

1. GENERAL

The Company is a public listed company incorporated in Hong Kong with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Its ultimate holding company is Chinese Estates Holdings Limited ("Chinese Estates"), a company incorporated in Bermuda with its securities listed on the Stock Exchange. The address of the registered office of the Company is disclosed in the "Corporate Information" section to the annual report.

The Company acts as an investment holding company and its subsidiaries are principally engaged in property investment and development. The principal activities and other particulars of its principal subsidiaries are set out in Note 37.

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

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

In the current year, the Company and its subsidiaries (the "Group") has adopted all the new and revised Hong Kong Financial Reporting Standards ("HKFRSs"), Hong Kong Accounting Standards ("HKASs") and Interpretations (hereinafter collectively referred to as "new and revised Standards and Interpretations") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") that are relevant to its operations and effective for accounting periods beginning on or after 1st January, 2005. The adoption of these new and revised Standards and Interpretations has resulted in changes to the Group's accounting policies in the following areas that have an effect on the amounts reported for the current or prior years:

HKAS 1	Presentation of Financial Statements
HKAS 17	Leases
HKAS 32	Financial Instruments: Disclosure and Presentation
HKAS 39	Financial Instruments: Recognition and Measurement
HKAS 40	Investment Property
HK(SIC)-INT 21	Income Taxes – Recovery of Revalued Non-Depreciable Assets

The adoption of the above new and revised Standards and Interpretations has no material effects on the Company's accounting policies except HKAS 32 and HKAS 39.

1. 簡介

本公司為一間在香港註冊成立而其股份在香港聯合交易所有限公司（「聯交所」）上市之有限公司。其最終控股公司為於百慕達註冊成立，其證券在聯交所上市之 Chinese Estates Holdings Limited（「華人置業」）。本公司之註冊辦事處地址已於本年報「公司資料」一節中披露。

本公司乃投資控股公司，其附屬公司主要從事物業投資及發展。其主要附屬公司之主要業務及其他資料載於附註 37。

財務報表乃按港元呈列，港元亦為本公司之功能貨幣。

2. 採納新訂及經修訂香港財務報告準則

於本年度，本公司及其附屬公司（「本集團」）已採用所有與其營運相關的並於二零零五年一月一日或之後之會計期間生效由香港會計師公會（「香港會計師公會」）頒布之新訂及經修訂香港財務報告準則（「香港財務報告準則」）、香港會計準則（「香港會計準則」）及詮釋（在此統稱「新訂及經修訂香港財務報告準則及詮釋」）。採用新訂及經修訂香港財務報告準則及詮釋已導致本集團於下列範圍的會計政策有所更改，從而影響本年度或過往年度所列報之金額：

香港會計準則第 1 號	財務報表之呈列方式
香港會計準則第 17 號	租賃
香港會計準則第 32 號	金融工具：披露及呈列
香港會計準則第 39 號	金融工具：確認及計量
香港會計準則第 40 號	投資物業
香港詮釋常務委員會－詮釋第 21 號	所得稅－收回已重估非折舊之資產

除香港會計準則 32 號及 39 號外，其他採納上述新訂及經修訂之香港財務報告準則及詮釋對本公司沒有重大的影響。

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (cont'd)

(a) **HKAS 1 Presentation of Financial Statements**

The adoption of HKAS 1 has affected the presentation of minority interests, which are now shown as equity, and share of net after tax results of associates. These changes have been applied retrospectively (see Note 3 for financial impact).

(b) **HKAS 17 Leases**

Owner-occupied leasehold interest in land

In previous years, certain leasehold land were included in properties held for development and measured at cost less impairment or included in property and other fixed assets and measured using the cost method. In the current year, the Group has applied HKAS 17 Leases. Under HKAS 17, the land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease classification, unless the lease payments cannot be allocated reliably between the land and buildings elements, in which case, the entire lease is generally treated as a finance lease. To the extent that the allocation of the lease payments between the land and buildings elements can be made reliably, the leasehold interests in land are reclassified to prepaid lease payments under operating leases, which are carried at cost and amortised over the lease term on a straight-line basis. This change in accounting policy has been applied retrospectively (see Note 3 for the financial impact).

2. 採納新訂及經修訂香港財務報告準則（續）

(a) **香港會計準則第 1 號財務報表的呈列方式**
採納香港會計準則第 1 號影響了少數股東權益（現時列作權益內）及應佔聯營公司除稅後業績的呈列方式。此等變動已經追溯應用（財務影響見附註 3）。

(b) **香港會計準則第 17 號租賃**

業主自用的土地租賃權益

於過往年度，若干租賃土地計入持作發展物業，並按成本扣除減值計算或計入物業及其他固定資產，並按成本法計算。於本年度，本集團已採用香港會計準則第 17 號「租賃」。根據香港會計準則第 17 號，就租賃分類而言，租賃土地及樓宇中之土地及樓宇部分乃分開計算，除非租賃款項無法可靠地分配予土地與樓宇部分，在此情況下，整份租賃一般被視為融資租賃處理。倘租賃款項能夠可靠地分配予土地與樓宇部分，則土地租賃權益將重新分類為經營租賃項下之預付租賃款項，該租賃款項乃按成本列賬，並於租賃期內以直線法攤銷。此項會計政策變動已經追溯應用（財務影響見附註 3）。

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (cont'd)

(c) **HKAS 32 Financial Instruments: Disclosure and Presentation and HKAS 39 Financial Instruments: Recognition and Measurement**

In the current year, the Group and the Company has applied HKAS 32 Financial Instruments: Disclosure and Presentation and HKAS 39 Financial Instruments: Recognition and Measurement. The application of HKAS 32 has had no material impact on how financial instruments are presented for current and prior accounting periods. HKAS 39, which is effective for accounting periods beginning on or after 1st January, 2005, generally does not permit to recognise, derecognise or measure financial assets and liabilities on a retrospective basis. The principal effects resulting from the implementation of HKAS 39 are summarised below:

Classification and measurement of financial assets and financial liabilities

The Group and the Company has applied the relevant transitional provisions in HKAS 39 with respect to classification and measurement of financial assets and financial liabilities that are within the scope of HKAS 39.

Financial assets and financial liabilities other than debt and equity securities

From 1st January, 2005 onwards, the Group and the Company classifies and measures its financial assets and financial liabilities other than debt and equity securities (which were previously outside the scope of Statement of Standard Accounting Practice 24) in accordance with the requirements of HKAS 39. Financial assets and financial liabilities are initially measured at fair value. Financial assets under HKAS 39 are classified as "financial assets at fair value through profit or loss", "available-for-sale financial assets", "loans and receivables" or "held-to-maturity financial assets". Financial liabilities are generally classified as "financial liabilities at fair value through profit or loss" or "financial liabilities other than financial liabilities at fair value through profit or loss (other financial liabilities)".

2. 採納新訂及經修訂香港財務報告準則 (續)

(c) **香港會計準則第32號金融工具：披露及呈列以及香港會計準則第39號金融工具：確認及計量**

於本年度，本集團及本公司採用香港會計準則第32號「金融工具：披露及呈列」及香港會計準則第39號「金融工具：確認及計量」。採用香港會計準則第32號並沒有對本會計年度及過往會計年度金融工具之呈列方式產生重大影響。於二零零五年一月一日或之後之會計期間生效之香港會計準則第39號一般不允許以追溯基準確認、取消確認或計量財務資產及負債。實施香港會計準則第39號所引致之主要影響概述如下：

財務資產及財務負債之分類及計量

本集團及本公司已就香港會計準則第39號所界定之財務資產及財務負債範圍內，應用有關分類及計量之過渡條文。

債務及股本證券以外之財務資產及財務負債

自二零零五年一月一日起，本集團及本公司已根據香港會計準則第39號之規定，將其債務及股本證券以外之財務資產及財務負債分類及計算。有關財務資產及財務負債以往並不屬會計實務準則第24號之範圍內。財務資產及財務負債初步以公平值計算。香港會計準則第39號將財務資產分類為「於損益賬按公平值處理之財務資產」、「可供出售之財務資產」、「貸款及應收款項」或「持有至到期之財務資產」。財務負債一般分類為「於損益賬按公平值處理之財務負債」或「於損益賬按公平值處理之財務負債以外之財務負債(其他財務負債)」。

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (cont'd)

(c) **HKAS 32 Financial Instruments: Disclosure and Presentation and HKAS 39 Financial Instruments: Recognition and Measurement (cont'd)**

Prior to the application of HKAS 39, an interest-free non-current loan to an associate, interest-free loans from minority shareholders of certain subsidiaries and advances to the subsidiaries were stated at the nominal amount. The Group and the Company has applied the relevant transitional provisions in HKAS 39 as a result of the change in accounting policies. The carrying amounts of interest-free loan to an associate, interest-free loans from minority shareholders of certain subsidiaries and interest-free advances to subsidiaries are adjusted for the effect of imputed interest based on the prevailing market rate as at the date of grant and are carried at amortised cost using the effective interest method subsequent to 1st January, 2005 (see Note 3 for the financial impact).

(d) **HKAS 40 Investment Property**

In the current year, the Group has applied HKAS 40 Investment Property. Under HKAS 40, land held for currently undetermined future use is treated as investment property. Accordingly, certain property interests held for undetermined use previously classified as property interests held for development which were previously measured at cost less impairment was reclassified to investment properties at 1st January, 2005.

2. 採納新訂及經修訂香港財務報告準則 (續)

(c) **香港會計準則第32號金融工具：披露及呈列以及香港會計準則第39號金融工具：確認及計量 (續)**

於採用香港會計準則第39號之前，向聯營公司提供之免息非即期貸款、來自若干附屬公司之少數股東之免息貸款及墊付附屬公司免息款項乃按票面金額列賬。根據已改變的會計政策，本集團與本公司已採用香港會計準則第39號之有關過渡條文。向聯營公司提供之免息貸款、來自若干附屬公司之少數股東之免息貸款及墊付附屬公司之免息款項，其賬面金額已根據授出日期當時之市場利率計算之名義利息之影響作出調整，並於二零零五年一月一日後以實際利息法按已攤銷成本列賬（財務影響見附註3）。

(d) **香港會計準則第40號投資物業**

於本年度，本集團已採用香港會計準則第40號「投資物業」。根據香港會計準則第40號，持有目前未落實未來用途之土地被視為投資物業處理。因此，過往按成本值減減值計算之若干未落實用途而歸類為持作發展之物業權益於二零零五年一月一日已重新分類為投資物業。

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (cont'd)

(d) HKAS 40 Investment Property (cont'd)

The Group has elected to use the fair value model to account for its investment properties which requires gains or losses arising from changes in the fair value of investment properties to be recognised directly in the profit or loss for the year in which they arise. In previous years, investment properties under the predecessor Standard were measured at open market value, with revaluation surplus or deficits credited or charged to investment property revaluation reserve unless the balance on this reserve was insufficient to cover a revaluation decrease, in which case the excess of the revaluation decrease over the balance on the investment property revaluation reserve was charged to the income statement. Where a decrease had previously been charged to the income statement and revaluation subsequently arose, that increase was credited to the income statement to the extent of the decrease previously charged. The Group has applied the relevant transitional provisions in HKAS 40 and elected to apply HKAS 40 from 1st January, 2005 onwards. The amount held in investment property revaluation reserve at 1st January, 2005 has been transferred to the Group's accumulated profits (losses). Gains on changes in fair value of investment properties held by the Group and the associates were recognised in the income statement during the year (see Note 3 for the financial impact).

(e) HK(SIC)-INT 21 Income taxes - Recovery of Revalued Non-Depreciable Assets

In previous years, deferred tax consequences in respect of revalued investment properties were assessed on the basis of the tax consequence that would follow from recovery of the carrying amount of the properties through sale in accordance with the predecessor Interpretation. In the current year, the Group has applied HK(SIC)-INT 21 Income taxes - Recovery of Revalued Non-Depreciable Assets which removes the presumption that the carrying amount of investment properties are to be recovered through sale. Therefore, the deferred tax consequences of the investment properties are now assessed on the basis that reflects the tax consequences that would follow from the manner in which the Group expects to recover the property at each balance sheet date. In the absence of any specific transitional provisions in HK(SIC)-INT 21, this change in accounting policy has been applied retrospectively. Accordingly, deferred tax liabilities on investment properties held by the Group and by associates have been adjusted retrospectively. The Group's share of associates' reserve and contribution from shareholders have been restated (see Note 3 for the financial impact).

2. 採納新訂及經修訂香港財務報告準則 (續)

(d) 香港會計準則第 40 號投資物業 (續)

本集團已選擇利用公平值模式將其投資物業入賬，當中規定投資物業之公平值變動所產生之損益直接於產生年度之損益表中確認。於過往年度，於舊準則下之投資物業乃按公開市值計算，重估增值或減值則計入投資物業重估儲備或自該儲備扣除，除非此儲備之結餘不足彌補重估減值，於此情況下，重估減值超逾投資物業重估儲備結餘之差額則於收益表中扣除。倘以往曾於收益表中扣除的減值惟其後之重估價值增加，有關增加則計入收益表，惟以以往扣除之減值數額為限。本集團已採用香港會計準則第 40 號之有關過渡條文，並選擇由二零零五年一月一日起應用香港會計準則第 40 號。於二零零五年一月一日於投資物業重估儲備中之金額已轉撥至本集團之累計溢利（虧損）。年內，本集團及聯營公司持有之投資物業公平值變動產生之收益已於本年度收益表中確認（財務影響見附註 3）。

(e) 香港詮釋常務委員會詮釋第 21 號－所得稅－收回已重估非折舊之資產

於過往年度，有關已重估投資物業之遞延稅項影響乃根據舊有詮釋按照透過出售有關物業所收回賬面值引致之稅務影響評估。於本年度，本集團已應用香港詮釋常務委員會詮釋第 21 號「所得稅－收回已重估非折舊之資產」，不再假設投資物業賬面值將透過出售而收回。因此，投資物業之遞延稅項影響現時按本集團預期於每個結算日有關物業可收回之數額計算。於香港詮釋常務委員會詮釋第 21 號未附任何具體過渡條文下，此項會計政策之變動已追溯應用。因此，本集團及聯營公司所持投資物業之遞延稅項負債已追溯調整。本集團應佔之聯營公司儲備及股東注資已經重列（財務影響見附註 3）。

3. SUMMARY OF THE EFFECTS OF THE CHANGES IN ACCOUNTING POLICIES

The effects of the application of the new and revised Standards and Interpretations described in Note 2 on the results for the current and prior years are as follows:

