



新海能源集團有限公司
NewOcean Energy Holdings Limited

(前稱「新海環保能源集團有限公司」)
(Formerly known as "New Ocean Green Energy Holdings Limited")

(Incorporated in the Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

Stock Code 股份代號 : 342



Annual Report
2006
年度年報

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Corporate Information 公司資料

BOARD OF DIRECTORS

Executive directors

Shum Siu Hung, *Chairman*
Chiu Sing Chung, Raymond, *Managing Director*
Shum Chun, Lawrence
Cen Ziniu

Non-executive director

Wu Hong Cho (re-designated non-executive director
on July 1, 2006)

Independent non-executive directors

Cheung Kwan Hung, Anthony
Ma Man Hoi, Joseph
Chan Yuk Wai, Benedict (appointed on March 20, 2006)
Xu Mingshe (appointed on July 1, 2006)

COMPANY SECRETARY

Wu Hong Cho

AUDITORS

Deloitte Touche Tohmatsu

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

PRINCIPAL OFFICE

20th Floor, Times Tower
393 Jaffe Road
Wanchai
Hong Kong

SHARE REGISTRARS

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

董事會

執行董事

岑少雄 · 主席
趙承忠 · 董事總經理
岑濬
岑子牛

非執行董事

胡匡佐 (於2006年7月1日調任為非執行董事)

獨立非執行董事

張鈞鴻
馬文海
陳旭煒 (委任日期為2006年3月20日)
徐名社 (委任日期為2006年7月1日)

公司秘書

胡匡佐

核數師

德勤 • 關黃陳方會計師行

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

總辦事處

香港
灣仔
謝斐道393號
新時代中心20樓

股份過戶登記處

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

Corporate Information (Con't)

公司資料(續)

BRANCH REGISTRARS

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

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
Bank of Communications Company Limited
Industrial and Commercial Bank of China (Asia) Limited
DBS Bank (Hong Kong) Limited
Citic Ka Wah Bank Limited
Hang Seng Bank Limited
Standard Chartered Bank (Hong Kong) Limited
Dah Sing Bank Limited

股份過戶登記處分處

秘書商業服務有限公司
香港灣仔
皇后大道東28號
金鐘匯中心26樓

主要往來銀行

中國銀行(香港)有限公司
交通銀行股份有限公司
中國工商銀行(亞洲)有限公司
星展銀行(香港)有限公司
中信嘉華銀行有限公司
恒生銀行有限公司
渣打銀行(香港)有限公司
大新銀行有限公司



Directors' Profile 董事簡介

EXECUTIVE DIRECTORS

Shum Siu Hung, aged 48, is Chairman of the Company. Mr. Shum is responsible for the formulation and implementation of corporate policies and strategies. Mr. Shum has over 20 years of experience in international trading and investment in China.

Chiu Sing Chung, Raymond, aged 48, is Managing Director and the head of operations in the PRC of the Company. Mr. Chiu had over 20 years' experience in banking and management. He has been involved in the financing and supervision of business projects in the PRC since the late 1980's. During the last 10 years, Mr. Chiu held senior positions in a number of businesses in the PRC and was in charge of the management and control of a wide range of projects.

Shum Chun, Lawrence, aged 28, supervises retail operations and is involved in the financial affairs of the Group. Mr. Shum graduated from the University of Saskatchewan with a degree in Bachelor of Arts, majoring in Economics. Prior to joining the Company in 2004, Mr. Shum has pursued a career in finance and accountancy in an international accounting firm. He is the son of Mr. Shum Siu Hung.

Cen Ziniu, aged 38, graduated from Shanghai Jiao Tong University and has been involved in trading businesses in Hong Kong and China, holding senior managerial positions. Mr. Cen has extensive experience in dealership management, business formation and marketing. He is responsible for market development of the Group and overseas operations. He is a cousin of Mr. Shum Siu Hung.

NON-EXECUTIVE DIRECTOR

Wu Hong Cho, aged 61, graduated from the Law School of the University of Hong Kong and had over 10 years' experience practicing as a solicitor in Hong Kong. Mr. Wu had held senior positions and was in charge of corporate financial matter in a number of public companies in Hong Kong, prior to joining the Company as an executive director in 1998. Mr. Wu was re-designated non-executive director from July 1, 2006, he is currently an independent non-executive director of Beiren Printing Machine Limited, a company listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange and an executive director of C C Land Holdings Limited, a company listed on the Hong Kong Stock Exchange.

執行董事

岑少雄，現年48歲，本公司主席，負責制訂及實施本集團的發展方針和經營策略。岑先生擁有超過20年於中國從事國際貿易及投資經驗。

趙承忠，現年48歲，本公司董事總經理及本集團中國業務之總監。趙先生於銀行業務及管理方面擁有超過20年經驗。彼自1980年代後期於國內從事企業項目的財務和監督。過去10年期間，趙先生於國內若干企業擔任要職及負責管理和監控各類項目。

岑濬，現年28歲，監督零售業務並參與本集團之財務事宜。岑先生畢業於University of Saskatchewan，持有文學學士學位，主修經濟學。2004年加入本公司之前，岑先生曾於一家國際會計師行服務。彼為岑少雄之子。

岑子牛，現年38歲，畢業於上海交通大學，並曾在本港及中國內地從事商業貿易業務，擔任管理要職。岑先生在經銷權管理、企業結構和營銷方面累積了豐富經驗，現負責及監管本集團之市場拓展及海外事務。他是岑少雄先生之堂弟。

非執行董事

胡匡佐，現年61歲，畢業於香港大學法律系，於香港執業超過10年。胡先生在1998年加入本集團為執行董事，之前亦在本港若干上市公司擔任要職，負責企業財務事宜。胡先生由2006年7月1日起調任非執行董事，現兼任北人印刷機械股份有限公司(在香港聯合交易所及上海證券交易所上市的公司)獨立非執行董事及中渝置地控股有限公司(在香港聯合交易所上市的公司)執行董事。



INDEPENDENT NON-EXECUTIVE DIRECTORS

Cheung Kwan Hung, Anthony, aged 55. Mr. Cheung is an associate member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. Mr. Cheung graduated from the Hong Kong Polytechnic University (formerly: the Hong Kong Polytechnic) with a higher diploma in Accountancy. Mr. Cheung has over 25 years of experience in account, finance and investment banking profession specialising in equity/debt fund raising, mergers and acquisition and corporate restructuring before working with publicly listed companies undertaking corporate management, planning and strategies development functions.

Ma Man Hoi, Joseph, aged 50, has over 24 years of experience in civil engineering and construction and project management and has extensive experience with major construction corporations in the construction of infrastructure projects.

Chan Yuk Wai, Benedict, aged 48, is a holder of a Master of Science Degree in Applied Mechanics (Cranfield Institute of Technology, U.K.) and a registered professional engineer in Hong Kong and the U.K. Mr. Chan is the recipient of the U.K. Institution of Mechanical Engineers Outstanding Project Price Award, 1981. For the last 20 years, Mr. Chan has taken up key management positions in engineering and technology businesses in Hong Kong, ranging from pumping equipment and control systems, mini-piling, and software and hardware engineering businesses.

Xu Mingshe, aged 51, was accredited a doctor's degree in economics by the Xiamen University. He graduated from the Guangzhou Institute of Foreign Languages with a bachelor's degree in English, holds the title of Senior Economist, and has over 20 years' experience in the banking-finance field. Since 1980, Dr. Xu has held in succession a series of position in the top management level in banking sector in the PRC, and has been well connected in the finance and corporate sectors both in the PRC and overseas. Dr. Xu's expertise ranges from public listings to project financing, syndicated loan, debt restructuring and merge and acquisition. He has taken part in a considerable number of overseas listing of Chinese enterprises and other major fund raising exercises. Dr. Xu was appointed as independent non-executive director of the Company on July 1, 2006 and an independent non-executive director of EPI (Holdings) Limited (a company listed on Hong Kong Stock Exchange) on October 4, 2006.

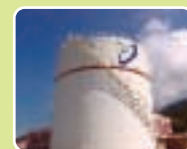
獨立非執行董事

張鈞鴻，現年55歲，為英國特許公認會計師公會及香港會計師公會會員。張先生畢業於香港理工大學(前稱：理工學院)，持有會計系高級文憑。張先生於會計、財務及投資銀行方面具有超過25年經驗，專主股本/債務融資、合併及收購和企業重組，於上市公司工作期間主要負責企業管理、策劃及策略性發展。

馬文海，現年50歲，擁有超過24年的土木工程及建築與項目工程管理經驗，並於多間大型建築企業的基建項目有豐富經驗。

陳旭煒，現年48歲，持有英國Cranfield Institute of Technology之機械工程碩士學位，為香港及英國註冊專業工程師並曾獲得1981年英國機械工程師學會超卓表現獎。於過去20年，陳先生在香港工程及科技行業擔任主要管理職位，所管理的企業其業務範圍涵蓋泵浦系統、程控系統、迷你樁及軟硬件工程等業務。

徐名社，現年51歲，持有廈門大學經濟學博士學位。彼畢業於廣州外語學院英文系，為高級經濟師，並擁有超過20年的銀行金融經驗。自1980年始，徐博士於中國銀行界歷任重要管理層職位，並於中國及海外的金融及企業界中擁有良好的人際網絡。徐博士在上市集資、項目融資、銀團貸款、債務重組及合併收購等擁有廣泛經驗。彼亦曾參與多項中國企業海外上市及其他主要融資項目。徐博士於2006年7月1日獲委任為本公司獨立非執行董事並於2006年10月4日獲委任為長盈集團(控股)有限公司(在香港聯合交易所上市之公司)獨立非執行董事。



Chairman's Statement 主席報告

On behalf of NewOcean Energy Holdings Limited (the "Company"), I am delighted to present the audited financial statement of the Company and its subsidiaries (collectively the "Group") for the year ended December 31, 2006.

The market of liquefied petroleum gas ("LPG") is basically a highly open market in China. Except in the years 2002 and 2005 when there were instances of temporary government intervention, the government now only retains control on auto-gas prices. The price of household and industrial LPG is entirely determined by the supply and demand of the market. This huge and highly open market offers vast business opportunities for the Group. At the same time, the Group has to face the severe competition and response to the rapid changes of the market with courage and caution.

Over the years, the Group has adopted various measures in building a wide working relationship with various parties and reducing market risks for our business expansion. The effectiveness of those measures are well proven by the Group's continuous growth in revenue and profit.

2006 had been the busiest year in the Group's history. At the same time when the Group was implementing business measures as planned, we committed substantial resources in expanding the sale network and our logistic capability. The work laid a strong foundation for future growth and further improvement in profitability.

Profit for the year attributable to equity holders of the Company after deducting the recognition of share-based payments of approximately HK\$5,855,000 (2005: nil) was approximately HK\$44,130,000, an increase of 23.61% over the amount for 2005 of approximately HK\$35,702,000 (profit for the year attributable to equity holders of the Company before deducting the recognition of share-based payments was approximately HK\$49,985,000).

In addition to financial performance, the Group's subsidiary, Zhuhai Terminal company, went ahead with stage I of its storage expansion work in full force, increasing its capacity from 2,100 tons to 9,600 tons in 2006. At the same time, it achieved an import volume of over 470,000 tons making it the 5th largest LPG terminal in China (Zhuhai Terminal was the 8th largest in 2005).

本人謹代表新海能源集團有限公司(「本公司」)董事會欣然向股東提呈本公司及其附屬公司(統稱「本集團」)截至2006年12月31日期間經審核財務報表。

中國的液化石油氣(「液化氣」)市場基本上已經是一個完全開放的市場。除了在2002年及2005年曾經出現過兩次短暫的價格控制外，政府目前僅對車用液化氣的零售價格有所管制；民用及工業用氣的價格已經完全由市場的供求來決定。一個龐大的、高度開放的液化氣市場對本集團而言，意味著無限商機，同時亦意味著本集團必須勇敢地面對激烈的市場競爭、必須審慎地應付頻繁的市場變化。

本集團一直以來均採取靈活多變的經營方針，以廣泛地建立合作夥伴及利用有效方法規避各種市場風險來達到擴大市場佔有率的目的。我們這政策的有效性，從過去幾年持續增長的營業額及不斷上升的盈利，得到了充分的印證。

2006年是本集團有史以來工作量最繁重的一年，在延續既定經營方針的同時，投入了大量的資源，增強本集團的銷售網絡及物流能力，為進一步擴大市場及提高盈利，奠定了良好的基礎。

本年已扣除確認以股份為基礎之支出約5,855,000港元(2005：無)後之本公司之權益持有人應佔溢利約為44,130,000港元，比較2005年之本公司之權益持有人應佔溢利約35,702,000港元增加23.61%。(本年未扣除確認以股份為基礎之支出前之淨溢利約為49,985,000港元)。

除了財務數據以外，更值得欣喜的是本集團下屬珠海碼頭在2006年內全面開展了擴充倉儲容量的第一期工程(由2,100噸增至9,600噸)，與此同時實現了470,000噸的吞吐量，位列全國第五大液化氣碼頭(2005年為第八位)。



Chairman's Statement (Con't)

主席報告(續)

On the LPG retailing side, the Group acquired three retailers located respectively in Shenzhen, Guangzhou and Deqing in 2006 and early 2007. The acquisition strengthens our retail network and will provide profit contribution to the Group in 2007.

The Board has recommended a final dividend of HK 1 cent per share to our shareholders for 2006.

The Group's achievement during the year 2006 is especially remarkable when one takes into account the magnitude of the challenges facing the LPG industry during the year. I would like to take this opportunity to express my sincere appreciation to all the Group's employees for their dedicated work, and for their performance and contribution in the past year.

Shum Siu Hung

Chairman

Hong Kong, April 18, 2007

在液化氣零售方面，本集團在2006年及2007年年初共購入位於深圳、廣州及德慶三家運營商，使我們的零售網絡更加完善，並可以為本集團在2007年帶來更大的盈利貢獻。

董事會建議派發2006年度末期股息，每股1港仙。

回顧2006年，液化氣行業經歷了重大的考驗。年度內集團仍能創出上佳的業績，誠為可貴。本人借此機會，謹代表董事會對本集團全體員工過去一年的辛勤、努力、表現及貢獻表示感謝。

主席
岑少雄

香港，2007年4月18日



Management Discussion and Analysis

管理層之討論及分析

SUMMARY

The Group once again achieved another year of high business growth in 2006. It recorded a revenue of approximately HK\$2,384,835,000 from continuing operations for the year ended December 31, 2006, a substantial growth of 48.05% in comparison with the revenue of approximately HK\$1,610,785,000 from continuing operations for the year ended December 31, 2005. Profit attributable to the equity holders of the Company for the year 2006 was approximately HK\$44,130,000, an increase of 23.61% over the amount of approximately HK\$35,702,000 in the year 2005. As at December 31, 2006, the Company had 481,676,687 shares in its issued and paid up capital. Basic earnings per share for the year 2006 was HK9.16 cents, an increase of 23.62% comparing with the basic earnings per share of HK7.41 cents for the year ended December 31, 2005.

In 2006, the Group sold 520,000 tons of LPG, which represents a growth of about 48.57% when compared with the sales volume of 350,000 tons achieved in 2005.

MARKET SITUATION OF LPG

Market changes

While the demand for imported LPG in China remains strong, the LPG market in southern China had gone through a structural change in 2006. The market has been gradually evolving towards the segregation between imported LPG (for industrial or automobile use) and local LPG (for household use). The change is brought about by the following factors:

1. Since 2005, the international market price for LPG had been continually rising. For the most part of 2006, the pre-tariff price for LPG arriving at China ports ranged from about US\$500 to US\$600 per MT, representing an average price 20% higher than the 2005 level. During this prolong period of price rising imported LPG, which traditionally did not have any obvious price advantage, had lost its competitiveness further to local LPG because of the price differential. Selling imported LPG became especially challenging. Had it not been for the continuous appreciation of RMB during the period (the importers could save about 6% through settlement in foreign exchange for payments to international suppliers), imported LPG would have lost even more of its competitiveness to local LPG.

概覽

本集團於2006年年度中再一次實現了業務高增長的佳績。其間持續業務之收入總額約為2,384,835,000港元，比對截至2005年12月31日同期持續業務之收入總額約1,610,785,000港元，上升48.05%。2006年度內本公司之權益持有人應佔溢利約為44,130,000港元，比對2005年度本公司之權益持有人應佔溢利約35,702,000港元，上升23.61%。截至2006年12月31日，本集團已發行並已繳足股份數目為481,676,687股，每股基本盈利為9.16港仙，與截至2005年12月31日止之年度內每股基本盈利7.41港仙比較，上升23.62%。

2006年全年液化氣銷售量約為520,000噸，比對2005年同期350,000噸的銷售量上升48.57%。

液化氣市場情況

市場變化

雖然中國對進口液化氣繼續有強大的需求，華南地區的液化氣市場在2006年中產生了結構性的變化。一般市民使用國產氣、工業與汽車使用進口氣的分化局面逐漸形成。促成這個變化的主要因素有：

1. 自2005年開始，國際氣價一直攀升。在2006年，進口氣到達中國口岸的成本價(稅前)，大部分時間在每噸500美元至600美元之間波動，相比2005年的平均價上升20%左右。在這段頗長的時段內，本來就沒有明顯價格優勢的進口氣，因為價差進一步的擴大而喪失更多的競爭力，銷售日益困難。如果在此期間人民幣不是一直在升值(國內進口商支付貨款的換匯成本下降了大約6%左右)，進口氣在價格上更難與國產氣抗衡；

2. The supply of LPG from local refineries in southern China was substantially increased in the year 2006. In addition to the increase in production of the existing plants (MaoMing Petrochemicals and Guangzhou Petrochemicals), the commencement of the operation of Hainan Refinery and Zhuhai Hengqin Gas Processing Plant added further supply to the market. In 2006, the local supply increased from 500,000 tons to 1,000,000 tons, an increase of 100% (equivalent to about 20% of the total demand for LPG in Guangdong Province). It is estimated that in the year of 2007, with the full operation of Hainan Refinery and Zhuhai Hengqin Gas Processing Plant, the local supply of LPG could go up to 1,400,000 tons to 1,600,000 tons, equivalent to about 27% to 30% of the total demand in Guangdong Province.
3. Refineries in the north also increased their production of LPG, and because of the more convenient transportation facilitated by road network improvement, LPG was channelled by trucks from the north to the south in higher frequencies than before. The daily volume reached between 400 tons to 500 tons, or, on annual basis, 150,000 tons to 180,000 tons (equivalent to about 3% to 3.5% of the total demand in Guangdong Province). At the same time, the supply by barges increased too. The volume is estimated to be approximately 200,000 tons for the whole year of 2006, being equivalent to about 4% of the total demand in Guangdong Province. The total volume channelled from the north into Guangdong was between 350,000 tons to 400,000 tons, supplying about 8% of Guangdong's demand.

In Guangdong Province, the market share of imported LPG had gone down to 73% from 90% despite the substantial growth in demand for auto-gas (the estimated daily demand for auto-gas as at the end of year 2006 was about 700 tons, or approximately 250,000 tons on an annual basis, all of which are required to be imported). In the year 2006, Guangdong's total import of LPG dropped by 14.7% (2005 import volume: 4,474,000 tons; 2006 import volume: 3,816,000 tons). In 2007, it is estimated that the market share of imported LPG will go down further to only 60%.

If international price of LPG should remain above US\$500 per ton in 2007, competition from local LPG would further intensify. However, it is generally accepted in the LPG industry that the global supply of LPG will increase from currently 25,000,000 tons to 40,000,000 tons in 2 to 3

2. 華南地區內的國產氣供應量在2006年突然大大提升。除了原主要供應來源(茂名石化及廣州石化)已經增產外，在2006年海南煉廠及珠海橫琴煉氣廠相繼投產，地區內2006年的供應量從原來大概500,000噸增加到1,000,000噸左右(佔廣東市場需求量的20%)，比原來的供應量大了一倍多。估計2007年的供應量更會因為海南煉廠與珠海橫琴煉氣廠的全面性生產而進一步提升到1,400,000噸至1,600,000噸，佔廣東市場需求量的27%至30%。
3. 北方的煉廠亦有增產，加上道路系統的改善，方便運輸，因此北氣南調的頻繁度比過往為高，每天到達廣東的車運氣量平均有400噸至500噸，全年估計有150,000至180,000噸左右，佔廣東市場需求量的3%至3.5%左右。另外通過船運從北方到達華南地區的氣量亦有所增加，估計全年數量達到200,000噸，佔市場4%左右。每年從北南調的車貨與船貨總量達到350,000噸至400,000噸、大約佔市場8%。

進口氣佔廣東市場的供應量比例由原來90%下降到73%左右，儘管廣州市大力發展車用液化氣(估計2006年底車用液化氣的用量已達到每天700噸左右，即年用量250,000噸，全部需要進口氣)，廣東省的液化氣進口量在2006年明顯下降了14.7%(2005年廣東液化氣進口量為4,474,000噸、2006年為3,816,000噸)。2007年估計進口氣的供應量比例將進一步下降至60%左右。

假設在2007年之內，國際液化氣價格仍然維持在每噸500美元以上，國產氣充積廣東市場的問題不但不會舒緩，而且會變本加厲。不過市場一般預期液化氣的國際供應量會在2-3年之間，由目前一年大約25,000,000噸上



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years time. While the demand in most of the development regions (Europe, Japan, Korea, etc.) is expected to be stagnant, the increased volume will be channelled to China, India and other regions in Southeast Asia. The price of international LPG therefore is more likely to come down. Also, new refrigerated vessels (VLGC) are to be launched in 2007 and 2008 in greater numbers and shipping costs would have to decrease. All these indicate a definite possibility that CFR (Cost and Freight) price for cargoes arriving at China ports will go down to the US\$400 per ton level at some point in future. When such time comes, even though the price of local LPG would still be lower than imported LPG, the difference would be significantly narrowed. Because of its much better quality, imported LPG will re-consolidate its lead in the LPG market of Guangdong Province.

Wholesale market situation

2006 was a difficult year for most of the LPG wholesalers (mainly the coastal terminals) in southern China. In response to the substantial increase in the supply of local LPG and in order to avoid loss making, LPG wholesalers generally reduced their import quantity. At the same time, industrial users and auto-gas operators, who rely solely on imported LPG, immediately became target customers of most wholesalers. During the year, the wholesale price maintained in the range of RMB4,800 to RMB5,700. In November and December, as many local refineries were shut down for maintenance, the wholesale price went up to approximately RMB6,000 per ton. That allowed many LPG wholesalers to make precious profit for the year.

Retail market situation

The LPG industry has benefit from the experience of 2005. At the end of that year, retail price of bottled LPG (15 kg) went up to a record high of RMB110 per bottle. The local government tried to impose a ceiling price for both retail and wholesale markets. Supply suddenly became very tight and the price went up further. Within two weeks, as the supply went back to normal, the price of bottled LPG went down to around RMB100 per bottle. During the entire year 2006, in most of the areas in the Guangdong province the retail market was steady and the selling price was in the range of RMB85 to RMB95 per bottle (equivalent to RMB5,950 to RMB6,650 per ton), approximately 15% to 23% lower than the record high. The consumer has already adjusted to the price level and there was no government price intervention during the year. On the purchasing side, the increase of local LPG did offer more choices to the market. As long as the quality

升至40,000,000噸，而需求方面，大部份比較發達的地區(例如：歐洲、日本、韓國等)已經到了飽和的水平，剩下有可能增加需求的地方僅包括中國、印度及東南亞其他地區，因此，國際氣價極有可能回落。另外，2007年及2008年將有多艘大型冷凍液化氣船下水，運力會有明顯提高，船運費估計亦會下跌，中國採購國際液化氣的到岸價調整至每噸400美元左右是指日可待的。當出現這種情況的時候，國產氣儘管還可能比進口氣便宜，但差距不會很大，而且質量上遠遠有所不及，進口氣有機會重掌華南市場的主導地位。

批發市場情況

2006年內，華南地區的液化氣批發商(主要是沿海的碼頭)都在艱苦經營。面對國產氣供應量激增的壓力，為了降低經營虧損的風險，減少進口量是他們的即時反應，另外，車用液化氣的運營商及工業客戶(必須使用進口液化氣)亦馬上成為批發商爭相競逐的對象。批發價格方面，大部分時間在每噸人民幣4,800元至5,700元之間波動。在11月及12月期間，因為有多家國內的煉廠檢修停產，國產氣的供應量下降，批發價格趁勢拉高至每噸人民幣6,000元左右，這段時間成為很多批發商賺取2006年整年利潤的寶貴機會。

零售市場情況

2005年的大幅價格波動，對液化氣行業起了提示的作用。當年年末發生瓶裝液化氣(15公斤)價格暴漲至每瓶人民幣110元的歷史高位，政府提出對批發及零售價格封頂的要求，市場供應量隨即驟降，價格不跌反升，一片混亂。幸而事件在短短的兩個星期內就得以平息，市場供應量增加，價格回落到低於每瓶人民幣100元的水平。在2006年整年之內，廣東省大部分地區的零售業務相當暢順，價格維持在每瓶人民幣85元至95元之間(即等於每噸人民幣5,950元至人民幣6,650元)，因為這個價位比歷史最高價低了差不多15%至23%，所以市民接受了，也習慣了，政府亦再無進行任何干預。在採購方面，因為國產氣供應量增加，零售商的採購渠道擴大，只要質量不是太差，零售商都會多用國產氣，或分別採購國產氣與進口氣，

was not extraordinarily sub-standard, retailers would choose to use more local LPG, or mix the local LPG with imported LPG. Therefore, purchasing costs were substantially lower than the 2005 level and gross margin widened. 2006 was certainly a profitable year for retailers.

BUSINESS SITUATION

LPG wholesale business

In mid-2005, the Group's Zhuhai Terminal started to incorporate "Joint Purchase" and "Bonded Export" arrangements into our business expansion plan. These two arrangements also effectively helped to mitigate market risks in 2006 as mentioned above. "Joint Purchase" arrangement actually involves the selling of LPG imported by the Zhuhai Terminal to our business partners at costs (including all the relevant taxes and tariffs) plus a premium. Although the profit margin generated from Joint Purchase arrangement is thin, the transactions are free of price risk. "Bonded Export" is the re-export of refrigerated cargo to the international market (mainly Hong Kong, Vietnam and the Philippines) through pressurized barges during the designated time. As there is no competition from local LPG, and the time lag between the purchases and the sales is somewhat shortened, price risk for Bonded Export transaction was minimal.

The purchase volume of the Group in 2006

		Import 進口		Domestic 國內	
		Number of Shipments 船次	Number of Tons 噸	Number of Shipments 船次	Number of Tons 噸
Refrigerated LPG	冷凍船貨	24	443,000	0	0
Pressurized LPG	壓力船貨	7	13,000	14	16,000
Trucks	壓力車貨	0	0	approximately 2,000 Trucks 約2000車次	48,000
Total	合共		456,000		64,000
Total purchase volume	總採購量		approximately 520,000 tons 約520,000噸		

進行混合後充瓶出售，因此採購的成本比2005年有明顯的下降，毛利得以擴大，2006年是零售商獲利的一年。

業務情況

液化氣批發業務

自2005年年中開始，本集團的珠海碼頭已經率先採用「聯合採購」及「保稅出口」這兩種銷售模式推動業務增長，並且在2006年間使我們成功地、有效地規避了上述的市場風險。「聯合採購」實際上是以珠海碼頭的名義進口貨物，以成本(包括所有稅項)加利潤的計價方式大部份銷售予國內「聯合採購」的合作夥伴，雖然此銷售模式僅可帶來微薄的利潤，但價格風險則完全得以對沖。「保稅出口」則是利用從國際市場採購的冷凍貨，以船隻過駁方法轉為壓力貨，在相約的時段內，銷售回去國際市場(主要為香港、越南、菲律賓)。由於沒有與國產氣市場正面衝突，而且銷售與採購的時間相約，所以無論在價格上或需求上都更有保障。

2006年本集團的採購量



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In our total purchase volume, 210,000 tons (approximately 40%) were "Joint Purchase" transactions, 35,000 tons (approximately 6.7%) were "Bonded Export" transactions, 120,000 tons (approximately 23%) were inter-group sales to the Group's own retailing network, and the remaining 155,000 tons were sales to other domestic customers on spot basis. By these methods, the Group had achieved about 400,000 tons of wholesale volume. The profit margin was slim, but the risk was effectively hedged (especially when there is severe competition from local LPG).

We estimate that, in 2007, Joint Purchase volume will maintain at the range of 200,000 tons to 250,000 tons; Bonded Export volume will exceed 130,000 tons (at the end of 2006, the Group had entered into LPG price index based term supply contracts with various international buyers); and the volume of LPG price index based term supply contracts with local customers will exceed 100,000 tons. If we include the volume of spot wholesaling to the local market, the total wholesale volume would go up to 600,000 tons. On the purchase side, in the first quarter of 2007, the Group entered into two term supply contracts (also on the basis of LPG price index) with two prominent suppliers and secured the supply of over 250,000 tons. As this purchase volume matches closely with the volume of sales contracts (on the same basis of LPG price index), price fluctuation risk is fully hedged.

In general, the Group will maintain its conservative approach to operate its wholesale business and use effective risk management techniques to achieve not less than 40% growth in its business volume.

