收入及財務收益	1,884	1,917	9,515	2	1,601	14,919
Total	總計	132,242	105,901	205,929	4,004	1,601	449,677
Segment results	分類業績	22,067	(31,065)	7,168	22,832	6,832	27,834
Share of results of an associate	應佔一家聯營公司業績						5,028
Finance costs	財務費用						(5,061)
Profit before income tax	除所得稅前溢利						27,801
Income tax	所得稅						(7,815)
Profit for the year	年內溢利						19,986
Segment assets	分類資產	107,031	246,299	165,273	160,735	135,964	815,302
Segment liabilities	分類負債	32,458	237,185	112,406	8,259	77,909	468,217
Other segment information:	其他分類資料:						
Depreciation and amortisation of prepaid land lease payments	預付土地租賃款項折舊及攤銷	2,735	17,774	2,444	-	804	23,757
Net surplus on revaluation of investment properties	投資物業重估盈餘淨額	-	-	-	(22,031)	-	(22,031)
(Write-back)/Provision for inventories	存貨(撥回)/撥備	261	(6,379)	-	-	-	(6,118)
Capital expenditure	資本開支	1,065	13	2,108	88,795	5,195	97,176
							865

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5. SEGMENT INFORMATION (continued)

5. 分類資料 (續)

Primary reporting format – business segments (continued)

主要呈報方式 – 業務分類 (續)

2005

二零零五年

		Continuing operations 持續經營業務						Discontinued operations 已終止 經營業務	
		Property development 物業發展	Watches and timepieces 鐘錶及 時計產品	Timber products 木材產品	Enamelled copper wires 漆包銅線	Property investment 物業投資	Corporate and others 公司及其他	Total 總計	Property development 物業發展
		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	
		(Restated) (重列)	(Restated) (重列)	(Restated) (重列)	(Restated) (重列)	(Restated) (重列)	(Restated) (重列)	(Restated) (重列)	
Segment revenue and gains:	分類收入及盈利:								
Sales to external customers	向外界客戶銷售	-	122,884	174,010	18,332	5,271	-	320,497	299,339
Other revenue and financial revenue	其他收入及 財務收益	-	835	3,632	1,778	-	1,142	7,387	3,477
Total	總計	-	123,719	177,642	20,110	5,271	1,142	327,884	302,816
Segment results	分類業績	-	18,940	(37,578)	(612)	4,186	(21,124)	(36,188)	16,757
Finance costs	財務費用							(2,699)	-
Profit/(Loss) before income tax	除所得稅前溢利 /(虧損)							(38,887)	16,757
Income tax	所得稅							(3,362)	(18,219)
Loss for the year	年內虧損							(42,249)	(1,462)
Segment assets	分類資產	947,452	106,312	284,814	48,119	49,997	109,562	1,546,256	-
Segment liabilities	分類負債	537,813	28,102	64,106	1,531	7,317	427,492	1,066,361	-
Other segment information:	其他分類資料:								
Depreciation and amortisation of prepaid lease payments	預付土地租賃款項 折舊及攤銷	-	2,539	16,301	1,553	-	720	21,113	756
Impairment of goodwill	商譽攤銷	-	-	4,816	-	-	-	4,816	-
Net Surplus of revaluation investment properties	投資物業 重估盈餘淨額	-	-	-	-	(996)	-	(996)	(2,382)
Provision for inventories	存貨撥備	-	-	3,775	-	-	-	3,775	-
Impairment of available-for- sale investments	可出售投資減值	-	-	-	-	-	3,477	3,477	-
Capital expenditure	資本開支	-	570	393	35,547	25,207	110	61,827	7,044

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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5. SEGMENT INFORMATION (continued)

Secondary reporting format – Geographical segments

The Group's operations are located in two main geographical areas. The following table provides an analysis of the Group's sales by geographical market, irrespective of the origin of the goods and services.

Sales revenue by geographical markets:

Continuing operations:

Hong Kong
PRC

持續經營業務：

香港
中國

Discontinued operations:

PRC

已終止經營業務：

中國

2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元 (Restated) (重列)
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27,938

33,785

406,820

286,712

434,758

320,497

282,953

299,339

717,711

619,836

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

分類資產賬面值以及物業、廠房及設備及無形資產添置乃按資產所在地區分析，有關分析載列如下。

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5. SEGMENT INFORMATION (continued)

Secondary reporting format – Geographical segments
(continued)

5. 分類資料 (續)

次要呈報方式 – 地區分類 (續)

		Segment assets 分類資產		Capital expenditures 資本開支	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元 (Restated) (重列)	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元 (Restated) (重列)
Continuing operations:	持續經營業務:				
Hong Kong	香港	135,964	84,359	93,990	110
PRC	中國	679,338	514,445	3,186	61,717
		815,302	598,804	97,176	61,827
Discontinued operations:	已終止經營業務:				
PRC	中國	1,262,408	947,452	865	7,044
		2,077,710	1,546,256	98,041	68,871

6. REVENUE AND TURNOVER

Revenue on continuing operation, which is also the Group's turnover, represents the net invoiced value of goods sold, after allowances for returns and trade discounts, and rental income received and receivable. Revenue recognised during the year is as follows:

6. 收入及營業額

持續經營業務收入亦即本集團營業額，乃指扣除退款及貿易折扣之售出貨品發票淨值及已收及應收租金收入。年內確認之收入如下：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元 (Restated) (重列)
Revenue on continuing operation	持續經營業務之收入		
Sales of goods	貨品銷售	428,620	315,226
Gross rental income	租金收入總額	6,138	5,271
		434,758	320,497

NOTES TO THE FINANCIAL STATEMENTS

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7. OTHER REVENUE AND FINANCIAL REVENUE

7. 其他收益及財務收益

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元 (Restated) (重列)
(a) Other revenue on continuing operations	(a) 持續經營業務之其他收入		
PRC value-added tax refund	退回中國增值稅	2,929	3,030
Income from sale of scrapped materials	銷售零碎物料之收入	9,515	1,757
Others	其他	751	544
		<u>13,195</u>	<u>5,331</u>
(b) Financial revenue on continuing operations	(b) 持續經營業務之財務收益		
Interest income	利息收入	968	1,818
Dividend income from financial assets at fair value through profit or loss	公平值計入溢利或虧損之財務資產股息收入	756	238
		<u>1,724</u>	<u>2,056</u>

8. FINANCE COSTS

8. 財務費用

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元 (Restated) (重列)
Continuing operations	持續經營業務		
Interests on bank and other loans wholly repayable within five years	須於五年內悉數償付之銀行及其他貸款利息	5,061	2,699

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31 December 2006 二零零六年十二月三十一日

9. PROFIT/(LOSS) BEFORE INCOME TAX

9. 除所得稅前溢利／（虧損）

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元 (Restated) (重列)
Continuing operations	持續經營業務		
Profit/(loss) before income tax is arrived at after charging/(crediting):	除所得稅前溢利／（虧損）已扣除／（計入）下列各項：		
Cost of inventories recognised as expense	確認為開支之存貨成本	367,672	269,447
Depreciation	折舊	20,292	17,528
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷	3,465	3,585
Impairment of goodwill	商譽減值	-	4,816
Minimum lease payments under operating leases in respect of land and buildings	土地及樓宇經營租約項下最低租約款項	4,218	4,380
Auditors' remuneration	核數師酬金	1,000	1,408
Gross rental income	租金收入總額	(6,138)	(5,271)
Less: direct operating expenses	減：直接經營開支	861	2,342
Net rental income	租金收入淨額	(5,277)	(2,929)
Gain on disposals of an associate	出售一家聯營公司之收益	-	(3,769)
Gain on disposals of available-for-sale financial assets	出售可出售金融資產之收益	-	(13,145)
Impairment of available-for-sale financial assets	可出售金融資產減值	-	3,477
Loss/(gain) on disposals/write off of property, plant and equipment, net	出售／撤銷物業、廠房及設備虧損／（收益）淨額	31	(1,429)
Impairment for doubtful debts	呆賬減值	1,997	-
Write-back for inventories	撥回存貨	(6,379)	-
Provision for inventories	存貨撥備	261	3,775

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10. INCOME TAX EXPENSE

For the year ended 31 December 2006, Hong Kong profits tax for the Group has been provided at the rate of 17.5% on the estimated assessable profits arising in Hong Kong (2005: 17.5%). The subsidiaries established in the PRC are subject to income taxes at tax rates ranging between 15% and 33%.

Income tax on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

10. 所得稅開支

於截至二零零六年十二月三十一日止年度，本集團就年內於香港產生之估計應課稅溢利按稅率17.5%作出香港利得稅撥備（二零零五年：17.5%）。於中國成立之附屬公司須按15%至33%之稅率繳納所得稅。

海外溢利之所得稅乃就年內估計應課稅溢利按本集團經營業務之國家之現行稅率計算。

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元 (Restated) (重列)
Continuing operations	持續經營業務		
Current tax for the year:	年內即期稅項支出：		
Hong Kong	香港	2,294	303
Elsewhere	其他地區	3,304	3,085
Under/(Over)provision in respect of prior years	過往年度撥備不足／ (超額撥備)	2,217	(26)
Total income tax expense	所得稅開支總額	<u>7,815</u>	<u>3,362</u>

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31 December 2006 二零零六年十二月三十一日

10. INCOME TAX EXPENSE (continued)

Reconciliation between tax expense and accounting profit/(loss) at applicable tax rates:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元 (Restated) (重列)
Profit/(loss) before income tax on continuing operations	除持續經營業務所得稅前溢利／(虧損)	27,801	(38,887)
Tax at the applicable rates to profit/(loss) in the tax jurisdictions concerned	有關稅務司法權區溢利／(虧損)按適用稅率計算之稅項	5,644	(4,562)
Lower tax rate for specific provinces	特定省份之較低稅率	-	2,944
Income not subject to tax	毋須課稅之收入	(1,909)	(3,653)
Expenses not deductible for tax	不可扣稅之開支	1,825	4,766
Adjustments in respect of income tax of previous periods	就過往期間所得稅項作出調整	2,218	(26)
Other temporary differences not recognised	其他未確認暫時差額	(166)	587
Tax losses utilised from previous periods	過往期間所用稅項虧損	203	(112)
Tax losses not recognised	未確認稅項虧損	-	3,418
Income tax expense	所得稅開支	7,815	3,362

11. ASSETS IN DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS

As described in Note 1, on 15 September 2006, a shareholders' resolution was passed to dispose of the entire paid-up capital of the Disposal Group to Citychamp Dartong Company Limited ("Citychamp") for a consideration of RMB360 million. Citychamp is the joint venturer of the Group's jointly controlled entity and a company listed in the Shanghai Stock Exchange in the PRC. In return, Citychamp has conditionally agreed to allot and issue 72,720,000 shares ("Consideration Shares") and pay RMB36,000 to the Group as the consideration. The issue price of the Consideration Shares is RMB4.95 each. Details of this transaction have been set out in the Company's Circular.

10. 所得稅開支(續)

稅項支出與按適用稅率計算之賬目溢利／(虧損)對賬如下：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元 (Restated) (重列)
Profit/(loss) before income tax on continuing operations	除持續經營業務所得稅前溢利／(虧損)	27,801	(38,887)
Tax at the applicable rates to profit/(loss) in the tax jurisdictions concerned	有關稅務司法權區溢利／(虧損)按適用稅率計算之稅項	5,644	(4,562)
Lower tax rate for specific provinces	特定省份之較低稅率	-	2,944
Income not subject to tax	毋須課稅之收入	(1,909)	(3,653)
Expenses not deductible for tax	不可扣稅之開支	1,825	4,766
Adjustments in respect of income tax of previous periods	就過往期間所得稅項作出調整	2,218	(26)
Other temporary differences not recognised	其他未確認暫時差額	(166)	587
Tax losses utilised from previous periods	過往期間所用稅項虧損	203	(112)
Tax losses not recognised	未確認稅項虧損	-	3,418
Income tax expense	所得稅開支	7,815	3,362

11. 分類為持作出售及已終止經營業務之出售組別資產

誠如附註1所述，於二零零六年九月十五日通過股東決議案，以向冠城大通股份有限公司（「冠城」）出售該出售組別之全部繳足股本，代價為人民幣360,000,000元。冠城為本集團共同控制實體之合營方，於中國上海證券交易所上市。冠城有條件同意向本集團配發及發行72,720,000股股份（「代價股份」）以及支付人民幣36,000元，作為交換代價。代價股份之發行價為每股人民幣4.95元。此項交易之詳情載於本公司通函。

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11. ASSETS IN DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS (continued)

This transaction becomes unconditional subject to the following conditions:

- (i) Citychamp's shareholders resolution passed at its general meeting approving the transaction;
- (ii) The Company's Shareholders ordinary resolution at the Extraordinary General Meeting approving the transaction;
- (iii) Approval from the Ministry of Commerce of the PRC for the transaction;
- (iv) Approval from the Commerce Department in Beijing for the change of the equity structure of Jing Guan; and
- (v) Approval from the China Securities Regulatory Commission (the "CSRC") for the allotment and issue of the Consideration Shares to the Group by Citychamp and waiving all such mandatory general offer obligations, as a result of the transaction.

