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FINANCIAL HIGHLIGHTS 財務摘要

		2006 二零零六年 *HK$'m* *百萬港元*	2005 二零零五年 *HK$'m* *百萬港元*	Changes 變動 *%*
Turnover	營業額	**1,487**	552	169%
Profit Attributable to Equity Holders of the Company	本公司股本持有人應佔溢利	**495**	724	(32%)
Total Assets	資產總值	**6,869**	6,448	7%
Equity Attributable to Equity Holders of the Company	本公司股本持有人應佔股本	**4,591**	3,843	19%
Cash & Bank Balances	現金及銀行結餘	**1,258**	611	106%
Net Borrowings	借貸淨額	**N/A不適用**	914	N/A不適用

Key Performance and Liquidity Indicators:	**主要營運表現及財務狀況指標**	***HK$*** ***港元***	*HK$* *港元*	Changes 變動 *%*
Earnings Per Share	每股盈利	**0.278**	0.415	(33%)
Net Assets Per Share *(note 1)*	每股資產淨值*(附註1)*	**2.521**	2.280	11%
P/E Ratio *(note 1)*	市盈率*(附註1)*	**7.4 x**	5.5 x	35%
Return on Capital Employed *(note 2)*	股本回報率*(附註2)*	**11%**	19%	(42%)
Return on Total Assets *(note 3)*	總資產回報率*(附註3)*	**7%**	11%	(36%)
Gearing Ratio *(note 4)*	借貸比率*(附註4)*	**27%**	40%	(33%)
Adjusted Gearing Ratio *(note 5)*	經調整借貸比率*(附註5)*	**N/A不適用**	24%	N/A不適用
Current Ratio *(note 6)*	流動比率*(附註6)*	**1.8 x**	1.1 x	64%
Interest Coverage *(note 7)*	利息償付比率*(附註7)*	**13.5 x**	18.0 x	(25%)

Notes:

1. Based on 1,820,709,611 shares issued and fully paid as at 31 December 2006 (2005: 1,688,709,611 shares) and the market closing price of HK$2.05 (2005: HK$2.30) per share.
2. Calculated as profit attributable to equity holders of the Company over equity attributable to equity holders of the Company.
3. Calculated as profit attributable to equity holders of the Company over total assets.
4. Calculated as total borrowings over equity attributable to equity holders of the Company.
5. Calculated as net borrowings over equity attributable to equity holders of the Company.
6. Calculated as current assets over current liabilities.
7. Calculated as profit before finance costs and taxation over finance costs (excluding the notional interest portion in respect of convertible notes).

附註：

1. 基於二零零六年十二月三十一日已發行及已繳足股份1,820,709,611股(二零零五年：1,688,709,611股)及收市價每股2.05港元(二零零五年：2.30港元)計算所得。
2. 以本公司股本持有人應佔溢利除以本公司股本持有人應佔股本計算所得。
3. 以本公司股本持有人應佔溢利除以總資產計算所得。
4. 以借貸總額除以本公司股本持有人應佔股本計算所得。
5. 以借貸淨額除以本公司股本持有人應佔股本計算所得。
6. 以流動資產除以流動負債計算所得。
7. 以扣除財務費用及稅前溢利除以財務費用(經扣除可換股票據之市場利息部份後)計算所得。

C A E I F A I 公司資料

Boa d of Di ec o 董事會

E ec i e di ec o 執行董事

Gao Jian Min *(Managing Director)* 高建民 *(董事總經理)*
Liu Tianni *(Deputy Managing Director)* 劉天倪 *(董事副總經理)*
Gu Jianguo 顧建國
Chen Yongcun 陳永存
Chow Kwok Wai 周國偉

Non-e ec i e di ec o 非執行董事

Chen Xiaozhou *(Chairman)* 陳孝周 *(主席)*
Hui Xiao Bing *(Vice Chairman)* 惠小兵 *(副主席)*
Yuen Wing Shing 袁永誠

Inde enden non-e ec i e di ec o 獨立非執行董事

Kang Dian 康典
Zhang Lu 張璐
Hung Muk Ming 洪木明

A di Commi ee 審核委員會

Kang Dian *(Committee Chairman)* 康典 *(委員會主席)*
Zhang Lu 張璐
Hung Muk Ming 洪木明

Rem ne a ion Commi ee 薪酬委員會

Kang Dian *(Committee Chairman)* 康典 *(委員會主席)*
Zhang Lu 張璐

Com an Sec e a 公司秘書

Tung Tat Chiu, Michael 佟達釗

Com an La e 公司律師

Tung & Co. Solicitors 佟達釗律師行



C A EI F A I 公司資料

A di o

Deloitte Touche Tohmatsu
Certified Public Accountants

P inci al Banke

Bank of China (Hong Kong) Limited
The Hongkong and Shanghai Banking
Corporation Limited
The Citic Ka Wah Bank Limited

Sha e Regi a and T an fe Office

Secretaries Limited
26th Floor, Tesbury Centre,



MANAGING DIRECTOR'S STATEMENT 董事總經理報告

REVIEW OF RESULTS

Turnover of the year increased by 170% to HK$1,487.2 million (2005: HK$551.8 million). During the year, the Group's profit after tax decreased by 31% to HK$505 million (2005: HK$729.2 million). Earnings per share also decreased by 33% to HK$0.278 per share (2005: HK$0.415 per share).

The significant increase in turnover was mainly attributable to the increase in the turnover of listed securities trading. The Group strategically acquired certain quality IPO shares in the last two financial years and sold a majority of those shares in the year at time when the stock market is performing good. It also brought significant profit to the Group. In the year, turnover of listed securities trading increased by approximately 6 times to HK$1,014.3 million (2005: HK$152.7 million). Net profit derived from listed securities trading increased by approximately 9 times to HK$212.7 million (2005: HK$20.9 million).

Sales of properties of the development project in Shenyang known as the East Gate Metro Garden commenced and delivered for use during the year. Accordingly, the turnover of sales of properties increased by approximately 231 times to HK$208.1 million (2005: HK$0.9 million). Profit contribution from sales of properties for the year was HK$43.7 million (2005: HK$6.0 million loss).

Turnover of dealings in distressed assets decreased by 62% to HK$88.8 million (2005: HK$230.9 million) and has partially been offset by the increase in listed securities trading and sales of properties above. Profit contribution from dealings in distressed assets decreased by 60% to HK$93.7 million (2005: HK$231.6 million).

The decrease in the turnover and profit contribution of dealings in distressed assets was mainly due to the fact that there was a performance bonus from the disposal of the Macau Assets in last year in the amount of HK$100.0 million. As the disposal of the Macau Assets has only been completed last year, there is no corresponding performance bonus of such kind in the current year.

業績回顧

本年度營業額增加170%至1,487,200,000港元(二零零五年：551,800,000港元)。年內，本集團稅後溢利減少31%至505,000,000港元(二零零五年：729,200,000港元)。每股盈利減少33%至每股0.278港元(二零零五年：每股0.415港元)。

營業額大幅增加主要歸因於上市證券買賣營業額增加。本集團於過去兩個財政年度策略性收購若干優質新股，並於年內大部份股票市場表現良好時出售該等股份，為本集團帶來可觀溢利。年內，上市證券買賣營業額增加約6倍至1,014,300,000港元(二零零五年：152,700,000港元)；從證券買賣取得的淨盈利則增加約9倍至212,700,000港元(二零零五年：20,900,000港元)。

位於沈陽的發展項目東環國際花園已開賣並且於年內交付使用，物業銷售營業額因而錄得約231倍增長至208,100,000港元(二零零五年：900,000港元)。本年度物業銷售的盈利貢獻為43,700,000港元(二零零五年：虧損6,000,000港元)。

不良資產處置業務的營業額減少62%至88,800,000港元(二零零五年：230,900,000港元)，並部份抵銷了上述證券買賣及物業銷售兩項營業額增幅的影響。不良資產處置業務的盈利貢獻減少60%至93,700,000港元



MANAGING DIRECTOR'S STATEMENT 董事總經理報告







MANAGING DIRECTOR'S STATEMENT 董事總經理報告

FINAL DIVIDEND

The Board resolved to recommend the payment of a final dividend of HK$0.07 per share for the year ended 31 December 2006 (2005: HK$0.06 per share). The final dividend, subject to approval by shareholders at the annual general meeting, will be payable on 12 June 2007 to shareholders on the register of member of the Company on 29 May 2007.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from (Wednesday) 23 May 2007 to (Tuesday) 29 May 2007, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend payment, completed transfer forms accompanied by the relevant share certificates must be lodged with the Share Registrars, Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on (Tuesday) 22 May 2007.

BUSINESS REVIEW & PROSPECTS



MANAGING DIRECTOR'S STATEMENT 董事總經理報告

BUSINESS REVIEW & PROSPECTS *(Continued)*

Property Investments, Development and Management *(Continued)*

The operations of Beijing Yinda Property Management Limited ("Yinda") were also stable for both of the immediate two preceding financial years. As at the balance sheet date, there were 22 projects (2005: 23 projects) under the management of Yinda. The total floor area under the management of Yinda exceeds 3.0 million square meters. The turnover of Yinda for the year was HK$98.0 million (2005: HK$89.0 million). Net profit for the year was HK$2.9 million (2005: HK$0.3 million loss). In the coming years, Yinda will adjust its strategy to concentrate its effort in soliciting new projects with high profit margin and step out from those existing projects which returns are unsatisfactory in order to increase shareholder's return.

Sales of properties of the development project in the Tiexi District of Shenyang known as the East Gate Metro Garden commenced and delivered for use during the year. Sales of properties amounted to HK$208.1 million in aggregate and recognized profit in the amount of HK$43.7 million. The Directors expect that total sales amount for East Gate Metro Garden will amount to approximately HK$423.1 million. After the completion of the sale of the East Gate Metro Garden, the development of the third phase, which is also the last phase of the Tiexi development project, will commence.

The re-development project "Zi You Xiao Zhen" has substantially completed the vacation of the existing tenants and is currently preparing to commence construction. "Zi You Xiao Zhen" has a site area of approximately 320,000 square meters and gross development area of approximately 830,000 square meters. The Group intends to develop "Zi You Xiao Zhen" by four phases in four years' time.

The Group has committed to invest and develop a new property project including "Si He Yuan" properties in the Sanyanjing Preservative District in Beijing.

業務回顧及展望 *(續)*

物業投資、發展及管理 *(續)*

北京銀達物業管理有限責任公司(「銀達公司」)於回顧年內及去年的經營，同樣保持穩定。本年度，由銀達公司管理的項目組合共有22個(二零零五年：23個)，管理總面積逾三百萬平方米。銀達公司本年度營業額約為98,000,000港元(二零零五年：89,000,000港元)，本年度淨盈利為2,900,000港元(二零零五年：虧損300,000港元)。未來，銀達公司將會調整策略，以致力爭取盈利率高的項目為主，並逐步退出現有的但盈利率未符預期的項目，從而提高股東回報。

位於沈陽鐵西區的發展項目東環國際花園已開賣並且於年內交付使用，錄得銷售總額約208,100,000港元並確認盈利約43,700,000港元。董事會預期東環國際花園的總銷售金額將可達約423,100,000港元。在完成銷售東環國際花園後，鐵西區發展項目的第三期發展亦即是最後一期的發展將會展開。

重建項目《自由小鎮》已於二零零六年完成大部分的遷拆工作，項目現在處於開工準備階段。《自由小鎮》項目之地盤面積約320,000平方米，發展面積約830,000平方米。本集團有意在四年時間內分開四期發展《自由小鎮》。

本集團已投入資金在北京市三眼井文物保育區投資興建包括〝四合院〞在內的物業開發項目。

MANAGING DIRECTOR'S STATEMENT 董事總經理報告

BUSINESS REVIEW & PROSPECTS *(Continued)*

Infrastructure Investments

During the year, profit contribution from CII decreased slightly by 5% to HK$76.2 million (2005: HK$80.6 million). The decrease in profit contribution was mainly due to lack of toll fee income from road and bridge project as a result of disposal of those projects in the previous years but income from other financial investments and interest income is not enough to compensate the decrease in toll fee income.

During the year, CII disposed of its entire interest in the Jiangxi #320 State-road project at a total consideration of approximately HK$250.0 million and recognized a gain, including a special dividend, in the amount of HK$40.2 million.

The strategy of CII is to dispose of all the road and bridge projects when opportunities arise. As at 31 December 2006, there were only two road and bridge projects remaining with a total carrying value of approximately HK$137.8 million in aggregate.

The Taian Natural Gas Pipeline project

CII holds an 80% effective interest in the Taian Natural Gas Pipeline project. The carrying value of the project as at 31 December 2006 was approximately HK$66.8 million.31bas at 3i325]4u1



MANAGING DIRECTOR'S STATEMENT 董事總經理報告

BUSINESS REVIEW & PROSPECTS *(Continued)*

Infrastructure Investments *(Continued)*

Petrochemical projects

CII invested in, through a 50% owned associated company, CII Petrochemical Limited, two petrochemical projects. The projects are United East Petrochemical Company Limited (in which CII holds a 25% effective interest) and 泰洲東泰石化有限公司 (in which CII holds a 34% effective interest). The carrying value of the two projects as at 31 December 2006 was approximately HK$167.2 million in aggregate. During the year, total profit contribution to CII from the projects was approximately HK$5.7 million (2005: HK$3.8 million).

CII is negotiating with the holding company of the local partner to secure a long term and stable supply of crude oil for the refinery business. CII has confidence to reach an agreement for the supply of crude oil in 2007.

In the coming years, CII will commit more resources into the petrochemical projects with a hope to seize the business opportunities as a result of the increasingly demand for petrochemical products in PRC and to create value to the shareholders.

業務回顧及展望 *(續)*

基礎建設投資 *(續)*

石油化工項目

中基透過一間50%控股的聯營公司中基石化有限公司投資於兩個中外合資石化項目。該等項目包括東聯化工有限責任公司(中基持有25%有效權巷劈澗桁袈穋屍室甌孇糜



MANAGING DIRECTOR'S STATEMENT 董事總經理報告

BUSINESS REVIEW & PROSPECTS *(Continued)*

Financial Investments

Distressed Assets Business

The Cinda Portfolio

During the year, the Cinda Portfolio has contributed approximately HK$88.8 million (2005: HK$130.9 million) interest income to the Group. Up to 31 December 2006, the principal amount of distressed assets in the Cinda Portfolio that has been disposed of was approximately HK$41.0 billion in aggregate, representing 72.0% of the total principal amount in the Cinda Portfolio. The amount of cash recovered was approximately HK$1,264.9 million in aggregate. The effective cash recovery rate was approximately 3.1%. The cumulative amount of cash recovered has exceeded the original acquisition cost by more than HK$400.0 million.

The remaining principal amount of distressed assets in the Cinda Portfolio was approximately HK$16.0 billion. The Directors have confidence in completing the disposal of the entire Cinda Portfolio in 2007 as scheduled.

The Huarong Portfolio

In January 2006, the Group completed the acquisition of a portfolio of distressed assets with total principal amount of approximately HK$36.4 billion (including booked interest) (the "Huarong Portfolio") from China Huarong Asset Management Corporation ("China Huarong") at a total consideration of approximately HK$5.435proxima0. of



MANAGING DIRECTOR'S STATEMENT 董事總經理報告

BUSINESS REVIEW & PROSPECTS *(Continued)*

Financial Investments *(Continued)*

***Distressed Assets Business** (Continued)*

The Huarong Portfolio (Continued)

POL has appointed China Huarong to serve the disposal of and collection of the Huarong Portfolio. Huarong in return is entitled to receive a management fee calculated as 10% of the cash recovered. China Huarong is also entitled to share the profits generated from the disposal of the Huarong Portfolio according to a defined profit sharing scheme.

During the year, the principal amount of distressed assets in the Huarong Portfolio disposed of was approximately HK$6.4 billion in aggregate. The amount disposed of amounted to approximately 17.4% of the total principal amount of the Huarong Portfolio. The cash recovered was approximately HK$152.5 million in aggregate. The effective cash recovery rate was approximately 2.5%. Profit contribution from the Huarong Portfolio was HK$8.4 million (2005: nil).

The remaining principal amount of distressed assets in the Huarong Portfolio was approximately HK$30.0 billion. The Directors will endeavour to complete the disposal of the entire Huarong Portfolio in 2007.

New Distressed Asset Portfolio

After the balance sheet date, the Group has cooperated with China Orient Asset Management Corporation ("China Orient") to set up a joint venture platform to engage in the business of disposal of distressed assets. Initially, the joint venture will focus on the disposal of distressed assets owned by China Orient.

業務回顧及展望 *(續)*

金融投資 *(續)*

***不良資產業務**(續)*

華融資產包(續)

POL已委託中國華融協助處置並回收華融資產包。中國華融有權收取按收回現金的10%計算的管理費作為報酬。中國華融同時亦有權根據一項事先協定的利潤分成機制，分享處置華融資產包所產生的利潤。

年內，華融資產包已處置的不良資產本金總額約為64億港元。已處置的金額約相等於華融資產包本金總額的17.4%。已收回的現金總額約為152,500,000港元。折算所得的現金回收率約為2.5%。華融資產於年內的淨溢利貢獻為8,400,000港元(二零零五年：無)。

華融資產包餘下未處置的債權資產本金總額約為300億港元。董事會將致力於二零零七年內完成處置整個華融資產包。

新的不良資產包

於年結日後，本集團與中國東方資產管理公司以合資企業方式共同組建平台，合作從事處置不良資產的業務。合資企業的開始目標是以處置中國東方擁有的不良資產為主。



MANAGING DIRECTOR'S STATEMENT 董事總經理報告

GROWTH STRATEGIES

The Group maintains its established strategies of making balanced investments in the Group's three core-business: property investments, infrastructure investments and financial investments.

As for infrastructure investment, the Directors will direct CII to gradually commit more resources to the Petrochemical projects.



MANAGING DIRECTOR'S STATEMENT 董事總經理報告

FINANCIAL REVIEW *(Continued)*

Exchange Exposure & Hedging *(Continued)*



MANAGING DIRECTOR'S STATEMENT 董事總經理報告

FINANCIAL REVIEW *(Continued)*

Capital Structure

As at 31 December 2006, the shareholders' fund of the Group was HK$4,590,641,000, representing an increase of HK$747,619,000 or 19% increment from that as at 31 December 2005.

During the year, the Company raised additional capital in the amount of HK$264.0 million from the issuance of a total number of 132,000,000 new shares at premium pursuant to the exercise of convertible note and share options. This has increased and expanded the capital base of the Company.

During the year, the Company paid HK$108,403,000 to shareholders of the Company as final dividend for the year 2005, which has an effect of reducing the overall capital.

The Company has another convertible note with an initial issued principal amount of HK$440.0 million and coupon interest rate of 1.5% per annum of which principal amount of HK$220.0 million has been exercised and converted into 100,000,000 shares of the Company on 21 March 2006. The remaining principal amount of HK$220.0 million has not been converted. The Company has repaid the remaining amount of the convertible note at its expiry date.

Human Resources

As at 31 December 2006, the Group employed approximately 1,370 employees in Hong Kong and in the PRC. The Group offers its employees competitive remuneration packages, which are consistent with the prevailing market practice. The Group's remuneration policies remains unchanged during the current year. Total staff costs for the current year increased by 10% to HK$70.7 million (2005: HK$64.4 million).

APPRECIATION

On behalf of the Board, I would like to express my appreciation and gratitude to our shareholders for their support and all the Group's employees for their hard work

PROFILE OF DIRECTORS 董事簡介

Executive Directors

Gao Jian Min, *Managing Director*

Mr. Gao, aged 48, was appointed Director and Managing Director of the Company on 22 June 1993. Mr. Gao is also directors of various Group companies. Mr. Gao is also a director of Jiangxi Copper Co., Ltd (Stock Code: 358) and Qingling Motors. Co. Ltd. (Stock Code: 1122), the H shares of both companies are listed on the The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). He is also the managing director of Pacific Economies Development Corp. He graduated from Qing Hua University with a bachelor degree in engineering. He has over 15 years experience in property investment and development.