LPG retail business

In the year of 2006, the Group continued to expand its retailing network by acquiring existing retailers in Guangdong Province. In early 2006, the Group acquired Baorun Bottling Plant, an LPG bottling plant and retail depot operating in the area around Shenzhen and Dongguan. After we took over the operation, the business improved remarkably and its sales averaged about 100 tons per day, making it the LPG depot with the highest turnover in the Group. At early 2007, the Group acquired 100% shares of Deqing Nan Qiong Bottling Plant (with lighters manufacturers as its major customers) and 51% shares of Guangzhou Menghua Gas Company Limited. These acquisitions further solidified the foundation for the expansion of the Group's retail network.

採購總量中，按照「聯合採購」模式售予國內合作夥伴的貨量約為210,000噸(約40%)；以「保稅出口」模式售予國際貿易商的貨量約為35,000噸(約6.7%)；配送給本集團下屬零售運營公司的貨量約為120,000噸(約23%)；餘下貨量155,000噸以即期銷售方式供給國內其他的零售運營商。這個運作模式在2006年為本集團帶來了400,000噸的對外批發量，儘管毛利較薄，但其中的運營風險(尤其在國產氣嚴重打擊市場批發價格的時候)卻能有效地大大降低。

本集團預測，在2007年的銷售方面，以「聯合採購」方式進行的銷售量將維持在200,000噸至250,000噸的水平；以「保稅出口」方式進行的銷售量將可達到130,000噸以上(在2006年年底已經成功地與數家國際貿易商簽訂了以液化氣指數為計價基礎的長期銷售合同)；另外更新簽了數個以液化氣指數計價的國內長期銷售合同，可完成的銷售量將達100,000噸以上；加上每日進行的即期批發，全年有機會實現600,000噸的總批發量。採購方面，在2007年的第一季度，本集團已經與兩家蜚聲國際的貿易商簽訂了以液化氣指數計價的長期採購合同，已落實了不少於250,000噸的採購量。這250,000噸的採購量與同樣以液化氣指數計價的銷售量相約，因此不存在價格波動的風險。

總體而言，2007年本集團仍然會沿用保守態度來進行批發業務的經營，以有效的風險管理手段追求不少於40%的業務量增長率。

液化氣零售業務

本集團在2006年繼續採取收購廣東省內現有的運營商來促進我們零售業務的發展。2006年年初收購了位於深圳與東莞交界的深圳寶潤氣站。該氣站在本集團正式接管後，業務蒸蒸日上，平均日銷量達到100噸，最高日銷售量達到170噸，成為本集團內零售業務量最大的氣站。此外，在2007年年初購入了德慶南雄氣站(目標客戶為打火機製造商)100%的股權及廣州夢華燃氣集團51%的股權，為2007年進一步擴大零售業務奠定了鞏固的基礎。



In the year 2006, the Group's 9 bottling plants and retail depots in 7 cities achieved a turnover of approximately 170,000 tons. The gross margin had slightly improved from the previous year, though it did not reach the level of other retailers in the region. The main cause is that, for logistics reasons, a major portion of their LPG supply came from our Zhuhai Terminal. As the cargo from Zhuhai terminal is mainly imported LPG, the purchase cost of our LPG depots was therefore higher than other retailers who relied more on local LPG.

Looking ahead into 2007, with Deqing Nan Qiong and Guangzhou Menghua, the Group will be operating 14 bottling plants and retail depots in 9 cities. The retailing turnover is expected to go up to about 230,000 tons. Moreover, in line with the completion of the storage expansion at Zhuhai Terminal in 2007, the Group's bottling plants are going to reduce substantially the purchase of imported LPG from Zhuhai Terminal. These depots will be able to source more local LPG to improve their profitability.

ELECTRONIC BUSINESS

In 2006, the Group maintained its electronics trading business by exporting cell phones from the PRC to the developing countries in the Indo-China regions. Though electronics trading does not occupy major share of the Group's business, this line of business enjoys a high development potential.

BUSINESS OUTLOOK

The Group's LPG wholesale business is operated through the Zhuhai Terminal. We believe that the competitiveness of a terminal is highly dependent on its geographical location and its throughput efficiency. Since the acquisition of the Zhuhai Terminal in 2004, the Group had already formulated a number of efficiency improvement plans for the terminal's operation. These include periodic dredging of the sea channel, expansion of the storage capacity (in the second half of 2007, the storage capacity will be increased to 15,600 tons from the original 2,100 tons), separate storage for propane and butane, and installation of new mixing facilities that enables the terminal to meet with specific requirements of the customers (to be completed in the second half of 2007). We are also conducting a feasibility study on the addition of two more berths along the Terminal's coastal line. If all these can be completed in 2008, the throughput capacity of the terminal would be enhanced from the original designed capacity of 800,000 tons per annum to 1,500,000 tons per annum.

2006年全年，本集團通過位於7個城市的9個下屬氣站，共實現了約170,000噸的瓶裝液化氣銷售量，銷售毛利比2005年略有提升，不過與行內其他運營商比較則有所不及。其中的主要原因是本集團的下屬氣站在2006年的液化氣供應來源仍然以珠海碼頭為主(珠海碼頭因為倉容小，並需要盡量縮短大船停靠的時間，所以在在大船靠港期間，需要利用本集團下屬氣站進行貨物的分流)，這等於下屬氣站的買賣很多時候是進口氣，故此，其運營成本與以採購國產氣為主要的其他零售商比較明顯為高。

估計2007年，在增添了德慶南雄氣站及廣州夢華燃氣集團後，本集團將在廣東廣西兩省內9個城市，控制及經營14個充瓶氣站，零售業務總量將可攀升到230,000噸左右。另外，由於珠海碼頭的倉儲擴建工程在2007年內將會完成，下屬氣站將不需要分擔碼頭貨物分流的責任，從而可以大幅度提高國產氣的採購量，有效的降低採購成本、進一步提高零售業務的盈利能力。

電子業務

2006年，本集團除了繼續保持一般電子配件的貿易業務，增加了從中國購入手提電話輸往印支半島湄公河流域一帶發展中國家的貿易量。這項業務目前所佔本集團總營業額的比例不大，卻具有相當的發展潛力。

業務前瞻

本集團主要通過珠海碼頭經營液化氣的批發業務。我們深信一個碼頭的競爭力主要取決於碼頭所處地理位置及碼頭的貨物吞吐效率，因此在2004年收購珠海碼頭後，就馬上開展各種提高碼頭運作效率的優化計劃，其中包括航道的疏浚(2004年及2006年各完成一次疏浚工作)；倉儲容量的擴大(2007年下半年可將倉容從2,100噸擴大到15,600噸)；炭三、炭四兩種氣體分別存儲及可按客戶需要進行特定比例混合充裝的裝置(2007年下半年可全部完成)與及目前正研究在碼頭有權使用的海岸線上增添兩個泊位的可行性。若這些工程在2008年可以按計劃全部完成的話，珠海碼頭液化氣的年吞吐能力將可由原設計的800,000噸增加至1,500,000噸。



Management Discussion and Analysis (Con't)

管理層之討論及分析(續)

In June 2006, the Group entered into a contract with Caltex to build a 80,000 tons oil storage on a vacant site at the Terminal. The project is now at the preparatory stage. Construction is expected to start in the second half of 2007 and be completed before the end of 2008. When the above mentioned throughput efficiency improvement plans are all implemented, the Terminal will be able to handle 1,500,000 tons of LPG and concurrently 2,000,000 tons of oil products. That makes it the most efficient terminal in southern China.

For the retailing business, the Group will maintain the strategy to acquire 2 or 3 bottling plants in a year. The goal is to achieve 350,000 tons of annual turnover in two years time. We could take advantage in the trend of falling of international LPG price to further improve our profitability.

LIQUIDITY AND FINANCIAL RESOURCES

As at December 31, 2006, the net current assets of the Group amounted to approximately HK\$11,718,000 (2005: HK\$29,292,000) and the Group's bank balances and cash was approximately HK\$151,034,000 (2005: HK\$57,479,000). At the balance sheet date, current ratio was 1.01:1 (2005: 1.07:1), quick ratio was 0.94:1 (2005: 0.97:1), gearing ratio was 0.69:1 (2005: 0.53:1) which was calculated based on total liabilities of approximately HK\$1,014,332,000 (2005: HK\$442,181,000) and total assets of approximately HK\$1,461,813,000 (2005: HK\$832,644,000).

CONTINGENT LIABILITIES

The Group had no significant contingent liabilities at December 31, 2006 and 2005.

PLEDGE OF ASSETS

At December 31, 2006, the Group pledged its bank deposits amounting to approximately HK\$313,657,000 (2005: HK\$207,909,000) to secure general banking facilities granted to the Group. The bank loans of the Group comprise of an amount of approximately HK\$163,380,000 (2005: nil) drawn under a term loan facility secured by a floating charge over the assets of the Company, and by share mortgages of the issued capital and floating charges over the assets of Sound Hong Kong Limited, Sound Green Energy Limited and NewOcean (Shenzhen) Energy Investment Limited all of which are wholly-owned subsidiaries of the Company. In the year 2005, the Group has also pledged prepaid lease payments for lands having an aggregate net book value of approximately HK\$2,045,000 to secure general banking facilities granted to the Group.

與華南加德士合資在珠海碼頭空置地段上興建80,000噸成品油庫的協議在2006年6月成功協定，目前正在進行項目的籌劃階段，興建工程估計在2007年下半年可以動工，2008年年底之前完工。上述碼頭優化計劃完成後，珠海碼頭不但可以承擔1,500,000噸液化氣的年吞吐量，更可同時兼顧2,000,000噸成品油的年吞吐量，使其成為華南地區內效率最高的碼頭。

液化氣零售業務方面，本集團將繼續一年收購兩至三個運營商的策略，在兩年內提高零售業務量至350,000噸的水平，並會把握氣價逐步下跌的機會，為集團提供更高的盈利貢獻。

流動資金及財務資源

截至2006年12月31日，本集團之流動資產淨值合共為約11,718,000港元(2005: 29,292,000港元)；銀行結餘及現金約為151,034,000港元(2005: 57,479,000港元)；於結算日，流動比率為1.01:1(2005: 1.07:1)；速動比率為0.94:1(2005: 0.97:1)；資產負債比率為0.69:1(2005: 0.53:1)。此乃根據負債總額約1,014,332,000港元(2005: 442,181,000港元)和資產總額約1,461,813,000港元(2005: 832,644,000港元)計算。

或然負債

於2006年及2005年12月31日，本集團並無重大或然負債。

資產抵押

於2006年12月31日，本集團為獲得一般銀行信貸而將約313,657,000港元(2005: 207,909,000港元)之銀行存款抵押。本集團之銀行借款包含一項約163,380,000港元(2005: 無)以本公司之資產作浮動按揭之定期借款信貸。此借款亦以本公司全資擁有之附屬公司新海香港有限公司、新海環保能源有限公司、新海(深圳)能源投資有限公司之資產作浮動按揭，及以該等公司之已發行之股本之股票作抵押。另於2005年內本集團為獲得一般銀行信貸而將賬面總淨值約2,045,000港元的土地預付租賃款項抵押予銀行。

EMPLOYEES AND REMUNERATION POLICIES

As at December 31, 2006, the Group employed approximately 310 full time employees in Hong Kong and the PRC. The Group remunerated the employees based on their performance, experience and prevailing market practice. Employee benefits provided by the Group include a provident fund scheme, medical insurance scheme and an employee share option scheme.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended December 31, 2006.

僱員及酬金政策

截至2006年12月31日，本集團於香港及中國僱用約310名全職僱員。本集團按各員工之工作表現、經驗及當時市場情況酬報各員工。本集團之員工福利包括強制性公積金供款、醫療保險及僱員購股權計劃。

購買、出售及贖回本公司之上市證券

於截至2006年12月31日年度止，本公司或其任何附屬公司概無購買、出售或贖回本公司之上市證券。



Corporate Governance Report 企業管治報告

The Company is committed to good corporate governance principles. Its Board recognizes that an effective corporate governance framework and high governance standard are both essential to the Company's long-term development.

CORPORATE GOVERNANCE PRACTICES

Throughout the year ended December 31, 2006 the Company applied the principles and complied with all code provisions as set out in the Code on Corporate Governance Practices (the "CG Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, with the deviation mentioned below.

Provision A.4.1 of the CG Code provides that non-executive directors shall be appointed for specific term, subject to re-election. The Company has deviated from this provision in that all non-executive directors are not appointed for a fixed term, instead their tenure of office are subject to the provisions for retirement by rotation and re-election as provided in the Bye-laws of the Company as detailed in the paragraph headed "Non-executive Directors" below. The Company believes that the fixing of directors' tenure by Bye-laws and the shareholders' right to re-elect retiring directors serves to safeguard the long term interests of the Company, and such provisions are no less exacting than those in the Code.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 of the Listing Rules as its own code of conduct regarding securities transactions by the directors. Following specific enquiry by the Company, all directors have confirmed that they have complied with the required standard as set out in the Model Code during the year.

BOARD OF DIRECTORS

As at the date of this report the Board comprises four executive directors, one non-executive director and four independent non-executive directors. Biographical details of all directors of the Company are set out in the paragraph headed "Directors' Profile" on page 4 to page 5.

本公司致力於奉行高質素的企業管治，並認為有效的企業管治架構及高標準的企業管治對於公司長遠發展至關重要。

企業管治常規

截至2006年12月31日止年度整年間，除下述方面有所偏離外，本公司一直依循並遵守香港聯合交易所有限公司證券上市規則附錄14所載企業管治常規守則（「企業管治守則」）中所有守則。

守則條文第A.4.1條規定，非執行董事之委任應有指定任期，並須接受重新選舉。本公司並無遵守此條文，本公司所有非執行董事均無指定任期，惟彼等之任期乃根據本公司之公司細則條文規定，並須依照有關細則告退，詳情已載於下段之「非執行董事」一節內。本公司認為以公司細則制定董事任期而股東能保留重選連任董事之權利可保障本公司之長遠利益，而公司細則要求之企業管治常規並無較企業管治守則之規定寬鬆。

董事進行證券交易

本公司已採納上市規則附錄10所載之《上市發行人董事進行證券交易的標準守則》（「標準守則」）作為董事進行證券交易之操守準則。經過本公司作出特定查詢後，全體董事已確認彼等於年內均有遵守當中所要求之買賣標準。

董事會

於本報告日，本公司之董事會由4名執行董事、1名非執行董事及4名獨立非執行董事組成。所有董事之簡介已載於第4至5頁一節內。

BOARD OF DIRECTORS (Continued)

Membership of the Board during the year ended December 31, 2006 were as follows:

Executive Directors

Shum Siu Hung (Chairman)
Chiu Sing Chung, Raymond (Managing Director)
Shum Chun, Lawrence
Cen Ziniu

Non-executive Director

Wu Hong Cho (re-designated non-executive director on July 1, 2006)

Independent Non-executive Directors

Cheung Kwan Hung, Anthony
Young Wing Chun, Michael Frederick (resigned on June 30, 2006)

Ma Man Hoi, Joseph
Chan Yuk Wai, Benedict (appointed on March 20, 2006)

Dr. Xu Mingshe (appointed on July 1, 2006)

Shum Siu Hung, Chairman, is the father of Shum Chun, Lawrence executive director of the Company and cousin of Cen Ziniu, executive director of the Company.

The Board is vested with the following roles and functions, and operational decisions and execution are delegated to the management:

- To establish the strategic direction for the development of the Company and to set the objectives of the management;
- To approve annual budgets, major funding proposals and investment proposals;
- To decide on matters such as annual and interim results, major transactions, directors appointment, dividend and accounting policies; and
- To oversee the processes for evaluating the adequacy of internal controls, risk management, financial reporting and compliance.

董事會(續)

於2006年12月31日止之年度內，董事會會員為：

執行董事

岑少雄(主席)
趙承忠(董事總經理)
岑濬
岑子牛

非執行董事

胡匡佐 (於2006年7月1日調任為非執行董事)

獨立非執行董事

張鈞鴻
楊永燦 (於2006年6月30日辭任)

馬文海
陳旭煒 (於2006年3月20日委任)

徐名社博士 (於2006年7月1日委任)

主席岑少雄先生，為本公司執行董事岑濬之父及本公司執行董事岑子牛之堂兄。

承擔下列的角色及職責(營運決定及執行則委任於管理層)：

- 設立本公司的策略性發展方向及制定管理目標；
- 批准年度預算、主要籌資提案及投資提案；
- 決定如年度及中期業績、重大交易、董事之委任、及股息和會計政策等事宜；及
- 檢查用於評估內部監控、風險管理、財務報告及遵守情況充分性的程序。

BOARD OF DIRECTORS (Continued)

With the assistance of the Company Secretary, Board meetings are initiated by the Chairman and all directors are consulted on the agenda. Procedures are established for all directors to have free access to board papers and related information, to review the Group's internal control, and to have the services of the Company Secretary to ensure matters are transacted in the Board in accordance applicable rules and practices. Directors may seek independent professional advice upon reasonable request to discharge their duties.

Proposed regular Board meeting schedule for the current year is circulated to the Board in the preceding year. The following table shows the attendance of directors at meetings of the Board during the year ended December 31, 2006:

Name of director	董事姓名	Number of Meetings Attended 出席會議次數
<i>Executive Directors and Non-executive Directors:</i>	執行董事及非執行董事：	
Shum Siu Hung (Chairman)	岑少雄 (主席)	4/4
Chiu Sing Chung, Raymond (Managing Director)	趙承忠 (董事總經理)	4/4
Shum Chun, Lawrence	岑濬	4/4
Cen Ziniu	岑子牛	4/4
Wu Hong Cho	胡匡佐	4/4
<i>Independent Non-executive Directors:</i>	獨立非執行董事：	
Cheung Kwan Hung, Anthony	張鈞鴻	4/4
Young Wing Chun, Michael Frederick	楊永燦	1/2
Ma Man Hoi, Joseph	馬文海	4/4
Chan Yuk Wai, Benedict	陳旭煒	3/3
Dr. Xu Mingshe	徐名社博士	2/2

CHAIRMAN AND MANAGING DIRECTOR

The offices of Chairman and Managing Director of the Company are separated by written guidelines adopted by the Board to ensure a clear division of responsibilities. The responsibilities of the Chairman include leadership of the Board, providing relevant information and mobilizing the collective resources of the directors in the Board's roles and functions. The Managing Director is responsible for leadership of the management, and for effective execution of business strategies and front-line execution.

董事會 (續)

董事會會議由主席領導(並由公司秘書協助)，會議議程先與各董事諮詢。所有董事均可根據已設立的程序索閱董事會文件及相關資訊，審閱集團之內部監控及取得公司秘書的協助，確保董事會程序均遵守所有適用的規則及規例。董事能在合理的要求下尋求獨立專業意見以履行其職責。

本年度擬定召開之董事會會議時間表已於前一年向董事會傳閱。下表顯示截至2006年12月31日止年度內各董事於董事會會議之出席紀錄：

		Number of Meetings Attended 出席會議次數
<i>Executive Directors and Non-executive Directors:</i>		
Shum Siu Hung (Chairman)	岑少雄 (主席)	4/4
Chiu Sing Chung, Raymond (Managing Director)	趙承忠 (董事總經理)	4/4
Shum Chun, Lawrence	岑濬	4/4
Cen Ziniu	岑子牛	4/4
Wu Hong Cho	胡匡佐	4/4
<i>Independent Non-executive Directors:</i>		
Cheung Kwan Hung, Anthony	張鈞鴻	4/4
Young Wing Chun, Michael Frederick	楊永燦	1/2
Ma Man Hoi, Joseph	馬文海	4/4
Chan Yuk Wai, Benedict	陳旭煒	3/3
Dr. Xu Mingshe	徐名社博士	2/2

主席及董事總經理

本公司的主席及董事總經理之職位已區分，董事會並訂立了一項書面指引以確保主席及董事總經理之間有著清晰的職責分工。主席的職責包括董事會的領導、提供相關資訊，及調動董事的集體資源以便更佳發揮董事會的功能。董事總經理的職責包括管理層的領導，有效地實踐業務上的政策及於等一線推動業務。

NON-EXECUTIVE DIRECTORS

As at the date of this report, five members of the Board are non-executive directors, of whom four are independent non-executive directors. The term of appointment of non-executive directors are governed by the Company's Bye-laws pursuant to which at each annual general meeting one-third of the Directors of the time being (or, if their number is not a multiple of three, the number nearest to but not greater than one-third) shall retire from office by rotation provided that notwithstanding anything herein, the chairman of the Board and/or the managing director of the Company shall not, whilst holding such office, be subject to retirement by rotation or be taken into account in determining the number of Directors to retire in each year.

The Company has received annual confirmation of independence from each of the independent non-executive directors in accordance with Rule 3.13 of the Listing Rules. The Board has assessed their independence and concluded that all the independent non-executive directors are independent within the definition of the Listing Rules.

BOARD COMMITTEES

The Board has set up two Committees in accordance with the CG Code, namely the Remuneration Committee and the Audit Committee. The Board has not set up a Nomination Committee, the establishment of which is a recommended best practice by the Stock Exchange, and the function of nomination of new directors is undertaken by the full Board. Under the Company's Bye-laws, the Board has the power from time to time and at any time to appoint any person as a director either to fill a causal vacancy or as an addition to the Board, subject to authorization by the shareholders in general meeting. Such power is also exercised by the full Board in accordance with the Company's Bye-laws.

In addition to the Remuneration Committee and the Audit Committee, the Board has set up an Executive Committee comprising all executive directors on the Board. Under its terms of reference, the Executive Committee is responsible for the oversight of the management of the Group and the formulation of administrative guidelines.

非執行董事

於本報告日，董事會中有5位成員為非執行董事，其中4位為獨立非執行董事。非執行董事之任期均由公司的公司細則監管。公司細則規定本公司董事人數的1/3，或當人數非3或3的倍數時，則接近但不多於1/3的人數，需於每年的股東週年大會上告退，唯身為主席及／或董事總經理不須輪值告退，且並不計入計算輪值告退的董事人數內。

本公司已接獲每位獨立非執行董事根據上市規則第3.13條發出之年度獨立性確認書。董事會已評估彼等之獨立性，並確定全體獨立非執行董事均屬上市規則所界定之獨立人士。

董事委員會

董事會已按照企業管治守則設立了兩個委員會，分別為薪酬委員會及審核委員會。本公司並無參照聯交所建議的最佳常規設立提名委員會。本公司新董事的委任乃由董事會全體董事會負責。根據公司細則，當獲得股東大會授權後，董事會有權不時或在任何時候委任任何人士為董事以填補臨時空缺，或委任新增董事。該項權力按照公司細則由董事會全體董事會執行。

除薪酬委員會及審核委員會外，董事會亦成立了由董事會中的所有執行董事組成的執行委員會。執行委員會的職權範圍主要為監管集團管理層及制定行政指引。

REMUNERATION COMMITTEE

The Company has adopted terms of reference for the Remuneration Committee that are in line with the principles of the CG Code. The Remuneration Committee comprises four independent non-executive directors and two executive directors as follows:

Cheung Kwan Hung, Anthony Ma Man Hoi, Joseph Chan Yuk Wai, Benedict	(appointed on March 20, 2006)
Dr. Xu Mingshe	(appointed on July 1, 2006)
Young Wing Chun, Michael Frederick Chiu Sing Chung, Raymond Shum Chun, Lawrence	(resigned on June 30, 2006)

The Remuneration Committee is responsible for ensuring formal and transparent procedures for developing remuneration policies and overseeing the remuneration packages of the executive directors and senior management. It takes into consideration on factors such as salaries paid by comparable companies, time commitment and responsibilities of Directors and senior management. The Remuneration Committee meets at least once a year to assess the performance and review the annual salaries and bonus of the senior executives.

One meeting of the Remuneration Committee was held in the year 2006 to review, among other things, the remuneration packages of the Chairman and the executive directors and the attendance of each member is as follows:

Name of Member	成員姓名	Number of Meetings Attended 出席會議次數
Cheung Kwan Hung, Anthony (Committee Chairman)	張鈞鴻 (委員會主席)	1/1
Ma Man Hoi, Joseph	馬文海	1/1
Chan Yuk Wai, Benedict	陳旭煒	1/1
Dr. Xu Mingshe	徐名社博士	0/0
Young Wing Chun, Michael Frederick	楊永燦	1/1
Chiu Sing Chung, Raymond	趙承忠	1/1
Shum Chun, Lawrence	岑濬	1/1

薪酬委員會

本公司所訂定的薪酬委員會職權範圍，其內容與企業管治守則內所述的守則條文一致。薪酬委員會由如下的4位獨立非執行董事及2位執行董事組成：

張鈞鴻 (委員會主席) 馬文海 陳旭煒	(於2006年3月20日委任)
徐名社博士	(於2006年7月1日委任)
楊永燦	(於2006年6月30日辭任)
趙承忠 岑濬	

薪酬委員會負責確保正式及具透明度之薪酬政策制訂程序，以監管執行董事及高級管理層之薪酬組合。薪酬委員會考慮之因素包括可比較公司之薪金水平、各董事及高級管理人員所投入之時間及職責等。薪酬委員會每年最少舉行一次會議以評估表現及審閱高級管理人員每年之薪酬及獎金。

薪酬委員會於2006年度內召開1次會議，以審閱主席及執行董事之薪酬組合。每位成員之出席率如下：

AUDIT COMMITTEE

The Company has adopted terms of reference for the Audit Committee that are in line with the principles of the CG Code. The Audit Committee comprises all independent non-executive directors on the Board as follows:

Cheung Kwan Hung, Anthony (Committee Chairman)	
Ma Man Hoi, Joseph	
Chan Yuk Wai, Benedict	(appointed on March 20, 2006)
Dr. Xu Mingshe	(appointed on July 1, 2006)
Young Wing Chun, Michael Frederick	(resigned on June 30, 2006)

The principal duties of the Audit Committee are to ensure the objectivity and credibility of financial reporting and internal control procedures as well as to maintain an appropriate relationship with the external auditors of the Company.

The Audit Committee met twice during the year 2006 during which the following matters were reviewed and discussed:

- Auditing and financial reporting matters;
- Appointment and remuneration of external auditors;
- Non-auditing work of external auditors;
- Maintenance of the Group's internal control system; and
- Review of interim results and audited financial statements.

Attendance of each member of the Audit Committee at meeting during the year is as follows:

Name of Member	成員姓名	Number of Meetings Attended 出席會議次數
Cheung Kwan Hung, Anthony (Committee Chairman)	張鈞鴻 (委員會主席)	2/2
Ma Man Hoi, Joseph	馬文海	2/2
Chan Yuk Wai, Benedict	陳旭煒	2/2
Dr. Xu Mingshe	徐名社博士	1/1
Young Wing Chun, Michael Frederick	楊永燦	1/1

審核委員會

本公司所訂定的審核委員會職權範圍，其內容與企業管治守則內所述的守則條文一致。審核委員會由所有獨立非執行董事組成如下：

張鈞鴻 (委員會主席)	
馬文海	
陳旭煒	(於2006年3月20日委任)
徐名社博士	(於2006年7月1日委任)
楊永燦	(於2006年6月30日辭任)

審核委員會主要職責為確保財務報告及內部監控程序之客觀性及可信度，以及與本公司外聘的核數師保持良好關係。

於2006年內審核委員會曾舉行兩次會議，以審閱及討論以下事項：

- 核數及財務報告事宜；
- 委任外聘核數師及決定其酬金；
- 外聘核數師之非審核工作；
- 維持本集團內部監控系統；及
- 審閱中期報告及已審閱之財務報告。

於年度內審核委員會每位成員出席次數如下：

AUDITORS' REMUNERATION

During the year under review, the remuneration paid/payable to the Company's auditors, Messrs. Deloitte Touche Tohmatsu is set out as follows:

Services rendered	服務提供	Fees paid/payable 已付／應付費用 (HK\$'000) 千港元
Audit services	審計服務	1,267
Non-audit services	非審計服務	112
Total	合計	1,379

INTERNAL CONTROL

The Board is responsible for the Group's system of internal controls and for reviewing its effectiveness. The management of the Company has established a set of comprehensive policies, standards and procedures in areas of operational, financial and risk controls for safeguarding assets against unauthorized use or disposition; for maintaining proper accounting records; and for ensuring the reliability of financial information to achieve a satisfactory level of assurance against the likelihood of the occurrence of fraud and errors.

The evaluation of the effectiveness of the Group's internal control is conducted by the internal auditor on an on-going basis who will directly report to the Audit Committee on any significant finding on internal controls.

Through out the year 2006, the Company complied with the code provisions on internal controls as stipulated in the CG Code. During the year the Company conducted a full review of the effectiveness of the internal control system of the Group and discussed the assessment bases with the management.

ACCOUNTABILITY AND AUDIT

The Directors acknowledge their responsibility for preparing the financial statements of the Group and ensuring that the financial statements are in accordance with statutory requirements and applicable accounting standards. The statement of the external auditors of the Company about their reporting responsibilities on the financial statements of the Group is set out in the Independent Auditors' Report on page 34.

核數師酬金

於回顧年度內，已付／應付予本公司核數師德勤•關黃陳方會計師行之費用如下：

內部監控

董事會需負責本集團的內部監控系統及檢討其效能。本公司的管理層已制定一套合適的政策、標準及程序，範圍包括運作監控、財務監控及風險監控，合理保證資產得到保護並免受未經授權的使用或處置；保持適當的會計紀錄；及確保財務資料的可靠性，以達致滿意程度的保證，防止欺詐或錯誤的情況出現。

評估本集團的內部監控由內部核數師按持續基準進行，並向審核委員會匯報有關內部監控的重要審閱結果。

在2006年整個期間，本集團遵守企業管治守則中所述的內部監控守則條文。年內，本公司已為內部監控系統的有效性進行全面審閱，並與管理層商討評估基礎。

責任承擔及核數

董事局確認編製本集團之財務報表，並確保財務報表符合法定要求及有關之會計準則為董事局之職責。外聘核數師之申報職責載述於本年報第34頁獨立核數師報告內。

Directors' Report

董事會報告

The directors present their annual report and the audited consolidated financial statements for the year ended December 31, 2006.

