

# Notes to the Financial Statements

## 財務報表附註

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

### 1. GENERAL

The Company is a public limited company incorporated in the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The address of the registered office and principal place of business of the Company are disclosed in the corporate information to the annual report.

The principal activities of the Company and its subsidiaries (the “Group”) for the year were property development and investment, hospitality and leisure activities, manufacturing of PVC pipes, securities trading and investment holding.

### 2. BASIC OF PREPARATION OF FINANCIAL STATEMENTS

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

### 3. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has applied, for the first time, a number of new Hong Kong Financial Reporting Standards (“HKFRS(s)”), Hong Kong Accounting Standards (“HKAS(s)”) and Interpretations (hereinafter collectively referred to as “new HKFRSs”) issued by the HKICPA that are effective for accounting periods beginning on or after 1st January, 2005. The application of the new HKFRSs has resulted in a change in the presentation of the consolidated income statement, the consolidated balance sheet and the consolidated statement of recognised income and expense. In particular, the presentation of minority interests and share of taxation of associates or jointly controlled entities have been changed. The changes in presentation have been applied retrospectively. The adoption of the new HKFRSs has resulted in changes to the Group’s accounting policies in the following areas that have an effect on how the results for the current or prior accounting periods are prepared and presented:

### 1. 一般資料

本公司為一間於開曼群島註冊成立之公眾有限公司，其股份於香港聯合交易所有限公司（「聯交所」）上市。本公司之註冊辦事處及主要營業地點之地址已於年報公司資料中披露。

本公司及其附屬公司（「本集團」）於本年度內之主要業務為物業發展及投資、款客及消閒業務、製造膠管、證券買賣及投資控股。

### 2. 編製財務報表基準

綜合財務報表乃按照香港會計師公會頒佈之《香港財務報告準則》編製。此外，綜合財務報表乃根據聯交所《證券上市規則》及《香港公司條例》中適用之披露規定而編製。

### 3. 應用《香港財務報告準則》

於本年度，本集團首次採用多項由香港會計師公會頒佈之新訂《香港財務報告準則》、《香港會計準則》及詮釋（以下統稱「新香港財務報告準則」）。該等準則於二零零五年一月一日或以後開始之會計期間生效。採用新香港財務報告準則導致綜合利潤表、綜合資產負債表及綜合收支確認表之呈列方式有所變動，特別是少數股東權益及應佔聯營公司或合營企業稅項之呈列方式已經轉變。呈列方式之變動已追溯應用。採用新香港財務報告準則導致本集團以下的會計政策出現變動，並影響本年度或過往會計年度之業績編製及呈列方式。

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### 3. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS

(continued)

#### (a) Business combinations

In the current year, the Group has applied HKFRS 3 “Business Combinations” which is effective for business combinations for which the agreement date is on or after 1st January, 2005. The principal effects of the application of HKFRS 3 to the Group are summarised below:

##### (i) Goodwill

In previous years, goodwill arising on acquisitions was capitalised and amortised over its estimated useful life. The Group has applied the relevant transitional provisions in HKFRS 3. With respect to goodwill previously capitalised on the balance sheet, the Group on 1st January, 2005 eliminated the carrying amount of the related accumulated amortisation of HK\$58,906,000 with a corresponding decrease in the cost of goodwill (see Note 21). The Group has discontinued amortising such goodwill from 1st January, 2005 and goodwill will be tested for impairment at least annually and in the financial year in which the acquisition takes place. Goodwill arising on acquisitions on or after 1st January, 2005 is measured at cost less accumulated impairment losses (if any) after initial recognition. As a result of this change in accounting policy, no amortisation of goodwill has been charged in the current year. Comparative figures for 2004 have not been restated.

### 3. 應用《香港財務報告準則》(續)

#### (a) 業務合併

於本年度內，本集團採用對協議日期為二零零五年一月一日或以後之業務合併生效之《香港財務報告準則》第3條「業務合併」。採用《香港財務報告準則》第3條對本集團之主要影響概述如下：

##### (i) 商譽

於過往年度，因收購而產生之商譽乃撥充資本及按其估計可使用年期攤銷。本集團已採用《香港財務報告準則》第3條之有關過渡性條文。就先前於資產負債表中撥充資本之商譽，本集團於二零零五年一月一日撤銷有關累計攤銷的賬面值58,906,000港元，而商譽的成本也相應減少(見附註21)。本集團已由二零零五年一月一日起停止攤銷有關商譽，而商譽將最少每年及於收購進行之財政年度作減值測試。於二零零五年一月一日或以後因收購而產生之商譽於首次確認後按成本減累計減值虧損(如有)計算。由於此項會計政策之變動，本年度並無對商譽作出攤銷。二零零四年之比較數字並無重列。

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### 3. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS

(continued)

#### (a) Business combinations (continued)

- (ii) Excess of the Group's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost (previously known as "negative goodwill").

In accordance with HKFRS 3, any excess of the Group's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost of acquisition ("discount on acquisition") is recognised immediately in the income statement in the year in which the acquisition takes place. In previous years, negative goodwill arising on acquisitions was presented as a deduction from assets and released to income based on an analysis of the circumstances from which the balance resulted.

Discount on acquisition of approximately HK\$124,784,000 was credited to the consolidated income statement in relation to the increase of shareholding in a subsidiary by the Group during the year (Note 13).

### 3. 應用《香港財務報告準則》(續)

#### (a) 業務合併 (續)

- (ii) 本集團應佔被收購者可識別資產、負債及或然負債權益的公平值淨額超過成本的金額(前稱「負商譽」)。

根據《香港財務報告準則》第3條，任何本集團應佔被收購者可識別資產、負債及或然負債權益的公平值淨額超過收購成本(「收購折讓」)的金額乃於收購進行之年度即時於利潤表確認。於過往年度，因收購而產生之負商譽乃呈列為資產減項，並按該結餘產生原因之分析計入收入。

於年內，有關本集團增加於一間附屬公司之權益之收購折讓約124,784,000港元已計入綜合利潤表內(見附註13)。

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### 3. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS

(continued)

#### (b) Financial instruments

In the current year, the Group has applied HKAS 32 “Financial Instruments: Disclosure and Presentation” and HKAS 39 “Financial Instruments: Recognition and Measurement”. HKAS 32 requires retrospective application. HKAS 39, which is effective for annual year beginning on or after 1st January, 2005, generally does not permit the recognition, derecognition or measurement of financial assets and liabilities on a retrospective basis. The adoption of HKAS 32 had no material impact to the Group. The principal effects resulting from the implementation of HKAS 39 are summarised below:

#### (i) Convertible bonds

Previously, the convertible bonds denominated in United States dollars were classified as liabilities and recorded at the proceeds received, net of premium payable on redemption and direct issue costs, on the balance sheet. Such convertible bonds contain a liability component and an embedded conversion option, which are required to be accounted for separately in accordance with HKAS 39. On 1st January, 2005, the Group designated such convertible bonds as financial liabilities comprising a liability component and an embedded conversion option in accordance with the transitional provisions in HKAS 39. The fair value of the convertible bonds at 1st January, 2005 and 31st December, 2005 was assessed by a professional valuer.

The liability component of convertible bonds is measured at amortised cost using the effective interest method. The embedded conversion option is measured at fair value at balance sheet date and the changes in fair value was recognised to the income statement.

### 3. 應用《香港財務報告準則》(續)

#### (b) 金融工具

於年內，本集團採用《香港會計準則》第32條「金融工具：披露及呈列」及《香港會計準則》第39條「金融工具：確認及計量」。《香港會計準則》第32條規定追溯應用。於二零零五年一月一日或以後開始之年度生效之《香港會計準則》第39條，一般不允許對財務資產及負債進行追溯性的確認，不再確認或計量。採用《香港會計準則》第32條對本集團沒有重大影響。採用《香港會計準則》第39條主要影響概述如下：

#### (i) 可換股債券

以往，以美元列值的可換股債券分類為負債，並按收取的收入減贖回的應付費用及直接發行成本後，於資產負債表列賬。因這些可換股債券有負債成份及內含換股權，按《香港會計準則》第39條規定須分別呈列。根據《香港會計準則》第39條的過渡條文，本集團於二零零五年一月一日指定這些可換股債券為包含負債成份和內含換股權的財務負債。於二零零五年一月一日和二零零五年十二月三十一日的可換股債券的公平值已由專業估值師評估。

可換股債券的負債成份按攤銷成本，以實際利率法計量。內含換股權於資產負債表按公平值計量，而公平值的變動於利潤表確認。

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### 3. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS

(continued)

#### (b) Financial instruments (continued)

##### (i) Convertible bonds (continued)

On 1st January, 2005, the gain on fair value adjustment on the embedded conversion option of HK\$32,019,000 has been recognised with a corresponding adjustment to the Group's retained earnings.

##### (ii) Classification and measurement of financial assets and financial liabilities

The Group 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.

Up to 31st December, 2004, the Group classified and measured its equity securities in accordance with the benchmark treatment of Statement of Standard Accounting Practice ("SSAP") 24 "Accounting for Investment in Securities". Under SSAP 24, investments in debt or equity securities are classified as "investment in securities", "other investments" or "held-to-maturity investments" as appropriate. "Investment in securities" are carried at cost less impairment losses (if any) while "other investments" are measured at fair value, with unrealised gains or losses included in the income statement. "Held-to-maturity investments" are carried at amortised cost less impairment losses (if any). From 1st January, 2005 onwards, the Group classifies and measures its equity securities in accordance with HKAS 39. Under HKAS 39, financial assets 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". The classification depends on the purpose for which the assets are acquired. "Financial assets at fair value through profit or loss" and "available-for-sale financial assets" are carried at fair value, with changes in fair values recognised in the income statement and equity respectively. Available-for-sale equity investments that do not have quoted market prices in an active market and whose fair value cannot be reliably measured are stated at cost less impairment after initial recognition.

### 3. 應用《香港財務報告準則》(續)

#### (b) 金融工具 (續)

##### (i) 可換股債券 (續)

於二零零五年一月一日，內含換股權的公平值調整收益32,019,000港元已確認，而本集團的保留溢利也作出相應調整。

##### (ii) 財務資產和財務負債的分類和計量

本集團已應用《香港會計準則》第39條有關該條範圍內財務資產和財務負債的分類和計量的相關過渡條文。

直至二零零四年十二月三十一日止，本集團根據《會計實務準則》第24條「證券投資的會計處理方法」之基準處理方式對其股本證券作出分類及計量。根據《會計實務準則》第24條，債務證券或股本證券投資乃列作「投資證券」、「其他投資」或「持有至到期日之投資」，以適合者為準。「投資證券」乃按成本減減值虧損(如有)計量，而「其他投資」乃按公平值計量，其未變現收益或虧損計入利潤表。「持有至到期日之投資」乃按攤銷成本減減值虧損(如有)列賬。由二零零五年一月一日起，本集團根據《香港會計準則》第39條對其股本證券進行分類及計量。根據《香港會計準則》第39條，財務資產乃列作「按公平值計入損益之財務資產」、「可供出售財務資產」、「貸款及應收賬款」或「持有至到期日之財務資產」。分類乃視乎所收購之資產之目的而定。「按公平值計入損益之財務資產」及「可供出售財務資產」乃按公平值列賬，並分別於利潤表及權益中確認公平值之變動。並無於活躍市場的報價，而且其公平值未能可靠地計算的可供出售證券投資，在初次確認後按成本減減值列賬。

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### 3. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS

(continued)

#### (b) Financial instruments (continued)

##### (ii) Classification and measurement of financial assets and financial liabilities

(continued)

On 1st January, 2005, the Group classified and measured its debt and equity securities in accordance with the requirements of HKAS 39. Certain investments in securities of HK\$49,537,000 as at 1st January, 2005 are classified as “available-for-sale investments” and stated at cost less impairment losses (if any) where their fair values cannot be reliably measured. Other investments of HK\$74,366,000 are classified as available-for-sale investments and carried at fair value. Hence, a gain on fair value adjustment of HK\$16,619,000 has been recognised on 1st January, 2005 with a corresponding adjustment to the Group’s retained earnings.

##### (iii) Financial assets and financial liabilities other than debt and equity securities

From 1st January, 2005 onwards, the Group classifies and measures its financial assets and financial liabilities other than debt and equity securities (which were previously outside the scope of SSAP 24) in accordance with the requirements of HKAS 39. As mentioned above, 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)”. “Other financial liabilities” are carried at amortised cost using the effective interest method.

### 3. 應用《香港財務報告準則》(續)

#### (b) 金融工具 (續)

##### (ii) 財務資產和財務負債的分類和計量 (續)

於二零零五年一月一日，本集團根據《香港會計準則》第39條之規定對其債務及股本證券進行分類及計量。於二零零五年一月一日，公平值未能可靠計量的某些證券投資49,537,000港元分類為「可供出售投資」，並按成本減減值虧損（如有）後列賬。其他投資74,366,000港元分類為「可供出售投資」，按公平值列賬。因此，公平值調整收益16,619,000港元已於二零零五年一月一日確認，本集團的保留溢利也作相應調整。

##### (iii) 債務及股本證券以外的財務資產和財務負債

從二零零五年一月一日開始，本集團根據《香港會計準則》第39條之規定把債務及股本證券以外的財務資產和財務負債（從前超出《會計實務準則》第24條的範圍）分類和計量。如上所述，根據《香港會計準則》第39條之規定，財務資產分類為「按公平值計入損益之財務資產」、「可供出售財務資產」、「貸款及應收款項」或「持有至到期財務資產」。財務負債一般分類為「按公平值計入損益之財務負債」或「按公平值計入損益之財務負債以外的財務負債（其他財務負債）」。「其他財務負債」按實際利率法以攤銷成本列賬。

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### 3. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS

(continued)

#### (c) Owner-occupied leasehold interests in land

In previous years, owner-occupied leasehold land and buildings and leasehold land under construction were included in property, plant and equipment and properties under development, respectively, and measured using the cost model. 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 lease premium for land 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 and an amount of HK\$89,615,000 and HK\$803,619,000 had been reclassified from property, plant and equipment and properties under development, respectively, to lease premium for land as at 31st December, 2004 (see Note 4 for the financial impact). Alternatively, where the allocation between the land and buildings elements cannot be made reliably, the leasehold interests in land continue to be accounted for as property, plant and equipment.

### 3. 應用《香港財務報告準則》(續)

#### (c) 擁有人佔用的土地租賃權益

在以往年度，業主自用的租賃土地及樓宇，及在建租賃土地分別計入物業、廠房及設備及發展中物業，按成本模式計量。本集團於本年度應用《香港會計準則》第17條「租賃」。根據《香港會計準則》第17條，土地及樓宇租賃的土地及樓宇成份按租賃分類分開計量，除非租賃付款未能於土地及樓宇部份可靠分配，則整份租賃一般視為融資租賃。倘能於土地及樓宇部份間可靠分配租賃款項，則土地租賃權益重新分類為經營租賃的土地租賃費用，按成本列賬，並按直線法在租賃期攤銷。該會計政策的變動已追溯採用，於二零零四年十二月三十一日，89,615,000港元和803,619,000港元已分別從物業、廠房及設備及發展中物業重新分類為土地租賃費用(財務影響見附註4)；而未能可靠地按土地及樓宇成份作分配的部份，土地租賃權益仍作物業、廠房及設備入賬。

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### 3. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS

(continued)

#### (d) Investment properties

In the current year, the Group has, for the first time, applied HKAS 40 “Investment Property”. 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 income statement for the year in which they arise. In previous year, investment properties under SSAP 13 “Accounting for Investment Properties” were measured at open market values, with revaluation surplus or deficits credited or charged to investment properties 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 properties 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 HKAS 40 retrospectively. An amount of HK\$119,735,000 had been transferred to the Group’s retained earnings as at 31st December, 2004 (see Note 4 for the financial impact). Comparative figures for 2004 have been restated.

### 3. 應用《香港財務報告準則》(續)

#### (d) 投資物業

於本年度，本集團首次應用《香港會計準則》第40條「投資物業」。本集團已選擇運用公平值模式將其投資物業入賬。此模式規定將投資物業公平值變動所產生之收益或虧損直接確認於有關損益產生的年度內之利潤表。在過往年度根據《會計實務準則》第13條「投資物業會計處理方法」之規定，投資物業以公開市值計量，重估盈餘或虧絀計入投資物業重估儲備或從該儲備扣除。除非儲備結餘不足以彌補重估值所產生之減值，則重估減值高出投資物業重估儲備結餘之數額自利潤表中扣除。若減值已於早前自利潤表中扣除而其後之重估出現升值，則升值按之前的減幅計入利潤表。本集團已追溯應用《香港會計準則》第40條。為數119,735,000港元之金額已撥作本集團於二零零四年十二月三十一日之保留溢利(財務影響見附註4)。二零零四年之比較數字已重列。



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

### 3. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS

(continued)

#### (e) Share-based payments

In the current year, the Group has applied HKFRS 2 Share-based Payment which requires an expense to be recognised where the Group buys goods or obtains services in exchange for shares or rights over shares (“equity-settled transactions”), or in exchange for other assets equivalent in value to a given number of shares or rights over shares (“cash-settled transactions”). The principal impact of HKFRS 2 on the Group is in relation to the expensing of the fair value of share options granted to directors and employees of the Company, determined at the date of grant of the share options, over the vesting period. Prior to the application of HKFRS 2, the Group did not recognise the financial effect of these share options until they were exercised. The Group has applied HKFRS 2 to share options granted on or after 1st January, 2005. In relation to share options granted before 1st January, 2005, the Group chooses not to apply HKFRS 2 with respect to share options granted on or before 7th November, 2002 and vested before 1st January, 2005. However, the Group is still required to apply HKFRS 2 retrospectively to share options that were granted after 7th November, 2002 and had not yet vested on 1st January, 2005. Because there were no unvested share options at 1st January, 2005, comparative figures for 2004 need not be restated.

### 3. 應用《香港財務報告準則》(續)

#### (e) 以股份為本的付款交易

於年內，本集團已應用《香港財務報告準則》第2條以股份為本的付款交易，該準則規定倘本集團以股份或股份權利換取購貨或取得服務（「以股權結算之交易」），或換取價值等同指定數量的股份或股份權的其他資產（「以現金結算的交易」），則有關開支將予確認。《香港財務報告準則》第2條對本集團的主要影響是關於授予本公司董事和僱員的購股權的公平值在賦予期間列支，而該價值由授予購股權的當天決定。在應用《香港財務報告準則》第2條前，本集團不確認這些購股權的財務影響，直至這些購股權行使為止。本集團已把《香港財務報告準則》第2條應用於在二零零五年一月一日或之後授予的購股權。就於二零零五年一月一日前授予的購股權，本集團選擇不把《香港財務報告準則》第2條應用於在二零零二年十一月七日或之前授予，並在二零零五年一月一日前賦予的購股權。然而，本集團仍須追溯把《香港財務報告準則》第2條應用於在二零零二年十一月七日後授予，並在二零零五年一月一日還未賦予的購股權。由於在二零零五年一月一日沒有未賦予的購股權，二零零四年的比較數字不需重列。

## Notes to the Financial Statements

## 財務報表附註

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

### 3. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS

(continued)

The Group has not early applied the following new standards or interpretations that have been issued but are not yet effective. The Directors of the Company has commenced considering the potential impact of these standards or interpretations but are not yet in a position to determine whether these standards and interpretations would have a significant impact on how the Group's results of operations and financial position are presented.