(a) Income statement items

		2005					2004	
		HKAS 1	HKAS 17	HKAS 39	HKAS 40	HK(SIC)- INT21	Total effect	
		香港會計 準則第 1 號	香港會計 準則第 17 號	香港會計 準則第 39 號	香港會計 準則第 40 號	香港詮釋常務 委員會詮釋 第 21 號	總影響	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
		千港元	千港元	千港元	千港元	千港元	千港元	
		(Note 2a)	(Note 2b)	(Note 2c)	(Note 2d)	(Note 2e)		
		(附註 2a)	(附註 2b)	(附註 2c)	(附註 2d)	(附註 2e)		
Imputed interest income relating to interest-free advance to an associate	墊付聯營公司 免息款項之 名義利息收入	-	-	906	-	-	906	-
(Decrease) increase in share of results of associates	應佔聯營公司業績 (減少) 增加	(21,192)	-	(906)	112,071	(19,612)	70,361	(1,958)
Decrease in taxation	所得稅開支減少	21,192	-	-	-	-	21,192	253
Amortisation of prepaid lease payments	預付租賃款項 攤銷	-	(13)	-	-	-	(13)	(13)
Imputed interest expense relating to interest-free loans from minority shareholders of certain subsidiaries	若干附屬公司少數 股東提供之 免息貸款之 名義利息開支	-	-	(2,100)	-	-	(2,100)	-
Fair value changes on investment properties	投資物業之公平值 變動	-	-	-	4,600	-	4,600	-
Decrease in deferred tax on revaluation of investment properties	重估投資物業之 遞延稅項減少	-	-	-	-	193	193	-
(Decrease) increase in net profit for the year	本年度純利 (減少) 增加	-	(13)	(2,100)	116,671	(19,419)	95,139	(1,718)
Attributable to:	下列應佔:							
Equity holders of the Company	本公司股本持有人	-	(13)	-	116,671	(19,419)	97,239	(1,718)
Minority interests	少數股東權益	-	-	(2,100)	-	-	(2,100)	-
		-	(13)	(2,100)	116,671	(19,419)	95,139	(1,718)
Increase (decrease) in basic earnings (loss) per share (HK cents)	每股基本盈利 (虧損) 增加 (減少) (港仙)	-	-	-	34.95	(5.82)	29.13	(0.60)

3. 會計政策變動之影響概要

附註 2 所述採用新訂及經修訂香港會計準則及詮釋對本年度及過往年度業績之影響如下：

(a) 收益表項目

		2005					2004	
		HKAS 1	HKAS 17	HKAS 39	HKAS 40	HK(SIC)- INT21	Total effect	
		香港會計 準則第 1 號	香港會計 準則第 17 號	香港會計 準則第 39 號	香港會計 準則第 40 號	香港詮釋常務 委員會詮釋 第 21 號	總影響	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
		千港元	千港元	千港元	千港元	千港元	千港元	
		(Note 2a)	(Note 2b)	(Note 2c)	(Note 2d)	(Note 2e)		
		(附註 2a)	(附註 2b)	(附註 2c)	(附註 2d)	(附註 2e)		
Imputed interest income relating to interest-free advance to an associate	墊付聯營公司 免息款項之 名義利息收入	-	-	906	-	-	906	-
(Decrease) increase in share of results of associates	應佔聯營公司業績 (減少) 增加	(21,192)	-	(906)	112,071	(19,612)	70,361	(1,958)
Decrease in taxation	所得稅開支減少	21,192	-	-	-	-	21,192	253
Amortisation of prepaid lease payments	預付租賃款項 攤銷	-	(13)	-	-	-	(13)	(13)
Imputed interest expense relating to interest-free loans from minority shareholders of certain subsidiaries	若干附屬公司少數 股東提供之 免息貸款之 名義利息開支	-	-	(2,100)	-	-	(2,100)	-
Fair value changes on investment properties	投資物業之公平值 變動	-	-	-	4,600	-	4,600	-
Decrease in deferred tax on revaluation of investment properties	重估投資物業之 遞延稅項減少	-	-	-	-	193	193	-
(Decrease) increase in net profit for the year	本年度純利 (減少) 增加	-	(13)	(2,100)	116,671	(19,419)	95,139	(1,718)
Attributable to:	下列應佔:							
Equity holders of the Company	本公司股本持有人	-	(13)	-	116,671	(19,419)	97,239	(1,718)
Minority interests	少數股東權益	-	-	(2,100)	-	-	(2,100)	-
		-	(13)	(2,100)	116,671	(19,419)	95,139	(1,718)
Increase (decrease) in basic earnings (loss) per share (HK cents)	每股基本盈利 (虧損) 增加 (減少) (港仙)	-	-	-	34.95	(5.82)	29.13	(0.60)

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3. SUMMARY OF THE EFFECTS OF THE CHANGES IN ACCOUNTING POLICIES (cont'd)

The cumulative effects of the application of the new and revised Standards and Interpretations described in Note 2 at 31st December, 2004 and 1st January, 2005 are summarised below:

(b) Balance sheet items

		Retrospective adjustments			Adjustments on		As at 1st January, 2005 (Restated)	
		追溯調整			於二零零五年 一月一日調整			
As at 31st December, 2004 (Originally stated)		HKAS 1	HKAS 17	HK(SIC)- INT 21	As at 31st December, 2004 (Restated)	HKAS 39	HKAS 40	
於 二零零四年 十二月 三十一日 (原先呈列)	香港 會計準則 第 1 號	香港 會計準則 第 17 號	香港 詮釋常務 委員會詮釋 第 21 號	香港 二零零四年 十二月 三十一日 (重列)	香港 會計準則 第 39 號	香港 會計準則 第 40 號	香港 二零零五年 一月一日 (重列)	
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
	(Note 2a)	(Note 2b)	(Note 2e)		(Note 2c)	(Note 2d)		
	(附註 2a)	(附註 2b)	(附註 2e)		(附註 2c)	(附註 2d)		
Investment properties	投資物業	33,750	-	-	33,750	-	15,600	49,350
Property and other fixed assets	物業及其他固定資產	547	-	(260)	287	-	-	287
Properties held for development	持作發展物業	10,250	-	(9,500)	750	-	-	750
Property interests held for development	持作發展之物業權益	14,500	-	-	14,500	-	(14,500)	-
Prepaid lease payments	預付租賃款項	-	-	9,733	9,733	-	-	9,733
Interests in associates	聯營公司權益	184,657	-	(24,402)	160,255	-	-	160,255
Advances to associates	墊付聯營公司款項	136,308	-	(201)	136,107	-	-	136,107
Other net assets	其他資產淨值	136,925	-	-	136,925	-	-	136,925
Loans from minority shareholders of subsidiaries	附屬公司少數股東貸款	(40,312)	-	-	(40,312)	2,219	-	(38,093)
Deferred taxation liabilities	遞延稅項負債	(426)	-	-	(426)	-	(193)	(619)
Total assets and liabilities	資產及負債總額	476,199	-	(24,603)	451,569	2,219	907	454,695
Minority interests	少數股東權益	40,312	(40,312)	-	-	-	-	-
		516,511	(40,312)	(24,603)	451,569	2,219	907	454,695
Share capital	股本	2,823	-	-	2,823	-	-	2,823
Contribution from shareholders	股東注資	116,283	-	(12,058)	104,225	-	-	104,225
Investment property revaluation reserve	投資物業重估儲備	65,745	-	(10,811)	54,934	-	(54,934)	-
Other reserves	其他儲備	497,637	-	-	497,637	-	-	497,637
Accumulated profits (losses)	累計溢利 (虧損)	(165,977)	-	(1,734)	(167,738)	-	55,841	(111,897)
Equity attributable to equity holders of the Company	本公司股本持有人應佔權益	516,511	-	(24,603)	491,881	-	907	492,788
Minority interests	少數股東權益	-	(40,312)	-	(40,312)	2,219	-	(38,093)
Total equity	權益總額	516,511	(40,312)	(24,603)	451,569	2,219	907	454,695

3. 會計政策變動之影響概要 (續)

附註 2 所述採用新訂及經修訂香港會計準則及詮釋於二零零四年十二月三十一日及二零零五年一月一日之累積影響概述如下：

(b) 資產負債表項目

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3. SUMMARY OF THE EFFECTS OF THE CHANGES IN ACCOUNTING POLICIES (cont'd)

- (c) The effects of the application of the new and revised Standards and Interpretations described in Note 2 to the Group's equity at 1st January, 2004 are summarised below:

3. 會計政策變動之影響概要 (續)

- (c) 附註2所述採用新訂及經修訂香港會計準則及詮釋對本集團二零零四年一月一日的權益的影響概述如下：

		Retrospective adjustments 追溯調整				
					As at 1st January, 2004 (Originally stated) 於 二零零四年 一月一日 (原先呈列)	As at 1st January, 2004 (Restated) 於 二零零四年 一月一日 (重列)
		HKAS 1 香港 會計準則 第1號	HKAS 17 香港 會計準則 第17號	HK(SIC)– INT 21 香港 詮釋常務 委員會詮釋 第21號	HK\$'000 千港元	HK\$'000 千港元
		(Note 2a) (附註2a)	(Note 2b) (附註2b)	(Note 2e) (附註2e)		
Share capital	股本	2,823	–	–	–	2,823
Contribution from shareholders	股東注資	116,861	–	–	(12,058)	104,803
Investment property revaluation reserve	投資物業重估儲備	9,251	–	–	(1,038)	8,213
Other reserves	其他儲備	497,326	–	–	–	497,326
Accumulated profits (losses)	累計溢利 (虧損)	1,701	–	(14)	–	1,687
Equity attributable to equity holders of the Company	本公司股本持有人 應佔權益	627,962	–	(14)	(13,096)	614,852
Minority interests	少數股東權益	–	(40,312)	–	–	(40,312)
Total equity	權益總額	627,962	(40,312)	(14)	(13,096)	574,540

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3. SUMMARY OF THE EFFECTS OF THE CHANGES IN ACCOUNTING POLICIES (cont'd)

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

HKAS 1 (Amendment)	Capital disclosures ¹
HKAS 19 (Amendment)	Actuarial gains and losses, group plans and disclosures ²
HKAS 21 (Amendment)	Net investment in a foreign operation ²
HKAS 39 (Amendment)	Cash flow hedge accounting of forecast intragroup transactions ²
HKAS 39 (Amendment)	The fair value option ²
HKAS 39 and HKFRS 4 (Amendments)	Financial guarantee contracts ²
HKFRS 6	Exploration for and evaluation of mineral resources ²
HKFRS 7	Financial instruments: Disclosures ¹
HK(IFRIC) - INT 4	Determining whether an arrangement contains a lease ²
HK(IFRIC) - INT 5	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds ²
HK(IFRIC) - INT 6	Liabilities arising from participating in a specific market – waste electrical and electronic equipment ³
HK(IFRIC) - INT 7	Applying the restatement approach under HKAS 29 Financial Reporting in Hyperinflationary Economies ⁴

¹ Effective for accounting periods beginning on or after 1st January, 2007.

² Effective for accounting periods beginning on or after 1st January, 2006.

³ Effective for accounting periods beginning on or after 1st December, 2005.

⁴ Effective for accounting periods beginning on or after 1st March, 2006.

3. 會計政策變動之影響概要 (續)

本集團並未提早應用下列已頒布但尚未生效之新香港財務報告準則及詮釋。本公司董事預計，應用此等準則及詮釋將不會對本集團之財務報表構成重大影響：

香港會計準則第1號 (修訂)	股本披露 ¹
香港會計準則第19號 (修訂)	精算損益、集團計劃及披露 ²
香港會計準則第21號 (修訂)	外國業務之投資淨額 ²
香港會計準則第39號 (修訂)	預測集團內部交易之現金流量對沖會計法 ²
香港會計準則第39號 (修訂)	期權之公平值 ²
香港會計準則第39號及香港財務報告準則第4號 (修訂)	財務擔保合約 ²
香港財務報告準則第6號	勘探及評估礦物資源 ²
香港財務報告準則第7號	金融工具：披露 ¹
香港 (國際財務報告詮釋委員會) 詮釋第4號	釐定安排是否包含租賃 ²
香港 (國際財務報告詮釋委員會) 詮釋第5號	享有解除運作、復原及環境修復基金產生權益之權利 ²
香港 (國際財務報告詮釋委員會) 詮釋第6號	參與特定市場產生之債項—廢料電力及電子設備 ³
香港 (國際財務報告詮釋委員會) 詮釋第7號	根據香港會計準則第29號惡性通貨膨脹經濟體中之財務報告採用重列法 ⁴

¹ 對二零零七年一月一日或之後起計之會計期間生效。

² 對二零零六年一月一日或之後起計之會計期間生效。

³ 對二零零五年十二月一日或之後起計之會計期間生效。

⁴ 對二零零六年三月一日或之後起計之會計期間生效。

4. SIGNIFICANT ACCOUNTING POLICIES

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

The financial statements have been prepared on the historical cost basis except for certain properties, which are measured at fair values, as explained in the accounting policies set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries.

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

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

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

Revenue recognition

Revenue from properties held for sale is recognised on the execution of a binding sales agreement. Payments received from the purchasers prior to this stage are recorded as deposits received on sales of properties and are grouped under current liabilities.

4. 主要會計政策

財務報表乃根據香港會計師公會（「會計師公會」）頒布之香港財務報告準則（「香港財務報告準則」）而編製。此外，財務報表已包括了香港聯合交易所有限公司證券上市規則（「上市規則」）及香港公司條例規定之適用披露。

財務報表乃按歷史成本法編製惟若干物業如下文所載會計政策所述按公平值計算。

綜合賬目基準

綜合財務報表包括本公司及其附屬公司之財務報表。

年內收購或出售之附屬公司業績，乃由實際收購日期起或直至實際出售日期止（按適當情況）計入綜合收益表內。

所有本集團內公司間之交易，往來結餘收入及支出均於綜合賬目中對銷。

綜合附屬公司資產淨值內之少數股東權益與本集團於其中之權益分開識別。少數股東權益包括在原業務合併日期之有關權益數額，以及自合併日期起計少數股東應佔之股權變動。適用於少數股東之虧損超出於附屬公司股權之少數股東權益之數額將與本集團之權益作出分配，惟少數股東具約束力責任及可以其他投資補足虧損者除外。

收入確認

持作出售物業之收入在執行具約束力之銷售協議時方予確認入賬。於上述階段前從買家收取之款項乃列作銷售物業之已收按金，並計入流動負債內。

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Revenue recognition (cont'd)

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

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

Investments in subsidiaries

Investments in subsidiaries are included in the Company's balance sheet at cost less any identified impairment loss.

Interests in associates

As associate is an entity which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting. Under the equity method, investments in associates are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the Group's share of the profit or loss and of changes in equity of the associate, less any impairment in the value of individual investments. Losses of an associate in excess of the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate) are not recognised.

