



澳門祥泰地產集團有限公司
MACAU PRIME PROPERTIES HOLDINGS LIMITED

(Stock Code 股份代號 : 199)

Interim Report
2006-2007
中期報告



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CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Cheung Hon Kit (*Chairman*)
Mr. Chan Fut Yan (*Managing Director*)
Mr. Wong Kam Cheong, Stanley (*Deputy Managing Director*)
Mr. Cheung Chi Kit
Mr. Lai Tsan Tung, David

Non-executive Directors

Mr. Ho Hau Chong, Norman (*Deputy Chairman*)
Mr. Lo Lin Shing, Simon

Independent Non-executive Directors

Mr. Wong Chi Keung, Alvin
Mr. Kwok Ka Lap, Alva
Mr. Chui Sai Cheong

COMMITTEES

Audit Committee

Mr. Wong Chi Keung, Alvin (*Chairman*)
Mr. Kwok Ka Lap, Alva
Mr. Chui Sai Cheong

Remuneration Committee

Mr. Wong Chi Keung, Alvin (*Chairman*)
Mr. Chan Fut Yan
Mr. Kwok Ka Lap, Alva

COMPANY SECRETARY

Ms. Yan Ha Hung, Loucia

QUALIFIED ACCOUNTANT

Mr. Cheung Chi Kit

AUTHORISED REPRESENTATIVES

Mr. Cheung Hon Kit
Mr. Cheung Chi Kit
Ms. Yan Ha Hung, Loucia (*Alternate to Mr. Cheung Chi Kit*)

SOLICITORS

Conyers Dill & Pearman (*Bermuda*)
Iu, Lai & Li (*Hong Kong*)
Vincent T. K. Cheung, Yap & Co. (*Hong Kong*)
Leong Hon Man, Advogado (*Macau*)

AUDITORS

Deloitte Touche Tohmatsu

董事會

執行董事

張漢傑先生 (*主席*)
陳佛恩先生 (*董事總經理*)
黃錦昌先生 (*副董事總經理*)
張志傑先生
賴贊東先生

非執行董事

何厚鏘先生 (*副主席*)
魯連城先生

獨立非執行董事

王志強先生
郭嘉立先生
崔世昌先生

委員會

審核委員會

王志強先生 (*主席*)
郭嘉立先生
崔世昌先生

薪酬委員會

王志強先生 (*主席*)
陳佛恩先生
郭嘉立先生

公司秘書

忻霞虹女士

合資格會計師

張志傑先生

法定代表

張漢傑先生
張志傑先生
忻霞虹女士 (*張志傑先生替任人*)

律師

Conyers Dill & Pearman (*百慕達*)
姚黎李律師行 (*香港*)
張葉司徒陳律師事務所 (*香港*)
梁瀚民大律師 (*澳門*)

核數師

德勤•關黃陳方會計師行

CORPORATE INFORMATION

公司資料

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
Industrial and Commercial Bank of China (Asia) Limited
The Bank of East Asia, Limited
Dah Sing Bank, Limited
Wing Hang Bank, Limited
BNP Paribas Hong Kong Branch
CITIC Ka Wah Bank Limited
UBS, AG Hong Kong Branch

REGISTERED OFFICE

Clarendon House
Church Street
Hamilton HM 11
Bermuda

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

29/F, Paul Y. Centre
51 Hung To Road
Kwun Tong, Kowloon
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

The Bank of Bermuda Limited
6 Front Street
Hamilton HM 11
Bermuda

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Secretaries Limited
26/F, Tesbury Centre
28 Queen's Road East
Wanchai, Hong Kong

WEBSITE

<http://www.macauprime.com>

STOCK CODE

Hong Kong Stock Exchange 199

主要往來銀行

中國銀行(香港)有限公司
中國工商銀行(亞洲)有限公司
東亞銀行有限公司
大新銀行有限公司
永亨銀行有限公司
法國巴黎銀行香港分行
中信嘉華銀行有限公司
瑞士銀行香港分行

註冊辦事處

Clarendon House
Church Street
Hamilton HM 11
Bermuda

香港主要營業地點

香港
九龍觀塘
鴻圖道51號
保華企業中心29樓

主要股份登記及轉名處

The Bank of Bermuda Limited
6 Front Street
Hamilton HM 11
Bermuda

股份登記及轉名香港分處

秘書商業服務有限公司
香港灣仔
皇后大道東28號
金鐘匯中心26樓

網址

<http://www.macauprime.com>

股份代號

香港聯交所 199

INDEPENDENT INTERIM REVIEW REPORT

獨立中期審閱報告

Deloitte.

德勤

TO THE BOARD OF DIRECTORS OF MACAU PRIME PROPERTIES HOLDINGS LIMITED
(FORMERLY KNOWN AS CHEUNG TAI HONG HOLDINGS LIMITED)

致澳門祥泰地產集團有限公司 (前稱祥泰行集團有限公司) 董事會

INTRODUCTION

We have been instructed by Macau Prime Properties Holdings Limited to review the interim financial report of the Company and its subsidiaries set out on pages 6 to 35.

DIRECTORS' RESPONSIBILITIES

The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants and the relevant provisions thereof. The interim financial report is the responsibility of, and has been approved by, the directors.

It is our responsibility to form an independent conclusion, based on our review, on the interim financial report, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

引言

本核數師已按澳門祥泰地產集團有限公司指示，審閱第6至35頁所載 貴公司及其附屬公司的中期財務報告。

董事之責任

香港聯合交易所有限公司證券上市規則規定，中期財務報告的編製須符合香港會計師公會頒佈的香港會計準則第34號「中期財務報告」及相關之規定。董事須對中期財務報告負責，而該報告亦已經董事批准。

本核數師之責任是根據審閱之結果，對中期財務報告出具獨立結論，並按照雙方所協定的委聘書條款僅向整體董事會報告，除此之外本報告別無其他目的。本核數師不會就本報告的內容向任何其他人士負上或承擔任何責任。

INDEPENDENT INTERIM REVIEW REPORT

獨立中期審閱報告

REVIEW WORK PERFORMED

We conducted our review in accordance with Statement of Auditing Standards 700 “Engagements to Review Interim Financial Reports” issued by the Hong Kong Institute of Certified Public Accountants. A review consists principally of making enquiries of management and applying analytical procedures to the interim financial report and, based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the interim financial report.

REVIEW CONCLUSION

On the basis of our review which does not constitute an audit, we are not aware of any material modifications that should be made to the interim financial report for the six months ended 30th September, 2006.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
19th December, 2006

已執行之審閱工作

本核數師已按照香港會計師公會所頒佈的核數準則第700號「審閱中期財務報告之委聘」進行審閱工作。審閱工作主要包括向管理層作出查詢，並對中期財務報告進行分析程序，然後根據結果評估 貴公司之會計政策及呈報方式是否貫徹應用（惟已另作披露則除外）。審閱工作並不包括監控測試及核證資產、負債及交易等審計程序。由於審閱的範圍遠較審計為少，故所提供的保證程度較審計為低。因此，本核數師不會對中期財務報告發表審計意見。

審閱結論

按照本核數師審閱的結果，但此審閱並不作為審計之一部分，本核數師並無發現任何須在截至二零零六年九月三十日止六個月的中期財務報告作出重大修訂之事項。

德勤•關黃陳方會計師行
執業會計師
香港
二零零六年十二月十九日

CONDENSED CONSOLIDATED INCOME STATEMENT

簡明綜合損益表

(For the six months ended 30th September, 2006) (截至二零零六年九月三十日止六個月)

		Six months ended	
		截至九月三十日止六個月	
		30.9.2006	30.9.2005
		二零零六年	二零零五年
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
		HK\$'000	HK\$'000
		港幣千元	港幣千元
	Notes		
	附註		
Turnover	3	201,199	426,380
Cost of sales		(133,001)	(370,651)
Gross profit		68,198	55,729
Other income		50,667	6,830
Distribution costs		(40,422)	(33,043)
Administrative expenses		(48,228)	(20,403)
Decrease in fair value of investments held-for-trading		(5,887)	(5,114)
Compensation for cancellation of call options for acquisition of additional interest in an associate	11	32,154	-
Impairment loss recognised in respect of goodwill arising from acquisition of subsidiaries		-	(11,000)
Share of results of associates		(4,823)	-
Finance costs	4	(42,109)	(9,940)
Profit (loss) before taxation	5	9,550	(16,941)
Taxation	6	(2,014)	(819)
Profit (loss) for the period		7,536	(17,760)
Attributable to:			
Equity holders of the Company		12,440	(17,760)
Minority interests		(4,904)	-
		7,536	(17,760)
		HK cents	HK cents
		港仙	港仙
Earnings (loss) per share			
- Basic	8	0.6	(4.4)
- Diluted		N/A	N/A
		不適用	不適用

CONDENSED CONSOLIDATED BALANCE SHEET

簡明綜合資產負債表

(At 30th September, 2006) (於二零零六年九月三十日)

		Notes 附註	30.9.2006 二零零六年 九月三十日 (unaudited) (未經審核) HK\$'000 港幣千元	31.3.2006 二零零六年 三月三十一日 (audited) (經審核) HK\$'000 港幣千元
Non-current assets	非流動資產			
Property, plant and equipment	物業、機械及設備	9	261,396	38,627
Prepaid lease payments of leasehold land	租賃土地預付租賃款項		101,169	1,375
Premium on prepaid lease payments of leasehold land	租賃土地預付租賃款項之溢價	10	133,062	–
Intangible assets	無形資產	10	2,605	2,986
Interests in associates	於聯營公司之權益	11	–	–
Loan and interest due from an associate	應收一間聯營公司貸款及利息	11	906,240	–
Other loan receivables	其他應收貸款	14	4,635	4,635
Deposits paid on acquisition of property, plant and equipment	收購物業、機械及設備已付訂金		1,815	–
Deposits and expenses paid for acquisition of subsidiaries and associates	收購附屬公司及聯營公司已付訂金及開支	12	–	253,964
Goodwill	商譽	20	14,817	–
Deferred tax assets	遞延稅項資產		1,520	–
			1,427,259	301,587
Current assets	流動資產			
Inventories	存貨		89,090	70,859
Properties held for sale	待售物業		58,730	58,536
Investments held-for-trading	持作買賣投資		31,914	9,043
Debtors, deposits and prepayments	應收賬款、訂金及預付款項	13	203,066	193,365
Other loan receivables	其他應收貸款	14	314,013	59,314
Prepaid lease payments of leasehold land	租賃土地預付租賃款項		2,419	30
Pledged bank deposits	已抵押銀行存款		23,000	3,000
Bank balances and cash	銀行結餘及現金		1,195,610	705,480
			1,917,842	1,099,627

CONDENSED CONSOLIDATED BALANCE SHEET

簡明綜合資產負債表

(At 30th September, 2006) (於二零零六年九月三十日)

		Notes 附註	30.9.2006 二零零六年 九月三十日 (unaudited) (未經審核) HK\$'000 港幣千元	31.3.2006 二零零六年 三月三十一日 (audited) (經審核) HK\$'000 港幣千元
Current liabilities	流動負債			
Creditors and accrued charges	應付賬款及應計開支	15	135,027	70,237
Tax payable	應繳稅項		12,538	1,273
Obligations under finance leases – due within one year	一年內到期之融資租賃承擔		23	143
Convertible note payables	可換股票據應付款項	16	2,958	221
Bank borrowings – due within one year	一年內償還之銀行借貸		95,591	45,170
Bank overdraft	銀行透支		645	–
Unsecured other borrowings	無抵押其他借貸	17	39,425	–
			286,207	117,044
Net current assets	淨流動資產		1,631,635	982,583
Total assets less current liabilities	總資產減流動負債		3,058,894	1,284,170
Non-current liabilities	非流動負債			
Obligations under finance leases – due after one year	一年後到期之融資租賃承擔		84	96
Convertible note payables	可換股票據應付款項	16	1,313,473	838,241
Bank borrowings – due after one year	一年後償還之銀行借貸		13,793	–
Deferred tax liabilities	遞延稅項負債		33,331	–
			1,360,681	838,337
			1,698,213	445,833
Capital and reserves	股本及儲備			
Share capital	股本	18	23,123	6,314
Reserves	儲備		1,518,880	438,703
Equity attributable to equity holders of the Company	本公司權益持有人應佔權益		1,542,003	445,017
Minority interests	少數股東權益		156,210	816
			1,698,213	445,833

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

簡明綜合權益變動表

(For the six months ended 30th September, 2006) (截至二零零六年九月三十日止六個月)

		Attributable to equity holders of the Company 本公司權益持有人應佔部分												
		Share capital		Convertible loan notes		Share-based payment reserve		Other reserve	Special reserve	Translation reserve	Accumulated profits	Total	Minority interests	Total
		股本	股份溢價	資本贖回儲備	可換股貸款票據股本儲備	股份付款儲備	其他儲備	特別儲備	換算儲備	累計溢利	總計	股東權益	少數股東權益	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
At 1st April, 2005	於二零零五年四月一日	3,610	102,357	646	3,120	-	32,308	(8,908)	627	115,044	248,804	-	248,804	
Exchange differences arising on translation of operations outside Hong Kong and income recognised directly in equity	換算香港境外業務之匯兌差額及於股本權益直接確認之收入	-	-	-	-	-	-	-	31	-	31	-	31	
Loss for the period	期內虧損	-	-	-	-	-	-	-	-	(17,760)	(17,760)	-	(17,760)	
Total recognised income and expense for the period	期內已確認收入及開支總額	-	-	-	-	-	-	-	31	(17,760)	(17,729)	-	(17,729)	
Recognition of equity component of convertible notes	確認可換股票據之股本部分	-	-	-	160,914	-	-	-	-	-	160,914	-	160,914	
Conversion of convertible notes	兌換可換股票據	476	19,084	-	(693)	-	-	-	-	-	18,867	-	18,867	
Capital contribution of minority shareholders	少數股東注資	-	-	-	-	-	-	-	-	-	-	924	924	
At 30th September, 2005	於二零零五年九月三十日	4,086	121,441	646	163,341	-	32,308	(8,908)	658	97,284	410,856	924	411,780	
Exchange differences arising on translation of operations outside Hong Kong and income recognised directly in equity	換算香港境外業務之匯兌差額及於股本權益直接確認之收入	-	-	-	-	-	-	-	1,638	-	1,638	24	1,662	
Loss for the period	期內虧損	-	-	-	-	-	-	-	-	(55,200)	(55,200)	(132)	(55,332)	
Total recognised income and expense for the period	期內已確認收入及開支總額	-	-	-	-	-	-	-	1,638	(55,200)	(53,562)	(108)	(53,670)	
Conversion of convertible notes	兌換可換股票據	2,228	91,783	-	(6,288)	-	-	-	-	-	87,723	-	87,723	
At 31st March, 2006	於二零零六年三月三十一日	6,314	213,224	646	157,053	-	32,308	(8,908)	2,296	42,084	445,017	816	445,833	

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

簡明綜合權益變動表

(For the six months ended 30th September, 2006) (截至二零零六年九月三十日止六個月)

		Attributable to equity holders of the Company 本公司權益持有人應佔部分											
		Convertible					Other reserve	Special reserve	Translation reserve	Accumulated profits	Total	Minority interests	Total
Share capital	Share premium	Capital redemption reserve	loan notes equity reserve	Share-based payment reserve									
股本	股份溢價	贖回儲備	貸款票據 股本儲備	股份 付款儲備	其他儲備	特別儲備	換算儲備	累計溢利	總計	股東權益	少數 股東	總計	
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	
At 31st March, 2006	於二零零六年三月三十一日	6,314	213,224	646	157,053	-	32,308	(8,908)	2,296	42,084	445,017	816	445,833
Exchange differences arising on translation of operations outside Hong Kong and income recognised directly in equity	換算香港境外業務之匯兌差額及於股本權益直接確認之收入	-	-	-	-	-	-	-	2,138	-	2,138	2,335	4,473
Profit for the period	期內溢利	-	-	-	-	-	-	-	-	12,440	12,440	(4,904)	7,536
Total recognised income and expense for the period	期內已確認收入及開支總額	-	-	-	-	-	-	-	2,138	12,440	14,578	(2,569)	12,009
Transfer	轉撥	-	-	-	-	-	(32,308)	-	-	32,308	-	-	-
Recognition of equity component of convertible notes	確認可換股票據之股本部分	-	-	-	274,644	-	-	-	-	-	274,644	-	274,644
Conversion of convertible notes	兌換可換股票據	8,953	393,688	-	(63,393)	-	-	-	-	-	339,248	-	339,248
Issue of shares	發行股份	8,334	491,666	-	-	-	-	-	-	-	500,000	-	500,000
Expenses incurred in connection with issue of shares	發行股份產生之開支	-	(12,908)	-	-	-	-	-	-	-	(12,908)	-	(12,908)
Repurchase and cancellation of shares	購回及註銷股份	(478)	(19,615)	478	-	-	-	-	-	(478)	(20,093)	-	(20,093)
Recognition of equity-settled share-based payments	確認股本結算股份付款	-	-	-	-	1,517	-	-	-	-	1,517	-	1,517
Acquired on acquisition of subsidiaries	收購附屬公司時購入	-	-	-	-	-	-	-	-	-	-	157,963	157,963
At 30th September, 2006	於二零零六年九月三十日	23,123	1,066,055	1,124	368,304	1,517	-	(8,908)	4,434	86,354	1,542,003	156,210	1,698,213

Note: Other reserve of the Group represents net balance from capital reduction, cancellation of share premium and set-off against the deficit pursuant to the capital reorganisation on 15th April, 2003. Pursuant to a resolution passed on 29th September, 2006, the amount of other reserve was transferred to the accumulated profits.

