

31 December 2005

二零零五年十二月三十一日

1. GENERAL INFORMATION

The Company is incorporated in Bermuda as an exempted company with limited liabilities and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The addresses of the registered office and principal place of business of the Company are disclosed in the "Corporate Information" section of the annual report.

The Company is an investment holding company. Its subsidiaries are principally engaged in property development, property management and investment holding.

2. BASIS OF PREPARATION

Going concern basis

At 31 December 2005, the Group had net current liabilities of approximately of HK\$414,735,000 (2004: HK\$1,080,743,000). In addition, the Group had overdue short term borrowings together with relevant interest of HK\$13,880,000 (2004: HK\$45,144,000). The directors have been (i) in negotiations with new or existing bankers and third parties with a view to obtaining new facilities and/or renewals of the existing facilities granted to the Group; and (ii) closely monitoring the disposal of properties to raise funds.

The directors have considered the liquidity of the Group in light of the above and the funding requirements of the Group for the foreseeable future. The directors believe that the Group will be able to raise sufficient funds to meet its financial obligations and liabilities and funding requirements for the development of the Group's property projects. The directors expect that the Group will be able to generate moderate profit and sufficient cash flow from the aforesaid projects to support the Group's financial requirement. Accordingly, the financial statements have been prepared on a going concern basis.

1. 一般資料

本公司在百慕達註冊成立為一間獲豁免有限公司，其股份在香港聯合交易所有限公司上市（「聯交所」）。

本公司之註冊辦事處及主要辦事處地址已披露在年報「公司資料」內。

本公司為一間投資控股公司。其附屬公司主要從事物業發展、物業管理及投資控股等業務。

2. 編製基準

持續經營基準

於二零零五年十二月三十一日，本集團之流動負債淨額約為414,735,000港元（二零零四年：1,080,743,000港元）。此外，本集團有逾期短期貸款加上有關利息合共13,880,000港元（二零零四年：45,144,000港元）。董事已(i)與新或現有銀行及第三者進行磋商，藉以獲取新增信貸及／或更新本集團獲授之現有信貸；及(ii)密切監察出售物業以籌集資金。

董事們對於上述本集團的資金流動狀況及於可見未來的資金需求量曾作考量，董事們相信本集團可籌集足夠資金應付其財務承擔及負債以及本集團物業項目發展的資金需求。董事們期望上述項目能產生適量之溢利及足夠現金流量以支持本集團之財務需求。因此，本財務報表已按持續經營基準進行編製。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

38

31 December 2005

二零零五年十二月三十一日

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

In the current year, the Group has adopted a number of new Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) that are relevant to its operations and effective for accounting periods beginning on or after 1 January 2005. The adoption of these HKFRSs has resulted in changes in the Group’s accounting policies in the following areas that have affected the amounts reported for the current or prior accounting years are prepared and presented:

HKFRS 2	Share-based payments
HKFRS 3	Business combinations
HKAS 17	Leases
HKAS 40	Investment property
HKAS 32 and HKAS 39	Financial instruments
HKAS-Int 21	Income taxes — Recovery of revalued non-depreciable assets
HK-Int 3	Revenue — Pre-completion contracts for the sales of development properties

3. 採納新增及經修訂之香港財務報告準則

於本年度，本集團首次應用香港會計師公會（「香港會計師公會」）頒佈之多項新香港財務報告準則（「香港財務報告準則」）、香港會計準則（「香港會計準則」）及詮釋（下文統稱「新香港財務報告準則」），該等新香港財務報告準則乃於二零零五年一月一日或其後開始之會計期間生效。採納新香港財務報告準則對以往會計年度之業績之編製及呈列方式並無構成重大影響。因此，毋須就上年度作出調整。採納新香港財務報告準則導致本集團於以下範疇之會計政策出現變動，該等變動對本會計年度之業績之編製及呈列方式構成影響：

香港財務報告準則第2號	以股份為基礎之付款
香港財務報告準則第3號	業務合併
香港會計準則第17號	租賃
香港會計準則第40號	投資物業
香港會計準則第32號及39號	金融工具
香港會計準則 — 詮釋21	所得稅 — 收回已重估之非舊折資產
香港 — 詮釋3	收入 — 銷售發展物業之樓花合約

31 December 2005

二零零五年十二月三十一日

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Cont'd)

a) HKFRS 2 SHARE-BASED PAYMENT

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 share 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 applicable of HKFRS 2, the Group did not recognise the financial effect of these share options until they were exercised.

b) HKFRS 3 BUSINESS COMBINATIONS

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 the cost of acquisition (“discount on acquisition”) is recognised immediately in profit or loss in the period in which the acquisition takes place. In previous years, negative goodwill arising on acquisitions prior to 1 January 2001 was held in reserves, and negative goodwill arising on acquisitions after 1 January 2001 was presented as a deduction from assets and released to income based on an analysis of the circumstances from which the balance resulted. In accordance with the relevant transitional provisions in HKFRS 3, the Group has derecognised all negative goodwill at 1 January 2005.

3. 採納新增及經修訂之香港財務報告準則 (續)

(a) 香港財務報告準則第2號「以股份為基礎之付款」

於本年度，本集團已應用香港財務報告準則第2號「以股份為基礎之付款」。該準則規定，當本集團以股份或股份權利（「股本總算交易」），或以其他與特定數目股份或股份權利等值之資產（「現金結算交易」）作為購買貨品或取得服務之代價，則須確認開支。香港財務報告準則第2號對本集團之主要影響乃關乎授予本公司董事及僱員之購股權於購股權授出日期釐定之公平價值。須於歸屬期內支銷。在應用香港財務報告準則第2號前，本集團在購股權獲行使前概無確認該等購股權之財務影響。

(b) 香港財務報告準則第3號 業務合併

根據財務報告準則第3號，本集團應佔所收購公司之可確定資產、負債及或然負債之公平價值淨額高於收購成本之差額（「收購折讓」），乃於進行收購之期間即時確認為損益。於過往年度，於二零零一年一月一日前收購所產生之負商譽乃列作儲備，於二零零一年一月一日後收購所產生之負商譽則作資產扣減，並視乎構成差額之因素撥至收入。根據財務報告準則第3號之相關過渡性條文，本集團已不再確認所有於二零零五年一月一日之負商譽。

31 December 2005

二零零五年十二月三十一日

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Cont'd)

c) HKAS 17 LEASES

The adoption of revised HKAS 17 has resulted in a change in the accounting policy relating to the reclassification of land use rights from properties held for/under development to land leases payments. The up-front prepayments made for the leasehold land and land use rights are expensed in the income statement on a straight-line basis over the period of the lease or where there is impairment, the impairment is expensed in the income statement. In prior years, the land use rights included in properties held for/under development were accounted for at cost less accumulated impairment losses. The transitional provisions require retrospective application of this new policy and accordingly the 2004 comparative figures had reflected the retrospective effect of the change.

d) HKAS 40 INVESTMENT PROPERTY

The adoption of revised HKAS 40 has resulted in a change in the accounting policy for which the changes in fair values of investment properties are recorded in the income statement from 1 January 2005. In prior years, the increases in fair value were credited to the investment properties revaluation reserve. Decreases in fair value were first set off against increases on earlier valuations on a portfolio basis and thereafter expensed in the income statement. The transitional provisions do not require retrospective application of this new policy to restate the amounts for previous years, and in this connection the Group has chosen not to reflect the effect of this change in the 2004 comparative figures. The investment property revaluation reserve of approximately HK\$165,301,000 as at 31 December 2004 has been transferred to retained earnings on 1 January 2005, in accordance with the transitional provisions.

3. 採納新增及經修訂之香港財務報告準則 (續)

(c) 香港會計準則第17號 租賃

採納經修訂之香港會計準則第17號對有關發展中物業重新分類為營運租賃預付款項之會計政策出現變動。租賃土地及土地使用權之前期預付款項將於租賃期間內以直線法在損益表內扣除，或倘出現減值，減值將於損益表內扣除。於過往年度，包括於在建工程之土地使用權乃按成本減累計減值虧損列賬。過渡條文規定此項新政策須追溯應用。因此，二零零四年比較數字已反映此變動之追溯影響。

(d) 香港會計準則第40號 投資物業

採納經修訂香港會計準則第40號導致會計政策出現變動。投資物業之公平值之變動於二零零五年一月一日起記入損益表內。於過往年度，公平值之增加計入投資物業重估儲備，公平值之減少首先按組合基準於早前之估值增加抵銷。其後於損益表扣除。過渡條文並無規定此項新政策須追溯應用以重列往年金額。因此，本集團已選擇不在二零零四年之比較數字中反映此變動之影響。於二零零四年十二月三十一日之投資物業重估儲備約165,301,000港元已依照過渡條文所訂於二零零五年一月一日轉往保留盈利。

31 December 2005

二零零五年十二月三十一日

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (*Cont'd*)

e) HKAS 32 FINANCIAL INSTRUMENTS: DISCLOSURE AND PRESENTATIONS AND HKAS 39 FINANCIAL INSTRUMENTS: RECOGNITION AND MEASUREMENT

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 periods beginning on or after 1 January 2005, generally does not permit the recognition, derecognition or measurement of financial assets and liabilities on a retrospective basis. The application of HKAS 32 has had no material impact on how financial instrument of the Group are presented for current and prior accounting periods. The principal effects resulting from the implementation of HKAS 39 are summarised below:

i) *Classification and measurement of financial assets and financial liabilities*

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

3. 採納新增及經修訂之香港財務報告準則 (續)

(e) 香港會計準則第32號「金融工具：披露及呈列」及香港會計準則第39號「金融工具：確認及計量」

於本年度，本集團已應用香港會計準則第32號「金融工具：披露及呈列」及香港會計準則第39號「金融工具：確認及計量」。香港會計準則第32號規定須予追溯應用。香港會計準則第39號適用於二零零五年一月一日或其後開始之年度期間，一般而言並不容許金融資產及負債作追溯性之確認、取消確認或計量。應用香港會計準則第32號對本集團本及以往會計期間之金融工具之呈列方式並無構成重大影響。採納香港會計準則第39號之主要影響概述如下：

i) *金融資產與金融負債之分類及計量*

本集團已就香港會計準則第39號範圍內之金融資產與金融負債之分類及計量應用香港會計準則第39號之相關過渡性條文。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

42

31 December 2005

二零零五年十二月三十一日

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Cont'd)

e) HKAS 32 FINANCIAL INSTRUMENTS: DISCLOSURE AND PRESENTATIONS AND HKAS 39 FINANCIAL INSTRUMENTS: RECOGNITION AND MEASUREMENT (Cont'd)

i) *Classification and measurement of financial assets and financial liabilities* (Cont'd)

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”. “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 profit or loss 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 and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments are measured at cost less impairment after initial recognition. “Loans and receivables” and “held-to-maturity financial assets” are measured at amortised cost using the effective interest method after initial recognition.

3. 採納新增及經修訂之香港財務報告準則 (續)

(e) 香港會計準則第32號「金融工具：披露及呈列」及香港會計準則第39號「金融工具：確認及計量」(續)

i) 金融資產與金融負債之分類及計量 (續)

根據香港會計準則39號，金融資產可劃分為「按公平價值計入損益之金融資產」、「可出售金融資產」、「貸款及應收賬款」或「持有至到期日之金融資產」。「按公平價值計入損益之金融資產」及「可出售金融資產」以公平價值列賬，而公平價值之變動則分別於收益表及權益確認。於活躍市場並無市場報價及其公平價值無法可靠計量之可出售金融資產，以及與其有關之衍生工具須透過交付該等無報價股本投資結算，則有關股本投資於首次確認後按成本扣除減值計量。「貸款及應收賬款」及「持有至到期日之金融資產」於首次確認後以實際利率法按經攤銷成本計量。

31 December 2005

二零零五年十二月三十一日

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Cont'd)

e) HKAS 32 FINANCIAL INSTRUMENTS: DISCLOSURE AND PRESENTATIONS AND HKAS 39 FINANCIAL INSTRUMENTS: RECOGNITION AND MEASUREMENT (Cont'd)

ii) *Financial assets and financial liabilities other than equity securities*

From 1 January 2005 onwards, the Group has classified and measured its financial assets and financial liabilities other than equity securities (which were previously outside the scope of SSAP24) 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 at fair value through profit or loss are measured at fair value, with changes in fair value being recognised in profit or loss directly. Other financial liabilities are carried at amortised cost using the effective interest method after initial recognition. The Group has applied the relevant transitional provisions in HKAS 39. However, there has been no material effect on how the results for the current accounting period are prepared and presented.

