

Notes to the Consolidated Financial Statements

綜合賬目附註

1. General information

Beijing Capital Land Ltd. (the “Company”) is a joint stock limited company established in the People’s Republic of China (the “PRC” or “China”) on 5th December 2002 as a result of a reorganisation (the “Reorganisation”) of a state-owned enterprise known as Capital Group in preparation for a listing of the Company’s shares on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The Company was granted the status of sino-foreign joint venture joint stock limited company on 28th November 2002.

The Company is principally engaged in real estate development and investment. The subsidiaries are mainly engaged in real estate development and investment in Beijing, the PRC. The Company and its subsidiaries are herein collectively referred to as the “Group”. The address of the Company’s registered office is Room 501, No.1, Yingbin Zhong Road, Huairou District, Beijing, the PRC.

The Company has its primary listing on the Stock Exchange.

1. 公司背景

首創置業股份有限公司（「本公司」）為一家於二零零二年十二月五日在中華人民共和國（「中國」）成立之股份有限公司，作為一家名為首創集團的國有企業為在香港聯合交易所有限公司（「聯交所」）主板市場上市而進行重組（「重組」）的一部分。於二零零二年十一月二十八日，本公司取得為中外合資股份有限公司之資格。

本公司主要業務為土地及物業開發和物業投資。附屬公司的主要業務為在中國北京進行物業發展及投資。本公司及其附屬公司統稱為「本集團」。本公司註冊地址為中國北京懷柔區迎賓中路1號501室。

本公司的股份主要在聯交所上市。

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, which are carried at fair value.

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 Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

The adoption of new/revised HKFRS

In 2005, the Group has changed certain of its accounting policies following its adoption of new and revised Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards (“new HKFRS”) which are effective for accounting periods commencing on or after 1st January 2005. The 2004 comparatives have been amended as required, in accordance with the relevant requirements.

2. 主要會計政策概要

編製本綜合財務報表採用的主要會計政策載於下文。除另有說明外，此等政策在所呈報的所有年度內貫徹應用。

2.1 編制基準

本公司之綜合財務報表乃按照香港財務報告準則編製。綜合財務報表按歷史成本法編製，並就可出售財務資產之重估按公平值列帳而作出修訂。

編製符合香港財務報告準則的財務報表需要使用若干關鍵會計估算。這亦需要管理層在應用本公司會計政策過程中行使其判斷。涉及高度的判斷或高度複雜性的範疇，或涉及對綜合財務報表屬重大假設和估算的範疇，在附註4中披露。

採納新訂／經修訂準則

二零零五年本集團因採納自二零零五年一月一日開始生效之新訂及經修訂《香港財務報告準則》及《香港會計準則》（「新財務準則」）而更改了部分會計政策。採納新財務準則後，財務資料部分二零零四年比較數字亦已按需要修訂，以符合現行呈報方式。

Notes to the Consolidated Financial Statements

綜合賬目附註

2. Summary of significant accounting policies

(Continued)

2.1 Basis of preparation (Continued)

The adoption of new/revised HKFRS (Continued)

HKAS 1	Presentation of Financial Statements
HKAS 2	Inventories
HKAS 7	Cash Flow Statements
HKAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
HKAS 10	Events after the Balance Sheet Date
HKAS 16	Property, Plant and Equipment
HKAS 17	Leases
HKAS 18	Revenue
HKAS 21	The Effects of Changes in Foreign Exchange Rates
HKAS 23	Borrowing Costs
HKAS 24	Related Party Disclosures
HKAS 27	Consolidated and Separate Financial Statements
HKAS 28	Investments in Associates
HKAS 31	Investments in Joint Ventures
HKAS 32	Financial Instruments: Disclosures and Presentation
HKAS 33	Earnings per Share
HKAS 36	Impairment of Assets
HKAS 38	Intangible Assets
HKAS 39	Financial Instruments: Recognition and Measurement
HKAS 39 (Amendment)	Transition and Initial Recognition of Financial Assets and Financial Liabilities
HKAS 40	Investment Property
HKAS-Int 15	Operating Leases — Incentives
HKFRS 3	Business Combinations
HKFRS 4	Insurance Contracts
HK-Int 2	The Appropriate Policy for Hotel Properties
HK-Int 3	Revenue — Pre - Completion Contracts For the Sale of Development Properties

2. 主要會計政策概要 (續)

2.1 編制基準 (續)

採納新訂／經修訂準則 (續)

會計準則1	財務報表之呈列
會計準則2	存貨
會計準則7	現金流量表
會計準則8	會計政策、會計估算更改及錯誤更正
會計準則10	結算日後事項
會計準則16	物業、廠房和設備
會計準則17	租賃
會計準則18	收入
會計準則21	匯率變更之影響
會計準則23	借貸成本
會計準則24	關聯方披露
會計準則27	綜合及獨立財務報表
會計準則28	聯營公司投資
會計準則31	合營公司投資
會計準則32	金融工具：披露及呈列
會計準則33	每股盈利
會計準則36	資產減值
會計準則38	無形資產
會計準則39	金融工具：確認及計量
會計準則39 (修訂)	財務資產和財務負債的過渡和初步確認
會計準則40	投資物業
會計準則-詮釋15	營運租約 — 優惠
財務報告準則3	業務合併
財務報告準則4	保險合同
會計準則-詮釋2	酒店物業的適當政策
會計準則-詮釋3	收入 — 銷售未完工開發中物業

2. Summary of significant accounting policies*(Continued)***2.1 Basis of preparation (Continued)***The adoption of new/revised HKFRS (Continued)*

The adoption of new/revised HKASs 1, 2, 7, 8, 10, 16, 18, 21, 23, 24, 27, 28, 31, 33, 36, 38, 40, HKAS Int-15, HKFRSs 3, 4 and HK-Int 2 did not result in substantial changes to the Group's accounting policies. In summary:

- HKAS 1 has affected the presentation of minority interests, share of net after-tax results of jointly controlled entities and associated companies and other disclosures.
- HKASs 2, 7, 8, 10, 16, 18, 21, 23, 27, 28, 31, 33, 36, 38, 40, HKAS Int-15, HKFRSs 3, 4 and HK-Int 2 had no material effect on the Group's policies.
- HKAS 24 has affected the identification of related parties and some other related party disclosures.

The adoption of revised HKAS 17 has resulted in a change in the accounting policy relating to the reclassification of land use rights from property, plant and equipment, properties under development to operating leases. The up-front prepayments made for the land use rights are expensed in the income statement on a straight-line basis over the period of the lease or where there is impairment, the impairment is expensed in the income statement. In prior years, the land use rights were accounted for at cost less accumulated depreciation and accumulated impairment.

2. 主要會計政策概要 (續)**2.1 編制基準 (續)***採納新訂／經修訂準則 (續)*

採納新訂／經修訂會計準則1, 2, 7, 8, 10, 16, 18, 21, 23, 24, 27, 28, 31, 33, 36, 38, 40, 會計準則— 詮釋15, 財務報告準則3, 4以及會計準則詮釋2並無導致本集團的會計政策出現重大變動。總括而言：

- 會計準則1影響少數股東權益、應佔共同控制實體及聯營公司稅後業績及其他披露的呈報形式。
- 會計準則2, 7, 8, 10, 16, 18, 21, 23, 27, 28, 31, 33, 36, 38, 40和會計準則— 詮釋15, 財務報告準則3, 4以及會計準則詮釋2對本集團政策並無重大影響。
- 會計準則24對關聯方的辨識以及其他一些關聯方的披露有所影響。

採納經修訂會計準則17導致會計政策改變，涉及將土地使用權從物業、廠房和設備，開發中物業中重分類為營運租賃。就土地使用權作出的首期預付款在租賃期間以直線法於損益表支銷，或如有減值，將減值在損益表支銷。在以前年度，土地使用權按照成本扣減累計減值列示。

Notes to the Consolidated Financial Statements

綜合賬目附註

2. Summary of significant accounting policies

(Continued)

2.1 Basis of preparation (Continued)

The adoption of new/revised HKFRS (Continued)

The adoption of HK-Int 3 has resulted in a change in the accounting policy of revenue recognition. Revenue from sales of properties is recognised upon completion of sale agreements, which refers to the time when the relevant properties have been completed and delivered to the purchasers pursuant to the sale agreements, as opposed to the stage of completion method used in prior years.

The adoption of HKASs 32 and 39 has resulted in a change in the accounting policies relating to the classification of available-for-sale financial assets at fair value. In prior years they were classified as investment securities and stated at cost less accumulated impairment.

Changes in the accounting policies have been made in accordance with the transition provisions in the respective standards. All standards adopted by the Group require retrospective application other than HKAS 39 which does not permit to recognise, derecognise and measure financial assets and liabilities in accordance with this standard on a retrospective basis. The Group applied the previous SSAP 24 "Accounting for Investments in Securities". The adjustments required for the accounting differences between SSAP 24 and HKAS 39 are determined and recognised as opening adjustments at 1st January 2005.

2. 主要會計政策概要 (續)

2.1 編制基準 (續)

採納新訂／經修訂準則 (續)

採納會計準則 — 詮釋3，其中有關收入確認的會計政策有所改變。物業的銷售收入的確認基於銷售合同的簽訂的完成時點，主要指依據銷售合同將相關的物業完工支付予購買者的時間。在以前年度，收入以物業預售後的完工比例確認。

採納會計準則32及39後，導致會計政策改變，涉及按公平值記賬的可出售財務資產的分類。在以前年度，可出售財務資產按照成本扣減減值撥備列示。

所有有關會計準則變更均已經按照各自的過渡項條款進行調整，除會計準則39外，本集團採用的所有其他新會計準則均已進行了追溯調整。根據會計準則39，不必對收入的確認、取消和金融資產和負債的衡量進行追溯調整。本集團按照原會計實務準則24“證券投資”的要求確認證券投資。有關會計實務準則24與會計準則39的差異將在二零零五年一月一日確認。

Notes to the Consolidated Financial Statements

綜合賬目附註

2. Summary of significant accounting policies

(Continued)

2.1 Basis of preparation (Continued)

The adoption of new/revised HKFRS

The effects of the adoption of new/revised HKFRS are summarised as follow:

(i) Consolidated Income Statement

Year ended 31st December 2005	截至二零零五年十二月三十一日止年度	HKAS 17 會計準則 第 17 號 RMB'000 人民幣千元	HK-Int 3 會計準則- 詮釋第 3 號 RMB'000 人民幣千元	HKAS 39 會計準則 第 39 號 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
Decrease in cost of sales	銷售成本的減少	1,675	—	—	1,675
Increase in other gains — net	其他收益 — 淨額的增加	—	—	2,249	2,249
Increase in administrative expenses	管理費用的增加	(11,140)	—	—	(11,140)
Increase in finance costs	融資成本的增加	(2,165)	—	—	(2,165)
(Decrease)/increase in share of profits less losses of	分佔業績(減少)/增加 less losses of				
— Jointly controlled entities	— 共同控制實體	(623)	3,641	—	3,018
— Associated companies	— 聯營公司	(389)	416	—	27
Decrease/(increase) in income tax expenses	所得稅費用減少/(增加) expenses	3,838	—	(742)	3,096
Decrease in profit attributable to minority interests	本年少數股東權益減少	1,237	—	—	1,237
(Decrease)/increase in profit attributable to the equity holders of the Company	本年本公司權益持有人應佔溢利的(減少)/增加	(7,567)	4,057	1,507	(2,003)
(Decrease)/increase in earnings per share (basic and diluted) (RMB cents)	每股溢利(基本和攤薄) (減少)/增加(人民幣分)	(0.44)	0.24	0.09	(0.11)

2. 主要會計政策概要 (續)

2.1 編制基準 (續)

採納新訂/經修訂會計準則

採納新訂/經修訂會計準則的匯總影響如下所示：

(i) 綜合損益表

Notes to the Consolidated Financial Statements

綜合賬目附註

2. Summary of significant accounting policies

(Continued)

2.1 Basis of preparation (Continued)

The adoption of new/revised HKFRS (Continued)

(i) Consolidated Income Statement (Continued)

Year ended 31st December 2004	截至二零零四年十二月三十一日止年度	HKAS 17 會計準則- 第 17 號 RMB'000 人民幣千元	HK-Int 3 會計準則- 詮釋第 3 號 RMB'000 人民幣千元	HKAS 39 會計準則 第 39 號 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
Increase in administrative expenses	管理費用的增加	(10,140)	—	—	(10,140)
Increase in finance costs	融資成本的增加	(10,645)	—	—	(10,645)
Decrease in share of profits less losses of	分佔業績的減少				
— Jointly controlled entities	— 共同控制實體	(1,495)	(6,279)	—	(7,774)
— Associated companies	— 聯營公司	(3,076)	(957)	—	(4,033)
Decrease in income tax expenses	所得稅費用減少	6,859	—	—	6,859
Decrease in profit attributable to minority interests	本年少數股東權益減少	2,618	—	—	2,618
Decrease in profit attributable to the equity holders of the Company	本年本公司權益持有人應佔溢利的減少	(15,879)	(7,236)	—	(23,115)
Decrease in earnings per share (basic and diluted) (RMB cents)	每股溢利(基本和攤薄)減少(人民幣分)	(0.98)	(0.45)	—	(1.43)

2. 主要會計政策概要 (續)

2.1 編制基準 (續)

採納新訂/經修訂會計準則(續)

(i) 綜合損益表(續)

Notes to the Consolidated Financial Statements

綜合賬目附註

2. Summary of significant accounting policies

(Continued)

2.1 Basis of preparation (Continued)

The adoption of new/revised HKFRS (Continued)

(ii) Consolidated Balance Sheet

As at 31st December 2005	二零零五年十二月三十一日	HKAS 17 會計準則 第 17 號 RMB'000 人民幣千元	HK-Int 3 會計準則- 詮釋第 3 號 RMB'000 人民幣千元	HKAS 39 會計準則 第 39 號 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
Decrease in property, plant and equipment	物業、廠房和設備的減少	(116,568)	—	—	(116,568)
Increase in land use rights	土地使用權的增加	794,041	—	—	794,041
Decrease in properties under development	開發中物業的減少	(737,813)	—	—	(737,813)
Decrease in properties held for sale	待出售已落成物業的減少	(706)	—	—	(706)
Decrease in trade and other receivables	應收賬款及其它應收款項的減少	—	—	(12,824)	(12,824)
Decrease in jointly controlled entities	共同控制實體的減少	(1,991)	—	—	(1,991)
Decrease in associated companies	聯營公司的減少	(6,786)	—	—	(6,786)
Increase in deferred income tax assets	遞延稅項資產的增加	20,145	—	4,232	24,377
Decrease in net assets	淨資產的減少	(49,678)	—	(8,592)	(58,270)
Decrease in opening balance of retained earnings	年初保留溢利的減少	(34,329)	(4,057)	(9,806)	(48,192)
Decrease in opening balance of minority interests	年初少數股東權益減少	(6,545)	—	(293)	(6,838)
(Decrease)/increase in profit attributable to the equity holders of the Company	本年本公司權益持有人應佔溢利的(減少)/增加	(7,567)	4,057	1,507	(2,003)
Decrease in profit attributable to minority interests	本年少數股東權益減少	(1,237)	—	—	(1,237)
		(49,678)	—	(8,592)	(58,270)

2. 主要會計政策概要 (續)

2.1 編制基準 (續)

採納新訂/經修訂會計準則(續)

(ii) 綜合資產負債表

Notes to the Consolidated Financial Statements

綜合賬目附註

2. Summary of significant accounting policies

(Continued)

2.1 Basis of preparation (Continued)

The adoption of new/revised HKFRS (Continued)

(ii) Consolidated Balance Sheet (Continued)

As at 31st December 2004	二零零四年十二月三十一日	HKAS 17 會計準則 第 17 號 RMB'000 人民幣千元	HK-Int 3 會計準則- 詮釋第 3 號 RMB'000 人民幣千元	HKAS 39 會計準則 第 39 號 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
Decrease in property, plant and equipment	物業、廠房和設備的減少	(110,006)	—	—	(110,006)
Increase in land use rights	土地使用權的增加	727,538	—	—	727,538
(Decrease)/increase in properties under development	開發中物業的(減少)/增加	(663,835)	22,053	—	(641,782)
Decrease in properties held for sale	待出售已落成物業的減少	(1,487)	—	—	(1,487)
Decrease in jointly controlled entities	共同控制實體的減少	(4,132)	(3,815)	—	(7,947)
Decrease in associated companies	聯營公司的減少	(5,259)	(416)	—	(5,675)
Increase in deferred income tax assets	遞延稅項資產的增加	16,307	174	—	16,481
Increase in trade and other payables	應付賬款及其它應付款項的增加	—	(22,053)	—	(22,053)
Decrease in net assets	淨資產的減少	(40,874)	(4,057)	—	(44,931)
(Decrease)/increase in opening balance of retained earnings	年初保留溢利的(減少)/增加	(18,450)	3,179	—	(15,271)
Decrease in opening balance of minority interests	年初少數股東權益減少	(3,927)	—	—	(3,927)
Decrease in profit attributable to the equity holders of the Company	本年本公司權益持有人應佔溢利的減少	(15,879)	(7,236)	—	(23,115)
Decrease in profit attributable to minority interests	本年少數股東權益減少	(2,618)	—	—	(2,618)
		(40,874)	(4,057)	—	(44,931)

2. 主要會計政策概要 (續)

2.1 編制基準 (續)

採納新訂/經修訂會計準則(續)

(ii) 綜合資產負債表 (續)

2. Summary of significant accounting policies

(Continued)

2.1 Basis of preparation (Continued)

The adoption of new/revised HKFRS (Continued)

No early adoption of the following new Standards or Interpretations that have been issued but are not yet effective for the year ended 31st December 2005. The adoption of such Standards or Interpretations will not result in substantial changes to the Group's accounting policies.

HKFRS 7, Financial instruments: Disclosures, and a complementary Amendment to HKAS 1, Presentation of Financial Statements — Capital Disclosures (effective from 1st January 2007).

HKFRS-Int 4, Determining whether an Arrangement contains a Lease (effective from 1st January 2006).

HKAS 39 and HKFRS 4 (Amendment), Financial Guarantee Contracts (effective from 1st January 2006).

2. 主要會計政策概要 (續)

2.1 編制基準 (續)

採納新訂／經修訂會計準則 (續)

本集團並未提前採納以下已經頒佈但並未生效的新準則和詮釋，本集團認為採納以下的新準則和詮釋不會對本集團的經營成果產生重大影響。

財務報告準則7，金融工具：披露及對會計準則1財務報表的呈列的補充修訂 — 資本披露（自二零零七年一月一日起實施）。

財務準則 — 詮釋4，厘定一項安排是否包含租賃（自二零零六年一月一日起實施）。

會計準則 39 及財務準則 4（經修訂），財務擔保合同（自二零零六年一月一日起實施）。

Notes to the Consolidated Financial Statements

綜合賬目附註

2. Summary of significant accounting policies

(Continued)

2.2 Consolidation

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

(a) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

2. 主要會計政策概要 (續)

2.2 綜合賬目

綜合賬目包括本公司及所有附屬公司截至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管控制其財政及營運政策而控制所有實體(包括特殊目的實體)，一般附帶超過半數投票權的股權。在評定本集團是否控制另一實體時，目前可行使或可兌換的潛在投票權的存在及影響均予考慮。

附屬公司在控制權轉移至本集團之日全面綜合入賬。附屬公司在控制權終止之日起停止綜合入賬。

2. Summary of significant accounting policies

(Continued)

2.2 Consolidation (Continued)

(a) Subsidiaries (Continued)

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. 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 income statement.

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.

2. 主要會計政策概要 (續)

2.2 綜合賬目 (續)

(a) 附屬公司 (續)

會計收購法乃用作本集團收購附屬公司的入賬方法。收購的成本根據於交易日期所給予資產、所發行的股本工具及所產生或承擔的負債的公平值計算，另加該收購直接應佔的成本。在企業合併中所收購可識別的資產以所承擔的負債及或然負債，首先以彼等於收購日期的公平值計量，而不論任何少數股東權益的數額。收購成本超過本集團應佔所收購可識別資產淨值公平值的數額記錄為商譽。若收購成本低於所購入附屬公司資產淨值的公平值，該差額直接在損益表確認。

集團內公司之間的交易、交易的結餘及未實現收益予以對銷。除非交易提供所轉讓資產減值之憑證，否則未實現虧損亦予以對銷。附屬公司的會計政策已按需要作出改變，以確保與本集團採用的政策符合一致。

Notes to the Consolidated Financial Statements

綜合賬目附註

2. Summary of significant accounting policies

(Continued)

2.2 Consolidation (Continued)

(a) Subsidiaries (Continued)

In the Company's balance sheet the investments in subsidiaries are stated at cost less provision for impairment losses. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

(b) Transactions and minority interests

The Group applies a policy of treating transactions with minority interests as transactions with parties external to the Group. Disposals to minority interests result in gains and losses for the Group that are recorded in the income statement. Purchases from minority interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary.