Special reserve of the Group represents the difference between the nominal value of the share capital of the subsidiaries acquired and the nominal amount of the share capital of the Company issued as consideration under the group reorganisation in 1994.

附註: 本集團其他儲備為根據於二零零三年四月十五日之股本重組削減股本、註銷股份溢價及抵銷虧絀所得淨額。根據於二零零六年九月二十九日通過之決議案，其他儲備金額已撥往累計溢利。

本集團特別儲備為本公司根據於一九九四年集團重組所收購附屬公司之股本面值與本公司發行作為代價之股本面值兩者之差額。

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

簡明綜合現金流量表

(For the six months ended 30th September, 2006) (截至二零零六年九月三十日止六個月)

		Six months ended 截至九月三十日止六個月	
		30.9.2006 二零零六年 (unaudited) (未經審核)	30.9.2005 二零零五年 (unaudited) (未經審核)
		HK\$'000 港幣千元	HK\$'000 港幣千元
	Note 附註		
Net cash used in operating activities	經營業務所耗現金淨額	(33,621)	(40,022)
Net cash used in investing activities	投資業務所耗現金淨額		
Loan advanced to an associate	墊付予一間聯營公司之貸款	(645,000)	-
Loans advanced	已墊付貸款	(262,500)	(18,314)
Refundable earnest money paid	已付可退回誠意金	(80,000)	(390,000)
Acquisition of subsidiaries (net of cash and cash equivalents acquired)	收購附屬公司(扣除已購入現金及現金等值項目)	(67,082)	-
	20		
Refundable earnest money received	已收可退回誠意金	140,000	-
Repayment of other loan receivables	其他應收貸款還款	7,500	-
Other investing cash flows	其他投資現金流量	(11,533)	(26,954)
		(918,615)	(435,268)
Net cash from financing activities	融資業務所得現金淨額		
Net proceeds from issue of convertible notes	發行可換股票據所得款項淨額	981,731	988,867
Proceeds from issue of shares	發行股份之所得款項	500,000	-
New bank and other borrowings raised	新增銀行及其他借貸	85,422	473
Repayment of promissory notes	償還承付票據	-	(13,000)
Repayment of bank and other borrowings	償還銀行及其他借貸	(86,495)	(17,316)
Expenses paid in connection with issue of shares	發行股份已付開支	(12,908)	-
Other financing cash flows	其他融資現金流量	(25,204)	(2,234)
		1,442,546	956,790

CONDENSED CONSOLIDATED CASH FLOW STATEMENT 簡明綜合現金流量表

(For the six months ended 30th September, 2006) (截至二零零六年九月三十日止六個月)

		Six months ended	
		截至九月三十日止六個月	
		30.9.2006	30.9.2005
		二零零六年	二零零五年
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Net increase in cash and cash equivalents	現金及現金等值項目增加淨額	490,310	481,500
Cash and cash equivalents at beginning of the period	期初之現金及現金等值項目	705,480	187,980
Effect of foreign exchange rate changes	匯率變動影響	(825)	31
Cash and cash equivalents at end of the period	期終之現金及現金等值項目	1,194,965	669,511
Analysis of the balances of cash and cash equivalents	現金及現金等值項目結餘分析		
Bank balances and cash	銀行結餘及現金	1,195,610	669,511
Bank overdraft	銀行透支	(645)	-
		1,194,965	669,511

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

(For the six months ended 30th September, 2006) (截至二零零六年九月三十日止六個月)

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as appropriate.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31st March, 2006 except as described below.

In the current period, the Group has applied, for the first time, a number of new Hong Kong Financial Reporting Standards (“HKFRS(s)”), amendments to Hong Kong Accounting Standards (“HKAS (Amendments)”), Amendments and Interpretations (“HK(IFRIC)-INT(s)”) (hereinafter collectively referred to as the “new HKFRSs”) issued by the HKICPA, which are either effective for accounting periods beginning on or after 1st December, 2005, 1st January, 2006 or 1st March, 2006. The adoption of the new HKFRSs had no material effect on how the results for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

1. 編製基準

簡明綜合財務報表乃根據香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)附錄十六之適用披露規定及香港會計師公會(「香港會計師公會」)頒佈之香港會計準則第34號「中期財務報告」編製。

2. 主要會計政策

除若干金融工具乃於適用情況下按公平值計算外，簡明綜合財務報表乃按歷史成本基準編製。

除下文所述者外，此簡明綜合財務報表所採納會計政策與編製本集團截至二零零六年三月三十一日止年度之年度財務報表所依循者一致。

於本期間，本集團首次應用由香港會計師公會頒佈，並由二零零五年十二月一日、二零零六年一月一日或二零零六年三月一日或之後開始之會計期間生效之多項新訂香港財務報告準則(「香港財務報告準則」)、香港會計準則修訂本(「香港會計準則(經修訂)」)、修訂及詮釋(「香港(國際財務報告詮釋委員會)一詮釋」)(下文統稱「新香港財務報告準則」)。採納新香港財務報告準則對本會計期間及過往會計期間業績之編製及呈列方式並無重大影響。因此，毋須作出前期調整。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

(For the six months ended 30th September, 2006) (截至二零零六年九月三十日止六個月)

2. PRINCIPAL ACCOUNTING POLICIES 2. 主要會計政策 (續)

(Cont'd)

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

HKAS 1 (Amendment)	Capital Disclosures ¹
HKFRS 7	Financial Instruments: Disclosures ¹
HK(IFRIC)-INT 8	Scope of HKFRS 2 ²
HK(IFRIC)-INT 9	Reassessment of Embedded Derivatives ³
HK(IFRIC)-INT 10	Interim Financial Reporting and Impairment ⁴

- ¹ Effective for annual periods beginning on or after 1st January, 2007
- ² Effective for annual periods beginning on or after 1st May, 2006
- ³ Effective for annual periods beginning on or after 1st June, 2006
- ⁴ Effective for annual periods beginning on or after 1st November, 2006

本集團並無提早採納以下已頒佈但尚未生效之新準則、修訂或詮釋。本公司董事預期應用該等準則、修訂或詮釋將不會對本集團財務報表構成重大影響。

香港會計準則第1號(經修訂)	資本披露 ¹
香港財務報告準則第7號	金融工具:披露 ¹
香港(國際財務報告詮釋委員會)－詮釋第8號	香港財務報告準則第2號之範圍 ²
香港(國際財務報告詮釋委員會)－詮釋第9號	重估內含衍生工具 ³
香港(國際財務報告詮釋委員會)－詮釋第10號	中期財務申報及減值 ⁴

- ¹ 於二零零七年一月一日或以後開始之會計期間生效
- ² 於二零零六年五月一日或以後開始之會計期間生效
- ³ 於二零零六年六月一日或以後開始之會計期間生效
- ⁴ 於二零零六年十一月一日或以後開始之會計期間生效

3. SEGMENT INFORMATION

For management purposes, the Group is currently organised into five (2005: four) operating divisions. These divisions are the basis on which the Group reports its primary segment information.

Principal activities are as follows:

Property	–	property development
Medicine and health food	–	manufacture and trading of medicine and health food
Golf resort and hotel	–	development and operation of golf resort and hotel and property management
Securities investment	–	trading of securities
Motorcycles	–	trading of motorcycles and spare parts

3. 分部資料

就管理而言，本集團現時分為五個(二零零五年：四個)營運部門。該等部門為本集團報告其首要分部資料之基準。

主要業務如下：

物業	–	物業發展
醫藥及健康食品	–	醫藥及健康食品製造及買賣
高爾夫球度假村及酒店	–	發展及經營高爾夫球度假村、酒店及物業管理
證券投資	–	證券買賣
摩托車	–	摩托車及配件買賣

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

(For the six months ended 30th September, 2006) (截至二零零六年九月三十日止六個月)

3. SEGMENT INFORMATION (Cont'd)

3. 分部資料 (續)

For the six months ended 30th September, 2006

截至二零零六年九月三十日止六個月

		Property 物業 HK\$'000 港幣千元	Medicine and health food 醫藥及 健康食品 HK\$'000 港幣千元	Golf resort and hotel 高爾夫球 度假村及酒店 HK\$'000 港幣千元 (Note) (附註)	Securities investment 證券投資 HK\$'000 港幣千元	Motorcycles 摩托車 HK\$'000 港幣千元	Consolidated 綜合 HK\$'000 港幣千元
TURNOVER	營業額						
External sales	對外銷售	2,117	167,039	11,961	13,691	6,391	201,199
SEGMENT RESULTS	分部業績	(4,470)	1,533	(1,325)	(5,392)	197	(9,457)
Unallocated corporate income	未分配企業收入						49,947
Unallocated corporate expenses	未分配企業費用						(16,162)
Compensation for cancellation of call options for acquisition of additional interest in an associate (note 11)	註銷收購一間聯營公司額外權益認購期權之補償 (附註 11)						32,154
Share of results of associates	應佔聯營公司業績	(4,823)	-	-	-	-	(4,823)
Finance costs	財務費用						(42,109)
Profit before taxation	除稅前溢利						9,550
Taxation	稅項						(2,014)
Profit for the period	本期間溢利						7,536

Note: During the period, the Group acquired the entire interest in Everight Investment Limited ("Everight") at a consideration of HK\$146 million. Everight is an investment holding company and its subsidiaries are engaged in the development and operation of golf resort and hotel and property management. Accordingly, the business segment of golf resort and hotel was regarded as a new business segment during the period.

附註：期內本集團以港幣146,000,000元之代價，收購永權投資有限公司（「永權」）全部權益。永權為一間投資控股公司，其附屬公司主要從事發展及經營高爾夫球度假村及酒店以及物業管理。因此，高爾夫球度假村及酒店業務分部於期內被視為新業務分部。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

(For the six months ended 30th September, 2006) (截至二零零六年九月三十日止六個月)

3. SEGMENT INFORMATION (Cont'd)

For the six months ended 30th September, 2005

3. 分部資料 (續)

截至二零零五年九月三十日止六個月

		Property 物業 HK\$'000 港幣千元	Medicine and health food 醫藥及 健康食品 HK\$'000 港幣千元	Securities investment 證券投資 HK\$'000 港幣千元	Motorcycles 摩托車 HK\$'000 港幣千元	Consolidated 綜合 HK\$'000 港幣千元
TURNOVER	營業額					
External sales	對外銷售	–	138,427	282,406	5,547	426,380
SEGMENT RESULTS	分部業績	259	5,878	(1,190)	186	5,133
Unallocated corporate income	未分配企業收入					5,313
Unallocated corporate expenses	未分配企業費用					(6,447)
Impairment loss recognised in respect of goodwill arising from acquisition of subsidiaries	就收購附屬公司 所產生之商譽 確認減值虧損	–	(11,000)	–	–	(11,000)
Finance costs	財務費用					(9,940)
Loss before taxation	除稅前虧損					(16,941)
Taxation	稅項					(819)
Loss for the period	本期間虧損					(17,760)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

(For the six months ended 30th September, 2006) (截至二零零六年九月三十日止六個月)

4. FINANCE COSTS

4. 財務費用

		Six months ended 截至九月三十日止六個月	
		30.9.2006 二零零六年 HK\$'000 港幣千元	30.9.2005 二零零五年 HK\$'000 港幣千元
Interest on:	利息:		
Bank and other borrowings wholly repayable within five years	須於五年內全數償還之銀行及其他借貸	4,752	1,555
Promissory notes	承兌票據	-	210
Finance leases	融資租賃承擔	5	-
Convertible notes	可換股票據	37,352	8,175
		42,109	9,940

5. PROFIT (LOSS) BEFORE TAXATION

5. 除稅前溢利(虧損)

		Six months ended 截至九月三十日止六個月	
		30.9.2006 二零零六年 HK\$'000 港幣千元	30.9.2005 二零零五年 HK\$'000 港幣千元
Profit (loss) before taxation has been arrived at after charging (crediting):	經扣除(計入)下列各項之除稅前溢利(虧損):		
Depreciation of property, plant and equipment	物業、機械及設備折舊	8,462	4,923
Amortisation of prepaid lease payments of leasehold land	租賃土地預付租賃款項攤銷	725	15
Amortisation of intangible assets included in administrative expenses	計入行政費用之無形資產攤銷	65	29
Amortisation of premium on prepaid lease payments of leasehold land	租賃土地預付租賃款項之溢價攤銷	968	-
Share-based payment transactions (note 19)	股份付款交易(附註19)	1,517	-
(Gain) loss on disposal of property, plant and equipment	出售物業、機械及設備(收益)虧損	(15)	260
Interest income	利息收入	(49,947)	(5,314)
Net realised gains on investments held-for-trading:	下列持作買賣投資之變現收益淨額:		
Proceeds on sales of investments (included in turnover)	出售投資所得款項(計入營業額)	(13,691)	(282,406)
Less: cost of sales (included in cost of sales)	減:銷售成本(計入銷售成本)	13,180	278,407
		(511)	(3,999)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

(For the six months ended 30th September, 2006) (截至二零零六年九月三十日止六個月)

6. TAXATION

Current tax:	即期稅項:
Hong Kong Profits Tax	香港利得稅
Taxation in other jurisdictions	其他司法權區之稅項
Deferred tax	遞延稅項

Hong Kong Profits Tax is calculated at 17.5% of the estimated assessable profits for both periods.

