

INTERIM REPORT 2006 中期報告



LEI SHING HONG LIMITED

利星行有限公司

STOCK CODE 股份代號: 238

利星行有限公司

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財務摘要

綜合

FINANCIAL HIGHLIGHTS

Consolidated

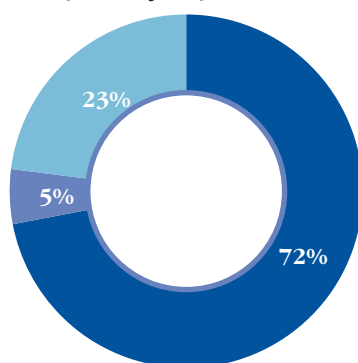
截至六月三十日止六個月
For the six months ended 30 June
二零零六年 二零零五年
2006 2005
(未經審核) (重列)
(Unaudited) (Restated)
百萬港元 百萬港元
HK\$ million HK\$ million

| | | | |
|-----------|---|------------------|------------------|
| 收入 | Revenue | 8,907 | 6,493 |
| 經營業務溢利 | Profit from operating activities | 441 | 216 |
| 除稅前溢利 | Profit before tax | 341 | 167 |
| 母公司股東應佔溢利 | Profit attributable to equity holders of the parent | 170 | 112 |
| 每股基本盈利 | Basic earnings per share | 16.0 港仙 HK cents | 10.6 港仙 HK cents |

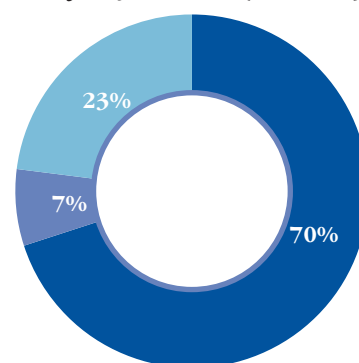
收入以地區分析

Revenue by geographical areas

二零零六年一月至六月
January to June 2006



二零零五年一月至六月 (重列)
January to June 2005 (Restated)



收入以主要業務分析

Revenue by principal activities

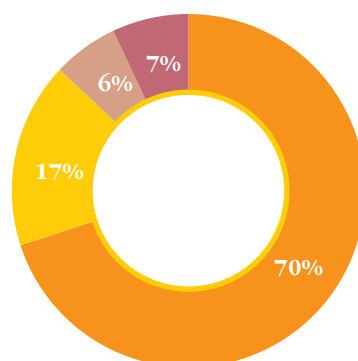
● 汽車及零件貿易以及提供售後服務
Trading of motor vehicles and spare parts and provision of after-sales services

● 重型機械貿易及提供產品支援服務
Trading of heavy equipment and provision of product support services

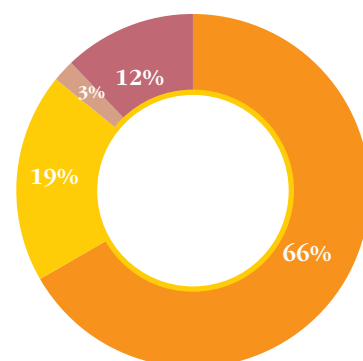
● 物業發展及投資及其他
Property development and investment and others

● 一般貿易
General trading

二零零六年一月至六月
January to June 2006



二零零五年一月至六月 (重列)
January to June 2005 (Restated)



中期業績

利星行有限公司(「本公司」)董事會(「董事會」)欣然公佈本公司及其附屬公司(「本集團」)截至二零零六年六月三十日止六個月期間之未經審核簡明綜合中期業績，連同比較數字載列如下。該等簡明綜合中期財務報表尚未經審核，但已由本公司審核委員會審閱。

簡明綜合利潤表

截至二零零六年六月三十日止六個月

INTERIM RESULTS

The Board of Directors (the "Board") of Lei Shing Hong Limited (the "Company") is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2006 together with the comparative figures as follows. These condensed consolidated interim financial statements have not been audited, but have been reviewed by the Company's audit committee.

Condensed Consolidated Income Statement

For the six months ended 30 June 2006

| | | 截至六月三十日止六個月 For the six months ended 30 June | | |
|----------------------------|---|---|--|---------------|
| | | 二零零六年 2006 (未經審核) (Unaudited) 千港元 HK\$'000 | 二零零五年 2005 (重列) (Restated) 千港元 HK\$'000 | |
| | 附註 Notes | | | |
| 收入 | REVENUE | 4 | 8,907,134 | 6,493,191 |
| 銷售及服務成本 | Cost of sales and services | | (7,899,006) | (5,785,166) |
| 毛利 | Gross profit | | 1,008,128 | 708,025 |
| 其他收入及收益 | Other income and gains | | 90,013 | 32,447 |
| 銷售及分銷成本 | Selling and distribution costs | | (151,362) | (75,354) |
| 行政開支 | Administrative expenses | | (379,449) | (277,808) |
| 其他經營開支 | Other operating expenses | | (126,504) | (171,002) |
| 經營業務溢利 | PROFIT FROM OPERATING ACTIVITIES | | 440,826 | 216,308 |
| 財務費用 | Finance costs | 5 | (95,243) | (70,166) |
| 應佔聯營公司溢利及虧損 | Share of profits and losses of associates | | (4,176) | 20,682 |
| 除稅前溢利 | PROFIT BEFORE TAX | 6 | 341,407 | 166,824 |
| 稅項 | Tax | 7 | (135,951) | (43,527) |
| 期內溢利 | PROFIT FOR THE PERIOD | | 205,456 | 123,297 |
| 屬於： | ATTRIBUTABLE TO: | | | |
| 母公司股東 | Equity holders of the parent | | 169,916 | 111,779 |
| 少數股東權益 | Minority interests | | 35,540 | 11,518 |
| | | | 205,456 | 123,297 |
| 母公司普通股股東 應佔每股盈利 | EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT | | | |
| — 基本 | — Basic | 8 | 16.0 港仙 cents | 10.6 港仙 cents |
| — 攤薄 | — Diluted | 8 | 16.0 港仙 cents | 10.5 港仙 cents |
| 每股股息 | DIVIDEND PER SHARE | 9 | 無Nil | 無Nil |

簡明綜合資產負債表

於二零零六年六月三十日

Condensed Consolidated Balance Sheet

30 June 2006

| | 附註 Notes | 二零零六年 六月三十日 30 June 2006 (未經審核) (Unaudited) 千港元 HK\$'000 | 二零零五年 十二月三十一日 31 December 2005 (重列) (Restated) 千港元 HK\$'000 |
|----------------------|-------------|---|--|
| 非流動資產 | | | |
| 物業、廠房及設備 | | 1,527,819 | 1,382,268 |
| 投資物業 | | 551,959 | 427,111 |
| 預付土地款 | | 250,142 | 235,761 |
| 發展中物業 | | 1,007,809 | 809,680 |
| 商譽 | | 701,426 | 676,466 |
| 其他無形資產 | | 1,650 | 1,650 |
| 於聯營公司之權益 | | 1,876,436 | 1,725,853 |
| 可供出售的投資 | | 9,679 | 11,689 |
| 遞延稅項資產 | | 21,759 | 21,119 |
| 融資租賃投資淨額 | | | |
| | | 29,065 | 37,888 |
| 貸款及應收賬款 | | 88,204 | 98,380 |
| 非流動資產總值 | | 6,065,948 | 5,427,865 |
| 流動資產 | | | |
| 存貨 | 10 | 1,636,760 | 2,213,970 |
| 持有作銷售之物業 | 11 | 736,789 | 1,217,145 |
| 應收賬款 | 12 | 515,991 | 702,403 |
| 附有全面追索權之應收票據 | | | |
| | | 27,260 | 183,857 |
| 融資租賃投資淨額 | | | |
| | | 52,530 | 82,864 |
| 貸款及應收賬款 | | 265,213 | 336,383 |
| 預付土地款 | | 3,354 | 5,127 |
| 預付款項、按金及 應收雜項 | | 685,901 | 824,071 |
| 按公允值列入損益賬之 股本投資 | | 218,907 | 126,370 |
| 抵押定期存款 | | 36,989 | 23,883 |
| 代證券客戶持有之現金 | | | |
| | | 6,379 | 3,912 |
| 現金及現金等值項目 | | 1,589,531 | 1,300,393 |
| 流動資產總值 | | 5,775,604 | 7,020,378 |
| 流動負債 | | | |
| 應付賬款及票據 | 13 | 966,206 | 1,266,321 |
| 應付雜項及應計費用 | | 1,733,435 | 1,860,809 |
| 附息銀行貸款 | | | |
| | | 1,868,380 | 2,043,138 |
| 附有全面追索權之貼現票據 | | | |
| | | 27,260 | 183,857 |
| 應付稅項 | | 171,785 | 224,639 |
| 撥備 | | 57,496 | 45,411 |
| 流動負債總值 | | 4,824,562 | 5,624,175 |
| 流動資產淨值 | | 951,042 | 1,396,203 |
| 總資產減流動 負債 | | 7,016,990 | 6,824,068 |

簡明綜合資產負債表 (續)

於二零零六年六月三十日

Condensed Consolidated Balance Sheet (continued)

30 June 2006

| | | 附註 Note | 二零零六年 六月三十日 30 June 2006 (未經審核) (Unaudited) 千港元 HK\$'000 | 二零零五年 十二月三十一日 31 December 2005 (重列) (Restated) 千港元 HK\$'000 |
|-----------------|--|------------|---|--|
| 總資產減流動負債 | TOTAL ASSETS LESS CURRENT LIABILITIES | | 7,016,990 | 6,824,068 |
| 非流動負債 | NON-CURRENT LIABILITIES | | | |
| 附息銀行貸款 | Interest-bearing bank borrowings | | 959,207 | 978,445 |
| 遞延稅項負債 | Deferred tax liabilities | | 189,770 | 196,657 |
| 非流動負債總值 | Total non-current liabilities | | 1,148,977 | 1,175,102 |
| 資產淨值 | Net assets | | 5,868,013 | 5,648,966 |
| 權益 | EQUITY | | | |
| 母公司股東 | Equity attributable to equity holders of the parent | | | |
| 應佔的權益 | | | | |
| 已發行股本 | Issued capital | 14 | 1,060,588 | 1,060,520 |
| 儲備 | Reserves | | 4,490,255 | 4,239,110 |
| 擬派末期股息 | Proposed final dividend | | — | 31,816 |
| | | | 5,550,843 | 5,331,446 |
| 少數股東權益 | Minority interests | | 317,170 | 317,520 |
| 權益總額 | Total equity | | 5,868,013 | 5,648,966 |

簡明綜合權益變動表

截至二零零六年六月三十日止六個月

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2006

儲備

Reserves

| | | 母公司股東應佔 Attributable to equity holders of the parent | | | | | | | | | | |
|--------------------------|---|---|-----------------------------|--|------------------------------------|--------------------|------------------------------------|---------------------|-------------------------------|--------------------|-----------------------|--------------------|
| | | 普通股本 | 股份溢價賬 | 土地及樓宇 重估儲備 | 認股權證 認購儲備 | 儲備基金 | 外匯變動 儲備 | 保留溢利 | 擬派末期 股息 | 總額 | 少數股東 權益 | 權益總額 |
| | | Ordinary share capital | Share premium account | Land and building revaluation reserve | Warrant subscription reserve | Reserve funds | Exchange fluctuation reserve | Retained profits | Proposed final dividend | Total | Minority interests | Total equity |
| | | (未經審核) (Unaudited) | (未經審核) (Unaudited) | (未經審核) (Unaudited) | (未經審核) (Unaudited) | (重列) (Restated) | (重列) (Restated) | (重列) (Restated) | (未經審核) (Unaudited) | (重列) (Restated) | (重列) (Restated) | (重列) (Restated) |
| 附註 | | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 |
| 於二零零五年一月一日 | At 1 January 2005 | | | | | | | | | | | |
| 如先前呈報 | As previously reported | 1,049,520 | 2,705,398 | 12,011 | 42,471 | 51,764 | (5,792) | 1,135,763 | 31,816 | 5,022,951 | 246,402 | 5,269,353 |
| 上年度調整 | Prior year adjustments 3(b) | - | - | - | - | (172) | (409) | (1,694) | - | (2,275) | 33,758 | 31,483 |
| 經重列 | As restated | 1,049,520 | 2,705,398 | 12,011 | 42,471 | 51,592 | (6,201) | 1,134,069 | 31,816 | 5,020,676 | 280,160 | 5,300,836 |
| 匯兌調整 | Exchange adjustments | - | - | - | - | - | 60,328 | - | - | 60,328 | (762) | 59,566 |
| 期內淨溢利 | Net profit for the period | - | - | - | - | - | - | 111,779 | - | 111,779 | 11,518 | 123,297 |
| 期內收入及開支 總額 | Total income and expense for the period | - | - | - | - | - | 60,328 | 111,779 | - | 172,107 | 10,756 | 182,863 |
| 於附屬公司投資之 少數股東權益 增加 | Additions to minority interests in investment in subsidiaries | - | - | - | - | - | - | - | - | - | 20,747 | 20,747 |
| 購入少數股東權益 | Acquisition of minority interests | - | - | - | - | - | - | - | - | - | (14,266) | (14,266) |
| 償還予少數股東 | Repayment to minority interests | - | - | - | - | - | - | - | - | - | (12,852) | (12,852) |
| 已宣派二零零四年末期 股息 | 2004 final dividend declared | - | - | - | - | - | - | - | (31,816) | (31,816) | - | (31,816) |
| 行使認股權證 | Exercise of warrants | 11,000 | 27,500 | - | (5,500) | - | - | - | - | 33,000 | - | 33,000 |
| 從保留溢利轉撥 | Transfer from retained profits | - | - | - | - | 3,252 | - | (3,252) | - | - | - | - |
| 於二零零五年六月三十日 | At 30 June 2005 | 1,060,520 | 2,732,898* | 12,011** | 36,971* | 54,844* | 54,127* | 1,242,596* | - | 5,193,967 | 284,545 | 5,478,512 |

簡明綜合權益變動表 (續)