3. 採納新增及經修訂之香港財務報告準則 (續)

(e) 香港會計準則第32號「金融工具：披露及呈列」及香港會計準則第39號「金融工具：確認及計量」(續)

(ii) *股本證券以外之金融資產及金融負債*

由二零零五年一月一日起，本集團根據香港會計準則第39號之規定就其股本證券以外之金融資產及金融負債(以往並不屬於實務準則第24號之範圍內)分類及計量。如上文所述，香港會計準則第39號範圍內之金融資產可劃分為「按公平價值計入損益之金融資產」、「可出售金融資產」、「貸款及應收賬款」或「持有至到期日之金融資產」。「按公平價值計入損益之金融負債」以公平價值列賬，而公平價值之變動則直接於損益確認。其他金融負債於首次確認後以實際利率法按經攤銷成本計量。本集團已應用香港會計準則第39號之相關過渡性條文。其對如何編制及呈列營運業績構成重大影響。

31 December 2005

二零零五年十二月三十一日

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Cont'd)

f) HKAS-INT 21 INCOME TAXES — RECOVERY OF REVALUED NON-DEPRECIABLE ASSETS

The adoption of revised HKAS-Int 21 has resulted in a change in the accounting policy relating to the measurement of deferred tax liabilities arising from the revaluation of investment properties. Such deferred tax liabilities are measured on the basis of tax consequences that would follow from recovery of the carrying amount of that asset through use. In prior years, the carrying amount of that asset was expected to be recovered through sale. The transitional provisions require retrospective application of this new policy and accordingly the 2004 comparative figures reflected the retrospective effect of the change.

g) HK-INT 3 REVENUE — PRE-COMPLETION CONTRACTS FOR THE SALES OF DEVELOPMENT PROPERTIES

The adoption of HK-Int 3 has resulted in a change in the accounting policy relating to revenue recognition arising from the sale of properties. Such revenue is recognised only upon completion of the related sale agreement, which refers to the time when properties are completed and delivered to the buyers. In prior years, revenue from the sale of properties under development was recognised according to the percentage of completion method. The Group has elected to apply the requirements of HK-Int 3 to pre-completion contracts for the sale of development properties entered into on or after 1 January 2005. Accordingly, no prior period figures have been restated.

3. 採納新增及經修訂之香港財務報告準則 (續)

(f) 香港會計準則 — 詮釋21 所得稅一收回已重估之非折舊資產

採納經修訂香港會計準則 — 詮釋21導致有關重估投資物業所產生之遞延稅項負債之計算方法之會計政策出現變動。有關遞延稅項負債按透過使用資產收回該資產之賬面值所產生之稅項影響為基準計算。於過往年度，有關資產之賬面值乃預期透過出售收回。過渡條文規定此項新政策須追溯應用。因此，二零零四年比較數字已反映此變動之追溯影響。

(g) 香港 — 詮釋3 收入 — 銷售發展物業之樓花合約

採納香港 — 詮釋3導致來自銷售物業之收入確認會計政策改變。有關收入僅會於完成相關銷售協議時確認，即當物業落成並交付買方時。於往年，銷售發展中物業之收入是按照完工百分比方法確認。本集團選擇對二零零五年一月一日或以後簽訂發展中物業之銷售合約採納香港 — 詮釋3之規定。因此，比較數字無需重列。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

45

31 December 2005

二零零五年十二月三十一日

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Cont'd)

3. 採納新增及經修訂之香港財務報告準則 (續)

h) SUMMARY OF THE EFFECTS OF CHANGES IN ACCOUNTING POLICIES

(h) 會計政策修訂之影響

i) The cumulative effects of the application of the new HKFRSs on 31 December 2004 and 1 January 2005 are summarised below:

i) 於二零零四年十二月三十一日及二零零五年一月一日應用新香港財務報告準則之累計影響：

		As at				As at		As at	
		31 December 2004	Retrospective Adjustments			31 December 2004	As at 1 January 2005		
		(originally stated)	追測調整			(As restated)	(As restated)		
		於二零零四年十二月三十一日 (如前列)	HKAS INT 21 香港會計準則 - 詮釋21	HKAS 17 香港會計準則 第17號	HKAS 40 香港會計準則 第40號	於二零零四年十二月三十一日 (重列)	Prospective adjustments 未來適用調整	於二零零五年一月一日 (重列)	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	
Balance sheet items	資產負債表項目								
Property held for/under development	持有作發展/發展中物業	404,989	—	(82,821)	—	322,168	—	322,168	
Prepaid lease payments (current and non-current)	預付租賃款項 (流動及非流動)	—	—	82,821	—	82,821	—	82,821	
Investment properties	投資物業	735,000	—	—	—	735,000	—	735,000	
Deferred tax liabilities	遞延稅項負債	—	(104,140)	—	—	(104,140)	—	(104,140)	
Other assets	其他資產	22,419	—	—	—	22,419	—	22,419	
Other liabilities	其他負債	(1,104,739)	—	—	—	(1,104,739)	—	(1,104,739)	
Total effect on assets and liabilities	對資產及負債之影響總計	57,669	(104,140)	—	—	(46,471)	—	(46,471)	
Share capital	股本	136,000	—	—	—	136,000	—	136,000	
Accumulated losses	累積虧損	(1,058,438)	(104,140)	—	—	(1,162,578)	179,627	(982,951)	
Investment properties revaluation reserve	投資物業重估儲備	165,301	—	—	—	165,301	(165,301)	—	
Other reserve	其他儲備	814,806	—	—	—	814,806	(14,326)	800,480	
Total effects on equity	對股本之影響總計	57,669	(104,140)	—	—	(46,471)	—	(46,471)	

31 December 2005

二零零五年十二月三十一日

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Cont'd)

h) SUMMARY OF THE EFFECTS OF CHANGES IN ACCOUNTING POLICIES (Cont'd)

- ii) The financial effects of the application of the new HKFRSs to the Group's equity on 1 January 2004 are summarised below:

		As originally stated 如前列 HK\$'000 千港元	Adjustments 作出之調整 HK\$'000 千港元	As restated 重列 HK\$'000 千港元
Accumulated losses	累積虧損	(1,003,546)	(127,074)	(1,130,620)
Total effects on equity	對股本 之影響總計	<u>(1,003,546)</u>	<u>(127,074)</u>	<u>(1,130,620)</u>

- iii) The HKICPA has issued the following new standards, amendments and interpretations that have been issued but are not yet effective. The Group has considered the following standards, amendments and interpretations but does not expect they will have a material effect on how the results of operations and financial position of the Group are prepared and presented.

3. 採納新增及經修訂之香港財務報告準則 (續)

(h) 會計政策修訂之影響 (續)

- ii) 應用新香港財務申報準則對本集團於二零零四年一月一日之股本的財務影響概述如下：

- (iii) 香港會計師公會已發出以下尚未生效之準則及詮釋。本集團已考慮以下準則及詮釋，但不預期其對如何編制及呈列營運業績及財務狀況構成重大影響。

31 December 2005

二零零五年十二月三十一日

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Cont'd)

h) SUMMARY OF THE EFFECTS OF CHANGES IN ACCOUNTING POLICIES (Cont'd)

HKAS 1 (Amendment)	Capital disclosures ¹
HKAS 19 (Amendment)	Actuarial gains and losses, group plans and disclosures ²
HKAS 21 (Amendment)	The effects of changes in foreign exchange rate — Net investment in a foreign operation ²
HKAS 39 (Amendment)	Cash flow hedge accounting of forecast intragroup transactions ²
HKAS 39 (Amendment)	The fair value option ²
HKAS 39 & HKFRS 4 (Amendment)	Financial guarantee contracts ²
HKFRS 6	Exploration for and evaluation of mineral resources ²
HKFRS 7	Financial instruments: Disclosures ¹
HK(IFRIC)-Int 4	Determining whether an arrangement contains a lease ²
HK(IFRIC)-Int 5	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds ²

3. 採納新增及經修訂之香港財務報告準則 (續)

(h) 會計政策修訂之影響 (續)

香港會計準則 第1號 (經修訂)	資本披露 ¹
香港會計準則 第19號 (經修訂)	精算損益、集團計劃及披露 ²
香港會計準則 第21號 (經修訂)	外幣匯率變動之影響 — 境外業務投資淨額 ²
香港會計準則 第39號 (經修訂)	預測集團內部交易之現金流量對沖會計法 ²
香港會計準則 第39號 (經修訂)	公平價值法之選擇 ²
香港會計準則 第39號及香港 財務報告準則 第4號 (經修訂)	財務承擔合約 ²
香港財務報告準則 第6號	礦產資源之勘探及計估 ²
香港財務報告準則 第7號	財務工具：披露 ¹
香港財務報告 詮釋委員會 — 詮釋4	釐定安排是否包括租賃 ²
香港財務報告 詮釋委員會 — 詮釋5	於解除運作、復原及環保修復基金所產生之權益之權利 ²

31 December 2005

二零零五年十二月三十一日

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Cont'd)

h) SUMMARY OF THE EFFECTS OF CHANGES IN ACCOUNTING POLICIES (Cont'd)

HK(IFRIC)-Int 6	Liabilities arising from participating in a specific market — Waste electrical and electronic equipment ³
HK(IFRIC)-Int 7	Applying the restatement approach under HKAS 29 financial reporting in Hyperinflationary Economics ⁴
HK(IFRIC)-Int 8	Scope of HKFRS 2 ⁵
HK(IFRIC)-Int 9	Reassessment of embedded derivatives ⁶

- ¹ Effective from annual periods beginning on or after 1 January 2007
- ² Effective from annual periods beginning on or after 1 January 2006
- ³ Effective from annual periods beginning on or after 1 December 2005
- ⁴ Effective from annual periods beginning on or after 1 March 2006
- ⁵ Effective from annual periods beginning on or after 1 May 2006
- ⁶ Effective from annual periods beginning on or after 1 June 2006

3. 採納新增及經修訂之香港財務報告準則 (續)

(h) 會計政策修訂之影響 (續)

香港財務報告 詮釋委員會 — 詮釋6	因個別市場 — 廢料電力及電子儀器產生的負債 ³
香港財務報告 詮釋委員會 — 詮釋7	根據香港會計準則第29號「惡性通貨膨脹經濟中的財務報告」採用重列法 ⁴
香港財務報告 詮釋委員會 — 詮釋8	香港財務報告準則2之範圍 ⁵
香港財務報告 詮釋委員會 — 詮釋9	重新評估嵌入式衍生工具 ⁶

- ¹ 於二零零七年一月一日或之後開始之年度期間生效
- ² 於二零零六年一月一日或之後開始之年度期間生效
- ³ 於二零零五年十二月一日或之後開始之年度期間生效
- ⁴ 於二零零六年三月一日或之後開始之年度期間生效
- ⁵ 於二零零六年五月一日或之後開始之年度期間生效
- ⁶ 於二零零六年六月一日或之後開始之年度期間生效

31 December 2005

二零零五年十二月三十一日

4. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA and applicable provisions required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties which are carried at fair value, as explained in the accounting policies set out below:

a) BASIS OF CONSOLIDATION

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

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

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

b) SUBSIDIARIES

A subsidiary is a company controlled by the Company. A subsidiary is considered to be controlled if the Company has the power directly or indirectly, to govern the financial and operating policies, so as to obtain benefits from their activities.