2.3 Jointly controlled entities

Jointly controlled entities are all entities with a contractual arrangement whereby the Group and other parties undertake an economic activity which is subject to joint control and none of the participating parties has unilateral control over the economic activity. Investments in jointly controlled entities are accounted for by the equity method of accounting and are initially recognised at cost.

2. 主要會計政策概要 (續)

2.2 綜合賬目 (續)

(a) 附屬公司 (續)

在本公司之資產負債表內，於附屬公司之投資按成本值扣除減值虧損準備列賬。附屬公司之業績由本公司按已收及應收股息入賬。

(b) 少數股東權益和交易

本集團與少數股東間的交易政策與對本集團外第三方政策相同。處置少數股東權益將產生收益或損失，已反映在綜合損益表中。收購少數股東權益將產生商譽，即支付報酬與取得的應佔附屬公司淨資產賬面價值的相關份額之間的差異。

2.3 共同控制實體

共同控制實體指本集團與其他人士以合約安排方式進行經濟活動，該活動受雙方共同控制，而任何一方對該經濟活動均無單方面之控制權。於共同控制實體之投資以權益會計法處理，並於最初確認為成本。

2. Summary of significant accounting policies

(Continued)

2.3 Jointly controlled entities (Continued)

The Group's share of its jointly controlled entities' 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 a jointly controlled entity equals or exceeds its interest in the jointly controlled entity, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the jointly controlled entity.

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

In the Company's balance sheet the investments in jointly controlled entities are stated at cost less provision for impairment losses. The results of jointly controlled entities are accounted for by the Company on the basis of dividend received and receivable.

2. 主要會計政策概要 (續)

2.3 共同控制實體 (續)

本集團應佔收購後共同控制實體的溢利或虧損於損益表內確認，而應佔收購後儲備的變動則於儲備賬內確認。投資賬面值會根據累計之收購後儲備變動而作出調整。如本集團應佔一家共同控制實體之虧損等於或超過其在該共同控制實體之權益，包括任何其他無抵押應收款，本集團不會確認進一步虧損，除非本集團已代共同控制實體承擔責任或作出付款。

本集團與其共同控制實體之間交易的未實現收益按集團在共同控制實體權益的數額對銷。除非交易提供所轉讓資產減值之憑證，否則未實現虧損亦予以對銷。共同控制實體的會計政策已按需要作出改變，以確保與本集團採用的政策符合一致。

在本公司之資產負債表內，於共同控制實體之投資按成本值扣除減值虧損準備列賬。共同控制實體之業績由本公司按已收及應收股息入賬。

Notes to the Consolidated Financial Statements

綜合賬目附註

2. Summary of significant accounting policies

(Continued)

2.4 Associated companies

Associated companies 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 associated companies are accounted for by the equity method of accounting and are initially recognised at cost.

The Group's investment in associated companies includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The Group's share of its associated companies' 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 associated company equals or exceeds its interest in the associated company, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associated company.

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

2. 主要會計政策概要 (續)

2.4 聯營公司

聯營公司指所有本集團對其有重大影響力而無控制權的實體，通常附帶有20% — 50%投票權的股權。聯營公司投資以權益會計法入賬，初始以成本確認。

本集團於聯營公司之投資包括收購時已識別的商譽(扣除任何累計減值虧損)。

本集團應佔收購後聯營公司的溢利或虧損於損益表內確認，而應佔收購後儲備的變動則於儲備賬內確認。投資賬面值會根據累計之收購後儲備變動而作出調整。如本集團應佔一家聯營公司之虧損等於或超過其在該聯營公司之權益，包括任何其他無抵押應收款，本集團不會確認進一步虧損，除非本集團已代聯營公司承擔責任或作出付款。

本集團與其聯營公司之間交易的未實現收益按集團在聯營公司權益的數額對銷。除非交易提供所轉讓資產減值之憑證，否則未實現虧損亦予以對銷。聯營公司的會計政策已按需要作出改變，以確保與本集團採用的政策符合一致。

2. Summary of significant accounting policies

(Continued)

2.4 Associated companies(Continued)

In the Company's balance sheet the investments in associated companies are stated at cost less provision for impairment losses. The results of associated companies are accounted for by the Company on the basis of dividend received and receivable.

2.5 Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

2.6 Foreign currency translation

(a) 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 Renminbi ("RMB"), which is the Company's functional and presentation currency.

2. 主要會計政策概要 (續)

2.4 聯營公司 (續)

在本公司之資產負債表內，於聯營公司之投資按成本值扣除減值虧損準備列賬。聯營公司之業績由本公司按已收及應收股息入賬。

2.5 分部報告

業務分部指從事提供產品或服務的一組資產和業務，而產品或服務的風險和回報與其他業務分部的不同。地區分部指在某個特定經濟環境中從事提供產品或服務，其產品或服務的風險和回報與在其他經濟環境中營運的分部的不同。

2.6 外幣折算

(a) 功能及列賬貨幣

本集團每個實體的財務報表所列項目均以該實體營運所在的主要經濟環境的貨幣計量（「功能貨幣」）。綜合財務報表以人民幣呈報，人民幣為本公司的功能及列賬貨幣。

Notes to the Consolidated Financial Statements

綜合賬目附註

2. Summary of significant accounting policies

(Continued)

2.6 Foreign currency translation (Continued)

(b) 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 income statement.

2.7 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

2. 主要會計政策概要 (續)

2.6 外幣折算 (續)

(b) 交易及結餘

外幣交易採用交易日的匯率換算為功能貨幣。除了符合在權益中遞延入賬的現金流量對沖和淨投資對沖外，結算此等交易產生的匯兌盈虧以及將外幣計值的貨幣資產和負債以年終匯率換算產生的匯兌盈虧在損益表確認。

2.7 物業、廠房和設備

物業、廠房和設備按歷史成本減折舊和減值虧損列賬。歷史成本包括收購該項目直接應佔的開支。

2. Summary of significant accounting policies*(Continued)***2.7 Property, plant and equipment (Continued)**

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

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate cost to their residual values over their estimated useful lives as follows:

— Buildings	34 – 40 years
— Hotel properties	15 – 40 years
— Furniture, fixtures and equipment	5 – 10 years
— Motor vehicles	5 – 9 years

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2.11).

Gain and loss on disposals are determined by comparing proceeds with carrying amounts. These are included in the income statement.

2. 主要會計政策概要 (續)**2.7 物業、廠房和設備 (續)**

其後成本只有在與該項目有關的未來經濟利益有可能流入本集團，而該項目的成本能可靠計量時，才包括在資產的賬面值或確認為獨立資產(按適用)。所有其他維修及保養在產生的財政期間內於損益表支銷。

物業、廠房及設備的折舊根據其扣除估計殘值後的成本按照如下的估計可使用年限採用直線法計算。

樓宇	34年至40年
酒店	15年至40年
傢俬、裝置及設備	5年至10年
汽車	5年至9年

資產的剩餘價值及可使用年期在個結算日進行檢討，及在適當時調整。

若資產的賬面值高於其估計可收回價值，其賬面值即時撇減至可收回金額(附註2.11)。

出售之損益乃按有關資產之銷售所得款項淨額與其賬面值之差額釐定，並列入損益表中。

Notes to the Consolidated Financial Statements

綜合賬目附註

2. Summary of significant accounting policies

(Continued)

2.7 Property, plant and equipment (Continued)

Construction in progress represents property, plant and equipment under construction and pending installation and is stated at cost. Cost, includes the costs of construction of buildings, the cost of plant and equipment, installation, testing and other direct costs. No provision for depreciation is made on construction in progress until such time as the relevant assets are completed and ready for intended use. When the assets concerned are brought into use, the costs are depreciated in accordance with the policy as stated above.

2.8 Land use rights

All land in Mainland China is state-owned and no individual land ownership right exists. The Group acquired the right to use certain land and the premiums paid for such right are recorded as land use rights, which are stated at cost and amortised over the use terms of 40 to 70 years using the straight-line method.

2.9 Properties under development/properties under development for sale

Properties under development are stated at the lower of cost and net realisable value and comprises development expenditure, professional fees, and interest capitalised. Net realisable value is determined by reference to management estimates based on prevailing market conditions less costs to be incurred in selling the property. On completion, the properties are transferred to completed properties held for sale.

2. 主要會計政策概要 (續)

2.7 物業、廠房和設備 (續)

在建工程指建造中或待安裝的物業、廠房及設備，並以成本列賬。成本包括建築物的建造成本、廠房及設備的採購成本、安裝成本、測試及其它直接成本。在建工程於建造過程中不需計提折舊直至相關的資產已經完工並可以交付使用。資產於投入使用時其成本將轉入物業、廠房和設備並按照上述的政策計提折舊。

2.8 土地使用權

中國大陸的所有土地均為國有且無單獨的所有權。本集團支付土地出讓金以取得對土地的使用權並計入土地使用權，以成本減去攤銷後的金額列示，土地使用權按其土地使用權期間40至70年以直線法攤銷。

2.9 開發中物業／待出售開發中物業

開發中物業按成本及可變現淨值兩者中較低者列賬，並包括開發費用、專業費用及資本化利息。可變現淨值是管理層根據當前市況對物業價值作出估算，減去出售物業所需要的成本後釐定。完工後，物業結轉為待出售物業。

2. Summary of significant accounting policies*(Continued)***2.9 Properties under development/properties under development for sale** *(Continued)*

A property development is considered complete upon the issuance of engineering quality inspection certificate or relevant government authority's certificate, whichever is the earlier.

2.10 Properties held for sale

Properties held for sale are completed properties remaining unsold at year end and are stated at the lower of cost and net realisable value. Net realisable value is determined by reference to expected sales proceeds of completed properties sold in the ordinary course of business less all estimated selling expenses.

2.11 Impairment of assets

Assets that have an indefinite useful life and are not subject to depreciation/amortisation are at least tested annually for impairment and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that are subject to depreciation/amortisation are reviewed 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 carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

2. 主要會計政策概要 (續)**2.9 開發中物業／待出售開發中物業 (續)**

一項物業發展的完成按工程品質檢驗證書的發出日或相關政府部門證書的發出日兩者中較早者確認。

2.10 待出售已落成物業

待出售物業指於年末仍未售出的已落成物業並按成本和可變現淨值兩者中較低值列賬。成本包括應分攤的土地使用權成本及代售物業的成本。可變現淨值是管理層根據當前市況對物業價值作出估算，減去出售物業所需要的成本後厘定。

2.11 資產減值

沒有確定使用年期之資產無需折舊／攤銷，但至少每年就減值進行測試，及當有事件出現或情況改變顯示賬面值可能無法收回時就減值進行檢討。須作折舊／攤銷之資產，當有事件出現或情況改變顯示賬面值可能無法收回時就減值進行檢討。減值虧損按資產之賬面值超出其可收回金額之差額於損益表內確認。可收回金額以資產之公平值扣除銷售成本或使用價值兩者之較高者為準。於評估減值時，資產將按可識辨現金流量(現金產生單位)的最低層次組合。

Notes to the Consolidated Financial Statements

綜合賬目附註

2. Summary of significant accounting policies

(Continued)

2.12 Investments

From 1st January 2004 to 31st December 2004:

The Group classified its investments in securities, other than subsidiaries, jointly controlled entities and associated companies, as investment securities.

Investment securities were equity investments held for a continuing basis and were stated at cost less any provision for impairment losses. The carrying amounts of individual investments were reviewed by the directors at each balance sheet date to assess whether the fair values had declined below the carrying amounts. For declines other than a temporary nature, the carrying amount of such securities were reduced to its fair value. The impairment loss was recognised as an expense in the income statement. The impairment loss was written back to income statement when the circumstances and events that led to the write-down ceased to exist and there was persuasive evidence that the new circumstances and events would persist in the foreseeable future.

From 1st January 2005 onwards:

The Group classifies its investments in the following categories: loans and receivables and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

2. 主要會計政策概要 (續)

2.12 投資

於二零零四年一月一日至二零零四年十二月三十一日：

本集團將除附屬公司投資、共同控制實體投資及聯營公司投資外的投資分為投資證券。

投資證券是持有作持續性用途的股本投資，按成本減任何減值虧損撥備列帳。董事於各結算日檢討各項投資的賬面值，以評估其公平價值是否低於賬面值，以評估其公平價值是否低於賬面值。倘賬面值下降非屬臨時性質，該等證券的賬面值將減至其公平價值。減值虧損於損益表內確認為支出。該筆減值虧損會在導致須作出撇減的情況及事件不存在，且有充分證據證明新情況及事件會在可見未來持續後，撥回損益表內。

於二零零五年一月一日以後：

本集團的投資分類為貸款及應收款項及可出售財務資產。分類方式視乎購入投資目的而定。管理層將會在取得投資的初始確認其分類，並在每個報告日重新估計此分類。

2. Summary of significant accounting policies

(Continued)

2.12 Investments (Continued)

(a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

(b) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

2. 主要會計政策概要 (續)

2.12 投資

(a) 貸款及應收款項

貸款及應收款項為有固定或可釐定付款且沒有在活躍市場上報價的非衍生財務資產。此等款項在本集團直接向債務人提供金錢、貨品或服務而無意將該應收款轉售時產生。此等款項包括在流動資產內，但到期日由結算日起計超過12個月者，則分類為非流動資產。貸款及應收款列在資產負債表中應收賬款及其他應收款項內。

(b) 可出售財務資產

可出售財務資產為非衍生工具，被指定為此類別或並無分類為任何其他類別。除非管理層有意在結算日後12個月內出售該項投資，否則此等資產列在非流動資產內。

Notes to the Consolidated Financial Statements

綜合賬目附註

2. Summary of significant accounting policies

(Continued)

2.12 Investments (Continued)

Purchases and sales of investments are recognised on trade-date — the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets. Investments are 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. Loans and receivables are carried at amortised cost using the effective interest method. Unrealised gains and losses arising from changes in the fair value of non-monetary securities classified as available-for-sale are recognised in equity. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the income statement as gains or losses from investments.

2. 主要會計政策概要 (續)

2.12 投資 (續)

投資的購入及出售在交易日確認 — 交易日指本集團承諾購入或出售該資產之日。對於並非按公平值透過損益記賬的所有財務資產，投資初步按公平值加交易成本確認。當從投資收取現金流量的權利經已到期或經已轉讓，而本集團已將擁有權的所有風險和回報實際轉讓時，投資即終止確認。可出售財務資產及按公平值透過損益記賬的財務資產其後按公平值列賬。貸款及應收款利用實際利息法按攤銷成本列賬。被分類為可供出售的非貨幣證券公平值變動產生的未實現盈虧，在權益中確認。當分類為可供出售的證券被售出或減值時，累計公平值調整列入損益表作為投資的盈虧。

2. Summary of significant accounting policies

(Continued)

2.12 Investments (Continued)

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the securities below its cost is considered in determining whether the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss — measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the income statement — is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

2. 主要會計政策概要 (續)

2.12 投資 (續)

有報價投資的公平值根據當時的買盤價計算。若某項財務資產的市場並不活躍（及就非上市證券而言），本集團利用重估技術設定公平值。這些技術包括利用近期公平原則交易、參考大致相同的其他工具、貼現現金流量分析和經改良的期權定價模式，以反映發行人的具體情況。

本集團在每個結算日評估是否有客觀證據證明某項財務資產或某組財務資產經已減值。對於分類為可供出售的股權證券，在釐定證券是否已經減值時，會考慮證券公平值有否大幅或長期跌至低於其成本值。若可供出售財務資產存在此等證據，累計虧損 — 按收購成本與當時公平值的差額，減該財務資產之前在損益表確認的任何減值虧損計算 — 自權益中剔除並在損益表記賬。在損益表確認的股權工具減值虧損不會透過損益表撥回。

Notes to the Consolidated Financial Statements

綜合賬目附註

2. Summary of significant accounting policies

(Continued)

2.13 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost, calculated on the weighted average basis, comprises invoiced price, delivery and other direct costs relating to purchases. Net realisable value is determined on the basis of anticipated sales proceeds in the ordinary course of business less estimated selling expenses.

2.14 Trade and other receivables

Trade and other receivables 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 trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement.

2.15 Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits held at call with banks.

2.16 Share capital

Domestic and H shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2. 主要會計政策概要 (續)

2.13 存貨

存貨按成本值與可變現淨值兩者的較低者列賬。成本值以加權平均法計算，並包括購買價格、運輸費用及其它與採購直接相關的成本。可變現淨值為通常業務過程中的估計銷售價減適用的變動銷售費用。

2.14 應收賬款及其它應收款項

應收帳款及其他應收款初步以公平值確認，其後利用實際利息法按攤銷成本扣除減值撥備計量。當有客觀證據證明本集團將無法按應收款的原有條款收回所有款項時，即就應收帳款及其他應收款設定減值撥備。撥備金額為資產賬面值與按實際利率貼現的估計未來現金流量的現值兩者的差額。撥備金額在損益表確認。

2.15 現金及現金等價物

現金及現金等價物包括現金及銀行通知存款。

2.16 股本

普通股及H股被列為權益。直接歸屬於發行新股或認股權的新增成本在權益中列為募集款的減少(扣除稅項)。

2. Summary of significant accounting policies

(Continued)

2.17 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 12 months after the balance sheet date.

2.18 Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

2. 主要會計政策概要 (續)

2.17 貸款

貸款初步按公平值並扣除產生的交易成本確認。貸款其後按攤銷成本列賬；所得款（扣除交易成本）與贖回價值的任何差額利用實際利息法於貸款期間內在損益表確認。

除非本集團有無條件權利將負債的結算遞延至結算日後最少12個月，否則貸款分類為流動負債。

2.18 遞延稅項

遞延所得稅利用負債法就資產和負債的稅基與在資產和負債在綜合財務報表的賬面值之差產生的暫時差異全數撥備。然而，若遞延所得稅來自在交易（不包括企業合併）中對資產或負債的初步確認，而在交易時不影響會計損益或應課稅盈虧，則不作記賬。遞延稅項採用在結算日前已頒佈或實質頒佈，並在有關之遞延所得稅資產實現或遞延所得稅負債結算時預期將會適用之稅率（及法例）而釐定。

Notes to the Consolidated Financial Statements

綜合賬目附註

2. Summary of significant accounting policies

(Continued)

2.18 Deferred income tax (Continued)

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, jointly controlled entities and associated companies, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

2.19 Employee benefits

(a) 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.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(b) Bonus entitlements

The expected cost of bonus payments are recognised as a liability when the Group has a present constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

2. 主要會計政策概要 (續)

2.18 遞延稅項 (續)

遞延稅項資產乃就有可能將未來應課稅溢利與可動用之短暫時差抵銷而確認。

遞延稅項乃就附屬公司、共同控制實體及聯營公司之短暫時差而撥備，但假若可以控制時差之撥回，並有可能在可預見未來不會撥回則除外。

2.19 僱員福利

(a) 僱員應享假期

僱員年假之權利在僱員應享有時確認。本集團為截至結算日止僱員已提供之服務而產生之年假之估計負債作撥備。

僱員之病假及產假不作確認，直至僱員正式休假為止。

(b) 獎金計劃

當本集團因為僱員已提供之服務而產生現有推定性責任，而責任金額能可靠估算時，則將獎金計畫之預計成本確認為負債入賬。

2. Summary of significant accounting policies

(Continued)

2.19 Employee benefits (Continued)

(c) Retirement benefit costs

The Group contributes on a monthly basis to various defined contribution retirement benefit plans organised by municipal or provincial governments. These governments undertake to assume the retirement benefit obligations of all existing and future retired employees payable under these plans. Contributions to these plans are expensed as incurred. The assets of these plans are held separately from those of the Group in independently administered funds managed by these governments.