CHANGE OF NAME

Pursuant to a special resolution passed at a special general meeting held on April 27, 2006, the name of the Company was changed from NewOcean Green Energy Holdings Limited 新海環保能源集團有限公司 to NewOcean Energy Holdings Limited 新海能源集團有限公司.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. Particulars of the Company's principal subsidiaries are set out in note 22 to the consolidated financial statements.

During the year ended December 31, 2006, the Group was principally engaged in the sale and distribution of liquefied petroleum gas and sales of electronic products. During the year, the Group discontinued the business of leasing of investment properties, property, plant and equipment.

RESULTS AND APPROPRIATION

The results of the Group for the year ended December 31, 2006 are set out in the consolidated income statement on page 36.

The directors recommend the payment of a final dividend of HK1 cent per share to the shareholders whose names appear on the register of members on June 11, 2007 amounting to approximately HK\$4,816,000. At April 18, 2007, the number of shares issued and fully paid is 481,676,687.

PROPERTY, PLANT AND EQUIPMENT

During the year, the Group spent approximately HK\$262,211,000 on property, plant and equipment to expand and upgrade its gas plant.

During the year, the Group acquired, through the acquisition of subsidiaries, property, plant and equipment of approximately HK\$13,917,000.

During the year, the Group disposed of all the investment properties. The gain on disposal of the investment properties which has been credited directly to consolidated income statement, amounted to approximately HK\$3,229,000.

董事會謹此提呈截至2006年12月31日止年度的年報及經審核綜合財務報表。

名稱更改

根據於2006年4月27日舉行之股東特別大會所通過之特別決議案，本公司之名稱由 NewOcean Green Energy Holdings Limited 新海環保能源集團有限公司變更為 NewOcean Energy Holdings Limited 新海能源集團有限公司。

主要業務

本公司乃投資控股公司。本公司之主要附屬公司詳情載於綜合財務報表附註22。

於截至2006年12月31日止年度，本集團主要從事液化石油氣之銷售及分銷，及電子產品之銷售。年內，本集團停止經營投資物業、物業、機器及設備租賃之業務。

業績及分派

本集團截至2006年12月31日止年度的業績，載於第36頁的綜合收益表。

董事建議向2007年6月11日名列股東名冊的股東派發每股1港仙末期股息，總額約達4,816,000港元。於2007年4月18日，已發行及繳足股份數目為481,676,687股。

物業，機器及設備

年內，本集團花費約262,211,000港元於物業、機器及設備上，以擴大及提升其氣庫。

年內，本集團透過收購附屬公司購置了約13,917,000港元的物業、機器及設備。

年內，本公司出售所有投資物業。出售投資物業之溢利約3,229,000港元已直接計入綜合收益表。

Directors' Report (Con't)

董事會報告(續)

Details of these and other movements during the year in property, plant and equipment, and investment properties of the Group are set out in notes 17 and 20 to the consolidated financial statements respectively.

RESERVES

The Company's reserves available for distribution to shareholders as at December 31, 2006 were as follows:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Contributed surplus	繳入盈餘	1,667	1,667
Retained earnings	保留溢利	5,266	6,353
		6,933	8,020

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

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

MAJOR CUSTOMERS AND SUPPLIERS

The largest customer of the Group by itself and taken together with the next four largest customers accounted for 22% and 56% respectively of the Group's total turnover for the year.

The largest supplier of the Group by itself and taken together with the next four largest suppliers accounted for 16% and 66% respectively of the Group's total purchases for the year.

At no time during the year did a director, an associate of a director, or a shareholder of the Company (which to the knowledge of the directors owns more than 5% of the Company's issued share capital) have an interest in any of the Group's five largest suppliers.

本集團於年內的物業、機器及設備及投資物業之變動的詳情，分別載於綜合財務報表附註17及20。

儲備

本公司於2006年12月31日可供分派予股東的儲備如下：

根據百慕達1981年公司法(修訂本)，本公司之繳入盈餘可供分派。然而，倘出現下列情況，則本公司不得從繳入盈餘中宣派或派付股息或作出分派：

- 本公司現時或於付款後無力償還到期債務；或
- 本公司資產之可變現值因此低於其負債、已發行股本及股份溢價賬之總和。

主要客戶及供應商

年內，本集團的最大客戶本身及連同其後的四大客戶分別佔本集團總營業額22%及56%。

年內，本集團最大供應商本身及連同其後的四大供應商分別佔本集團總營業額16%及66%。

於年內任何時間，本公司董事、董事的聯繫人士或就董事所知擁有本公司已發行股本5%以上的任何股東概無擁有本集團五大客戶及供應商任何權益。

SHARE CAPITAL

Details of the Company's share capital are set out in note 31 to the consolidated financial statements. There was no movement in the Company's share capital during the year.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended December 31, 2006.

DIRECTORS

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

Executive directors:

Shum Siu Hung, *Chairman*
Chiu Sing Chung, Raymond
Shum Chun, Lawrence
Cen Ziniu

Non-executive director:

Wu Hong Cho (resigned as executive director and appointed as non-executive director on July 1, 2006)

Independent non-executive directors:

Cheung Kwan Hung, Anthony
Ma Man Hoi, Joseph
Chan Yuk Wai, Benedict (appointed on March 20, 2006)
Xu Mingshe (appointed on July 1, 2006)
Young Wing Chun, (resigned on July 1, 2006)
Michael Frederick

股本

年內，本公司股本詳情已載於綜合財務報表附註31。年內，本公司股本並無任何變動。

購買、出售及贖回本公司之上市證券

於2006年12月31日止年度內，本公司或其任何附屬公司概無購買、出售或贖回本公司之上市證券。

董事

本公司於年內及截至本報告日期的董事如下：

執行董事：

岑少雄，主席
趙承忠
岑濬
岑子牛

非執行董事：

胡匡佐 (於2006年7月1日辭任執行董事並獲委任為非執行董事)

獨立非執行董事：

張鈞鴻
馬文海
陳旭煒 (於2006年3月20日委任)
徐名社 (於2006年7月1日委任)
楊永燦 (於2006年7月1日辭任)

Directors' Report (Con't)
董事會報告(續)

DIRECTORS (Continued)

In accordance with clauses 86 and 87 of the Company's Bye-laws, Mr. Shum Chun, Lawrence and Mr. Cen Ziniu, the executive directors of the Company, shall retire by rotation from office and, Xu Mingshe, an independent non-executive director appointed by the Board during the year to fill a casual vacancy, shall retire from office at the forthcoming annual general meeting of the Company. All the retiring directors, being eligible, offer themselves for re-election as directors.

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

The term of office for each non-executive director is the period up to his retirement by rotation in accordance with the Company's Bye-laws.

董事 (續)

根據本公司之公司細則第86及87條，岑濬先生及岑子牛先生須於即將舉行之本公司股東週年大會輪值告退，而董事會在年度中委任之徐名社博士以填補臨時空缺，彼亦須於即將舉行之本公司股東週年大會上輪值告退。所有董事均符合資格並願意膺選連任。

擬於即將舉行之股東週年大會膺選連任之董事概無訂立任何本集團不得於一年內免付賠償(法定賠償除外)而予以終止之服務合約。

根據公司之公司細則，每位非執行董事之任期為下任輪值告退止。

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES AND UNDERLYING SHARES

At December 31, 2006, the interests of the directors and chief executives and their associates in the shares and underlying shares of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, were as follows:

(a) Long positions of ordinary shares of HK\$0.1 each of the Company

Name of director 董事姓名	Capacity 身份	Number of issued ordinary shares held 所持已發行 普通股數目	Percentage of the issued share capital of the Company 所佔本公司 已發行股份百分比
Shum Siu Hung 岑少雄	Beneficial owner 實益擁有人	20,811,779	4.32%
	Family interest (note 1) 家族權益(附註1)	133,212,621	27.66%
		154,024,400	31.98%
Shum Chun, Lawrence 岑濬	Other (note 2) 其他(附註2)	19,981,893	4.15%
Cen Ziniu 岑子牛	Other (note 2) 其他(附註2)	1,332,126	0.28%
Wu Hong Cho 胡匡佐	Other (note 2) 其他(附註2)	6,660,631	1.38%

Notes:

- 133,212,621 shares were deemed to be interested by Shum Siu Hung, spouse of Tong Shiu Ming and father of Shum Chun, Lawrence and Shum Ho, Neo.
- These interest represents interest in shares of the Company held proportional through Uniocean Investments Limited ("Uniocean"). 133,212,621 shares of the Company are held by Uniocean. Uniocean which is owned as to 15% by Shum Chun, Lawrence, 15% by Shum Ho, Neo, 64% by Tong Shiu Ming, 5% by Wu Hong Cho and 1% by Cen Ziniu.

董事及主要行政人員於股份及相關股份中之權益

於2006年12月31日，董事及主要行政人員和彼等之聯繫人於本公司及其相聯法團之股份及相關股份中，擁有本公司須根據證券及期貨條例第352條規定記錄於按條例所述而存置之登記冊內權益，或根據香港上市公司董事進行證券交易之標準守則規定，須知會本公司及香港聯合交易所有限公司之權益如下：

(a) 本公司每股面值0.1港元普通股中之好倉

Name of director 董事姓名	Capacity 身份	Number of issued ordinary shares held 所持已發行 普通股數目	Percentage of the issued share capital of the Company 所佔本公司 已發行股份百分比
Shum Siu Hung 岑少雄	Beneficial owner 實益擁有人	20,811,779	4.32%
	Family interest (note 1) 家族權益(附註1)	133,212,621	27.66%
		154,024,400	31.98%
Shum Chun, Lawrence 岑濬	Other (note 2) 其他(附註2)	19,981,893	4.15%
Cen Ziniu 岑子牛	Other (note 2) 其他(附註2)	1,332,126	0.28%
Wu Hong Cho 胡匡佐	Other (note 2) 其他(附註2)	6,660,631	1.38%

附註:

- 岑少雄被視為於其配偶唐小明、兒子岑濬及岑浩所持133,212,621股之股份擁有權益。
- 有關之權益乃海聯控股有限公司(「海聯」)所持有的本公司股份權益的比例部分。本公司之133,212,621股股份由海聯持有，而海聯由岑濬、岑浩、唐小明、胡匡佐及岑子牛分別擁有15%、15%、64%、5%及1%。

Directors' Report (Con't)
董事會報告 (續)

**DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS
IN SHARES AND UNDERLYING SHARES** (Continued)

董事及主要行政人員於股份、相關股份
中之權益 (續)

(b) Share options

(b) 購股權

Name of executive director 執行董事姓名	Capacity 身份	Number of options held 所持購股權數目	Number of underlying shares 所持相關股份數目
Shum Siu Hung 岑少雄	Beneficial owner 實益擁有人	12,000,000	12,000,000
Cen Ziniu 岑子牛	Beneficial owner 實益擁有人	3,000,000	3,000,000
Chiu Sing Chung, Raymond 趙承忠	Beneficial owner 實益擁有人	6,000,000	6,000,000
		21,000,000	21,000,000
Name of independent non — executive director 獨立非執行董事姓名	Capacity 身份	Number of options held 所持購股權數目	Number of underlying shares 所持相關股份數目
Cheung Kwan Hung, Anthony 張鈞鴻	Beneficial owner 實益擁有人	1,000,000	1,000,000
Ma Man Hoi, Joseph 馬文海	Beneficial owner 實益擁有人	1,000,000	1,000,000
		2,000,000	2,000,000

Other than as disclosed above and nominee shares in certain subsidiaries held by certain directors in trust for the Group, none of the directors, chief executives nor their respective associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations as at December 31, 2006.

除上文所披露者及若干董事代表本集團以信託形式而於若干附屬公司持有之代理人股份外，於2006年12月31日，各董事、主要行政人員及彼等各自之聯繫人士並無擁有本公司或各聯營公司之證券權益或淡倉。

Directors' Report (Con't)

董事會報告(續)

SHARE OPTIONS

Particulars of the Company's share option schemes are set out in note 32 to the consolidated financial statements.

The following table discloses movements in the Company's share options during the year:

購股權

本公司之購股權計劃詳情載於綜合財務報表附註32。

下表披露本公司年內購股權之變動：

Option type 類別	Outstanding at 1.1.2006 於1.1.2006 尚未行使	Granted during the year 於年內 授出	Expired during the year 於年內 期滿	Outstanding at 12.31.2006 於12.31.2006 尚未行使	
Category 1: Directors 分類1：董事					
Cen Ziniu 岑子牛	2002A	3,000,000	—	3,000,000	
Wu Hong Cho 胡匡佐	2001	1,000,000	(1,000,000)	—	
Shum Siu Hung 岑少雄	2002A	3,000,000	—	3,000,000	
	2006B	—	9,000,000	9,000,000	
Chiu Sing Chung, Raymond 趙承忠	2006B	—	6,000,000	6,000,000	
Total directors 董事總數		7,000,000	15,000,000	(1,000,000)	21,000,000
Category 2: Independent Non-Executive Directors 分類2：獨立非執行董事					
Cheung Kwan Hung, Anthony 張鈞鴻	2006B	—	1,000,000	—	1,000,000
Ma Man Hoi, Joseph 馬文海	2006B	—	1,000,000	—	1,000,000
Total independent non-executive directors 獨立非執行董事總數		—	2,000,000	—	2,000,000
Category 3: Substantial shareholder 分類3：主要股東					
Tong Shiu Ming 唐小明	2001	3,500,000	—	(3,500,000)	—
Total substantial shareholder 主要股東總數		3,500,000	—	(3,500,000)	—

Directors' Report (Con't)
董事會報告 (續)

SHARE OPTIONS (Continued)

購股權 (續)

Option type 類別	Outstanding at 1.1.2006 於1.1.2006 尚未行使	Granted during the year 於年內 授出	Expired during the year 於年內 期滿	Outstanding at 12.31.2006 於12.31.2006 尚未行使
Category 4: Employees 分類4: 員工				
2002A	400,000	—	—	400,000
2002B	3,100,000	—	—	3,100,000
2006A	—	13,500,000	—	13,500,000
Total employees 員工總數	3,500,000	13,500,000	—	17,000,000
	14,000,000	30,500,000	(4,500,000)	40,000,000

The closing prices of the Company's shares immediately before May 15, 2006 and June 16, 2006, the dates of grant of the 2006 options, were HK\$0.68 and HK\$0.77 respectively.

於2006年5月15日及2006年6月16日 (授出2006購股權之日)前，本公司股票之收市價分別為0.68港元及0.77港元。

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Other than as disclosed above, at no time during the year was the Company or any of its subsidiaries, a party to any arrangements to enable the directors of the Company or their respective spouses or children under the age of 18 to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

購買股份或債券之安排

除上文所披露者外，本公司或其任何附屬公司於年內任何時間均無訂立任何安排，使本公司董事、彼等各自之配偶或18歲以下子女可藉收購本公司或任何其他法人團體之股份或債券而取得利益。

DIRECTORS'/CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Details of related party transactions during the year are set out in note 40 to the consolidated financial statements.

董事／控股股東於重大合約之權益

年內之關連交易詳情已載於綜合財務報表附註40。

Save as disclosed above, no other contracts of significance to which the Company, its holding company or any of its subsidiaries was a party and in which a director or a controlling shareholder of the Company had a material interest, whether directly or indirectly in any contract, subsisted at the end of the year or at any time during the year.

除上文所披露外，本公司、其控股公司或任何其附屬公司並無參與訂立本公司董事或控股股東直接或間接於其中享有重大利益而於本年度終結時或在年內任何時間內有效之重大合約。

SUBSTANTIAL SHAREHOLDERS

As at December 31, 2006, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the Securities and Futures Ordinance shows that other than the interests disclosed above in respect of certain directors and chief executive, the following shareholders had notified the Company of relevant interests and short positions in the issued share capital of the Company.

(a) Long positions of ordinary shares of HK\$0.1 each of the Company

Name of Shareholder 股東姓名	Capacity 身份	Number of issued ordinary shares held 所持本公司已發行普通股數目	Percentage of the issued share capital of the Company 所佔本公司已發行股本百分比
Shum Siu Hung 岑少雄	Beneficial owner 實益擁有	20,811,779	4.32%
	Family interest (note 1) 家族權益(附註1)	133,212,621	27.66%
Tong Shiu Ming 唐小明	Held by corporation (note 1) 以公司權益擁有(附註1)	133,212,621	27.66%
	Family interest (note 2) 家族權益(附註2)	20,811,779	4.32%
Cheah Cheng Hye 謝清海	Held by corporation (note 3) 以公司權益擁有(附註3)	33,273,000	6.91%
Yam Tak Cheung 任德章	Held by corporation (note 4) 以公司權益擁有(附註4)	30,000,000	6.23%

主要股東

除上文所披露有關董事及主要行政人員之權益外，於2006年12月31日，根據本公司依照證券及期貨條例第336條規定須設立之主要股東登記冊所示，下列股東知會本公司擁有本公司已發行股本之有關權益及淡倉。

(a) 於本公司每股面值0.1港元普通股之好倉

Directors' Report (Con't)
董事會報告 (續)

SUBSTANTIAL SHAREHOLDERS (Continued)

(a) Long positions of ordinary shares of HK\$0.1 each of the Company (Continued)

Notes:

- 133,212,621 shares of the Company are held by Uniocean which is owned as to 15% by Shum Chun, Lawrence, 15% by Shum Ho, Neo, 64% by Tong Shiu Ming, 5% by Wu Hong Cho and 1% by Cen Ziniu. The shares are deemed as family interest because Tong Shiu Ming is the spouse of Shum Siu Hung, and Shum Chun, Lawrence and Shum Ho, Neo are sons of Shum Siu Hung.
- 20,811,779 shares of the Company are deemed to be interested by Tong Shiu Ming, spouse of Shum Siu Hung, as family interest.
- 24,046,000 shares of the Company are held by Value Partners A Fund, a fund managed by Value Partners Limited ("Value Partners"), and 9,227,000 shares of the Company are held by Value Partners. Cheah Cheng Hye owned 31.82% interest of Value Partners and was deemed to be the controlling shareholder of Value Partners.
- 30,000,000 shares of the Company are held by Integrated Asset Management (Asia) Limited ("Integrated Asset"). Yam Tak Cheung owned 100% of Integrated Asset and was deemed to be the controlling shareholder of Integrated Asset.

(b) Share options

Name of Shareholder 股東姓名	Capacity 身份	Number of share options 所持購股權數目	Number of underlying shares 所持相關股份數目
Shum Siu Hung 岑少雄	Beneficial owner 實益擁有人	12,000,000	12,000,000

Other than as disclosed above, the Company has not been notified of any other relevant interests or short position in the issued share capital of the Company as at December 31, 2006.

主要股東 (續)

(a) 於本公司每股面值0.1港元普通股之好倉 (續)

附註：

- 本公司之133,212,621股股份由海聯持有。海聯由岑濬、岑浩、唐小明、胡匡佐及岑子牛分別擁有15%、15%、64%、5%及1%。因唐小明乃是岑少雄之配偶，而岑濬及岑浩乃岑少雄之子，故該等股份被視為家族權益。
- 本公司之20,811,779股股份乃被視為由岑少雄之配偶唐小明以家族權益擁有。
- 本公司24,046,000股股份由惠理基金管理公司(「惠理」)所管理之Value Partners A Fund持有；而9,227,000股股份由惠理持有。謝清海擁有惠理31.82%權益，並因而被視為惠理之控股股東。
- 本公司之30,000,000股股份由Integrated Asset Management (Asia) Limited(「本匯」)持有。任德章擁有本匯100%權益，並因而被視為本匯之控股股東。

(b) 購股權

除上文所披露者外，據本公司所獲告知，於2006年12月31日，本公司已發行股本中並無任何其他相關權益或淡倉。

EMOLUMENT POLICY

The emolument policy of the senior management of the Group is set up by the Remuneration Committee on the basis of their merit, qualifications and competence.

The emoluments of the directors of the Company are decided by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics.

The Company has adopted a share option scheme as an incentive to directors and eligible employees, details of the scheme are set out in note 32 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

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

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the year ended December 31, 2006.

POST BALANCE SHEET EVENTS

Details of significant post balance sheet events are set out in note 41 to the consolidated financial statements.

AUDITOR

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

On behalf of the Board

Shum Siu Hung
Chairman

Hong Kong, April 18, 2007

薪酬政策

本集團高級管理人員之薪酬政策乃由薪酬委員會根據彼等之績效、資格及能力制訂。

本公司董事之酬金乃由薪酬委員會經考慮本公司之經營業績、個人表現及可比較市場統計數字後釐訂。

本公司已採納購股權計劃，作為對董事及合資格僱員之獎勵。有關計劃之詳情載於綜合財務報表附註32。

優先購股權

本公司之公司細則及百慕達法例並無規定本公司於發行新股時須按持股比例給予現有股東優先購股權。

足夠公眾持股量

本公司於整個2006年12月31日年度內已維持足夠公眾持股量。

結算日後事項

結算日後重大事項之詳情載於綜合財務報表附註41。

核數師

本公司將於應屆股東週年大會上提呈有關續聘德勤•關黃陳方會計師行為本公司核數師之決議案。

承董事會命

主席
岑少雄

香港，2007年4月18日

Independent Auditor's Report 獨立核數師報告



To the Members of NewOcean Energy Holdings Limited

*(Formerly Known as Newocean Green Energy Holdings Limited)
(Incorporated in Bermuda with limited liability)*

We have audited the consolidated financial statements of NewOcean Energy Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 36 to 119 which comprise the consolidated balance sheet as at December 31, 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.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

致新海能源集團有限公司各股東

*(前稱「新海環保能源集團有限公司」
(於百慕達註冊成立之有限公司))*

吾等已審核列載於第36至119頁新海能源集團有限公司(「貴公司」)及其子公司(統稱「貴集團」)之綜合財務報表。綜合財務報表包括2006年12月31日之綜合資產負債表，以及截至該日止年度之綜合收益表、綜合權益變動表及綜合現金流量表連同主要會計政策摘要及其他附註解釋。

董事就綜合財務報表之責任

貴公司之董事須根據由香港會計師公會頒布之香港財務報告準則及香港公司條例之披露規定編制及真實與公平地列報該等綜合財務報表。此責任包括設計、實施及維持與編製及真實而公平地列報綜合財務報表相關的內部監控，以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述；選擇及應用適當之會計政策，及按情況下作出合理之會計估計。

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with Section 90 of Bermuda Companies Act and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement.

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

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at December 31, 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.

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong
April 18, 2007

核數師之責任

吾等之責任是根據本行之審核，對該等綜合財務報表提出意見，僅向全體股東報告本行之意見，除此以外，本報告不可用作其他用途。本行概不就本報告內容向任何其他人士承擔或負上任何責任。本行乃根據香港會計師公會頒布之香港審計準則進行審核工作。該準則要求本行遵守道德規範，並策劃及執行審核，以合理確定該等綜合財務報表是否不存在任何重大錯誤陳述。

審核涉及執行程式以取得與綜合財務報表所載數額及披露事項有關之審核憑證。所選用之程式由核數師作判斷，包括評估由於欺詐或錯誤而導致綜合財務報表存有重大錯誤陳述的風險。當核數師作出該等風險評估時，會考慮與貴集團編製及真實與公平地列報綜合財務報表相關之內部監控，以設計適合當時情況之審核程式，但並非就貴集團之內部控制之成效發表意見。審核亦包括評價董事所採用之會計政策是否合適，及所作出之會計判斷是否合理，以及評價綜合財務報表之整體呈列方式。

吾等相信本行得到足夠及適當之審核憑證以作為提供該審核意見之基礎。

意見

吾等認為，該等綜合財務報表已根據香港財務報告準則真實與公平地反映貴集團於2006年12月31日之財政狀況及其於截至該日止年度之利潤及現金流量，並已按照香港公司條例之披露規定妥善編製。

德勤•關黃陳方會計師行
執業會計師

香港，2007年4月18日

Consolidated Income Statement

綜合收益表

For the year ended December 31, 2006

截至2006年12月31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
Continuing operations	持續業務			
Revenue	收入	6	2,384,835	1,610,785
Cost of sales	銷售成本		(2,261,555)	(1,530,602)
Gross profit	毛利		123,280	80,183
Other income	其他收入	8	35,310	8,140
Selling and distribution expenses	銷售及分銷支出		(28,431)	(19,846)
Administrative expenses	行政支出		(44,188)	(30,989)
Impairment losses on receivables	應收賬款減值		(2,658)	(4,056)
Adjustment to goodwill	商譽調整	21	(1,123)	—
Loss on disposals and write-offs of property, plant and equipment	出售及撇銷物業、 機器及設備 之虧損		(404)	(10)
Recognition of impairment loss on property, plant and equipment	確認物業、機器及 設備之 減值虧損		—	(2,776)
Gain on disposal of a subsidiary	出售一附屬公司之溢利	35	—	2,710
Finance costs	融資成本	9	(37,280)	(9,488)
Share of loss of a jointly controlled entity	分佔一家共同 控制實體虧損		(418)	(402)
Recognition of share-based payments	確認以股份為基礎 之支出		(5,855)	—
Profit before taxation	除稅前溢利		38,233	23,466
Taxation	稅項	10	179	3,667
Profit for the year from continuing operations	持續業務帶來 之年內溢利		38,412	27,133
Discontinued operations	非持續業務			
Profit for the year from discontinued operations	非持續業務帶來 之年內溢利	11	5,718	6,777
Profit for the year	年內溢利	12	44,130	33,910
Attributable to:	應佔溢利：			
Equity holders of the Company	本公司之權益持有人		44,130	35,702
Minority interests	少數股東權益		—	(1,792)
			44,130	33,910
Earnings per share	每股盈利	16		
From continuing and discontinued operations	持續及 非持續業務 基本		HK9.16 cents港仙	HK7.41 cents港仙
Diluted	攤薄		HK9.16 cents港仙	N/A不適用
From continuing operations	持續業務 基本		HK7.97 cents港仙	HK6.01 cents港仙
Diluted	攤薄		HK7.97 cents港仙	N/A不適用

Consolidated Balance Sheet

綜合資產負債表

At December 31, 2006
於2006年12月31日

		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
Non-current assets	非流動資產			
Property, plant and equipment	物業、機器及設備	17	438,592	170,094
Prepaid lease payments for lands	土地預付租賃款項	18	51,823	46,899
Prepaid lease payments for coast	海岸預付租賃款項	19	12,137	12,366
Investment properties	投資物業	20	—	46,000
Goodwill	商譽	21	84,428	61,893
Interest in a jointly controlled entity	一家共同控制實體權益	23	11,932	12,350
Other assets	其他資產	24	65,694	18,754
Deferred tax assets	遞延稅項資產	33	2,636	2,326
			667,242	370,682
Current assets	流動資產			
Inventories	存貨	25	57,970	40,197
Trade debtors and bills receivable	應收貿易賬款及應收票據	26	139,338	50,340
Other debtors, deposits and prepayments	其他應收賬款、按金及預付款項	26	129,558	100,928
Prepaid lease payments for lands	土地預付租賃款項	18	2,061	1,868
Prepaid lease payments for coast	海岸預付租賃款項	19	683	653
Amount due from a jointly controlled entity	應收一共同控制實體之款項	27	270	153
Amount due from a former shareholder of a subsidiary	應收一附屬公司前股東之款項	27	—	2,435
Pledged bank deposits	已抵押銀行存款	28	313,657	207,909
Bank balances and cash	銀行結餘及現金	28	151,034	57,479
			794,571	461,962
Current liabilities	流動負債			
Trade creditors and bills payable	應付貿易賬款及應付票據	29	284,714	63,246
Other creditors and accrued charges	其他應付賬款及應計費用		87,409	26,046
Tax liabilities	稅務負擔		9,286	8,971
Borrowings, partly secured — repayable within one year	借款，部份有抵押 — 須於一年內償還	30	401,444	334,407
			782,853	432,670
Net current assets	流動資產淨值		11,718	29,292
Total assets less current liabilities	總資產減流動負債		678,960	399,974

Consolidated Balance Sheet (Con't)

綜合資產負債表(續)

At December 31, 2006

於2006年12月31日

		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
Capital and reserves	資本及儲備			
Share capital	股本	31	48,168	48,168
Share premium and other reserves	股份溢價及其他儲備		397,782	340,764
Equity attributable to equity holders of the Company	本公司之權益持有人應佔權益		445,950	388,932
Minority interests	少數股東權益		1,531	1,531
Total equity	總權益		447,481	390,463
Non-current liabilities	非流動負債			
Deferred tax liabilities	遞延稅項負債	33	9,246	9,511
Borrowings, partly secured — repayable over one year	借款，部份有抵押 — 於一年後償還	30	222,233	—
			231,479	9,511
			678,960	399,974

The consolidated financial statements on pages 36 to 119 were approved and authorised for issue by the Board of Directors on April 18, 2007 and are signed on its behalf by:

董事會已於2007年4月18日審批及授權印發第36至119頁之綜合財務報表，並由下列董事代表簽署：

Shum Siu Hung

岑少雄

Chairman

主席

Shum Chun, Lawrence

岑濬

Director

董事

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended December 31, 2006
截至2006年12月31日止年度

		Attributable to equity holders of the Company 本公司之權益持有人應佔權益										
		Share capital	Share premium	Special reserve	Statutory surplus reserves	Exchange reserve	Share options reserve	Contributed surplus accounts	(Accumulated losses) retained profits	Total	Minority interests	Total
		股本	股份溢價	特別儲備	法定盈餘儲備	匯兌儲備	購股權儲備	撥入盈餘賬	(累計虧損) 保留溢利	總權益	少數股東權益	總權益
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
THE GROUP	本集團											
At January 1, 2005	於2005年1月1日	48,168	199,299	122,085	—	1,529	—	1,667	(18,120)	354,628	4,709	359,337
Exchange differences arising from translation of financial statements of overseas subsidiaries recognised directly in equity	於權益中直接確認之因換算海外附屬公司財務報表時產生之匯兌差額	—	—	—	—	3,419	—	—	—	3,419	—	3,419
Profit for the year	年內溢利	—	—	—	—	—	—	—	35,702	35,702	(1,792)	33,910
Total recognised income and expense for the year	年內已確認之收支總額	—	—	—	—	3,419	—	—	35,702	39,121	(1,792)	37,329
Dividend paid	已付股息	—	—	—	—	—	—	—	(4,817)	(4,817)	—	(4,817)
Acquisition of a subsidiary (note 34)	收購一附屬公司 (附註34)	—	—	—	—	—	—	—	—	—	1,531	1,531
Acquisition of additional equity interest in a subsidiary	收購一附屬公司額外權益	—	—	—	—	—	—	—	—	—	(2,917)	(2,917)
At December 31, 2005	於2005年12月31日	48,168	199,299	122,085	—	4,948	—	1,667	12,765	388,932	1,531	390,463
Exchange differences arising from translation of financial statements of overseas subsidiaries recognised directly in equity	於權益中直接確認之因換算海外附屬公司財務報表時產生之匯兌差額	—	—	—	—	12,813	—	—	—	12,813	—	12,813
Reserves release upon liquidation of subsidiaries	附屬公司清盤時解除儲備	—	—	—	—	(327)	—	—	327	—	—	—
Profit for the year	年內溢利	—	—	—	—	—	—	—	44,130	44,130	—	44,130
Total recognised income and expense for the year	年內已確認之收支總額	—	—	—	—	12,486	—	—	44,457	56,943	—	56,943
Appropriations	分派	—	—	—	1,113	—	—	—	(1,113)	—	—	—
Dividend paid	已付股息	—	—	—	—	—	—	—	(5,780)	(5,780)	—	(5,780)
Recognition of share-based payments	確認以股份為基礎之支出	—	—	—	—	—	5,855	—	—	5,855	—	5,855
At December 31, 2006	於2006年12月31日	48,168	199,299	122,085	1,113	17,434	5,855	1,667	50,329	445,950	1,531	447,481

The special reserve of the Group represents the difference between the share capital, share premium and capital redemption reserve of the Group's former ultimate holding company whose shares were exchanged for the Company's shares and the nominal amount of the share capital issued by the Company pursuant to a scheme of arrangement dated April 14, 1999.