HKAS 1 (Amendment)	Capital Disclosures <sup>1</sup>	《香港會計準則》第1條 (修訂本)	資本披露 <sup>1</sup>
HKAS 19 (Amendment)	Actuarial Gains and Losses, Group Plans and Disclosures <sup>2</sup>	《香港會計準則》第19條 (修訂本)	精算損益、集團 計劃及披露 <sup>2</sup>
HKAS 21 (Amendment)	Net Investment in a Foreign Operation <sup>2</sup>	《香港會計準則》第21條 (修訂本)	境外業務投資淨額 <sup>2</sup>
HKAS 39 (Amendment)	Cash Flow Hedge Accounting of Forecast Intragroup Transactions <sup>2</sup>	《香港會計準則》第39條 (修訂本)	預測集團內部交易 之現金流量對沖 會計處理法 <sup>2</sup>
HKAS 39 (Amendment)	The Fair Value Option <sup>2</sup>	《香港會計準則》第39條 (修訂本)	公平價值計算之選 擇權 <sup>2</sup>
HKAS 39 & HKFRS 4 (Amendments)	Financial Guarantee Contracts <sup>2</sup>	《香港會計準則》第39條及 《香港財務報告準則》 第4條 (修訂本)	財務擔保合約 <sup>2</sup>
HKFRS 6	Exploration for and Evaluation of Mineral Resources <sup>2</sup>	《香港財務報告準則》第6條	礦物資源之勘探及 評估 <sup>2</sup>
HKFRS 7	Financial instruments: Disclosures <sup>1</sup>	《香港財務報告準則》第7條	金融工具：披露 <sup>1</sup>
HK(IFRIC)-Int 4	Determining whether an Arrangement Contains a Lease <sup>2</sup>	香港 (國際財務匯報準則 詮釋委員會) －詮釋第4條	釐定安排是否包括 租賃 <sup>2</sup>
HK(IFRIC)-Int 5	Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds <sup>2</sup>	香港 (國際財務匯報準則 詮釋委員會) －詮釋第5條	終止運作、復原及 環境修復基金所 產生權益之權利 <sup>2</sup>
HK(IFRIC)-Int 6	Liabilities arising from Participating in a Specific Market-Waste Electrical and Electronic Equipment <sup>3</sup>	香港 (國際財務匯報準則 詮釋委員會) －詮釋第6條	參與特定市場 - 廢 料、電力及電子 設備所產生之負 債 <sup>3</sup>
HK(IFRIC)-Int 7	Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies <sup>4</sup>	香港 (國際財務匯報準則 詮釋委員會) －詮釋第7條	根據《香港會計準 則》第29條惡性 通貨膨脹經濟中 之財務報告採用 重述法 <sup>4</sup>

### 3. 應用《香港財務報告準則》(續)

本集團並無提早採用以下已頒佈但未生效之新準則或詮釋。本公司董事已開始考慮這些準則或詮釋可能造成的影響，但尚未能釐定採用此等準則及詮釋是否會對本集團的營運業績及財務狀況的呈列方式造成重大影響。

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

### 3. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS

(continued)

- 1 Effective for annual periods beginning on or after 1st January, 2007
- 2 Effective for annual periods beginning on or after 1st January, 2006
- 3 Effective for annual periods beginning on or after 1st December, 2005
- 4 Effective for annual periods beginning on or after 1st March, 2006

### 4. SUMMARY OF THE EFFECTS OF THE CHANGES IN ACCOUNTING POLICIES

An analysis of increase (decrease) in profit for the year by line items is presented according to their nature:

### 3. 應用《香港財務報告準則》(續)

- 1 適用於二零零七年一月一日或以後開始之年度期間
- 2 適用於二零零六年一月一日或以後開始之年度期間
- 3 適用於二零零五年十二月一日或以後開始之年度期間
- 4 適用於二零零六年三月一日或以後開始之年度期間

### 4. 會計政策變動之影響概要

本年度按性質呈列之項目對溢利增加(減少)分析如下：—

	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Increase in fair value of investment properties 投資物業之公平值增加	-	141,047
Increase in share of results of jointly controlled entities 應佔合營企業業績之增加	2	361
Increase in share option expenses 購股權費用增加	(4,442)	-
Decrease in amortisation of goodwill 商譽攤銷減少	24,133	-
Increase in effective interest expense on the liability component of convertible bonds 可換股債券負債部份之實際利息開支之增加	(16,144)	-
Increase in loss arising from changes in fair value of convertible bond embedded conversion option 可換股債券內含換股權的公平值變動產生的虧損增加	(38,010)	-
Transaction cost on issuance of convertible bonds due 2009 amortised using effective interest method 發行二零零九年到期之可換股債券的發行成本按實際利率法攤銷	2,373	-
Recognition of discount on acquisition released to income 撥至收入之收購折讓確認	124,784	-
Increase in taxation 稅項增加	(2)	(21,518)
Increase in profit for the year 年度溢利增加	<u>92,694</u>	<u>119,890</u>

## Notes to the Financial Statements

## 財務報表附註

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

## 4. SUMMARY OF THE EFFECTS OF THE CHANGES IN ACCOUNTING POLICIES

(continued)

The cumulative effects of the application of the new HKFRSs as at 31st December, 2004 and 1st January, 2005 are summarised below:

## 4. 會計政策變動之影響概要 (續)

採用新香港財務報告準則於二零零四年十二月三十一日及於二零零五年一月一日之累計影響概述如下：

		As at 31st December 2004 (originally stated) HK\$'000 於二零零四年 十二月三十一日 (原本呈列) 千港元		As at 31st December 2004 (restated) HK\$'000 於二零零四年 十二月三十一日 調整 (重列) 千港元		As at 1st January 2005 (restated) HK\$'000 於二零零五年 一月一日 調整 (重列) 千港元	
<b>THE GROUP</b>	<b>本集團</b>						
<b>Balance sheet items</b>	<b>資產負債表項目</b>						
	《香港會計準則》第17條 及40條之影響						
Impact of HKAS 17 & HKAS 40							
Property, plant and equipment	物業、廠房及設備	402,873	(89,615)	313,258	-	313,258	
Properties under development	發展中物業	1,308,801	(803,619)	505,182	-	505,182	
Lease premium for land	土地租賃費用	-	893,234	893,234	-	893,234	
	《香港會計準則》 第39條之影響						
Impact of HKAS 39							
Investments in securities	證券投資	123,903	-	123,903	(123,903)	-	
Available-for-sale investments	可供出售投資	-	-	-	140,522	140,522	
Convertible bonds 2009	二零零九年可換股債券	(385,764)	-	(385,764)	(34,126)	(419,890)	
<b>Total effects on assets and liabilities</b>	<b>對資產及負債之總影響</b>	<b>1,449,813</b>	<b>-</b>	<b>1,449,813</b>	<b>(17,507)</b>	<b>1,432,306</b>	
Retained earnings	保留溢利	903,212	119,735	1,022,947	(17,507)	1,005,440	
Investment properties revaluation reserve	投資物業重估儲備 reserve	119,735	(119,735)	-	-	-	
Minority interests	少數股東權益	-	245,117	245,117	-	245,117	
<b>Total effects on equity</b>	<b>對權益之總影響</b>	<b>1,022,947</b>	<b>245,117</b>	<b>1,268,064</b>	<b>(17,507)</b>	<b>1,250,557</b>	
Minority interests	少數股東權益	245,117	(245,117)	-	-	-	
		<b>1,268,064</b>	<b>-</b>	<b>1,268,064</b>	<b>(17,507)</b>	<b>1,250,557</b>	

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

#### 4. SUMMARY OF THE EFFECTS OF THE CHANGES IN ACCOUNTING POLICIES

(continued)

The financial effects of the application of the new HKFRSs to the Group's equity at 1st January, 2004 are summarised as below:

	As originally stated	Adjustment	As restated
	HK\$'000	HK\$'000	HK\$'000
	原本呈列	調整	重列
	千港元	千港元	千港元
Minority interests			
		少數股東權益	
	-	243,857	243,857

#### 5. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared on the historical cost convention, except for certain properties and financial instruments, 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.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

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

#### 4. 會計政策變動之影響概要 (續)

採用新香港財務報告準則對本集團於二零零四年一月一日之權益之財務影響概述如下：

	As originally stated	Adjustment	As restated
	HK\$'000	HK\$'000	HK\$'000
	原本呈列	調整	重列
	千港元	千港元	千港元
Minority interests			
		少數股東權益	
	-	243,857	243,857

#### 5. 主要會計政策概要

如下列之會計政策所述，本綜合財務報表乃按照歷史成本記賬法編製，惟若干物業及金融工具按公平值計算除外。

##### 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。

於年內收購或出售之附屬公司之業績由收購生效當日起計或計至出售生效當日為止(如適用)計入綜合利潤表。

倘有需要，本集團會對附屬公司之財務報表作出調整，使其會計政策與本集團其他成員公司所用者保持一致。

本集團內公司之間所有重要交易、結餘收入及開支均於綜合計算時撇銷。

## Notes to the Financial Statements

### 財務報表附註

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

#### 5. SIGNIFICANT ACCOUNTING POLICIES

(continued)

##### Basis of consolidation (continued)

On acquisition of additional interest in a subsidiary, the difference between the consideration paid and the goodwill and the carrying values of the underlying asset and liabilities attributable to the additional interests in a subsidiary is debited to special reserve. On subsequent disposal of a subsidiary, the attributable special reserve is include in the determination of the amount of profit or loss on disposal.

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

##### Business combination

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

#### 5. 主要會計政策概要 (續)

##### 綜合賬目基準 (續)

增購於附屬公司之權益時，已付代價與商譽和應佔附屬公司額外權益的有關資產和負債賬面值之差額計入特別儲備內。於往後出售附屬公司時，其特別儲備應佔金額會在出售時計入以釐定出售時之損益金額。

綜合附屬公司資產淨值之少數股東權益與本集團於其中之權益分開呈列。資產淨值之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。少數股東應佔虧損超出少數股東於附屬公司之股本權益之金額將與本集團權益對銷，惟少數股東具有約束力責任及其有能力作出額外投資以彌補該等虧損則除外。

##### 業務合併

收購附屬公司以購買法入賬。收購成本按於買賣日之指定資產、已發生或承擔之負債及本集團發行以交換控制被收購者的工具之總公平值，加入直接應佔業務合併的任何成本計算。符合《香港財務報告準則》第3條確認條文的被收購者的可識別資產、負債及或然負債於收購日按其公平值確認。

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

## 5. SIGNIFICANT ACCOUNTING POLICIES

(continued)

### Business combination (continued)

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

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

### Goodwill

#### Goodwill arising on acquisitions prior to 1st January, 2005

Goodwill arising on an acquisition of a subsidiary or an associate for which the agreement date is before 1st January, 2005 represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of the relevant subsidiary or associate at the date of acquisition.

#### Goodwill arising on acquisitions on or after 1st January, 2005

The Group has applied the relevant transitional provisions in HKFRS 3 on 1st January, 2005. From 1st January, 2005 onward, the Group will carried goodwill at cost less any accumulated impairment losses.

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

## 5. 主要會計政策概要 (續)

### 業務合併 (續)

收購產生的商譽確認為資產，最初按成本計算，為業務合併成本多於已確認的本集團於可識別資產、負債及或然負債的權益的公平淨值。如重估後本集團於被收購者的可識別資產、負債及或然負債公平淨值的權益超過業務合併成本，超出的數額將立即於利潤表確認。

於被收購者的少數股東權益最初按少數股東應佔已確認的資產、負債及或然負債公平淨值的比例計算。

### 商譽

#### 於二零零五年一月一日前因收購而產生之商譽

因收購附屬公司或聯營公司產生的商譽（收購之協議日期為二零零五年一月一日前），乃指收購成本於收購日期超出本集團應佔有關附屬公司或聯營公司之可識別資產及負債的公平值權益。

#### 於二零零五年一月一日或之後因收購而產生之商譽

本集團已於二零零五年一月一日應用《香港財務報告準則》第3條之有關暫時條文。自二零零五年一月一日開始，本集團將按成本減任何累計減值虧損入賬。

源自收購附屬公司的已列作資本商譽在資產負債表分開呈列。

## Notes to the Financial Statements

### 財務報表附註

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

#### 5. SIGNIFICANT ACCOUNTING POLICIES

(continued)

##### Goodwill (continued)

Goodwill arising on acquisitions on or after 1st January, 2005 (continued)

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

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

Excess of an acquirer's interest in the net fair value of an acquiree's identifiable assets, liabilities and contingent liabilities over cost ("discount on acquisitions" previously known as "negative goodwill")

A discount on acquisition arising on an acquisition of a subsidiary, an associate or a jointly controlled entity for which an agreement date is on or after 1st January, 2005 represents the excess of the net fair value of an acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the business combination.

#### 5. 主要會計政策概要 (續)

##### 商譽 (續)

於二零零五年一月一日或之後因收購而產生之商譽 (續)

就減值測試而言，因收購產生之商譽會分配至預期自收購所產生協同效益之有關現金產生單位或多個現金產生單位。商譽所獲分配之現金產生單位會每年進行減值測試，或於有跡象顯示該單位可能出現減值時進行減值測試。就因收購產生商譽之財政年度而言，商譽所分配之現金產生單位會於該財政年度結束前進行減值測試。倘現金產生單位之可收回數額少於其賬面值，則減值虧損會先用作減低任何分配至該單位之商譽之賬面值，其後則按該單位內各項資產賬面值之比例分配至該單位之其他資產。商譽減值虧損乃直接於利潤表內確認，商譽減值虧損不會於往後期間撥回。

於往後出售之附屬公司或聯營公司時，其資本化商譽應佔金額會於出售時計入以釐定出售之損益金額。

**收購者應佔被收購者可識別資產、負債及或然負債權益的公平值淨額超過成本的金額 (「收購折讓」前稱「負商譽」)**

收購附屬公司、聯營公司或合營企業而協定日期為二零零五年一月一日或以後所產生的收購折讓為應佔被收購者可識別資產、負債及或然負債權益的公平值淨額超過業務合併的成本。



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

## 5. SIGNIFICANT ACCOUNTING POLICIES

(continued)

### Investments in subsidiaries

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

### Interests in associates

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

### Interests in jointly controlled entities

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

## 5. 主要會計政策概要 (續)

### 於附屬公司之投資

於附屬公司之投資按成本減任何已確定減值虧損列入本公司資產負債表。

### 於聯營公司之權益

聯營公司之業績及資產與負債以會計權益法計入此等綜合財務報表內。根據權益法，於聯營公司之投資乃按成本，並就本集團於收購後分佔溢利或虧損之變動及聯營公司權益之變動作出調整，再減任何已識別減值虧損計入綜合資產負債表。當本集團所佔聯營公司虧損等於或超出於該聯營公司權益時，本集團將終止確認其所佔之進一步虧損。惟倘本集團須向聯營公司承擔法律或推定義務，或須代其支付款項，則須就額外虧損撥備或確認負債。當集團實體與本集團聯營公司進行交易時，溢利及虧損會以本集團於相關聯營公司之權益為限予以撇銷。

### 於合營企業之權益

應佔合營企業之業績、資產及負債已按會計權益法列入綜合財務報表中。根據權益法，於合營企業之投資乃按成本，並就本集團於收購後分佔溢利或虧損之變動及合營企業權益之變動及減任何辨識的減值虧損，計入綜合資產負債表列支。當本集團應佔合營企業的虧損相等於或超出其於合營企業的權益，本集團不再確認其應佔的進一步虧損。惟倘本集團須向合營企業承擔法律或推定義務，或須代其支付款項，則須就額外虧損撥備或確認負債。

## Notes to the Financial Statements

### 財務報表附註

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

#### 5. SIGNIFICANT ACCOUNTING POLICIES

*(continued)*

##### Financial instruments

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

##### Financial Assets

The Group's financial assets are classified into one of the three categories, including financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets.

##### *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss has two subcategories, including investments held for trading and those designated at fair value through profit or loss on initial recognition. The Group classified certain financial assets as held for trading investments. At each balance sheet date subsequent to initial recognition, the financial assets at fair value through profit or loss are measured at fair value, with changes in fair value recognised directly in the income statement in the period in which they arise.

#### 5. 主要會計政策概要 (續)

##### 金融工具

財務資產及財務負債乃當集團實體成為工具合約條文之訂約方時，在資產負債表中確認。財務資產及財務負債初步按公平值計算。因收購或發行財務資產及財務負債而直接產生之交易成本(不包括按公平值計入損益之財務資產及財務負債)，於初次確認時按適用情況加入或扣減自該項財務資產或財務負債之公平值。因收購按公平值計入損益之財務資產或財務負債而直接產生之交易成本即時於利潤表中確認。

##### 財務資產

本集團之財務資產可分為三種類別，包括按公平值計入損益之財務資產、貸款及應收款項及可供出售財務資產。

##### *按公平值計入損益之財務資產*

按公平值計入損益之財務資產可分為兩類，包括待售投資及於初次確認時按公平值計入損益之財務資產。本集團將其財務資產分類為待售投資。於首次確認後之各個結算日，按公平值計入損益之財務資產乃按公平值計量。而公平值之變動在彼等產生之期間內即時直接在利潤表中確認。

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

## 5. SIGNIFICANT ACCOUNTING POLICIES

(continued)

### Financial instruments (continued)

#### Financial Assets (continued)

##### Loans and receivables

The Group's financial assets are classified as loans and receivables. Loans and receivables (including other receivables, trade receivables and bank balances) 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 are carried at amortised cost using the effective interest method, less any identified impairment losses. An impairment loss is recognised in the income statement when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

##### Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as any of the other categories (set out above). At each balance sheet date subsequent to initial recognition, available-for-sale financial assets are measured at fair value. Changes in fair value are recognised in equity, until the financial asset is disposed of or is determined to be impaired, at which time, the cumulative gain or loss previously recognised in equity is removed from equity and recognised in the income statement. Any impairment losses on available-for-sale financial assets are recognised in the income statement. Impairment losses on available-for-sale equity investments will not reverse through the income statement in subsequent periods. For available-for-sale debt investments, impairment losses are subsequently reversed if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

## 5. 主要會計政策概要 (續)

### 金融工具 (續)

#### 財務資產 (續)

##### 貸款及應收款項

本集團之財務資產分類為貸款及應收款項。貸款及應收款項(包括其他應收賬款、應收貿易賬款及銀行結餘)為附帶固定或可釐定付款之非衍生性質財務資產，且並無在活躍市場計算報價。於初次確認後各個結算日，貸款及應收款項採用實際利息法以攤銷成本計算，減任何已識別減值虧損列賬。倘能客觀地證明資產出現減值，則減值虧損會於利潤表確認，並按資產賬面值與按原實際利率折讓之估計日後現金流量之現值之差額計算。當資產之可收回金額增加能客觀地確實與已確認減值後所發生之事件有關時，則減值虧損會於隨後期間撥回，惟該資產於撥回減值之日之賬面值不得超出未確認減值時之已有攤銷成本。

##### 可供出售財務資產

可供出售財務資產為非衍生項目，其須指定為可供出售財務資產或未歸類為其他類別(載於上文)。於首次確認後各結算日，可供出售財務資產按公平值計算。公平值之變動於權益確認，直至該財務資產被出售或被釐定有所減值，屆時過往於權益確認之累計收入或虧損會自權益剔除，並於利潤表中確認。可供出售財務資產之任何減值虧損於利潤表中確認。可供出售之股本投資之減值虧損將不會於以後期間撥回。就可供出售債項投資而言，倘該投資之公平值之增加能客觀地確實與已確認減值後所發生之事件有關時，則減值虧損會於隨後期間撥回。

## Notes to the Financial Statements

### 財務報表附註

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

#### 5. SIGNIFICANT ACCOUNTING POLICIES

(continued)

##### Financial instruments (continued)

##### Financial liabilities and equity instruments

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

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received net of direct issue costs.

The Group's financial liabilities are generally classified into financial liabilities at fair value through profit or loss and other financial liabilities. Financial liabilities including trade and other payables are subsequently measured at amortised cost, using the effective interest method.

##### Derecognition

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

For financial liabilities, they are removed from the Group's balance sheet (i.e. when the obligation specified in the relevant contract is discharged, cancelled or expires). The difference between the carrying amount of the financial liability derecognised and the consideration received or receivable is recognised in the income statement.

#### 5. 主要會計政策概要 (續)

##### 金融工具 (續)

##### 財務負債及股本工具

由集團實體發行之財務負債及股本工具按所訂立之合約安排性質，以及財務負債及股本工具之定義而分類。

股本工具為證明集團資產剩餘權益(經扣除其所有負債)之任何合約。由本公司發行之股本工具按收取之款項扣除直接發行成本入賬。

本集團之財務負債一般分類為按公平值計入損益之財務負債及其他負債。財務負債包括應付貿易賬款及其他應付賬款，是按實際利率法以攤銷成本計算。

##### 取消確認

若從資產收取現金之權利已屆滿，或財務資產已轉讓及本集團已將其於財務資產擁有權之絕大部分風險及回報轉移，則財務資產將被取消確認。於取消確認財務資產時，資產賬面值與已收及已直接於權益確認之累計損益之總和之差額，將於利潤表中確認。

至於財務負債，當有關合約訂明之特定責任獲解除、取消或屆滿時，則於本集團之資產負債表中剔除。取消確認之財務負債賬面值與已收或應收代價之差額乃於利潤表中確認。

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

## 5. SIGNIFICANT ACCOUNTING POLICIES

(continued)

### Impairment losses (other than goodwill)

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.

### Investment properties

On initial recognition, investment properties are measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured using the fair value model. Gain or losses arising from changes in the fair value of investment property are included in the income statement for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use or no future economic benefits is expected from its disposals. 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 asset) is included in the income statement in the year in which the item is derecognised.

## 5. 主要會計政策概要 (續)

### 減值虧損 (商譽除外)

於各結算日，本集團審核其有形及無形資產之賬面值以確定該等資產是否出現減值虧損跡象。若估計某項資產之可收回金額低於其賬面值時，則該項資產之賬面值將調低至其可收回金額。減值虧損將即時確認為開支。

若隨後撥回減值虧損，則該項資產之賬面值將增至調整後之估計可收回金額，惟此增加之賬面值不得超過以往年度確認減值虧損前已釐定之賬面值。減值虧損撥回將即時確認為收入。

### 投資物業

於初次確認時，投資物業以成本 (包括任何直接應佔費用) 計算。於初次確認後，投資物業乃按公平值模式計量。在投資物業公平值變動產生之收益或虧損在其產生期間計入利潤表中。

投資物業於出售或永久不再使用或預期不能從出售中獲取經濟利益時，該投資物業會被取消確認。在取消確認資產時所產生之任何盈虧 (根據資產出售所得款項淨額與賬面值之差額計算) 會在該項目被取消確認之年度內計入利潤表中。

## Notes to the Financial Statements

### 財務報表附註

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

#### 5. SIGNIFICANT ACCOUNTING POLICIES

(continued)

##### Property, plant and equipment

Property, plant and equipment, other than construction work-in-progress, are stated at cost less accumulated depreciation and accumulated impairment losses, if any. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to the working condition and location necessary for it to be capable of operating in the manner intended by management. Expenditures incurred after the asset has been put into operation are charged to the income statement unless the expenditure has clearly resulted in an increase in the future economic benefits expected to be obtained from the use of the assets, in which case, the expenditures would be capitalised into the cost of the assets.

Construction work-in-progress is stated at cost less any identified impairment loss. When the construction is completed and the asset is available for use, the related cost is transferred to any appropriate category of property, plant and equipment and depreciated in accordance with the following policy.

Depreciation is provided to write off the cost of the assets other than construction work-in-progress less their estimated residual value over their estimated useful lives by equal annual instalments at the following rates:

Buildings	2% to 4% per annum
Plant and equipment	4% to 13% per annum
Other fixed assets	18% to 40% per annum

When assets are sold or otherwise disposed of, their cost/valuation and accumulated depreciation/amortisation are written off from the financial statements and any gain or loss on the disposal is included in the income statement.

The gain or loss on the disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the income statement.