截至二零零六年六月三十日止六個月

Condensed Consolidated Statement of Changes in Equity (continued)

For the six months ended 30 June 2006

儲備 (續)

Reserves (continued)

| | | 母公司股東應佔 Attributable to equity holders of the parent | | | | | | | | | | | |
|--------------------------|---|---|--|------------------------------------|--------------------------|------------------------------------|-----------------------------|-------------------------------|-----------------------|-----------------------|-------------------------|----------------|------------------|
| | | 土地及樓宇 重估儲備 | | 認股權證 認購儲備 | | 外匯變動 儲備 | | 擬派末期 股息 | | 少數股東 權益 | | | |
| | | 股份溢價賬 | Land and building revaluation reserve | Warrant subscription reserve | 儲備基金 Reserve funds | Exchange fluctuation reserve | 保留溢利 Retained profits | Proposed final dividend | 總額 Total | Minority interests | 權益總額 Total equity | | |
| | | 普通股本 Ordinary share capital | Share premium account | (未經審核) (Unaudited) | (未經審核) (Unaudited) | (未經審核) (Unaudited) | (未經審核) (Unaudited) | (未經審核) (Unaudited) | (未經審核) (Unaudited) | (未經審核) (Unaudited) | (未經審核) (Unaudited) | | |
| | | 千港元 (千元) | 千港元 (千元) | 千港元 (千元) | 千港元 (千元) | 千港元 (千元) | 千港元 (千元) | 千港元 (千元) | 千港元 (千元) | 千港元 (千元) | 千港元 (千元) | | |
| 附註 Note | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | | |
| 於二零零六年一月一日 | At 1 January 2006 | | | | | | | | | | | | |
| 如先前呈報 | As previously reported | 1,060,520 | 2,732,898 | 12,011 | 36,971 | 61,274 | 14,085 | 1,347,115 | 31,816 | 5,296,690 | 265,289 | 5,561,979 | |
| 上年度調整 | Prior year adjustments | 3(b) | - | - | - | 562 | 3,764 | 30,430 | - | 34,756 | 52,231 | 86,987 | |
| 經重列 | As restated | | 1,060,520 | 2,732,898 | 12,011 | 36,971 | 61,836 | 17,849 | 1,377,545 | 31,816 | 5,331,446 | 317,520 | 5,648,966 |
| 匯兌調整 | Exchange adjustments | | - | - | - | - | 81,092 | - | - | 81,092 | 1,582 | 82,674 | |
| 期內淨溢利 | Net profit for the period | | - | - | - | - | - | 169,916 | - | 169,916 | 35,540 | 205,456 | |
| 期內收入及開支 總額 | Total income and expense for the period | | - | - | - | - | 81,092 | 169,916 | - | 251,008 | 37,122 | 288,130 | |
| 於附屬公司投資之 少數股東權益 增加 | Additions to minority interests in investment in subsidiaries | | - | - | - | - | - | - | - | - | 4,112 | 4,112 | |
| 購入少數股東權益 | Acquisition of minority interests | | - | - | - | - | - | - | - | - | (64,010) | (64,010) | |
| 少數股東墊款 | Advances from minority interests | | - | - | - | - | - | - | - | - | 22,426 | 22,426 | |
| 已宣派二零零五年 末期股息 | 2005 final dividend declared | | - | - | - | - | - | - | (31,816) | (31,816) | - | (31,816) | |
| 行使認股權證 | Exercise of warrants | 14 | 68 | 171 | - | (34) | - | - | - | 205 | - | 205 | |
| 認股權證到期 | Expiry of warrants | 14 | - | - | - | (36,937) | - | - | 36,937 | - | - | - | |
| 從保留溢利轉撥 | Transfer from retained profits | | - | - | - | 1,519 | - | (1,519) | - | - | - | - | |
| 於二零零六年六月三十日 | At 30 June 2006 | | <u>1,060,588</u> | <u>2,733,069*</u> | <u>12,011**</u> | <u>-*</u> | <u>63,355*</u> | <u>98,941*</u> | <u>1,582,879*</u> | <u>-</u> | <u>5,550,843</u> | <u>317,170</u> | <u>5,868,013</u> |

* 此等儲備賬組成簡明綜合資產負債表內綜合儲備4,490,255,000港元(二零零五年六月三十日(重列): 4,133,447,000港元)。

* These reserve accounts comprise the consolidated reserves of HK\$4,490,255,000 (30 June 2005 (restated): HK\$4,133,447,000) in the condensed consolidated balance sheet.

該金額指土地及樓宇重估儲備12,011,000港元(二零零五年六月三十日: 12,011,000港元), 先前按資本儲備列賬, 於收購日收購一聯營公司的額外權益並於同日成為附屬公司所產生之若干土地及樓宇時重列至公允值, 該收購於一九九八年十二月三十一日止年度內進行。

The amount represented the land and building revaluation reserve of HK\$12,011,000 (30 June 2005: HK\$12,011,000), which was previously stated as the capital reserve, arising on the restatement to fair value of certain land and buildings at the date of acquisition of a further interest in an associate which became a subsidiary as a result of this acquisition taken place in the year ended 31 December 1998.

簡明綜合現金流量表

截至二零零六年六月三十日止六個月

Condensed Consolidated Cash Flow Statement

For the six months ended 30 June 2006

| | | 截至六月三十日止六個月 | |
|----------------------|--|--------------------|------------------|
| | | For the six months | |
| | | ended 30 June | |
| | | 二零零六年 | 二零零五年 |
| | | 2006 | 2005 |
| | | (未經審核) | (重列) |
| | | (Unaudited) | (Restated) |
| | | 千港元 | 千港元 |
| | | HK\$'000 | HK\$'000 |
| 經營業務產生之現金流入淨額 | NET CASH INFLOW FROM OPERATING ACTIVITIES | 1,299,101 | 1,883,147 |
| 投資業務產生之現金流出淨額 | NET CASH OUTFLOW FROM INVESTING ACTIVITIES | (688,535) | (958,978) |
| 融資活動產生之現金流出淨額 | NET CASH OUTFLOW FROM FINANCING ACTIVITIES | (368,906) | (166,747) |
| 現金及現金等值項目增加淨額 | NET INCREASE IN CASH AND CASH EQUIVALENTS | 241,660 | 757,422 |
| 期初之現金及現金等值項目 | Cash and cash equivalents at beginning of period | 1,291,156 | 1,049,275 |
| 外幣匯率變動淨額之影響 | Effect of foreign exchange rate changes, net | 5,709 | (3,093) |
| 期末之現金及現金等值項目 | CASH AND CASH EQUIVALENTS AT END OF PERIOD | <u>1,538,525</u> | <u>1,803,604</u> |
| 現金及現金等值項目結餘之分析 | ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS | | |
| 現金及銀行結餘 | Cash and bank balances | 1,556,086 | 1,656,189 |
| 於存放時將在三個月內到期之無抵押定期存款 | Non-pledged time deposits with original maturity of less than three months when acquired | 33,445 | 197,565 |
| 銀行透支 | Bank overdrafts | (51,006) | (50,150) |
| | | <u>1,538,525</u> | <u>1,803,604</u> |

簡明綜合中期財務報表附註

Notes to Condensed Consolidated Interim Financial Statements

1. 會計政策

本簡明綜合中期財務報表乃按照香港會計準則（「香港會計準則」）第34號「中期財務報告」而編製。除下列對本集團有影響並於本期間的簡明綜合中期財務報表首次採用的新訂及經修訂香港財務報告準則（「香港財務報告準則」，亦包括香港會計準則及解釋公告）和二零零五年香港公司（修訂）條例（「修訂條例」）有關者外，編製本簡明綜合中期財務報表所採納之其餘會計政策與編製基準，與編製截至二零零五年十二月三十一日止年度經審核財務報表所採納者相同。

香港會計準則：

| | |
|--------------------------------------|------------------|
| 香港會計準則 第21號修訂 | 海外業務投資淨額 |
| 香港會計準則 第27號 | 綜合及獨立財務報表 |
| 香港會計準則 第39號修訂 | 公允值入賬之選擇 |
| 香港會計準則 第39號及香港 財務報告準則 第4號修訂 | 財務擔保合約 |
| 香港（國際財務 報告詮釋委員會） 解釋公告第4號 | 確定一項協議是否 包含租賃 |

採納香港會計準則第21號修訂、香港會計準則第39號修訂、香港會計準則第39號及香港財務報告準則第4號修訂以及香港（國際財務報告詮釋委員會）－解釋公告第4號對本集團會計政策及本集團簡明綜合中期財務報表之計算方法並無重大影響。

1. Accounting Policies

The condensed consolidated interim financial statements are prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting”. The accounting policies and basis of preparation adopted in the preparation of the condensed consolidated interim financial statements are the same as those used in the audited financial statements for the year ended 31 December 2005, except in relation to the following new and revised Hong Kong Financial Reporting Standards (“HKFRSs”, which also include HKASs and Interpretations) and the Hong Kong Companies (Amendment) Ordinance 2005 (the “Amendment Ordinance”) that are applicable to the Group and are adopted for the first time for the current period’s condensed consolidated interim financial statements:

HKASs:

| | |
|---------------------------------|--|
| HKAS 21 Amendment | Net Investment in a Foreign Operation |
| HKAS 27 | Consolidated and Separate Financial Statements |
| HKAS 39 Amendment | The Fair Value Option |
| HKAS 39 & HKFRS 4 Amendments | Financial Guarantee Contracts |
| HK(IFRIC)-Int 4 | Determining whether an Arrangement contains a Lease |

The adoption of HKAS 21 Amendment, HKAS 39 Amendment, HKAS 39 & HKFRS 4 Amendments and HK(IFRIC)-Int 4 has had no material impact on the accounting policies of the Group and the methods of computation in the Group’s condensed consolidated interim financial statements.

1. 會計政策 (續)

採納其他經修訂香港財務報告準則和修訂條例的影響概述如下：

香港會計準則第27號－綜合及獨立財務報表及修訂條例

於以往期間，本集團在中華人民共和國（「中國內地」）公司擁有所控制的股本投資，控制是指擁有權力支配該等中國內地公司的財務及營運政策，以從該等中國內地公司的業務獲利。香港會計準則第27號將該等中國內地公司定義為附屬公司。然而，根據當時公司條例的定義，倘一間公司控制另一企業一半以上投票權、控制該企業的董事會或持有該企業一半以上已發行股本，則該企業為該公司之附屬公司，而符合上述附屬公司定義的企業方可視為本集團附屬公司。因此，本集團在中國內地公司的股本投資在過往期間記錄為可供出售的投資，並以成本減任何減值虧損列賬。

採納修訂條例後，該等中國內地公司符合根據香港會計準則第27號及修訂條例所界定的附屬公司，故該等中國內地公司須綜合入賬。本集團須將過往記錄為可供出售投資的該等中國內地公司綜合入賬，並追溯至列示之最早過往期間。

此項變更之影響概述於簡明綜合中期財務報表附註3。二零零五年十二月三十一日簡明綜合資產負債表中的比較數字已重列。

1. Accounting Policies (continued)

The impact of adopting the other revised HKFRSs and the Amendment Ordinance is summarised as follows:

HKAS 27 – Consolidated and Separate Financial Statements and Amendment Ordinance

In prior periods, the Group has equity investments in the People's Republic of China ("PRC") companies that are controlled by the Group, where control is the power to govern the financial and operating policies of the PRC companies so as to obtain benefits from the PRC companies' activities, where HKAS 27 defines the PRC companies as subsidiaries. However, entities can only be regarded as the Group's subsidiaries when they meet the definition of subsidiaries under the then Companies Ordinance which defined an entity to be a subsidiary of another company if that other company controls more than half of an entity's voting power, controls the board of directors of an entity or holds more than half of an entity's issued share capital. The Group's equity investments in the PRC companies have therefore been recorded as available-for-sale investments, which were stated at cost less any impairment losses, in prior periods.

Upon the adoption of the Amendment Ordinance, the PRC companies meet the definition of subsidiaries under both HKAS 27 and the Amendment Ordinance and consolidation of the PRC companies is required. The Group is required to consolidate the PRC companies retrospectively to the earliest prior period presented which were previously recorded as available-for-sale investments.

The effects of this change are summarised in note 3 to the condensed consolidated interim financial statements. The comparative amounts in the condensed consolidated balance sheet as at 31 December 2005 have been restated.

2. 已頒佈但尚未生效的香港財務報告準則的影響

本集團並未在簡明綜合中期財務報表中採納下列已頒佈但尚未生效的新訂及修訂香港財務報告準則(以下統稱新香港財務報告準則)。該等新香港財務報告準則於二零零七年一月一日或以後開始的年度期間生效。

| | |
|-----------------|---------|
| 香港會計準則 第1號修訂 | 資本披露 |
| 香港財務報告 準則第7號 | 金融工具：披露 |

香港會計準則第1號修訂將影響本集團關於資金管理目標、政策及程序等質化資料的披露；關於本公司視作資本之量化數據；以及披露有否遵守任何資本要求和尚未遵守其要求之後果。

香港財務報告準則第7號將取代香港會計準則第32號，並已修訂香港會計準則第32號有關金融工具的披露要求，亦修訂及提高香港會計準則第30號「銀行及同類金融機構的財務報表披露」之披露要求。

2. Impact of Issued but not yet Effective HKFRSs

The Group has not applied the following new and revised HKFRSs, herein collectively referred to as the new HKFRSs, that have been issued but are not yet effective, in these condensed consolidated interim financial statements. These new HKFRSs are effective for annual periods beginning on or after 1 January 2007:

| | |
|------------------|------------------------------------|
| HKAS 1 Amendment | Capital Disclosures |
| HKFRS 7 | Financial Instruments: Disclosures |

The HKAS 1 Amendment will affect the disclosures about qualitative information about the Group's objective, policies and processes for managing capital; quantitative data about what the Company regards as capital; and compliance with any capital requirements and the consequences of any non-compliance.

HKFRS 7 will replace HKAS 32 and has modified the disclosure requirements of HKAS 32 relating to financial instruments and to revise and enhance the disclosure requirements in HKAS 30 "Disclosures in the Financial Statements of Banks and Similar Financial Institutions".