Liu Tianni, *Deputy Managing Director*

Mr. Liu, aged 43, was appointed executive director of the Company on 26 May 2001. Mr. Liu is also the director of several Group companies. He graduated from Beijing Normal University with a Master Degree in Science. He has over 10 years experience in corporate administration and trade businesses.



Mr Liu, aged , was appointed Director o the Co pan he TJ - TD Tc Tw Mae es



i n v e s t e n a n k e r i i u u s i n e a n e s t e , o T T T c

PROFILE OF DIRECTORS 董事簡介

Chen Yongcun

Mr. Chen, aged 42, was appointed executive director of the Company on 25 October 2000. Mr. Chen is the Assistant to General Manager of Well Kent International Limited. He previously worked with China Construction Bank and China Cinda Asset Management Corporation ("China Cinda"), a substantial shareholder of the Company. He graduated from Qing Hua University with a bachelor degree in engineering and a master degree in engineering. Mr. Chen has over 10 years' experience in finance and investment. Mr. Chen is a director of Tongjitang Chinese Medicines Company which shares are listed on the New York Stock Exchange in the form of American Depository Shares.

Chow Kwok Wai

Mr. Chow, aged 40, is one of the Deputy General Managers and is the Qualified Accountant of the Company. He is responsible for the finance and accounting matters of the Group. Mr. Chow joined the Company in October 1993 and was appointed executive director of the Company on 20 April 2004. Mr. Chow has worked in Price Waterhouse, which is now known as PriceWaterhouseCoopers and has accumulated valuable audit experience there. Mr. Chow received his Bachelor of Social Sciences Degree from the University of Hong Kong in 1990. Mr. Chow is a Fellow Member of the Association of Chartered Certified Accountants and a Fellow CPA of the Hong Kong Institute of Certified Public Accountants. Mr. Chow has over 15 years' experience in accounting, financial management and corporate finance. Mr. Chow is also an independent non-executive director of Lijun International Pharmaceutical (Holding) Co., Ltd. (Stock Code: 2005) which H shares are listed on the Stock Exchange.

陳永存

陳先生，現年42歲，於二零零零年十月二十

PROFILE OF DIRECTORS 董事簡介

Non-executive Directors 非執行董

Chen Xiaozhou, *Chairman*

Mr. Chen, aged 45, was appointed executive director of the Company and was elected Chairman of the board on 13 February 2006. He was redesignated as a non-executive director of the Company on 1 September 2006. He has been the Vice President of China Cinda since February, 2003. Mr. Chen obtained his Master of Economics from the Research Institute of the People's Bank of China in 1988 and obtained his Master of Commerce from the University of New South Wales, Australia in 2003. From April 1997 to April, 1999, he was the Deputy General Manager of Sales Department of Head Office of China Construction Bank. From April, 1999 to September, 2000, Mr. Chen was the supervisor of Investment Banking Department of China Cinda. From September, 2000 to February, 2003, Mr. Chen was the Assistant to President of China Cinda. Mr. Chen has over 18 years' experience in banking and finance sectors. During the period from 7 June 2004 to 27 March 2005, Mr. Chen was a non-executive director of Aluminum Corporation of China Limited (Stock Code: 2600), the H shares of which are listed on the Stock Exchange and the New York Stock Exchange, Inc.

Hui Xiao Bing, *Vice-Chairman*

Mr. Hui, aged 54, was appointed director of the Company and Vice-chairman of the board on 22 June 1993. He was redesignated as a non-executive director of the Company on 1 September 2006. Mr. Hui was the ex-Deputy Managing Director of China Everbright Financial Holdings Limited. Mr. Hui was also the ex-president of China Construction Bank, Shenzhen Branch. He previously worked for the Research Centre for Economic Development of the State Council of the PRC and China Investment Consultancy Company. He has over 20 years' experience in banking and finance. Mr. Hui graduated from Inner Mongolia Industrial University with a bachelor degree in engineering.





PROFILE OF DIRECTORS 董事簡介

Yuen Wing Shing

Mr. Yuen, aged 60, was appointed Director of the Company on 22 June 1993. He was redesignated as a non-executive director of the Company on 1 September 2006. Mr. Yuen is the Managing Director of Yugang International Limited ("Yugang") (Stock Code: 613). He is also an executive director of Y. T. Realty Group Limited (Stock Code: 75) and Cross-Harbour (Holdings) Limited (Stock Code: 32). All of the aforesaid companies are public companies listed on the Stock Exchange. Mr. Yuen holds a diploma in management studies from The Hong Kong Polytechnic University. Prior to joining Yugang in 1992, he held a senior management position with a major bank in Hong Kong for over 20 years.

Independent Non-executive Directors

Kang Dian

Mr. Kang, aged 58, was appointed independent non-executive director of the Company on 8 May 1998. He is presently a director of Springridge Investment Management Limited, which



PROFILE OF SENIOR MANAGEMENT 高級管理人員簡介

Kwok Chung Lun

Mr. Kwok, aged 52, joined the Company in July 1995. Mr. Kwok is the managing director of Beijing East Gate Development Co., Ltd. ("East Gate"), which is a wholly owned subsidiary of the Company. Mr. Kwok pursued study in the People's University. Mr. Kwok has over 10 years' experience in property investment and development.

郭鐘麟

郭先生，現年52歲，於一九九五年七月加盟本公司。郭先生現為本公司全資附屬公司北京東環置業有限公司(「東環置業」)之董事總經理。郭先生於中國人民大學畢業，彼於物業投資及發展方面擁有逾十年經驗。

Zhang Shuhua

Miss. Zhang, aged 53, is the deputy managing director of East Gate. Miss. Zhang pursued study in Beijing Radio and Television University. Miss. Zhang has over 20 years' experience in finance and accounting.

張淑華

張小姐，現年53歲，現為東環置業之董事副總經理。張小姐於北京廣播電視大學畢業。張小姐於財務及會計方面擁有逾二十年經驗。





CORPORATE GOVERNANCE REPORT 公司管治報告

B a d \ f D , c , *(Continued)*

To assist the Board in discharging its duties and to fulfil the requirement of the Code, two standing board committee are set up under the Board: the Audit Committee and the Remuneration Committee. When it become necessary, the Board will set up ad hoc board committee to handle specific issues and report back to the Board.

The Board considers that each independent non-executive director is independent in character and judgment and that they all meet the specific independence crimen 6 as required by the Listing Rules. The Company has received from each independent non-executive director an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. In addition, the independent non-executive directors are explicitly identified in all corporate communications.

All directors are regularly updated on governance and regulatory matmens. There is an established procedure for directors to obtain independent professional advice, which expenditure will be paid by the Company, in the furtherance of their duties.

The full board will meet at least four times throughout a year to review the overall strategy and to monitor the operation as well as the financial performance of the Group. Notice of at least 14 days will be given to all directors for all full board meetings and the directors can include matmens for discussion in the agenda if necessary. Agenda and the accompanying board papens in respect of full board meetings are sent out in full to all directors not less than three days before the meeting. Minutes of full board meetings and meetings of board committee are propenly kept and all directors have access to board papens and the related maten 6ls.

董事會 *(續)*

為協助董事會履行其職責以及為符合常規守則的規定，董事會下設二個常設附屬委員會：審核委員會及薪酬委員會。在必要的時候，董事會還設立臨時附屬委員會負責專項工作，並向董事會匯報。

董事會認為每位獨立非執行董事均具有獨立的個性及判斷能力並且他們都符合上市規則所定明有關獨立性的特定標準。本公司已接獲每名獨立非執行董事根據上市規則第3.13條有關其獨立身份的年度確認函。此外，在所有公司通訊內，獨立非執行董事經已被明確識別。

全體董事均定期獲得有關管治及監管等事宜的更新資訊。董事可按照既定程序，尋求獨立專業意見以協助履行其責任，有關費用由本公司支付。



董事會每年最少召開四次全體董事會會議，檢討整體策略與監察本集團的經營與財務表現。就所有全體董事會會議，所有 / 緯軌禶浹挂鯽好饞媋읊



CORPORATE GOVERNANCE REPORT 公司管治報告

Bad fD c (Continued)

董事會(續)

During 2006, four full board meetings were held and the individual attendance of each director is set out below:

董事會於二零零六年年內共召開四次全體董事會會議，每名董事的出席率詳列如下：

Nam fd c 董事姓名	N. mb fm a d d 出席會議次數	A da c a 出席率
Zhu Dengshan 朱登山	0 out of 1 一次中出席零次	0%
Chen Xiaozhou 陳孝周	3 out of 3 三次中出席三次	100%
Hui Xiao Bing 惠小兵	3 out of 4 四次中出席三次	75%
Gao Jian Min 高建民	4 out of 4 四次中出席四次	100%
Liu Tianni 劉天倪	4 out of 4 四次中出席四次	100%
Gu Jianguo 顧建國	4 out of 4 四次中出席四次	100%
Chen Yongcun 陳永存	4 out of 4 四次中出席四次	100%
Cheung Chung Kiu 張松橋	1 out of 2 二次中出席一次	50%
Yuen Wing Shing 袁永誠	3 out of 4 四次中出席三次	75%
Chow Kwok Wai 周國偉	4 out of 4 四次中出席四次	100%
Kang Dian 康典	3 out of 4 四次中出席三次	75%
Zhang Lu 張璐	3 out of 4 四次中出席三次	75%
Hung Muk Ming 洪木明	3 out of 4 四次中出席三次	75%

According to Articles of Association of the Company, the Board has the power to appoint any person as a director either to fill a casual vacancy or as an addition to the Board. All directors, including the Chairman, Vice Chairman and Managing Director, shall retire by rotation at least once every three years at annual general meetings and be eligible for re-election.

根據本公司章程，董事會有權委任任何人士擔任董事職務以填補空缺或增加董事會席位。所有董事(包括主席、副主席及董事總經理)須至少每三年一次輪流於股東週年大會上告退，但可膺選連任。

CORPORATE GOVERNANCE REPORT 公司管治報告

Board of Directors (Continued)

All independent non-executive Directors have been appointed for a specific term of service. They are also subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with Article 101 of the Company's Articles of Association.

Securities Transactions by Directors

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

The Company has also adopted codes of conduct regarding securities transactions by relevant employees (as defined in the Code) on terms no less exacting than the required standard set out in the Model Code.



Audit Committee

The Company established an audit committee ("Audit Committee") in 1999. The composition and professional qualifications of the members of the Audit Committee complies with the requirements under Rules 3.21 of the Listing Rules. The Audit Committee has a written terms of reference that conform to the provision of the Code.

The current Audit Committee comprises three independent non-executive directors, namely Mr. Kang Dian (Committee



CORPORATE GOVERNANCE REPORT 公司管治報告

A. d C mm *(Continued)*

The Audit Committee meets at least two times each year to review the reporting of financial and other information to shareholders, the system of internal controls, risk management and the effectiveness and objectivity of the audit process.



CORPORATE GOVERNANCE REPORT 公司管治報告

R m. 、 、a 、 C mm

The Company established a 0 muneration committee ("Remuneration Committee") in 2005 and adopted a written terms of 0 ference which conform to the provisions of the Code. The current Remuneration Committee comprises two independent non-executive directors namely, Mr. Kang Dian (Committee Chairman) and Mr. Zhang Lu.

The principal duties of the Remuneration Committee are to





CORPORATE GOVERNANCE REPORT 公司管治報告

R m. a C mm (Continued)

1. Ba c aa (Continued)

Salaries are base compensation and not intended to reward performance, either individually or corporately. Performance is rewarded through the other components of the remuneration plan.

2. I c b .

Incentive bonus is linked to individual and corporate performance. The incentive bonus for each employee is determined with reference to his position and his individual performance during the year.

3. S a

Share options to purchase shares in the Company are granted to employees from time to time at the discretion of the Board, in order to retain valuable employees and to motivate future performance of the employees.

Share options granted to individual employees are determined with reference to their position, their performance and their ability to contribute to the overall success of the Group.

4. O b f

The Group offers other customary and/or mandatory benefits to employees, such as statutory retirement scheme, employee compensation and medical insurance, paid annual leaves and child education allowance, with reference to prevailing practices in relevant jurisdictions.

薪酬委員會 (續)

一. 基本薪金 (續)

薪金屬基本薪酬，並非按個別僱員或公司表現而作出的獎賞。薪酬政策中另有其他獎勵項目。

二. 獎勵性花紅

獎勵性花紅與個別僱員及公司表現掛鈎。每名僱員所得的獎勵性花紅會按其職位及年內表現而訂定。

三. 購股權

董事會可不時酌情向僱員授出購股權，供認購本公司股份，以挽留有貢獻的員工並激勵員工繼續努力工作。

個別員工獲授的購股權數目會按其職位、表現及對公司整體成就所作的貢獻而釐定。

四. 其他福利

本集團亦會參考有關司法管轄權區的現行慣例向僱員提供慣常的及/或強制性的福利，如法定退休金計劃、勞工補償及醫療保險、有薪年假及子女教育津貼。

CORPORATE GOVERNANCE REPORT 公司管治報告

R m. 、 a 、 C mm. (Continued)

The committee meets regularly to review the Company's human resources matters and remuneration policy. During the year, the Remuneration Committee met one time and was attended by all committee members. The Remuneration Committee reviewed and approved the annual salary adjustments for year 2007 and the payment of discretional performance bonus for the year ended 31 December 2006 after taking into consideration the results of the Group, the performance of the directors and senior management and the prevailing market practices.

During the year, no incentive payment was paid to any director in respect of his appointment and no compensation payment was paid to any director who ceased to hold his office. No director has ever forfeited any director fee during the year.

Details of the emoluments paid to all the directors are set out in note 10 to the consolidated financial statements.

N m. a 、 C mm.

The Group currently does not have a nomination committee. The Group will consider setting up one at the appropriate time.

A. d 、 ' R m. 、 a 、

The Group's consolidated financial statements for the year ended 31 December 2006, were audited by Deloitte Touche Tohmatsu ("Deloitte") at a total fees of HK$1.8 millions. The said audit fee was approved by the Audit Committee and endorsed by the Board. In addition, the Group also paid fees of not more than HK$0.20 million in aggregate to Deloitte for the provision of taxation services during the year 2006.

The Audit Committee considers that the taxation services did not (in terms of the nature of the services and the amount of fees paid relative to the audit fees) affect the independence of Deloitte.

薪酬委員會 (續)

薪酬委員會定期召開會議審閱本公司的人力資源事宜及薪酬政策。於年內薪酬委員會召開了一次會議，委員會全體成員均有出席。薪酬委員會審閱並在經考慮過本集團的業績、董事及高級管理層的表現以及當前的市場情況，批准了二零零七年之年度薪金調整以及按表現酌情發放、截至二零零六年十二月三十一日止年度的花紅。

年內，本公司並無向新委任的董事支付任何激勵性款項亦無向辭任的董事支付任何補償款項。年內並無董事放棄收取其董事袍金。

年內所有董事支取的報酬詳情載列於綜合財務報表附註10。

提名委員會

本集團目前並無設立提名委員會，本集團將考慮於適當時候設立該委員會。

核數師酬金

本集團截至二零零六年十二月三十一日止年度綜合財務報表由德勤．關黃陳方會計師行(「德勤」)審核，核數費用總額為1,800,000港元。該項核數費用已獲得審核委員會批准並得到董事會背書認可。此外，本集團於二零零六年內亦有向德勤支付總額不多予200,000港元的稅務服務費用。

審核委員會認為該等稅務服務費用(就服務性質及相對於核數費用的數額而言)並沒有對德勤的獨立性構成影響。





CORPORATE GOVERNANCE REPORT 公司管治報告

D c ' R b Sa m

The Directors are responsible for the preparation of financial statements for each financial period, which give a true and fair view of the state of the affairs of the Group and of the results and cash flow for that period. In preparing the financial statements for the year ended 31 December 2006, the Directors have selected suitable accounting policies and applied them consistently; adopted appropriate Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards; made adjustments and estimates that are prudent and reasonable; and have prepared the consolidated financial statements on the going concern basis. Up to the date of this report, the Directors are not aware of any material uncertainties that will seriously affect the going concern assumption of the Group.

The Directors are also responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Company. The Directors also have general responsibilities for setting up an appropriate internal control system, which is mainly to safeguard the assets of the Group and to prevent and detect fraud and other irregularities. The Directors have reviewed the internal control system of the Company and are satisfied that the internal control system is functioning properly.

董事的責任聲明

董事負責編制各會計期間的財務報表，該等財務報表真確地反映本集團於該期間的事務、業績及現金流量。編制截至二零零六年十二月三十一日止年度之綜合財務報表時，董事會已選取適用的會計政策，並貫徹應用；採用適當的香港財務報告準則及香港會計準則；作出審慎及合理的調整及估計；及按持續經營基準編制綜合財務報表。截至本報告日止，董事會並不獲悉任何將會嚴重地影響持續經營假設的重大不確定因素。

董事會亦負責保存適當的會計紀錄，使於任何時間合理準確地反映本集團的財務狀況。董事會亦有一般責任設立適當的內部監控系統，其主要目的為保障本集團資產與防止及揭發舞弊以及其他不當行為。董事已檢討過本公司的內部監控系統並認為本公司的內部監控系統行之有效。



CORPORATE GOVERNANCE REPORT 公司管治報告

C mm. ca S a d

The Company endeavours to maintain a high level of transparency in communicating with shareholders and investors at large. In order to enhance the transparency of shareholders' voting in general meeting, separate resolutions are proposed at the general meetings on each substantially separate issue, including the election of individual directors and those resolutions were voted on by poll. The Company will engage external scrutineer to count the vote. The poll voting results will be published in the press, on the Stock Exchange's website and on the Company's website on the next following business day. In addition, procedures for demanding a voting by poll are laid down in the circular or annual report to be despatched to shareholders. Moreover, at the general meeting but before voting, the chairman of the meeting will explain to shareholders their right to demand a voting by poll and how to exercise such right.

The Company has also maintained a website at http://www.silvergrant.com.hk which enable shareholders, investors and the general public to have an open access to the information of the Company. Financial information and all corporate communications of the Company are made available on the Company's website and are updated regularly.

Shareholders who wish to raise any queries with the Board may write to the Company Secretary at Suite 4901, 49/F, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong.

與股東的溝通

本公司在與股東及大眾投資者溝通時，一直盡量保持透明度。為了加強股東大會上股東投票的透明度，本公司於股東大會上採取按點算股數的方式對所有涉及具體事項的決議案包括選舉個別董事等均分開進行議案表決。本公司會委任外部監票員進行點算股數工作，投票結果亦會於第二個工作日於報章刊登及上載於聯交所網頁及本公司的網頁。此外，有關要求按點算股數方式進行投票的程序也會詳列於寄給股東的通函或年報內。同時於股東大會舉行時但投票進行之前，會議主席會首先向股東解釋股東有權要求以點算股數方式投票的權利及如何行使該權利。

本公司亦設有網址http://www.silvergrant.com.hk，提供公開渠道以供股東、投資者及公眾人士取得本公司之資料。本公司財務資料及所有的公司通訊已上載於本公司網站，並會定期更新。



倘若股東需要向董事會提出查詢，可隨時致函本公司的公司秘書，地址為：香港灣仔港灣道1號會展履腭函诲：轣觔築紉甽稻蚹醒冏窖簧ㄣ冫



DIRECTORS' REPORT 董事會報告

Fixed Assets *(Continued)*

Details of the valuation of properties and other movements of the investment properties and property, plant and equipment of the Group and of the Company during the year are set out in notes 16 and 17 to the consolidated financial statements respectively.