#### 5. 主要會計政策概要 (續)

##### 物業、廠房及設備

物業、廠房及設備(除在建工程外)乃以成本值減累計折舊及累計減值虧損(如有)列賬。資產的成本值包括其購買價及把該資產付運至目的地及使之能按管理層原意操作所需的直接費用。自資產使用後,有關的開支自利潤表扣除,除非能明確地指出該等開支能令使用有關資產提高日後的經濟收益,則該等開支會撥作資產的成本。

在建工程按成本減去任何已確認之減值虧損入賬。當工程完成後及該資產可投入使用時,有關成本則按適當類別撥入物業、廠房及設備,並按以下政策作折舊撥備。

除在建工程以外,資產的折舊乃按其估計可使用年期用下列的年率,以每年相等的數額分期撇銷超出其估計殘值之成本值。年率如下:

樓宇	每年2%至4%
廠房及設備	每年4%至13%
其他固定資產	每年18%至40%

倘資產已售出或以其他方式賣掉,其成本值/估值及累計折舊/攤銷將自賬目中扣除,而出售資產帶來的任何損益均計入利潤表。

出售或退棄資產產生之收益或虧損按該資產於銷售時所得款項與其賬面值之差額而釐定,並在利潤表中確認。

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

## 5. SIGNIFICANT ACCOUNTING POLICIES

(continued)

### Properties held for sale

Properties held for sale are stated at the lower of cost and estimated net realisable value.

### Properties under development

Properties developed for purpose not yet determined are carried in the financial statements at cost less any identified impairment loss. Cost of properties under development includes, where appropriate, interest capitalised. No depreciation has been provided for properties under development.

### Borrowing costs

Borrowing costs incurred in connection with properties under development are capitalised until the relevant properties are completed, save for projects the development activities of which are suspended temporarily, borrowing costs are not capitalised during the period of suspension.

All other borrowing costs are recognised in the income statement in the year in which they are incurred.

### Other assets

Other assets represent antiques which are stated at cost less any identified impairment loss.

### Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

When properties are developed for sale, income is recognised only when the sale agreement is unconditional or when the relevant occupation permit is issued by the relevant authority, whichever is the later. Payments received from purchasers prior to this stage are recorded as deferred revenue and is classified as current liabilities.

## 5. 主要會計政策概要 (續)

### 待售物業

待售物業以成本值及估計可變現淨值兩者中之較低者列賬。

### 發展中物業

未釐定用途的發展中物業乃按成本值減任何已確認減值虧損入賬。發展中物業的成本值包括撥作成本之利息(如適用)。發展中物業並無作出折舊撥備。

### 借貸成本

直至有關物業落成為止，與發展中物業有關之借貸成本均撥作資本。惟倘項目的發展工作暫停，借貸成本於暫停期內不會撥作資本。

所有其他借貸成本均計入在其產生之年度內的利潤表中。

### 其他資產

其他資產代表古董，乃按成本值減任何已確認減值虧損列賬。

### 收入確認

收入是按已收或應收代價的公平值計量。

待售物業之收入須在買賣協議成為無條件或在有關當局發出樓宇入伙紙後(以較後者為準)始行入賬。此階段前買家所支付的款項概列於流動負債項下作遞延收入。

## Notes to the Financial Statements

### 財務報表附註

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

#### 5. SIGNIFICANT ACCOUNTING POLICIES

(continued)

##### Revenue recognition (continued)

Interest income represents gross interest income from bank deposits and is recognised on a time apportionment basis using the effective interest method.

Revenue from sale of goods is recognised when the significant risks and rewards of ownership of the goods have been transferred and neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold has been retained by the Group but subject to the conditions that the flow of economic benefits associated with the transaction to the Group is probable and the amount of revenue and related costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from provision of services is recognised when the services are rendered.

Revenue from sales of investments held for trading is recognised when the sales contract has become unconditional.

Interest income is accrued on time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Property management fee income is recognised on an appropriate basis over the relevant period in which the services are rendered.

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

Dividend income from investments is recognised when the Group's rights to receive payment have been established.

##### Deferred revenue

Deferred revenue mainly represents the pre-sale deposits received from buyers of properties and the rental receipts in advance from customers.

#### 5. 主要會計政策概要 (續)

##### 收入確認 (續)

利息收入是指銀行存款之總利息收入，是以實際利率法按時間比例確認。

出售貨品的收入在擁有該貨品而需承擔之風險及享有之回報已予轉嫁，以及本集團不再對所售出貨品涉及近乎擁有權之持續管理或保留貨品實際控制權之情況下始入賬，惟須在來自有關交易之經濟收益可由本集團收取，以及該交易涉及的收益及已產生或將會產生的有關成本能可靠釐定後方可作準。

從提供服務所得的收入，在提供服務時入賬。

出售待售投資的收益於銷售合約成為無條件時入賬。

利息收入參考未償還本金及適用之實際利率按時間比例入賬。

物業管理費收入按適當的基準，在有關期間內提供服務時入賬。

經營租約下之租金收入以直線法按有關租約年期確認。

來自被投資公司之股息收入在本集團獲得收取之權利時入賬。

##### 遞延收入

遞延收入主要是指從物業買家收取的預售訂金及從客戶預先收取的租金按金。



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

## 5. SIGNIFICANT ACCOUNTING POLICIES

(continued)

### Foreign currencies

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

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in the income statement 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 the income statement of 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 consolidation 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 (foreign currency translation reserve). Such exchange differences are recognised in the income statement in the period in which the foreign operation is disposed of.

## 5. 主要會計政策概要 (續)

### 外幣

於編製各集團實體之財務報表時，以該實體之功能貨幣以外之貨幣(外幣)進行之交易乃按交易日期之適用匯率折算記錄。於各結算日，以外幣列值之貨幣項目按該結算日之適用匯率換算。按公平值入賬及以外幣結算之非貨幣項目按公平值釐定當日之適用匯率換算。以外幣過往成本計算之非貨幣項目毋須重新換算。

因結算及換算貨幣項目而產生之匯兌差額會於產生期間之利潤表中確認，惟構成本集團海外業務的淨投資一部分的貨幣項目所產生的匯兌差額除外。在這種情況下，這種匯兌差額在綜合財務報表的權益確認。因重新換算按公平值入賬之非貨幣項目而產生之匯兌差額計入當期利潤表，惟重新換算非貨幣項目(其收益及虧損直接於權益內確認)而產生之差額除外，於此情況下，匯兌差額亦直接於權益中確認。

就綜合財務報表呈列而言，本集團之海外業務資產及負債乃按於結算日之適用匯率換算為本公司之呈列貨幣(即港元)，而其收入及開支則按該年度之平均匯率換算，除非於該期間之匯率大幅波動則除外，於此情況下，則按各項交易之日所使用之適用匯率換算。產生之匯兌差額(如有)乃確認為權益中之獨立成分(外幣匯兌儲備)。該等匯兌差額乃於出售海外業務期間內之利潤表中確認。

## Notes to the Financial Statements

### 財務報表附註

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

#### 5. SIGNIFICANT ACCOUNTING POLICIES

(continued)

##### Taxation

Taxation 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 income statement 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.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries 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 tax rates that are expected to apply in the period when the liability is settled or the assets is realised. 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.

#### 5. 主要會計政策概要 (續)

##### 稅項

稅項指即期應付稅項及遞延稅項。

即期應付稅項乃按年度之應課稅溢利計算。由於應課稅溢利不包括於其他年度應課稅收入或可扣稅之開支項目，亦不包括無需課稅或不可作稅項扣減之開支，故應課稅溢利與於利潤表所報之溢利有所不同。本集團即期稅務負債採用於結算日已頒佈或實際頒佈之稅率計算。

遞延稅項乃根據綜合財務報表內資產及負債賬面值與計算應課稅盈利所採用相應稅基之差額，以資產負債表負債法確認。遞延稅項負債一般就所有應課稅暫時差異予以確認，而遞延稅項資產則於暫時差異有可能用於抵銷應課稅溢利時予以確認。

遞延稅項負債乃就投資於附屬公司產生應課稅暫時差異時確認，惟本集團可控制暫時差異之撥回及暫時差異將不會於可見將來撥回時除外。

遞延稅項資產之賬面值乃於各個結算日進行檢討，並予以相應扣減，直至並無足夠應課稅溢利可供全部或部分遞延稅項資產可予應用為止。

遞延稅項乃按預期於負債獲清償或資產獲變現期間計算。遞延稅項乃於利潤表中扣除或計入，惟遞延稅項倘直接從權益中扣除或直接計入權益之項目，則遞延稅項亦於權益中處理。

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

## 5. SIGNIFICANT ACCOUNTING POLICIES

(continued)

### Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average method.

### Share-based payment transactions

In the current year, the Group has applied HKFRS 2 “share-based payment” which requires the Group to recognise the fair value of directors’ and employees’ share options as an expense in the income statement. A corresponding increase is recognised in a capital reserve within equity. If a director or an employee chooses to exercise options, the related capital reserve is transferred to share capital and share premium, together with the exercise price. If the options lapse unexercised the related capital reserve is transferred directly to retained earnings.

Prior to the application of HKFRS 2, no amounts was recognised when directors and employees were granted share options over shares in the Company. If the directors and employees chose to exercise the options, the nominal amount of share capital and share premium were credited only to the extent to the option’s exercise price received.

### 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.

## 5. 主要會計政策概要 (續)

### 存貨

存貨乃按成本值及可變現淨值兩者中之較低者入賬。成本以加權平均法計算。

### 以股份為基礎之付款交易

在本年度，本集團已應用《香港財務報告準則》第2條「以股份為基礎之付款交易」。根據該條文規定，本集團把董事和僱員的購股權公平值確認為利潤表中的開支；權益中的資本儲備也相應增加同一款項。如果一位董事或僱員選擇行使購股權，相關資本儲備與行使價同時轉至股本及股份溢價。如果購股權失效時還未行使，相關資本儲備直接轉至保留溢利。

採用《香港財務報告準則》第2條前，董事和僱員獲授予本公司股份的購股權時沒有確認有關金額。如果董事和僱員選擇行使購股權，股本的票面值和股份溢價只在購股權行使價已收取的情況下入賬。

### 租賃

當租賃之條款實質上將所有權所產生之絕大部分風險和回報轉至承租人，該租賃即歸類為融資租賃。其他租賃全部列作經營租賃。

#### *本集團作為出租人*

經營租賃的租金收入乃按有關租賃年期以直線法於利潤表中確認。於磋商和安排經營租賃時產生之初次直接費用，乃加至租賃資產的賬面值，並按租賃年期以直線法確認為開支。

## Notes to the Financial Statements

### 財務報表附註

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

#### 5. SIGNIFICANT ACCOUNTING POLICIES

(continued)

##### The Group as lessee

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

##### Retirement benefit cost

Payments to defined contribution retirement benefit schemes are charged as expenses as they fall due.

#### 6. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

##### Key sources of estimation uncertainty

The key sources of estimation uncertainty and the critical judgments that can significantly affect the amounts recognised in the financial information are disclosed below:

##### Impairment of available-for-sale investments

The Group's available-for-sale investments are expected to be held for long term and therefore any revaluation deficit or surplus arising from revaluation is not expected to have any impact to the Group's income statement. In making this judgment, the Group will base on the quoted market prices of the equity securities available on the relevant exchanges to compare with the carrying cost of the available-for-sale financial assets. Should the deficit arising from revaluation is other-than-temporarily impaired, an impairment loss will be recognised in the income statement.

##### Impairment of properties under development

Properties under development are all valued using the cost method, which at cost less any identified impairment. Should the future economic benefits expected to be obtained from the further operation of properties under development is less than the carrying cost, an impairment loss will be recognised in the income statement.

#### 5. 主要會計政策概要 (續)

##### 本集團作為承租人

經營租賃之應付租金乃按相關租賃年期以直線法於利潤表中扣除。作為促使訂立經營租賃之已收及應收利益，以直線法按租賃年期確認為租金開支扣減。

##### 退休福利成本

對界定供款退休福利計劃之供款於到期時列為開支。

#### 6. 重大會計判斷及估計不明朗因素之主要來源

##### 估計不明朗因素之主要來源

可能對於財務報表中所確認之數額產生重大影響之估計不明朗因素之主要來源及重大會計判斷的披露如下：

##### 可供出售投資的減值

本集團預計會長期持有可供出售投資，因此，任何重估虧損或盈餘預計不會對本集團的利潤表造成任何影響。在作出此種判斷時，本集團將參考股本證券在相關交易所的公開市價，與可供出售之財務資產的賬面成本比較。如果重估產生的虧損為非暫時性減值，則該減值虧損將於利潤表中確認。

##### 發展中物業減值

所有發展中物業的估值均採用成本法，即成本減任何可識別減值。若預計從發展中物業的營運所取得的未來經濟收益少於賬面值，則減值虧損將於利潤表中確認。

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## 6. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(continued)*

### Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value.

### Impairment of investment properties

As described in note 17, investment properties are stated at fair value based on the valuation performed by independent professional valuers. In determining the fair value, the valuers have based on a method of valuation which involves certain estimates. In relying on the valuation report, the management has exercised their judgement and are satisfied that the method of valuation is reflective of the current market conditions.

## 7. FINANCIAL RISKS MANAGEMENT OBJECTIVES AND POLICIES

The Group's major financial instruments are available-for-sale investments, investment held for trading, trade receivables, other receivables, cash and cash equivalents, trade payable and convertible bonds. Details of these financial instruments are disclosed in respective notes. The risks associated with this financial instrument 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.

### Price risk

The Group's equity instruments are classified as investments held for trading and available-for-sale investments. The Group is exposed to equity securities price risk. Management intends to manage this exposure by maintaining a portfolio of investments with different risk profiles. On the other hand, the Group has property development in Shanghai, in which the Group is also exposed to certain price risk. Management is confident to the prospect of the Group's investment in the property sector in Shanghai and it has been cautious in formulating and reviewing regularly the Group's business plan.

## 6. 重大會計判斷及估計不明朗因素之主要來源 (續)

### 商譽減值

要確定商譽是否減值，須先估計已獲分配商譽的現金產生單位的使用價值。計算使用價值前，本集團須估計來自現金產生單位的未來現金流量，也須估計一個適合的折讓率，以計算其現值。

### 投資物業減值

如附註17所述，投資物業乃按獨立專業估值師進行之估值以公平值列賬。在釐定公平值時，估值師依據之估值方法涉及若干估計。在依賴估值報告之餘，管理層已行使其判斷力並信納估值方法足以反映現時市況。

## 7. 財務風險管理目標及政策

本集團之主要金融工具包括可供出售投資、待售投資、應收貿易賬款、其他應收賬款、現金及等同現金項目、應付貿易賬款及可換股債券。該等金融工具之詳情已於相關附註內披露。下文載列與該等金融工具相關之風險及如何減低該等風險之政策。管理層管理及監控該等風險，以確保能及時及有效地採取合適的措施。

### 價格風險

本集團之股本工具分類為待售投資及可供出售投資。本集團需面對股本證券價格風險。管理層擬透過維持一個涉及不同風險程度之投資組合管理有關風險。另一方面，本集團在上海有物業發展，故本集團亦要面對若干價格風險。管理層對本集團在上海的房地產投資前景充滿信心，並一直審慎制訂及定期檢討本集團之業務計劃。

## Notes to the Financial Statements

### 財務報表附註

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

#### 7. FINANCIAL RISKS MANAGEMENT OBJECTIVES AND POLICIES (continued)

##### Foreign exchange control risk

Conversion of Renminbi into any other currency is under strict government regulation in the People's Republic of China (the "PRC"). Certain subsidiaries and jointly controlled entities of the Group are operating in the PRC. When the subsidiaries and jointly controlled entities are able to pay dividends in foreign currencies to the Group, they have to comply with certain procedural requirements. As the current foreign exchange regulatory scheme in the PRC provides for more relaxed foreign exchange controls for current account transactions, including foreign-exchange transactions and payment of dividends, therefore, the risks of restriction of payment of dividends in foreign currencies is reduced.

##### Credit risk

The Group's principal financial assets include trade and other receivables and cash and cash equivalents. The Group's maximum exposure to credit risk in the event of counterparties' failure to perform their obligations as at 31st December, 2005 in relation to each class of recognised financial assets in the carrying amount of those assets as stated in the consolidated balance sheet. In order to minimise the credit risk, the management will monitor the credit status of customers and perform necessary procedures to ensure that follow-up action is taken to recover overdue debts. The credit risk on cash and cash equivalents is limited because the counterparties are banks with good reputation.

In addition, the Group reviews the recoverable amount of each individual receivable at each balance sheet date to ensure that adequate impairment losses are recognised for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's exposure to bad debts is minimal.

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

#### 7. 財務風險管理目標及政策 (續)

##### 外匯監控風險

中華人民共和國(「中國」)政府以嚴格規例監管人民幣兌換任何其他貨幣。本集團若干附屬公司及合營企業在中國營運。當附屬公司及合營企業向本集團支付外幣股息時，須遵守若干程序規定。由於中國現時的外匯管制制度對往來賬交易(包括外匯交易以及支付股息)方面的外匯管制較為寬鬆，因此限制以外幣支付股息之風險減少。

##### 信貸風險

本集團的主要財務資產包括應收貿易賬款及其他應收賬款及現金及等同現金項目。倘交易方於二零零五年十二月三十一日未能履行彼等之責任，則本集團就各類別已確認之財務資產須承受之最大信貸風險，為綜合資產負債表內所列該等資產之賬面值。為了減低信貸風險，管理層將會監察客戶的信貸狀況，推行所需的程序，以確保就逾期未付的債務採取跟進行動。現金及等同現金項目的信貸風險有限，因為交易對方是信譽良好的銀行。

此外，本集團於每個結算日檢討每筆個別的應收賬款的可收回款項，以確保就不可收回款項作出足夠減值虧損。就此而言，本公司董事認為本集團在壞賬方面所承擔之風險極低。

本集團因客戶分佈廣泛故沒有高度集中的信貸風險。

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

## 7. FINANCIAL RISKS MANAGEMENT OBJECTIVES AND POLICIES (continued)

### Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates as the Group has no significant interest-bearing assets. The Group's exposure to changes in interest rates is mainly attributable to its bank balances and bank borrowings. Bank loans at variable rates expose the Group to cash flow interest-rate risk. Details of the Group's bank borrowings have been disclosed in Note 32.

The Group currently does not have an interest rate hedging policy. However, management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arises.

### Currency risk

Certain cash and bank balances of the Group are denominated in foreign currencies. The Group currently does not have a foreign currency hedging policy. However, management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arises.

## 8. BUSINESS AND GEOGRAPHICAL SEGMENTS

Turnover represents the aggregate of revenue under the following headings :

- (i) **Property investment**
  - represents revenue from property management and net rental income
- (ii) **Property development and trading**
  - represents gross revenue received and receivable from sales of properties
- (iii) **Industrial operations**
  - represents the gross revenue from sale of PVC pipes
- (iv) **Leisure**
  - represents the income from golf club operations and its related services
- (v) **Securities trading**
  - represents the gross revenue received and receivable from trading of securities

## 7. 財務風險管理目標及政策 (續)

### 利率風險

因為本集團沒有重大計息資產，故本集團的收入和營運現金大部份不受市場利率變動影響。本集團所面對的利率變動風險主要是由銀行結餘和銀行貸款所致。銀行貸款的利率各有不同，使本集團面對現金流量的利率風險。有關本集團的銀行貸款詳情於附註32披露。

本集團目前並無利率對沖政策。然而，管理層已監控利率風險，倘有需要則將會考慮對沖重大利率風險。

### 貨幣風險

本集團若干現金及銀行結餘乃以外幣列值。本集團目前並無採取外幣對沖政策。然而，管理層現時監控外匯風險，並將於有需要時考慮對沖所承擔之重大外幣風險。

## 8. 業務及營業地區分類

營業額指以下各項收入總額：

- (i) **物業投資**
  - 指物業管理收入及租金收入淨額
- (ii) **物業發展及銷售**
  - 指物業銷售之已收及應收收益總額
- (iii) **工業業務**
  - 指出售膠管所得總收益
- (iv) **消閒業務**
  - 指經營哥爾夫球會所業務及其相關服務收入
- (v) **證券買賣**
  - 指證券買賣所得之已收及應收總收益

## Notes to the Financial Statements

### 財務報表附註

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

#### 8. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

##### Business segments

For the year ended 31st December, 2005

		Property Investment	Property Development and Trading 物業發展	Industrial Operations	Leisure	Securities Trading	Others	Elimination	Total
		物業投資	及銷售	工業業務	消閒業務	證券買賣	其他	抵銷	合計
		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
<b>REVENUE</b>	<b>收入</b>								
External sales	對外銷售	58,225	282,483	58,479	78,695	18,775	-	-	496,657
Inter-segment sales	內部之銷售	248	-	722	-	-	-	(970)	-
		<u>58,473</u>	<u>282,483</u>	<u>59,201</u>	<u>78,695</u>	<u>18,775</u>	<u>-</u>	<u>(970)</u>	<u>496,657</u>
Inter-segment sales are charged at prevailing market prices.	內部之銷售按現行市價計算。								
<b>RESULT</b>	<b>業績</b>								
Segment result	分類業績	<u>39,219</u>	<u>90,457</u>	<u>5,625</u>	<u>26,125</u>	<u>(2,145)</u>	<u>-</u>	<u>-</u>	<u>159,281</u>
Other income	其他收入								34,354
Unallocated corporate expenses	不予分類企業開支								<u>(90,095)</u>
									103,540
Finance costs	融資費用								<u>(17,392)</u>
Discount on acquisition released to income	撥至收入之收購折讓	-	124,784	-	-	-	-	-	124,784
Share of results of associates	應佔聯營公司之業績	-	-	-	(280)	-	1,462	-	1,182
Share of results of jointly controlled entities	應佔合營企業之業績	-	37	-	21,841	-	-	-	<u>21,878</u>
Profit before taxation	除稅前溢利								233,992
Taxation	稅項								<u>(28,166)</u>
Profit for the year	年度溢利								<u>205,826</u>