4. 主要會計政策

綜合財務報表已按香港會計師公會頒佈的香港財務報告準則編製，符合香港聯合交易所有限公司證券上市規則及香港公司條例適用之披露規定。本綜合財務報表乃按歷史成本作為編製基準，投資物業乃按公平值計量，以下是主要會計政策概要：

a) 綜合賬目基準

綜合財務報表包括本公司及其附屬公司每年截至十二月三十一日止之財務報表。

於本年度購入或出售之附屬公司，其業績會分別由購入生效日期起或截至出售生效日期止（按適用）列入綜合收益表內。

所有重大之集團內公司間交易及結餘，乃於綜合賬目時對銷。

b) 附屬公司

附屬公司乃指本公司控制之公司。倘本公司有權直接或間接控制附屬公司之財政及營運決策以從其業務中取得利益，則該附屬公司被視作受控制。

31 December 2005

二零零五年十二月三十一日

4. SIGNIFICANT ACCOUNTING POLICIES*(Cont'd)***b) SUBSIDIARIES** *(Cont'd)*

In the Company's balance sheet, investments in subsidiaries are stated at cost less impairment losses. The results of subsidiaries are accounted for by the Company to the extent of dividends received and receivable.

c) REVENUE RECOGNITION

- (i) Revenue from sale of properties is recognised upon completion of sale agreement, which refers to the time when the risks and rewards of the sale transactions are transferred to the buyers. Deposits and instalments received on properties sold prior to completion of the respective sale agreements are included as deferred revenue under current liabilities.
- (ii) Rental revenue and other revenue incidental to the letting of properties are recognised on a straight-line basis over the periods of the respective leases.
- (iii) Interest income is recognised on a time-proportion basis on the principal outstanding and at the rate applicable.

4. 主要會計政策 (續)**b) 附屬公司 (續)**

於本公司資產負債表列出於附屬公司之投資按成本值減減值虧損。附屬公司之業績乃就本公司所收取及應予收取之股息入賬。

c) 收益之確認

- (i) 銷售物業所得之收入乃於銷售協議完成時(即銷售交易之風險及回報轉移至買家之時)確認。於銷售協議完成前就出售物業所收取之按金及分期款項乃計入流動負債項下之遞延收入。
- (ii) 租金收入及其他因出租物業隨之而來之收入乃按其各自之租期以直線法確認。
- (iii) 利息收益按未償還本金額及適用利率，按時間分配基準確認。

31 December 2005

二零零五年十二月三十一日

4. SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

d) SEGMENT REPORTING

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risk and rewards that are different from those of other segments.

e) CO-OPERATIVE JOINT VENTURES IN THE PRC

Co-operative joint ventures are Sino-foreign joint ventures in respect of the partners' profit sharing ratios and share of net assets upon the expiration of the joint venture periods are not necessarily in proportion to their capital contribution ratios but are as defined in the joint venture contracts. The Group's investments in co-operative joint ventures are accounted for as if they are subsidiaries of the Company by virtue of the fact that the Group has control over the boards of directors of the joint ventures and/or undertakes the rights and obligations in terms of the business operations.

f) INVESTMENT PROPERTIES

Investment properties are land and buildings which are owned or held under a leasehold interest to earn rental income and/or for capital appreciation.

4. 主要會計政策 (續)

d) 分類報告

分部是指本集團內可明顯區分的組成部份，並且負責提供相關的產品或服務(業務分部)，或在一個特定的經濟環境中提供產品或服務地區分部。分部之間的風險和回報水平也不一樣。

e) 於中國之合作經營企業

合作經營企業乃中外合營企業其合營各方分佔溢利之比率及於合營期屆滿時佔合營企業之資產淨值，並未必按合營各方之出資的比例計算，而是按合營合同所定比例分派。基於本集團能控制合營企業之董事會及／或承擔其業務運作之權利與義務，故本集團於合營企業之投資乃視作為附屬公司列賬。

f) 投資物業

投資物業指具資本增值及／或可帶來租金收益所持有之土地之樓宇權益。

31 December 2005

二零零五年十二月三十一日

4. SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

f) INVESTMENT PROPERTIES (Cont'd)

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. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise.

Investment properties are stated in the balance sheet at fair value. Any gain or loss arising from a change in fair value or from the retirement or disposal of an investment property is recognised in income statement.

g) PROPERTIES HELD FOR/UNDER DEVELOPMENT

Properties held for/under development for long-term purposes are stated at cost less impairment losses.

Properties held for/under development for sale are included in current assets at the lower of cost and net realisable value.

Cost of properties in the course of development comprises development costs including attributable interest and professional charges capitalised during the development period.

4. 主要會計政策 (續)

f) 投資物業 (續)

於初步確認時，投資物業乃按成本(包括任何直接應佔開支)計量。初步確認後，投資物業以公平值模式計量。投資物業公平值變動所產生之收益或虧損於產生期間計入損益。

投資物業按公平值列入資產負債表內。投資物業之公平值變動、報廢或出售所產生之收益或虧損於收益內確認。

g) 持有作發展／發展中物業

長期持有作發展／發展中物業，按成本減減值虧損列值。

以供出售(但未開始預售)之持有作發展／發展中物業，按成本及可變現淨值之較低者計入流動資產內。

發展中物業成本為土地成本，土地使用權費用及發展成本，包括發展期間已撥充資本之應佔利息成本及專業費用。

4. SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

g) PROPERTIES HELD FOR/UNDER DEVELOPMENT (Cont'd)

Net realisable value is determined by reference to sales proceeds of properties sold in the ordinary course of business less all estimated selling expenses after the balance sheet date, or by management estimates based on prevailing market conditions.

No depreciation is provided on properties held for/under development.

h) INVENTORY OF COMPLETED PROPERTIES

Inventory of completed properties are included in current assets at the lower of cost and net realisable value. Cost comprises development costs including attributable interest and professional charges capitalised during the development period, and is determined by apportionment of the total costs attributable to the unsold properties.

i) FIXED ASSETS AND DEPRECIATION

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Fixed assets are depreciated at rates sufficient to write off their cost less residual value over their estimated useful lives on a straight-line basis. The principal annual rates are as follows:

Office equipment, furniture and fixtures	20% to 25%
Motor vehicles	15% to 20%

4. 主要會計政策 (續)

g) 持有作發展／發展中物業 (續)

可變現淨值乃參照結算日後正常業務中物業銷售收入減所有估計銷售開支，或由管理層根據當時市場情況所作估計而定。

持有作發展／發展中物業不作折舊準備。

h) 現存已落成物業

現存已落成物業按成本及可變現淨值之較低者計入流動資產。成本包括土地成本，土地使用權費用及發展成本，包括發展期間已撥充資本之應佔利息成本及專業費用，並按未出售物業所應佔土地及發展總成本之比例作分配。

i) 固定資產及折舊

固定資產按成本減累積折舊及累積減值虧損(如有)列賬。固定資產乃按足以撇銷其成本減剩餘價值之比率於其估計可使用年期以直綫法折舊。為此而採用之主要年率為：

辦公室設備、 傢俬及裝置	20% to 25%
汽車	15% to 20%

31 December 2005

二零零五年十二月三十一日

4. SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

i) FIXED ASSETS AND DEPRECIATION

(Cont'd)

Major costs incurred in restoring fixed assets to their normal working condition are charged to the income statement. Improvements are capitalised and depreciated over their expected useful lives to the Company.

The gain or loss on disposal of fixed assets is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in the income statement.

j) IMPAIRMENT OF ASSETS

At each balance sheet date, the Group reviews the carrying amounts of its assets to determine whether there is any indication that these 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. Impairment losses are 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.

4. 主要會計政策 (續)

i) 固定資產及折舊 (續)

將固定資產整修至正常運作狀況所產生之主要成本均自收益表內扣除。裝修支出均撥充資本，並按彼等在本公司之預期可使用年期予以折舊。

出售固定資產之收益或虧損，指出售所得款項淨額及有關資產之賬面值之差額，並於收益表內確認。

j) 資產減值

於每個結算日，本集團評估其資產之賬面值，以確定該等資產有否減值虧損之跡象。倘資產之可收回金額估計低於其賬面值，則將資產之賬面值撇減至其可收回金額。減值虧損隨即確認為開支。

倘其後減值虧損退減則將資產之賬面值增至經修訂之估計可收回金額，惟因此而增加之賬面值不可超過假設往年度並無減值虧損下所釐定之賬面值。減值虧損退減隨即確認為收入。

31 December 2005

二零零五年十二月三十一日

4. SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

k) BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, are capitalised as part of the cost of those assets. Capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use.

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

l) PROVISIONS AND CONTINGENT LIABILITIES

Provisions are recognised for liabilities of uncertain timing or amount when the group or the company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

4. 主要會計政策 (續)

k) 借貸成本

直接用於購買、建造或生產合資格資產之借貸成本將撥充為該等資產之部份成本。該等借貸成本於有關資產大致上可作預期用途時不再撥充作資本。

所有其他借貸成本乃於產生年度自收益表扣除。

l) 撥備及或然負債

當集團或公司因過往事件而承擔法定或推定債務，而有可能需要流出經濟效益以償付有關債務，且能夠可靠估計之情況下，便會就時間或金額不確定之負債確認撥備。倘貨幣時間值屬重大，則撥備按預期償付債務之開支現值列賬。

除非經濟效益流出之可能性極低，否則，倘不會導致經濟效益流出，或金額不能可靠估計，則債務列為或然負債。除非經濟效益流出之可能性極低，否則，其存在僅由發生或未有發生一件或多件日後事件而確認可能須承擔之債務亦列為或然負債。

31 December 2005

二零零五年十二月三十一日

4. SIGNIFICANT ACCOUNTING POLICIES*(Cont'd)***m) OPERATING LEASES**

Leases where substantially all the rewards and risks of ownership of assets remain with the leasing company are accounted for as operating leases. Rental payables under such operating leases are accounted for in the income statement on a straight-line basis over the periods of the respective lease.

n) FOREIGN CURRENCY TRANSLATION

Foreign currency transactions are translated into Hong Kong dollars at the rates of exchange ruling at the dates of the transactions. Monetary assets and liabilities expressed in foreign currencies at the balance sheet date are translated at rates of exchange ruling at the balance sheet date. Exchange differences arising in these cases are dealt with in the income statement.

On consolidation, the assets and liabilities of the Group's subsidiaries are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the year. Exchange differences arising, if any, are classified as equity and transferred to the Group's exchange fluctuation reserve. Such translation differences are recognised in the income statement in the period in which the subsidiary is disposed of.