Taxation arising in other jurisdictions is calculated at rates prevailing in the relevant jurisdictions.

7. DIVIDENDS

The directors do not recommend the payment of an interim dividend in respect of the six months ended 30th September, 2006 (six months ended 30th September, 2005: Nil).

6. 稅項

Six months ended	
截至九月三十日止六個月	
30.9.2006	30.9.2005
二零零六年	二零零五年
HK\$'000	HK\$'000
港幣千元	港幣千元
33	–
1,058	819
1,091	819
923	–
2,014	819

香港利得稅乃就該兩個期間估計應課稅溢利按17.5%稅率計算。

其他司法權區產生之稅項乃按有關司法權區之現行稅率計算。

7. 股息

董事不建議派付截至二零零六年九月三十日止六個月之中期股息(截至二零零五年九月三十日止六個月:無)。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

(For the six months ended 30th September, 2006) (截至二零零六年九月三十日止六個月)

8. EARNINGS (LOSS) PER SHARE

The calculation of the basic earnings (loss) per share attributable to ordinary equity holders of the Company is based on the following data:

Earnings:	盈利:
Profit (loss) for the period attributable to the equity holders of the Company	本公司權益持有人應佔本期間溢利(虧損)
Weighted average number of ordinary shares for the purposes of basic earnings (loss) per share	計算每股基本盈利(虧損)之普通股加權平均數

No diluted earnings (loss) per share has been presented because the exercise of the share options and the conversion of the convertible notes would result in an increase in earnings per share or a decrease in loss per share.

8. 每股盈利(虧損)

本公司普通股權益持有人應佔每股基本盈利(虧損)乃按照以下數據計算:

Six months ended	
截至九月三十日止六個月	
30.9.2006	30.9.2005
二零零六年	二零零五年
HK\$'000	HK\$'000
12,440	(17,760)
Six months ended	
截至九月三十日止六個月	
30.9.2006	30.9.2005
二零零六年	二零零五年
1,932,681,786	403,150,067

由於行使購股權及兌換可換股票據會導致每股盈利增加或每股虧損減少，故並無呈列每股攤薄盈利(虧損)。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

(For the six months ended 30th September, 2006) (截至二零零六年九月三十日止六個月)

9. PROPERTY, PLANT AND EQUIPMENT

During the period, the Group spent approximately HK\$18,250,000 on acquisition of property, plant and equipment. In addition, the Group acquired property, plant and equipment of approximately HK\$209,819,000 as a result of acquisition of subsidiaries.

10. PREMIUM ON PREPAID LEASE PAYMENTS OF LEASEHOLD LAND/ INTANGIBLE ASSETS

Intangible assets – Development cost 無形資產 — 發展成本

Premium on prepaid lease payments of leasehold land 租賃土地預付租賃款項溢價

Notes:

- (i) The development cost represents expenditure incurred on Chinese medicines and pharmaceutical products which are internally generated. They have definite useful lives and are amortised using the straight-line method over their useful lives.
- (ii) The premium represents the premium on acquisition of prepaid lease payments for leasehold land as a result of acquisition of subsidiaries, which is amortised on the same basis as the related prepaid lease payments.

9. 物業、機械及設備

期內，本集團動用約港幣18,250,000元購入物業、機械及設備。此外，本集團因收購附屬公司購入約港幣209,819,000元之物業、機械及設備。

10. 租賃土地預付租賃款項溢價／無形資產

	30.9.2006 二零零六年 九月三十日 HK\$'000 港幣千元	31.3.2006 二零零六年 三月三十一日 HK\$'000 港幣千元
(i)	<u>2,605</u>	<u>2,986</u>
(ii)	<u>133,062</u>	<u>—</u>

附註：

- (i) 發展成本指於內部產生就中藥及藥品所涉及之開發成本，有具體可使用年期，並以直線法按其可使用年期攤銷。
- (ii) 溢價指由於收購附屬公司而導致收購租賃土地預付租賃款項之溢價，乃按與有關預付租賃款項相同之基準攤銷。

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11. INTERESTS IN ASSOCIATES/LOAN AND INTEREST DUE FROM AN ASSOCIATE

11. 於聯營公司之權益／應收一間聯營公司貸款及利息

		30.9.2006 二零零六年 九月三十日 HK\$'000 港幣千元	31.3.2006 二零零六年 三月三十一日 HK\$'000 港幣千元
Cost of investment in an associate, unlisted	於一間聯營公司投資成本·非上市	—	—
Expenditure incurred for acquisition of an associate	收購一間聯營公司所產生之開支	4,823	—
Share of post-acquisition losses	應佔收購後虧損	(4,823)	—
		—	—
Loan to an associate	貸款予一間聯營公司	885,000	—
Interest receivables	應收利息	21,240	—
		906,240	—

On 29th March, 2006, the Group entered into an acquisition agreement with Pacific Wish Limited (“Pacific Wish”) (the “Acquisition Agreement”), a company incorporated in the British Virgin Islands in relation to the acquisition of 280 shares in Orient Town Limited (“Orient Town”), representing 40% of the issued share capital of Orient Town for a cash consideration of HK\$280, being the nominal value of the 280 shares of Orient Town (the “Orient Town Acquisition”). Orient Town is a company incorporated in Hong Kong and its principal asset is its indirect shareholding interest in a subsidiary, namely Empresa De Fomento Industrial E Comercial Concórdia, S.A. (“Concordia”), a company incorporated in Macau, which previously held the leasehold interests of 14 parcels of land (the “Leasehold Interests”) situated in Estrada de Seac Pai Van, Macau. The lease terms of the Leasehold Interests was expired in 2000. Concordia is in the process of renewing the lease terms. Pursuant to the Orient Town Acquisition, the Group undertakes to advance to Orient Town by way of shareholder’s loan in the amount of HK\$885,000,000, of which deposit of HK\$240,000,000 were paid during the year ended 31st March, 2006, for financing part of the working capital requirement of Orient Town. The shareholder’s loan advanced to Orient Town bears interest at Hong Kong Prime Rate and has no fixed repayment terms. In the opinion of the directors, the amount will not be repaid within one year from 30th September, 2006 and therefore is classified as a non-current asset.

於二零零六年三月二十九日，本集團與於英屬處女群島註冊成立之公司Pacific Wish Limited (「Pacific Wish」) 就以收購華鎮有限公司 (「華鎮」) 280股股份 (相當於華鎮已發行股本40%) 訂立收購協議 (「收購協議」)，現金作價港幣280元，相當於所收購280股華鎮股份之面值 (「華鎮收購」)。華鎮為於香港註冊成立之公司，其主要資產為於一間在澳門註冊成立之附屬公司聯生發展股份有限公司 (「聯生發展」) 之間接股權。聯生發展擁有位於澳門路環聯生填海區之十四幅租賃土地之租賃權益 (「租賃權益」)。該租賃權益為期至二零零零年屆滿，而聯生發展現正為租賃權益續期。根據華鎮收購，本集團承諾以股東貸款方式向華鎮墊款港幣885,000,000元，而其中港幣240,000,000元訂金已於截至二零零六年三月三十一日止年度內支付，以撥支華鎮之部分營運資金需求。墊付予華鎮之股東貸款按香港最優惠利率計息及無固定還款期。董事認為，該筆款項將不會於自二零零六年九月三十日起計一年內償付，因此分類為非流動資產。

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11. INTERESTS IN ASSOCIATES/LOAN AND INTEREST DUE FROM AN ASSOCIATE

(Cont'd)

As further consideration for the Group agreeing to enter into the Acquisition Agreement, Pacific Wish had granted the Group an option to purchase all or any of the 70 shares of Orient Town (the "Option Shares"), representing 10% of its issued share capital of Orient Town held by Pacific Wish (the "Call Option"). Pursuant to the Call Option, the Group had the right to require Pacific Wish, from time to time within one year following the completion date of the Orient Town Acquisition (the "Exercise Period"), to sell all or any part of the Option Shares to the Group or its nominee(s) at the aggregate nominal value of the Option Shares. The Call Option is measured at cost less impairment because the range of reasonable fair value estimates is so significant that the directors of the Company are of the opinion that its fair value cannot be measured reliably.

Pursuant to the Orient Town Acquisition, Pacific Wish undertakes not to dispose of any shares of Orient Town held by it within the Exercise Period unless (a) the prior written consent of the Group has been obtained; and (b) Pacific Wish having undertaken to the Group to pay to the Group half of the consideration on disposal of shares in Orient Town (the "Disposal") to potential purchaser by Pacific Wish. In the event of the Disposal, the number of Option Shares will be reduced by half of the number of shares subject to Disposal.

11. 於聯營公司之權益／應收 一間聯營公司貸款及利息

(續)

作為本集團同意訂立收購協議之進一步代價，Pacific Wish已向本集團授出購買全部及任何部分Pacific Wish持有之70股華鎮股份（「認購期權股份」），相當於華鎮已發行股本之10%之選擇權（「認購期權」）。根據認購期權，本集團有權要求Pacific Wish於華鎮收購完成日期翌日起計一年內（「行使期」）不時按認購期權股份之總面值出售全部或任何部分認購期權股份予本集團或其代名人。由於合理預計公平值之範圍甚廣，本公司董事認為不能可靠計量其公平值，因此認購期權乃按成本值扣除減值計量。

根據華鎮收購，Pacific Wish承諾不會於行使期內出售其持有之任何華鎮股份，除非(a)已取得本集團事先書面同意；及(b) Pacific Wish向本集團承諾，由Pacific Wish向本集團繳付向潛在買方出售華鎮股份（「出售」）之一半代價。倘進行出售，認購期權股份之數目將減少出售股份總數之一半數目。

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11. INTERESTS IN ASSOCIATES/LOAN AND INTEREST DUE FROM AN ASSOCIATE

(Cont'd)

After the completion of the Orient Town Acquisition on 15th June, 2006, the Group granted a consent to Pacific Wish for disposal of 105 shares of Orient Town held by Pacific Wish to a purchaser, pursuant to which the purchaser has the right to require Pacific Wish to sell to the purchaser further 70 shares in addition to the 105 shares of Orient Town. The Group agreed that the number of Option Shares were reduced by half and compensated by HK\$32,300,000 by Pacific Wish upon the disposal of shares of Orient Town by Pacific Wish pursuant to the undertakings given by Pacific Wish set out above. Compensation for cancellation of call option of HK\$32,154,000, after deduction of transaction costs, was recognised in the consolidated income statement during the period. The Group held 35 Option Shares at 30th September, 2006 which are stated at cost less impairment.

12. DEPOSITS AND EXPENSES PAID FOR ACQUISITION OF SUBSIDIARIES AND ASSOCIATES

The amount at 31st March, 2006 represents deposits and certain expenses incurred for the acquisition of Everight and Orient Town. During the period, the amounts of HK\$12,099,000, HK\$1,865,000 and HK\$240,000,000 were accounted for as the cost of acquisition of subsidiaries, the cost of acquisition of an associate and loan due from an associate respectively upon the completion of the acquisition of Everight and Orient Town.

11. 於聯營公司之權益／應收 一間聯營公司貸款及利息

(續)

於二零零六年六月十五日完成華鎮收購後，本集團同意 Pacific Wish 向一名買方出售 Pacific Wish 持有之 105 股華鎮股份，據此，買方有權要求 Pacific Wish 除該 105 股股份外，向買方出售多 70 股華鎮股份。本集團同意認購期權股份數目將減少一半，以及由 Pacific Wish 於出售華鎮股份時根據上述由 Pacific Wish 作出承諾補償港幣 32,300,000 元。註銷認購期權之補償港幣 32,154,000 元，於扣除交易成本後，已於期內綜合損益表確認。於二零零六年九月三十日，本集團持有 35 股認購期權股份，乃以成本扣除減值呈列。

12. 收購附屬公司及聯營公司 所付訂金及開支

於二零零六年三月三十一日之款項，指收購永權及華鎮所涉及訂金及若干開支。期內，於完成收購永權及華鎮後，港幣 12,099,000 元、港幣 1,865,000 元及港幣 240,000,000 元之款項已分別計入為收購附屬公司成本、收購一間聯營公司成本及應收一間聯營公司貸款。

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13. DEBTORS, DEPOSITS AND PREPAYMENTS

The Group allows credit period ranging from 0 to 180 days to its trade customers.

The following is an aged analysis of trade debtors at the reporting date:

Trade debtors aged:	應收貿易賬款之賬齡:
0 – 60 days	零至六十日
61 – 90 days	六十一至九十日
91 – 180 days	九十一至一百八十日
181 – 365 days	一百八十一日至三百六十五日
Over 365 days	三百六十五日以上
Refundable earnest money (note)	可退還誠意金 (附註)
Other receivable (note 20)	其他應收款項 (附註 20)
Other debtors, deposits and prepayments	其他應收賬款、訂金及預付款項

Note: The amount at 31st March, 2006 represents the refundable earnest money for possible acquisition of interests in properties located in The People's Republic of China (the "PRC"). An amount of HK\$140,000,000 were refunded during the period. In August 2006, the Group paid HK\$80,000,000 refundable earnest money for a possible tender to acquire an interest of land in Shanghai, the PRC. Wing On Travel (Holdings) Limited (a company whose shares are listed on the Stock Exchange) procure to return the earnest money to the Group within two months upon conclusion of the negotiations. Up to the date of this report, the negotiations have not yet concluded.

13. 應收賬款、訂金及預付款項

本集團給予其貿易客戶之信貸期由零至一百八十日不等。

應收賬款於呈報日期之賬齡分析如下：

30.9.2006 二零零六年 九月三十日 HK\$'000 港幣千元	31.3.2006 二零零六年 三月三十一日 HK\$'000 港幣千元
22,631	19,309
551	528
1,459	1,537
2,441	–
10,171	–
37,253	21,374
90,150	150,136
15,614	–
60,049	21,855
203,066	193,365

附註: 於二零零六年三月三十一日之款項指有關可能收購位於中華人民共和國(「中國」)物業權益之可退還誠意金。港幣140,000,000元款項已於期內退還。於二零零六年八月,本集團就可能競投收購位於中國上海市土地之權益支付港幣80,000,000元之可退還誠意金。永安旅遊(控股)有限公司(其股份於聯交所上市)承諾,於磋商結束後兩個月內退還誠意金予本集團。截至本報告日期,有關磋商尚未結束。

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14. OTHER LOAN RECEIVABLES

Except for a loan of HK\$20,000,000 which carries interest at the higher of Hong Kong Prime Rate and 4% per annum which is secured by the borrower's investment in the convertible note with a principal amount of HK\$20,000,000 issued by a company whose shares are listed on the Stock Exchange, all remaining amount is unsecured, carries interest at Hong Kong Prime Rate plus 2% per annum. Loan receivables are repayable on demand or within one year. During the period, the Group made loans of amount of HK\$262,500,000 and received repayment of HK\$7,500,000.