#### 8. 業務及營業地區分類 (續)

##### 按業務分類

截至二零零五年十二月三十一日止年度



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

**8. BUSINESS AND GEOGRAPHICAL SEGMENTS** (continued)  
Business segments (continued)

**8. 業務及營業地區分類** (續)  
按業務分類 (續)

		Property Development	Property Investment	and Trading	Industrial Operations	Leisure	Securities Trading	Others	Total
		物業發展	物業投資	及銷售	工業業務	消閒業務	證券買賣	其他	合計
		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
<b>BALANCE SHEET</b>	<b>資產負債表</b>								
As at 31st December, 2005	於二零零五年十二月三十一日								
<b>ASSETS</b>	<b>資產</b>								
Segment assets	分類資產	1,140,584	2,430,711	83,346	530,621	8,354	-	-	4,193,616
Interests in associates	於聯營公司之權益	-	-	-	1,129	-	4,922	-	6,051
Interests in jointly controlled entities	於合營企業之權益	-	23,966	-	93,602	-	-	-	117,568
Unallocated corporate assets	不予分類企業資產								421,185
Consolidated total assets	綜合總資產								4,738,420
<b>LIABILITIES</b>	<b>負債</b>								
Segment liabilities	分類負債	38,458	87,713	3,742	162,906	-	-	-	292,819
Current portion of long-term bank borrowings	長期銀行借款即期部份	-	192,215	-	-	-	-	-	192,215
Amount due to a jointly controlled entity	欠合營企業款項	-	16,223	-	-	-	-	-	16,223
Convertible bonds 2009	二零零九年可換股債券								322,675
Unallocated corporate liabilities	不予分類企業負債								130,719
Consolidated total liabilities	綜合總負債								954,651
<b>OTHER INFORMATION</b>	<b>其他資料</b>								
For the year ended 31st December, 2005	截至二零零五年 十二月三十一日止年度								
Capital additions to property, plant and equipment	物業、廠房及設備 資產添置	1,484	1,223	1,019	535	-	1,283	-	5,544
Capital additions to properties under development	發展中物業資產添置	-	468,471	-	-	-	-	-	468,471
Depreciation	折舊	673	1,887	4,744	13,545	-	659	-	21,508
Amortisation of lease premium for land	土地租賃費用攤銷	-	-	586	4,625	-	-	-	5,211
Allowance for bad and doubtful debts	呆壞賬撥備	1,488	145	771	-	-	-	-	2,404
Net gain (loss) on disposal of property, plant and equipment, net of written off	出售物業、廠房及設備之收益 (虧損)淨額，已扣除撇銷金額	259	266	39	(5)	-	77	-	636

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#### 8. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

##### Business segments (continued)

For the year ended 31st December, 2004 (Restated)

#### 8. 業務及營業地區分類 (續)

##### 按業務分類 (續)

截至二零零四年十二月三十一日止年度 (重列)

		Property		Industrial	Leisure	Securities		Others	Elimination	Total
		Property Development	Investment and Trading			Trading				
		物業發展	物業投資	工業業務	消閒業務	證券買賣	其他	抵銷	合計	
		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	
<b>REVENUE</b>	<b>收入</b>									
External sales	對外銷售	56,557	598,109	55,783	54,685	215	-	-	765,349	
Inter-segment sales	內部之銷售	83	-	943	-	-	-	(1,026)	-	
		<u>56,640</u>	<u>598,109</u>	<u>56,726</u>	<u>54,685</u>	<u>215</u>	<u>-</u>	<u>(1,026)</u>	<u>765,349</u>	
Inter-segment sales are charged at prevailing market prices.	內部之銷售按現行市價計算									
<b>RESULT</b>	<b>業績</b>									
Segment result	分類業績	<u>212,256</u>	<u>210,382</u>	<u>1,969</u>	<u>10,819</u>	<u>(18)</u>	<u>-</u>	<u>-</u>	<u>435,408</u>	
Other income	其他收入								34,494	
Unallocated corporate expenses	不予分類企業開支								(25,534)	
									<u>444,368</u>	
Finance costs	融資費用								(9,016)	
Profit on disposal of an associate	出售聯營公司之溢利	-	-	-	-	-	408	-	408	
Share of results of associates	應佔聯營公司之業績	-	-	-	(685)	-	3,104	-	2,419	
Share of results of jointly controlled entities	應佔合營企業之業績	-	290	-	12,195	-	-	-	<u>12,485</u>	
Profit before taxation	除稅前溢利								450,664	
Taxation	稅項								(74,658)	
Profit for the year	年度溢利								<u>376,006</u>	

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

**8. BUSINESS AND GEOGRAPHICAL SEGMENTS** (continued)  
Business segments (continued)

**8. 業務及營業地區分類** (續)  
按業務分類 (續)

		Property Development						Total
		Property Investment	and Trading	Industrial Operations	Leisure	Securities Trading	Others	Total
		物業投資	及銷售	工業業務	消閒業務	證券買賣	其他	合計
		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
<b>BALANCE SHEET</b>	<b>資產負債表</b>							
As at 31st December, 2004	於二零零四年十二月三十一日							
<b>ASSETS</b>	<b>資產</b>							
Segment assets	分類資產	1,035,079	2,399,245	78,492	919,982	-	-	4,432,798
Interests in associates	於聯營公司之權益	-	-	-	1,418	-	4,262	5,680
Interests in jointly controlled entities	於合營企業之權益	-	23,410	-	69,948	-	-	93,358
Unallocated corporate assets	不予分類企業資產							591,993
Consolidated total assets	綜合總資產							5,123,829
<b>LIABILITIES</b>	<b>負債</b>							
Segment liabilities	分類負債	15,464	183,868	3,200	135,595	-	-	338,127
Amount due to a jointly controlled entity	欠合營企業款項	-	14,871	-	-	-	-	14,871
Long-term bank borrowings	長期銀行借款	-	441,895	-	-	-	-	441,895
Convertible bonds 2009	二零零九年可換股債券							385,764
Unallocated corporate liabilities	不予分類企業負債							144,309
Consolidated total liabilities	綜合總負債							1,324,966
<b>OTHER INFORMATION</b>	<b>其他資料</b>							
For the year ended 31st December, 2004	截至二零零四年十二月三十一日止年度							
Capital additions to property, plant and equipment	物業、廠房及設備 資產添置	605	2,446	319	4,590	-	103	8,063
Capital additions to properties under development	發展中物業資產添置	-	326,400	-	-	-	-	326,400
Goodwill additions	商譽添置	-	15,078	-	-	-	-	15,078
Depreciation	折舊	544	2,015	6,342	13,069	-	490	22,460
Amortisation of lease premium for land	土地租賃費用攤銷	-	-	575	4,496	-	-	5,071
Amortisation of goodwill	商譽攤銷	-	36,613	-	-	-	-	36,613
Allowance (written back) for bad and doubtful debts	呆壞賬撥備(撥回)	356	-	(420)	-	-	-	(64)
Net gain (loss) on disposal of property, plant and equipment, net of written off	出售物業、廠房及設備之收益(虧損)淨額，已扣除撇銷金額	341	501	(2)	(356)	-	407	891

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## 財務報表附註

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

### 8. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

#### Geographical segments

The Group's operations and assets are principally situated in mainland China. Accordingly, no geographical analysis of information is presented.

### 9. OTHER INCOME

Other income included :	其他收入包括 :		
Interest on bank deposits and other receivables	銀行存款及其他應收賬款之利息	22,779	14,244
Net gain on disposal of property, plant and equipment, net of written off	出售物業、廠房及設備之收益淨額，已扣除撇銷金額	636	891
Gain on disposal of available-for-sale investments	出售可供出售投資溢利	38	-

### 10. OTHER EXPENSES

Other expenses included :	其他費用包括 :		
Amortisation of goodwill	商譽攤銷	-	36,613
Changes in fair value of investments held for trading	待售投資之公平值變動	3,585	-
Unrealised loss on investments in securities	證券投資之未變現虧損	-	19
Impairment loss on other assets (Note)	其他資產之減值虧損(附註)	19,362	-
Allowance for bad and doubtful debts	呆壞賬撥備	2,404	-
Loss arising from changes in fair value of convertible bond embedded conversion option	可換股債券內含換股權的公平值變動產生之虧損	38,010	-

Note: The impairment loss on other assets was calculated by reference to the subsequent selling price of this assets.

### 8. 業務及營業地區分類 (續)

#### 按營業地區分類

本集團之業務及資產主要位於中國國內，故並未呈列按營業地區分析之資料。

### 9. 其他收入

	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Other income included :		
Interest on bank deposits and other receivables	22,779	14,244
Net gain on disposal of property, plant and equipment, net of written off	636	891
Gain on disposal of available-for-sale investments	38	-

### 10. 其他費用

	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Other expenses included :		
Amortisation of goodwill	-	36,613
Changes in fair value of investments held for trading	3,585	-
Unrealised loss on investments in securities	-	19
Impairment loss on other assets (Note)	19,362	-
Allowance for bad and doubtful debts	2,404	-
Loss arising from changes in fair value of convertible bond embedded conversion option	38,010	-

附註：其他資產減值虧損乃參考該資產隨後售價而計算。

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

## 11. PROFIT BEFORE TAXATION

## 11. 除稅前溢利

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Profit before taxation has been arrived at after charging:	除稅前溢利已扣除：		
Staff costs	員工成本	37,765	35,339
Share options expenses	購股權費用	4,442	–
Provident fund scheme contributions	公積金計劃供款	2,847	2,877
Total staff costs (Note)	總員工成本(附註)	45,054	38,216
Auditors' remuneration	核數師酬金	2,052	1,855
Depreciation of property, plant and equipment	物業、廠房及設備折舊	21,508	22,460
Amortisation of lease premium for land	土地租賃費用攤銷	5,211	5,071
Minimum lease payment under operating leases	經營租約之最低租金	3,348	3,124
Direct operating expenses of the investment properties that generates rental income	產生租金收入的投資物業之直接營運費用	5,556	5,063
Cost of inventories recognised as expenses	確認為費用的存貨成本	179,759	317,263
and after crediting:	並已計入：		
Rental income from investment properties	投資物業租金收入	43,665	45,572
Write-back of bad and doubtful debts	撥回呆壞賬	–	64
Share of tax credit of jointly controlled entities (included in share of results of jointly controlled entities)	應佔合營企業稅收抵免 (已計入應佔合營企業業績)	2	361
Net foreign exchange gain	滙兌收益淨額	4,620	577
Net gain on disposal of investments held for trading	出售待售投資的收益淨額	1,035	–

## Notes to the Financial Statements

## 財務報表附註

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

## 11. PROFIT BEFORE TAXATION (continued)

Note:

The total staff costs included the aggregate emoluments paid to Directors are as follows:-

For the year ended 31st December, 2005

Name of Director	董事名稱	Fees HK'000	Salaries, allowances and other benefits HK\$'000	Employer's contribution to pension scheme HK\$'000	Share options expenses (Note) HK\$'000	Total emoluments HK\$'000
Madam Hsu Feng	徐楓女士	-	5,857	12	823	6,692
Mr. Chuang Hsiao Chen	莊然真先生	-	1,275	-	-	1,275
Mr. Tong Albert	湯子同先生	-	883	12	3,619	4,514
Madam Tung Wai Yee	董慧儀女士	144	-	-	-	144
Mr. Cheung Siu Ping, Oscar	張兆平先生	72	-	-	-	72
Mr. Lee Chan Fai	李燦輝先生	4	-	-	-	4
Resigned director	辭任董事					
Mr. Lu Yao-Tsu	陸耀祖先生	-	-	-	-	-
		220	8,015	24	4,442	12,701

Note: Share option expenses represented fair value at grant date of share options issued under the share option scheme charged to the income statement during the year disregarding whether the options have been exercised or not.

## 11. 除稅前溢利 (續)

附註：

總員工成本包括付予董事之酬金總額如下：

截至二零零五年十二月三十一日止年度

Salaries, allowances and other benefits HK\$'000	Employer's contribution to pension scheme HK\$'000	Share options expenses (Note) HK\$'000	Total emoluments HK\$'000
薪酬、 津貼及 其他福利 千港元	僱主 的退休 計劃供款 千港元	購股權費用 (註) 千港元	酬金總額 千港元

註：購股權費用為年度內按購股權計劃發行的購股權(不論是否行使)授出日的公平值，有關購股權已列入利潤表內。

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

### 11. PROFIT BEFORE TAXATION (continued)

For the year ended 31st December, 2004

Name of Director	董事名稱	Fees	Salaries, allowances and other benefits	Employer's contribution to pension scheme	Share options expenses	Total emoluments
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		酬金	薪酬、津貼及其他福利	僱主的退休計劃供款	購股權費用	酬金總額
		千港元	千港元	千港元	千港元	千港元
Madam Hsu Feng	徐楓女士	-	5,203	12	-	5,215
Mr. Chuang Hsiao Chen	莊然真先生	-	1,268	-	-	1,268
Mr. Tong Albert	湯子同先生	-	626	12	-	638
Madam Tung Wai Yee	董慧儀女士	144	-	-	-	144
Mr. Cheung Siu Ping, Oscar	張兆平先生	19	-	-	-	19
Mr. Lu Yao-Tsu	陸耀祖先生	-	-	-	-	-
		163	7,097	24	-	7,284

Included in the other emoluments of Executive Directors, the Group provided a free accommodation to a Director with rental expenses of HK\$738,000 for 2005 (2004: HK\$828,000) paid by the Group.

No Directors waived any emoluments for both years.

### 11. 除稅前溢利 (續)

截至二零零四年十二月三十一日止年度

Salaries, allowances and other benefits, Employer's contribution to pension scheme, Share options expenses, Total emoluments

包括於執行董事之其他酬金內，本集團於二零零五年為一位董事提供免費住宿，租金開支為738,000港元(二零零四年：828,000港元)。

於兩個年度內概無董事放棄任何酬金。

## Notes to the Financial Statements

## 財務報表附註

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

**11. PROFIT BEFORE TAXATION** (continued)

For the year ended 31st December, 2005, three (2004: two) of the five highest paid individuals of the Group were Directors. The aggregate emoluments of the remaining two (2004: three) highest paid individuals were as follows:-

	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Basic salaries, housing allowances, other allowances and benefits in kind	1,593	2,312
Provident fund scheme contributions	12	24
	<u>1,605</u>	<u>2,336</u>

The number of these individuals whose emoluments fell within the following band is as follows:-

Emoluments	酬金	Number of staff 人數	
		2005 二零零五年	2004 二零零四年
Not exceeding HK\$1,000,000	不超過1,000,000港元	2	3

**11. 除稅前溢利** (續)

截至二零零五年十二月三十一日止年度，在本集團最高薪酬之五位人士中之三位(二零零四年：兩位)為董事。其餘兩位(二零零四年：三位)最高薪酬人士獲發出之酬金總額如下：

該等人士在下列薪級範圍的人數如下：



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

## 12. FINANCE COSTS

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元 (Restated) (重列)
Interest on bank loans wholly repayable within five years	須於五年內全數償還之 銀行貸款之利息	27,536	20,143
Less: interest capitalised (Note 20)	減：資本化利息(附註20)	(27,536)	(19,906)
		-	237
Finance cost of convertible bonds due 2009	二零零九年到期可換股債券 之財務費用	17,392	8,779
		17,392	9,016

## 12. 融資費用

## 13. DISCOUNT ON ACQUISITION RELEASED TO INCOME

In March 2005, the Group acquired a 20% interest in the issued share capital of Bonton Co. Ltd. ("Bonton"), a then 80% indirect owned subsidiary of the Company which holds a subsidiary engaged in property development, at a consideration of approximately HK\$140,395,000, while the fair value of the Company's share of the identifiable assets, liabilities and contingent liabilities of Bonton at the date of acquisition, in aggregate, amounted to approximately HK\$265,179,000. The excess of the fair value over the cost of acquisition represented the discount on acquisition credited to the consolidated income statement for the year.

## 13. 撥至收入之收購折讓

於二零零五年三月，本集團以代價約140,395,000港元收購Bonton Co. Ltd. (「Bonton」)已發行股本中之20%權益，Bonton為本公司當時擁有80%權益之間接附屬公司，其持有之附屬公司從事物業發展。本公司於收購日應佔Bonton之可識別資產、負債及或然負債之公平值合共約為265,179,000港元。公平值高於收購成本之數額已計入年內綜合利潤表中之收購折讓。

## Notes to the Financial Statements

## 財務報表附註

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

## 14. TAXATION

## 14. 稅項

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元 (Restated) (重列)
The charge comprises:	支出包括：		
Overseas tax calculated at tax rates prevailing in the respective jurisdictions where the relevant individual group companies operate	按本集團屬下有關公司經營業務所在司法權區之現行稅率計算之海外稅項	27,896	47,959
Underprovision (overprovision) in prior years	過往年度撥備不足(超額撥備)		
– Overseas profits tax	– 海外利得稅	86	(1,400)
Deferred taxation charge (Note 33)	遞延稅項支出(附註33)	184	28,099
		<u>28,166</u>	<u>74,658</u>

Pursuant to the relevant laws and regulations in the PRC, a subsidiary of the Company is entitled to exemption from the PRC enterprise income tax for the first two years commencing from their first profit-making year of operation and thereafter, this PRC subsidiary will be entitled to a 50% relief from the PRC enterprise income tax for the following three years (“Tax Holiday”). The domestic income tax rate is the income tax rate of the jurisdiction where the major operations of the Group are based. The major PRC subsidiaries have their operations located in Pudong New Area, Shanghai, the PRC, and are subject to a tax rate of 15%.

根據中華人民共和國(「中國」)之有關法律及法規，本公司一家附屬公司於其首個營運獲利年度起計首兩個年度可獲豁免繳納中國企業所得稅，其後，此家中國附屬公司於隨後三年將可獲50%中國企業所得稅稅務優惠(「免稅期」)。本地所得稅稅率為本集團主要業務所在司法權地區之所得稅稅率。由於主要之中國附屬公司之業務位於中國上海浦東新區，須繳納按15%稅率計算之稅項。

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

#### 14. TAXATION (continued)

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

#### 14. 稅項 (續)

年內支出與綜合利潤表之除稅前溢利之對賬如下：

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元 (Restated) (重列)
Profit before taxation (excluding share of results of associates and jointly controlled entities)	除稅前溢利 (不包括應佔聯營公司 和合營企業業績)	210,932	435,760
Tax at the domestic income tax rate of 15% (2004: 15%)	按本地所得稅稅率15%計算之稅項 (二零零四年：15%)	31,640	65,364
Tax effect of tax losses not recognised	未確認稅項虧損之稅務影響	2,999	2,716
Tax effect of Tax Holiday	免稅期之稅務影響	(670)	(219)
Tax effect of expenses that are not deductible in determining taxable profit	釐訂應課稅溢利時不可作 扣稅開支之稅務影響	14,720	12,696
Tax effect of income that is not assessable in determining taxable profit	釐訂應課稅溢利時毋須作 課稅收入之稅務影響	(20,234)	(4,357)
Utilization of tax losses previously not recognized	動用以往未確認之稅項虧損	(375)	(142)
Underprovision (overprovision) of income taxes in prior years	過往年度所得稅撥備不足 (超額撥備)	86	(1,400)
Tax expense for the year	年度稅項開支	28,166	74,658
Effective tax rate	實際稅率	13.35%	17.13%

No provision for Hong Kong Profits Tax has been made as the profit neither arose in, nor was derived from Hong Kong.

Details of deferred taxation are set out in Note 33.

由於溢利並非產生於或源自香港，故並無就香港利得稅作出撥備。

遞延稅項之詳情載於附註33。

## Notes to the Financial Statements

## 財務報表附註

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

**15. DIVIDEND**

The Directors recommend the payment of a final dividend of HK\$0.05 per share for the year ended 31st December, 2005 (2004: HK\$0.10 per share).

**16. EARNINGS PER SHARE**

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

**15. 股息**

董事局建議派付截至二零零五年十二月三十一日止年度之末期股息每股0.05港元(二零零四年：每股0.10港元)。

**16. 每股盈利**

應佔本公司普通股股東每股基本及攤薄後盈利乃根據以下資料計算：

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元 (Restated) (重列)
<b>Earnings</b>	<b>盈利</b>		
Profit for the year attributable to shareholders of the Company for the purposes of basic earnings per share	年內用以計算本公司股東應佔每股基本盈利之溢利	203,664	363,332
Adjustment of finance costs on convertible bonds due 2009	二零零九年到期可換股債券之融資費用調整		8,779
Profit for the year attributable to shareholders of the Company for the purposes of diluted earnings per share	年內用以計算本公司股東應佔每股攤薄後盈利之溢利		372,111
<b>Number of shares</b>	<b>股份數目</b>		
Weighted average number/number of ordinary shares for the purposes of basic earnings per share	計算每股基本盈利之普通股加權平均數/數目	1,133,017,699	1,113,249,112
Effect of dilutive potential ordinary shares – Convertible bonds due 2009	普通股之潛在攤薄影響 – 二零零九年到期之可換股債券		115,152,725
Weighted average number of ordinary shares for the purposes of diluted earnings per share	計算每股攤薄後盈利之普通股加權平均數		1,228,401,837

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

## 16. EARNINGS PER SHARE (continued)

Diluted earnings per share for the year ended 31st December, 2005 is not applicable as the effect is anti-dilutive.