Where a group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

4. 主要會計政策（續）

收入確認（續）

經營租賃項下物業之租金收入於有關租賃期內以直線法攤銷確認。

金融資產之利息收入乃就本金結餘按適用利率及時間比例計算，適用利率為將財務資產於預期年內之未來現金收款準確貼現至賬面淨值之利率。

附屬公司投資

附屬公司投資乃成本減任何可辨認減值虧損而列本公司資產負債表內。

聯營公司權益

聯營公司為本集團擁有重大影響力而並非附屬公司或合營公司權益之實體。重大影響力指有權參與被投資公司之財務及營運政策決定，但非對該等政策擁有控制權或共同控制權。

聯營公司之業績及資產與負債利用會計權益法計入此等財務報表。根據權益法，聯營公司投資以成本在綜合資產負債表內列賬，並經收購後本集團應佔聯營公司損益及權益變動而調整，須減除個別投資之減值後列賬。聯營公司之虧損若超逾本集團於該聯營公司之權益（包括任何長期權益，此在實質上構成本集團於聯營公司內淨投資之一部分）長期權益則不予確認。

倘一集團實體與本集團之聯營公司進行交易，則按本集團於有關聯營公司所佔之權益為限撇銷盈虧。

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Interests in associates (cont'd)

Investments in associates are included in the Company's balance sheet at cost, less any identified impairment loss. The results of the associates are accounted for by the Company on the basis of dividends received and receivable during the year.

Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is stated at its fair value at the balance sheet date. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the year in which they arise.

On disposal of investment properties, the gain or loss is directly recognised in the income statement.

Property and other fixed assets

Property and other fixed assets are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost of property and other fixed assets over their estimated useful lives, using the straight-line method.

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

Property interests held for development

Property interests held for development represent a right to develop properties on a piece of land upon payment of a final amount or land acquired pending any definite intention, and are carried at cost, less any identified impairment losses.

Properties held for development

When the leasehold land and buildings are in the course of development for production, rental or for administrative purposes, the leasehold land component is classified as a prepaid lease payment and amortised over a straight-line basis over the lease term. During the construction period, the amortisation charge provided for the leasehold land is included as part of costs of buildings under construction. Buildings under construction are carried at cost, less any identified impairment losses. Depreciation of buildings commences when they are available for use.

4. 主要會計政策 (續)

聯營公司權益 (續)

聯營公司投資按成本減去任何已辨識減值虧損計入本公司資產負債表。本公司於年內按已收及應收股息為基準計入聯營公司之業績。

投資物業

持作賺取租金及／或作增值物業之投資物業，於結算日按公平值列賬。投資物業因公平值之變動所產生之盈虧，於產生之年度內計入盈虧。

在出售投資物業時所產生的利潤或虧損直接在收益表中確認。

物業及其他固定資產

物業及其他固定資產按成本減累計折舊以及任何累計減值虧損列賬。

物業及其他固定資產之折舊，乃按其估計可使用年期以直線法撇銷成本。

當物業及其他固定資產項目出售，或預期繼續使用有關資產時將不會產生未來經濟利益時不再確認入賬。不再確認資產所產生之盈虧（按銷售所得款項淨額與項目之賬面值兩者間之差額計算），乃於不再確認該項目之年度內計入收益表。

持作發展之物業權益

持作發展之物業權益指於支付最後款項後在土地上發展物業之權利或已購入而未有具體意向之土地，乃按成本扣除任何可辨識減值虧損列賬。

持作發展物業

在發展中作生產、租賃或行政用途之租賃土地及樓宇，租賃土地部分須列作預付租賃款項類別，並於租期內按直線法攤銷。在建築期內，為租賃土地所作之攤銷費用可包括在在建中樓宇之成本中。在建中樓宇按成本減任何已辨識減值虧損列賬。樓宇於可供使用時開始折舊。

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Properties held for sale

Properties held for sale in the ordinary course of business are stated at the lower of cost and net realisable value.

Other asset

Other asset representing club membership, is stated at cost less any identified impairment loss.

Leasing

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

The Group as lessor

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

The Group as lessee

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

Foreign currencies

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

4. 主要會計政策（續）

持作出售物業

持有於正常業務過程中出售之物業乃按成本與可變現淨值兩者中之較低者入賬。

其他資產

其他資產包括俱樂部會籍，乃按成本扣除任何可辨認減值虧損列賬。

租約

凡租約條款規定將租賃資產擁有權之絕大部份風險及利益轉移至承租人之租約均列為財務租約。所有其他租約均分類為經營租約。

本集團為出租人

經營租約之租金收入會以直線法按有關租約年期在收益表確認。磋商及安排經營租約時產生之初步直接成本會加入租賃資產之賬面值，並以直接法按租約年期確認為開支。

本集團為承租人

根據經營租約應付之租金會以直線法按有關租約年期在損益賬中扣除。作為訂立經營租約獎勵之已收及應收利益乃以直線法按有關租約年期確認減少租金支出。

外幣

在編製個別集團實體的財務報表時，以實體功能貨幣以外之貨幣（外幣）進行之交易按交易日通用之匯率以其功能貨幣（即該實體經營之主要經濟環境之貨幣）記錄。於各結算日，以外幣列值之貨幣項目以結算日通用之匯率重新換算。以外幣列值並按公平值列賬之非貨幣項目以釐定公平值當日通用之匯率重新換算。以外幣列值並以歷史成本計算之非貨幣項目不會重新換算。

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Foreign currencies (cont'd)

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise, except for exchange differences arising on a monetary item that forms part of the Group's net investment in a foreign operation, in which case, such exchange differences are recognised in equity in the consolidated financial statements. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity, in which cases, the exchange differences are also recognised directly in equity.

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

Retirement benefit costs

Payments to defined contribution schemes are charged as an expense as they fall due.

Taxation

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

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

4. 主要會計政策 (續)

外幣 (續)

結算貨幣項目及重新換算貨幣項目時產生之匯兌差額於產生之期間在損益中確認，惟因貨幣項目而產生並構成本集團之海外業務淨投資一部分之匯兌差額則於綜合財務報表中之股本確認。重新換算按公平值列賬之非貨幣項目產生之匯兌差額計入期內之損益，惟重新換算非貨幣項目產生之差額有關之損益直接於股本確認，在此情況下，匯兌差額亦會直接於股本中確認。

就綜合收益表之呈報而言，本集團海外業務之資產及負債按結算日之匯率換算為本公司之呈列貨幣（即港元），而收支則按該年度之平均匯率換算。倘期內匯率大幅波動，則使用交易日之匯率換算。產生之匯兌差額（如有）確認為股本之獨立部份（匯兌儲備）。該等匯兌差額於出售海外業務期間在損益確認。

退休福利成本

界定供款計劃之供款於其到期支付時作為開支扣除。

稅項

所得稅支出指當期應付稅項及遞延稅項。

當期應付稅項按年度應課稅溢利計算。應課稅溢利與收入報表所報溢利不同，此乃由於其不包括在其他年度應課稅或可扣減之收入或支出項目，亦不包括收入報表內永不課稅或扣減之項目。本集團有關當期稅項之負債按結算日已實施或大致實施之稅率計算。

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Taxation (cont'd)

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

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

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

Deferred tax is calculated at the rates that are expected to apply in the period when the liability is settled or the asset is realised based on sales that have been enacted or substantially enacted by the balance sheet date. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Financial instruments

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

4. 主要會計政策 (續)

稅項 (續)

遞延稅項就財務報表內資產及負債賬面值與用於計算應課稅溢利之相應稅基兩者之差異而確認，並以資產負債表負債法處理。遞延稅項負債通常會就所有應課稅暫時差異確認，而遞延稅項資產則限於可能於日後取得應課稅溢利，並可用以抵銷可扣減暫時差異時確認。若暫時差異乃因一項既不影響應課稅溢利亦不影響會計溢利之交易（業務合併除外）中開始確認其他資產及負債而引致，則不會確認該等稅項資產及負債。

遞延稅項負債乃就附屬公司及聯營公司投資，以及合營企業權益，產生之應課稅暫時差異而確認，惟倘本集團能夠控制該等暫時差異之回轉及該等暫時差異預料不會在可見將來回轉則屬例外。

遞延稅項資產之賬面值於每個結算日均作檢討，並在不大有可能再有足夠應課稅溢利收回全部或部分稅項資產時減少。

遞延稅項乃根據結算日已落實或大致落實之銷售額按預期於負債償還或資產變現期間之適用稅率計算。遞延稅項會扣自或計入收益表，惟有關直接扣自或計入股本之項目，則有關之遞延稅項亦會於股本中處理。

金融工具

當本公司及本集團之實體成為工具合約條文之一方，則於資產負債表內確認金融資產及金融負債。金融資產及金融負債初步按公平值計量。收購或發行金融資產及金融負債直接應佔之交易成本（以公平值計算且以公平值計入損益之金融資產及金融負債除外）乃於初步確認時加入金融資產或金融負債（如適用）之公平值，或從金融資產或金融負債之公平值扣除。收購以公平值計量且以公平值計入損益之金融資產或金融負債直接應佔之交易成本，即時於損益內確認。

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial instruments (cont'd)

Financial assets

The Company's and the Group's financial assets are classified into loans and receivables. The accounting policies adopted are set out below.

Loans and receivables

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

Financial liabilities and equity

Financial liabilities and equity instruments issued by an entity of the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

The Group's financial liabilities are classified into other financial liabilities. The accounting policies adopted in respect of financial liabilities and equity instruments are set out below.

Other financial liabilities

Other financial liabilities including creditors and accruals, provision for a litigation claim and loans from minority shareholders of subsidiaries are subsequently measured at amortised cost, using the effective interest method.

Equity instruments

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

4. 主要會計政策 (續)

金融工具 (續)

金融資產

本公司及本集團之金融資產分類為貸款及應收款項，而所採納之會計政策載列如下。

貸款及應收款項

貸款及應收款項為並未於交投活躍之市場內報價而附帶固定或可議定付款之非衍生金融資產。於初步確認後之每個結算日，貸款及應收款項（包括應收賬款、按金及預付款項）使用實際利率法按經攤銷成本減任何可識別虧損列賬。當有客觀證據顯示資產已減值，則於損益賬確認虧損，並以資產之賬面值與按原實際利率折現其估計未來現金流量之現值兩者之差額計算。當於確認減值後發生一項事件可以客觀地與資產可收回款項增加有關，虧損可於其後會計期間撥回，但撥回以減值日期資產之賬面值為限，不得超過該項資產原未確認減值時之已攤銷成本。

金融負債及股本

本集團實體發行之金融負債及股本工具乃根據所訂立合約安排之內容及金融負債與股本工具之定義予以分類。股本工具為可證明於本集團資產經扣除其所有負債後之餘額權益之任何合約。

本集團之金融負債分類為其他金融負債，而就金融負債及股本工具所採納之會計政策載列如下。

其他金融負債

其他金融負債（包括應付賬款及應計費用）、訴訟索賠撥備及應付附屬公司少數股東貸款均於其後使用實際利息法按攤銷成本計算。

股本工具

本公司發行之股本工具按已收所得款項扣除直接發行成本入賬。

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Impairment losses

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

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

5. CRITICAL ACCOUNTING JUDGMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying the accounting policies of the Group which are described in Note 4 above, management has made the following judgment based on past experience, expectations of the future and other information. The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial years, are discussed below:

Property interests held for development

As explained in Note 20, the Group made a full provision for an impairment loss of HK\$183,381,000 in respect of property interests held for development in Shantou in 2004.

The written back of impairment loss to other income (if any) will rely on the conclusive judgment of legal proceedings and the actual amount that could be recovered from the recourse action (if necessary).

4. 主要會計政策（續）

減值虧損

每逢結算日，本集團會審核其有形及無形資產之賬面值，以釐定該等資產有否出現虧損之現象。倘估計資產之可收回金額將低於其賬面值，則將該資產之賬面值減至其可收回金額。有關虧損則即時確認為開支。

倘虧損其後撥回，則有關資產之賬面值會增至其經修訂估計可收回之金額，惟已增加之賬面值不得超過假設有關資產於過往年度並無確認虧損而釐定之賬面值。虧損撥回將即時確認為收入。

5. 關鍵會計判斷及估計之不明確因素之主要來源

在應用上文附註 4 所載本集團之會計政策時，管理層根據過去經驗、對未來之預期及其他資料作出下列判斷。於結算日對未來的主要假設，及其他不明確估計的主要來源所造成的重大風險，可能導致下個財政年度之資產及負債賬面值出現大幅調整，現概述如下：

持作發展之物業權益

誠如附註 20 所述，本集團就於二零零四年在汕頭之持作發展之物業權益之減值虧損 183,381,000 港元作出全數撥備。

減值虧損撥回至其他收入（如有）將取決於法律訴訟之最後判決及追索行動（如必須）所收回之實際金額而定。

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's and the Company's major financial instruments include bank balance and cash, debtors, deposits and prepayments, creditors and accruals and provision for a litigation claim. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Credit risk

The Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations as at 31st December, 2005 in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated balance sheet. The Group's and the Company's time deposits are deposited with banks of high credit quality in Hong Kong. For rent receivable, the Group obtained sufficient deposits from tenants and stringent monitoring procedures are in place to deal with overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at each balance sheet date to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

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

The Company has no significant credit risk as at 31st December, 2005.

Interest rate risk

The Group and the Company has no interest rate risk arises from borrowing.

The Group and the Company has no significant interest-bearing assets except for Interest-bearing advances to associates and time deposits and bank balance, details of which have been disclosed in Note 23(b) and Note 24(b).

6. 財務風險管理目標及政策

本集團及本公司之主要金融工具包括銀行結餘及現金、應收賬款、按金及預付款項、應付賬款及應計費用及索償訴訟撥備。該等金融工具之詳情於有關附註中披露。與該等金融工具有關之風險及如何減低該等風險之政策載於下文。管理層管理及監察該等風險以確保已即時及有效地採取合適之措施。

信貸風險

本集團就倘交易對手未能履行其於二零零五年十二月三十一日有關各類已確認金融資產之責任所面對最大信貸風險為綜合資產負債表所述該等金融資產之賬面值。本集團及本公司之定期存款存於香港高信貸質素之銀行。就應收租金而言，本集團收取租戶足夠按金及設有嚴格監控程序以處理逾期債務。此外，本集團於每個結算日審閱各項個別貿易債務之可收回金額，以確保就無法收回之款項作出足夠減值虧損。就此，本公司董事認為，本集團之信貸風險已大大減少。

本集團並無重大集中之信貸風險，風險分佈於多個交易對手及客戶。

截至二零零五年十二月三十一日止，本公司並無重大之信貸風險。

利率風險

本集團及本公司並無因借款產生利率風險。

本集團及本公司並無重大計息資產（墊付聯營公司之計息款項除外）；及定期存款及銀行結餘，詳情於附註 23(b)及附註 24(b)披露。

Notes to the Financial Statements

For the year ended 31st December, 2005

財務報表附註

截至二零零五年十二月三十一日止年度

7. REVENUE

Revenue represents the aggregate amounts received and receivable from property rental income and sales of properties held for sale, analysed as follows:

Property rental income	物業租金收入
Sales of properties held for sale	持作出售物業之銷售額

7. 營業收入

收入指已收及應收之物業租金收入及持作出售物業之銷售額，分析如下：

2005 HK\$'000 千港元	2004 HK\$'000 千港元
3,370	5,715
-	13,155
3,370	18,870

8. SEGMENT INFORMATION

Business Segments

For management purposes, the Group is currently organised into two operating divisions - property development and property leasing. These divisions are the basis on which the Group reports its primary segment information.