Details of the major investment properties of the Group as at





DIRECTORS' REPORT 董事會報告

Directors *(Continued)*

Non-executive directors

Chen Xiaozhou *(Chairman)*	(appointed on 13 February 2006 and redesignated as non-executive directors on 1 September 2006)	陳孝周 *(主席)*	(於二零零六年二月十三日委任，並於二零零六年九月一日調任為非執行董事)
Hui Xiao Bing *(Vice Chairman)*	(re-designated as non-executive director on 1 September 2006)	惠小兵 *(副主席)*	(於二零零六年九月一日調任為非執行董事)
Yuen Wing Shing	(re-designated as non-executive director on 1 September 2006)	袁永誠	(於二零零六年九月一日調任為非執行董事)

Independent non-executive directors

Kang Dian	康典
Zhang Lu	張璐
Hung Muk Ming	洪木明

The term of office of each director, including the non-executive directors and the independent non-executive directors, is the period up to his retirement by rotation in accordance with the Company's Articles of Association.

董事包括非執行董事及獨立非執行董事的任期為直至其根據本公司章程輪值告退當日為止之期間。

In accordance with the provisions of the Company's Articles of Association, Messrs. Gao Jian Min, Chen Yongcun, Chow Kwok Wai and Kang Dian retire at the forthcoming annual general meeting, and they being eligible, offer themselves for re-election. The remaining directors shall remain in office.

按照本公司章程之條文，高建民先生、陳永存先生、周國偉先生及康典先生均須於應屆股東週年大會告退，而彼等均符合資格膺選連任。其餘董事將會繼續留任。

董事 *(續)*

非執行董事

獨立非執行董事

DIRECTORS' REPORT 董事會報告

Directors' Service Contracts

Other than as disclosed in the section headed "Connected Transaction" below, no director 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).

董事之服務合約

除下文「關連交易」部份所披露者外，於應屆股東週年大會上膺選連任之董事概無與本集團訂立於一年之內不作出賠償(法定賠償除外)則不可終止之服務合約。

Directors' Interest in Shares

As at 31 December 2006, none of the directors and the chief executive of the Company nor any of its associates had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO") as recorded in the register as required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers. None of the directors or their spouses or children under the age of 18, had been granted any right to subscribe for the equity or debt securities of the Company or any of its associated corporation, or had exercised any such right during the year.

董事之股份權益

於二零零六年十二月三十一日止，本公司根據證券及期貨條例第352條置存的登記冊記錄顯示本公司的董事及最高行政人員及彼等任何聯繫人士概無於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)持有任何股份、相聯股份或債權證的權益或淡倉或根據標準守則須知會本公司及香港聯合交易所有限公司(「聯交所」)的權益及淡倉。於年內，董事或彼等的配偶或十八歲以下的子女，概無獲授予任何權利可認購本公司或其任何相聯法團的股本或債權證或曾行使任何該等權利。



Share Options

Details of the share option scheme adopted by the Company on 26 June 1995 (the "Old Option Scheme") and the share option scheme adopted by the Company on 27 May 2002 (the "New Option Scheme") are set out in note 41 to the consolidated financial statements.

購股權

本公司於一九九五年六月二十六日採納的購股權計劃(「舊購股權計劃」)及本公司於二零零二年五月二十七日採納的購股權計劃(「新購股權計劃」)之詳情載列於綜合財務報表附註41。



DIRECTORS' REPORT 董事會報告

Share Options (Continued)

The following table discloses the movements in the Company's share options granted to the directors and other employees of the Company under the Old Option Scheme and the New Option Scheme during the year.

Directors 董事	Exercisable period 可予行使期間	Subscription price per share 每股認購價 HK$ 港元	Number of share options 購股權數目 Outstanding as at 1 January 2006 於二零零六年一月一日未予行使	Exercised during the year 年內已行使	Outstanding as at 31 December 2006 於二零零六年十二月三十一日之未予行使
CHEN Yongcun 陳永存	25/07/2001-24/07/2011	0.535	2,000,000	(2,000,000)	—
	07/06/2002-06/06/2012	0.700	5,000,000	(5,000,000)	—

DIRECTORS' REPORT 董事會報告

Arrangements to Purchase Shares or Debentures

Other than the share option holdings disclosed above, at no time during the year was the Company or any of its subsidiaries, a party to any arrangement to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debenture of, the Company or any other body corporate, and neither the directors nor the chief executive nor any of their spouse or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right.

購買股份或債權證的安排

除上文已披露所持有的購股權外，本公司或其任何附屬公司概無於年內的任何時間以訂約一方身份訂立任何安排以促使本公司的董事可藉購入本公司或任何其他法人實體的股份或債權證以得益，及亦無董事或最高行政人員及任何彼等配偶或十八歲以下的子女，擁有任何權利可認購本公司的證券或曾行使任何該等權利。

Directors' Interests in Contracts of Significance

Other than as disclosed in the section headed "Connected Transaction" below, no contracts of significance to which the Company or its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

董事於重大合約的權益

除下文「關連交易」部分所披露者外，本公司或其附屬公司於年結日或年內的任何時間，概無以訂約一方身份訂立本公司董事於其中擁有(不論是直接的或間接的)重大利益的重大合約。





DIRECTORS' REPORT 董事會報告

Substantial Shareholders

As at 31 December 2006, persons other than a director or the chief executive of the Company having interest in 5% or more of the issued share capital of the Company as recorded in the register required to be kept by the Company under Section 336 of SFO were as follows:

Long positions in shares and underlying shares of the Company as at 31 December 2006 are set out below:

Name of substantial shareholders 主要股東名稱	Capacity 身份	Number of ordinary shares 普通股數目	Underlying shares 相關股份	Total interests 權益總額	Percentage of the issued share capital 佔已發行股本百分比
Silver Grant International Holdings Limited	Beneficial owner 實益擁有人	144,770,022	—	144,770,022 *(Note 1)* *(附註1)*	7.95%
China Cinda Asset	Interest of controlled	416,924,000	—	416,924,000	22.90%

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DIRECTORS' REPORT 董事會報告

Substantial Shareholders *(Continued)*

Notes: (Continued)

2. The following is a breakdown of the interests in shares of the Company held by China Cinda:

Name of controlled corporation 受控法團名稱	Name of controlling shareholder 控權股東名稱	Percentage of control 控制百分率	Total interest in shares 股份權益總數 Direct interest 直接權益	Indirect interest 間接權益
Well Kent International Investment Company Limited 華建國際投資有限公司	China Cinda 中國信達	100%	—	416,924,000
Catic Limited	Well Kent International Investment Company Limited 華建國際投資有限公司	100%	416,924,000	—

3. This represents the interest in convertible note in the principal amount of USD52,500,000 pursuant to which a total number of 138,813,559 new shares will be issued upon full exercise of the conversion rights attaching thereto at the initial conversion price of HK$2.95 per share.

Other than as disclosed above, the register required to be kept under Section 336 of the SFO showed that the Company had not been notified of any other interests or short positions in the shares and underlying shares of the Company as at 31 December 2006.

主要股東 *(續)*

附註：(續)

2. 以下為中國信達所持有本公司之股份權益細節：

3. 此為本金額52,500,000美元之可換股票據項下的權益，據此按每股2.95港元之初步換股價全面行使可換股票據所附帶之換股權後，將會發行合共138,813,559股新股份。

除上文所披露者外，根據證券及期貨條例第336條規定須予備存的登記冊所顯示，本公司並無接獲任何有關於二零零六年十二月三十一日在本公司股份及相關股份中擁有任何其他權益或短倉的申報。

DIRECTORS' REPORT 董事會報告

Appointment of Independent Non-Executive Directors

The Company has received, from each of the independent non-executive directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on the Stock Exchange. The Company considers all of the independent non-executive directors are independent.

Connected Transaction

A service agreement dated 28 December 2004 was entered into between Mr. Gao Jian Min ("Mr. Gao") and the Company. Pursuant to the terms and conditions set out therein, the Company agreed to employ Mr. Gao and Mr. Gao agreed to serve the Company as a Managing Director by providing the Company with the services as described in the service agreement for a term of three years from 28 December 2004 to 27 December 2007, which term shall continue thereafter until determined by either party giving to the other not less than 3-months prior written notice.

Purchase, Sales or Redemption of the Company's Listed Securities

During the year, neither the Company nor any of its

DIRECTORS' REPORT 董事會報告

Emolument Policy *(Continued)*





DIRECTORS' REPORT 董事會報告

Financial Assistance Given to Affiliated Companies Amounting to More Than 8% of the Assets Ratio *(Continued)*

The combined balance sheet of the associates as at 31 December 2006, which includes the assets and liabilities of 北京君合百年房地產開發有限公司, Ju Fu San Yan Jing Investment Company Limited, Beijing East Bay Investment Consultants Limited and Beijing Ju Fu Real Estate Development Company Limited, is as follows:

		HK$'000 *千港元*
Non-current assets	非流動資產	276,860
Current assets	流動資產	1,199,950
Current liabilities	流動負債	(1,031,690)
Non-current liabilities	非流動負債	(210,000)
Shareholder's fund	股東資金	235,120
Equity attributable to equity holders of the associates	聯營公司股本持有人應佔股本	235,120

Details of the above associates are set out in note 56 to the consolidated financial statements.

Auditors

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

By order of the board of directors
Chen Xiaozhou
Chairman

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

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 141 of the Hong Kong Companies Ordinance 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 HKICPA. 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



INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

Opinion

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

意見

我們認為，該等綜合財務報表已根據香港財務報告準則真實而公平地反映　貴公司及　貴集團於二零零六年十二月三十一日的事務狀況及　貴集團截至該日止年度的溢利及現金

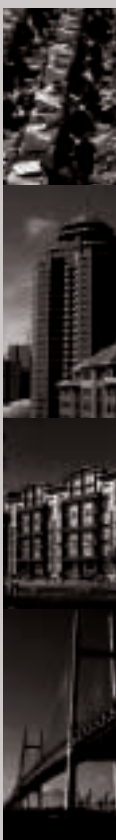
Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong
23 April 2007

CONSOLIDATED INCOME STATEMENT 綜合收入報表

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

		Notes 附註	00 二零零六年 HK$'000 千港元	2005 二零零五年 HK$'000 千港元
Turnover	營業額	6	1,4 , 1	551,778
Sales of properties	物業銷售		0 ,0	895
Property management fee income	物業管理費收入		, 4	89,037
Rental income	租金收入		, 4	76,346
			, 4	166,278
Cost of sales	銷售成本		(,)	(66,347)
			1 0 1	99,931
Net gain on disposal of held-for-trading securities	出售持作買賣證券淨收益		1 ,	20,916
Interest income from interest in distressed assets	不良資產權益之利息收入		, 41	130,912
Dividend income from listed securities	上市證券股息收入		1	1,889
Commission income and performance return of dealing in distressed assets	處理不良資產佣金收入及超收分成			100,000
Other income	其他收入	7	,0	106,192
Administrative expenses	行政費用		(1)	(94,659)
Surplus on revaluation of leasehold properties	租賃物業之重估盈餘		1	8,949
Increase in fair value of investment properties	投資物業之公平值增加	16	,	148,687
Gain on convertible note at fair value through profit or loss	於損益表按公平值處理的可換股票據之收益	43	1	199,756
Fair value change of structured finance securities	結構性金融證券公平值變動		1,	—
Finance costs				



CONSOLIDATED BALANCE SHEET AND BALANCE SHEET 綜合資產負債表及資產負債表

As at 31 December 2006
於二零零六年十二月三十一日

		Notes 附註	The Group 本集團 2006 二零零六年 HK$'000 千港元	The Group 本集團 2005 二零零五年 HK$'000 千港元	The Company 本公司 2006 二零零六年 HK$'000 千港元	The Company 本公司 2005 二零零五年 HK$'000 千港元
ASSETS	**資產**					
Non-current assets	**非流動資產**					
Investment properties	投資物業	16	**2,195,909**	2,105,385	**15,656**	93,047
Property, plant and equipment	物業、廠房及設備	17	**132,612**	122,340	**57,190**	53,168
Goodwill	商譽	18	**33,525**	33,525	**—**	
Investments in subsidiaries	附屬公司投資	19	**—**		**56,011**	56,088
Interests in associates	聯營公司權益	20	**1,330,123**	1,304,277	**339,202**	374,269
Interests in jointly controlled entities	共同控制公司權益	21	**32,088**		**26,318**	
Amounts due from associates	應收聯營公司款項	23	**210,000**	206,478	**—**	
Structured financial instruments	結構性金融證券	25	**24,423**		**24,423**	
Available-for-sale investments	可供出售投資	26	**99,075**	2,206	**2,140**	1,730
Interests in associates	不良資產權益	27	**—**	204,681	**—**	
Deposits paid for acquisition of Rui Ye	已付收購投資之按金	28	**—**	44,499	**—**	41,299
Deposits paid for acquisition of Rui Ye	已付收購不良資產之按金	29	**—**	263,723	**—**	
Deferred tax assets	遞延稅項資產	44	**—**	1,336	**—**	
Other assets	其他資產	30	**2,742**	4,113	**—**	
			4,060,497	4,292,563	**520,940**	619,601
Current assets	**流動資產**					
Inventories	存貨，按成本		**172**	115	**—**	
Shares held for trading		320,041,000	**—**	144,216	**—**	
不良資產權益	27		**199,931**	347,301	**—**	
可供出售投資	26		**141,718**		**—**	
持作買賣投資	33		**15,182**	364,030	**15,036**	363,895
應收貿易賬款	34		**3,205**	4,400	**—**	
按金、預付款項及其他應收款項			**23,576**	72,925	**1,625**	46,142
應收附屬公司款項	22		**—**		**2,261,761**	2,676,033
應收聯營公司款項	23		**569,822**	24,025	**270,965**	24,025
應收共同控制公司款項	24		**250,922**		**250,922**	
監管戶口結餘	35		**532,871**	269,600	**—**	

CONSOLIDATED BALANCE SHEET AND BALANCE SHEET 綜合資產負債表及資產負債表

As at 31 December 2006
於二零零六年十二月三十一日

		Notes 附註	The Group 本集團 2006 二零零六年 HK$'000 千港元	The Group 本集團 2005 二零零五年 HK$'000 千港元	The Company 本公司 2006 二零零六年 HK$'000 千港元	The Company 本公司 2005 二零零五年 HK$'000 千港元
EQUITY	**股本**					
Capital and reserves	**資本及儲備**					
Sha e ca a	股本	39	**364,142**	337,742	**364,142**	337,742
Re e ve	儲備		**4,226,499**	3,505,280	**2,581,600**	2,277,685
E a b abe Re hRde Rf he CR a	本公司股本持有人應佔股本		**4,590,641**	3,843,022	**2,945,742**	2,615,427
N R e e	少數股東權益		**16,261**	55,669	**—**	
Total equity	**股本總值**		**4,606,902**	3,898,691	**2,945,742**	2,615,427
LIABILITIES	**負債**					
Non-current liabilities	**非流動負債**					
BR R g	借貸	42	**5,750**	6,900	**5,750**	6,900
CR ve be Re	可換股票據	43	**402,112**	437,280	**402,112**	437,280
Defe ed a a e	遞延稅項負債	44	**257,639**	187,979	**10,608**	1,254
			665,501	632,159	**418,470**	445,434
Current liabilities	**流動負債**					
Ba R e d af	銀行透支	42	**—**	79,241	**—**	79,241
T ade a abe	應付貿易賬款	45	**84,792**	19,175	**—**	
Acc ed cha ge e a de R a d Rhe a abe	應計費用、租務按金及其他應付款項	46	**241,154**	369,587	**18,584**	27,047
A R de Ra Rae	應付聯營公司款項	47	**352,146**	377,146	**326,841**	353,191
A R de R b d e	應付附屬公司款項	50	**—**		**7,289**	7,035
Acc a R e age e fee RhRd g cR a Rha ehRde	應付一名股東的控股公司的應計管理費	48	**58,072**	65,881	**—**	
LRa f R a ha ehRde	股東貸款	49	**220,000**		**220,000**	
BR R g	借貸	42	**601,150**	572,578	**1,150**	1,150
Ta a R a abe	應付稅項		**38,803**	5,084	**21,781**	
CR ve be Re	可換股票據	43	**—**	428,836	**—**	428,836
			1,596,117	1,917,528	**595,645**	896,500
Total liabilities	**負債總值**		**2,261,618**	2,549,687	**1,014,115**	1,341,934
TOTAL EQUITY AND LIABILITIES	**股本及負債總值**		**6,868,520**	6,448,378	**3,959,857**	3,957,361
Net current assets	**淨流動資產**		**1,211,906**	238,287	**2,843,272**	2,441,260
Total assets less current liabilities	**資產總值減流動負債**		**5,272,403**	4,530,850	**3,364,212**	3,060,861

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第49頁至第157頁之綜合財務報表已獲董事會於二零零七年四月二十三日認可及授權發行，並經下列代表簽署確認：

Chen Xiaozhou
陳孝周
Director
董事

Gao Jian Min
高建民
Director
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 綜合權益變動報表

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

		Attributable to equity holders of the Company 本公司股本持有人應佔股本										
		Share capital 股本 HK$'000 千港元	Share premium 股份溢價 HK$'000 千港元	Convertible notes equity reserve 可換股票據股本儲備 HK$'000 千港元	Asset revaluation reserve 資產重估儲備 HK$'000 千港元	Capital redemption reserve 資本贖回儲備 HK$'000 千港元	Other reserve 其他儲備 HK$'000 千港元	Translation reserve 匯兌儲備 HK$'000 千港元	Retained profits 保留溢利 HK$'000 千港元	Total 合計 HK$'000 千港元	Minority interests 少數股東權益 HK$'000 千港元	Total equity 股本總額 HK$'000 千港元
At 1 January 2005	於二零零五年一月一日	351,734	1,957,757	20,150	13,763	–	605	1,994	994,132	3,340,135	136,180	3,476,315
Exchange difference arising on translation of foreign operations	換算海外業務產生之匯兌差額	–	–	–	–	–	–	22,143	–	22,143	1,291	23,434
Gain on revaluation of leasehold properties	重估租賃物業產生之收益	–	–	–	5,663	–	–	–	–	5,663	–	5,663
Deferred tax liability arising on revaluation of leasehold properties	重估租賃物業產生之遞延稅項負債	–	–	–	(539)	–	–	–	–	(539)	–	(539)
Share of reserve of associates	攤佔聯營公司儲備	–	–	–	–	–	–	4,801	–	4,801	–	4,801
Net income recognised directly in equity	直接於股本確認的收入淨額	–	–	–	5,124	–	–	26,944	–	32,068	1,291	33,359
Profit for the year	年內溢利	–	–	–	–	–	–	–	724,054	724,054	5,112	729,166
Total recognised income and expenses for the year	年內確認的收入及支出總額	–	–	–	5,124	–	–	26,944	724,054	756,122	6,403	762,525
Share repurchase	股份回購											
– repurchase of ordinary shares	– 回購普通股	(13,992)	–	–	–	–	–	–	–	(13,992)	–	(13,992)
– premium on repurchase of shares	– 回購股份之溢價	–	–	–	–	–	–	–	(151,309)	(151,309)	–	(151,309)
– transfer	– 劃轉	–	–	–	–	13,992	–	–	(13,992)	–	–	–
Dividend	股息	–	–	–	–	–	–	–	(87,934)	(87,934)	–	(87,934)
Acquisition of additional equity interest in a subsidiary	收購一間附屬公司之額外股本權益	–	–	–	–	–	–	–	–	–	(88,914)	(88,914)
At 31 December 2005	於二零零五年十二月三十一日	337,742	1,957,757	20,150	18,887	13,992	605	28,938	1,464,951	3,843,022	55,669	3,898,691
At 1 January 2006	於二零零六年一月一日	337,742	1,957,757	20,150	18,887	13,992	605	28,938	1,464,951	3,843,022	55,669	3,898,691
Exchange difference arising on translation of foreign operations	換算海外業務產生之匯兌差額	–	–	–	–	–	–	97,877	–	97,877	303	98,180
Gain on revaluation of leasehold properties	重估租賃物業產生之收益	–	–	–	6,733	–	–	–	–	6,733	–	6,733
Deferred tax liability arising on revaluation of leasehold properties	重估租賃物業產生之遞延稅項負債	–	–	–	(766)	–	–	–	–	(766)	–	(766)
Share of reserve of associates	攤佔聯營公司儲備	–	–	–	–	–	–	15,745	–	15,745	–	15,745
Net income recognised directly in equity	直接於股本確認的收入淨額	–	–	–	5,967	–	–	113,622	–	119,589	303	119,892
Profit for the year	年內溢利	–	–	–	–	–	–	–	494,757	494,757	10,740	505,497
Total recognised income and expenses for the year	年內確認的收入及支出總額	–	–	–	5,967	–	–	113,622	494,757	614,346	11,043	625,389
Issue of shares	發行股本											
– upon exercise of share options	– 因行使購股權	6,400	19,580	–	–	–	–	–	–	25,980	–	25,980
– upon conversion of convertible note	– 因轉換可換股票據	20,000	200,000	(10,075)	–	–	–	–	5,821	215,746	–	215,746
Share issued expenses	發行股份費用	–	(50)	–	–	–	–	–	–	(50)	–	(50)
Transfer	劃轉	–	–	(10,075)	–	–	–	–	10,075	–	–	–
Dividend	股息	–	–	–	–	–	–	–	(108,403)	(108,403)	–	(108,403)
Acquisition of additional equity interest in a subsidiary	收購一間附屬公司之額外股本權益	–	–	–	–	–	–	–	–	–	(50,451)	(50,451)
At 31 December 2006	於二零零六年十二月三十一日	364,142	2,177,287	–	24,854	13,992	605	142,560	1,867,201	4,590,641	16,261	4,606,902

Note: Certain figures are regrouped and restated to conform to the presentation of the consolidated statement of changes in equity for year ended 31 December 2005.