### Impact of changes in accounting policies

Changes in the Group's accounting policies during the year are described in detail in note 4. To the extent that those changes have had an impact on results reported for 2005 and 2004, they have had an impact on the amounts reported for earnings per share. The following table summaries that impact on both basic and diluted earnings per share:

	Impact on basic earnings per share 對每股基本盈利造成的影響		Impact on diluted earnings per share 對每股攤薄後盈利造成的影響	
	Year ended 2005 二零零五年 HK cents 港仙	Year ended 2004 二零零四年 HK cents 港仙	Year ended 2005 二零零五年 HK cents 港仙	Year ended 2004 二零零四年 HK cents 港仙
Figures before adjustments 調整前數字	9.80	21.88	N/A不適用	20.55
Adjustments arising from changes in accounting policies 會計政策變動造成的調整	8.18	10.76	N/A不適用	9.74
As reported/restated 報告/重列	17.98	32.64	N/A不適用	30.29

## 16. 每股盈利 (續)

截至二零零五年十二月三十一日止年度每股攤薄後盈利並不適用，因為影響為非攤薄性。

### 會計政策變動影響

本公司於年內的會計政策變動詳情載於附註4。對二零零五年和二零零四年度的業績造成影響的變動會對報告的每股盈利金額造成影響。下表總結這種對每股基本及攤薄後盈利造成的影響：

## 17. INVESTMENT PROPERTIES

## 17. 投資物業

		The Group 本集團 HK\$'000 千港元
<b>AT VALUATION</b>	<b>按估值</b>	
At 1st January, 2004	於二零零四年一月一日	580,100
Transfer from properties held for sale	撥自待售物業	261,715
Surplus on revaluations	重估盈餘	168,665
At 1st January, 2005 and 31st December, 2005	於二零零五年一月一日及 二零零五年十二月三十一日	1,010,480

## Notes to the Financial Statements

### 財務報表附註

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

#### 17. INVESTMENT PROPERTIES (continued)

The Group's investment properties are held under medium-term leases outside Hong Kong and are rented out under an operating lease.

The fair value of the Group's investment properties at 31st December, 2005 have been arrived at on the basis of a valuation carried out on that date by DTZ Debenham Tie Leung Limited, chartered surveyors, not connected with the Group. The valuation was arrived at by reference to market evidence of transaction prices for similar properties. There was no changes in fair value during the year of 2005.

The Group's property interests held under medium-term 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\$1,010,480,000 (2004: HK\$1,010,480,000).

Details of the investment properties are set out in the Schedule of Principal Properties attached to the financial statements.

#### 17. 投資物業 (續)

本集團的投資物業按香港以外的中期租賃期持有，按營運租賃出租。

於二零零五年十二月三十一日，本集團的投資物業公平值乃按與本集團沒有關連的特許測量師戴德梁行有限公司進行估值的基準入賬。估價參考同類物業的市場買賣價。於年內，公平值沒有變動。

按中期租約持有，以賺取租金或資本增值用途的本集團物業權益按公平值模式計量，分類並列作為投資物業。於二零零五年十二月三十一日，該物業權益的賬面值為1,010,480,000港元（二零零四年：1,010,480,000港元）。

投資物業之詳情載於隨附財務報表附註之主要物業表內。

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

## 18. PROPERTY, PLANT AND EQUIPMENT

## 18. 物業、廠房及設備

		Buildings	Plant and equipment	Construction work-in-progress	Other fixed assets	Total
		樓宇	廠房及設備	在建工程	其他固定資產	總額
		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
<b>THE GROUP</b>	<b>本集團</b>					
<b>AT COST</b>	<b>成本</b>					
At 1st January, 2004	於二零零四年一月一日	364,843	56,316	459	103,274	524,892
Additions	添置	108	1,841	153	5,961	8,063
Disposals	出售	(1,767)	-	-	(3,177)	(4,944)
Written off	撇銷	-	-	-	(4,312)	(4,312)
Reclassification	重新分類	103	-	(103)	-	-
Exchange adjustments	匯兌調整	717	112	-	177	1,006
At 1st January, 2005	於二零零五年一月一日	364,004	58,269	509	101,923	524,705
Additions	添置	-	256	284	5,004	5,544
Disposals	出售	-	-	-	(8,981)	(8,981)
Written off	撇銷	-	-	(708)	(1,119)	(1,827)
Transfer from properties under development	轉自發展中物業	8,230	-	-	-	8,230
Transfer from properties held for sale	轉自待售物業	511	-	-	-	511
Exchange adjustments	匯兌調整	8,082	1,295	11	1,917	11,305
At 31st December, 2005	於二零零五年十二月三十一日	380,827	59,820	96	98,744	539,487
<b>ACCUMULATED DEPRECIATION AND IMPAIRMENT</b>	<b>累計折舊、攤銷及減值</b>					
At 1st January, 2004	於二零零四年一月一日	80,106	38,842	-	76,285	195,233
Provided for the year	年內撥備	11,788	5,147	-	5,525	22,460
Eliminated on disposals	售後註銷	(212)	-	-	(2,504)	(2,716)
Written off	撇銷	-	-	-	(3,891)	(3,891)
Exchange adjustments	匯兌調整	157	77	-	127	361
At 1st January, 2005	於二零零五年一月一日	91,839	44,066	-	75,542	211,447
Provided for the year	年內撥備	12,054	3,463	-	5,991	21,508
Eliminated on disposals	售後註銷	-	-	-	(8,384)	(8,384)
Written off	撇銷	-	-	-	(237)	(237)
Exchange adjustments	匯兌調整	2,039	978	-	1,355	4,372
At 31st December, 2005	於二零零五年十二月三十一日	105,932	48,507	-	74,267	228,706
<b>NET BOOK VALUES</b>	<b>賬面淨值</b>					
At 31st December, 2005	於二零零五年十二月三十一日	274,895	11,313	96	24,477	310,781
At 31st December, 2004	於二零零四年十二月三十一日	272,165	14,203	509	26,381	313,258

## Notes to the Financial Statements

## 財務報表附註

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

## 18. PROPERTY, PLANT AND EQUIPMENT

(continued)

Note

Details of the golf course grouped under buildings are set out in the Schedule of Principal Properties attached to these financial statements.

## 19. LEASE PREMIUM FOR LAND

The Group's lease premium for land comprise:

## 18. 物業、廠房及設備 (續)

附註

列於樓宇項下之高爾夫球場之詳情載於隨附財務報表之主要物業表內。

## 19. 土地租賃費用

本集團的土地租賃費用包括：

	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元 (Restated) (重列)
Leasehold land outside Hong Kong: 香港以外以租約持有之土地：		
Long lease 長租約	896,981	893,234
Analysed for reporting purposes as: 為報告目的分析為：		
Current assets 流動資產	25,809	25,195
Non-current assets 非流動資產	871,172	868,039
	<u>896,981</u>	<u>893,234</u>



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

## 20. PROPERTIES UNDER DEVELOPMENT

## 20. 發展中物業

		The Group 本集團	
		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元 (Restated) (重列)
At 1st January, at cost	於一月一日，按成本值	505,182	486,892
Additions	添置	468,471	326,400
Interest capitalised	資本化利息	27,536	19,906
Transfer to properties held for sale	撥入待售物業	-	(328,839)
Transfer to property, plant and equipment	撥入物業、廠房及設備	(8,230)	-
Exchange adjustments	滙兌調整	11,215	823
At 31st December, at cost	於十二月三十一日，按成本值	<u>1,004,174</u>	<u>505,182</u>

Details of properties under development at the balance sheet date are set out in the Schedule of Principal Properties attached to the financial statements.

發展中物業於結算日之詳情載於隨附財務報表之主要物業表內。

## Notes to the Financial Statements

## 財務報表附註

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

## 21. GOODWILL

## 21. 商譽

		The Group 本集團 HK\$'000 千港元
<b>COST</b>	<b>成本</b>	
At 1st January, 2004	於二零零四年一月一日	77,116
Arising on increase in investment in a subsidiary	因增加附屬公司投資產生之成本	15,078
At 1st January, 2005	於二零零五年一月一日	92,194
Elimination of amortisation accumulated prior to the adoption of HKFRS 3 (see note 3)	採用《香港財務報告準則》第3條前的 累計攤銷撇銷 (見附註3)	(58,906)
At 31st December, 2005	於二零零五年十二月三十一日	33,288
<b>AMORTISATION</b>	<b>攤銷</b>	
At 1st January, 2004	於二零零四年一月一日	22,293
Charge for the year	年內支出	36,613
At 1st January, 2005	於二零零五年一月一日	58,906
Elimination of amortisation accumulated prior to the adoption of HKFRS 3 (see note 3)	採用《香港財務報告準則》第3條前的 累計攤銷撇銷 (見附註3)	(58,906)
At 31st December, 2005	於二零零五年十二月三十一日	-
<b>CARRYING AMOUNT</b>	<b>賬面值</b>	
At 31st December, 2005	於二零零五年十二月三十一日	33,288
At 31st December, 2004	於二零零四年十二月三十一日	33,288

Until 2004, goodwill was amortised over its estimated useful life between 2 and 10 years. The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

直至二零零四年，商譽乃按其預計使用年期2至10年攤銷。本集團每年測試商譽是否減值，如果商譽有減值跡象，測試會更頻密。

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## 21. GOODWILL (continued)

The goodwill as at 31st December, 2005 arose from the acquisition of the remaining shareholdings of Multiclassic Investments Inc. during the years of 2003 and 2004. Goodwill arose from the acquisition is allocated to the cash generating unit (“CGU”) of Multiclassic Investments Inc. (through its wholly owned subsidiary) – engaged in property development and trading activities, that is expected to benefit from that increment of shareholding.

During the year ended 31st December, 2005, management of the Group determined that there was no impairment of the CGU containing goodwill.

The recoverable amount of the CGU was determined by management’s past experience, based on the present value of the estimated gross profit from selling of properties to be developed, taking into the consideration of the prevailing market price and the estimated cost of sale of the properties. The discount rate used was 5.76%.

## 22. INTERESTS IN ASSOCIATES

## 21. 商譽 (續)

於二零零五年十二月三十一日，商譽來自於二零零三年和二零零四年購入 Multiclassic Investments Inc. 的餘下權益。收購產生的商譽分配至 Multiclassic Investments Inc. 的現金產生單位 (透過其全資本附屬公司) – 從事地產發展及銷售業務，預計可在持股增加中獲益。

在截至二零零五年十二月三十一日止年度，本集團管理層認為沒有現金產生單位有商譽減值。

現金產生單位的可收回金額由管理層的過往經驗決定，根據從將開發的物業銷售的預計毛利現值計算，計及當時的市價及物業銷售的預計成本。折扣率為 5.76%。

## 22. 於聯營公司之權益

		The Group 本集團	
		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Cost of unlisted investment in associates	於聯營公司之非上市投資成本	11,618	11,618
Share of post-acquisition losses and other reserves, net of dividend received	應佔收購後虧損及其他儲備 (已扣除已收股息)	(21,325)	(21,842)
		(9,707)	(10,224)
Amounts due from associates	聯營公司欠款	15,758	15,904
		6,051	5,680

## Notes to the Financial Statements

## 財務報表附註

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

## 22. INTERESTS IN ASSOCIATES (continued)

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

## 22. 於聯營公司之權益 (續)

本集團聯營公司的財務資料概要如下：

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Total assets	總資產	65,162	45,674
Total liabilities	總負債	(123,409)	(101,503)
Net liabilities	淨負債	(58,247)	(55,829)
Group's share of associates' net liabilities	本集團應佔聯營公司淨負債	(9,707)	(10,224)
		Year ended 2005 截至 二零零五年 HK\$'000 千港元	Year ended 2004 截至 二零零四年 HK\$'000 千港元
Revenue	收入	109,076	69,501
Loss for the year	本年度虧損	(799)	(1,775)
Group's share of associates' profit for the year	本集團應佔聯營公司溢利	1,182	2,419

The amounts due from associates are unsecured, interest free and have no fixed repayment terms.

In the opinion of the Directors, the amounts due from associates will not be repayable within twelve months of the balance sheet date and accordingly, the amounts have been classified as non-current assets.

The fair values of the amounts due from associates at 31st December, 2005 approximate the corresponding carrying amounts.

聯營公司欠款乃無抵押、免息及無固定還款期。

董事認為，該款項毋須於結算日後十二個月內償還。因此，該款項已列作非流動資產。

於二零零五年十二月三十一日應收聯營公司款項之公平值與相關賬面值相若。

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

## 22. INTERESTS IN ASSOCIATES (continued)

There is no impairment in interests in associates as the Directors have assessed the underlying assets, liabilities and contingent liabilities of the associates and have confident that the Group can recover the carrying amounts of interests in associates.

Details of principal associates at 31st December, 2005 are included in Note 40.

## 23. INTERESTS IN JOINTLY CONTROLLED ENTITIES

### (a) Interests in jointly controlled entities

Cost of unlisted investment in jointly controlled entities	於合營企業之非上市投資成本	158,307	158,307
Share of post-acquisition losses and other reserves, net of dividend received	應佔收購後虧損及其他儲備(已扣除已收股息)	(41,252)	(65,462)
		117,055	92,845
Amount due from a jointly controlled entity	合營企業欠款	513	513
		117,568	93,358

Summarised financial information in respect of the Group's interests in jointly controlled entities is set out below:

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Current assets	流動資產	40,517	47,357
Long-term assets	長期資產	144,299	157,094
Current liabilities	流動負債	(16,525)	(111,606)
Long-term liabilities	長期負債	(51,236)	-
Group's share of net assets	本集團應佔淨資產	117,055	92,845

## 22. 於聯營公司之權益 (續)

鑑於董事已評估聯營公司之有關資產、負債及或然負債，並相信本集團可收回於該等聯營公司之權益之賬面值，因此於聯營公司之權益並無減值。

主要聯營公司於二零零五年十二月三十一日之詳情載於附註40。

## 23. 於合營企業之權益

### (a) 於合營企業之權益

		The Group 本集團	
		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Cost of unlisted investment in jointly controlled entities	於合營企業之非上市投資成本	158,307	158,307
Share of post-acquisition losses and other reserves, net of dividend received	應佔收購後虧損及其他儲備(已扣除已收股息)	(41,252)	(65,462)
		117,055	92,845
Amount due from a jointly controlled entity	合營企業欠款	513	513
		117,568	93,358

本集團於合營企業的權益的財務資料概要如下：

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

### 23. INTERESTS IN JOINTLY CONTROLLED ENTITIES (continued)

#### (a) Interests in jointly controlled entities (continued)

Income	收入
Expenses	支出
Group's share of results	本集團應佔業績

The amount due from a jointly controlled entity is unsecured, interest free and has no fixed repayment terms.

In the opinion of the Directors, the amount due from a jointly controlled entity will not be repayable within twelve months of the balance sheet date and accordingly, the amounts have been classified as non-current assets.

The fair value of the amount due from a jointly controlled entity at 31st December, 2005 approximate the corresponding carrying amount.

#### (b) Amount due to a jointly controlled entity

In 2005, the amount due to a jointly controlled entity is unsecured, interest free and has no fixed terms of repayment.

In 2004, the amount due to a jointly controlled entity would not be repayable within twelve months of the balance sheet date and accordingly, the amount was shown as non-current liabilities.

The fair value of the amount due to a jointly controlled entity at 31st December, 2005 approximate the corresponding carrying amount.

There is no impairment in interests in jointly controlled entities as the Directors have assessed the underlying assets, liabilities and contingent liabilities of the jointly controlled entities and have confident that the Group can recover the carrying amounts of interests in jointly controlled entities.

### 23. 於合營企業之權益 (續)

#### (a) 於合營企業之權益 (續)

Year ended 2005 截至 二零零五年 HK\$'000 千港元	Year ended 2004 截至 二零零四年 HK\$'000 千港元
105,707	86,412
(83,829)	(73,927)
21,878	12,485

合營企業欠款乃無抵押、免息及並無固定還款期。

董事認為，該款項毋須結算日後十二個月內償還。因此，該款項列作非流動資產。

於二零零五年十二月三十一日應收合營企業款項的公平值與相關賬面值相若。

#### (b) 欠合營企業款項

於二零零五年，欠合營企業款項乃無抵押、免息及並無固定還款期。

於二零零四年，欠合營企業款項毋須於結算日後十二個月內償還，故作為非流動負債列賬。

於二零零五年十二月三十一日，欠合營企業款項的公平值與相關賬面值相若。

鑑於董事已評估合營企業之有關資產、負債及或然負債，並相信本集團可收回於該等合營企業之權益之賬面值，因此於合營企業之權益並無減值。

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

### 23. INTERESTS IN JOINTLY CONTROLLED ENTITIES *(continued)*

Details of principal jointly controlled entity at 31st December, 2005 are included in Note 40.

Details of principal properties held by jointly controlled entity at 31st December, 2005 are set out in the Schedule of Principal Properties attached to the financial statements.

### 24. AVAILABLE-FOR-SALE INVESTMENTS

Available-for-sale investments as at 31st December, 2005 comprise :

### 23. 於合營企業之權益 (續)

主要合營企業於二零零五年十二月三十一日之詳情載於附註40。

合營企業於二零零五年十二月三十一日所持有之主要物業之詳情載於隨附財務報表之主要物業表內。

### 24. 可供出售投資

於二零零五年十二月三十一日，可供出售投資包括：

		The Group 本集團 2005 二零零五年 HK\$'000 千港元
Listed investments:	上市投資	
– equity securities listed in Hong Kong	– 於香港上市的股本證券	62,872
Unlisted securities:	非上市投資	
– equity securities	– 股本證券	49,022
Club debenture	會所債券	515
Total	總額	<u>112,409</u>
Analysed for reporting purposes as:	作報告用途分析為：	
Non-current assets	非流動資產	<u>112,409</u>

As at the balance sheet date, all available-for-sale investments are stated at fair value, except for those unlisted equity investments and club debenture of which their fair values cannot be measured reliably. Fair values of listed equity investments have been determined by reference to quoted market prices.

The above unlisted investments represent investments in unlisted equity securities issued by private entities incorporated in the PRC. They are measured at cost less impairment at each balance sheet date because the range of reasonable fair value estimates is so significant that the directors of the Company are of the opinion that their values cannot be measured reliably.

於結算日，所有可供出售投資以公平價值列賬，公平值未能可靠地計量的非上市證券及會所債券除外。該等上市證券投資之公平值是參考所報之市場價格而釐定。

以上非上市投資為於中國註冊成立的私人企業發行的非上市股本證券的投資。這些投資按各結算日的成本減減值計算，因為合理公平值估計的範圍十分大，本公司董事認為其公平值未能可靠地計算。

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## 財務報表附註

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

**25. INVESTMENTS HELD FOR TRADING**

Investments held for trading as at 31st December, 2005 include:

**25. 待售投資**

於二零零五年十二月三十一日待售投資包括：

		2005 二零零五年 HK\$'000 千港元
Listed securities:	上市證券：	
– equity securities listed in Hong Kong	– 於香港上市之股本證券	8,116
– equity securities listed in Taiwan	– 於台灣上市之股本證券	238
		8,354

The fair values of the above investments held for trading are determined based on the quoted market prices available on the relevant exchanges.

以上該待售投資之公平值乃參考於有關交易所所報之市場價格而釐定。



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## 26. INVESTMENTS IN SECURITIES

Investments in securities as at 31st December, 2004 are set out below. Upon the application of HKAS 39 on 1st January, 2005, investment in securities were reclassified to appropriate categories under HKAS 39 (see Note 4 for details).

## 26. 證券投資

於二零零四年十二月三十一日之證券投資如下。於二零零五年一月一日採用《香港會計準則》第39條後，證券投資重新列於按《香港會計準則》第39條下的適當類別（詳情見附註4）。

		The Group 本集團		
		Other Investments 其他投資	Investment in Securities 證券投資	Total 總額
		2004 二零零四年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Equity securities	股本證券			
Listed	上市	10,447	63,919	74,366
Unlisted	非上市	-	49,022	49,022
		<u>10,447</u>	<u>112,941</u>	<u>123,388</u>
Club debenture	會所債券	-	515	515
Total:	合計：			
Listed	上市	10,447	63,919	74,366
Unlisted	非上市	-	49,537	49,537
		<u>10,447</u>	<u>113,456</u>	<u>123,903</u>
Market value of listed securities	上市證券之市值	<u>10,447</u>	<u>80,538</u>	<u>90,985</u>
Carrying amount analysed for reporting purposes as:	就列賬而分析之賬面值：			
Non-current	非即期	<u>10,447</u>	<u>113,456</u>	<u>123,903</u>

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

## 27. NET CURRENT ASSETS

## (a) Properties held for sale

Details of the properties held for sale are set out in the Schedule of Principal Properties attached to these financial statements.

## (b) Trade and other receivables and prepayments

The general credit terms of the Group given to trade customers range from cash on delivery to one month. A longer credit period may be granted to customers with long business relationship.

Included in trade and other receivables and prepayments are trade receivables and their aged analysis as at the balance sheet date is as follows:

## 27. 流動資產淨值

## (a) 待售物業

待售物業之詳情載於隨附財務報表之主要物業表內。

## (b) 應收貿易賬款及其他應收賬款及預付款項

本集團給予其貿易客戶之一般信貸期由貨到付款至一個月不等。本集團或會給予有長期業務關係之客戶較長之信貸期。

在應收貿易賬款及其他應收賬款及預付款項內包括之應收貿易賬款，其於結算日之賬齡分析如下：

		The Group 本集團	
		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Aged analysis of trade receivables:	應收貿易賬款之賬齡分析：		
0 – 3 months	零至三個月	20,465	46,813
4 – 6 months	四至六個月	8,684	8,369
7 – 12 months	七至十二個月	1,849	1,410
over 1 year	一年以上	35	115
		31,033	56,707

The fair values of the Group's trade and other receivables at the balance sheet date approximate the corresponding carrying amounts.

