



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

for the year ended 31 December 2005

截至二零零五年十二月三十一日止年度

### 1. Reorganisation and General Information

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 23 December 2004. Pursuant to the reorganisation (the "Reorganisation") to rationalise the structure of the Group in preparation for the listing of the Company's shares on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the Company became the holding company of the Group on 23 June 2005. Details of the Reorganisation were disclosed in Note 4 of Appendix VII "Statutory and General Information" in the Company's prospectus dated 22 November 2005. The Company's shares were listed on the Stock Exchange on 2 December 2005.

The address of the Company's registered office and principal place of business are Clifton House, 75 Fort Street, P. O. Box 1350 GT, George Town, Grand Cayman, Cayman Islands and Room 2301, 23rd Floor, Fortis Bank Tower, 77-79 Gloucester Road, Wanchai, Hong Kong respectively.

The principal activity of the Company is investment holding and the principal activities of the subsidiaries are as set out in note 14(b).

### 2. Principal Accounting Policies

#### Statement of compliance

The financial statements have been prepared in accordance with the Standards and Interpretations of the Hong Kong Financial Reporting Standards (herein collectively referred to as "HKFRS") issued by the Hong Kong Institute of Certified Public Accountants. The financial statements also complies with all applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange and the disclosure requirements of the Hong Kong Companies Ordinance.

#### Basis of preparation

The Group resulting from the Reorganisation is regarded as a continuing entity since all of the entities which took part in the Reorganisation were owned by the same ultimate shareholders before and immediately after the Reorganisation such that immediately after the Reorganisation there was a continuation of the risks and benefits to the ultimate shareholders that existed prior to the Reorganisation. Accordingly the Reorganisation has been accounted for as a reorganisation of entities under common control in a manner similar to pooling of interests and the financial statements have been prepared on the basis of merger accounting, under which the Company was the holding company of the Group since 1 January 2004 or since their respective dates of incorporation whichever is shorter, rather than from 23 June 2005. Certain subsidiaries as set out in note 14(b) ("Subsequent Subsidiaries") were acquired by the Group subsequent to the Reorganisation on 23 June 2005. These Subsequent Subsidiaries have been accounted for using the purchase method from the respective dates of acquisition. The results of the Group for the year include the results of the Company and its subsidiaries with effect from the beginning of the year as if the current group structure had been in existence throughout the year except for the results of the Subsequent Subsidiaries which are included from the respective dates of acquisition.

### 1. 重組及一般資料

本公司於二零零四年十二月二十三日在開曼群島註冊成立為一間獲豁免有限公司。為精簡本集團架構以籌備本公司股份於香港聯合交易所有限公司(「聯交所」)主板上市重組(「重組」)，據此本公司於二零零五年六月二十三日成為本集團的控股公司。重組之詳情披露於本公司於二零零五年十一月二十二日刊發的招股章程附錄七「法定及一般資料」附註4。本公司之股份於二零零五年十二月二日在聯交所上市。

本公司註冊辦事處及主要營業地點分別為 Clifton House, 75 Fort Street, P.O. Box 1350 GT, George Town, Grand Cayman, Cayman Islands 及香港灣仔告士打道77-79號華比富通大廈23樓2301室。

本公司的主要業務為投資控股，附屬公司的主要業務載於附註14(b)。

### 2. 主要會計政策

#### 遵規聲明

財務報表乃根據香港會計師公會頒佈的香港財務報告準則的準則及詮釋(以下統稱「香港財務報告準則」)編製。財務報表亦符合一切適用的聯交所證券上市規則披露條文及香港公司條例的披露規定。

#### 編製基準

由於參與重組的所有實體於緊接重組前及緊隨重組後均由相同之若干最終股東擁有，故本集團於重組後被視為一個持續實體。因此，緊隨重組後，最終股東於重組前承受的風險及獲得的利益存續。重組乃以與股權集合相若的方式按共同控制下的實體重組入賬，而財務報表乃按合併會計法編製，據此，本公司自二零零四年一月一日起或自彼等各自的註冊成立日期起計(以較短者為準)為本集團的控股公司，而非由二零零五年六月二十三日起計。載於附註14(b)之若干附屬公司(「繼後附屬公司」)於二零零五年六月二十三日重組後由本集團收購。該等繼後附屬公司乃按各自的收購日期以購買法入賬。本年度本集團的業績包括本公司及其附屬公司由年初起的業績，猶如現行集團架構於本年度已一直存在，惟繼後附屬公司的業績乃自彼等各自的收購日期起計除外。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註



for the year ended 31 December 2005

截至二零零五年十二月三十一日止年度

## 2. Principal Accounting Policies (Cont'd)

### Basis of preparation (Cont'd)

The financial statements have been prepared in accordance with the accounting policies set out below. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties and investment in securities.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3. The principal accounting policies adopted are as follows:

### Basis of consolidation

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

#### (a) Subsidiaries

Subsidiaries are all enterprises over which the Group has power to control the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

In addition, acquired subsidiaries are subject to application of the purchase method. This involves the revaluation at fair value of all identifiable assets and liabilities, including contingent liabilities of the subsidiary, at the acquisition date, regardless of whether or not they were recorded in the financial statements of the subsidiary prior to acquisition. On initial recognition, the assets and liabilities of the subsidiary are included in the consolidated balance sheet at their revalued amounts, which are also used as the bases for subsequent measurement in accordance with the Group's accounting policies. Goodwill represents the excess of acquisition cost over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the consolidated income statement.

## 2. 主要會計政策 (續)

### 編製基準 (續)

財務報表乃根據下文所載的會計政策編製。財務報表乃按歷史成本慣例編製，並就投資物業重估及證券投資作出修訂。

編製符合香港財務報告準則的財務報表須運用若干重要會計估計，亦需管理人員於應用本集團的會計政策過程中作出判斷。涉及較多判斷或較為複雜的範疇，或財務報表主要的假設及估計的範疇於附註3披露。本集團採納的主要會計政策如下：

### 綜合基準

綜合財務報表包括本公司及其附屬公司截至每年十二月三十一日止的財務報表。

#### (a) 附屬公司

附屬公司指本集團有權控制其財務及經營政策的所有企業，一般擁有一半以上投票權的股權。附屬公司乃於控制權轉移予本集團當日起計全數綜合於賬目內，並於終止控制日期起計不再綜合有關賬目。

此外，所收購附屬公司均須採用收購法。採用該方法涉及按公允值重估於收購日期的所有可辨認資產及負債，包括附屬公司的或然負債，而不論是否於收購前已記入附屬公司的財務報表內。於初次確認時，附屬公司的資產及負債乃按其重估金額計入綜合資產負債表，有關金額亦會用作為其後根據本集團的會計政策的計量依據。商譽指收購成本超出本集團應佔所收購附屬公司於收購日期的可辨認淨資產的公允值的差額。因收購附屬公司產生的商譽計入無形資產，倘收購成本低於購入附屬公司淨資產的公允值，則差額會直接在綜合收益表內確認。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

for the year ended 31 December 2005

截至二零零五年十二月三十一日止年度

### 2. Principal Accounting Policies (Cont'd)

#### (a) Subsidiaries (Cont'd)

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the Company's balance sheet, subsidiaries are carried at cost less impairment losses. The results of the subsidiaries are accounted for by the Company on the basis of dividends received and receivable at the balance sheet date.

#### (b) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for by the equity method of accounting and are initially recognised at cost.

The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

### 2. 主要會計政策 (續)

#### (a) 附屬公司 (續)

集團各成員公司間的交易、交易結餘及未變現收益均予對銷。除非有關交易可證明所轉讓資產出現減值，否則未變現虧損亦作對銷。附屬公司的會計政策於有必要時已作出更改，以確保與本集團所採納的政策一致。

於本公司的資產負債表內，附屬公司乃按成本值扣除減值虧損入賬。本公司根據於結算日的已收及應收股息將附屬公司的業績列賬。

#### (b) 聯營公司

聯營公司指本集團對其有重大影響力但並無控制權的所有實體，一般附帶擁有20%至50%投票權的股權。於聯營公司的投資以權益會計法入賬，初始按成本值確認。

本集團應佔聯營公司收購後盈利或虧損於收益表內確認，而應佔收購後儲備變動則於儲備中確認。收購後累積變動於投資的眼面值作出調整。當本集團應佔一間聯營公司虧損相等於或超過其於該聯營公司的權益(包括其他任何無抵押應收款項)時，本集團不再確認進一步的虧損，惟其代表該聯營公司產生責任或支付款項則除外。

本集團與其聯營公司進行交易的未變現收益，以本集團於聯營公司的權益為限進行對銷。除非該項交易有證據證明所轉讓的資產出現減值，否則未變現虧損亦予以對銷。聯營公司的會計政策於有需要時已作出更改，以確保與本集團所採納的政策一致。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

for the year ended 31 December 2005

截至二零零五年十二月三十一日止年度



## 2. Principal Accounting Policies (Cont'd)

### (c) Property, plant and equipment

#### (i) Depreciation

Depreciation is provided to write off the cost of property, plant and equipment over their estimated useful lives, using the straight line method, at the following rates per annum:

Buildings	2%
Leasehold improvements	10% - 20%
Motor vehicles	20%
Operating and office equipment	5% - 20%
Furniture and fixtures	20%

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

#### (ii) Measurement bases

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to the working condition and location for its intended use. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are expensed in the consolidated income statement during the period in which they are incurred.

When assets are sold or retired, any gain or loss resulting from their disposal, being the difference between the net disposal proceeds and the carrying amount of the assets, is included in the consolidated income statement.

## 2. 主要會計政策 (續)

### (c) 物業、廠房及設備

#### (i) 折舊

物業、廠房及設備乃按其估計可使用年期以直線法按下列年率撇銷成本計提折舊：

樓宇	2%
租賃物業裝修	10% - 20%
汽車	20%
營業及辦公室設備	5% - 20%
傢俬及裝置	20%

資產的尚餘價值及可使用年期於每個結算日檢討，並於適當時作出調整。

#### (ii) 計算基準

物業、廠房及設備乃按成本減累計折舊及減值虧損列賬。資產成本包括其購買價及將該資產達致其營運狀況及運送至某地點作其擬定用途的任何直接相關成本。其後的成本僅會於與該項目有關的未來經濟利益可能流入本集團，而該項成本能可靠計算的情況下計入資產的賬面值，或確認為一項獨立資產（倘適用）。其他所有維修及保養乃於產生期間內在綜合收益表支銷。

於資產被出售或廢棄時，出售的任何損益（即出售所得款項淨額與資產賬面值的差額）計入綜合收益表。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

for the year ended 31 December 2005

截至二零零五年十二月三十一日止年度

### 2. Principal Accounting Policies (Cont'd)

#### (d) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both is classified as investment property. Investment properties comprise land held under operating lease and building held under finance lease. Land held under operating lease is classified and accounted for as investment property when the rest of the definition of investment property is met. The operating lease is accounted for as if it was a finance lease.

Investment properties are measured initially at its cost, including related transaction cost. After initial recognition, investment properties are carried at fair value. Fair value is determined annually by external professional valuers, with sufficient experience with respect to both the location and the nature of the investment properties. The carrying amounts recognised in the consolidated balance sheet reflect the prevailing market conditions at the balance sheet date.

Any gain or loss resulting from either a change in fair value or the sale of investment properties is immediately recognised in the consolidated income statement.

#### (e) Properties held under development

Properties held under development are included in current assets and comprise land held under operating lease (note (2)(g)(ii)) and aggregate cost of development, materials and supplies, wages and other expenses ("Development cost"). Development cost are stated at the lower of cost and net realisable value. Other expenses included (a) those costs that are incurred in bringing the properties held under development to their present location and condition and (b) a systematic allocation of fixed overheads that had incurred on development of properties. Fixed overheads are indirect costs which remain relatively constant regardless of the size or volume of the development.

Net realisable value is the estimated selling price in the ordinary course of business less estimated selling expenses.

No depreciation is provided on properties held under development.

On completion, the properties are transferred to completed properties held for sale or investment properties.

### 2. 主要會計政策 (續)

#### (d) 投資物業

持作長期租金收益或資本增值或上述兩者的物業分類為投資物業。投資物業包括根據經營租約持有的土地及根據融資租約持有的樓宇。根據經營租約持有的土地於符合投資物業其餘的釋義後分類為投資物業並按其入賬；經營租約則按猶如融資租約的方法入賬。

投資物業最初按其成本(包括相關交易成本)計算。初步確認後，投資物業按公允價值列賬。公允值乃由具足夠經驗的外聘專業估值師每年就投資物業的所在地及類別釐定。於綜合資產負債表確認的賬面值反映結算日的當時市況。

公允值變動或出售投資物業產生的任何損益隨即於綜合收益表內確認。

#### (e) 發展中物業

發展中物業列為流動資產，包括根據經營租約持有的土地(附註(2)(g)(ii))及發展成本總額、物料及供應、工資及其他費用(「發展成本」)。發展成本按成本或可變現淨值(以較低者為準)列賬。其他開支包括：(a)將發展中物業達致其現時所在地及狀況所產生的成本；及(b)就發展物業產生並有系統地分配的固定間接開支。固定間接開支為持續較為穩定的間接成本，不論發展項目的規模或數量。

可變現淨值為日常業務過程中的估計售價減任何估計銷售開支。

發展中物業並無計提折舊。

落成後，物業轉為落成的待售物業或投資物業。



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

for the year ended 31 December 2005

截至二零零五年十二月三十一日止年度



### 2. Principal Accounting Policies (Cont'd)

#### (f) Properties held for sale

Properties held for sale are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less estimated selling expenses.

#### (g) Leases

##### *Operating leases*

- (i) Leases where substantially all the risks and rewards of ownership of assets remain with the lessor are accounted for as operating leases. Annual rentals applicable to such operating leases are charged to the consolidated income statement on a straight line basis over the lease terms except where an alternative basis is more representative of the pattern of benefits to be derived from the leased assets. Lease incentives received are recognised in the consolidated income statement as an integral part of the aggregate net lease payments made. Contingent rentals are charged to the consolidated income statements in the accounting period in which they are incurred.

- (ii) Leasehold interest in land are up-front payments to acquire the land use right. The payments are stated at cost less accumulated amortisation and any impairment losses. Amortisation is calculated on the straight-line basis to write off the up-front payments over the lease terms.

Leasehold interest in land is included in properties held under development and properties held for sale, of which the amortisation of prepaid land lease is capitalised as part of the building costs during the development period but charged to the consolidated income statement for completed properties.

- (iii) Properties leased out under operating leases are included in investment properties in the consolidated balance sheet. The recognition of rental income is set out in note 2(t).