2.20 Provisions

Provisions are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2. 主要會計政策概要 (續)

2.19 僱員福利 (續)

(c) 退休福利成本

本集團參與市或省政府主辦的多個定額供款退休福利計畫，並按月供款。該等政府承諾，根據該等計畫向所有現有及未來退休僱員承擔退休福利債務責任。該等計畫的供款在產生時列作支出。該等計畫的資產是由該等政府管理的獨立管理基金持有，與本集團的資產分開。

2.20 撥備

在出現以下情況時就重建費用和法律索償作出撥備：本集團因已發生的事件而產生現有的法律或推定責任；較可能需要有資源流出以償付責任；金額已經可靠估計。

如有多項類似責任，其需要在償付中流出資源的可能性，根據責任的類別整體考慮。即使在同一責任類別所包含的任何一個項目相關的資源流出的可能性極低，仍須確認撥備。

根據解決責任需要支出的現行價值計量撥備，使用稅前貼現率，此貼現率需反映當前的市場的貨幣時間價值和由此義務帶來的風險的現行價值。隨著時間而增加的撥備要確認為利息費用。

Notes to the Consolidated Financial Statements

綜合賬目附註

2. Summary of significant accounting policies

(Continued)

2.21 Revenue recognition

Revenue comprises the fair value for the consideration received or receivable for the sale of goods and services, net of returns, rebates and discounts. Revenue is recognised as follows:

(a) *Sales of properties and land use rights*

Revenue from sales of properties and land use rights is recognised upon completion of sale agreements, which refers to the time when the relevant properties have been completed and delivered to the purchasers pursuant to the sale agreements. Deposits and installments received on properties sold prior to their completion are included in current liabilities.

(b) *Sales of services*

Revenue from hotel operation is recognised upon the provision of services.

(c) *Project development consulting income*

Project development consulting income is recognised when services are rendered.

2. 主要會計政策概要 (續)

2.21 收入確認

收入包括出售貨品及服務的公平值，並扣除返還、回扣和折扣。收入確認如下：

(a) *銷售物業及已開發土地*

銷售物業及已開發土地的收益，在銷售協定完成時確認，即有關物業已落成並根據銷售協定交付予買家的時間。在落成前售出所收取的按金和分期付款額均包括在流動負債內。

(b) *服務收入*

酒店業務之收入在提供服務後確認。

(c) *房地產策劃諮詢服務收入*

房地產策劃諮詢服務收入於提供服務後確認。

2. Summary of significant accounting policies*(Continued)***2.21 Revenue recognition (Continued)***(d) Interest income*

Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised either as cash is collected or on a cost — recovery basis as conditions warrant.

(e) Dividend income

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

2.22 Government grants

Government grants are assistance by local municipal government in the form of transfer of resources to an enterprise to encourage business development in the local municipal. Such grants are discretionary in nature. Government grants related to income is recognised in the income statement on a systematic basis to match with the related costs which they are intended to compensate.

2. 主要會計政策概要 (續)**2.21 收入確認 (續)***(d) 利息收入*

利息收入使用實際利息法按時間分配基準確認入賬。當應收款項出現減值，本集團減低賬面額至其可收回金額，即按工具的原訂實際利率將估計未來現金流貼現，並繼續沖抵折讓為利息收入。減值貸款的利息收入僅在收取現金或當條件許可時按成本 — 收回基準確認。

(e) 股息收入

股息收入於股東收受股息的權利已確立時確認。

2.22 政府補助金

政府補助金是地方市政府以轉讓資源的形式為企業提供的資助，藉以鼓勵當地的商業發展。該等補助金由地方市政府酌情發放。與收入有關的政府補助金在收到時有系統地在損益表中確認，並與計劃補償的有關費用配比。

Notes to the Consolidated Financial Statements

綜合賬目附註

2. Summary of significant accounting policies

(Continued)

2.23 Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are accounted for as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are expensed to the income statement on a straight-line basis over the period of the lease.

2.24 Borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are expensed as incurred.

2.25 Dividend distribution

Final dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

2. 主要會計政策概要 (續)

2.23 經營租賃

如租賃擁有權的重大部份風險和回報由出租人保留，分類為營運租賃。根據營運租賃支付的款項（扣除自出租人收取之任何獎勵金後）於租賃期內以直線法在損益表支銷。

2.24 借貸成本

凡直接與購置、興建或生產某項資產（該資產必須經過頗長時間籌備以達到預定用途或用以出售）有關的借貸成本，均需要資本化作為該資產的部分成本。所有其他借貸成本均於發生期間內在損益表中支銷。

2.25 股息分派

向本公司股東分派的末期股息在股息獲本公司股東批准的期間內於本集團的財務報表內列為負債。

3. Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and price risk), credit risk, liquidity risk and cash flow and fair value interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) *Market risk*

(i) Foreign exchange risk

The Group mainly operates in the PRC with most of the transactions settles in RMB and did not have significant exposure to foreign exchange risk during the year. The conversion of RMB into foreign currencies is subject to the rules and regulations of the foreign exchange control promulgated by the PRC government.

(ii) Price risk

The Group is exposed to equity securities price risk because investments held by the Group are classified on the consolidated balance sheet as available-for-sale financial assets. The Group is not exposed to commodity price risk.

3. 財務風險管理

3.1 財務風險因素

集團的活動承受各種不同的財務風險：市場風險（包括外匯風險及價格風險）、信貸風險、流動資金風險及現金流量及公平值折現率風險。本集團的整體風險管理計劃專注於財務市場的難預測性，並尋求儘量減低對本集團財務表現的潛在不利影響。

(a) *市場風險*

(i) 外匯風險

本集團主要在中國營運，大部分交易均以人民幣結算，於有關期間並無任何重大外匯風險。將人民幣兌換為外幣須受中國政府頒佈之外幣控制規則及規定所限。

(ii) 價格風險

由於本集團持有的投資在綜合資產負債表中分類為可供出售財務資產，故此本集團承受股權證券的價格風險。本集團不承受商品價格風險。

Notes to the Consolidated Financial Statements

綜合賬目附註

3. Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk

The Group has no significant concentrations of credit risk. The carrying amount of the trade and other receivables included in the balance sheet represents the Group's maximum exposure to credit risk in relation to its financial assets. The Group has policy in place to ensure that sales of products and services are made to customers with an appropriate credit history and the Group performs periodic credit evaluations of its customers. The Group's historical experience in collection of trade and other receivables falls within the recorded allowances and the directors are of the opinion that adequate provision for uncollectible trade and other receivables has been made in the income statement.

(c) Liquidity risk

The Group ensure that it maintains sufficient cash, which is available to meet its liquidity requirements.

(d) Cash flow and fair value interest rate risk

As the Group has no significant interest bearing assets except for bank balances, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

3. 財務風險管理 (續)

3.1 財務風險因素 (續)

(b) 信貸風險

本集團並無重大而集中之信貸風險。列入綜合資產負債表之應收賬款賬面值指集團就其財務資產而面對之最高信貸風險。集團之既有政策確保將產品銷售予信貸紀錄良好之客戶，而本集團亦會對客戶進行信貸評估。本集團在收回應收貿易賬款及其它應收款項方面之過往經驗屬於已記錄準備之範圍內，董事認為，在綜合財務資料中已就不可收回之應收賬款及其它應收款項計提足夠撥備。

(c) 流動資金風險

本集團確保已備有充足現金，可供應付其流動資金需求。

(d) 現金流量及公平值折現率風險

由於本集團並無重大的計息資產，故本集團的收入和營運現金流量基本上不受市場利率波動的影響。

3. Financial risk management (Continued)

3.2 Fair value estimation

The nominal values less estimated credit adjustments (as applicable) of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

4. Critical accounting estimates and judgements

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

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:

(a) Estimated impairment of receivables

The Group tests annually whether receivables have suffered any impairment in accordance with the accounting policy stated in note 2.14 and make provisions for impairment accordingly.

3. 財務風險管理 (續)

3.2 公平價值估計

應收賬款和應付賬款的賬面值減適用之估計信貸調整，被假定接近其公平值。作為披露目的，財務負債公平值的估計按未來合約現金流量以本集團類似金融工具可得的現有市場利率貼現計算。

4. 重要的會計估計和判斷

估計和判斷是不斷基於過去的經驗和其他事項做出的。包括在相同環境下未來可能發生的事情。

本集團就未來作出多項估計。理論上講，會計估計很少等於實際相關結果。

極有可能導致下一財政年度資產及負債賬面原值出現重大調整和估計及假設的論述如下：

(a) 應收款項的估計減值

根據附註2.14所述的會計政策，本集團每年測試應收款項是否出現減值並據此設定減值撥備。

Notes to the Consolidated Financial Statements

綜合賬目附註

4. Critical accounting estimates and judgements *(Continued)*

(b) Taxation

The Group is subject to various taxes in the PRC. Significant judgement is required in determining the provision for taxation. 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 issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that are initially recorded, such differences will impact the tax provisions in the period in which such determination is made.

4. 重要的會計估計和判斷 (續)

(b) 稅項

本集團需要在中國繳納多種稅項。在厘定稅項撥備時，需要作出重大判斷。在一般業務過程中，有許多交易和計算所涉及的最終稅務釐定都是不確定的。本集團根據對是否需要繳付額外稅款的估計，就預期稅務項目確認負債。如此等事件的最終稅務後果與最初記錄的金額不同，此等差額將影響作出此等釐定期間的稅項撥備。

Notes to the Consolidated Financial Statements

綜合賬目附註

5. Segment information

a) Primary reporting format — business segments

At 31st December 2005, the Group is organised into three main business segments:

- (1) Sales of properties and land use rights;
- (2) Project development consulting operation;
- (3) Hotel operation.

The segment results for the year ended 31st December 2005 are as follows:

		Sales of properties and land use rights 物業及土地 使用權銷售 RMB'000 人民幣千元	Project development consulting operation 房地產策劃 諮詢服務 RMB'000 人民幣千元	Hotel operation 酒店業務 RMB'000 人民幣千元	Group 本集團 RMB'000 人民幣千元
Sales	營業額	1,026,060	10,000	98,709	1,134,769
Segment results	分部業績	319,233	4,085	(59,103)	264,215
Unallocated costs	未分配成本				(60,364)
Interest income	利息收入				72,776
Operating profit	經營溢利				276,627
Finance costs	融資成本				(148,571)
Share of profits less losses of	分佔業績				
— Jointly controlled entities	— 共同控制實體	15,036	—	—	15,036
— Associated companies	— 聯營公司	87,467	—	—	87,467
Profit before income tax	除稅前溢利				230,559
Income tax expenses	所得稅費用				(38,242)
Profit for the year	本年溢利				192,317

5. 分部資料

a) 主要報告形式——業務分部

截至二零零五年十二月三十一日，集團於中國經營主要業務分部：

- (1) 物業及土地使用權銷售；
- (2) 房地產策劃諮詢服務；
- (3) 酒店業務。

截至二零零五年十二月三十一日止年度的分部業績，如下：

Notes to the Consolidated Financial Statements

綜合賬目附註

5. Segment information (Continued)

a) Primary reporting format — business segments (Continued)

The segment results for the year ended 31st December 2004, as restated, are as follows:

		Sales of properties and land use rights 物業及土地使用權銷售 RMB'000 人民幣千元	Project development consulting operation 房地產策劃諮詢服務 RMB'000 人民幣千元	Hotel operation 酒店業務 RMB'000 人民幣千元	Group 本集團 RMB'000 人民幣千元
Sales	營業額	1,518,567	70,000	40,765	1,629,332
Segment results	分部業績	368,667	61,493	(15,783)	414,377
Unallocated costs	未分配成本				(49,495)
Interest income	利息收入				64,234
Operating profit	經營溢利				429,116
Finance costs	融資成本				(84,840)
Share of profits less losses of	分佔業績				
— Jointly controlled entities	— 共同控制實體	3,751	—	—	3,751
— Associated companies	— 聯營公司	43,749	—	—	43,749
Profit before income tax	除稅前溢利				391,776
Income tax expenses	所得稅費用				(97,500)
Profit for the year	本年溢利				294,276

5. 分部資料 (續)

a) 主要報告形式——業務分部 (續)

截至二零零四年十二月三十一日止年度的分部業績，經重列，如下：

Notes to the Consolidated Financial Statements

綜合賬目附註

5. Segment information (Continued)

a) Primary reporting format — business segments (Continued)

Unallocated costs represent corporate expenses. Inter-segment transfers or transactions are entered into under the similar commercial terms that would also be available to unrelated third parties.

There are no material sales or other transactions between the business segments.

Other segment terms included in the income statement are as follows:

5. 分部資料 (續)

a) 主要報告形式——業務分部 (續)

未分配成本指企業開支。分部間轉撥或交易按非關聯第三方亦可取得的一般商業條款訂立。

分部間無重大銷售及企業業務往來。

其他包含於損益表的分部業績資訊如下：

Year ended 31st December 2005 截至二零零五年十二月三十一日止年度

		Sales of properties and land use rights 物業及土地使用權銷售	Hotel operation 酒店業務	Group 本集團
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Depreciation	折舊	6,466	39,035	45,501
Amortisation	攤銷	13,881	4,473	18,354
Provision for impairment of receivables	提撥呆賬 準備	14,658	—	14,658

Year ended 31st December 2004 截至二零零四年十二月三十一日止年度

		Sales of properties and land use rights 物業及土地使用權銷售	Hotel operation 酒店業務	Group 本集團
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Depreciation	折舊	1,408	13,584	14,992
Amortisation	攤銷	14,702	2,219	16,921
Provision for impairment of receivables	提撥呆賬 準備	17,937	—	17,937

Notes to the Consolidated Financial Statements

綜合賬目附註

5. Segment information (Continued)

a) Primary reporting format — business segments
(Continued)

The segment assets and liabilities at 31st December 2005, and capital expenditure for the year ended 31st December 2005 are as follows:

		Sales of properties and land use rights	Hotel operation	Group
		物業及土地使用權銷售	酒店業務	本集團
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
		人民幣千元	人民幣千元	人民幣千元
Segment assets	分部資產	7,778,438	1,662,668	9,441,106
Jointly controlled entities	共同控制實體	153,448	—	153,448
Associated companies	聯營公司	291,792	—	291,792
Unallocated assets	未分配資產			172,433
Total assets	總資產			10,058,779
Segment liabilities	分部負債	5,011,108	1,273,170	6,284,278
Unallocated liabilities	未分配負債			589,034
Total liabilities	總負債			6,873,312
Capital expenditure	資本開支	1,525,807	108,832	1,634,639

5. 分部資料 (續)

a) 主要報告形式——業務分部 (續)

於二零零五年十二月三十一日的分部資產和負債以及截至二零零五年十二月三十一日止年度的資本開支列示如下：

Notes to the Consolidated Financial Statements

綜合賬目附註

5. Segment information (Continued)

a) Primary reporting format — business segments (Continued)

The segment assets and liabilities at 31st December 2004, and capital expenditure for the year ended 31st December 2004, as restated, are as follows:

		Sales of properties and land use rights	Hotel operation	Group
		物業及土地使用權銷售	酒店業務	本集團
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
		人民幣千元	人民幣千元	人民幣千元
Segment assets	分部資產	6,714,020	1,679,002	8,393,022
Jointly controlled entities	共同控制實體	189,029	—	189,029
Associated companies	聯營公司	104,526	—	104,526
Unallocated assets	未分配資產			85,861
Total assets	總資產			8,772,438
Segment liabilities	分部負債	4,265,859	1,094,815	5,360,674
Unallocated liabilities	未分配負債			608,822
Total liabilities	總負債			5,969,496
Capital expenditure	資本開支	1,107,181	270,383	1,377,564

Segment assets consist primarily of property, plant and equipment, land use rights, properties under development, available-for-sale financial assets/investment securities, inventories, properties held for sale, properties under development for sale, receivables and operating cash. They exclude deferred income tax assets, corporate assets, investments in jointly controlled entities and associated companies.

5. 分部資料 (續)

a) 主要報告形式——業務分部 (續)

於二零零四年十二月三十一日的分部資產和負債以及截至二零零四年十二月三十一日止年度的資本開支，經重列，列示如下：

分部資產主要包括物業、廠房和設備、土地使用權、開發中物業、可出售財務資產／投資證券、存貨、待出售已落成物業、待出售開發中物業、應收款項以及營業資金。不包括遞延稅項資產、共同資產以及對共同控制實體和聯營公司的投資。

Notes to the Consolidated Financial Statements

綜合賬目附註

5. Segment information (Continued)

a) Primary reporting format — business segments (Continued)

Segment liabilities comprise operating liabilities. They exclude items such as tax payable, corporate loans and dividend payable.

Capital expenditure comprises additions to property, plant and equipment, land use rights and properties under development.

b) Secondary reporting format — geographical segments

The sales and capital expenditure for the year ended 31st December 2005 and the total segment assets at 31st December 2005, by geographical segments are as follows:

		Beijing 北京 RMB'000 人民幣千元	Tianjin 天津 RMB'000 人民幣千元	Shanxi 山西 RMB'000 人民幣千元	Shaanxi 陝西 RMB'000 人民幣千元	Hong Kong 香港 RMB'000 人民幣千元	Group 本集團 RMB'000 人民幣千元
Sales	營業額	1,134,769	—	—	—	—	1,134,769
Capital expenditure	資本開支	1,066,186	242,886	325,567	—	—	1,634,639
Segment assets	分部資產	<u>9,377,287</u>	<u>280,209</u>	<u>330,150</u>	<u>24,216</u>	<u>46,917</u>	<u>10,058,779</u>

5. 分部資料 (續)

a) 主要報告形式 — 業務分部 (續)

分部負債包括經營負債，不包括應繳稅款，貸款，和應付股利。

資本開支包括物業、廠房和設備、土地使用權的增加以及開發中物業的建設。

b) 次要報告形式 — 地區分部

截至二零零五年十二月三十一日止年度的營業額和資本開支以及於二零零五年十二月三十一日的地區分部資產列示如下：

Notes to the Consolidated Financial Statements

綜合賬目附註

5. Segment information (Continued)

b) Secondary reporting format — geographical segments (Continued)

The sales and capital expenditure for the year ended 31st December 2004 and the total segment assets at 31st December 2004, as restated, by geographical segments are as follows:

		Beijing 北京 RMB'000 人民幣千元	Tianjin 天津 RMB'000 人民幣千元	Shanxi 山西 RMB'000 人民幣千元	Shaanxi 陝西 RMB'000 人民幣千元	Hong Kong 香港 RMB'000 人民幣千元	Group 本集團 RMB'000 人民幣千元
Sales	營業額	1,629,332	—	—	—	—	1,629,332
Capital expenditure	資本開支	1,377,564	—	—	—	—	1,377,564
Segment assets	分部資產	8,700,283	—	—	—	72,155	8,772,438

5. 分部資料 (續)

b) 次要報告形式 — 地區分部 (續)

截至二零零四年十二月三十一日止年度的營業額和資本開支以及於二零零四年十二月三十一日的地區分部資產，經重列，列示如下：

Notes to the Consolidated Financial Statements

綜合賬目附註

6. Property, plant and equipment

6. 物業、廠房和設備

		Group 本集團					
		Buildings	Hotel properties	Furniture, fixtures and equipment 傢俬、裝置及設備	Motor vehicles	Construction in progress	Total
		樓宇	酒店物業	及設備	汽車	在建工程	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1st January 2004	二零零四年一月一日						
Cost	成本	2,241	—	6,361	19,265	1,232,955	1,260,822
Accumulated depreciation	累計折舊	(92)	—	(3,452)	(6,493)	—	(10,037)
Net book amount	賬面淨值	2,149	—	2,909	12,772	1,232,955	1,250,785
Year ended 31st December 2004	截至二零零四年十二月三十一日止年度						
Opening net book amount	年初賬面淨值	2,149	—	2,909	12,772	1,232,955	1,250,785
Additions	添置	1,914	—	12,020	4,737	253,347	272,018
Transfer	轉入	1,162	622,014	71	—	(623,247)	—
Acquisition of a subsidiary	收購附屬公司	—	—	482	478	—	960
Depreciation	折舊	(111)	(10,772)	(2,715)	(1,444)	—	(14,992)
Disposal of subsidiaries	處置附屬公司	(389)	—	(1,230)	(5,306)	—	(6,925)
Disposals	處置	—	—	—	(431)	—	(431)
Closing net book amount	年末賬面淨值	4,725	611,292	11,537	10,806	863,055	1,501,415
At 31st December 2004	二零零四年十二月三十一日						
Cost	成本	4,853	622,014	16,109	16,304	863,055	1,522,335
Accumulated depreciation	累計折舊	(128)	(10,722)	(4,572)	(5,498)	—	(20,920)
Net book amount	賬面淨值	4,725	611,292	11,537	10,806	863,055	1,501,415
Year ended 31st December 2005	截至二零零五年十二月三十一日止年度						
Opening net book amount	年初賬面淨值	4,725	611,292	11,537	10,806	863,055	1,501,415
Additions	添置	62,182	21,860	22,554	3,652	58,030	168,278
Transfer	轉入	—	918,751	—	—	(918,751)	—
Depreciation	折舊	(236)	(37,529)	(5,361)	(2,375)	—	(45,501)
Disposals	處置	(4,683)	—	(44)	—	—	(4,727)
Closing net book amount	年末賬面淨值	61,988	1,514,374	28,686	12,083	2,334	1,619,465
At 31st December 2005	二零零五年十二月三十一日						
Cost	成本	62,182	1,562,625	38,582	19,956	2,334	1,685,679
Accumulated depreciation	累計折舊	(194)	(48,251)	(9,896)	(7,873)	—	(66,214)
Net book amount	賬面淨值	61,988	1,514,374	28,686	12,083	2,334	1,619,465

6. Property, plant and equipment (Continued)

Depreciation expense of RMB39,355,000 (2004: RMB12,355,000) has been expensed in cost of sales, RMB4,514,000 (2004: RMB2,184,000) in selling and marketing costs and RMB1,632,000 (2004: RMB453,000) in administrative expenses.