3. 會計政策變動及編製基準之影響概要

(a) 對簡明綜合資產負債表之影響

新政策及基準之影響
(增加/(減少))

於二零零六年一月一日

資產

物業、廠房及設備
投資物業
發展中物業
於聯營公司之權益
可供出售的投資
存貨
應收賬款
貸款及應收賬款
預付款項、按金及應收雜項
現金及現金等值項目

負債/權益

應付賬款及票據
應付雜項及應計費用
付息銀行貸款
應付稅項
儲備基金
外匯變動儲備
保留溢利
少數股東權益

追溯生效之調整

3. Summary of the Impact of Changes in Accounting Policies and Basis of Preparation

(a) Effect on the condensed consolidated balance sheet

Effect of new policies and basis
(Increase/(decrease))

At 1 January 2006

Assets

Property, plant and equipment 82,104
Investment properties (35,830)
Properties under development 146,952
Interests in associates 1,747
Available-for-sale investments (248,826)
Inventories 1,130,533
Trade receivables (1,104,948)
Loans and receivables (85,511)
Prepayments, deposits and sundry receivables 59,646
Cash and cash equivalents 350,295

Liabilities/equity

Trade and bills payables (197,240)
Sundry payables and accruals 248,753
Interest-bearing bank borrowings 136,575
Tax payable 21,087
Reserve funds 562
Exchange fluctuation reserve 3,764
Retained profits 30,430
Minority interests 52,231

Adjustments effect taken retrospectively

採用以下準則之影響
Effect of adopting
香港會計準則第27號#
綜合及獨立財務報表及修訂條例#
HKAS 27#
Consolidated and Separate
Financial Statements and
Amendment Ordinance#
千港元
HK\$'000

296,162

296,162

3. 會計政策變動及編製基準之影響概要 (續)

(a) 對簡明綜合資產負債表之影響
(續)

新政策及基準之影響
(增加/(減少))

於二零零六年六月三十日

資產

物業、廠房及設備
投資物業
發展中物業
商譽
於聯營公司之權益
可供出售的投資
存貨
應收賬款
貸款及應收賬款
預付款項、按金及應收雜項
現金及現金等值項目

負債/權益

應付賬款及票據
應付雜項及應計費用
附息銀行貸款
應付稅項
儲備基金
外匯變動儲備
保留溢利
少數股東權益

3. Summary of the Impact of Changes in Accounting Policies and Basis of Preparation (continued)

(a) Effect on the condensed consolidated balance sheet (continued)

Effect of new policies and basis
(Increase/(decrease))

At 30 June 2006

Assets

Property, plant and equipment 135,465
Investment properties (35,830)
Properties under development 204,156
Goodwill 965
Interests in associates (352)
Available-for-sale investments (336,576)
Inventories 844,098
Trade receivables (156,472)
Loans and receivables (133,054)
Prepayments, deposits and sundry receivables 39,859
Cash and cash equivalents 617,963

1,180,222

Liabilities/equity

Trade and bills payables 729,676
Sundry payables and accruals 139,900
Interest-bearing bank borrowings 58,272
Tax payable 18,252
Reserve funds 556
Exchange fluctuation reserve 8,321
Retained profits 128,066
Minority interests 97,179

1,180,222

採用以下準則之影響

Effect of adopting

香港會計準則第27號
綜合及獨立財務報表及修訂條例

HKAS 27

Consolidated and Separate
Financial Statements and
Amendment Ordinance

千港元

HK\$'000

3. 會計政策變動及編製基準之影響概要 (續)

(b) 對權益結餘的影響

新政策及基準之影響
(增加/(減少))

於二零零五年一月一日

儲備基金
外匯變動儲備
保留溢利
少數股東權益

3. Summary of the Impact of Changes in Accounting Policies and Basis of Preparation (continued)

(b) Effect on the balance of equity

Effect of new policies and basis
(Increase/(decrease))

At 1 January 2005

Reserve funds
Exchange fluctuation reserve
Retained profits
Minority interests

採用以下準則之影響
Effect of adopting香港會計準則第27號
綜合及獨立財務報表及修訂條例

HKAS 27

Consolidated and Separate
Financial Statements and
Amendment Ordinance

千港元

HK\$'000

At 1 January 2006

於二零零六年一月一日

儲備基金
外匯變動儲備
保留溢利
少數股東權益

Reserve funds 562
Exchange fluctuation reserve 3,764
Retained profits 30,430
Minority interests 52,231

86,987

3. 會計政策變動及編製基準之影響概要 (續)

(c) 對簡明綜合利潤表之影響

3. Summary of the Impact of Changes in Accounting Policies and Basis of Preparation (continued)

(c) Effect on the condensed consolidated income statement

| 新政策及基準之影響 | Effect of new policies and basis | 採用以下準則之影響 |
|------------------------------|--|---|
| | | Effect of adopting |
| | | 香港會計準則第27號 綜合及獨立財務報表及修訂條例 HKAS 27 Consolidated and Separate Financial Statements and Amendment Ordinance |
| | | 千港元 HK\$'000 |
| 截至二零零五年 六月三十日止六個月 | For the six months ended 30 June 2005 | |
| 收入增加 | Increase in revenue | 593,389 |
| 銷售及服務成本增加 | Increase in cost of sales and services | (478,630) |
| 其他收入及收益減少 | Decrease in other income and gains | (23,409) |
| 銷售及分銷成本增加 | Increase in selling and distribution costs | (14,470) |
| 行政開支增加 | Increase in administrative expenses | (24,094) |
| 其他經營開支增加 | Increase in other operating expenses | (14,887) |
| 財務費用增加 | Increase in finance costs | (354) |
| 應佔聯營公司溢利及 虧損減少 | Decrease in share of profits and losses of associates | (812) |
| 稅項增加 | Increase in tax | (15,769) |
| 溢利增加總額 | Total increase in profit | <u>20,964</u> |
| 每股基本盈利增加 (港仙) | Increase in basic earnings per share (HK cents) | <u>1.99</u> |
| 每股攤薄盈利增加 (港仙) | Increase in diluted earnings per share (HK cents) | <u>1.97</u> |

3. 會計政策變動及編製基準之影響概要 (續)

(c) 對簡明綜合利潤表之影響 (續)

3. Summary of the Impact of Changes in Accounting Policies and Basis of Preparation (continued)

(c) Effect on the condensed consolidated income statement (continued)

| 新政策及基準之影響 | Effect of new policies and basis | 採用以下準則之影響 |
|----------------------|--|---|
| | | Effect of adopting |
| | | 香港會計準則第27號 綜合及獨立財務報表及修訂條例 HKAS 27 Consolidated and Separate Financial Statements and Amendment Ordinance |
| | | 千港元 HK\$'000 |
| 截至二零零六年 六月三十日止六個月 | For the six months ended 30 June 2006 | |
| 收入增加 | Increase in revenue | 4,404,243 |
| 銷售及服務成本增加 | Increase in cost of sales and services | (4,025,402) |
| 其他收入及收益減少 | Decrease in other income and gains | (64,944) |
| 銷售及分銷成本增加 | Increase in selling and distribution costs | (45,393) |
| 行政開支增加 | Increase in administrative expenses | (68,080) |
| 其他經營開支增加 | Increase in other operating expenses | (32,339) |
| 財務費用增加 | Increase in finance costs | (2,651) |
| 應佔聯營公司溢利及 虧損增加 | Increase in share of profits and losses of associates | 459 |
| 稅項增加 | Increase in tax | (42,005) |
| 溢利增加總額 | Total increase in profit | <u>123,888</u> |
| 每股基本盈利增加 (港仙) | Increase in basic earnings per share (HK cents) | <u>11.68</u> |
| 每股攤薄盈利增加 (港仙) | Increase in diluted earnings per share (HK cents) | <u>11.68</u> |

4. 分部資料

本集團收入及業績按主要業務劃分
分析如下：

4. Segment Information

An analysis of the Group's revenue and results by principal activities is as
follows:

| | | 收入 Revenue | | 業績 Results | |
|---------------------|---|---|--|---|--|
| | | 截至六月三十日止 六個月 | | 截至六月三十日止 六個月 | |
| | | for the six months ended 30 June | | for the six months ended 30 June | |
| | | 二零零六年 2006 (未經審核) (Unaudited) 千港元 HK\$'000 | 二零零五年 2005 (重列) (Restated) 千港元 HK\$'000 | 二零零六年 2006 (未經審核) (Unaudited) 千港元 HK\$'000 | 二零零五年 2005 (重列) (Restated) 千港元 HK\$'000 |
| 汽車及零件貿易以及 提供售後服務 | Trading of motor vehicles and spare parts and provision of after-sales services | 6,217,946 | 4,264,762 | 336,390 | 119,288 |
| 重型機械貿易及提供 產品支援服務 | Trading of heavy equipment and provision of product support services | 1,490,857 | 1,242,362 | 56,577 | 55,436 |
| 物業發展及投資 | Property development and investment | 569,705 | 139,843 | 50,632 | 63,335 |
| 一般貿易 | General trading | 661,791 | 1,496,742 | 18,366 | 28,556 |
| 證券經紀及買賣服務 | Securities broking and trading | 31,525 | 1,895 | (6,839) | (17,563) |
| 外匯買賣 | Trading of foreign exchange | – | 27,279 | – | (34,925) |
| 信貸 | Money lending | 6,594 | 4,788 | 749 | 2,021 |
| 其他 | Others | 2,588 | 2,671 | (4,653) | 15,807 |
| | | <u>8,981,006</u> | <u>7,180,342</u> | <u>451,222</u> | <u>231,955</u> |
| 業務間對銷 | Intersegment eliminations | (73,872) | (687,151) | (10,396) | (15,647) |
| | | <u>8,907,134</u> | <u>6,493,191</u> | <u>440,826</u> | <u>216,308</u> |

4. 分部資料 (續)

本集團收入按營業地區劃分分析如下：

4. Segment Information (continued)

An analysis of the Group's revenue by geographical area of operations is as follows:

| | | 收入 Revenue 截至六月三十日止 六個月 for the six months ended 30 June | |
|----------|-----------------------------|---|--|
| | | 二零零六年 2006 (未經審核) (Unaudited) 千港元 HK\$'000 | 二零零五年 2005 (重列) (Restated) 千港元 HK\$'000 |
| 中華人民共和國： | People's Republic of China: | | |
| 香港 | Hong Kong | 409,531 | 465,586 |
| 中國內地 | Mainland China | 6,429,470 | 4,557,147 |
| 其他亞洲國家 | Other Asian regions | 2,068,133 | 1,470,458 |
| | | 8,907,134 | 6,493,191 |

5. 財務費用**5. Finance Costs**

| | | 截至六月三十日止六個月 For the six months ended 30 June | |
|---------------------|---|---|--|
| | | 二零零六年 2006 (未經審核) (Unaudited) 千港元 HK\$'000 | 二零零五年 2005 (重列) (Restated) 千港元 HK\$'000 |
| 須於五年內悉數歸還 貸款之利息： | Interest on borrowings wholly repayable within five years: | | |
| 銀行貸款 | Bank loans | 58,433 | 51,371 |
| 信託票據貸款 | Trust receipt loans | 33,649 | 16,940 |
| 銀行透支 | Bank overdrafts | 3,161 | 1,855 |
| 總利息 | Total interest | 95,243 | 70,166 |

6. 除稅前溢利

本集團除稅前溢利經扣除／（計入）：

6. Profit before Tax

The Group's profit before tax is arrived at after charging/(crediting):

| | | 截至六月三十日止六個月 | |
|------------------------|---|---------------------------|-------------------|
| | | For the six months | |
| | | ended 30 June | |
| | | 二零零六年 | 二零零五年 |
| | | 2006 | 2005 |
| | | (未經審核) | (重列) |
| | | (Unaudited) | (Restated) |
| | | 千港元 | 千港元 |
| | | HK\$'000 | HK\$'000 |
| 物業、廠房及設備折舊 | Depreciation of property, plant and equipment | 62,138 | 43,403 |
| 投資物業折舊 | Depreciation of investment properties | 2,920 | 601 |
| 確認預付土地款 | Recognition of prepaid land premiums | 3,187 | 1,837 |
| 商譽於出售已發展物業時解除* | Goodwill released upon sales of developed properties* | 12,804 | 1,677 |
| 呆壞賬撥備 | Provision for bad and doubtful debts | 14,199 | 8,221 |
| 撇減存貨至可變現淨值 | Write-down of inventories to net realisable value | 571 | 2,245 |
| 按公允值列入損益賬之股本投資之公允值虧損淨值 | Fair value losses on equity investments at fair value through profit or loss, net | 11,957 | 13,997 |
| 上市投資之股息收入 | Dividend income from listed investments | (8,581) | (4,627) |
| 租金收入總額 | Gross rental income | (17,123) | (16,943) |
| 利息收入 | Interest income | (28,856) | (33,388) |
| 買賣上市投資之虧損／(收益) 淨值 | Net losses/(gains) on dealing in listed investments | (15,968) | 7,850 |

* 收購以物業發展為主要業務的附屬公司而產生的商譽在出售有關已發展物業時解除。有關金額已計入列載於簡明綜合利潤表的「其他經營開支」。

* Goodwill arising on acquisitions of subsidiaries whose principal activity is property development is released by reference to the sales of the related developed properties. The amount was included in "Other operating expenses" on the face of the condensed consolidated income statement.