### 2. 主要會計政策 (續)

#### (f) 待售物業

待售物業乃按成本或可變現淨值(以較低者為準)列賬。可變現淨值為日常業務過程中的估計售價減任何估計銷售開支。

#### (g) 租賃

##### *經營租約*

- (i) 凡資產擁有權的所有風險及回報大部份由出租人承擔的租約均屬於經營租約。適用於該等經營租約的每年租金按租期以直線法於綜合收益表內扣除，惟如有其他基準更能準確地反映租賃資產所產生的收益模式除外。經營租約涉及的獎勵金於綜合收益表內確認，作為支付總租金費用淨額的組成部份。或然租金在產生的會計期間內於綜合收益表內扣除。

- (ii) 土地租賃權益指購入土地使用權的首筆支付款項。該等款項乃按成本減累計攤銷及任何減值虧損列賬。首筆支付款項按租期以直線法計算攤銷予以撇銷。

發展中物業及待售物業包括土地租賃權益，當中的預繳土地租賃費攤銷會撥充發展期間的部份樓宇成本，但落成物業會在綜合收益表內扣除。

- (iii) 經營租約項下租出的物業於綜合資產負債表列為投資物業。租金收入的確認方法載於附註2(t)。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

for the year ended 31 December 2005

截至二零零五年十二月三十一日止年度

### 2. Principal Accounting Policies (Cont'd)

#### (h) Inventories

Inventories comprise consumable stores for own consumption which are stated at the weighted average method.

#### (i) Investment in securities

Investment in securities are classified as available-for-sale financial assets and are non-derivative financial instruments. Investment in securities is included in non-current assets unless management intends to dispose the investment within twelve months from the balance sheet date.

Purchase and sales of investments are recognised on trade-date which is the date on which the Group commits to purchase or sell the asset. Investment is initially recognised at fair value plus transaction costs. Investment is derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets are subsequently carried at fair value. Unrealised gains or losses arising from changes in fair value are recognised in equity. When available-for-sale financial assets are sold or impaired, the accumulated fair value adjustments are included in the consolidated income statement as gains and losses from investment.

#### (j) Other receivables and amounts due from related parties

Other receivables and amounts due from related companies are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment. A provision for impairment of receivables is established when there is an objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the write down is the difference between the carrying amount and the present value of expected cash flows, discounted at the effective rate of interest rate.

### 2. 主要會計政策 (續)

#### (h) 存貨

存貨包括供本身消耗的消耗品庫存材料，按加權平均法列賬。

#### (i) 證券投資

分類為可供出售金融資產的投資，並為非衍生金融工具。證券投資列為非流動資產，除非管理人員擬於結算日起計十二個月內出售該投資則另作別論。

購入或出售投資於交易日(本集團承諾購買或出售該項資產當日)確認。投資最初按公允值加交易成本確認。當從投資取得現金流量的權利經已屆滿或被轉讓，而本集團已將擁有權的所有風險及回報大部份轉移時，投資不再予以確認。可供出售金融資產其後按公允值入賬。因公允值變動產生的未變現收益或虧損於權益中確認。當可供銷售金融資產售出或出現減值時，累計公允值調整會計入綜合收益表，作為投資的損益。

#### (j) 其他應收款項及關連人士欠款

其他應收款項及關連公司欠款最初按公允值予以確認，其後以實際利息法按撇銷成本扣除減值撥備計算。應收款項在具有客觀證據，證明本集團將無法收回根據應收款項的原定期限到期的全部款項的情況下，計提減值撥備。撇減的金額為賬面值與預期現金流量按折現實際利率計算後的現值之間的差額。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

for the year ended 31 December 2005

截至二零零五年十二月三十一日止年度



### 2. Principal Accounting Policies (Cont'd)

#### (k) Foreign currencies

##### (i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency.

##### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statement.

##### (iii) Group companies

The results and financial positions of all the group entities (none of which has the currency of a hyperinflationary economy) that have functional currencies different from the presentation currency are translated into the presentation currency as follows:

- (1) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (2) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- (3) goodwill and fair value adjustments arising on the acquisition of a foreign entity have been treated as assets or liabilities of the foreign entity and translated into Hong Kong dollar, at the closing date. All resulting exchange differences are recognised as a separate component of equity.

### 2. 主要會計政策 (續)

#### (k) 外幣

##### (i) 功能及呈列貨幣

本集團每個實體各自之財務報表中所列的項目均按該實體營運所在的主要經濟環境的貨幣(「功能貨幣」)計算；綜合財務報表則以港元(本公司的功能及呈列貨幣)呈列。

##### (ii) 交易及結餘

外幣交易均按交易日期當時的匯率折算為功能貨幣。結算有關交易及以外幣為單位的貨幣資產及負債按年終匯率折算而產生的匯兌損益，於綜合收益表內確認。

##### (iii) 集團公司

功能貨幣與呈列貨幣存在差異的所有集團實體(各實體均無持有極高通脹率經濟地區的貨幣)的業績及財務狀況，乃按下列方式折算為呈列貨幣：

- (1) 每份資產負債表呈列的資產及負債均按結算日的收市匯率折算；
- (2) 每份收益表的收入及開支均按平均匯率折算(除非該平均值並不合理地接近於交易日當時匯率的累積影響；在此情況下，收入及開支於交易日折算)；及
- (3) 收購一家外國實體所產生之商譽及公允值調整已作為外國實體之資產或負債處理，並於截止日期換算為港元。所有產生的匯兌差額確認為權益的獨立成份。



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

for the year ended 31 December 2005

截至二零零五年十二月三十一日止年度

### 2. Principal Accounting Policies (Cont'd)

#### (l) Income tax

Income tax for the year comprises current and deferred tax.

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

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the 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 taxable profits will be available against which the temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

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

Deferred tax assets and liabilities are not discounted. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Most changes in deferred tax is charged or credited to the consolidated income statement. Only changes in deferred tax assets and liabilities that relate to a change in value of assets and liabilities that is charged directly to equity are charged or credited directly to equity.

#### (m) Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand as well as short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities of consolidated balance sheet.

### 2. 主要會計政策 (續)

#### (l) 所得稅

本年度所得稅包括即期及遞延稅項。

即期稅項為按結算日施行的稅率計算本年度應課稅收入的預期應繳稅項，以及過往年度應繳稅項的任何調整。

遞延稅項乃財務報表中資產及負債的賬面值與計算應課稅盈利的相應稅基的差額而預期應繳或可收回的稅項，並以資產負債表負債法入賬。所有應課稅暫時差額一般確認為遞延稅項負債；遞延稅項資產則於有可能取得應課稅盈利及利用暫時差額時確認。倘暫時差額乃基於資產及負債在首次確認時於不影響應課稅盈利及會計盈利的交易而產生，則不會確認有關資產及負債。

遞延稅項資產的賬面值均於每個結算日作審閱，並調減至不再可能有足夠應課稅盈利讓全部或部份資產得以收回。倘有可能獲足夠應課稅盈利，則任何調減均予以撥回。

遞延稅項資產及負債均不會折減至現值。遞延稅項乃按於負債清償或資產變現期間預期適用的稅率計算。遞延稅項的變動多自綜合收益表中扣除或抵免，僅於涉及資產及負債價值變化之有關遞延稅項資產及負債的變動，才直接自權益中扣除或計入。

#### (m) 現金及現金等價物

現金及現金等價物包括銀行結存及手頭現金、原定期日為三個月或以下的短期高流通量投資，以及銀行透支。銀行透支在綜合資產負債表列於流動負債的借貸部份。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

for the year ended 31 December 2005

截至二零零五年十二月三十一日止年度



## 2. Principal Accounting Policies (Cont'd)

### (n) Impairment testing of assets

The Group's property, plant and equipment are subject to impairment testing.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill in particular is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which management controls the related cash flows.

Individual assets or cash-generating units that include goodwill and other intangible assets with an indefinite useful life of those not yet available for use are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value in use, based on an internal discounted cash flow evaluation. Impairment losses recognised for cash-generating units, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the cash generating unit. An impairment loss on goodwill is not reversed in subsequent periods. In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine, the asset's recoverable amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### (o) Provisions

A provision is recognised in the consolidated balance sheet when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

## 2. 主要會計政策 (續)

### (n) 資產的減值測試

本集團的物業、廠房及設備須進行減值測試。

就評估減值而言，資產按可獨立辨認的現金流量的最低水平(現金產生單位)歸類。因此，部份資產個別進行減值測試；部份則以現金產生單位的水平進行測試。商譽特別分配至預期可從相關業務合併的協同效益中帶來獲得利益的現金產生單位，為本集團管理層控制相關現金流量的最低水平。

包括並無限定可使用年期而尚未可供使用商譽及其他無形資產的個別資產或現金產生單位，至少每年進行減值測試一次。其他所有個別資產或現金產生單位，於出現任何事件或情況變動有跡象顯示賬面值可能不可收回時進行減值測試。

資產或現金產生單位的賬面值較其可收回金額超出數額部份須確認減值虧損。可收回金額為反映市況的公允值減出售成本與根據內部折現現金流量評估計算的使用值兩者的較高者。就獲分配商譽的現金產生單位所確認的減值虧損初步計入商譽的賬面值。任何剩餘減值虧損按比例自現金產生單位的其他資產中扣除。商譽減值虧損於其後期間並未撥回。就其他資產而言，若果並無減值虧損曾被確認，減值虧損於用作釐定之資產可收回價值估計(扣除任何折舊或攤銷)出現變動時撥回。

### (o) 撥備

倘本集團因過往事件而現時承擔法律或推定責任，且有可能就履行該責任而須撥出經濟利益，且涉及金額可作可靠估計，則於綜合資產負債表內確認撥備。倘影響屬於嚴重，則按反映市場現時對貨幣時間值及(倘適用)負債特定風險的評估的稅前折現率折現預期未來現金流量釐定撥備。倘本集團預期撥備將予退還，則退還僅於相當肯定的情況下方確認為一項獨立資產。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

for the year ended 31 December 2005

截至二零零五年十二月三十一日止年度

### 2. Principal Accounting Policies (Cont'd)

#### (p) Account and other payables and amounts due to related parties

Liabilities for accounts and other payables and amounts due to related parties are initially carried at fair value, whether or not billed to the Group, and subsequently measured at amortised cost using the effective interest method less settlement payments.

#### (q) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

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

#### (r) Employee benefits

##### (i) Employee leave entitlements

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

Non-accumulating compensated absences are not recognised until the time of leave.

##### (ii) Pension obligations

The Group contributes to a defined contribution retirement benefit scheme ("MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance which are available to its employees in Hong Kong. Contributions to the MPF Scheme by the Group and employees are calculated as percentages of employees' basic salaries. The retirement benefit scheme cost charged to the consolidated income statement represents contributions payable by the Group to the MPF Scheme.

### 2. 主要會計政策 (續)

#### (p) 應付賬款、其他應付款項及結欠關連人士款項

應付賬款、其他應付款項及結欠關連人士款項的負債最初按公允值入賬(不論是否向本集團收取)，其後以實際利息法按攤銷成本減去結算款項計算。

#### (q) 貸款

借貸最初按公允值扣除有關交易成本確認。貸款其後按已攤銷成本列賬；所得款項(扣除交易成本)與贖回價值間的任何差額按借貸年期以實際利息法於收益表內確認。

貸款分類為流動負債，除非本集團有權無條件押後清償負債的期限至結算日後最少十二個月則另作別論。

#### (r) 僱員福利

##### (i) 僱員休假應享權利

僱員應享的年假權利於應計予僱員時確認。因僱員於截至結算日止提供服務而產生的年假的估計負債計提撥備。

非累計補假於支取時確認。

##### (ii) 退休金責任

本集團遵照強制性公積金計劃條例的規定，對可供其香港僱員參與的定額供款退休福利計劃(「強積金計劃」)供款。本集團及各僱員對強積金計劃的供款乃按各僱員底薪百分比計算。自綜合收益表內扣除的退休福利計劃金即本集團對強積金計劃的應繳供款。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

for the year ended 31 December 2005

截至二零零五年十二月三十一日止年度



### 2. Principal Accounting Policies (Cont'd)

#### (r) Employee benefits (Cont'd)

##### (ii) Pension obligations (Cont'd)

Pursuant to the relevant regulations in the People's Republic of China ("PRC"), the Group has participated in a local municipal government retirement benefit scheme (the "Scheme"), whereby the Group is required to contribute a certain percentage of basic salaries of its employees to the Scheme to fund their retirement benefits. The local municipal government undertakes to assume the retirement benefits obligations of all existing and future retired employees of a subsidiary in the PRC. The only obligation of the Group with respect to the Scheme is to pay the ongoing required contributions under the Scheme mentioned above.

The Group's contributions to the retirement benefit schemes are expensed as incurred.

The assets of the MPF Scheme and the Scheme are held separately from those of the Group in independently administered funds.

#### (s) Equity

Share capital is determined using the nominal value shares that have been issued. Any transaction costs associated with the issue of shares are deducted from equity (net of any related income tax benefits) to the extent that they are incidental costs directly attributable to the equity transaction.

Accumulated losses or retained profits include all current and prior period results as determined in the consolidated income statement.

#### (t) Revenue recognition

Revenue arising from sale of properties held for sale are recognised when the significant risks and rewards of ownership of these properties held for sale have been transferred to the purchasers and the Group retains neither continuing involvement to the degree usually associated with ownership nor effective control over properties held for sale. The transfer of risks and rewards of ownership is evidenced by the passing of possession of properties to the buyer when the property hand-over confirmation is executed by the Group and the buyer. Deposits and instalments received from purchasers prior to this stage and pre-sale are included in current liabilities and are not recognised as revenue.

### 2. 主要會計政策 (續)

#### (r) 僱員福利 (續)

##### (ii) 退休金責任 (續)

根據中華人民共和國(「中國」)相關規例，本集團已參與一項地方政府退休福利計劃(「該計劃」)；據此，本集團須對該計劃就其僱員底薪作出若干百分比的供款，以作為彼等的退休福利基金。該地方政府承諾對中國一間附屬公司旗下全部現有及未來退休僱員承擔退休福利責任。本集團對該計劃的唯一責任，為按上述該計劃規定持續供款。

本集團對退休福利計劃的供款於產生時支銷。

強積金計劃及該計劃的資產與本集團獨立管理基金中的資產分開持有。

#### (s) 權益

股本按已發行股份面值釐定。與發行股份有關之任何交易成本自股本(扣除任何有關之所得稅利益)中扣除，直至達致股權交易直接應佔之雜項成本為止。

累計虧損或保留盈利包括於綜合收益表釐定的全部本期及上期業績。

#### (t) 收益確認

銷售待售物業產生的收益，於該等待售物業擁有權的風險及回報經已大部份轉移至買家，而本集團不再繼續涉及一般與待售物業有關的擁有權，亦不再對待售物業具有實際控制權時確認。當本集團與買家簽立物業轉手確認書時將物業的管有權轉交買家，即屬轉移擁有權的風險及回報的憑證。於此階段及預售前向買家收取的訂金及分期款項列為流動負債，且不會確認為收益。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

for the year ended 31 December 2005

截至二零零五年十二月三十一日止年度

### 2. Principal Accounting Policies (Cont'd)

#### (t) Revenue recognition (Cont'd)

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

Management fee income and handling fee income are recognised as revenue when the agreed services are provided.

Dividend income is recognised when a subsidiary's right as a shareholder to receive payment is established.

Interest income is recognised on a time proportion basis.

#### (u) Borrowing costs

All borrowing costs are expensed as incurred.

### 3. Critical Accounting Estimates and Judgements

Estimates and judgements are continually evaluated and are based on historical experience as adjusted for current market conditions and other factors.