4. 主要會計政策 (續)**m) 經營租約**

凡資產所有權之絕大部份回報及風險仍屬出租公司所有之租約均為經營租約。經營租約之應付租金於其各自之租約期內以直線法列入收益表。

n) 外幣換算

外幣交易按交易日之匯率換算為港元。於結算日以外幣為單位之貨幣資產及負債按結算日之適用匯率換算，所產生之匯兌差額在收益表中處理。

於編製綜合賬目時，本集團之附屬公司之資產及負債乃按結算日當時之匯率換算。收支項目則按年內之平均匯率換算，於編製綜合賬目時產生之匯兌差額(如有)分類為股東權益並轉撥往本集團外匯波動儲備。該等換算差額在出售有關附屬公司時於收益表中確認。

31 December 2005

二零零五年十二月三十一日

4. SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

o) RELATED PARTY

For the purposes of these financial statements, parties are considered to be related to the group if the group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the group and the party are subject to common control or common significant influence. Related parties may be individuals (being members of key management personnel, significant shareholders and/or their close family members) or other entities and include entities which are under the significant influence of related parties of the group where those parties are individuals, and post-employment benefit plans which are for the benefit or employees of the group or of any entity that is a related party of the group.

p) TAXATION

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

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

4. 主要會計政策 (續)

o) 關連方

就本財務報表而言，如果本集團能夠直接或間接控制另一方或可以支配另一方的財務及經營決策，或另一方能夠直接或間接控制本集團或支配本集團的財務及經營決策，或本集團與另一方同時受到第三方控制或支配，有關各方即視為本集團的關連方。關連方可以是個人(即關鍵管理人員、重要股東及／或與他們關係密切的家族成員)或其他實體，並且包括受到本集團屬於個人的關連方重大影響的實體，以及為本集團或作為本集團關連方的任何實體的僱員福利而設的離職後福利計劃。

p) 稅項

所得稅開支指現時應付稅項與遞延稅項之總和。

現時應付稅項為年內應課稅溢利。應課稅溢利與收益表所呈報溢利不同，原因為應課稅溢利不包括於其他年度應課稅或可扣稅之收入或開支項目，亦不包括從未課稅或扣稅之項目。本集團之即期稅項責任乃按結算日已頒佈或實質頒佈之稅率計算。

31 December 2005

二零零五年十二月三十一日

4. SIGNIFICANT ACCOUNTING POLICIES*(Cont'd)***p) TAXATION** *(Cont'd)*

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

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

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

4. 主要會計政策 (續)**p) 稅項 (續)**

遞延稅項乃按財務報表資產及負債之賬面值與計算應課稅溢利所用相應稅基之差額確認，並以資產負債表負債法列賬。遞延稅項負債一般就所有應課稅暫時差異確認，而遞延稅項資產則以很可能獲得能利用可扣稅暫時差異抵扣之應課稅溢利者為限予以確認。倘交易之其他資產及負債之商譽或初步確認(業務合併除外)產生之暫時差異影響應課稅溢利或會計溢利，則有關資產及負債不予確認。

遞延稅項負債就於附屬公司之投資所產生應課稅暫時差異確認，惟暫時差異之撥回時間可控制及暫時差異很大可能不會於可見將來撥回者除外。

遞延稅項資產之賬面值於每個結算日進行檢討，並予以調低，惟以不再可能具備足夠應課稅溢利以收回全部或部分資產者為限。

4. SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

p) TAXATION (Cont'd)

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

q) EMPLOYEE BENEFITS

- i) Salaries, annual bonuses, paid annual leave, leave passage and the cost to the Group of non-monetary benefits are accrued in the year in which the associated services are rendered by employees of the Group. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.
- ii) Contributions to Mandatory Provident Fund as required under the Hong Kong Mandatory Provident Fund Schemes Ordinance and a state-sponsored retirement plan organised by municipal government as stipulated by the regulations of the People's Republic of China (the "PRC") are recognised as an expense in the income statement as incurred, except to the extent that they are included in the cost of inventories not yet recognised as an expense.

4. 主要會計政策 (續)

p) 稅項 (續)

遞延稅項乃按償還負債或變現資產之期內預期適用之稅率計算。遞延稅項自損益扣除或計入損益，惟與直接自權益扣除或計入權益之項目有關者除外，於此情況下，遞延稅項亦於權益處理。

q) 僱員福利

- i) 薪金、年度花紅、有薪年假及本集團非金錢福利成本均於本集團僱員提供相關服務之年度計算。倘上述款項或福利遞延支付或提供，而有關影響屬重大，則該等款項均按其現值入賬。
- ii) 香港強制性公積金計劃條例規定之強制性公積金供款及中華人民共和國（「中國」）法規規定由市政府組織之國家退休計劃供款均於產生時在收益表確認為開支，惟包括在存貨成本而尚未確認為開支之金額則除外。

31 December 2005

二零零五年十二月三十一日

4. SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

q) EMPLOYEE BENEFITS (Cont'd)

iii) Termination benefits are recognised when, and only when, the Group demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

iv) Share-based payment expenses

The fair value of the employee services received in exchange for the grant of the share options is recognised as an expense in the income statement on a straight-line basis over the vesting period, with a corresponding increase in equity (Share-based compensation reserve).

The total amount to be expensed over the vesting period is determined with reference to the fair value of the share options granted. At each balance sheet date, the Company revised its estimates of the number of share options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the income statement, and a corresponding adjustment to equity (Share-based compensation reserve) in the balance sheet will be made over the remaining vesting periods.

4. 主要會計政策 (續)

q) 僱員福利 (續)

iii) 終止僱傭福利僅於本集團具備正式而詳細之方案及不可能撤回方案之情況下，明確顯示終止聘用或因採取自願離職措施而提供福利時，方予確認。

iv) 股份付款

授予僱員的購股權按公允價值於授予購股權期間內以直線法確認為僱員成本，而權益(股份付款儲備)亦會相應增加。

股份付款按購股權之公允價值於授予購股權期間內確認。於結算日，本公司將審閱預期給予的購股權數目。已於以往年度確認的累積公允價值的任何調整會在審閱當年損益表中列支／計入，若原來的僱員支出符合為資產的資格，便會在權益(股份付款儲備)中作出相應的調整。

31 December 2005

二零零五年十二月三十一日

4. SIGNIFICANT ACCOUNTING POLICIES

(Cont'd)

q) EMPLOYEE BENEFITS *(Cont'd)*

iv) Share-based payment expenses *(Cont'd)*

The proceeds received, net of any directly attributable transaction cost, are credited to share capital and share premium accounts when the share options are exercised. When the share options are still not exercised at the expiry date, the amount previously recognised in share-based compensation reserve will be transferred to retained profits.

5. FINANCIAL RISK MANAGEMENT

a) Financial risk factors

The Group's major financial instruments include short-term borrowings, trade receivables, trade payables and accruals and other payables. Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments and the policies applied by the Group to mitigate these risks are set out below. Management monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

4. 主要會計政策 (續)

q) 僱員福利 (續)

iv) 股份付款 (續)

購股權獲行使所收取之款項(扣除相關交易費用)將轉入股本及股本溢價賬內。若購股權最終並沒有行使，前期確認為股份付款儲備將轉入累計溢利。

5. 財務風險管理

a) 財務風險因素

本集團之主要金融工具包括短期貸款、應收賬款、應付賬款、應計費用及其他應付款項，詳細已載列於相關財務報表附註。有關金融工具之風險及集團製定之風險管理政策已分載如下。公司管理層將定期監察及評估其風險是否有效地控制。

31 December 2005

二零零五年十二月三十一日

5. FINANCIAL RISK MANAGEMENT (Cont'd)

a) Financial risk factors (Cont'd)

i) Foreign exchange risk

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

The Group currently does not have a foreign currency hedging policy. However, management monitors the related foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

ii) Credit risk

The Group has no significant concentrations of credit risk. The carrying amount of the trade receivables included in the balances sheets represents the Group's maximum exposure to credit risk in relation to its financial assets. The Group's historical experience in collection of trade and other receivables falls within the recorded allowances and the directors are of the opinion that adequate allowances for uncollectible receivables has been made in the income statement.

5. 財務風險管理 (續)

a) 財務風險因素 (續)

i) 外匯風險

本集團主要於國內營運，其交易主要以人民幣支付，故此並沒有存在重大外匯風險。人民幣兌換是按中國政府之外匯管理政策執行及控制。

現時本集團並沒有外匯對沖之政策。管理層相信若將來當外匯風險增大，集團可能會考慮以對沖形式以減低其風險。

ii) 信貸風險

本集團並無過份集中信貸風險。應收賬款之賬面值為本集團之最大信貸風險。根據本集團過往之經驗，董事認為本集團已為應收及其他賬款計提足夠撥備。

31 December 2005

二零零五年十二月三十一日

5. FINANCIAL RISK MANAGEMENT (Cont'd)

a) Financial risk factors (Cont'd)

iii) Liquidity risk

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

iv) Cash flow and fair value interest rate risk

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

b) Fair value estimation

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

6. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

5. 財務風險管理 (續)

a) 財務風險因素 (續)

iii) 流動資產風險

本集團確保維持足夠現金流量以應付流動開支。

iii) 現金流量及利率風險

本集團並無重大利息收入之資產，營運現金流量與市場利率並非直接相關。

b) 公平值之估計

應收及應付賬款之賬面值減去估計之信貸調整為公平值。金融負債之公平值之披露乃按本集團就類同金融工具可按當時市場利率將未來合約現金流量貼現而估計。

6. 重要會計估計和判斷

本集團會根據過往經驗及其他因素，包括在某些情況下，對未來事項作出認為是合理的預期，並持續地評估所作出之估計及判斷。

31 December 2005

二零零五年十二月三十一日

6. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Cont'd)

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

a) Estimate of fair value of investment properties

Investment properties owned by the Group except for the land currently held for undetermined future use are assessed annually by an independent valuer Greater China Appraisal Limited (“Greater China”). The valuation is performed on the basis of open market value of individual property. The best evidence of fair value is current prices in an active market for similar lease and other contracts. If information on current or recent prices of investment properties is not available, the fair values of investment properties are determined using discounted cash flow valuation techniques. The assumptions used are mainly based on market conditions existing at each balance date. On 25 August 2006, Greater China issued a valuation report of the investment properties as at the date of 31 December 2005.

6. 重要會計估計和判斷 (續)

本集團作出之估計及假設將會影響將來之財務狀況，估計數額並不與實際數額相符。若干重要會計估計及假設將會影響下一財政年度內列報影響資產及負債之金額將詳列如下。

a) 投資物業公平值之估計

本集團持有之投資物業(不包括土地)是每年按獨立專業估值師行漢華評值有限公司重估。有關估值是以公開市值基準按各投資物業進行。最佳之公平值是按同類租賃或其他合同之公開市場價值為依據。若有關近期或市場價格不能提供，公平值將以現金流量貼現而估計。有關假設主要是以結算日按市場狀況而釐定。於二零零六年八月二十五日，漢華評值有限公司完成對本集團投資物業截止二零零五年十二月三十一日之評估報告。

31 December 2005

二零零五年十二月三十一日

6. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(Cont'd)*

b) Estimated useful lives of property, plant and equipment

The Group's management determines the estimated useful lives for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions.

c) Net realisable value of inventories of completed properties

Net realisable value of inventories of completed properties is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expense. These estimates are based on the current market condition and the historical experience of manufacturing and selling products of similar nature. It could change significantly as a result of changes in customer taste and competitor actions in response to severe industry cycles. Management will reassess the estimates by the balance sheet date.