7. 稅項

香港利得稅按期內在香港產生之估計應課稅溢利以17.5% (二零零五年：17.5%) 之稅率計提撥備。本集團其他經營業務地區之應課稅溢利之稅項乃根據該地區現行法律、詮釋及常規下其現行稅率計算。

7. Tax

Hong Kong profits tax has been provided at the rate of 17.5% (2005: 17.5%) on the estimated assessable profits arising in Hong Kong during the period. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

| | | 截至六月三十日止六個月 For the six months ended 30 June | |
|----------|---------------------------------|---|--|
| | | 二零零六年 2006 (未經審核) (Unaudited) 千港元 HK\$'000 | 二零零五年 2005 (重列) (Restated) 千港元 HK\$'000 |
| 本期： | Current: | | |
| 香港 | Hong Kong | 3,803 | 11,950 |
| 其他地區 | Elsewhere | 139,675 | 32,921 |
| 遞延 | Deferred | (7,527) | (1,344) |
| 期內稅項支出總額 | Total tax charge for the period | <u>135,951</u> | <u>43,527</u> |

7. 稅項 (續)

本公司及其大部份附屬公司以所在地適用之法定稅率計算之除稅前溢利與本集團應用實際稅率計算之稅項支出調整如下：

7. Tax (continued)

A reconciliation of the tax charge applicable to profit before tax using the statutory tax rate for the location in which the Company and the majority of its subsidiaries are domiciled to the tax charge at the Group's effective tax rate is as follows:

| | | 截至六月三十日止六個月 | |
|----------------------------------|---|---------------------------|-------------------|
| | | For the six months | |
| | | ended 30 June | |
| | | 二零零六年 | 二零零五年 |
| | | 2006 | 2005 |
| | | (未經審核) | (重列) |
| | | (Unaudited) | (Restated) |
| | | 千港元 | 千港元 |
| | | HK\$'000 | HK\$'000 |
| 除稅前溢利 | Profit before tax | 341,407 | 166,824 |
| 按香港法定稅率計算之稅項支出 | Tax charge at Hong Kong statutory tax rate | 59,746 | 29,194 |
| 海外附屬公司及聯營公司較高稅率(15%至33%)所產生之稅務影響 | Tax effect arising from higher tax rates of overseas subsidiaries and associates, ranging from 15% to 33% | 50,661 | 13,451 |
| 毋須課稅收入之稅務影響 | Tax effect of non taxable income | (3,299) | (14,175) |
| 不可扣稅開支之稅務影響 | Tax effect of non deductible expenses | 2,030 | 3,901 |
| 運用稅項虧損 | Utilisation of tax losses | (6,381) | (11,984) |
| 未確認之稅項虧損 | Tax losses not recognised | 8,377 | 13,919 |
| 聯營公司應佔損益之稅務影響 | Tax effect of profits and losses attributable to associates | 731 | (3,619) |
| 其他時間差異之稅項調整 | Tax adjustments of other timing differences | 24,086 | 12,840 |
| 按本集團實際稅率計算之稅項支出 | Tax charge at the Group's effective rate | 135,951 | 43,527 |

聯營公司應佔稅項17,502,000港元(二零零五年：8,245,000港元)列入簡明綜合利潤表之「應佔聯營公司溢利及虧損」。

The share of tax attributable to associates amounting to HK\$17,502,000 (2005: HK\$8,245,000) is included in "Share of profits and losses of associates" on the face of the condensed consolidated income statement.

8. 母公司普通股股東應佔每股盈利

截至二零零六年及二零零五年六月三十日止六個月之每股基本及攤薄盈利之計算乃根據：

盈利

用作計算每股基本及攤薄盈利之期內母公司普通股股東應佔淨溢利

股份

用作計算每股基本盈利之期內已發行普通股加權平均股數

攤薄影響—普通股加權平均股數：

認股權證

由於截至二零零六年及二零零五年六月三十日止六個月期間，尚未行使購股權之認購價較本公司股份於有關期間各自之平均市價為高，故對每股基本盈利並無攤薄影響。

根據二零零一年五月二十五日簽訂之認股權證文據的條款及條件，認股權證所附之認購權已於二零零六年六月十九日屆滿。

8. Earnings Per Share Attributable to Ordinary Equity Holders of the Parent

The calculations of basic and diluted earnings per share for the six months ended 30 June 2006 and 2005 are based on:

截至六月三十日止六個月
For the six months
ended 30 June

| 二零零六年 2006 (未經審核) (Unaudited) 千港元 HK\$'000 | 二零零五年 2005 (重列) (Restated) 千港元 HK\$'000 |
|---|--|
|---|--|

Earnings

Net profit attributable to ordinary equity holders of the parent for the period, used in the basic and diluted earnings per share calculations

169,916

111,779

股份數目 Number of shares

| 二零零六年 2006 (未經審核) (Unaudited) | 二零零五年 2005 (未經審核) (Unaudited) |
|--|--|
|--|--|

Shares

Weighted average number of ordinary shares in issue during the period used in basic earnings per share calculation

1,060,528,906

1,054,685,520

Effect of dilution – Weighted average number of ordinary shares:

Warrants

–

7,916,496

1,060,528,906

1,062,602,016

As the subscription prices of the share options outstanding during the six months ended 30 June 2006 and 2005 were higher than the respective average market prices of the Company's shares during these periods, there was no dilution effect on the basic earnings per share.

In accordance with the terms and conditions of the instrument constituting the warrants dated 25 May 2001, the subscription rights attaching to the warrants expired on 19 June 2006.

9. 股息

於二零零六年九月二十一日舉行之董事會會議上，董事議決不向股東派發截至二零零六年六月三十日止六個月之中期股息（二零零五年：無）。

9. Dividend

At a meeting of the board of directors held on 21 September 2006, the directors resolved not to pay an interim dividend to shareholders for the six months ended 30 June 2006 (2005: Nil).

10. 存貨**10. Inventories**

| | | 二零零六年 六月三十日 30 June 2006 (未經審核) (Unaudited) 千港元 HK\$'000 | 二零零五年 十二月三十一日 31 December 2005 (重列) (Restated) 千港元 HK\$'000 |
|---------|---------------------------------|---|--|
| 汽車及零件 | Motor vehicles and spare parts | 1,199,376 | 1,633,744 |
| 重型機械及零件 | Heavy equipment and spare parts | 436,901 | 579,546 |
| 其他 | Others | 483 | 680 |
| | | 1,636,760 | 2,213,970 |

11. 持有作銷售之物業**11. Properties held for Sale**

| | | 二零零六年 六月三十日 30 June 2006 (未經審核) (Unaudited) 千港元 HK\$'000 | 二零零五年 十二月三十一日 31 December 2005 (經審核) (Audited) 千港元 HK\$'000 |
|----------|--------------------------|---|--|
| 持有作銷售之物業 | Properties held for sale | 736,789 | 1,217,145 |

12. 應收賬款

本集團給予大部分客戶三十至六十日信貸期。由於業務形式不同，小部份客戶獲給予九十至一百五十日信貸期。本集團力求嚴格監控其未收之應收賬款，除設有信貸控制外，高層管理人員亦定期檢討過期未收之賬項，務求減低信貸風險。基於上述措施，加上本集團的應收賬款來自不同客戶，故本集團並無過度集中的信貸風險。應收賬款為免息款項。

於結算日，根據到期付款日及撥備淨額之應收賬款賬齡分析如下：

12. Trade Receivables

The Group has granted credit to substantially all its debtors ranging from 30-60 days. Due to certain trade patterns, a minority of debtors have been given a credit period of 90-150 days. The Group seeks to maintain strict control over its outstanding receivables and has credit control to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non interest-bearing.

An aged analysis of trade receivables as at the balance sheet date, based on the payment due date and net of provisions, is as follows:

| | | 二零零六年 六月三十日 30 June 2006 (未經審核) (Unaudited) 千港元 HK\$'000 | 二零零五年 十二月三十一日 31 December 2005 (重列) (Restated) 千港元 HK\$'000 |
|--------|---------------|---|--|
| 未到期 | Current | 390,241 | 505,695 |
| 零至三個月 | 0 – 3 months | 121,906 | 191,232 |
| 四至六個月 | 4 – 6 months | 2,008 | 3,767 |
| 七至十二個月 | 7 – 12 months | 1,409 | 1,628 |
| 逾一年 | Over 1 year | 427 | 81 |
| | | 515,991 | 702,403 |

13. 應付賬款及票據

於結算日，根據到期付款日之應付賬款及票據之賬齡分析如下：

| | |
|-------|--------------|
| 未到期 | Current |
| 零至三個月 | 0 – 3 months |
| 四至六個月 | 4 – 6 months |

應付賬款並不計息，一般結賬信貸期為60日內。

13. Trade and Bills Payables

An aged analysis of the trade and bills payables as at the balance sheet date, based on payment due date, is as follows:

| 二零零六年 六月三十日 30 June 2006 (未經審核) (Unaudited) 千港元 HK\$'000 | 二零零五年 十二月三十一日 31 December 2005 (重列) (Restated) 千港元 HK\$'000 |
|---|--|
| 714,376 | 1,167,379 |
| 201,632 | 69,777 |
| 50,198 | 29,165 |
| 966,206 | 1,266,321 |

The trade payables are non interest-bearing and are normally settled within 60-day terms.

14. 股本

| | |
|--|---|
| 法定股本： 2,000,000,000股每股 面值1港元之普通股 | Authorised: 2,000,000,000 ordinary shares of HK\$1 each |
| 已發行及繳足股份： 1,060,588,288股(二零零五年： 1,060,519,774股)每股面值 1港元之普通股 | Issued and fully paid: 1,060,588,288 (2005: 1,060,519,774) ordinary shares of HK\$1 each |

| 二零零六年 六月三十日 30 June 2006 (未經審核) (Unaudited) 千港元 HK\$'000 | 二零零五年 十二月三十一日 31 December 2005 (經審核) (Audited) 千港元 HK\$'000 |
|---|--|
| 2,000,000 | 2,000,000 |
| 1,060,588 | 1,060,520 |

14. 股本 (續)

期內，因本公司認股權證獲行使，按行使價每股3港元發行68,514股每股面值1港元的普通股，未扣除費用的總現金代價為205,542港元。已行使認股權證所附認股權證認購儲備34,257港元因此重新分類至股份溢價賬。根據二零零一年五月二十五日簽訂之認股權證文據的條款及條件，認股權證所附之認購權已於二零零六年六月十九日屆滿。認股權證於二零零六年六月十九日撤銷在香港聯合交易所有限公司上市。未行使認股權證所附之認股權證認購儲備36,937,000港元因此重新分類至保留溢利。

根據本公司已發行普通股股本涉及上述變動之期內交易概要如下：

14. Share Capital (continued)

During the period, 68,514 ordinary shares of HK\$1 each were issued for cash at an exercise price of HK\$3 per share pursuant to the exercise of the Company's warrants for a total cash consideration, before expenses, of HK\$205,542. The warrant subscription reserve of HK\$34,257 attaching to the exercised warrants was accordingly reclassified into the share premium account. In accordance with the terms and conditions of the instrument constituting the warrants dated 25 May 2001, the subscription rights attaching to the warrants expired on 19 June 2006. Listing of the warrants on the Stock Exchange of Hong Kong Limited was withdrawn on 19 June 2006. The warrant subscription reserve of HK\$36,937,000 attaching to the unexercised warrants was accordingly reclassified into retained profits.

A summary of the transactions during the period by reference to the above movement in the Company's issued ordinary share capital is as follows:

| | | 已發行 股份數目 Number of shares in issue (未經審核) (Unaudited) | 已發行及 繳足股份 Issued and fully paid (未經審核) (Unaudited) | 股份溢價 Share premium (未經審核) (Unaudited) | 合計 Total (未經審核) (Unaudited) |
|-------------|----------------------|--|---|---|--------------------------------------|
| | | | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 |
| 於二零零六年一月一日 | At 1 January 2006 | 1,060,519,774 | 1,060,520 | 2,732,898 | 3,793,418 |
| 已行使認股權證 | Exercise of warrants | 68,514 | 68 | 171 | 239 |
| 於二零零六年六月三十日 | At 30 June 2006 | 1,060,588,288 | 1,060,588 | 2,733,069 | 3,793,657 |

15. 或然負債

於二零零六年六月三十日，本集團代客戶就銀行擔保之或然負債為43,200,000港元(二零零五年十二月三十一日：30,614,000港元)。

15. Contingent Liabilities

At 30 June 2006, the Group had contingent liabilities in respect of bank guarantees on behalf of customers amounting to HK\$43,200,000 (31 December 2005: HK\$30,614,000).

16. 經營租約之安排

(a) 作為出租人

本集團根據經營租約將其投資物業出租，租約條款一般規定租戶須繳交按金，並根據市場情況，可定期調整租金。

於二零零六年六月三十日，本集團根據與租戶之不可撤銷經營租約，未來最少應收之租金按年期如下：

| | |
|----------------|---|
| 一年內 | Within one year |
| 第二至第五年(包括首尾兩年) | In the second to fifth years, inclusive |

| 二零零六年 六月三十日 30 June 2006 (未經審核) (Unaudited) 千港元 HK\$'000 | 二零零五年 十二月三十一日 31 December 2005 (重列) (Restated) 千港元 HK\$'000 |
|---|--|
| 21,225 | 19,035 |
| 35,427 | 27,928 |
| 56,652 | 46,963 |

(b) 作為承租人

本集團部份辦公室物業是以經營租約租用。於二零零六年六月三十日，本集團根據不可撤銷之經營租約，未來最少須付之租金按年期如下：

| | |
|----------------|---|
| 一年內 | Within one year |
| 第二至第五年(包括首尾兩年) | In the second to fifth years, inclusive |
| 五年以上 | Beyond five years |

| 二零零六年 六月三十日 30 June 2006 (未經審核) (Unaudited) 千港元 HK\$'000 | 二零零五年 十二月三十一日 31 December 2005 (重列) (Restated) 千港元 HK\$'000 |
|---|--|
| 51,806 | 49,143 |
| 127,716 | 84,721 |
| 66,480 | 96,764 |
| 246,002 | 230,628 |

16. Operating Lease Arrangements

(a) As lessor

The Group leases its investment properties under operating lease arrangements. The terms of the leases generally also require the tenants to pay security deposits and provide for periodic rental adjustments according to the then prevailing market conditions.