As at 31 December 2006, conditions (i), (ii), (iii) and (iv) have been satisfied. As the condition (v) where approval from the CSRC is required has been obtained on 11 April 2007, the completion date of the transaction shall take place within 60 business days from 11 April 2007.

The Group presented, in its financial statements during the year, the operations, property development, of the Disposal Group as discontinued operations in accordance with HKFRS 5.

11. 分類為持作出售及已終止經營業務之出售組別資產(續)

待達成下列條件後，此項交易將成為無條件：

- (i) 於股東大會通過批准交易之冠城股東決議案；
- (ii) 於股東特別大會通過批准交易之本公司股東普通決議案；
- (iii) 中國商務部批准交易；
- (iv) 北京商務部批准更改京冠股權結構；及
- (v) 中國證券監督管理委員會（「中國證監會」）批准，冠城於交易後向本集團配發及發行代價股份，及豁免所有該等強制性全面收購。

於二零零六年十二月三十一日，第(i)、(ii)、(iii)及(iv)項條件已達成。由於有待中國證監會批准之第(v)項條件已於二零零七年四月十一日獲取，交易將於二零零七年四月十一日起計60個營業日內完成。

根據香港財務申報準則第5號，本集團在其本年度之財務報表中，將出售組別之物業發展業務呈列為已終止經營業務。

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31 December 2006 二零零六年十二月三十一日

11. ASSETS IN DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS (continued)

An analysis of the results of the Disposal Group for the year ended 31 December 2006, with the comparatives for illustrative purpose, is as follows:

11. 分類為持作出售及已終止經營業務之出售組別資產(續)

截至二零零六年十二月三十一日止年度，出售組別之業績分析及用作說明之比較數字載列如下：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Revenue	收入	282,953	299,339
Cost of sales	銷售成本	(267,615)	(268,527)
Gross profit	毛利	15,338	30,812
Other revenue	其他收益	3,844	898
Selling and distribution expenses	銷售及分銷成本	(4,330)	(13,328)
Administrative expenses	行政費用	(7,087)	(6,608)
Net surplus on revaluation of investment properties	投資物業重估盈餘淨額	3,183	2,382
Other operating income, net	其他經營收入淨額	118	22
Operating profit	經營溢利	11,066	14,178
Financial revenue	財務收益	1,846	2,579
Profit before income tax on discontinued operations	已終止經營業務除所得稅前溢利	12,912	16,757
Income tax expense (Note)	所得稅開支(附註)	(10,831)	(18,219)
Profit/(loss) after income tax on discontinued operations	已終止經營業務除所得稅後溢利/(虧損)	2,081	(1,462)
Operating cash flows	經營現金流量	(153,956)	(25,889)
Investing cash flows	投資現金流量	732	(38,835)
Financing cash flows	融資現金流量	32,019	252,140
Total cash (outflows)/inflows	總現金(流出)/流入	(121,205)	187,416

Note: The current tax and deferred tax for the year ended 31 December 2006 amounted to HK\$10,213,000 (2005: HK\$17,425,000) and HK\$618,000 (2005: HK\$794,000) respectively.

附註：截至二零零六年十二月三十一日止年度之即期稅項及遞延稅項分別為10,213,000港元(二零零五年：17,425,000港元)及618,000港元(二零零五年：794,000港元)。

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31 December 2006 二零零六年十二月三十一日

11. ASSETS IN DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS (continued)

An analysis of the assets and liabilities of the Disposal Group as at 31 December 2006 is as follows:

11. 分類為持作出售及已終止經營業務之出售組別資產(續)

於二零零六年十二月三十一日，出售組別之資產及負債分析如下：

		HK\$'000 千港元
Assets included in disposal group classified as held for sale:	分類為持作出售之出售組別資產包括：	
Property, plant and equipment	物業、廠房及設備	8,658
Investment properties (Note)	投資物業(附註)	31,900
Properties under development	發展中物業	890,406
Properties held for sale	持作出售物業	70,164
Trade receivables	應收賬款	5,806
Prepayments, deposits and other receivables	預付款項、按金及其他應收款	52,115
Due from minority equity holders	應收少數權益持有人欠款	489
Pledged deposits	已抵押存款	8,090
Cash and cash equivalents	現金及現金等價物	194,780
		<u>1,262,408</u>
Liabilities included in disposal group classified as held for sale:	分類為持作出售之出售組別負債包括：	
Trade payables	應付賬款	89,773
Deposits received from customers	已收客戶按金	270,488
Other payables and accruals	其他應付款及應計費用	58,271
Tax payables	應付稅項	13,560
Interest-bearing bank borrowings	計息銀行借貸	330,000
Other loans	其他貸款	90,000
Due to related companies	應付有關連公司欠款	296
Deferred tax liabilities	遞延稅項負債	1,444
Deferred income	遞延收入	185,023
		<u>1,038,855</u>
Net assets	資產淨值	<u>223,553</u>

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11. ASSETS IN DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS (continued)

Note: At 31 December 2006, the relevant title certificates for these properties have not yet been obtained. The Group's legal advisors have confirmed that Jing Guan is the rightful and equitable owners of these properties.

These properties have been revalued by Greater China Appraisal Limited, independent professionally qualified valuer, at HK\$31,900,000 in aggregate on an open market, existing use basis. Net surplus on revaluation of investment properties HK\$3,183,000 (2005: HK\$2,382,000) has been included in the results of the Disposal Group.

12. PROFIT/(LOSS) ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

Of the consolidated profit attributable to the equity holders of the Company of HK\$22,347,000 (2005: Loss of HK\$43,275,000), a loss of HK\$6,824,000 (2005: HK\$48,708,000) has been dealt with in the financial statements of the Company.

13. DIVIDENDS

The board of directors did not recommend any payment of dividends during the year (2005: Nil).

14. EARNINGS/(LOSS) PER SHARE

The calculation of basic earnings/(loss) from continuing and discontinued operations per share is based on the profit from continuing operations attributable to equity holders of the Company of HK\$19,986,000 (2005: loss of HK\$42,249,000) and the profit from discontinued operations attributable to equity holders of the Company of HK\$2,361,000 (2005: loss of HK\$1,026,000) on the weighted average of 1,548,928,000 (2005: 1,544,831,000) ordinary shares in issue during the year.

Diluted earnings/(loss) per share for the years ended 31 December 2006 and 2005 have not been disclosed as no dilutive events existed during the years.

11. 分類為持作出售及已終止經營業務之出售組別資產 (續)

附註: 於二零零六年十二月三十一日, 尚未取得該等物業之有關業權證明。本集團法律顧問已確認, 京冠為該等物業之公平合法擁有人。

該等物業經獨立專業認可估值師漢華評值有限公司按公開市值及現行用途基準重估總額為31,900,000港元。投資物業重估盈餘淨額重估盈餘3,183,000港元(二零零五年: 2,382,000港元)已計入出售組別之業績。

12. 本公司權益持有人應佔溢利/(虧損)

本公司權益持有人應佔綜合溢利22,347,000港元(二零零五年: 虧損43,275,000港元)中, 虧損6,824,000港元(二零零五年: 48,708,000港元)已於本公司財務報表內處理。

13. 股息

年內, 董事會不建議派發任何股息(二零零五年: 無)。

14. 每股盈利/(虧損)

持續經營業務及已終止經營業務之每股基本盈利/(虧損)乃根據本公司權益持有人應佔持續經營業務溢利19,986,000港元(二零零五年: 虧損42,249,000港元)及本公司權益持有人應佔已終止經營業務溢利2,361,000港元(二零零五年: 虧損1,026,000港元)及年內已發行加權平均普通股1,548,928,000股(二零零五年: 1,544,831,000股)計算。

由於截至二零零六年及二零零五年十二月三十一日止年度並無出現攤薄事件, 故並無披露該等年度之每股攤薄盈利/(虧損)。

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15. EMPLOYEE BENEFIT EXPENSE (INCLUDING DIRECTORS' EMOLUMENTS) 15. 僱員福利開支(包括董事酬金)

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元 (Restated) (重列)
Continuing operations	持續經營業務		
Wages and salaries	工資及薪酬	38,033	47,702
Termination benefit	終止福利	8,616	48
Pension costs – defined contribution plans	退休金成本 一定額供款計劃	1,643	2,399
Less: forfeited contributions	減: 沒收供款	–	(18)
		<u>48,292</u>	<u>50,131</u>

16. DIRECTORS' REMUNERATION AND SENIOR MANAGEMENT'S EMOLUMENTS 16. 董事酬金及高層管理人員酬金

16.1 Directors' emoluments

16.1.1 Executive director and non-executive directors

16.1 董事酬金

16.1.1 執行董事及非執行董事

		Fees 袍金 HK\$'000 千港元	Salaries, allowances and benefits in kind 薪金、津貼 及實物福利 HK\$'000 千港元	Contributions to pension scheme 退休計劃供款 HK\$'000 千港元	Total 總額 HK\$'000 千港元
2006	二零零六年				
Executive directors	執行董事				
Mr. Hon Kwok Lung	韓國龍先生	–	1,690	12	1,702
Mr. Wang Shaolan	王少蘭先生	–	1,580	12	1,592
Mr. Shang Jianguang	商建光先生	–	1,725	60	1,785
Mr. Shi Tao	石濤先生	–	1,707	–	1,707
Mr. Lam Toi Man	林代文先生	–	1,430	12	1,442
Non executive director	非執行董事				
Mr. Sit Lai Hei	薛黎曦女士	100	–	–	100
Independent non-executive directors	獨立非執行董事				
Mr. Fung Tze Wa	馮子華先生	133	–	–	133
Dr. Kwong Chun Wai, Michael	鄺俊偉博士	100	–	–	100
Mr. Li Qiang	李強先生	100	–	–	100
		<u>433</u>	<u>8,132</u>	<u>96</u>	<u>8,661</u>

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財務報表附註

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16. DIRECTORS' REMUNERATION AND SENIOR MANAGEMENT'S EMOLUMENTS (continued)

16.1 Directors' emoluments (continued)

16.1.1 Executive director and non-executive directors (continued)

		Salaries, allowances and benefits in kind	Contributions to pension scheme	Total
	Fees 袍金	薪金、津貼 及實物福利	退休計劃供款	總額
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
2005				
Executive directors	執行董事			
Mr. Hon Kwok Lung	韓國龍先生	–	1,690	1,702
Mr. Wang Shaolan	王少蘭先生	–	1,581	1,592
Mr. Shang Jianguang	商建光先生	–	1,721	1,793
Mr. Shi Tao	石濤先生	–	2,044	2,044
Mr. Lam Toi Man	林代文先生	–	1,430	1,442
Non executive director	非執行董事			
Mr. Sit Lai Hei	薛黎曦女士	100	–	100
Independent non-executive directors	獨立非執行董事			
Mr. Fung Tze Wa	馮子華先生	100	–	100
Dr. Kwong Chun Wai, Michael	鄺俊偉博士	100	–	100
Mr. Li Qiang	李強先生	100	–	100
		<u>400</u>	<u>8,466</u>	<u>107</u>
				<u>8,973</u>

There was no arrangement under which a director waived or agreed to waive any remuneration during the year.

16.2 Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for both years were also directors and their emoluments are reflected in the analysis present above.

No emolument was paid by the Group to the directors or any of the five highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office.

16. 董事酬金及高層管理人員酬金 (續)

16.1 董事酬金 (續)

16.1.1 執行董事及非執行董事 (續)

	Salaries, allowances and benefits in kind	Contributions to pension scheme	Total
	薪金、津貼 及實物福利	退休計劃供款	總額
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
2005			
Executive directors			
Mr. Hon Kwok Lung	–	1,690	1,702
Mr. Wang Shaolan	–	1,581	1,592
Mr. Shang Jianguang	–	1,721	1,793
Mr. Shi Tao	–	2,044	2,044
Mr. Lam Toi Man	–	1,430	1,442
Non executive director			
Mr. Sit Lai Hei	100	–	100
Independent non-executive directors			
Mr. Fung Tze Wa	100	–	100
Dr. Kwong Chun Wai, Michael	100	–	100
Mr. Li Qiang	100	–	100
	<u>400</u>	<u>8,466</u>	<u>107</u>
			<u>8,973</u>

年內並無董事豁免或同意豁免任何酬金之安排。

16.2 五名最高酬金個別人士

於兩個年度本集團之五名最高酬金之個別人士均為董事，彼等之酬金已於上文呈列之分析中反映。

本集團並無向董事或五名最高薪之任何人士支付酬金，作為其加入本集團之獎勵或離職之補償。

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17. PROPERTY, PLANT AND EQUIPMENT