14. 其他應收貸款

除一筆按香港最優惠利率或年利率4厘之較高者計息之港幣20,000,000元貸款，以借貸方於一間聯交所上市公司發行、本金額為港幣20,000,000元之可換股票據的投資作為抵押外，其餘所有款項為無抵押及按香港最優惠利率加年息2厘計息。應收貸款須應要求或於一年內償還。期內本集團所提供貸款金額為港幣262,500,000元，並收回還款港幣7,500,000元。

15. CREDITORS AND ACCRUED CHARGES

The following is an aged analysis of trade creditors at the reporting date:

15. 應付賬款及應計開支

應付賬款於呈報日期之賬齡分析如下：

		30.9.2006 二零零六年 九月三十日 <i>HK\$'000</i> 港幣千元	31.3.2006 二零零六年 三月三十一日 <i>HK\$'000</i> 港幣千元
Trade creditors aged:	應付賬款之賬齡：		
0 – 60 days	零至六十日	42,831	22,496
61 – 90 days	六十一至九十日	14,288	21,329
Over 90 days	九十日以上	12,401	8,138
		69,520	51,963
Other creditors and accrued charges	其他應付賬款及應計開支	65,507	18,274
		135,027	70,237

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16. CONVERTIBLE NOTE PAYABLES

16. 可換股票據應付款項

		Principal amount 本金金額 Notes 附註	30.9.2006 二零零六年 九月三十日 HK\$'000 港幣千元	31.3.2006 二零零六年 三月三十一日 HK\$'000 港幣千元
Carrying amount of debt component of convertible notes issued on:	於下列日期發行之可換股票據負債部分之賬面值:			
- 11th August, 2005	— 二零零五年八月十一日 (a)	582,050	514,253	838,462
- 8th June, 2006	— 二零零六年六月八日 (b)	60,000	46,769	—
- 15th June, 2006	— 二零零六年六月十五日 (c)	1,000,000	755,409	—
			1,316,431	838,462
Analysed for reporting purposes as:	就申報用途之分析如下:			
Current liability	流動負債		2,958	221
Non-current liability	非流動負債		1,313,473	838,241
			1,316,431	838,462

Notes:

- (a) During the period, the principal amount of the convertible notes of HK\$393,950,000 were converted into 895,340,902 ordinary shares of HK\$0.01 each in the Company at the conversion price of HK\$0.44 per share.
- (b) During the period, the Company issued HK\$60,000,000 zero coupon unsecured convertible notes due 2010 ("2010 CN") at an initial conversion price of HK\$0.44 (subject to anti-dilutive adjustments). The fair value of the 2010 CN at date of issue was approximately HK\$73,000,000 (note 20). The convertible notes bear zero interest and will mature on 11th August, 2010. Unless previously converted or redeemed by the Company, the Company will redeem the convertible notes on the maturity date at the redemption amount which is not exceeding 108.3% of the principal amount of the convertible notes then outstanding.
- (c) During the period, the Company issued HK\$1,000,000,000 1% interest unsecured convertible notes due 2011 at an initial conversion price of HK\$0.70 (subject to anti-dilutive adjustments). The convertible notes bear 1% interest per annum and will mature on 19th June, 2011. Unless previously converted or redeemed by the Company, the Company will redeem the convertible notes on the maturity date at the redemption amount equal to 110% of the principal amount of the convertible notes then outstanding.

附註:

- (a) 期內·本金金額港幣393,950,000元之可換股票據已按兌換價每股港幣0.44元獲兌換為895,340,902股本公司每股面值港幣0.01元之普通股。
- (b) 期內·本公司已按初步兌換價港幣0.44元(可作反攤薄調整)發行港幣60,000,000元之二零一零年到期零息無抵押可換股票據(「二零一零年可換股票據」)。二零一零年可換股票據於發行日期之公平值約為港幣73,000,000元(附註20)。除非先前由本公司兌換或贖回·否則本公司將於到期日按不超過該可換股票據本金金額108.3%之贖回金額贖回尚未兌換之可換股票據。
- (c) 期內·本公司已按初步兌換價港幣0.70元(可作反攤薄調整)發行港幣1,000,000,000元之二零一一年到期1厘息無抵押可換股票據。該可換股票據按年利率1厘計息·將於二零一一年六月十九日到期。除非先前由本公司兌換或贖回·否則本公司將於到期日·按相等於可換股票據本金金額110%之贖回金額·贖回尚未兌換之可換股票據。

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16. CONVERTIBLE NOTE PAYABLES (Cont'd)

The effective interest rate of the liability component of the above convertible note payables are ranging from 5.61% to 9.16% per annum.

The fair value of the liability component of the convertible note payables, determined based on the present value of the estimated future cash outflows discounted at the effective interest rate of 9% per annum at the balance sheet date, approximate their corresponding carrying amounts.

17. UNSECURED OTHER BORROWINGS

Unsecured other borrowings from:	無抵押其他借貸來自:
Minority shareholders of subsidiaries	附屬公司少數股東
番禺高爾夫球協會	番禺高爾夫球協會
L. F. Sam (HK) Ltd. (note)	聯豐生(香港)有限公司(附註)
A director	一名董事

Note: Mr. Chan Jink Chou, Eric, a director of Everight, is also a director and a shareholder of the related company.

The amounts are unsecured, bear interest at Hong Kong Prime Rate and are repayable on demand.

16. 可換股票據應付款項 (續)

上述可換股票據應付款項負債部分之實際利率介乎每年5.61厘至9.16厘。

可換股票據應付款項負債部分按結算日9厘之現行市場利率貼現之估計未來現金流量現值釐定之公平值與其賬面值相若。

17. 無抵押其他借貸

30.9.2006 二零零六年 九月三十日 HK\$'000 港幣千元	31.3.2006 二零零六年 三月三十一日 HK\$'000 港幣千元
34,961	—
1,576	—
1,594	—
1,294	—
39,425	—

附註：永權董事陳正秋先生亦為該關連公司之董事及股東。

該款項為無抵押，按香港最優惠利率計息，並可按要求償還。

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18. SHARE CAPITAL

18. 股本

		Number of shares 股份數目	Amount 金額 HK\$'000 港幣千元
Ordinary shares of HK\$0.01 each	每股面值港幣0.01元之普通股		
Authorised:	法定:		
At 1st April, 2006 and 30th September, 2006	於二零零六年四月一日及 二零零六年九月三十日	40,000,000,000	400,000
Issued and fully paid:	已發行及已繳足:		
At 1st April, 2006	於二零零六年四月一日	631,436,639	6,314
Conversion of convertible notes (note 1)	兌換可換股票據 (附註 1)	895,340,902	8,953
Placement of shares (note 2)	配售股份 (附註 2)	833,332,000	8,334
Repurchase and cancellation of shares (note 3)	購回及註銷股份 (附註 3)	(47,795,000)	(478)
At 30th September, 2006	於二零零六年九月三十日	2,312,314,541	23,123

Notes:

- (1) In April and May 2006, the zero coupon convertible notes due 2010 with an aggregate principal amount of HK\$393,950,000 were converted into 895,340,902 ordinary shares of HK\$0.01 each in the Company at the conversion price of HK\$0.44 per share. The new shares rank pari passu with all the other shares in issue in all respects.
- (2) On 27th April, 2006, the Company entered into a share placing agreement with a placing agent for a placing of 833,332,000 new ordinary shares of HK\$0.01 each in the Company at an issue price of HK\$0.60 per share. The net proceeds of approximately HK\$487 million would be used to finance the expansion of the property portfolio and the existing property development projects of the Group. The new shares rank pari passu with all the other shares in issue in all respects.
- (3) During the period, the Company repurchased a total of 47,795,000 ordinary shares of HK\$0.01 each in the Company at an aggregate consideration of approximately HK\$20 million, all of these shares were cancelled upon repurchase. The nominal value of the cancelled shares was credited to the capital redemption reserve and the aggregate consideration was paid out of the reserves of the Company.

附註:

- (1) 於二零零六年四月及五月，本金總額港幣393,950,000元之二零一零年期零息可換股票據已按兌換價每股港幣0.44元兌換為895,340,902股本公司每股面值港幣0.01元之普通股。新股份於各方面與其他已發行股份享有同等地位。
- (2) 於二零零六年四月二十七日，本公司與一名配售代理訂立股份配售協議，以按發行價每股港幣0.60元配售833,332,000股本公司每股面值港幣0.01元之新普通股。所得款項淨額約港幣487,000,000元，將用作擴展本集團物業組合及現有物業發展項目。新股份於各方面與其他已發行股份享有同等地位。
- (3) 期內，本公司以代價總額約港幣20,000,000元購回47,795,000股本公司內每股面值港幣0.01元之普通股，該等股份全部已於購回時註銷。已註銷股份之面值已計入股本贖回儲備，而代價總額乃以本公司儲備支付。

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19. SHARE-BASED PAYMENT TRANSACTION 19. 股份付款交易

The Company has a share option scheme for eligible directors of the Company, employees and other participant of the Group. Details of the share options outstanding during the period are as follows:

本公司已就本公司合資格董事及本集團僱員及其他參與人士採納購股權計劃。期內尚未行使購股權詳情載列如下：

		Number of share options 購股權數目
Outstanding at 1st April, 2006	於二零零六年四月一日尚未行使	–
Granted during the period	期內授出	<u>31,300,000</u>
Outstanding at 30th September, 2006	於二零零六年九月三十日尚未行使	<u>31,300,000</u>

The options granted entitle the holders thereof to subscribe for shares in the Company at the exercise price of HK\$0.50 per share during the period from 15th August, 2006 to 14th August, 2008.

已授出之購股權賦予持有人權利，可於二零零六年八月十五日至二零零八年八月十四日期間按每股行使價港幣0.50元認購本公司股份。

The closing price of the Company's shares immediately before 15th August, 2006, the date of grant of the options, was HK\$0.445.

本公司股份於緊接購股權授出日期二零零六年八月十五日前之收市價為港幣0.445元。

The fair value of the options determined at the date of grant using the Binomial option pricing model was HK\$4,050,000. The Group recognised an expense of HK\$1,517,000 as share-based payment expense for the six months ended 30th September, 2006 in relation to the share options granted which has been included in staff costs.

購股權公平值乃於授出日期採用二項式期權定價模式釐定為港幣4,050,000元。於截至二零零六年九月三十日止六個月，本集團就已授出購股權（已計入員工成本）確認港幣1,517,000元之開支為股份付款開支。

The following assumptions were used to calculate the fair value of share options granted:

以下假設乃用作計算已授出購股權之公平值：

Weighted average share price	HK\$0.44	加權平均股價	港幣0.44元
Weighted average exercise price	HK\$0.50	加權平均行使價	港幣0.50元
Expected life of options	2 years	預計購股權年期	2年
Expected volatility	56.21%	預計波幅	56.21%
Expected dividend yield	Nil	預計股息率	零
Risk free rate	4.21%	無風險利率	4.21厘

The Binomial option pricing model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. The value of an option varies with different variables of certain subjective assumptions.

二項式期權定價模式乃用作估計購股權公平值。計算購股權公平值採用之變數及假設乃按董事之最佳估計作出。購股權價值基於若干主觀假設而有所不同。

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20. ACQUISITION OF SUBSIDIARIES

In June 2006, the Group acquired the entire equity interest in Everight, a company engaged in the development and operation of golf resort and hotel and property management, for a consideration of HK\$146 million. The acquisition has been accounted for using the purchase method of accounting. The net assets acquired in the transaction, and the goodwill arising, are as follows:

20. 收購附屬公司

於二零零六年六月，本集團以代價港幣146,000,000元購入永權全部股本權益，該公司從事發展及經營高爾夫球度假村、酒店及物業管理。收購採用收購會計法列賬。交易之已購入淨資產及產生之商譽如下：

		Acquiree's carrying amount before combination 合併前被收購 公司之賬面值 HK\$'000 港幣千元	Fair value adjustments 公平值調整 HK\$'000 港幣千元	Fair values 公平值 HK\$'000 港幣千元
Net assets acquired:	購入淨資產：			
Property, plant and equipment	物業、機械及設備	209,819	-	209,819
Prepaid lease payments of leasehold land	租賃土地預付租賃款項	101,139	-	101,139
Premium on prepaid lease payments of leasehold land	租賃土地預付租賃款項 之溢價	-	134,029	134,029
Deferred tax assets	遞延稅項資產	1,481	-	1,481
Inventories	存貨	1,752	-	1,752
Properties held for sale	待售物業	213	-	213
Debtors, deposits and prepayments	應收賬款、訂金及預付 款項	19,985	-	19,985
Tax recoverable	可收回稅項	258	-	258
Bank balances and cash	銀行結餘及現金	9,559	-	9,559
Creditors and accrued charges	應付賬款及應計開支	(40,439)	-	(40,439)
Tax payable	應繳稅項	(11,443)	-	(11,443)
Unsecured other borrowings	無抵押其他借貸	(59,206)	-	(59,206)
Bank borrowings	銀行借貸	(45,506)	-	(45,506)
Deferred tax liabilities	遞延稅項負債	(8,600)	(23,769)	(32,369)
		179,012	110,260	289,272
Minority interests	少數股東權益	(107,246)	(50,717)	(157,963)
		71,766	59,543	131,309
Goodwill arising on acquisition	收購產生之商譽			14,817
				146,126

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20. ACQUISITION OF SUBSIDIARIES (Cont'd) 20. 收購附屬公司 (續)

HK\$'000
港幣千元

Satisfied by:	支付方式:	
Deposit and expenses paid for acquisition of subsidiaries	收購附屬公司已付訂金及開支	12,099
Cash	現金	75,000
Issue of convertible notes	發行可換股票據	73,000
Expenditure incurred for the acquisition of subsidiaries during the period	期內收購附屬公司產生之開支	1,641
Other receivable (note)	其他應收款項 (附註)	(15,614)
		<u>146,126</u>
Net cash outflow arising on acquisition:	收購產生之淨現金流出:	
Cash consideration paid	已付現金代價	(76,641)
Bank balances and cash acquired	已購入之銀行結餘及現金	9,559
		<u>(67,082)</u>

Note: The other receivable represents an amount due from the vendor in respect of tax indemnity given by the vendor pursuant to the sale and purchase agreement for acquisition of Everight. The amount is included in other receivable as set out in note 13.

附註: 其他應收款項指根據收購永權之買賣協議就賣方作出之稅項彌償而應收賣方之金額。有關金額已計入附註13所載之其他應收款項。

The goodwill arising on the acquisition of Everight is attributable to the anticipated profitability of the diversification of the Group into the PRC property market and the anticipated future operating synergies from the combination.

收購永權產生之商譽為應佔本集團多元化擴展至中國物業市場之預測盈利能力及自合併產生之預測日後經營協同效益。

The subsidiaries acquired during the period contributed HK\$13,043,000 to the Group's turnover and had a loss of HK\$5,907,000 included in the Group's profit before taxation for the period between the date of acquisition and 30th September, 2006.

期內收購之附屬公司自收購日期至二零零六年九月三十日期間為本集團帶來港幣13,043,000元之營業額及港幣5,907,000元之虧損，並已計入本集團之除稅前溢利。

The directors are of the view that it is impracticable to disclose the revenue and the result of Everight for the period ended 30th September, 2006 as if the acquisition has been effected at the beginning of the period since such financial information was not provided by the vendor.

董事認為，按收購乃自賣方並未提供有關財務資料開始之期間生效之假設，披露截至二零零六年九月三十日止期間之永權收益及業績乃不切實可行。

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21. CAPITAL COMMITMENTS

Capital expenditure contracted for but not provided in the financial statements in respect of:	就以下各項之已訂約但未於財務報表撥備之資本開支：
– acquisition of property, plant and equipment	– 購置物業、機械及設備
– acquisition of subsidiaries	– 收購附屬公司
– loan to a subsidiary to be acquired	– 向將予收購之一間附屬公司提供貸款
– loan to an associate to be acquired	– 向將予收購之一間聯營公司提供貸款
Capital expenditure authorised but not contracted for in respect of:	有關已批准但未訂約之資本開支：
– acquisition of property, plant and equipment	– 購置物業、機械及設備

21. 資本承擔

30.9.2006 二零零六年 九月三十日 HK\$'000 港幣千元	31.3.2006 二零零六年 三月三十一日 HK\$'000 港幣千元
10,053	612
–	135,000
–	80,000
–	645,000
10,053	860,612
–	194
10,053	860,806

22. RELATED PARTY DISCLOSURES

(i) Compensation of key management personnel

The remunerations of directors in respect of the period are as follows:

Short-term benefits	短期利益
Share-based payments	股份付款

The remunerations of directors were determined by the remuneration committee having regard to the performance of individuals and market trends.