At 30 June 2006, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

(b) As lessee

The Group leases certain of its office properties under operating lease arrangements. At 30 June 2006, the Group had total future minimum payments under non-cancellable operating leases falling due as follows:

17. 承擔

除上文附註16(b)所述經營租約之承擔外，本集團於結算日有以下之資本承擔：

17. Commitments

In addition to the operating lease commitments detailed in note 16(b) above, the Group had the following capital commitments at the balance sheet date:

| | | 二零零六年 六月三十日 30 June 2006 (未經審核) (Unaudited) 千港元 HK\$'000 | 二零零五年 十二月三十一日 31 December 2005 (重列) (Restated) 千港元 HK\$'000 |
|---------|------------------------------------|---|--|
| 資本承擔： | Capital commitments: | | |
| 已訂約但未撥備 | Contracted, but not provided for | 756,496 | 377,515 |
| 已授權但未訂約 | Authorised, but not contracted for | 16,770 | 63,678 |
| | | 773,266 | 441,193 |

18. 關連人士交易

(a) 除本簡明綜合中期財務報表其他部分所述的交易外，本集團於期內與關連人士進行以下重大交易：

在二零零五年十二月三十一日年度，本集團獲委聘為其聯營公司梅賽德斯－奔馳（中國）汽車銷售有限公司（「MBCL」）的代理，為該公司提供貿易金融服務，服務收入為交易價值的2%。本集團期內的服務收益為34,790,000港元（二零零五年：無）。於二零零五年十二月三十一日，應收MBCL的結餘為127,703,000港元。此結餘為無抵押、免息及已於期內償還。

18. Related Party Transactions

(a) In addition to the transactions detailed elsewhere in these condensed consolidated interim financial statements, the Group had the following material transaction with a related party during the period:

In the year ended 31 December 2005, the Group was appointed as an agent of Mercedes-Benz (China) Limited ("MBCL"), an associate of the Group, to provide it with trade finance services for service income based on 2% of the transaction value. Service revenue amounting to HK\$34,790,000 (2005: Nil) was recorded by the Group during the period. As at 31 December 2005, the balance owing from MBCL of HK\$127,703,000 was unsecured, interest-free and was settled during the period.

18. 關連人士交易 (續)

- (b) 除上文附註18(a)所述計入「預付款項、按金及應收雜項」的MBCL所欠結餘外，本集團於二零零六年六月三十日及二零零五年十二月三十一日的應收／應付聯營公司的數額列載於簡明綜合資產負債表的「於聯營公司之權益」。
- (c) 本集團主要管理層人員之薪酬如下：

18. Related Party Transactions (continued)

- (b) Except for the balance owing from MBCL detailed in note 18(a) above which was included in "Prepayments, deposits and sundry receivables", the Group's amounts due from/to its associates as at 30 June 2006 and 31 December 2005 are included in "Interests in Associates" on the face of the condensed consolidated balance sheet.
- (c) Compensation of key management personnel of the Group:

| | | 截至六月三十日止六個月 For the six months ended 30 June | |
|-----------------|--|---|---|
| | | 二零零六年 2006 (未經審核) (Unaudited) 千港元 HK\$'000 | 二零零五年 2005 (未經審核) (Unaudited) 千港元 HK\$'000 |
| 短期僱員福利 | Short term employee benefits | 12,389 | 11,613 |
| 退休福利 | Post-employment benefits | 756 | 742 |
| 已付主要管理人員總 薪酬 | Total compensation paid to key management personnel | 13,145 | 12,355 |

19. 財務風險管理目的與政策

本集團的主要金融工具(衍生工具除外)包括銀行貸款及透支、其他附息貸款、現金及短期存款。此等金融工具主要為本集團營運籌集資金。本集團擁有其他不同的金融資產及負債，包括直接由營運產生的應收賬款及應付賬款。

本集團亦訂立衍生工具交易，主要包括交叉貨幣利率掉期合約，以用作管理本集團營運及資本來源產生的利率及貨幣風險。

19. Financial Risk Management Objectives and Policies

The Group's principal financial instruments, other than derivatives, comprise bank loans and overdrafts, other interest-bearing loans, and cash and short term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The Group also enters into derivative transactions, including principally cross currency interest rate swaps contracts. The purpose is to manage the interest rate and currency risks arising from the Group's operations and its sources of finance.

19. 財務風險管理目的與政策 (續)

本集團金融工具而產生的主要風險為流動資金風險、信貸風險及外匯風險。董事會已審閱並同意管理該等風險的政策，有關政策概述如下：

流動資金風險

流動資金風險即未有足夠資金應付本集團到期還款責任的風險。在企業層方面，本集團財務活動的資金受總部庫務部監管，目的為繼續取得融資與靈活運用銀行貸款之間取得平衡。因此，銀行信貸撥作應變用途。

信貸風險

信貸風險即本集團其中一位客戶未能於到期時支付欠款而產生的經濟損失，如屬股本投資，則指企業失誤引致之價值損失的風險。本集團以詳盡的信貸政策，對潛在客戶進行信貸分析，並視乎情況與其他夥伴訂立風險分擔安排，以減低信貸風險。

外匯風險

外匯風險即因匯率變動而導致本集團金融工具價值受損或投資出現虧損的風險。本集團通過買賣政策管理外匯交易之風險。本集團於中國有大量投資，而簡明綜合資產負債表其中部份銀行貸款以美元為單位，或會受人民幣兌港元或人民幣兌美元之匯率變動所影響。由於港元與人民幣均與美元掛鈎，本集團預期該等匯率不會出現重大變動。

19. Financial Risk Management Objectives and Policies (continued)

The main risks arising from the Group's financial instruments are liquidity risk, credit risk and foreign currency risk. The board reviews and agrees policies for managing each of these risks and they are summarised below:

Liquidity Risk

Liquidity risk is the risk of not having access to sufficient funds to meet the Group's obligation as they become due. The Group's funding for treasury activities are monitored by a Central Treasury at the corporate level. Its objective is to maintain a balance between the continuity of funding and the flexibility through the use of bank loans. Banking facilities have therefore been put in place for contingency purposes.

Credit Risk

Credit risk is the risk of economic loss resulting from the failure of one of the Group's customers to make payment when due or in the case of equity investments, the loss in value resulting from a corporate failure. The Group mitigates credit risk by utilising detailed credit policies, undertaking credit analysis on potential customers and where applicable, establishing risk sharing arrangements with other partners.

Foreign Currency Risk

Foreign currency risk is the risk of incurring a loss in the value of a financial instrument or a loss in the Group's investments as a result of changes in foreign currency exchange rates. The Group manages its foreign currency trading risk with trading policies and close monitoring of adherence to such policies. The Group has significant investments in the PRC and its condensed consolidated balance sheet, including a portion of its bank loans denominated in US\$, can be affected by movements in the RMB/HK\$ and RMB/US\$ exchange rates. As both the HK\$ and RMB are pegged to the US\$, the Group does not expect significant movements in the exchange rates.

20. 比較數字

根據簡明綜合中期財務報表附註1及3所詳述，由於期內採納了新的和修訂的香港財務報告準則及修訂條例，故已修訂簡明綜合中期財務報表中若干項目及結餘的會計處理與呈列方式，以符合新規定。因此，已對上年度作出調整，而若干比較數字亦已重新分類，以符合本期間的呈列及會計處理方式。

21. 中期財務報表之批准

簡明綜合中期財務報表已於二零零六年九月二十一日獲董事會批准，授予刊印。

20. Comparative Amounts

As further explained in notes 1 and 3 to the condensed consolidated interim financial statements, due to the adoption of new and revised HKFRSs and the Amendment Ordinance during the current period, the accounting treatment and presentation of certain items and balances in the condensed consolidated interim financial statements have been revised to comply with the new requirements. Accordingly, prior year adjustments have been made and certain comparative amounts have been reclassified to conform with the current period's presentation and accounting treatment.

21. Approval of the Interim Financial Statements

The condensed consolidated interim financial statements were approved and authorised for issue by the board of directors on 21 September 2006.

業務回顧

利星行有限公司（「利星行」或「本集團」）欣然報告，回顧期內本集團錄得持續增長，龐大的業務權益組合均有理想業績。截至二零零六年六月三十日止六個月，本集團營業額達8,907,000,000港元，較去年同期增加37%。截至二零零六年六月三十日止六個月，股東應佔未經審核溢利增加52%至170,000,000港元，而每股盈利為16港仙，此增長主要由於中國及韓國市場增長強勁，令汽車部表現受惠，另外金融服務部表現有所扭轉。

汽車部

本集團的汽車部在東北亞經銷一系列高檔汽車品牌，包括：在中國經銷平治；在韓國經銷平治及保時捷；在台灣經銷平治、佳士拿、吉普車及微型轎車；以及在越南經銷平治。此外，本集團亦透過聯營公司中華賓士汽車股份有限公司（「中華賓士汽車」）與擁有中國內地、韓國及台灣的平治分銷公司重大股權的戴姆勒克萊斯勒合作。

回顧期間，基於中國內地經濟快速增長、韓國進口汽車市場增長加速、具備全面的一級產品系列、市場對新推出的S-Class型號反應熱烈，加上中國內地分銷業務轉型所帶來多項一筆過的非經常優惠，令本集團汽車部表現異常強勁。

受惠於本集團中國內地及韓國的主要市場銷量增加，營業額上升46%。

OPERATIONS REVIEW

For the period under review, Lei Shing Hong Limited (“LSH” or the “Group”) is pleased to report continued growth as our extensive portfolio of business interests delivered strong results. For the six months ended 30 June 2006, our turnover reached HK\$8,907 million, representing an increase of 37% over the same period last year. Unaudited profit attributable to shareholders increased by 52% to HK\$170 million for the six months ended 30 June 2006, while earnings per share were 16 HK cents. This growth was fuelled by performances from a turnaround in our Financial Services Division and an improved performance in our Automobile Division, which benefited from strong growth in both the China and Korean markets.

Automobile Division

The Group's Automobile Division operates dealerships for a portfolio of premium brands in Northeast Asia, including: Mercedes-Benz in Mainland China; Mercedes-Benz and Porsche in Korea; Mercedes-Benz, Chrysler, Jeep and Smart in Taiwan; and Mercedes-Benz in Vietnam. In addition, we are also in partnership with DaimlerChrysler, holding a significant equity stake in Mercedes-Benz distribution companies in Mainland China, Korea and in Taiwan, through our associate company Capital Motors Inc (“CMI”).

For the period under review, our Automobile Division delivered an exceptionally strong performance on the back of rapid economic growth in Mainland China, accelerating growth in Korea's imported vehicle market segment, a first-rate product line-up, with the new S-Class being particularly well received, as well as one-off, non-recurring benefits resulting from the transition of our distribution business in Mainland China.

Driven by good volume growth in both our key markets of Mainland China and Korea, turnover increased by 46%.

中國內地

本集團發展中國內地華北及華東地區的銷售及售後服務網絡的策略獲得實質的進展。年初，本集團在華北地區的網絡擴至13個城市。於二零零六年期間，將於內蒙古開設新設施。年初，本集團在華東地區的經銷網絡覆蓋10個城市。新設施計劃於無錫、福州及南昌開設。於二零零六年底，預期華東地區的網絡可遍佈11個城市。

於回顧期間，本集團成功將其附屬公司的華北及華東的分銷業務轉至本集團持有49%股權的梅賽德斯－奔馳（中國）有限公司。梅賽德斯－奔馳（中國）有限公司為平治品牌在中國內地的全國分銷商。此外，本集團已成立新公司－星徽管理（上海）有限公司，為本集團現有經銷商提供經銷商管理支援以及執行本集團的網絡發展策略。

本集團於中國內地之銷售數量較去年同期增長48%，反映入口汽車市場持續增長。此增長趨勢源於多項因素，包括：客戶基於預期消費稅將增加而及早於第一季購買汽車；二零零五年第四季推出新S-Class型號銷量理想；成功將E-Class E280引入中國內地裝配；以及M-Class型號的銷量持續強勁，特別是於華北地區。

雖然預期此增長率將於二零零六年下半年放慢，但本集團相信中國內地汽車業存在龐大的長期商機。本集團將繼續審慎規劃投資業務，確保利星行可掌握及受惠於有關商機。

售後業務營業額較去年同期增加42%，使有關分部的盈利上升。此增長反映汽車使用量增加及新服務設施啟用的正面影響。

Mainland China

We have made solid progress in our strategy of developing the Group's sales and after-sales network in the Northern and Eastern regions of Mainland China. At the start of the year, our network spanned 13 cities in the North. Over the course of 2006, new facilities will be opened in Inner Mongolia. In the East, our dealership network covered 10 cities as at the beginning of the year. New facilities are scheduled to be opened in Wuxi, Fuzhou and Nanchang. By the end of 2006, we expect to have an extensive network coverage of 11 cities.

During the period under review, we successfully completed the transfer of our distribution activities for North and East China from our subsidiary companies to Mercedes-Benz (China) Limited, a company in which we hold a 49% equity stake and which operates as the national distributor for the Mercedes-Benz brand in Mainland China. In addition, we have established a new company, Lei Shing Hong Management (Shanghai) Co Ltd, which will provide dealer management support to our existing Dealers as well as lead our network development.

Our unit sales in Mainland China increased by 48% over the same period of last year, reflecting continued growth in the imported vehicle market. This upward trend was driven by a number of factors, including: consumers purchasing vehicles in the first quarter ahead of the anticipated consumption tax increases; robust sales of the new S-Class launched in the 4th quarter of 2005; the successful introduction of the CKD E-Class E280 into Mainland China; and on-going strong sales of the M-Class, particularly in North China.

Whilst we anticipate that this growth rate will slow in the second half of 2006, we believe that tremendous long-term opportunities are presented by the Automobile industry in Mainland China. We will continue to plan our investment activities to ensure that LSH is well-placed to benefit from the resulting opportunities.

Turnover from after-sales operations increased by 42% over the corresponding period last year, making an increased contribution to the segment's profitability. This increase reflects the growth in the vehicle parc and positive impact of the opening of new service facilities.