17. 物業、廠房及設備

Group

本集團

		Buildings 樓宇 HK\$'000 千港元	Leasehold improvements 租賃物業 裝修 HK\$'000 千港元	Plant and machinery 廠房及機器 HK\$'000 千港元	Furniture, fixtures and office equipment 傢具、裝置及 辦公室設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 總值 HK\$'000 千港元
At 1 January 2005	二零零五年一月一日						
Cost	成本	166,764	5,492	84,329	28,376	14,431	299,392
Accumulated depreciation and impairment	累積折舊及減值	(35,337)	(1,752)	(18,564)	(9,209)	(4,720)	(69,582)
Net book amount	賬面淨值	<u>131,427</u>	<u>3,740</u>	<u>65,765</u>	<u>19,167</u>	<u>9,711</u>	<u>229,810</u>
Year ended	截至二零零五年						
31 December 2005	十二月三十一日止年度						
Opening net book amount	年初賬面淨值	131,427	3,740	65,765	19,167	9,711	229,810
Additions	添置	5,183	510	36,240	947	784	43,664
Disposals/write-off	出售/撇銷	(46,078)	-	(320)	(67)	(412)	(46,877)
Acquisition of a subsidiary	收購一家附屬公司	-	-	-	88	1,154	1,242
Depreciation	折舊	(4,135)	(1,125)	(8,675)	(3,018)	(1,329)	(18,282)
Exchange realignment	匯兌調整	1,835	41	1,595	362	197	4,030
Closing net book amount	年終賬面淨值	<u>88,232</u>	<u>3,166</u>	<u>94,605</u>	<u>17,479</u>	<u>10,105</u>	<u>213,587</u>
At 31 December 2005	二零零五年十二月三十一日						
Cost	成本	102,438	5,578	118,264	29,643	12,870	268,793
Accumulated depreciation and impairment	累積折舊及減值	(14,206)	(2,412)	(23,659)	(12,164)	(2,765)	(55,206)
Net book amount	賬面淨值	<u>88,232</u>	<u>3,166</u>	<u>94,605</u>	<u>17,479</u>	<u>10,105</u>	<u>213,587</u>

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17. PROPERTY, PLANT AND EQUIPMENT (continued)

17. 物業、廠房及設備(續)

Group	本集團						Total
	Buildings	Leasehold improvements	Plant and machinery	Furniture, fixtures and office equipment	Motor vehicles		
	樓宇	租賃物業裝修	廠房及機器	傢具、裝置及辦公室設備	汽車		總值
	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
Year ended	截至二零零六年						
31 December 2006	十二月三十一日止年度						
Opening net book amount	年初賬面淨值	88,232	3,166	94,605	17,479	10,105	213,587
Additions	添置	-	144	1,817	591	6,694	9,246
Disposals/write-off	出售/撇銷	-	-	-	-	(30)	(30)
Depreciation	折舊	(5,378)	(1,383)	(10,171)	(2,498)	(2,478)	(21,908)
Exchange realignment	匯兌調整	10,378	80	116	(3,112)	985	8,447
Reclassified to assets in disposal group classified as held for sale (Note 11)	重新分類至分類為持作出售之出售組別資產(附註11)	(5,062)	(55)	-	(600)	(2,941)	(8,658)
Closing net book amount	年終賬面淨值	<u>88,170</u>	<u>1,952</u>	<u>86,367</u>	<u>11,860</u>	<u>12,335</u>	<u>200,684</u>
At 31 December 2006	二零零六年十二月三十一日						
Cost	成本	107,458	5,417	120,196	26,074	15,250	274,395
Accumulated depreciation	累積折舊	<u>(19,288)</u>	<u>(3,465)</u>	<u>(33,829)</u>	<u>(14,214)</u>	<u>(2,915)</u>	<u>73,711</u>
Net carrying amount	賬面淨值	<u>88,170</u>	<u>1,952</u>	<u>86,367</u>	<u>11,860</u>	<u>12,335</u>	<u>200,684</u>

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17. PROPERTY, PLANT AND EQUIPMENT (continued)

17. 物業、廠房及設備 (續)

Company

本公司

		Leasehold improvements 租賃 物業裝修 HK\$'000 千港元	Furniture, fixtures and office equipment 傢具、裝置及 辦公室設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total Total 總值 HK\$'000 千港元
At 1 January 2005	二零零五年一月一日				
Cost	成本	1,767	819	713	3,299
Accumulated depreciation	累積折舊	(171)	(167)	(515)	(853)
Net book amount	賬面淨值	<u>1,596</u>	<u>652</u>	<u>198</u>	<u>2,446</u>
Year ended 31 December 2005	於二零零五年十二月三十一日				
Opening net book amount	年初賬面淨值	1,596	652	198	2,446
Additions	添置	-	111	-	111
Disposals/write-off	出售/撇銷	-	(16)	-	(16)
Depreciation	折舊	(354)	(158)	(60)	(572)
Closing net book amount	年終賬面淨值	<u>1,242</u>	<u>589</u>	<u>138</u>	<u>1,969</u>
At 1 January 2006	於二零零六年一月一日				
Cost	成本	1,767	880	713	3,360
Accumulated depreciation	累積折舊	(525)	(291)	(575)	(1,391)
Net carrying amount	賬面淨值	<u>1,242</u>	<u>589</u>	<u>138</u>	<u>1,969</u>
Year ended 31 December 2006	截至二零零六年十二月三十一日止年度				
Opening net book amount	年初賬面淨值	1,242	589	138	1,969
Additions	添置	-	76	5,118	5,194
Depreciation	折舊	(352)	(161)	(290)	(803)
Closing net book amount	年終賬面淨值	<u>890</u>	<u>504</u>	<u>4,966</u>	<u>6,360</u>
At 31 December 2006:	於二零零六年十二月三十一日:				
Cost	成本	1,767	956	5,831	8,554
Accumulated depreciation	累積折舊	(877)	(452)	(865)	(2,194)
Net book amount	賬面淨值	<u>890</u>	<u>504</u>	<u>4,966</u>	<u>6,360</u>

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 December 2006 二零零六年十二月三十一日

17. PROPERTY, PLANT AND EQUIPMENT (continued)

The Group's buildings separated from the element of the land included above are situated in the PRC and are held under the following lease terms:

		2006	2005
		二零零六年	二零零五年
		HK\$'000	HK\$'000
		千港元	千港元
At cost:	成本值:		
Short term leases	短期租約	2,612	2,536
Medium term leases	中期租約	104,846	99,902
		<u>107,458</u>	<u>102,438</u>

At 31 December 2006, certain of the Group's buildings with carrying value of HK\$83,738,000 (2005: HK\$79,985,000), situated in the PRC have been pledged to secure certain banking facilities granted to the Group (Note 35).

At 31 December 2006, the Group has not yet obtained the title certificates for certain leasehold buildings situated in Shenzhen with an aggregate carrying value of approximately HK\$18,985,000 (2005: HK\$24,652,000). The Group's legal advisors have confirmed that the Group has legally obtained the rights to use the buildings. The directors are now in process of obtaining the relevant title certificates from the relevant government authorities.

17. 物業、廠房及設備 (續)

上文包括之本集團樓宇乃位於中國大陸，並按下列租期持有：

		2006	2005
		二零零六年	二零零五年
		HK\$'000	HK\$'000
		千港元	千港元
At cost:	成本值:		
Short term leases	短期租約	2,612	2,536
Medium term leases	中期租約	104,846	99,902
		<u>107,458</u>	<u>102,438</u>

於二零零六年十二月三十一日，本集團於中國大陸所持有賬面值為83,738,000港元（二零零五年：79,985,000港元）之若干樓宇已抵押，以為本集團取得若干銀行融資（附註35）。

於二零零六年十二月三十一日，本集團尚未就其位於深圳賬面值合共約18,985,000港元（二零零五年：24,652,000港元）之若干租賃樓宇取得任何業權證明。本集團法律顧問確認，本集團已取得有關樓宇之合法使用權，董事正在向有關政府機關申請有關業權證明。

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財務報表附註

31 December 2006 二零零六年十二月三十一日

18. INVESTMENT PROPERTIES – GROUP

All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties.

Changes to the carrying amounts presented in the balance sheet can be summarised as follows:

Carrying amount at 1 January	於一月一日之賬面值	66,689	84,971
Transfer from prepayments	轉撥自預付款項	9,845	–
Additions	添置	88,795	25,207
Disposals	出售	–	(47,200)
Net surplus on revaluation of investment properties	重估投資物業之盈餘淨額	25,214	3,378
Exchange alignment	匯兌調整	1,105	333
Reclassified to assets in disposal group classified as held for sale (Note 11)	重新分類至分類為持作出售之出售組別資產 (附註11)	(31,900)	–
Carrying amount at 31 December	於十二月三十一日之賬面值	<u>159,748</u>	<u>66,689</u>

The Group's investment properties included above are situated in the PRC and are held under medium term leases.

The Group's investment properties were revalued at 31 December 2006 by Chung, Chan & Associates and Greater China Appraisal Limited, independent professionally qualified valuers, at HK\$159,748,000 in aggregate on an open market, existing use basis. The net surpluses on revaluation of HK\$22,031,000 (2005: HK\$996,000) and HK\$3,183,000 (2005: HK\$2,382,000) have been credited to the income statement on the continuing and discontinued operations respectively.

18. 投資物業 – 本集團

所有本集團就賺取租金或資本增值而以經營租約持有之物業權益，乃按公平價值模式計量，並分類及入賬為投資物業。

於資產負債表呈列之賬面值變動概述如下：

	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Carrying amount at 1 January	66,689	84,971
Transfer from prepayments	9,845	–
Additions	88,795	25,207
Disposals	–	(47,200)
Net surplus on revaluation of investment properties	25,214	3,378
Exchange alignment	1,105	333
Reclassified to assets in disposal group classified as held for sale (Note 11)	(31,900)	–
Carrying amount at 31 December	<u>159,748</u>	<u>66,689</u>

上文所載本集團之投資物業位於中國，以中期租賃持有。

本集團之投資物業於二零零六年十二月三十一日由獨立專業認可估值師衡量行及漢華評值有限公司按公開市值及現行用途基準重估總額為159,748,000港元。22,031,000港元（二零零五年：996,000港元）及3,183,000港元（二零零五年：2,382,000港元）已分別計入損益表之持續經營及已終止經營之業務內。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 December 2006 二零零六年十二月三十一日

18. INVESTMENT PROPERTIES – GROUP (continued)

At 31 December 2006, the Group had certain investment properties located in Dongguan, the PRC with aggregate carrying value of HK\$24,000,000 (2005: HK\$23,085,000). The Group has not yet obtained the relevant title certificate for these properties. The Group's legal advisors have confirmed that the Group is the rightful and equitable owner of these properties.

At 31 December 2006, certain of the Group's investment properties with carrying value of HK\$120,000,000 (2005: HK\$27,613,000) have been pledged to secure banking facilities granted to the Group (Note 35).

19. PREPAID LAND LEASE PAYMENTS – GROUP

The Group's prepaid land lease payments represent its interests in leasehold land and land use rights in the PRC. Changes to the carrying amounts presented in the balance sheet can be summarized as follows:

18. 投資物業 – 本集團 (續)

於二零零六年十二月三十一日，本集團於中國東莞市擁有若干投資物業，賬面總值合共24,000,000港元（二零零五年：23,085,000港元）。本集團仍未取得該等物業之相關業權證明。本集團之法律顧問已確認，本集團是該等物業之公平合法擁有人。

於二零零六年十二月三十一日，本集團賬面值120,000,000港元（二零零五年：27,613,000港元）之若干投資物業已抵押，以為本集團取得銀行融資（附註35）。

19. 預付土地租賃款項 – 本集團

本集團之預付土地租賃款項代表其於中國租賃土地及土地使用權之權益。於資產負債表呈列之賬面值變動概述如下：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Carrying amount at 1 January	於一月一日之賬面值	51,648	54,225
Amortisation during the year	年內攤銷	(3,465)	(3,585)
Exchange realignment	匯兌調整	2,126	1,008
Carrying amount at 31 December	於十二月三十一日之賬面值	50,309	51,648
Less: Current portion	減：即期部分	(3,764)	(3,619)
Non-current portion	非即期部分	46,545	48,029

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31 December 2006 二零零六年十二月三十一日

19. PREPAID LAND LEASE PAYMENTS – GROUP (continued)

At 31 December 2006, certain of the Group's prepaid land lease payments in the PRC with carrying value of HK\$44,495,000 (2005: HK\$46,382,000), have been pledged to secure certain banking facilities granted to the Group (Note 35).

Their net book value are analysed as follows:

19. 預付土地租賃款項 – 本集團 (續)

於二零零六年十二月三十一日，本集團於中國所持有賬面值為44,495,000港元(二零零五年:46,382,000港元)之若干預付土地租賃款項已抵押，以為本集團取得若干銀行融資(附註35)。

其賬面淨值分析如下：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Short term leases	短期租約	45,196	46,382
Medium term leases	中期租約	5,113	5,266
		<u>50,309</u>	<u>51,648</u>

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20. GOODWILL – GROUP

The main changes in the carrying amounts of goodwill resulted from the acquisition of certain subsidiaries as well as the impairment of previously recognised goodwill. The net carrying amount of goodwill can be analyzed as follows:

20. 商譽 – 本集團

收購若干附屬公司及之前確認商譽之減值為商譽賬面值之主要變動。商譽賬面淨值之分析如下：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
At 1 January	一月一日		
Gross amount	總值	4,816	5,838
Effect of changes in accounting policy resulting from adoption of HKFRS 3	採納香港財務申報準則第3號導致會計政策變動之影響	—	(1,022)
As restated	重列	4,816	4,816
Accumulated amortisation and impairment	累積攤銷及減值	—	(5,838)
Effect of changes in accounting policy resulting from adoption of HKFRS 3	採納香港財務申報準則第3號導致會計政策變動之影響	—	1,022
As restated	重列	—	(4,816)
Gross amount	總值	4,816	4,816
Accumulated impairment	累計減值	(4,816)	(4,816)
Net carrying amount at 31 December	於十二月三十一日 賬面淨值	—	—

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財務報表附註

31 December 2006 二零零六年十二月三十一日

20. GOODWILL – GROUP (continued)

With adoption of the transitional provision of HKFRS 3 “Business Combination” by the Group, goodwill arising from business combinations prior to 2001 had been eliminated against the consolidated reserves. The remaining amounts of goodwill in the consolidated reserves, arising from the acquisition of subsidiaries, was HK\$15,300,000 (2005: HK\$15,300,000).