The statutory surplus reserves represent enterprise development and general reserve funds appropriated from the profit after taxation of subsidiaries established in the People's Republic of China (the "PRC") in accordance with the PRC laws and regulations.

本集團之特別儲備指本集團前任最終控股公司之股本、股本溢價及資本贖回儲備，與本公司根據1999年4月14日訂立之債務償還安排計劃而向該公司發行本公司股份之面值之差額。

法定盈餘儲備指根據中華人民共和國(「中國」)之法律及規定，於中國成立之附屬公司除稅後溢利所分派之企業發展及一般儲備基金。

Consolidated Cash Flow Statement

綜合現金流動表

For the year ended December 31, 2006

截至2006年12月31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
OPERATING ACTIVITIES	經營業務		
Profit before taxation	稅前溢利	43,951	30,243
Adjustments for:	調整：		
Share of loss of a jointly controlled entity	分佔一家共同控制實體虧損	418	402
Finance costs	融資成本	37,280	9,488
Interest income	利息收入	(13,396)	(1,865)
Gain on change in fair value of investment properties	投資物業公平值改變之溢利	—	(1,141)
Gain on change in fair value of derivative financial instruments	衍生財務工具公平值改變之溢利	(1,481)	—
Impairment losses on receivables	應收賬款減值虧損	2,658	4,056
Adjustment to goodwill	商譽調整	1,123	—
Depreciation of property, plant and equipment	物業、機器及設備折舊	14,620	15,945
Amortisation of prepaid lease payments for lands	土地預付租賃款項攤銷	1,991	1,834
Amortisation of prepaid lease payments for coast	海岸預付租賃款項攤銷	670	653
Gain on disposals of investment properties	出售投資物業之溢利	(3,229)	—
Gain on disposal of a subsidiary	出售一附屬公司之溢利	—	(2,710)
Net loss (gain) on disposals and write-offs of property, plant and equipment	出售及撇銷機器及設備之淨虧損(獲利)	318	(6,161)
Recognition of impairment loss in property, plant and equipment	確認物業、機器及設備之減值虧損	—	2,776
Recognition of share-based payments	確認以股份為基礎之支出	5,855	—
Operating cash flows before movements in working capital	營運資金變動前之經營現金流動	90,778	53,520
Increase in inventories	存貨增加	(17,773)	(37,637)
(Increase) decrease in trade debtors and bills receivable	應收貿易賬款及應收票據(增加)減少	(89,324)	25,855
Increase in other debtors, deposits and prepayments	其他應收賬款、按金及預付款項增加	(26,816)	(72,739)
Increase in amount due from a jointly controlled entity	應收一共同控制實體款項增加	(117)	(153)
Decrease in amounts due from minority shareholders of subsidiaries	應收附屬公司少數股東款項減少	—	357
Decrease in amount due from a former shareholder of a subsidiary	應收一附屬公司前股東之款項減少	103	74
Increase in trade creditors and bills payable	應付貿易賬款及應付票據增加	221,468	39,277
Increase in other creditors and accrued charges	其他應付款項及應計費用增加	61,363	4,318
Cash generated from operations	經營產生現金額	239,682	12,872
Hong Kong Profits Tax paid	支付香港利得稅	(237)	—
PRC income tax paid	支付中國所得稅	(231)	(104)
Interest paid	支付利息	(37,280)	(9,488)
NET CASH GENERATED FROM OPERATING ACTIVITIES	經營業務產生現金淨額	201,934	3,280

Consolidated Cash Flow Statement (Con't)

綜合現金流動表(續)

For the year ended December 31, 2006

截至2006年12月31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
INVESTING ACTIVITIES	投資活動		
Interest received	已收利息	13,396	1,865
Acquisition of subsidiaries (net of cash and cash equivalents acquired)	收購附屬公司 (已扣除所得之現金 及等同現金項目)	34 (34,602)	(74)
Deposits paid for acquisition of a subsidiary	支付收購附屬公司 之按金	(15,926)	(4,359)
Proceeds from disposal of a subsidiary	出售一附屬公司所得	35 —	5,758
Proceeds from disposals of investment properties	出售投資物業所得	20 49,229	—
Additions of investment properties	額外投資物業	—	(9,834)
Purchase of property, plant and equipment	購置物業、機器 及設備	(247,243)	(14,415)
Deposit paid to a contractor	支付承建商之按金	(49,768)	(14,395)
Acquisition of additional equity interest in a subsidiary	收購一附屬公司 額外權益	—	(9,089)
Increase in pledged bank deposits	已抵押銀行存款增加	(105,748)	(204,905)
Proceeds from disposals of property, plant and equipment	出售物業、機器及 設備所得	1,042	11,103
Increase in prepaid lease payments for lands	土地預付租賃款項 之增加	—	(1,980)
NET CASH USED IN INVESTING ACTIVITIES	投資活動所用 現金淨額	(389,620)	(240,325)
FINANCING ACTIVITIES	融資活動		
Interest paid	已付利息	(2,905)	—
Borrowings raised	籌得借款	1,231,222	349,915
Repayment of borrowings	償還借款	(941,952)	(106,761)
Dividend paid	已付股息	(5,780)	(4,817)
NET CASH GENERATED FROM FINANCING ACTIVITIES	融資活動產生 現金淨額	280,585	238,337
NET INCREASE IN CASH AND CASH EQUIVALENTS	現金及等同現金 項目增加淨額	92,899	1,292
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	外匯兌換率變動 之影響	656	250
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	年初現金及等同 現金項目	57,479	55,937
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	年末現金及等同 現金項目	151,034	57,479
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS	現金及等同現金 項目分析		
Bank balances and cash	銀行結餘及現金	151,034	57,479

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended December 31, 2006

截至2006年12月31日止年度

1. GENERAL

The Company is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Its ultimate and immediate holding company is Uniocean Investments Limited, a company incorporated in British Virgin Islands. The address of the registered office of the Company is disclosed in the "Corporate Information" section to the annual report.

The Company acts as an investment holding company. The principal activities of the Group are the sale and distribution of liquefied petroleum gas and sale of electronic products.

The functional currency of the Company is Renminbi ("RMB"), the currency of the primary economic environment in which the Group operates. For the purpose of the consolidated financial statements and convenience of the financial statements users, the results and financial position of the Group are expressed in Hong Kong dollars, the presentation currency for the consolidated financial statements.

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

In the current year, the Group has applied, for the first time, a number of new standard, amendments and interpretations ("new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants, which are either effective for accounting periods beginning on or after December 1, 2005 or January 1, 2006. The adoption of the new HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

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

1. 概述

本公司乃於百慕達註冊成立之受豁免有限責任公司，公司股份在香港聯合交易所有限公司（「聯交所」）上市。其最終控股公司為海聯控股有限公司，一間於英屬處女島成立之有限公司。其註冊地址於年報「公司資料」一節內披露。

本公司乃投資控股公司。本集團之主要業務為銷售和分銷液化石油氣及銷售電子產品。

本公司之功能貨幣為人民幣，為本集團經營所在主要經濟地區之貨幣。為方便綜合財務報表使用者，本集團之業績及財務狀況以港元（綜合財務報表所列之貨幣）表示。

2. 應用新訂及經修訂香港財務報告準則

於本年內，本集團首次應用由香港會計師公會頒佈之多項新訂準則、修訂及詮釋（「新香港財務報告準則」），新香港財務報告準則於2005年12月1日或2006年1月1日之後開始之會計期間生效。採納新香港財務報告準則對現時或過往會計期間業績及財務狀況的編製及呈列方式概無構成重大影響。因此，概無作出任何前期調整。

本公司並無提前採用下列已頒佈但尚未生效之新訂準則、修訂或詮釋。本公司董事預期，採用此等準則、修訂或詮釋將不會對本集團之業績及財務狀況構成重大影響。

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

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

HKAS 1 (Amendment)	Capital disclosures ¹
HKFRS 7	Financial instruments: Disclosures ¹
HKFRS 8	Operating segments ²
HK(IFRIC) — INT 7	Applying the restatement approach under HKAS 29 Financial Reporting in Hyperinflationary Economies ³
HK(IFRIC) — INT 8	Scope of HKFRS 2 ⁴
HK(IFRIC) — INT 9	Reassessment of embedded derivatives ⁵
HK(IFRIC) — INT 10	Interim financial reporting and impairment ⁶
HK(IFRIC) — INT 11	HKFRS 2 — Group and treasury share transactions ⁷
HK(IFRIC) — INT 12	Service concession arrangements ⁸

2. 應用新訂及經修訂香港財務報告準則(續)

香港會計準則第1號(修訂本)	資本披露 ¹
香港財務報告準則第7號	金融工具：披露 ¹
香港財務報告準則第8號	營運分類 ²
香港(國際財務報告詮釋委員會)第7號	根據香港會計準則第29號惡性通貨膨脹經濟下之財務報告採用重列法 ³
香港(國際財務報告詮釋委員會)第8號	香港財務報告準則第2號的範圍 ⁴
香港(國際財務報告詮釋委員會)第9號	重估嵌入衍生工具 ⁵
香港(國際財務報告詮釋委員會)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)第11號	香港財務報告準則第2號 — 集團及庫存股份交易 ⁷
香港(國際財務報告詮釋委員會)第12號	財務經營權安排 ⁸

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

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

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

2. 應用新訂及經修訂香港財務報告準則(續)

- 1 於2007年1月1日或其後開始之年度期間生效。
- 2 於2009年1月1日或其後開始之年度期間生效。
- 3 於2006年3月1日或其後開始之年度期間生效。
- 4 於2006年5月1日或其後開始之年度期間生效。
- 5 於2006年6月1日或其後開始之年度期間生效。
- 6 於2006年11月1日或其後開始之年度期間生效。
- 7 於2007年3月1日或其後開始之年度期間生效。
- 8 於2008年1月1日或其後開始之年度期間生效。

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

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

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

Basis of consolidation

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

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

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

3. 主要會計政策

綜合財務報表乃根據歷史成本基準編製，惟如下文所載之會計政策所解釋，投資物業及金融工具乃按重估金額或公平價值計量。

綜合財務報表乃根據香港會計師公會所頒佈之香港財務報告準則編製。此外，綜合財務報告載有香港聯合交易所有限公司證券上市規則及香港公司條例規定之適用披露事項。

綜合基準

綜合財務報表乃綜合本公司及本公司控制之實體(其附屬公司)之財務報表。當本公司有權監管實體之財務及營運政策以獲得利潤，便被視為控制。

年內所收購或所出售附屬公司之業績自收購日期起或至出售日期止(視乎情況而定)已計入綜合收益表。

所有集團內交易、結餘、收入及支出均於綜合賬目對銷。

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of consolidation (Continued)

Minority interests in the net assets of consolidated subsidiaries are presented separately from the Group's equity therein. Minority interests in the net assets consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

Business combinations

The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under HKFRS 3 Business Combinations are recognised at their fair values at the acquisition date.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in profit or loss.

3. 主要會計政策(續)

綜合基準(續)

綜合附屬公司淨資產內之少數股東所佔權益與本集團所佔之權益分開列賬。少數股東於淨資產之權益包括該等權益於原業務合併日期之數額及少數股東應佔該合併日期以來之股本變動。適用於少數股東的虧損超出於附屬公司股權的少數股東權益的數額將在本集團的權益中作出分配，惟少數股東具約束力責任及可以其他投資補足虧損者除外。

業務合併

收購附屬公司使用收購法列賬。收購成本按本集團於交換日為交換被收購者的控制權而放棄的資產、產生或承擔的負債的公平值總額，另加業務合併產生的任何直接成本而計算。被收購者的可確認資產、負債及或然負債，若符合香港財務報告準則第3號「業務合併」的確認條件，則於收購日按其公平值確認。

因收購而產生的商譽，指業務合併成本超逾本集團已確認可識別資產、負債及或然負債公平值淨額的差額，乃確認為資產並於首次按成本計量。倘經重新評估後，本集團應佔被收購者的可識別資產、負債及或然負債的公允值淨額的權益超逾業務合併成本，則超逾差額即時確認為損益。

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Business combinations (Continued)

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

Acquisition of additional interests in a subsidiary

The cost of the acquisition is measured at the consideration paid for the additional interest. The goodwill is calculated as the difference between the consideration paid and the book value of the net assets of the subsidiary attributable to the additional interest acquired.

Goodwill

Goodwill arising on acquisitions prior to January 1, 2005

Goodwill arising on acquisition of a subsidiary for which the agreement date is before January 1, 2005 represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of the relevant subsidiary at the date of acquisition. Such goodwill is tested for impairment annually, and whenever there is an indication that the cash generating unit to which the goodwill relates may be impaired (see the accounting policy below).

3. 主要會計政策(續)

業務合併(續)

被收購者的少數股東權益於最初時會按少數股東所佔的已確認資產、負債及或然負債的公平值淨額比例計量。

收購一附屬公司之額外權益

收購成本是按為額外權益所支付的代價計量。商譽是根據所付代價與附屬公司額外權益應佔資產淨值的賬面值的差額計算。

商譽

於2005年1月1日前因收購而產生之商譽

收購一家附屬公司(協議於2005年1月1日之前)產生之商譽乃指收購成本超過本集團在收購當日應佔相關附屬公司可識別資產及負債之公平值，而有關商譽每年進行減值測試，以及凡與商譽有關之賺取現金單位可能出現減值之跡象時進行減值測試(見下文會計政策)。

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Goodwill (Continued)

Goodwill arising on acquisitions on or after January 1, 2005

Goodwill arising on an acquisition of a subsidiary for which the agreement date is on or after January 1, 2005 represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of the relevant subsidiary at the date of acquisition. Such goodwill is carried at cost less any accumulated impairment losses.

Capitalised goodwill arising on an acquisition of a subsidiary is presented separately in the balance sheet.

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

On subsequent disposal of a subsidiary, the attributable amount of goodwill capitalised is included in the determination of the amount of profit or loss on disposal.

3. 主要會計政策(續)

商譽(續)

於2005年1月1日或之後因收購而產生 之商譽

收購一家附屬公司(協議日期為於2005年1月1日或之後)產生之商譽乃指收購成本超逾本集團於收購當日應佔相關附屬公司可識別資產、負債及或然負債公平值之權益之差額。有關商譽乃按成本減任何累計減值虧損列賬。

收購附屬公司產生之資本化商譽乃於資產負債表內分開列賬。

就減值測試而言，收購附屬公司所產生之商譽乃被分配到各有關賺取現金單位，或賺取現金單位之組別，預期彼等從收購之協同效應中受益。已獲分配商譽之賺取現金單位每年及凡單位有可能出現減值之跡象時進行減值測試。就於某個財政年度之收購所產生之商譽而言，已獲分配商譽之現金賺取單位於該財政年度完結前進行減值測試。當賺取現金單位之可收回金額少於該單位之賬面值，則減值虧損被分配，首先削減分配到該單位之任何商譽之賬面值，其後以單位各資產之賬面值為基準按比例分配到該單位之其他資產。商譽之任何減值虧損乃直接於收益表內確認。商譽之減值虧損於其後期間不予撥回。

其後出售附屬公司，則被資本化之商譽之應佔金額於出售時計入釐定損益之金額。

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Jointly controlled entities

Joint venture arrangements that involve the establishment of a separate entity in which venturers have joint control over the economic activity of the entity are referred to as jointly controlled entities.

The results and assets and liabilities of jointly controlled entities are incorporated in the consolidated financial statements using the equity method of accounting. Under the equity method, investments in jointly controlled entities are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the Group's share of the profit or loss and of changes in equity of the jointly controlled entities, less any identified impairment loss. When the Group's share of losses of a jointly controlled entity equals or exceeds its interest in that jointly controlled entity, the Group discontinues recognising its share of further losses. An additional share of losses is provided for and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that jointly controlled entity.

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

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

3. 主要會計政策(續)

共同控制實體

由合營者成立一間各自擁有權益的獨立企業的合營安排視為共同控制實體。

共同控制實體之業績、資產及負債乃以會計權益法綜合入財務資料。根據權益法，於共同控制實體之投資乃按成本於綜合資產負債表中列賬，並就本集團分佔該共同控制實體之損益及權益變動之收購後變動作出調整，以及減去任何已識別之減值虧損。當本集團分佔某共同控制實體之虧損相等於或超出其於該共同控制實體之權益，則本集團不再繼續確認其分佔之虧損乃被撥備，而負債僅以本集團已產生法定或推定責任或代表該共同控制實體作出付款者為限被確認。

收購成本與本集團於收購日可分享共同控制實體可確定之淨資產負債之公平值比較，多出之部份確認為商譽。商譽包括在投資之賬面值及須為此投資部份進行減值評核。

當一集團實體與共同控制實體發生往來交易，其未確認利潤或損失將與本集團在共同控制實體之利益互相銷減，除非該未確認損失有理據顯示資產減值已轉移，並且該損失已全數確認。

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For the year ended December 31, 2006

截至2006年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition

Revenue is measured at the fair value of the consideration received and receivable and represents amounts receivable for goods sold in the normal course of business, less discounts, sales related taxes, returns and allowances.

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

Interest income from a financial asset is accrued on a timely basis, by reference to the principal outstanding and at the interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial assets to that asset's net carrying amount.

Rental income under operating leases is recognised on a straight line basis over the respective lease terms.

Property, plant and equipment

Property, plant and, equipment, other than construction in progress, are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

3. 主要會計政策(續)

收入確認

收入按已收及應收代價的公平值計量，並相當於在日常業務運作過程中提供貨品及服務而應收的款項，減折扣及銷售相關稅項。

貨物銷售乃於貨物已付運及所有權已移交時確認。

財務資產利息收入根據本金結餘及適用利率按時間比例計算入賬。而適用利率為透過財務資產之預期可用年期將估計日後現金收據實際折讓至該資產之賬面淨值之比率。

經營租約之租金收入按有關租期以直線基準計算入賬。

物業、機器及設備

除在建工程外，物業、機器及設備乃按成本值扣減累積折舊及累積減值虧損(如有)入賬。

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment (Continued)

Depreciation and amortisation is provided to write off the cost, other than construction in progress, over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method, at the following rates per annum:

Buildings	Over the term of the lease
Leasehold improvements	20% to 33 $\frac{1}{3}$ %
Toolings	33 $\frac{1}{3}$ %
Plant and machinery	5% to 33 $\frac{1}{3}$ %
Gas plant and facilities	Over the lease term of coast use right
Gas pumps and equipment	10% to 33 $\frac{1}{3}$ %
Furniture, fixtures and equipment	15% to 16 $\frac{2}{3}$ %
Motor vehicles	16 $\frac{2}{3}$ % to 33 $\frac{1}{3}$ %

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the consolidated income statement in the year in which the item is derecognised.

Construction in progress

Construction in progress represents property, plant and equipment in the course of construction for production or for its own use purposes. Construction in progress is carried at cost less any recognised impairment loss. Construction in progress is classified to the appropriate category of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

3. 主要會計政策(續)

物業、機器及設備(續)

除在建工程外，估計可使用年期及其估計之剩餘價值以直線法按下列年率撇銷成本而作出折舊及攤銷撥備：

樓宇	按租約年期
租賃物業裝修	20%至33 $\frac{1}{3}$ %
工具	33 $\frac{1}{3}$ %
機器及設備	5%至33 $\frac{1}{3}$ %
氣庫及設施	按海岸使用權租約年期
氣泵及設備	10%至33 $\frac{1}{3}$ %
傢俬、裝置及設備	15%至16 $\frac{2}{3}$ %
汽車	16 $\frac{2}{3}$ %至33 $\frac{1}{3}$ %

物業、機械及設備項目於出售時或當繼續使用該資產預期不會產生任何日後經濟利益時取消確認。資產取消確認產生之任何收益或虧損(按該項目之出售所得款項淨額及賬面值間之差額計算)於該項目取消確認之年度計入綜合收益表。

在建工程

在建工程指興建中之物業、機器及設備作日後生產或自用。在建工程按成本減任何已確認減值虧損。當在建工程完成並預備使用時將列為物業、機器及設備之適當類別。該等資產作擬定用途時，將與其他物業資產以相同基準開始計算折舊。

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investment properties

On initial recognition, investment properties are measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured using the fair value model. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the year in which they arise. Investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use or no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the investment property (calculated as the difference between the net disposal proceeds and the carrying value of the investment property) is included in the consolidated income statement in the year in which the item is derecognised.

Inventories

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

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the year in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the year.

3. 主要會計政策(續)

投資物業

於初步確認時，投資物業按成本計算，包括任何直接應佔支出。於初步確認後，投資物業採用公平值模式計算。投資物業之公平值變動所產生之損益計入產生期間年內之損益表。投資物業於出售時或當該項投資物業永久停止使用時或預計其出售將不會產生未來經濟利益時不再確認。於不再確認該項投資物業時所產生的任何收益或虧損(以出售所得款項淨額與該項目的賬面值的差額計算)，計入不再確認該項目的年度的綜合收益表內。

存貨

存貨按成本值及可變現淨值兩者之較低者入賬。成本以先進先出方法計算。

外幣

於編製各個別集團實體之財務報告時，以該實體功能貨幣以外之貨幣(外幣)進行之交易均按交易日期之適用匯率換算為有關的功能貨幣(如該實體經營所在主要經濟地區之貨幣)記賬。於各結算日，以外幣定值之貨幣項目均按結算日之適用匯率重新換算。按公平值以外幣定值之非貨幣項目乃按於公平值釐定當日之適用匯率重新換算。按外幣過往成本計量之非貨幣項目毋須重新換算。

於結算及換算貨幣項目時產生之匯兌差額均於彼等產生年內以損益確認。惟重新換算以公平值入賬之非貨幣項目差生的匯兌差額於年內以損益入賬。

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currencies (Continued)

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) at the rate of exchange prevailing at the balance sheet date, and their income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the year, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised as a separate component of equity (the exchange reserve). Such exchange differences are recognised in profit or loss in the year in which the foreign operation is disposed of.

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation on or after January 1, 2005 are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the balance sheet date. Exchange differences arising are recognised in the translation reserve.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, are capitalised as part of the cost of those assets. Capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

3. 主要會計政策 (續)

外幣 (續)

就呈列綜合財務報告而言，本集團海外經營業務之資產及負債乃按於結算日之適用匯率換算為本集團之列賬貨幣(即港元)，而其收入及支出乃按該年度之平均匯率進行換算，除非匯率於該年內出現大幅波動則作別論，於此情況下，則採用於換算當日之適用匯率。所產生之匯兌差額(如有)乃確認作權益之獨立部分(匯兌儲備)。該等匯兌差額乃於海外業務被出售之年內於損益表內確認。

於2005年1月1日或之後，於收購海外業務時產生之有關所收購可識別資產之商譽及公平值調整乃作為該海外經營業務之資產及負債處理，並按於結算日之適用匯率進行換算。產生之匯兌差額乃於匯兌儲內確認。

借貸成本

收購、興建或生產合資格資產直接應佔的借貸成本作為該等資產成本的一部分。當資產隨後作擬定用途或銷售，該等借貸成本不再資本化。合資格資產出現開支前，於具體借款作短期投資而賺取的投資收入會從適合作資本化的借貸成本中扣除。

所有其他借貸成本於產生期間確認為損益。

租賃

凡租賃之條款規定擁有權所附帶之一切風險及報酬實質上轉移至承租人者，該租賃即歸類為融資租賃。其他租賃全部列作經營租賃。

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綜合財務報表附註(續)

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Group as lessor

Rental income from operating leases is recognised in the consolidated income statement on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

The Group as lessee

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

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated income statement because it excludes items of income or expenses that are taxable or deductible in other years and it further excludes items of income or expenses that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on differences between the carrying amount of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

3. 主要會計政策(續)

本集團作為出租人

經營租賃之租金收入乃按相關租賃年期以直線法於綜合收益表確認。於協商及安排經營租賃時引致之初步直接成本乃加至租賃資產之賬面值，並按租賃年期以直線法確認作一項支出。

本集團作為承租人

根據經營租賃之應付租金乃按相關租賃年期以直線法於損益表扣除。因訂立一項經營租賃作為獎勵之已收及應收福利乃以直線法按租賃年期確認作租金支出減少。

稅項

所得稅支出為當期應付稅項加上遞延稅項的總和。

當期應付稅項按年度應課稅溢利計算。應課稅溢利由於不包括其他年度的應課稅收入或可扣稅支出項目，亦不計入毋須課稅或不獲扣稅的損益項目，因而與綜合收益表所示溢利數額不同。本公司之即期稅項負債乃按結算日已實行或大致上已實行之稅率計算。

遞延稅項為基於資產負債在綜合財務報表的帳面值與計算應課稅溢利的相關稅基之間的差額，按資產負債表負債法入帳。如出現應課稅暫時差額，一般一律確認為遞延稅項負債，而遞延稅項資產則於有可能出現可利用暫時差額扣稅之應課稅溢利時確認。然而，若暫時差額是基於商譽或因一項既不影響應課稅亦不影響會計溢利的交易(業務合併除外)而首次確認其他資產及負債所導致，則不會確認有關遞延稅務資產和負債。

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綜合財務報表附註(續)

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation (Continued)

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Retirement benefit cost

Payments to state-managed retirement benefit scheme and the Mandatory Provident Fund Scheme are charged as an expense when employees have rendered service entitling them to the contributions.