#### (a) Critical accounting estimates and assumptions

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

##### (i) Investment properties

The investment properties of the Group were stated at fair value in accordance with the accounting policy stated in note 2(d). The fair value of the investment properties are determined by a firm of independently qualified professional surveyors and the fair value of investment properties as at respective year end are set out in note 13. Such valuations were based on certain assumptions, which are subject to uncertainty and might materially differ from the actual results.

### 2. 主要會計政策 (續)

#### (t) 收益確認 (續)

經營租約項下的應收租金收入，按租期涵蓋的會計期間以平均分期款項於綜合收益表內確認，惟如有其他基準更能準確地反映租賃資產所產生的收益模式則除外。經營租約涉及的獎勵金於綜合收益表內確認，作為支付總租金費用淨額的組成部份。或然租金在會計期間賺取時確認為收入。

管理費收入及手續費收入於提供協定服務時確認為收益。

股息收入於一間附屬公司作為股東收取派付款項的權利獲確立時確認。

利息收入按時間比例確認。

#### (u) 貸款成本

所有貸款成本均於產生時支銷。

### 3. 重要會計估計及判斷

估計及判斷須持續進行評估，並根據過往經驗因應現行市況及其他因素作出調整。

#### (a) 重要會計估計及假設

本集團就未來作出估計及假設。從推算所得的會計估計通常有別於相關實際結果。以下論述有關導致資產及負債的賬面值於下個財政年度出現重大調整的重大風險估計及假設：

##### (i) 投資物業

本集團的投資物業乃根據附註2(d)所列的會計政策按公允值列賬。投資物業的公允值經由一間獨立合資格專業測量師行釐定，有關投資物業於各年度結算日的公允值載於附註13。有關估值乃根據若干假設釐定，惟受不確定因素所限，並可能與實際結果出現重大差異。



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

for the year ended 31 December 2005

截至二零零五年十二月三十一日止年度



### 3. Critical Accounting Estimates and Judgements (Cont'd)

#### (a) Critical accounting estimates and assumptions (Cont'd)

##### (i) Investment properties (Cont'd)

In making the judgement, consideration has been given to assumptions that are mainly based on market conditions existing at the balance sheet dates and appropriate capitalisation rates. These estimates are regularly compared to actual market data and actual transactions entered into by the Group.

##### (ii) Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provision in the period in which such determination is made.

#### (b) Critical judgements in applying the entity's accounting policies

##### Revenue recognition

The Group has recognised revenue from sale of properties held for sale and investment properties during the year as disclosed in note 4. The assessment of when an entity has transferred the significant risks and rewards of ownership to a buyer requires examination of the circumstances of the transaction. In most cases, the transfer of risks and rewards of ownership coincides with the transfer of the legal title or the passing of possession to the buyer. The Group believes that its recognition basis of sales as set out in note 2(t) is appropriate and is in line with the current practice adopted in the PRC.

### 3. 重要會計估計及判斷 (續)

#### (a) 重要會計估計及假設 (續)

##### (i) 投資物業 (續)

於作出判斷時，已考慮到主要根據於結算日當時市況及合適的資本化比率釐定的假設。有關估計會定期與實際市場數據及本集團訂立的實際交易比較。

##### (ii) 所得稅

本集團須於多個司法權區繳納所得稅。於釐定所得稅撥備時須作出重大判斷。於日常業務過程中涉及許多未能確定的最終稅項交易及計算。本集團按會否有到期額外稅項的估計確認預期稅務負債。倘該等事項的最終稅務結果與最初記錄的金額有別，則有關差別將影響作出釐定的期間內的所得稅及遞延稅項撥備。

#### (b) 應用實體會計政策的重要判斷

##### 收益確認

本集團已確認來自本年度銷售待售物業及投資物業的收益，並於附註4披露。在實體已將擁有權的風險及回報大部份轉移予買家的情況下，評估時須對交易情況進行審查。在許多情況下，轉移擁有權的風險及回報的同時亦向買家轉交法定所有權或移交管有權。本集團相信，其銷售確認基準(見附註2(t))乃屬適當，並符合中國現時採納的常規。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

for the year ended 31 December 2005

截至二零零五年十二月三十一日止年度

### 4. Revenue and Other Income

Revenue, which is also the Group's turnover, other revenue and other income recognised during the year are as follows:

		2005 HK\$'000 千港元	2004 HK\$'000 千港元
<b>Revenue</b>	<b>收益</b>		
<u>Turnover</u>	<u>營業額</u>		
Proceeds from sale of	出售所得款項		
— properties held for sale	— 待售物業	141,749	170,211
— investment properties	— 投資物業	—	18,471
Rental income	租金收入	1,724	2,241
Management fee income	管理費收入	5,319	5,483
		<b>148,792</b>	<b>196,406</b>
<u>Other revenue</u>	<u>其他收益</u>		
Club house income	會所收入	101	1,150
Laundry service income	洗衣服務收入	196	154
		<b>297</b>	<b>1,304</b>
		<b>149,089</b>	<b>197,710</b>
<b>Other income</b>	<b>其他收入</b>		
Handling fee income	手續費收入	—	318
Interest income	利息收入	704	224
Write back of accounts payable	撥回應付賬款	5,147	—
Exchange gain	匯兌收益	592	270
Others	其他	259	360
		<b>6,702</b>	<b>1,172</b>

### 4. 收益及其他收入

收益亦為本集團於本年度確認的營業額、其他收益及其他收入如下：

### 5. Segment Information

Property development and investment is the only business segment of the Group throughout the year. No geographical segment analysis is presented as less than 10% of the Group's revenue and contribution to operating profit is attributable to customers located outside the PRC for the year. Accordingly, no separate business and geographical segment information is prepared.

### 5. 分類資料

物業發展及投資乃本集團於本年度的唯一業務分類。由於本集團本年度少於10%的收益及經營盈利貢獻來自中國以外客戶，故並無呈列地域分類分析。因此，並無編製任何獨立業務及地域分類資料。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註



for the year ended 31 December 2005

截至二零零五年十二月三十一日止年度

### 6. Profit Before Taxation

### 6. 除稅前盈利

		2005 HK\$'000 千港元	2004 HK\$'000 千港元
Profit before taxation is arrived at after charging:	除稅前盈利乃經扣除下列各項：		
Cost of properties held for sale recognised as expense	確認為開支的待售物業成本	65,578	115,909
Depreciation of property, plant and equipment	物業、廠房及設備折舊	971	1,139
Less: amount capitalised in properties held under development	減：撥充發展中物業資本的數額	(360)	(254)
		611	885
Outgoings in respect of investment properties	有關投資物業的開支	505	387
Operating lease charges in respect of land and buildings	有關土地及樓宇的經營租約費用	920	309
Loss on disposal of property, plant and equipment	出售物業、廠房及設備的虧損	116	654
Auditors' remuneration	核數師酬金	719	65
Staff costs, including directors' emoluments (note 30(a)) and retirement benefits cost	員工成本(包括董事酬金(附註30(a))及退休福利金)	6,435	4,128
Less: amount capitalised in properties held under development	減：撥充發展中物業資本的數額	(1,049)	(430)
		5,386	3,698
Amount recognised as expense for retirement benefits cost	就退休福利金確認為開支的數額	573	554
and crediting:	並經計入：		
Rental income less outgoings	租金收入減開支	1,219	1,854
Exchange gain	匯兌收益	592	270
Gain on disposal of investment properties included in gross profit	出售投資物業並計入毛利的收益	—	2,270

### 7. Finance Costs

### 7. 融資成本

		2005 HK\$'000 千港元	2004 HK\$'000 千港元
Interest charges on:	利息費用：		
Bank loans wholly repayable within five years	須於五年內悉數償還的銀行貸款	1,933	—
Bank overdraft	銀行透支	1,084	—
Loan from a related company	一家關連公司貸款	202	—
		3,219	—

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

for the year ended 31 December 2005

截至二零零五年十二月三十一日止年度

### 8. Taxation

### 8. 稅項

		2005 HK\$'000 千港元	2004 HK\$'000 千港元
<b>Income tax</b>	<b>所得稅</b>		
— PRC, current	— 中國，即期稅項	21,034	16,195
<b>Deferred tax (note 24)</b>	<b>遞延稅項 (附註24)</b>		
— PRC	— 中國	5,052	—
Total tax expenses	稅項開支總額	<b>26,086</b>	<b>16,195</b>

No Hong Kong profits tax has been provided as the Group had no estimated assessable profit for the year (2004: Nil).

由於本集團於本年度並無任何估計應課稅盈利，故此並無就任何香港利得稅撥提準備(二零零四年：無)。

The PRC income tax is computed according to the relevant laws and regulations in the PRC. The applicable income tax rate was 33% for the year (2004: 33%). Hong Kong profits tax is computed at the rate of 17.5% (2004: 17.5%) on the profit for the year. Reconciliation between tax expense and accounting profit at applicable tax rates:

中國所得稅乃根據中國相關法規計算。本年度的適用所得稅稅率為33%(二零零四年：33%)。香港利得稅乃按稅率17.5%(二零零四年：17.5%)就年度盈利計算。按適用稅率計算的稅項開支與會計盈利的對賬如下：

		2005 HK\$'000 千港元	2004 HK\$'000 千港元
Profit before taxation	除稅前盈利	84,998	49,270
Tax on profit before tax, calculated at the rates applicable to profits in the tax jurisdiction concerned	按有關稅收管轄區內對盈利適用的稅率計算除稅前盈利的稅項	28,000	16,360
Tax effect of non-deductible expenses	不可扣稅開支的稅務影響	1,177	66
Tax effect of non-taxable revenue	毋須課稅收益的稅務影響	(2,449)	(14)
Tax effect of temporary differences not recognised	未確認暫時差額的稅務影響	(642)	(299)
Under provision in prior years	過往年度撥備不足	—	82
Total taxation	稅項總額	<b>26,086</b>	<b>16,195</b>

No deferred tax has been provided as there was no material temporary difference for the year (2004: Nil). The amounts of the deferred tax charge not recognised during the year are as follows:

由於年內並無重大暫時差額(二零零四年：無)，故並無計提遞延稅項。本年度未確認遞延稅項支出的數額如下：

		2005 HK\$'000 千港元	2004 HK\$'000 千港元
Tax effect of temporary differences attributable to fair value adjustments net of tax losses not recognised	因公允價值調整產生的暫時差額的稅務影響(扣除未確認稅項虧損)	642	400

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註



for the year ended 31 December 2005

截至二零零五年十二月三十一日止年度

### 9. Dividends

Dividends attributable to the year:

Proposed final dividend of HK1.8 cents per share (2004: Nil)      擬派末期股息每股1.8港仙 (二零零四年：無)

The final dividend proposed after the balance sheet date has not been recognised as a liability at the balance sheet date, but reflected as an appropriation of retained profits for the year ended 31 December 2005.

### 10. Earnings per Share

The calculation of basic earnings per share is based on the profit attributable to equity holders of the Company of approximately HK\$55,934,000 (2004: HK\$31,389,000) and on 227,828,791 (2004: 500) ordinary shares in issue during the year, as adjusted to reflect the shares issued for the Reorganisation and capitalisation issue as described in note 25.

Diluted earnings per share for the year was not presented as there were no dilutive potential shares.

### 11. Goodwill

The goodwill at 31 December 2005 comprises mainly goodwill arising from the acquisition of New Heritage Investments Limited ("NH Investments") of approximately HK\$33,672,000. Based on the directors' assessment of the recoverable amount of the goodwill using the value-in-use calculations, covering cash-flow projections discounted at bank deposit rate, which assume that there are no material adverse changes in the underlying hotel and property operations of the associate held by NH Investments, no impairment provision is considered necessary.

### 9. 股息

本年度應佔股息：

2005 HK\$'000 千港元	2004 HK\$'000 千港元
<b>11,526</b>	—

結算日後的擬派末期股息並未於結算日確認為負債，但已列作截至二零零五年十二月三十一日止年度的保留盈利分派。

### 10. 每股盈利

每股盈利乃按本公司權益持有人應佔盈利約55,934,000港元(二零零四年：31,389,000港元)及年內已發行普通股227,828,791股(二零零四年：500股)(如附註25所述，經調整以反映為重組及資本化發行而發行的股份)計算。

由於並無潛在攤薄股份，本年度並無呈列每股攤薄盈利。

### 11. 商譽

		2005 HK\$'000 千港元	2004 HK\$'000 千港元
<b>Gross amount</b>	<b>總額</b>		
Balance at the 1 January	於一月一日結餘	—	—
Goodwill arise on acquisition of certain subsidiaries (note 31(a))	因收購若干附屬公司而產生的商譽 (附註31(a))	<b>37,048</b>	—
Balance at 31 December	於十二月三十一日結餘	<b>37,048</b>	—

於二零零五年十二月三十一日的商譽主要包括收購新繼企業有限公司(「新繼企業」)產生的商譽約33,672,000港元。根據董事以(包含以銀行存款利率折現的現金流預測法)使用價值計算評估商譽的可收回價值，假設新繼企業持有的聯營公司之相關酒店及物業業務並無重大不利轉變，認為毋需計提減值撥備。



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

for the year ended 31 December 2005

截至二零零五年十二月三十一日止年度

### 12. Property, Plant and Equipment

### 12. 物業、廠房及設備

		Buildings	Leasehold improvements	Motor vehicles	Operating and office equipment	Furniture and fixtures	Total
		樓宇	租賃物業裝修	汽車	營業及辦公室設備	傢俬及裝置	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
<b>At 1 January 2004</b>	<b>於二零零四年一月一日</b>						
Cost	成本	12,116	579	1,486	23,850	1,164	39,195
Accumulated depreciation	累計折舊	(1,997)	(387)	(1,486)	(21,385)	(637)	(25,892)
Net book amount	賬面淨額	10,119	192	—	2,465	527	13,303
<b>Net book value</b>	<b>賬面淨值</b>						
At 1 January 2004	於二零零四年一月一日	10,119	192	—	2,465	527	13,303
Additions	添置	—	—	166	203	6	375
Disposals	出售	—	—	—	(372)	(319)	(691)
Depreciation	折舊	(242)	(48)	—	(780)	(69)	(1,139)
At 31 December 2004	於二零零四年十二月三十一日	9,877	144	166	1,516	145	11,848
<b>At 31 December 2004</b>	<b>於二零零四年十二月三十一日</b>						
Cost	成本	12,116	579	1,517	20,740	463	35,415
Accumulated depreciation	累計折舊	(2,239)	(435)	(1,351)	(19,224)	(318)	(23,567)
Net book amount	賬面淨額	9,877	144	166	1,516	145	11,848
<b>Net book value</b>	<b>賬面淨值</b>						
At 1 January 2005	於二零零五年一月一日	9,877	144	166	1,516	145	11,848
Acquisition of subsidiaries (note 31(a))	收購附屬公司 (附註31(a))	—	—	513	22	370	905
Additions	添置	—	878	15	1,434	128	2,455
Disposals	出售	—	—	—	(235)	(125)	(360)
Depreciation	折舊	(247)	(224)	(107)	(271)	(122)	(971)
Exchange differences	匯兌差額	190	2	4	30	3	229
At 31 December 2005	於二零零五年十二月三十一日	9,820	800	591	2,496	399	14,106
<b>At 31 December 2005</b>	<b>於二零零五年十二月三十一日</b>						
Cost	成本	12,349	1,462	2,084	20,344	665	36,904
Accumulated depreciation	累計折舊	(2,529)	(662)	(1,493)	(17,848)	(266)	(22,798)
Net book amount	賬面淨額	9,820	800	591	2,496	399	14,106

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註



for the year ended 31 December 2005

截至二零零五年十二月三十一日止年度

### 12. Property, Plant and Equipment (Cont'd)

Depreciation expenses have been included in:

		2005 HK\$'000 千港元	2004 HK\$'000 千港元
Consolidated balance sheet	綜合資產負債表		
— capitalised in properties under development	— 撥充發展中物業資本	360	254
Consolidated income statement	綜合收益表		
— cost of sales	— 銷售成本	49	113
— administrative expense	— 行政開支	474	471
— selling expense	— 銷售開支	88	301
		<b>971</b>	<b>1,139</b>

### 12. 物業、廠房及設備 (續)

折舊開支包括在下列各項：

### 13. Investment Properties

		2005 HK\$'000 千港元	2004 HK\$'000 千港元
Carrying amount at 1 January	於一月一日賬面值	78,722	87,198
Additions (note 16)	添置 (附註16)	17,384	—
Fair value adjustments	公允值調整	21,105	7,725
Disposals	出售	—	(16,201)
Written off	撤銷	(3,774)	—
Transfer to properties held under development	轉撥至發展中物業	(4,717)	—
Exchange differences	匯兌差額	1,353	—
Carrying amount at 31 December	於十二月三十一日賬面值	<b>110,073</b>	<b>78,722</b>

At 31 December 2005, certain investment properties of approximately HK\$69,231,000 (2004: Nil) was pledged to secure certain bank loans granted to the Group (note 23(b)).