With adoption of HKFRS 3, accumulated amortisation of the goodwill, arising after 2001, as at 1 January 2005 had been debited to the gross amount of goodwill.

In 2005, the directors considered that the carrying amount of goodwill attributable to the timber business of HK\$4,816,000 was fully impaired due to the consecutive losses in recent years and the directors expected that further losses would be incurred by the timber business. Accordingly, an impairment of goodwill of HK\$4,816,000 was charged to the consolidated income statement for the year ended 31 December 2005. There were no changes in the impairment and carrying amount of goodwill during the year ended 31 December 2006.

20. 商譽 – 本集團 (續)

本集團採納香港財務報告準則第3號之「業務合併」過渡條文後，二零零一年前因業務合併產生之商譽於綜合儲備對銷。於綜合儲備因收購附屬公司產生之商譽餘額為15,300,000港元（二零零五年：15,300,000港元）。

採納香港財務申報準則第3號後，二零零一年後產生之商譽累積攤銷已於二零零五年一月一日列入商譽總值。

於二零零五年，由於木材業務近年連續出現虧損，而董事預期木材業務將持續出現虧損，故董事認為，木材業務應佔之商譽賬面值4,816,000港元已全數減值。因此，商譽減值4,816,000港元已於截至二零零五年十二月三十一日止年度綜合損益表扣除。截至二零零六年十二月三十一日止年度，商譽減值及賬面值均無任何變動。

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21. INTERESTS IN SUBSIDIARIES – COMPANY

21. 所佔附屬公司權益 – 本公司

		2006	2005
		二零零六年	二零零五年
		HK\$'000	HK\$'000
		千港元	千港元
Unlisted investments, at cost	非上市股份·成本值	128,174	128,174
Due from subsidiaries	應收附屬公司欠款	552,624	473,300
		680,798	601,474
Less: Provision for impairment	減: 減值撥備	(303,703)	(303,703)
		<u>377,095</u>	<u>297,771</u>

Amounts due from subsidiaries are unsecured, interest-free and are not expected to be repaid within the next twelve months. These balances are classified as non-current assets accordingly.

應收附屬公司欠款乃無抵押、免息及預期毋須於未來十二個月償還，故該等餘額分類為非核心資產。

Particulars of the principal subsidiaries at 31 December 2006 are as follows:

於二零零六年十二月三十一日主要附屬公司詳情如下：

Name 名稱	Place/ country of incorporation 註冊成立	Particulars of issued ordinary/ paid-up capital 已發行普通/ 繳入股本詳情	Percentage of issued ordinary/ paid-up capital held 已發行普通/繳入 股本百分比		Principal activities and place of operation 主要業務及營業地點
			Directly 直接	Indirectly 間接	
Qingapen Limited 晴嘉有限公司	Hong Kong 香港	HK\$2 2港元	100	–	Property investment in the PRC 於中國投資物業

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21. INTERESTS IN SUBSIDIARIES – COMPANY 21. 所佔附屬公司權益 – 本公司 (續) (continued)

Name 名稱	Place/ country of incorporation 註冊成立	Particulars of issued ordinary/ paid-up capital 已發行普通/ 繳入股本詳情	Percentage of issued ordinary/ paid-up capital held 已發行普通/繳入 股本百分比		Principal activities and place of operation 主要業務及營業地點
			Directly 直接	Indirectly 間接	
China Haidian Commercial Network Services Limited	Hong Kong 香港	HK\$2 2港元	100	–	Property investment in the PRC 於中國投資物業
Haidian-Creation International Limited	British Virgin Islands 英屬處女群島	US\$1 1美元	100	–	Investment holding in Hong Kong 於香港投資控股
Sure Best Management Limited	Hong Kong 香港	HK\$1 1港元	100	–	Property investment in Hong Kong 於香港投資物業
EBOHR Luxuries International Co., Limited (“Ebohr”) 依波精品(深圳)有限公司 (「依波精品」)	PRC 中國	HK\$30,000,000 30,000,000港元	–	100	Manufacture and sale of watches and timepieces in the PRC 於中國製造及銷售鐘錶 及時計產品
Seti Timber Industry (Shenzhen) Co., Ltd 森帝木業(深圳)有限公司	PRC 中國	US\$45,525,860 45,525,860美元	–	100	Manufacture and sale of timber products in the PRC 於中國製造及銷售 木材產品

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21. INTERESTS IN SUBSIDIARIES – COMPANY (continued)

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

The Group also holds a 51% equity interest in Shunde Everbright Sunto Computer Co. Ltd. (“Sunto”), a company established in the PRC through which the Group had intended to be engaged in the manufacture and the sale of computer casing products with third parties. Due to the non-disclosure of certain material transactions by the Sunto’s management and its minority shareholder, the Group had reasonable doubts as to the reliability of the financial information provided by Sunto. The directors of the Company are of the opinion that Sunto is practically in a management dead-lock, and the recoverability of the Group’s investment in Sunto and the amount due from Sunto of HK\$60.5 million in aggregate is doubtful. Accordingly, the Group’s interest in this unconsolidated subsidiary has been fully provided for since the year ended 31 December 1998. In addition, Sunto was put under a compulsory winding up pursuant to a court order issued in 2001 and the winding up process had not yet been completed up to the date of these financial statements. The Group will not make any further investment in this subsidiary.

22. DUE FROM DISPOSAL GROUP – COMPANY

Amounts due from the Disposal Group are unsecured, interest-free and are not expected to be repaid within the next twelve months. These balances are classified as non-current assets accordingly.

21. 所佔附屬公司權益 – 本公司 (續)

上表載列董事認為主要影響本集團本年度之業績或構成本集團資產淨值重大部分之本公司附屬公司。董事認為，詳列其他附屬公司之資料將會令有關資料過於冗長。

本集團持有於中國成立之順德市光大順通電腦有限公司(「順通」)51%股本權益。本集團原擬透過該公司聯同第三方，參與製造及銷售電腦機箱產品。由於該附屬公司之管理層及其少數股東未有披露若干重大交易，本集團對順通所提供財務資料之可靠性存有合理疑問。本公司董事會認為順通之管理實際上已陷入僵局，所以本集團於順通之投資值及順通之欠款合共60,500,000港元能否收回均成疑問。因此，本集團所佔該未綜合計入賬目之附屬公司權益已由截至一九九八年十二月三十一日止年度起作出全面撥備。此外，順通根據於二零零一年頒佈之一項法院命令被強制清盤，清盤程序於截至本財務報表日期尚未完成。本集團不會對該附屬公司作出任何進一步投資。

22. 出售組別欠款 – 本公司

應收出售組別欠款為無抵押及免息，且預期不會於未來十二個月內償還，因此，該等結餘被分類為非流動資產。

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23. INTERESTS IN A JOINTLY-CONTROLLED ENTITY – COMPANY 23. 所佔一家共同控制實體權益

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Unlisted investments, at cost	非上市投資，成本值	46,030	46,030
Due from a jointly-controlled entity	應收一家共同控制實體欠款	173	169
		<u>46,203</u>	<u>46,199</u>

Amounts due from the jointly-controlled entity are unsecured, interest-free and have no fixed terms of repayment.

應收一家共同控制實體欠款為免息、無抵押，且無固定還款期。

Particulars of the jointly-controlled entity at 31 December 2006 are as follows:

於二零零六年十二月三十一日，共同控制實體之詳情如下：

Name 名稱	Place/ country of incorporation 註冊成立 地點／國家	Percentages of ownership interest 擁有權益 百分比	Percentage of voting power 投票權 百分比	Percentage of profit sharing 應佔溢利 百分比	Principal activities and place of operation 主要業務及營業地點
Fuzhou Dartong Mechanic and Electronic Company Limited ("Fuzhou Dartong") 福州大通機電股份有限公司 (「福州大通」)*	PRC 中國	49	50	49	Manufacture and sale of enamelled copper wire in the PRC 於中國製造及銷售 漆包銅線

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23. INTERESTS IN A JOINTLY-CONTROLLED ENTITY – COMPANY (continued)

Fuzhou Dartong is the jointly controlled entity held by the Group. Its financial statements have been incorporated into the Group's consolidated financial statements using proportionate consolidation. The aggregate amounts relating to Fuzhou Dartong that have been included in the Group's consolidated financial statements are as follows:

23. 於一家共同控制實體所佔權益 – 本公司 (續)

福州大通為本集團擁有之共同控制實體，其財務報表已按綜合比例列入本集團綜合財務報表。有關福州大通的總額已計入本集團綜合財務報表，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
Non-current assets	非流動資產	36,789	35,697
Current assets	流動資產	128,484	12,422
Current liabilities	流動負債	(112,494)	(1,616)
Net assets	資產淨值	<u>52,779</u>	<u>46,503</u>
Revenue	收入	196,413	18,333
Other revenue and financial revenue	其他收入及財務收益	<u>9,515</u>	<u>1,777</u>
Total revenue	總收入	205,928	20,110
Total costs and expenses	總成本及開支	(201,641)	(20,723)
Income tax	所得稅	–	–
Profit/(loss) after income tax	除所得稅後溢利／(虧損)	<u>4,287</u>	<u>(613)</u>

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23. INTERESTS IN A JOINTLY-CONTROLLED ENTITY – COMPANY (continued) 23. 於一家共同控制實體所佔權益 – 本公司 (續)

Fuzhou Dartong has given the following guarantee for a bank loan granted to Citychamp, the joint venturer.

福州大通就銀行向合營方冠城授出貸款給予以下擔保。

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Guarantee for bank loan to a joint venturer	就銀行授予合營方貸款作出之擔保	25,000	-

24. INTERESTS IN AN ASSOCIATE 24. 於一家聯營公司所佔權益

		Group 本集團		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
Balance at 1 January	於一月一日結餘				
Acquisition of an associate - Unlisted investment at cost	收購一家聯營公司 – 非上市投資，成本值	24,244	-	24,244	-
Share of an associate's results	應佔一家聯營公司業績				
– excess of the Group's share of the net identifiable assets over cost of acquisition	– 本集團應佔可識別資產淨額超過收購成本	4,725	-	-	-
– profit before income tax	– 除所得稅前溢利	486	-	-	-
– income tax	– 所得稅	(183)	-	-	-
Balance at 31 December	於十二月三十一日結餘	29,272	-	24,244	-

The excess of the Group's share of the net identifiable assets over cost of acquisition of HK\$4,725,000 has been included in the share of results of an associate.

本集團應佔可識別資產淨額超過收購成本之4,725,000港元已計入應佔一家聯營公司之業績。

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24. INTERESTS IN AN ASSOCIATE (continued)

Particulars of the associate at 31 December 2006 are as follows:

Name 名稱	Particulars of equity held 持有權益資料	Country of incorporation 註冊成立地區	Percentage of interest held 持有權益所佔百分比
Jiangsu Dartong Qingjiang M&E Co., Ltd ("Jiangsu Dartong") 江蘇大通清江機電有限公司 (「江蘇大通」)	Paid up capital of RMB25,000,000 已繳股本 人民幣25,000,000元	PRC 中國	25

The summarised financial information of the Group's associate extracted from its management accounts for the year ended 31 December 2006 are as follows:

24. 於一家聯營公司所佔權益(續)

於二零零六年十二月三十一日·聯營公司之資料如下:

以下為摘錄自本集團聯營公司截至二零零六年十二月三十一日止年度之管理賬目財務資料概要:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Assets	資產	352,335	-
Liabilities	負債	235,525	-
Revenues	收益	935,338	-
Profit for the year	本年度溢利	13,661	-

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25. AVAILABLE-FOR-SALE FINANCIAL ASSETS – GROUP 25. 可出售金融資產 – 本集團

		2006	2005
		二零零六年	二零零五年
		HK\$'000	HK\$'000
		千港元	千港元
Unlisted equity investment, at cost	非上市股本投資·成本值	3,477	3,477
Provision for impairment	減值撥備	(3,477)	(3,477)
		<u> </u>	<u> </u>
		-	-

The Group originally held equity interest of 50% in 合肥光大木材工業有限公司 (“Hefei Everbright”), a joint venture company established in the PRC in 2003. In 2004, the Group disposed of its 24.5% equity interest in Hefei Everbright to independent third parties at a consideration of HK\$2,980,000. In accordance with the subcontracting agreement between the Group and the joint venture partners of Hefei Everbright, the Group forfeited its rights to exercise any significant influence or control over the financial and operating policies of Hefei Everbright in return for fixed and guaranteed annual subcontracting fees. Accordingly, Hefei Everbright lost its status as a subsidiary of the Group and was not equity accounted for in accordance with HKAS 28 “Investment in Associates” in 2004. The Group’s investment in Hefei Everbright was reclassified to long term investment accordingly and was stated at the Group’s share of the net assets of Hefei Everbright as at the date when the Group’s forfeiture of its control/influence became effective, less any impairment losses. In 2005, the investment in Hefei Everbright was designated as available-for-sale investment upon adoption of HKAS 39.