Financial instruments

Financial assets and financial liabilities are recognised on the balance sheet when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3. 主要會計政策 (續)

稅項 (續)

遞延稅務資產的賬面值定期在結算日檢討。如應課稅溢利不大可能足以恢復全部或部份資產，則會作出撇減。

遞延稅項按預期適用於清償負債或變賣資產期間之適用稅率計算。遞延稅項在損益表中入賬或扣除。然而，若遞延稅項關乎直接在資本帳中入賬或扣除的項目，則會在資本帳中處理。

退休福利成本

國營退休福利計劃及強制性公積金計劃於僱員提供服務以致彼等有權獲得供款時作開支扣除。

金融工具

財務資產及財務負債乃當某集團實體成為工具合同條文之訂約方時在資產負債表上確認。財務資產及財務負債按公平值初步確認。收購或發行財務資產及財務負債直接應佔之交易成本(於損益表按公平值計算之財務資產及財務負債除外)乃於初步確認時加入財務資產或財務負債之公平值或自財務資產或財務負債之公平值內扣除(如合適)。收購於損益表按公平值計算之財務資產或財務負債直接應佔之交易成本即時於損益表內確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets

The Group's financial assets are classified as loans and receivables. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. The accounting policies adopted in respect of each category of financial assets are set out below.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At each balance sheet date subsequent to initial recognition, loans and receivables including bank balances, pledged bank deposits, trade debtors, bills receivable, other debtors, deposits, amount due from a jointly controlled entity and amount due from a former shareholder of a subsidiary are carried at amortised cost using the effective interest method, less any identified impairment losses. An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

3. 主要會計政策(續)

金融工具(續)

財務資產

本集團之財務資產歸入借款及應收款項。所有定期購買或出售財務資產乃按交易日基準確認及不再確認。定期購買或出售乃購買或出售財務資產，並要求於市場上按規則或慣例設定之時間框架內付運資產。所採納之與各類財務資產有關之會計政策乃載於下文。

借款及應收款項

借款及應收款項乃非於現行市場所報之固定或可釐定付款之非衍生財務資產。於初步確認後之各結算日，借款及應收款項(包括銀行結餘、已抵押銀行存款、應收貿易賬款、應收票據、其他應收賬款、按金、應收一共同控制實體之款項、應收一附屬公司前股東之款項)均按採用實際利率法計算之已攤銷成本減任何已識別減值虧損入賬。減值虧損於可客觀證明資產減值時於損益表中確認，並按該資產之賬面值與按原先實際利率折讓之估計未來現金流量之現值間的差額計量。當資產之可收回數額增加乃確實與於確認減值後所引致之事件有關時，則減值虧損會於隨後會計期間予以回撥，惟該資產於減值被回撥之日之賬面值不得超過未確認減值時之已攤銷成本。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial liabilities and equity

Financial liabilities and equity instruments issued by a group entity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. The accounting policies adopted in respect of financial liabilities and equity instruments are set out below.

Financial liabilities

Financial liabilities including trade creditors, bills payable, other creditors and borrowings are subsequently measured at amortised cost, using the effective interest rate method.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Derivative financial instruments

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

3. 主要會計政策(續)

金融工具(續)

財務負債及權益

集團實體發行之財務負債及股本工具乃根據合同安排之性質與財務負債及股本工具之定義分別。

股本工具乃證明本集團於扣減所有負債後之資產中擁有剩餘權益之任何合同。就財務負債及股本工具所採納之會計政策乃載於下文：

財務負債

財務負債包括應付貿易賬款、應付票據、其他應付賬款及借款乃隨後採用實際利率法按已攤銷成本計算。

股本工具

本公司發行之股本工具乃按已收所得款項(扣除直接發行成本)記賬。

衍生融資工具及對沖

衍生工具初步均按訂立衍生工具合約當日之公平值確認，其後按於各結算日之公平值重新計算。所產生之損益即時於損益表確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Derecognition

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

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

Share-based payment transactions

Equity-settled share-based payment transactions

Share options granted to employees

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

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

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

3. 主要會計政策(續)

金融工具(續)

剔除確認

當應收資產現金流量之權利屆滿，或財務資產被轉讓而本集團已轉讓該項財務資產擁有權之絕大部分風險及回報時，有關資產會剔除確認。於剔除確認財務資產時，該項資產賬面值與已收及應收代價及於股本直接確認之累計盈虧總數間之差額會於損益表確認。

當有關合約所訂明責任獲解除、註銷或屆滿時，財務負債會自本集團資產負債表剔除。獲剔除確認之財務負債的賬面值與已付或應付代價間差額於損益表確認。

以股份為基礎之支出

以權益支付股份為基礎之支出

授予僱員之購股權

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

於年結日，本集團修訂其估計之購股權數目。更改估計數目之影響(如有)，將連同購股權儲備之調整在損益表中確認。

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment losses (other than goodwill)

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

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

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying the Group's accounting policies which are described in note 3, management has made the following estimates concerning future. The key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are also discussed below.

Estimated impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. As at December 31, 2006, the carrying amount of goodwill is approximately HK\$84,428,000 (2005: HK\$61,893,000) (net of accumulated impairment loss of HK\$45,576,000 (2005: HK\$45,576,000)). Details of the recoverable amount calculation are disclosed in note 21.

3. 主要會計政策 (續)

減值虧損 (商譽除外)

本集團於年結日評估其資產之賬面值，以確定該等資產有否減值虧損之跡象。倘若一項資產之可收回值低於其賬面值，則該項資產之賬面值即被減至與可收回值。減值虧損應立即確認為支出。

於回撥減值虧損時，資產之賬面值可調高至重新釐定之可收回值，惟不可高於該資產以過往未減值虧損前計算之賬面值。撥回之減值虧損可即時被確認為收入。

4. 不確定估計之主要來源

在應用附註3所述之集團會計政策之過程中，管理層已作出以下未來之主要假設影響。於結算日，不確定估計之主要來源會造成須對下一個財政年度內資產及負債賬面值作出重大調整之重大風險。該等不確定估計之主要來源如下：

商譽之預計減值

釐定商譽是否減值須對商譽獲分派之賺取現金單位之使用價值作出估計。使用價值計算要求本集團估計預期產生自賺取現金單位之日後現金流動及合適之折現率以計算現值。當真正日後現金流動少於預期，便會引起重大減值虧損。截至2006年12月31日，商譽之賬面價值約為84,428,000港元(2005: 61,893,000港元)(累計減值虧損淨額約45,576,000港元)(2005: 45,576,000港元)。可收回金額計算方法之詳情披露於附註21。

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4. KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Income taxes

As at December 31, 2006, a deferred tax asset of approximately HK\$2,636,000 (2005: HK\$2,326,000) in relation to unused tax losses has been recognised in the Group's consolidated balance sheet. The realisability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where the actual future profits generated are less than expected, a material reversal of deferred tax assets may arise, which would be recognised in the consolidated income statement for the year in which such a reversal takes place. Details of unused tax losses not recognised amounted to approximately HK\$30,584,000 (2005: HK\$83,822,000) are disclosed in note 33. The unused tax losses not recognised may be capitalised if the actual future profits generated are more than expected.

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's major financial instruments include bank balances, pledged bank deposits, borrowings, trade debtors, bills receivable, other debtors, deposits, trade creditors and bills payable and other creditors. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

4. 不確定估計之主要來源(續)

所得稅

於2006年12月31日，有關未動用稅項虧損之遞延稅項資產約2,636,000港元(2005：2,326,000港元)已於本集團之綜合資產負債表中確認。變現遞延稅項資產主要有賴於是否有足夠未來溢利或將來可供利用之應課稅暫時差額而定。倘產生之未來實際溢利乃少於預期溢利，遞延稅項資產可能會予以實質撥回，於有關撥回發生期間之綜合收益表內確認。約30,584,000港元(2005：83,822,000港元)未確認之未動用稅項虧損之詳情披露於附註33。假設將來產生之真正溢利大於預期，未確認之未動用稅項虧損可能被資本化。

5. 財務風險管理目標及政策

本集團之主要財務工具包括銀行結餘、已抵押銀行存款、借款、應收貿易賬款，應收票據、其他應收賬款、按金、應付貿易賬款及應付票據及其他應付賬款。該等金融工具詳情於各附註披露。下文載列與該等金融工具有關之風險及如何降低該等風險之政策。管理層管理及監控該等風險，以確保及時和有效地採取適當之措施。

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5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Market risk

(i) Currency risk

Several subsidiaries of the Company have foreign currency sales and purchases, which expose the Group to foreign currency risk. Certain bank balances and cash, pledged bank deposits, trade debtors, trade creditors and bills payable and borrowings of the Group are denominated in foreign currencies. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

(ii) Interest rate risk

The Group's bank balances and bank loans have exposure to cash flow interest rate risk due to the fluctuation of the prevailing market interest rate on bank balances and bank loans which carried at prevailing market interest rates.

In addition, the Group has exposure to fair value interest rate through the impact of the rate changes on pledged bank deposits which are carried at fixed interest rate. The directors consider the Group's exposure to interest rate risk is not significant as interest bearing bank balances are within short maturity periods.

The Group's fair value interest rate risk relates primarily to fixed-rate borrowings (see note 30 for details of these borrowings). The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

5. 財務風險管理目標及政策(續)

市場風險

(i) 貨幣風險

本公司若干附屬公司有以外幣計值之買賣，令本集團承受外幣風險。若干銀行結餘及現金、已抵押銀行存款、應收貿易賬款、應付貿易賬款及應付票據及借款，以外幣定價。本集團現時尚無外幣對沖政策。然而，管理層監控外匯風險，並會考慮於必要時對沖重大外幣風險。

(ii) 利率風險

因銀行結餘及銀行借款之市場利率波動，本集團附有市場利率之銀行結餘及銀行借款帶有資金流動利率風險。

此外，本集團之已抵押銀行存款附有固定利息，利息改變亦會帶來公平值利率風險。董事認為本集團所冒之利率風險並非重大，因附有利息之銀行結餘之到期日乃屬短期。

本集團之公平值利率風險涉及初步以固定利率借貸(該等借貸詳情請見附註30)。本集團現時尚無利率對沖政策。然而，管理層監控利率風險，並會考慮於必要時對沖重大利率風險。

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5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk

As at December 31, 2006, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the trade debtors and bills receivable of approximately HK\$139,338,000 and the other debtors of approximately HK\$79,628,000. The Group has no significant concentration risk on trade debtors and bills receivable with exposure spread over a number of customers. The Group has some concentration of credit risk with exposure to a counterparty of approximately HK\$79,628,000 as disclosed in note 26. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debtors, other debtors and deposits at each balance sheet date to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The credit risk on liquid funds is limited because the counterparties are banks with high credit rankings assigned by international credit-rating agencies.

Liquidity risk

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

As at December 31, 2006, the Group has undrawn short term borrowing facilities with floating rate amounting to approximately HK\$604,428,000.

5. 財務風險管理目標及政策(續)

信貸風險

於2006年12月31日，因未能解除對方負債而令本集團面臨，並能導致本集團金融損失的最大信貸風險，產生於應收貿易賬款及應收票據約139,338,000港元及其他應收賬款約79,628,000港元。本集團客戶分佈平均，沒有重大集中對個別貿易客戶及應收票據之風險。附註26之約79,628,000港元的應收賬款信貸有某程度集中風險。為減低信貸風險，管理層授權與一團隊負責決定信貸額度，信貸審核及其他監察流程確保已到期債權得到跟進。本集團對每個貿易應收賬款，其他應收賬款及按金均在此期間評核其可收回金額，以確保不可收回之金額作減值損失。因此，董事認為本集團之信貸風險因而大大降低。

國際信貸評級代理已頒發高信貸評級予銀行，故集團之流動資金之信貸風險將有限。

流動資金風險

在管理流動資金風險時，本集團監控及保持管理層認為足夠的現金及等同現金價值數額，以為本集團的業務營運提供資金並減輕現金流量波動的影響。管理層監控銀行借貸的使用狀況及確保遵守貸款契約。

於2006年12月31日，本集團未提取帶有浮動利率之短期借款信貸約為604,428,000港元。

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5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Fair value

The fair value of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis or using prices from observable current market transactions.

The fair value of derivative instruments are calculated using quoted prices. Where such prices are not available use is made of discounted cash flow analysis using the applicable yield curve for the duration of the instruments for non-optional derivative, and option pricing models for optional derivatives.

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

6. REVENUE

Revenue represents the fair value of amounts received and receivable for goods sold by the Group to outside customers, less discount, related taxes, returns and allowances, and rental and leasing income for the year, and is analysed as follows:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Continuing operations	持續業務		
Sale and distribution of liquefied petroleum gas ("LPG")	銷售及分銷液化石油氣(「液化氣」)	2,287,545	1,372,849
Sale of electronic products	銷售電子產品	97,290	237,936
		2,384,835	1,610,785
Discontinued operations	非持續業務		
Leasing of investment properties, property, plant and equipment	租賃投資物業、物業、機器及設備	2,696	4,694
		2,387,531	1,615,479

5. 財務風險管理目標及政策(續)

公平值

金融資產及負債之公平值取決於一般被接納之定價模式，並基於現金流現值分析或參考可見的市場交易定價。

衍生工具之公平值乃按照市場報價。如以上報價不適用，便以現金流現值分析，根據衍生工具的時間性，非選擇性系數應用回報曲線，而選擇性系數則用選擇定價模式。

董事認為於綜合財務報表上反映之金融資產及負債已攤銷成本之賬面值，近似其公平值。

6. 收入

收入乃指年內本集團向外界客戶出售貨品收取及應收取之金額減折扣、有關稅項、退貨及津貼及，租金及租賃收入之公平值，其分析如下：

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7. BUSINESS AND GEOGRAPHICAL SEGMENTS

The Group is principally engaged in sale and distribution of LPG and sale of electronic products. These businesses are the basis on which the Group reports its primary segment information.

The Group was also involved in the leasing of investment properties, properties, plant and equipment. The operation was discontinued during the year.

Segment information about these businesses is presented below:

Business segments

Income statement

For the year ended December 31, 2006:

7. 業務及地區分類資料

本集團主要從事液化氣的銷售與分銷及電子產品之銷售。本集團以該等業務為呈報主要分類資料之基礎。

本集團亦從事投資物業、物業、機器及設備之租賃業務。該等業務於年內停止營運。

該等業務之分類資料呈列如下：

業務分類

收益表

截至2006年12月31日止年度：

		Continuing operations 持續業務				Discontinued operations 非持續業務		Consolidated 綜合 HK\$'000 千港元
		Sale and distribution of LPG 銷售及分銷 液化氣 HK\$'000 千港元	Sale of electronic products 銷售 電子產品 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Total 合共 HK\$'000 千港元	Leasing of investment properties, property, plant and equipment 投資物業、 物業、機器 及設備 之租賃 HK\$'000 千港元		
Segment revenue	分類收益	2,287,545	97,290	—	2,384,835	2,696	2,387,531	
Segment result	分類業績	68,209	13,650	—	81,859	2,401	84,260	
Interest income	利息收入	—	—	13,394	13,394	2	13,396	
Net gain (loss) on disposals and write-offs of property, plant and equipment	出售及撤銷 物業、機器及 設備之淨獲利 (虧損)	(404)	—	—	(404)	86	(318)	
Gain on disposals of investment properties	出售投資物業 之獲利	—	—	—	—	3,229	3,229	
Unallocated corporate expenses	未分配企業開支	—	—	(18,918)	(18,918)	—	(18,918)	
Finance costs	融資成本	—	—	(37,280)	(37,280)	—	(37,280)	
Share of loss of a jointly controlled entity	分佔一家共同 控制實體虧損	(418)	—	—	(418)	—	(418)	
Profit (loss) before taxation	除稅前溢利(虧損)	67,387	13,650	(42,804)	38,233	5,718	43,951	
Taxation credit	稅項收入	—	—	—	—	—	179	
Profit for the year	年內溢利	—	—	—	—	—	44,130	

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綜合財務報表附註(續)

For the year ended December 31, 2006

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7. BUSINESS AND GEOGRAPHICAL SEGMENTS
(Continued)

Business segments (Continued)

Balance sheet

At December 31, 2006:

7. 業務及地區分類資料(續)

業務分類(續)

資產負債表

2006年12月31日：

		Sale and distribution of LPG 銷售及分銷 液化氣 HK\$'000 千港元	Sale of electronic products 銷售 電子產品 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Assets	資產			
Segment assets	分類資產	880,452	98,049	978,501
Interest in a jointly controlled entity	一家共同控制 實體之權益	11,932	—	11,932
Unallocated corporate assets	未分配企業資產			471,380
Consolidated total assets	綜合總資產			1,461,813
Liabilities	負債			
Segment liabilities	分類負債	356,046	939	356,985
Unallocated corporate liabilities	未分配企業負債			657,347
Consolidated total liabilities	綜合總負債			1,014,332

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綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

7. BUSINESS AND GEOGRAPHICAL SEGMENTS
(Continued)

7. 業務及地區分類資料(續)

Business segments (Continued)

業務分類(續)

Other Information

其他資料

For the year ended December 31, 2006:

截至2006年12月31日止年度：

	Continuing operations 持續業務			Discontinued operations 非持續業務		Consolidated 綜合	
	Sale and distribution of LPG 銷售及分銷 液化氣 HK\$'000 千港元	Sale of electronic products 銷售 電子產品 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Total 合共 HK\$'000 千港元	Leasing of investment properties, property, plant and equipment 投資物業、 物業、機器及 設備之租賃 HK\$'000 千港元		
Capital expenditure and goodwill	資本支出及商譽	298,274	—	167	298,441	—	298,441
Adjustment to goodwill	商譽調整	1,123	—	—	1,123	—	1,123
Depreciation of property, plant and equipment	物業、機器及設備之折舊	14,101	—	519	14,620	—	14,620
Amortisation of prepaid lease payments for lands	土地預付租賃款項攤銷	1,991	—	—	1,991	—	1,991
Amortisation of prepaid lease payments for coast	海岸預付租賃款項攤銷	670	—	—	670	—	670
Allowance for bad and doubtful debts	呆壞賬撥備	2,658	—	—	2,658	—	2,658
Share-based payments	以股份為基礎之支出	—	—	5,855	5,855	—	5,855

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

7. BUSINESS AND GEOGRAPHICAL SEGMENTS
(Continued)

Business segments (Continued)

Income Statement

For the year ended 31 December, 2005:

7. 業務及地區分類資料(續)

業務分類(續)

收益表

截至2005年12月31日止年度：

		Continuing operations 持續業務			Total 合共 HK\$'000 千港元	Discontinued operations 非持續業務	Consolidated 綜合 HK\$'000 千港元
		Sale and distribution of LPG 銷售及分銷 液化氣 HK\$'000 千港元	Sale of electronic products 銷售 電子產品 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元		Leasing of investment properties, property, plant and equipment 投資物業、 物業、機器 及設備 之租賃 HK\$'000 千港元	
Segment revenue	分類收益	1,372,849	237,936	—	1,610,785	4,694	1,615,479
Segment result	分類業績	25,542	15,323	—	40,865	(538)	40,327
Interest income	利息收入	—	—	1,862	1,862	3	1,865
Net gain (loss) on disposals and write-offs of property, plant and equipment	出售及撇銷 物業、機器及 設備之淨獲利 (虧損)	—	—	(10)	(10)	6,171	6,161
Gain on disposals of a subsidiary	出售一附屬公司 之獲利	—	—	2,710	2,710	—	2,710
Gain on change in fair value of investment properties	投資物業公平值 改變之獲利	—	—	—	—	1,141	1,141
Unallocated corporate expenses	未分配企業開支	—	—	(12,071)	(12,071)	—	(12,071)
Finance costs	融資成本	—	—	(9,488)	(9,488)	—	(9,488)
Share of loss of a jointly controlled entity	分佔一家共同 控制實體虧損	(402)	—	—	(402)	—	(402)
Profit (loss) before taxation	除稅前溢利(虧損)	25,140	15,323	(16,997)	23,466	6,777	30,243
Taxation credit	稅項收入						3,667
Profit for the year	年內溢利						33,910

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

7. BUSINESS AND GEOGRAPHICAL SEGMENTS
(Continued)

Business segments (Continued)

Balance Sheet

At December 31, 2005:

7. 業務及地區分類資料 (續)

業務分類 (續)

資產負債表

截至2005年12月31日止年度：

		Sale and distribution of LPG 銷售及分銷 液化氣 HK\$'000 千港元	Sale of electronic products 銷售電子產品 HK\$'000 千港元	Leasing of investment properties, property, plant and equipment 投資物業、 物業、機器 及設備之租賃 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Assets	資產				
Segment assets	分類資產	446,189	45,885	57,616	549,690
Interest in a jointly controlled entity	一家共同控制實體 之權益	12,350	—	—	12,350
Unallocated corporate assets	未分配企業資產				270,604
Consolidated total assets	綜合總資產				832,644
Liabilities	負債				
Segment liabilities	分類負債	77,333	3,992	1,870	83,195
Unallocated corporate liabilities	未分配企業負債				358,986
Consolidated total liabilities	綜合總負債				442,181

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綜合財務報表附註(續)

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7. BUSINESS AND GEOGRAPHICAL SEGMENTS (Continued)

Business segments (Continued)

Other information

For the year ended December 31, 2005:

7. 業務及地區分類資料(續)

業務分類(續)

其他資料

截至2005年12月31日止年度：

	Continuing operations 持續業務			Total 合共	Discontinued operations 非持續業務 Leasing of investment properties, property, plant and equipment 投資物業、 物業、機器及 設備之租賃	Consolidated 綜合	
	Sale and distribution of LPG 銷售及分銷 液化氣 HK\$'000 千港元	Sale of electronic products 銷售電子產品 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元				
Capital expenditure and goodwill	資本支出及商譽	55,155	—	110	55,265	9,834	65,099
Depreciation of property, plant and equipment	物業、機器及設備之折舊	12,117	50	543	12,710	3,235	15,945
Amortisation of prepaid lease payments for lands	土地預付租賃款項攤銷	1,834	—	—	1,834	—	1,834
Amortisation of prepaid lease payments for coast	海岸預付租賃款項攤銷	653	—	—	653	—	653
Recognition of impairment loss on property, plant and equipment	確認物業、機器及設備之減值虧損	2,776	—	—	2,776	—	2,776
Allowance for bad and doubtful debts	呆壞賬撥備	3,190	866	—	4,056	—	4,056

Geographical segments

The Group's operations, by the geographical location of its customers, were located in Hong Kong and the PRC, South East Asia, Korea and Europe. The Group's sale and distribution of LPG was carried out in the PRC. The Group's sale of electronic products was carried out in Hong Kong.

地區分類

本集團之經營業務按客戶所在地區劃分，位於香港、中國、東南亞、韓國及歐洲。本集團銷售及分銷液化氣之業務於中國進行。本集團銷售電子產品之業務則於香港進行。

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

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7. BUSINESS AND GEOGRAPHICAL SEGMENTS
(Continued)

Geographical segments (Continued)

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

7. 業務及地區分類資料(續)

地區分類(續)

下表所列為本集團按市場所在地區作收益分析，不分貨物來源地：

Sales revenue from continuing operations by geographical markets
持續業務按市場地區之銷售收入

	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
The PRC	2,207,287	1,513,931
South East Asia	62,528	89,094
Hong Kong	42,667	7,760
Korea	37,108	—
Europe	35,245	—
	2,384,835	1,610,785

Revenue from the Group's discontinued operation, the leasing of properties, plant and equipment was derived principally from the PRC.

本集團非持續業務(租賃物業、機器及設備)之收入主要由中國衍生。

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綜合財務報表附註(續)

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7. BUSINESS AND GEOGRAPHICAL SEGMENTS
(Continued)

Geographical segments (Continued)

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

		Carrying amount of segment assets 分類資產之賬面值		Additions to property, plant and equipment and goodwill 物業、機器及設備及商譽之添置	
		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
		The PRC Hong Kong South East Asia	中國 香港 東南亞	974,053 4,448 —	534,228 11,503 3,959
		978,501	549,690	298,441	65,099

7. 業務及地區分類資料(續)

地區分類(續)

下表列示分類資產之賬面值及物業、機器及設備及商譽之添置，按資產所在地作地區分類分析：

8. OTHER INCOME

8. 其他收入

		Continuing operations 持續業務		Discontinued operations 非持續業務		Consolidated 綜合	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
		Interest earned on bank deposits Net exchange gain Gain on change in fair value of derivative financial instruments Others	銀行存款利息 匯兌收益淨額 衍生財務工具 其他	13,394 16,638 1,481 3,797	1,862 4,770 — 1,508	2 80 — 1,309	3 — — 56
		35,310	8,140	1,391	59	36,701	8,199

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綜合財務報表附註(續)

For the year ended December 31, 2006

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9. FINANCE COSTS

9. 融資成本

	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Interest on bank and other borrowings wholly repayable within five years		
須於五年內全數償還的銀行或其他借貸的利息	40,185	9,488
Less: Amounts capitalised	(2,905)	—
	37,280	9,488

The whole amount is derived from the Group's continuing operations.

全數由本集團的持續業務衍生。

Borrowing costs capitalised during the year arose from a bank loan borrowed for the construction of gas plant and facilities in Zhuhai.

為在珠海興建氣庫及設施而借入的一項銀行借貸，其借貸成本在年內資本化。

10. TAXATION

10. 稅項

The amount of taxation credited to the consolidated income statement represents:

於綜合收益表內計入之稅項包括：

	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Current tax:		
Hong Kong	(470)	(164)
Other regions in the PRC	(313)	(1,283)
	(783)	(1,447)
Deferred tax (note 33)	962	5,114
	179	3,667

Hong Kong Profits Tax is calculated at 17.5% (2005: 17.5%) of the estimated assessable profit for the year.

香港利得稅乃按本年度估計應課稅溢利按17.5% (2005: 17.5%) 稅率計算。

The current tax for other regions in the PRC represents PRC enterprise income tax, which is calculated at the rates prevailing, in respect of the Company's subsidiaries operating in the PRC.

中國其他地區的即期稅項乃指有關本公司於中國營運之附屬公司按適用稅率計算之中國企業所得稅。

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綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

10. TAXATION (Continued)

A subsidiary in the PRC is entitled to exemption from the PRC enterprise income tax for the two years starting from their first profit-making year, followed by a 50% tax relief for the next three years. This year is the first profit making year for 新海能源(珠海)有限公司(“新海珠海”). The tax charge provided has been made after taking these tax incentive into account.

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

10. 稅項(續)

於中國經營之一附屬公司從首個獲利年度起可豁免兩年中國企業所得稅，其後三年可減半。本年為新海能源(珠海)有限公司(「新海珠海」)首年獲利。以上的稅務優惠已計算在稅項支出內。

年內產生之稅項收入可與綜合收益表之溢利對賬如下：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Profit before taxation:	除稅前溢利：		
Continuing operations	持續業務	38,233	23,466
Discontinued operations	非持續業務	5,718	6,777
		43,951	30,243
Tax at the domestic tax rate 15% (2005: 15%)	按本地稅率15% (2005:15%) 計算之稅率	6,593	4,536
Tax effect of expenses not deductible for tax purposes	不可扣除支出之稅務影響	1,096	2,298
Tax effect of income not taxable for tax purpose	毋須課稅收入之稅務影響	(6,260)	(1,857)
Tax effect of tax concession	稅務優惠之稅務影響	(4,158)	—
Tax effect of tax losses not recognised	未確認稅務虧損之稅務影響	3,717	445
Utilisation of tax losses previously not recognised	動用先前未確認之稅項虧損	(1,201)	(6,406)
Effect of different tax rates of subsidiaries operating in other jurisdictions	於不同法律管轄權下經營的附屬公司不同稅率之影響	34	(251)
Others	其他	—	(2,432)
Taxation credit for the year	年內稅項收入	(179)	(3,667)

The domestic tax rate (which is the PRC enterprise income tax rate) in the jurisdiction where the operation of the Group is substantially based.

Details of the deferred tax asset and liabilities are set out in note 33.

管轄權區內的本地稅率(為中國企業所得稅)為本集團經營的重大基礎。

遞延稅項資產及負債詳情載於附註33。

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綜合財務報表附註(續)

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11. DISCONTINUED OPERATIONS

During the year, the Group decided to discontinue the operation on leasing of investment properties, property, plant and equipment. On September 2, 2006, the Group entered into a sale agreement to dispose of the investment properties. The disposal was effected in order to generate cash flows for the expansion of the Group's other businesses. The disposal was completed on September 8, 2006, on which the title of the investment properties passed to the acquirer. The property, plant and equipment of the leasing operation was disposed of during the year ended December 31, 2005.

The profit for the year from the discontinued operation is analysed as follows:

11. 非持續業務

年內，本集團決定停止經營投資物業、物業、機器及設備之租賃業務。於2006年9月2日，本集團訂立了一份銷售協議以出售投資物業。為產生現金流動，以擴大本集團其他業務，該項出售最後達成。該出售於2006年9月8日完成，投資物業之業權已轉讓予收購方。於截至2005年12月31日止年度內，租賃業務之物業、機器及設備亦已出售。

非持續業務所帶來之年內溢利分析如下：

	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Profit of operation of leasing of investment properties, property, plant and equipment for the year	2,489	6,777
Gain on disposal of investment properties	3,229	—
	5,718	6,777

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綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

11. DISCONTINUED OPERATIONS (Continued)

The results of the leasing of investment properties, property, plant and equipment for the period from January 1, 2006 to September 8, 2006, which have been included in the consolidated income statement, were as follows:

		Period ended 9.8.2006 於二零零六年 九月八日 止期間 HK\$'000 千港元	Year ended 12.31.2005 於二零零五年 十二月三十一日 止年度 HK\$'000 千港元
Revenue	收入	2,696	4,694
Cost of sales	銷售成本	(551)	(2,815)
Other income	其他收入	1,391	59
Gain on change in fair value of investment properties	投資物業公平值改變之獲利	—	1,141
Gain on disposal of investment properties	出售投資物業之獲利	3,229	—
Net gain on disposals and write-offs of property, plant and equipment	出售及撇銷物業、機器及 設備之淨獲利	86	6,171
Administrative expenses	行政支出	(1,133)	(2,473)
Profit before tax	除稅前溢利	5,718	6,777
Taxation	稅項	—	—
Profit for the year	年內溢利	5,718	6,777

No tax charge or credit arose on gain on discontinuance of the operations.

During the year, the leasing of investment properties, property, plant and equipment contributed HK\$2,527,000 (2005: HK\$1,648,000) to the Group's net operating cash outflows, generated HK\$51,758,000 (2005: HK\$1,841,000) in respect of investing activities.