*附註：*為與截至二零零五年十二月三十一日止年度之綜合權益變動表的呈列達到一致，若干數字經已重新編排並呈列。

CONSOLIDATED CASH FLOW STATEMENT 綜合現金流量報表

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

		Note 附註	**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**			
Pr b r a a n	除稅前溢利		**611,421**	818,445
A mr n r:	調整：			
S ar r a ca	攤佔聯營公司業績		**(73,492)**	(82,237)
S ar r a n c n r n	攤佔一間共同控制公司業績		**(8,359)**	
R ar an mr a n nanc n n	維修及保養基金支出		**1,371**	1,371
D r ca n r r , an an mr n	物業、廠房及設備折舊		**7,462**	7,159
F nanc c	財務費用		**53,505**	59,841
D v n nc mr r mr c r	上市證券股息收入		**(188)**	(1,889)
In r nc mr	利息收入		**(72,989)**	(53,395)
D c n n ac n a na n r na b ar	收購一間附屬公司額		(8,359)	



CONSOLIDATED CASH FLOW STATEMENT 綜合現金流量報表

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

	Note 附註	2006 二零零六年 HK$'000 千港元	2005 二零零五年 HK$'000 千港元
F 4Na n ca b r rr v rr n n rx n ca a	營運資金變動前的經營業務現金流量	**357,227**	273,438
D a r ac n r a	已付收購不良資產的按金	**–**	(527,446)
R c v r r a	回收不良資產	**352,051**	80,643
Incr a n nv n r	存貨增加	**(57)**	(107)
D cr a (ncr a) n cx r 4N	物業存貨減少(增加)	**66,491**	(191,637)
D cr a (ncr a) n - r- ra n nv rr n	持作買賣投資減少(增加)	**351,383**	(263,023)
D cr a n ra r c vab	應收貿易賬款減少	**1,195**	11,966
D cr a (ncr a) n , r a rr n an r r c vab	按金、預付款及其他應收款項減少(增加)	**49,349**	(15,221)
Incr a n r rc bank ba anc	監管戶口結餘增加	**(263,271)**	(84,231)
Incr a (cr a) n ra a ab	應付貿易賬款增加(減少)	**65,617**	(35,861)
(D cr a) ncr a n accr a r rr ana rr n n c rr an a ar r	應付一名股東的控股公司應計管理費(減少)增加	**(7,809)**	47,344
(D cr a) ncr a n accr c ar , r n a an r a ab	應計費用、租務按金及其他應付款項(減少)增加	**(128,085)**	161,567
Ca n ra r rr (n) 4Na n	經營業務產生(所用)現金	**844,091**	(542,568)
In r a	已付利息	**(47,920)**	(47,840)
PRC En r r nc rr a a	已付中國企業所得稅	**(1,157)**	(772)
N ca r rr (n) 4Na n ac v	經營業務產生(所用)現金淨額	**795,014**	(591,180)
Investing activities	**投資業務**		
Pr c n a nv rr n r 4N	出售投資物業所得款項	**–**	10,700
P rc a r 4N , an an rr n	購入物業、廠房及設備	**(3,006)**	(5,722)
D v n r c v r rr a c a	已收聯營公司股息	**52,000**	50,000
D v n r c v r rr c r	已收上市證券股息	**188**	1,889
In r r c v	已收利息	**60,302**	53,395
D a r ac n nv rr n	已付收購投資之按金	**–**	(44,499)
A vanc a c a	墊支予聯營公司之款項	**(516,187)**	(206,478)
R a rr n arr n r rr a n c n r n	已收共同控制公司之款項	**241,753**	
A vanc an r c vab	墊支應收貸款	**–**	(29,930)



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

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

1. General

The Company is a public limited company incorporated in Hong Kong and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The addresses of the registered office and principal place of business of the Company are disclosed in the section headed "Corporate Information" in this report.

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

The Company is an investment holding company and engaged in property investment and securities trading. The Company and its subsidiaries are principally engaged in property investment, other investments and distressed assets business. Details of the principal activities of the Company's subsidiaries, the Group's associates and jointly controlled entity are set out in note 56.

2. Application of Hong Kong Financial Reporting Standards

In the current year, the Group has applied, for the first time, a new standard, and a number of new amendments and interpretations ("new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") which are either effective for accounting periods beginning on or after 1 December 2005 or 1 January 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.

1. 一般事項

本公司乃在香港註冊成立之公眾有限公司，其股份在香港聯合交易所有限公司(「聯交所」)上市。本公司註冊辦事處及主要營業地點之地址於本報告之「公司資料」部份內披露。

本綜合財務報表乃以港元呈列，而本公司之功能貨幣亦為港元。

本公司為投資控股公司，從事物業投資及證券買賣。本公司及其附屬公司主要從事物業投資、其他投資及不良資產業務。本公司各附屬公司，本集團各聯營公司及一間共同控制公司之主要業務詳情載於附註56。

2. 採納香港財務報告準則

於本年度，本集團首次採納由香港會計師公會(「會計師公會」)頒佈，而於二零零五年十二月一日或二零零六年一月一日或以後開始的會計期間生效的一項新準則及若干新修訂以及詮釋(「新香港財務報告準則」)。採納新香港財務報告準則，並無對本集團於現行或過往會計期間的業績編制及呈報方式產生重大影響。因此，毋須對過往期間作出任何調整。

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

For the year ended 31 December 2006
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2. Application of Hong Kong Financial Reporting Standards *(Continued)*

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

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. 採納香港財務報告準則 *(續)*

本集團並無提早採納下列已經頒佈但尚未生效的新的準則、修訂本釋。董事會預料，採納該等新香港財務報告準則、修訂本 [illegible] 本集團業績 [illegible] 響。

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iv湧[2]
香港(國際財務報告詮釋委員會)－詮釋第7號	應用會計準則第29號惡性通貨膨漲經濟體系財務報告之重列方式[3]
香港(國際財務報告驟釋委員馋)－詮釋第8號	香港財務報告準則響2號之範疇[4]
香港(國際財務報告詮釋鑤員馋)－詮釋第9號	重估附帶衍生工具[5]
香港(國際財務報告詮釋鑤員馋)－詮釋第10號	中期財務報告厶飠值[6]
香港(國際財務報告詮釋鑤員馋)－詮釋第11號	香港財務報告準則響2號：集團 迓鈁股份交易[7]
香港(國際財務報告詮釋鑤員馋)－詮釋第12號	昊鈁煜嶁盩冗韔[8]

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

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

2. Application of Hong Kong Financial Reporting Standards *(Continued)*

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

3. Significant accounting policies

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

The consolidated financial statements have been prepared on the historical cost basis, except for properties and certain financial instruments, which are measured at revalued amounts or fair values. The principal accounting policies adopted are as follows:

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including special purpose 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.

2. 採納香港財務報告準則 *(續)*

1 從二零零七年一月一日或之後開始的會計期間生效
2 從二零零九年一月一日或之後開始的會計期間生效
3 從二零零六年三月一日或之後開始的會計期間生效
4 從二零零六年五月一日或之後開始的會計期間生效
5 從二零零六年六月一日或之後開始的會計期間生效
6 從二零零六年十一月一日或之後開始的會計期間生效
7 從二零零七年三月一日或之後開始的會計期間生效
8 從二零零八年一月一日或之後開始的會計期間生效

3. 主要會計政策

綜合財務報表是根據會計師公會頒佈的香港財務報告準則而編制。此外，本綜合財務報表包括聯交所證券上市規則及香港公司條例規定之適用披露。

本綜合財務報表乃按照歷史成本基準編制，惟物業及若干金融工具則以重估值或公平值計量。所採納之主要會計政策如下：

綜合基準

本綜合財務報表載入本公司及本公司控制的各公司（（其附屬公司）包括特殊目的公司）的財務報表。當本公司有權掌控一間公司的財務及營運政策，並從其業務獲取利益則確認控制權。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



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

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

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

For the year ended 31 December 2006
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3. Significant accounting policies *(Continued)*

Goodwill *(Continued)*

For the purposes of impairment testing, goodwill arising from an acquisition 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.

Investments in subsidiaries

Investments in subsidiaries are stated in the Company's balance sheet at cost less any identified impairment loss. Income from investments in subsidiaries is accounted for by the Company when the Company's right to receive the dividend payment has been established.

3. 主要會計政策 *(續)*

商譽 *(續)*

就減值檢測而言，因收購所產生之商譽分配至各有關現金產生單位，或現金產生單位之組別，預期彼等將從收購之協同效應中受惠。已獲分配商譽之現金產生單位每年及每當有跡象顯示單位可能出現減值時進行減值檢測。就於某一財政年度因收購所產生之商譽而言，已獲分配商譽之現金產生單位於該財政年度完結前進行減值檢測。當現金產生單位之可收回金額低於該單位之賬面值，則會分配減值虧損，以削減首先分配至該單位，及其後以單位各資產之賬面值為基準按比例分配至該單位之其他資產之任何商譽之賬面值。商譽之任何減值虧損乃直接於綜合收入報表內確認。商譽之減值虧損於繼後期間不予撥回。

於其後出售附屬公司時，其所佔之資本化商譽金額會用以計算出售損益之金額。

附屬公司投資

附屬公司投資乃以成本減任何已識別減值虧損後列載入本公司之資產負債表。本公司從附屬公司投資所得的收入是於本公司有權收取派付的股息確定後入賬。



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

For the year ended 31 December 2006
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3. Significant accounting policies *(Continued)*

Investments in associates

An associate is an entity over which the investor has significant influence and that is neither a subsidiary nor an interest in joint venture.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, investments in associates are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the Group's share of



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

For the year ended 31 December 2006
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3. Significant accounting policies *(Continued)*

Joint ventures

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 net assets of the jointly controlled entities, less any identified impairment loss. When the Group's share of losses of a jointly controlled entity equals or exceeds its interest in that jointly controlled entity (which includes any long-term interests that, in substance, form part of the Group's net investment in the jointly controlled entity), the Group discontinues recognising its share of further losses. An additional share of losses is provided for and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that jointly controlled entity.

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)*

合營企業

共同控制公司

倘合營安排涉及成立獨立實體而合營方對該公司之經濟活動擁有共同控制權，則該實體被視為共同控制公司。

共同控制公司之業績及資產與負債採用權益會計法載入綜合財務報表。根據權益法，於共同控制公司之投資乃按成本(已就本集團分佔共同控制公司之資產淨值於收購後之變動作出調整)減任何已辨識減值虧損載入綜合資產負債表。倘本集團應佔共同控制公司之虧損相當於或高於其在該共同控制公司之權益(包括實際構成本集團於共同控制公司投資淨額部份之任何長期權益)時，本集團不再確認其分佔之進一步虧損。本集團只會在本身產生法律或推定責任或代表該聯營公司付款時，方會就額外應佔虧損計提撥備並確認負債。

倘集團實體與本集團的共同控制公司進行交易，未變現溢利或虧損乃根據本集團於該共同控制公司之權益為限予以撇銷，惟倘未變現虧損證明所轉讓資產出現減值時，則於該情況下須全數確認虧損。

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

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,



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

For the year ended 31 December 2006
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3. Significant accounting policies *(Continued)*

Property, plant and equipment *(Continued)*

Any revaluation increase arising on revaluation of land and buildings is credited to the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised as an expense, in which case this surplus is credited to the consolidated income statement to the extent of the decrease previously charged. A decrease in net carrying amount arising on revaluation of an asset is charged to the consolidated income statement to the extent that it exceeds the balance, if any, on the asset revaluation reserve relating to a previous revaluation of that asset. On the subsequent sale or retirement of a revalued asset, the attributable revaluation surplus is transferred to retained profits.

Depreciation is provided to write off the cost or fair value of property, plant and equipment over their estimated useful lives, using the straight line method on the following basis:

Leasehold land and buildings	Over the unexpired lease term
Leasehold improvements	3 years
Furniture and fixtures	10 years
Office equipment	5 years
Motor vehicles	6-10 years

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.

3. 主要會計政策 *(續)*

物業、廠房及設備 *(續)*

土地及樓宇重估所產生之任何重估值增加均計入資產重估儲備，惟倘有關資產重估盈餘為相關資產先前確認為支出之重估減少之逆轉，於此情況下，則以先前扣除之減少為限計入綜合收入報表。因重估資產而產生之賬面值淨額之減少超逾與以往重估該資產有關之資產重估儲備結餘(如有)，則須於綜合收入報表內扣減。其後出售或報廢重估資產時，應佔重估盈餘將撥為保留溢利。

折舊乃採用直線法按照其估計可使用年期提撥，以撇銷物業、廠房及設備之成本或公平值，基準如下：

租賃土地及樓宇	按剩餘租約年期
租賃物業裝修	3年
傢俬及裝置	10年
辦公室設備	5年
汽車	6-10年



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3. Significant accounting policies *(Continued)*

Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the assets (or disposal groups) is available for immediate sale in its present condition.

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

Stock of properties

Stock of properties represents properties under development for sale and properties held for sale.

The carrying value of properties under development comprises the land cost together with development expenditure, which includes construction costs, capitalised interest and ancillary borrowing costs, less impairment losses. The stock of properties are stated at the lower of cost and net realisable value.

3. 主要會計政策 *(續)*

持作銷售非流動資產

倘非流動資產及出售組合之賬面值主要通過銷售交易而非通過持續使用而收回，則該項非流動資產及出售組合將列作持作銷售。僅於銷售機會相當及資產(或出售組合)可於現況下可即時出售時，方被視為符合本條件。

列作持作銷售非流動資產及出售組合按資產(或出售組合)過往賬面值與公平值扣減銷售成本之較低者計量。

物業存貨

物業存貨指在建物業及持作銷售物業。

在建物業之賬面值包括土地成本及發展開支(包括建築成本、資本化利息及附帶借貸費用)扣除減值虧損。物業存貨以成本及可變現淨值之較低者列賬。

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

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3. Significant accounting policies



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For the year ended 31 December 2006
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3. Significant accounting policies *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

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

A financial asset other than a financial asset held for



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

For the year ended 31 December 2006
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3. Significant accounting policies *(Continued)*

Financial instruments *(Continued)*

***Financial assets** (Continued)*

Loans and receivables

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

3. 主要會計政策 *(續)*

金融工具 *(續)*

***金融資產** (續)*

貸款及應收款項

貸款及應收款項為附帶固定或可釐定付款之非衍生金融資產，而其並無在活躍市場報價。於初步確認後的每一結算日，貸款及應收款項(包括不良資產權益、應收貸款、應收貿易賬款、按金及其他應收款項、應收聯營公司款項、應收共同控制公司款項、應收附屬公司款項、監管戶口結餘及銀行結餘)採用實際利率法以攤銷成本扣減任何已識別減值虧損列賬。倘有客觀證據證明資產出現減值，則減值虧損會於損益表確認，並按資產賬面值與按原定實際利率貼現之估計未來現金流量之現值兩者之差額計量。確認減值後，倘發生之事件客觀上與資產之可收回金額增加有關，則減值虧損會於其後予以撥回，惟撥回減值當日資產之賬面值不得超過未確認減值時之已攤銷成本之賬面值。



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3. Significant accounting policies *(Continued)*

Financial instruments *(Continued)*

***Financial assets** (Continued)*

Available-for-sale financial assets (Continued)

For available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, they are measured at cost less any identified impairment losses at each balance sheet date subsequent to initial recognition. An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired. The amount of the impairment loss is measured as the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses will not reverse in subsequent periods.

Financial liabilities and equity

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

An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. The Group's financial liabilities are generally classified into financial liabilities at fair value through profit or loss and other financial liabilities. The accounting policies adopted in respect of financial liabilities and equity instruments are set out below.



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截至二零零六年十二月三十一日止年度

3. Significant accounting policies *(Continued)*

Financial instruments *(Continued)*

***Financial liabilities and equity** (Continued)*

Convertible note at fair value through profit or loss

Financial liabilities at fair value through profit or loss has two subcategories, including financial liabilities held for trading and those designated at fair value through profit or loss on initial recognition.

A financial liability other than a financial liability held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKAS 39 permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

3. 主要會計政策 *(續)*

金融工具 *(續)*

***金融負債及股本** (續)*

於損益表按公平值處理的可換股票據

於損益表按公平值處理的金融負債有兩個次分類，包括持作買賣金融負債及於初步確認時指定為於損益表按公平值處理的金融負債。

除持作買賣用途的金融負債外，其他金融負債在初次確認時就以下情況下可被界定為於損益表按公平值處理之金融負債：

- 這分類能抵銷或大幅減少計量或確認時之前後矛盾；或
- 此金融負債是一組金融資產或一組金融負債或同屬兩者之一部份，該組金融資產及負債是根據本集團之風險管理或投資策略文件來管理及按公平值衡量其表現，相關分類資料亦建基於此；或
- 此金融負債包含一個或多個內含衍生工具為其合約組成部份，而香港會計準則第39號准許整個結合式合約(資產或負債)界定為於損益表按公平值列賬。

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

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3. Significant accounting policies *(Continued)*

Financial instruments *(Continued)*

***Financial liabilities and equity** (Continued)*

Convertible note at fair value through profit or loss (Continued)

Convertible notes that will be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments are financial liabilities with embedded derivatives.

The convertible note with embedded derivatives whose economic risks and characteristics are not closely related to those of the host contract (the liability component) as a whole is designated as financial liabilities at fair value through profit or loss on initial recognition.

Transaction costs that are directly attributable to the issue of the convertible notes designated as financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

At each balance sheet date subsequent to initial recognition, financial liabilities at fair value through profit or loss and the entire convertible note with embedded derivatives are measured at fair value, with changes in fair value recognised directly in profit or loss in the period in which they arise.

3. 主要會計政策 *(續)*

金融工具 *(續)*

***金融負債及股本** (續)*

於損益表按公平值處理的可換股票據(續)

可換股票據如將以固定現金金額或其他金融資產交換固定數目之本公司本身股本工具以外之方式交收，則屬具內含衍生工具之金融負債。

倘可換股票據之內含衍生工具之經濟風險和特徵與整體主合約(負債部分)並非密切相連，則於初次確認時指定為於損益表按公平值處理之金融負債。

於指定為於損益表按公平值處理的金融負債的發行可換股票據所產生之直接應佔交易成本，乃即時於損益表內確認。

於初步確認後每一結算日，於損益表按公平值處理的金融負債及內含衍生工具之所有可換股票據以公平值計量，公平值變動直接於產生期間於損益表中確認。



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3. Significant accounting policies *(Continued)*

Financial instruments *(Continued)*

***Financial liabilities and equity** (Continued)*

Other financial liabilities

Other financial liabilities including borrowings, bank overdrafts, trade payables, accrued charges, rental deposits and other payables, accruals for management fee to holding company of a shareholder, loan from a shareholder, amounts due to subsidiaries and amounts due to associates are subsequently measured at amortised cost, using the effective interest method.