As at 31st December 2004, a short-term bank loan of RMB80,000,000 was secured by the hotel properties, the net book value of which amounted to RMB611,292,000.

Interest capitalised in construction in progress amounted to RMB Nil at 31st December 2005 (2004: RMB112,941,000).

6. 物業、廠房和設備 (續)

折舊費用其中人民幣39,355,000元(二零零四年：人民幣12,355,000元)在已售貨品成本中支銷，人民幣4,514,000元(二零零四年：人民幣2,184,000元)計入銷售及推廣成本，人民幣1,632,000元(二零零四年：人民幣453,000元)則計入管理費用中。

於二零零四年十二月三十一日，短期銀行貸款人民幣80,000,000元以淨值為人民幣611,292,000元的酒店物業作為抵押。

於二零零五年十二月三十一日，在建工程的資本化利息為人民幣零元(二零零四年：人民幣112,941,000元)。

		Company 本公司				
		Buildings	Furniture, fixtures and equipment	Motor vehicles	Construction in progress	Total
		樓宇	傢俬、裝置 及設備	汽車	在建工程	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1st January 2004	二零零四年一月一日					
Cost	成本	—	1,198	1,710	—	2,908
Accumulated depreciation	累計折舊	—	(192)	(114)	—	(306)
Net book amount	賬面淨值	—	1,006	1,596	—	2,602
Year ended 31st December 2004	截至二零零四年十二月三十一日止年度					
Opening net book amount	年初賬面淨值	—	1,006	1,596	—	2,602
Additions	添置	—	32	34	—	66
Depreciation	折舊	—	(241)	(230)	—	(471)
Closing net book amount	年末賬面淨值	—	797	1,400	—	2,197
At 31st December 2004	二零零四年十二月三十一日					
Cost	成本	—	1,230	1,744	—	2,974
Accumulated depreciation	累計折舊	—	(433)	(344)	—	(777)
Net book amount	賬面淨值	—	797	1,400	—	2,197
Year ended 31st December 2005	截至二零零五年十二月三十一日止年度					
Opening net book amount	年初賬面淨值	—	797	1,400	—	2,197
Additions	添置	62,182	566	1,145	2,334	66,227
Depreciation	折舊	(236)	(264)	(380)	—	(880)
Closing net book amount	年末賬面淨值	61,946	1,099	2,165	2,334	67,544
At 31st December 2005	二零零五年十二月三十一日					
Cost	成本	62,182	1,796	2,889	2,334	69,201
Accumulated depreciation	累計折舊	(236)	(697)	(724)	—	(1,657)
Net book amount	賬面淨值	61,946	1,099	2,165	2,334	67,544

Notes to the Consolidated Financial Statements

綜合賬目附註

7. Land use rights

The Group's interests in land use rights represent prepaid operating lease payments and their net book values are analysed as follows:

		Group 本集團	
		As at 31st December 十二月三十一日	
		2005	2004
		二零零五年	二零零四年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
In the PRC held on:	於中華人民共和國持有：		
Leases of over 50 years	五十年以上租約	325,903	240,912
Leases of between 10 to 50 years	十至五十年租約	468,202	486,626
		794,105	727,538

As at 31st December 2004, a short-term bank loan of RMB80,000,000 was secured by land use rights, which amounted to RMB53,148,000.

7. 土地使用權

集團的土地使用權為預付之經營租賃款，其賬面淨值分析如下：

於二零零四年十二月三十一日，短期銀行貸款人民幣80,000,000元以金額為人民幣53,148,000元的土地使用權作為抵押。

		Group 本集團	
		2005	2004
		二零零五年	二零零四年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
At 1st January	於一月一日	727,538	638,913
Additions	增加	401,229	90,375
Acquisition of a subsidiary	收購附屬公司	—	85,067
Amortisation	攤銷	(15,919)	(13,151)
Transfer out to properties under development (note 8)	轉入開發中物業 (附註8)	(238,550)	(13,261)
Recognised as cost of sales	計入主營業務成本	(80,193)	(60,405)
At 31st December	於十二月三十一日	794,105	727,538

8. Properties under development

8. 開發中物業

		Group 本集團		Company 本公司	
		2005 二零零五年 RMB'000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元
At 1st January	於一月一日	1,874,370	2,467,524	176,114	272,779
Additions	增加	1,318,645	1,593,426	—	306,871
Transfer from land use rights (note 7)	土地使用權轉入 (附註7)	238,550	13,261	—	—
Acquisition of a subsidiary	收購附屬公司	—	380,953	—	—
Disposal of subsidiaries	出售附屬公司	—	(1,514,542)	—	—
Transfer to properties held for sale	轉出至待出售 已落成物業	(176,114)	(747,424)	(176,114)	(213,901)
Recognised as cost of sales	計入主營業務成本	(267,740)	(318,828)	—	(189,635)
At 31st December	於十二月三十一日	2,987,711	1,874,370	—	176,114
Non current	非流動部分	1,691,846	1,696,614	—	—
Current	流動部分	1,295,865	177,756	—	176,114
		2,987,711	1,874,370	—	176,114
Land use rights	土地使用權	271,076	20,853	—	20,853
Development costs	開發成本	2,478,040	1,693,313	—	155,261
Finance costs capitalised	資本化之融資成本	238,595	160,204	—	—
		2,987,711	1,874,370	—	176,114

Properties under development pledged as securities for long-term bank loans of of RMB468,136,000 (2004: RMB48,251,000) amounted to RMB761,518,000 at 31st December 2005 (2004: RMB412,859,000).

Right to yields on certain land use rights (gains from the sale of land use rights or other profit obtained from the relevant land use rights) have been pledged as security for long-term bank loan amounted to RMB4,000,000,000 (2004: long-term bank loans of RMB1,300,000,000 and short-term bank loans of RMB1,000,000,000).

於二零零五年十二月三十一日，作為長期銀行貸款人民幣468,136,000元(二零零四年：人民幣48,251,000元)抵押物的開發中物業金額為人民幣761,518,000元(二零零四年：人民幣412,859,000元)。

於二零零五年十二月三十一日，本集團以部分物業之土地使用權之收益權(本集團轉讓該等土地使用權或者以其他方式利用該等土地使用權取得的收益)作為質押，取得了銀行長期貸款人民幣4,000,000,000元(二零零四年：長期貸款人民幣1,300,000,000元及短期貸款人民幣1,000,000,000元)。

Notes to the Consolidated Financial Statements

綜合賬目附註

9. Subsidiaries

9. 附屬公司

		Company	
		本公司	
		As at 31st December	
		十二月三十一日	
		2005	2004
		二零零五年	二零零四年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Unlisted investments, at cost	非上市股份，按成本值	1,794,300	1,677,467
Loans to subsidiaries (note i)	向附屬公司貸款 (附註 i)	2,400,613	1,705,229
Loans from subsidiaries (note ii)	從附屬公司貸款 (附註 ii)	(193,150)	(267,306)
		2,207,463	1,437,923
Total		4,001,763	3,115,390

Notes:

- (i) Loans to subsidiaries are unsecured, carry interest at prevailing market rate and have no fixed terms of repayment.
- (ii) Loans from subsidiaries are unsecured, carry interest at prevailing market rate and have no fixed terms of repayment.

附註：

- (i) 向附屬公司貸款為無抵押，按市場利率計息，且無固定償還期。
- (ii) 從附屬公司借款為無抵押，按市場利率計息，且無固定償還期。

9. Subsidiaries (Continued)

The directors are of the opinion that the following is a list of the significant subsidiaries at 31st December 2005(all of which are directly held by the Company, established and operate in the PRC, except otherwise stated) which materially affect the results or assets of the Group:

9. 附屬公司 (續)

董事認為於二零零五年十二月三十一日對本集團之業績或資產有重要影響之附屬公司(除另有說明外，全部置於本集團直接控制之下並於中國成立及運營)如下：

Name 名稱	Legal status 法定地位	Principal activities 主要業務	Particulars of registered capital 註冊資本詳情	Attributable interest held 持有權益	
				2005	2004
Beijing Jinyaguang Real Estate Development Company Limited 北京金亞光房地產開發有限公司	Sino-foreign equity joint venture 中外合資經營企業	Property development 物業開發	US\$12,000,000 12,000,000美元	75%	75%
Beijing Rongjin Real Estate Development Company Limited (i) 北京融金房地產開發有限公司(i)	Sino-foreign cooperative joint venture 中外合作經營企業	Property development and investment 物業開發及投資	US\$12,000,000 12,000,000美元	76.6%	76.6%
Central Plaza Real Estate Development Company Limited (ii) 北京中環廣場置業有限公司(ii)	Sino-foreign cooperative joint venture 中外合資經營企業	Property development and investment 物業開發及投資	US\$17,320,000 17,320,000美元	100%	100%
Beijing Ark garden Real Estate Development Company Limited 首創置業方舟房地產發展有限公司	Sino-foreign cooperative joint venture 中外合資經營企業	Property development 物業開發	US\$9,200,000 9,200,000美元	75%	75%
S.C. Real Estate Development Company Limited 首創朝陽房地產發展有限公司	Limited liability company 有限責任公司	Property development 物業開發	RMB300,000,000 人民幣300,000,000元	80%	80%
Beijing Sunshine Jingdu Properties Company Limited 北京陽光金都置業有限公司	Limited liability company 有限責任公司	Property development 物業開發	RMB100,000,000 人民幣100,000,000元	98%	98%

Notes to the Consolidated Financial Statements

綜合賬目附註

9. Subsidiaries (Continued)

9. 附屬公司 (續)

Name 公司名稱	Legal status 法定地位	Principal activities 主要業務	Particulars of registered capital 股本詳情	Attributable interest held 持有權益	
				2005	2004
Beijing Anhua Shiji Real Estate Development Company Limited 北京安華世紀房地產開發有限公司	Sino-foreign cooperative joint venture 中外合資有限責任公司	Property development 物業開發	US\$30,000,000 30,000,000美元	55%	55%
Beijing HYHL Real Estate Development Company Limited (iii) 北京恒陽華隆房地產有限公司(iii)	Sino-foreign cooperative joint venture 中外合作經營企業	Property development 物業開發	US\$10,000,000 10,000,000美元	100%	75%
Beijing Capital Xinzi Real Estate Limited 北京首創新置置業有限公司	Sino-foreign cooperative joint venture 中外合資有限責任公司	Property development 物業開發	US\$60,000,000 60,000,000美元	55%	55%
Beijing Shangboya Investment Consultant Company Limited (iv) 北京尚博雅投資顧問有限公司(iv)	Limited liability company 有限責任公司	Investment holding 投資控股	RMB30,000,000 人民幣30,000,000元	100%	—
Beijing Shangbodi Investment Consultant Company Limited (iv) 北京尚博地投資顧問有限公司(iv)	Limited liability company 有限責任公司	Investment holding 投資控股	RMB30,000,000 人民幣30,000,000元	100%	—
Tianjin Xinchuang Land Limited (v) 天津新創置業有限公司(v)	Sino-foreign equity joint venture 中外合資經營企業	Property development 物業開發	US\$25,000,000 25,000,000美元	55%	—
Shanxi Capital Xinzi Real Estate Development Limited (vi) 山西首創新置房地產開發有限公司(vi)	Limited liability company 有限責任公司	Property development 物業開發	RMB10,000,000 人民幣10,000,000元	100%	—
Xi'an Capital Ziyang Real Estate Limited (vi) 西安首創新置房地產開發有限公司(vi)	Limited liability company 有限責任公司	Property development 物業開發	US\$25,000,000 25,000,000美元	100%	—
Incorporated in the British Virgin Islands: 於英屬處女群島成立：					
Central Plaza Development Limited 中環廣場有限公司	Limited liability company 有限責任公司	Investment holding 投資控股	US\$1 1美元	100%	100%
International Finance Centre Property Limited 國際金融中心物業有限公司	Limited liability company 有限責任公司	Investment holding 投資控股	US\$1 1美元	100%	100%

9. Subsidiaries (Continued)

Notes:

- (i) 48% directly and 28.6% indirectly held by the Company

According to the Cooperation Agreement, the Group contributed 76.6% of the registered capital and entitled to share 100% of the gain from this company's office building and 34% of the gain from the hotel.

- (ii) 75% directly and 25% indirectly held by the Company

- (iii) 85% directly and 15% indirectly held by the Company
(2004: 63.75% directly and 11.25% indirectly held)

- (iv) 90% directly and 10% indirectly held by the Company

- (v) 55% indirectly held by the Company

- (vi) 100% indirectly held by the Company

9. 附屬公司 (續)

附註：

- (i) 本公司直接持有48%，間接持有28.6%

根據合作章程，本公司出資76.6%享有該公司寫字樓收益之100%，酒店營運收益之34%

- (ii) 本公司直接持有75%，間接持有25%

- (iii) 本公司直接持有85%，間接持有15%
(二零零四年：直接持有63.75%，間接持有11.25%)

- (iv) 本公司直接持有90%，間接持有10%

- (v) 本公司間接持有55%

- (vi) 本公司間接持有100%

Notes to the Consolidated Financial Statements

綜合賬目附註

10. Jointly controlled entities

10. 共同控制實體

		Group 本集團		Company 本公司	
		As at 31st December 於十二月三十一日		As at 31st December 於十二月三十一日	
		2005 二零零五年 RMB'000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元
Equity jointly controlled entities	合資經營企業				
At 1st January	於一月一日	132,875	42,500	121,175	38,411
Share of results	分佔業績				
— (loss)/profit before income tax	— 除稅前(虧損)/溢利	(1,308)	11,556	—	—
— income tax	— 稅項	—	(3,945)	—	—
		(1,308)	7,611	—	—
Reclassified from subsidiaries	重分類自附屬公司	—	82,764	—	82,764
Disposal	出售	(50,617)	—	(38,408)	—
At 31st December	於十二月三十一日	80,950	132,875	82,767	121,175
Unlisted investments, at cost	非上市股份，按成本值	—	—	82,767	121,175
Group's share of net assets, unlisted	應佔淨資產，非上市	80,950	132,875	—	—
Cooperative jointly controlled entities	合作經營企業				
At 1st January	於一月一日	56,154	111,850	61,315	117,963
Share of results	分佔業績				
— profit/(loss) before income tax	— 除稅前溢利/(虧損)	25,917	(5,100)	—	—
— income tax	— 稅項	(9,573)	1,240	—	—
		16,344	(3,860)	—	—
Reclassified to subsidiaries	重分類至附屬公司	—	(51,836)	—	(56,648)
At 31st December	於十二月三十一日	72,498	56,154	61,315	61,315
Unlisted investments, at cost	非上市股份，按成本值	—	—	61,315	61,315
Group's share of net assets, unlisted	應佔淨資產，非上市	72,498	56,154	—	—
		153,448	189,029	144,082	182,490

10. Jointly controlled entities (Continued)

The following is a list of the principal jointly controlled entities at 31st December 2005, all of which are established and operate in the PRC:

Name 名稱	Principal activities 主要業務	Particulars of registered capital 註冊資本詳情	Attributable interest held 持有權益	
			2005	2004
Equity jointly controlled entities		合資經營企業		
Beijing Home Valley Company Limited (a) 北京歸穀園有限責任公司(a)	Property development 物業開發	RMB100,000,000 人民幣100,000,000元	—	40%
Beijing Sun Shine City Real Estate Development Company Limited 北京陽光城房地產有限公司	Property development 物業開發	US\$20,000,000 20,000,000美元	50%	50%
Cooperative jointly controlled entities		合作經營企業		
Beijing Maple Real Estate Company Limited (b) 北京楓樹置業有限公司(b)	Property development 物業開發	US\$10,000,000 10,000,000美元	50%	50%

(a) Beijing Home Valley Company Limited was disposed of in 2005.

(b) The Group is required to contribute 75% of the registered capital and entitled to share 50% of its results. The joint venture agreement will expire in July 2022. Upon expiry the Group is entitled to the then remaining net assets according to the profit sharing ratio.

10. 共同控制實體 (續)

於二零零五年十二月三十一日之主要共同控制實體(全部於中國成立及營運)如下:

Particulars of registered capital 註冊資本詳情	Attributable interest held 持有權益	
	2005	2004
Equity jointly controlled entities		
合資經營企業		
Beijing Home Valley Company Limited (a) 北京歸穀園有限責任公司(a)	—	40%
Beijing Sun Shine City Real Estate Development Company Limited 北京陽光城房地產有限公司	50%	50%
Cooperative jointly controlled entities		
合作經營企業		
Beijing Maple Real Estate Company Limited (b) 北京楓樹置業有限公司(b)	50%	50%

(a) 北京歸穀園有限責任公司已於2005年出售。

(b) 本集團須出資註冊資本中的75%，而有權攤分其溢利的50%。合營協定將於二零二二年七月屆滿，其後本集團有權按照溢利攤分比例擁有其剩餘淨資產。

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綜合賬目附註

10. Jointly controlled entities (Continued)

The following amounts represent the Group's shares of the assets and liabilities, and income and results of the jointly controlled entities:

Name	名稱	Assets 資產	Liabilities 負債	Income 收入	Expenses 費用	Profit/(loss) 淨利潤/ (淨虧損)
2005						
Beijing Sun Shine City Real Estate Development Company Limited	北京陽光城房地產有限公司	367,162	286,212	—	(1,308)	(1,308)
Beijing Maple Real Estate Company Limited	北京楓樹置業有限公司	384,673	312,175	154,338	(137,994)	16,344
		<u>751,835</u>	<u>598,387</u>	<u>154,338</u>	<u>(139,302)</u>	<u>15,036</u>
2004						
Beijing Home Valley Company Limited	北京歸穀園有限責任公司	244,893	194,470	129,822	(121,814)	8,008
Beijing Sun Shine City Real Estate Development Company Limited	北京陽光城房地產有限公司	310,670	228,218	—	(397)	(397)
Beijing Maple Real Estate Company Limited	北京楓樹置業有限公司	371,070	314,916	47,575	(51,435)	(3,860)
		<u>926,633</u>	<u>737,604</u>	<u>177,397</u>	<u>(173,646)</u>	<u>3,751</u>

The share of commitments of the jointly controlled entities at the balance sheet date is as follows:

Properties under development	開發中物業
Contracted but not provided for	已簽約但未撥備
Authorised but not contracted for	已批准但未簽約

There are contingencies that a jointly controlled entity has arranged bank financing for certain purchasers of property units and provided guarantees to secure obligations of such purchasers for repayments. The share of outstanding guarantees by the Group amounted to RMB86,830,000 as at 31st December 2005 (2004: RMB95,891,000).