22. 關連人士披露

(i) 主要管理人員報酬

期內董事酬金如下：

Six months ended 截至九月三十日止六個月	
30.9.2006 二零零六年 HK\$'000 港幣千元	30.9.2005 二零零五年 HK\$'000 港幣千元
3,169	1,311
1,236	–
4,405	1,311

董事酬金由薪酬委員會經參考個人表現及市場趨勢而釐定。

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22. RELATED PARTY DISCLOSURES (Cont'd)

22. 關連人士披露 (續)

(ii) During the period, the Group had the following transactions with related parties:

(ii) 期內，本集團與關連人士進行之交易如下：

Related parties 關連人士	Nature of transactions 交易性質	Six months ended 截至九月三十日止六個月	
		30.9.2006 二零零六年 HK\$'000 港幣千元	30.9.2005 二零零五年 HK\$'000 港幣千元
Director: 董事：			
Mr. Lai Tsan Tung, David 賴贊東先生	Interest expense 利息開支	180	—
Minority shareholders of subsidiaries: 附屬公司之少數股東：			
Braniff Developments Limited 番禺市旅遊總公司	Interest expense 利息開支	448	—
	Interest expense 利息開支	158	—
	Management fee paid 已付管理費	145	—
Other related companies: 其他關連公司：			
番禺高爾夫球協會	Interest expense 利息開支	70	—
L.F. Sam (HK) Ltd. 聯豐生(香港)有限公司	Interest expense 利息開支	40	—

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23. CONTINGENT LIABILITY

At 30th September, 2006 and 31st March, 2006, the Group had given an indemnity to the purchaser relating to unrecorded taxation liabilities, if any, and warranties relating to the affairs and business of a subsidiary disposed of in the previous year. The maximum aggregate liability of the Group in respect of all claims for breach of the warranties shall, when taken together with the aggregate liability of the Group in respect of all claims under the indemnity, not exceed the sum of HK\$60,000,000. All related claims may be brought against the Group up to the expiry of 10 years from 31st March, 1998.

24. POST BALANCE SHEET EVENTS

Subsequent to 30th September, 2006, the Group has the following significant post balance sheet events:

- (a) As stated in the announcement dated 16th October, 2006, and the circular dated 7th December, 2006 issued by the Company, Dragon Rainbow Limited (“Dragon Rainbow”), an indirect wholly-owned subsidiary of the Company, entered into a subscription agreement to subscribe for 4,000 ordinary shares of US\$1 each in More Profit International Limited (“More Profit”), which represents 40% of the issued share capital of More Profit and to provide a shareholder’s loan of up to HK\$500 million to More Profit. More Profit is an investment holding company incorporated in the British Virgin Islands. More Profit has entered into agreement to acquire 50% interest in Great China Company Limited which is a company incorporated in Macau and is the owner of a land located in Macau and a hotel erected on the land.
- (b) As stated in the announcement dated 20th November, 2006 and the circular dated 18th December, 2006, the Company has accepted the offering letter (the “Offering Letter”) received from The First International Property Planning & Management Company Limited (“First International”) in relation to the acquisition by the Group of 44 residential units in Macau at a consideration of HK\$88,519,600. An amount of HK\$5,000,000 has been paid as initial deposit upon accepting the Offering Letter.

23. 或然負債

於二零零六年九月三十日及二零零六年三月三十一日，本集團就關於一間在過往年度出售附屬公司之事務及業務涉及之未記錄稅項負債（如有）向買方作出彌償保證提供保證。本集團就違反保證全部索償涉及之最高負債總額，連同本集團就彌償保證全部索償涉及之負債總額，將不超過港幣60,000,000元。買方可由一九九八年三月三十一日起計十年期間屆滿前，向本集團提出一切有關索償。

24. 結算日後事項

於二零零六年九月三十日，本集團曾發生以下重大結算日後事項：

- (a) 誠如本公司所刊發日期為二零零六年十月十六日之公佈及日期為二零零六年十二月七日之通函所述，本公司間接全資附屬公司Dragon Rainbow Limited（「Dragon Rainbow」）訂立認購協議，以認購More Profit International Limited（「More Profit」）4,000股每股面值1美元之普通股，相當於More Profit已發行股本40%，以及向More Profit提供股東貸款最多為港幣500,000,000元。More Profit為一間於英屬處女群島註冊成立之投資控股公司。More Profit已訂立協議收購大中華有限公司50%權益，該公司於澳門註冊成立，為澳門一幅土地及其上所建酒店之擁有人。
- (b) 誠如本公司日期為二零零六年十一月二十日之公佈及日期為二零零六年十二月十八日之通函所述，本公司已接納第一國際物業策劃管理有限公司（「第一國際」）就本集團按代價港幣88,519,600元收購澳門44個住宅單位發出之要約函件（「要約函件」），並已於接納要約函件時支付港幣5,000,000作為初步訂金。

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24. POST BALANCE SHEET EVENTS (Cont'd)

(b) (Cont'd)

Pursuant to the terms of the Offering Letter, on 11th December, 2006, Hayton Limited, an indirectly wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with First International in relation to the acquisition of the property. An additional amount of HK\$21,555,880 has been paid as further deposit upon signing of the sale and purchase agreement.

(c) As stated in the announcement dated 28th November, 2006, Top Century International Limited (“Top Century”), an indirect wholly-owned subsidiary of the Company, entered into a memorandum of understanding (the “MOU”) with Forever Charm Group Limited (“Forever Charm”) in relation to a proposed acquisition (the “Acquisition”) by Top Century from Forever Charm of 8.7% interest in the issued share capital of Concordia and a shareholder’s loan in the principal sum of MOP41 million, together with the standing interest accrued thereon, which in aggregate amounted to approximately MOP114.3 million as at 31st December, 2005. The consideration for the Acquisition is expected to be approximately HK\$245.7 million.

Top Century has paid an earnest money of HK\$90 million to Forever Charm upon the signing of the MOU, which will be converted into deposit for the Acquisition upon signing of the sale and purchase agreement. The earnest money is refundable immediately upon the request of Top Century.

24. 結算日後事項 (續)

(b) (續)

根據要約函件之條款，於二零零六年十二月十一日，本公司間接全資附屬公司漢東有限公司就收購該物業與第一國際訂立買賣協議。於簽訂買賣協議時，已額外支付港幣21,555,880元作為進一步訂金。

(c) 誠如日期為二零零六年十一月二十八日之公佈所述，本公司之間接全資附屬公司Top Century International Limited (「Top Century」)與永美集團有限公司(「永美」)訂立一份意向書(「意向書」)，內容關於Top Century建議向永美收購(「收購」)聯生發展已發行股本8.7%權益，及本金額為41,000,000澳門幣之股東貸款連同未付應計利息，於二零零五年十二月三十一日之總數約為114,300,000澳門幣。收購代價預期約港幣245,700,000元。

Top Century已於簽訂意向書時向永美支付誠意金港幣90,000,000元，而該款項將於簽訂買賣協議時作為收購之訂金。誠意金可應Top Century之要求即時退還。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW

The Group's turnover for the six months ended 30th September, 2006 was decreased to approximately HK\$201.2 million, as compared to the comparative period of HK\$426.4 million since there were less securities investment activities transacted during the current period.

As a result of the fund raising exercises during the period, interest income from the surplus cash increased considerably. In addition, as a condition for the acquisition of Orient Town Limited ("Orient Town", together with its subsidiaries "Orient Town Group"), the Group has advanced a shareholder's loan of HK\$885 million to Orient Town on which interest is charged at prime rate. Interest income, as included in other income, increased significantly to HK\$49.9 million for the current period from HK\$5.3 million for the comparative period.

The acquisition of Everight Investment Limited ("Everight", together with its subsidiaries "Everight Group") was completed in early June 2006 and hence its financial results had been consolidated by the Group since then. As a result, there were overall increases in all expense items. Due to the additional issue of convertible notes, the related interest expenses, which are calculated with reference to the effective interest rate, increased to HK\$37.4 million for the current period as compared with same period of last year of HK\$8.2 million. These increases in expenses were compensated by the gain on cancellation of 5% option for acquisition of additional interest in Orient Town of HK\$32.2 million. The Group achieved a profit of HK\$7.5 million for the six months ended 30th September, 2006 as compared to a loss of HK\$17.8 million for the comparative period.

Properties, Golf and Resort

Orient Town Group

In June 2006, the Group acquired 40% of the issued share capital of Orient Town at their nominal value of HK\$280, which principal asset is its indirect interest in 14 parcels of leased land in Estrada de Seac Pai Van, Macau ("Concordia Land Development"). In addition, the Group advanced a shareholder's loan of HK\$885 million to Orient Town in order to partially finance its indirect investment in the land. The acquisition enables the Group to diversify into the property market in Macau and to have a significant interest in a quality residential development project of total gross floor area of approximately 797,100 m². Orient Town becomes an associated company of the Group after the acquisition.

業務回顧

截至二零零六年九月三十日止六個月，本集團營業額由比較期間之港幣426,400,000元減至約港幣201,200,000元，原因為本期間進行之證券投資活動減少。

期內，由於進行集資，現金盈餘之利息收入大幅增加。此外，作為收購華鎮有限公司（「華鎮」，連同其附屬公司「華鎮集團」）條件之一，本集團已向華鎮墊付一筆港幣885,000,000元按最優惠利率計息之股東貸款。計入其他收入之利息收入，由比較期間之港幣5,300,000元大幅增至本期間之港幣49,900,000元。

收購永權投資有限公司（「永權」，連同其附屬公司「永權集團」）已於二零零六年六月初完成，其財務業績已自此綜合計入本集團。因此，所有開支項目均全面增加。由於額外發行可換股票據，參照實際利率計算之有關利息開支由去年同期港幣8,200,000元增至本期間之港幣37,400,000元。有關開支增加已由於註銷收購華鎮額外5%權益認購期權產生之港幣32,200,000元收益所抵銷。於截至二零零六年九月三十日止六個月，本集團錄得溢利港幣7,500,000元，比較期間之虧損則為港幣17,800,000元。

物業、高爾夫球及度假村

華鎮集團

於二零零六年六月，本集團按面值港幣280元收購華鎮已發行股本40%，該公司之主要資產為間接持有位於澳門路環聯生填海區之十四幅租賃土地權益（「聯生土地發展」）。此外，本集團向華鎮墊支股東貸款港幣885,000,000元，為間接投資該土地提供部分資金。此項收購讓本集團可分散擴展至澳門物業市場，並於總建築面積合共約797,100平方米之優質住宅發展項目中擁有重大權益。華鎮於收購後已成為本集團之聯營公司。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW (Cont'd)

Properties, Golf and Resort (Cont'd)

Everight Group

In June 2006, the Group also acquired the entire equity interest in, and certain loan owed to the vendors by, Everight for an aggregate consideration of HK\$140 million, which was satisfied as to HK\$80 million by cash and HK\$60 million by issue of convertible notes. Everight is, through its non wholly-owned subsidiaries, principally engaged in operation of golf club, hotel, resorts and development and management of luxurious residential properties in Lotus Hill, Panyu, Guangdong and Yalong Bay, Sanya, Hainan.

Summer is traditionally the low season for golf resort. Since acquisition by the Group in June 2006, turnover of Everight Group up to 30th September, 2006 was HK\$12 million with a slight segmental loss of HK\$1.3 million.

Others

There were 24 residential units and 1 commercial unit at Talon Tower on Connaught Road West remained unsold as at 30th September, 2006.

Securities Investment

During the six months ended 30th September, 2006, turnover in securities investment was HK\$13.7 million with a net segmental loss of HK\$5.4 million. At the period end, the Group had investments held-for-trading in an aggregate sum of HK\$31.9 million, all of which were shares listed in Hong Kong.

Manufacture and Trading of Medicine and Health Food

The segmental turnover for the period was HK\$167 million, representing an increase of 21% as compared to the comparative period. However, due to keen competition among competitors, the profit margin was decreasing and the segmental profit was reduced to HK\$1.5 million as compared to HK\$5.9 million for the comparative period.

業務回顧 (續)

物業、高爾夫球及度假村 (續)

永權集團

於二零零六年六月，本集團亦收購永權全部股本權益及永權結欠賣方之若干貸款，總代價為港幣140,000,000元，其中港幣80,000,000元以現金支付，另港幣60,000,000元透過發行可換股票據支付。永權透過其非全資附屬公司主要於廣東省番禺蓮花山及海南三亞亞龍灣經營高爾夫球會、酒店、度假村以及發展及管理豪華住宅物業。

夏季一向為高爾夫球度假村之淡季。自二零零六年六月被本集團收購以來，永權集團截至二零零六年九月三十日止之營業額為港幣12,000,000元，錄得輕微分部虧損港幣1,300,000元。

其他

於二零零六年九月三十日，干諾道西達隆名居有24個住宅單位及1個商用單位尚未售出。

證券投資

於截至二零零六年九月三十日止六個月，本集團之證券投資營業額為港幣13,700,000元，該業務錄得分部虧損淨額港幣5,400,000元。於本期間結束時，本集團持有持作買賣投資合共港幣31,900,000元，全部均為香港上市證券。

製造及買賣醫藥及健康食品

期內，此分部營業額為港幣167,000,000元，較比較期間增加21%。然而，由於競爭對手之間競爭激烈，導致邊際利潤減少，分部溢利亦下降至港幣1,500,000元，而比較期間則為港幣5,900,000元。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL REVIEW

A total amount of HK\$1,060 million convertible notes was issued during the period under review. On 8th June, 2006, HK\$60 million zero coupon convertible notes at an initial conversion price of HK\$0.44 per share due on 11th August, 2010 was issued as part of the consideration for acquisition of Everight Group. On 15th June, 2006, the Company had further issued 5-year 1% convertible notes in an aggregate principal amount of HK\$1,000 million, with an initial conversion price of HK\$0.7 per share and repayable before the fifth anniversary from the issue date. These newly-issued HK\$60 million and HK\$1,000 million convertible notes, unless they are previously converted, redeemed or purchased and cancelled prior to their maturity, will be redeemed at 108.3% and 110% of their principal amounts respectively.

During the period, convertible notes in an aggregate principal amount of HK\$394 million were converted into approximately 895.3 million shares of the Company and the outstanding principal amount of the convertible notes as at 30th September, 2006 was approximately HK\$1,642.1 million.

To further strengthen the Group's resources for expanding its activities in property investment, the Company had also placed 833,332,000 new ordinary shares at HK\$0.6 per share to raise approximately HK\$500 million (before expenses) in June 2006. Mainly due to the placement of new ordinary shares, issuance of new convertible notes and conversion of convertible notes, the net asset value of the Group attributable to its shareholders was increased by 247% from HK\$445 million as at 31st March, 2006 to HK\$1,542 million as at 30th September, 2006.