本公司原本持有合肥光大木材工業有限公司(「合肥光大」)50%間接股本權益·該公司為於二零零三年在中國大陸成立之合營公司。於二零零四年·本集團按代價2,980,000港元向獨立第三方出售其於合肥光大之24.5%股本權益。根據本集團與合肥光大合營夥伴訂立之轉包協議·本集團放棄其對合肥光大財務及經營決策行使任何重大影響或控制之權利·以換取每年定額保證轉包費用。因此·合肥光大於二零零四年不再為本集團附屬公司·按照香港會計準則第28號「於聯營公司之投資」·不會以權益會計法處理。本集團於合肥光大之投資因而重新分類為長期投資·按本集團於放棄其控制/影響生效之日應佔合肥光大資產淨值減任何減值虧損列賬。於二零零五年·採納香港會計準則第39號後·於合肥光大之投資指定作可出售投資。

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25. AVAILABLE-FOR-SALE FINANCIAL ASSETS – GROUP (continued)

Having regard to the deteriorating financial positions of Hefei Everbright since the year ended 31 December 2005, the directors are in the opinion that the investment in Hefei Everbright is not likely to be recoverable and accordingly, an impairment loss of HK\$3,477,000 had been charged to consolidated income statement in 2005. As the financial position of Hebei Everbright continued to be deteriorating during the year, there was no change in the accumulated impairment as at 31 December 2006.

26. PROPERTIES UNDER DEVELOPMENT – GROUP

Cost as at 31 December	於十二月三十一日之成本	–	555,509
Transferred to properties held for sale	轉撥至持作出售物業	–	(70,330)
Portion classified as current assets	列作流動資產之部分	–	(194,133)
Non-current assets	非流動資產	–	291,046

In 2005, the Group has adopted HK-Int 3 to the pre-completion contracts for the sale of development properties entered into on or after 1 January 2005. Deposits received from buyers of the Group's properties under development in respect of which no profit had been recognised were carried as a current liability at the balance sheet date.

Properties under development and held for sale are all directly associated with the Disposal Group and have been transferred to assets in disposal group classified as held for sale as at 31 December 2006 as described in Note 11.

25. 可出售金融資產 – 本集團 (續)

基於合肥光大自二零零五年十二月三十一日止年度起財務狀況轉壞，董事認為不大可能可收回於合肥光大之投資，故在二零零五年度綜合損益表中扣除減值虧損3,477,000港元。由於合肥光大在本年度之財務狀況繼續轉壞，故於二零零六年十二月三十一日之累積減值並無變動。

26. 發展中物業 – 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
Cost as at 31 December	–	555,509
Transferred to properties held for sale	–	(70,330)
Portion classified as current assets	–	(194,133)
Non-current assets	–	291,046

於二零零五年，本集團就於二零零五年一月一日或之後訂立有關銷售發展物業之完工前合約採納香港詮釋3。就本集團發展中物業，向買家收取而其溢利未予確認之訂金於結算日列作流動負債。

誠如附註11所述，持作出售之發展中物業均直接與出售組別有關，並於二零零六年十二月三十一日已轉撥至分類為持作出售之出售組別資產。

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27. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

27. 預付款項、按金及其他應收款

		Group		Company	
		本集團		本公司	
		2006	2005	2006	2005
		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
		千港元	千港元	千港元	千港元
Deposits for the acquisition of:	用作以下收購之訂金:				
Associates (Note a)	聯營公司 (附註a)	27,000	38,054	27,000	27,000
Investment property (Note b)	投資物業 (附註b)	-	9,845	-	-
Other receivables	其他應收款	20,348	10,509	5,183	1,183
Prepayments	預付款項	26,290	24,381	190	1,333
Deposits	訂金	1,735	2,551	1,614	1,619
Carrying amount	於十二月三十一日之				
at 31 December	賬面值	75,373	85,340	33,987	31,135
Less: Current portion	即期部分	(33,391)	(37,212)	(6,987)	(4,135)
Non-current portion	非即期部分	41,982	48,128	27,000	27,000

Note a: In 2004, the Company and Jing Guan entered into certain share purchase agreements with two independent third parties (the "Vendors") for the acquisition of an aggregate of 21% equity interests in Beijing Haidian Science Park Development Co., Ltd. ("Beijing Haidian") for an aggregate consideration of approximately HK\$126 million. Deposits of HK\$27,000,000 and HK\$11,054,000 were paid by the Company and Jing Guan respectively to the Vendors in 2005.

In March 2007, the Company and Jing Guan have further extended the completion date of the proposed acquisition to 28 July 2007 as the approval from the local authorities have not been obtained. Further details of the proposed acquisition were set out in the Company's various press announcements made during the period from 2 December 2004 to 29 March 2007 and the circular dated 25 April 2005 to the Company's shareholders. As at 31 December 2006, the deposit of HK\$27,000,000 paid by the Company is stated as a non-current asset whilst the deposit of HK\$11,161,000 paid by Jing Guan has been classified under "assets in disposal group classified as held for sale".

附註a: 於二零零四年,本公司及京冠與兩名獨立第三方(「賣方」)訂立股份購買協議,收購北京海澱科技園建設股份有限公司(「北京海澱」)合共21%股本權益,總代價約為126,000,000港元。於二零零五年,本公司與京冠已分別向賣方支付訂金27,000,000港元及11,054,000港元。

於二零零七年三月,由於不獲當地主管當局批准,本公司與京冠將建議收購之完成日期延展至二零零七年七月二十八日。有關建議收購之詳情載於本公司於二零零四年十二月二日至二零零七年三月二十九日期間作出之各報章公佈及寄發予本公司股東日期為二零零五年四月二十五日之通函。於二零零六年十二月三十一日,本公司已付訂金27,000,000港元列作非流動資產,而京冠已付訂金11,161,000港元則列作「分類為持作出售之出售組別資產」。

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31 December 2006 二零零六年十二月三十一日

27. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (continued)

Note b: In 2005, the Group entered into a sale and purchase agreement for the acquisition of an investment property in Hong Kong at a consideration of HK\$98,426,000 and a deposit of HK\$9,845,000 was paid in 2005. During the year ended 31 December 2006, the acquisition has been completed and the deposit is transferred to the cost of the investment properties (Note 18).

28. INVENTORIES – GROUP

Raw materials	原材料
Work in progress	在製品
Finished goods	製成品

2006	2005
二零零六年	二零零五年
HK\$'000	HK\$'000
千港元	千港元
32,859	16,746
12,822	9,384
68,743	79,792
114,424	105,922

29. TRADE AND BILLS RECEIVABLES – GROUP

The Group's trading terms with its customers are mainly on credit, except for certain customers, where payment in advance is required. The credit period is generally for a period of three months (2005: one month extending up to three months), for major customers except for customers of the Group's discontinued operations where settlements were made in accordance with the sales contract entered into between the Group and the customers. Each customer has a maximum credit limit. Trade debtors with balances that are more than three months overdue are required to settle all outstanding balances before any further credit is granted. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest-bearing.

27. 預付款項、按金及其他應收款(續)

附註b: 於二零零五年,本集團就收購香港投資物業訂立買賣協議,代價為98,426,000港元。訂金9,845,000港元已於二零零五年支付。於截至二零零六年十二月三十一日止年度,該項收購已完成,而訂金已轉撥至投資物業成本內(附註18)。

28. 存貨

29. 應收賬款及票據 – 本集團

除若干客戶需要預先付款外,本集團與其客戶訂立之買賣條款主要為記賬方式,信貸期一般為期三個月(二零零五年:一個月延長至最多三個月),主要客戶可獲三個月之信貸期,惟本集團已終止經營業務客戶之結算乃按本集團與客戶訂立之銷售合約作出。每個客戶設有信貸上限。逾期三個月以上之應收賬款結餘,須於獲授出任何進一步信貸前清還所有未償還餘額。鑑於上述事項及本集團應收賬款涉及大量不同的客戶,故並無高度集中信貸風險。應收賬款並不計息。

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29. TRADE AND BILLS RECEIVABLES – GROUP (continued)

Included in trade receivables are the following amounts denominated in a currency other than the functional currency of the entity to which they relate:

		2006	2005
		二零零六年	二零零五年
		<i>Rmb'000</i>	<i>Rmb'000</i>
		人民幣千元	人民幣千元
Renminbi (“RMB”)	人民幣(「人民幣」)	<u>90,937</u>	<u>26,299</u>

The ageing analysis of the trade and bills receivables (including amounts due from related party of trading in nature as disclosed in Note 44.1(vi)) as at the balance sheet date, based on invoice date, and net of provisions, is as follows:

		2006	2005
		二零零六年	二零零五年
		<i>HK\$'000</i>	<i>HK\$'000</i>
		千港元	千港元
1 to 3 months	1至3個月	90,846	24,827
4 to 6 months	4至6個月	40	-
7 to 12 months	7至12個月	51	461
		<u>90,937</u>	<u>25,288</u>

應收賬款包括以下以有關實體之功能貨幣以外之貨幣為單位之款項：

應收賬款及票據(包括附註44.1(vi)所述應收有關連人士之貿易款項)於結算日按照發票日期及扣減撥備後之賬齡分析如下：

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30. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group 本集團		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

Listed equity investment in Hong Kong, at market value	香港上市股票投資， 市值	48,765	44,210	37,627	28,297
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The financial assets at fair value through profit or loss are held for trading purposes.

按公平值計入溢利或虧損之金融資產乃持有作買賣用途。

31. DUE FROM MINORITY EQUITY HOLDERS – GROUP

Amounts due from the minority equity holders in 2005 were unsecured, interest-free. The balance has been repaid during the year.

31. 應收少數股東權益持有人欠款 – 本集團

於二零零五年，應收少數股東權益持有人欠款為無抵押及免息。結餘已於本年度償還。

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32. PLEDGED DEPOSITS AND CASH AND CASH EQUIVALENTS 32. 已抵押存款與現金及現金等價物

		Group 本集團		Company 本公司	
		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
Cash at bank and in hand	銀行結存及現金	39,836	339,439	3,812	4,188
Time deposits with original maturity less than three months	原定少於三個月內到期之定期存款	4,892	50,123	4,892	26,550
		44,728	389,562	8,704	30,738
Less: Deposits pledged for short term banking facilities	減：就短期銀行貸款抵押之存款	(4,892)	(18,653)	(4,892)	(7,500)
Cash and cash equivalents	現金及現金等價物	<u>39,836</u>	<u>370,909</u>	<u>3,812</u>	<u>23,238</u>

Cash at bank earns interest at floating rates based on daily bank deposits rates. Short-term time deposits are made for various periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term time deposit rates.

Included in the cash and bank balances of the Group is HK\$35,612,000 (2005: HK\$358,421,000) of bank balances denominated in RMB placed with banks in the PRC. The RMB is not freely convertible into other currencies, however, under the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

銀行現金按每日銀行存款利率計算之浮動利率計息。短期定期存款的存款期由一日至三個月不等，視本集團之即時現金需求而定，並按相關短期定期存款利率計息。

本集團現金及銀行結存包括以人民幣為單位存於中國多家銀行之銀行結存35,612,000港元（二零零五年：358,421,000港元）。人民幣不得自由兌換為其他貨幣。然而，根據中國關於外匯管理及結匯、售匯及付匯管理規定，本集團可在獲授權進行外匯業務之銀行將人民幣兌換為其他貨幣。

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33. TRADE PAYABLES – GROUP

The ageing analysis of the trade payables as at balance sheet dates is as follows:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
0 – 30 days	0至30日	45,155	97,763
31 – 60 days	31至60日	727	2,811
61 – 90 days	61至90日	–	935
Over 90 days	超過90日	801	7,251
		<u>46,683</u>	<u>108,760</u>

Included in trade payables are the following amounts denominated in a currency other than the functional currency of the entity to which they relate:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Denominated in RMB	以人民幣列值	<u>46,683</u>	<u>113,110</u>

The trade payables are non-interest-bearing and are normally settled on 60-day terms.

33. 應付賬款 – 本集團

應付賬款於結算日之賬齡分析如下：

	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
0 – 30 days	45,155	97,763
31 – 60 days	727	2,811
61 – 90 days	–	935
Over 90 days	801	7,251
	<u>46,683</u>	<u>108,760</u>

應付賬款包括下列以有關連實體之功能貨幣以外貨幣列值之款項：

	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Denominated in RMB	<u>46,683</u>	<u>113,110</u>

應付賬款並不計息，一般按60日期限支付。

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34. OTHER PAYABLES AND ACCRUALS

34. 其他應付款及應計費用

		Group 本集團		Company 本公司	
		2006	2005	2006	2005
		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
		千港元	千港元	千港元	千港元
Accruals	應計費用	12,322	16,414	1,989	2,740
Deposits received	已收按金	-	7,616	-	-
Other payables	其他應付款	46,301	74,105	10,858	10,857
		<u>58,623</u>	<u>98,135</u>	<u>12,847</u>	<u>13,597</u>

Other payables are non-interest bearing and have an average term of three months.