Principal activities are as follows:

Property development	-	Property development and sales of properties
Property leasing	-	Property rental

8. 分類資料

按業務劃分

就業務管理而言，本集團之業務目前可分為兩個經營部份－物業發展及物業租賃。該等部份為本集團申報其主要分類資料之基準。

主要業務活動如下：

物業發展	-	物業發展及物業銷售
物業租賃	-	物業租賃

8. SEGMENT INFORMATION (cont'd)

Business Segments (cont'd)

Segment information about these businesses is presented below:

INCOME STATEMENT

For the year ended 31st December, 2005

Segment revenue	分類營業收入
Segment result	分類業績
– Operating results before fair value changes on investment properties	– 投資物業之公平值變動前經營業績
– Fair value changes on investment properties	– 投資物業之公平值變動
– Segment result after fair value changes on investment properties	– 投資物業之公平值變動後之分類業績
Unallocated corporate expenses	未分攤之公司開支
Finance costs	財務費用
Write-back of allowance for amounts due from associates, net	聯營公司欠款準備之撥回淨額
Write-back of allowance for amounts due from former associates	前聯營公司欠款準備之撥回金額
Share of results of associates	應佔聯營公司業績
– Before fair value changes on investment properties	– 投資物業之公平值變動前
– Fair value changes on investment properties	– 投資物業之公平值變動
– Deferred tax arose from fair value changes on investment properties	– 投資物業之公平值變動所產生之遞延稅項
Profit before taxation	稅前溢利
Current tax	年內稅項
Deferred tax	遞延稅項
Profit after taxation	稅後溢利

8. 分類資料 (續)

按業務劃分 (續)

該等業務之分類資料如下：

收益表

截至二零零五年十二月三十一日止年度

Property development	Property leasing	Consolidated
物業發展	物業租賃	綜合賬目
HK\$'000	HK\$'000	HK\$'000
千港元	千港元	千港元
–	3,370	3,370
(931)	8,093	7,162
–	4,600	4,600
(931)	12,693	11,762
		(563)
		(2,100)
–	1,020	1,020
2,964	5,756	8,720
–	8,518	8,518
–	112,071	112,071
–	(19,612)	(19,612)
–	100,977	100,977
		119,816
–	(7)	(7)
–	(391)	(391)
		119,418

Notes to the Financial Statements

For the year ended 31st December, 2005

財務報表附註

截至二零零五年十二月三十一日止年度

8. SEGMENT INFORMATION (cont'd)

Business Segments (cont'd)

BALANCE SHEET

At 31st December, 2005

ASSETS	資產
Segment assets	分類資產
Interests in associates	聯營公司權益
Advances to associates	墊付聯營公司款項
Unallocated corporate assets	未分攤之公司資產
Consolidated total assets	綜合資產總值
LIABILITIES	負債
Segment liabilities	分類負債
Unallocated corporate liabilities	未分攤之公司負債
Consolidated total liabilities	綜合負債總值

OTHER INFORMATION

For the year ended 31st December, 2005

Capital additions	資本增加
Depreciation	折舊
Amortisation of prepaid lease payments	預付租賃款項攤銷
Fair value changes on investment properties	投資物業公平值變動

8. 分類資料 (續)

按業務劃分 (續)

資產負債表

於二零零五年十二月三十一日

	Property development 物業發展 HK\$'000 千港元	Property leasing 物業租賃 HK\$'000 千港元	Consolidated 綜合賬目 HK\$'000 千港元
Segment assets	75,724	236,999	312,723
Interests in associates	–	246,345	246,345
Advances to associates	–	124,756	124,756
Unallocated corporate assets			38
Consolidated total assets			683,862
Segment liabilities	5,649	10,214	15,863
Unallocated corporate liabilities			1,850
Consolidated total liabilities			17,713

其他資料

截至二零零五年十二月三十一日止年度

	Property development 物業發展 HK\$'000 千港元	Property leasing 物業租賃 HK\$'000 千港元	Consolidated 綜合賬目 HK\$'000 千港元
Capital additions	23,151	–	23,151
Depreciation	18	29	47
Amortisation of prepaid lease payments	33	–	33
Fair value changes on investment properties	–	4,600	4,600

8. SEGMENT INFORMATION (cont'd)

Business Segments (cont'd)

INCOME STATEMENT

FOR THE YEAR ENDED 31ST DECEMBER, 2004

8. 分類資料 (續)

按業務劃分 (續)

收益表

截至二零零四年十二月三十一日止年度

		Property development	Property leasing	Consolidated
		物業發展	物業租賃	綜合賬目
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元 (restated) (重列)
Segment revenue	分類營業收入	13,155	5,715	18,870
Segment result	分類業績	(183,514)	8,977	(174,537)
Unallocated corporate expenses	未分攤之公司開支			(9,122)
Write-back of allowance for amounts due from associates, net	聯營公司欠款準備之 撥回淨額	-	1,441	1,441
Write-back of allowance for amounts due from former associates	前聯營公司欠款準備之 撥回金額	3,666	4,122	7,788
Share of results of associates	應佔聯營公司業績	-	6,014	6,014
Loss before taxation	稅前虧損			(168,416)
Current tax	年內稅項	(222)	(26)	(248)
Deferred tax	遞延稅項	-	(732)	(732)
Loss after taxation	稅後虧損			(169,396)

8. SEGMENT INFORMATION (cont'd)

Business Segments (cont'd)**BALANCE SHEET**

AT 31ST DECEMBER, 2004

ASSETS

Segment assets	分類資產
Interests in associates	聯營公司權益
Advances to associates	墊付聯營公司款項
Unallocated corporate assets	未分攤之公司資產
Consolidated total assets	綜合資產總值

LIABILITIES

Segment liabilities	分類負債
Unallocated corporate liabilities	未分攤之公司負債
Consolidated total liabilities	綜合負債總值

OTHER INFORMATION

For the year ended 31st December, 2004

Capital additions	資本增加	750	–	–	750
Depreciation	折舊	18	37	–	55
Amortisation of prepaid lease payments	預付租賃款項攤銷	33	–	–	33
Gain on disposal of investment properties	出售投資物業之收益	–	2,529	–	2,529
Impairment losses recognised in income statement	已於收益表確認之減值虧損	183,381	–	–	183,381
Provision for a litigation claim	索償訴訟撥備	–	–	8,427	8,427

8. 分類資料 (續)

按業務劃分 (續)

資產負債表

於二零零四年十二月三十一日

	Property development 物業發展 HK\$'000 千港元	Property leasing 物業租賃 HK\$'000 千港元	Consolidated 綜合賬目 HK\$'000 千港元 (restated) (重列)
Segment assets	54,295	165,036	219,331
Interests in associates	–	160,255	160,255
Advances to associates	–	136,107	136,107
Unallocated corporate assets			276
Consolidated total assets			515,969
Segment liabilities	91	1,911	2,002
Unallocated corporate liabilities			62,398
Consolidated total liabilities			64,400

其他資料

截至二零零四年十二月三十一日止年度

	Property development 物業發展 HK\$'000 千港元	Property leasing 物業租賃 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Consolidated 綜合賬目 HK\$'000 千港元 (restated) (重列)
Capital additions	750	–	–	750
Depreciation	18	37	–	55
Amortisation of prepaid lease payments	33	–	–	33
Gain on disposal of investment properties	–	2,529	–	2,529
Impairment losses recognised in income statement	183,381	–	–	183,381
Provision for a litigation claim	–	–	8,427	8,427

Notes to the Financial Statements

For the year ended 31st December, 2005

財務報表附註

截至二零零五年十二月三十一日止年度

8. SEGMENT INFORMATION (cont'd)

Geographical Segments

The Group's operations are located in Hong Kong and the People's Republic of China, other than Hong Kong, (the "PRC"). The Group's revenue are all derived from Hong Kong in both years.

The following is an analysis of the carrying amount of segment assets at balance sheet date, and capital additions during the year analysed by the geographical area in which the assets are located:

		Carrying amount of segment assets		Capital additions	
		分類資產賬面值		資本增加	
		2005	2004	2005	2004
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
		(restated)			
		(重列)			
Hong Kong	香港	683,750	515,864	23,151	750
PRC	中國	112	105	-	-
		683,862	515,969	23,151	750

8. 分類資料 (續)

按地區市場劃分

本集團在香港及中華人民共和國（香港除外）（「中國」）經營業務。在兩個年度本集團之收入全部來自香港。

以下為結算日分類資產賬面值之分析及年內的資產增加按資產所在地所作之分析：

9. OTHER INCOME

		2005	2004
		HK\$'000	HK\$'000
		千港元	千港元
Interest income from bank deposits	銀行存款利息收入	4,928	177
Interest income on advances to associates	墊付聯營公司款項利息收入	3,557	3,295
Imputed interest income relating to interest-free advance to an associate	墊付聯營公司免息款項之名義利息收入	906	-
Gain on disposal of investment properties	出售投資物業收益	-	2,529
Sundry income	雜項收入	19	278
		9,410	6,279

9. 其他收入

Notes to the Financial Statements

For the year ended 31st December, 2005

財務報表附註

截至二零零五年十二月三十一日止年度

10. SHARE OF RESULTS OF ASSOCIATES

Operating income	經營收入
Gain on disposal of properties	出售物業之收益
Fair value changes on investment properties	投資物業之公平值變動
Imputed interest expense relating to interest-free advance from shareholder	股東免息墊款之名義利息開支
Current tax	年內稅項
Deferred tax	遞延稅項

10. 應佔聯營公司業績

2005	2004
HK\$'000	HK\$'000
	(restated)
千港元	千港元
	(重列)
4,731	1,480
6,273	6,492
112,071	—
(906)	—
(1,580)	(1,389)
(19,612)	(569)
100,977	6,014

11. FINANCE COSTS

Imputed interest expenses relating to interest-free loans from minority shareholders of certain subsidiaries	若干附屬公司少數股東提供之免息貸款名義利息開支
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11. 財務費用

2005	2004
HK\$'000	HK\$'000
千港元	千港元
2,100	—

Notes to the Financial Statements

For the year ended 31st December, 2005

財務報表附註

截至二零零五年十二月三十一日止年度

12. PROFIT (LOSS) BEFORE TAXATION

12. 稅前溢利（虧損）

	2005	2004
	HK\$'000	HK\$'000
	千港元	千港元 (重列)
Profit (loss) before taxation has been arrived at after charging (crediting):		
Auditors' remuneration:		
Current year	373	282
Underprovision in previous years	-	21
Depreciation	47	55
Amortisation of prepaid lease payments	33	33
Staff costs, including Directors' emoluments	1,412	888
Gross rental income from investment properties	(3,370)	(5,715)
Less: direct operating expenses from investment properties that generated rental income during the year	541	489
direct operating expenses from investment properties that did not generate rental income during the year	822	454
	(2,007)	(4,772)

Notes to the Financial Statements

For the year ended 31st December, 2005

財務報表附註

截至二零零五年十二月三十一日止年度

13. TAXATION

13. 稅項

		2005	2004
		HK\$'000	HK\$'000
			(restated)
		千港元	千港元
			(重列)
Current tax	年內稅項		
– Hong Kong	– 香港	7	6
Underprovision in prior years	過往年度撥備不足		
– Hong Kong	– 香港	–	20
– Other regions in the PRC	– 中國其他地區	–	222
		–	242
Deferred tax (See Note 29)	遞延稅項 (見附註 29)	391	732
		398	980

Hong Kong Profits Tax is calculated at 17.5% (2004: 17.5%) on the estimated assessable profit for both years. Taxation in any other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

No PRC tax provision has been made as the PRC subsidiaries incurred loss during the year.

香港利得稅乃按兩個年度之估計應課稅溢利按稅率 17.5% (二零零四年：17.5%) 計算。任何其他司法權區之稅項乃按有關司法權區之適用稅率計算。

由於中國附屬公司於年內產生虧損，因此並無就中國稅項作出撥備。

Notes to the Financial Statements

For the year ended 31st December, 2005

財務報表附註

截至二零零五年十二月三十一日止年度

13. TAXATION (cont'd)

The taxation charge for the year can be reconciled to profit (loss) before taxation per the income statement as follows:

		2005	2004
		HK\$'000	HK\$'000
		千港元	(restated) 千港元 (重列)
Profit (loss) before taxation	稅前溢利 (虧損)	119,816	(168,416)
Tax at Hong Kong Profits Tax rate of 17.5%	按香港利得稅稅率 17.5% 計算之稅項	20,968	(29,473)
Tax effect of share of results of associates	攤佔聯營公司業績之稅務影響	(17,671)	(1,052)
Tax effect of expenses not deductible for tax purpose	計算應課稅溢利時不可扣稅支出之稅務影響	590	34,616
Tax effect of income not taxable for tax purpose	計算應課稅溢利時毋須課稅收入之稅務影響	(2,856)	(2,123)
Tax effect of taxation losses not recognised	不予確認之稅務虧損之稅務影響	(832)	(1,101)
Underprovision in prior years	過往年度撥備不足	-	242
Others	其他	199	(129)
Taxation charge for the year	本年度之稅項支出	398	980

13. 稅項 (續)

年內稅項支出與收益表之稅前溢利 (虧損) 對賬如下:

14. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

(a) Directors' emoluments

The emoluments paid or payable to each of the 5 (2004: 7) directors were as follows:

For the year ended 31st December, 2005

		Joseph Lau, Thomas Lau,		Wang,	Mok,	Wong,	Total
		Luen-hung	Luen-hung	Jian-guo	Hon-sang	Tik-tung	Total
		劉鑾雄	劉鑾鴻	王健國	莫漢生	汪滌東	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
Fees	袍金	-	-	100	100	100	300
Other emoluments	其他酬金						
Salaries and other benefits	薪金及其他福利	-	-	-	-	-	-
Retirement benefit schemes contributions	退休福利計劃供款	-	-	-	-	-	-
Total emoluments	酬金總額	-	-	100	100	100	300

14. 董事及僱員之酬金

(a) 董事酬金

已付或應付五名 (二零零四年: 七名) 董事之酬金如下:

截至二零零五年十二月三十一日止年度

14. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (cont'd)

(a) Directors' emoluments (cont'd)

For the year ended 31st December, 2004

	Joseph Lau, Luen-hung 劉鑾雄	Thomas Lau, Luen-hung 劉鑾鴻	Shum, Man-wai 岑文偉	Chan, Kwok-wai 陳國偉	Wang, Jian-guo 王建國	Mok, Hon-sang 莫漢生	Wong, Tik-tung 汪濂東	Total 合計
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Fees 袍金	-	-	22	22	26	26	26	122
Other emoluments 其他酬金								
Salaries and other benefits 薪金及其他福利	-	-	-	-	-	-	-	-
Retirement benefit schemes contributions 退休福利計劃供款	-	-	-	-	-	-	-	-
Total emoluments 酬金總額	-	-	22	22	26	26	26	122

No director waived any emoluments in the years ended 31st December, 2005 and 2004.