The Group adopts a prudent funding and treasury policy with regard to its overall business operations. In addition to the above convertible note payables, a variety of credit facilities is maintained so as to meet its working capital requirements of the Group.

As at 30th September, 2006, total bank borrowings amounted to HK\$110 million, of which HK\$13.8 million was repayable after one year. Increase in the bank borrowings was due to the consolidation of Everight Group as at 30th September, 2006. The net gearing ratio of the Group, calculated with reference to the bank and other borrowings of HK\$149.5 million and the fair value of the debt component of convertible note payables of HK\$1,316.4 million, offsetting with the pledged bank deposits and the bank and cash balances of HK\$1,218.6 million, and the Group's shareholders' funds of HK\$1,542 million, was 0.16 as at 30th September, 2006.

財務回顧

本公司於回顧期間發行合共金額港幣1,060,000,000元之可換股票據。於二零零六年六月八日，本公司發行港幣60,000,000元，初步兌換價每股港幣0.44元於二零一零年八月十一日到期之零息可換股票據，以作為收購永權集團之部分代價。於二零零六年六月十五日，本公司進一步發行本金總額港幣1,000,000,000元之五年期1厘可換股票據，初步兌換價為每股港幣0.7元，須於發行日期起計五週年前償還。除非於到期前已先行兌換、贖回或購買及註銷，否則該等港幣60,000,000元及港幣1,000,000,000元之新發行可換股票據將分別按其本金金額之108.3%及110%贖回。

期內，本金總額港幣394,000,000元之可換股票據已兌換為本公司約895,300,000股股份，於二零零六年九月三十日之可換股票據之尚未兌換本金金額則約為港幣1,642,100,000元。

為進一步加強本集團資源，以擴展其物業投資活動，本公司亦於二零零六年六月按每股港幣0.6元配售833,332,000股新普通股，集資約港幣500,000,000元（未扣除開支）。主要由於配售新普通股、發行新可換股票據及兌換可換股票據，股東應佔本集團的資產淨值由二零零六年三月三十一日之港幣445,000,000元增加247%至二零零六年九月三十日之港幣1,542,000,000元。

本集團就其整體業務採納審慎資金及財務政策。除上述可換股票據應付款項外，本集團維持多項信貸融資，以應付其營運資金所需。

於二零零六年九月三十日，銀行借貸總額為港幣110,000,000元，當中港幣13,800,000元將於一年後償還。銀行借貸增加，乃由於在二零零六年九月三十日綜合計入永權集團之報表所致。於二零零六年九月三十日，本集團之淨資產負債比率為0.16，當中已計及銀行及其他借貸港幣149,500,000元及可換股票據應付款項負債部分之公平值港幣1,316,400,000元，並抵銷已抵押銀行存款及銀行以及現金結餘港幣1,218,600,000元與本集團股東資金港幣1,542,000,000元。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL REVIEW (Cont'd)

All the bank borrowings were interest-bearing at prevailing market interest rate. The management believes that interest rate remains stable in the capital market and therefore no hedge is to be made against interest rate fluctuation. Most of the assets and liabilities of the Group were denominated in Hong Kong dollars, and hence the Board considers that the Group was not subject to any material exchange rate exposure.

CORPORATE DEVELOPMENTS

In addition to the acquisitions of interests in Everight Group and Orient Town Group as mentioned in the previous paragraphs headed “Properties, Golf and Resort” as well as the issue of convertible notes and placing of shares as mentioned in the previous paragraphs headed “Financial Review”, there were the following significant corporate developments from the beginning of the period under review:

On 23rd May, 2006, the name of the Company has been changed from Cheung Tai Hong Holdings Limited to Macau Prime Properties Holdings Limited so as to signify the Group's business strategy and focus.

On 19th June, 2006, the Group has granted consent for the partial cancellation of call option to purchase additional 5% shareholding in Orient Town for a compensation receivable of approximately HK\$32.2 million.

On 6th October, 2006, the Group has entered into an agreement which enables the Group to acquire effectively 20% interest in Grand Waldo Hotel of Macau which completion is expected in January 2007.

On 28th November, 2006, the Group has entered into a memorandum of understanding to acquire an additional 8.7% interest in Empresa De Fomento Industrial E Comercial Concórdia, S.A. (“Concordia”), upon which completion the Group's effective interest in Concordia will increase from 23.8% to 32.5%.

On 11th December, 2006, the Group has entered into a sale and purchase agreement for acquiring 44 residential units in a residential/office/commercial complex in Macau which completion is expected before end of April 2007.

財務回顧 (續)

所有銀行借貸均按現行市場利率計息。管理層相信，資本市場利率仍維持穩定，故毋須就息率波動作出對沖。本集團大部分資產及負債均以港幣列值，董事會因此認為，本集團並無面對任何重大匯率風險。

企業發展

除上文「物業、高爾夫球及度假村」一段所述收購永權集團及華鎮集團權益以及上文「財務回顧」一段所述發行可換股票據及配售股份外，回顧期初亦曾作出下列重大企業發展：

於二零零六年五月二十三日，本公司名稱由祥泰行集團有限公司更改為澳門祥泰地產集團有限公司，以標示本集團業務策略及重點。

於二零零六年六月十九日，本集團授出同意註銷部分購買華鎮集團額外5%股權之認購期權，就此取得約港幣32,200,000元之賠償。

於二零零六年十月六日，本集團訂立一項協議，讓本集團收購澳門金都酒店20%實際權益，預期收購將於二零零七年一月完成。

於二零零六年十一月二十八日，本集團訂立一份意向書，以收購聯生發展股份有限公司（「聯生發展」）額外8.7%權益，收購完成後，本集團於聯生發展之實際權益將由23.8%增加至32.5%。

於二零零六年十二月十一日，本集團訂立一項買賣協議，以收購位於澳門一座住宅／辦公室／商業綜合群樓之44個住宅單位，預期收購將於二零零七年四月底完成。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

OUTLOOK

Momentum of the economy of Macau is expected to continue in the years ahead. Booming development in gaming and tourism industries enables Macau to become a top leisure and entertainment destination in the region. Overall investment and business environment is improving, as exemplified by the influx of investors and expatriates. Macau citizens are enjoying enviable increases in their household income which accelerates their demand for better living condition. As a result, the Macau property market has been strong in all sectors, including residential, shops office and hotels.

Concordia Land Development is one of the largest residential project developments with full amenities in Macau, which completion is planned into four phases with the pre-sale of the first phase scheduled around mid-2007 in order to capture the existing upbeat demand. Being superiorly located at the south end of Cotai Strip, which is designated by the Government of Macau as the core district for hotel, leisure and entertainment developments, Concordia Land Development enjoys a magnificent view of all the developments in, and shares the infrastructure facilities of, Cotai Strip. It is expected that the sale of this development will be well received by both local residents and foreign investors. As recently announced, the Group will increase its effective equity interest in Concordia Land Development from 23.8% to 32.5% and become the largest single shareholder so as to maximise its share of return.

The Group is also acquiring an effective 20% in Grand Waldo Hotel which is the first leisure and entertainment hotel complex opened in the Cotai Strip. As a condition of the relevant acquisition, this property will be leased to a joint-venture partner earning rental income at a return on investment of approximately 8% per annum. The Group will also participate in the development of a parcel of land adjacent to this property but no definite use has been decided yet. In addition, the Group is in the process of acquiring 44 residential units at Zhu Kuan Mansion which is superbly located next to the Macau Cultural Centre and at the back of "Venetian Macau" (Sands). These units are intended to be held for rental purpose after refurbishment. Apart from generating a steady rental income stream, both of the properties may contribute good capital appreciation because of their relatively low acquisition costs.

展望

預期未來數年澳門經濟增長勢頭將會持續。博彩及旅遊業蓬勃發展，令澳門成為區內首屈一指的休閒及娛樂目的地。整體投資及業務環境向好，此從投資者及外籍人士不斷湧入可見一斑。澳門市民家庭收入亦有可觀增長，加速彼等追求更優質居住環境。因此，澳門物業市場於住宅、商店辦公室及酒店等所有範疇均表現強勁。

聯生土地發展為澳門最大型住宅發展項目之一，配備全面休閒設施，計劃分四階段落成。首階段將於二零零七年年中左右預售，以把握目前的旺盛需求。聯生土地發展位於金光大道南端優越地段，獲澳門政府指定為酒店、消閒及娛樂發展核心地區，坐擁俯瞰金光大道所有發展項目的優美景觀，並可享用金光大道之基礎設施。預期此發展項目將深受當地居民及海外投資者歡迎。誠如近期之公佈，本集團會將其於聯生土地發展所佔實際權益由23.8%增加至32.5%，並成為最大單一股東，務求盡量增加所佔回報。

本集團亦正收購金光大道首間開業之消閒及娛樂酒店綜合大樓金都酒店的20%實際權益。作為有關收購條件之一，此項物業將出租予一名合營夥伴賺取租金收入，以獲取每年約8%之投資回報。本集團亦將參與一項鄰近此項物業之土地發展項目，惟有關土地之用途尚未落實。此外，本集團亦正收購毗鄰澳門文化中心、座落於「澳門威尼斯人度假村」（金沙）背後之珠光大廈之44個住宅單位。本集團擬於翻新該物業單位後持有作為出租用途。該兩項物業除可帶來穩定租金收入外，由於其收購成本相對較低，亦可能為本集團提供可觀資本增值。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

OUTLOOK (Cont'd)

The property development of Everight Group is progressing well as planned. Approval for the development of luxurious residential properties within the Lotus Hill Golf Resort in Guangzhou of gross floor area of about 23,000 m² has been obtained. Construction work has been commenced which completion is expected in mid-2007. In addition, development plan of the resort-type bungalow hotels within the Sun Valley Golf Resort in Sanya in aggregate of about 60 units has been submitted to the relevant government authorities and construction work is expected to commence shortly with target completion by end of 2007. The Group is also planning further property development within the golf resorts so as to boost the return to the Group.

The contribution from the golf business is expected to improve since the second half year is traditionally the high season and the club house of Sun Valley Golf Resort opened in early December 2006.

The Group is actively and cautiously looking for further investment opportunities in Macau and surrounding area, with a view to expanding its investments in quality properties. Barring unforeseeable circumstances, we are optimistic about the Group's future prospects to take advantage of the excellent opportunities ahead.

NUMBER OF EMPLOYEES, REMUNERATION POLICIES AND SHARE OPTION SCHEME

As at 30th September, 2006, the number of employees was 1,861 (31st March, 2006: 583). Employees are remunerated according to their qualifications and experience, job nature and performance, under the pay scales aligned with market conditions. Other benefits to employees include medical, insurance cover and retirement schemes. During the period, the Company had granted share options to certain directors and senior management of the Company pursuant to the terms and conditions of the share option scheme adopted by the Company on 26th August, 2002.

PLEDGE OF ASSETS

As at 30th September, 2006, the Group's property held for sale in an aggregate value of approximately HK\$58.5 million, bank balances of HK\$23 million, prepaid lease payments of HK\$67 million and certain property, plant and equipment of a subsidiary of the Company of approximately HK\$21.2 million had been pledged to banks and financial institutions to secure general credit facilities granted to the Group.

展望 (續)

永權集團之物業發展項目正按計劃順利進行。已取得發展位於廣州蓮花山高爾夫球度假村內、總面積約23,000平方米之豪華住宅物業之批文，並已展開有關工程，預期將於二零零七年年中落成。此外，本集團亦已向當地有關政府部門呈交有關位於三亞紅峽谷高爾夫球度假村內合共約60間度假式酒店平房的發展藍圖，預期於不久將來開展有關工程，目標於二零零七年年底完成。本集團亦正計劃於該高爾夫球度假村進行進一步物業發展，以提升本集團之回報。

由於下半年度一般為旺季，加上紅峽谷高爾夫球度假村已於二零零六年十二月初開幕，預計高爾夫球業務之業績將有所增長。

本集團正積極及審慎地尋求於澳門及鄰近地區之其他投資機會，以擴大其優質物業投資。在無出現不可預見之情況下，吾等對本集團把握日後各項良機之前景感到樂觀。

僱員人數、薪酬政策及購股權計劃

於二零零六年九月三十日，員工人數為1,861人（二零零六年三月三十一日：583人）。本集團按員工之資歷、經驗、工作性質、表現及市場薪酬情況釐定薪酬待遇。其他僱員福利包括醫療、保險及退休計劃。期內，本公司根據於二零零二年八月二十六日採納之購股權計劃之條款及條件，向若干董事及高級管理人員授出購股權。

資產抵押

於二零零六年九月三十日，本集團總值約港幣58,500,000元之待售物業、港幣23,000,000元之銀行結餘、港幣67,000,000元之預付租賃款項及約港幣21,200,000元之本公司附屬公司若干物業、機械及設備已抵押予多家銀行及財務機構，以作為本集團獲授一般信貸融資之抵押。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

CONTINGENT LIABILITIES

As at 30th September, 2006, the Group had contingent liabilities in respect of a tax indemnity given upon disposal of a subsidiary at HK\$60 million.

SECURITIES IN ISSUE

During the period, the Company had issued 895,340,902 ordinary shares upon conversion of convertible notes at the conversion price of HK\$0.44 per share. In addition, the Company had placed 833,332,000 new ordinary shares at HK\$0.6 per share.

As at 30th September, 2006, there were 2,312,314,541 ordinary shares in issue and outstanding share options of 31,300,000 shares with an exercise price of HK\$0.5 per share. Save as disclosed above and repurchase of shares as set out in the section headed "Purchase, Sale or Redemption of the Company's Listed Securities" on page 53, there was no movement in the issued share capital during the period.

或然負債

於二零零六年九月三十日，本集團就出售一家附屬公司所給予稅務彌償保證之或然負債為港幣60,000,000元。

已發行證券

期內，本公司於可換股票據按換股價每股港幣0.44元獲兌換時發行895,340,902股普通股。此外，本公司按每股港幣0.6元配售833,332,000股新普通股。

於二零零六年九月三十日，已發行2,312,314,541股普通股，並有涉及31,300,000股股份而每股行使價為港幣0.5元之尚未行使購股權。除上文所披露者及第53頁「購買、出售或贖回本公司之上市證券」一節所載之購回股份外，已發行股本於期內並無變動。

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INTERIM DIVIDEND

The board of directors (the “Board”) does not recommend the payment of interim dividend in respect of the six months ended 30th September, 2006 (six months ended 30th September, 2005: Nil).