Equity instruments

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

Convertible notes

Convertible notes issued by the Group that contain both the liability and conversion option components are classified separately into respective items on initial recognition. Conversion option will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is classified as an equity instrument.

3. 主要會計政策 *(續)*

金融工具 *(續)*

***金融負債及股本**(續)*

其他金融負債

其他金融負債(包括借貸、銀行透支、應付貿易款項、應計費用、租務按金及其他應付款項、應付一名股東之控股公司之應計管理費、股東貸款、應付附屬公司款項及應付聯營公司款項)其後採用實際利率法以攤銷成本計量。

股本工具

由本公司發行之股本工具乃按已收取所得款項減直接發行費用列賬。

可換股票據

由本集團發行含有負債及轉換權兩部分之可換股票據於初步確認時按各自的歸屬項目分類。如轉換權將會以固定現金金額或其他金融資產交換本公司本身固定數目的股本工具則之轉換權列作為股本工具。

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3. Significant accounting policies *(Continued)*

Financial instruments *(Continued)*

***Financial liabilities and equity** (Continued)*

Convertible notes (Continued)

On initial recognition, the fair value of the liability component is determined using the prevailing market interest rate of similar non-convertible debts. The difference between the proceeds of the issue of the convertible notes and the fair value assigned to the liability component, representing the conversion option for the holder to convert the notes into equity, is included in equity (convertible notes equity reserve).

In subsequent periods, the liability component of the convertible note is carried at amortised cost using the effective interest method. The equity component, represented by the option to convert the liability component into ordinary shares of the Company, will remain in convertible notes equity reserve until the embedded option is exercised (in which case the balance stated in convertible notes equity reserve will be transferred to share premium). Where the option remains unexercised at the expiry date, the balance stated in convertible notes equity reserve will be released to the retained profits. No gain or loss is recognised in profit or loss upon conversion or expiration of the option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the proceeds. Transaction costs relating to the equity component are charged directly to equity. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the period of the convertible notes using



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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 4

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration pai4 and payable is recognised in profit or loss.

Borrowing costs

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

3. 主要會計政策 *(續)*

金融工具 *(續)*

終止確認

若從金融資產收取現金流之權利已屆滿，或金融資產已轉讓及本集團已將其於金融資產擁有權之絕大部分風險及回報轉移，則金融資產將被不予確認。於不予確認金融資產時，其資產賬面值與已收及應收代價及已直接於權益確認之累計收益或虧損之總和之差額，將於損益表中確認。

金融資負債將不予確認如有關合約訂明之責任獲解除、取消或屆滿。不予確認之金融負債賬面值與已付或應付代價之差額，將於損益表中確認。

借貸成本

所有借貸成本於產生期間在綜合收入報表內確認並計入財務費用。

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

For the year ended 31 December 2006
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3. Significant accounting policies *(Continued)*

Impairment (other than goodwill)

At each balance sheet date, the Group reviews the carrying amounts of its tangible 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, unless the relevant asset is carried at a revalued amount under another standard, in which case the impairment loss is treated as a revaluation decrease under that standard.

Where an impairment loss subsequently reverses, the carrying amount of the assets 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, unless the relevant asset is carried at a revalued amount under another standard, in which case the reversal of the impairment loss is treated as a revaluation increase under that standard.

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 net profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years, and it further excludes items of income or expense that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantially enacted by the balance sheet date.

3. 主要會計政策 *(續)*

減值(商譽除外)

本集團於各結算日均檢討其有形資產之賬面值以決定有否任何跡象顯示該等資產出現減值虧損。如資產的估計可收回金額將會低於其賬面值，該資產值的賬面值將調減至可收回金額。減值虧損被即時確認為支出，除非有關資產是根據另一準則以重估值列賬，在該情況下，則有關減值虧損將根據該準則被視為重估減值。

當減值虧損其後撥回，有關資產賬面值將予調升至經修訂之估計可收回金額，惟僅限於經調升後之賬面值不會超過有關資產於先前年度減值虧損未確認前釐定之賬面值。減值虧損之撥回即時確認為收入，除非有關資產是根據另一準則以重估值列賬，在該情況下，則有關減值虧損之撥回將根據該準則被視為重估增值。

稅項

所得稅支出指即期應付稅項與遞延稅項的總和。

即期應付稅項按年內應課稅溢利計算。應課稅溢利不包括其他年度的應課稅或可扣減收支項目，亦不包括不應課稅或不可扣減收支項目，因而與綜合收入報表所呈報的溢利淨額有所不同。本集團之即期稅項負債乃按於結算日已頒佈或實質頒佈之稅率計算。



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

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3. Significant accounting policies *(Continued)*

Taxation *(Continued)*

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are recognised to the extent that it is probable that



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For the year ended 31 December 2006
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3. Significant accounting policies *(Continued)*

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in its functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value

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

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

3. 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 period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised as a separate component of equity (the translation reserve). Such exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation on or after 1 January 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.

Leasing

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

The Group as lessor

Rental income from operating leases is recognised in the consolidated income statement on a straight-line basis over the term of the relevant lease.

3. 主要會計政策 *(續)*

外幣 *(續)*

就呈列綜合財務報表而言，本集團海外業務之資產及負債乃按結算日適用之匯率換算為本集團之呈列貨幣(即港元)，而其收支則按年內平均匯率

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3. Significant accounting policies *(Continued)*

Leasing *(Continued)*

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.

Leasehold land and buildings

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

Retirement benefit costs

Payments to the state-managed retirement benefit schemes for staff in the People's Republic of China, excluding Hong Kong and Macau (the "PRC") and to the Mandatory Provident Fund Scheme for staff in Hong Kong are charged as expenses when employees have rendered service entitling them to the contributions.

3. 主要會計政策 *(續)*

租賃 *(續)*

本集團作為承租人

根據營運租賃應繳付之租金乃於有關租約年期內按直線基準賬記損益表支出。已收及應收作為訂立營運租賃之獎勵之利益於租約年期內按直線基準確認為租賃支出減少。

租賃土地及樓宇

就租賃分類而言，租賃土地及樓宇中土地及樓宇部分乃分開計算，預期不會於租期完結時轉移業權予承租人之租賃土地分類列為經營租賃，除非租金支出無法可靠地在土地及樓宇部分之間作出分配，則在此情況下，整份租賃歸類為融資租賃。

退休福利成本

為中華人民共和國，不包括香港及澳門(「中國」)員工之國家管理退休福利計劃及香港員工之強制性公積金計劃作出之供款，於僱員提供有權收取供款之服務時計入支出。



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4. Key sources of estimation uncertainty *(Continued)*

Estimation of fair value of investment properties

Certain investment properties were revalued at the balance sheet date on market value existing use basis by independent professional valuers. Such valuations were based on certain assumptions, which are subject to uncertainty and might materially differ from the actual results. In making the judgment, the Group considers information from current prices in an active market for similar properties and uses assumptions that are mainly based on market conditions existing at each balance sheet date. Details of the valuation of investment properties are disclosed in note 16.

Fair value of convertible note at fair value through profit or loss

The fair value of conversion option included in the convertible note designated at fair value through profit or loss is subject to the limitation of the Binomial model that incorporated market data and involved uncertainty in estimates used by management in the assumptions. Because the Binomial model requires the input of highly subjective assumptions, including the volatility of share price, changes in subjective input assumptions can materially affect the fair value estimate. Details of the assumptions are disclosed in note 43.

4. 不確定估計之主要來源 *(續)*

估計投資物業及租賃物業之公平值

若干投資物業乃由獨立專業估值師於結算日按市值現有用途基準重估。該估值乃以若干具不確定性之假設為基礎，可能會與實際結果出現重大不同。於作出判斷時，本集團考慮類似物業於活躍市場之現行價格之資料，並採用主要以於各結算日之市況為基礎之假設。投資物業之估值詳情於附註16披露。

於損益表按公平值處理之可換股票據之公平值

計入指定為於損益表按公平值處理之可換股票據之轉換權之公平值乃受二項模式本身之限制，當中包括市場數據及涉及管理層在假設時採用之估計之不明朗因素。由於二項模式須投入相當主觀之假設(包括股價波幅)，故所投入之主觀假設如有所改變，將對公平值估計構成重大影響。假設之詳情於附註43披露。



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5. Financial instruments *(Continued)*

Financial risk management objectives and policies *(Continued)*

Credit risks

The Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations as at 31 December 2006 in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated balance sheet and Company's balance sheet respectively. In order to minimise the credit risk, the directors continuously monitor the level of exposure to ensure that follow-up action and/or corrective actions are taken promptly to lower exposure or even to recover overdue debts. In addition, the Group reviews the recoverable amount of each significant individual loan and interest in distressed asset 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 majority of the counterparties are banks with high credit-ratings assigned by international credit-rating agencies and state-owned banks with good reputation.

The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

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.

5. 金融工具 *(續)*

財務風險管理目標及政策 *(續)*

信貸風險

於二零零六年十二月三十一日，本集團就交易對手未能履行其責任而按各類已確認金融資產面對之最高信貸風險，為分別於綜合資產負債表及本公司之資產負債表所述該等資產之賬面值。為盡量減低信貸風險，董事持續監察風險水平，確保能即時採取跟進行動及／或更正行動，以減低風險，或甚至收回逾期債項。此外，本集團會於各結算日檢討各重大個別貸款及不良資產權益之可收回金額，以確保就不可收回金額計提足夠減值虧損。就此而言，本公司董事認為，本集團之信貸風險已大幅減少。

在流動資金方面之信貸風險有限，原因是交易對手大部分為獲國際評級機構指定為高信貸評級之銀行及信譽良好之國有銀行。

由於多個交易對手及客戶分散風險，故本集團並無重大信貸風險集中情況。

流動資金風險

於管理流動資金風險方面，本集團經常監察及維持現金及現金等值於管理層視為充足之水平，以支付本集團營運所需，並減少現金流量波動之影響。管理層並經常監察銀行借貸之運用，以確保符合貸款之條款。

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6. Turnover and segment information *(Continued)*

6. 營業額及分類資料 *(續)*

(A) Business segments *(Continued)*

(A) 業務分類 *(續)*

(i) An analysis of the Group's turnover and results by business segments is as follows:

(i) 本集團營業額及業績按業務分類之分析如下：

		Year ended 31 December 2006 截至二零零六年十二月三十一日止年度					
		Distressed assets business 不良資產業務 *HK$'000 千港元*	Investments 投資 *HK$'000 千港元*	Sales of properties 物業銷售 *HK$'000 千港元*	Property leasing 物業租賃 *HK$'000 千港元*	Property management 物業管理 *HK$'000 千港元*	Consolidated 綜合 *HK$'000 千港元*
Turnover	營業額	88,841	1,014,523	208,052	77,854	97,942	1,487,212
Results	業績						
Segment results	分類業績	93,688	224,189	43,671	132,098	2,858	496,504
Interest income	利息收入						72,989
Surplus on revaluation of leasehold properties	租賃物業之重估盈餘						5,193
Gain on convertible note at fair value through profit or loss	於損益表按公平值處理的可換股票據之收益						35,168
Fair value change of structured finance securities	結構性金融證券公平值變動						1,595
Unallocated corporate expenses	未予分配公司費用						(55,666)
Finance costs	財務費用						(53,505)
Discount on acquisition of additional equity interest in a subsidiary	收購一間附屬公司額外股本權益之折讓						24,742
Gain on disposal of a subsidiary	出售一間附屬公司產生之收益						2,550
Share of results of associates	攤佔聯營公司業績						73,492
Share of result of a jointly controlled entity	攤佔一間共同控制公司業績	8,359	–	–	–	–	8,359
Profit before taxation	除稅前溢利						611,421
Taxation	稅項						(105,924)
Profit for the year	年內溢利						505,497

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6. Turnover and segment information *(Continued)*

6. 營業額及分類資料 *(續)*

(A) Business segments *(Continued)*

(A) 業務分類 *(續)*

(ii) Other information

(ii) 其他資料

		Distressed assets business 不良資產業務	Investments 投資	Sales of properties 物業銷售	Property leasing 物業租賃	Property management 物業管理	Corporate 企業	Consolidated 綜合
		HK$'000 *千港元*	*HK$'000* *千港元*	*HK$'000* *千港元*	*HK$'000* *千港元*	*HK$'000* *千港元*	*HK$'000* *千港元*	*HK$'000* *千港元*
Year ended 31 December 2006	**截至二零零六年十二月三十一日止年度**							
Capital additions – property, plant and equipment	資本添置 – 物業、廠房及設備	–	–	4	1,259	1,691	52	3,006
Depreciation	折舊	–	–	239	3,166	1,522	2,535	7,462
Loss on disposal of property, plant and equipment	出售物業、廠房及設備產生之虧損	–	–	–	70	8	122	200
Year ended 31 December 2005	截至二零零五年十二月三十一日止年度							
Capital additions – property, plant and equipment	資本添置 – 物業、廠房及設備	–	–	264	2,230	1,982	1,246	5,722
Depreciation	折舊	–	–	199	2,865	1,633	2,462	7,159
Gain on disposal of investment properties	出售投資物業產生之收益	–	–	–	–	–	209	209
Loss on disposal of property, plant and equipment	出售物業、廠房及設備產生之虧損	–	–	–	98	2	–	100

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6. Turnover and segment information
(Continued)

(A) Business segments *(Continued)*

(iii) An analysis of the Group's consolidated balance sheet by principal activities is as follows:

		Distressed assets business 不良資產業務 HK$'000 千港元	Investments 投資 HK$'000 千港元	Sales of properties 物業銷售 HK$'000 千港元	Property leasing 物業租賃 HK$'000 千港元	Property management 物業管理 HK$'000 千港元	Consolidated 綜合 HK$'000 千港元
At 31 December 2006	**於二零零六年十二月三十一日**						
Assets	資產						
Segment assets	分類資產	732,802	280,454	262,310	2,305,970	46,627	3,628,163
Interests in associates	聯營公司權益						1,330,123
Interest in a jointly controlled entity	共同控制公司權益	32,088	—	—	—	—	32,088
Amounts due from associates	應收聯營公司款項						779,822
Amount due from a jointly controlled entity	應收共同控制公司款項	250,922	—	—	—	—	250,922
Unallocated corporate assets	未予分配公司資產						847,402
Consolidated total assets	綜合總資產						6,868,520
Liabilities	負債						
Segment liabilities	分類負債	(58,072)	(18,586)	(99,960)	(104,492)	(101,339)	(382,449)
Amounts due to associates	應付聯營公司款項						(352,146)
Taxation payable	應付稅項						(38,803)
Deferred tax liabilities	遞延稅項負債						(257,639)
Unallocated corporate liabilities	未予分配公司負債						(1,230,581)
Consolidated total liabilities	綜合總負債						(2,261,618)
At 31 December 2005	於二零零五年十二月三十一日						
Assets	資產						
Segment assets	分類資產	1,349,033	364,086	335,435	2,268,637	47,472	4,364,663
Interests in associates	聯營公司權益						1,304,277
Amounts due from associates	應收聯營公司款項						230,503
Deferred tax assets	遞延稅項資產						1,336
Unallocated corporate assets	未予分配公司資產						547,599
Consolidated total assets	綜合總資產						6,448,378
Liabilities	負債						
Segment liabilities	分類負債	(65,881)	(26,757)	(17ties			
Amounts due to associates	應付聯營公司款項						
Taxation payable	應付稅項						
榔烷昀樊筐ㄕ燚突磟燒犮 liabilities	未予分配公司負債						)

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6. Turnover and segment information *(Continued)*

6. 營業額及分類資料 *(續)*

(B) Geographical segments

(B) 地域分類

(i) An analysis of the Group's turnover by geographical location of customers is as follows:

(i) 本集團營業額按照客戶的地域位置劃分的分析如下：

		Turnover 營業額	
		2006 二零零六年	2005 二零零五年
		HK$'000 千港元	*HK$'000 千港元*
Hong Kong	香港	**1,018,154**	158,015
The PRC	中國	**469,058**	293,763
Macau	澳門	**–**	100,000
		1,487,212	551,778

(ii) An analysis of the carrying amount of segment assets analysed by geographical location in which the assets are located is as follows:

(ii) 按資產所在之地域位置劃分之分類資產賬面值分析如下：

		Segment assets 分類資產		Capital additions 資本添置	
		2006 二零零六年	2005 二零零五年	**2006 二零零六年**	2005 二零零五年
		HK$'000 千港元	*HK$'000 千港元*	***HK$'000 千港元***	*HK$'000 千港元*
Hong Kong	香港	**765,413**	603,552	**80**	1,655
The PRC	中國	**2,862,750**	3,761,111	**2,926**	4,067
		3,628,163	4,364,663	**3,006**	5,722

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9. Discount on acquisition of additional equity interest in a subsidiary

The amount represents discount on acquisition of additional 4.11% (2005: 7.99%) equity interest in Beijing East Gate Development Co., Ltd. ("Beijing East Gate"), a subsidiary of the Company, from the minority shareholders of this subsidiary at a consideration of approximately RMB26,559,000 (2005: RMB14,378,000) equivalent to approximately HK$25,709,000 (2005: HK$13,437,000). Since then, Beijing East Gate has become a wholly-owned subsidiary of the Company.