6. 重要會計估計和判斷 (續)

b) 物業、廠房及設備之估計可使用年期

本集團管理層判斷有關物業、廠房及設備之估計可使用年期。相關估計是按過去經驗及其實際使用年期而得出。

c) 已落成物業之可變現淨值

可變現淨值乃參考正常業務過程中出售物業的所得款項，減結算日後所有估計銷售費用及成本。該數字是根據現行市場推廣條件及過去經驗作出的估計釐定。倘若因行業週期性之影響而引致顧客口味轉變及競爭對手之行動，該數字將會很大變動，管理層將於結算日重新評估有關估計數字。

31 December 2005

二零零五年十二月三十一日

6. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Cont'd)

d) Allowances for bad and doubtful debts

The policy for allowance of bad and doubtful debts of the Group is based on the evaluation of collectability and ageing analysis of accounts and on management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each customer. If the financial conditions of customers of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

7. TURNOVER AND REVENUE

Turnover and revenue consisted of:

6. 重要會計估計和判斷 (續)

b) 壞賬及呆賬準備

本集團之壞賬及呆賬準備政策是根據應收賬款之賬齡分析及可回收款之評估。當決定其可回收性時，管理層需運用重要評估及判斷，考慮相關客戶之信貸狀況、還款記錄等。倘若有關客戶之財務情況轉壞，還款能力大減，額外準備便需要計提。

7. 營業額及收入

營業額及收入包括：

		2005 二零零五年	2004 二零零四年 (As restated) (重列)
		HK\$'000 千港元	HK\$'000 千港元
Turnover	營業額		
Rental income	租金收入	45,551	19,064
Other revenue	其他收入		
Interest income	利息收入	—	2
Reversal of provision for impairment loss on properties held under development	持有作發展／發展中物業減值虧損撥備回撥	39,370	19,431
Reversal of provision for other tax	其他稅項撥備回撥	11,734	—
Bank loan interest waived	豁免銀行貸款利息	12,533	—
Others	其他	3,000	6,624
		66,637	26,057
		112,188	45,121

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

67

31 December 2005

二零零五年十二月三十一日

8. SEGMENT INFORMATION

A segmental analysis of the Group's principal activities is as follows:

8. 分類資料

本集團以主要業務作分類資料載列如下：

		Property sales 物業銷售		Property rental 物業租金		Total 總額	
		2005 二零零五年	2004 二零零四年	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	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
By principal activities	以主要業務						
Turnover	營業額						
External revenue	對外收入	—	—	45,551	19,064	45,551	19,064
Results	業績						
Segment result	分類業績	—	—	40,524	(34,133)	40,524	(34,133)
Gain on disposal of fixed assets	出售固定資產收益					—	165
Gain on disposal of subsidiaries	出售投資附屬公司收益					22,262	—
Other revenue	其他收入					66,637	2,971
Unallocated corporate expenses	未分攤公司開支					(293,680)	(19,492)
Finance costs	融資費用					(666)	(4,403)
Loss before tax	除稅前虧損					(164,923)	(54,892)
Taxation	稅項					493,450	22,934
Net profit/(loss) attributable to equity holders	股東應佔營利/(虧損)淨額					328,527	(31,958)
Assets	資產						
Segment assets	分類資產	370,174	423,004	452,373	737,650	822,547	1,160,654
Unallocated corporate assets	未分攤公司資產					1,198	1,754
Consolidated total assets	綜合總資產					823,745	1,162,408
Liabilities	負債						
Segment liabilities	分類負債	330,696	421,131	20,912	166,363	351,608	587,494
Unallocated corporate liabilities	未分攤公司負債					143,779	621,385
Consolidated total liabilities	綜合總負債					495,387	1,208,879
Other information	其他資料						
Capital expenditure	資本開支					340	2,068
Depreciation	折舊					36	51

No geographical analysis is shown as all the Group's assets, liabilities, turnover and loss from operations are derived from activities in the PRC.

由於本集團之資產、負債、營業額及經營虧損均由中國業務引致及所得，因此並無載列以地域劃分之分析。

31 December 2005

二零零五年十二月三十一日

9. FINANCE COST**9. 融資費用**

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Interest on:	應付利息關乎：		
Bank loans	銀行貸款		
Wholly repayable within five years	須於五年內全部償還	1	6,410
Other loans	其他貸款		
Wholly repayable within five years	須於五年內全部償還	665	4,403
		666	10,813

10. LOSS BEFORE TAXATION**10. 除稅前營利／虧損**

Loss before taxation for the year has been arrived at after charging and crediting:

除稅前營利／(虧損) 已計入及扣除下列各項：

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Crediting	計入		
Gross rental income	租金總收入	45,551	19,064
Less: Outgoings	減：直接支出	(5,027)	(4,441)
		40,524	14,623
Charging	扣除		
Auditors' remuneration	核數師酬金	340	340
Staff costs (excluding directors' emoluments)	員工成本 (不含董事酬金)		
— Salaries and benefits	— 薪金及福利	2,572	2,598
— Retirement benefits costs	— 退休福利成本	58	130
		2,630	2,728
Operating lease rentals of premises	有關物業之經營租賃租金	4,712	4,607
Net exchange loss	匯兌虧損淨額	10	29
Depreciation of fixed assets	固定資產折舊	36	51
Loss on disposal of investment properties	出售投資物業虧損		
		69,538	31,876

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

69

31 December 2005

二零零五年十二月三十一日

10. LOSS BEFORE TAXATION (Cont'd)

Note:

Included in the loss before taxation of the Group for the year ended 31 December 2005 were provision for claims totalling HK\$17,814,000 (2004: HK\$26,614,000) from a bank in relation to default payment from first buyers of certain properties of the Group in the Liwan Plaza, of which the Group has executed guarantees to the bank for mortgage facilities granted to first buyers. The buyers defaulted payments to the bank and the court in the PRC ordered the Group to repay the loan on behalf of the buyers.

11. DIRECTORS' AND SENIOR EXECUTIVES' EMOLUMENTS

a) Directors' emoluments are as follows:

Name of director	董事姓名	2005 二零零五年			
		Fees 袍金 HK\$'000 千港元	Basic salaries and allowances 基本薪金及津貼 HK\$'000 千港元	Retirement benefits cost 退休福利成本 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Executive directors 執行董事					
Mr. Tong Shi Jun	佟世均先生	—	240	—	240
Mr. Zhang Jian	張健先生	—	50	—	50
Mr. Zhao Lishen	趙立申先生	—	420	—	420
Mr. Chiu Kong	趙綱先生	—	240	12	252
Ms. Huang Ling	黃玲小姐	—	—	—	—
Ms. Zhu Jun	朱軍小姐	—	—	—	—
Independent non-executive directors 獨立非執行董事					
Mr. Chen Song Sheng	陳頌聲先生	—	50	—	50
Ms. Zhou Mei Zhen	周美珍小姐	—	—	—	—
Ms. Wang Li Yun (i)	王浚雲小姐	—	—	—	—
Ms. Chang Ling (ii)	張玲小姐	—	71	—	71
Total for 2005	二零零五年總額	—	1,071	12	1,083

10. 除稅前營利／虧損 (續)

附註：

本集團截至二零零五年十二月三十一日止年度之除稅前虧損包含由一間銀行就本集團在荔灣廣場之若干物業(本集團為銀行就該等物業向一手買家提供之按揭貸款作出擔保)一手買家未支付總額17,814,000港元(二零零四年：26,614,000港元)而提出之索償。該等買家未向銀行履行付款而中國法院頒令本集團應該等買家償還貸款。

11. 董事及高級行政人員酬金

a) 董事酬金如下：

31 December 2005

二零零五年十二月三十一日

11. DIRECTORS' AND SENIOR EXECUTIVES' EMOLUMENTS (Cont'd)

11. 董事及高級行政人員酬金 (續)

a) Directors' emoluments are as follows: (Cont'd)

a) 董事酬金如下：(續)

Name of director	董事姓名	Fees 袍金 HK\$'000 千港元	2004 二零零四年		Total 總額 HK\$'000 千港元
			Basic salaries and allowances 基本薪金及津貼 HK\$'000 千港元	Retirement benefits cost 退休福利成本 HK\$'000 千港元	
Executive directors 執行董事					
Mr. Tong Shi Jun	佟世均先生	—	240	—	240
Mr. Zhang Jian	張健先生	—	50	—	50
Mr. Zhao Lishen	趙立申先生	—	420	4	424
Mr. Chiu Kong	趙鋼先生	—	260	12	272
Ms. Huang Ling	黃玲小姐	—	99	—	99
Ms. Zhu Jun	朱軍小姐	—	76	—	76
Independent non-executive directors 獨立非執行董事					
Mr. Chen Song Sheng	陳頌聲先生	—	50	—	50
Ms. Zhou Mei Zhen	周美珍小姐	—	6	—	6
Ms. Chang Ling (ii)	張玲小姐 (ii)	—	100	—	100
Total for 2004	二零零四年總額	—	1,301	16	1,317

Notes:

附註：

- i) Appointed on 20 September 2005
ii) Resigned on 16 September 2005

於二零零五年九月十二日獲委任
於二零零五年九月十六日請辭

31 December 2005

二零零五年十二月三十一日

11. DIRECTORS' AND SENIOR EXECUTIVES' EMOLUMENTS (Cont'd)

a) Directors' emoluments are as follows: (Cont'd)

No directors has waived any emoluments during the year (2004: Nil). No incentive payment for joining the Group or compensation for loss of office was paid or payable to any director during the year (2004: Nil).

The emoluments of all directors for the year ended 31 December 2005 (2004: All) fall within the band of nil to HK\$1,000,000.

b) **Individuals with highest emoluments**

Of the five individuals with the highest emoluments, three (2004: three) are directors of the Company whose emoluments are disclosed in (a) above. The aggregate of the emolument in respect of the other two (2004: two) individuals are as follows:

11. 董事及高級行政人員酬金 (續)

a) 董事酬金如下：(續)

於年內概無董事放棄任何酬金 (二零零四年：無)，亦無付予或應付予任何董事酬金以吸引其加入本集團或作為離職補償 (二零零四年：無)。

截至二零零五年十二月三十一日止年度，全部 (二零零四年：全部) 董事酬金介乎零港元至 1,000,000 港元之範圍內。

b) **董事個別薪酬**

五位最高薪人士中有三位 (二零零四年：三位) 為本公司董事。其酬金於上文(a)中披露。其餘二位 (二零零四年：二位) 最高薪人士之總酬金如下：

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Basic salaries and allowances	基本薪金及津貼	489	538
Retirement benefits costs	退休福利成本	21	12
		510	550

31 December 2005

二零零五年十二月三十一日

11. DIRECTORS' AND SENIOR EXECUTIVES' EMOLUMENTS (Cont'd)

b) Individuals with highest emoluments (Cont'd)

During the year, no emoluments were paid to the five highest paid individuals (including directors and other employees) as inducement to join or upon joining the Group or as compensation for loss of office (2004: Nil)

The emoluments of all of the four (2004: three) individuals with the highest emoluments are within the band of nil to HK\$1,000,000.

12. TAXATION

- a) No provision for Hong Kong profits tax is required since there is no assessable profit for the year and the Group's income is derived from sources outside Hong Kong, which is not liable to Hong Kong profits tax (2004: Nil).
- b) Subsidiaries established and operated in the PRC are subject to PRC income tax at the rate of 33% (2004: 33%).
- c) PRC land appreciation tax is levied at progressive rate ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including costs of land and development and construction expenditures.

11. 董事及高級行政人員酬金 (續)

b) 董事個別薪酬 (續)

年內本集團並無向五名最高薪人士(包括董事及其他僱員)支付任何酬金，以作為邀請加入本集團或加入後離職之賠償(二零零四年：無)。

所有四位(二零零四年：三位)最高薪人士之酬金範圍為零港元至1,000,000港元。

12. 稅項

- a) 本年度內並無應課稅溢利，故並無作出香港利得稅撥備。因本集團之收入源自香港以外地區，故毋須繳付香港利得稅(二零零四年：無)。
- b) 本公司於中國成立及經營的附屬公司按33%(二零零四年：33%)之稅率繳交中國所得稅。
- c) 中國土地增值稅就土地增值，即出售房地產所得款項扣除可扣減項目(包括土地發展開支及建築成本)，按累進稅率30%至60%徵收。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

73

31 December 2005

二零零五年十二月三十一日

12. TAXATION (Cont'd)

12. 稅項 (續)

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Current tax	本期稅項		
Hong Kong profits tax	香港利得稅	—	—
PRC enterprise income tax	中國企業所得稅		
— current year	— 本年度	(4,312)	—
— over-provision for previous years (note)	— 過往年度超額撥備 (附註)	383,012	—
		<u>378,700</u>	<u>—</u>
PRC land appreciation tax	中國土地增值稅		
— current year	— 本年度	—	—
— under-provision for previous years	— 過往年度撥備不足	(1,017)	—
		<u>(1,017)</u>	<u>—</u>
Transfer to/(from) deferred tax	轉至／(轉自) 遞延稅項		
Hong Kong profits tax	香港利得稅	—	—
PRC enterprise income tax	中國企業所得稅	60,640	12,013
PRC land appreciation tax	中國土地增值稅	55,127	10,921
		<u>115,767</u>	<u>22,934</u>
		<u>493,450</u>	<u>22,934</u>

31 December 2005

二零零五年十二月三十一日

12. TAXATION (Cont'd)

Note: In previous years, provision for PRC business and income tax had been made by a subsidiary of the Company which is mainly engaged in property development in the PRC. On 17 January 2006, 廣州市國家稅務局南區稽查局 issued 稅務處理決定書 on the property development project undertaken by the subsidiary. Based on the 稅務處理決定書, the directors of the Company decided to write back the tax provision of approximately HK\$383,012,000 in the year ended 31 December 2005.