DIRECTORS’ AND CHIEF EXECUTIVE’S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES AND CONVERTIBLE NOTES

As at 30th September, 2006, the interests and short positions of the directors and chief executive and/or their associates in the shares, underlying shares and convertible notes of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)), which (a) were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or (b) were required to be entered in the register maintained by the Company pursuant to section 352 of the SFO, or (c) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) contained in the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”), were as follows:

Interests in the shares and underlying shares under equity derivatives (as defined in Part XV of the SFO)

Name of director 董事姓名	Long position/ Short position 好倉/淡倉	Capacity 身分	Number of issued shares held 已發行股份數目	Number of underlying shares (under equity derivatives of the Company) 本公司股本 衍生工具所涉及 相關股份數目	Aggregate interest 權益總額	Approximate percentage of the issued share capital of the Company 佔本公司已發行 股本概約百分比 (%)
Mr. Cheung Hon Kit (“Mr. Cheung”) 張漢傑先生(「張先生」)	Long position 好倉	Beneficial owner 實益擁有人	1,000,000	–	1,000,000	0.04
Mr. Ho Hau Chong, Norman (“Mr. Ho”) 何厚鏞先生(「何先生」)	Long position 好倉	Interest of controlled corporation 受控法團權益	102,272,726 (Note 1) (附註 1)	113,636,363 (Note 1) (附註 1)	215,909,089	9.34
Mr. Lai Tsan Tung, David (“Mr. Lai”) 賴贊東先生(「賴先生」)	Long position 好倉	Interest of controlled corporation 受控法團權益	–	89,255,243 (Note 2) (附註 2)	89,255,243	3.86

中期股息

董事會(「董事會」)不建議就截至二零零六年九月三十日止六個月派付中期股息(截至二零零五年九月三十日止六個月:無)。

董事及主要行政人員於股份、相關股份及可換股票據之權益及淡倉

於二零零六年九月三十日,董事、主要行政人員及/或彼等之聯繫人士於本公司或其任何相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)股份、相關股份及可換股票據中,擁有(a)根據證券及期貨條例第XV部第7及8分部須知會本公司及香港聯合交易所有限公司(「聯交所」)之權益及淡倉(包括根據證券及期貨條例該等條文彼等被當作或視作擁有之權益及淡倉);或(b)根據證券及期貨條例第352條須記入本公司存置登記冊之權益及淡倉;或(c)根據聯交所證券上市規則(「上市規則」)所載上市發行人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及淡倉如下:

於股份及股本衍生工具所涉及相關股份之權益(定義見證券及期貨條例第XV部)

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DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES AND CONVERTIBLE NOTES (Cont'd)

Notes:

1. Each of Mr. Ho, the deputy chairman and a non-executive director of the Company, and his brother, Mr. Ho Hau Hay, Hamilton, owns 50% interest in Kopola Investment Company Limited ("Kopola") which beneficially owns 102,272,726 shares and HK\$50 million zero coupon convertible notes due 2010 issued by the Company on 11th August, 2005 at a conversion price of HK\$0.44 per share ("2005 August Note").
2. Mr. Lai, an executive director of the Company, is interested in HK\$39,272,307 zero coupon convertible notes due 2010 issued by the Company on 8th June, 2006 at a conversion price of HK\$0.44 per share held by Green Label Investments Limited ("Green Label") by virtue of his 100% beneficial interest in the issued share capital of Green Label.

Save as disclosed above, as at 30th September, 2006, none of the directors or the chief executive nor their associates had any interests or short positions in any shares, underlying shares or convertible notes of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which any such director or chief executive is taken or deemed to have taken under such provisions of the SFO), or (b) were required pursuant to section 352 of the SFO to be entered into the register maintained by the Company, or (c) were required pursuant to the Model Code contained in the Listing Rules to be notified to the Company and the Stock Exchange.

SHARE OPTIONS

A share option scheme was adopted by the Company on 26th August, 2002 (the "Scheme"). On 15th August, 2006, the Company granted share options under the Scheme to certain directors, employees and other participant to subscribe for a total of 31,300,000 shares in the Company at the exercise price of HK\$0.50 per share. The closing price of the shares of the Company immediately before the date of grant was HK\$0.445 per share. The consideration of grant of the share options was HK\$1.00.

董事及主要行政人員於股份、相關股份及可換股票據之權益及淡倉 (續)

附註:

1. 本公司副主席兼非執行董事何先生及彼之胞兄何厚浹先生各自擁有Kopola Investment Company Limited (「Kopola」) 之50%權益。Kopola實益擁有102,272,726股股份及本公司於二零零五年八月十一日發行之港幣50,000,000元、二零一零年到期零息可換股票據，兌換價為每股港幣0.44元 (「二零零五年八月票據」)。
2. 由於本公司執行董事賴先生實益擁有Green Label Investments Limited (「Green Label」) 已發行股本全部權益，故擁有Green Label所持本公司於二零零六年六月八日發行之港幣39,272,307元、二零一零年到期零息可換股票據權益，該等票據兌換價為每股港幣0.44元。

除上文披露者外，於二零零六年九月三十日，董事或主要行政人員或彼等之聯繫人士概無於本公司或其任何相聯法團 (定義見證券及期貨條例第XV部) 任何股份、相關股份或可換股票據中，擁有任何(a)須根據證券及期貨條例第XV部第7及8分部知會本公司及聯交所之權益或淡倉 (包括任何該等董事或主要行政人員根據證券及期貨條例有關條文被視作或當作擁有之權益及淡倉)，或(b)根據證券及期貨條例第352條須記入本公司存置之登記冊之權益或淡倉，或(c)根據上市規則所載標準守則須知會本公司或聯交所之權益或淡倉。

購股權

於二零零二年八月二十六日，本公司採納購股權計劃 (「計劃」)。於二零零六年八月十五日，本公司根據計劃向若干董事、僱員及其他參與人士授出可按每股行使價港幣0.50元認購本公司合共31,300,000股股份之購股權。緊接授出日期前之本公司股份收市價為每股港幣0.445元。授出購股權之代價為港幣1.00元。

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SHARE OPTIONS (Cont'd)

The following table sets out the movements in the Scheme during the six months ended 30th September, 2006 (the "Period"):

購股權 (續)

下表載列截至二零零六年九月三十日止六個月(「期間」)之計劃變動:

Name or category of participants 姓名或參與人士類別	Date of grant 授出日期	Exercisable period* 可行使期間	Exercise price per share 每股股份行使價	Number of share options 購股權數目				
				Outstanding as at 1.4.2006 於二零零六年四月一日尚未行使	Granted during the Period 期內授出	Exercised during the Period 期內行使	Cancelled/Lapsed during the Period 期內註銷/失效	Outstanding as at 30.9.2006 於二零零六年九月三十日尚未行使
				HK\$ 港幣				
Directors 董事								
Mr. Cheung 張先生	15th August, 2006 二零零六年八月十五日	15th August, 2006 – 14th August, 2008 二零零六年八月十五日 至二零零八年八月十四日	0.50	-	10,000,000	-	-	10,000,000
Mr. Chan Fut Yan 陳佛恩先生	15th August, 2006 二零零六年八月十五日	15th August, 2006 – 14th August, 2008 二零零六年八月十五日 至二零零八年八月十四日	0.50	-	6,000,000	-	-	6,000,000
Mr. Cheung Chi Kit 張志傑先生	15th August, 2006 二零零六年八月十五日	15th August, 2006 – 14th August, 2008 二零零六年八月十五日 至二零零八年八月十四日	0.50	-	2,000,000	-	-	2,000,000
Mr. Ho 何先生	15th August, 2006 二零零六年八月十五日	15th August, 2006 – 14th August, 2008 二零零六年八月十五日 至二零零八年八月十四日	0.50	-	3,000,000	-	-	3,000,000
Mr. Lo Lin Shing, Simon 魯連城先生	15th August, 2006 二零零六年八月十五日	15th August, 2006 – 14th August, 2008 二零零六年八月十五日 至二零零八年八月十四日	0.50	-	1,500,000	-	-	1,500,000
Mr. Wong Chi Keung, Alvin 王志強先生	15th August, 2006 二零零六年八月十五日	15th August, 2006 – 14th August, 2008 二零零六年八月十五日 至二零零八年八月十四日	0.50	-	1,500,000	-	-	1,500,000
Mr. Chui Sai Cheong 崔世昌先生	15th August, 2006 二零零六年八月十五日	15th August, 2006 – 14th August, 2008 二零零六年八月十五日 至二零零八年八月十四日	0.50	-	1,500,000	-	-	1,500,000
					25,500,000			25,500,000
Employees and other participant 僱員及其他參與人士								
In aggregate 總額	15th August, 2006 二零零六年八月十五日	15th August, 2006 – 14th August, 2008 二零零六年八月十五日 至二零零八年八月十四日	0.50	-	5,800,000	-	-	5,800,000
Total 總計					31,300,000			31,300,000

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SHARE OPTIONS (Cont'd)

* Subject to the terms and conditions of the Scheme, the share options shall be exercisable at any time during the exercisable period and subject further to a maximum of 50% of the share options shall be exercisable during the first-year period commencing from 15th August, 2006 to 14th August, 2007, with the balance of the share options remain to be exercisable during the second-year period commencing from 15th August, 2007 to 14th August, 2008.

購股權 (續)

* 在計劃之條款及條件規限下，購股權可於行使期間內隨時行使，惟最多50%之購股權可於二零零六年八月十五日至二零零七年八月十四日起計首年期間行使，而餘下購股權仍可於二零零七年八月十五日至二零零八年八月十四日起計第二年期間行使。

SUBSTANTIAL SHAREHOLDERS

As at 30th September, 2006, so far as was known to the directors or chief executive of the Company based on the register maintained by the Company pursuant to Part XV of the SFO, the following persons (other than a director or chief executive of the Company) had, or were deemed or taken to have interests or short positions in the shares and underlying shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, were directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or had any option in respect of such capital:

(i) Interests in the shares

主要股東

於二零零六年九月三十日，據本公司董事或主要行政人員所知，按照本公司根據證券及期貨條例第XV部所存置登記冊，以下人士（本公司董事或主要行政人員除外）於股份及相關股份中，擁有或被視作或當作擁有根據證券及期貨條例第XV部第2及3分部條文須向本公司披露之權益或淡倉，或直接或間接擁有附帶權利可於任何情況下在本集團任何其他成員公司股東大會投票之任何類別股本面值10%或以上權益，或擁有涉及有關股本之任何購股權：

(i) 股份權益

Name of shareholder 股東姓名/名稱	Long position/ Short position 好倉/淡倉	Capacity 身分	Number of issued shares 已發行股份數目	Approximate percentage of the issued shares capital of the Company 佔本公司 已發行股本 概約百分比 (%)
Loyal Concept Limited ("Loyal Concept")	Long position 好倉	Beneficial owner 實益擁有人	356,137,272 (Note 1) (附註1)	15.40
Hanny Magnetics (B.V.I.) Limited ("Hanny Magnetics")	Long position 好倉	Interest of controlled corporation 受控法團權益	356,137,272 (Note 1) (附註1)	15.40
Hanny Holdings Limited ("Hanny Holdings") 錦興集團有限公司 (「錦興」)	Long position 好倉	Interest of controlled corporation 受控法團權益	356,137,272 (Note 1) (附註1)	15.40
Kopola	Long position 好倉	Beneficial owner 實益擁有人	102,272,726 (Note 2) (附註2)	4.42

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SUBSTANTIAL SHAREHOLDERS (Cont'd)

(i) Interests in the shares (Cont'd)

Name of shareholder 股東姓名/名稱	Long position/ Short position 好倉/淡倉	Capacity 身分	Number of issued shares 已發行股份數目	Approximate percentage of the issued shares capital of the Company 佔本公司 已發行股本 概約百分比 (%)
Mr. Ho 何先生	Long position 好倉	Interest of controlled corporation 受控法團權益	102,272,726 (Note 2) (附註 2)	4.42
Mr. Ho Hau Hay, Hamilton 何厚浣先生	Long position 好倉	Interest of controlled corporation 受控法團權益	102,272,726 (Note 2) (附註 2)	4.42
Shepherd Investments International, Ltd. ("Shepherd")	Long position 好倉	Beneficial owner 實益擁有人	96,418,727 (Note 3) (附註 3)	4.17
Stark Asia Master Fund, Ltd. ("Stark Asia")	Long position 好倉	Beneficial owner 實益擁有人	57,847,636 (Note 3) (附註 3)	2.50
Stark Master Fund, Ltd. ("Stark Master")	Long position 好倉	Beneficial owner 實益擁有人	134,978,817	5.84
Stark Investments (Hong Kong) Limited ("Stark HK")	Long position 好倉	Investment manager 投資經理	214,252,725 (Note 3) (附註 3)	9.27
OZ Master Fund, Ltd. ("OZ Master")	Long position 好倉	Beneficial owner 實益擁有人	36,857,327 (Note 4) (附註 4)	1.59
OZ Management, L.L.C. ("OZ Management")	Long position 好倉	Investment manager 投資經理	73,337,727 (Note 4) (附註 4)	3.17
Highbridge Capital Management LLC ("Highbridge Capital")	Long position 好倉	Investment manager 投資經理	88,546,817 (Note 5) (附註 5)	3.83

主要股東 (續)

(i) 股份權益 (續)

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SUBSTANTIAL SHAREHOLDERS (Cont'd)

(i) Interests in the shares (Cont'd)

Name of shareholder 股東姓名／名稱	Long position/ Short position 好倉／淡倉	Capacity 身分	Number of issued shares 已發行股份數目	Approximate percentage of the issued shares capital of the Company 佔本公司 已發行股本 概約百分比 (%)
Highbridge GP, Ltd. ("Highbridge GP")	Long position 好倉	Interest of controlled corporation 受控法團權益	88,546,817 (Notes 5 and 6) (附註 5 及 6)	3.83
Mr. Clive Harris Clive Harris 先生	Long position 好倉	Interest of controlled corporation 受控法團權益	88,546,817 (Note 6) (附註 6)	3.83
Mr. Michael Austin Michael Austin 先生	Long position 好倉	Interest of controlled corporation 受控法團權益	88,546,817 (Note 6) (附註 6)	3.83
Gandhara Master Fund Limited ("Gandhara")	Long position 好倉	Investment manager 投資經理	195,000,000	8.43
Lone Cypress, Ltd.	Long position 好倉	Beneficial owner 實益擁有人	211,573,908	9.15
Lone Pine Capital LLC	Long position 好倉	Investment manager 投資經理	258,332,000	11.17
PMA Capital Management Limited ("PMA Capital")	Long position 好倉	Investment manager 投資經理	90,000,000	3.89
Evolution Master Fund, Ltd. SPC, Class "M" Shares ("Evolution Master")	Long position 好倉	Beneficial owner 實益擁有人	83,335,000	3.60
Evolution Capital Management, LLC ("Evolution Capital")	Long position 好倉	Investment manager 投資經理	83,335,000	3.60

主要股東 (續)

(i) 股份權益 (續)

OTHER INFORMATION

其他資料

SUBSTANTIAL SHAREHOLDERS (Cont'd)

主要股東 (續)

(ii) Interests in the underlying shares under equity derivatives (as defined in Part XV of the SFO)

(ii) 於股本衍生工具(定義見證券及期貨條例第XV部)所涉及相關股份之權益

Name of shareholder 股東姓名/名稱	Long position/ Short position 好倉/淡倉	Capacity 身分	Number of underlying shares (under equity derivatives of the Company) 本公司股本 衍生工具所涉及 相關股份數目	Approximate percentage of the issued share capital of the Company 佔本公司 已發行股本 概約百分比 (%)
Loyal Concept	Long position 好倉	Beneficial owner 實益擁有人	1,135,714,285 (Note 1) (附註 1)	49.12
Hanny Magnetics	Long position 好倉	Interest of controlled corporation 受控法團權益	1,135,714,285 (Note 1) (附註 1)	49.12
Hanny Holdings 錦興	Long position 好倉	Interest of controlled corporation 受控法團權益	1,135,714,285 (Note 1) (附註 1)	49.12
Kopola	Long position 好倉	Beneficial owner 實益擁有人	113,636,363 (Note 2) (附註 2)	4.91
Mr. Ho 何先生	Long position 好倉	Interest of controlled corporation 受控法團權益	113,636,363 (Note 2) (附註 2)	4.91
Mr. Ho Hau Hay, Hamilton 何厚濬先生	Long position 好倉	Interest of controlled corporation 受控法團權益	113,636,363 (Note 2) (附註 2)	4.91
Shepherd	Long position 好倉	Beneficial owner 實益擁有人	200,016,234 (Note 3) (附註 3)	8.65
Stark Asia	Long position 好倉	Beneficial owner 實益擁有人	76,152,597 (Note 3) (附註 3)	3.29