(b) Employees' emoluments

During the year, the five highest paid individuals included two directors (2004: Nil) whose emoluments are set out above. The emoluments of the remaining three highest paid individuals (2004: five individuals) were as follows:

	2005 HK\$'000 千港元	2004 HK\$'000 千港元
Salaries and other benefits 薪金及其他福利	385	448
Retirement benefit schemes contributions 退休福利計劃供款	19	22
	404	470

The emoluments of individual employees were all less than HK\$500,000.

14. 董事及僱員之酬金 (續)

(a) 董事酬金 (續)

截至二零零四年十二月三十一日止年度

於截至二零零五年及二零零四年十二月三十一日止年度，概無任何董事豁免任何酬金。

(b) 僱員酬金

年內，五名最高薪酬人士包括兩名董事（二零零四年：無），其酬金詳情載於上文。餘下三位最高薪酬人士之酬金（二零零四年：五名）如下：

個別僱員之酬金全部低於 500,000 港元。

Notes to the Financial Statements

For the year ended 31st December, 2005

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截至二零零五年十二月三十一日止年度

15. DIVIDENDS

No dividend was paid or proposed during both years, nor has any dividend been proposed since the balance sheet date.

16. EARNINGS (LOSS) PER SHARE

The calculation of the basic earnings per share is based on the profit attributable to the ordinary equity holders of the Company of approximately HK\$121,518,000 (2004 (restated): loss of approximately HK\$169,396,000) and the weighted average number of 333,816,069 (2004: 282,305,987) ordinary shares in issue during the year.

The Company has no potential ordinary shares outstanding for both years.

The following table summarises the impact on basic earnings per share as a result of changes in accounting policies:

15. 股息

兩個年度均無派付或建議派付任何股息，自結算日以來亦概無建議派付任何股息。

16. 每股盈利（虧損）

每股基本盈利乃根據本年度本公司股本持有人應佔溢利約 121,518,000 港元（二零零四年（重列）：虧損約 169,396,000 港元）及年內已發行普通股之加權平均數 333,816,069 股（二零零四年：282,305,987 股）計算。

本公司於上述兩年概無已發行潛在普通股。

下表概述會計政策變動對每股基本盈利之影響：

		Impact on basic earnings per share	
		每股基本盈利之影響	
		2005	2004
		HK cents	HK cents
		港仙	港仙
Reported figures before adjustments	於調整前已申報數字	7.27	(59.40)
Adjustments arising from changes in accounting policies (See Note 3a)	會計政策變動產生之調整 (見附註 3a)	29.13	(0.60)
Restated	重列	36.40	(60.00)

17. INVESTMENT PROPERTIES

17. 投資物業

HK\$'000
千港元

THE GROUP

本集團

FAIR VALUE

公平值

At 1st January, 2004	於二零零四年一月一日	65,720
Disposal	出售	(35,665)
Revaluation surplus recognised in equity	於權益確認之重估盈餘	3,695
At 31st December, 2004	於二零零四年十二月三十一日	33,750
Reclassified from property interests held for development upon the application of HKAS 40 (See Note 3b)	應用香港會計準則第 40 號時從持作發展之物業權益重新分類 (見附註 3b)	14,500
Fair value changes recognised in accumulated profits upon the application of HKAS 40 (See Note 3b)	應用香港會計準則第 40 號時於累計溢利確認之公平值變動 (見附註 3b)	1,100
At 1st January, 2005 (restated)	於二零零五年一月一日 (重列)	49,350
Fair value changes recognised in income statement	於收益表確認之公平值變動	4,600
At 31st December, 2005	於二零零五年十二月三十一日	53,950

The fair value of the Group's investment properties at 31st December, 2005 has been arrived at on the basis of a valuation carried out on that date by Norton Appraisals Limited, independent qualified professional surveyors not connected with the Group. Norton Appraisals Limited has appropriate qualifications and recent experience in the valuation of similar properties in the relevant locations. The valuation, which conformed to The Hong Kong Institute of Surveyors Valuation Standards on Properties (1st Edition) published by the Hong Kong Institute of Surveyors was based on open market value basis.

本集團投資物業於二零零五年十二月三十一日之公平值按一家與本集團無關之獨立合資格專業測計師行普敦國際評估有限公司於該日進行之估值為基準而計算。普敦國際評估有限公司對於相關地點之同類型物業估值具有適合資格及近期之估值經驗。該項估值乃遵守香港測量師學會所頒布的物業估值準則 (第一版)，並按公開市值基準進行重估。

All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties. As at 31st December, 2005, the carrying amount of such property interests amounted to HK\$53,950,000 (2004: HK\$33,750,000).

本集團根據經營租賃持有以賺取租金或作增值用途之物業權益全部利用公平值模式計算，並已分類及入賬列作投資物業。於二零零五年十二月三十一日，該等物業權益之賬面金額為 53,950,000 港元 (二零零四年：33,750,000 港元)。

The carrying amounts of investment properties shown above comprises:

上述投資物業之賬面值包括：

		2005 HK\$'000 千港元	2004 HK\$'000 千港元
Properties in Hong Kong held under:	於香港按以下租約持有之物業：		
Long lease	長期租約	3,350	2,750
Medium-term lease	中期租約	50,600	31,000
		53,950	33,750

18. PROPERTY AND OTHER FIXED ASSETS

18. 物業及其他固定資產

		Buildings	Furniture, fixtures and equipment	Total
		樓宇	傢俬、裝置 及設備	總額
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
		(restated)		(restated)
		(重列)		(重列)
THE GROUP	本集團			
COST	成本值			
At 1st January, 2004	於二零零四年一月一日			
As originally stated	按原先呈列	1,840	1,121	2,961
Reclassified to prepaid lease payments upon application of HKAS 17 (See Note 3b)	應用香港會計準則第 17 號時重新分類至預付租賃款項 (見附註 3b)	(958)	-	(958)
At 1st January, 2004 (restated), 31st December, 2004 (restated) and 31st December, 2005	於二零零四年一月一日 (重列)、二零零四年十二月三十一日 (重列) 及二零零五年十二月三十一日	882	1,121	2,003
DEPRECIATION AND AMORTISATION	折舊及攤銷			
At 1st January, 2004	於二零零四年一月一日			
As originally stated	按原先呈列	1,303	1,036	2,339
Reclassified to prepaid lease payments upon application of HKAS 17 (See Note 3b)	應用香港會計準則第 17 號時重新分類至預付租賃款項 (見附註 3b)	(678)	-	(678)
At 1st January, 2004 (restated)	於二零零四年一月一日 (重列)	625	1,036	1,661
Provided for the year (as originally stated)	本年度撥備 (按原先呈列)	38	37	75
Reclassified to prepaid lease payments upon application of HKAS 17 (See Note 3b)	應用香港會計準則第 17 號時重新分類至預付租賃款項 (見附註 3b)	(20)	-	(20)
Provided for the year (restated)	本年度撥備 (重列)	18	37	55
At 31st December, 2004 (restated) and 1st January, 2005	於二零零四年十二月三十一日 (重列) 及二零零五年一月一日	643	1,073	1,716
Provided for the year	本年度撥備	18	29	47
At 31st December, 2005	於二零零五年十二月三十一日	661	1,102	1,763
NET BOOK VALUE	賬面淨值			
At 31st December, 2005	於二零零五年十二月三十一日	221	19	240
At 31st December, 2004 (restated)	於二零零四年十二月三十一日 (重列)	239	48	287

18. PROPERTY AND OTHER FIXED ASSETS (cont'd)

The above items of property and other fixed assets are depreciated on a straight-line basis at the following rates per annum:

Type	Basis
Buildings	Over the shorter of the unexpired period of the land lease and 20 years
Furniture, fixtures and equipment	10%

18. 物業及其他固定資產（續）

上述物業及固定資產項目以直線法按下列年率計算折舊：

種類	基準
樓宇	土地租賃尚餘年期及二十年（以較短者為準）
傢俬、裝置及設備	10%

**Furniture,
fixtures and
equipment**
傢俬、裝置
及設備
HK\$'000
千港元

THE COMPANY

本公司

COST

成本值

At 1st January, 2004, 31st December, 2004 and 31st December, 2005

於二零零四年一月一日、
二零零四年十二月三十一日及
二零零五年十二月三十一日

1,117

DEPRECIATION

折舊

At 1st January, 2004
Provided for the year

於二零零四年一月一日
本年度撥備

1,036

36

At 31st December, 2004 and 1st January, 2005

於二零零四年十二月三十一日及
二零零五年一月一日

1,072

Provided for the year

本年度撥備

29

At 31st December, 2005

於二零零五年十二月三十一日

1,101

NET BOOK VALUE

賬面淨值

At 31st December, 2005

於二零零五年十二月三十一日

16

At 31st December, 2004

於二零零四年十二月三十一日

45

19. PROPERTIES HELD FOR DEVELOPMENT

19. 持作發展物業

		HK\$'000
		千港元 (restated) (重列)
THE GROUP	本集團	
COST	成本值	
At 1st January, 2004	於二零零四年一月一日	
As originally stated	按原先呈列	12,000
Reclassified to prepaid lease payments upon application of HKAS 17 (See Note 3b)	應用香港會計準則第 17 號時重新分類至預付租賃款項 (見附註 3b)	<u>(12,000)</u>
At 1st January, 2004 (restated)	於二零零四年一月一日 (重列)	-
Addition	添置	<u>750</u>
At 31st December, 2004 (restated) and 1st January, 2005	於二零零四年十二月三十一日 (重列) 及二零零五年一月一日	750
Addition	添置	<u>23,151</u>
At 31st December, 2005	於二零零五年十二月三十一日	<u>23,901</u>
IMPAIRMENT	減值	
At 1st January, 2004	於二零零四年一月一日	
As originally stated	按原先呈列	2,500
Reclassified to prepaid lease payments upon application of HKAS 17 (See Note 3b)	應用香港會計準則第 17 號時重新分類至預付租賃款項 (見附註 3b)	<u>(2,500)</u>
At 31st December, 2004 (restated) and 31st December, 2005	於二零零四年十二月三十一日 (重列) 及二零零五年十二月三十一日	<u>-</u>
NET BOOK VALUE	賬面淨值	
At 31st December, 2005	於二零零五年十二月三十一日	<u>23,901</u>
At 31st December, 2004 (restated)	於二零零四年十二月三十一日 (重列)	<u>750</u>

The Group's properties held for development are situated in Hong Kong and held under medium-term lease.

本集團持作發展物業位於香港，並以中期租約持有。

20. PROPERTY INTERESTS HELD FOR DEVELOPMENT

20. 持作發展之物業權益

		HK\$'000
		千港元
THE GROUP	本集團	
COST	成本值	
At 1st January, 2004	於二零零四年一月一日	197,551
Exchange difference	匯兌差額	330
		<hr/>
At 31st December, 2004 and 1st January, 2005 (as originally stated)	於二零零四年十二月三十一日及 二零零五年一月一日 (按原先呈列)	197,881
Reclassified to investment properties upon application of HKAS 40 (See Note 3b)	應用香港會計準則第 40 號時重新 分類至投資物業 (見附註 3b)	(14,500)
		<hr/>
At 1st January, 2005 (restated) and 31st December, 2005	於二零零五年一月一日 (重列) 及 二零零五年十二月三十一日	183,381
IMPAIRMENT	減值	
At 31st December, 2004 and 2005 (Note)	於二零零四年及二零零五年 十二月三十一日 (附註)	(183,381)
		<hr/>
NET BOOK VALUE	賬面淨值	
At 31st December, 2005	於二零零五年十二月三十一日	-
		<hr/>
At 31st December, 2004	於二零零四年十二月三十一日	14,500
		<hr/> <hr/>

The Group's property interests held for development at 31st December, 2004 were situated in Hong Kong and held under medium-term lease.

本集團於二零零四年十二月三十一日持作發展之物業權益位於香港，並以中期租約持有。

20. PROPERTY INTERESTS HELD FOR DEVELOPMENT (cont'd)

Note:

The Group through a wholly-owned subsidiary ("SPV") has a property interest held for development in Chenghai Royal Garden (the "Development Project"). The site with an area of approximately 466,662 sq.m. (5,023,150 sq. ft.) (the "Land") is situated at the estuary of Xinjin River, Longhu District, Shantou, Guangdong Province, the People's Republic of China (the "PRC"). Pursuant to a Contract for Pre-registration of Grant of State-owned Land Use Rights dated 5th August, 1992 (the "Contract"), SPV has been granted a pre-registered land use rights of the Land by Shantou City Chenghai District Planning and State-owned Land Resources Bureau (the "Chenghai Bureau"). The carrying amount of the Development Project as recorded by the Group (the "Carrying Amount") is approximately HK\$183.4 million (equivalent to RMB195.1 million). Included in the Carrying Amount is a payment of approximately HK\$49.8 million (equivalent to RMB53 million) to the Chenghai Bureau under the Contract (the "Amount Paid"). After submitting the application for the land requisition to the Chenghai Bureau and upon the land use rights of the Land being granted, SPV has to make a final payment of approximately HK\$23.4 million (equivalent to RMB24.9 million) (the "Final Payment"). The deadline of the application for the land requisition was 4th August, 1993 which had been extended four times at the request of SPV to 16th July, 2004 (the "Deadline"). The Group believed that SPV had the following entitlements or options under the Contract: (i) proceeded to apply for the land requisition of the Land on or before the Deadline and settle the Final Payment; (ii) applied for an extension of the Deadline; or (iii) terminated the Contract and claim for a refund of approximately HK\$46.2 million (equivalent to RMB49.1 million), being the Amount Paid (the "Amount Claimed").

The Group considered that it was not the suitable time to proceed with the land requisition and determined to request an extension of time. SPV therefore delivered a letter dated 19th April, 2004 to the Chenghai Bureau to request an extension of the Deadline but the Chenghai Bureau refused to accept the letter and advised that such request should be diverted to Shantou City Longhu District Planning and State-owned Land Resources Bureau (the "Longhu Bureau") and their supervisory bureau, Shantou City Planning and State-owned Land Resources Bureau (the "Shantou Bureau"), since the authority and administrative power over the Land had already been transferred to the Longhu Bureau by that time. SPV then delivered letters of the same request to the Longhu Bureau and the Shantou Bureau. Both bureaus however insisted that they would not consider the request either and advised SPV to go back to the Chenghai Bureau for resolving the matter. Given the insistence of the three bureaus in refusing SPV's request of extension, SPV sought advices and assistance from Shantou Governmental authorities, but to no avail.