9. 收購一間附屬公司額外股本權益之折讓

有關金額為向本公司的附屬公司，北京東環置業有限公司(「北京東環」)的少數股東收購該附屬公司額外4.11%(二零零五年：7.99%)股本權益之折讓，代價約為人民幣26,559,000元(二零零五年：14,378,000元)，相當

10. Directors' remuneration

The emoluments paid or payable to each of the directors were as follows:

		For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度				
Name of director	董事姓名	Fees 袍金 *HK$'000 千港元*	Salaries and other benefits 薪金及其他福利 *HK$'000 千港元*	MPF contribution 強積金供款 *HK$'000 千港元*	Performance bonus *(Note 4)* 表現花紅 *(附註4)* *HK$'000 千港元*	Total 總額 *HK$'000 千港元*
Chen Xiaozhou	陳孝周	400	–	–	–	400
Zhu Dengshan *(Note 1)*	朱登山 *(附註1)*	–	–	–	–	–
Hui Xiao Bing	惠小兵	400	–	–	–	400
Gao Jian Min	高建民	500	2,957 *(Note 2)* *(附註2)*	12	2,000	5,469
Liu Tianni	劉天倪	300	2,772 *(Note 3)* *(附註3)*	6	600	3,678
Gu Jianguo	顧建國	300	–	–	–	300
Chen Yongcun	陳永存	300	–	–	–	300
Cheung Chung Kiu *(Note 1)*	張松橋 *(附註1)*	–	–	–	–	–
Yuen Wing Shing	袁永誠	200	–	–	–	200
Chow Kwok Wai	周國偉	300	936	12	1,500	2,748
Kang Dian	康典	300	–	–	–	300
Zhang Lu	張璐	300	–	–	–	300
Hung Muk Ming	洪木明	200	–	–	–	200
Total	總額	3,500	6,665	30	4,100	14,295

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		For the year ended 31 December 2005 截至二零零五年十二月三十一日止年度				
Name of director	董事姓名	Fees 袍金 *HK$'000 千港元*	Salaries and other benefits 薪金及其他福利 *HK$'000 千港元*	MPF contribution 強積金供款 *HK$'000 千港元*	Performance bonus *(Note 4)* 表現花紅 *(附註4)* *HK$'000 千港元*	Total 總額 *HK$'000 千港元*
Zhu Dengshan	朱登山	400	—	—	—	400
Hui Xiao Bing	惠小兵	400	—	—	—	400
Gao Jian Min	高建民	500	2,796 *(Note 2)* *(附註2)*	12	1,200	4,508
Liu Tianni	劉天倪	300	031 0 TD0.0382c*bi08 -. 0 TD0.0387 Tc(400)Tj/F3 1 Tf7.7804 0 TD6			

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11. Employees' remuneration

The five highest paid individuals of the Group included three (2005: three) directors, details of whose emoluments are set out in note 10 above. The emoluments of the remaining two (2005: two) individuals are as follows:

11. 僱員酬金

本集團五名支薪最高人士包括三名(二零零五年：三名)董事，彼等的酬金詳情載於上文附註10。其餘兩名(二零零五年：兩名)人士的酬金如零 7 瓊　甿囃

		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	**1,820**	1,664
Performance related incentive payments	與表現掛鈎之獎金	**2,700**	2,000
Retirement benefits costs	退休福利成本	**24**	24
		4,544	3,688

Their emoluments are within the following bands:

		Number of employees **僱員人數**	
		2006 **二零零六年**	2005 二零零五年
HK$1,500,001 to HK$2,000,000	1,500,001港元至2,000,000港元	**–**	1
HK$2,000,001 to HK$2,500,000	2,000,001港元至2,500,000港元	**2**	1
		2	2

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12. Taxation

The charge comprises:

2006 **二零零六年** ***HK$'000***	2005 二零零五年



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12. Taxation *(Continued)*

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

12. 稅項 *(續)*

年內稅項可與綜合收入報表中除稅前溢利對賬如下：

		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	**611,421**	818,445
Taxation at the Hong Kong Profits Tax rate of 17.5%	按香港利得稅稅率17.5%計算之稅項	**106,999**	143,228
Tax effect of expenses not deductible for tax purpose	就稅務用途不得扣減開支的稅務影響	**5,295**	5,605
Tax effect of income not taxable for tax purpose	就稅務用途無須課稅收入的稅務影響	**(18,205)**	(75,872)
Tax effect on share of results of associates	攤佔聯營公司業績的稅務影響	**(12,861)**	(14,391)
Tax effect on share of result of a jointly controlled entity	攤佔一間共同控制公司業績的稅務影響	**(1,463)**	—
Tax effect of tax losses not recognised	未確認稅項虧損的稅務影響	**1,837**	1,411
Tax effect on different tax rates of subsidiaries operating in other jurisdiction	於其他司法權區經營的附屬公司不同稅率的稅務影響	**40,042**	34,385
Tax effect of utilisation of tax loss previously not recognised	動用以往未確認的稅務虧損之稅務影響	**(16,207)**	(5,311)
Others	其他	**487**	224
Taxation for the year	年內稅項	**105,924**	89,279

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13. Profit for the year

2006	2005
二零零六年	二零零五年
HK$'000	*HK$'000*



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14. Earnings per share

The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the



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15. Dividend

Dividend recognised as distribution during the year:

			2006 **二零零六年** ***HK$'000*** ***千港元***	2005 二零零五年 *HK$'000* *千港元*
Final dividend — HK$0.06	末期股息 — 每股	w¥©		

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16. Investment properties *(Continued)*

At 31 December 2006, the legal titles of the Group's investment properties with carrying value of approximately HK$183,656,000 (2005: HK$175,174,000) situated in the PRC have not been passed to the Group.

At 31 December 2006, the legal titles of the Company's investment properties with carrying value of approximately HK$15,656,000 (2005: HK$15,147,000) situated in the PRC have not been passed to the Company.

At the balance sheet date, the carrying value of the investment properties comprises:

16. 投資物業 *(續)*

於二零零六年十二月三十一日，本集團位於中國賬面值約183,656,000港元(二零零五年：175,174,000港元)的投資物業之業權仍未過戶至本集團。

於二零零六年十二月三十一日，本公司位於中國賬面值約15,656,000港元(二零零五年：15,147,000

		The Group 本集團		The Company 本公司	
		2006	2005	**2006**	2005
		二零零六年	二零零五年	**二零零六年**	二零零五年
		HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
		千港元	*千港元*	***千港元***	*千港元*
Held under long term leases/land use rights:	以長期租約／土地使用權方式持有：				
— situated in Hong Kong	— 位於香港	**44,070**	48,000	**44,070**	48,000
— situated in the PRC	— 位於中國	**72,253**	51,252	**–**	—
		116,323	99,252	**44,070**	48,000
Held under medium term leases/land use rights:	以中期租約／土地使用權方式持有：				
— situated in Hong Kong	— 位於香港	**44,110**	52,890	**26,510**	29,900
— situated in the PRC	— 位於中國	**2,123,656**	1,953,243	**15,656**	15,147
		2,167,766	2,006,133	**42,166**	45,047
		2,284,089	2,105,385	**86,236**	93,047

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16. Investment properties *(Continued)*

All the investment properties are held for rental income under operating leases.

The directors determined the fair value of certain investment properties of the Group and the Company amounting to approximately HK$88,180,000 and HK$70,580,000 at 31 December 2006 respectively by reference to the selling price as stated in the provisional sales and purchase agreement entered into with a third party in November 2006. Accordingly, they were classified as assets classified as held for sale as at 31 December 2006. The disposal of these investment properties was completed in January 2007.

The fair value of the remaining investment properties of the Group amounting to approximately HK$2,195,909,000 and of the Company amounting to approximately HK$15,656,000 at 31 December 2006 and the Company at 31 December 2006 have been arrived at on the basis of a valuation carried out on that date by Vigers Appraisal & Consulting Limited ("Vigers"), an independent qualified professional valuer not connected with the Group. Vigers are members of the Institute of Valuers and have appropriate qualifications and recent experience in the valuation of similar properties in the relevant locations. The valuation, which conforms to International Valuation Standards, was arrived at by reference to comparable market transactions and rental yield for similar properties.

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

16. 投資物業 *(續)*

所有投資物業均以營運廉蝗齺彐蓧裂廉

經參考於二零零六年十一月緩鵟強瀰簽訂之臨時性買賣協議的銷售價，董事於二零零六年十二月三十一日分別確認若干本集團及本公司投資物業之公平值嘰綺88,180,000港元及70,580,000港元。因此，該等投資物業於二零零六年十二月三十一日歸類為持作銷售的資產。該等投資物業之出售於二零零七年一月完妣祀

於二零零六年十二月三十一日，本集團剩餘投資物業的公平值嘰綺2,195,909,000港元，本公司則嘰綺15,656,000港元。本公司於二零零六年十二月三十一日以威格斯資產評估顧問有限公司(「威格斯」)(一間緩本集團無關連之獨立專業合資格估值杼行)進行估值旡準。威格斯是估值杼學會懦員，並擁有適當資格及於近期對毖濛琥摮瘞湯炽牴횋옌亢橆苻瘥煠驗。估值洒合國際估值啐則綱並經參考可供濃較市場交易及類似物業廉甽收益率而釐定。

所有本集團及本公司以營運廉蝗齺彐作收廉滜註襯賡苻＊弈猒牴허目談灀以公平值模式計量綱並分類及列賬為投資物業。

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17. Property, plant and equipment

		Leasehold land and buildings 租賃土地及樓宇 HK$'000 千港元	Leasehold improvements 租賃物業裝修 HK$'000 千港元	Furniture and fixtures 傢俬及裝置 HK$'000 千港元	Office equipment 辦公室設備 HK$'000 千港元	Motor vehicles 汽車 HK$'000 千港元	Total 合計 HK$'000 千港元
The Group	**本集團**						
COST OR VALUATION	**成本值或估值**						
At 1 January 2005	於二零零五年一月一日	97,161	4,408	4,421	7,821	11,943	125,754
Exchange adjustments	匯兌調整	—	—	44	135	179	358
Additions	添置	48	361	530	975	3,808	5,722
Disposals	出售	—	—	(39)	(124)	(1,624)	(1,787)
Revaluation	重估	11,270	—	—	—	—	11,270

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17. Property, plant and equipment *(Continued)*

At 31 December 2006, the legal titles of the Group's and the Company's properties with carrying value of approximately HK$22,144,000 (2005: HK$21,424,000) situated in the PRC have not been passed to the Group and the Company.

The carrying value of the leasehold properties comprises:

		The Group 本集團		The Company 本公司	
		2006	2005	**2006**	2005
		二零零六年	二零零五年	**二零零六年**	二零零五年
		HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
		千港元	*千港元*	***千港元***	*千港元*
Long term leasehold properties situated in Hong Kong	位於香港的長期租賃物業	**88,050**	82,350	**32,800**	28,600
Properties under long term land use rights situated in the PRC	位於中國以長期土地使用權持有的物業	**240**	229	**–**	—
Properties under medium term land use rights situated in the PRC	位於中國以中期土地使用權持有的物業	**31,194**	25,900	**22,144**	21,424
		119,484			

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17. Property, plant and equipment *(Continued)*

The fair value of the Group's leasehold properties as at 31 December 2006 have been arrived at on the basis of a valuation carried out on that date by Vigers and A-Plus Surveyors Limited ("A-Plus"), independent qualified professional valuer not connected with the Group. Both Vigers and A-Plus are members of the Institute of Valuers, and have appropriate qualifications and recent experience in the valuation of similar properties in the relevant locations. The valuation, which conforms to International Valuation Standards, was arrived at by reference to market evidence of transaction prices for similar properties. The revaluation surplus on leasehold properties of HK$5,193,000 (2005: HK$8,949,000) has been credited to the consolidated income statement and to the asset revaluation reserve of HK$6,733,000 (2005: HK$5,663,000).

Certain leasehold interest in land cannot be allocated reliably between the land and buildings elements, the leasehold interest in land continues to be accounted for as property, plant and equipment.

If leasehold properties had not been revalued, they would have been included on a historical cost basis at the following amounts:

17. 物業、廠房及設備 *(續)*

本集團之租賃物業於二零零六年十二月三十一日之公平值是由與本集團無關連之獨立專業合資格估值師行威格斯及恆信測量師行有限公司(「卤信」)於該日按估值基準進行評估所得。威格斯及恆信均是估值師學會成員，並擁有適當資格及於近期對相關地點之類似物業進行估值之經驗。估值符合國際估值準則，並經參考市場上類似物業之交易價格釐定。租賃物業之重估盈餘5,193,000港元(二零零五年：8,949,000港元)撥入綜合收入報表及資產重估儲備為6,733,000港元(二零零五年：5,663,000港元)。

若干土地租賃權益無法可靠分配至土地及樓宇部分，則土地之租賃權益將繼續入賬列作物業、廠房及設備。

倘租賃物業未予重估，則該等物業會以歷史成本基準按下列金額入賬：

		The Group 本集團 HK$'000 千港元	The Company 本公司 HK$'000 千港元
Cost	成本	**109,460**	38,848
Accumulated depreciation and impairment losses	累計折舊及減值虧損	**(46,499)**	(6,915)
Carrying value at 31 December 2006	於二零零六年十二月三十一日之賬面值	**62,961**	31,933
Carrying value at 31 December 2005	於二零零五年十二月三十一日之賬面值	**63,292**	33,098

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18. Goodwill 18. 商譽

	The Group 本集團 HK$'000 千港元
COST 成本	
At 1 January 2005, 31 December 2005 and 31 December 2006 於二零零五年一月一日、二零零五年十二月三十一日及二零零六年十二月三十一日	33,525

As explained in note 6, the Group uses business segments as its primary segment for reporting segment information. For the purposes of impairment testing, goodwill set out above has been allocated to an individual cash generating unit (CGU) which is in property management segment.

誠如附註6所闡釋，本集團採用業務分類作為呈報分類資料之基本分類。就減值檢測而言，上文所載之商譽已獲分配至物業管理分類之個別現金產生單位(現金產生單位)。

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

於截至二零零六年十二月三十一日止年度內，本集團管理層確定其任何含有具不確定可使用年期商譽之現金產生單位均無出現減值。

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 five-year period with a discount rate of 7.75% (2005: 8.25%). Cash flows for further five years are extrapolated at zero growth rate. Another key assumption for the value in use calculations is the budgeted revenue and gross margin, which is determined based on the unit's past performance and management's expectations for the market development.

此單位之可回收金額已按使用價值計算釐定。該計算乃基於管理層批核的為期五年貼現率為7.75%(二零零五年：8.25%)之財政預算，採用現金流量預測得出。其後五年之現金流量推定為零增長率。使用價值計算之另一主要假設為預算收益及毛利率，乃按單位過往表現及管理層對市場發展之預期釐定。

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19. Investments in subsidiaries 19. 附屬公司投資

		The Company 本公司	
		2006 二零零六年 HK$'000 千港元	2005 二零零五年 HK$'000 千港元
Unlisted shares, at cost	非上市股份，按成本	**56,011**	56,088

Particulars of the Company's subsidiaries at 31 December 2006 are set out in note 56.

有關本公司的附屬公司於二零零六年十二月三十一日之詳情載於附註56。

20. Interests in associates 20. 聯營公司權益

		The Group 本集團		The Company 本公司	
		2006 二零零六年 HK$'000 千港元	2005 二零零五年 HK$'000 千港元	**2006 二零零六年 HK$'000 千港元**	2005 二零零五年 HK$'000 千港元
Cost of investments in associates — unlisted	聯營公司投資成本 — 非上市	**899,323**	923,196	**339,202**	383,843
Share of post acquisition profits, reserves and net of dividend received	攤佔收購溢利、儲備及已收股息淨額	**430,800**	381,081	**—**	—
		1,330,123	1,304,277	**339,202**	383,843
Less: Impairment loss	*減：*減值虧損	**—**	—	**—**	(9,574)
		1,330,123	1,304,277	**339,202**	374,269

Particulars of the associates of the Group and the Company as at 31 December 2006 are set out in note 56.

有關本集團及本公司各聯營公司於二零零六年十二月三十一日之詳情載於附註56。

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20. Interests in associates *(Continued)*

The summarised financial information in respect of the Group's significant associates is set out below:

20. 聯營公司權益 *(續)*

有關本集團之主要聯營公司之財務資料概要載列如下：

		CII Limited 中基建設投資有限公司		Nonferrous Metals International (BVI) Limited		北京君合百年房地產開發有限公司	
		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*
Consolidated balance sheet	**綜合資產負債表**						
Non-current assets	非流動資產	**986,537**	871,378	**670,062**	670,060	**1,462**	2,132
Current assets	流動資產	**1,105,817**	998,720	**3**	17	**754,479**	467,065
Current liabilities	流動負債	**(243,255)**	(69,336)	**–**	—	**(402,279)**	(315,530)
Non-current liabilities	非流動負債	**(20,200)**	(20,200)	**–**	—	**(210,000)**	—
Shareholders' funds	股東資金	**1,828,899**	1,780,562	**670,065**	670,077	**143,662**	153,667
Minority interests	少數股東權益	**(258)**	(30,481)	**–**	—	**–**	—
Equity attributable to equity holders of the associate	聯營公司股本持有人應佔股本	**1,828,641**	1,750,081	**670,065**	670,077	**143,662**	153,667
Group's share of net assets of the associate	本集團應佔聯營公司之資產淨值	**914,321**	875,040	**335,587**	335,593	**33,316**	35,540
Consolidated income statement	**綜合收入報表**						
Turnover	營業額	**131,642**	118,274	**–**	—	**–**	—
Profit (loss) for the year attributable to equity holders of the associate	聯營公司股本持有人應佔年內溢利(虧損)	**152,406**	161,256	**(12)**	(15)	**(17,689)**	(2,875)
Profit (loss) for the year attributable to the Group	本集團應佔年內溢利(虧損)	**76,203**	80,628	**(6)**	(8)	**(4,034)**	(650)

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22. Amounts due from subsidiaries 22. 應收附屬公司款項

		The Company 本公司	
		2006 二零零六年 HK$'000 千港元	2005 二零零五年 HK$'000 千港元
Non-interest bearing amount	毋須計息金額	**2,217,834**	2,104,659
Amount borne interest at 4% per annum	按年利率4厘計息金額	**–**	527,447
Amount borne interest at prevailing Hong Kong prime lending rate	按香港當前最優惠利率計息金額	**43,927**	43,927
		2,261,761	2,676,033

The amounts are unsecured and are recoverable within one year.

金額為無抵押並且可於一年內收回。

23. Amounts due from associates 23. 應收聯營公司款項

		The Group 本集團		The Company 本公司	
		2006 二零零六年 HK$'000 千港元	2005 二零零五年 HK$'000 千港元	**2006 二零零六年 HK$'000 千港元**	2005 二零零五年 HK$'000 千港元
Current *(note a)*	即期 *(附註a)*	**298,018**	—	**–**	—
Current *(note b)*	即期 *(附註b)*	**143,430**	24,025	**142,591**	24,025
Current *(note c)*	即期 *(附註c)*	**128,374**	—	**128,374**	—
		569,822	24,025	**270,965**	24,025
Non-current *(note d)*	非即期 *(附註d)*	**210,000**	206,478	**–**	—
		779,822	230,503	**270,965**	24,025

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23. Amounts due from associates *(Continued)*

Notes:

(a) The amounts are unsecured, bear interest ranging from 12.5% to 15.58% per annum and are recoverable within one year.

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

(c) The amount is unsecured, bears interest at floating rate of Hong Kong prime rate minus 1.5% (effective interest rate of 6.25%) per annum and is recoverable within one year.

(d) The non-current loans to an associate are unsecured, bear interest ranging from 9.79% to 12.5% (2005: 9.79% to 12.5%) per annum and are repayable in 2008.

24. Amount due from a jointly controlled entity

The Group and the Company

The amount is unsecured, bears interest at 4% per annum and is recoverable within one year.

23. 應收聯營公司款項 *(續)*

附註：

(a) 有關金額為無抵押，以介乎12.5厘至15.58厘年利率計息及可於一年內收回。

(b) 有關金額為無抵押，免息及須於於一年內收回。

(c) 有關金額為無抵押，利率按香港最優惠利率減1.5厘計息(實際年利率6.25厘)及可於一年內收回。

(d) 聯營公司之非流動貸款為無抵押，以介乎9.79厘至12.5厘(二零零五年：9.79厘至12.5厘)年利率計息，並須於二零零八年償還。

24. 應收共同控制公司款項

本集團及本公司

有關金額為無抵押，以4厘年利率計息及可於一年內收回。

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25. Structured finance securities

The Group and the Company

The structured finance securities represent a principal protected note with interest payments based on United States Treasury bond and distribution from preference shares in a private company which investing in a portfolio of asset-backed securities. The structured finance securities contain an embedded early redemption option and the distribution from the private company is depending on the annual default rate of its underlying asset-backed securities. Hence, the Group designated the entire structured finance securities as financial assets at fair value through profit or loss.

At the balance sheet date, the fair value of the structured finance securities are determined by the directors with reference to a quoted price from a financial institution, the assumptions adopted for the valuation of the structured finance securities are as follows:

(1) The estimation of risk free rate by reference to the yield of United States Treasury bond with same duration as the structured finance securities; and

(2) The estimation of the annual default rate of the underlying asset-backed securities has considered the historical default rate of asset-backed securities with similar characteristics.

25. 結構性金融證券

本集團及本公司

結構性金融證券指保本票據，其利息款項乃根據美國國庫債券及來自一家私人公司優先股份之分派計算，該私人公司投資於一組資產擔保證券。由於結構性金融證券包含提早贖掟邉瀺綾習饞蚿　服楪

款根頗畣髯覕高暖





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27. Interest in distressed assets *Com any ro i yea uara13 e to China Cinda nt a e0 660 61 0 1 0 0 0 2*



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30. Other asset

The Group

The other asset is a lump sum payment for repairs and maintenance fund made for the future repair and maintenance of the general areas of one of the Group's investment properties in the PRC. The amount is amortised over its estimated useful life of 10 years.

30. 其他資產

本集團

其他資產是維修及保養基金之一次整筆付款，為本集團於中國其中一項投資物業作公用地方之將來維修及保養用途。有關款項依據估計可用年限分十年攤銷。

31. Stock of properties

The Group

The amount comprises the cost incurred for the development of a property project in the PRC, including the payment in respect of compensation for resettlement and use of land in relation to the property development project. The project was completed in 2006.