The reconciliation between the Group's loss for the year and the amount which is calculated based on the applicable tax rates is as follows:

12. 稅項 (續)

附註：於去年，其中一間從事物業發展之附屬公司就中國所得稅及營業稅進行撥備。廣州市國家稅務局南區稽查局於二零零六年一月十七日發出稅務處理決定書於該附屬公司董事就該稅務處理決定書所述，於二零零五年度內回撥稅項撥備約383,012,000港元。

本集團於年內之虧損與按適用稅率計算之數額之對賬如下：

	2005 二零零五年	2004 二零零四年 (As restated) 重列
	HK\$'000 千港元	HK\$'000 千港元
Loss before taxation	<u>(164,709)</u>	<u>(54,892)</u>
Tax calculated at domestic tax rates applicable to profits in the respective jurisdictions	(50,592)	(19,709)
Income not subject to tax	(436)	(29)
Expenses not deductible for tax	55,408	13,283
Over-provision for prior year	(383,012)	—
Others	(68)	6,455
Deferred tax effect recognised	<u>(115,767)</u>	<u>(22,934)</u>
	(494,467)	(22,934)
Land appreciation tax under provided for previous years	<u>1,017</u>	—
	<u>(493,450)</u>	<u>(22,934)</u>

31 December 2005

二零零五年十二月三十一日

13. PROFIT/(LOSS) ATTRIBUTABLE TO EQUITY HOLDERS

The consolidated profit/(loss) attributable to equity holders included a loss of approximately HK\$3,810,000 (2004: HK\$1,167,000) dealt with in the financial statements of the Company.

14. DIVIDEND

The directors do not recommend the payment of any dividend (2004: Nil) in respect of the years.

15. EARNINGS/(LOSS) PER SHARE

The calculation of earnings/(loss) per share is based on the consolidated profit attributable to shareholders of HK\$328,527,000 (2004: restated loss of HK\$31,958,000) and the weighted average number of 1,360,000,000 shares (2004: 1,360,000,000 shares) in issue during the year.

Diluted earnings/(loss) per share has not been calculated as there were no potential dilutive ordinary shares in issue during the year (2004: Nil).

13. 股東應佔營利／虧損

在股東應佔綜合營利／虧損中已包含本公司財務報表內之營利／虧損約3,810,000 港元(二零零四年：1,167,000港元)。

14. 股息

董事會建議本年度不派發任何股息(二零零四年：無)。

15. 每股營利／虧損

每股營利／虧損乃按照年內股東應佔綜合營利／虧損328,527,000港元(二零零四年：重列虧損31,958,000港元)及已發行之加權平均股數1,360,000,000股股份(二零零四年：1,360,000,000股股份)計算。

由於本年度並無具攤薄潛力之已發行普通股(二零零四年：無)，故此並無呈列每股攤薄虧損。

31 December 2005

二零零五年十二月三十一日

16. FIXED ASSETS**16. 固定資產****The Group****本集團**

		Office equipment, furniture and fixtures 辦公室設備， 傢俬及裝置 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Cost	原值			
At 1/1/2004	於二零零四年 一月一日	1,636	5,743	7,379
Exchange realignment	匯兌調整	1	2	3
Additions, at cost	添置，原值	2	—	2
Disposals	出售	—	(1,610)	(1,610)
At 31/12/2004 and 1/1/2005	於二零零四年 十二月三十一日 及二零零五年 一月一日	1,639	4,135	5,774
Exchange realignment	匯兌調整	30	34	64
Additions, at cost	添置，原值	12	—	12
Disposals	出售	(50)	—	(50)
At 31/12/2005	於二零零五年 十二月三十一日	1,631	4,169	5,800
Accumulated depreciation	累積折舊			
At 1/1/2004	於二零零四年 一月一日	1,379	5,596	6,975
Exchange realignment	匯兌調整	1	2	3
Charge for the year	本年度折舊	51	—	51
Disposals	出售	—	(1,610)	(1,610)
At 31/12/2004 and 1/1/2005	於二零零四年 十二月三十一日 及二零零五年 一月一日	1,431	3,988	5,419
Exchange realignment	匯兌調整	26	31	57
Charge for the year	本年度折舊	36	—	36
Disposals	出售	(47)	—	(47)
At 31/12/2005	於二零零五年 十二月三十一日	1,446	4,019	5,465
Net book value	賬面淨值			
At 31/12/2005	於二零零五年 十二月三十一日	185	150	335
At 31/12/2004	於二零零四年 十二月三十一日	208	147	355

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

77

31 December 2005

二零零五年十二月三十一日

17. INVESTMENT PROPERTIES

17. 投資物業

		The Group 本集團	
		2005 二零零五年	2004 二零零四年
		HK\$'000 千港元	HK\$'000 千港元
Fair value	公平值		
At 1 January	於一月一日	735,000	849,000
Exchange realignment	匯兌調整	17,126	(7,340)
Disposal	出售	(146,759)	(91,623)
Fair value deficit	公平值虧損	(157,267)	(15,037)
At 31 December	於十二月三十一日	448,100	735,000

Notes:

附註：

- (a) All investment properties at 31 December 2005 are held under medium term leases in the PRC. The fair value of the investment properties were revalued on the basis of its open market value by an independent professional firm of qualified property values, Greater China Appraisal Limited, who have appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations. The fair value loss during the year amounted to approximately HK\$157,267,000 (2004: approximately HK\$15,037,000).
- (a) 二零零五年十二月三十一日，所有投資物業均於中國按中期租約持有。並由獨立專業及有關經驗估值相似的物業在相關的地點之估值師行漢華評值有限公司可按金開市值基準重估。年內之公平值虧損約為157,267,000港元（二零零四年：15,037,000港元）。
- (b) Investment properties with valuation of approximately HK\$18,271,000 (2004: HK\$72,780,000) have been pledged to a bank and a finance company for loans granted to the Company and a subsidiary (note 24 to the financial statements).
- (b) 估值約18,271,000港元（二零零四年：72,780,000港元）之投資物業已作為本公司及一間附屬公司之銀行及一間融資公司貸款之抵押品（財務報表附註24）。
- (c) The Group leases out investment properties under operating leases. The leases typically run for an initial period of one to thirteen years, with an option to renew the lease after that date at which time all terms are renegotiated.
- (c) 本集團依經營租約已出租之投資物業，一般起始期為一年至十三年，並於租約屆滿時可選擇按重新議定之所有條款續約。

31 December 2005

二零零五年十二月三十一日

17. INVESTMENT PROPERTIES (Cont'd)

The Group's total future minimum lease payments under operating leases are receivable 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
Within one year	一年內	26,858	18,567
In the second to fifth year, inclusive	第二年至第五年(含首末兩年)	69,063	56,099
After five years	超過五年	14,782	7,282
		110,703	81,948

17. 投資物業 (續)

本集團依經營租約之未來最低租賃應收款項總額如下：

18. LAND LEASE PREMIUM

		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
Net book value at 1 January	於一月一日賬面淨值		
— Effect of adopting HKAS 17	採納香港會計準則第17號之影響	82,821	84,753
Amortisation and transfer to properties held for/under development (note 19)	攤銷及轉入持有作發展/發展中物業	(1,969)	(1,932)
Exchange realignment	匯兌調整	1,592	—
Net book value at 31 December	於十二月三十一日賬面淨值	82,444	82,821
Current portion including in current assets	包括於流動資產內之流動部份	(1,969)	(1,932)
Non-current portion including in non-current assets	包括於非流動資產內之非流動部份	80,475	80,889

18. 土地使用權

The land lease premium is held under medium term lease and situated in the PRC. The cost of the leasehold lands situated in the PRC were approximately 105,819,000 (2004: approximately HK\$149,805,000).

位於中國之土地使用權是中期租約持有。該等位於中國之地其成本約為105,819,000港元(二零零四年：約為149,805,000港元)。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

79

31 December 2005

二零零五年十二月三十一日

19. PROPERTIES HELD FOR/UNDER DEVELOPMENT 19. 持有作發展／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
At cost/valuation	成本／估值		
At 1 January	於一月一日	404,989	383,445
— effect of adopting HKAS 17		(82,821)	(84,753)
		322,168	298,692
Exchange realignment	匯兌調整	5,219	47
Additions, at cost	添置，原值	328	2,066
Transfer from land lease premium (note 18)	由土地使用權轉入	1,969	1,932
Reversal of impairment losses	減值虧損撥回	39,370	19,431
		369,054	322,168
Less: Disposal of subsidiaries	減：出售附屬公司	(98,000)	—
At 31 December	於十二月三十一日	271,054	322,168
Medium term leases (less than 50 years but not less than 10 years)	中期租約 (10年以上50年以下)	154,873	227,780
Long term leases (not less than 50 years)	長期租約 (不少於50年)	116,181	94,388
		271,054	332,168

31 December 2005

二零零五年十二月三十一日

19. PROPERTIES HELD FOR/UNDER DEVELOPMENT (Cont'd)

Notes:

- (a) All the properties held for/under development are located in the PRC.
- (b) Properties held for/under development relate to the acquisition of the land use rights for a number of land sites within the Guangdong Province with total carrying value of HK\$271,054,000. The status of the major property development projects in Guangzhou is as follows:

The total purchase consideration of the other land sites in Guangzhou amounted to HK\$105,819,000 (2004: HK\$149,805,000) of which a sum of HK\$95,229,000 (2004: HK\$143,126,000) was overdue as at 31 December 2005. The total carrying value of these projects, which included the land costs and other development costs, as at 31 December 2005 amounted to HK\$271,054,000 (2004: restated HK\$322,168,000) and no substantial construction work has commenced on these sites.

Pursuant to the terms of the purchase agreements regarding the aforesaid property development projects refer to in above, unless the costs of which are settled and the projects completed within a scheduled period, the land sites will be treated as idle sites which could result in forfeiture of payments made to the vendors, termination of the purchase agreements and late payments penalties. In addition, the vendors could take legal action against the Group for compensation. As at 31 December 2005, the total carrying value of these projects was HK\$271,054,000 (2004: as restated HK\$322,168,000). The idle sites may be repossessed by the vendors, but an extension of the expiring schedule could be granted by the signing of supplementary agreements with the vendors with compensation payments. On 10 December 2005, the Group entered into supplementary agreements with the vendors pursuant to which the scheduled period for settlement of the costs is extended to 31 December 2008.