Investment properties included leasehold interest in land located in the PRC with lease terms expiring from 2061 to 2065.

The fair value of the investment properties 31 December 2005 were based on the valuation performed by DTZ Debenham Tie Leung Limited, a firm of independent qualified professional surveyors. Valuations were based on the properties' open market value on 31 December 2005. The properties have been valued by direct comparison method by making reference to comparable sales evidence as available in the relevant market and where appropriate, by capitalising the net rental income derived from the existing tenancies with due allowance for the reversionary potential of the respective properties as at the reporting date.

於二零零五年十二月三十一日，為數約 69,231,000 港元 (二零零四年：無) 的若干投資物業已予抵押，以擔保本集團獲授的若干銀行貸款 (附註23(b))。

投資物業包括位於中國的土地租賃權益，租賃期由二零六一年起至二零六五年屆滿。

該等投資物業於二零零五年十二月三十一日的公允值仍依據獨立合資格專業測量師戴德梁行有限公司所進行的評估。估值乃根據物業於二零零五年十二月三十一日的公開市值釐定。該等物業乃經參照於報告日期在相關市場上可資比較的銷售案例以直接比較法進行估值，並於適當時資本化源自現有租約的租金收入淨額及就有關物業的潛在逆轉作充份撥備。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

for the year ended 31 December 2005

截至二零零五年十二月三十一日止年度

### 13. Investment Properties (Cont'd)

During the year, an investment property located in the PRC was re-developed by the Group for sale. The underlying buildings of approximately HK\$3,774,000 was written off to the consolidated income statement at the commencement of re-development. The leasehold interest in land of approximately HK\$4,717,000 was reclassified to properties held under development as prepaid operating leases payment under current assets during the development period and charged to income statement as cost of sale upon sale.

### 13. 投資物業 (續)

年內，本集團重新發展中國一項投資物業以供出售。為數約3,774,000港元的相關樓宇已於重新發展開始施工時在綜合收益表中撇銷。於發展期間，土地租賃權益約4,717,000港元已重新分類為發展中物業，作為流動資產項下的預付經營租金費用，並在收益表列為銷售時的銷售成本。

### 14. Investment

#### (a) Investment in securities

		2005 HK\$'000 千港元	2004 HK\$'000 千港元
Unlisted, in the PRC, at fair value	非上市，於中國，按公允值	—	156

### 14. 投資

#### (a) 證券投資

#### (b) Investment in subsidiaries

		2005 HK\$'000 千港元	2004 HK\$'000 千港元
Unlisted, at cost	非上市，按成本值	109,767	—

#### (b) 於附屬公司的投資

The balances with subsidiaries are unsecured, interest-free and are repayable on demand.

附屬公司的結餘乃無抵押、免息及即時償還。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

for the year ended 31 December 2005

截至二零零五年十二月三十一日止年度



### 14. Investment (Cont'd)

#### (b) Investment in subsidiaries (Cont'd)

As at 31 December 2005, the Company had direct and indirect interests in the following subsidiaries, each of which is a limited liability company:

Company name 公司名稱	Place of incorporation 註冊成立地點	Issued and fully paid ordinary share capital/registered capital 已發行及繳足普通股股本/註冊資本	Attributable equity interest		Principal activities (Place of operations) 主要業務(營業地點)
			Directly 直接	Indirectly 間接	
New Heritage Corporation Limited (“NH Corporation”) 新澤企業有限公司 (「新澤企業」)	British Virgin Islands (“BVI”) 英屬維爾京群島	347 shares of US\$1 each	100%	—	Investment holding 投資控股
Accordcity Limited (“Accordcity”) Accordcity Limited (「Accordcity」)	BVI 英屬維爾京群島	102 shares of US\$1 each 102股每股面值1美元	—	100%	Investment holding 投資控股
New Heritage Development Limited (“NH Development”) 新繼發展有限公司 (「新繼發展」)	Hong Kong 香港	156 shares of HK\$1 each 156股每股面值1港元	—	100%	Investment holding 投資控股
NH Investments* 新繼企業*	Hong Kong 香港	6,260,000 shares of HK\$10 each 6,260,000股每股面值10港元	—	100%	Investment holding 投資控股
New Heritage Group Limited* 新澤集團有限公司*	BVI 英屬維爾京群島	2 shares of US\$1 each 2股每股面值1美元	—	100%	Investment holding 投資控股
New Heritage (IP) Limited* 新澤(產業)有限公司*	BVI 英屬維爾京群島	1 share of US\$1 each 1股每股面值1美元	—	100%	Holding of trademark of the Group 持有本集團商標
New Heritage Land Limited* 新澤地產有限公司*	Hong Kong 香港	1 share of HK\$1 each 1股每股面值1港元	—	100%	Investment holding 投資控股

### 14. 投資 (續)

#### (b) 於附屬公司的投資 (續)

於二零零五年十二月三十一日，本公司於下列附屬公司(均為有限公司)中直接及間接擁有權益：

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

for the year ended 31 December 2005

截至二零零五年十二月三十一日止年度

### 14. Investment (Cont'd)

### 14. 投資 (續)

#### (b) Investment in subsidiaries (Cont'd)

#### (b) 於附屬公司的投資 (續)

Company name 公司名稱	Place of incorporation 註冊成立地點	Issued and fully paid ordinary share capital/registered capital 已發行及繳足普通股股本/註冊資本	Attributable equity interest		Principal activities (Place of operations) 主要業務(營業地點)
			Directly 直接	Indirectly 間接	
New Heritage Management Limited*	Hong Kong	1 share of HK\$1 each	—	100%	Administration vehicle of the Group (Hong Kong)
新澤管理有限公司*	香港	1股每股面值1港元	—	100%	處理本集團行政工作(香港)
New Heritage Properties Limited*	Hong Kong	1 share of HK\$1 each	—	100%	Investment holding
新澤物業有限公司*	香港	1股每股面值1港元	—	100%	投資控股
Suzhou Garden Villa Development & Management Co., Ltd.	PRC	US\$12,150,000	—	100%	Properties development and investment (PRC)
蘇州錦華苑建設發展管理有限公司	中國	12,150,000美元	—	100%	物業發展及投資(中國)
蘇州新繼規劃設計諮詢顧問有限公司*	PRC	US\$100,000	—	100%	Property development and consultative service (PRC)
蘇州新繼規劃設計諮詢顧問有限公司*	中國	100,000美元	—	100%	物業發展及諮詢服務(中國)
World Margin Limited ("WML")*	Hong Kong	800,000 shares of HK\$1 each	—	100%	Treasury vehicle of the Group (Hong Kong)
世謙有限公司(「世謙」)*	香港	800,000股每股面值1港元	—	100%	處理本集團的財資工作(香港)

\* These subsidiaries were acquired by the Group on 28 June 2005.

\* These subsidiaries were acquired by the Group on 13 July 2005 (note 25(d) and (e)).

\* 該等附屬公司於二零零五年六月二十八日由本集團收購。

\* 該等附屬公司於二零零五年七月十三日由本集團收購(附註25(d)及(e))。



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註



for the year ended 31 December 2005

截至二零零五年十二月三十一日止年度

### 15. Interest in an Associate

### 15. 於一家聯營公司的權益

		Notes	2005 HK\$'000 千港元	2004 HK\$'000 千港元
		附註		
Share of net assets	應佔淨資產	(a)	87,768	—
Amount due to an associate	結欠一家聯營公司的款項	(b)	(8)	—
			87,760	—

(a) Movement of share of net assets for the year is as follows:

(a) 年內應佔淨資產變動如下：

		2005 HK\$'000 千港元	2004 HK\$'000 千港元
At 1 January	於一月一日	—	—
Acquisition of associate during the year	年內收購聯營公司	80,170	—
Share of associate results for the year	應佔聯營公司年度業績	8,018	—
Other equity movements	其他股本變動	(420)	—
		87,768	—

Particulars of the associate as at 31 December 2005 are as follows:

於二零零五年十二月三十一日聯營公司的詳情如下：

Name 名稱	Place of incorporation and operation 註冊及營業地點	Percentage of interest held 所持權益 (%)	Principal activity 主要業務
Beijing Landmark Towers Co., Ltd.	PRC	30.05%	Hotel ownership and property investment
北京亮馬河大廈有限公司	中國	30.05%	擁有酒店及物業投資

(b) The amount due is unsecured, interest free and not repayable within twelve months from the balance sheet date.

(b) 結欠款項為無擔保、免息，自結算日起計十二個月內毋須償還。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

for the year ended 31 December 2005

截至二零零五年十二月三十一日止年度

### 15. Interest in an Associate (Cont'd)

#### (c) Information on the associate

Summary of the financial information of Beijing Landmark Towers Co., Ltd. for the year ended 31 December 2005 are as follows:

		2005 HK\$'000 千港元
Revenue	收入	216,044
Profit after taxation	稅後盈利	51,854
Non-current assets	非流動資產	495,330
Current assets	流動資產	18,716
Current liabilities	流動負債	181,901
Non-current liabilities	非流動負債	40,070

### 16. Properties Held under Development

		2005 HK\$'000 千港元	2004 HK\$'000 千港元
Carrying amount at 1 January	於一月一日賬面值	60,943	107,141
Additions	添置	63,777	83,471
Transfer to properties held for sale	轉撥至待售物業	(56,502)	(129,669)
Transfer to investment properties	轉撥至投資物業	(17,384)	—
Exchange differences	匯兌差額	860	—
Carrying amount at 31 December	於十二月三十一日賬面值	51,694	60,943

The Group made up-front payments for operating leases to a minority shareholder, 蘇州新區經濟發展集團總公司 (Suzhou New District Development Company), to acquire the right to use certain leasehold interests in land located in the PRC with lease terms expiring from 2061 to 2075. The payment made by the Group for the year amounted to approximately HK\$5,016,000.

As at 31 December 2005, the carrying value of the operating lease up-front payment amounted to HK\$3,131,000 (2004: HK\$5,807,000).

At 31 December 2005, certain leasehold interests in land of HK\$3,131,000 was pledged against certain bank loans granted to the Group (note 23 (b)).

### 15. 於聯營公司的權益 (續)

#### (c) 聯營公司資料

北京亮馬河大廈有限公司於截至二零零五年十二月三十一日止年度的財務資料概述如下：

### 16. 發展中物業

本集團已向少數股東蘇州新區經濟發展集團總公司支付經營租約的首筆支付款項，以取得中國若干土地租賃權益的使用權，租期由二零六年開始至二零七年屆滿。本集團於該年度作出之付款約為5,016,000港元。

於二零零五年十二月三十一日，經營租約的首筆支付款項的賬面值為3,131,000港元(二零零四年：5,807,000港元)。

於二零零五年十二月三十一日，為數3,131,000港元的若干土地租賃權益已就本集團獲授的若干銀行貸款予以抵押(附註23(b))。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註



for the year ended 31 December 2005

截至二零零五年十二月三十一日止年度

### 17. Properties Held for Sale

Properties held for sale included leasehold interest in land located in the PRC with lease terms expiring from 2061 to 2065.

As at 31 December 2005, the carrying values of the operating lease up-front payment amounted to HK\$322,000 (2004: HK\$1,186,000).

### 18. Inventories

Inventories represented low value consumables carried at cost.

### 19. Deposits Paid, Prepayments and Other Receivables

### 17. 待售物業

待售物業包括位於中國的土地租賃權益，租賃期由二零六一年起至二零六五年屆滿。

於二零零五年十二月三十一日，經營租約首筆支付款項的賬面值為322,000港元（二零零四年：1,186,000港元）。

### 18. 存貨

存貨指按成本值入賬的低值易耗品。

### 19. 已付按金、預付款項及其他應收款項

		2005 HK\$'000 千港元	2004 HK\$'000 千港元
Deposits and prepayments	按金及預付款項	33,448	9,708
Other receivables	其他應收款項	4,339	3,091
		<b>37,787</b>	<b>12,799</b>

### 20. Amounts due from/to Related Parties

### 20. 關連人士欠款／結欠關連人士款項

		Notes 附註	2005 HK\$'000 千港元	2004 HK\$'000 千港元
Amount due from a director	一名董事欠款	(a)	2,725	2,782
Amounts due from related companies	關連公司欠款	(b)	—	368
Amount due from a close family member of the directors	董事一名近親欠款	(c)	—	100
			<b>2,725</b>	<b>3,250</b>
Amount due to a director	結欠一名董事款項		—	232
Amounts due to related companies	結欠關連公司款項	(d)	—	7,516
Amount due to a close family member of the directors	結欠董事一名近親款項	(e)	—	602
			<b>—</b>	<b>8,350</b>

The amounts due were unsecured, interest free and were repayable on demand.

該等款項為無抵押及免息，須即時償還。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

for the year ended 31 December 2005

截至二零零五年十二月三十一日止年度

### 20. Amounts due from/to Related Parties (Cont'd)

#### (a) Amount due from a director

Further details of amount due from a director, Mr. Taochaifu Choofuang ("Mr. CF Tao"), disclosed pursuant to section 161B of the Hong Kong Companies Ordinance are as follows:

		2005 HK\$'000 千港元	2004 HK\$'000 千港元
Balance at 1 January	於一月一日結餘	2,782	2,282
Maximum amount outstanding during the year	年內尚未償還最高額	2,782	2,782
Provision	撥備	—	—

#### (b) Amounts due from related companies

		Notes 附註	2005 HK\$'000 千港元	2004 HK\$'000 千港元
Clark Hatch Fitness Centres (Shanghai) Limited ("Clark Hatch")	上海克拉克海奇健身有限公司 ("克拉克海奇")	(i)	—	359
Eastside Properties Limited ("Eastside")	東方物業有限公司 ("東方物業")	(ii)	—	9
			—	368

(i) Mr. Taochaifu Porn ("Mr. Paul Tao") and Mr. CF Tao have beneficial interests in this company.