10. 共同控制實體 (續)

以下金額為本集團在共同控制實體的資產和負債，以及收入和業績中應佔的份額：

於資產負債表日，在共同控制實體之資本性承擔份額分析如下：

Group 本集團	
As at 31st December 於十二月三十一日	
2005 二零零五年 RMB'000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元

67,232	108,027
<u>908,978</u>	<u>146,235</u>
<u>976,210</u>	<u>254,262</u>

此外，共同控制實體已為若干物業單位購買方安排銀行融資，並對該等購買方的還款責任提供擔保。於二零零五年十二月三十一日，未清償擔保金額本集團份額為人民幣86,830,000元（二零零四年：人民幣95,891,000元）。

Notes to the Consolidated Financial Statements

綜合賬目附註

11. Associated companies

11. 聯營公司

		Group 本集團		Company 本公司	
		2005 二零零五年 RMB'000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元
At 1st January	於一月一日	104,526	21,280	93,219	19,941
Share of results	分佔業績				
— profit before income tax	— 除稅前溢利	129,862	72,289	—	—
— income tax	— 稅項	(34,579)	(23,344)	—	—
— minority interests	— 少數股東權益	(7,816)	(5,196)	—	—
		87,467	43,749	—	—
Acquisition	收購	—	65,498	30,861	65,498
Reclassified from subsidiaries	重分類自附屬公司	—	189,386	—	173,151
Reclassified from investment securities (a)	重分類自投資證券(a)	99,799	—	48,933	—
Reclassified to investment securities (a)	重分類至投資證券(a)	—	(99,799)	—	(48,933)
Dividends received	已收股利	—	(1,358)	—	—
Disposal	出售	—	(114,230)	—	(116,438)
At 31st December	於十二月三十一日	291,792	104,526	173,013	93,219
Investments, at cost	投資，按成本值				
— listed	— 上市	—	—	57,297	—
— unlisted	— 非上市	—	—	115,716	93,219
		—	—	173,013	93,219
Group's share at net assets	應佔淨資產				
— listed	— 上市	93,993	—	—	—
— unlisted	— 非上市	197,799	104,526	—	—
		291,792	104,526	—	—

Interests in associated companies at 31st December 2005 include goodwill of RMB30,053,000 (2004: RMB Nil).

於二零零五年十二月三十一日的聯營公司權益包括商譽人民幣30,053,000元(二零零四年：人民幣零元)。

Notes to the Consolidated Financial Statements

綜合賬目附註

11. Associated companies (Continued)

The following is a list of the significant associated companies at 31st December 2005, all of which are unlisted other than Super Shine Company Limited, established and operate in the PRC:

11. 聯營公司 (續)

於二零零五年十二月三十一日之主要聯營公司全部於中國成立及營運，除廣西陽光股份有限公司外均為非上市公司，列示如下：

Name 名稱	Legal status 法定地位	Principal activities 主要業務	Particulars of registered capital 註冊資本詳情	Attributable interest held 持有權益	
				2005	2004
Beijing GoldenNet Property Investment Consultant Company Limited (b) 北京金網絡置業投資顧問有限公司(b)	Limited liability company 有限責任公司	Property sales agency 物業銷售代理	RMB5,000,000 人民幣5,000,000元	14%	14%
Beijing Xing Tai Real Estate Development Company Limited (c) 北京星泰房地產開發有限公司(c)	Limited liability company 有限責任公司	Property development 物業開發	RMB55,180,000 人民幣55,180,000元	30.7%	33%
Beijing Yang Guang Yuan Real Estate Development Company Limited (d) 北京陽光苑房地產開發有限公司(d)	Limited liability company 有限責任公司	Property development 物業開發	RMB72,190,000 人民幣72,190,000元	40.1%	42.2%
Beijing SCJF Real Estate Agency Company Limited 北京首創金豐易居房地產經紀 有限公司	Limited liability company 有限責任公司	Property sales agency 物業銷售代理	RMB50,000,000 人民幣50,000,000元	33%	33%
Super Shine Company Limited (a) (b) 廣西陽光股份有限公司(a) (b)	Joint stock limited company 股份有限公司	Investment holding and property development 投資控股及物業開發	RMB292,040,000 人民幣292,040,000元	7.8%	N/A
Beijing Capital Fengdu Real Estate Development Company Limited (b) (e) 北京首創風度房地產開發 有限責任公司(b)(e)	Limited liability company 有限責任公司	Investment holding and property development 投資控股及物業開發	RMB60,000,000 人民幣60,000,000元	15.5%	18.4%

11. Associated companies (Continued)

Notes:

- (a) Super Shine Company Limited ("Super Shine") is a company listed on the Shenzhen Stock Exchange. The Company originally held 26.5% of its issued shares, being the then single largest shareholder of Super Shine and it was then consolidated as a subsidiary. The Company announced in March 2004 the disposal of 15.5% of the issued shares of Super Shine to an independent third party. After the announcement, equity method is adopted to account for interest in Super Shine because the Group's had significant influence over Super Shine and there was a supplementary agreement that allowed the Company to continue to share 26.5% of Super Shine's 2004 profit.

On 22nd December 2004, the share transfer agreement has been approved by the related authorities of the PRC government and the transfer of the issued share was completed in Shenzhen Stock Exchange. Upon the completion of the share transfer and at the end of 2004, the Company, being the third largest shareholder, was unclear if the largest shareholder would request a major reorganisation of the board of directors of Super Shine. Therefore, for sake of prudence, Super Shine was accounted for as investment securities at 31st December 2004.

A profit arising from the disposal of the aforesaid 15.5% interests approximating to RMB5,678,000 was recognised during 2005 when all the other necessary disposal procedures were completed and most of the considerations were received.

11. 聯營公司 (續)

附註：

- (a) 廣西陽光股份有限公司(以下簡稱陽光股份)為深圳證券交易所上市公司，其股份最初由本集團持有26.5%，為第一大股東，並就陽光股份作為附屬公司予以合併，本集團於二零零四年三月公告，將所持有的陽光股份15.5%的法人股股份轉讓予以獨立第三方。公告後由於本集團對陽光股份有重大影響且根據與對方簽署補充協定約定本公司仍然按照26.5%的比例享有陽光股份二零零四年全年溢利。

於二零零四年十二月二十二日，上述股權轉讓協定已經獲得中國政府有關機構的審批且在深圳證券交易所完成了股權過戶手續。由於在二零零四年底的時候，股權過戶剛剛完成，本公司作為第三大股東，並不明確第一大股東是否會要求對陽光股份的董事會進行重大調整。故當時為謹慎起見，將陽光股份作為投資證券。

上述出售15.5%股權的收益約人民幣5.5百萬元已於二零零五年在股權轉讓有關的出售手續全部完成以及大部分轉讓款項收到後確認。

Notes to the Consolidated Financial Statements

綜合賬目附註

11. Associated companies (Continued)

At the end of 2005, the largest shareholder had not conducted major reorganisation on the board of directors of Super Shine, and the general manager of the Company remained the chairman of Super Shine. Meantime, the Company was the minority shareholder of the three major subsidiaries of Super Shine, namely Fengdu, Xing Tai and Yang Guang Yuan, taking part in their business decision-making and providing technological and capital support. Consequently, the Board considered that it had significant influence over Super Shine and it was accounted for as an associated company on the basis of equity accounting method for the year.

On 22nd December 2005, the Share Reform Proposal of Super Shine was approved at its general meeting. After paying consideration shares to the free-float shareholders, the Company as non-free-float shareholder had reduced its shareholding in Super Shine to 7.8%.

- (b) The Company has significant influence over the board of directors and such board is responsible for determining the financial policies in the ordinary course of business, and accordingly this company is classified as associated company.
- (c) 25% directly and 5.7% indirectly held by the Company (8% indirectly held by the Company before Non-tradable State Share Transfer).
- (d) 35% directly and 5.1% indirectly held by the Company (7.2% indirectly held by the Company before Non-tradable State Share Transfer).
- (e) 8.3% directly and 7.2% indirectly held by the Company (10.1% indirectly held by the Company before Non-tradable State Share Transfer).

11. 聯營公司 (續)

到二零零五年底，第一大股東未對陽光股份的董事會進行重大改組，本公司的總經理仍然擔任陽光股份的董事長，同時，本公司作為陽光股份的三個主要子公司風度、星泰和陽光苑的少數股東，參與他們的經營決策、提供技術及資金支援。故董事會認為二零零五年對陽光股份具有重大影響，故作為聯營公司按權益法核算。

於二零零五年十二月二十二日，陽光股份之股東大會批准了陽光股份股權分置改革方案，本公司作為非流通股股東支付對價股份給流通股股東之後，本公司對陽光股份的持股比例減為7.8%。

- (b) 本公司對董事會有重大影響力，而董事會負責決定該公司日常業務過程中的財政決策，故此公司被分類為聯營公司。
- (c) 本公司直接持有25%，間接持有5.7%（減持前本公司間接持有8%）。
- (d) 本公司直接持有35%，間接持有5.1%（減持前本公司間接持有7.2%）。
- (e) 本公司直接持有8.3%，間接持有7.2%（減持前本公司間接持有10.1%）。

Notes to the Consolidated Financial Statements

綜合賬目附註

11. Associated companies (Continued)

The following amounts represent the Group's share of the assets, liabilities and minority interests, and income and results of the associated companies:

11. 聯營公司 (續)

以下金額為本集團在聯營公司的資產、負債和少數股東權益，以及收入和業績中應佔的份額。

Name	名稱	Assets 資產	Liabilities and minority interests 負債及少數 股東權益	Income 收入	Expenses 費用	Profit/(loss) 淨利潤/ (淨虧損)
2005						
Beijing GoldenNet Property Investment Consultant Company Limited	北京金網絡置業投資顧問有限公司	3,141	135	886	(58)	828
Beijing Xing Tai Real Estate Development Company Limited	北京星泰房地產開發有限公司	428,341	333,306	255,726	(216,938)	38,788
Beijing Yang Guang Yuan Real Estate Development Company Limited	北京陽光苑房地產開發有限公司	240,130	179,478	51,422	(23,300)	28,122
Beijing SCJF Real Estate Agency Company Limited	北京首創金豐易居房地產經紀有限公司	23,762	13,556	3,705	(5,672)	(1,967)
Super Shine Company Limited	廣西陽光股份有限公司	293,978	199,985	124,853	(106,027)	18,826
Beijing Capital Fengdu Real Estate Development Company Limited	北京首創風度房地產開發有限責任公司	37,181	8,281	4,029	(1,159)	2,870
		<u>1,026,533</u>	<u>734,741</u>	<u>440,621</u>	<u>(353,154)</u>	<u>87,467</u>
2004						
Beijing GoldenNet Property Investment Consultant Company Limited	北京金網絡置業投資顧問有限公司	3,936	139	2,076	(81)	1,995
Beijing Xing Tai Real Estate Development Company Limited	北京星泰房地產開發有限公司	441,110	385,195	83,628	(70,382)	13,246
Beijing Yang Guang Yuan Real Estate Development Company Limited	北京陽光苑房地產開發有限公司	118,661	86,028	3,514	(4,684)	(1,170)
Beijing SCJF Real Estate Agency Company Limited	北京首創金豐易居房地產經紀有限公司	25,005	12,824	1,408	(3,115)	(1,707)
Super Shine Company Limited*	廣西陽光股份有限公司*	N/A	N/A	253,397	(225,512)	27,885
Beijing Capital Fengdu Real Estate Development Company Limited*	北京首創風度房地產開發有限責任公司*	N/A	N/A	37,291	(33,791)	3,500
		<u>588,712</u>	<u>484,186</u>	<u>381,314</u>	<u>(337,565)</u>	<u>43,749</u>

* At the year ended of 2004, the Company transferred the investment to these companies to investment securities. So, these companies were not included in the associated companies at 31st December 2004.

* 於二零零四年年底，本公司將對該公司的投資轉為投資證券核算，故二零零四年十二月三十一日對聯營公司的投資不包含該公司。

Notes to the Consolidated Financial Statements

綜合賬目附註

12. Available-for-sale financial assets

12. 可出售財務資產

		Group and Company 本集團及本公司	
		As at 31st December 十二月三十一日	
		2005 二零零五年	
		RMB'000 人民幣千元	
Unlisted:	非上市：		
At 1st January and 31st December	於一月一日和十二月三十一日		<u>20,736</u>

13. Investment securities

13. 投資證券

		As at 31st December 2004 於二零零四年十二月三十一日	
		Group 本集團	Company 本公司
		RMB'000 人民幣千元	RMB'000 人民幣千元
Investments, at cost	投資，按成本值		
— Shares listed in the PRC	— 於中國上市股份	69,799	26,435
— Unlisted	— 非上市	56,456	52,339
Less: Provision	減：減值準備	(9,105)	(9,105)
Amounts receivable (note)	應收款項(附註)	60,057	60,000
Amounts payable (note)	應付款項(附註)	(667)	(667)
		<u>176,540</u>	<u>129,002</u>
Market value of listed shares	上市股份市值	<u>216,518</u>	<u>216,518</u>

Notes:

附註：

The amounts receivable and payable are unsecured, interest free and have no fixed terms of repayment.

應收款項及應付款項無抵押、免息且無固定償還期。

Notes to the Consolidated Financial Statements

綜合賬目附註

14. Inventories and properties held for sale

14. 存貨及待出售已落成物業

		Group 本集團		Company 本公司	
		As at 31st December 十二月三十一日		As at 31st December 十二月三十一日	
		2005	2004	2005	2004
		二零零五年	二零零四年	二零零五年	二零零四年
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Merchandise	商品	12,510	2,949	—	—
Low value consumable materials	低值易耗品	1,177	1,178	—	—
Total inventories	存貨總額	13,687	4,127	—	—
Development costs	開發成本	204,513	254,244	164,907	149,935
Land use rights	土地使用權	18,228	42,395	18,115	21,259
Total properties held for sale	待出售已落成物業總額	222,741	296,639	183,022	171,194

Notes to the Consolidated Financial Statements

綜合賬目附註

15. Trade and other receivables

15. 應收賬款及其它應收款項

		Group 本集團		Company 本公司	
		As at 31st December 十二月三十一日		As at 31st December 十二月三十一日	
		2005 二零零五年 RMB'000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元
Trade receivables	應收賬款	443,238	646,194	13,646	160,865
Less: provisions for impairment of receivables	減：呆賬準備	(386)	(5,272)	(52)	(1,552)
Trade receivables — net	應收賬款 — 淨額	442,852	640,922	13,594	159,313
Deposits and advances to suppliers	按金及預付賬款	132,011	80,924	86,408	74,572
Other receivables — net	其他應收款項 — 淨額	361,348	311,404	74,062	152,773
Income tax prepayments	預付所得稅款	15,399	14,085	—	8,857
Other tax prepayments	其他預付稅款	37,178	18,631	—	2,471
Other prepayments	其他預付款項	7,710	2,206	—	—
Amounts due from jointly controlled entities	應收共同控制實體款項	610,001	494,185	610,001	494,185
Amounts due from associated companies	應收聯營公司款項	186,919	207,054	186,863	207,054
Amounts due from fellow subsidiaries	應收同系附屬公司款項	55,239	61,581	54,939	61,581
Amount due from minority shareholder of a subsidiary	應收附屬公司之少數股東款項	129,847	140,701	129,847	140,701
		1,978,504	1,971,693	1,155,714	1,301,507
Less non-current portion: trade and other receivables — net	減非流動部分： 應收賬款及 其他應收款項 — 淨額	(211,666)	—	(79,847)	—
Current portion	流動部分	1,766,838	1,971,693	1,075,867	1,301,507

All non-current receivables are due within five years from the balance sheet date.

所有非流動應收款項均於資產負債日後五年內到期。

The carrying amounts of trade and other receivables approximate their fair values.

應收賬款及其他應收款項之公允價值與賬面值相若。

15. Trade and other receivables (Continued)

At 31st December 2005 and 2004, the ageing analysis of the trade receivables were as follows:

		Group 本集團		Company 本公司	
		As at 31st December 十二月三十一日		As at 31st December 十二月三十一日	
		2005 二零零五年 RMB'000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元
Within three months	三個月以內	262,656	261,054	1,390	—
Over three months and within half year	三個月至半年	7,491	51,295	7,000	50,981
Over half year and within one year	半年至一年	2,987	104,569	—	104,569
Over one year	一年以上	170,104	229,276	5,256	5,315
		443,238	646,194	13,646	160,865

Amounts receivables outstanding for more than one year are mainly related to sales of office building units in bulk and large pieces of developed land.

The credit terms in connection with sales of properties and land use rights granted to the customers are set out in the sale and purchase agreements and vary from agreements. There is no concentration of credit risk with respect to trade receivables, as the Group has a large number of customers.

At 31st December 2005 and 2004, the amounts due from jointly controlled entities, associated companies are unsecured, carry interest at prevailing market rate and have no fixed terms of repayment.

At 31st December 2005 and 2004, the amounts due from fellow subsidiaries are unsecured, interest free and have no fixed terms of repayment.

15. 應收賬款及其它應收款項(續)

於二零零五年十二月三十一日以及二零零四年十二月三十一日，應收賬款之賬齡分析如下：

		Group 本集團		Company 本公司	
		As at 31st December 十二月三十一日		As at 31st December 十二月三十一日	
		2005 二零零五年 RMB'000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元
Within three months	三個月以內	262,656	261,054	1,390	—
Over three months and within half year	三個月至半年	7,491	51,295	7,000	50,981
Over half year and within one year	半年至一年	2,987	104,569	—	104,569
Over one year	一年以上	170,104	229,276	5,256	5,315
		443,238	646,194	13,646	160,865

對於賬齡大於一年的應收賬款，主要是尚未到達合同約定的收款期限的大額寫字樓及已開發土地銷售款。

物業和土地使用權銷售中給予客戶之信貸期限按不同之買賣合約而訂立。由於本集團有眾多客戶，因此應收賬款並無集中的信貸風險。

於二零零五年和二零零四年十二月三十一日應收共同控制實體和聯營公司的款項無抵押，按市場利率計息，且無固定償還期。

於二零零五年和二零零四年十二月三十一日應收同系附屬公司款項無抵押，免息且無固定償還期。

Notes to the Consolidated Financial Statements

綜合賬目附註

15. Trade and other receivables (Continued)

At 31st December 2005, the amount due from minority shareholder of a subsidiary is unsecured, interest free and repayable within two years (2004: carrying interest at prevailing market rate and was expected to be repayable with one year).

16. Amount due from a promoter

The amount due from a promoter is unsecured, interest free and has no fixed terms of repayment.

17. Cash and bank balances

15. 應收賬款及其它應收款項 (續)

於二零零五年十二月三十一日應收附屬公司之少數股東的款項無抵押，免息，將於兩年內償還（二零零四年：按市場利率計息，預期將於一年內償還）。

16. 應收發起人款項

應收發起人款項無抵押，免息，且無固定償還期。

17. 現金及銀行存款

		Group 本集團		Company 本公司	
		As at 31st December 十二月三十一日		As at 31st December 十二月三十一日	
		2005 二零零五年	2004 二零零四年	2005 二零零五年	2004 二零零四年
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Restricted bank deposits	受限制銀行存款	25,250	24,737	—	9,008
Cash at bank and in hand	銀行存款及現金	1,744,284	1,854,398	1,055,453	930,834
Short-term bank deposits	短期銀行存款	120,000	—	120,000	—
		1,889,534	1,879,135	1,175,453	939,842

The restricted bank deposits have been pledged as security for certain mortgage loans to customers.

The effective interest rate on short-term bank deposits is 1.71% (2004: Nil) per annum. These deposits have an average maturity of 3 months.