19. 持有作發展／發展中物業 (續)

附註：

- (a) 所有持有作發展／發展中物業均位於中國。
- (b) 持有作發展／發展中物業乃指位於廣東省內取得土地使用權之多幅地盤。其賬面值合共為271,054,000港元，下列為大型物業發展項目之狀況：

廣州地盤之總購買價為105,819,000港元(二零零四年：149,805,000港元)，其中95,229,000港元於二零零四年十二月三十一日到期。該等項目含土地成本及其他開發成本之總賬面值於二零零五年十二月三十一日為271,054,000港元(二零零四年：322,168,000港元)，該等地盤之實質建造工程尚未展開。

根據上文物業發展項目之收購協議條款，除非已於指定期間清付成本及完成項目，否則地盤將列為空置地盤，賣方可沒收獲付款項，並終止收購協議及追索延誤罰款。此外，賣方可就賠償向本集團採取法律行動。於二零零五年十二月三十一日，該等項目之總賬面值為271,054,000港元(二零零四年：322,168,000港元)。空置地盤可能遭賣方收回，惟可與賣方簽訂附有賠償款項條款之補充協議押後期限。於二零零五年十二月十日，本集團與買方簽訂補充協議，付款時間延至二零零八年十二月三十一日。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

81

31 December 2005

二零零五年十二月三十一日

20. INVESTMENT IN SUBSIDIARIES

20. 於附屬公司之投資

		The Company 本公司	
		2005 二零零五年	2004 二零零四年
		HK\$'000 千港元	HK\$'000 千港元
Unlisted shares, at cost	非上市股份，原值	579,805	579,805
Due from subsidiaries	應收附屬公司款項	979,776	988,542
Due to subsidiaries	應付附屬公司款項	(13,134)	(13,995)
		<u>1,546,447</u>	<u>1,554,352</u>
Less: Impairment loss	減：減值虧損	(1,520,000)	(1,520,000)
		<u>26,447</u>	<u>34,352</u>

All balances with subsidiaries are unsecured, non-interest bearing and have no fixed terms of repayment.

有關附屬公司之所有結餘乃無抵押，免息及無固定償還期限。

Details of the subsidiaries as at 31 December 2005 are set out in note 37 to the financial statements.

於二零零五年十二月三十一日之附屬公司之詳情載於財務報表附註37。

21. INVENTORY OF COMPLETED PROPERTIES

21. 現存已落成物業

The carrying amount of inventory of completed properties held for sales carried at net realisable value is HK\$3,724,000 (2004: HK\$3,639,000). They are located in the PRC with medium lease term.

現存已落成待售物業乃以可變現淨值列賬，其賬面值為3,724,000港元(二零零四年：3,639,000港元)。所有現存已落成物業均於中國按中期租約持有。

31 December 2005

二零零五年十二月三十一日

22. ACCOUNTS RECEIVABLES**22. 應收賬款**

		The Group	
		本集團	
		2005	2004
		二零零五年	二零零四年
		HK\$'000	HK\$'000
		千港元	千港元
Accounts receivables	應收賬款	8,068	6,167
Less: Allowances for doubtful debts	減：呆賬撥備	(6,184)	(6,044)
		1,884	123

Ageing analysis of accounts receivables at the year end date is as follows:

於年結日，應收賬款之賬齡分析如下：

		2005	2004
		二零零五年	二零零四年
		HK\$'000	HK\$'000
		千港元	千港元
Within 3 months	三個月內	1,738	91
4-6 months	四至六個月	352	32
7-12 months	七至十二個月	215	506
Over 1 year	超過一年	5,763	5,538
		8,068	6,167
Less: Allowances for doubtful debts	減：呆賬撥備	(6,184)	(6,044)
		1,884	123

Accounts receivables are recognised and carried at their original contract sum less allowances for doubtful debts which are made when collection of the full amount is no longer probable. Bad debts are written off as incurred. The Group does not have a uniform credit policy in relation to sales of properties and rental of investment properties.

應收賬款乃按其原合約金額扣除無可能收回全部金額之呆賬撥備後確認列賬。壞賬則於產生時註銷。本集團對物業銷售及投資物業租賃並無統一之信貸政策。

31 December 2005
二零零五年十二月三十一日

23. ACCOUNTS PAYABLES

Ageing analysis of trade payables at the year end date is as follows:

23. 應付賬款

於年結日，應付賬款之賬齡分析如下：

		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
7-12 months	七至十二個月	—	3
Over 1 year	超過一年	<u>185,065</u>	<u>183,564</u>
		185,065	183,567
Current portion	短期部份	<u>(116,567)</u>	<u>(183,567)</u>
Non-current portion	長期部份	<u>68,498</u>	<u>—</u>

31 December 2005

二零零五年十二月三十一日

24. SHORT TERM BORROWINGS**24. 短期借貸**

Short term borrowings comprise:

短期借貸包括：

		The Group 本集團		The Company 本公司	
		2005 二零零五年	2004 二零零四年	2005 二零零五年	2004 二零零四年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Bank loans	銀行貸款	—	31,277	—	—
Other loans	其他貸款	11,451	11,451	9,300	9,300
		11,451	42,728	9,300	9,300
Analysed as:	分析如下：				
Secured	有抵押	9,000	40,277	9,000	9,000
Unsecured	無抵押	2,451	2,451	300	300
		11,451	42,728	9,300	9,300

The above amounts bear interest at prevailing market rates.

上述金額按現行市場利率計息。

Notes:

附註：

- (a) At 31 December 2004, bank loan of HK\$31,277,000 advanced by a bank to a subsidiary and the related accrued interest included in other payables and accruals of HK\$651,000 were secured by a corporate guarantee from the Company, investment properties with valuation of approximately HK\$48,794,000 of the Group and bank deposit of HK\$451,000 of the Group.

- (a) 由一間銀行貸予一間附屬公司之銀行貸款31,277,000港元及其包含於應計費用及其他應付款項內之相關應計利息651,000港元是由本公司作出擔保，並以本集團估值約48,794,000港元之投資物業及銀行存款451,000港元作抵押。

31 December 2005

二零零五年十二月三十一日

24. SHORT TERM BORROWINGS

Notes: (Cont'd)

- (b) Other loan of HK\$9,000,000 (2004: HK\$9,000,000) and its related accrued interest included in other payables and accruals of HK\$2,213,000 (2004: HK\$1,271,000) and investment properties with valuation of approximately HK\$21,368,000 (2004: HK\$23,986,000) of the Group and the balance of other loan of HK\$300,000 (2004: HK\$ 300,000) and its related accrued interest included in other payables and accruals of HK\$493,000 (2004: HK\$493,000) and the balance of other loan of HK\$2,151,000 (2004: HK\$2,151,000) is secured by a corporate guarantee issued by a subsidiary.
- (c) Short term borrowings include approximately HK\$11,151,000 (2004: HK\$11,151,000) fixed rate borrowings which carrying interest at 5% to 10% (2004: 5% to 10%) per annum.

25. TAXATION PAYABLE

Taxation payables represented liabilities of the companies comprising the Group in respect of PRC tax as at 31 December 2005 less tax paid.

24. 短期借貸 (續)

附註：(續)

- (b) 其他貸款9,000,000港元(二零零四年：9,000,000港元)及其包含於應計費用及其他應付款項內之相關應計利息2,213,000港元(二零零四年：1,271,000港元)及本集團估值約21,368,000港元(二零零四年：23,986,000港元)之投資物業作抵押。另外其他貸款結餘300,000港元(二零零四年：300,000港元)及計入應計費用及其他應付款項之相關應計利息493,000港元(二零零四年：493,000港元)及其他貸款結餘2,151,000港元(二零零四年：2,151,000港元)由一間附屬公司提供公司擔保作抵押。
- (c) 短期借貸包括約11,151,000港元(二零零四：11,151,000港元)固定利率借貸，年息為5%至10%(二零零四：5%至10%)。

25. 應付稅項

應付稅項指本集團各公司於二零零五年十二月三十一日之中國稅項負債減已付之稅項。

31 December 2005

二零零五年十二月三十一日

26. DEFERRED TAX ASSETS/(LIABILITIES)**26. 遞延稅項資產／負債**

The gross movement on deferred taxation is as follows:

遞延稅項之變動載列如下：

		The Group	
		本集團	
		2005	2004
		二零零五年	二零零四年
			(As restated)
			重列
		HK\$'000	HK\$'000
		千港元	千港元
Assets/(liabilities)	資產／(負債)		
Revaluation of investment properties	重估投資物業		
At 1 January	於一月一日	—	—
Effect of adopting HKAS-Int 21	應用香港會計準則		
	— 詮釋21之影響	(104,140)	(127,074)
Recognised in the income statement	於十二月三十一日	115,767	22,934
At 31 December		11,627	(104,140)

27. SHARE CAPITAL**27. 股本**

		The Company	
		本公司	
		2005	2004
		二零零五年	二零零四年
		HK\$'000	HK\$'000
		千港元	千港元
Authorised	法定股本：		
2,000,000,000 ordinary shares	2,000,000,000股每股		
of HK\$0.10 each	面值0.10港元之普通股	200,000	200,000
Issued and fully paid	已發行及繳足股本：		
1,360,000,000 ordinary shares	1,360,000,000股每股		
of HK\$0.10 each	面值0.10港元之普通股	136,000	136,000

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

87

31 December 2005

二零零五年十二月三十一日

28. EMPLOYEE SHARE OPTIONS

A share option scheme was approved by the Company, no share option was granted during the year and there is no outstanding share option at 31 December 2005 (2004: Nil).

29. RESERVES

		Contributed surplus (Note) 繳入盈餘 (附註) HK\$'000 千港元	Share premium 股份溢價 HK\$'000 千港元	Accumulated losses 累積虧損 HK\$'000 千港元	Total 總額 HK\$'000 千港元
The Company	本公司				
At 1 January 2004	於二零零四年一月一日	477,805	906,000	(1,526,482)	(142,677)
Net loss for the year	本年度虧損淨額	—	—	(1,167)	(1,167)
At 31 December 2004 and 1 January 2005	於二零零四年十二月三十一日及二零零五年一月一日	477,805	906,000	(1,527,649)	(143,844)
Reversal of unclaimed dividend	未領股息回撥	—	—	25,024	25,024
Net loss for the year	本年度虧損淨額	—	—	(3,810)	(3,810)
At 31 December 2005	於二零零五年十二月三十一日	477,805	906,000	(1,506,435)	(122,630)

Note:

The contributed surplus of the Company arose when the Company issued shares in exchange for the shares of companies being acquired, and represents the difference between the nominal value of the Company's shares issued and the value of the shares acquired. Under the Companies Act of 1981 of Bermuda (as amended), the Company may make distributions to its shareholders out of its contributed surplus in certain circumstances which the Company is currently unable to meet. At Group level, the contributed surplus is reclassified into its components of reserves of the underlying subsidiaries.

At 31 December 2005, no reserve (2004: Nil) is available for distribution to equity holders of the parent.

28. 僱員之購股權

本公司之購股權計劃已批准成立，年內概無授出任何購股權。於二零零五年十二月三十一日，概無任何未行使購股權（二零零四年：無）。

29. 儲備

附註：

本公司之繳入盈餘於本公司發行股份以換取所收購公司之股份時產生，乃指本公司已發行股份之面值與所收購股份價值之差異。根據一九八一年百慕達公司法（經修訂），本公司在若干情況下可向其股東分派繳入盈餘，惟本公司目前尚未能達成該等情況。編製本集團賬目時，繳入盈餘乃被重新列賬撥作各相關附屬公司之儲備部份。

於二零零五年十二月三十一日，無任何儲備可分派予母公司之股東（二零零四年：無）。

31 December 2005

二零零五年十二月三十一日

30. NOTES TO CONSOLIDATED CASH FLOW STATEMENT 30. 綜合現金流量表附註

Disposal of subsidiaries

出售附屬公司

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Net liabilities disposed of	出售負債淨額		
Properties held for/under development	持有作發展／發展中物業	98,000	—
Prepayments, deposits and other receivables	預付款項、訂金及其他應收款項	84	—
Cash and bank balances	現金及銀行結餘	9	—
Accounts payables, accruals and other payables	應付賬款、應計費用及其應付款項	(100,964)	—
		(2,871)	—
Gain on disposal	出售收益	22,262	—
Total consideration	代價總額	19,391	—
Satisfied by:	支付方式：		
Cash consideration received	現金	19,391	—
Analysis of the net cash inflow of cash and cash equivalents in arising on disposal of subsidiaries:	出售附屬公司產生之現金及現金等物流入淨額		
Cash consideration received	已接獲現金代價	19,391	—
Cash and bank balances	現金及銀行結餘	(9)	—
Net inflow of cash and cash equivalents	現金及現金等值物流入淨額	19,382	—

The result of the subsidiaries disposed of during the year have no significant impact on the Group's turnover or loss before taxation for the year ended 31 December 2005.