本集團在新疆及四川設立兩個商用汽車業務專門經銷點。除處理平治CBU貨車外，此業務亦支援本集團的轎車經銷業務銷售平治小型貨車（以Viano型號為主）。中國貨車市場現時被國內生產的貨車壟斷。不過，中期而言，隨著對可靠的長途運輸工具的需求增加，本集團預期重型貨車的進口量將上升。

台灣

二零零六年上半年，台灣的總轎車市場較去年同期減少28%，原因是利率上調、收緊信用額以及燃料成本增加所致。本集團面對競爭的豪華轎車市場受該等因素影響較少亦輕微下跌8%。

本公司聯營公司－台灣戴姆勒克萊斯勒股份有限公司（「DCT」）自二零零六年一月起，全面專注於平治及微型轎車品牌的銷售，銷量大幅增加20%，主要是由於二零零五年下半年推出的S-Class型號銷量激增及M-Class型號增長強勁，反映市場對該等型號需求殷切，以及產品供應數量增加。以銷售價值而言，由於S-Class及M-Class型號佔較高比重，故產品組合令增長擴大。DCT龐大的銷售增長主要在於水貨市場銷售大幅減少，下跌近30%，部分基於正式經銷商可提供的主要型號數量增加，相對正規的供應，匯率波動影響水貨市場的相對價格競爭力。水貨市場一般佔台灣平治品牌銷量約40%，但於回顧期間大幅下跌，僅佔平治銷量的34%，而去年則為48%。

With regards to our Commercial Vehicles business, we have now established two dedicated dealerships in Xinjiang and Sichuan. In addition to handling Mercedes-Benz CBU trucks, this division also supports our passenger car dealerships in selling Mercedes-Benz vans, in particular the Viano model. The Chinese truck market is currently dominated by locally produced trucks. Over the medium term however, we foresee an increase in imported heavy-duty trucks as the need for reliable long haul road transportation increases.

Taiwan

For the first half of 2006, the total passenger vehicle market in Taiwan declined by 28% as compared with the same period last year. This reflects the effect of increasing interest rates, the tightening of credit lines, and the impact of rising fuel costs. The luxury segment in which our business competes was down by 8% as it is less affected by these factors.

DaimlerChrysler Taiwan Limited (“DCT”), our associate company which focuses entirely on the sale of Mercedes-Benz and Smart brands since January 2006, achieved significant sales volume growth of 20%. This was mainly due to a sharp increase in sales of the S-Class and strong growth for the M-Class, reflecting keen demand for these models that were launched in the second half of 2005 and improved product availability. In terms of sales value, even greater growth was achieved as a result of the product mix, with a higher proportion of S-Class and M-Class vehicles. A key factor behind DCT’s impressive sales growth was the significant decline in grey market sales, down by nearly 30% partly due to the improved availability of key models through official dealers and also exchange rate movements which impacted the relative price competitiveness of grey market supply versus the official supply. The grey market, which typically accounts for around 40% of the Mercedes-Benz brand sales in Taiwan, has declined significantly and represented only 34% of Mercedes-Benz sales during the period under review, as compared with 48% last year.

本公司之零售業務中華賓士汽車之新車銷售數量增幅達15%。平治品牌銷售數量增加27%，抵銷佳士拿及微型轎車銷量的減幅。平治銷量的顯著增加反映：S-Class型號銷售大幅上升，此新型號廣受台灣市場歡迎；成功推出B-Class；以及M-Class的銷售表現理想。以價值衡量，由於推出較多種類型號組合，其中以S-Class銷量佔較大份額，本集團的銷售因而較去年有更好表現。

自二零零五年底推出B-Class、全新S-Class及M-Class型號後，在回顧期間並無推出任何主要新型號。

中華賓士汽車繼續進行設施升級計劃。台中的新旗艦設施於二零零六年一月隆重啟用，現時進行中的計劃包括翻新及擴充台北桃園分行，以及在高雄開發全新3-S「星徽理念」設施，預期於二零零七年底完成。

下半年台灣市場前景好淡參半。預期整體市場（包括進口高檔市場）保持平穩，儘管引擎容積超過2.0升的進口汽車商品稅下調，但亦預期市場將加快放緩。然而，本集團擁有平治品牌的暢銷產品系列，加上預期推出CDI柴油引擎型號以及外型煥然一新的E-Class型號，將可取得更大的市場佔有率。

韓國

韓國經濟增長加快，二零零六年的本地生產總值增長預期為5%，而二零零五年則為4%。然而，油價以及通脹壓力不斷上升對消費者消費模式有負面影響，亦令生產商及外商投資放緩。加上目前政局不明朗，種種因素令二零零六年下半年及二零零七年的前景不樂觀。

Our retail business, CMI, increased new car volumes by 15%. Unit sales of the Mercedes-Benz brand increased by 27%, offsetting reductions in the sales of Chrysler and Smart vehicles. The marked gain in the sales of Mercedes-Benz reflects: a significant increase in S-Class sales, with the new model being well received in the Taiwanese marketplace; the successful introduction of the B-Class; and sales growth for the M-Class as the new model performed well. In terms of value, our sales showed an even better improvement over last year, resulting from the richer model mix with a higher proportion of S-Class sales.

No major new models were launched in the period under review, following the launches of the B-Class, new S-Class and new M-Class late in 2005.

CMI is continuing with its programme of upgrading facilities. The grand opening of the new flagship Taichung facility was held in January 2006 and projects currently in progress include the renovation and upgrade of the Taoyuan branch in North Taiwan and the development of a new 3-S "Autohaus" in Kaohsiung, scheduled to be completed at the end of 2007.

The outlook for the Taiwan market in the second half is mixed. The overall market, including the imported premium segment, is expected to remain soft with the reduction in commodity tax on imported vehicles with engine sizes greater than 2.0L expected to exacerbate the market slowdown. However, we have a strong product line-up under the Mercedes-Benz brand and with the expected introduction of the CDI-diesel engine models and the face lifted E-Class, we expect to make gains in market share.

Korea

Economic growth in Korea has accelerated, with GDP growth for 2006 forecasted at 5%, as compared with 4% for 2005. However, with escalating oil prices, inflationary pressures are increasing and this is negatively impacting consumer propensity to spend. Investment by manufacturers and foreign investment has also been sluggish. Coupled with the current political uncertainty, these factors have put a dampener on the prospects for the 2nd half of 2006 and 2007.

韓國進口汽車市場由12,930輛增至20,193輛，較去年同期上升56%。現時，進口汽車市場佔總轎車市場4%，而去年同期則為3%。平治汽車佔進口汽車市場13%，其中本集團之附屬公司－韓星自動車株式會社（「韓星」）及Busan Star Motor Co Ltd（「Busan Star」）佔整體平治汽車登記量54%。

韓星共有7家經銷商，連同其附屬公司Busan Star取得33%的銷量增長，而整體銷售較去年同期增長為61%，反映二零零五年十月推出的全新S-Class銷售強勁，而E350及CLS350等型號銷售亦表現理想。新推出的型號包括R及B-Class。

發展中的零售點包括計劃於二零零六年十月遷移的仁川陳列室以及特快服務中心，位於瑞草及釜山的零售點將於二零零七年落成。

本集團的保時捷入口商／分銷商／經銷商Stuttgart Sports Car Limited取得26%的銷量增長，此乃由於成功推出Cayman型號，加上Cayenne及911型號銷售持續強勁所致。長遠而言，本集團對韓國的保時捷經銷權前景發展非常樂觀，並正逐步擴大銷售及服務覆蓋範圍。本集團為新保時捷經銷業務收購一幅位於釜山的土地，預期於二零零七年九月完成設施建設工程。本集團亦取得位於首爾良才區Seoul Automobile Gallery的銷售中心，預期於二零零六年九月開始出售新款及已使用過的汽車。此等行動配合強大和不斷擴大的產品種類以及本集團持續的市場推廣項目，成為本集團大力推動韓國保時捷汽車業務發展的部份策略，而本集團的進口汽車（尤其是豪華轎車業務）所佔韓國的市場佔有率亦不斷增加。

The Korean imported car market grew from 12,930 units to 20,193 units, representing an increase of 56% over the corresponding period last year. It now represents 4% of the total passenger vehicle market, versus 3% for the same period last year. Mercedes-Benz achieved a 13% share of this imported vehicle market with the Group's subsidiaries, Han Sung Motors Co Ltd ("Han Sung") and Busan Star Motor Co Ltd ("Busan Star"), contributing to 54% of the overall Mercedes-Benz registrations.

Han Sung, which operates 7 dealerships together with its subsidiary Busan Star, achieved unit sales growth of 33% and overall sales growth of 61% as compared with the corresponding period last year. This increase reflects the strong sales of the new S-Class, launched in October 2005, and a good performance from models such as the E350 and CLS350. New models introduced include the R and B-Class.

Outlets under development include the re-location of the Incheon showroom and quick service centre scheduled for October 2006, and Seocho and Busan which will be completed in 2007.

Stuttgart Sports Car Limited, our Porsche importer/distributor/dealer, achieved unit sales growth of 26% with the Cayman model successfully launched and strong sales of the Cayenne and 911 models. Long-term, we see excellent growth prospects for the Porsche franchise in Korea and we are taking steps to expand our sales and service coverage. Land has been acquired for a new Porsche dealership in Busan and the construction of the facility is expected to be completed by September 2007. A second sales outlet at the Seoul Automobile Gallery in the Yangjae area of Seoul has been secured and this outlet is scheduled to commence sales of new and previously-owned cars in September 2006. These actions, combined with the strong and expanding product range and our ongoing marketing programs, form part of our strategy to significantly grow the Porsche business in Korea, a market where imported cars, particularly in the luxury segment, are making significant share gains.

越南

越南市場不斷發展，銷量增加31%。本集團目前於胡志明市設有「星徽理念」設施，並計劃於本年底落成位於河內的「星徽理念」設施。

機械部

本集團之機械部仍為全球其中一間最大之卡特彼勒液壓挖掘機經銷商，在指定地區經銷全線卡特彼勒產品。

中國內地

中國內地重型設備市場仍保持二零零五年末之強勢，另外利星行機械部藉着此優勢令銷售額較二零零五年上半年增長17%，當中包括全新及已使用過的機械、發動機、租賃、配件及服務銷售額。機械及發動機的銷售額分別較去年同期增加19%及8%。由於中國的疏浚行業對大型3600型號卡特彼勒發動機的需求殷切，故此船用發動機銷售額躍升148%。超過80%的機械銷售由卡特彼勒金融服務融資，而配件及服務銷售則持續受惠於機械及發動機數目不斷增加，銷售額分別上升14%及12%。

本集團一直專注透過建立已配備人員之客戶聯絡及支援中心以加強客戶服務，於本年度上半年在山東省煙台及湖北省十堰開設兩間新分店，並在揚州開設二手機中心。南京新省市支援中心的拓展計劃亦已落實，並已選定建造商，同時在杭州、鄭州、濟南及武漢等重要省市收購土地以興建同類支援中心。

Vietnam

Further progress was achieved in the Vietnamese market with unit sales growing by 31%. We currently have an Autohaus in Ho Chi Minh City and an Autohaus in Hanoi is scheduled to be completed later this year.

Machinery Division

The Group's Machinery Division continues to be the largest Caterpillar hydraulic excavator dealership in the world while distributing the full range of Caterpillar products in our assigned territories.

Mainland China

The Mainland China heavy equipment market has maintained the strength of late 2005 and Lei Shing Hong Machinery has taken advantage of this to grow business by 17% relative to the first half 2005, inclusive of new and used machine, engine, rental, parts and service sales. Machine sales increased by 19% and engine sales by 8% over the previous period, though marine engine sales surged by 148% with high demand from the domestic dredging industry for the larger 3600 series Cat engines. In excess of 80% of the machine sales were financed by Caterpillar Financial Services while parts and service sales continued to benefit from the increasing machine and engine populations, as well as machine activity recovery from the prior year's macro-economic controls, with 14% and 12% respective sales increases.

We continued our emphasis on customer service through establishing and staffing customer contact and support centres. Two new branches were opened, Yantai in Shandong province and Shiyan in Hubei, as well as the Used Equipment Centre in Yangzhou, during the first half of this year. Plans have also been finalised and contractors selected for the new Provincial Support Centre in Nanjing while land acquisition is in progress for similar support centres in the main provincial cities of Hangzhou, Zhengzhou, Jinan and Wuhan.

鑑於最近期第十一個五年計劃落實多個政府基建項目，加上本集團可透過存量充裕的機械及發電機組提供符合客戶要求的產品，二零零六年下半年的前景仍然樂觀。本集團將最近獲卡特彼勒授出其擁有的Perkins發動機產品開展銷售及支援服務，本集團預期船用及油田發動機訂單將有強勁增長。

本集團一直專注通過六西格瑪系統進程提升程序改良，並將與卡特彼勒完成其「Cat Vision 2020」企業加強版的系統整合。

台灣

本集團於台灣的機械業務—中華機械股份有限公司收益較二零零五年同期上升41%。機械及動力系統產品的銷售錄得增長，而市場佔有率亦大幅上升。本集團相信，此增長是由於本集團提升及擴展設施以及專注進一步提升客戶服務及支援的策略成果。本集團繼續提升及擴充設施，現正在大園、台中、花蓮及高雄進行特定項目，以改善地區銷售及服務的覆蓋範圍。本集團服務質素亦受惠於完善的培訓項目以及持續進行的六西格瑪質量控制方案。

二零零六年下半年的前景仍然理想，本集團擁有相當穩健訂單，而卡特彼勒品牌的知名度及本集團支援各項產品質素的能力亦不斷提升。

地產部

本集團之地產部在中國內地的一級城市從事地產開發及投資優質物業。本集團的主要項目仍然是位於北京朝陽區望京新城的住宅及商業發展項目「寶星園」；位於北京同區的大型商業發展項目「利星廣場」；以及位於上海延安西路的「利星國際廣場」。

Prospects remain bright for continuation of business on an improved scale for the remainder of 2006 with government infrastructure projects assured by the latest (11th) Five Year Plan and our ability to provide product to meet customer requirements through adequate inventory of machines and electric power gensets. We will commence sales and support operations for the recently awarded, Caterpillar-owned, Perkins line of engine products and we expect particularly strong growth in our marine and oilfield engine order books.

We will continue our emphasis on process improvement through the 6 Sigma process and will complete our alignment with Caterpillar for their extended enterprise “Cat Vision 2020”.