受限制銀行存款已抵押作為若干置業人士銀行按揭貸款擔保。

短期銀行存款年利率為1.71%（二零零四年：無）；這些存款的期限平均為3個月。

Notes to the Consolidated Financial Statements

綜合賬目附註

17. Cash and bank balances (Continued)

Cash and cash equivalents include the following for the purpose of the cash flow statement:

		Group 本集團	
		As at 31st December 十二月三十一日	
		2005 二零零五年 RMB'000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元
Cash at bank and in hand	銀行存款及現金	1,744,284	1,854,398
Short-term bank deposit	短期銀行存款	120,000	—
		1,864,284	1,854,398

17. 現金及銀行存款 (續)

就現金流量表而言，現金及現金等價物包括下列項目：

18. Share capital

		Number of domestic share of RMB1 each 每股人民幣1元 的內資股股數	Number of non-H foreign shares of RMB1 each 每股人民幣1元的非H股外 資股股數	Number of H shares of RMB1 each 每股人民幣1元的H股股數	Total number of shares of RMB1 each 每股人民幣1元的股數 合計	RMB'000 人民幣千元
Registered, issued and fully paid:	已發行及繳足股本：					
As at 1st January 2004 and 2005	二零零四年及 二零零五年一月一日	690,671,700	357,998,300	564,630,000	1,613,300,000	1,613,300
Placement of H shares	H股配售	(10,266,000)	—	112,926,000	102,660,000	102,660
As at 31st December 2005	二零零五年十二月三十一日	680,405,700	357,998,300	677,556,000	1,715,960,000	1,715,960

The Domestic shares and H share rank pari passu in all respects. On 27th January 2005, the Company increased its issued share capital through a placing of 102,660,000 H shares at a price of HK\$2.16 per share.

內資股和H股在所有方面享有同等權益。於二零零五年一月二十七日，本公司按照每股2.16港元之配股價格配售102,660,000股H股以增加其已發行股本。

Notes to the Consolidated Financial Statements

綜合賬目附註

19. Reserves

Group

		Other reserves 其他儲備			Total 總計 RMB'000 人民幣千元	Retained earnings 保留溢利 RMB'000 人民幣千元
		Capital surplus 資本儲備 RMB'000 人民幣千元	Statutory reserve fund 法定公積金 RMB'000 人民幣千元	Statutory public benefit fund 法定公益金 RMB'000 人民幣千元		
Balance at 1st January 2004, as previously reported	二零零四年一月一日， 如以往呈報	312,457	44,346	20,977	377,780	190,028
Adoption of HKAS 17	採納香港會計 準則第17號	—	—	—	—	(18,450)
Adoption of HK-Int 3	採納香港會計 準則一詮釋第3號	—	—	—	—	3,179
Balance at 1st January 2004, as restated	二零零四年一月一日， 經重列	312,457	44,346	20,977	377,780	174,757
Profit for the year, as restated	本年溢利，經重列	—	—	—	—	260,082
2003 dividend	二零零三年股息	—	—	—	—	(150,053)
Transfer from retained earnings	轉撥自保留溢利	—	39,968	19,984	59,952	(59,952)
Balance at 31st December 2004	二零零四年十二月 三十一日	312,457	84,314	40,961	437,732	224,834
Representing: Retained earnings at 31st December 2004	相當於： 二零零四年十二月 三十一日保留溢利	—	—	—	—	104,717
Proposed final dividend	擬派末期股息	—	—	—	—	120,117
						224,834
Balance at 1st January 2005, as per above	二零零五年一月一日， 如上	312,457	84,314	40,961	437,732	224,834
Opening adjustment for the adoption of HKAS 39	採納香港會計準則 第39號對年初的調整	—	—	—	—	(9,806)
Balance at 1st January 2005, as restated	二零零五年一月一日， 經重列	312,457	84,314	40,961	437,732	215,028
Profit for the year	本年溢利	—	—	—	—	211,505
Placement of H shares	H股配售	125,551	—	—	125,551	—
2004 final dividend	二零零四年末期股息	—	—	—	—	(120,117)
Transfer from retained earnings	轉撥自保留溢利	—	31,077	154	31,231	(31,231)
Contribution from a promoter	發起人之補償	27,470	—	—	27,470	—
Balance at 31st December 2005	二零零五年十二月 三十一日	465,478	115,391	41,115	621,984	275,185
Representing: Retained earnings at 31st December 2005	相當於： 二零零五年十二月 三十一日保留溢利	—	—	—	—	189,387
Proposed final dividend	擬派末期股息	—	—	—	—	85,798
						275,185

19. 儲備

本集團

Notes to the Consolidated Financial Statements

綜合賬目附註

19. Reserves (Continued)

19. 儲備 (續)

Company

本公司

		Other reserves 其他儲備			Total 總計 RMB'000 人民幣千元	Retained earnings 保留溢利 RMB'000 人民幣千元
		Capital surplus 資本儲備 RMB'000 人民幣千元	Statutory reserve fund 法定公積金 RMB'000 人民幣千元	Statutory public benefit fund 法定公益金 RMB'000 人民幣千元		
Balance at 1st January 2004, as previously reported	二零零四年一月一日， 如以往呈報	312,457	22,067	11,034	345,558	150,495
Adoption of HKAS 17	採納香港會計準則第17號	—	—	—	—	(653)
Balance at 1st January 2004, as restated	二零零四年一月一日， 經重列	312,457	22,067	11,034	345,558	149,842
Profit for the year, as restated	本年溢利，經重列	—	—	—	—	202,775
2003 dividend	二零零三年末期股息	—	—	—	—	(150,053)
Transfer from retained profits	轉撥自保留溢利	—	24,268	12,134	36,402	(36,402)
Balance at 31st December 2004	二零零四年 十二月三十一日	312,457	46,335	23,168	381,960	166,162
Representing:	相當於：					
Retained earnings at 31st December 2004	二零零四年十二月 三十一日保留溢利					46,045
Proposed final dividend	攤派末期股息					120,117
						166,162
Balance at 1st January 2005, as per above	二零零五年一月一日， 如上	312,457	46,335	23,168	381,960	166,162
Profit for the year	本年溢利	—	—	—	—	234,235
Placement of H shares	H股配售	125,551	—	—	125,551	—
2004 final dividend	二零零四年末期股息	—	—	—	—	(120,117)
Transfer from retained earnings	轉撥自保留溢利	—	17,751	—	17,751	(17,751)
Contribution from a promoter	發起人之補償	27,470	—	—	27,470	—
Balance at 31st December 2005	二零零五年 十二月三十一日	465,478	64,086	23,168	552,732	262,529
Representing:	相當於：					
Retained earnings at 31st December 2005	二零零五年十二月 三十一日保留溢利					176,731
Proposed final dividend	攤派末期股息					85,798
						262,529

Notes to the Consolidated Financial Statements

綜合賬目附註

19. Reserves (Continued)

- (a) According to the respective Articles of Association, the Company and subsidiaries are required to transfer 10% of their profit after taxation, as shown in the accounts prepared under the relevant accounting principles and financial regulations applicable to PRC enterprises ("PRC GAAP"), to their statutory reserve fund. The statutory reserve fund can be used to offset accumulated loss or convert as share capital of the Company.
- (b) According to the respective Articles of Association, the Company and subsidiaries are required to appropriate statutory public benefit fund. The statutory public benefit fund can only be used for the collective benefit and facilities of the employees of the respective companies. Employees are only entitled to use these facilities; the title and ownership of the facilities will remain with the respective companies.

19. 儲備 (續)

- (a) 根據本公司及合併子公司各自之章程細則，各公司應按中國會計制度編制的賬目表所載之除稅後溢利的10%提取法定公積金。法定公積金可用於彌補虧損或轉增資本。
- (b) 各公司根據本公司及合併子公司各自之章程細則計提法定公益金。法定公益金只可用於各公司之職工的集體福利設施。職工可享受設施但設施的產權及擁有仍屬各公司所有。

Notes to the Consolidated Financial Statements

綜合賬目附註

20. Trade and other payables

20. 應付賬款及其它應付款項

		Group 本集團		Company 本公司	
		As at 31st December 十二月三十一日		As at 31st December 十二月三十一日	
		2005	2004	2005	2004
		二零零五年	二零零四年	二零零五年	二零零四年
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Trade payables	應付賬款	32,914	18,891	3,339	—
Advances from customers	預收賬款	428,186	128,819	63,129	68,026
Dividends payable	應付股利	28,980	—	28,980	—
Dividends payable to minority shareholders of subsidiaries	應付附屬公司之少數股東股利	—	19,782	—	—
Accrued construction costs	應計建築費用	345,547	526,081	53,935	157,227
Amounts due to fellow subsidiaries	應付同系附屬公司款項	—	3,104	—	—
Amount due to minority shareholder of a subsidiary	應付附屬公司之少數股東款項	93,970	—	—	—
Other payables	其他應付款項	245,526	60,324	64,718	21,586
		1,175,123	757,001	214,101	246,839

Notes to the Consolidated Financial Statements

綜合賬目附註

20. Trade and other payables (Continued)

The carrying amounts of trade and other payables approximate their fair values.

At 31st December 2005, the amount due to minority shareholder of a subsidiary is unsecured, carries interest at prevailing market rate and has no fixed terms of repayment.

At 31st December 2004, the amounts due to fellow subsidiaries were unsecured, interest free and have no fixed terms of repayment.

At 31st December 2005 and 2004, the ageing analysis of the trade payables (including amounts due to related parties) were as follows:

20. 應付賬款及其它應付款項 (續)

應付賬款及其他應付款項之公允價值與帳面值相若。

於二零零五年十二月三十一日，應付附屬公司之少數股東款項無抵押，按市場利率計息，且無固定償還期。

於二零零四年十二月三十一日，應付同系附屬公司款項均無抵押、免息，且無固定償還期。

於二零零五年及二零零四年十二月三十一日，應付賬款(包括應付關聯方賬款)之賬齡分析如下：

		Group 本集團		Company 本公司	
		As at 31st December 十二月三十一日		As at 31st December 十二月三十一日	
		2005 二零零五年	2004 二零零四年	2005 二零零五年	2004 二零零四年
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Within half year	半年以內	32,115	16,955	3,339	—
Over half year and within one year	半年至一年	766	1,936	—	—
Over one year	一年以上	33	—	—	—
		32,914	18,891	3,339	—

21. Tax payable

		Group 本集團		Company 本公司	
		As at 31st December 十二月三十一日		As at 31st December 十二月三十一日	
		2005	2004	2005	2004
		二零零五年	二零零四年	二零零五年	二零零四年
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Business tax payable	應繳營業稅	105,177	89,205	3,950	13,271
Income tax payable	應繳所得稅	233,814	348,493	33,503	57,289
Others	其他	6,899	4,287	337	253
		345,890	441,985	37,790	70,813

22. Special dividend payable

In accordance with "Provisional regulations concerning the management of state capital and certain accounting treatment for enterprises restructuring into companies" issued by the Ministry of Finance as Cai Qi [2002] No.313 on 27th July 2002, profit recognised from the date of valuation of state assets to the date of incorporation of a reorganised state-owned enterprise should be returned to the state-owned initial shareholders. Accordingly, a special dividend amounting to RMB204,839,000, representing the profit of the Group under PRC generally accepted accounting principles from 1st January 2002 to 31st December 2002 after taking into account the valuation of state assets will be payable to the initial shareholders. In accordance with the Reorganisation Agreement, the special dividend was partially paid in this year.

23. Amounts due to parent company

The amounts are unsecured, interest free and repayable before 30th September 2006. They represented portion of land premium paid by parent company on behalf of the Group.

21. 應繳稅款

		Group 本集團		Company 本公司	
		As at 31st December 十二月三十一日		As at 31st December 十二月三十一日	
		2005	2004	2005	2004
		二零零五年	二零零四年	二零零五年	二零零四年
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Business tax payable	應繳營業稅	105,177	89,205	3,950	13,271
Income tax payable	應繳所得稅	233,814	348,493	33,503	57,289
Others	其他	6,899	4,287	337	253
		345,890	441,985	37,790	70,813

22. 應付特別股息

根據財政部於二零零二年七月二十七日頒佈的《企業公司制改建有關國有資本管理與財務處理的暫行規定》財企[2002]313號，由國有資產評估基準日至經重組國有企業成立日期確認的溢利，須退還國有發起人。因此，本公司將須向發起人支付為數達人民幣204,839,000元的特別股息（相當於本集團按評估值建賬並根據中國普遍採納會計原則計算的二零零二年一月一日至二零零二年十二月三十一日止期間的溢利）。上述特別股息已按重組協議於本年部分支付。

23. 應付母公司款項

應付款項代表母公司代表本集團預付的土地出讓金，無抵押，免息，將於二零零六年九月三十日前償還。

Notes to the Consolidated Financial Statements

綜合賬目附註

24. Bank loans

24. 銀行貸款

		Group 本集團		Company 本公司	
		As at 31st December 十二月三十一日		As at 31st December 十二月三十一日	
		2005 二零零五年	2004 二零零四年	2005 二零零五年	2004 二零零四年
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Long-term bank loans, in RMB	長期銀行貸款，人民幣				
— secured	— 有抵押	4,468,136	1,348,251	4,000,000	1,300,000
— unsecured	— 無抵押	700,000	860,000	—	—
		5,168,136	2,208,251	4,000,000	1,300,000
Current portion	流動部分	(950,000)	(360,000)	(700,000)	—
		4,268,136	1,848,251	3,300,000	1,300,000
Short-term bank loans, in RMB	短期銀行貸款，人民幣				
— secured	— 有抵押	—	1,080,000	—	1,000,000
— unsecured	— 無抵押	—	938,000	—	800,000
		—	2,018,000	—	1,800,000
Total bank loans	銀行貸款合計	5,168,136	4,226,251	4,000,000	3,100,000
The maturity of the bank loans is as follows:	銀行貸款須於以下期間償還：				
Within 1 year	一年以內	950,000	2,378,000	700,000	1,800,000
Between 1 and 2 years	一至兩年	676,030	1,200,000	—	700,000
Between 2 and 5 years	兩至五年	742,106	48,251	500,000	—
Over 5 years	五年以上	2,800,000	600,000	2,800,000	600,000
		5,168,136	4,226,251	4,000,000	3,100,000

The effective interests rate at the balance sheet date were ranged from 4.03% to 5.85% (2004: 3.11% to 6.03%) per annum.

於二零零五年十二月三十一日，銀行貸款之實際年利率介乎4.03%至5.85%之間（二零零四年：3.11%至6.03%）。

As at 31st December 2005, long-term bank loans of RMB4,000,000,000 (2004: RMB1,300,000,000 for long-term bank loans and RMB1,000,000,000 for short-term bank loans) were secured by rights to yields on certain land use rights (gains on the sales of land use rights or other profit obtained from the related land use rights).

於二零零五年十二月三十一日，長期銀行貸款人民幣4,000,000,000元（二零零四年：長期銀行貸款人民幣1,300,000,000元及短期銀行貸款人民幣1,000,000,000元）以本集團部分物業之土地使用權之收益權（本集團轉讓該等土地使用權或以其他方式利用該等土地使用權獲得的收益）作為抵押。

24. Bank loans (Continued)

As at 31st December 2005, long-term bank loans of RMB468,136,000 (2004: RMB48,251,000) were secured by the properties under development of subsidiaries of the Company.

As at 31st December 2004, a short-term bank loan of RMB80,000,000 was secured by the hotel properties and land use rights of a subsidiary of the Company.

Unsecured bank loans of RMB250,000,000 (2004: RMB500,000,000 for long-term bank loans, and RMB200,000,000 for short-term bank loans) were guaranteed by Capital Group, the parent company.

The Group has the following undrawn borrowing facilities:

24. 銀行貸款 (續)

於二零零五年十二月三十一日，長期銀行貸款人民幣468,136,000元(二零零四年：人民幣48,251,000元)以本公司附屬公司之開發中物業作為抵押。

於二零零四年十二月三十一日，短期銀行貸款人民幣80,000,000元以本公司附屬公司之酒店物業以及土地使用權作為抵押。

無抵押銀行貸款中包括由母公司首創集團擔保的貸款人民幣250,000,000元(二零零四年：長期貸款人民幣500,000,000元，短期貸款人民幣200,000,000元)。

本集團未使用之銀行貸款額度如下：

	Group 本集團		Company 本公司	
	2005 二零零五年 RMB'000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元
Floating rate		浮動利率		
— expiring within one year	1,200,000	— 一年內到期 2,879,158	1,200,000	2,700,000
— expiring beyond one year	274,387	— 一年後到期 1,232,281	—	1,200,000
	1,474,387	4,111,439	1,200,000	3,900,000

Notes to the Consolidated Financial Statements

綜合賬目附註

24. Bank loans (Continued)

The exposure of the Group's borrowings to interest-rate changes and the contractual repricing dates are as follows:

		6 months or less 6個月或以下	6 - 12 months 6 - 12個月	Total 合計 RMB'000 人民幣千元
At 31st December 2004	於二零零四年十二月三十一日	2,426,251	1,800,000	4,226,251
At 31st December 2005	於二零零五年十二月三十一日	526,030	4,642,106	5,168,136

There are no fixed interest rates for long-term bank loans, so the fair values of bank loans are not materially different from their book values.

The carrying amounts of short-term bank loans approximate their fair values.

24. 銀行貸款 (續)

本公司的貸款在利率變動時承擔的風險及合約重新定價日期如下:

6 months or less 6個月或以下	6 - 12 months 6 - 12個月	Total 合計 RMB'000 人民幣千元
-------------------------------	------------------------------	---------------------------------

長期貸款沒有固定利率，所以貸款之公平值與其賬面值沒有重大差異。

短期貸款之賬面值與其公平值相若。

25. Deferred income tax

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The offset amounts are as follows:

Deferred tax assets:	遞延稅項資產：
— To be recovered after more than 12 months	— 超過12個月後收回之遞延稅項資產
— To be recovered within 12 months	— 12個月以內收回之遞延稅項資產

25. 遞延所得稅

當有法定權利可將現有稅項資產與現有稅項負債抵消，而遞延所得稅涉及同一財政機關，則可將遞延所得稅資產與遞延所得稅負債互相抵消。抵消金額呈列如下：

Group 本集團		Company 本公司	
As at 31st December 十二月三十一日		As at 31st December 十二月三十一日	
2005 二零零五年	2004 二零零四年	2005 二零零五年	2004 二零零四年
RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元

17,554	18,369	—	—
42,032	29,057	12,091	5,992
59,586	47,426	12,091	5,992

The gross movement on the deferred income tax is as follows:

遞延所得稅賬目之總變動如下：

Group 本集團		Company 本公司	
2005 二零零五年	2004 二零零四年	2005 二零零五年	2004 二零零四年
RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元

At 1st January	於一月一日	47,426	12,926	5,992	2,006
Opening balance adjustment for the adoption of HKAS 39	採納會計準則第39號之期初調整	4,973	—	—	—
Recognised in the income statement (note 31)	於損益表中確認(附註31)	7,187	29,056	6,099	3,986
Acquisition of a subsidiary	收購附屬公司	—	5,444	—	—
At 31st December	於十二月三十一日	59,586	47,426	12,091	5,992

Notes to the Consolidated Financial Statements

綜合賬目附註

25. Deferred income tax (Continued)

Deferred income tax assets are recognised for tax loss carry forwards to the extent that the realisation of the related tax benefit through the future taxable profits is probable. The Group did not recognise deferred income tax assets of RMB35,483,000 (2004: RMB1,133,000) in respect of losses amounting to RMB107,524,000 (2004: RMB3,434,000) that can be carried forward against future taxable income. Losses amounting to RMB20,932,000 (2004: RMB3,434,000) and RMB86,592,000 (2004: RMB Nil) will expire in 2009 and 2010 respectively.