於年內出售附屬公司之結果並未為本集團截至二零零五年十二月三十一日之營額及稅前虧損構成重大影響。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

89

31 December 2005

二零零五年十二月三十一日

31. COMMITMENTS

31. 承擔

(a) Capital commitments

(a) 資本承擔

		The Group 本集團		The Company 本公司	
		2005 二零零五年	2004 二零零四年	2005 二零零五年	2004 二零零四年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Authorised and contracted for — Construction in progress	已授權及訂約之項目： — 在建工程	241,613	236,134	—	—

(b) Operating lease commitments

(b) 經營租約承擔

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

於結算日，本集團根據不可撤銷經營租約就樓宇日後承擔之租約款項之到期日如下：

		The Group 本集團		The Company 本公司	
		2005 二零零五年	2004 二零零四年	2005 二零零五年	2004 二零零四年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Within one year	一年內	1,014	3,234	—	—
Between two and five years	兩年至五年內	422	1,932	—	—
		<u>1,436</u>	<u>5,166</u>	<u>—</u>	<u>—</u>

31 December 2005

二零零五年十二月三十一日

32. RETIREMENT BENEFIT SCHEME

The Group participates in the Mandatory Provident Fund Scheme (the “MPF Scheme”) for all qualifying Hong Kong employees. The MPF contributions are fully and immediately vested in the employees as accrued benefits once they are paid. Contributions are charged to the income statement as they become payable in accordance with the rules of the MPF Scheme.

There were also pension scheme contributions made by the Group during the year amounted to HK\$58,000 (2004: HK\$66,000) in respect of employees of the Group in the PRC. There were no forfeited contributions during the year ended 31 December 2005 (2004: Nil). The pension scheme is operated by the PRC government whereby monthly contributions based on a percentage of the salaries of the eligible full time employees are made by the Group.

33. RELATED PARTY TRANSACTIONS

Material related party transactions are disclosed in notes 24(a), (b) and 35(a) to the financial statements.

34. COMPARATIVE FIGURES

Certain comparative figures have been restated to conform with the current year’s presentation.

32. 退休福利計劃

本集團為香港僱員參與強制性公積金計劃（「強積金計劃」）。強積金供款在繳付後全數即時撥歸僱員，作為應計福利。據強積金計劃規則，本集團應繳付之供款從損益表中扣除。

本集團在中國亦設有僱員公積金計劃並於本年度共支付58,000港元（二零零四年：66,000港元）。截至二零零五年十二月三十一日止年度並無已沒收供款（二零零四年度：無）。退休金計劃由中國政府監管，本集團根據合資格全職僱員之薪金比例按月供款。

33. 關連人士交易

重大關連人士交易於財務報表附註24(a)、(b)及35(a)披露。

34. 比較數字

比較數字以符合本年度之呈列方式編製及重列。

31 December 2005

二零零五年十二月三十一日

35. MATERIAL CONTINGENT LIABILITIES

- (a) The Group has executed guarantees to bank for mortgage facilities granted to first buyers of certain properties of the Group in the PRC. The utilized amounts of such facilities covered by the Group's guarantees which also represented the financial exposure of the Group at the balance sheet date amounted to approximately HK\$51,804,000 (2004: HK\$50,444,000).

On 16 June 2006, the Group and the bank entered into a settlement agreement pursuant to which the bank agreed to accept HK\$21,500,000 ("Settlement Account") as full and final settlement of the Group's liabilities under the guarantees. The Settlement Amount is payable by 5 instalments by 30 June 2007. The bank is entitled to recover from the Group the balances of loans plus relevant expenses if the Group defaults on payment of the Settlement Amount

- (b) A subsidiary of the Group was sued by a contractor for default payments of approximately HK\$17,357,000 (2004: HK\$17,357,000) in relation to construction work carried out in one of the property development projects in Guangzhou. The Group counter-claimed against the contractor for interior construction work performed on that site. The litigation is in the process of finalisation, pending the decision from court in Guangzhou.

35. 或然負債

- (a) 本集團就銀行向本集團在中國之若干物業之一手買家提供之按揭貸款作出擔保。由本集團擔保之貸款結餘，亦即本集團於結算日須承擔之財務風險約51,804,000港元(二零零四年：50,444,000港元)。

於二零零六年六月十六日，本集團與該銀行簽訂和解函件，銀行同意以21,500,000港元(「和解金額」)作為本集團對擔保債務之最終和解，和解金額於二零零七年六月三十日前分5期支付。如本集團未能在限期前支付款項，銀行有權向本集團追收上述貸款結餘及相關費用。

- (b) 本集團附屬公司基於未能支付廣州其中一個物業發展項目中建造工程約17,357,000港元(二零零四年：17,357,000港元)而遭一名承建商控告。本集團就該地盤進行之室內建造工程向該承建商反索償。該訴訟仍在進行中，有待廣州法院裁決。

31 December 2005

二零零五年十二月三十一日

35. MATERIAL CONTINGENT LIABILITIES

(Cont'd)

The Directors are of the opinion that the outcome of the litigations and claims mentioned in (b) above will not have a material adverse effect on the Group and no provision has therefore been made for possible additional interest or legal costs and consequential damages in the financial statements.

Save as disclosed above, neither the Company nor any members of the Group are engaged in any litigation or arbitration of material importance and, so far as the directors are aware, no litigation or arbitration of material importance is pending or threatened against any members of the Group.

36. POST BALANCE SHEET EVENTS

- a) On 7 April 2006, the Company and an independent third party (the "Subscriber") entered into a subscription agreement pursuant to which the subscriber agreed to subscribe, on a conditional basis, 272,000,000 new shares of the Company which represents 20% of the existing issued share capital of the Company and approximately 16.67% of the issued share capital of the Company as enlarged by the subscription. The net proceeds to be raised by the Company upon completion of the subscription are estimated to be approximately HK\$27,200,000.
- b) Details of other post balance sheet event are set out in note 35(a) to the financial statements.

35. 或然負債 (續)

董事認為上文附註(b)所述訴訟及索償之結果將不會對本集團造成重大不利影響，故並無於財務報表內就可能支須付之額外利息或訴訟費用及牽連之損失作出撥備。

除上文所述者外，本公司或本集團任何成員公司概無涉及任何重大之訴訟或仲裁，及據董事所知，並無任何重大之待決或威脅本集團任何成員公司之訴訟或仲裁。

36. 結算日後事項

- a) 於二零零六年四月七日，本公司與獨立第三方(認購方)訂立認購協議，據此，認購方同意有條件地對認購本公司272,000,000股新股，佔本公司現有已發行股本約20%，及本公司經認購擴大後已發行股本約16.67%。本公司於認購完成後籌集之所得款項淨額估計約為27,200,000港元。
- b) 有關其他結算日後事項，已在財務報表附註35(a)內披露。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

93

31 December 2005

二零零五年十二月三十一日

37. PARTICULARS OF PRINCIPAL SUBSIDIARIES

Details of the Company's principal subsidiaries at 31 December 2005 are as follows:

37. 附屬公司之詳情

於二零零五年十二月三十一日本公司的主要附屬公司明細為：

Name 名稱	Place of establishment/ operations 成立/營業地點	Issued/ registered capital 已發行/ 註冊股本	Proportion of nominal value of issued/registered capital held by the Company 本公司持有 已發行/已註冊股本 面值百分比		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
Brilliant Champion Development Limited 旭駿發展有限公司	Hong Kong 香港	Ordinary HK\$2 普通股2港元	—	100	Dormant 暫無營業
Buen Sang Enterprises Limited 標昇有限公司	British Virgin Islands 英屬處女群島	Ordinary US\$10,000 普通股10,000美元	—	100	Dormant 暫無營業
D & L Management Limited 達利管理有限公司	Hong Kong 香港	Ordinary HK\$10,000 普通股10,000港元	—	100	Dormant 暫無營業
Grand China Properties Company Limited	British Virgin Islands 英屬處女群島	Ordinary US\$1 普通股1美元	100	—	Dormant 暫無營業
# * Guangzhou Jiannan House Property Development Company Limited # * 廣州建南房產發展有限公司	The People's Republic of China 中華人民共和國	US\$12,000,000 12,000,000美元	—	98.75	Property development 物業發展
# * Guangzhou Sui Nan Property Development Company Limited # * 廣州穗南房產發展有限公司	The People's Republic of China 中華人民共和國	US\$32,000,000 32,000,000美元	—	86.36	Property development 物業發展

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 December 2005

二零零五年十二月三十一日

37. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Cont'd)

37. 附屬公司之詳情 (續)

Name 名稱	Place of establishment/ operations 成立/營業地點	Issued/ registered capital 已發行/ 註冊股本	Proportion of nominal value of issued/registered capital held by the Company 本公司持有 已發行/已註冊股本 面值百分比		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
# * Guangzhou Xiunan Property Development Limited # * 廣州市秀南房地產開發有限公司	The People's Republic of China 中華人民共和國	US\$4,465,000 4,465,000美元	—	68.32	Property development 物業發展
Nam Fong Guangzhou Plaza Limited 南方越秀廣場有限公司	British Virgin Islands 英屬處女群島	Ordinary US\$10,000 普通股10,000美元	—	100	Investment holding 投資控股
Nam Fong International Group Limited 南方國際集團有限公司	British Virgin Islands 英屬處女群島	Ordinary US\$10,000 普通股10,000美元	100	—	Investment holding 投資控股
Nam Fong Liwan Plaza Limited 南方荔灣廣場有限公司	British Virgin Islands 英屬處女群島	Ordinary US\$10,000 普通股10,000美元	—	100	Investment holding 投資控股
New Regent Enterprises Limited 新峻企業有限公司	Hong Kong 香港	Ordinary HK\$2 普通股2港元	—	100	Dormant 暫無營業
Polyhero International Limited 寶豪國際有限公司	Hong Kong 香港	Ordinary HK\$10,000 普通股10,000美元	—	100	Dormant 暫無營業

31 December 2005
二零零五年十二月三十一日

37. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Cont'd)

37. 附屬公司之詳情 (續)

Name 名稱	Place of establishment/ operations 成立/營業地點	Issued/ registered capital 已發行/ 註冊股本	Proportion of nominal value of issued/registered capital held by the Company 本公司持有 已發行/已註冊股本 面值百分比		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
Stand-up Investments Limited 樹德投資有限公司	Hong Kong 香港	Ordinary HK\$10,000 普通股10,000港元	—	100	Ownership of motor vehicles 擁有汽車
Trisum Investment Limited 豐深投資有限公司	Hong Kong 香港	Ordinary HK\$5,000,000 普通股5,000,000港元	—	100	Investment holding 投資控股

* Companies not audited by CCIF CPA Limited.

* 並非由陳葉馮會計師事務所有限公司

Sino-foreign joint venture established in the PRC in accordance with relevant laws of regulations

根據有關法例及規定於中國成立之中外合營企業

All companies operate principally in their places of establishment.

所審核之公司所有公司主要於彼等成立地點經營。