本集團於結算日之應收貿易賬款及其他應收賬款公平值與其賬面值相若。

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

**27. NET CURRENT ASSETS** (continued)

(c) Details of inventories are as follows :

		The Group 本集團	
		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Raw materials	原料	7,272	3,750
Work-in-progress	在製品	289	513
Finished goods	製成品	5,579	6,968
Packaging materials	包裝原料	118	115
Miscellaneous	其他	5,134	4,334
		<b>18,392</b>	<b>15,680</b>

(d) **Trade and other payables**

Included in trade and other payables are trade payables and their aged analysis as at the balance sheet date is as follows:

		The Group 本集團	
		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Aged analysis of trade payables:	應付貿易賬款之賬齡分析：		
0 – 3 months	零至三個月	4,208	55,321
4 – 6 months	四至六個月	74	351
7 – 12 months	七至十二個月	5	2,027
over 1 year	一年以上	53,665	49,261
		<b>57,952</b>	<b>106,960</b>

The fair values of the Group's trade and other payables at the balance sheet date approximate the corresponding carrying amounts.

**27. 流動資產淨值** (續)

(c) 存貨詳情如下：

		The Group 本集團	
		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Raw materials	原料	7,272	3,750
Work-in-progress	在製品	289	513
Finished goods	製成品	5,579	6,968
Packaging materials	包裝原料	118	115
Miscellaneous	其他	5,134	4,334
		<b>18,392</b>	<b>15,680</b>

(d) **應付貿易賬款及其他應付賬款**

在應付貿易賬款及其他應付賬款內包括之應付貿易賬款，其於結算日之賬齡分析如下：

		The Group 本集團	
		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Aged analysis of trade payables:	應付貿易賬款之賬齡分析：		
0 – 3 months	零至三個月	4,208	55,321
4 – 6 months	四至六個月	74	351
7 – 12 months	七至十二個月	5	2,027
over 1 year	一年以上	53,665	49,261
		<b>57,952</b>	<b>106,960</b>

本集團於結算日之應付貿易賬款及其他應付賬款與其賬面值相若。

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

## 27. NET CURRENT ASSETS (continued)

## (e) Cash and bank balances

The amounts comprise cash held by the Group and short-term bank deposits at market interest rates ranging from 3.75% to 4.32% with an original maturity of three months or less. The fair values of these assets at the balance sheet date approximate their carrying amounts.

## 28. SHARE CAPITAL

## 27. 流動資產淨值 (續)

## (e) 現金及銀行結餘

金額包括本集團持有之現金及市場利率為3.75%至4.32%、原到期日為三個月或以下的短期銀行存款。這些資產於結算日的公平值與其賬面值相若。

## 28. 股本

		Number of shares 股份數目		Value 價值	
		2005 二零零五年	2004 二零零四年	2005 二零零五年	2004 二零零四年
				HK\$'000 千港元	HK\$'000 千港元
Ordinary shares of HK\$0.50 each	每股面值0.50港元之普通股股份				
Authorised	法定				
- Balance as at 1st January and 31st December	- 於一月一日及 十二月三十一日之結餘	1,500,000,000	1,500,000,000	750,000	750,000
Issued and fully paid	發行及已繳足				
- Balance as at 1st January	- 於一月一日之結餘	1,113,249,112	1,113,249,112	556,625	556,625
- Conversion from convertible bonds	- 兌換可換股債券	69,397,384	-	34,698	-
- Exercise of share options	- 行使購股權	2,500,000	-	1,250	-
- Repurchase of shares	- 購回股份	(7,684,000)	-	(3,842)	-
- Balance as at 31st December	- 於十二月三十一日之結餘	1,177,462,496	1,113,249,112	588,731	556,625

The Company repurchased a total of 7,684,000 of its own shares on the Stock Exchange at a price of HK\$1.76 to HK\$1.94 per share, for a total consideration, before expenses, of HK\$14,325,000. The repurchased shares were cancelled and an amount equivalent to the nominal value of these shares of HK\$3,842,000 was transferred from retained earnings to the capital redemption reserve. The premium paid on the repurchased shares was charged against the retained earnings.

本公司以每股1.76港元至1.94港元的價格購回共7,684,000股於聯交所上市之本公司股份，總代價未計費用前為14,325,000港元。購回的股份已撤銷，相等於這些股份票面值之3,842,000港元的款項已從保留溢利轉入資本贖回儲備。已付購回股份之溢價從保留溢利扣除。

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## 28. SHARE CAPITAL (continued)

Month of purchase	購入月份	Number of ordinary shares of HK\$0.50 each 普通股 每股0.50港元	Price per share 每股股價		Aggregate consideration paid 總代價 HK\$'000 千港元
			Highest 最高 HK\$ 港元	Lowest 最低 HK\$ 港元	
May 2005	二零零五年五月	2,608,000	1.94	1.76	4,863
October 2005	二零零五年十月	5,046,000	1.88	1.82	9,408
November 2005	二零零五年十一月	30,000	1.82	1.82	54
		<u>7,684,000</u>			<u>14,325</u>

## 28. 股本 (續)

## 29. SHARE-BASED PAYMENT TRANSACTIONS

A share option scheme was adopted by the Company pursuant to a resolution passed on 29th May, 2002 (the "Scheme"). The Scheme was set up for the primary purpose to provide incentives or rewards to selected persons for their contribution to the Group or any entity in which the Group holds any equity interest ("Invested Entity"). Subject to earlier termination by the Company in general meeting or by the Board, the Scheme shall be valid and effective till 28th May, 2012. After the expiry of such valid period, no further options will be offered or granted but in all other respects the provisions of the Scheme shall remain in full force and effect.

Under the Scheme, the board of directors of the Company may grant options to (i) any employee or proposed employee (whether full time or part time) of any member of the Group or any Invested Entity, including any executive director of any member of the Group or any Invested Entity; or (ii) any non-executive director (including independent non-executive director) of any member of the Group or any Invested Entity; or (iii) any adviser, consultant, customer and supplier of goods or services to any member of the Group or any Invested Entity who have contributed or will contribute to the Group; or (iv) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity.

## 29. 股權支付交易

本公司根據二零零二年五月二十九日通過的決議案採納一項購股權計劃（「購股權計劃」）。設立購股權計劃的主要目的是為就經甄選之人士或本集團持有任何股權之任何機構（「所投資機構」）對本集團之貢獻作出獎勵或回報。倘本公司並無在股東大會中提早終止或董事局並無提早終止該計劃，該計劃將有效至二零一二年五月二十八日止。於有效期屆滿後將不會再行授出或賦予購股權，惟該計劃的條款在各方面將繼續全面有效。

根據購股權計劃，本公司的董事局可向以下人士授出購股權：(i)本集團任何成員公司或任何所投資機構之任何僱員或準僱員（不論全職或兼職），包括本集團任何成員公司或任何所投資機構之任何執行董事；或(ii)本集團任何成員公司或任何所投資機構之任何非執行董事（包括獨立非執行董事）；或(iii)任何諮詢人、顧問、曾對或將對本集團作出貢獻之任何客戶及向本集團任何成員公司或任何所投資機構提供貨物或服務之供應商；或(iv)本集團任何成員公司或任何所投資機構之股東，或本集團任何成員公司或任何所投資機構發行任何證券之持有人。

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

#### 29. SHARE-BASED PAYMENT TRANSACTIONS 29. 股權支付交易 (續)

(continued)

The maximum number of shares of the Company in respect of which options may be granted under the Scheme is not permitted to exceed 108,474,911 shares, being 10% of the total number of shares of the Company in issue as at the date of adoption of the Scheme, unless shareholders' approval of the Company has been obtained. The total number of shares of the Company issued and to be issued upon exercise of the options granted and to be granted to each participant or grantee (including exercised and outstanding options) in any 12-month period up to the date of grant shall not exceed 1% of the shares of the Company in issue at the date of grant (the "Individual Limit"). Any further grant of options in excess of the Individual Limit must be subject to shareholders' approval in general meeting with such participant and his or her associates abstaining from voting.

The acceptance of an offer of granting an option must be made within 28 days from the date on which such offer is made with a non-refundable payment of HK\$1 from the grantee to the Company by way of consideration for the grant thereof. An option may be exercised at any time during a period as the Board may determine which shall not be more than 10 years commencing from the date of grant of option. Save as determined by the Board and provided in the offer of the relevant options, there is no minimum period for which an option must be held before it can be exercised under the Scheme. The subscription price per share of the Company in respect of any option granted under the Scheme shall be such price as the Board in its absolute discretion shall determine, save that such price will not be less than the highest of (i) the closing price of the shares as stated in the daily quotations sheet of the Stock Exchange on the date of offer of the option, which must be a business day; (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets on the five business days immediately preceding the date of offer of the option; and (iii) the nominal value of the shares on the date of offer.

除非獲本公司股東之批准，根據購股權計劃可授出之購股權而發行之本公司股份最高限額總數不可超過108,474,911股，即本公司於採用購股權計劃當日之已發行股份總數之10%。每名參與者或獲賦予者在截至授出購股權當日止任何十二個月內，因行使獲授或將獲授之購股權(包括已行使及尚未行使者)而發行及將發行之本公司股份總數，不得超過授出購股權當日之本公司已發行股份數目之1% (「個別上限」)。倘向參與者再行授出超逾個別上限之購股權，則須經股東在股東大會上批准，而有關參與者及其聯繫人士均須在會上放棄投票權。

承授人須於授出購股權之日起計28日內提出接納購股權，並向本公司支付1港元，作為獲授權購股權之代價，此款項將不可退回。購股權可在董事局釐定的期間內隨時行使，惟該期間不得自授出購股權日期起計超過十年。根據購股權計劃，除董事局另有決定及根據有關購股權授出時所規定者外，並無設有購股權行使之前必須持有的最短限期。根據購股權計劃所授出的任何購股權而言，本公司每股股份的認購價將由董事局全權釐定，惟該認購價不得低於(i)授出購股權當日(必須為營業日)在聯交所每日報價表所列股份之收市價；(ii)截止授出購股權日期前5個營業日在聯交所每日報價表所列股份之平均收市價及(iii)於授予購股權當日的股份面值，三者之最高者。

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## 29. SHARE-BASED PAYMENT TRANSACTIONS 29. 股權支付交易 (續)

(continued)

Under the Scheme, 31,000,000 shares of the Company were issued upon exercise of share options in 2003 and 2005. Therefore, the maximum number of shares available for issue under the Scheme is 77,474,911, representing approximately 6.6% of the Company's existing issued share capital at balance sheet date.

There are no outstanding share options as at 31st December, 2004.

On 6th October, 2005, options entitling the grantees to subscribe for an aggregate of 13,500,000 shares of HK\$0.50 each in the Company at a subscription price of HK\$1.81 per share were granted to two Directors of the Company. An option to subscribe for 2,500,000 shares was exercised on 23rd December, 2005 and the remaining options are exercisable on or before 5th October, 2008.

The following table discloses movements of the Company's share options held by Directors during the year:

Name of grantees	承授人姓名	Granted during year	Exercised during year	Outstanding at 31st December, 2005 於二零零五年十二月三十一日 尚未行使
Madam Hsu Feng	徐楓女士	2,500,000	2,500,000	-
Mr Tong Albert	湯子同先生	11,000,000	-	11,000,000
		<u>13,500,000</u>	<u>2,500,000</u>	<u>11,000,000</u>
Exercisable at the end of the year	可於年底行使			<u>11,000,000</u>

In respect of the share options exercised during the year, the weighted average share price at the date of exercise is HK\$1.974.

根據購股權計劃，本公司31,000,000股股份在二零零三年和二零零五年行使購股權後發行。因此，根據購股權計劃，可供發行的股份數量最多為77,474,911股，即本公司於結算日現有已發行股本約6.6%。

於二零零四年十二月三十一日，並無未行使購股權。

於二零零五年十月六日，本公司兩位董事獲授予以每股1.81港元認購價，認購本公司共13,500,000股每股0.50港元的購股權。認購2,500,000股股份的購股權於二零零五年十二月二十三日行使，餘下的購股權須於二零零八年十月五日或之前行使。

下表披露本公司董事在本年內持有的購股權變動：

就本年內已行使的購股權而言，於行使日的加權平均價值為1.974港元。

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## 財務報表附註

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

### 29. SHARE-BASED PAYMENT TRANSACTIONS 29. 股權支付交易 (續)

(continued)

The fair value of share option granted on 6th October, 2005 determined using the Black-Scholes valuation model was HK\$0.329 per unit of option. The significant inputs into the model were share price of HK\$1.80, exercise price of HK\$1.81, expected life of share option of 3 years, expected dividend rate of 5.56% and risk-free interest rate was 3.986%. The historical volatility of the Company was 34.65% which was extracted from Bloomberg based on 260 trading days with an annualisation factor of 260.

於二零零五年十月六日賦予的購股權公平值，按柏力克舒爾斯估值模式訂定為每項購股權0.329港元。該模式的重要輸入為股價1.80港元、行使價1.81港元、購股權預計年期3年、預計股息率5.56%及無風險利率3.986%。本公司的歷史波幅率為34.65%，取自Bloomberg根據260個營業日的資料和每年之商數為260計算。

### 30. RESERVES AND MINORITY INTERESTS 30. 儲備及少數股東權益

		The Group 本集團 HK\$'000 千港元	The Company 本公司 HK\$'000 千港元
(a) Share premium	(a) 股份溢價		
Balance at 1st January, 2004 and 31st December, 2004	於二零零四年一月一日及 二零零四年十二月三十一日 之結餘	1,541,457	1,541,457
Conversion of convertible bonds	兌換可換股債券	116,877	116,877
Exercise of share options	行使購股權	3,275	3,275
Transfer from share option reserve upon exercise of share options	行使購股權後轉自 購股權儲備	823	823
Balance at 31st December, 2005	於二零零五年十二月三十一日 之結餘	1,662,432	1,662,432
(b) Special reserves	(b) 特別儲備		
Balance 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 之結餘	296,276	-
(c) Capital redemption reserve	(c) 資本贖回儲備		
Balance at 1st January, 2004 and 31st December, 2004	於二零零四年一月一日及 二零零四年十二月三十一日 之結餘	7,115	7,115
Transfer from retained earnings on repurchase of shares	轉自購回股份的保留溢利	3,842	3,842
Balance at 31st December, 2005	於二零零五年十二月三十一日 之結餘	10,957	10,957



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**30. RESERVES AND MINORITY INTERESTS 30. 儲備及少數股東權益 (續)**

(continued)

		The Group 本集團 HK\$'000 千港元	The Company 本公司 HK\$'000 千港元
(d)	<b>Foreign currencies translation reserves</b>		
	Balance at 1st January, 2004	71,048	-
	Exchange difference arising from translation of overseas operations for the year of 2004	2,556	-
	Balance at 31st December, 2004	73,604	-
	Exchange difference arising from translation of overseas operations for the year of 2005	51,747	-
	Balance at 31st December, 2005	125,351	-
(e)	<b>Share of reserves of associates and jointly controlled entities</b>		
	Balance at 1st January, 2004	9,168	-
	Share of reserves of associates and jointly controlled entities for the year of 2004	318	-
	Balance at 31st December, 2004	9,486	-
	Share of reserves of associates and jointly controlled entities for the year of 2005	1,668	-
	Balance at 31st December, 2005	11,154	-

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## 30. RESERVES AND MINORITY INTERESTS 30. 儲備及少數股東權益 (續)

(continued)

		The Group 本集團 HK\$'000 千港元	The Company 本公司 HK\$'000 千港元
(f) Enterprises expansion reserve	(f) 企業發展儲備		
Balance at 1st January, 2004 and 31st December, 2004	於二零零四年一月一日 及二零零四年十二月三十一日 之結餘	46,236	-
Transfer from retained earnings for the year of 2005	撥自二零零五年之保留溢利	111	-
Balance at 31st December, 2005	二零零五年十二月三十一日 之結餘	46,347	-
(g) Investment properties revaluation reserve	(g) 投資物業重估儲備		
Balance at 1st January, 2004	於二零零四年一月一日之結餘	-	-
Surplus on revaluation of investment properties for the year of 2004	於二零零四年投資物業 重估盈餘	119,735	-
Effect on adopting HKAS 40	採用《香港會計準則》 第40條的影響	(119,735)	-
Balance 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 十二月三十一日之結餘	-	-
(h) Investments reserve	(h) 投資儲備		
Balance at 1st January, 2004 and 31st December, 2004	於二零零四年一月一日及 二零零四年十二月三十一日 之結餘	-	-
Loss on changes in fair value in available-for-sale investments	可供出售投資之公平值 變動虧損	(27,728)	-
Balance at 31st December, 2005	於二零零五年十二月三十一日 之結餘	(27,728)	-
(i) Share option reserve	(i) 購股權儲備		
Balance at 1st January, 2004 and 31st December, 2004	於二零零四年一月一日及 二零零四年十二月三十一日 之結餘	-	-
Share options expenses	購股權費用	4,442	4,442
Transfer to share premium upon exercise of employee share options	僱員行使購股權後轉至 股份溢價	(823)	(823)
Balance at 31st December, 2005	於二零零五年十二月三十一日 之結餘	3,619	3,619

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

### 30. RESERVES AND MINORITY INTERESTS 30. 儲備及少數股東權益 (續)

(continued)

		The Group 本集團 HK\$'000 千港元	The Company 本公司 HK\$'000 千港元
(j)	<b>Statutory surplus reserve</b>	(j)	<b>法定盈餘儲備</b>
	Balance at 1st January, 2004 and 31st December, 2004		於二零零四年一月一日及 二零零四年十二月三十一日 之結餘
	Transfer from retained earnings	18,423	-
	Balance at 31st December, 2005	18,423	-
			於二零零五年十二月三十一日 之結餘
(k)	<b>Reserve on acquisition</b>	(k)	<b>收購儲備</b>
	Balance at 1st January, 2004 and 31st December, 2004		於二零零四年一月一日及 二零零四年十二月三十一日 之結餘
	Reserve arising from increase of shareholding of a subsidiary	(165,440)	-
	Balance at 31st December, 2005	(165,440)	-
			於二零零五年十二月三十一日 之結餘

In March 2005, the Group acquired the remaining 20% interest in the issued share capital of Bonton, a then 80% indirect owned subsidiary of the Group. Reserve on acquisition arose from the excess of the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities of Bonton (mainly the lease premium for land and properties under development of Bonton) at the date of acquisition over the share of their carrying value in the accounts of Bonton. When the identifiable assets are revalued with surplus or disposed of, the relevant amount of the reserve on acquisition will be released to the income statement.

於二零零五年三月，本集團增購 Bonton (本集團當時擁有 80% 權益之間接附屬公司) 已發行股本中餘下之 20% 權益。收購儲備之產生乃由於本集團於收購日應佔 Bonton 之可識別資產、負債及或然負債 (主要為 Bonton 之土地租賃費用及發展中物業) 之公平值高於應佔於 Bonton 賬目之賬面值。當可識別資產重估時有盈餘或已出售，相關的收購儲備金額將撥入利潤表中。

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### 30. RESERVES AND MINORITY INTERESTS 30. 儲備及少數股東權益 (續)

(continued)

		The Group 本集團 HK\$'000 千港元	The Company 本公司 HK\$'000 千港元
(l) Retained earnings	(l) 保留溢利		
Balance at 1st January, 2004	於二零零四年一月一日之結餘	659,615	148,623
Profit for the year	本年度之溢利		
– As originally stated	– 按原先呈列	243,597	176,610
– Effect on adopting HKAS 40	– 採用《香港會計準則》 第40條之影響	119,735	–
		363,332	176,610
Balance at 31st December, 2004 (restated)	於二零零四年十二月三十一日 之結餘(重列)	1,022,947	325,233
Effect on adopting HKAS 39	– 採用《香港會計準則》 第39條之影響	(17,507)	(34,126)
Balance at 1st January, 2005	於二零零五年一月一日 之結餘	1,005,440	291,107
Profit for the year	本年度之溢利	203,664	20,223
Transfer to capital redemption reserve	轉撥予資本贖回儲備	(3,842)	–
Premium paid on shares repurchased	購回股份時支付之溢價	(10,535)	–
Transfer to enterprise expansion reserve	轉撥予企業發展儲備	(111)	–
Transfer to statutory surplus reserve	轉撥予法定盈餘儲備	(18,423)	–
2004 final dividend paid	派付二零零四年度末期股息	(113,358)	–
Balance at 31st December, 2005	於二零零五年十二月三十一日 之結餘	1,062,835	311,330
(m) Contributed surplus	(m) 實繳股本盈餘		
Balance 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 之結餘	–	327,645

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

**30. RESERVES AND MINORITY INTERESTS**      **30. 儲備及少數股東權益 (續)**

(continued)

		The Group 本集團 HK\$'000 千港元	The Company 本公司 HK\$'000 千港元
(n)	<b>Minority interests</b>	(n)	<b>少數股東權益</b>
	Balance at 1st January, 2004		於二零零四年一月一日之結餘
	Share of foreign currencies translation reserves		應佔外幣兌換儲備
	Share of profit for the year of 2004 (restated)		應佔二零零四年年度之溢利(重列)
	Decrease due to increase of shareholding in a subsidiary by the Group		因本集團增持附屬公司之股權而減少
		243,857	-
		534	-
		12,674	-
		(11,948)	-
	Balance at 31st December, 2004		於二零零四年十二月三十一日之結餘
	Share of foreign currencies translation reserves		應佔外幣兌換儲備
	Share of profit for the year of 2005		應佔二零零五年年度之溢利
	Decrease due to increase of shareholding in a subsidiary by the Group		因本集團增持附屬公司之股權而減少
		245,117	-
		3,272	-
		2,162	-
		(99,739)	-
	Balance at 31st December, 2005		於二零零五年十二月三十一日之結餘
	<b>Total reserves and minority interests at 31st December, 2005</b>		<b>於二零零五年十二月三十一日之儲備及少數股東權益總額</b>
		<u>3,195,038</u>	<u>2,315,983</u>
	Total reserves and minority interests at 31st December, 2004 (restated)		於二零零四年十二月三十一日之儲備及少數股東權益總額(重列)
		<u>3,242,238</u>	<u>2,201,450</u>

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#### 30. RESERVES AND MINORITY INTERESTS

*(continued)*

The special reserves of the Group arose from the difference between the aggregate amount of the then share capital and share premium account of Tomson Investment Limited (“TIL”), the former holding company of the Group, and the nominal amount of the Company’s shares issued pursuant to a scheme of arrangement in 1989.