The movement in deferred tax assets without taking into consideration the offsetting of balances within the same tax jurisdiction during the year is as follows:

Deferred tax assets:

		Difference in cost base of properties 物業成本 之差異 RMB'000 人民幣千元	Tax losses 稅務虧損 RMB'000 人民幣千元	Group 本集團		Amortisation of land use rights 土地使用 權攤銷 RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
				Unpaid accruals 未支付 的費用 RMB'000 人民幣千元	Provision for impairment of receivables 提撥呆賬 準備 RMB'000 人民幣千元			
At 1st January 2004	二零零四年一月一日	—	—	1,650	—	9,448	1,828	12,926
Recognised in the income statement	於損益表中確認	13,132	1,739	2,106	5,220	6,859	—	29,056
Acquisition of a subsidiary	收購附屬公司	—	5,444	—	—	—	—	5,444
At 31st December 2004	二零零四年十二月三十一日	13,132	7,183	3,756	5,220	16,307	1,828	47,426
Opening balance adjustment for the adoption of HKAS 39	採納香港會計準則第39號之期初調整	—	—	—	—	—	4,973	4,973
Recognised in the income statement	於損益表中確認	—	1,207	1,926	958	3,838	(742)	7,187
At 31st December 2005	二零零五年十二月三十一日	13,132	8,390	5,682	6,178	20,145	6,059	59,586

25. 遞延所得稅 (續)

就結轉的稅損而確認的遞延所得稅資產僅限於有關之稅務利益有可能透過未來應課稅溢利實現的部分。本集團並無就可結轉以抵銷未來應課稅收益的虧損人民幣107,524,000(二零零四年：人民幣3,434,000) 確認遞延所得稅資產人民幣35,483,000(二零零四年：人民幣1,133,000)，未來應課稅收益的虧損人民幣20,932,000(二零零四年：人民幣3,434,000)以及人民幣86,592,000(二零零四年：人民幣零元)將分別於二零零九年和二零一零年屆滿。

年內遞延稅項資產及負債之變動(與同一徵稅地區之結餘抵扣前)如下：

遞延稅項資產：

Notes to the Consolidated Financial Statements

綜合賬目附註

25. Deferred income tax (Continued)

25. 遞延所得稅 (續)

Deferred tax assets:

遞延稅項資產：

		Company 本公司			
		Unpaid accruals	Provision for impairment of receivables	Amortisation of land use rights	Total
		未支付的費用	提撥呆賬準備	土地使用 權攤銷	合計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1st January 2004	二零零四年一月一日	1,650	—	356	2,006
Recognised in the income statement	於損益表中確認	2,106	1,914	(34)	3,986
At 31st December 2004	二零零四年十二月 三十一日	3,756	1,914	322	5,992
Recognised in the income statement	於損益表中確認	1,926	4,264	(91)	6,099
At 31st December 2005	二零零五年十二月 三十一日	5,682	6,178	231	12,091

Notes to the Consolidated Financial Statements

綜合賬目附註

26. Retirement benefit obligations

The employees of the subsidiaries of the Group participate in various retirement benefit plans established by Beijing Municipal Labor and Social Insurance Bureau under which the Group was required to make monthly defined contributions to these plans at 20% (2004: 20%) of the employees' basic salary for the year ended 31st December 2005.

The Group has no other obligations for the payment of retirement and other post-retirement benefits of employees or retirees other than the required payments mentioned above.

26. 退休福利責任

本集團下屬各子公司的僱員參與了北京市勞動和社會保障局開展的各種退休福利計劃，本集團必須每月按照二零零五年僱員基本工資的20%（二零零四年：20%）供款。

除上文提及的支付要求之外，本集團不承擔其他的退休支付，及退休後的僱員或退休人員福利之責任。

27. Other gains — net

27. 其他收益 — 淨額

		Year ended 31st December	
		截至十二月三十一日止年度	
		2005	2004
		二零零五年	二零零四年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Temporary rental income	臨時租金收入	4,112	—
Grants from government authorities	政府補貼收入	503	6,396
Interest income	利息收入	72,776	64,234
Net income on disposal of subsidiaries, jointly controlled entities and associated companies	處置附屬公司、共同控制實體及聯營公司收入淨額	65,066	105,066
Others	其他	2,988	862
		145,445	176,558

28. Expenses by nature

Expenses included in cost of sales, selling and marketing costs and administrative expenses are analysed as follows:

28. 按性質列示之費用

包含於銷售成本、銷售及推廣成本和管理費用中的費用分析如下：

		Year ended 31st December 截至十二月三十一日止年度	
		2005 二零零五年 RMB'000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元
Depreciation	折舊	45,501	14,992
Amortisation	攤銷	18,354	16,921
Provisions for impairment of receivables	提撥呆賬準備	14,658	17,937
Employee benefit expenses (note 29)	僱員福利開支(附註29)	37,839	35,042
Advertising costs	廣告費用	12,115	11,715
Cost of land use rights sold	土地使用權銷售成本	80,193	60,405
Cost of properties under development sold	開發中物業銷售成本	267,740	318,828
Cost of inventories sold	存貨銷售成本	11,690	9,452
Cost of properties held for sale sold	待出售已落成物業銷售成本	289,510	717,041
Direct cost arising from hotel operations	酒店業務之直接成本	39,874	11,478
Cancellation of sales and reversal of profit recognised in a property development project	沖回一項發展物業的銷售及相關已確認溢利	—	70,854
Loss on disposal of property, plant and equipment	處置固定資產損失	26	64
Operating lease rentals in respect of buildings	經營性房屋租賃費用	9,312	12,007
Auditors' remuneration	核數師酬金	3,880	3,742

Notes to the Consolidated Financial Statements

綜合賬目附註

29. Employee benefit expense

29. 僱員福利開支

		Year ended 31st December 截至十二月三十一日止年度	
		2005 二零零五年 RMB'000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元
Wages and salaries	薪酬工資	44,732	41,468
Social security costs	社會保障成本	8,580	5,474
Retirement benefit costs — defined contribution plans	退休福利成本 — 界定供款計劃	3,930	3,162
		57,242	50,104
Less: capitalised in properties under development	減：開發中物業的 資本化金額	(19,403)	(15,062)
		37,839	35,042

Wages and salaries include directors' emoluments.

薪酬工資包括董事酬金。

(a) Retirement benefit costs — defined contribution plans

There were no forfeited contributions during the year or available at 31st December 2005 (2004: Nil) to reduce future contributions.

Contributions totaling RMB132,000 (2004: RMB84,000) were included in trade and other payables at the year end.

(a) 退休福利成本 — 界定供款計劃

於二零零五年十二月三十一日或於本年度並無可用之沒收供款可供扣除未來供款(二零零四年：無)。

包括於應付賬款及其他應付款項內的供款合共人民幣132,000元(二零零四年：84,000元)於年終未付。

Notes to the Consolidated Financial Statements

綜合賬目附註

29. Employee benefit expense (Continued)

(b) Directors' emoluments

The remuneration of every director for the year ended 31st December 2005 is set out below:

Name of Director	董事姓名	Fees 袍金 RMB'000 人民幣千元	Salary 工資 RMB'000 人民幣千元	Other benefits 其他福利 RMB'000 人民幣千元	Employer's contribution to retirement benefit scheme 退休計劃的 僱主供款 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
Mr. Liu Xiaoguang	劉曉光	—	2,000	—	30	2,030
Mr. Tan Jun	唐軍	—	2,600	—	132	2,732
Mr. He Guang	何光	—	1,648	412	12	2,072
Mr. Wang Zhengbin	王正斌	—	1,200	—	91	1,291
Mr. Pan Pei (a)	潘沛(a)	—	1,200	—	91	1,291
Ms. Zhu Min	朱敏	—	—	—	—	—
Mr. Muk Kin Yau	麥建裕	—	—	—	—	—
Mr. Peter Yuk Lun Eng (a)	吳毓璘(a)	200	—	—	—	200
Mr. Kwong Kai Sing, Benny	鄺啟成	200	—	—	—	200
Mr. Ke Jianmin	柯建民	200	—	—	—	200
Mr. Yu Xingbao	俞興保	100	—	—	—	100
Mr. Feng Chunqin (b)	馮春勤(b)	—	—	—	—	—
Mr. Li Zhaojie (b)	李兆傑(b)	—	—	—	—	—
Mr. Yu Changjian	俞昌建	—	—	—	—	—
Mr. Wang Qi	王琪	50	—	—	—	50
Mr. Xu Jianhong	徐建泓	50	—	—	—	50
Mr. Wei Jianping	魏建平	—	178	—	44	222
		800	8,826	412	400	10,438

29. 僱員福利開支 (續)

(b) 董事酬金

二零零五年度各位董事之酬金如下：

Notes to the Consolidated Financial Statements

綜合賬目附註

29. Employee benefit expense (Continued)

(b) Directors' emoluments (Continued)

The remuneration of every director for the year ended 31st December 2004 is set out below:

Name of Director	董事姓名	Fees 袍金 RMB'000 人民幣千元	Salary 工資 RMB'000 人民幣千元	Other benefits 其他福利 RMB'000 人民幣千元	Employer's contribution to retirement benefit scheme 退休計劃的 僱主供款 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
Mr. Liu Xiaoguang	劉曉光	—	2,000	—	30	2,030
Mr. Tan Jun	唐軍	—	2,600	—	96	2,696
Mr. He Guang	何光	—	1,648	412	12	2,072
Mr. Wang Zhengbin	王正斌	—	1,200	—	71	1,271
Mr. Pan Pei (a)	潘沛(a)	—	1,200	—	71	1,271
Ms. Zhu Min	朱敏	—	—	—	—	—
Mr. Muk Kin Yau	麥建裕	—	—	—	—	—
Mr. Peter Yuk Lun Eng (a)	吳毓璘(a)	200	—	—	—	200
Mr. Ke Jianmin	柯建民	200	—	—	—	200
Mr. Kwong Kai Sing, Benny	鄭啟成	200	—	—	—	200
Mr. Yu Xingbao (d)	俞興保(d)	100	—	—	—	100
Mr. Yu Changjian	俞昌建	—	—	—	—	—
Mr. Wang Qi	王琪	50	—	—	—	50
Mr. Xu Jianhong	徐建泓	50	—	—	—	50
Mr. Wei Jianping	魏建平	—	178	—	34	212
Mr. Yang Yulu (c)	楊豫魯(c)	—	—	—	—	—
		800	8,826	412	314	10,352

Notes:

- (a) Resigned in December 2005.
 (b) Appointed in December 2005.
 (c) Resigned in May 2004.
 (d) Appointed in May 2004.

29. 僱員福利開支 (續)

(b) 董事酬金 (續)

二零零四年度各位董事之酬金如下：

Name of Director	董事姓名	Fees 袍金 RMB'000 人民幣千元	Salary 工資 RMB'000 人民幣千元	Other benefits 其他福利 RMB'000 人民幣千元	Employer's contribution to retirement benefit scheme 退休計劃的 僱主供款 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
Mr. Liu Xiaoguang	劉曉光	—	2,000	—	30	2,030
Mr. Tan Jun	唐軍	—	2,600	—	96	2,696
Mr. He Guang	何光	—	1,648	412	12	2,072
Mr. Wang Zhengbin	王正斌	—	1,200	—	71	1,271
Mr. Pan Pei (a)	潘沛(a)	—	1,200	—	71	1,271
Ms. Zhu Min	朱敏	—	—	—	—	—
Mr. Muk Kin Yau	麥建裕	—	—	—	—	—
Mr. Peter Yuk Lun Eng (a)	吳毓璘(a)	200	—	—	—	200
Mr. Ke Jianmin	柯建民	200	—	—	—	200
Mr. Kwong Kai Sing, Benny	鄭啟成	200	—	—	—	200
Mr. Yu Xingbao (d)	俞興保(d)	100	—	—	—	100
Mr. Yu Changjian	俞昌建	—	—	—	—	—
Mr. Wang Qi	王琪	50	—	—	—	50
Mr. Xu Jianhong	徐建泓	50	—	—	—	50
Mr. Wei Jianping	魏建平	—	178	—	34	212
Mr. Yang Yulu (c)	楊豫魯(c)	—	—	—	—	—
		800	8,826	412	314	10,352

附註：

- (a) 已於2005年12月離職。
 (b) 委任於2005年12月。
 (c) 已於2004年5月離職。
 (d) 委任於2004年5月。

29. Employee benefit expense (Continued)

(c) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year ended 2005 and 2004 were all directors whose emoluments are reflected in the analysis presented above.

(d) During the year, no emoluments had been paid by the Group to the directors or the five highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office. No directors waived or agreed to waive any emoluments during the year.

29. 僱員福利開支 (續)

(c) 酬金最高的五位人士

本年度及二零零四年本集團最高薪酬五位人士均為董事，彼等之酬金已如上分析。

(d) 本集團於本年度內並未支付給董事及收入最高的五位人士任何酬金作為加入本集團的賠償，也沒有董事放棄或表示放棄任何酬金。

30. Finance costs

30. 融資成本

		Year ended 31st December 截至十二月三十一日止年度	
		2005 二零零五年 RMB'000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元
Interest expenses:	利息費用：		
Bank loans, wholly repayable within five years	須於五年內全部償還的銀行貸款	142,840	150,708
Bank loans, not wholly repayable within five years	毋須於五年內全部償還的銀行貸款	89,856	11,275
Other loans, wholly repayable within five years	須於五年內全部償還的其他貸款	2,959	25,721
		235,655	187,704
Less: Amount capitalised in properties under development, properties under development for sale and construction in progress with capitalisation rate between 4.03% and 5.76% (2004: 3.11% and 6.03%) per annum	減：按資本化年利率4.03%至5.76%(二零零四年：3.11%至6.03%)計入開發中物業，待出售開發中物業及在建工程之利息金額	(87,084)	(102,864)
		148,571	84,840

Notes to the Consolidated Financial Statements

綜合賬目附註

31. Income tax expenses

No provision for Hong Kong profits tax has been made as the Group has no assessable profits in Hong Kong for the year ended 31st December 2005 (2004: Nil). PRC income tax is computed according to the relevant laws and regulations in the PRC. The applicable income tax rate is 33% (2004: 33%).

31. 所得稅費用

本集團於本年間並無任何香港應課稅溢利，故並無提撥任何香港利得稅準備（二零零四年：無）。本集團須按其應課稅溢利繳納中國所得稅。中國所得稅是根據中國相關法律及法規計算。適用所得稅率為33%（二零零四年：33%）。

		Year ended 31st December	
		截至十二月三十一日止年度	
		2005	2004
		二零零五年	二零零四年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
PRC income tax	中國所得稅		
Current income tax	本年所得稅	100,102	126,556
Overprovision in prior years	以前年度多計提	(54,673)	—
Deferred income tax (note 25)	遞延稅項(附註 25)	(7,187)	(29,056)
		38,242	97,500

Notes to the Consolidated Financial Statements

綜合賬目附註

31. Income tax expenses (Continued)

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the PRC statutory rate of 33% as follows:

31. 所得稅費用 (續)

本集團有關除稅前溢利之稅項與假若採用本公司本土國家之稅率而計算之理論稅額之差額如下：

		Year ended 31st December 截至十二月三十一日止年度	
		2005 二零零五年 RMB'000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元
Profit before income tax	除稅前溢利	230,559	391,776
Tax calculated at PRC statutory rate of 33%	按中國法定稅率 33%計算所得稅	76,084	129,286
Income not subject to taxation	無須課稅之收入	(8,877)	(15,850)
Share of profits less losses of jointly controlled entities and associated companies	佔共同控制實體和聯營公司的溢利份額	(33,826)	(15,675)
Expenses not deductible for tax purposes	不可扣稅之支出	25,394	—
Utilisation of previously unrecognised tax losses	使用早前未有確認之稅損	(210)	(1,394)
Overprovision in prior years	以前年度多計提	(54,673)	—
Unrecognised tax losses	沒有確認的稅損	34,350	1,133
Income tax expenses	所得稅費用	38,242	97,500

31. Income tax expenses (Continued)

In 2003, upon the reorganisation and the listing of the Company, a deed of tax indemnity has been entered into between the Promoters and the Group whereby the Promoters undertake to indemnify the Group in respect of, inter alia, certain land appreciation tax ("LAT") payable in consequence of the disposal of the Group's existing properties as at 30th April 2003.

In previous years, no provision for LAT had been made as the directors considered that the Group was unlikely to receive demands from the tax authorities for payment of LAT up to the years ended 31st December 2004 which would otherwise have accumulated to approximately RMB156,184,000 attributable to the Group as previously reported.

In 2005, the Group has received certain demands from the tax authorities regarding the payment of LAT. Accordingly, the directors reconsidered and provided the LAT exposure based on their latest understanding of LAT regulations from tax authorities, which accumulated to approximately RMB27,470,000 attributable to the Group after netting off potential income tax saving at 31st December 2005. The whole amount would be compensated by a promoter.

31. 所得稅費用 (續)

於二零零三年，在本公司重組及上市過程中，發起人與本集團訂立稅項賠償保證契約，據此，發起人承諾，就(其中包括)出售本集團截至二零零三年四月三十日已存在的物業導致的所有應繳納土地增值稅賠償本集團。

以往年度，董事認為本集團接獲稅務機構發出要求繳納土地增值稅通知的可能性不大，故並未作出土地增值稅撥備。如以往呈報，截至二零零四年十二月三十一日，於扣除所節省的潛在所得稅後，本集團潛在的應付土地增值稅共計人民幣156,184,000元。

於二零零五年，本集團接獲有關稅務機構就部分項目要求繳納土地增值稅的通知，董事根據本公司對土地增值稅繳納有關要求的瞭解，重新估計並撥備了土地增值稅，扣除節省的所得稅後金額為人民幣27,470,000元，將由發起人予以賠償。

32. Profit attributable to equity holders of the Company

The profit attributable to equity holders of the Company is dealt with in the financial statements of the Company to the extent of RMB234,235,000 (2004: RMB202,775,000, as restated).

33. Earnings per share (basic and diluted)

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of shares in issue during the year.

32. 本公司權益持有人應佔溢利

本公司權益持有人應佔溢利佔本公司賬目中處置的數額為人民幣234,235,000元（二零零四年：人民幣202,775,000元，經重列）。

33. 每股溢利（基本和攤薄）

每股基本溢利是根據本年度權益持有人應佔溢利和本年度已發行在外股份之加權平均股數計算。

		Year ended 31st December	
		截至十二月三十一日止年度	
		2005	2004
		二零零五年	二零零四年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Profit attributable to equity holders of the Company	本公司權益持有人應佔溢利	211,505	260,082
Weighted average number of shares in issue (thousands)	已發行普通股的加權平均數（千）	1,707,405	1,613,300
Earnings per share, basic and diluted (RMB cents per share)	每股溢利（基本和攤薄）（每股人民幣分）	12.39	16.12

Diluted earnings per share is equal to the basic earnings per share since the Company has no dilutive potential shares as at 31st December 2005 and 2004.

本公司在二零零五年及二零零四年並無潛在之攤薄股份，故每股攤薄溢利與每股基本溢利相等。

Notes to the Consolidated Financial Statements

綜合賬目附註

34. Dividends

The dividend paid during the year ended 31st December 2005 was RMB120,117,000 (representing 2004 final dividend of RMB0.07 per share).

A final dividend for the year ended 31st December 2005 of RMB0.05 per share, amounting to a total dividend of RMB85,798,000, was proposed at the Board meeting held on 31st March 2006. These financial statements do not reflect this dividend payable.