The cost of properties recognised as expenses during the year was approximately HK$155,468,000 (2005: HK$312,000).

31. 物業存貨

本集團

該筆款項乃一項於中國之物業發展所產生的成本，當中包括就該物業發展項目支付之拆遷賠償金及土地使用款項。該項目已於二零零六年完成。

年內確認為開支的物業成本約155,468,000港元（二零零五年：312,000港元）。

32. Loan receivables

32. 應收貸款

		The Group 本集團	
		2006 二零零六年	2005 二零零五年
		HK$'000 千港元	*HK$'000 千港元*
Fixed-rate loan receivables	定息應收貸款	–	144,216
Carrying amount analysed for reporting purposes:	賬面值就呈報目的分析為：		
Current assets (receivable within 12 months from the balance sheet date)	流動資產（於結算日起12個月內應收）	–	144,216

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32. Loan receivables *(Continued)*

The loan receivables as at 31 December 2005 represented two loan receivables of RMB130,492,000 (equivalent to approximately HK$124,278,000) ("8% Loan Receivable") and RMB20,935,000 (equivalent to approximately HK$19,938,000) ("15.58% Loan Receivable") respectively of which the effective interest rates were 8% and 15.58% per annum respectively.

On 27 December 2006, the borrower of 8% Loan Receivable entered into a settlement agreement with a subsidiary of the Company pursuant to which the loan receivables (including interest up to the date of agreement) of approximately HK$141,718,000 was settled by assigning 48,284,610 equity shares of an unlisted financial institution in the PRC held by the borrower to the Group.

The directors consider that the fair value of the unlisted equity securities approximates the carrying amount of the 8% Loans Receivable and such equity securities are included in available-for-sale investments as at 31 December 2006.

In respect of 15.58% Loan Receivable, the amount was due from Beijing Ju Fu Real Estate Development Company Limited, an associate as at 31 December 2006 and was included in the amounts due from associates as at 31 December 2006.

32. 應收貸款 *(續)*

於二零零五年十二月三十一日之應收貸款指兩筆分別為人民幣130,492,000元（相當於約124,278,000港元）（「8%應收貸款」）及人民幣20,935,000元（相當於約19,938,000港元）（「15.58%應收貸款」），該等應收貸款之實際年利率分別為8厘及15.58厘。

於二零零六年十二月二十七日，8%應收貸款之借款人與本公司的一間附屬公司訂立支付協議。依據此協議，約141,718,000港元的應收貸款（包括截至協議日的利息）已由借款人通過轉讓其持有的一間非上市中國金融機構的48,284,610股權益股份的形式，支付給本集團。

董事認為該非上市股本證券的公平值與於8%應收貸款的賬面值相若，且此股本證券包括在二零零六年十二月三十一日的可供出售投資之內。

於二零零六年十二月三十一日，就15.58%應收貸款而言，乃應收一間聯營公司北京巨福房地產開發有限公司之款項，並包含在二零零六年十二月三十一日的應收聯營公司款項內。

33. Held-for-trading investments

33. 持作買賣投資

		The Group 本集團		The Company 本公司	
		2006	2005	**2006**	2005
		二零零六年	二零零五年	**二零零六年**	二零零五年
		HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
		千港元	*千港元*	***千港元***	*千港元*
Equity securities listed in Hong Kong	於香港上市之股本證券	**15,182**	364,030	**15,036**	363,895

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34. Trade receivables

The Group allows an average credit period of 30 days to its trade customers. The following is an aged analysis of trade receivables at the balance sheet date:

34. 應收貿易賬款

本集團給予貿易客戶平均三十天信用期。下列是應收貿易賬款於結算日之賬齡分析：

		The Group 本集團	
		2006	2005
		二零零六年	二零零五年
		HK$'000	*HK$'000*
		千港元	*千港元*
0 to 30 days	零至三十日	**1,062**	933
31 to 90 days	三十一日至九十日	**1,281**	1,021
Over 90 days	超過九十日	**862**	2,446
		3,205	4,400

35. Restricted bank balance

The Group

The amount represents the bank balance kept in a bank account under the name of China Cinda on custodian of the Group in the PRC for the purpose of dealing with the funds recovered from the distressed assets. The bank account is jointly controlled by SGIAM and China Cinda and a mutual consent has to be obtained from both parties for the withdrawal of funds from the bank account. The restricted bank balance carries interest at 1% (2005: 1%) per annum and with original maturity of three months or less.

35. 監管戶口結餘

本集團

金額指一個以中國信達名義代本集團於中國開設的銀行賬戶的銀行結餘，目的旨在存入處置不良資產回收所得資金。該銀行賬戶由銀建資產管理及中國信達共同監管，其資金提取需要得到雙方同意。監管戶口結餘以年利率1厘現行市場利率(二零零五年：1厘)計息，而原到期日為三個月或以下。

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39. Share capital *(Continued)*

Notes:

(a) On 21 March 2006, the Company received a notice of conversion from Catic Limited exercising the right to convert the convertible note in the principal amount of HK$220,000,000 into 100,000,000 shares, representing approximately 5.92% of the issued share capital of the Company before the issue of the conversion shares and approximately 5.59% of the issued share capital of the Company as enlarged by the issue of the conversion shares at the conversion price of HK$2.20 per share. These shares rank pari passu in all respect with other shares in issue.

(b) During the year, the share option holders exercised the right attached on the share options to subscribe for a total of 32,000,000 shares at the exercise prices ranging from HK$0.535 to HK$0.967 per share. These shares rank pari passu in all respect with other shares in issue.

(c) During the year ended 31 December 2005, the Company repurchased its own shares on the Stock Exchange as follows:

39. 股本 *(續)*

附註：

(a) 於二零零六年三月二十一日，本公司接獲Catic Limited

Months of repurchase 回購月份		Number of ordinary shares HK$0.20 each 每股面值0.20港元的普通股數目 *In thousand 千股*	Price per share 每股價格 Highest 最高 *HK$ 港元*	Lowest 最低 *HK$ 港元*	Aggregate consideration paid 已付總代價 *HK$'000 千港元*
June 2005 *(note 1)*	二零零五年六月 *(附註1)*	27,006	2.785	2.082	66,240
December 2005 *(note 2)*	二零零五年十二月 *(附註2)*	42,956	2.350	2.220	99,061
		69,962			165,301

Notes:

1. The above shares were repurchased and cancelled during the year ended 31 December 2005.

2. The above shares were repurchased in December 2005 and cancelled in January 2006.

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40. Reserves of the Company

The distributable reserves of the Company as at 31 December 2006 amounted to approximately HK$367,418,000 (2005: HK$268,759,000), being its retained profits at that date.

40. 本公司的儲備

於二零零六年十二月三十一日，本公司可分配儲備總計約367,418,000港元（二零零五年：268,759,000港元），為該日的保留溢利。

		Share premium 股份溢價 HK$'000 千港元	Convertible notes equity reserve 可換股票據股本儲備 HK$'000 千港元	Asset revaluation reserve 資產重估儲備 HK$'000 千港元	Capital redemption reserve 資本贖回儲備 HK$'000 千港元	Retained profits 保留溢利 HK$'000 千港元	Total 合計 HK$'000 千港元
The Company	**本公司**						
At 1 January 2005	於二零零五年一月一日	1,957,757	20,150	12,126	—	148,552	2,138,585
Gain on revaluation of leasehold properties	重估租賃物業產生之收益	—	—	5,440	—	—	5,440
Deferred tax liability arising on revaluation of leasehold properties	重估租賃物業產生之遞延稅項負債	—	—	(539)	—	—	(539)
Net income recognised directly in equity	直接於權益確認的收入淨額	—	—	4,901	—	—	4,901
Profit for the year	年內溢利	—	—	—	—	373,442	373,442
Total recognised income and expenses for the year	年內確認的收入及支出總額	—	—	4,901	—	373,442	378,343
Share repurchase	股份回購						
— premium on repurchase of shares	— 回購股份之溢價	—	—	—	—	(151,309)	(151,309)
— transfer	— 劃轉	—	—	—	13,992	(13,992)	—
Dividend	股息	—	—	—	—	(87,934)	(87,934)
At 31 December 2005	於二零零五年十二月三十一日	1,957,757	20,150	17,027	13,992	268,759	2,277,685
Gain on revaluation of leasehold properties	重估租賃物業產生之收益	—	—	6,642	—	—	6,642
Deferred tax liability arising on revaluation of leasehold properties	重估租賃物業產生之遞延稅項負債	—	—	(766)	—	—	(766)
Net income recognised directly in equity	直接於權益確認的收入淨額	—	—	5,876	—	—	5,876
Profit for the year	年內溢利	—	—	—	—	191,166	191,166
Total recognised income and expense for the year	年內確認的收入及支出總額	—	—	5,876	—	191,166	197,042
Issue of share capital	發行股本	19,580	—	—	—	—	19,580
Share issued expenses	股份發行費用	(50)	—	—	—	—	(50)
Conversion of convertible note	轉換可換股票據	200,000	(10,075)	—	—	5,821	195,746
Transfer	劃轉	—	(10,075)	—	—	10,075	—
Dividend	股息	—	—	—	—	(108,403)	(108,403)
At 31 December 2006	於二零零六年十二月三十一日	2,177,287	—	22,903	13,992	367,418	2,581,600

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41. Share options

On 27 May 2002, the shareholders of the Company approved the termination (to the effect that no further share options shall be offered) of the share option scheme adopted by the Company on 26 June 1995 (the "Old Share Option Scheme") and the adoption of a new share option scheme (the "New Share Option Scheme") with effect from 27 May 2002. The Old Share Option Scheme and the New Share Option Scheme were adopted for the primary purpose of giving incentives to the directors and eligible employees of the Group.

According to the Old Share Option Scheme, the board of directors of the Company were authorised, at any time within ten years after the adoption date, to grant share options to any directors or employees of the Company or any of its subsidiaries to subscribe for shares in the Company at a price not less than 80 per cent. of the average of closing prices of the Company's shares on the five trading days immediately preceding the offer date of the share options or the nominal value of the Company's shares, whichever is higher. The maximum number of shares in respect of which share options may be granted under the Old Share Option Scheme cannot exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company from time to time.

According to the New Share Option Scheme, the board of directors of the Company are authorised, at any time within ten years after the adoption date, to grant share options to any directors or employees of the Company or any of its subsidiaries to subscribe for shares in the Company at a price not less than the closing price of the Company's shares on the date of grant, the average closing prices of the Company's shares on the five trading days immediately preceding the offer date of the share options or the nominal value of the Company's shares, whichever is higher. The maximum number of shares in respect of which share options may be granted under the New Share Option Scheme cannot exceed 30 per cent. of the aggregate nominal amount of the issued share capital of the Company from time to time.

41. 購股權

二零零二年五月二十七日，本公司股東批准終止(其作用為不得進一步授出購股權)本公司於一九九五年六月二十六日採納之購股權計劃(「舊購股權計劃」)，並自二零零二年五月二十七日起採納新購股權計劃(「新購股權計劃」)。採納舊購股權計劃及新購股權計劃之主要目的為獎勵本集團董事及合資格僱員。

根據舊購股權計劃，本公司董事會獲授權於採納日期後十年內任何時間，授予本公司或其任何附屬公司董事或僱員購股權以認購本公司股份，價格不得少於緊接購股權授出日期前五個交易日本公司股份平均收市價之80%或本公司股份之面值(以較高者為準)。有關根據舊購股權計劃授出之購股權可認購之最高股份數目，乃以不超過本公司不時已發行股本總面值之10%為限。

按照新購股權計劃，本公司董事會獲授權於採納日期後十年內任何時間，授予本公司或其任何附屬公司董事或僱員購股權以認購本公司股份，價格不得少於授出日期本公司股份之收市價、緊接購股權授出日期前五個交易日本公司股份平均收市價或本公司股份之面值(以較高者為準)。有關根據新購股權計劃授出之購股權可認購之最高股份數目，乃以不超過本公司不時已發行股本總面值之30%為限。

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42. Borrowings 42. 借貸

		The Group 本集團		The Company 本公司	
		2006 二零零六年 *HK$'000 千港元*	2005 二零零五年 *HK$'000 千港元*	**2006 二零零六年 *HK$'000 千港元***	2005 二零零五年 *HK$'000 千港元*
Bank overdrafts — secured	銀行透支 — 有抵押	**–**	79,241	**–**	79,241
Bank loans — secured	銀行貸款 — 有抵押	**606,900**	579,478	**5,750**	8,050
		606,900	658,719	**5,750**	87,291
Carrying amount repayable:	應償還之賬面值：				
On demand or within one year	應要求或一年內	**601,150**	651,819	**1,150**	80,391
More than one year, but not exceeding two years	一年以上但不超過兩年	**1,150**	1,150	**1,150**	1,150
More than two years, but not exceeding five years	兩年以上但不超過五年以上	**3,450**	3,450	**3,450**	3,450
More than five years	五年以上	**1,150**	2,300	**1,150**	2,300
		606,900	658,719	**6,900**	87,291
Less: Amounts due within one year shown under current liabilities	*減：*一年內到期並列為流動負債之金額				
— Borrowings	— 借貸	**(601,150)**	(572,578)	**(1,150)**	(1,150)
— Bank overdrafts	— 銀行透支	**–**	(79,241)	**–**	(79,241)
		5,750	6,900	**5,750**	6,900

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42. Borrowings *(Continued)*

The bank loans are secured by certain investment properties and leasehold properties.

Bank loans of the Group and the Company of HK$6,900,000 (2005: HK$87,291,000) are



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43. Convertible notes *(Continued)*

(a) Convertible note at fair value through profit or loss

On 24 November 2004, the Company issued a convertible note to Citigroup Global Markets Limited ("CGML") in the principal amount of US$52,500,000 in accordance with a subscription agreement dated 5 November 2004 entered into between the Company and CGML. The interest rate is 1.5% per annum and payable semi-annually in arrears. The Company shall repay the principal amount outstanding under the convertible note to the noteholder together with all interest accrued on the fifth anniversary of the date of the issue of the convertible note.



43. Convertible notes *(Continued)*

(a) Convertible note at fair value through profit or loss *(Continued)*

Under HKAS 39, as the functional currency of the Company is Hong Kong dollars, the conversion option of this convertible note denominated in United States dollars will not be settled by the exchange of a fixed amount of cash or another financial asset for fixed number of the Company's own equity instrument. The conversion option was considered as a derivative and the entire convertible note was designated as financial liability through profit or loss on initial recognition.

The movement of the convertible note for the year is set out below:

		HK$'000 *千港元*
As at 1 January 2005	於二零零五年一月一日	637,036
Decrease in fair value during the year	年內公平值減少	(199,756)
As at 31 December 2005	於二零零五年十二月三十一日	437,280
Decrease in fair value during the year	年內公平值減少	(35,168)
As at 31 December 2006	**於二零零六年十二月三十一日**	**402,112**

The convertible note at fair value through profit or loss is carried at fair value at the balance sheet date. During the year, a gain on decrease in its fair value onvt d55,168005

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43. Convertible notes *(Continued)*

(b) Convertible note

On 23 November 2004, the Company issued a convertible note in the principal amount of HK$440 million to Catic Limited, a shareholder of the Company, in accordance with a convertible note subscription agreement dated 20 September 2004 entered into between the Company and Catic Limited. The interest rate is 1.5% per annum and payable semi-annually in arrears. The Company shall repay principal amount outstanding under the convertible note to the noteholder together with all interest accrued on the second anniversary of the date of the issue of the convertible note. The conversion price is HK$2.20 per share, subject to adjustment for, among other matters, subdivision or consolidation of shares, bonus issues, capital reduction, rights issues and other events which have diluting effects on the issued share capital of the Company. The noteholder will have the right to convert the whole or part of the principal amount of the convertible note into shares at any time and from time to time, from the date of issue of the convertible note up to the second anniversary of the issue of the convertible note in amount not less than HK$30,000,000 on each conversion, save that if at any time, the principal outstanding amount of the convertible note is less than HK$30,000,000, the whole (but not part only) of the principal amount of the convertible note may be converted. Shares to be issued upon conversion shall rank pari passu in all respects with all other existing shares outstanding at the date of the conversion.

43. 可換股票據 *(續)*

(b) 可換股票據

於二零零四年十一月二十三日，本公司根據一項由本公司與Catic Limited(為本公司之股東)

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43. Convertible notes *(Continued)*

(b) Convertible note *(Continued)*

The convertible note contained two components, liability and equity elements. The equity element was presented in equity heading "convertible notes equity reserve". The effective interest rate of the liability component was 4.48% per annum.

On 21 March 2006, the Company received a notice of conversion from Catic Limited exercising the right to convert part of the convertible note in the principal amount of HK$220,000,000 into 100,000,000 shares.

On 23 November 2006, the second anniversary of the issue of the convertible note, the Company repaid the remaining convertible note in the principal amount of HK$220,000,000 by issuing a loan note of HK$220,000,000. Pursuant to the loan agreement entered into between the Company and Catic Limited, the term loan carrying interest at 6% per annum and is repayable within a year (Note 49).

43. 可換股票據 *(續)*

(b) 可換股票據 *(續)*

可換股票據含有負債與股本兩部分。股本部分於股本之「可換股票據股本儲備」呈列。負債部分之實際年利率為4.48厘。

於二零零六年三月二十一日，本公司接獲來自Catic Limited的轉換通知書，要求行使權利將部分可換股票據本金額220,000,000港元轉換為100,000,000股股份。

於二零零六年十一月二十三日（可換股票據發行之第二週年），本公司透過發行本金220,000,000港元之貸款票據220,000,000港元來支付餘下



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For the year ended 31 December 2006
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43. Convertible notes *(Continued)* 43. 可換股票據 *(續)*

(b) Convertible note *(Continued)* (b) 可換股票據 *(續)*

The movement of the liability component of the convertible note for the year is set out below:

本年度可換股票據負債部分之變動載列如下：

		2006 二零零六年 *HK$'000* *千港元*	2005 二零零五年 *HK$'000* *千港元*
Liability component at the beginning of the year	負債部分於年初	**428,836**	416,835
Interest charge	利息支出	**8,540**	18,601
Interest paid	已付利息	**(2,958)**	(6,600)
Converted on 21 March 2006	於二零零六年三月二十一日換股	**(214,418)**	—
Repayment by a shareholder's loan on 23 November 2006	於二零零六年十一月二十三日以一項股東貸款歸還	**(220,000)**	—
Liability component at the end of the year	負債部分於年末	**–**	428,836
Less: Amounts due within one year shown under current liabilities	*減：*於一年之內到期並列為流動負債之金額	**–**	(428,836)
		–	—

The interest charged for the year was calculated at an effective rate of 4.48% (2005: 4.48%) per annum to liability component.

年內之利率支出乃以負債部分按實際年利率4.48厘(二零零五年：4.48厘)計算。

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

44. Deferred taxation

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

	The Group 本集團



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

44. Deferred taxation *(Continued)*

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

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

45. Trade payables

The following is an aged analysis of trade payables at the balance sheet date:

45. 應付貿易賬款

下列是應付貿易賬款於結算日之賬齡分析：

		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*
0 to 30 days	零至三十日	**53,437**	6,324
31 to 90 days	三十一日至九十日	**11,784**	8,428
Over 90 days	超過九十日	**19,571**	4,423
		84,792	19,175

46. Accrued charges, rental deposits and other payables

The Group

The balance includes an amount of HK$21,349,000 (2005: HK$35,637,000) payable to a minority shareholder of a former subsidiary in relation to construction works rendered for properties. The amount is unsecured, non-interest bearing and is repayable on demand.

The balance includes an amount of HK$37,700,000 (2005: HK$35,900,000) payable to an independent third party in relation to purchase of a land use right in the PRC. The amount is secured by certain investment properties, bears interest at 5.88% (2005: 5.88%) per annum and is repayable on demand.