其他應付款並不計息，期限平均為三個月。

35. BORROWINGS

35. 借貸

		Group 本集團		Company 本公司	
		2006	2005	2006	2005
		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
		千港元	千港元	千港元	千港元
Non-current	非即期				
Bank borrowings	Floating 銀行借貸 浮息 6.3%	55,348	317,308	55,348	-
Current	即期				
Bank borrowings	Floating 銀行借貸 浮息 5.85% - 6.3%	52,652	-	3,652	-
Bank borrowings	Fixed 銀行借貸 定息 5.5% - 7%	63,701	96,154	-	-
		<u>116,353</u>	<u>96,154</u>	<u>3,652</u>	<u>-</u>
Total borrowings	總借貸	<u>171,701</u>	<u>413,462</u>	<u>59,000</u>	<u>-</u>

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31 December 2006 二零零六年十二月三十一日

35. BORROWINGS (continued)

As at 31 December 2006, the Group's bank loans were secured by:

- (i) the pledge of the Group's time deposits amounting to HK\$Nil (2005: HK\$18,653,000);
- (ii) a legal charge over certain of the Group's prepaid land lease payments and buildings situated in the PRC (Notes 19 and 17);
- (iii) a legal charge over certain of the Group's investment properties (Note 18); and
- (iv) guarantees granted by a director of the Company and certain independent third parties.

As at 31 December 2006, the Group's bank loans were repayable as follows:

35. 借貸(續)

於二零零六年十二月三十一日，本集團銀行貸款以下列各項作抵押：

- (i) 本集團之定期存款抵押為零港元(二零零五年：18,653,000港元)；
- (ii) 本集團若干預付土地租賃款項及中國樓宇之法定押記(附註19及17)；
- (iii) 本集團若干投資物業之法定押記(附註18)；及
- (iv) 本公司一名董事及若干獨立第三方作出的擔保。

於二零零六年十二月三十一日，本集團之銀行貸款須於以下年期償還：

		Group 本集團		Company 本公司	
		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
Within one year	一年內	116,353	96,154	3,652	-
In the second year	第二年	3,652	317,308	3,652	-
In the third to fifth year	第三年至第五年	10,955	-	10,955	-
Repayable within five years	五年內償還	130,960	413,462	18,259	-
After the fifth year	第五年後	40,741	-	40,741	-
		<u>171,701</u>	<u>413,462</u>	<u>59,000</u>	<u>-</u>

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36. DUE TO A RELATED COMPANIES

Amount due to related companies are unsecured, interest bearing at rates ranging between 5.022% and 5.58% per annum and repayable on 18 December 2007, amounted to HK\$180,000,000 (2005: HK\$134,000). One of the related companies has undertaken to extend the repayment date of the amount of HK\$144,000,000 due to it from the Group to 18 December 2008 if the Group is not financially viable to make the repayment on or before 18 December 2007.

37. DEFERRED TAX

Deferred taxation is calculated in full on temporary differences under the liability method using a principal taxation rate of 17.5% (2005: 17.5%).

The movement on the deferred tax liabilities/(assets) is as follows:

Deferred tax liabilities

Balance at 1 January	於一月一日之結餘	794	-
Exchange difference	匯兌差額	32	-
Deferred tax charged to the results of the Disposal Group during the year	年內自出售組別業績扣除之遞延稅項	618	794
Transferred to liabilities directly associated with disposal group classified as held for sale (Note 11)	轉撥至與出售組別直接有關列為待售之負債 (附註11)	(1,444)	-
Balance at 31 December	於十二月三十一日之結餘	-	794

36. 應付有關連公司欠款

應付有關連公司之欠款為180,000,000港元(二零零五年:134,000港元)為無抵押,按年息率5.022厘至5.58厘計息,並須於二零零七年十二月十八日償還。其中一家有關連公司承諾,倘本集團財政能力不足以於二零零七年十二月十八日或之前償還本集團結欠該有關連公司之144,000,000港元,則將還款日期延至二零零八年十二月十八日。

37. 遞延稅項

遞延稅項採用負債法就暫時差異按主要稅率17.5%(二零零五年:17.5%)作全數撥備。

遞延稅項負債/(資產)變動載列如下:

遞延稅項負債

	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Balance at 1 January	794	-
Exchange difference	32	-
Deferred tax charged to the results of the Disposal Group during the year	618	794
Transferred to liabilities directly associated with disposal group classified as held for sale (Note 11)	(1,444)	-
Balance at 31 December	-	794

NOTES TO THE FINANCIAL STATEMENTS

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31 December 2006 二零零六年十二月三十一日

37. DEFERRED TAX (continued)

Deferred tax assets

Balance at 1 January	於一月一日之結餘
Exchange difference	匯兌差額
Balance at 31 December	於十二月三十一日結餘

As at 31 December 2006, the Group has tax losses arising in Hong Kong of HK\$76,221,000 (2005: HK\$72,710,000), subject to the agreement of Inland Revenue Department, that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as they have arisen in companies that have been loss-making for some time.

During the year, there was no significant unrecognised deferred tax liability for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiaries as the Group has no liability to additional tax should such amounts be remitted.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

37. 遞延稅項 (續)

遞延稅項資產

	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Balance at 1 January	1,021	1,000
Exchange difference	41	21
Balance at 31 December	<u>1,062</u>	<u>1,021</u>

於二零零六年十二月三十一日，本集團於香港產生稅項虧損76,221,000港元（二零零五年：72,710,000港元），有待與稅務局協議，可用作抵銷產生虧損公司之日後應課稅溢利。由於產生稅項虧損之公司已錄得虧損一段時間，故並無就該等虧損確認任何遞延稅項資產。

年內，本集團並無任何重大未確認遞延稅項負債，原因為倘匯款已匯出，本集團概無就此進一步繳付額外稅項之責任，故毋須就其若干附屬公司未有匯出之盈利應付任何稅項。

本公司並無因向其股東支付股息而具有任何所得稅責任。

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38. DEFERRED INCOME

38. 遞延收入

		2006	2005
		二零零六年	二零零五年
		HK\$'000	HK\$'000
		千港元	千港元
Balance at 1 January	於一月一日之結餘	177,906	-
Additions	添置	-	177,906
Exchange difference	匯兌差額	7,117	-
Transferred to liabilities in disposal group classified as held for sale (Note 11)	轉撥至與出售組別列作 待售之負債 (附註11)	(185,023)	-
Balance at 31 December	於十二月三十一日之結餘	<u>-</u>	<u>177,906</u>

In 2005, the Group received government grants of HK\$177,906,000 which represented the partial refund of land premium in respect of a piece of land for a property redevelopment project situated in Beijing, the PRC. As at 31 December 2005, the project was still in progress and the related costs incurred by the Group were included under "Properties under development" in non-current assets. The Group had obtained proper approval from relevant government authority for the grants. No other contingencies are attached to such grants.

No government grants were recognised as income during the year ended 31 December 2006. As at that date, government grants have all been classified as liabilities directly associated with assets in disposal group classified as held for sale (Note 11).

在二零零五年，本集團獲政府發出為數177,906,000港元之補助金，此乃就位於中國北京一項物業重建項目之地塊部分地價退回。於二零零五年十二月三十一日，該項目仍在興建中，而本集團就該項目產生之相關成本已列作非流動資產項下之「發展中物業」。本集團就該等補助金已取得政府有關當局正式的批准。該等補助金並無附有其他或然條件。

於截至二零零六年十二月三十一日止年度，並無政府補助金確認為收入，並於該日，列作與出售組別資產直接有關之負債（附註11）。

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39. SHARE CAPITAL

39. 股本

	2006 二零零六年		2005 二零零五年	
	Number of shares 股份數目 '000 千股	HK\$'000 千港元	Number of shares 股份數目 '000 千股	HK\$'000 千港元
<i>Authorised:</i>				
Ordinary shares of HK\$0.10 each	2,000,000	200,000	2,000,000	200,000
<i>Issued and fully paid:</i>				
At 1 January 2005 and 31 December 2005			1,544,831	154,483
Placement of new shares			247,200	24,720
At 31 December 2006			1,792,031	179,203

On 8 June 2006, the Company successfully placed 247,200,000 new shares of HK\$0.10 each at a price of HK\$0.20 per share.

於二零零六年六月八日，本公司按每股0.20港元之價格成功配售247,200,000股每股面值0.10港元之新股份。

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40. SHARE-BASED EMPLOYEE COMPENSATION

The Company has a share option scheme which was adopted on 25 May 2001 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 to subscribe for shares of the Company. The share option scheme shall be valid and effective for a period of ten years ending on 24 May 2011, after which no further options will be granted. For options granted before 1 September 2001, the exercise price of options was determined by the board and was the higher of the nominal value of the Company's shares and 90% of the average of the closing prices of the Company's shares on the Stock Exchange for the five business days immediately preceding the date of grant. For options granted on or after 1 September 2001, the exercise price of options is the highest of the nominal value of the shares, the closing price of the shares on the Stock Exchange on the date of grant and the average closing price of the shares on the Stock Exchange for the five business days immediately preceding the date of grant. Each option gives the holder the right to subscribe for one share.

Pursuant to the amendments (the "New Rules") to Chapter 17 of the Listing Rules, any options granted after September 2001 must comply with the provisions of the New Rules. If the Company wishes to grant options to its directors or other eligible participants in future, a new share option scheme in compliance with the New Rules is to be approved and adopted by the shareholders of the Company in a general meeting. Since the adoption of the New Rules, no new share option scheme has been approved nor adopted.

During the year, no share options were granted or exercised and there were no outstanding options at 31 December 2006 (2005: Nil).

40. 以股份為基礎的僱員補償

本公司於二零零一年五月二十五日採納一項優先認購股份權計劃，據此，本公司董事獲授權，可酌情邀請本集團僱員（包括本集團任何成員公司之董事）接納優先認購股份權，以認購本公司股份。優先認購股份權計劃於直至二零一一年五月二十四日前十年一直有效，該日後不可再授出優先認購股份權。就於二零零一年九月一日前授出之優先認購股份權而言，優先認購股份權之行使價乃由董事會釐定，相當於本公司股份面值或緊接授出優先認購股份權當日前五個營業日本公司股份在聯交所之平均收市價之90%（以較高者為準）。就於二零零一年九月一日或以後授出之優先認購股份權而言，優先認購股份權之行使價為股份面值、於授出優先認購股份權當日股份在聯交所之收市價以及緊接授出優先認購股份權當日前五個營業日股份在聯交所之平均收市價之最高者。每份優先認購股份權賦予持有人權利認購一股股份。

根據上市規則第17章之修訂（「新規則」），所有於二零零一年九月後授出之優先認購股份權均須符合新規則之條文。倘本公司擬於將來向其董事或其他合資格參與者授出優先認購股份權，則必須經本公司股東於股東大會批准及採納符合新規則之新優先認購股份權計劃。自採納新規則以來，並無批准或採納任何新優先認購股份權計劃。

年內，概無優先認購股份權獲授出或行使，於二零零六年十二月三十一日，概無任何尚未行使優先認購股份權（二零零五年：無）。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 December 2006 二零零六年十二月三十一日

41. RESERVES

Group

The amounts of the Group's reserves and the movements therein during the year are presented in the consolidated statement of changes in equity.

The Group's share premium account mainly arose from shares issued at a premium. Pursuant to a shareholders' special resolution of the Company passed on 29 September 2005, the share premium account was cancelled and utilised to eliminate the accumulated losses of the Group for the year ended 31 December 2005.

In accordance with the PRC regulations, certain of the Group's subsidiaries registered in the PRC are required to transfer part of their profits after tax to the statutory reserve fund, before profit distributions are made. The amounts of the transfers are subject to the approval of the boards of the directors of these companies, in accordance with their joint venture agreements and/or articles of association. The statutory reserve fund is non-distributable and has restricted use.

Certain amounts of goodwill arising on the acquisition of subsidiaries in prior years remain eliminated against the consolidated reserves as explained in Note 20 to the financial statements.

41. 儲備

本集團

本集團於本年度之儲備數額及有關變動已載於綜合權益變動表中。

本集團股份溢價賬主要包括按溢價發行之股份。根據本公司於二零零五年九月二十九日通過之股東特別決議案，股份溢價賬已註銷，並用作撇銷本集團截至二零零五年十二月三十一日止年度之累積虧損。

按照中國大陸規例，若干於中國大陸註冊之本集團附屬公司作出溢利分派前，須將其部分除稅後溢利轉撥至法定儲備基金。轉撥款額須由該等公司之董事會按各自之合營協議及／或公司章程細則批准。法定儲備基金不可分派，且其用途是有所限制。

誠如財務報表附註20所闡釋，於過往年度收購附屬公司所產生商譽之若干數額仍於綜合儲備對銷。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 December 2006 二零零六年十二月三十一日

41. RESERVES (continued)

41. 儲備(續)

Company		本公司		
		Share premium account	Retained profits/ (accumulated losses)	Total
		股份溢價賬	保留溢利/ (累積虧損)	總額
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
At 1 January 2005	於二零零五年一月一日	677,882	(361,145)	316,737
Cancellation of share premium	註銷股份溢價	(677,882)	677,882	-
Net loss for the year (Note 12)	年內虧損淨額(附註12)	-	(48,708)	(48,708)
At 31 December 2005 and at 1 January 2006	於二零零五年十二月三十一日及二零零六年一月一日	-	268,029	268,029
Premium on new shares	新股溢價	23,700	-	23,700
Net loss for the year (Note 12)	年內虧損淨額(附註12)	-	(6,824)	(6,824)
At 31 December 2006	於二零零六年十二月三十一日	23,700	261,205	284,905

Pursuant to a shareholders' special resolution of the Company passed in September 2005, the share premium account of the Company was cancelled and utilised to eliminate the accumulated losses of the Company for the year ended 31 December 2005.