(ii) Mr. CF Tao's wife is a director of this company.

#### (c) Amount due from a close family member of the directors

		2005 HK\$'000 千港元	2004 HK\$'000 千港元
Hon Hing Tong, Patricia	韓慶棠	—	100

Ms. Hon Hing Tong, Patricia is the wife of Mr. Paul Tao.

### 20. 關連人士欠款／結欠關連人士款項 (續)

#### (a) 一名董事欠款

根據香港公司條例第161B條所披露，董事陶哲甫先生（「陶哲甫先生」）欠款的進一步詳情如下：

#### (b) 關連公司欠款

(i) 陶錫祺先生（「陶錫祺先生」）及陶哲甫先生於該公司中擁有實益權益。

(ii) 陶哲甫先生的妻子為該公司的董事

#### (c) 董事一名近親欠款

韓慶棠女士乃陶錫祺先生的妻子。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註



for the year ended 31 December 2005

截至二零零五年十二月三十一日止年度

### 20. Amounts due from/to Related Parties (Cont'd)

#### (d) Amounts due to related companies

		Notes 附註	2005 HK\$'000 千港元	2004 HK\$'000 千港元
WML	世謙	(i)	—	7,445
Cosmopolitan Group Limited	Cosmopolitan Group Limited	(ii)	—	20
Lakeside Consultants Limited ("Lakeside")	湖濱諮詢有限公司(「湖濱」)	(iii)	—	18
Lanick Group Limited ("Lanick")	朗利集團有限公司(「朗利」)	(iv)	—	33
			<u>—</u>	<u>7,516</u>

(i) Mr. CF Tao has beneficial interest in this company prior to the acquisition of 100% equity interest by the Group on 13 July 2005.

(ii) Ms. Miriam Tao, the daughter of Mr. CF Tao, is a director of this company.

(iii) Mr. Tao Richard ("Mr. Richard Tao") is a director of this company.

(iv) Mr. Paul Tao is a director of this company.

#### (e) Amount due to a close family member of the directors

		Notes 附註	2005 HK\$'000 千港元	2004 HK\$'000 千港元
Ms. Miriam Tao	陶蘊怡女士	20(d)(ii)	—	602

### 20. 關連人士欠款／結欠關連人士款項 (續)

#### (d) 結欠關連公司款項

(i) 陶哲甫先生在本集團於二零零五年七月十三日收購該公司100%權益之前，於該公司擁有實益權益。

(ii) 陶哲甫先生的女兒陶蘊怡女士為該公司董事。

(iii) 陶家祈先生(「陶家祈先生」)為該公司董事。

(iv) 陶錫祺先生為該公司董事。

#### (e) 結欠董事一名近親款項

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

for the year ended 31 December 2005

截至二零零五年十二月三十一日止年度

### 21. Accounts Payable

The aging analysis of the accounts payable are as follows:

		Notes 附註	2005 HK\$'000 千港元	2004 HK\$'000 千港元
Below 30 days	30天以內		964	8,124
30 -60 days	30-60天		220	221
61-90 days	61-90天		139	81
91-365 days	91-365天		375	235
Over 365 days	365天以上		170	4,639
Construction payables	應付建築款項	(a)	1,868	13,300
Accrued construction cost and other project-related expenses	應計建築成本及其他項目相關開支	(b)	4,879	31,420
			<b>6,747</b>	<b>44,720</b>

- (a) Construction payables comprise constructions and other project-related expenses payable which are billed by the constructors according to the terms of the relevant agreements and project progress.
- (b) Included in the above amounts are construction cost and other project-related expense payable amounted to approximately HK\$4,879,000 at 31 December 2005 which was accrued based on the terms of the relevant agreements and project progress and were not due for payment at 31 December 2005 (2004: HK\$31,420,000).

### 21. 應付賬款

應付賬款的賬齡分析如下：

- (a) 應付建築款項包括建築商根據相關協議的條款及項目進度要求付賬的應付建築及其他項目相關開支。
- (b) 上述款項包括於二零零五年十二月三十一日應付建築成本及其他項目相關開支約4,879,000港元，為根據相關協議的條款及項目進度累算，於二零零五年十二月三十一日尚未到期支付(二零零四年：31,420,000港元)。

### 22. Accruals, Deposits Received and Other Payables

		Notes 附註	2005 HK\$'000 千港元	2004 HK\$'000 千港元
Receipt in advance	預收款項	(a)	194	43,803
Accruals and other payables	應計費用及其他應付款項		21,464	13,253
			<b>21,658</b>	<b>57,056</b>

- (a) Included in the receipt in advance as at 31 December 2004, amounts of HK\$4,773,000, HK\$2,894,000 and HK\$4,003,000 were paid by related companies, Eastside, Lakeside and Lanick on 17 November 2004 respectively, for acquisitions of certain properties held for sale. The sales were completed during the year and the receipt in advance were credited to the income statement during the year (note 32(a)).

### 22. 應計費用、已收按金及其他應付款項

- (a) 於二零零四年十二月三十一日的預收款項包括關連公司東方、湖濱及朗利於二零零四年十一月十七日就購買若干待售物業分別支付為數4,773,000港元、2,894,000港元及4,003,000港元的款項。此等出售於年內完成，預收款項於年內計入收益表(附註32(a))。



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註



for the year ended 31 December 2005

截至二零零五年十二月三十一日止年度

### 23. Borrowings

Borrowings wholly repayable within five years:

Bank overdrafts, secured	銀行透支，有抵押			
Bank loans, secured	銀行貸款，有抵押			
Loan from shareholders	股東貸款			
Loan from related companies	關連公司貸款			
Other loans	其他貸款			
			<b>103,418</b>	89,251
Less: Current portion due within one year included under current liabilities	減：列為流動負債於一年內到期的即期部份		<b>(78,458)</b>	—
Non-current portion included under non-current liabilities	列為非流動負債的非即期部份		<b>24,960</b>	89,251

Borrowings were repayable as follows:

	Notes 附註		<b>2005 HK\$'000 千港元</b>	2004 HK\$'000 千港元
Within one year	一年內			
Bank overdrafts, secured	銀行透支，有抵押	(a)	<b>37,112</b>	—
Bank loans, secured	銀行貸款，有抵押	(b)	<b>41,346</b>	—
In the second year	兩年內			
Bank loan, secured	銀行貸款，有抵押	(b)	<b>24,960</b>	—
In the third to fifth year	三至五年			
Loans from shareholders	股東貸款	(c)	—	2,496
Loan from a related company	一間關連公司貸款	(c)	—	26,314
Other loans	其他貸款	(c)	—	60,441
			<b>103,418</b>	89,251

(a) The bank overdrafts of HK\$20,152,000 and HK\$16,960,000 were (i) secured by corporate guarantee of HK\$30,000,000 executed by the Company and pledge of fixed deposit (note 28) respectively and (ii) denominated in United States Dollar and Hong Kong Dollar respectively. Bank overdrafts, bear interest at variable rate ranging from 4.15% to 8.0% per annum.

(b) The bank loans were secured by pledge of certain investment properties (note 13) and leasehold interest in land held for development (note 16) held by a subsidiary of the Company and pledge of fixed deposits (note 28). Bank loans with maturity within one year were denominated in Renminbi which bear interest on fixed rate ranging from 5.184% to 5.580% per annum, whereas the bank loan due in the second year was denominated in United States Dollar which bear interest on variable rates of 5.25% per annum.

### 23. 借貸

須於五年內悉數償還的借貸：

			<b>2005 HK\$'000 千港元</b>	2004 HK\$'000 千港元
Bank overdrafts, secured	銀行透支，有抵押		<b>37,112</b>	—
Bank loans, secured	銀行貸款，有抵押		<b>66,306</b>	—
Loan from shareholders	股東貸款		—	2,496
Loan from related companies	關連公司貸款		—	26,314
Other loans	其他貸款		—	60,441
			<b>103,418</b>	89,251
Less: Current portion due within one year included under current liabilities	減：列為流動負債於一年內到期的即期部份		<b>(78,458)</b>	—
Non-current portion included under non-current liabilities	列為非流動負債的非即期部份		<b>24,960</b>	89,251

須償還貸款如下：

	Notes 附註		<b>2005 HK\$'000 千港元</b>	2004 HK\$'000 千港元
Within one year	一年內			
Bank overdrafts, secured	銀行透支，有抵押	(a)	<b>37,112</b>	—
Bank loans, secured	銀行貸款，有抵押	(b)	<b>41,346</b>	—
In the second year	兩年內			
Bank loan, secured	銀行貸款，有抵押	(b)	<b>24,960</b>	—
In the third to fifth year	三至五年			
Loans from shareholders	股東貸款	(c)	—	2,496
Loan from a related company	一間關連公司貸款	(c)	—	26,314
Other loans	其他貸款	(c)	—	60,441
			<b>103,418</b>	89,251

(a) 20,152,000港元及16,960,000港元的銀行透支乃(i)分別由本公司訂立的公司擔保為數30,000,000港元及定期存款抵押(附註28)作擔保。及(ii)分別以美元和港元列值。銀行透支按浮動利率每年4.15%至8.0%計息。

(b) 銀行貸款乃由本公司一間附屬公司所持的若干投資物業(附註13)及待發展土地租賃權益(附註16)抵押、以及定期存款抵押(附註28)作擔保。一年內到期之銀行貸款以人民幣列值，固定利率為每年5.184%至5.580%，而於第二年到期之銀行貸款則以美元列值，按浮動利率每年5.25%計息。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

for the year ended 31 December 2005

截至二零零五年十二月三十一日止年度

### 23. Borrowings (Cont'd)

- (c) These loans were unsecured, interest free and had no fixed terms of repayment. On 24 June 2005, a deed of assignment was entered into by Mr. CF Tao, Mrs. Tao Poon Lai Yew, Nancy ("Mrs. Nancy Tao"), Mr. Tao Shing Pee ("Mr. SP Tao"), Le Chateau Inc. ("LCI"), Peanma Investments (Singapore) Pte Ltd ("Peanma"), Ocean Shipping & Enterprises Private Limited ("OSE"), Stockwatch Holdings Ltd. ("Stockwatch"), Hallam Investment Limited ("Hallam"), NH Development and NH Corporation and Choice Win International Corporation ("Choice Win") pursuant to which 240 shares of US\$1.00 each of NH Corporation were allotted and issued to Mr. CF Tao, Mrs. Nancy Tao, Mr. SP Tao, LCI, Peanma, OSE, Stockwatch and Hallam or to the party(ies) as directed by them, credited as fully paid, in consideration of the assignment to NH Corporation of the respective rights and interests in those outstanding moneys and/or loans due from NH Development.

### 24. Deferred Taxation

Deferred taxation are calculated under the balance sheet liability method using the applicable tax rates at balance sheet date.

The movement in deferred tax liabilities account is as follows:

		2005 HK\$'000 千港元	2004 HK\$'000 千港元
At 1 January	於一月一日	—	—
Deferred taxation charged to income statement (note 8)	自收益表中扣除的遞延稅項 (附註8)	5,052	—
At 31 December	於十二月三十一日	5,052	—
Provided in respect of:	撥備項目：		
Temporary differences on fair value adjustments	公允值調整的暫時差額	5,052	—

### 23. 借貸 (續)

- (c) 該等貸款為無抵押、免息且無固定還款期。於二零零五年六月二十四日，陶哲甫先生、陶潘麗瑤女士（「陶潘麗瑤女士」）、陶欣伯先生（「陶欣伯先生」）、Le Chateau Inc.（「LCI」）、Peanma Investments (Singapore) Pte Ltd（「Peanma」）、Ocean Shipping & Enterprises Private Limited（「OSE」）、Stockwatch Holdings Ltd.（「Stockwatch」）、Hallam Investment Limited（「Hallam」）、新繼發展及新澤企業與Choice Win International Corporation（「Choice Win」）簽訂一份轉讓契據；據此，陶哲甫先生、陶潘麗瑤女士、陶欣伯先生、LCI、Peanma、OSE、Stockwatch及Hallam或彼等指定的（該等）人士獲配發及發行新澤企業240股每股面值1.00美元的入賬列作繳足股份，以作為向新澤企業轉讓各自於該等新繼發展結欠的尚未償還款項及／或貸款中的權利及權益的代價。

### 24. 遞延稅項

遞延稅項乃於結算日以資產負債表負債法按適用稅率計算：

遞延稅項負債賬目的變動如下：

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註



for the year ended 31 December 2005

截至二零零五年十二月三十一日止年度

### 25. Share Capital

Movement of share capital of the Company since the date of incorporation is summarised below:

### 25. 股本

本公司自註冊成立以來的股本變動概述如下：

	Notes 附註	2005 二零零五年		From 23 December 2004 (date of incorporation) to 31 December 2004 由二零零四年十二月二十三日 (註冊成立日期)起至二零零四年 十二月三十一日	
		Number of shares 股份數目	HK\$'000 千港元	Number of shares 股份數目	HK\$'000 千港元
Authorised:					
Ordinary shares of HK\$0.01 each					
At the beginning of the year/period		30,000,000,000	300,000	—	—
Increase in authorised share capital on incorporation	(a)	—	—	30,000,000,000	300,000
At 31 December		30,000,000,000	300,000	30,000,000,000	300,000
Issued and fully paid					
Ordinary shares of HK\$0.01 each					
At the beginning of the year/period		1	—	—	—
Allotted and issued at the date of incorporation	(a)	—	—	1	—
Issue of shares on Reorganisation	(b)	4	—	—	—
Issue of shares on loan capitalisation	(c)	2,410,010	24	—	—
Issue of shares on acquisition of NH Investments	(d)	1,675,714	17	—	—
Issue of shares on acquisition of WML	(e)	21,414	—	—	—
Subscription for shares	(f)	616,071	6	—	—
Issue of shares on capitalisation issue	(g)	467,598,186	4,676	—	—
Issue of shares by initial public offering	(h)	168,000,000	1,680	—	—
At 31 December		640,321,400	6,403	1	—

(a) The Company was incorporated in the Cayman Islands on 23 December 2004 as an exempted company with limited liability under the Companies Law of the Cayman Islands. At the date of incorporation, the authorised share capital of the Company was HK\$300,000,000 divided into 30,000,000,000 shares of HK\$0.01 each. One subscriber's share of HK\$0.01 in the Company was allotted and issued in cash to the initial subscriber.