In early July 2004, the Deadline became imminent and having considered that (i) extension of the Deadline was unlikely in view of the unexpected and undesirable replies from the bureaus; and (ii) the slowdown of luxury residential market in Shantou, the Group decided not to proceed with the application for the land requisition and instead terminated the Contract and requested the Chenghai Bureau to refund the Amount Claimed.

20. 持作發展之物業權益 (續)

附註：

本集團透過一全資附屬公司（「SPV」）於澄海海麗花園（「發展項目」）擁有物業發展權益。該地盤面積約為466,662平方米（5,023,150平方呎）（「該土地」），位於中華人民共和國（「中國」）廣東省汕頭市龍湖區新津河河口。根據一九九二年八月五日訂立之國有土地使用權預約合同（「該合同」），SPV獲汕頭市澄海區規劃與國土資源局（「澄海當局」）就發展項目授予該土地的預約土地使用權。本集團錄得發展項目之帳面值（「帳面值」）約為183,400,000港元（等同人民幣195,100,000元）。在帳面值中，約49,800,000港元（等同人民幣53,000,000元）之款項已付予澄海當局（「已付金額」）。向澄海當局遞交徵地申請後並獲授予該土地的土地使用權時，SPV須支付23,400,000港元（等同人民幣24,900,000元）之最後付款（「最後付款」）。徵地申請的最後限期曾為一九九三年八月四日，後應SPV之要求，四度延期至二零零四年七月十六日（「該限期」）。本集團根據該合同，認為SPV擁有下列權益或購股權：(i)在該限期屆滿或以前進行土地的徵地申請及清付最後付款；(ii)申請延長該限期；(iii)終止該合同及要求退還已付金額其中約46,200,000港元（等同人民幣49,100,000元）（「索償金額」）。

本集團認為現時並非適當時候進行徵地，並決定申請延長限期。SPV因此於二零零四年四月十九日向澄海當局發出函件，要求延長該限期。但澄海當局拒絕接受函件，並建議這要求應向汕頭市龍湖區規劃與國土資源局（「龍湖當局」）及其上級機構汕頭市規劃與國土資源局（「汕頭當局」）提出，因為其時土地管理及行政權已被轉移至龍湖當局。SPV接著分別向龍湖當局及汕頭當局提出相同要求。然而，兩局堅持不會考慮該要求，並建議SPV轉返澄海當局尋求解決。面對三局堅拒接納SPV之延期要求，SPV遂向汕頭政府部門尋求建議及協助，但沒有實效。

於二零零四年七月初，該期限已臨近，並考慮到(i)基於以上當局的意外及不理想回應，申請延長該限期難以達致，以及(ii)汕頭豪宅市場的冷卻，本集團決定不進行徵地，並終止該合同及要求澄海當局退還索償金額。

20. PROPERTY INTERESTS HELD FOR DEVELOPMENT (cont'd)

Note: (cont'd)

Between July 2004 and February 2005, SPV issued four letters of demand to the Chenghai Bureau to notify the termination of the Contract and requested for a refund of the Amount Claimed. SPV received three reply letters by which the Chenghai Bureau denied its obligations for the refund on the allegation that the pre-registration relationship between the parties under the Contract still existed. The Chenghai Bureau suggested the following three alternatives for SPV's consideration:

1. SPV proceeds to apply for land requisition of the Land and settle the Final Payment pursuant to the Contract despite of the Deadline; or
2. SPV applies for a portion of the Land with an area equivalent to the Amount Paid; or
3. The Chenghai Bureau, upon the application from SPV for the termination of the Contract, refunds the Amount Paid without interest after the Land is successfully sold to third parties by the Chenghai Bureau.

Based on the opinion from a legal firm in the PRC, which has taken into consideration the recent PRC policy for the granting of land issued by the Ministry of Land Resources, the Group was in doubt as to whether the Chenghai Bureau could effect any of the above alternatives. Further, if SPV accepted any alternative as suggested, then SPV would be deemed to have waived its right in the Amount Claimed.

The Group, after considered the further advice from the legal firm, decided not to accept any of the above alternatives as suggested and initiated legal action against the Chenghai Bureau for its entitlements under the Contract including but not limited to the Amount Claimed.

Having considered the uncertainty in the recoverability of the Amount Claimed and any other entitlements under the Contract, the Group made a full provision for an impairment loss of HK\$183,381,000 in the financial statements for the year ended 31st December, 2004.

On 19th April, 2005, SPV commenced legal proceedings by issuing a Writ of Summons against the Chenghai Bureau. SPV requested Shanton Intermediate People's Court (the "Court") for the following issues in particular: (1) Examine the validity of the Contract; (2) Terminate the Contract; and (3) Order the Chenghai Bureau to refund the land cost of RMB53 million with interest to SPV. On 27th December, 2005, the Court notified SPV that the trial period had been extended for six months and the trial would be expected to be adjudicated by the end of June 2006.

20. 持作發展之物業權益 (續)

附註：(續)

於二零零四年七月及二零零五年二月間，SPV發出四封函件，通知澄海當局該合同的終止並要求退還索償金額。SPV收到三封回函，澄海當局於信函中否認其退還款項責任，聲稱雙方在該合同下的預約關係仍然存在。澄海當局提供三個選擇，供SPV考慮：

1. 不管該限期，SPV按該合同進行該土地的徵地申請並清付最後付款；或
2. 根據已付金額，SPV申請該土地中等量面積；或
3. 按SPV終止該合同的申請，澄海當局在成功售出該土地予第三者後，不計利息退還已付金額。

根據一中國律師事務所之意見（該律師事務所已了解國土資源部最近頒發的土地出讓政策），本集團質疑澄海當局能否履行上述任何一項選擇。此外，假如SPV接受以上任何選擇，SPV將被視為放棄對索償金額的權利。

考慮該律師事務所進一步的意見後，本集團決定不接受澄海當局建議的以上任何選擇，並已採取法律行動控告澄海當局，以取回該合同授予之權利（包括但不限於索償金額）。

因考慮到追討索償金額及該合同授予之其他權利涉及的不明朗情況，本集團於截至二零零四年十二月三十一日止年度之財務報表作出183,381,000港元之全數減值虧損撥備。

於二零零五年四月十九日，SPV向澄海當局發出傳訊令狀展開法律程序。SPV要求汕頭市中級人民法院（「法院」）特別就下列事件採取行動：(1)查核該合同是否有效；(2)終止該合約；(3)命令澄海當局向SPV退回土地成本人民幣53,000,000元。於二零零五年十二月二十七日，法院知會SPV該審訊期被延長六個月，且預期將於二零零六年六月底裁決。

21. PREPAID LEASE PAYMENTS

21. 預付租賃款項

	HK\$'000
	千港元
THE GROUP	
COST	
At 1st January, 2004	
As originally stated	—
Reclassified from property and other fixed assets* (See Note 3b)	958
Reclassified from properties held for development* (See Note 3b)	12,000
At 1st January, 2004 (restated), 31st December, 2004 and 31st December, 2005	12,958
DEPRECIATION AND AMORTISATION	
At 1st January, 2004	
As originally stated	—
Reclassified from property and other fixed assets* (See Note 3b)	678
Reclassified from properties held for development* (See Note 3b)	2,500
Provided for the prior year* (See Note 3c)	14
At 1st January, 2004 (restated)	3,192
Reclassified from property and other fixed assets* (See Note 3b)	20
Provided for the year* (See Note 3a)	13
At 31st December, 2004 (restated) and 1st January, 2005	3,225
Provided for the year	33
At 31st December, 2005	3,258
NET BOOK VALUE	
At 31st December, 2005	9,700
At 31st December, 2004 (restated)	9,733

* Effect of the application of the HKAS 17.

	HK\$'000
	千港元
本集團	
成本值	
於二零零四年一月一日	
按原先呈列	—
從物業及其他固定資產重新分類* (見附註 3b)	958
從持作發展物業重新分類* (見附註 3b)	12,000
於二零零四年一月一日 (重列)、二零零四年 十二月三十一日及二零零五年十二月三十一日	12,958
折舊及攤銷	
於二零零四年一月一日	
按原先呈列	—
從物業及其他固定資產重新分類* (見附註 3b)	678
從持作發展物業重新分類* (見附註 3b)	2,500
過往年度撥備* (見附註 3c)	14
於二零零四年一月一日 (重列)	3,192
從物業及其他固定資產重新分類* (見附註 3b)	20
本年度撥備* (見附註 3a)	13
於二零零四年十二月三十一日 (重列) 及 二零零五年一月一日	3,225
本年度撥備	33
於二零零五年十二月三十一日	3,258
賬面淨值	
於二零零五年十二月三十一日	9,700
於二零零四年十二月三十一日 (重列)	9,733

* 應用香港會計準則第 17 號時之影響。

Notes to the Financial Statements

For the year ended 31st December, 2005

財務報表附註

截至二零零五年十二月三十一日止年度

21. PREPAID LEASE PAYMENTS (cont'd)

21. 預付租賃款項 (續)

		2005	2004
		HK\$'000	HK\$'000
		千港元	千港元
			(restated)
			(重列)
The Group's non-current prepaid lease payments shown above comprise:	本集團上文所示非流動預付租賃款項包括：		
Leasehold land in Hong Kong:	於香港之租賃土地：		
Long lease	長期	9,460	9,473
Medium-term lease	中期租約	240	260
		9,700	9,733

22. INTERESTS IN SUBSIDIARIES/ADVANCES TO SUBSIDIARIES

22. 附屬公司權益／墊付附屬公司款項

		2005	2004
		HK\$'000	HK\$'000
		千港元	千港元
THE COMPANY	本公司		
Unlisted shares, at cost	非上市股份，成本值	192,070	10,391
Capital contribution	注資	3,632	-
Less: impairment loss recognised	減：已確認之減值虧損	(10,391)	(10,391)
		185,311	-
Advances to subsidiaries, net of allowances	墊付附屬公司款項（扣除準備）	207,736	401,104

As at 1st January, 2005, the Company capitalised the loan advanced to Jumbo Legend Limited, a wholly-owned subsidiary of the Company through subscription of 1 new share at par value of US\$1 each.

於二零零五年一月一日，本公司透過認購一股面值 1 美元之新股，將墊付予本公司一間全資附屬公司 Jumbo Legend Limited 之貸款撥充資本。

Capital contribution represents imputed interest on interest-free advances to subsidiaries.

注資指墊付附屬公司免息款項所計之名義利息。

22. INTERESTS IN SUBSIDIARIES/ADVANCES TO SUBSIDIARIES (cont'd)

The advances to subsidiaries, net of allowances are unsecured. Included in the balance as at 31st December, 2005, the amount of HK\$153,358,000 is interest-bearing. In the opinion of the directors, the company will not demand repayment within one year from the balance sheet date and are therefore considered as non-current. The directors of the Company estimate the advances by discounting their future cash flow at the prevailing market borrowing rate. The directors of the Company consider that the carrying amount of advances to subsidiaries approximates to their fair values.

Particulars of the Group's principal subsidiaries at 31st December, 2005 are set out in Note 37.

23. INTERESTS IN ASSOCIATES/ADVANCES TO ASSOCIATES

(a) INTERESTS IN ASSOCIATES	(a) 聯營公司權益
Cost of investments in associates – Unlisted in Hong Kong	聯營公司投資成本 – 香港非上市
Share of post-acquisition profits, net of dividends received (Note i)	所佔收購後溢利， 扣除已收股息 (附註 i)
(b) ADVANCES TO ASSOCIATES	(b) 墊付聯營公司 款項
Interest-bearing advances to associates (Note ii)	墊付聯營公司 計息款項 (附註 ii)
Interest-free advances to associates, net of allowances (Note iii)	墊付聯營公司 免息款項 (扣除 準備) (附註 iii)

22. 附屬公司權益／墊付附屬公司款項 (續)

墊付附屬公司款項 (扣除準備) 為無抵押。於二零零五年十二月三十一日之結存中，包括一筆為數 153,358,000 港元之計息款項。董事認為，公司將不會要求於結算日後一年內還款，因此被視為非流動。本公司董事按當時市場借款利率折現墊款之未來現金流量而估計墊款。本公司董事認為，墊付附屬公司款項之賬面金額與公平值相若。

本集團主要附屬公司於二零零五年十二月三十一日之詳情載於附註 37。

23. 聯營公司權益／墊付聯營公司款項

THE GROUP		THE COMPANY	
本集團		本公司	
2005	2004	2005	2004
HK\$'000	HK\$'000	HK\$'000	HK\$'000
千港元	千港元	千港元	千港元
	(restated)		
	(重列)		
103,252	103,252	–	–
143,093	57,003	–	–
246,345	160,255	–	–
96,028	109,212	9,500	9,500
28,728	26,895	–	–
124,756	136,107	9,500	9,500

23. INTERESTS IN ASSOCIATES/ADVANCES TO ASSOCIATES (cont'd)

Notes:

- (i) The investment properties of the associates were revalued at 31st December, 2005 on the basis of a valuation carried out on that date by Norton Appraisals Limited, independent qualified professional surveyors not connected with the Group. Norton Appraisals Limited has appropriate qualifications and recent experience in the valuation of similar properties in the relevant locations. The valuation, which conformed to The Hong Kong Institute of Surveyors Valuation Standards on Properties (1st Edition) published by the Hong Kong Institute of Surveyors was based on open market value basis. The Group recognised an interest in the fair value gain on the investment properties of the associates of HK\$92.5 million (net of deferred tax impact of HK\$19.6 million) as at 31st December, 2005. Details are set out in Note 10.
- (ii) Except for an amount of HK\$9,500,000 (2004: HK\$9,500,000) which bears interest at 6.75% (2004: 6.75%), the remaining balances of Interest-bearing advance to associates bear interest at Prime minus 2.75%. The advances are unsecured and the Group will not demand repayment within one year from the balance sheet date and are therefore considered as non-current. The directors of the Company consider that the carrying amount of advances to associates approximate to their fair values.
- (iii) The interest-free advances are unsecured and the Group will not demand repayment within one year from the balance sheet date and are therefore considered as non-current. The directors of the Company estimate the fair value of the interest-free advances by discounting their future cash flow at the prevailing market borrowing rate. The directors of the Company consider that the carrying amount of interest-free advances approximate to their fair values.

Particulars of the Group's principal associates at 31st December, 2005 are set out in Note 38.