46. 應計費用、租務按金及其他應付款項

本集團

結餘包括一筆為數21,349,000港元(二零零五年：35,637,000港元)應付一間前附屬公司之少數股東之有關物業建築工程有關之款項。有關金額為無抵押、免息及於要求時償還。

結餘包括就收購一幅中國土地使用權而應付予獨立第三方為數37,700,000港元之款項(二零零五年：35,900,000港元)。該金額由若干投資物業抵押，按年利率5.88厘(二零零五年：5.88厘)計息，及須於要求時償還。

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47. Amounts due to associates

The Group and the Company

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

47. 應付聯營公司款項

本集團及本公司

有關金額為無抵押、免息及須於要求時償還。

48. Accruals for management fee to holding company of a shareholder

The Group

The balance represents accruals for management fee payable to China Cinda pursuant to the NPL Agreement (as described in note 27). The amounts are unsecured, non-interest bearing and repayable on demand.

48. 應付一名股東之控股公司的應計管理費

本集團

有關結餘為根據不履約貸款協議應向中國信達支付之應計管理費(如附註27所述)。有關金額為無抵押、免息及須於要求時償還。

49. Loan from a shareholder

The Group and the Company

The amount is unsecured, bears interest at 6% per annum and is repayable within one year.

49. 股東貸款

本集團及本公司

有關金額為無抵押、按年利率6厘計息及須於一年內償還。

50. Amounts due to subsidiaries

The Company

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

50. 應付附屬公司款項

本公司

有關金額為無抵押、免息及須於要求時償還。



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52. Operating lease commitments

The Group and the Company as lessee

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

52. 經營租約安排

本集團及本公司以承租人身份

於結算日，根據下述期限屆滿之土地及樓宇不可撤銷營運租約，本集團及本公司須於未來支付之最低租賃款項如下：

		THE GROUP 本集團		THE COMPANY 本公司	
		2006	2005	**2006**	2005
		二零零六年	二零零五年	**二零零六年**	二零零五年
		HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
		千港元	*千港元*	***千港元***	*千港元*
Within one year	一年內	**2,798**	2,735	**–**	75
In the second to fifth year inclusive	第二至第五年（包括首尾兩年在內）	**7,435**	9,034	**–**	300
After five years	五年以後	**–**	738	**–**	—
		10,233	12,507	**–**	375

The operating lease payments represent rental payable for certain of its office premises and staff quarters. Leases are generally negotiated for lease terms ranged from 1 year to 5 years and rentals are fixed.

經營租約款項指就其若干辦公室物業及員工宿舍應付之租金。該等租約之租期一般為一至五年，租金亦為固定金額。

The Group and the Company as lessor

Property rental income earned by the Group and the Company during the year was approximately HK$77,854,000 (2005: HK$76,346,000) and HK$2,518,000 (2005: HK$2,478,000) respectively. The properties held have committed tenants for lease terms ranged from 1 year to 18 years.

本集團及本公司以出租人身份

本集團及本公司年內賺取之物業租金收入分別約為77,854,000港元（二零零五年：76,346,000港元）和2,518,000港元（二零零五年：2,478,000港元）。持有之物業於已簽約之租客的租期由一年至十八年不等。

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52. Operating lease commitments *(Continued)*

The Group and the Company as lessor *(Continued)*

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

	THE GROUP 本集團		THE COMPANY 本公司	
	2006 二零零六年 *HK$'000 千港元*	2005 二零零五年 *HK$'000 千港元*	**2006 二零零六年 *HK$'000 千港元***	2005 二零零五年 *HK$'000 千港元*
Within one year				

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54. Contingent liabilities

The Company has provided a guarantee in respect of the disposal of Beijing East Gate Wangjing Real Estate Co., Ltd. ("Wangjing") in the year 2004, a former subsidiary of the Group, under a share transfer agreement, pursuant to which the Company is required to provide guarantee to the buyers of Wangjing (the "Buyers") in respect of any contingent liabilities arising from any guarantees and securities provided by Wangjing and any contracts entered into by Wangjing not disclosed to the Buyers as at the date of transfer of shares of Wangjing to Buyers. Such guarantee provided by the Company is effective up to 9 November 2007.

54. 或然負債

本公司於二零零四年就根據一項股份轉讓協議出售北京東環望京房地產有限公司(「望京」)(為本集團一間前附屬公司)的交易提供擔保，據此本公司向買入望京的買家(「買方」)就於望京向買方轉讓股份當天望京未有向買方作出披露而由望京提供之任何擔保及抵押與由望京訂立之任何合約引起的任何或然負債向買方提供擔保。此項本公司提供之擔保持續有效至二零零七年十一月九日。

55. Related party transactions

The Group

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

55. 關聯方交易

本集團

年內，本集團與關聯方進行下述交易：

		2006 二零零六年 *HK$'000* *千港元*	2005 二零零五年 *HK$'000* *千港元*
Interest income from a jointly controlled entity	收取一間共同控制公司之利息收入	**8,943**	—
Interest income from associates	收取聯營公司之利息收入	**38,155**	16,002
Interest expense on loan from a shareholder	一名股東提供之貸款的利息支出	**1,410**	—
Property management fee income from an associate	收取一間聯營公司之物業管理費收入	**68**	65
Rental income from an associate	收取一間聯營公司之租金收入	**187**	178
Consultancy fee paid to an associate	支付一間聯營公司之諮詢費	**1,900**	1,483
Commission income and performance return received from a fellow subsidiary of a shareholder	收取一名股東之同系附屬公司之佣金收入及超收分成	**—**	100,000
Interest on convertible note issued to shareholders	支付發行予股東之可換股票據利息	**14,768**	24,829

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55. Related party transactions *(Continued)*

Details of balances with related companies and other transactions with related parties are set out in the consolidated balance sheet and in notes 23, 24, 27, 35, 43, 46, 47, 48 and 49.

The Company

Details of balances with subsidiaries are set out in the Company's balance sheet and in notes 22 and 50.

Except for the directors' remuneration as disclosed in note 10 during the year, there is no other remuneration of key management.

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

55. 關聯方交易 *(續)*

與關聯公司之結餘及與關聯人士之其他交易詳情已載於綜合資產負債表及附註23、24、27、35、43、46、47、48及49。

本公司

與附屬公司之結餘詳情載於本公司之資產負債表及附註22及50。

除附註10所披露之本年度董事酬金外，主要管理人員概無任何其他酬金。

董事酬金乃由薪酬委員會視乎個人表現及市場趨勢而釐定。



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56. Particulars of subsidiaries, associates and jointly controlled entity

(a) Particulars of the Company's subsidiaries at 31 December 2006 are as follows:

Name of company 公司名稱	Place of incorporation/ establishment 註冊成立／成立地點	Nominal value of issued ordinary share capital/ registered capital 已發行普通股股本／註冊資本面值	Proportion of nominal value of issued ordinary share capital/ registered capital held by the Company 本公司所持有已發行普通股股本／註冊資本面值比例 Directly 直接	Indirectly 間接	Principal activities 主要業務
Beijing East Gate Development Co., Ltd. ("Beijing East Gate") 北京東環置業有限公司（「北京東環」）	PRC 中國	US$100,413,500 100,413,500美元	—	100% *(note i)* *(附註i)*	Property development and investment 物業發展及投資
Beijing Yinda Property Management Limited ("Yinda") 北京銀達物業管理有限責任公司（「銀達」）	PRC 中國	RMB10,000,000 人民幣10,000,000元	—	90% *(note ii)* *(附註ii)*	Property management 物業管理
Shenyang East Gate Development Co., Ltd. ("Shenyang East Gate") 沈陽東環置業有限公司（「沈陽東環」）	PRC 中國	US$10,150,000 10,150,000美元	—	98.5% *(note iii)* *(附註iii)*	Property development and investment 物業發展及投資
East Gate Development (H.K.) Limited 東環置業(香港)	Hong Kong 香港	HK$100 100港元	100%	—	Investment holding 投資控股

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56. Particulars of subsidiaries, associates and jointly controlled entity *(Continued)*

(a) Particulars of the Company's subsidiaries at 31 December 2006 are as follows: *(Continued)*

56. 附屬公司、聯營公司及共同控制公司摘要 *(續)*

(a) 本公司各附屬公司於二零零六年十二月三十一日之詳情如下：*(續)*

Name of company 公司名稱	Place of incorporation/ incorporation/ 註冊成立／成立地點	Nominal value of issued ordinary share capital/ registered capital 已發行普通股股本／註冊資本面值	Proportion of nominal value of issued ordinary share capital/ registered capital held by the Company 本公司所持有已發行普通股股本／註冊資本面值比例		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
Likesway Limited 利時威有限公司	Hong Kong 香港	HK$2 2港元	100%	—	Property holding and investment 持有物業及投資
Real China Development Limited 泰景發展有限公司	Hong Kong 香港	HK$2 2港元	100%	—	Property holding and investment 持有物業及投資
Silver Grant Department Store (BVI) Limited	British Virgin Islands 英屬處女群島	US$1 1美元	100%	—	Investment holding 投資控股
Silver Grant Hainan Investment (BVI) Limited	British Virgin Islands 英屬處女群島	US$1 1美元	100%	—	Inactive 暫無業務
Silver Grant Infra-Structure Investment (BVI) Limited	British Virgin Islands 英屬處女群島	US$1 1美元	100%	—	Investment holding 投資控股
Samtung Investment Limited	British Virgin Islands 英屬處女群島	US$1 1美元	100%	—	Investment holding 投資控股
Platinum Two Limited	Mauritius 毛里裘斯	US$1 1美元	100%	—	Inactive 暫無業務
Silver Grant International Department Store Limited 銀建國際百貨有限公司	Hong Kong 香港	HK$10 10港元	—	100%	Property investment 物業投資



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56. Particulars of subsidiaries, associates and jointly controlled entity *(Continued)*

56. 附屬公司、聯營公司及共同控制公司摘要 *(續)*

(a) Particulars of the Company's subsidiaries at 31 December 2006 are as follows: *(continued)*

(a) 本公司各附屬公司於二零零六年十二月三十一日之詳情如下：*(續)*

Name of company 公司名稱	Place of incorporation/ establishment 註冊成立／成立地點	Nominal value of issued ordinary share capital/ registered capital 已發行普通股股本／註冊資本面值	Proportion of nominal value of issued ordinary share capital/ Registered capital held by the Company 本公司所持有已發行普通股股本／註冊資本面值比例		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
Silver Grant International Infra-Structure Investment Limited 銀建國際基建投資有限公司	Hong Kong 香港	HK$2 2港元	—	100%	Investment holding 投資控股
Silver Grant International Securities Investment Limited 銀建國際證券投資有限公司	Hong Kong 香港	HK$2 2港元	—	100%	Securities trading 證券買賣
Silver Grant Securities Investment (BVI) Limited	British Virgin Islands 英屬處女群島	US$1 1美元	100%	—	Investment holding 投資控股
Straight View Investment Limited 藝景投資有限公司	Hong Kong 香港	HK$100 100港元	100%	—	Investment holding 投資控股
Twin Sparkle Limited 康而富有限公司	Hong Kong 香港	HK$2 2港元	100%	—	Property holding and investment 持有物業及投資
Winner Property Limited	British Virgin Islands 英屬處女群島	US$1 1美元	—	100%	Investment holding 投資控股





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56. Particulars of subsidiaries, associates and jointly controlled entity *(Continued)*

(b) Particulars of the Company's significant associates at 31 December 2006 are as follows:

Name of company 公司名稱	Form of business structure 業務型態	Place of incorporation/ establishment 註冊成立／成立地點	Principal place of business 主要營運地點	Class of shares held 所持股份類別	Proportion of nominal value of issued ordinary share capital/ Registered capital held by the Company 本公司所持有已發行普通股本／註冊資本面值比例		Principal activities 主要業務
					The Group 本集團	The Company 本公司	
CII Limited 中基建設投資有限公司	Incorporated 註冊成立	Hong Kong 香港	Hong Kong 香港	Ordinary 普通股	50%	—	Investment in infrastructure projects and distressed assets business 投資基建項目及不良資產業務

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57. Retirement benefits plans

The Group operates a Mandatory Provident Fund Scheme (the "Scheme") for all qualifying employees in Hong Kong. The assets of the Schemes are held separately from those of the Group and are held, in funds under the control of trustees. The Group contributes the lower of HK$1,000 per month or 5% of relevant payroll costs to the Scheme.



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59. Post balance sheet events

(a) At 31 December 2006, the Group held 10,844,000 ordinary shares of Tongjitang, which represents a 10.8% equity interest in Tongjitang and was classified as available-for-sale investments in the consolidated balance sheet as at 31 December 2006. On 16 March, 2007, Tongjitang listed its American Depositary Shares ("ADS(s)") on the New York Stock Exchange at an initial offering price of US$10 per ADS. In Tongjitang's initial public offering, Tongjitang offered 8,350,000 ADSs while Tongjitang's shareholders offered 1,515,000 ADSs of which 625,000 ADSs were offered by the Group. Each ADS represents 4 ordinary shares of Tongjitang. Based on the offering price of US$10 per ADS, the Group's 10,844,000 ordinary shares of Tongjitang at 31 December 2006 would be valued at approximately HK$211,458,000 and during the initial public offering, the Group disposed of 2,500,000 ordinary shares of Tongjitang for a total consideration of approximately HK$48,750,000 with a gain of approximately HK$26,500,000.

59. 結算日後事項

(a) 於二零零六年十二月三十一日，本集團持有同濟堂10,844,000股普通股，佔同濟堂股本權益之10.8%，並於二零零六年十二月三十一日在綜合資產負債表中歸類為可供出售投資。於二零零七年三月十六日，同濟堂在紐約證券交易所以美國預託證券(「預託證券」)方式上市，首次發售價每份預託證券10美元。在同濟堂的首次公開發售中，同濟堂發售8,350,000份預託證券，而同濟堂股東發售1,515,000份預託證券，當中625,000份預託證券由本集團發售。每份預託證券代表4股同濟堂普通股。基於發售價每份預託證券10美元，本集團的10,844,000股同濟堂普通股在二零零六年十二月三十一日的價值約為211,458,000港元，而且在首次公開發售中，本集團以總代價約48,750,000港元出售同濟堂2,500,000股普通股，收益約26,500,000港元。

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59. Post balance sheet events *(Continued)*

(b) On 25 October 2006, a subsidiary of the Company entered into a cooperation memorandum with China Orient Asset Management Corporation (the "Memorandum") to establish a company in the PRC, Dongxin Union Asset Management Corporation Limited ("Dongxin Union"), with the purpose of managing a non-performing loans portfolio ("the Orient NPL Portfolio"). Pursuant to the Memorandum, the Company's subsidiary would purchase 46.17% of interest in Dongxin Union, at a consideration of approximately RMB 319,681,500 (equivalent to approximately HK$321,700,500). The aggregate outstanding principal (including the booked interest of approximately RMB13,631,000,000) of the Orient NPL Portfolio held by Dongxin Union amounted to approximately RMB 34,944,000,000 (equivalent to approximately HK$35,165,000,000). The transaction is subject to the approval by the Ministry of Commerce of the PRC which was obtained on 17 January 2007.

59. 結算日後事項 *(續)*

(b) 於二零零六年十月二十五日，本公司之附屬公司與中國東方融資產管理公司簽訂合作備忘錄(「備忘錄」)，於中國成立東新聯合融資財產管理有限公司(「東新聯合」)，旨在管理不履約貸款組合(「東方不履約貸款組合」)。根據備忘錄，本公司之附屬公司將收購東新聯合46.17%的權益，代價約人民幣319,681,500元(約合321,700,500港元)。東新聯合持有東方不履約貸款組合之尚未償還本金總額(包括利息約人民幣13,631,000,000元)約人民幣34,944,000,000元(相當於約35,165,000,000港元)。交易須由中國商務部批准，該交易已於二零零七年一月十七日獲批准。



		百萬港元	*百萬港元*	*百萬港元*	*百萬港元*	***百萬港元***
		(note)	*(note)*	*(note)*		
		(附註)	*(附註)*	*(附註)*		
Results	**業績**					
Turnover	營業額	181.9	512.3	685.2	551.8	**1,487.2**
Profit for the year attributable to equity holders of the Company	本公司股本持有人應佔年內溢利	91.9	182.8	403.7	724.1	**494.8**

				At 31 December 於十二月三十一日		
		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$ Million	*HK$ Million*	*HK$ Million*	*HK$ Million*	***HK$ Million***
		百萬港元	*百萬港元*	*百萬港元*	*百萬港元*	***百萬港元***
		(note)	*(note)*	*(note)*		
		(附註)	*(附註)*	*(附註)*		
Assets and liabilities	**資產及負債**					
Investment properties and I. 0 S	投資物業及物業、公司權益	—	—	—	—	**32.1**
聯營公司權益及應收聯營公司款		1,193.7	1,192.5	1,256.6	1,510.8	**1,540.1**
證券投資		3.0	1.5	1.5	—	**—**
可供出售投資		—	—	—	2.2	**99.1**
不良資產權益		—	—	456.0	204.7	**—**
已付收購投資之按金		—	—	—	44.5	**—**
已付收購不良資產之按金		—	—	—	263.7	**—**
應收一間聯營公司的一名股東的款項		97.5	—	—	—	**—**
遞延稅項資產		11.1	11.3	18.5	1.3	**—**
流動(負債)資產淨值		(1,031.3)	(1,029.7)	789.4	238.3	**1,211.9**
				2,367.3	2,407.6	4,546.8	4,530.9	**5,272.4**
Share capital	股本			262.4	262.4	351.7	337.7	**364.1**
Reserves	儲備			1,824.3	1,976.6	3,132.0	3,505.3	**4,226.5**
Equity attributable to equity holders of the Company	本公司股本持有人應佔股本			2,086.7	2,239.0	3,483.7	3,83,83,8.09 193.065 IS T FbD0.4306	



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Investment properties in the PRC *(Continued)*

	Location 地點	Lease term 租約期限	Purpose 用途	Gross area 建築面積 *Sq. ft.* *平方呎*
14.	A ni IPca ed Pn BlPck 6, Yinhe Garden, Diah a RPad, Haidian I land Ea , De el en Di ric he 3rd SP hern ZPne, HaikP , Hainan PrP ince, he PRC. 中國海南省海口市海甸島東部開發區南三區甸花路頤和花園小區6棟一單元。	LPng lea e 長期	Re iden ial 住宅	6,637
15.	Ca arking ace NP. 6 & 8 Pn Le el 1 Pf BlPck 3, Yinhe Garden, Diah a RPad, Haidian I land Ea , De el en Di ric he 3rd SP hern ZPne, HaikP , Hainan PrP ince, he PRC. 中國海南省海口市海甸島東部開發區南三區甸花路頤和花園小區3棟第一層6及8號車庫。	LPng lea e 長期	Ca arking 車位	464
16.	Uni 502 Pn Le el 5 Pf BlPck 16, NP. 2 LPngK RPad NPr h, HaikP , Hainan PrP ince, he PRC. 中國海南省海口市龍昆北路2號16棟第五層502號。	LPng lea e 長期	Re iden ial 住宅	1,162
17.	Uni 401 & 501 Pn Le el 4 & 5 Pf BlPck 10, NP. 2 LPngK RPad NPr h, HaikP , Hainan PrP ince, he PRC. 中國海南省海口市龍昆北路2號10棟第四及五層401及502號。	LPng lea e 長期	Re iden ial 住宅	2,015
18.	An PffIce ni IPca ed Pn he Ea ern PPr iPn Pf Le el 15, CMEC B ilding, G a Main RPad, HaikP , Hainan PrP ince, he PRC. 位於中國海南省海口市國貿大道CMEC大廈十五層東區辦公室單元部分。	LPng lea e 長期	C erial 商業	6,079
19.	Villa NP. 8 Pf BlPck D, Shannei Garden, NP. 258 W ing RPad Ea , HaikP , Hainan PrP ince, he PRC. 中國海南省海口市文明東路258號山內花園D	LPng lea e 長期	Re iden ial 住宅	3,118

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