(a) 本公司於二零零四年十二月二十三日根據開曼群島公司法在開曼群島註冊成立為一間獲豁免有限公司。於註冊成立日期，本公司的法定股本為300,000,000港元，分為30,000,000,000股每股面值0.01港元的股份。最初認購人以現金獲配發及發行本公司一股面值0.01港元的認購人股份。



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

for the year ended 31 December 2005

截至二零零五年十二月三十一日止年度

### 25. Share Capital (Cont'd)

- (b) On 23 June 2005, the Company entered into a share swap agreement with Mr. CF Tao and Mrs. Nancy Tao to acquire the entire interest of NH Corporation. The consideration was satisfied by the allotment and issue of 4 shares of the Company of HK\$0.01 each, credited as fully paid, to Mr. CF Tao and Mrs. Nancy Tao on the same day.
- (c) On 24 June 2005, the Company issued and allotted, credited as fully paid, 2,410,010 shares of HK\$0.01 each as consideration for the acquisition of 240 shares of NH Corporation from the parties as set out in note 23(c).
- (d) The Group undertook the following steps to acquire 100% equity interest of NH Investments during the year:

On 6 July 2005, a sale and purchase agreement was entered into between Belbroughton Limited ("Belbroughton"), Mr. SP Tao and Oriental Pearl International Inc. ("OPII") as vendors, Accordcity as purchaser and Mr. CF Tao as warrantor, pursuant to which the respective 2,354,012 shares, 2,603,992 shares and 1,301,996 shares of HK\$10 each in, which in aggregate represent the entire issued share capital of, NH Investments were transferred from Belbroughton, Mr. SP Tao and OPII respectively to Accordcity. The considerations were satisfied by the allotment and issue of 38 shares, 42 shares and 21 shares of US\$1.00 each in the capital of Accordcity to Belbroughton, Mr. SP Tao and OPII respectively, credited as fully paid, on the same day.

On 12 July 2005, a sale and purchase agreement was entered into between Belbroughton, Mr. SP Tao and OPII as vendors and NH Corporation as purchaser and Mr. CF Tao as warrantor, pursuant to which 38 shares, 42 shares and 21 shares of US\$1.00 each in Accordcity were transferred from Belbroughton, Mr. SP Tao and OPII respectively to NH Corporation. The considerations were satisfied by the allotment and issue of 38 shares, 42 shares and 21 shares of US\$1.00 each in the capital of NH Corporation to Belbroughton, Mr. SP Tao and OPII respectively, credited as fully paid, on the same day.

On 13 July 2005, the Company acquired 38 shares, 42 shares and 21 shares of US\$1.00 each in the capital of NH Corporation from Belbroughton, Mr. SP Tao and OPII. The considerations were satisfied by the allotment and issue of 630,136 shares, 697,052 shares and 348,526 shares in the Company of HK\$0.01 each, credited as fully paid, to Belbroughton, Mr. SP Tao and OPII respectively, on the same day.

### 25. 股本 (續)

- (b) 於二零零五年六月二十三日，本公司與陶哲甫先生及陶潘麗瑤女士簽訂一份換股協議，以購入新澤企業全部權益。有關代價透過於同日向陶哲甫先生及陶潘麗瑤女士配發及發行本公司4股每股面值0.01港元的入賬列作繳足股份支付。
- (c) 於二零零五年六月二十四日，本公司發行及配發2,410,010股每股面值0.01港元的入賬列作繳足股份作為代價，以支付向附註23(c)所載各方收購新澤企業240股股份。
- (d) 本集團年內採取以下步驟收購新繼企業100%股本權益：

於二零零五年七月六日，Belbroughton Limited (「Belbroughton」)、陶欣伯先生及Oriental Pearl International Inc (「OPII」) (作為賣方) 與Accordcity (作為買方) 及陶哲甫先生 (作為擔保人) 簽訂一份買賣協議，據此，Belbroughton、陶欣伯先生及OPII分別將新繼企業股本中2,354,012股、2,603,992股及1,301,996股每股面值10港元的股份 (合共即全部已發行股本) 轉讓予Accordcity。該等代價透過於同日向Belbroughton、陶欣伯先生及OPII分別配發及發行於Accordcity股本中的38股、42股及21股每股面值1.00美元的入賬列作繳足股份支付。

於二零零五年七月十二日，Belbroughton、陶欣伯先生及OPII (作為賣方) 與新澤企業 (作為買方) 及陶哲甫先生 (作為擔保人) 簽訂一份買賣協議；據此，Belbroughton、陶欣伯先生及OPII分別將Accordcity股本中38股、42股及21股每股面值1.00美元的股份轉讓予新澤企業，該等代價透過於同日向Belbroughton、陶欣伯先生及OPII分別配發及發行於新澤企業股本中的38股、42股及21股每股面值1.00美元的入賬列作繳足股份支付。

於二零零五年七月十三日，本公司向Belbroughton、陶欣伯先生及OPII收購新澤企業股本中38股、42股及21股每股面值1.00美元的股份，該等代價透過於同日向Belbroughton、陶欣伯先生及OPII分別配發及發行本公司630,136股、697,052股及348,526股入賬列作繳足股份支付。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

for the year ended 31 December 2005

截至二零零五年十二月三十一日止年度



### 25. Share Capital (Cont'd)

- (e) The Group undertook the following steps to acquire 100% equity interest of WML during the year:

On 31 March 2005, WML capitalised the reserve in the amount of HK\$679,998 by having the said amount applied in paying up in full for 679,998 shares of HK\$1.00 each in its capital, of which 339,999 shares were issued and allotted, credited as fully paid up, at par to each of Mr. CF Tao and Mr. SP Tao. On the same day, WML issued and allotted a further 60,000 shares of HK\$1.00 each in the capital of WML for cash at par to each of Mr. CF Tao and Mr. SP Tao.

On 28 June 2005, Mr. CF Tao and Mr. SP Tao as vendors and NH Corporation as purchaser entered into a sale and purchase agreement, pursuant to which the respective 400,000 shares and 400,000 shares of HK\$1.00 each in, which in aggregate represent the entire issued share capital of, WML were transferred from Mr. CF Tao and Mr. SP Tao respectively to NH Corporation. The considerations were satisfied by the allotment and issue of 1 share of US\$1.00 in the capital of NH Corporation to each of Mr. CF Tao and Mr. SP Tao, credited as fully paid, on the same day.

On 13 July 2005, a sale and purchase agreement was entered into between Mr. CF Tao and Mr. SP Tao as vendors and the Company as purchaser, pursuant to which the respective 1 share and 1 share of US\$1.00 each in the capital of NH Corporation were transferred from Mr. CF Tao and Mr. SP Tao respectively to the Company. The considerations were satisfied by the allotment and issue of 10,707 shares to Belbroughton, as directed by Mr. CF Tao, and of 10,707 shares to Mr. SP Tao, credited as fully paid, on the same day.

- (f) On 14 November 2005, the following agreements for subscription of shares were entered:
- (i) A subscription agreement was entered into between the Company and Belbroughton, pursuant to which the Company issued and allotted 431,809 shares of HK\$0.01 each to Belbroughton at par in cash on 15 November 2005.
- (ii) A subscription agreement was entered into between the Company and OPII, pursuant to which the Company issued and allotted 20,536 shares of HK\$0.01 each to OPII at par for cash on 15 November 2005.

### 25. 股本 (續)

- (e) 本集團年內採取以下步驟收購世謙100%股本權益：

二零零五年三月三十一日，世謙藉將679,998港元繳足其股本中679,998股每股面值1.00港元的股份，將儲備資本化，其中339,999股入賬列作繳足股份按面值發行及配發予陶哲甫先生及陶欣伯先生。同日，世謙另向陶哲甫先生及陶欣伯先生按面值發行及配發於世謙股本中60,000股每股面值1.00港元的股份，以換取現金。

於二零零五年六月二十八日，陶哲甫先生及陶欣伯先生(作為賣方)與新澤企業(作為買方)簽訂一份買賣協議；據此，陶哲甫先生及陶欣伯先生分別將世謙股本中400,000股及400,000股每股面值1.00港元的股份(合共即為其全部已發行股本)轉讓予新澤企業，該等代價透過於同日向陶哲甫先生及陶欣伯先生各自配發及發行新澤企業股本中一股每股面值1.00美元的入賬列作繳足股份支付。

於二零零五年七月十三日，陶哲甫先生及陶欣伯先生(作為賣方)與本公司(作為買方)簽訂一份買賣協議；據此，陶哲甫先生及陶欣伯先生分別將新澤企業股本中一股及一股每股面值1.00美元的股份轉讓予本公司，該等代價透過於同日向Belbroughton(按陶哲甫先生指示)及陶欣伯先生分別配發及發行10,707股及10,707股入賬列作繳足股份支付。

- (f) 於二零零五年十一月十四日訂立以下股份認購協議：
- (i) 本公司與Belbroughton簽訂一份認購協議；據此，本公司於二零零五年十一月十五日向Belbroughton按面值每股0.01港元以現金發行及配發431,809股股份。
- (ii) 本公司與OPII簽訂一份認購協議；據此，本公司於二零零五年十一月十五日向OPII按面值每股0.01港元以現金發行及配發20,536股股份。



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

for the year ended 31 December 2005

截至二零零五年十二月三十一日止年度

### 25. Share Capital (Cont'd)

- (iii) A subscription agreement was entered into between the Company and the four executive directors comprising Mr. Richard Tao, Mr. Paul Tao, Mr. Kong Mui Sum Lawrence and Mr. Yim Chun Leung, pursuant to which the Company issued and allotted 65,773 shares, 65,773 shares, 16,440 shares and 8,220 shares of HK\$0.01 each to Mr. Richard Tao, Mr. Paul Tao, Mr. Kong Mui Sum Lawrence and Mr. Yim Chun Leung respectively, all at par for cash, on 15 November 2005.
- (iv) A subscription agreement was entered into between the Company and each of the staff shareholders comprising Mr. Fung Sik Kuen, Mr. Li Chun Fai, Ms. Chan Sik Kum, Ms. Lau Yuk Ling Kathy, Ms. Fung Yuk Ling Elaine, Ms. Lee Shuk Chan and Ms. Tsang Yuen Hing Janet, pursuant to which the Company issued and allotted 620 shares, 1,320 shares, 980 shares, 980 shares, 1,320 shares, 980 shares and 1,320 shares of HK\$0.01 each to Mr. Fung Sik Kuen, Mr. Li Chun Fai, Ms. Chan Sik Kum, Ms. Lau Yuk Ling Kathy, Ms. Fung Yuk Ling Elaine, Ms. Lee Shuk Chan and Ms. Tsang Yuen Hing Janet respectively, all at par for cash, on 15 November 2005.
- (g) On 14 November 2005, written resolution of all the shareholders were passed pursuant to conditional upon the share premium account of the Company being credited as a result of initial public offering, the directors were authorised to capitalise the amount of HK\$4,675,982 from the amount standing to the credit of the share premium account of the Company to pay up in fully at par for allotment and issue to the person(s) whose name(s) appears on the register of members of the Company at the close of business on 15 November 2005, pro-rata to its/their then existing shareholdings in the Company.
- (h) On 1 December 2005, the Company allotted and issued 168,000,000 shares of HK\$0.01 each upon listing of the shares on the Main Board of the Stock Exchange on 2 December 2005 at a price of HK\$0.58 each.

### 25. 股本 (續)

- (iii) 本公司與四位執行董事(包括陶家祈先生、陶錫祺先生、江森森先生及嚴振亮先生)簽訂一份認購協議；據此，本公司於二零零五年十一月十五日向陶家祈先生、陶錫祺先生、江森森先生及嚴振亮先生按每股0.01港元分別發行及配發65,773股、65,773股、16,440股及8,220股股份。
- (iv) 本公司與各員工股東(包括馮錫權先生、李振輝先生、陳惜琴女士、劉玉玲女士、馮玉玲女士、李淑珍女士及曾婉卿女士)簽訂一份認購協議；據此，本公司於二零零五年十一月十五日向馮錫權先生、李振輝先生、陳惜琴女士、劉玉玲女士、馮玉玲女士、李淑珍女士及曾婉卿女士分別按面值每股0.01港元以現金發行及配發620股、1,320股、980股、980股、1,320股、980股及1,320股股份。
- (g) 於二零零五年十一月十四日，全體股東通過書面決議案，待本公司的股份溢價賬因首次公開招股而進賬後，董事獲授權將本公司股份溢價賬的進賬款額4,675,982港元資本化，以按面值全數繳足股款，以按名列本公司於二零零五年十一月十五日營業時間結束時的股東名冊的人士於本公司當時的持股比例，配發及發行予彼等。
- (h) 於二零零五年十二月一日，本公司配發及發行168,000,000股每股面值0.01港元的股份，以供於二零零五年十二月二日按每股0.58港元在聯交所主板上市。



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註



for the year ended 31 December 2005

截至二零零五年十二月三十一日止年度

### 26. Share Option Scheme

Pursuant to the written resolutions of all the then shareholders passed on 14 November 2005, the Company has conditionally adopted the Share Option Scheme ("Scheme").

The purpose of the Scheme is to provide the Company with a flexible means of giving incentive to, rewarding, remunerating, compensating and/or providing benefits to the participants for their contributions to the Group and for such other purposes as the board of directors (the "Board") may approve from time to time.

Pursuant to the Scheme, the Board may, at its discretion, invite any executive or non-executive directors including independent non-executive directors or any employees (whether full-time or part-time) of the Company, its subsidiaries and associated companies; any discretionary objects of a discretionary trust established by any employees, executive or non-executive directors of each member of the Group or its associated companies; any consultants, professional and other advisers to each member of the Group or its associated companies (or persons, firms or companies proposed to be appointed for providing such services); any chief executives or substantial shareholders of the Company; any associates of any director, chief executive or substantial shareholder of the Company; and any employees (whether full-time or part-time) of substantial shareholders of the Company, provided that the Board may have absolute discretion to determine whether or not one falls within the above categories, (together, the "Participants" and each a "Participant"), to take up options ("Option(s)") to subscribe for shares at a price determined in accordance with the paragraph below.

In determining the basis of eligibility of each Participant, the Board would take into account such factors as the Board may at its discretion consider appropriate.

The Scheme shall be valid and effective for a period of 10 years commencing on the date on which the Scheme is adopted, after which period no further Options will be granted but in all other respects the provisions of the Scheme shall remain in full force and effect, and Options which are granted during the life of the Scheme may continue to be exercisable in accordance with their terms of grant.

The subscription price in respect of each share issued pursuant to the exercise of Options granted hereunder shall be a price solely determined by the Board and notified to a Participant and shall be at least the highest of:

- (a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the business day on which an offer is accepted by the grantee or if such date of acceptance by the grantee is not a business day, the immediately preceding business day;

### 26. 購股權計劃

根據當時全體股東於二零零五年十一月十四日通過的書面決議案，本公司已有條件採納購股權計劃（「該計劃」）。

該計劃旨在讓本公司以靈活的方法，就參與者對本集團的貢獻及董事會（「董事會」）可能不時批准的其他目的，給予參與者激勵、獎勵、酬金、報酬及／或利益。

根據該計劃，董事會可酌情邀請本公司、其附屬公司及聯營公司的任何執行或非執行董事，包括獨立非執行董事或任何僱員（不論全職或兼職）；本集團各成員公司或其聯營公司的任何僱員、執行或非執行董事所設立的全權信託的任何全權受益人；本集團各成員公司或其聯營公司的諮詢人、專業人士及其他顧問（或擬委任以提供該等服務的人士、商行或公司）；本公司任何主要行政人員或主要股東；本公司任何董事、主要行政人員或主要股東的任何聯繫人；及本公司主要股東的任何僱員（不論全職或兼職），惟董事會可全權酌情釐定有關人士是否屬於上述類別（上述人士均稱為及合稱「參與者」），以接納購股權（「購股權」），並根據下文確定的價格認購股份。

於釐定各參與者的資格標準時，董事會將考慮其可能酌情認為恰當的因素。

該計劃自獲採納日期起計有效期為十年，在限期後不會再授出購股權，惟在所有其他方面，該計劃的條文仍具有十足效力及作用，於該計劃期限內授出的購股權可按其授出條款繼續行使。

根據本文授出的購股權獲行使而發行的每股股份的認購價，將由董事會獨自釐定及知會參與者，而認購價最低為（以最高者為準）：

- (a) 於要約獲承授人接納的營業日（或如要約獲承授人接納當日並非營業日，則為緊接該日前的營業日）聯交所日報表所報的股份收市價；

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

for the year ended 31 December 2005

截至二零零五年十二月三十一日止年度

### 26. Share Option Scheme (Cont'd)

- (b) a price being the average of the closing prices of the shares as stated in the Stock Exchange's daily quotations sheets for the 5 business days immediately preceding the date on which an offer is accepted by the grantee (provided that the new issue price shall be used as the closing price for any business day falling within the period before listing of the shares where the Company has been listed for less than 5 business days as at the date on which an offer is accepted by the grantee); and
- (c) the nominal value of a share.