Taiwan

Capital Machinery Ltd, our Machinery business in Taiwan, grew revenues by 41% as compared with the same period for 2005. Growth was achieved in both our Machines and Power Systems product line and significant market share gains were achieved. We believe this growth validates our strategy of upgrading and expanding our facilities and of focusing on further improvements in customer service and support. The upgrade and expansion of our facilities continues with specific projects currently in progress at Tayuan, Taichung, Hualien and Kaohsiung, designed to improve both geographical sales and service coverage. The quality of our service coverage will also benefit from our extensive training programs and the ongoing 6 Sigma quality program.

The outlook for the second half of 2006 remains good, we have a healthy order book and there is increasing recognition for the Caterpillar brand and our capabilities to support our quality product range.

Property Division

Our Property Division is engaged in the development of quality property projects in first-tier cities within Mainland China. The Group's major projects continue to be “Starcrest”, a residential and commercial development in Beijing's Wangjing, Chaoyang District; “LSH Plaza” a major commercial development in the same district of Beijing; and “Lei Shing International Plaza”, located on Yan An Xi Road in Shanghai.

中國內地

中央政府繼續推行冷卻物業市場措施，尤其針對住宅物業市場。二零零六年七月公佈兩項新措施，其中一項規定住宅物業發展項目總面積最少70%須為90平方米以下的住宅，而另一項則對海外公司投資中國內地房地產實施更嚴厲的條件。該等措施對本集團現有主要項目不會有任何影響，而本集團普遍認為政府打擊房地產炒賣的措施長遠對中國房地產市場發展有正面影響。

利星國際廣場的商業及零售大樓於二零零五年十二月出售後，於二零零六年上半年，此發展項目的住宅單位達97%的銷售已確認入賬，令本集團地產部於回顧期間表現強勁。有關的大樓已落成，而單位亦已交吉予買家。餘下的多個單位將由本集團留作自用，而餘下單位的銷售預期將於二零零六年下半年確認入賬。

「寶星園」發展項目再無任何銷售可確認。然而，第二期住宅單位銷售進度十分理想。1,133個單位已簽訂買賣協議，約佔總數的92%。第二期預期於二零零六年落成。本集團亦已取得第三期的規劃證，當中包括341個住宅單位及零售商舖與車位，總建築面積為119,992平方米。本集團亦已取得施工許可證，並計劃於二零零六年下半年展開建設工程。此項目的商用部分進度亦順利，本集團預期於本年第四季取得施工許可證。

本集團於北京大型商業發展項目進展良好，目前已取得土地使用權證及規劃審批；重置工程已完成；以及基本工程正在進行中。

本集團預期中國內地的地產業長期發展潛力優厚，現正積極抓緊機會擴大土地庫存，確保有大量的合適地皮用作日後地產發展。

Mainland China

The Central Government continues to introduce measures to cool the property market with particular focus on the residential sector. Two new measures were announced in July 2006, the first requiring a minimum of 70% of the total space of residential developments to be homes smaller than 90m² and the second introducing more stringent conditions for foreign companies investing in mainland Chinese real estate. These measures will not have any impact on our current major projects and we generally see the governments actions to curb real estate speculation as positive for the longer term health of the Chinese real estate market.

Following the sale of the commercial and retail towers of Lei Shing International Plaza in December 2005, sales of 97% of the residential units in this development were recognized in the first half of 2006, boosting the performance of our Property Division during the period under review. The towers are now complete and the units have been handed over to buyers. A number of the remaining units will be kept for our own use and sales of the balance of the units are expected to be recognized in the second half of 2006.

No further sales were recognized with respect to the "Starcrest" development. However, excellent sales progress has been achieved for the Phase II residential units. Sales and purchase agreements have been signed and registered for 1,133 units, accounting for 92% of the total. Phase II is anticipated to be completed in 2006. We have also obtained the planning certificate for Phase III, which encompasses 341 residential units as well as retail and car park space with a total Gross Floor Area of 119,992m². The construction permit has also been received and we target commencing the construction work in the second half of 2006. Progress has also been made with respect to the commercial portion of this project, for which we anticipate obtaining a construction permit in the 4th quarter of this year.

Good progress was achieved in our major commercial development in Beijing. The land use rights certificate and planning approval have been obtained; relocation has been completed; and the foundation works are now in progress.

The Group sees excellent long-term growth potential in Mainland China's property sector. We are now actively pursuing opportunities to grow our land bank to ensure we have a strong portfolio of suitable sites for future property developments.

貿易部

本集團貿易部專門從事木材製品、手錶零件及化肥貿易，並於香港及新加坡設有業務基地。

上半年受多項市場因素不利影響，對外銷售較二零零五年上半年下跌27%。

木材製品銷售減少31%，部分由於供應問題所致，包括東南亞及太平洋地區的主要生產國雨量巨大，以及航運能力局限和運費急升。預期下半年不會有明顯改善。

手錶零件銷售亦相當疲弱，反映競爭激烈以及單位價格不斷下降。

化肥需求不高，大部分化肥入口商於二零零六年堆積大量存貨，預期二零零六年下半年對化肥的需求持續薄弱，存貨會回復恰當水平。

新產品系列及新市場銷售的進度不及預期。本集團已於上海成立新貿易公司，預期於二零零六年底可開展業務。

金融服務部

本集團金融服務部從事投資組合管理、股票買賣及服務、外匯買賣、證券經紀、孖展及定期貸款融資業務。

證券經紀業務受惠於香港股票市場成交量增加及大量首次公開招股。

本集團的自營股票交易業務受惠於改善後的市場環境，尤其是香港股票市場，此乃本集團股票交易之主要進行地。

Trading Division

The Group's Trading Division specializes in wood-based products, watch components and fertilizer trading, with our operations being based in Hong Kong and Singapore.

The first half performance was adversely impacted by a number of market factors and external sales were down 27% as compared with the first half of 2005.

Wood-based products decreased by 31%, in part due to supply side issues, including heavy rains in the major producing countries of South East Asia and the Pacific regions, as well as shipping bottlenecks and rapidly rising freight rates. No dramatic improvement is expected in the second half.

Watch component sales were also weak, reflecting fierce competition and declining unit prices.

Demand for fertilizers was soft with most fertilizer importers carrying high inventories into 2006. The demand for fertilizers is expected to remain weak well into the second half of 2006 while the inventory levels are being brought back into balance.

Progress with new product lines and sales to new markets has been slower than anticipated. A new trading company has now been established in Shanghai and is expected to commence operations towards the end of 2006.

Financial Services Division

The Group's Financial Services Division is engaged in portfolio management, share trading and services, foreign exchange services, securities brokerage and margin and term loan financing.

The performance of our securities brokerage business benefited from increased trading volumes in the Hong Kong market and a larger number of IPOs.

Our proprietary share trading business benefited from improved market conditions, particularly in the Hong Kong market where the majority of our trading takes place.

於二零零六年六月三十日，貸款組合近乎200,000,000港元。此業務預期有強勁增長，本集團已於二零零六年上半年聘用經驗豐富的經理，帶領業務發展。

於二零零六年六月三十日之後，金融服務部已任命一名董事總經理，進一步發展及開拓該業務。

財務回顧

流動資金及資金來源

本集團之財政狀況保持良好。於二零零六年六月三十日，本集團股東權益由二零零五年十二月三十一日之5,331,000,000港元增加至5,551,000,000港元。

於二零零六年六月三十日，本集團之銀行備用信貸總額為7,964,000,000港元（二零零五年十二月三十一日：10,195,000,000港元），而定期貸款則達2,014,000,000港元（二零零五年十二月三十一日：1,869,000,000港元）。期內借貸減少是由於營運資金減少，主要是中國內地存貨減少，但部份減幅因拓展業務而持續進行投資及資本支出所抵銷。本集團具備充足財務資源及足夠銀行備用信貸，以應付持續營運所需，包括應付二零零六年下半年之資本支出。

本集團定期貸款之還款期如下：

| | |
|---------------------|-----------------|
| 一年內 | 1,070,000,000港元 |
| 第二年 | 189,000,000港元 |
| 第三年至第五年 (包括首尾兩年) | 747,000,000港元 |
| 五年以上 | 8,000,000港元 |

Our loan portfolio was just under HK\$200 million as at 30 June 2006. This business is targeted for strong growth and we have hired an experienced manager in the first half of 2006 to steer this development.

Subsequent to 30 June 2006, the Financial Services Division has appointed a Managing Director to further develop and expand this division.

FINANCIAL REVIEW

Liquidity and Financial Resources

The Group's financial position remains sound. As at 30 June 2006, the Group's shareholders' funds increased to HK\$5,551 million as compared to HK\$5,331 million at 31 December 2005.

As at 30 June 2006, the Group's total banking facilities stood at HK\$7,964 million (31 December 2005: HK\$10,195 million) of which term loans amounted to HK\$2,014 million (31 December 2005: HK\$1,869 million). The reduction in borrowings for the period reflected a reduction in working capital, particularly inventory in Mainland China, offset by ongoing investment and capital expenditure for business expansion. The Group has sufficient financial resources and adequate banking facilities to fund its ongoing operations, including capital expenditure in the second half of 2006.

The maturity profiles of the Group's term loans are:

| | |
|--|-------------------|
| Within one year | HK\$1,070 million |
| In the second year | HK\$189 million |
| In the third to fifth years, inclusive | HK\$747 million |
| Beyond five years | HK\$8 million |

負債比率及利息倍數

於二零零六年六月三十日，本集團之負債比率（總負債與股東權益之比率）為51%，較於二零零五年十二月三十一日之60%有所下降，原因是營運資金大幅減少。截至二零零六年六月三十日止期間，除利息、稅項、折舊及攤銷前溢利（包括聯營公司業績）為財務費用之5.4倍（截至二零零五年六月三十日止期間為4.1倍）。

股本架構

期內，因本公司認股權證獲行使，按行使價每股3港元發行68,514股每股面值1港元的普通股，未扣除費用的總現金代價為205,542港元。

利率及外匯風險

本集團之融資及財務活動均由總部庫務部集中監控。庫務部會整合其資產及負債以配合借貸年期。本集團亦會通過配對支出及收入之外匯貨幣以及購入遠期合約，透過套期機制（如適用）減低匯率波動對其貿易及經銷業務之風險。

展望

以本集團在東北亞區內優質的業務組合，本集團預期可取得持續增長及強勁回報。本集團將尋求新商機，以擴展經營業務及地區的範圍。正當本集團在尋找藉助區內之迅速經濟發展所帶來的無限增長機會，中國內地市場將是本集團之主要發展焦點。雖然中央政府不斷採取冷卻經濟的措施，但本集團中國內地業務的長遠前景仍然極為理想。

展望本年未來數月，本集團預期下半年發展放緩，此乃反映出本集團物業部銷售及利潤之不同確認時間，及汽車部相比上半年格外強勁以致下半年略放緩增長。整體而言，本集團對業務表現充滿信心，並將繼續力求更多擴展及增長之途徑。

Gearing and Interest Cover

At 30 June 2006, the Group's gearing ratio measured on the basis of total debts to equity was 51% against 60% at 31 December 2005 with the reduction due to significant reductions in working capital. Finance costs for the period ended 30 June 2006 were covered 5.4 times by EBITDA (including associates' results) as compared to 4.1 times for the period ended 30 June 2005.

Capital Structure

During the period, 68,514 ordinary shares of HK\$1 each were issued for cash at an exercise price of HK\$3 per share pursuant to the exercise of the Company's warrants for a total cash consideration, before expenses, of HK\$205,542.

Interest Rates and Foreign Currency Exposure

The Group's financing and treasury activities are monitored by a Central Treasury at the corporate level. The Central Treasury structures to match the tenure of its borrowings with its assets and liabilities. The Group also aims to minimise its risks of currency exposure in its Trading and Distribution businesses by matching the currency of importing with the selling currency and buying forward, through hedging mechanisms, where appropriate.

PROSPECTS

With our quality portfolio of businesses in Northeast Asia, we aspire to generate continued growth and strong returns. New opportunities will be sought to extend the reach and scope of our operations. Mainland China market is the key focus in our expansion efforts as we seek to leverage on the immense growth opportunities arising from the country's rapid economic progress. While the Central Government continues to take steps to cool down the economy, the long-term prospects for our businesses in Mainland China are extremely positive.

Looking forward to the rest of the year, the Group expects a slower second half, reflecting the timing of sales and profit recognition within our Property Division, as well as less robust growth in our Automobile business in Mainland China following an exceptionally strong first half. Overall, we are positive about the Group's performance and will continue to pursue more avenues of expansion and growth.

僱員政策

本集團擁有專業及優秀之員工，並向僱員提供具競爭力之薪酬組合，以吸引及保留優質僱員，此乃維持本集團持續成功發展之重要元素。本集團之政策乃確保獎勵具市場競爭力。本集團會衡量本集團薪酬政策，以確保其具競爭力。本集團在每年檢討薪酬時更會因應各員工之表現與貢獻發放花紅。本集團亦會提供附加福利，包括醫療保險及按僱員之選擇提供強制性公積金以外之退休福利計劃。本集團亦積極培訓及發展各階層員工，以確保員工具備必要之技術及知識專業地履行其職務。

董事於股份及相關股份之權益

於二零零六年六月三十日，各董事於本公司或其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股本及相關股份中，擁有根據證券及期貨條例第352條須登記於本公司存置之登記冊或根據上市公司董事進行證券交易的標準守則（「標準守則」）須知會本公司及聯交所之權益如下：

1. 本公司普通股之好倉

EMPLOYMENT POLICY

The Group has a professional and motivated workforce. It provides competitive remuneration packages to attract and retain the high quality employees that are an important ingredient in its continuing success. The Group's policy is to ensure rewards levels are market competitive. We evaluate our remuneration policies to ensure they are competitive. As part of an annual review of remuneration, we pay a discretionary bonus that reflects the performance and contribution of each staff member. The Group also provides additional benefits including medical insurance and, if any employee so chooses, an alternative retirement benefit scheme to the Mandatory Provident Fund. The Group is also active in training and development at all levels to ensure employees have the necessary skills and knowledge to fulfill their responsibilities in a professional manner.