The enterprises expansion reserve is an appropriation from retained earnings for tax concession granted by the relevant government authorities. This reserve is distributable only for the future development or expansion of that company where concession is granted.

The statutory surplus reserve is an appropriation from retained earnings by the PRC subsidiaries of the Group. In accordance with the Company Law of the PRC, the PRC subsidiaries of the Group are required to allocate 10% of their profit after tax to the statutory surplus reserve (“SSR”) until such reserve reaches 50% of the registered capital of that subsidiary. The SSR may be converted to increase share capital subject to certain restrictions set out in the Company Law of the PRC.

Capital redemption reserve arose from repurchase of shares. The amounts represent the nominal amount of the shares repurchased.

Of the retained earnings of HK\$1,062,835,000 (2004: HK\$1,022,947,000 (restated)), retained profits of HK\$3,335,000 (2004: accumulated losses of HK\$18,543,000) are attributable to jointly controlled entities and accumulated losses of HK\$5,430,000 (2004: HK\$8,836,000) are attributable to associates.

#### 30. 儲備及少數股東權益 (續)

本集團之特別儲備為本集團先前之控股公司湯臣投資有限公司(「湯臣投資」)當時股本及股份溢價賬總額與本公司於一九八九年根據一項協議計劃發行股份之面值之差額。

企業發展儲備乃由有關政府機構給予稅務優惠而撥自保留溢利。此儲備之分派祇可用於獲稅務優惠之公司作日後發展或擴展之用。

法定盈餘儲備是本集團的中國附屬公司從保留溢利提撥的款項。根據《中華人民共和國公司法》，本集團的中國附屬公司須分配除稅後溢利的10%至法定盈餘儲備，直至該儲備金額達到該附屬公司的註冊資本的50%。法定盈餘儲備可轉換，以提高股本數量，惟須遵照中國的《中華人民共和國公司法》所載的某些限制。

資本贖回儲備源自購回股份。該金額為購回的股份票面價值金額。

就保留溢利1,062,835,000港元(二零零四年：1,022,947,000港元(重列))而言，保留溢利3,335,000港元(二零零四年：累計虧損18,543,000港元)為應佔合營企業，而累積虧損為5,430,000港元(二零零四年：8,836,000港元)為應佔聯營公司。

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### 31. CONVERTIBLE BONDS 2009

### 31. 二零零九年可換股債券

		2005 二零零五年 HK\$'000 千港元
Convertible bonds due 2009, liability component	二零零九年到期可換股債券， 負債成份	254,068
Fair value of embedded conversion option	內含換股權的公平值	68,607
		322,675

As at 31st December, 2004, convertible bonds due 2009, for the amount of HK\$385,764,000 was classified as non-current liabilities, which comprises the carrying value and premium on redemption of convertible bonds and less the amount of unamortised deferred expenditure.

於二零零四年十二月三十一日，二零零九年到期的可換股債券為數385,764,000港元已列作非流動負債，包括贖回可換股債券的賬面值和溢價減未攤銷遞延支出的金額。

On 4th June, 2004, the Company issued US\$50 million zero coupon convertible bonds due 2009 (the "Bonds"). The Bonds are listed on the Stock Exchange. The Bonds will, at the option of the holder, be convertible (unless previously redeemed, converted or purchased and cancelled) on or after 4th July, 2004 up to and including 20th May, 2009 into fully paid ordinary shares with a par value of HK\$0.50 each of the Company (the "Shares") at an initial conversion price of HK\$1.95 per Share ("Conversion Price") with a fixed exchange rate of HK\$7.79=US\$1.00. On 27th May, 2005, the conversion price was adjusted to HK\$1.85 per Share, as a result of the approval for a payment of a final dividend of HK\$0.10 per Share for the year ended 31st December, 2004 at the annual general meeting of the Company.

於二零零四年六月四日，本公司發行本金金額為50,000,000美元於二零零九年到期之零息可換股債券（「債券」）。債券於聯交所上市。除非債券已被贖回、兌換或購買及註銷，債券持有人可按其意願於二零零四年七月四日或以後至二零零九年五月二十日或之前，以固定匯率7.79港元兌1.00美元按初步換股價每股股份1.95港元（「換股價」）將債券兌換為本公司每股面值0.50港元之已繳足普通股（「股份」）。於二零零五年五月二十七日，由於在本公司之股東週年大會上批准派付截至二零零四年十二月三十一日止年度之末期股息每股0.10港元，換股價因而調整為每股1.85港元。

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#### 31. CONVERTIBLE BONDS 2009 (continued)

Unless previously redeemed, converted or purchased and cancelled, the Bonds will be redeemed at 117.49 per cent. of their principal amount on their maturity on 4th June, 2009. All or some of the Bonds may be redeemed at the option of the relevant holder on 4th June, 2006 at 106.66 per cent. of their principal amount. On or at any time after 4th June, 2006, the Company may redeem all or some only of the Bonds, at any time prior to maturity, at the relevant early redemption amount provided, however, that no such redemption may be made unless either (i) the closing price of the Shares (as derived from the daily quotations sheet of the Stock Exchange or, as the case may be, the equivalent quotation sheet of an alternative stock exchange) converted into United States dollars at the prevailing rate, for any 30 consecutive trading days, the last day of such 30-day period falls within five trading days prior to the date upon which notice of such redemption is given, was at least 130 per cent. of the Conversion Price in effect on each such trading day converted into United States dollars at the rate of HK\$7.79= US\$1.00; or (ii) at least 90 per cent. in principal amount of the Bonds has already been converted, redeemed or purchased and cancelled. The Bonds may also be redeemed at the option of the holders at the early redemption amount upon the Shares ceasing to be listed on the Stock Exchange or the occurrence of a change of control of the Company.

As at 31st December, 2005, face value of US\$16,750,000 of the Bonds had been converted into Shares.

With the adoption of HKAS 39, the convertible bonds denominated in foreign currency was classified as liabilities. Such convertible bonds contained a liability component and an embedded conversion option.

The fair value of the Bonds was valued by Grant Sherman Appraisal Limited, a professional valuer not connected with the Group. The fair value of the liability component was developed through the discounted cash flow method and the discount rate applied was 4.50%. The fair value of the embedded conversion option as at 31st December, 2005 was determined using the Black-Scholes valuation model. The significant inputs into the model were share price of HK\$2.075, exercise price of HK\$1.85, expected dividend rate of 4.82% and risk-free interest rate was 4.05%. The volatility used was 33.61% with an annualisation factor of 260.

#### 31. 二零零九年可換股債券 (續)

除非債券已提前被贖回、兌換或購買及註銷，否則本公司將於二零零九年六月四日到期時以債券本金金額的117.49%贖回債券。各債券持有人有權要求本公司於二零零六年六月四日按本金金額之106.66%贖回全部或部份債券。在二零零六年六月四日至到期日前任何時間，本公司可按有關提早贖回額全部贖回或只贖回部份債券，惟除非(i)任何連續30個交易日(該30日期間最後一日為作出該贖回通知當日前五個交易日之內)之每日股份收市價(按聯交所日報表或(視情況而定)其他證券交易所之同等報表)按根據各日通行兌換率兌換為美元後，至少為於該交易日之有效換股價按7.79港元兌1.00美元之固定匯率兌換為美元後之金額之130%；或(ii)已兌換、贖回或購買及註銷之債券已達至少債券本金金額之90%，否則不得作出該等贖回。倘股份不再於聯交所上市或出現本公司控制權之變動，債券持有人有權根據其本身意願按提早贖回額贖回債券。

於二零零五年十二月三十一日，面值16,750,000美元的債券已轉換為股份。

採用了《香港會計準則》第39條後，以外幣列值的可換股債券列作負債。這些可轉換債券有負債成份和內含換股權。

該等債券之公平價值由一間與本集團並無關連之專業估值師—中證評估有限公司進行估值。負債部分之公平價值透過折現現金流量法計算所得，而所採用之折現率為4.50%。於二零零五年十二月三十一日之內含換股權乃使用柏力克舒爾斯期權定價模式而釐定。該模式採用之主要輸入資料為股價2.075港元、行使價1.85港元、預計股息率4.82%及無風險利率4.05%，而當中使用之波幅率為33.61%，每年之商數為260。



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### 31. CONVERTIBLE BONDS 2009 (continued)

As at 31st December, 2005, the carrying amount of liability component and the fair value of the embedded conversion option of the Bonds was approximately HK\$254,068,000 and HK\$68,607,000 respectively, which was grouped under current liabilities as the Bonds may be redeemed at the option of the relevant holder on 4th June, 2006 (31st December, 2004: HK\$385,764,000 (restated) was grouped under non-current liability).

The fair value of the liability component of the convertible bonds at 31st December, 2005 was approximately HK\$254,068,000.

### 32. LONG-TERM BANK BORROWINGS

Bank loan, secured	銀行貸款，有抵押
Less: Amount repayable within one year included in current liabilities	減：列入流動負債，於一年內須償還的款項

The current portion of bank loan is secured by assets (Note 38) of the Group and is wholly repayable within one year from the balance sheet date.

At 31st December, 2004, the bank loan was secured by assets (Note 38(a)) of the Group and was wholly repayable in two to five years from the balance sheet date.

Bank loan was fixed-rate borrowings which carried interest rate of 5.76% per annum (2004: 5.49% per annum).

The directors consider that the carrying amounts of the borrowings approximate their fair value.

### 31. 二零零九年可換股債券 (續)

於二零零五年十二月三十一日，債券負債成份的賬面值及內含換股權的公平值約分別為254,068,000港元和68,607,000港元。因為有關持有人可於二零零六年六月四日贖回債券，故分類為流動負債(二零零四年十二月三十一日：385,764,000港元(重列)已列入非流動負債)。

於二零零五年十二月三十一日的可轉換債券的負債成分公平值約為254,068,000港元。

### 32. 長期銀行借款

		The Group 本集團	
		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Bank loan, secured	銀行貸款，有抵押	192,215	441,895
Less: Amount repayable within one year included in current liabilities	減：列入流動負債，於一年內須償還的款項	192,215	-
		-	441,895

本集團銀行貸款即期部份以資產作抵押(附註38)，須自結算日起計一年內全數償還。

於二零零四年十二月三十一日，銀行貸款乃以本集團之資產作抵押(附註38(a))，並須於結算日後二至五年內悉數償還。

銀行貸款為固定利率借貸，年利率為5.76%(二零零四年：年利率5.49%)。

董事認為借款的賬面值與其公平值相若。

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### 33. DEFERRED TAXATION

### 33. 遞延稅項

		Accelerated	Revaluation	Unamortised	Deferred	Tax	Others	Total
		tax	of	exchange		Deferred		
		depreciation	properties	difference	expenses			
		加速	重估	未攤銷	遞延開支	稅項虧損	其他	總計
		稅項折舊	物業價值	匯兌差額	遞延開支	稅項虧損	其他	總計
		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
<b>The Group</b>	<b>本集團</b>							
Balance as at 1st January, 2004	二零零四年一月一日之結餘	(11,907)	(10,715)	(23,667)	171	1,602	842	(43,674)
(Charge) credit to income statement for the year	於本年度利潤表 (扣減)撥回	(1,617)	(27,923)	3	523	2,758	(1,843)	(28,099)
Exchange adjustments	匯兌調整	(24)	(23)	(48)	-	3	1	(91)
Balance as at 31st December, 2004	於二零零四年十二月三十一日之結餘	(13,548)	(38,661)	(23,712)	694	4,363	(1,000)	(71,864)
(Charge) credit to income statement for the year	於本年度利潤表 (扣減)撥回	(1,434)	-	-	12	874	364	(184)
Exchange adjustments	匯兌調整	(324)	(256)	(528)	4	97	(12)	(1,019)
Balance as at 31st December, 2005	於二零零五年十二月三十一日之結餘	(15,306)	(38,917)	(24,240)	710	5,334	(648)	(73,067)

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

就呈列資產負債表而言，若干遞延稅項資產及負債已予抵銷。以下為呈列於財務報表的遞延稅項結餘分析：

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Deferred tax assets	遞延稅項資產	5,626	4,241
Deferred tax liabilities	遞延稅項負債	(78,693)	(76,105)
		(73,067)	(71,864)

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### 33. DEFERRED TAXATION (continued)

At the balance sheet date, the Group has unused tax losses of HK\$484.74 million (2004: HK\$481.09 million) available for offset against future profits. A deferred tax asset has been recognised in respect of HK\$35.56 million (2004: HK\$29.09 million) of such losses. No deferred tax asset has been recognised in respect of the remaining HK\$449.18 million (2004: HK\$452.00 million) due to the unpredictability of future profit streams. Included in unrecognised tax losses are losses of HK\$26.07 million that will expire before 2010 (2004: HK\$26.02 million that will expire before 2009). Other losses may be carried forward indefinitely.

### 34. CONTINGENT LIABILITIES

(a) In 2000, Shanghai Jinjiang Tomson Hotel Co., Ltd., formerly, Shanghai New Asia-Tomson Hotel Co., Ltd. (the "Hotel Company"), a company in which the Group has a 50% interest, entered into a management agreement for 20 years (the "Management Period") with Inter-Continental Hotels Corporation (the "Management Company"). The Management Company agreed to pay not exceeding US\$6 million to the Hotel Company for hotel renovation and system upgrading (the "Renovation Fund"). During the Management Period, the Management Company will receive a certain amount of management fee based on income and profit of the Hotel Company.

The Group is a guarantor to indemnify the Management Company up to 50% of the Renovation Fund paid, but not exceeding US\$3 million if the management agreement is terminated by the Hotel Company within the Management Period. At the balance sheet date, the Renovation Fund paid by the Management Company amounted to US\$6 million (2004: US\$6 million). As the Management Company is a world-class hotel management group and the operating result of the Hotel Company is improving, the directors are of the opinion that the Hotel Company would be unlikely to terminate the management agreement within the Management Period. So, it would be unlikely for the Group to suffer any material financial loss as a result of giving the indemnity.

### 33. 遞延稅項 (續)

於結算日，本集團可用作抵銷未來溢利之未動用稅項虧損為484,740,000港元（二零零四年：481,090,000港元）。本集團已就該等虧損35,560,000港元（二零零四年：29,090,000港元）確認為遞延稅項資產。由於未來溢利來源難以預測，故本集團並無就剩餘之449,180,000港元（二零零四年：452,000,000港元）確認為遞延稅項資產。未確認之稅項虧損包括將於二零一零年前屆滿之虧損26,070,000港元（二零零四年：將於二零零九年前屆滿之26,020,000港元）。其他虧損可予無限期結轉。

### 34. 或然負債

(a) 於二零零零年，本集團持有50%權益之公司上海錦江湯臣大酒店有限公司，前稱上海新亞－湯臣大酒店有限公司（「酒店公司」）與洲際酒店管理公司（「管理公司」）訂立一項為期20年（「管理期間」）之管理協議。管理公司同意就酒店翻新及系統升級向酒店公司支付不多於6,000,000美元（「翻新費用」）。於管理期間，管理公司將按酒店公司之收入及溢利收取若干管理費用。

本集團為管理公司之擔保人，倘管理協議於管理期間內由酒店公司終止，則本集團需彌償管理公司已付翻新費用之最多50%，但不超逾3,000,000美元。於結算日，管理公司支付之翻新費用為6,000,000美元（二零零四年：6,000,000美元）。由於管理公司為一個國際級酒店管理集團，而且酒店公司之經營業績一直在改善中，董事認為酒店公司不大可能於管理期間內終止管理協議。故此，本集團不大可能就作出彌償保證而蒙受任何重大財務虧損。

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#### 34. CONTINGENT LIABILITIES (continued)

- (b) The Group entered into several arrangements in respect of end-users' finances provided to buyers of properties developed by the Group and a jointly controlled entity. Several banks agreed to provide mortgage finance to buyers of properties developed by the subsidiaries and a jointly controlled entity (the "Developers", and individually, the "Developer") of the Group. The terms of the arrangement include, inter alia, (1) an undertaking given by each Developer in the event any borrower should default in the repayment of the loan, the outstanding liability of that borrower, and the rights of the bank on that loan, would be assumed by the Developer; and (2) in respect of the facilities granted to buyers, the sums retained by banks range from 5% to 20% of facilities until the title and mortgage documents related to the underlying property have been finalised, and the retention by one of the banks of a jointly controlled entity requires a further 30% of the facility for further 3 years from the date of finalisation of the title and mortgage documents, which shall be released in three equal instalments over the 3-year term. At the balance sheet date, the sum retained by banks of subsidiaries of the Company under the arrangement amounted to HK\$9 million (2004: HK\$9.3 million). The total amount of the loans advanced by the banks for the mortgage finance guaranteed by the Group would be approximately HK\$144 million (2004: HK\$143 million). As the loans are secured by mortgages over the underlying properties and the maximum amount of each loan is restricted to not more than 50 per cent to 80 per cent of the purchase price of each property, the Directors are of the opinion that it would be unlikely for the Group to suffer any material financial loss owing to this arrangement.
- (c) During the year 2004, the State Administration of Taxation in the PRC promulgated a circular to all local tax bureaus requiring them to levy land appreciation tax on property developers. In the opinion of the Directors, the Group is unlikely to receive demands from the local tax bureaus for the payment of land appreciation tax in respect of sales of properties for the period commencing from 1st January, 2001, the date on which the exemption period lapsed. The Group has not, however, been able to secure written confirmation of the local tax bureaus, and the Directors consider the chance that land appreciation tax might be levied is less than probable. Accordingly, no provisions for land appreciation tax have been made in the financial statements. Should such levies take place, then land appreciation tax attributable to the Group amounts to approximately HK\$154,587,000 (2004: HK\$108,406,000).

#### 34. 或然負債 (續)

- (b) 本集團已就提供予購買由本集團及合營企業所發展之物業的買方之最終用家貸款而訂立若干安排。數家銀行同意為購買分別由本集團附屬公司及一家合營企業(統稱「該等發展商」, 個別稱為「發展商」)各自發展之物業之買家提供按揭貸款。該安排條款包括(除其他事項外)(1)該發展商作出承諾, 倘任何借款人未能償還貸款, 則借款人之未償還債務及該銀行就有關貸款之權利將由有關發展商承擔; 及(2)在借貸期內由該銀行保留每項貸款下借出之金額之5%至20%, 直至有關物業及按揭文件落實為止; 及合營企業之其中一間銀行並於落實業權及按揭文件之日起計三年內再保留所借金額之30%, 而該筆存款將在該三年期內分三次同等數額解押。於結算日, 銀行根據該安排所保留本公司各附屬公司之金額約為9,000,000港元(二零零四年: 9,300,000港元)。銀行就本集團需提供擔保之按揭融資墊支貸款總額約為144,000,000港元(二零零四年: 143,000,000港元)。由於貸款將以有關物業之按揭抵押為保證, 加上每宗貸款之最高款額僅為每項物業買價之五成到八成, 董事局認為, 本集團不大可能因是項安排而招致任何巨額財務虧損。
- (c) 於二零零四年度, 中國國家稅務總局向所有地方稅務局頒佈通函, 要求向物業發展商徵收土地增值稅。董事局認為當地稅務局不大可能會要求本集團須就二零零一年一月一日開始計算的期間(豁免期結束之日)後之物業銷售繳付土地增值稅。雖然本集團未能取得當地稅務局發出之任何書面確認, 但董事局認為徵收土地增值稅之可能性頗低。因此, 財務報表內並無預提土地增值稅。倘若徵收有關稅項, 則本集團應付之土地增值稅為約154,587,000港元(二零零四年: 108,406,000港元)。

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### 35. COMMITMENTS

At the balance sheet date, the Group had the following material capital and other commitments:

### 35. 承擔

於結算日，本集團之主要資本及其他承擔如下：

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
<b>Capital commitments:</b>	<b>資本承擔：</b>		
Commitments in relation to expenditure on properties under development :	有關發展中物業支出之承擔：		
Contracted but not provided for	已訂約但未撥備	995,729	952,975
<b>Other commitments:</b>	<b>其他承擔：</b>		
Operating lease arrangements	經營租約安排		
<b>i) The Group as lessee</b>	<b>i) 本集團作為承租人</b>		
At the balance sheet date, the Group had outstanding commitments under non-cancellable operating leases which fall due:	於結算日，根據不可撤銷經營租約，本集團須於下列年內償還之承擔：		
- within one year	- 一年內	2,858	2,602
- in the second to fifth year inclusive	- 第二年至第五年 (包括首尾兩年)	5,017	1,852
- over five years	- 五年以上	5,098	5,370
		<u>12,973</u>	<u>9,824</u>

Operating lease payments represent rentals and annual fees for land use right payable by the Group for certain of its office properties and land in Shanghai. The significant operating leases for rental of properties are negotiated for an average term of three years.

經營租約款項乃指本集團就其若干辦公室物業及位於上海之土地而應支付之租金及年度土地使用權費用。出租物業之重要經營租約平均議定為三年。

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

## 35. COMMITMENTS (continued)

## ii) The Group as lessor

The properties held have committed tenants from the majority of two years up to the maximum of five years.

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

– within one year	– 一年內
– in the second to fifth year inclusive	– 第二年至第五年 (包括首尾兩年)
– over five years	– 五年以上

## 35. 承擔 (續)

## ii) 本集團作為出租人

所持物業之承租人之承諾租期大多為兩年，最長為五年。

於結算日，根據本集團與承租人所訂合約，承租人須於下列年內支付之最低租金如下：

2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
22,759	30,942
8,679	8,247
334	946
<b>31,772</b>	<b>40,135</b>

## 36. RETIREMENT BENEFITS SCHEMES

The Group participates in a Mandatory Provident Fund (“MPF”) Scheme established under the Mandatory Provident Fund Schemes Ordinance in December 2000. The assets of the MPF Scheme are held separately from those of the Group, in funds under the control of an independent trustee. Under the rule of the MPF Scheme, the employer and the employees are obliged to make contributions at the specified rate under the scheme.