The carrying amount of the investment properties at the date of disposal is disclosed in note 20.

11. 非持續業務(續)

於2006年1月1日至2006年9月8日期內，投資物業、物業、機器及設備之租賃業務的業績已包括在綜合收益表中，並列如下：

中止非持續業務獲利並無產生稅項支出或收入。

年內，投資物業、物業、機器及設備之租賃業務為本集團帶來約2,527,000港元(2005年：1,648,000港元)之營運資金流出淨額，於投資活動產生51,758,000港元金額(2005：1,841,000港元)。

於出售日投資物業之賬面值已列於附註20。

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綜合財務報表附註(續)

For the year ended December 31, 2006

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12. PROFIT FOR THE YEAR

12. 年內溢利

		Continuing operations		Discontinued operations		Consolidated	
		持續業務		非持續業務		綜合	
		2006	2005	2006	2005	2006	2005
		二零零六年	二零零五年	二零零六年	二零零五年	二零零六年	二零零五年
		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
Profit for the year has been arrived at after charging (crediting):	年內溢利已扣除(計入)下列項目:						
Amortisation of prepaid lease payments for lands	土地預付租賃款項攤銷	1,991	1,834	—	—	1,991	1,834
Amortisation of prepaid lease payments for coast	海岸預付租賃款項攤銷	670	653	—	—	670	653
Auditor's remuneration	核數師酬金	1,347	1,144	—	—	1,347	1,144
Depreciation for property, plant and equipment	物業、機器及設備折舊	14,620	12,710	—	3,235	14,620	15,945
Minimum lease payments under operating leases:	經營租約最低租金:						
— LPG vessel	— 液化氣管道	3,808	2,696	—	—	3,808	2,696
— Premises	— 樓宇	1,322	1,117	14	9	1,336	1,126
Staff costs	僱員成本						
Directors' fees (note 13)	董事袍金(附註13)	378	330	—	—	378	330
Directors' other emoluments (note 13)	董事其他酬金(附註13)	8,293	2,518	—	—	8,293	2,518
Contributions to retirement benefits schemes excluding HK\$60,000 (2005: HK\$59,000) included in directors' emoluments	除60,000港元(2005: 59,000港元)之退休福利計劃供款已計入董事酬金	174	270	14	14	188	284
Others	其他	12,250	8,391	409	371	12,659	8,762
		21,095	11,509	423	385	21,518	11,894
Gross rental income from investment properties	投資物業總租金收入	—	—	(2,696)	(4,164)	(2,696)	(4,164)
Less: Outgoings	減: 支出	—	—	551	1,017	551	1,017
		—	—	(2,145)	(3,147)	(2,145)	(3,147)

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13. DIRECTORS' EMOLUMENTS

The emoluments paid or payable to each of the 10 (2005: 11) directors were as follows:

		Shum Siu Hung 岑少雄 千港元	Chiu Sing Chung, Raymond 趙承忠 千港元	Cen Ziniu 岑子牛 千港元	Shum Chun, Lawrence 岑澹 千港元	Wu Hong Cho 胡匡佐 千港元	Cheung Kwan Hung, Anthony 張鈞鴻 千港元	Chan Yuk Wai, Benedict 陳旭煒 千港元	Ma Man Hoi, Joseph 馬文海 千港元	Xu Mingshe 徐名社 千港元	Young Wing Chun, Michael 楊永傑 千港元	Total 合共 2006 二零零六年 千港元
Fees	袍金	—	—	—	—	—	100	78	100	50	50	378
Other emoluments	其他酬金	—	—	—	—	—	—	—	—	—	—	—
Salaries and other benefits	薪金及其他福利	3,000	958	410	300	301	—	—	—	—	—	4,969
Contributions to retirement benefits schemes	退休福利計劃供款	12	12	12	12	12	—	—	—	—	—	60
Share-based payments	以股份為基礎之支出	1,728	1,152	—	—	—	192	—	192	—	—	3,264
Total emoluments	酬金總額	4,740	2,122	422	312	313	292	78	292	50	50	8,671

13. 董事酬金

支付10位(2005: 11位)董事之酬金如下:

		Shum Siu Hung 岑少雄 千港元	Chiu Sing Chung, Raymond 趙承忠 千港元	Cen Ziniu 岑子牛 千港元	Shum Chun, Lawrence 岑澹 千港元	Cheng Wai Leung 鄭偉良 千港元	Shum Siu Mau 岑少謀 千港元	Wu Hong Cho 胡匡佐 千港元	Cheung Kwan Hung, Anthony 張鈞鴻 千港元	Young Wing Chun, Michael 楊永傑 千港元	Koo Ming Yan, Charles 顧明仁 千港元	Ma Man Hoi, Joseph 馬文海 千港元	Total 合共 2005 二零零五年 千港元
Fees	袍金	—	—	—	—	—	—	—	100	130	50	50	330
Other emoluments	其他酬金	—	—	—	—	—	—	—	—	—	—	—	—
Salaries and other benefits	薪金及其他福利	—	858	440	320	202	200	439	—	—	—	—	2,459
Contributions to retirement benefits schemes	退休福利計劃供款	—	12	12	12	6	5	12	—	—	—	—	59
Total emoluments	酬金總額	—	870	452	332	208	205	451	100	130	50	50	2,848

No director waived any emoluments during both years.

於兩年內並無董事放棄任何酬金。

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14. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, two (2005: three) were directors of the Company whose emoluments are included in the disclosures in note 13 above. The emoluments of the remaining three individuals (2005: two) were as follows:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Salaries and other benefits	薪金及其他福利	1,860	1,126
Contributions to retirement benefits schemes	退休福利計劃供款	36	23
Share-based payments	以股份為基礎之支出	1,728	—
		3,624	1,149

Their emoluments of the three (2005: two) individuals were within the following bands:

		2006 二零零六年 No. of employees 僱員數目	2005 二零零五年 No. of employees 僱員數目
Nil to HK\$1,000,000	無 至 1,000,000港元	1	2
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	1	—
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至2,000,000港元	1	—
		3	2

14. 僱員酬金

本集團5名最高薪人士包括2名本公司董事(2005: 3名), 有關酬金詳情已於上文附註13作出披露。其餘3名人士(2005: 2名)收取之酬金如下:

3名(2005: 2名)人士之酬金均介乎:

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15. DIVIDEND

15. 股息

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Final dividends recognised as distribution during the year — HK1.2 cents (2005: HK1 cent) per share	年內確認分派之末期股息 — 每股1.2港仙 (2005：每股1港仙)	5,780	4,817

Subsequent to December 31, 2006, the directors proposed a final dividend of HK1 cent (2005: HK1.2 cents) per share be paid to the shareholders of the Company whose names appear on the register of members on June 11, 2007. This final dividend is subject to approval by the shareholders at the forthcoming annual general meeting. At April 18, 2007 the number of shares issued and fully paid is 481,676,687.

於2006年12月31日後，董事建議向於2007年6月11日名列本公司股東名冊之本公司股東派發末期股息，每股派息1港仙(2005：1.2港仙)。末期股息須待股東於來屆股東週年大會上通過方會作實。於2007年4月18日，已發行及繳足股份數目為481,676,687股。

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16. EARNINGS PER SHARE

For continuing and discontinued operations

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

16. 每股盈利

持續及非持續業務

本公司之普通權益持有人應佔每股基本及攤薄盈利乃按下列數據計算：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Profit attributable to the equity holders of the parent for the purposes of basic and diluted earnings per share	母公司股本持有人應佔用以計算每股基本及攤薄盈利之溢利	44,130	35,702
Number of ordinary shares for the purposes of basic earnings per share	計算每股基本盈利之普通股股數	481,676,687	481,676,687
Effect of dilutive potential ordinary shares: Options	潛在股份攤薄影響： 購股權	170	N/A 不適用
Number of ordinary shares for the purposes of diluted earnings per share	計算每股攤薄盈利之普通股股數	481,676,857	N/A 不適用

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16. EARNINGS PER SHARE (Continued)

From continuing operations

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

Earnings figures are calculated as follows:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Profit attributable to equity holders of the Company	本公司股本持有人應佔之溢利	44,130	35,702
Less: Profit for the year from discontinued operations	減：非持續業務年內溢利	(5,718)	(6,777)
		38,412	28,925

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

From discontinued operations

Basic earnings per share for the discontinued operations is HK1.19 cents per share (2005: HK1.40 cents per share), based on the profit for the year from the discontinued operations of approximately HK\$5,718,000 (2005: HK\$6,777,000) and the denominators detailed above for basic earnings per share.

Diluted earnings per share for the discontinued operation is HK1.19 cents per share (2005: Nil). No diluted earnings per share has been presented for the year ended December 31, 2005 because the exercise price of the Company's outstanding share options were higher than the average market price for shares.

16. 每股盈利(續)

持續業務

母公司之普通權益持有人於持續業務應佔每股基本及攤薄盈利乃按下列數據計算：

盈利乃按照以下計算：

所使用之分母與以上所述計算每股基本及攤薄盈利之分母相同。

非持續業務

按非持續業務年內溢利約5,718,000港元(2005：6,777,000港元)，及以上所述之分母，非持續業務每股基本盈利為1.19港仙(2005：每股1.40港仙)。

非持續業務每股攤薄盈利為1.19港仙(2005：無)，因本公司尚未行使之購股權行使價高於平均市場價，故於截至2005年12月31日止年度內並無計算每股攤薄盈利。

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

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17. PROPERTY, PLANT AND EQUIPMENT

17. 物業、機器及設備

		Construction in progress 在建工程 HK\$'000 千港元	Buildings 樓宇 HK\$'000 千港元	Leasehold improvements 租賃物業裝修 HK\$'000 千港元	Toolings 工具 HK\$'000 千港元	Plant and machinery 機器及設備 HK\$'000 千港元	Gas plant and facilities 氣庫及設施 HK\$'000 千港元	Gas pumps and equipment 氣泵及設備 HK\$'000 千港元	Furniture, fixtures and equipment 傢俬、 裝置及設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 總計 HK\$'000 千港元
COST 成本											
At January 1, 2005	於2005年1月1日	18,461	5,684	7,927	13,510	10,247	93,317	42,281	8,994	2,977	203,398
Acquired on acquisition of subsidiaries	收購附屬公司所得	—	—	—	—	—	1,548	6,833	34	250	8,665
Additions	添置	11,553	—	—	—	—	687	1,149	376	650	14,415
Transfer	轉讓	(24,369)	—	—	—	1,028	23,254	—	87	—	—
Disposal of a subsidiary	出售一附屬公司	—	—	—	(183)	—	—	—	—	—	(183)
Disposals and write-offs	出售及撇銷	(98)	—	—	(13,327)	(10,245)	—	(263)	(1,154)	(496)	(25,583)
Exchange realignment	外匯調整	320	99	104	—	17	1,407	817	123	50	2,937
At December 31, 2005	於2005年12月31日	5,867	5,783	8,031	—	1,047	120,213	50,817	8,460	3,431	203,649
Acquired on acquisition of subsidiaries	收購附屬公司所得	—	—	—	—	—	3,044	10,373	365	135	13,917
Additions	添置	261,703	—	113	—	—	5	503	1,102	1,117	264,543
Transfer	轉讓	(77,701)	—	—	—	—	77,701	—	—	—	—
Disposals and write-offs	出售及撇銷	—	—	(6,133)	—	(2)	—	(27)	(858)	(475)	(7,495)
Exchange realignment	外匯調整	1,050	214	—	—	39	3,181	2,193	276	130	7,083
At December 31, 2006	於2006年12月31日	190,919	5,997	2,011	—	1,084	204,144	63,859	9,345	4,338	481,697
DEPRECIATION AND IMPAIRMENT 折舊及減值											
At January 1, 2005	於2005年1月1日	—	241	5,429	11,907	4,539	3,909	4,737	3,120	1,200	35,082
Provided for the year	年內撥備	—	499	682	1,471	1,204	3,999	5,926	1,460	704	15,945
Impairment loss recognised in the income statement	於收益表確認之 減值虧損	1,639	—	—	—	—	883	237	13	4	2,776
Eliminated on disposals and write offs	於出售及撇銷時 抵銷	—	—	—	(13,327)	(5,742)	—	(167)	(998)	(407)	(20,641)
Disposal of a subsidiary	出售一附屬公司	—	—	—	(51)	—	—	—	—	—	(51)
Exchange realignment	外匯調整	—	13	94	—	—	101	163	49	24	444
At December 31, 2005	於2005年12月31日	1,639	753	6,205	—	1	8,892	10,896	3,644	1,525	33,555
Provided for the year	年內撥備	—	517	397	—	63	4,992	7,060	1,114	477	14,620
Eliminated on disposals and write offs	於出售及撇銷時 抵銷	—	—	(5,557)	—	(1)	—	(36)	(236)	(305)	(6,135)
Exchange realignment	外匯調整	61	37	—	—	—	312	486	115	54	1,065
At December 31, 2006	於2006年12月31日	1,700	1,307	1,045	—	63	14,196	18,406	4,637	1,751	43,105
CARRYING VALUES 賬面值											
At December 31, 2006	於2006年12月31日	189,219	4,690	966	—	1,021	189,948	45,453	4,708	2,587	438,592
At December 31, 2005	於2005年12月31日	4,228	5,030	1,826	—	1,046	111,321	39,921	4,816	1,906	170,094

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17. PROPERTY, PLANT AND EQUIPMENT
(Continued)

The buildings are situated outside Hong Kong, in the PRC, and are held on land under medium term leases.

The gas plant under construction are situated outside Hong Kong, in the PRC, and are held under medium term leases.

During the year ended December 31, 2005, the directors conducted a review of the Group's property, plant and equipment and determined that a number of those assets were impaired. Accordingly, impairment losses of approximately HK\$2,776,000 respectively, have been recognised. The assets had been written down to their recoverable amounts, being the present value of the cash flows anticipated to be generated by the assets. The value in use had been calculated using a discount rate of 8%.

17. 物業、機器及設備 (續)

樓宇乃位於香港境外之中國並以中期租約持有。

在建氣庫乃位於香港境外之中國並以中期租約持有。

於2005年12月31日止年度內，董事重審了本集團之物業、機器及設備，認為部份資產價值已減少，據此，已確認減值虧損約為2,776,000港元。該等資產已撇銷至其可回收值，即資產之預計可產生現金流量現值。使用價值以折現率8%計算。

18. PREPAID LEASE PAYMENTS FOR LANDS

18. 土地預付租賃款項

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
The Group's prepaid lease payments for lands comprise:	本集團之土地預付租賃款項包括：		
Land use rights outside Hong Kong, in the PRC under medium term leases	於香港境外之中國並以中期租約持有之土地使用權	53,884	48,767
Analysed for reporting purposes as:	按報告目的分析：		
Non-current asset	非流動資產	51,823	46,899
Current asset	流動資產	2,061	1,868
		53,884	48,767

During the year ended December 31, 2005, the Group has pledged prepaid lease payments for lands having an aggregate carrying value of approximately HK\$2,045,000 to secure general banking facilities granted to the Group. The pledge was released upon the settlement of the bank borrowings during the year ended December 31, 2006.

於截至2005年12月31日止年度內為取得給予本集團之一般銀行貸款，本集團已抵押賬面淨值約2,045,000港元之土地預付租賃款項。由於銀行貸款已全部償還，此項抵押已於2006年12月31日期間解除。

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19. PREPAID LEASE PAYMENTS FOR COAST

19. 海岸預付租賃款項

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
The Group's prepaid lease payments for coast comprise:	本集團之海岸預付租賃款項包括：		
Coast outside Hong Kong, in the PRC under medium term leases	於香港境外之中國並以中期租約持有之海岸	12,820	13,019
Analysed for reporting purposes as:	按報告目的分析：		
Non-current asset	非流動資產	12,137	12,366
Current asset	流動資產	683	653
		12,820	13,019

The prepaid lease payments for coast represent the rights to use a coast in Zhuhai ranging from 20 years to 28 years, starting from January 1, 1999.

海岸預付租賃款項乃指於珠海之海岸使用權，由1999年1月1日開始，租賃期達20至28年。

20. INVESTMENT PROPERTIES

20. 投資物業

		HK\$'000 千港元
FAIR VALUE	公平值	
At January 1, 2005	於2005年1月1日	35,025
Additions	添置	9,834
Net increase in fair value recognised in the consolidated income statement	於綜合收益表已確認公平值增加淨額	1,141
At December 31, 2005	於2005年12月31日	46,000
Disposal	出售	(46,000)
At December 31, 2006	於2006年12月31日	—

Note: The additions for the year ended December 31, 2005 represented the renovation costs on the investment properties.

附註：添置乃指投資物業於截至2005年12月31日止之翻新成本。

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綜合財務報表附註(續)

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20. INVESTMENT PROPERTIES (Continued)

The investment properties was disposed of on September 8, 2006 at a cash consideration of HK\$49,229,000.

The fair value of the Group's investment properties at December 31, 2005 had been arrived at on the basis of a valuation carried out on that date by Norton Appraisals Limited ("Norton Appraisals"), independent qualified professional valuers not connected with the Group. Norton Appraisals had appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations. The valuation, which conformed to International Valuation Standards, was arrived at by reference to market evidence of transaction prices for similar properties.

Most of the Group's investment properties were rented out under operating leases as at December 31, 2005.

The carrying amount of investment properties comprised land held outside Hong Kong in the PRC under medium term leases.

20. 投資物業(續)

於2006年9月8日，投資物業以49,229,000港元之現金代價出售。

本集團於2005年12月31日之投資物業公平值乃由一獨立專業估值師並與本集團無任何關連之普敦國際評估有限公司(「普敦」)於當日以價值基準計算。普敦擁有適當的資格及最近在有關地區評估相似物業的經驗。此估值與國際估值標準一致並由類似物業之市場成交價計算得出。

於2005年12月31日，本集團大部分投資物業已根據經營租約租出。

投資物業之賬面值包括在香港境外之中國根據中期租約持有之土地。

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21. GOODWILL

21. 商譽

		HK\$'000 千港元
<hr/>		
COST	成本	
At January 1, 2005	於2005年1月1日	118,784
Acquisition of subsidiaries (note 34)	收購附屬公司(附註34)	26,013
Acquisition of additional equity interest in a subsidiary	收購一附屬公司額外股權權益	6,172
Disposal of a subsidiary	出售一附屬公司	(43,949)
Exchange realignment	外匯調整	449
<hr/>		
At December 31, 2005	於2005年12月31日	107,469
Acquisition of subsidiaries (note 34)	收購附屬公司(附註34)	19,981
Adjustment to goodwill due to utilisation of pre-acquisition tax losses	動用收購前稅項虧損之商譽調整	(1,123)
Exchange realignment	外匯調整	3,677
<hr/>		
At December 31, 2006	於2006年12月31日	130,004
<hr/>		
IMPAIRMENT	減值	
At January 1, 2005	於2005年1月1日	86,236
Eliminated on disposal of a subsidiary	出售一附屬公司時抵銷	(40,660)
<hr/>		
At December 31, 2005 and 2006	於2005年及2006年12月31日	45,576
<hr/>		
CARRYING VALUES	賬面值	
At December 31, 2006	於2006年12月31日	84,428
<hr/>		
At December 31, 2005	於2005年12月31日	61,893
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綜合財務報表附註(續)

For the year ended December 31, 2006

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21. GOODWILL (Continued)

As explained in note 7, the Group uses business segments as its primary segment for reporting segment information. For the purposes of impairment testing, goodwill set out above have been allocated to five individual cash generating units (CGUs) in the LPG segment.

During the year ended December 31, 2006, the management of the Group determines that there is no impairment of any of its CGUs containing goodwill with indefinite useful lives.

The basis of the recoverable amounts of the above CGUs and their major underlying assumptions are summarised below:

The recoverable amount of this unit has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a 5-year period, and discount rate of 5% (2005: 8%). The cash flows beyond 5-year period are extrapolated using a steady 10% growth rate. Other key assumptions for the value in use calculations related to the estimation of cash inflows/outflows which include budgeted sales and gross margin, such estimation is based on the unit's past performance and management's expectations for the market development. Management believes that any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount of the CGU to exceed the aggregate recoverable amount of the CGU.

21. 商譽(續)

如附註7所述，本集團以業務分類作為報告分類資料之主要分類。就減值測試而言，所載之商譽已被劃撥至從事液化氣業務行業之5個單獨現金產生單位。

截至2006年12月31日，本集團管理層認為其任何現金產生單位(包含無特定年期之商譽)概無出現減值。

以上現金產生單位之收回金額及其主要有關假設總結如下：

此單位之可收回金額乃按使用價值計算基準釐定。所有使用價值計算法均採用根據管理層批准之5年財務預算進行之現金流量預測，折讓率為5% (2005: 8%)。超過5年財務預算之現金流，乃使用穩定增長率10%推算。有關現金流入/流出之估計，其使用價值計算法之其他主要假設為預期銷售及毛利率釐定，而銷售及毛利率預算則根據市場發展之過往表現及管理層預期釐定。管理層認為此等假設之任何合理可能性變更將不會引致現金產生單位總賬面值超過現金產生單位可收回總金額。

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綜合財務報表附註(續)

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22. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

22. 本公司之主要附屬公司詳情

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

本公司於2006年12月31日之主要附屬公司資料如下：

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration/ operation 成立/註冊/ 營業地	Class of share held 所持股份 類別	Issued and fully paid up share capital/ registered capital 已發行及繳足 股本/註冊資本	Proportion of nominal value of issued/registered capital held by the Company 本公司所持 已發行股本/ 註冊資本面值比例	Principal activities 主要業務
Claymore Developments Limited	British Virgin Islands 英屬處女島	Ordinary 普通股	US\$1 1美元	100	Holding of property, plant and equipment 持有物業、機器及設備
Environmental Energy Investment Limited 環保能源投資有限公司	British Virgin Islands 英屬處女島	Ordinary 普通股	US\$1 1美元	100	Investment holding 投資控股
NewOcean Energy (Hong Kong) Limited 新海能源(香港)有限公司	Hong Kong 香港	Ordinary 普通股	HK\$2 2港元	100	Investment holding 投資控股
Qingxin Bai Fu Yang Petrol Chemical Company Limited ("BFY") (Note a) 清新縣百富洋石油化工有限公司(「百富洋」)(附註a)	PRC # 中國 #	Registered capital 註冊資本	RMB5,000,000 5,000,000人民幣	100	Sale and distribution of LPG 銷售及分銷液化氣
NewOcean Resources (Singapore) Pte Ltd.	Singapore 星加坡	Ordinary 普通股	SGD100 100星加坡元	100	Sale and distribution of LPG 銷售及分銷液化氣
NewOcean (Shenzhen) Energy Investment Ltd. ("NewOcean Shenzhen") 新海(深圳)能源投資有限公司(「新海深圳」)	British Virgin Islands 英屬處女島	Ordinary 普通股	US\$1 1美元	100	Investment holding 投資控股
Shenzhen Baorun Liquefield Petroleum Gas Co., Ltd. ("Shenzhen Baorun") 深圳市寶潤燃氣有限公司(「深圳寶潤」)	PRC # 中國 #	Registered capital 註冊資本	RMB15,000,000 15,000,000人民幣	100	Sale and distribution of LPG 銷售及分銷液化氣

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22. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

22. 本公司之主要附屬公司詳情(續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration/ operation 成立/註冊/ 營業地	Class of share held 所持股份 類別	Issued and fully paid up share capital/ registered capital 已發行及繳足 股本/註冊資本	Proportion of nominal value of issued/registered capital held by the Company 本公司所持 已發行股本/ 註冊資本面值比例	Principal activities 主要業務
Sound Agents Limited 新海代理人有限公司	Hong Kong 香港	Ordinary 普通股	HK\$2 2港元	100	Sale and distribution of LPG and electronic products 銷售及分銷液化氣及電子產品
Sound Green Energy Limited ("Sound Green Energy") 新海環保能源有限公司 (「環保能源」)	British Virgin Islands 英屬處女島	Ordinary 普通股	US\$1 1美元	100	Investment holding and agency services 投資控股及代理人服務
Sound Hong Kong Limited ("Sound Hong Kong") 新海香港有限公司 (「新海香港」)	British Virgin Islands 英屬處女島	Ordinary 普通股	US\$1 1美元	100	Investment holding 投資控股
Sound Industrial Limited ("Sound Industrial") 新海實業有限公司 (「新海實業」)	Hong Kong 香港	Ordinary 普通股	HK\$2 2港元	100	Trading of electronic products 買賣電子產品
Sound Management Services Limited ("Sound Management") 新海管理服務有限公司 (「新海管理」)	Hong Kong 香港	Ordinary 普通股	HK\$2 2港元	100	Providing management services to group companies 向集團公司提供管理服務
Sound Technologies Limited 新海科技有限公司	Hong Kong 香港	Ordinary 普通股	HK\$2 2港元	100	Investment holding 投資控股
Qingxin Yong Long Gas and Chemical Company Limited ("Yong Long") (Note b) 清新縣永龍燃化有限公司 (「永龍」)(附註b)	PRC * 中國 *	Registered capital 註冊資本	RMB4,280,000 4,280,000人民幣	80	Sale and distribution of LPG 銷售及分銷液化氣
桂林新海能源發展有限公司	PRC # 中國 #	Registered capital 註冊資本	HK\$6,000,000 6,000,000港元	100	Sale and distribution of LPG 銷售及分銷液化氣

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綜合財務報表附註(續)

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22. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)
22. 本公司之主要附屬公司詳情(續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration/ operation 成立/註冊/ 營業地	Class of share held 所持股份 類別	Issued and fully paid up share capital/ registered capital 已發行及繳足 股本/註冊資本	Proportion of nominal value of issued/registered capital held by the Company 本公司所持 已發行股本/ 註冊資本面值比例	Principal activities 主要業務
桂林荔浦新海燃氣有限公司	PRC # 中國 #	Registered capital 註冊資本	HK\$1,400,000 1,400,000港元	100	Sale and distribution of LPG 銷售及分銷液化氣
桂林新海燃氣有限公司 ("桂林新海")	PRC # 中國 #	Registered capital 註冊資本	RMB600,000 600,000人民幣	100	Sale and distribution of LPG 銷售及分銷液化氣
梧州綠環科技有限公司	PRC # 中國 #	Registered capital 註冊資本	HK\$5,600,000 5,600,000港元	100	Sale and distribution of LPG 銷售及分銷液化氣
梧州市新海燃氣有限公司 ("梧州新海") (Note c) (附註c)	PRC # 中國 #	Registered capital 註冊資本	RMB500,000 500,000人民幣	100	Sale and distribution of LPG 銷售及分銷液化氣
蒼梧縣新海燃氣有限公司 ("蒼梧新海") (Note d) (附註d)	PRC # 中國 #	Registered capital 註冊資本	RMB500,000 500,000人民幣	100	Sale and distribution of LPG 銷售及分銷液化氣
新海能源(珠海)有限公司 ("新海(珠海)")	PRC # 中國 #	Registered capital 註冊資本	USD21,690,000 21,690,000美元	100	Sale and distribution of LPG 銷售及分銷液化氣
* Sino-foreign equity joint ventures				* 中外合資企業	
# Wholly-owned foreign enterprises				# 全資外資企業	

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綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

22. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

Notes:

- (a) BFY is indirectly held by the Company through the declarations of trust executed by Cen Ziniu and Li Canyuan who held the interest in BFY of 90% and 10% respectively.
- (b) Pursuant to an agreement entered between BFY and the minority shareholder of Yong Long, ("PRC Investor"), the operation of Yong Long was sub-contracted to BFY with a sub-contracting period of 5 years. The PRC Investor was entitled to a fixed sum of sub-contracting fee payable by BFY. BFY entitled to 100% of the results of Yong Long during the sub-contracting period.
- (c) 梧州新海 is indirectly held by the Company through the declarations of trust executed by 李燦元 and 劉小萍 who held the interest in 梧州新海 of 20% and 20% respectively. The remaining interest in 梧州新海 is indirectly held by the Company.
- (d) 蒼梧新海 is indirectly held by the Company through the declarations of trust executed by 李燦元 and 劉小萍 who held the interest in 蒼梧新海 of 20% and 20% respectively. The remaining interest in 蒼梧新海 is indirectly held by the Company.

The above principal subsidiaries are owned indirectly by the Company with the exception of Sound Hong Kong which is owned directly by the Company.