根據本公司股東於二零零五年九月通過之特別決議案，本公司之股份溢價賬已註銷及動用，以對銷本公司截至二零零五年十二月三十一日止年度之累積虧損。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 December 2006 二零零六年十二月三十一日

42. OPERATING LEASE COMMITMENTS

42.1 At 31 December 2006, the total future minimum sublease payments expected to be received by the Group under non-cancellable subleases by the Group is as follows:

42. 經營租賃承擔

42.1 於二零零六年十二月三十一日，本集團根據不可取銷之分租租約，預期於未來收取之最低分租租約款項總額如下：

		2006	2005
		二零零六年	二零零五年
		HK\$'000	HK\$'000
		千港元	千港元
Remaining group:			
	餘下集團：		
Within one year	一年內	9,068	6,457
In the second to fifth years	第二年至第五年	30,335	19,186
After five years	五年後	49,006	51,301
		<u>88,409</u>	<u>76,944</u>
Disposal group:			
	出售組別：		
Within one year	一年內	-	-
In the second to fifth years	第二年至第五年	-	-
After five years	五年後	-	-
		<u>-</u>	<u>-</u>
Total	總計	<u><u>88,409</u></u>	<u><u>76,944</u></u>

The Group leases certain of its investment properties under operating lease arrangements, with leases negotiated for terms ranging from one to twenty years.

本集團根據經營租約安排出租其若干投資物業，該等租約之議定期限介乎一年至二十年不等。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 December 2006 二零零六年十二月三十一日

42. OPERATING LEASE COMMITMENTS (continued)

42. 經營租賃承擔(續)

42.2 At 31 December 2006, the total future minimum lease payments under non-cancellable operating leases are payable by the Group as follows:

42.2 於二零零六年十二月三十一日，根據不可取銷之經營租約，本集團應付之未來最低租約款項總額如下：

		Group		Company	
		2006	2005	2006	2005
		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
		千港元	千港元	千港元	千港元
Remaining group:	餘下集團：				
Within one year	一年內	4,787	5,008	4,189	3,987
In the second to fifth years	第二年至第五年	2,192	5,602	-	3,740
After five years	五年後	-	778	-	-
		<u>6,979</u>	<u>11,388</u>	<u>4,189</u>	<u>7,727</u>
Disposal group:	出售組別：				
Within one year	一年內	451	661	-	-
In the second to fifth years	第二年至第五年	-	-	-	-
After five years	五年後	-	-	-	-
		<u>451</u>	<u>661</u>	<u>-</u>	<u>-</u>
Total	總計	<u>7,430</u>	<u>12,049</u>	<u>4,189</u>	<u>7,727</u>

The Group and the Company lease certain of its office and factory premises under operating lease arrangements. Leases for properties are negotiated for terms ranging from one to ten years.

本集團及本公司根據經營租約安排出租其若干辦公室及工廠物業，該等租約之議定期介乎一年至十年不等。

In addition, the Group is required to pay annual fee in respect of a leasehold land in the PRC from the year 1992 up to the year 2042 with a 20% increment for every five years. During the year, an annual fee of HK\$420,000 (2005: HK\$397,000) was charged to the consolidated income statement of the Group.

此外，本集團自一九九二年至二零四二年起，須就其在中國之一幅租賃土地支付年費，年費每五年增加20%。年內，本集團支付年費420,000港元（二零零五年：397,000港元）已於綜合損益表反映。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 December 2006 二零零六年十二月三十一日

43. CAPITAL COMMITMENTS

43. 資本承擔

Group

本集團

		2006	2005
		二零零六年	二零零五年
		HK\$'000	HK\$'000
		千港元	千港元
Authorised, but not contracted for 已授權但未訂約：			
Remaining group:	餘下集團：		
Acquisition of an associate	收購一家聯營公司	-	24,038
Disposal group:	出售組別：		
Construction work in respect of properties under development	發展中物業之建築工程	-	1,745,145
		<u>-</u>	<u>1,745,145</u>
		<u>-</u>	<u>1,769,183</u>
Contracted, but not provided for 已訂約但未撥備：			
Remaining group:	餘下集團：		
Acquisition of Beijing Haidian (Note 27)	收購北京海澱 (附註27)	65,621	64,731
Purchases of property, plant and equipment	購買物業、廠房及設備	-	10,332
Purchases of an investment property	購買一項投資物業	-	88,581
		<u>-</u>	<u>88,581</u>
		<u>65,621</u>	<u>163,644</u>
Disposal group:	出售組別：		
Acquisition of Beijing Haidian (Note 27)	收購北京海澱 (附註27)	25,934	25,165
Construction work in respect of properties under development	發展中物業之建築工程	106,828	75,523
		<u>106,828</u>	<u>75,523</u>
		<u>132,762</u>	<u>100,688</u>
Total commitments, contracted but not provided for	承擔總額·已訂約但未撥備	<u>198,383</u>	<u>264,332</u>
Total capital commitments	資本承擔總額	<u>198,383</u>	<u>2,033,515</u>

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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43. CAPITAL COMMITMENTS (continued)

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
Authorised, but not contracted for 已授權但未訂約			
Acquisition of an associate 收購一家聯營公司		—	24,038
Contracted, but not provided for 已訂約但未撥備			
Acquisition of Beijing Haidian (note 27) 收購北京海澱 (附註27)		65,621	64,731
Total capital commitments 資本承擔總額		65,621	88,769

43. 資本承擔 (續)

44. RELATED PARTY TRANSACTIONS

44.1 Other than those disclosed elsewhere in the financial statements, the following transactions were carried out with related parties:

(i) Sales of goods

44. 有關連人士交易

44.1 除本財務報表其他部分所披露者外，本集團曾與有關連人士進行以下交易：

(i) 銷售貨物

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Sales of goods to the joint venturer 向合營方銷售貨物		195,061	18,332
Sales to the joint venturer of the Group's jointly-controlled entity, of which a director of the Company is also a director.			本公司一名董事亦為其董事之本集團共同控制實體之合營方所作銷售。

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財務報表附註

31 December 2006 二零零六年十二月三十一日

44. RELATED PARTY TRANSACTIONS (continued)

44.1 Other than those disclosed elsewhere in the financial statements, the following transactions were carried out with related parties (continued):

(ii) Purchases of goods

	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Purchases of goods from the joint venturer	966	-
Purchases from the joint venturer of the Group's jointly controlled entity, of which a director of the Company is also a director.		向本公司一名董事亦為其董事之本集團共同控制實體之合營方所作購買。

(iii) Purchases of plant and machinery

	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Purchases of plant and machinery from joint venturer	352	11,703
Purchases of plant and machinery from the joint venturer of the Group's jointly controlled entity, of which a director of the Company is also a director.		向本公司其中一名董事兼任董事之本集團共同控制實體之合營方購買廠房及機器。

44. 有關連人士交易 (續)

44.1 除本財務報表其他部分所披露者外，本集團曾與有關連人士進行以下交易：
(續)

(ii) 購買貨物

	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
購買貨物	966	-
向本公司一名董事亦為其董事之本集團共同控制實體之合營方所作購買。		

(iii) 購買廠房及機器

	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
購買廠房及機器	352	11,703
向本公司其中一名董事兼任董事之本集團共同控制實體之合營方購買廠房及機器。		

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 December 2006 二零零六年十二月三十一日

44. RELATED PARTY TRANSACTIONS (continued)

44.1 Other than those disclosed elsewhere in the financial statements, the following transactions were carried out with related parties (continued):

(iv) *Rental expenses*

	2006	2005
	二零零六年	二零零五年
	HK\$'000	HK\$'000
	千港元	千港元
Rental expenses paid to minority equity holders 已付少數股東租金開支	—	305

(v) *Rental income*

	2006	2005
	二零零六年	二零零五年
	HK\$'000	HK\$'000
	千港元	千港元
Rental income received 已收租金收入	642	626

The rentals received from a company of which a director of the Company is also directors were charged at HK\$52,000 per month on average (2005: HK\$52,000).

44. 有關連人士交易 (續)

44.1 除本財務報表其他部分所披露者外，本集團曾與有關連人士進行以下交易：(續)

(iv) 租金支出

	2006	2005
	二零零六年	二零零五年
	HK\$'000	HK\$'000
	千港元	千港元
Rental expenses paid to minority equity holders 已付少數股東租金開支	—	305

(v) 租金收入

	2006	2005
	二零零六年	二零零五年
	HK\$'000	HK\$'000
	千港元	千港元
Rental income received 已收租金收入	642	626

來自本公司一名董事亦為其董事之公司之租金為平均每月52,000港元(二零零五年：52,000港元)。

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財務報表附註

31 December 2006 二零零六年十二月三十一日

44. RELATED PARTY TRANSACTIONS (continued)

44.1 Other than those disclosed elsewhere in the financial statements, the following transactions were carried out with related parties (continued):

(vi) Outstanding balances arising from sales of goods included in trade and other receivables as appropriate:

Receivable from related party 應收有關連人士款項
– Jointly-controlled entity – 共同控制實體

(vii) *Acquisition of associate*

In April 2006, the Group entered into an agreement with the joint venturer and an independent third party for the acquisition of 25% equity interest in Jiangsu Dartong from these two parties for a consideration of HK\$24,244,000 (Note 24). In September 2006, the acquisition was completed and Jiangsu Dartong has been accounted for as an associate of the Group using the equity method since that date.

44. 有關連人士交易 (續)

44.1 除本財務報表其他部分所披露者外，本集團曾與有關連人士進行以下交易：
(續)

(vi) 銷售貨物之未償付結餘已計入應收賬款及其他應收款項(如適用)：

2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
----------------------------------	----------------------------------

80,522

1,917

(vii) 收購聯營公司

於二零零六年四月，本集團與合營方及一名獨立第三方訂立協議，向該兩家訂約方以代價24,244,000港元收購江蘇大通25%股本權益(附註24)。收購於二零零六年九月完成，自該日起，江蘇大通已按權益法作為本集團聯營公司列賬。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 December 2006 二零零六年十二月三十一日

44. RELATED PARTY TRANSACTIONS (continued)

44.2 Key management personnel compensation:

Included in staff costs are key management personnel compensation and comprises the following categories:

	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Short term employee benefits 短期僱員福利	8,132	8,466
Post-employment benefits 離職後福利	<u>96</u>	<u>107</u>
	<u>8,228</u>	<u>8,573</u>

The key management represents the executive directors of the Group. Further details of directors' emoluments are included in Note 16 to the financial statements.

44. 有關連人士交易 (續)

44.2 主要管理人員之補償:

主要管理人員之補償計入員工成本內，包括以下類別：

	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Short term employee benefits 短期僱員福利	8,132	8,466
Post-employment benefits 離職後福利	<u>96</u>	<u>107</u>
	<u>8,228</u>	<u>8,573</u>

其主要管理人員為本集團之執行董事。有關董事酬金之進一步詳情載於財務報表附註16。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 December 2006 二零零六年十二月三十一日

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise bank loans and cash and short term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables, trade payables, financial assets at fair value through profit or loss, other receivables and other payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are cash flow interest rate risk, foreign currency risk, credit risk and liquidity risk. The board has reviewed and agreed policies for managing each of these risks and they are summarised below.

45.1 Cash flow interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with a floating interest rate.

The Group's policy is to manage its interest cost using a mix of fixed and variable rate debts. The Group's policy is to maintain between 35% and 70% of its interest-bearing borrowings at fixed interest rates. The Group currently had not implemented any procedures to hedge its cash flow interest rate risk.

45. 財務風險管理目標及政策

本集團之主要金融工具包括銀行貸款、現金及短期存款。此等金融工具之主要用途乃為本集團業務籌集資金。本集團有其他直接源自業務之金融資產及負債，例如應收賬款、應付賬款、按公平值計入溢利或虧損之金融資產、其他應收款及其他應付款。

本集團金融工具所產生主要風險為現金流量利率風險、外匯風險、信貸風險及流動資金風險。董事會檢討及協定管理上述各項風險之政策，有關政策概述如下。

45.1 現金流量利率風險

本集團所面對市場利率波動風險主要與其浮動利率債務承擔有關。

本集團之政策為同時運用定息及浮息債務管理其利息成本。本集團之政策為將保持35%至70%計息借貸為定息借貸。本集團現時並無實行任何程序對沖其現金流量利率風險。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 December 2006 二零零六年十二月三十一日

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

45.2 Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from sales or purchases by operating units in currencies other than the units' functional currency. Approximately 14% (2005: 6%) of the Group's sales are denominated in currencies other than the functional currency of the operating units making the sale, whilst approximately 12% (2005: 5.2%) of costs and expenses are denominated in other than the functional currency of the operating units incurring these costs and expenses. The Group currently had not implemented any procedures to hedge its foreign currency risk.