The contributions arising from the MPF Scheme charged to the income statement represent contributions payable to the fund by the Group at rates specified in the rules of the scheme.

The employees in the PRC are members of respective state-managed defined contribution retirement benefits schemes operated by the local government. The employer and the employees are obliged to make contributions at a certain percentage of the payroll under rules of the schemes. The only obligation of the Group with respect to the retirement benefit schemes is to make the specified contributions.

## 36. 退休福利計劃

本集團於二零零零年十二月根據《強制性公積金計劃條例》參與一項強制性公積金（「強積金」）計劃。強積金計劃之資產與本集團之資產分開持有，並以基金形式由一獨立信託人管理。根據強積金計劃規則，僱主及僱員均有責任按計劃訂明的比率作出供款。

於利潤表扣除之就強積金計劃產生之供款，指本集團按計劃規則訂明之比率應付予基金之供款。

中國僱員乃各個由地區政府營辦之國家管理界定供款退休福利計劃之成員。根據計劃規則，僱主及僱員均有責任按薪金之若干百分比作出供款。本集團對於退休福利計劃之僅有責任為作出訂明供款。

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### 37. RELATED PARTY TRANSACTIONS

- (a) The Company has, on 5th June, 2002, renewed the letter agreement with Rivera (Holdings) Limited (“Rivera”), a substantial shareholder of the Company. Pursuant to the letter agreement, the Company agreed to provide administrative services and office premises to Rivera and its subsidiaries with effect from 1st June, 2002 for a term of thirty nine months. In return, Rivera is required to share an attributable portion of the administrative cost of the Company, for a monthly fee of HK\$177,000 up to 31st August, 2005. The extended letter agreement with revised administrative cost of HK\$150,000 per month was charged with effect from 1st September, 2005 and will expire on 31st August, 2008. During the year ended 31st December, 2005, the administrative cost of the Company shared by Rivera amounted to HK\$2,016,000 (2004: HK\$2,124,000). As at 31st December, 2005 and 31st December, 2004, no outstanding balance was owed by Rivera.

The above transaction constitutes a continuing connected transaction but is exempted from disclosure and approval requirements under the Listing Rules.

- (b) An agency agreement dated 31st May, 2005 was entered into between 上海大道置業有限公司 (Shanghai Boulevard Real Estate Co., Limited), a 93.53% subsidiary of Rivera (Holdings) Limited (“RHL”) and Shanghai Tomson Real Estate Investment & Development Co., Ltd. (“Tomson Real Estate”), an indirect wholly-owned subsidiary of the Company. Tomson Real Estate was appointed as the exclusive selling agent in connection with the promotion and sale of gross floor area of approximately 18,200 square meters of Tomson Beautiful Space, a residential project being developed by RHL and its subsidiaries in Pudong, Shanghai, the PRC.

### 37. 關連人士交易

- (a) 於二零零二年六月五日，本公司已與本公司之主要股東川河集團有限公司（「川河」）更新一項同意書。據此更新同意書，本公司同意於二零零二年六月一日起為期三十九個月提供行政服務及寫字樓予川河及其附屬公司，而川河須分擔本公司部份應佔行政費用，每月177,000港元至二零零五年八月三十一日。一份延長同意書已修訂行政費用為每月150,000港元，自二零零五年九月一日起列支，將於二零零八年八月三十一日屆滿。截至二零零五年十二月三十一日止年度，川河分擔本公司之行政費用總額為2,016,000港元（二零零四年：2,124,000港元）。於二零零五年十二月三十一日及二零零四年十二月三十一日，川河並無欠付本公司任何未償還結餘。

以上交易構成持續關連交易，惟獲豁免遵守《上市規則》之披露及批准之規定。

- (b) 川河集團有限公司（「川河」）擁有93.53%權益之附屬公司－上海大道置業有限公司與本公司之間接全資附屬公司－上海湯臣房地產開發有限公司（「湯臣開發」）訂立了一份日期為二零零五年五月三十一日之代理合同。湯臣開發獲委任為負責推廣及銷售湯臣豪庭（由川河及其附屬公司於中國上海浦東開發之住宅項目）中約18,200平方米之樓面面積之獨家銷售代理。

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#### 37. RELATED PARTY TRANSACTIONS

(continued)

Madam Hsu Feng is an executive director of both RHL and the Company and is deemed to be a substantial shareholder of RHL and the controlling shareholder of the Company. Moreover, RHL is a substantial shareholder of the Company holding approximately 14% interest in the entire issued capital of the Company. Each of RHL and the Company is a connected person of the other and accordingly, the agency agreement constituted a connected transaction for both of RHL and the Company under the Rules Governing the Listing of Securities on the Stock Exchange.

Agency income of approximately HK\$1,583,000 has been received during the year.

- (c) Pursuant to the acquisition agreement dated 17th January, 2005, Tomson China Limited (“Tomson China”), a wholly-owned subsidiary of the Company, has agreed to acquire a 20% interest in the issued share capital of Bonton at a consideration of US\$18 million (equivalent to approximately HK\$140.4 million). Following completion, Bonton will become a wholly-owned subsidiary of the Company.

Yung Shin Investment Limited, (“the Vendor”) was a substantial shareholder of Bonton and thus a connected person of the Company within the meaning of the Listing Rules. The acquisition therefore constituted a connected transaction for the Company. The acquisition also constituted a discloseable transaction for the Company under the Listing Rules.

The consideration for the acquisition was agreed on an arm’s length basis between Tomson China and the Vendor.

The acquisition was approved by the shareholders of the Company in the general meeting of the Company held on 24th February, 2005. The acquisition was completed in March 2005.

#### 37. 關連人士交易 (續)

徐楓女士同時為川河及本公司之執行董事，被視為川河之主要股東兼本公司之控股股東。此外，川河為本公司之主要股東，持有本公司全部已發行股本中約14%權益。川河及本公司各自為對方之關連人士，因此，根據聯交所《證券上市規則》，該代理合同構成川河及本公司之關連交易。

年內已收代理收入約為1,583,000港元。

- (c) 根據於二零零五年一月十七日的收購協議，本公司全資附屬公司湯臣(中國)有限公司(「湯臣中國」)同意以代價18,000,000美元(相等於約140,400,000港元)收購Bonton已發行股本中之20%的權益。交易完成後，Bonton將成為本公司之全資附屬公司。

永欣投資有限公司(「賣方」)為Bonton的主要股東，故按照《上市規則》之定義屬本公司之關連人士。因此，該收購事項構成本公司的關連交易。根據《上市規則》，該收購事項也構成本公司之須予披露交易。

收購事項之代價乃湯臣中國與賣方按公平原則協定。

該收購事項已由本公司股東於二零零五年二月二十四日舉行的股東大會中批准。收購事項於二零零五年三月完成。



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### 37. RELATED PARTY TRANSACTIONS

(continued)

Included in other payables is an amount of approximately HK\$3,980,000 (2004: HK\$3,894,000) due to a minority shareholder of a subsidiary. The amount is unsecured, interest free and has no fixed terms of repayment.

The balances due from associates and a jointly controlled entity at the balance sheet date are set out in Notes 22 and 23 respectively.

The above transactions were conducted in accordance with terms mutually agreed between the Group and the respective related parties.

### 38. PLEDGE OF ASSETS

At 31st December, 2005, the following assets of the Group were pledged to banks for facilities granted to the Group:

- (a) certain properties under development and related lease premium for land with carrying value of HK\$1,357,644,000 (2004: HK\$869,434,000) were pledged to a bank to secure long-term bank loan of HK\$192,215,000 (2004: HK\$441,895,000); and
- (b) cash of HK\$9,024,000 (2004: HK\$9,288,000) was pledged to banks to secure mortgage finance granted to buyers of properties developed by the Group or the Group's jointly controlled entity (Note 34(b)).

### 37. 關連人士交易 (續)

其他應付賬款包括約3,980,000港元(二零零四年: 3,894,000港元)之應付附屬公司少數股東權益款項。該款項為無抵押、免息及無固定還款期。

聯營公司及合營企業於結算日之應付款項已分別載於附註22及23。

上述交易已根據本集團與各關連人士雙方同意之條款進行。

### 38. 資產之抵押

於二零零五年十二月三十一日, 本集團以下資產已抵押予銀行作為本集團獲得信貸之擔保:

- (a) 賬面值為1,357,644,000港元(二零零四年: 869,434,000港元)之若干發展中物業及相關土地租賃費用已抵押予銀行, 作為為數192,215,000港元(二零零四年: 441,895,000港元)長期銀行貸款之擔保; 及
- (b) 9,024,000港元(二零零四年: 9,288,000港元)之現金已抵押予銀行, 作為授予本集團或本集團之合營企業所發展的物業之買家的按揭貸款的擔保(附註34(b))。

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## 財務報表附註

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

## 39. BALANCE SHEET OF THE COMPANY

The balance sheet of the Company as at 31st December, 2005 are as follows:

## 39. 本公司資產負債表

於二零零五年十二月三十一日，本公司資產負債表如下：

	Notes 附註	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
<b>Non-Current Assets</b>	<b>非流動資產</b>		
Interests in subsidiaries	附屬公司權益	637,404	3,490,599
Investments in securities	證券投資	-	315
Available-for-sale investments	可供出售投資	315	-
		<u>637,719</u>	<u>3,490,914</u>
<b>Current Assets</b>	<b>流動資產</b>		
Amounts due from subsidiaries	應收附屬公司賬款	3,045,516	-
Other receivables and prepayments	其他應收賬款及預付款項	1,258	1,336
Cash and bank balances	現金及銀行結餘	262,140	382,906
		<u>3,308,914</u>	<u>384,242</u>
<b>Current Liabilities</b>	<b>流動負債</b>		
Other payables	其他應付賬款	3,331	3,278
Convertible bonds 2009	二零零九年可換股債券	322,675	-
Amounts due to subsidiaries	應付附屬公司賬款	715,913	-
		<u>1,041,919</u>	<u>3,278</u>
<b>Net Current Assets</b>	<b>流動資產淨值</b>	<u>2,266,995</u>	<u>380,964</u>
<b>Total Assets Less Current Liabilities</b>	<b>總資產減流動負債</b>	<u>2,904,714</u>	<u>3,871,878</u>
<b>Capital and Reserves</b>	<b>資本及儲備</b>		
Share capital	股本	588,731	556,625
Reserves	儲備	2,315,983	2,201,450
Equity attributable to shareholders of the Company	本公司股東應佔權益	<u>2,904,714</u>	<u>2,758,075</u>
<b>Non-Current Liabilities</b>	<b>非流動負債</b>		
Amounts due to subsidiaries	應付附屬公司賬款	-	728,039
Convertible bonds 2009	二零零九年可換股債券	-	385,764
		<u>2,904,714</u>	<u>3,871,878</u>

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#### 40. PRINCIPAL SUBSIDIARIES, ASSOCIATES AND JOINTLY CONTROLLED ENTITIES

Principal subsidiaries as at 31st December, 2005

#### 40. 主要附屬公司、聯營公司及合營企業

於二零零五年十二月三十一日之主要附屬公司

Name of subsidiary 附屬公司名稱	Place of incorporation and operation 註冊成立及經營地點	Paid up issued ordinary share capital/ registered capital 繳足已發行普通股股本／註冊資本	Proportion of effective nominal value of issued share capital / interest in registered capital held by the Company 本公司持有之實際已發行股本面值／註冊資本權益比率		Principal activities 主要業務
			Directly 直接 %	Indirectly 間接 %	
Bonton Co. Ltd.	British Virgin Islands 英屬處女群島	US\$65,010,000 65,010,000美元	-	100	Investment holding 投資控股
Charlesville Limited	British Virgin Islands 英屬處女群島	US\$100 100美元	100	-	Investment holding 投資控股
Cosmos Success Development Limited 國勝發展有限公司	Hong Kong 香港	HK\$10,000 10,000港元	-	100	Investment holding 投資控股
Dafeng Property Management (Shanghai) Co., Ltd. (Note (1)) 大峰物業管理(上海)有限公司 (附註(1))	People's Republic of China 中華人民共和國	US\$500,000 500,000美元	-	100	Property management 物業管理
Humphreys Estate (Strawberry Houses) Limited	Hong Kong 香港	HK\$200 200港元	-	100	Securities trading 證券買賣
Jentime Limited 震時有限公司	Hong Kong 香港	HK\$2 2港元	-	100	Providing property services to the Group 為本集團提供物業服務

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## 財務報表附註

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## 40. PRINCIPAL SUBSIDIARIES, ASSOCIATES AND JOINTLY CONTROLLED ENTITIES

(continued)

Principal subsidiaries as at 31st December, 2005 (continued)

## 40. 主要附屬公司、聯營公司及合營企業 (續)

於二零零五年十二月三十一日之主要附屬公司 (續)

Name of subsidiary 附屬公司名稱	Place of incorporation and operation 註冊成立及經營地點	Paid up issued ordinary share capital/ registered capital 繳足已發行普通股本/註冊資本	Proportion of effective nominal value of issued share capital/ interest in registered capital held by the Company 本公司持有之實際已發行股本面值/註冊資本權益比率		Principal activities 主要業務
			Directly 直接 %	Indirectly 間接 %	
Multiclassic Investments Inc.	British Virgin Islands 英屬處女群島	US\$40,200,000 40,200,000美元	-	100	Investment holding 投資控股
Shanghai Tingar Real-Estate Co., Ltd. (Note (2)) 上海天嘉房產有限公司 (附註(2))	People's Republic of China 中華人民共和國	US\$8,800,000 8,800,000美元	-	90	Property development 物業發展
Shanghai Tomson Huangpu Real Estate Development Co., Ltd. (Note (2)) 上海湯臣黃浦房地產開發有限公司 (附註(2))	People's Republic of China 中華人民共和國	US\$18,500,000 18,500,000美元	-	95	Property development 物業發展
Shanghai Tomson Outer Gaoqiao Development Co., Ltd. (Note (1)) 上海湯臣外高橋開發有限公司 (附註(1))	People's Republic of China 中華人民共和國	US\$15,000,000 15,000,000美元	-	100	Property development 物業發展
Shanghai Tomson Plastic Industry Co., Ltd. (Note (2)) 上海湯臣塑膠實業有限公司 (附註(2))	People's Republic of China 中華人民共和國	US\$12,180,000 12,180,000美元	-	58	Manufacturing of PVC pipes 製造膠管
Shanghai Tomson Pudong Real Estate Development Co., Ltd. (Note (2)) 上海湯臣浦東房地產開發有限公司 (附註(2))	People's Republic of China 中華人民共和國	US\$46,000,000 46,000,000美元	-	70	Property development 物業發展

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#### 40. PRINCIPAL SUBSIDIARIES, ASSOCIATES AND JOINTLY CONTROLLED ENTITIES

(continued)

Principal subsidiaries as at 31st December, 2005 (continued)

#### 40. 主要附屬公司、聯營公司及合營企業 (續)

於二零零五年十二月三十一日之主要附屬公司 (續)

Name of subsidiary 附屬公司名稱	Place of incorporation and operation 註冊成立及經營地點	Paid up issued ordinary share capital/ registered capital 繳足已發行普通股本／註冊資本	Proportion of effective nominal value of issued share capital/ interest in registered capital held by the Company 本公司持有之實際已發行股本面值／註冊資本權益比率		Principal activities 主要業務
			Directly 直接 %	Indirectly 間接 %	
Shanghai Tomson Real Estate Investment & Development Co., Ltd. (Note (1)) 上海湯臣房地產開發有限公司 (附註(1))	People's Republic of China 中華人民共和國	US\$100,000,000 100,000,000美元	-	100	Property development 物業發展
Tomson (China) Limited 湯臣(中國)有限公司	Hong Kong 香港	HK\$2 2港元	-	100	Investment holding and securities trading 投資控股及證券買賣
Tomson Corporation	British Virgin Islands 英屬處女群島	US\$1 1美元	100	-	Investment holding 投資控股
Tomson Financial Investment Limited 湯臣財經投資有限公司	Hong Kong 香港	HK\$10,000 10,000港元	-	100	Investment holding and securities trading 投資控股及證券買賣
Tomson Golf (Shanghai) Limited (Note (1)) 湯臣高爾夫(上海)有限公司 (附註(1))	People's Republic of China 中華人民共和國	US\$40,000,000 40,000,000美元	-	100	Golf course and club operation, and property development 高爾夫球場及會所經營及物業發展
Tomson Group Garland (Shanghai) Housing & Estate Ltd. (Note (1)) 湯臣集團嘉地(上海)房地產有限公司(附註(1))	People's Republic of China 中華人民共和國	US\$16,000,000 16,000,000美元	-	100	Property development 物業發展

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

## 40. PRINCIPAL SUBSIDIARIES, ASSOCIATES AND JOINTLY CONTROLLED ENTITIES

(continued)

Principal subsidiaries as at 31st December, 2005 (continued)

## 40. 主要附屬公司、聯營公司及合營企業 (續)

於二零零五年十二月三十一日之主要附屬公司 (續)

Name of subsidiary 附屬公司名稱	Place of incorporation and operation 註冊成立及經營地點	Paid up issued ordinary share capital/ registered capital 繳足已發行普通股本/註冊資本	Proportion of effective nominal value of issued share capital/ interest in registered capital held by the Company 本公司持有之實際已發行股本面值/註冊資本權益比率		Principal activities 主要業務
			Directly 直接 %	Indirectly 間接 %	
Tomson Haijing Garden (Shanghai Pudong New Area) Co., Ltd. (Note (1)) 湯臣海景花園(上海浦東新區)有限公司(附註(1))	People's Republic of China 中華人民共和國	US\$58,200,000 58,200,000美元	-	100	Property development 物業發展
Tomson International Trade Building (Shanghai) Co., Ltd. (Note (1)) 湯臣國貿大廈(上海)有限公司(附註(1))	People's Republic of China 中華人民共和國	US\$16,800,000 16,800,000美元	-	100	Property development 物業發展
Tomson Investment Limited 湯臣投資有限公司	Hong Kong 香港	HK\$3 3港元	100	-	Investment holding 投資控股

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

各附屬公司於年度年結日或年內任何時間概無任何尚未償還之債務證券。

Note: For those subsidiaries established in the People's Republic of China, their classification of establishment is as follows:

附註：於中華人民共和國註冊成立的附屬公司，其註冊分類為：

(1) wholly foreign owned enterprise

(1) 外商獨資企業

(2) sino-foreign equity joint venture

(2) 中外合資企業

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#### 40. PRINCIPAL SUBSIDIARIES, ASSOCIATES AND JOINTLY CONTROLLED ENTITIES

(continued)

Principal associates as at 31st December, 2005

#### 40. 主要附屬公司、聯營公司及合營企業 (續)

於二零零五年十二月三十一日之主要聯營公司

Name of associate 聯營公司名稱	Form of business structure 業務結構形式	Place of incorporation and operation 註冊成立及經營地點	Paid up issued ordinary share capital/ registered capital 繳足已發行普通股／註冊資本	Proportion of effective nominal value of issued share capital/ interest in registered capital held by the Company 本公司持有之實際已發行股本面值／註冊資本權益比率		Principal activities 主要業務
				Directly 直接 %	Indirectly 間接 %	
Roma Era Limited 遠代有限公司	Incorporated 註冊成立	Hong Kong 香港	HK\$45,000 45,000港元	-	26.7	Investment holding 投資控股
Yankie Limited 恩傑有限公司	Incorporated 註冊成立	Hong Kong 香港	HK\$2 2港元	-	50	Investment holding 投資控股
Shanghai Tomson GuoJian Concrete Co., Ltd. 上海湯臣國建混凝土有限公司	Sino-foreign equity joint venture 中外合資企業	People's Republic of China 中華人民共和國	US\$6,000,000 6,000,000美元	-	25	Ready-mixed concrete manufacturing 製造預拌混凝土

## Notes to the Financial Statements

## 財務報表附註

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

## 40. PRINCIPAL SUBSIDIARIES, ASSOCIATES AND JOINTLY CONTROLLED ENTITIES

*(continued)*

Principal jointly controlled entity as at 31st December, 2005

## 40. 主要附屬公司、聯營公司及合營企業 (續)

於二零零五年十二月三十一日之主要合營企業

Name of jointly controlled entity 合營企業名稱	Form of business structure 業務結構形式	Place of incorporation and operation 註冊成立及經營地點	Paid up registered capital 繳足之註冊資本	Percentage of interest in registered capital held by the Company 本公司持有之註冊資本權益比率		Principal activities 主要業務
				Directly 直接 %	Indirectly 間接 %	
Shanghai Jinjiang Tomson Hotel Co., Ltd. (formerly, Shanghai New Asia - Tomson Hotel Co., Ltd.) 上海錦江湯臣大酒店有限公司(前稱上海新亞-湯臣大酒店有限公司)	Sino-foreign equity joint venture 中外合資企業	People's Republic of China 中華人民共和國	US\$24,340,000 24,340,000美元	-	50	Hotel owning and operation 擁有及經營酒店

The Directors are of the opinion that a complete list of the particulars of all subsidiaries, associates and jointly controlled entities would be of excessive length and therefore the above list contains only the particulars of those subsidiaries, associates and jointly controlled entities which significantly affect the results or assets of the Group.

董事局認為倘將所有附屬公司、聯營公司及合營企業之資料完整載列，則會導致該等資料過分冗長，故上表僅列出該等對本集團業績或資產構成重大影響之附屬公司、聯營公司及合營企業資料。