23. 聯營公司權益／墊付聯營公司款項（續）

附註：

- (i) 聯營公司投資物業於二零零五年十二月三十一日按一家與本集團無關之獨立合資格專業測計師行普敦國際評估有限公司於該日進行之估值為基準而重估。普敦國際評估有限公司對於相關地點之同類型物業估值具有適合資格及近期之估值經驗。該項估值乃遵守香港測量師學會所頒布的物業估值準則（第一版），並按公開市值基準進行重估。本集團已確認聯營公司投資物業於二零零五年十二月三十一日之公平值收益權益92,500,000港元（扣除遞延稅項影響19,600,000港元）。有關詳情載於附註10。
- (ii) 除了一筆款項9,500,000港元（二零零四年：9,500,000港元）按年利率6.75厘（二零零四年：6.75厘）計算外，墊付聯營公司計息款項之餘款按最優惠利率減2.75厘計算。該筆墊款為無抵押，且本集團將不會於結算日起一年內要求還款，故該等墊款乃被視為非流動。本公司董事認為墊付聯營公司款項之賬面金額與公平值相若。
- (iii) 免息墊款為無抵押，且本集團將不會於結算日起一年內要求還款，因此被視為非流動。本公司董事按當時市場借款利率折現免息墊款未來現金流量而估計其公平值。本公司董事認為，免息墊款之賬面金額與公平值相若。

有關本集團於二零零五年十二月三十一日之主要聯營公司之詳情載於附註38。

Notes to the Financial Statements

For the year ended 31st December, 2005

財務報表附註

截至二零零五年十二月三十一日止年度

23. INTERESTS IN ASSOCIATES/ADVANCES TO ASSOCIATES (cont'd)

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

23. 聯營公司權益／墊付聯營公司款項（續）

本集團聯營公司之財務資料概述如下：

		2005	2004
		HK\$'000	HK\$'000
		千港元	(restated) 千港元 (重列)
Total assets	總資產	1,160,507	887,598
Total liabilities	總負債	(514,533)	(515,747)
Net assets	資產淨值	645,974	371,851
Group's share of net assets of associates	本集團所佔聯營公司資產淨值	246,345	160,255
Revenue	營業收入	36,681	28,888
Profit for the year	本年度溢利	274,106	17,568
Group's share of results of associates for the year (See Note 10)	本集團所佔本年度聯營公司之業績 (見附註 10)	100,977	6,014

24. OTHER FINANCIAL ASSETS

(a) DEBTORS, DEPOSITS AND PREPAYMENTS**THE GROUP AND THE COMPANY**

The directors of the Company consider that the carrying amount of the Group's and Company's debtors approximates to their fair values.

THE GROUP

Included in debtors, deposits and prepayments are trade debtors of HK\$68,000 (2004: HK\$62,000) comprising mainly rental receivables which are billed in advance and settlements are expected upon receipts of billings. The following is an aged analysis of trade debtors at the balance sheet date:

Within 30 days	三十日內
31 - 60 days	三十一日至六十日
Over 60 days	六十日以上

(b) BANK BALANCES AND CASH

The Group's and the Company's deposits carry interest rate at prevailing bank savings deposits rate and mature within 3 months. The directors of the Company consider that the carrying amount of the Group's and the Company's bank balances and cash approximates to their fair values.

24. 其他財務資產

(a) 應收賬項、按金及預付款項**本集團及本公司**

本公司董事認為本集團及本公司之應收賬項之賬面金額與其公平值相若。

本集團

應收賬項、按金及預付款項包括應收貿易賬項約 68,000 港元（二零零四年：62,000 港元），主要為預先開立賬單並預期將於收取賬單時結算的應收租金。於結算日應收貿易賬項之賬齡分析如下：

	2005	2004
	HK\$'000	HK\$'000
	千港元	千港元
	14	24
	12	—
	42	38
	68	62

(b) 銀行結餘及現金

本集團及本公司之存款按當時之銀行存款利率計息，並於三個月內到期。本公司董事認為本集團及本公司之銀行結餘及現金之賬面金額與其公平值相若。

25. CREDITORS AND ACCRUALS

THE GROUP AND THE COMPANY

There were no trade payables included in creditors and accruals as at 31st December, 2005 and 2004.

The directors of the Company consider that the carrying amount of the Group's and the Company's creditors and accruals approximates to their fair values.

26. PROVISION FOR A LITIGATION CLAIM

THE GROUP AND THE COMPANY

A finance company (in liquidation) (the "finance company") served a writ and claimed against the Company for an amount of approximately HK\$8.4 million. The claim related to a margin loan granted to the Company for the dealing of securities between the years of October 1996 and January 1998. The Company filed a Defence and Counterclaim in December 2004 and the finance company also filed their Reply and Defence to Counterclaim in January, 2005. The Group made a provision of approximately HK\$8.4 million in 2004 for the claim. In January 2006, upon seeking legal advice including London QC opinion, the Company paid the finance company a sum of HK\$8.3 million for full and final settlement of all claims of the finance company. The settlement was made from the Company's internal resources without any adverse impact on its working capital position. Consent Summons was filed and an order from the High Court dated 20th January 2006 was sealed to record the discontinuance of the legal proceedings.

The directors of the Company consider that the carrying amount of the Group's and the Company's provision for litigation claim approximates to their fair values.

27. LOANS FROM MINORITY SHAREHOLDERS OF SUBSIDIARIES

THE GROUP

The loans are unsecured, non-Interest-bearing. The directors of the Company consider that the minority shareholders will not demand for repayment within one year from the balance sheet date and are therefore shown in the balance sheet as non-current. The directors of the Company estimate the fair value of the loans by discounting their future cash flow at the prevailing market borrowing rate and consider that the carrying amount of the Group's loans from minority shareholders of subsidiaries approximates to their fair values.

25. 應付賬項及應計費用

本集團及本公司

於二零零五年及二零零四年十二月三十一日，應付賬項及應計費用並無包括應付貿易賬項。

本公司董事認為本集團及本公司之應付賬項及應計費用之賬面金額與其公平值相若。

26. 索償訴訟撥備

本集團及本公司

一間清盤中之財務公司（「財務公司」）向本公司提交令狀及向本公司追討一筆約 8,400,000 港元之金額。該筆追討金額乃關於一九九六年十月至一九九八年一月期間就買賣證券授予本公司之孖展貸款之申索。本公司已於二零零四年十二月提交抗辯書及反申索，而該財務公司亦已於二零零五年一月提交答辯書及反申索之抗辯書。本集團已於二零零四年就申索作出約 8,400,000 港元之撥備。本公司於徵求法律意見（包括倫敦御用大律師法律意見）後，於二零零六年一月就財務公司所有索償，向財務公司作出 8,300,000 港元之全數和最終清償。有關款項來自本公司之內部資源，因此不會對其營運資金狀況構成負面影響。本公司已呈交同意和解傳票，香港高等法院亦已於二零零六年一月二十日頒令以蓋章記錄終止該法律訴訟。

本公司董事認為，本集團及本公司索償訴訟撥備之賬面金額與其公平值相若。

27. 附屬公司少數股東貸款

本集團

該等貸款為無抵押及免息。本公司董事認為，少數股東將不會於結算日起一年內要求還款，因此於資產負債表列為非流動。本公司董事按當時市場借款利率折現該等貸款之未來現金流量而估計其公平值，並認為本集團來自附屬公司少數股東貸款之賬面金額與公平值相若。

28. ADVANCE FROM AN ASSOCIATE

The amount is unsecured, non-Interest-bearing. The directors of the Company consider that the associate will not demand for repayment within one year from the balance sheet date and is therefore shown in the balance sheet as non-current. The directors of the Company consider that the carrying amount of the Group's advance from an associate approximates to their fair values.

29. DEFERRED TAXATION LIABILITIES

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

		Revaluation of investment properties	Accelerated tax depreciation	Tax losses	Total
		投資物業 重估 HK\$'000 千港元	加速稅務 折舊 HK\$'000 千港元	稅務虧損 HK\$'000 千港元	合計 HK\$'000 千港元
At 1st January, 2004	於二零零四年一月一日	(1,906)	39	1,766	(101)
Credit (charge) to the income statement for the year (See Note 13)	撥入 (扣自) 本年度收益表 (見附註 13)	-	97	(829)	(732)
Charge to investment property revaluation reserve for the year	自本年度投資物業重估儲備扣除	(606)	-	-	(606)
Released on disposal of investment properties	出售投資物業時解除	1,013	-	-	1,013
At 31st December, 2004	於二零零四年十二月三十一日	(1,499)	136	937	(426)
Application of HKAS 40 (See Note 3b)	應用香港財務報告準則第 40 號 (見附註 3b)	(193)	-	-	(193)
At 1st January, 2005	於二零零五年一月一日	(1,692)	136	937	(619)
Credit (charge) to the income statement for the year (See Note 13)	撥入 (扣自) 本年度收益表 (見附註 13)	193	(112)	(472)	(391)
At 31st December, 2005	於二零零五年十二月三十一日	(1,499)	24	465	(1,010)

28. 聯營公司墊款

該筆款項為無抵押及免息。本公司董事認為，聯營公司將不會於結算日起一年內要求還款，因此於資產負債表列為非流動。本公司董事認為本集團來自附屬公司墊款之賬面金額與公平值相若。

29. 遞延稅項負債

以下為本集團於本個及過往申報期間確認之主要遞延稅項 (負債) 與資產及其變動：

29. DEFERRED TAXATION LIABILITIES (cont'd)

For the purpose of balance sheet presentation, certain deferred taxation assets and (liabilities) have been offset. The following is the analysis of the deferred taxation balances for financial reporting purposes:

Deferred taxation assets	遞延稅項資產
Deferred taxation liabilities	遞延稅項負債

At the balance sheet date, the Group has unused tax losses of approximately HK\$209,817,000 (2004: HK\$217,270,000) available for offset against future profits. A deferred taxation asset has been recognised in respect of HK\$2,654,000 (2004: HK\$5,353,000) of such losses. No deferred taxation asset has been recognised in respect of the remaining taxation losses of approximately HK\$207,163,000 (2004: HK\$211,917,000) due to the unpredictability of future profit streams. The unrecognised tax losses may be carried forward indefinitely.

29. 遞延稅項負債 (續)

就資產負債表之呈列方式而言，若干遞延稅項資產及(負債)已經抵銷。作財務申報用途之遞延稅項結餘分析如下：

2005	2004
HK\$'000	HK\$'000
千港元	千港元
489	1,073
(1,499)	(1,499)
(1,010)	(426)

於結算日，本集團有未運用之稅務虧損約 209,817,000 港元（二零零四年：217,270,000 港元）可用作抵銷未來溢利。已就該等虧損其中約 2,654,000 港元（二零零四年：5,353,000 港元）確認遞延稅項資產。由於難以預測未來溢利多寡，故無就其餘之稅務虧損約 207,163,000 港元（二零零四年：211,917,000 港元）確認遞延稅項資產。未確認之稅務虧損可能會永久結轉。

30. SHARE CAPITAL

30. 股本

		Number of shares	Share capital
		股份數目	股本 HK\$'000 千港元
Ordinary shares of HK\$0.01 each	每股面值 0.01 港元之普通股		
Authorised:	法定：		
At 31st December, 2004 and 2005	於二零零四年及二零零五年 十二月三十一日	50,000,000,000	500,000
Issued and fully paid:	已發行及繳足：		
At 31st December, 2004 and 1st January, 2005	於二零零四年十二月三十一日 及二零零五年一月一日	282,305,987	2,823
Allotted on share placing	於股份配售時配發	56,460,000	565
At 31st December, 2005	於二零零五年十二月三十一日	338,765,987	3,388

On 2nd February, 2005, 56,460,000 shares of the Company were issued and allotted to independent investors pursuant to a placing agreement entered into between the Company and its placing agent on 24th January, 2005.

於二零零五年二月二日，本公司根據其與配售代表於二零零五年一月二十四日訂立之配售協議，本公司向獨立投資者發行及配發 56,460,000 股股份。

31. RESERVES

31. 儲備

		Contribution from shareholders	Share premium	Special capital reserve I & II 特別股本 儲備 I 及 II	Accumulated profits (losses) 累計 溢利 (虧損)	Total
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元 (Note) (附註)	千港元	千港元
THE COMPANY	本公司					
At 1st January, 2004	於二零零四年一月一日	117,054	442,917	54,720	5,349	620,040
Loss for the year	本年度虧損	-	-	-	(108,553)	(108,553)
At 31st December, 2004 and 1st January, 2005	於二零零四年十二月三十一日 及二零零五年一月一日	117,054	442,917	54,720	(103,204)	511,487
Amount received from share placing	股份配售所得款項	-	53,072	-	-	53,072
Issue cost on share placing	股份配售之發行成本	-	(829)	-	-	(829)
Transfer upon issue of shares for share placing (Note)	於股份配售發行股份時 轉撥 (附註)	-	-	(54,720)	54,720	-
Profit for the year	本年度溢利	-	-	-	21,517	21,517
At 31st December, 2005	於二零零五年十二月三十一日	117,054	495,160	-	(26,967)	585,247

Note:

As part of the capital reorganisation, an order on petition dated 7th October, 2003 (the "Order") was issued by the High Court of Hong Kong Special Administrative Region of the People's Republic of China in connection with the reduction of the capital of the Company for an amount of HK\$296,536,000. Pursuant to the Order, the Company applied HK\$245,025,000 of the above amount to eliminate its accumulated losses as at 31st December, 2002 while the remaining balance of HK\$51,511,000 was included in a "Special Capital Reserve I" account.

The Company also undertook that any future recoveries of the advances to Super Series Limited, a former wholly-owned subsidiary of Company, which was disposed of under the Asset Transaction, beyond their written down value had to be credited to "Special Capital Reserve II". Accordingly, the gain on disposal of Super Series amounting to HK\$3,209,000 was included in this reserve.

附註：

作為股本重組一部份，中華人民共和國香港特別行政區高等法院於二零零三年十月七日就削減本公司股本 296,536,000 港元之呈請發出命令（「命令」）。根據命令，本公司運用了上述金額中 245,025,000 港元撇銷其於二零零二年十二月三十一日之累計虧損，餘下 51,511,000 港元撥入「特別股本儲備 I」賬目。

本公司亦已承諾，日後若收回墊付予本公司已根據資產交易出售之前全資附屬公司 Super Series Limited 之款項超出其已撇減之數值，則多出之部份須撥入「特別股本儲備 II」。因此，出售 Super Series 為數 3,209,000 港元之收益已撥入該項儲備。

31. RESERVES (cont'd)

Note: (cont'd)

It was also provided in the Order that, notwithstanding the above undertaking, the amount standing to the credit of the Special Capital Reserve I & II might be reduced by the amount of any increase in the paid-up share capital or the amount standing to the credit of the share premium account of the Company as the result of the payment up of shares by the receipt of the new consideration or capitalization of distributable profits after 8th October, 2003, the effective date (the "effective date") for capital reduction.