The total number of shares, which may be issued upon exercise of all options to be granted under the Scheme and any other share option scheme of the Company shall not in aggregate exceed 64,032,140 being 10% of the total number of shares in issue on the date of commencement of dealings in the shares on the Stock Exchange, unless the Company obtains an approval from its shareholders. Options lapsed in accordance with the terms of the Scheme will not be counted for the purpose of calculating such 10% limit.

Notwithstanding any other provisions of the Scheme, the maximum number of the shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other share option schemes of the Company shall not exceed 30% of the total number of Shares in issue from time to time.

Unless approved by the shareholders, the total number of shares issued and to be issued upon exercise of the Options granted to each participant (including both exercised and outstanding Options) in any 12-month period shall not exceed 1% of the total number of shares in issue.

Offer of an option ("Offer") shall be deemed to have been accepted by any Participant (the "Grantee") who accepts an Offer in accordance with the terms of the Scheme and the option to which the Offer relates shall be deemed to have been granted and to have taken effect when the duplicate of the offer letter comprising acceptance of the Offer duly signed by the Grantee together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the granting thereof is received by the Company within 14 days from the date upon which the Offer is made.

No share option was granted during the year.

### 26. 購股權計劃 (續)

- (b) 緊接要約獲承授人接納前五個營業日聯交所日報表所報的股份平均收市價(惟倘本公司於要約獲承授人接納當日前已上市之日數少於五個營業日,則新發行價應用作股份上市前期間任何營業日的收市價);及
- (c) 一股股份面值。

因行使根據該計劃及本公司任何其他購股權計劃授出的所有購股權可發行的股份總數,合共不得超過64,032,140股(即股份於聯交所開始買賣當日已發行股份總數的10%),惟本公司取得股東的批准則除外。計算該10%限額並不計及根據該計劃條款已失效的購股權。

儘管該計劃另有任何規定,於行使該計劃及本公司任何其他購股權計劃的已授出但尚未行使的所有未行使購股權時,最多可發行的股份數目不得超過不時已發行股份總數的30%。

除非獲股東批准,於任何十二個月期間因行使授予每名參與者的購股權(包括已行使及尚未行使的購股權)而已發行及將予發行的股份總數,不得超過已發行股份總數的1%。

任何參與者(「承授人」)凡按照該計劃的條款接納購股權要約(「要約」),即被視為接納要約,而當載有接納要約的要約書副本由承授人妥為簽署,並在本公司作出要約當日起14日內,接獲承授人在接納購股權時須向本公司支付1.00港元作為授出購股權的代價後,與要約有關的購股權即被視為已授出並生效。

年內並無授出任何購股權。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註



for the year ended 31 December 2005

截至二零零五年十二月三十一日止年度

### 27. Reserves

#### (a) Group

Retained profits	保留盈利		
Share premium	股份溢價	(i)	
Exchange reserve	匯兌儲備		
Hotel property revaluation reserve	酒店物業重估儲備		
Statutory reserve	法定儲備	(ii)	
Merger reserve	合併儲備	(iii)	
Proposed final dividend	擬派末期股息		

- (i) Under the Companies Law, Cap.22 Law 3 of 1962, as consolidated and revised, of the Cayman Islands, the share premium account is distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business.
- (ii) According to the relevant PRC Laws, the associate is required to transfer at least 10% of its net profit after tax, as determined under the PRC accounting regulation, to a statutory reserve until the reserve balance reaches 50% of the associate's registered capital. The transfer of this reserve must be made before the distribution of dividend to the associate's equity owners. The statutory reserve is non-distributable other than upon the liquidation of the associate.
- (iii) The merger reserve of the Group arose as a result of the Reorganisation completed on 23 June 2005 and represents the difference between the nominal value of the Company's shares issued under the Reorganisation and the nominal value of the aggregate share capital of the subsidiaries then acquired.
- (iv) Of the consolidated profit attributable to equity holders of the Company of HK\$55,934,000 for the year (2004: HK\$31,389,000), loss of HK\$7,301,000 (2004: Nil) has been dealt with in the financial statements of the Company for the year.

### 27. 儲備

#### (a) 本集團

Notes 附註	2005 HK\$'000 千港元	2004 HK\$'000 千港元
	62,859	18,451
(i)	181,706	—
	(17,963)	(21,550)
	(2,326)	—
(ii)	68	—
(iii)	89,936	—
	<b>314,280</b>	(3,099)
	<b>11,526</b>	—
	<b>325,806</b>	(3,099)

- (i) 根據開曼群島法例第22章公司法（一九六二年第三號法例，經綜合及修訂），股份溢價賬可分派予本公司股東，惟緊隨擬分派股利日期後，本公司有能力償還於日常業務中到期的債務。
- (ii) 根據相關中國法例，聯營公司須按中國會計規則釐定的除稅後純利最少10%轉撥至法定儲備，直至該儲備結餘達至聯營公司註冊資本50%，並必須於向聯營公司股東分派股息前轉撥至此儲備。法定儲備為不可分派，如聯營公司清盤則除外。
- (iii) 本集團的合併儲備乃因在二零零五年六月二十三日完成的重組而產生，為本公司根據重組發行股份的面值與當時購入附屬公司的股本總額面值的差額。
- (iv) 年內本公司股東應佔綜合盈利為55,934,000港元（二零零四年：31,389,000港元），當中虧損7,301,000港元（二零零四年：無）已於本公司年度財務報表中處理。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

for the year ended 31 December 2005

截至二零零五年十二月三十一日止年度

### 27. Reserves (Cont'd)

### 27. 儲備 (續)

#### (b) Company

#### (b) 本公司

		Accumulated losses 累計虧損 HK\$'000 千港元	Share premium 股份溢價 HK\$'000 千港元	Contributed surplus 實繳盈餘 HK\$'000 千港元	Proposed final Dividend 擬派末期股息 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 23 December 2004 (date of incorporation)	於二零零四年十二月 二十三日 (註冊成立日期)	—	—	—	—	—
Loss for the period	本期間虧損	—	—	—	—	—
At 31 December 2004 and 1 January 2005	於二零零四年十二月三十一日 及二零零五年一月一日	—	—	—	—	—
Loss for the year	本年度虧損	(7,301)	—	—	—	(7,301)
Arise from Reorganisation	因重組產生	—	—	(22)	—	(22)
Arise from acquisition of NH Investments (note 25(d))	因收購新繼企業產生 (附註25(d))	—	106,158	—	—	106,158
Arise from capitalisation issue (note 25(g))	因資本化發行產生 (附註25(g))	—	(4,676)	—	—	(4,676)
Arise from initial public offering (note 25(b))	因首次公開招股產生 (附註25(b))	—	95,760	—	—	95,760
Share issue expenses	股份發行開支	—	(15,536)	—	—	(15,536)
Proposed final dividend	擬派末期股息	(11,526)	—	—	11,526	—
At 31 December 2005	於二零零五年 十二月三十一日	(18,827)	181,706	(22)	11,526	174,383

The contributed surplus of the Company arose as a result of the Reorganisation referred to in note 27(a) and represents the excess of the nominal value of the Company's shares issued in exchange therefore over the nominal value of the shares of the subsidiaries then acquired.

本公司的實繳盈餘乃因附註27(a)所提述的重組而產生，為本公司以發行作交換的股份的面值超出當時購入附屬公司的股份面值的部份。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註



for the year ended 31 December 2005

截至二零零五年十二月三十一日止年度

### 28. Pledged Bank Deposits

	Notes 附註	2005 HK\$'000 千港元	2004 HK\$'000 千港元
Analysis of pledged bank deposits:			
Deposit pledged against banking facilities granted to the mortgagee	(a)	2,063	2,272
Deposit pledged against banking facilities granted to the Group (note 23(a) and (b))		42,308	—
		<b>44,371</b>	<b>2,272</b>

(a) The bank deposits were pledged as security in favour of banks and financial institutions in the PRC who provided mortgage loan to purchasers of properties for the period from the date of draw-down of mortgage loans to the date when the certificates for housing ownership and certificates of others interest for housing ownership (collectively know as "Certificates") are granted to the property purchasers. Such charges would be released upon the Certificates are granted to the property purchasers.

### 28. 已抵押銀行存款

(a) 由提取按揭貸款當日起，直至置業者獲批授房屋所有權證或房屋所有權其他權證(統稱為「該等證明」)止，銀行存款已抵押予多家向置業者提供按揭貸款的國內銀行及金融機構，作為抵押品。該等抵押將於置業者獲授該等證明時解除。

### 29. Cash and Cash Equivalents

Analysis of cash and cash equivalents is as follows:

		2005 HK\$'000 千港元	2004 HK\$'000 千港元
Cash at banks and in hand	銀行結存及現金	104,551	21,909
Deposit pledged against bank overdrafts	就銀行透支而抵押的存款	17,393	—
Bank overdrafts (note 23)	銀行透支 (附註23)	(37,112)	—
		<b>84,832</b>	<b>21,909</b>

As at 31 December 2005, cash and cash equivalents of HK\$2,063,000 (2004: HK\$2,272,000) were originally denominated in Renminbi and deposited with banks in the PRC, the conversion of these Renminbi denominated balances into foreign currencies is subject to the rules and regulations of foreign exchange control promulgated by the PRC government. The effective interest rate of the deposits is 3.55% and it has a maturity of 7 days.

### 29. 現金及現金等價物

現金及現金等價物分析如下：

於二零零五年十二月三十一日，為數2,063,000港元(二零零四年：2,272,000港元)現金及現金等價物原以人民幣為單位，並存於中國多家銀行，將該等以人民幣為單位的結存兌換為外幣乃受中國政府頒佈的外匯法規所限制。存款的有效利率為3.55%，其到期日為7日。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

for the year ended 31 December 2005

截至二零零五年十二月三十一日止年度

### 30. Directors' and Senior Management's Emoluments

### 30. 董事及高級管理人員酬金

#### (a) Directors' emoluments

#### (a) 董事酬金

		2005 HK\$'000 千港元	2004 HK\$'000 千港元
Directors' remuneration	董事酬金		
Salaries and allowances	薪金及津貼		
Mr. CF Tao	陶哲甫先生	115	57
Mr. Richard Tao	陶家祈先生	656	—
Mr. Paul Tao	陶錫祺先生	647	57
Mr. Kong Mui Sum, Lawrence	江森森先生	900	—
Mr. Yim Chun Leung	嚴振亮先生	1,251	—
		3,569	114
Fees	袍金	71	—
		3,640	114

There were no emoluments paid or payable to the independent non-executive directors during the year (2004: Nil).

年內，概無任何酬金已付予或應付予獨立非執行董事(二零零四年：無)。

There was no arrangement under which a director waived or agreed to waive any remuneration during the year (2004: Nil).

年內，概無任何有關董事放棄或同意放棄任何酬金的安排(二零零四年：無)。

No share options were granted to the directors of the Company during the year (2004: Nil).

年內，本公司董事概無獲授任何購股權(二零零四年：無)。



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註



for the year ended 31 December 2005

截至二零零五年十二月三十一日止年度

### 30. Directors' and Senior Management's Emoluments (Cont'd)

#### (b) Senior management's emoluments

The five individuals whose emoluments were the highest in the Group for the year included four (2004: Nil) directors whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining one (2004: five) individuals during the year are as follows:

		2005 HK\$'000 千港元	2004 HK\$'000 千港元
Salaries and allowances	薪金及津貼	949	1,860
Discretionary bonuses	酌情花紅	166	385
Retirement benefits costs	退休福利金	40	44
		<b>1,155</b>	<b>2,289</b>

The emoluments fell within the following bands:

		2005	2004
Emolument bands	酬金範圍		
Nil - HK\$1,000,000	零至1,000,000港元	—	5
HK\$1,000,001 - HK\$1,500,000	1,000,001港元至1,500,000港元	1	—
		<b>1</b>	<b>5</b>

No share options were granted to the above highest paid individuals in respect of their services to the Group during the year (2004: Nil).

During the year, no emoluments were paid by the Group to the directors or any of the five highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office (2004: Nil).

### 30. 董事及高級管理人員酬金 (續)

#### (b) 高級管理人員酬金

本年度本集團五名最高薪酬人士包括四名(二零零四年：無)董事之酬金已如上分析。年內應付予其餘一名(二零零四年：五名)最高薪酬人士之酬金如下：

		2005 HK\$'000 千港元	2004 HK\$'000 千港元
Salaries and allowances	薪金及津貼	949	1,860
Discretionary bonuses	酌情花紅	166	385
Retirement benefits costs	退休福利金	40	44
		<b>1,155</b>	<b>2,289</b>

有關酬金介乎下列範圍：

		2005	2004
Emolument bands	酬金範圍		
Nil - HK\$1,000,000	零至1,000,000港元	—	5
HK\$1,000,001 - HK\$1,500,000	1,000,001港元至1,500,000港元	1	—
		<b>1</b>	<b>5</b>

年內，上述五名最高薪酬人士概無就其對本集團提供的服務而獲授任何購股權(二零零四年：無)。

年內，本集團概無向董事或任何五名最高薪酬人士支付任何酬金，以吸引其加盟本集團或作為加盟本集團的入職獎勵或離職補償(二零零四年：無)。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

for the year ended 31 December 2005

截至二零零五年十二月三十一日止年度

### 31. Business Combination

#### (a) Acquisition of subsidiaries

The Group acquired 100% interest of certain subsidiaries as set out in note 14(b) to these financial statements. The acquired business contributed revenues and net profit of approximately HK\$Nil and HK\$4,284,000 respectively to the Group since their respective dates of acquisitions. If the acquisitions had occurred on 1 January 2005, the Group's revenue would have been approximately HK\$149,089,000 and profit for the year would have been approximately HK\$67,939,000.