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES

At 30 June 2006, the interests of the directors in the share capital and underlying shares of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), were as follows:

1. Long position in ordinary shares of the Company

| 董事姓名 Name of director | 所持有股份數目、身份及權益性質 Number of shares held, capacity and nature of interest | | | | 佔本公司已發行股本百分比 Percentage of the Company's issued share capital | |
|--------------------------------|---|--|---|---------------------------------|--|-------|
| | 直接實益擁有 Directly beneficially owned | 透過配偶或未成年子女持有 Through spouse or minor children | 透過受控制公司持有 Through controlled corporation | 信託受益人 Beneficiary of a trust | 總計 Total | |
| 林宜穎 Lim Mooi Ying, Marianne | | | 72,000 | | 72,000 | 0.007 |

附註：該等股份之公司權益由 Westwood Management Limited 持有，而林宜穎女士為該公司之控股股東。

Note: The corporate interests in these shares are held through Westwood Management Limited, of which Ms Lim Mooi Ying, Marianne is a controlling shareholder.

董事於股份及相關股份之權益 (續)

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES (continued)

2. 購股權計劃

本公司於一九九七年六月二十五日採納之購股權計劃(「該計劃」)已於二零零二年六月二十四日屆滿。雖然不會根據該計劃進一步授出購股權，惟其所有條款對規管先前授出之所有購股權之行使仍然有效。該計劃之條款已於本公司之二零零五年年報中披露。本公司已根據該計劃向若干董事及僱員授出購股權以認購本公司股份。截至二零零六年六月三十日止六個月期間，授出購股權之詳情及尚未行使購股權變動之概況載列如下：

2. Share option scheme

The share option scheme (the "Scheme") of the Company, being adopted on 25 June 1997, expired on 24 June 2002. Despite the fact that no further options may be granted under the Scheme, all its terms will remain in force to govern the exercise of all options previously granted. The terms of the Scheme were disclosed in the Company's 2005 Annual Report. The Company has granted certain directors and employees of the Company options under the Scheme to subscribe for shares of the Company. Details of the grant of share options and a summary of the movements of the outstanding share options during the six months ended 30 June 2006 are set out below:

| 參與者姓名或類別 Name or category of participant | 購股權數目 Number of share options | | | 授出購股權之日期 Date of grant of share options | 購股權之行使期 Exercise period of share options | 購股權行使價 Exercise price of share options 港元 HK\$ | 於授出日期 公司之股價 Price of the Company's shares at grant date of options 港元 HK\$ |
|--|--|--|---|---|--|--|---|
| | 二零零六年 一月一日 At 1 January 2006 | (失效)/重列 (Lapsed)/ restated during the period | 二零零六年 六月三十日 At 30 June 2006 | | | | |
| 董事 Directors | | | | | | | |
| 顏建生 GAN Khian Seng | 500,000 200,000 | - - | 500,000 200,000 | 2-8-1997 24-1-1998 | 1-9-1999 to 31-8-2007 31-1-2000 to 30-1-2008 | 5.89 6.00 | 7.75 7.45 |
| 楊富山太平紳士 YONG Foo San, JP | 500,000 200,000 | - - | 500,000 200,000 | 2-8-1997 24-1-1998 | 21-8-1999 to 20-8-2007 27-1-2000 to 26-1-2008 | 5.89 6.00 | 7.75 7.45 |
| 韓福客 (附註1) HARMS Volker Josef Eckehard (Note 1) | 500,000 200,000 | (500,000) (200,000) | - - | 2-8-1997 24-1-1998 | 2-8-1999 to 1-8-2007 24-1-2000 to 23-1-2008 | 5.89 6.00 | 7.75 7.45 |
| 林宜穎 LIM Mooi Ying, Marianne | 500,000 200,000 | - - | 500,000 200,000 | 2-8-1997 24-1-1998 | 2-8-1999 to 1-8-2007 27-1-2000 to 26-1-2008 | 5.89 6.00 | 7.75 7.45 |
| 傅耀生 (附註2) POH Yeow Kim, Lawrence (Note 2) | 100,000 | (100,000) | - | 24-1-1998 | 9-2-2000 to 8-2-2008 | 6.00 | 7.45 |
| | <u>2,900,000</u> | <u>(800,000)</u> | <u>2,100,000</u> | | | | |
| 其他僱員總額 Other employees in aggregate | 3,085,000 2,036,000 | 500,000 300,000 | 3,585,000 2,336,000 | 2-8-1997 24-1-1998 | (附註3)(Note 3) (附註3)(Note 3) | 5.89 6.00 | 7.75 7.45 |
| | <u>5,121,000</u> | <u>800,000</u> | <u>5,921,000</u> | | | | |
| | <u>8,021,000</u> | <u>-</u> | <u>8,021,000</u> | | | | |

董事於股份及相關股份之權益 (續)

2. 購股權計劃 (續)

附註：

1. 韓福客先生於二零零六年四月十九日辭去本公司執行董事職務，並於二零零六年七月一日起不再是僱員。
2. 傅耀生先生於二零零六年四月十九日辭去本公司執行董事職務。傅先生仍為僱員。
3. 授出之購股權可由持有人按該計劃條款，於授出並視為接納日期的第二週年起計八年內隨時行使。

除上文所披露者外，於二零零六年六月三十日，概無董事在本公司或其任何相聯法團之股份或相關股份中擁有任何根據證券及期貨條例第352條規定須登記於該條所指之登記冊或任何根據標準守則須知會本公司及聯交所之權益。

董事購買股份或債券之權利

除上文「董事於股份及相關股份之權益」一節所披露者外，於本期間任何時間，概無授予任何董事或彼等各自之配偶或未成年子女透過購入本公司股份或債券而獲利之權利，彼等亦無行使任何該等權利，而本公司或其任何附屬公司亦無訂立任何安排致使董事於任何其他法團中獲得該等權利。

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES (continued)

2. Share option scheme (continued)

Notes:

1. Mr Volker Josef Eckehard Harms resigned as Executive Director of the Company on 19 April 2006. Mr Harms ceased to be an employee on 1 July 2006.
2. Mr Poh Yeow Kim Lawrence resigned as Executive Director of the Company on 19 April 2006. Mr Poh remains as an employee.
3. The granted share options may be exercised at any time during the period of eight years from the second anniversary of the date on which the share option is deemed to be granted and accepted by the holders in accordance with the provisions of the Scheme.

Save as disclosed above, as at 30 June 2006, none of the directors had registered an interest in the shares and underlying shares of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the heading "Directors' interests in shares and underlying shares" above, at no time during the period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

主要股東於股份之權益

於二零零六年六月三十日，根據證券及期貨條例第336條由本公司存置之權益登記冊所載於本公司已發行股本中擁有5%或以上權益的人士如下：

好倉

| 名稱 Name | 身份及權益性質 Capacity and nature of interest | 持有普通股數目 Number of ordinary shares held | 佔本公司已發行 股本百分比 Percentage of the Company's issued share capital |
|------------------------------|--|---|--|
| Victon Investment Limited | 實益擁有人 Beneficially owned | 235,282,761 | 22 |
| Amerdale Investments Limited | 實益擁有人 Beneficially owned | <u>205,271,883</u> | <u>19</u> |

除上文所披露者及載於上文「董事於股份及相關股份之權益」一節之一位本公司董事擁有之權益外，於二零零六年六月三十日，概無任何人士於本公司股份或相關股份中擁有根據證券及期貨條例第336條須予登記之權益或淡倉。

購買、贖回或出售本公司上市證券

本公司或其附屬公司概無於回顧期內購買、贖回或出售本公司之上市證券。

辭任董事

韓福客先生及傅耀生先生兩人於二零零六年四月十九日辭去本公司之執行董事職務。

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

At 30 June 2006, the following interests of 5% or more of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Long positions

| 身份及權益性質 Capacity and nature of interest | 持有普通股數目 Number of ordinary shares held | 佔本公司已發行 股本百分比 Percentage of the Company's issued share capital |
|--|---|--|
| 實益擁有人 Beneficially owned | 235,282,761 | 22 |
| 實益擁有人 Beneficially owned | <u>205,271,883</u> | <u>19</u> |

Save as disclosed above, as at 30 June 2006, no person, other than a director of the Company, whose interests are set out in the section "Directors' interests in shares and underlying shares" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the period under review.

RESIGNATION OF DIRECTORS

Both Mr Volker Josef Eckehard Harms and Mr Poh Yeow Kim, Lawrence resigned as Executive Directors of the Company on 19 April 2006.

企業管治常規守則

本公司於截至二零零六年六月三十日止六個月期間均一直遵守香港聯合交易所有限公司上市規則附錄十四《企業管治常規守則》中列明之所有守則條文，以下所述之偏離則除外：

(1) 守則條文A.2.1

守則條文A.2.1規定主席及行政總裁的角色應有區別，不應由一人同時兼任。

本公司並無委任主席一職，公司主席及行政總裁的職責由顏健生先生兼任，顏先生為本公司之董事總經理。顏先生一方面擔任本公司主席帶領董事會，負責董事會之會議事項及工作。他亦負責本集團之日常管理事務及執行董事會策略。董事會認為此架構不會影響董事會與管理層兩者之間的權力和職權的平衡。本公司董事會由極具經驗和專業的成員組成，按集團目前之發展情況，董事會認為由同一人身兼公司主席及行政總裁的角色，有利執行本集團業務策略和發揮最高營運效益。董事會將不時檢討有關架構。

(2) 守則條文A.4.1

守則條文A.4.1規定非執行董事的委任應有指定任期，並須接受重新選舉。

本公司非執行董事並無特定任期，然而，根據本公司之組織章程細則規定，所有公司董事（執行及非執行）須輪值退任及接受重新選舉。在每一屆股東週年大會上，當時董事人數的三分之一，若董事人數並非三或三的倍數，則取其接近者應退任，因此，本公司已採取足夠措施確保公司的企業管治守則不低於條文守則之規定。

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with all the code provisions set out in the Code on Corporate Governance Practices, contained in Appendix 14 of the Listing Rules of the Stock Exchange of Hong Kong Limited during the six months ended 30 June 2006, except for the following deviations:

(1) Code Provision A.2.1

Code A.2.1 stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

The Company has not appointed a Chairman. The roles of the chairman and the chief executive officer are performed by Mr Gan Khian Seng. Mr Gan is the Managing Director of the Company. While serving as the chairman of the Company, Mr Gan leads the Board and is responsible for the proceedings and workings of the Board. He is also responsible for running the Group and executing strategies adopted by the Board. The Board considers that this structure will not impair the balance of power and authority between the Board and the Management of the Group. The balance of power and authority is ensured by the operations of the Board which comprises of experienced and professional individuals. Given the Group's current stage of development, the Board considers that vesting the roles of chairman and chief executive officer in the same person facilitates the execution of the Group's business strategies and maximizes the effectiveness of its operation. The Board shall review the existing structure from time to time.

(2) Code Provision A.4.1

Code A.4.1 stipulates that non-executive directors should be appointed for a specific term and subject to re-election.

The non-executive directors of the Company are not appointed for a specific term. However, all the directors of the Company (executive and non-executive) are subject to retirement by rotation and be eligible for re-election in accordance with the provisions of the Company's articles of association. At each annual general meeting, one-third of the directors for the time being, or if their number is not three or a multiple of three, then the number nearest to one-third, shall retire from office. As such, the Company considers that sufficient measures have been taken to ensure the Company's corporate governance practices are no less exacting than those in the Code.

遵守董事進行證券交易之守則

本公司已採納上市守則附錄十載列之標準守則，作為其有關董事之證券交易之守則。經本公司向所有董事作出具體查詢後，本公司董事確認於截至二零零六年六月三十日止六個月之整段期間內一直遵守標準守則所規定之準則。有關僱員若有可能擁有關於本公司尚未公開的股價敏感資料，亦須在截至二零零六年六月三十日止之六個月內符合一套公司書面指引，其內容不低於標準守則所訂之準則。

審核委員會

本公司已成立審核委員會，以履行檢討及監察本公司財務匯報程序及內部監控之職責。審核委員會已會同管理層審閱本集團採用之會計準則及慣例，並已討論有關審核、內部監控及財務報告事項，包括審閱截至二零零六年六月三十日止六個月之中期報告及未經審核綜合財務報表。審核委員會現由兩位獨立非執行董事，馮家彬先生、萬浩邦先生及一位非執行董事楊岳明先生組成，馮家彬先生為審核委員會主席。

承董事會命

公司秘書
林宜穎

香港，二零零六年九月二十一日

於本報告日期，本公司之執行董事為顏健生先生、楊富山先生及林宜穎女士。非執行董事為楊岳明先生、Christopher Patrick Langley先生及林光宇先生。獨立非執行董事為馮家彬先生、萬浩邦先生及史亞倫先生。

COMPLIANCE WITH CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding directors' securities transactions. Specific enquiries have been made to all directors of the Company, who have confirmed that they have complied with the required standard as set out in the Model Code throughout the six months ended 30 June 2006. Relevant employees who are likely to be in possession of unpublished price sensitive information of the Company are also subject to compliance with written guidelines on no less exacting terms than the Model Code during the six months ended 30 June 2006.

AUDIT COMMITTEE

The Company has established an Audit Committee to review and monitor the financial reporting process and internal control of the Company. The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters including the review of the interim report and the unaudited consolidated financial statements for the six months ended 30 June 2006. The Audit Committee currently comprises two independent non-executive directors, namely, Mr Fung Ka Pun, Mr Hubert Meier and one non-executive director, Mr Victor Yang. Mr Fung Ka Pun is the Chairman of the Audit Committee.

By Order of the Board

Lim Mooi Ying, Marianne
Company Secretary

Hong Kong, 21 September 2006

As at the date of this report, the Executive Directors of the Company are Mr Gan Khian Seng, Mr Yong Foo San and Ms Lim Mooi Ying, Marianne. The Non-Executive Directors are Mr Victor Yang, Mr Christopher Patrick Langley and Mr Lam Kwong Yu. The Independent Non-Executive Directors are Mr Fung Ka Pun, Mr Hubert Meier and Mr Alan Howard Smith.