The Company has increased its issued share capital and share premium account up to the requirement of the Order for reduction of the Special Capital Reserve I & II by the issue and allotment of shares for cash consideration from the effective date up to year ended 31st December, 2005. Accordingly, based on legal opinion, the total amount of HK\$54,720,000 standing to the credit of the Special Capital Reserve I & II can be totally reduced and transferred to the accumulated profits (losses) of the Company.

In the opinion of the directors of the Company, the Company had no reserves available for distribution as at 31st December, 2005 and 2004.

32. MAJOR NON-CASH TRANSACTIONS

During the year, the Group has the followings major non-cash transactions:

- (i) the Group applied for the voluntary winding-up of certain subsidiaries and the loan from the minority shareholders amounting to HK\$39,228,000 were written off;
- (ii) the Group has incurred costs for additions of properties under development of approximately HK\$23,151,000 of which approximately HK\$ 5,097,000 had not been paid as at 31st December, 2005 which was included in creditors and accruals ; and
- (iii) the Group has received dividend income of approximately HK\$14,000,000 from an associate by way of set off against the advance from the associate.

31. 儲備 (續)

附註：(續)

命令亦有規定，儘管有上述承諾，本公司可於二零零三年十月八日（即削減股本之生效日期（「生效日期」）後因收取增加股本之新代價或將可供分派溢利撥充資本以支付股份款項，利用繳足股本所增加之金額或本公司股份溢價賬之餘額以削減特別股本儲備 I 及 II 之餘額。

由生效日期起至二零零五年十二月三十一日止年度，本公司因發行及配發股份所增加的已發行股本及股份溢價，已符合命令規定以發行及配發股份換取現金代價而削減特別儲備 I 及 II 的要求。因此，根據法律意見，特別儲備 I 及 II 的總額 54,720,000 港元可全數削減並將之轉撥至本公司之累計溢利（虧損）。

據本公司董事之意見，本公司於二零零五年及二零零四年十二月三十一日並無可供分派之儲備。

32. 主要非現金交易

年內，本集團曾進行下列主要非現金交易：

- (i) 本集團就若干附屬公司申請自願清盤，並已註銷來自少數股東貸款 39,228,000 港元；
- (ii) 本集團已產生添置發展中物業之成本約 23,151,000 港元，其中已計入應付賬項及應計費用約 5,097,000 港元於二零零五年十二月三十一日尚未支付；及
- (iii) 本集團透過抵銷聯營公司墊款而收取聯營公司股息收入約 14,000,000 港元。

33. OPERATING LEASE COMMITMENTS

THE GROUP AS LESSEE

Minimum lease payments under operating leases
in respect of office premises during the year

於本年度有關辦公室物業
之營業租約最低租金

2005 2004
HK\$'000 HK\$'000
千港元 千港元

58 63

At the balance sheet date, the Group had outstanding commitments under non-cancellable operating leases, which fall due as follows:

於結算日，本集團不可取消營業租約之未償還承擔於下列期間到期：

2005 2004
HK\$'000 HK\$'000
千港元 千港元

Within one year 一年內

In the second to fifth year inclusive 第二至第五年（包括首尾兩年）

10 58

- 10

10 68

Operating lease payments represent rentals payable by the Group for certain of its office premises. Lease is negotiated for a fixed term of two years.

營業租約租金為本集團就其若干辦公室物業應付之租金。租約每兩年磋商一次。

THE GROUP AS LESSOR

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

本集團作為出租人

於結算日，本集團已就下列日後最低租金與租戶訂約：

2005 2004
HK\$'000 HK\$'000
千港元 千港元

Within one year 一年內

In the second to fifth year inclusive 第二至第五年（包括首尾兩年）

629 1,291

210 839

839 2,130

The investment properties of the Group are expected to generate annual rental yields of 5% to 12% on an ongoing basis. All of the properties held have committed tenants not exceeding approximately three years.

物業預期將每年持續產生 5% 至 12% 的租金回報率。持有之物業均已與租戶訂立不超過約 3 年之租約。

34. COMMITMENTS

THE GROUP

Commitments in respect of development expenditure of properties held for development contracted for but not provided in the financial statements

本集團

已訂約但尚未於財務報表撥備，有關持作發展物業開支之承擔

2005	2004
HK\$'000	HK\$'000
千港元	千港元

-	506
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THE COMPANY

The Company did not have any significant capital commitments at 31st December, 2005 and 2004.

本公司

於二零零五年及二零零四年十二月三十一日，本公司並無任何重大資本承擔。

35. RETIREMENT BENEFIT SCHEMES

The Group operates two retirement benefit schemes:

- (i) the provident fund scheme as defined in the Mandatory Provident Fund Scheme Ordinance, Chapter 485 of the laws of Hong Kong (the "MPF Scheme"); and
- (ii) the provident fund scheme as defined in the Occupational Retirement Scheme Ordinance, Chapter 426 of the laws of Hong Kong (the "Top-up Scheme").

Both the MPF Scheme and the Top-up Scheme were defined contribution schemes and the assets of both schemes were managed by their respective trustees accordingly.

The MPF Scheme was available to all employees aged 18 to 64 and with at least 60 days of service under the employment of the Group in Hong Kong. Contributions were made by the Group at 5% based on the staff's relevant income. The maximum relevant income for contribution purpose is HK\$20,000 per month. Staff members were entitled to 100% of the Group's contributions together with accrued returns irrespective of their length of service with the Group, but the benefit was required by law to be preserved until the retirement age of 65. Forfeited contributions of MPF Scheme cannot be used by the Group to offset the existing level of contributions.

35. 退休福利計劃

本集團設有兩項退休福利計劃：

- (i) 香港法例第 485 章強積金計劃條例下界定之退休金計劃（「強積金計劃」）；及
- (ii) 香港法例第 426 章職業退休計劃條例下界定之退休金計劃（「補足計劃」）。

強積金計劃及補足計劃為定額供款計劃，該兩項計劃之資產據此均由各自之受託人管理。

強積金計劃可供所有 18 至 64 歲受僱於香港最少 60 日之本集團僱員參加。本集團根據僱員之有關入息作出 5% 之供款。就供款而言，有關入息上限為每月 20,000 港元。不論其於本集團之服務年期，僱員均可取得 100% 本集團供款連同應計回報，惟根據法例，有關利益將保留至退休年齡 65 歲方可領取。本集團不可動用強積金計劃下之已沒收供款，以抵銷現有之供款水平。

35. RETIREMENT BENEFIT SCHEMES (cont'd)

The Top-up Scheme was available to those employees with basic salary over HK\$20,000 and/or years of service over 5. Contributions to the Top-up Scheme were made by the Group at 5%, 7.5% or 10% of staff's basic salary (depending on the length of service) less the Group's mandatory contribution under the MPF Scheme. Staff members were entitled to 100% of the Group's contributions together with accrued returns after completing 10 years of service or more, or attaining the retirement age, or were entitled at a reduced scale between 30% to 90% of the Group's contributions after completing a period of service of at least 3 years but less than 10 years. The Top-up Scheme allowed any forfeited contributions (made by the Group for any staff member who subsequently left the Top-up Scheme prior to vesting fully in such contributions) to be used by the Group to offset the current level of contributions of the Group.

The Group's cost for the MPF Scheme charged to consolidated income statement for the Year amounted to HK\$55,000 (2004: HK\$41,000).

During both years, no employee of the Group was entitled to the benefit of the Top-up Scheme and no contributions had been made by the Group to the Top-up Scheme.

35. 退休福利計劃（續）

補足計劃可供基本薪金超過 20,000 港元及／或年資超過五年之僱員參加。本集團乃根據僱員之基本薪金按其服務年期，作出 5%、7.5% 或 10% 之補足計劃供款，並減去本集團根據強積金計劃作出之強制性供款。僱員服務滿 10 年或以上或到退休年齡時可取得 100% 本集團供款連同應計回報，而服務年期滿 3 年但不足 10 年之僱員則可按遞減比例取得 30% 至 90% 本集團供款。補足計劃容許本集團將任何已沒收供款（即本集團就任何可獲得全部供款前退出補足計劃之僱員而作出之供款）用以抵銷本集團現有之供款水平。

本集團於年內就強積金計劃於綜合收益表扣除之費用為 55,000 港元（二零零四年：41,000 港元）。

於上述兩個年度內，本集團概無僱員受惠於補足計劃，而本集團對補足計劃亦無供款。

36. RELATED PARTY TRANSACTIONS AND BALANCES

(a) TRANSACTIONS

During the year, the Group had the following transaction with its related parties:

		2005	2004
		HK\$'000	HK\$'000
		千港元	千港元
Rental paid to a fellow subsidiary (Note i)	支付予同系附屬公司之租金 (附註 i)	58	63
Interest income on advances to associates (Note ii)	墊付聯營公司款項之利息收入 (附註 ii)	3,557	3,295
Imputed interest income relating to interest-free advance to an associate	墊付聯營公司免息款項之名義利息收入	906	-
		4,521	3,358

Notes:

- (i) By a sub-lease agreement dated 29th March, 2004 entered into between the Company and Chinese Estates, Limited ("CEL"), a wholly-owned subsidiary of Chinese Estates, CEL agreed to sub-lease to the Company the office premises at Room 103, 1st Floor, MassMutual Tower, 38 Gloucester Road, Wanchai, Hong Kong for two years commencing from 1st March, 2004 to 28th February, 2006 at a monthly rental of HK\$4,837.

This related party transaction also constituted continuing connected transaction de-minimise transaction, as defined in the Listing Rules.

- (ii) Interest was charged on outstanding balance during the year.

(b) BALANCE

Details of balances with related parties at the balance sheet date are set out in the consolidated balance sheet.

(a) 交易

年內，本集團曾與關連人士進行下列交易：

		2005	2004
		HK\$'000	HK\$'000
		千港元	千港元
支付予同系附屬公司之租金 (附註 i)		58	63
墊付聯營公司款項之利息收入 (附註 ii)		3,557	3,295
墊付聯營公司免息款項之名義利息收入		906	-
		4,521	3,358

附註：

- (i) 根據本公司與華人置業之全資附屬公司華人置業有限公司（「華置」）於二零零四年三月二十九日訂立之分租協議，華置向本公司分租位於香港灣仔告士打道 38 號美國萬通大廈 1 樓 103 室之寫字樓物業，租期由二零零四年三月一日起至二零零六年二月二十八日止兩年，月租為 4,837 港元。

該關連人士交易按上市規則的定義亦構成持續關連人士交易及最低豁免規定交易。

- (ii) 利息根據年內尚欠結餘計算。

(b) 結餘

於結算日之關連人士交易結餘詳情載於綜合資產負債表。

Notes to the Financial Statements

For the year ended 31st December, 2005

財務報表附註

截至二零零五年十二月三十一日止年度

37. PARTICULARS OF PRINCIPAL SUBSIDIARIES

The Directors are of the opinion that a complete list of the particulars of all subsidiaries would be of excessive length and therefore the following list discloses only the particulars of those subsidiaries as at 31st December, 2005 which principally affect the results or assets of the Group.

37. 主要附屬公司詳情

董事會認為列出全部附屬公司資料會令篇幅過於冗長。故此，下表只披露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之詳情。

Name of subsidiary 附屬公司名稱	Place of incorporation or operation 註冊成立或經營地點	Class of share /registered capital held 所持股份／註冊資本類別	Fully paid share capital/registered capital 繳足股本／註冊股本	Proportion of nominal value of paid-up capital/registered capital held by the Company 本公司所持繳足股本／註冊股本面值之百分比		Principal activity 主要業務
				Directly 直接	Indirectly 間接	
Comford Tower Limited	Republic of Liberia 利比里亞共和國	Ordinary 普通股	US\$1 1 美元	—	100%	Investment holding 投資控股
Country Homes Limited	Hong Kong 香港	Ordinary 普通股 Non-voting deferred ordinary 無投票權遞延普通股 Non-voting deferred founder 無投票權遞延創立人股	HK\$200 200 港元 HK\$164,400 164,400 港元 HK\$1,000 1,000 港元	—	100%	Property development 物業發展
Country Honour Limited 國賢有限公司	Hong Kong 香港	Ordinary 普通股	HK\$2 2 港元	—	100%	Property development 物業發展
Farnell Venture Inc.	British Virgin Islands 英屬維爾京群島	Ordinary 普通股	US\$1 1 美元	—	100%	Investment holding 投資控股
First Castle Limited	British Virgin Islands/ Hong Kong 英屬維爾京群島／ 香港	Ordinary 普通股	US\$1 1 美元	—	100%	Property investment 物業投資

37. PARTICULARS OF PRINCIPAL SUBSIDIARIES
(cont'd)

37. 主要附屬公司詳情 (續)

Name of subsidiary 附屬公司名稱	Place of incorporation or operation 註冊成立 或經營地點	Class of share /registered capital held 所持 股份/註冊 資本類別	Fully paid share capital/ registered capital 繳足股本/ 註冊股本	Proportion of nominal value of paid-up capital/ registered capital held by the Company 本公司所持 繳足股本/註冊股本 面值之百分比		Principal activity 主要業務
				Directly 直接	Indirectly 間接	
Konshing Enterprises Limited 冠盛企業有限公司	Hong Kong 香港	Ordinary 普通股	HK\$1,000 1,000 港元	–	51%	Property development 物業發展
Lucky Guide International Limited 冠林國際有限公司	Hong Kong 香港	Ordinary 普通股	HK\$2 2 港元	–	51%	Property investment 物業投資
Moregift Investments Limited	Hong Kong 香港	Ordinary 普通股	HK\$10,000 10,000 港元	100%	–	Property holding 物業持有
Sanewing Investments Limited 先榮投資有限公司	Hong Kong 香港	Ordinary 普通股	HK\$10,000 10,000 港元	–	100%	Property investment 物業投資
Union Spark Investment Limited 彩裕投資有限公司	Hong Kong 香港	Ordinary 普通股	HK\$2 2 港元	–	100%	Investment holding 投資控股
View Success Investments Limited 景亨投資有限公司	Hong Kong 香港	Ordinary 普通股	HK\$2 2 港元	–	100%	Property investment and trading 物業投資及買賣

None of the subsidiaries had any loan capital subsisting at the end of the year or at anytime during the year.

概無任何附屬公司於年結時或本年度內任何時間存在任何借貸股本。

38. PARTICULARS OF PRINCIPAL ASSOCIATES

38. 主要聯營公司詳情

Name of associate 聯營公司名稱	Place of incorporation and operation 註冊成立及經營地點	Percentage of equity attributable to the Group 本集團應佔股權百分比	Principal activity 主要業務
Earn Elite Development Limited 盈才發展有限公司	Hong Kong 香港	50%	Property investment 物業投資
Finedale Industries Limited 廣坤實業有限公司	Hong Kong 香港	33 ¹ / ₃ %	Property investment 物業投資
Healthy Point Limited 強邦有限公司	Hong Kong 香港	50%	Property investment 物業投資