34. 股息

截至二零零五年十二月三十一日止年度派發股息為人民幣120,117,000(相當於二零零四年末期股息每股人民幣0.07元)。

於二零零六年三月三十一日舉行之董事會會議上，董事會提議擬派二零零五年末期股息每股人民幣0.05元，合計人民幣85,798,000元，未作為應付股息列示於財務報表。

Year ended 31st December	
截至十二月三十一日止年度	
2005	2004
二零零五年	二零零四年
RMB'000	RMB'000
人民幣千元	人民幣千元

2005 Proposed final dividend of RMB0.05 per share
(2004: RMB0.07 per share)

二零零五年已派末期股息，
每股人民幣0.05元
(二零零四年：
每股人民幣0.07元)

85,798

120,117

Notes to the Consolidated Financial Statements

綜合賬目附註

35. Notes to consolidated cash flow statement

- (a) Reconciliation of profit before income tax to cash used in operations

35. 綜合現金流量表附註

- (a) 除稅前溢利與來自經營活動之現金流出額之對賬表：

		Year ended 31st December	
		截至十二月三十一日止年度	
		2005	2004
		二零零五年	二零零四年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Profit before income tax	稅前溢利	230,559	391,776
Provisions for impairment of receivables	提撥呆賬準備	14,658	17,937
Share of profit of jointly controlled entities	共同控制實體之分佔業績	(15,036)	(3,751)
Share of profit of associated companies	聯營公司之分佔業績	(87,467)	(43,749)
Net income on disposal of subsidiaries, jointly controlled entities and associated companies	出售附屬公司、共同控制實體及聯營公司淨收益	(65,066)	(105,066)
Depreciation	折舊	45,501	14,992
Amortisation	攤銷	18,354	16,921
Loss on disposal of property, plant and equipment (note b)	處置物業、廠房和設備虧損(附註b)	26	64
Interest income	利息收入	(72,776)	(64,234)
Interest expense	利息費用	148,571	84,840
Operating profit before working capital changes	營運資金變動前之經營溢利	217,324	309,730
Increase in restricted bank deposits	受限制銀行存款結餘增加	(513)	(5,701)
(Increase)/decrease in inventories	存貨(增加)/減少	(9,561)	23
Decrease/(increase) in properties held for sale	待出售已落成物業之減少/(增加)	72,694	(800,988)
(Increase)/decrease in properties under development	開發中物業之(增加)/減少	(992,989)	70,708
Increase in land use rights related to properties under development	與開發中物業相關之土地使用權之增加	(74,249)	(42,634)
Decrease/(increase) in trade and other receivables	應收賬款及其它應收款項減少/(增加)	22,385	(349,685)
Increase in trade and other payables	應付賬款及其它應付款項增加	370,734	570,059
Cash used in operations	經營活動之現金流出	(394,175)	(248,488)

Notes to the Consolidated Financial Statements

綜合賬目附註

35. Notes to consolidated cash flow statement

(Continued)

- (b) In the cash flow statement, proceeds from sale of property, plant and equipment comprise:

35. 綜合現金流量表附註 (續)

- (b) 現金流量表中，出售物業、廠房和設備的收入包括：

		Year ended 31st December 截至十二月三十一日止年度	
		2005 二零零五年 RMB'000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元
Net book amount	賬面淨值	4,727	431
Loss on disposal of property, plant and equipment	出售物業、廠房和設備虧損	(26)	(64)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備收入	4,701	367

Notes to the Consolidated Financial Statements

綜合賬目附註

35. Notes to consolidated cash flow statement

(Continued)

(c) Acquisition of interests in a subsidiary

		Year ended 31st December 截至十二月三十一日止年度	
		2005 二零零五年 RMB'000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元
Net assets acquired	收購的資產淨值		
Property, plant and equipment	物業、廠房和設備	—	960
Trade and other receivables	應收賬款及其他應收款項	—	58,020
Deferred tax assets	遞延稅項資產	—	5,444
Properties under development	開發中物業	—	380,953
Land use rights	土地使用權	—	85,067
Cash and bank balances	現金及銀行存款	600	159,724
Trade and other payables	應付賬款及其它應付款項	—	(284,479)
Bank loan	銀行貸款	—	(250,000)
Minority interests	少數股東權益	—	(17,787)
		600	137,902
Less: interests originally held by the Group as jointly controlled entities	減：本集團原本以聯營公司及共同控制實體持有的權益	—	(51,836)
Satisfied by cash	以現金支付	600	86,066

Analysis of net inflow of cash and cash equivalents in respect of the acquisition of a subsidiary:

就收購附屬公司產生的現金及現金等價物流入淨額分析：

		Year ended 31st December 截至十二月三十一日止年度	
		2005 二零零五年 RMB'000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元
Cash consideration	現金代價	(600)	(86,066)
Cash and bank balances acquired	收購的現金及銀行存款	600	159,724
Net cash inflow of cash and cash equivalents in respect of the acquisition of a subsidiary	收購附屬公司有關的現金及現金等價物流入淨額	—	73,658

Notes to the Consolidated Financial Statements

綜合賬目附註

35. Notes to consolidated cash flow statement

(Continued)

(d) Disposal of subsidiaries

35. 綜合現金流量表附註 (續)

(d) 出售附屬公司

Year ended 31st December

截至十二月三十一日止年度

2004

二零零四年

RMB'000

人民幣千元

Net assets disposed of	出售的淨資產	
Property plant and equipment	物業、廠房和設備	6,925
Properties under development	開發中物業	1,514,542
Properties held for sale	待出售已落成物業	243,726
Cash and bank balances	現金及銀行存款	420,176
Other investment	其他投資	16,193
Trade and other receivables	應收賬款及其他應收款項	34,069
Long-term loan	長期貸款	(350,000)
Trade and other payables	應付賬款及其他應付款項	(1,229,097)
Deferred tax liabilities	遞延稅款負債	(11,608)
Minority interests	少數股東權益	(434,378)
		<u>210,548</u>
Gain on disposal of subsidiaries	出售附屬公司收益	<u>55,751</u>
		266,299
Increase of investments in jointly controlled entities	合營公司投資增加	(4,890)
Increase of investment securities	投資證券增加	(44,090)
Increase of investments in associated companies	聯營公司投資增加	(33,699)
Disposal proceeds receivable	尚未收取之轉讓款	<u>(91,598)</u>
Cash consideration	出售所得款項	<u>92,022</u>

35. Notes to consolidated cash flow statement

(Continued)

(d) Disposal of subsidiaries (Continued)

Analysis of net outflow of cash and cash equivalents in respect of the disposal of subsidiaries:

Cash consideration	出售所得款項	92,022
Less: cash and bank balances equivalents disposal of	減：售出附屬公司之現金及現金等價物	(420,176)
Net outflow of cash and cash equivalents in respect of disposal of subsidiaries	出售附屬公司之現金流出淨額	(328,154)

35. 綜合現金流量表附註 (續)

(d) 出售附屬公司 (續)

出售附屬公司之現金及現金等價物流入淨額之分析：

Year ended 31st December

截至十二月三十一日止年度

2004

二零零四年

RMB'000

人民幣千元

36. Contingencies

- (a) The Group has arranged bank financing for certain purchasers of property units and provided guarantees to secure obligations of such purchasers for repayments. The outstanding guarantees amounted to RMB677,632,000 as at 31st December 2005 (2004: RMB637,468,000).

Such guarantees terminate upon (i) the issuance of the real estate ownership certificate which will generally be available within six months to two years after the Group deliver possession of the relevant property to its purchasers; (ii) the completion of the mortgage registration; and (iii) the issuance of the real estate miscellaneous right certificate relating to the relevant property.

Management anticipates that no material liabilities will arise from the above guarantees in the ordinary course of business.

- (b) As at 31st December 2005, other than guarantees provided for a long-term bank loan of RMB450,000,000 (2004: short-term bank loans of RMB498,000,000) for subsidiaries of the Company, and a short-term bank loan of RMB50,000,000 (2004: RMB120,000,000) to a jointly controlled entity, the Group and the Company had no external guarantee.

36. 或有事項

- (a) 本集團已就若干物業單位購買方安排銀行融資，並對該等購買方的還款責任提供擔保。於二零零五年，未清償擔保金額為人民幣677,632,000元（二零零四年：人民幣637,468,000元）。

上述擔保情況將於下列情況終止：(i)發出房地產所有權證後，而房地產所有權證一般會在本集團將有關物業的擁有權移交至買家後六個月至兩年內發出；(ii)完成按揭註冊後；及(iii)發出有關物業的房地產雜項權利證後。

管理層認為上述屬於正常商業活動中的借款擔保，本公司不會因此產生新的預計負債。

- (b) 於二零零五年十二月三十一日，除本公司為本公司之附屬公司的人民幣450,000,000元長期銀行貸款（二零零四年：短期銀行貸款人民幣498,000,000元），以及對本公司之共同控制實體的人民幣50,000,000元短期銀行貸款（二零零四年：人民幣120,000,000元）提供擔保外，本公司和本集團均未對外提供擔保。

Notes to the Consolidated Financial Statements

綜合賬目附註

37. Commitments

- (a) Capital commitments in respect of development costs attributable to properties under development and land use rights:

37. 承擔

- (a) 開發中物業及土地使用權之開發成本的資本承擔分析如下：

	Group 本集團		Company 本公司	
	As at 31st December 十二月三十一日		As at 31st December 十二月三十一日	
	2005 二零零五年 RMB'000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元
Properties under development	開發中物業			
Contracted but not provided for	已簽約但未撥備			
	1,580,862	1,405,188	—	43,776
Authorised but not contracted for	已批准但未簽約			
	4,531,223	1,290,438	—	57,242
	6,112,085	2,695,626	—	101,018
Land use rights	土地使用權			
Contracted but not provided for	已簽約但未撥備			
	664,496	139,707	—	—
	6,776,581	2,835,333	—	101,018

Notes to the Consolidated Financial Statements

綜合賬目附註

37. Commitments (Continued)

- (b) At 31st December 2005 and 31st December 2004, the Group and the Company had future aggregate minimum lease payables under non-cancellable operating leases as follows:

37. 承擔 (續)

- (b) 於二零零五年及二零零四年十二月三十一日，本集團及本公司根據不可撤消之經營租賃而於未來應付之最低租賃款總額如下：

		Group 本集團		Company 本公司	
		As at 31st December 十二月三十一日		As at 31st December 十二月三十一日	
		2005 二零零五年 RMB'000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元	2005 二零零五年 RMB'000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元
Rental payables	應付租金				
Not later than one year	第一年內	5,715	8,079	1,102	2,360
Later than one year and not later than five years	第二年至第五年內	2,303	1,371	1,929	—
		8,018	9,450	3,031	2,360

38. Related party transactions

The Group is controlled by Capital Group (parent company), which aggregately holds 55.69% of the Company's shares directly and indirectly.

The parent company itself is a state-owned enterprise controlled by the PRC government. In accordance with HKAS 24, "Related Party Disclosures", state-owned enterprises and their subsidiaries, other than the parent company, directly or indirectly controlled by the PRC government are also defined as related parties of the Group.

For purpose of related party transaction disclosure, the Group has identified the immediate ownership structure of its customers and suppliers as to whether they are state-owned enterprises. Many state-owned enterprises have multi-layered corporate structure and the ownership structures change over time as a result of transfers and privatisation programmes. Due to the pervasiveness of the Group's retail transactions with the entities' employees on corporate business, their key management personnel and close family members, and other related parties, there is no feasible way to track such transactions and ensure the completeness of certain disclosures. Nevertheless, management believes that meaningful information relative to related party transactions has been disclosed.

In addition to the related party information shown elsewhere in the consolidated financial statements, the following is a summary of significant related party transactions entered into in the ordinary course of business between the Group and its related parties during the year and balances arising from related party transactions at the end of the year.

38. 關聯方交易

本集團受首創集團(以下簡稱母公司)所控制，母公司通過直接和間接方式共持有本公司55.69%的股權。

母公司是受中國政府控制的國有企業。根據香港會計準則24號(HKAS24)〔關聯方披露〕規定，除控股公司外，其他所有受中國政府直接或間接控制的國有企業及其附屬公司都將被認定是集團的關聯方。

為了充分披露關聯方交易，本集團通過瞭解客戶及供應商的股權結構，來協助判斷其是否為國有企業。但是很多國有企業擁有多層次的公司架構，並且股權結構隨著公司轉讓和私有化進程在不斷變更。由於本集團對其他企業的僱員、關鍵管理人員及近親、及其它關聯方的零售業務瞭解並不深入，要完全追蹤並揭示所有這樣的交易是不可行的。但是，本集團管理層確信所有關於關聯方交易的具有重大意義的資訊都得到了披露。

除了在綜合財務報表其他地方披露的關聯方資料，以下是期間內本集團和關聯方之間在正常經營活動中產生的重大關聯方交易匯總，及其產生的相應關聯方年末餘額：

Notes to the Consolidated Financial Statements

綜合賬目附註

38. Related party transactions (Continued)

(i) Related party transactions

	Related party 關聯方	Nature of transaction 交易性質	2005 二零零五年 RMB'000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元
(a)	Jointly controlled entities 共同控制實體	Interest income 利息收入	31,549	31,842
(b)	Parent company 母公司	Interest income 利息收入	14,928	13,191
(c)	An associated company 聯營公司	Interest income 利息收入	3,478	—
(d)	A fellow subsidiary 同系附屬公司	Decoration cost 裝修工程款	—	(2,449)
(e)	Associated companies 聯營公司	Commission fee (note i) 佣金(附註i)	(3,542)	(11,876)
(f)	Minority shareholder of a subsidiary 附屬公司之少數股東	Interest income 利息收入	4,145	5,256
(g)	Minority shareholder of a subsidiary 附屬公司之少數股東	Interest expense 利息費用	(2,930)	—
(h)	State-owned enterprises 國有控股企業	Interest income 利息收入	12,521	9,430
		Sales of goods and services 銷售貨品及服務	711,219	410,545
		Purchase of goods and services 購買貨品及服務	(557,670)	(420,641)
		Drawdown of loans 接受貸款	(3,150,000)	(3,650,000)
		Repayment of loans 償還貸款	2,018,000	1,520,000
		Interest expense 利息費用	(204,201)	(117,705)

Notes:

- (i) The commission fee payable to the associated companies was charged ranging from 1.6% to 1.7% (2004: 0.8% to 1.6%) based on property sales price.

The Group does not have a system to identify the related parties within its retail customers, therefore the sales of goods disclosed above does not include the retail sales to related parties. The Group does not believe it is meaningful to disclose the retail sales to related parties as the sales terms, including pricing, with these related parties are the same as the ones with non-related parties.

38. 關聯方交易(續)

(i) 關聯方交易

附註：

- (i) 應付聯營公司的佣金是按物業售價的1.6%至1.7%計算(二零零四年：0.8%至1.6%)。

集團沒有一個完整的體系來確認零售客戶中的關聯方，因此上面銷售收入事項中不包括跟其關聯方的零售收入，集團認為零售收入中與關聯方交易的定價及其它條款和非關聯方的相同，因此把跟關聯方的零售收入作為關聯方交易事項反映沒有意義。

Notes to the Consolidated Financial Statements

綜合賬目附註

38. Related party transactions (Continued)

38. 關聯方交易 (續)

(ii) Related party balances

(ii) 關聯方餘額

		As at 31st December 十二月三十一日	
		2005 二零零五年 RMB'000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元
(a) Bank deposits	銀行存款		
State-owned banks	國有銀行	<u>1,701,799</u>	<u>1,559,755</u>
(b) Trade receivables	應收賬款		
State-owned enterprises	國有控股企業	<u>323,790</u>	<u>302,393</u>
(c) Bank loans	銀行貸款		
State-owned banks	國有銀行	<u>4,450,000</u>	<u>3,440,000</u>
(d) Amount due from a promoter	應付發起人款項	<u>27,470</u>	<u>—</u>
(e) Amounts due to parent company, non-current	應付母公司款項， 非流動部分	<u>—</u>	<u>139,475</u>
Amounts due to parent company, current	應付母公司款項， 流動部分	<u>174,741</u>	<u>199,945</u>
		<u>174,741</u>	<u>339,420</u>
(f) Other receivables, net	其他應收款項淨值		
State-owned enterprises	國有控股企業	<u>21,300</u>	<u>64,525</u>
(g) Trade payables	應付賬款		
State-owned enterprises	國有控股企業	<u>38,244</u>	<u>—</u>
(h) Other payables	其他應付款項		
State-owned enterprises	國有控股企業	<u>5,134</u>	<u>10,847</u>
(i) Advance from customers	預收賬款		
State-owned enterprises	國有控股企業	<u>138,190</u>	<u>—</u>

Notes to the Consolidated Financial Statements

綜合賬目附註

38. Related party transactions (Continued)

(ii) Related party balances (Continued)

Apart from bank deposits and bank loans, the amounts receivables and payables are unsecured, interest free and have no fixed terms of repayment as at 31st December 2005 and 2004 other than amounting to RMB89,811,000 (2004: RMB139,073,000) with interest at prevailing market rate and repayable with one year (2004: repayable with two years).

At 31st December 2005, the balance of the Group's provisions for impairment of receivables from related parties is RMB24,608,000 (2004: RMB10,993,000), the Group's provisions for impairment of receivables charged to income statement for the year ended 31st December 2005 is RMB13,615,000 (2004: RMB10,600,000).

(iii) Key management compensation

38. 關聯方交易 (續)

(ii) 關聯方餘額 (續)

除銀行存款與銀行貸款，應收應付款項於二零零五年十二月三十一日及二零零四年十二月三十一日均無抵押，免息且無固定償還期，除其中金額為人民幣89,811,000元（二零零四年：人民幣139,073,000元）按市場利率計息，將於一年內償還（二零零四年：將於兩年內償還）。

於二零零五年十二月三十一日，本集團對此類應收款項提撥的呆賬準備為人民幣24,608,000元（二零零四年：人民幣10,993,000元），計入二零零五年十二月三十一日止年度損益表的呆賬準備為人民幣13,615,000元（二零零四年：人民幣10,600,000元）。

(iii) 重要管理層薪酬

		Year ended 31st December 截至十二月三十一日止年度	
		2005 二零零五年 RMB'000 人民幣千元	2004 二零零四年 RMB'000 人民幣千元
Salaries and other short-term employee benefits	薪水及其它短期僱員福利	13,038	12,902
Post-employment benefits	離職後福利	420	330

38. Related party transactions (Continued)**(iv) Guarantee**

At 31st December 2005, the Group guaranteed a short-term bank loan of one jointly controlled entity in the amounts of RMB50,000,000 (2004: RMB120,000,000).

At 31st December 2005, there were RMB250,000,000 long-term bank loans guaranteed by parent company (2004: RMB500,000,000 for long-term bank loans, and RMB200,000,000 for short-term bank loans).

At 31st December 2004, there were short-term bank loans of RMB500,000,000 guaranteed by a fellow subsidiary, Beijing Capital Sunshine Real Estate Development Co., Ltd..

- (v)** In 2005, the Group has received certain demands from the tax authorities regarding the payment of LAT. Accordingly, the directors reconsidered and provided the LAT exposure based on their latest understanding of LAT regulations from tax authorities, which accumulated to approximately RMB27,470,000 attributable to the Group after netting off potential income tax saving at 31st December 2005. The whole amount would be compensated by a promoter according to the deed of tax indemnity prepared between the Promoters and the Group in the year 2003.

38. 關聯方交易 (續)**(iv) 擔保**

於二零零五年十二月三十一日，本集團對共同控制實體的短期貸款人民幣50,000,000元提供擔保(二零零四年：人民幣120,000,000元)。

於二零零五年十二月三十一日，本集團的銀行貸款中有人民幣250,000,000元的長期貸款由母公司擔保(二零零四年：長期貸款人民幣500,000,000元，短期貸款人民幣200,000,000元)。

於二零零四年十二月三十一日，本集團的銀行貸款中人民幣500,000,000元短期貸款由同系附屬公司—北京首創陽光房地產有限責任公司擔保。

- (v)** 於二零零五年，本集團接獲有關稅務機構就部分項目要求繳納土地增值稅的通知，董事根據本公司對土地增值稅繳納有關要求的瞭解，重新估計並撥備了土地增值稅，扣除節省的所得稅後金額為人民幣27,470,000元，根據二零零三年發起人與本集團訂立的稅項賠償保證契約，這部分金額將由發起人予以賠償。

Notes to the Consolidated Financial Statements

綜合賬目附註

38. Related party transactions (Continued)

- (vi) The Company entered into a contract to establish a sino-foreign equity joint venture company with Reco Ziyang Pte Ltd. ("Reco Ziyang"; a subsidiary of Reco Hibiscus Pte Ltd., which is a minority shareholder of the Company's subsidiary). The total amount of investment is US\$75,000,000, which shall include the registered capital of US\$25,000,000. The Company and Reco Ziyang shall contribute 55% and 45% of the total amount of investment respectively and share the equity and profit according to the percentage of contribution.

39. Subsequent events

Issue of new H shares representing 20% of the current registered capital of the Company

On 15th March 2006, the directors of the Company announce that the Company wishes to seek the approval of shareholders to authorise the directors to issue and allot up to 312,000,000 new H shares and to transfer up to 31,200,000 secondary shares to the PRC National Social Security Fund by the PRC state shareholders if certain conditions are satisfied. The maximum number of the new H shares which may be issued and allotted pursuant to the new issue together with the maximum of secondary shares to be transferred to the PRC National Social Security Fund by the PRC state shareholders represent approximately 20% of the Company's current registered share capital.

38. 關聯方交易 (續)

- (vi) 本公司與Reco Ziyang Pte Ltd. (「Reco Ziyang」)，本公司附屬公司少數股東Reco Hibiscus Pte Ltd.之附屬公司)訂立合同成立一中外合資經營公司，該公司之總投資額為75,000,000美元，其中包括25,000,000美元之註冊資本。本公司與Reco Ziyang之出資比例分別為55%及45%並且按出資比例享有該公司權益和收益。

39. 期後事項

發行佔本公司現有註冊資本20%的新H股

於二零零六年三月十五日，首創置業股份有限公司董事宣佈，本公司有意徵求股東批准，於達成若干條件後，以授權董事發行及配售最多達312,000,000股的新H股，以及將由中國國有股東劃撥予國家社會保障基金的最多312,000,000股劃撥股份。根據發行新股可予發行及配售的新H股數目上限以及由中國國有股東劃撥予國家社會保障基金的劃撥股份數目上限將佔本公司現有註冊資本約20%。