The assets and liabilities arising from the acquisition are as follows:

	<b>Fair value</b>
	<b>公允值</b>
	HK\$'000
	千港元
Property, plant and equipment ( <i>note 12</i> )	905
Interest in an associate	80,165
Amount due from related companies	23,624
Trade and other receivables	8,501
Pledged deposit	17,126
Cash at banks and in hand	6,404
Bank overdrafts	(26,921)
Amount due to related companies	(119)
Accruals and other payables	(558)
Dividend payable	(20,124)
Bank loans	(15,565)
<b>Net assets acquired</b>	<b>73,438</b>

Details of the net assets acquired and goodwill are as follows:

	<b>2005</b>
	<b>HK\$'000</b>
	<b>千港元</b>
Purchase consideration	—
— cash paid	—
— fair value of shares issued	106,895
— other direct cost to the acquisition	3,591
<b>Total purchase consideration</b>	<b>110,486</b>
Fair value of net assets acquired	(73,438)
<b>Goodwill (<i>note 11</i>)</b>	<b>37,048</b>

Goodwill is attributable to the management expertise expected to arise after the Group's acquisition of these subsidiaries.

There was no acquisition of subsidiary in the year ended 31 December 2004.

### 31. 企業合併

#### (a) 收購附屬公司

本集團收購若干附屬公司的全部權益，詳情載於財務報表附註14(b)。自各項收購發生之日起，所收購業務為本集團貢獻的收入及純利分別約為零港元及4,284,000港元。倘收購發生於二零零五年一月一日，本集團收入將約為149,089,000港元及年度純利約為67,939,000港元。

因收購產生的資產及負債如下：

	<b>Fair value</b>
	<b>公允值</b>
	HK\$'000
	千港元
物業、廠房及設備 ( <i>附註12</i> )	905
於一家聯營公司的權益	80,165
關連公司欠款	23,624
貿易及其他應收款項	8,501
已抵押存款	17,126
銀行結存及現金	6,404
銀行透支	(26,921)
結欠關連公司款項	(119)
應計費用及其他應付款項	(558)
應付股息	(20,124)
銀行貸款	(15,565)
<b>購入淨資產</b>	<b>73,438</b>

購入淨資產及商譽的詳情如下：

	<b>2005</b>
	<b>HK\$'000</b>
	<b>千港元</b>
收購代價	—
— 已付現金	—
— 已發行股份的公允值	106,895
— 收購的其他直接成本	3,591
<b>總購買代價</b>	<b>110,486</b>
購入淨資產的公允值	(73,438)
<b>商譽 (<i>附註11</i>)</b>	<b>37,048</b>

該項商譽乃因本集團收購該等附屬公司後而預期有利於管理專業技能。

截至二零零四年十二月三十一日止年度並無收購附屬公司。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註



for the year ended 31 December 2005

截至二零零五年十二月三十一日止年度

### 31. Business Combination (Cont'd)

#### (b) Analysis of net cash outflow in respect of acquisitions of subsidiaries

	2005 HK\$'000 千港元
Cash consideration	—
Pledged deposit acquired	17,126
Cash at banks and in hand acquired	6,404
Bank overdrafts acquired	(26,921)
Other direct cost to the acquisition	(3,591)
<b>Net cash outflow in respect of acquisition of subsidiaries</b>	<b>(6,982)</b>

### 31. 企業合併 (續)

#### (b) 有關收購附屬公司的現金流出淨額分析

	2005 HK\$'000 千港元
現金代價	—
收購的已抵押存款	17,126
購入銀行結存及現金	6,404
購入銀行透支	(26,921)
收購的其他直接成本	(3,591)
<b>有關收購附屬公司的現金流出淨額</b>	<b>(6,982)</b>

### 32. Related Party Transactions

Apart from those disclosed in notes 20, 22(a) and 23, the following transactions are carried out with related parties:

### 32. 關連人士交易

除附註20、22(a)及23所披露者外，本集團與關連人士進行以下交易：

	Notes 附註	2005 HK\$'000 千港元	2004 HK\$'000 千港元
Proceeds from sale of properties held for sale to:			
— Lakeside (note 22(a))	(a)	5,876	—
— Lanick (note 22(a))		7,981	—
— Eastside (note 22(a))		9,154	—
— Ms. Miriam Tao (note 20(e))		5,288	—
Handling fee charge from a director and close family members of the directors (note 20(c) and (e))	(b)	—	318
Proceeds from sale of an investment to 蘇州新繼園林綠化有限公司 ("SNHTL")	(c)	156	—
Landscaping and maintenance expenses to SNHTL	(c)	(42)	—
Interest expenses charges from WML		(202)	—
Assignment of chattels from B.T. Shipping & Enterprises Limited ("B.T. Shipping")	(d)	(107)	—
Management fee charges to B.T. Shipping	(d)	—	(2,318)
Occupation charges to B.T. Shipping	(d)	—	(577)
Motor vehicle expenses to HY Automotive Holdings Limited	(d)	(96)	—
Rental expenses to Fontwell Holdings Limited	(d)	(336)	—
Rental expense to Mr. Richard Tao	(e)	(315)	(309)
Rental income from Clark Hatch (note 20(b)(i))	(e)	692	—

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

for the year ended 31 December 2005

截至二零零五年十二月三十一日止年度

### 32. Related Party Transactions (Cont'd)

- (a) The sales of properties were based on the term mutually agreed by both parties.
- (b) The handling fee were charged at a rate of 10% of the gross rental income. The charges by the director and close family members of the directors were in accordance with the terms of the underlying agreements.
- (c) Mr. CF Tao and Mr. Paul Tao have beneficial interest in SNHTL. The sale of the investment was based on the terms mutually agreed between both parties in the ordinary course of the business. The consideration was determined at the original capital injection made by the Group. The charge on expenses by this related company was in accordance with the terms of the underlying agreements.
- (d) Mr. CF Tao, Mr. Richard Tao and Mr. Paul Tao have beneficial interests in B.T. Shipping, HY Automative Holdings Limited and Fontwell Holdings Limited. The assignment of chattels from B.T. Shipping was based on the terms mutually agreed between both parties in the ordinary course of business. The charges by these related companies were in accordance with the terms of the underlying agreements.
- (e) The rental expense to Mr. Richard Tao, and rental income from a related company, in which Mr. Richard Tao and Mr. Paul Tao are common directors, were in accordance with the terms of the underlying agreements.

### 33. Commitments and Operating Lease Arrangements

#### (a) Capital commitments

- (i) Capital commitments in respect of properties held under development of the Group
- (ii) Attributable share of associate capital commitments in respect of acquisition of properties, plant and equipment

	2005 HK\$'000 千港元	2004 HK\$'000 千港元
Contracted but not provided for 已簽約惟未撥備	84,908	887
Authorised but not contracted for 已授權惟未簽約	—	64,906
	<b>84,908</b>	<b>65,793</b>
	2005 HK\$'000 千港元	2004 HK\$'000 千港元
Contracted but not provided for 已簽約惟未撥備	6,355	—

### 32. 關連人士交易 (續)

- (a) 出售物業乃根據訂約雙方共同協定的條款中售出。
- (b) 手續費乃按租金總收入10%比率收取。董事及董事近親乃根據相關協議的條款收取費用。
- (c) 陶哲甫先生及陶錫祺先生於新繼園林綠化中擁有實益權益。該項投資乃根據訂約雙方共同協定的條款於慣常商業過程中售出。該代價乃按本集團原定注入的股款資本釐定。該等關連公司乃根據相關協議的條款收取費用。
- (d) 陶哲甫先生、陶家祈先生及陶錫祺先生分別於海祥船務、HY Automative Holdings Limited及Fontwell Holdings Limited中擁有實益權益。海洋船務轉讓動產乃根據訂約雙方於日常業務過程中共同協定的條款進行。該等關連公司乃根據相關協議的條款收取費用。
- (e) 支付予陶家祈先生所收取的租金開支及向該關連公司(陶家祈先生及陶錫祺先生為共同董事)收取的租金收入均按相關協議的條款作出。

### 33. 承擔及經營租賃安排

#### (a) 資本承擔

- (i) 本集團有關持有發展中物業的資本承擔
- (ii) 應佔聯營公司就收購物業、廠房及設備之資本承擔之部份

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

for the year ended 31 December 2005

截至二零零五年十二月三十一日止年度



### 33. Commitments and Operating Lease Arrangements (Cont'd)

#### (b) Future operating lease arrangements

- (i) The Group had future aggregate minimum lease receipts under non-cancellable operating leases as follows:

		2005 HK\$'000 千港元	2004 HK\$'000 千港元
Not later than one year	不超過一年	1,442	922
Later than one year and not later than five years	一年後及不超過五年	1,385	2,057
Later than five years	五年後	—	11
		<b>2,827</b>	<b>2,990</b>

The Group leases out its investment properties (note 13) under operating lease arrangements which run for initial periods of less than one year to five years or expire at dates mutually agreed between the Group and the respective tenants, without an option to renew the lease terms at the expiry date. The terms of the leases generally also require the tenants to pay security deposits.

- (ii) The Group had future aggregate minimum lease payments under non-cancellable operating leases as follows:

		2005 HK\$'000 千港元	2004 HK\$'000 千港元
Not later than one year	不超過一年	1,240	309
Later than one year and not later than five years	一年後及不超過五年	79	284
		<b>1,319</b>	<b>593</b>

- (iii) The Group leases a number of properties under operating lease arrangements which run for initial periods of two years or expire at dates mutually agreed between the Group and the respective landlords, without an option to renew the lease terms at the expiry date. At 31 December 2005, the Group leased a number of properties from related parties, the future aggregate minimum lease payments not later than one year is amounted to HK\$315,000.

During the year, no contingent rentals receivable and payable was available to be recognised by the Group.

### 33. 承擔及經營租賃安排 (續)

#### (b) 未來經營租賃安排

- (i) 本集團根據不可撤銷經營租約應收取的未來最低租金總額如下：

		2005 HK\$'000 千港元	2004 HK\$'000 千港元
Not later than one year	不超過一年	1,442	922
Later than one year and not later than five years	一年後及不超過五年	1,385	2,057
Later than five years	五年後	—	11
		<b>2,827</b>	<b>2,990</b>

本集團根據經營租賃安排租出其投資物業(附註13)，初步為期少於一年至五年或按本集團與相關租客共同協定日期屆滿，並無於屆滿日更新租期的選擇權。租約條款一般亦規定租客支付保證按金。

- (ii) 本集團根據不可撤銷經營租約應支付的未來最低租金費用總額如下：

		2005 HK\$'000 千港元	2004 HK\$'000 千港元
Not later than one year	不超過一年	1,240	309
Later than one year and not later than five years	一年後及不超過五年	79	284
		<b>1,319</b>	<b>593</b>

- (iii) 本集團根據經營租賃安排租賃多項物業，初步為期兩年或按本集團與相關業主共同協定日期屆滿，並無於屆滿日更新租期的選擇權。於二零零五年十二月三十一日，由於本集團向關連人士租賃多項物業，故不超過一年的未來最低租金費用總額合共315,000港元。

年內，可供本集團確認並無任何應收及應付或然租金。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

for the year ended 31 December 2005

截至二零零五年十二月三十一日止年度

### 34. Contingent Liabilities

Corporate guarantee was granted by the Company to banker for bank overdraft facility amounted to HK\$30,000,000 granted to a subsidiary of the Company (note 23(a)). This bank overdraft facility is subject to the bank's annual review and, in the opinion of the directors, the probability that the guarantee being called upon is not probable. As at 31 December 2005, approximately HK\$20,152,000 of the bank overdraft facility was drawn down by the Group.

### 35. Financial Risk Management Policies And Objectives

The Group does not have written risk management policies and guidelines. However, the board of directors meets periodically to analyse and formulate measures to manage the Group's exposure to market risk, including principally changes in interest rates and currency exchange rates. Generally, the Group employs a conservative strategy regarding its risk management. As the directors of the Company consider that the Group's exposure to market risk is kept at a minimum level, the Group has not used any derivatives or other instruments for hedging purposes. The Group does not hold or issue derivative financial instruments for trading purposes.

The financial assets of the Group comprise primarily other receivables, amounts due from related parties and cash and bank balances (including pledged bank deposits). The financial liabilities of the Group comprise account and other payables, accruals, deposits received, amounts due to related parties and borrowings.

#### (a) Interest rate risk

The Group has no significant interest-bearing assets. The Group's interest rate risk arises from long term borrowings. The interest rates and terms of repayment of the borrowings are disclosed in note 23.

#### (b) Foreign currency risk

The Group's exposure to risk resulting from changes in foreign currency exchange rates is minimal.

#### (c) Credit risk

The carrying amounts of other receivables and amounts due from related parties represent the Group's maximum exposure to credit risk in relation to its financial assets. The Group has no other significant concentration of credit risk. No other financial assets carry a significant exposure to credit risk.

#### (d) Fair value

The fair value of the Group's current financial assets and liabilities are not materially different from their carrying amounts because of the immediate or short term maturity. The fair value of long-term borrowings is not disclosed because the carrying value is not materially different from the fair value.

### 34. 或然負債

本公司就一家銀行向本公司一家附屬公司授出30,000,000港元銀行透支而授出公司擔保(附註23(a))。該銀行透支須接受銀行的年度覆核。董事認為該擔保不可能被催收。於二零零五年十二月三十一日,本集團提取約20,152,000港元銀行透支。

### 35. 財務風險管理之政策及目的

本集團並無明文的風險管理政策及指引。然而,董事會會定期召開會議,分析及制訂措施以管理本集團承受的市場風險,主要包括利率及匯率變動。一般而言,本集團就其風險管理採納一套穩健策略。由於本公司董事認為,本集團所承受的市場風險持續處於最低水平,故本集團並無使用任何衍生工具或其他工具作對沖用途。本集團並無持有或發行任何衍生金融工具作買賣用途。

本集團的金融資產主要包括其他應收款項、關連人士欠款以及現金及銀行結存(包括已抵押銀行存款)。本集團的金融負債包括應付款項及其他應付款項、應計費用、已收按金、結欠關連人士款項及借貸。

#### (a) 利率風險

本集團並無任何重大附息資產。本集團的利率風險由長期借貸產生。有關借貸的利率及還款期見附註23披露。

#### (b) 外匯風險

本集團因外幣匯率變動而承受的風險十分輕微。

#### (c) 信貸風險

其他應收款項及關連人士欠款的賬面值指本集團的金融資產所面臨的最高信貸風險。本集團並無其他過份集中的信貸風險,其他金融資產亦無任何重大信貸風險。

#### (d) 公允值

基於即時或短期內到期,本集團的流動金融資產及負債的公允值與其賬面值並無重大差異。由於長期借貸的賬面值與公允值並無重大差異,故並無披露有關公允值。



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註



for the year ended 31 December 2005

截至二零零五年十二月三十一日止年度

### 36. Subsequent Events

On 10 January 2006, a subsidiary of the Company incorporated a wholly owned foreign enterprises in the PRC named Suzhou New Heritage Wuzhong Limited “蘇州新澤地產有限公司” with a registered capital of US\$6,500,000. Up to date of this report, the total capital injected to this subsidiary was US\$3,740,000. This subsidiary plans to engage in property and hotel development in Suzhou, PRC.

### 37. Approval of the Financial Statements

The financial statement were approved and authorised for issued by the directors on 3 April 2006.

### 36. 結算日後事項

於二零零六年一月十日，本公司的附屬公司在中國註冊成立一間全資外資企業蘇州新澤地產有限公司，註冊資本為6,500,000美元。截至本報告日期，注入該附屬公司的資本總額為3,740,000美元。該附屬公司擬於中國蘇州從事物業及酒店發展業務。

### 37. 批准財務報表

財務報表已於二零零六年四月三日獲董事批准並授權刊發。