45.3 Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents and financial assets at fair value through profit or loss, arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral.

45. 財務風險管理目標及政策(續)

45.2 外匯風險

本集團之交易面對外匯風險。有關風險來自進行買賣交易的營運單位之功能貨幣以外貨幣列值。本集團約14% (二零零五年: 6%) 之銷售以進行銷售營運單位之功能貨幣以外貨幣列值, 約12% (二零零五年: 5.2%) 之成本及開支以產生該等成本及開支之營運單位之功能貨幣以外貨幣列值。本集團現時並無實行任何程序對沖其外匯風險。

45.3 信貸風險

本集團僅與信譽良好之第三方進行買賣。本集團之政策為全部獲授信貸期之客戶均須通過信貸評核程序。此外, 本集團不斷監控應收賬款結餘, 且其所面對壞賬風險並不重大。

本集團其他金融資產包括現金及現金等價物及按公平值計入溢利或虧損之金融資產, 有關信貸風險源自訂約方失責, 最高款額相等於該等工具賬面值。

由於本集團僅與信譽良好之認可第三方進行買賣, 故毋須抵押品。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 December 2006 二零零六年十二月三十一日

45 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

45.4 Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, convertible bonds, other interest-bearing loans and finance leases. The Group's policy is that not more than 75% of borrowings should mature in any 12-month period. 73.4% (2005: 23.3%) of the Group's debts would mature in less than one year as at 31 December 2006.

46. FINANCIAL GUARANTEE CONTRACTS

The Group's discontinued operations provided guarantees in favour of certain banks for mortgage loans granted by the banks to the buyers of the Group's properties under development to the extent of approximately HK\$328 million (2005: HK\$242 million) in aggregate. As at the balance sheet date, mortgage loans in aggregate of approximately HK\$265 million (2005: HK\$200 million) were utilised by the buyers of the Group's properties under development and properties for sale. At the balance sheet date, no provision for the Group's obligation under the guarantee contract has been made as the directors considered that it was not probable that the banks would exercise the guarantee for repayment of the loans when they are in default.

The Group's jointly controlled entity has executed guarantees amounting to approximating HK\$25,000,000 (2005: HK\$Nil) with respect to bank loans to the joint venturer (Note 23). Under the guarantee, the Group's jointly controlled entity would be liable to pay the bank if the bank is unable to recover the loan. At the balance sheet date, no provision for the obligation of the Group's jointly controlled entity under the guarantee contract has been made as the directors considered that it was not probable that the repayment of the loan would be in default.

45. 財務風險管理目標及政策(續)

45.4 流動資金風險

本集團之目標為透過運用銀行透支、銀行貸款、可換股債券、其他計息貸款及融資租約，平衡備用資金與靈活彈性。本集團之政策為任何12個月內屆滿之借貸須佔總借貸不超過75%。截至二零零六年十二月三十一日，本集團73.4% (二零零五年：23.3%) 借貸將於一年內到期。

46. 財務擔保合約

本集團已終止經營業務就若干銀行向本集團發展中物業之買家授出之按揭貸款，向該等銀行作出擔保合約共約328,000,000港元 (二零零五年：242,000,000港元)。於結算日，本集團發展中物業及待售物業之買家已動用按揭貸款當中合共約265,000,000港元 (二零零五年：200,000,000港元)。於結算日，由於董事認為，銀行不大可能就償還拖欠貸款行使擔保，故並無就本集團於擔保合約項下責任作出撥備。

本集團之共同控制實體就銀行授予合營方貸款簽立合共約25,000,000港元 (二零零五年：零港元) 擔保 (附註23)。根據該項擔保，倘銀行無法收回貸款，則本集團之共同控制實體須償還給銀行。於結算日，由於董事認為合營方不可能不履行償還貸款責任，故本集團之共同控制實體並無就擔保合約項下之責任作出撥備。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 December 2006 二零零六年十二月三十一日

47. CONTINGENT LIABILITIES

The Company had no material contingent liabilities as at the balance sheet date.

48. POST BALANCE SHEET EVENTS

48.1 On 15 February 2007, the Group entered into an acquisition agreement with Citychamp Industries Limited (“Citychamp Industries”), whereby the Group will purchase from Citychamp Industries two properties in Hong Kong for a cash consideration of HK\$9,950,000 in aggregate. The controlling shareholder of Citychamp Industries is the son of a director of the Company. Further details of which are set out in the Company’s press announcement dated 15 February 2007.

48.2 On 29 March 2007, the Group agreed with the two independent third parties to further extend the completion date from 28 March 2007 to 28 July 2007 in respect of the proposed acquisition of an aggregate of 21 % equity interests in Beijing Haidian (Note 27).

48.3 On 11 April 2007, the approval from the China Securities Regulatory Commission was obtained for the allotment and issue of the Consideration Shares to the Group by Citychamp and waiving all such mandatory general offer obligations as a result of the transaction as described in Note 11.

49. COMPARATIVE AMOUNTS

As further explained in Notes 1 and 3.27 to the financial statements, due to the adoption of HKFRS 5 during the current year, the comparative figures relate to the discontinued operations for the year ended 31 December 2006 have been re-presented.

47. 或然負債

於結算日，本公司並無任何重大或然負債。

48. 結算日後事項

48.1 於二零零七年二月十五日，本集團與冠城實業有限公司（「冠城實業」）訂立收購協議，據此，本集團將以合共9,950,000港元現金代價，向冠城實業收購兩幢在香港的物業。冠城實業之控股股東為本公司一名董事之兒子。有關詳情載於本公司日期為二零零七年二月十五日刊發之報章公佈。

48.2 於二零零七年三月二十九日，本集團與兩名獨立第三方議定，就建議收購北京海澱合共21%股本權益之完成日期，由二零零七年三月二十八日延展至二零零七年七月二十八日（附註27）。

48.3 於二零零七年四月十一日，冠城取得中國證監會批准，向本集團配發及發行代價股份，並獲豁免所有有關因附註11所述交易所導致提出強制性全面收購的責任。

49. 比較數字

誠如財務報表附註1及3.27所闡釋，由於年內採納香港財務申報準則第5號，有關截至二零零六年十二月三十一日止年度已終止經營業務之比較數字已重新呈列。

FIVE YEAR FINANCIAL SUMMARY

五年財務資料摘要

RESULTS

業績

		Year ended 31 December 截至十二月三十一日止年度				
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元 (Restated) (重列)	2004 二零零四年 HK\$'000 千港元 (Restated) (重列)	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Continuing operations	持續經營業務					
Revenue	收入	434,758	320,497	313,594	287,878	116,396
Cost of sales	銷售成本	(367,672)	(269,447)	(275,383)	(223,046)	(65,854)
Gross profit	毛利	67,086	51,050	38,211	64,832	50,542
Other revenue and financial revenue	其他收入及財務收益	14,919	7,387	7,897	20,036	6,210
Selling and distribution costs	銷售及分銷成本	(48,339)	(40,337)	(36,597)	(35,534)	(23,890)
Administrative expenses	行政費用	(82,278)	(65,027)	(58,544)	(41,432)	(30,789)
Profit/(loss) on disposal of financial assets at fair value through profit or loss, net	出售按公平值計入溢利或虧損之金融資產之溢利/(虧損)淨額	38,589	(329)	2,214	-	-
Net surplus on revaluation of investment properties	重估投資物業淨盈餘	22,031	996	-	-	-
Other operating income/(expenses), net	其他經營收入/(開支)淨額	15,826	10,072	39,372	(46,658)	(5,747)
Finance costs	財務費用	(5,061)	(2,699)	(6,845)	(8,851)	-
Write-back of provision for other receivables	撥回其他應收款撥備	-	-	-	16,382	-
Share of results of associates	應佔聯營公司業績	5,028	-	-	-	-
Gain on disposals of subsidiaries	出售附屬公司收益	-	-	59	-	-
Gain on disposals of an associate	出售一家聯營公司收益	-	-	-	-	4,000
Write-back of provision for long term receivables	撥回長期應收款撥備	-	-	-	-	7,000
Profit/(loss) before income tax	除所得稅前溢利/(虧損)	27,801	(38,887)	(14,233)	(31,225)	7,326
Income tax expense	所得稅開支	(7,815)	(3,362)	(2,458)	(661)	(1,921)
Profit/(loss) after tax from continuing operations	持續經營業務除稅後溢利/(虧損)	19,986	(42,249)	(16,691)	(31,886)	5,405
Discontinued operations	已終止經營業務					
Profit/(loss) from discontinued operations	已終止經營業務溢利/(虧損)	2,081	(1,462)	28,108	-	-
Profit/(loss) for the year	本年度溢利/(虧損)	<u>22,067</u>	<u>(43,711)</u>	<u>11,417</u>	<u>(31,886)</u>	<u>5,405</u>
Attributable to:	以下人士應佔:					
Equity holders of the Company	本公司權益持有人	22,347	(43,275)	11,373	(31,994)	5,393
Minority interest	少數股東權益	(280)	(436)	44	108	12
Profit/(loss) for the year	本年度溢利/(虧損)	<u>22,067</u>	<u>(43,711)</u>	<u>11,417</u>	<u>(31,886)</u>	<u>5,405</u>

FIVE YEAR FINANCIAL SUMMARY

五年財務資料摘要

ASSETS, LIABILITIES AND MINORITY INTEREST

資產、負債及少數股東權益

		As at 31 December 於十二月三十一日				
		2006	2005	2004	2003	2002
		二零零六年	二零零五年	二零零四年	二零零三年	二零零二年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Total assets	總資產	2,077,710	1,546,256	1,137,547	1,163,703	565,871
Total liabilities	總負債	(1,507,072)	(1,066,361)	(636,533)	(667,057)	(46,364)
Minority interest	少數股東權益	<u>(32,703)</u>	<u>(20,877)</u>	<u>(2,121)</u>	<u>(9,246)</u>	<u>(257)</u>
		<u>537,935</u>	<u>459,018</u>	<u>498,893</u>	<u>487,400</u>	<u>519,250</u>

SCHEDULE OF PRINCIPAL PROPERTIES

主要物業附表

31 December 2006 二零零六年十二月三十一日

(a) Investment properties

投資物業

Description 詳情	Group interest 集團權益	Use 用途	Tenure 年期
Remaining Group:			
保留組別:			
House No. 9 Residence Bel-Air (Phase III) Island South, Hong Kong 香港南區貝沙灣第三期9號屋	100%	Residential 住宅	Long term lease 長期租賃
Industrial Complex, including Dormitories In the Sixth Industrial Zone Houjie Town, Dongguan County Guangdong Province The People's Republic of China (the "PRC") 中華人民共和國廣東省東莞市厚街鎮 第六工業區工廠綜合大樓(包括宿舍)	100%	Industrial/ Residential 工業/住宅	Medium term lease 中期租賃
2nd Lower Ground Level Jin Hua Building Yan He South Road Luohu District, Shenzhen Guangdong Province The PRC 中華人民共和國廣東省深圳市羅湖區 沿河南路錦花大廈底下層二層	100%	Commercial 商業	Medium term lease 中期租賃
Shops at Street Nos. 13, 14 and 15 New City Centre Plaza Garden Nos. 459, 461 and 463 Xiang Hua Road Zhuhai City Guangdong Province The PRC 中華人民共和國廣東省珠海市 香華路459、461和463號 新城市中心花園·商舖13、14和15號	100%	Commercial 商業	Medium term lease 中期租賃
Disposal Group:			
出售組別:			
4/F, 5/F and 7/F, Guanhai Mansion Citychamp Palace Madian Haidian District Beijing The PRC 中華人民共和國北京市海澱區 馬甸冠城園冠海大廈4樓·5樓及7樓	100%	Commercial 商業	Medium term lease 中期租賃

SCHEDULE OF PRINCIPAL PROPERTIES

主要物業附表

31 December 2006 二零零六年十二月三十一日

(b) Properties held for development

持作發展之物業

Description 詳情	Group interest 集團權益	Use 用途	Site area 工地面積 (square metres) (平方米)	Gross floor area 樓面總面積 (square metres) (平方米)	Stage of completion 完工進度	Completion date 完工日期	Lease term 租賃期
Disposal Group: 出售組別:							
Land situated at East part of E Area Taiyanggong New District Taiyanggong North Street Beijing The PRC 中國人民共和國北京市 太陽宮北街太陽宮新區 E區東部之一幅土地	100%	Residential 住宅	44,581	183,304	All Blocks have been completed except Block 9 which have been substantially completed. 除第九座 樓宇之工程 已大致完工外， 所有樓宇之 工程均已完工	2008	Long term lease 長期租賃
Land situated at Guangqumen South Street Chongwen District Beijing The PRC 中國人民共和國北京市 崇文區廣渠門南街之一幅土地	100%	Commercial and Residential 商業及住宅	106,100	360,000	Demolition works are in progress 清拆工程 現正進行中	2008	Long term lease 長期租賃