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

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

22. 本公司之主要附屬公司詳情(續)

附註:

- (a) 百富洋透過由岑子牛及李燦元訂立的信託聲明書由本公司間接持有。岑子牛及李燦元分別持有百富洋90%及10%權益。
- (b) 根據百富洋及永龍少數股東(「中國投資者」)簽訂之協議，永龍之業務已外判給百富洋，合約期為5年。中國投資者有權訂出百富洋應付之固定外判費用。於外判期間，百富洋擁有永龍100%的業績。
- (c) 梧州新海透過由李燦元及劉小萍訂立的信託聲明書由本公司間接持有。李燦元及劉小萍均持有梧州新海20%權益。梧州新海餘下之權益由本公司間接擁有。
- (d) 蒼梧新海透過由李燦元及劉小萍訂立的信託聲明書由本公司間接持有。李燦元及劉小萍均持有蒼梧新海20%權益。蒼梧新海餘下之權益由本公司間接擁有。

除本公司直接擁有之新海香港外，上述各主要附屬公司均由本公司間接擁有。

各附屬公司於年終或年內任何時間概無任何未償還債務證券。

上表載列董事會認為主要影響本集團業績或資產之本公司附屬公司。董事會認為列出其他附屬公司之資料會過於冗長。

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綜合財務報表附註(續)

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23. INTEREST IN A JOINTLY CONTROLLED ENTITY

23. 所佔一共同控制實體之權益

	THE GROUP 本集團	
	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Cost of unlisted investment in a jointly controlled entity 非上市投資於一間共同控制實體之成本	13,073	13,073
Share of post-acquisition losses 所佔購入後虧損	(1,141)	(723)
	11,932	12,350

As at December 31, 2006, the Group had interest in the following jointly controlled entity:

於2006年12月31日，本集團擁有下列共同控制實體之權益：

Name of entity 公司名稱	Form of business structure 業務架構類別	Country of incorporation 註冊地	Principal place of operation 主要營業地	Fully paid up registered capital 已繳足註冊資本	Proportion of nominal value of registered capital held by the Group 本集團所持註冊資本面值比例	Nature of business 業務性質
廣州市橋新燃氣有限公司 ("橋新") (Note)(附註)	Incorporated 註冊公司	PRC 中國	PRC 中國	RMB2,250,000 2,250,000人民幣	49%	Sale and distribution of LPG 銷售及分銷液化氣

Note:

The Group's entitlement to share in the profits of its jointly controlled entity is in proportion to its ownership interest.

Pursuant to an agreement entered between BFY and the joint venture partner of 橋新 (the "Venturer") on November 3, 2006, the operation of 橋新 has been sub-contracted to BFY with a sub-contracting period of 8 years. The Group was responsible for the daily operation of 橋新 and accountable for all liabilities and obligations arising from any agreements or contracts entered into in the name of 橋新 and the operating losses, if any, during the sub-contracting period. The venturer was entitled to a fixed sum of sub-contracting fee payable by BFY. BFY entitled to 100% of the results of 橋新 during the sub-contracting period.

Included in the cost of unlisted investment in a jointly controlled entity is goodwill of HK\$6,139,000 (2005: HK\$6,139,000) arising on acquisition of a jointly controlled entity in prior years.

附註：

本集團在其共同控制實體上所得之利潤分配權乃按其所佔該企業之股權比例計算。

根據百富洋及橋新的合營夥伴(「企業者」)於2006年11月3日訂立之協議，橋新之經營將外判予百富洋，合約期為8年。本集團於外判期間負責橋新的日常營運及負責以橋新名義簽訂之任何協議或合約所產生的負債及責任及經營虧損(如有)。企業者有權收取百富洋應付之固定外判費用。於外判期間，百富洋擁有橋新100%的業績。

非上市投資於一間共同控制實體之成本已包括過往年度收購一共同控制實體時所產生的6,139,000港元(2005: 6,139,000港元)之商譽。

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綜合財務報表附註(續)

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23. INTEREST IN A JOINTLY CONTROLLED ENTITY (Continued)

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

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Current assets	流動資產	261	322
Non-current assets	非流動資產	6,281	6,588
Current liabilities	流動負債	(330)	(297)
Income	收入	3,841	3,577
Expenses	支出	(4,260)	(3,979)

24. OTHER ASSETS

At December 31, 2006, the balance included a deposit of HK\$15,926,000 paid for the acquisition of the entire equity interest in 廣東德慶縣南雄燃氣有限公司 ("南雄"), a company established with limited liability under the laws of the PRC. On August 8, 2006, the Company's indirect wholly-owned subsidiary Shenzhen Baorun entered into an agreement with third parties independent to the Group for a cash consideration of approximately HK\$16,045,000. The proposed acquisition was completed in January 2007.

Pursuant to an agreement entered between 新海(珠海) and an independent contractor on December 1, 2006, 新海(珠海) paid a deposit of HK\$49,768,000 to an independent contractor for the construction of gas plant and facilities plan in Zhuhai. The construction of the gas plant and facilities had not yet commenced as at December 31, 2006 and the deposit paid was included in the other assets.

23. 所佔一共同控制實體之權益(續)

本集團的共同控制實體之財務資料(以權益法計算)如下:

24. 其他資產

於2006年12月31日,有關結餘已包括本公司就收購一間根據中國法例註冊成立為有限責任公司之廣東德慶南雄燃氣有限公司("南雄")之全部股權已付之15,926,000港元訂金。2006年8月8日,本公司之間接擁有之全資附屬公司深圳寶潤與獨立第三者以現金代價16,045,000港元簽訂協議。所建議之收購於2007年1月完成。

根據由新海珠海及一獨立承判商(「承判商」)於2006年12月1日簽訂之協議,新海珠海已就珠海氣庫及設施建造工程計劃支付承判商49,768,000港元按金。於2006年12月31日,該氣庫及設施仍未動工,而按金已包括在其他資產中。

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綜合財務報表附註(續)

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24. OTHER ASSETS (Continued)

At December 31, 2005, the balance included a deposit of HK\$4,359,000 paid for the acquisition of the entire equity interest in Shenzhen Baorun, a company established with limited liability under the laws of PRC. On December 31, 2005, the Company through one of its wholly-owned subsidiary 新海(珠海) entered into two separate conditional sale and purchase agreements ("Sale and Purchase Agreements") with Shenzhen Zhong Ke Cai Development Co. Ltd. and Shenzhen Ji Ye Long Industrial Co. Ltd., who are independent third parties to the Group, for the acquisition of entire equity interest in Shenzhen Baorun at a cash consideration of RMB35,600,000 (approximately HK\$34,602,000). This proposed acquisition as contemplated under the Sale and Purchase Agreements constituted a disclosable transaction for the Company under Chapter 14 of the Listing Rules. The acquisition was completed on March 31, 2006.

Pursuant to an agreement and a supplemental agreement ("Supplemental Agreement") entered between 新海(珠海) and an independent contractor on October 1, 2005, 新海(珠海) paid a deposit of HK\$14,395,000 to the contractor for the construction of gas plant and facilities plan in Zhuhai. The construction of the gas plant and facilities had not yet commenced as at December 31, 2005 and the deposit paid was included in the other assets. The amount was transferred to property, plant and equipment during the year ended December 31, 2006.

25. INVENTORIES

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
LPG	液化氣	8,229	10,466
Electronic products	電子產品	49,741	29,731
		57,970	40,197

The cost of inventories charged to the consolidated income statement for the year amounted to HK\$2,261,555,000 (2005: HK\$1,530,257,000).

24. 其他資產(續)

於2005年12月31日，有關結餘乃指本公司就收購一間根據中國法例註冊成立為有限責任公司之深圳寶潤之全部股權已付之4,359,000港元訂金。於2005年12月31日，本公司透過其全資附屬公司新海(珠海)與獨立第三者深圳中科財發展有限公司及深圳基業隆實業有限公司分別訂立2份獨立附有條件性之買賣協議(「買賣協議」)，以現金代價35,600,000人民幣(約34,602,000港元)收購深圳寶潤之全部權益。根據上市規則第14章規定，收購協議下擬進行此項收購建議，構成本公司一項須予披露交易。該項收購於2006年3月31日完成。

根據新海(珠海)及一獨立承包方於2005年10月1日訂立的一項協議及補充協議(「補充協議」)，新海(珠海)須支付承包方按金14,395,000港元作興建珠海氣庫及設施。此項工程於2005年12月31日尚未開始，故列入其他資產。於截至2006年12月31日止年度內，此金額已轉入物業、機器及設備。

25. 存貨

年內計入綜合收益表之存貨成本為2,261,555,000港元(2005: 1,530,257,000港元)。

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26. TRADE DEBTORS, BILLS RECEIVABLE, OTHER DEBTORS, DEPOSITS AND PREPAYMENTS

The credit terms of the Group range from 0 to 180 days. The aged analysis of trade debtors 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 to 30 days	0至30天	77,277	21,624
31 to 60 days	31至60天	2,213	16,230
61 to 90 days	61至90天	217	2,003
91 to 120 days	91至120天	11	3,716
More than 120 days	超過120天	108	6,767
		79,826	50,340
Bills receivable	應收票據	59,512	—
		139,338	50,340

The bills receivable are matured within the range of 30 to 90 days.

Included in the Group's trade debtors, are debtors of approximately HK\$61,914,000 (2005: HK\$9,629,000) denominated in United States dollars, which is not the functional currency of the relevant group entities.

Pursuant to the agreements entered between 新海(珠海) and an independent contractor; 新海(珠海) has paid an advance of approximately HK\$79,628,000 (2005: HK\$53,068,000) to the contractor and the amount is included in other debtors as at December 31, 2006. The amount is unsecured, interest-free and repayable within the next twelve months in accordance with the repayment schedule agreed between 新海(珠海) and the independent contractor. An amount of approximately HK\$29,861,000 was settled subsequent to December 31, 2006 in accordance with the signed repayment schedule.

Included in the other debtors, there are receivables from foreign currency forward contracts amounted to approximately HK\$1,481,000 (2005: nil).

26. 應收貿易賬款、應收票據、其他應收賬款、按金及預付款項

本集團之信貸期介乎0至180天。應收貿易賬款按賬齡分析如下：

應收票據之到期日介乎30至90天。

本集團之應收貿易款項其中約61,914,000港元(2005: 9,629,000港元)為美元定價，並且不屬於本集團實體之功能貨幣。

根據新海(珠海)與一獨立承包商訂立之協議，新海(珠海)已先付約79,628,000港元(2005: 53,068,000港元)予承包商，該項金額已計入截至2006年12月31日止之其他應收賬款中。按照新海(珠海)及獨立承包商均同意之還款表，該款項並無抵押、免息及於未來12個月內清還。根據已簽訂之還款表，於2006年12月31日後，已支付約29,861,000港元。

在其他應收款中，包括應收外幣遠期合約1,481,000港元(2005: 無)。

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26. TRADE DEBTORS, BILLS RECEIVABLE, OTHER DEBTORS, DEPOSITS AND PREPAYMENTS
(Continued)

Major terms of the foreign currency forward contracts are summarised as follows:

Notional amount 實義金額	Maturity 到期日	Exchange rates 兌換率
Buy USD7,000,000 買入7,000,000美金	January 25, 2007 to July 26, 2007 2007年1月25日至 2007年7月26日	HKD/USD7.76 to HKD/USD7.80 7.76港元/美元至 7.80港元/美元
Buy USD39,856,000 買入39,856,000美金	March 6, 2007 to May 14, 2007 2007年3月6日至 2007年5月14日	RMB/USD7.72 to RMB/USD7.76 7.72人民幣/美元至 7.76人民幣/美元

26. 應收貿易賬款、應收票據、其他應收賬款、按金及預付款項(續)

外幣遠期合約之主要條款如下：

27. AMOUNTS DUE FROM A JOINTLY CONTROLLED ENTITY/A FORMER SHAREHOLDER OF A SUBSIDIARY

The amounts are unsecured, interest-free and repayable on demand.

28. PLEDGED BANK DEPOSITS, BANK BALANCES AND CASH

The amounts represent deposits pledged to banks to secure banking facilities granted to the Group. The deposits have been pledged to secure short-term bank loans, and are therefore classified as current assets. The pledged bank deposits of approximately HK\$311,559,000 (2005: HK\$1,011,000) carry at fixed interest rate which range from 0.72% to 2.25% (2005: 2.27%) per annum and will be released upon settlement of the relevant bank borrowings. The remaining pledged bank deposits carry at floating interest rate which range from 0.72% to 3.62% (2005: 0.72%) per annum and will be released upon settlement of the relevant bank borrowings.

At the balance sheet date, the pledged bank deposits and bank balances and cash of approximately HK\$446,672,000 (2005: HK\$248,598,000) were denominated in RMB which is not freely convertible into other currencies. Included in the Group's bank balances, are approximately HK\$15,429,000 (2005: HK\$16,226,000) denominated in United States dollars, which is not the functional currency of the relevant group entities. The bank balances carried interest at market rates which range from 0.72% to 5.02% per annum.

27. 應收—共同控制實體／—附屬公司前股東之款項

有關款項並無抵押、免息及於要求時清還。

28. 已抵押銀行存款、銀行結餘及現金

有關款項乃指本集團為取得銀行信貸而抵押予銀行之銀行存款。因已抵押之銀行存款乃為取得短期銀行貸款，故以流動資產入賬。約311,559,000港元(2005: 1,011,000港元)之已抵押銀行存款其固定年利率為0.72%至2.25%(2005: 2.27%)，並將於支付有關銀行借款時解除。餘下之已抵押銀行存款其浮動年利率為0.72%至3.62%(2005: 0.72%)，並將於支付有關銀行借款時解除。

於結算日，已抵押銀行存款及銀行結餘及現金約446,672,000港元(2005: 248,598,000港元)為人民幣，並不可自由轉換至其他幣值。本集團之銀行結餘中有約15,429,000港元(2005: 16,226,000港元)為美元，並不屬於集團實體之功能貨幣。銀行結餘附有市場盛行利息，其年息介乎0.72%到5.02%。

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29. TRADE CREDITORS AND BILLS PAYABLE

The aged analysis of trade creditors 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 to 30 days	0至30天	158,094	18,340
31 to 60 days	31至60天	—	3,154
61 to 90 days	61至90天	—	35
More than 120 days	超過120天	—	394
		158,094	21,923
Bills payable	應付票據	126,620	41,323
		284,714	63,246

The bills payable are matured within the range of 0 to 60 days (2005: 30 days to 90 days).

Included in the Group's trade creditors and bills payable, are approximately HK\$284,586,000 (2005: HK\$11,995,000) denominated in United States dollars, which is not the functional currency of the relevant group entities.

28. 應付貿易賬款及應付票據

應付貿易賬款按賬齡分析如下：

應付票據之到期日介乎0至60天(2005：30至90天)。

本集團之應付貿易款項及應付票據中約284,586,000港元(2005：11,995,000港元)以美元定價，並不屬於有關集團實體之功能貨幣。

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30. BORROWINGS, PARTLY SECURED

30. 借款 — 部份有抵押

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Bank trust receipt loans	銀行信託收據借款	397,194	327,415
Other bank loans	其他銀行借款	176,838	6,992
Other long-term loans	其他長期借款	49,645	—
		623,677	334,407
Analysed as:	分析為：		
Secured	有抵押	533,890	250,247
Unsecured	無抵押	89,787	84,160
		623,677	334,407
Carrying amount repayable:	應付賬面值：		
On demand or within one year	要求時或一年內	401,444	334,407
More than one year, but not exceeding two years	超過一年但不多於兩年	81,726	—
More than two years, but not exceeding five years	超過兩年但不多於五年	140,507	—
		623,677	334,407
Less: Amounts due within one year shown under current liabilities	減：按照流動負債所示 於一年內到期	(401,444)	(334,407)
		222,233	—

Bank loans include approximately HK\$55,068,000 (2005: HK\$192,000) fixed-rate borrowings which are due within one year and carry interest at 5.69% per annum (2005: 7.02% per annum). The remaining bank loans are variable-rate borrowings which carry interest at London Inter-Bank Offered Rate + 0.4% per annum to Best Lending Rate + 0.25% per annum ranging from 5.76% to 8.50% per annum (2005: 3.83% to 7.25% per annum).

Other long-term loans are unsecured, bearing variable interest rate at 6.12% per annum and repayable in full in January 2008.

銀行借款中約55,068,000港元(2005: 192,000港元)定息借款,其年利率為5.69%(2005: 每年7.02%),一年內償還。餘下之銀行借款為可變動利息借款,以倫敦同業拆息利率+年息0.4%或最優惠利率+年息0.25%,其年利率介乎5.76%至8.50%(2005: 每年3.83%至7.25%)。

其他的長期借款為無抵押,其可變動利息為每年6.12%,並需在2008年1月全數償還。

Notes to the Consolidated Financial Statements (Con't)

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30. BORROWINGS, PARTLY SECURED (Continued)

Other bank loans of the Group comprise of: (a) an amount of approximately HK\$163,380,000 (2005: nil) drawn under a term loan facility secured by a floating charge over the assets of the Company, and by share mortgages of the issued capital and floating charges over the assets of Sound Hong Kong, Sound Green Energy and NewOcean Shenzhen; and (b) an amount of approximately HK\$13,458,000 (2005: HK\$6,992,000) drawn under a term loan facility guaranteed by the Company and Sound Green Energy.

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

30. 借款 — 部份有抵押(續)

本集團之其他銀行借款包含(a)一項約163,380,000港元(2005:無)以本公司之資產作浮動按揭之定期借款信貸。此借款亦以新海香港、新海環保能源及新海深圳之資產作浮動按揭,亦以該等公司之已發行之股票作抵押,及(b)約13,458,000港元(2005:6,992,000港元)之定期借款信貸,並由本公司及新海環保能源作為擔保人。

本集團並非以相關集團實體功能貨幣定價之借款如下:

		USD'000 千美元
As at December 31, 2006	於2006年12月31日	71,396
As at December 31, 2005	於2005年12月31日	24,603

31. SHARE CAPITAL

31. 股本

		Number of shares 股份數目	Amount 金額 HK\$'000 千港元
Ordinary shares of HK\$0.1 each (2005: HK\$0.1 each)	每股面值為0.1港元之普通股 (2005: 每股0.1港元)		
Authorised share capital: At January 1, 2005, December 31, 2005 and 2006	法定股本: 於2005年1月1日、 2005年及2006年 12月31日	20,000,000,000	2,000,000
Issued and fully paid share capital: At January 1, 2005 and December 31, 2005 and 2006	已發行及繳足股本: 於2005年1月1日、 2005年及2006年 12月31日	481,676,687	48,168

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32. SHARE-BASED PAYMENT TRANSACTIONS

Equity-settled share option scheme:

(i) *Old Share Option Scheme*

Old Employee Share Option Scheme

The old employee share option scheme (the "Old Option Scheme"), was adopted by the Company on April 9, 1999 for the primary purpose of providing incentives to directors and eligible employees, and will expire on April 8, 2009. Under the Old Option Scheme, the Board of Directors of the Company may at their discretion grant options to directors or employees of the Company and its subsidiaries to subscribe for shares in the Company in accordance with the terms of the Old Option Scheme. The subscription price (subject to adjustments as provided therein) is the higher of the nominal value of the shares and an amount which is not less than 80% of the average of the closing price per share on the Stock Exchange for the five trading days immediately preceding the date the option is granted. The maximum number of option shares in respect of which options may be granted under the Old Option Scheme shall not exceed 10% of the share capital of the Company in issue from time to time. At December 31, 2006, the numbers of shares in respect of which options had been granted and remained outstanding under the Old Option Scheme was 9,500,000 (2005: 14,000,000), representing 2.0% (2005: 2.9%) of the shares of the Company in issue at that date.

The maximum number of shares in respect of which options might be granted to a participant, when aggregated with shares issued and issuable (including exercised and outstanding options and the options cancelled) under any option granted to the same participant under the New Option Scheme or any other share option scheme within any 12 month period, must not exceed 1% of the shares in issue from time to time.

32. 以股份為基礎之支出

以權益支付之購股權計劃

(i) *原有購股權計劃*

原有僱員購股權計劃

本公司原有僱員購股權計劃(「原有計劃」)於1999年4月9日採納，主要目的為向董事及合資格員工提供激勵。該計劃將於2009年4月8日期滿，根據原有計劃，本公司董事會可酌情決定向本公司及各附屬公司之董事或僱員授出可根據原有計劃條款認購本公司股份之購股權。認購價(或會作出按原有計劃規定之調整)為股份面值或不低於授出該購股權當日前5個交易日股份在聯交所之每股平均收市價80%(以較高者為準)。根據原有計劃所授出購股權可認購之股份總數不得超過本公司不時已發行股本10%。於2006年12月31日，根據原有計劃，有關已發授但仍未行使之購股權之股份數目為9,500,000(2005: 14,000,000)，為本公司於該日期已發行股份之2.0%(2005: 2.9%)。

當與根據新購股權計劃或任何其他購股權計劃計劃授予參與者之任何購股權項下之已發行及可予發行之股份數目(包括已行使及已註銷之購股權)彙集計算時，於任何十二個月內每名參與者獲授之購股權所涉及之最高股份數目不得超過不時已發行之1%。

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綜合財務報表附註(續)

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32. SHARE-BASED PAYMENT TRANSACTIONS
(Continued)

(i) *Old Share Option Scheme* (Continued)

There was no requirement for a grantee to hold the option for a certain period before exercising the option save as determined by the board of directors of the Company and provided in the offer of grant of option.

The exercise period should be any period fixed by the board of directors of the Company upon grant of the option but in any event the option period should not go beyond 10 years from the date of offer for grant.

The acceptance of an option, if accepted, must be made within 28 days from the date of grant with a non-refundable payment of HK\$1 from the grantee to the Company.

The following tables disclose details of the Company's share options held by employees (including directors) and movements in such holdings during the year:

Option type 購股權類別	Date of grant 發授日期	Vesting period 歸屬期	Exercisable period 行使期	Exercise price 行使價 HK\$ 港元	Number of share options 購股權數目			
					Outstanding at 1.1.2006 於2006年1月1日 尚未行使之數目	Granted during the year 於年內發授	Expired during the year 於年內過期	Outstanding at 12.31.2006 於2006年12月31日 尚未行使之數目
2001	6.20.2001	6.21.2001 to 12.20.2001 6.21.2001至12.20.2001	12.21.2001 to 12.20.2006 12.21.2001至12.20.2006	1.00	4,500,000	—	(4,500,000)	—
2002A	3.14.2002	3.15.2002 to 9.14.2002 3.15.2002至9.14.2002	9.15.2002 to 9.14.2007 9.15.2002至9.14.2007	1.30	6,400,000	—	—	6,400,000
2002B	6.26.2002	6.27.2002 to 11.25.2002 6.27.2002至11.25.2002	12.26.2002 to 12.25.2007 12.26.2002至12.25.2007	1.12	3,100,000	—	—	3,100,000
					14,000,000	—	(4,500,000)	9,500,000

32. 以股份為基礎之支出(續)

(i) *原有購股權計劃(續)*

除本公司董事會決定及於授出購股權時規定外，原有計劃並無規定承授人須於行使購股權前已持有購股權一段期間。

購股權期間須為本公司董事會於授出購股權時指定之任何期間，惟於任何情況下，購股權期間不得超過由授出要約日期起計十年時間。

承授人倘接納購股權，必須於授出日期起計二十八日內向本公司繳交1港元，此款項將不獲退還。

下表披露由僱員(包括董事)持有本公司購股權之詳情及年內該等持有情況之變動：

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32. SHARE-BASED PAYMENT TRANSACTIONS
(Continued)

(i) Old Share Option Scheme (Continued)

Option type 購股權類別	Date of grant 發授日期	Vesting period 歸屬期	Exercisable period 行使期	Exercise price 行使價 HK\$ 港元	Number of share options 購股權數目			
					Outstanding at 1.1.2005 於2005年 1月1日 尚未行使 之數目	Lapsed upon resignation 離職時 失效	Expired during the year 於年內 過期	Outstanding at 12.31.2005 於2005年 12月31日 尚未行使 之數目
2000A	3.3.2000	3.4.2000 to 9.3.2000 3.4.2000至9.3.2000	9.4.2000 to 9.2.2006 9.4.2000至9.2.2006	1.80	8,055,000	—	(8,055,000)	—
2001	6.20.2001	6.21.2001 to 12.20.2001 6.21.2001至12.20.2001	12.21.2001 to 12.20.2006 12.21.2001至12.20.2006	1.00	8,500,000	(4,000,000)	—	4,500,000
2002A	3.14.2002	3.15.2002 to 9.14.2002 3.15.2002至9.14.2002	9.15.2002 to 9.14.2007 9.15.2002至9.14.2007	1.30	6,500,000	(100,000)	—	6,400,000
2002B	6.26.2002	6.27.2002 to 11.25.2002 6.27.2002至11.25.2002	12.26.2002 to 12.25.2007 12.26.2002至12.25.2007	1.12	3,100,000	—	—	3,100,000
					26,155,000	(4,100,000)	(8,055,000)	14,000,000

Details of the share options held by the directors and other key management included in the above table are as follows:

上表已包括下列由董事及其他主要管理層持有購股權之詳情：

		Outstanding at beginning of the year 於年初尚未行使之數目	Lapsed during the year 於年內失效	Expired during the year 於年內過期	Outstanding at ending of the year 於年終尚未行使之數目
1.1.2006 to 12.31.2006	1.1.2006至12.31.2006	10,500,000	—	(4,500,000)	6,000,000
1.1.2005 to 12.31.2005	1.1.2005至12.31.2005	22,500,000	(12,000,000)	—	10,500,000

32. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(ii) New Share Option Scheme

Pursuant to an ordinary resolution passed at the Special General Meeting of the Company held on June 18, 2003, the Company adopted a new option scheme ("New Option Scheme") to replace the Old Option Scheme. All the options granted under the Old Option Scheme shall remain valid and unchanged and shall be treated in accordance with the terms under the Old Option Scheme.

The purpose of the New Option Scheme is to provide incentives or rewards to participants including directors, employees, suppliers and customers etc. Under the New Option Scheme, the Board of Directors of the Company, may at their discretion grant options to participants to subscribe for shares in the Company in accordance with the terms of the New Option Scheme. The subscription price shall be a price determined by the directors, but shall not be less than the highest of (i) the closing price of shares as stated in the Stock Exchange's daily quotation sheet on the date of offer for grant of options, which must be a trading day; (ii) the average closing price of shares as stated in the Stock Exchange's daily quotation sheet for the five trading days immediately preceding the date of the offer for grant of options; and (iii) the nominal value of a share. The total number of shares which may be issued upon exercise of all options to be granted under the New Option Scheme and any other share option scheme of the Group must not in aggregate exceed 10% of the shares in issue. Based on the 481,676,687 shares (2005: 481,676,687 shares) in issue as at December 31, 2006 and taking into account 9,500,000 options (2005: 14,000,000 options) outstanding under the Old Option Scheme and 30,500,000 options (2005: nil) outstanding under the New Option Scheme, the total number of shares which may be issued upon exercise of all options to be granted under the New Option Scheme and any other schemes must not in aggregate exceed 38,667,668 shares (2005: 34,167,668 shares). There were no options granted under the New Option Scheme for the year ended December 31, 2005.

32. 以股份為基礎之支出(續)

(ii) 新購股權計劃

根據本公司於2003年6月18日舉行的股東特別大會通過之普通決議案，本公司採納新購股權計劃（「新購股權計劃」），以取代原有購股權計劃。根據原有購股權計劃授出之所有購股權仍屬有效及保持不變，且須根據原有購股權計劃條款處置。

新購股權計劃主要目的為向董事、僱員、供應商及客戶等參與者提供激勵或回報。根據新購股權計劃，本公司董事會可酌情決定向參與者授出可根據新購股權計劃條款認購本公司股份之購股權。認購價須由董事釐定，惟不得低於(i)提出授予購股權之日(必須為交易日)，股份在聯交所每日報價表所報之每股收市價(ii)緊接提出授予購股權之前5個交易日，股份在聯交所每日報價表所報之平均收市價及(iii)股份面值(以最高者為準)。全數行使新購股權計劃和本集團任何其他購股權計劃所授出購股權而將予發行之股份總數，不得超過本公司已發行股份之10%。按2006年12月31日之已發行股份為481,676,687股(2005: 481,676,687股)計算，並計入根據原有購股權計劃下尚未行使之9,500,000(2005: 14,000,000)份購股權及新購股權計劃中尚未行使之30,500,000(2005: 無)份購股權，本公司新購股權計劃及任何其他購股權計劃授出之全部購股權獲行使時，本公司可予發行之股份總數合共不得超過38,667,668(2005: 34,167,668)股。於截至2005年12月31日止年度內沒有發授任何新購股權計劃。

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綜合財務報表附註(續)

For the year ended December 31, 2006

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32. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(ii) New Share Option Scheme (Continued)

The maximum number of shares in respect of which options might be granted to a participant, when aggregated with shares issued and issuable (including exercised and outstanding options and the options cancelled) under any option granted to the same participant under the New Option Scheme or any other share option scheme within any 12 month period, must not exceed 1% of the shares in issue from time to time.

There was no requirement for a grantee to hold the option for a certain period before exercising the option save as determined by the board of directors of the Company and provided in the offer of grant of option.

The exercise period should be any period fixed by the board of directors of the Company upon grant of the option but in any event the option period should not go beyond 10 years from the date of offer for grant.

The acceptance of an option, if accepted, must be made within 28 days from the date of grant with a non-refundable payment of HK\$1 from the grantee to the Company.

32. 以股份為基礎之支出(續)

(ii) 新購股權計劃(續)

當與根據新購股權計劃或任何其他購股權計劃授予參與者之任何購股權項下之已發行及可予發行之股份數目(包括已行使及已註銷之購股權)彙集計算時,於任何十二個月內每名參與者獲授之購股權所涉及之最高股份數目不得超過不時已發行之1%。

除本公司董事會決定及於授出購股權時規定外,並無規定承授人須於行使購股權前已持有購股權一段期間。

購股權期間須為本公司董事會於授出購股權時指定之任何期間,惟於任何情況下,購股權期間不得超過由授出要約日期起計十年時間。

承授人倘接納購股權,必須於授出日期起計二十八日內向本公司繳交1港元,此款項將不獲退還。

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綜合財務報表附註(續)

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32. SHARE-BASED PAYMENT TRANSACTIONS
(Continued)*(ii) New Share Option Scheme (Continued)*

The following tables disclose details of the Company's share options granted under the New Share Option Scheme held by employees (including directors) and movements in such holdings during the year:

Option type 購股權類別	Date of grant 發授日期	Vesting period 歸屬期	Exercisable period 行使期	Exercise price 行使價 HK\$ 港元	Number of share options 購股權數目			Outstanding at 12.31.2006 於2006年 12月31日 尚未行使 之數目
					Outstanding at 1.1.2006 於2006年 1月1日 尚未行使 之數目	Granted during the year 於年內發授	Expired during the year 於年內過期	
2006A	5.15.2006	5.16.2006 to 6.16.2006 5.16.2006至 6.16.2006	6.17.2006 to 12.31.2015 6.17.2006至 12.31.2015	0.69	—	13,500,000	—	13,500,000
2006B	6.16.2006	—	6.17.2006 to 12.31.2015 6.17.2006至 12.31.2015	0.69	—	17,000,000	—	17,000,000
					—	30,500,000	—	30,500,000

Details of the share options held by the directors included in the above table are as follows:

	Outstanding at beginning of the year 於年初 尚未行使	Granted during the year 於年內發授	Expired during the year 於年內過期	Outstanding at ending of the year 於年終 尚未行使
1.1.2006 to 12.31.2006	—	17,000,000	—	17,000,000
1.1.2006至 12.31.2006	—	17,000,000	—	17,000,000

During the year ended December 31, 2006, options were granted on May 15, 2006 and June 16, 2006. The estimated fair value of the options granted on these dates is approximately HK\$5,855,000. During the year ended December 31, 2005, no option was granted.

32. 以股份為基礎之支出(續)*(ii) 新購股權計劃(續)*

下表披露本公司根據新購股權計劃授予僱員(包括董事)之年內持有及變動情況:

Outstanding at 1.1.2006 於2006年 1月1日 尚未行使 之數目	Granted during the year 於年內發授	Expired during the year 於年內過期	Outstanding at 12.31.2006 於2006年 12月31日 尚未行使 之數目

董事持有之購股權，已包括在上表，詳情如下:

Outstanding at beginning of the year 於年初 尚未行使	Granted during the year 於年內發授	Expired during the year 於年內過期	Outstanding at ending of the year 於年終 尚未行使
—	17,000,000	—	17,000,000

截至2006年12月31日止年度內，於2006年5月15日及2006年6月16日授出購股權。該等日期所授出的購股權估計公平值約為5,855,000港元。於截至2005年12月31日止年度，並無授出購股權。

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32. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(ii) New Share Option Scheme (Continued)

This fair value is calculated using the Black-Scholes pricing model. The inputs into the model are as follows:

Weighted average share price	HK\$0.73
Exercise price	HK\$0.69
Expected volatility	59.36%
Expected life in years	1
Risk free rate	4.57%
Expected dividend yield	1.50%

Expected volatility was determined by calculating the historical volatility of the Company's share price over the previous one year. The expected life used in the model was based on management's best estimation taking into account non-transferability and other behavioural consideration. Risk free rate was determined by reference to the yield of 1 year Exchange Fund Notes at the date of grant. Expected dividend yield was based on historical dividend yield of the shares of the Company.

The Group recognised a total expense of approximately HK\$5,855,000 in the consolidated income statement for the year ended December 31, 2006 (2005: nil) in relation to share options granted by the Company.

32. 以股份為基礎之支出(續)

(ii) 新購股權計劃(續)

公平值乃按照畢蘇股權定價模式計算。下表列出輸入該模式之資料：

加權平均股份價格	0.73港元
行使價	0.69港元
預期波幅	59.36%
預期年期	1
無風險利率	4.57%
預期股息回報率	1.50%

預期波幅乃以本公司股價於去年的歷史波幅計算而釐定。模式所運用的預期年期已按管理層的最佳估計，並計入不可轉讓及其他表現考慮因素。無風險利率乃參考於授出日期之一年期外匯票據基金孳息計算。預期股息率乃按本公司股份之過往股息率計算。

有關本公司授出之股份購股權，本集團在截至2006年12月31日止年度之綜合收益表中確認合共約5,855,000港元之總支出(2005：無)。

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33. DEFERRED TAXATION

The following are the major deferred liabilities (assets) recognised by the Group and movements thereon during the year and prior reporting period:

		Accelerated tax depreciation 加速稅項折舊	Tax losses 稅項虧損	Total 合共
		<i>HK\$'000</i> 千港元	<i>HK\$'000</i> 千港元	<i>HK\$'000</i> 千港元
At January 1, 2005	於2005年1月1日	9,858	—	9,858
Acquired on acquisition of subsidiaries	收購一附屬公司時 所得	2,441	—	2,441
Credit to the consolidated income statement for the year	於本年度綜合收益表 入賬	(2,788)	(2,326)	(5,114)
At December 31, 2005	於2005年12月31日	9,511	(2,326)	7,185
Acquired on acquisition of subsidiaries	收購一附屬公司時 所得	387	—	387
Credit to the consolidated income statement for the year	於本年度綜合收益表 入賬	(652)	(310)	(962)
At December 31, 2006	於2006年12月31日	9,246	(2,636)	6,610

At the balance sheet date, the Group has estimated unused tax losses of approximately HK\$46,413,000 (2005: HK\$97,791,000) available for offset against future profits. Deferred tax asset has been recognised in respect of HK\$15,829,000 (2005: HK\$13,969,000). No deferred tax asset has been recognised in relation to remaining balances of HK\$30,584,000 (2005: HK\$83,822,000) due to the unpredictability of future profit streams. The unrecognised tax losses of approximately HK\$11,747,000 (2005: HK\$45,315,000) will be expired before year 2009 (2005: year 2008). Other losses may be carried forward indefinitely.

33. 遞延稅項

年內及過往報告期間，本集團已確認之主要遞延負債(資產)及相關變動如下:

於結算日，本集團估計可供抵銷未來溢利之未動用稅項虧損約為46,413,000港元(2005: 97,791,000港元)。遞延稅項資產已確認為15,829,000港元(2005: 13,969,000港元)。由於未能預測日後之溢利來源，故並無確認餘下結餘30,584,000港元(2005: 83,822,000港元)為遞延稅項資產。該筆未動用稅項虧損約11,747,000港元(2005: 45,315,000港元)將於2009年(2005: 2008年)期滿，其他虧損則可無限期予以結轉。

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綜合財務報表附註(續)

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33. DEFERRED TAXATION (Continued)

At the balance sheet date, the Group has deductible temporary differences of approximately HK\$6,766,000 (2005: HK\$4,419,000) in respect of accelerated accounting depreciation and impairment loss as recognised on property, plant and equipment. No deferred tax asset has been recognised in relation to such deductible temporary differences as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

34. ACQUISITION OF SUBSIDIARIES

On April 1, 2006, the Group acquired the entire equity interest in Shenzhen Baorun for cash consideration and related expenses of HK\$38,961,000. The acquisition has been accounted for using the purchase method of accounting. The amount of goodwill arising as a result of the acquisition was HK\$19,981,000.

The net assets acquired in the transaction, and the goodwill arising, are as follows:

33. 遞延稅項 (續)

於結算日，本集團有可扣稅暫時差額約6,766,000港元(2005: 4,419,000港元)為加速稅項折舊及物業、機器及設備之減值虧損。由於本公司可利用可扣稅暫時差額以抵銷日後出現的應課稅溢利之可能性不大，故並無就該等可扣稅暫時差額確認遞延稅項資產。

34. 收購附屬公司

於2006年4月1日，本集團以38,961,000港元之現金代價及相關支出收購了深圳寶潤全部權益。該項收購已以會計之購買法入賬。由該項收購產生之商譽為19,981,000港元。

由該項交易所收購之淨資產以及由此產生之商譽列明如下：

		Acquiree's carrying amounts before combinations	Fair value adjustments	Fair value
		合併前被收購者 之賬面值	公平值調整	公平值
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
Net assets acquired:	所得淨資產：			
Property, plant and equipment	物業、機器及設備	12,608	1,309	13,917
Prepaid lease payments	預付租賃款項	3,869	1,272	5,141
Other debtors, deposits and prepayments	其他應收款項、按金及預付款項	309	—	309
Deferred tax liability	遞延稅項負債	—	(387)	(387)
		16,786	2,194	18,980
Goodwill	商譽			19,981
				38,961

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綜合財務報表附註(續)

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34. ACQUISITION OF SUBSIDIARIES (Continued)

34. 收購附屬公司(續)

Total consideration satisfied by:

總代價以：

		HK\$'000 千港元
Cash	現金支付	34,602
Directly attributable cost (note 1)	直接可分派成本支付(附註1)	4,359
		38,961

Net cash outflow of cash and cash equivalents in respect of the acquisition of a subsidiary is as follows:

因收購一附屬公司所產生之現金或等同現金項目流出淨額如下：

		2006 二零零六年 HK\$'000 千港元
Cash consideration paid (note 1)	已付現金代價(附註1)	34,602
Net outflow of cash and cash equivalents in respect of the acquisition of a subsidiary	因收購一附屬公司所產生之現金或等同現金項目流出淨額	34,602

Note 1: During the year ended December 31, 2005, a cash consideration of approximately HK\$4,359,000 for the acquisition of Shenzhen Baorun was paid and the amount was disclosed as other asset in the consolidated balance sheet. Details of the other asset are disclosed in note 24.

附註1：於2005年12月31日止年度內，收購深圳寶潤所需現金代價約4,359,000港元已支付，有關金額已於綜合資產負債表內披露列為其他資產。有關其他資產之詳情，已於附註24披露。

The goodwill arising on the acquisition of Shenzhen Baorun is attributable to the anticipated profitability of the distribution of the Group's LPG in the markets and the anticipated future operating synergies from the combination. In addition, Shenzhen Baorun owns several LPG stations close to the LPG terminal owned by 新海(珠海), in the opinion of the directors, this acquisition will enhance logistic efficiency and improve the market share in Guangdong region in the PRC.

收購深圳寶潤所產生之商譽，可歸因於在市場分銷本集團液化氣預期溢利及合併後預期將來營運產生之協同效益。此外，深圳寶潤擁有數個液化氣加氣站，並且貼近由新海(珠海)擁有之液化氣碼頭。董事認為此項收購將加強物流效率並改善中國廣東地區之市場佔有率。

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34. ACQUISITION OF SUBSIDIARIES (Continued)

If the acquisition had been completed on January 1, 2006, total group revenue derived from continuing operations for the year would have been approximately HK\$2,425,924,000, and profit for the year from continuing operations would have been approximately HK\$43,720,000. The proforma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on January 1, 2006, nor is it intended to be a projection of future results.

Shenzhen Baorun contributed HK\$123,266,000 and HK\$2,185,000 to the Group's revenue derived from continuing operations and loss before taxation derived from continuing operations between the date of acquisition and the balance sheet date.

On January 7, 2005, the Group acquired 80% of the registered capital of Yong Long for cash consideration and related expenses of HK\$32,135,000. The acquisition has been accounted for using the purchase method of accounting. The amount of goodwill arising as a result of the acquisition was HK\$26,013,000.

34. 收購附屬公司(續)

如收購已於2006年1月1日完成，年內集團由持續業務衍生之總收入將約2,425,924,000港元，持續業務年內溢利將約43,720,000港元。以上資料只供參考及並非指收購如於2006年1月1日完成，本集團之經營收入及業績將真正達標，此亦非用以推測將來業績。

於收購日及結算日期間，深圳寶潤為本集團持續業務帶來123,266,000港元收入及2,185,000港元之持續業務除稅前虧損。

於2005年1月7日，本集團以32,135,000港元之現金代價及相關支出收購了永龍80%之註冊資本。有關收購已按會計收購法入賬。由該項收購產生之商譽為26,013,000港元。

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綜合財務報表附註(續)

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34. ACQUISITION OF SUBSIDIARIES (Continued)

The net assets acquired in the transaction in 2005, and the goodwill arising, are as follows:

34. 收購附屬公司(續)

於2005年由該項交易中所收購之淨資產以及由此產生之商譽列明如下：

		Acquiree's carrying amounts before combinations 合併前被收購者 之賬面值 HK\$'000 千港元	Fair value adjustments 公平值調整 HK\$'000 千港元	Fair value 公平值 HK\$'000 千港元
Net assets acquired:	所得淨資產：			
Property, plant and equipment	物業、機器及設備	2,275	6,390	8,665
Prepaid lease payments	預付租賃款項	1,035	(14)	1,021
Trade debtors	應收貿易賬款	311	—	311
Other debtors, deposits and prepayments	其他應收賬款、按金及預付款項	119	—	119
Bank balances and cash	銀行結餘及現金	33	—	33
Other creditors and accrued charges	其他應付賬款及應計費用	(55)	—	(55)
Deferred tax liability	遞延稅項負債	—	(2,441)	(2,441)
		3,718	3,935	7,653
Minority interests	少數股東權益	—	—	(1,531)
		3,718	3,935	6,122
Goodwill	商譽			26,013
Total consideration satisfied by cash (note 2)	總代價以現金支付(附註2)			32,135

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綜合財務報表附註(續)

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34. ACQUISITION OF SUBSIDIARIES (Continued)

Net cash outflow of cash and cash equivalents in respect of the acquisition of a subsidiary is as follows:

		2005 二零零五年 HK\$'000 千港元
Cash paid for related expenses	以現金支付有關支出	107
Bank balances and cash acquired	所得銀行結餘及現金	(33)
Net outflow of cash and cash equivalents in respect of the acquisition of a subsidiary	收購一附屬公司之現金及等同現金項目之現金流出淨額	74

Note 2: The amount included a cash consideration of approximately HK\$32,028,000 which was paid for the acquisition of Yong Long during the year ended December 31, 2004 and recorded as other assets as at December 31, 2004.

34. 收購附屬公司(續)

收購一附屬公司之現金及等同現金項目之現金流出淨額如下：

附註2：於2004年12月31日止年度內，收購永龍所支付之金額，已包括約32,028,000港元之現金代價，並於2004年12月31日記錄為其他資產。

The goodwill arising on the acquisition of Yong Long is attributable to the anticipated profitability of the distribution of the Group's LPG in the markets and the anticipated future operating synergies from the combination. In addition Yong Long owns several LPG stations close to the LPG terminal owned by 新海(珠海)，in the opinion of the directors, this acquisition will enhance logistic efficiency and improve the market share in Guangdong region.

收購永龍所產生之商譽可歸因於在市場分銷本集團液化氣帶來之預期溢利及合併後預期將來營運產生之協同效益。此外，永龍擁有數個液化氣加氣站，並且貼近由新海(珠海)擁有之液化氣碼頭。董事認為此項收購將加強物流效率並改善中國廣東地區之市場佔有率。

If the acquisition had been completed on January 1, 2005, total group revenue for the year would have been approximately HK\$1,615,845,000, and profit for the year would have been HK\$33,317,000. The proforma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on January 1, 2005, nor is it intended to be a projection of future results.

如收購已於2005年1月1日完成，年內集團之總收入將約1,615,845,000港元，年內溢利將約33,317,000港元。以上資料只供參考及並非指收購如於2005年1月1日完成，本集團之經營收入及業績將真正達標，此亦非用以推測將來業績。

Yong Long contributed HK\$22,826,000 and HK\$806,000 to the Group's revenue and profit before taxation between the date of acquisition and the year ended December 31, 2005.

收購日與截至2005年12月31日止年度間，永龍為本集團帶來22,826,000港元及806,000港元之收入及除稅前溢利。

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35. DISPOSAL OF A SUBSIDIARY

35. 出售一附屬公司

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
NET ASSETS DISPOSED OF	出售之淨資產		
Property, plant and equipment	物業、機器及設備	—	132
Amount due from a subsidiary of the Group	應收本集團一附屬公司之款項	—	2,078
Inventories	存貨	—	22
Tax liabilities	稅項負債	—	(395)
Attributable goodwill		—	1,837
		—	3,289
Gain on disposal		—	5,126
		—	2,710
Total consideration		—	7,836
Satisfied by:		支付形式：	
Cash	現金	—	5,758
Waiver of amount due from a subsidiary of the Group	放棄應收本集團一附屬公司之款項	—	2,078
		—	7,836
Cash inflow arising on disposal		—	5,758
出售時產生之現金流入額		—	5,758

The subsidiary disposed of during the year ended December 31, 2005 made no significant contribution to the Group's turnover and the Group's profit.

於2005年12月31日年度止所出售之附屬公司並無為本集團帶來重要營業額及溢利。

36. CONTINGENT LIABILITIES

The Group had no significant contingent liabilities at December 31, 2006 and 2005.

36. 或然負債

於2006年及2005年12月31日，本集團並無重大或然負債。

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37. LEASE COMMITMENTS

The Group as lessee

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

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Within one year	一年內	1,587	1,887
In the second to fifth years inclusive	二至五年內(包括首尾兩年)	176	2,886
Over five years	超過五年	50	100
		1,813	4,873

During the year ended December 31, 2006, operating lease payments mainly represent rentals payable by the Group for office premises and LPG vessel. During the year ended December 31, 2005, operating lease payments mainly represent rentals payable by the Group for leasehold land in the PRC and LPG vessel. Leases are negotiated for terms ranged from 1 to 10 years. As at December 31, 2006, rentals are fixed for an average of 4 years (2005: 5 years).

The Group as lessor

Rental income from investment properties earned during the year was HK\$2,696,000. All the investment properties had been disposed of in current year. Rental income from investment properties, properties, plant and equipment earned during the year ended December 31, 2005 was HK\$4,694,000.

37. 租賃承擔

本集團為承租人

於結算日，本集團根據不可撤銷經營租賃須支付之日後最少租金支出，到期日如下：

於2006年12月31日止年度內經營租賃付款乃主要指本集團租用辦公室物業及液化汽管道應付之租金。於2005年12月31日年度止，經營租賃付款乃主要指本集團租用土地及液化氣管道應付之租金。協議租期平均為1至10年。於2006年12月31日，有關的租金固定期平均為4年(2005：5年)。

本集團為出租人

年內，投資物業之租金收入為2,696,000港元。所有投資物業已於年內出售。於截至2005年12月31日止年度內，投資物業、物業、機器及設備之租金收入為4,694,000港元。

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37. LEASE COMMITMENTS (Continued)

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

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Within one year	一年內	—	3,089
In the second to fifth year inclusive	二至五年 (包括首尾兩年)	—	3,412
Over five years	超過五年	—	2,814
		—	9,315

37. 租賃承擔(續)

於結算日，本集團與承租人簽訂下列日後最少租金收入：

38. OTHER COMMITMENTS

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Capital expenditure contracted for but not provided in the consolidated financial statements in respect of:	已訂約但未於綜合財務報表撥備之資本開支之承擔如下：		
Investment in a jointly controlled entity	投資於一共同控制實體	1,916	1,916
Purchase of plant and machinery	購置機器及設備	77,946	117,776
		79,862	119,692

38. 其他承擔

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39. RETIREMENT BENEFITS PLANS

The Group operates a Mandatory Provident Fund Scheme for all qualifying employees in Hong Kong. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees. The Group contributes 5% of relevant payroll costs to the scheme, which contribution is matched by employees.

The employees of the Group's subsidiaries in the PRC are members of state-managed retirement benefit schemes operated by the PRC government. The subsidiaries are required to contribute fixed percentage of payroll costs to the retirement benefit schemes to fund the benefits. The only obligation of the Group with respect to the retirement benefit schemes is to make the specified contributions.

40. RELATED PARTY TRANSACTIONS

During the year, the Group entered into the following transactions with related parties:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Sales to a jointly controlled entity	向一共同控制實體銷售	808	252
Royalty fee paid to Gold Decade Limited ("Gold Decade")	向金紀元有限公司(「金紀元」)支付分特許權費	—	—
Rental expenses paid to Shum Ho, Neo	向岑浩支付租金	456	456

At December 31, 2006, Mr. Shum Ho, Neo has pledged his property to secure a short term bank loan of the Group to the extent of HK\$22,500,000 (2005: HK\$22,500,000). The facilities were not utilised by the Group at December 31, 2006. The facilities utilised by the Group at December 31, 2005 amounted to HK\$6,800,000.

Shum Siu Hung is a director of and has a beneficial interest and significant control in Gold Decade.

39. 退休福利計劃

本集團為其於香港之全體合資格僱員提供強制性公積金計劃。強積金計劃之資產與本集團資產分開持有，由信託人以基金形式控制。本集團每月按僱員有關薪金收入的5%作為強積金供款。而僱員則作出相同數額之供款。

本集團於中國附屬公司之僱員參加中國政府中央管理之退休金計劃。該等附屬公司按要求向退休金計劃以僱員收入的固定比例供款。本集團對退休金計劃的唯一責任是作指定供款。

40. 關連人士交易

年內，本集團與關連人士進行下列交易：

於2006年12月31日，岑浩抵押其物業，使本集團獲得22,500,000港元(2005：22,500,000港元)之短期銀行借款。於2006年12月31日，本集團並未動用該銀行借款。於2005年12月31日，本集團已動用該銀行借款約6,800,000港元。

岑少雄是金紀元之董事，亦擁有金紀元之實際權益及主要控制權。

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40. RELATED PARTY TRANSACTIONS (Continued)

Shum Ho, Neo is the son of Shum Siu Hung and Tong Shiu Ming.

On October 31, 2000, Sound Industrial, a wholly-owned subsidiary of the Company entered into an agreement with Gold Decade. Pursuant to the agreement, Gold Decade has granted to Sound Industrial an exclusive sub-licence to use the trademarks of “華寶” and “HUABAO” (the “Trademarks”), well-known brand names for electrical appliance in the PRC, on all the electronic products manufactured and sold by the Group for an initial term of one year. A royalty fee of 1.5% of the net sale proceeds of the Group’s products sold under the Trademarks shall be payable as sub-licence fee subject to a maximum annual payment of HK\$8,000,000 and a minimum annual payment of HK\$10,000. On October 30, 2001, the agreement was renewed for one year to October 30, 2002 at a fixed royalty fee of HK\$1. On October 31, 2002, the agreement was renewed for another two years to October 31, 2004 with the same terms. On October 31, 2004, the agreement was renewed for another two years to October 31, 2006 with the same terms. On December 31, 2005, Sound Industrial entered into a termination agreement with Gold Decade, pursuant to which the agreement renewed on October 31, 2004 was early terminated on December 31, 2005.

On May 16, 2004, Sound Management, entered into an office tenancy agreement with Shum Ho, Neo for the use of office premises provided by Shum Ho, Neo located on 20th Floor, Times Tower 393 Jaffe Road, Wanchai, Hong Kong at HK\$38,000 per calendar month for a period of one year commencing May 16, 2004. On May 16, 2005, the agreement was renewed for one year to May 15, 2006 with the same terms. On May 16, 2006, the agreement was renewed for one year to May 15, 2007 with the same terms.

40. 關連人士交易 (續)

岑浩乃岑少雄及唐小明之子。

於2000年10月31日，本公司之全資附屬公司新海實業與金紀元訂立協議。根據協議，金紀元向新海實業授予使用中國電器業著名商標「華寶」及「HUABAO」（「該等商標」）之獨家分特許權，許可本集團生產及出售之所有電子產品使用該等商標，年期初步定為一年。出售冠以該等商標產品所得銷售淨款項之1.5%作為分特許權費，惟該費用之上限為每年8,000,000港元，而下限則為10,000港元。於2001年10月30日，該協議以1港元固定分特許權費續期一年至2002年10月30日。於2002年10月31日，該協議按相同條款另續期兩年至2004年10月31日。於2004年10月31日，該協議按相同條款另續期兩年至2006年10月31日。於2005年12月31日，新海實業與金紀元訂立一份終止協議。據此，在2004年10月31日續期之協議於2005年12月31日提前終止。

於2004年5月16日，新海管理與岑浩訂立辦公室租約，以月租38,000港元租用岑浩位於香港灣仔謝斐道393號新時代中心20樓之辦公室物業。租期期於2004年5月16日起計，為期1年。於2005年5月16日，該租約按相應條款續期至2006年5月15日。於2006年5月16日，該租約按相應條款續期至2007年5月15日。

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40. RELATED PARTY TRANSACTIONS (Continued)

Save as disclosed above and note 27, there were no other significant transactions with related parties during the year or significant balances with them at the end of the year.

Compensation of key management personnel

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

	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Short-term benefits	5,347	2,695
Post-employment benefits	60	70
Share-based payments	3,264	—
	8,671	2,765

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

41. POST BALANCE SHEET EVENTS

On August 8, 2006, the Company's indirect wholly-owned subsidiary Shenzhen Baorun entered into an agreement with third parties independent to the Group for the acquisition of the entire interest in 南雄 for a cash consideration of approximately HK\$16,045,000. The proposed acquisition was completed in January 2007, thus the financial statements of 南雄 were not consolidated into the Group's consolidated financial statements for the year ended December 31, 2006. The Company has commenced considering the fair value of the net assets acquired in this transaction but is not yet in a position to disclose the finalised financial information of the acquisition completed in January 2007.

40. 關連人士交易(續)

除以上及於附註27所披露外，期內與關連人士並無重大交易，或於期終時亦未有與彼等相關之重大結餘。

主要管理人員之報酬

本年度執行董事及其他主要管理人員之薪酬列明如下：

董事及主要管理人員之薪酬由薪酬委員會根據個人表現及市場趨勢釐定。

41. 結算日後事項

於2006年8月8日，本公司間接擁有之全資附屬公司深圳寶潤與本集團以外的獨立第三者訂立協議，以約16,045,000港元之現金代價收購南雄的全部權益。有關收購於2007年1月完成，因此南雄之財務報表並沒有合併入本集團截至2006年12月31日止年度之綜合財務報表中。本公司開始考慮該交易所獲得之淨資產之公平值，但尚未能披露於2007年1月完成收購之最後財務資料。

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41. POST BALANCE SHEET EVENTS (Continued)

On December 27, 2006 and December 29, 2006, the Company's indirect wholly-owned subsidiary Qingxin NewOcean Transportation Company Limited entered into a subscription agreement and a supplemental agreement respectively ("Subscription Agreement") with third parties independent to the Group, for the acquisition of the 51% equity interest in 廣州市夢華燃氣有限公司(「夢華」) for a total cash consideration of approximately HK\$25,248,000. If the profit after tax of 夢華 for the first year after the acquisition is not less than RMB10,000,000 (approximately HK\$9,901,000), the consideration will be adjusted upwards by an additional payment of RMB10,000,000 (approximately HK\$9,901,000). The proposed acquisition as contemplated under the Subscription Agreement constituted a disclosable transaction for the Company under Chapter 14 of the Listing Rules. The acquisition was not yet completed up to the report approval date. Details of the acquisition were set out in the Company's circular dated January 4, 2007.

41. 結算日後事項(續)

於2006年12月27日及2006年12月29日，本公司間接擁有之全資附屬公司清新縣新海運輸有限公司與本集團以外的獨立第三者分別訂立一份認購協議及認購補充協議(「認購協議」)，以25,248,000港元之現金代價收購廣州市夢華燃氣有限公司(「夢華」)的51%權益。如在收購首年後，夢華的除稅後溢利不少於10,000,000人民幣(約9,901,000港元)，代價將以額外付款10,000,000人民幣(約9,901,000港元)之方式作上調。根據上市規則第14條，認購協議擬下之進行此項收購建議，構成需予披露之交易。該項收購於報告批准日並未完成。有關收購載於本公司2007年1月4日之通函內。

Financial Summary

財務概要

RESULTS

業績

		For the	For the	For the year ended		
		year ended	15 month	September 30,	December 31,	December 31,
		September 30,	period	截至9月30日	截至12月31日	截至12月31日
		止年度	ended	止年度	止15個月期間	止年度
		2002	2003	2004	2005	2006
		二零零二年	二零零三年	二零零四年	二零零五年	二零零六年
		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
Revenue	收入	417,747	446,802	1,023,782	1,615,479	2,387,531
Profit before taxation	除稅前溢利	10,991	17,147	26,161	30,243	43,951
Taxation (charge)	稅項(支出)收入	(313)	(214)	(6,217)	3,667	179
Profit for the year/period	年內/期內溢利	10,678	16,933	19,944	33,910	44,130
Attributable to:	應佔溢利:					
Equity holders of the Company	本公司之權益持有人	10,970	17,051	20,178	35,702	44,130
Minority interests	少數股東權益	(292)	(118)	(234)	(1,792)	—
		10,678	16,933	19,944	33,910	44,130
Earnings per share	每股盈利					
Basic (in HK cents)	基本(港仙)	3.41	5.21	4.38	7.41	9.16
Diluted (in HK cents)	攤薄(港仙)	3.39	5.21	4.33	N/A	9.16
					不適用	

ASSETS AND LIABILITIES

資產及負債

		At	At			2006
		September 30,	December 31,			
		於9月30日	於12月31日			
		2002	2003	2004	2005	2006
		二零零二年	二零零三年	二零零四年	二零零五年	二零零六年
		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	170,020	232,722	514,113	832,644	1,461,813
Total liabilities	總負債	(61,462)	(58,569)	(154,776)	(442,181)	(1,014,332)
		108,558	174,153	359,337	390,463	447,481
Equity attributable to equity holders of the Company	本公司之權益持有人應佔溢利	105,970	171,683	354,628	388,932	445,950
Minority interests	少數股東權益	2,588	2,470	4,709	1,531	1,531
		108,558	174,153	359,337	390,463	447,481



新海能源集團有限公司
NewOcean Energy Holdings Limited
(前稱「新海環保能源集團有限公司」)
(Formerly known as "New Ocean Green Energy Holdings Limited")