OTHER INFORMATION

其他資料

SUBSTANTIAL SHAREHOLDERS (Cont'd)

主要股東 (續)

(ii) Interests in the underlying shares under equity derivatives (as defined in Part XV of the SFO) (Cont'd)

(ii) 於股本衍生工具(定義見證券及期貨條例第XV部)所涉及相關股份之權益(續)

Name of shareholder 股東姓名/名稱	Long position/ Short position 好倉/淡倉	Capacity 身分	Number of underlying shares (under equity derivatives of the Company) 本公司股本 衍生工具所涉及 相關股份數目	Approximate percentage of the issued share capital of the Company 佔本公司 已發行股本 概約百分比 (%)
Stark Master	Long position 好倉	Beneficial owner 實益擁有人	264,594,157	11.44
Stark HK	Long position 好倉	Investment manager 投資經理	391,623,377 (Note 3) (附註 3)	16.94
OZ Master	Long position 好倉	Beneficial owner 實益擁有人	122,875,000 (Note 4) (附註 4)	5.31
OZ Management	Long position 好倉	Investment manager 投資經理	152,386,364 (Note 4) (附註 4)	6.59
Highbridge Capital	Long position 好倉	Investment manager 投資經理	147,012,987 (Note 5) (附註 5)	6.36
Highbridge GP	Long position 好倉	Interest of controlled corporation 受控法團權益	147,012,987 (Notes 5 and 6) (附註 5 及 6)	6.36
Mr. Clive Harris Clive Harris先生	Long position 好倉	Interest of controlled corporation 受控法團權益	147,012,987 (Note 6) (附註 6)	6.36
Mr. Michael Austin Michael Austin先生	Long position 好倉	Interest of controlled corporation 受控法團權益	147,012,987 (Note 6) (附註 6)	6.36
Gandhara	Long position 好倉	Investment manager 投資經理	357,142,857	15.45

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SUBSTANTIAL SHAREHOLDERS (Cont'd)

(ii) Interests in the underlying shares under equity derivatives (as defined in Part XV of the SFO) (Cont'd)

Name of shareholder 股東姓名／名稱	Long position/ Short position 好倉／淡倉	Capacity 身分	Number of underlying shares (under equity derivatives of the Company) 本公司股本 衍生工具所涉及 相關股份數目	Approximate percentage of the issued share capital of the Company 佔本公司 已發行股本 概約百分比 (%)
PMA Capital	Long position 好倉	Investment manager 投資經理	100,000,000	4.32
Evolution Master	Long position 好倉	Beneficial owner 實益擁有人	48,571,429	2.10
Evolution Capital	Long position 好倉	Investment manager 投資經理	48,571,429	2.10

Notes:

- Hanny Holdings and Hanny Magnetics were taken to have an interest in 356,137,272 shares, HK\$330 million 2005 August Note and HK\$270 million 1% convertible notes due 2011 issued by the Company on 15th June, 2006 at a conversion price of HK\$0.70 per share ("2006 June Note") held by Loyal Concept since Loyal Concept is a wholly-owned subsidiary of Hanny Magnetics which, in turn, is a wholly-owned subsidiary of Hanny Holdings, the shares of which are listed on the Stock Exchange.
- Each of Mr. Ho, the deputy chairman and a non-executive director of the Company, and his brother, Mr. Ho Hau Hay, Hamilton owns 50% interest in Kopola which beneficially owns 102,272,726 shares and HK\$50 million 2005 August Note.
- Stark HK was taken to have an interest as an investment manager in 214,252,725 shares, HK\$95 million 2005 August Note and HK\$123 million 2006 June Note held by Centar Investments (Asia) Ltd., Shepherd, Stark Asia and Stark International.
- OZ Management was taken to have an interest as an investment manager in 73,337,727 shares and HK\$67,050,000 2005 August Note held by OZ Asia Master Fund, Ltd. and OZ Master.

主要股東 (續)

(ii) 於股本衍生工具 (定義見證券及期貨條例第XV部) 所涉及相關股份之權益 (續)

Name of shareholder 股東姓名／名稱	Long position/ Short position 好倉／淡倉	Capacity 身分	Number of underlying shares (under equity derivatives of the Company) 本公司股本 衍生工具所涉及 相關股份數目	Approximate percentage of the issued share capital of the Company 佔本公司 已發行股本 概約百分比 (%)
PMA Capital	Long position 好倉	Investment manager 投資經理	100,000,000	4.32
Evolution Master	Long position 好倉	Beneficial owner 實益擁有人	48,571,429	2.10
Evolution Capital	Long position 好倉	Investment manager 投資經理	48,571,429	2.10

附註:

- 由於Loyal Concept為Hanny Magnetics之全資附屬公司，而Hanny Magnetics為聯交所上市公司錦興之全資附屬公司，故錦興及Hanny Magnetics被視為擁有Loyal Concept所持356,137,272股股份及港幣330,000,000元二零零五年八月票據及港幣270,000,000元本公司於二零零六年六月十五日發行之二零一一年到期1厘可換股票據，兌換價為每股港幣0.70元（「二零零六年六月票據」）。
- 本公司副主席兼非執行董事何先生及彼之胞兄何厚浣先生各自擁有Kopola之50%權益。Kopola實益擁有102,272,726股股份及港幣50,000,000元二零零五年八月票據之權益。
- Stark HK作為投資經理被當作擁有Centar Investments (Asia) Ltd.、Shepherd、Stark Asia及Stark International所持214,252,725股股份、港幣95,000,000元二零零五年八月票據及港幣123,000,000元二零零六年六月票據之權益。
- OZ Management作為投資經理被當作擁有OZ Asia Master Fund, Ltd.及OZ Master所持73,337,727股股份及港幣67,050,000元二零零五年八月票據之權益。

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SUBSTANTIAL SHAREHOLDERS (Cont'd)

(ii) Interests in the underlying shares under equity derivatives (as defined in Part XV of the SFO) (Cont'd)

Notes: (Cont'd)

5. Highbridge GP was taken to have an interest in 88,546,817 shares, HK\$10 million 2005 August Note and HK\$87 million 2006 June Note held by Highbridge Master L.P. ("Highbridge Master") and Highbridge Asia Opportunities Master L.P. ("Highbridge Asia") since Highbridge Master and Highbridge Asia are the wholly-owned subsidiaries of Highbridge GP. Highbridge Capital is an investment manager of Highbridge Master and Highbridge Asia.
6. Each of Mr. Clive Harris and Mr. Michael Austin owns 50% interest in Highbridge GP.

Save as disclosed above, as at 30th September, 2006, so far as was known to the directors or chief executive of the Company based on the register maintained by the Company pursuant to Part XV of the SFO, no other persons (not being a director or chief executive of the Company) had, or deemed to have, any interests or short positions in the shares or underlying shares which are required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, nor were there any persons, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or held any option in respect of such capital.

主要股東 (續)

(ii) 於股本衍生工具(定義見證券及期貨條例第XV部)所涉及相關股份之權益 (續)

附註: (續)

5. 由於Highbridge Master L.P. (「Highbridge Master」)及Highbridge Asia Opportunities Master L.P. (「Highbridge Asia」)為Highbridge GP之全資附屬公司,故Highbridge GP被當作擁有Highbridge Master及Highbridge Asia所持88,546,817股股份、港幣10,000,000元二零零五年八月票據及港幣87,000,000元二零零六年六月票據之權益。Highbridge Capital為Highbridge Master及Highbridge Asia之投資經理。
6. Clive Harris先生及Michael Austin先生各自擁有Highbridge GP之50%權益。

除上文披露者外,於二零零六年九月三十日,據本公司董事或主要行政人員所知,按照本公司根據證券及期貨條例第XV部所存置登記冊,概無其他人士(本公司董事或主要行政人員除外)於股份或相關股份中,擁有或被視作擁有根據證券及期貨條例第XV部第2及3分部條文須向本公司及聯交所披露之任何權益或淡倉;或直接或間接擁有附帶權利可於任何情況下在本集團任何其他成員公司股東大會投票之任何類別股本面值10%或以上權益,或擁有涉及有關股本之任何購股權。

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PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 30th September, 2006, the Company had repurchased a total of 47,795,000 shares on the Stock Exchange at an aggregate price of HK\$20,041,500, representing an average price of approximately HK\$0.42 paid for each share repurchased. The highest and lowest prices per share paid for such repurchases were HK\$0.465 and HK\$0.345 respectively. All these shares were cancelled upon repurchase. Save as disclosed herein, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30th September, 2006.

AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee"), with specific written terms of reference in line with the code provisions of the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 to the Listing Rules, currently comprises three independent non-executive directors, namely Mr. Wong Chi Keung, Alvin (chairman of the Audit Committee), Mr. Kwok Ka Lap, Alva and Mr. Chui Sai Cheong.

The Audit Committee has reviewed with the management and the Company's auditors the accounting principles and practices adopted by the Group and discussed auditing, financial reporting process and internal control matters including a review of the unaudited interim financial report for the six months ended 30th September, 2006.

購買、出售或贖回本公司之上市證券

截至二零零六年九月三十日止六個月，本公司按價格總額港幣20,041,500元（相當於每股購回股份已付平均價約港幣0.42元）於聯交所購回合共47,795,000股股份。就是次購回支付之每股最高及最低價格分別為港幣0.465元及港幣0.345元。所有該等股份已於購回時註銷。除上述所披露者外，本公司或其任何附屬公司於截至二零零六年九月三十日止六個月概無購買、出售或贖回本公司任何上市證券。

審核委員會

本公司審核委員會（「審核委員會」）已遵照聯交所證券上市規則（「上市規則」）附錄十四所載企業管治常規守則（「守則」）守則條文設定具體書面職權範圍，現時由三名獨立非執行董事王志強先生（審核委員會主席）、郭嘉立先生及崔世昌先生組成。

審核委員會已與管理層及本公司核數師審閱本集團採納之會計原則及慣例，並討論核數、財務申報程序及內部監控事宜，包括審閱截至二零零六年九月三十日止六個月之未經審核中期財務報告。

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CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has, throughout the period ended 30th September, 2006, complied with the code provisions of the Code, except for the following derivation from code provision A.4.2 of the Code:

Under code provision A.4.2 of the Code, every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. At the annual general meeting of the Company held on 8th September, 2006, retirement of directors by rotation was governed by the previous bye-laws of the Company which stipulate, inter alia, that one-third of the directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not greater than one-third) shall retire from office by rotation provided that notwithstanding anything therein, the Chairman of the Board and/or the Managing Director of the Company shall not, whilst holding such office, be subject to retirement by rotation or be taken into account in determining the number of directors to retire in each year. In order to comply with code provision A.4.2, relevant amendments to the bye-laws of the Company (the "Bye-laws") were proposed and approved by the shareholders at the same annual general meeting of the Company, pursuant to which every director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years.

During the period, all non-executive directors of the Company have confirmed that they are appointed for a fixed term of office in accordance with the requirement of code provision A.4.2 of the Code, subject to the Bye-laws.

MODEL CODE

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the directors. Specific enquiry has been made with all directors of the Company and the directors have confirmed that they have complied with the required standard set out in the Model Code during the six months ended 30th September, 2006.

企業管治常規守則

本公司已於截至二零零六年九月三十日止期間內一直遵守守則之守則條文，惟於以下方面偏離守則第A.4.2條守則條文：

根據守則之守則條文第A.4.2條，每名董事（包括該等按特定年期委任之董事）須最少每三年輪值告退一次。於本公司在二零零六年九月八日舉行之股東週年大會上，董事輪值退任受本公司先前之公司細則規管，當中規定（其中包括）當時三分之一之董事（或倘董事人數並非三(3)之倍數，則最接近但不多於三分之一之董事人數）須輪值告退，惟董事會主席及／或本公司董事總經理於在任期間毋須輪值告退或計入決定每年退任董事人數內。遵照守則條文第A.4.2條，本公司之公司細則（「細則」）相關修訂已於本公司同一股東週年大會上提呈，並已獲股東批准，據此，每名董事（包括該等按特定年期委任之董事）須最少每三年輪值告退一次。

期內，本公司所有非執行董事已確認，彼等根據守則條文第A.4.2條之規定按指定任期委任，並須受細則所規限。

標準守則

本公司已採納上市規則附錄十所載標準守則，作為本公司董事進行證券交易之操守準則。經向本公司全體董事作出具體查詢後，董事確認彼等於截至二零零六年九月三十日止六個月一直遵守標準守則所載規定標準。

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DISCLOSURE PURSUANT TO RULES 13.20 AND 13.22 OF THE LISTING RULES

1. ADVANCE TO AN ENTITY

The following disclosure is made by the Company pursuant to Rules 13.20 and 13.22 of the Listing Rules:

Pursuant to Rule 13.20 of the Listing Rules, the details of the advances to an entity as at 30th September, 2006 which individually exceeds 8% of the one or more of the relevant percentage ratios as set out in the Rule 14.07 of the Listing Rules are as follows:

Entity 實體	Amount of advance 墊款金額 HK\$'000 港幣千元	Interest rate 利率 (Note 1) (附註 1)	Percentage of total assets 佔總資產百分比 HK\$'000 港幣千元 (Note 2) (附註 2)	Percentage of market capitalisation 佔市值百分比 HK\$'000 港幣千元 (Note 3) (附註 3)
Orient Town Limited ("Orient Town") (Notes 4 and 5) 華鎮有限公司 (「華鎮」) (附註 4 及 5)	885,000	Prime rate 最優惠利率	26.5%	110.3%

Notes:

- (1) "Prime rate" means the best lending rate of the Hong Kong dollars quoted by The Hongkong and Shanghai Banking Corporation Limited from time to time.
- (2) "Total assets" means the total assets of the Group of HK\$3,345,101,000 as at 30th September, 2006 according to the Group's condensed consolidated balance sheet as at 30th September, 2006.
- (3) "Market capitalisation" is the average closing price of the Company as stated in the daily quotation sheets of the Stock Exchange for the five business days immediately preceding 30th September, 2006.
- (4) Orient Town is owned as to 40% by the Group as at 30th September, 2006.
- (5) Pursuant to an acquisition agreement dated 29th March, 2006 (the "Acquisition Agreement") for the Group to acquire 40% issued share capital of Orient Town, the Group undertook to advance to Orient Town by way of shareholder's loan (the "Shareholder's Loan") in the amount of HK\$885 million for financing part of the working requirement of Orient Town which was principally used for completion of acquisition of indirect interest in 14 parcels of leased land situated in Estrada de Seac Pai Van, Macau. The advance is unsecured and no demand for repayment will be made by the Group unless approved by the board of directors of Orient Town. The Acquisition Agreement and the Shareholder's Loan have been approved in a special general meeting of the Company held on 15th June, 2006.

附註:

- (1) 「最優惠利率」指香港上海滙豐銀行有限公司不時所報之港元最優惠借貸利率。
- (2) 「總資產」指按本集團於二零零六年九月三十日之簡明綜合資產負債表計算本集團於二零零六年九月三十日之總資產港幣3,345,101,000元。
- (3) 「市值」指聯交所每日報價表所示本公司於緊接二零零六年九月三十日前五個營業日之平均收市價。
- (4) 於二零零六年九月三十日，華鎮由本集團擁有40%權益。
- (5) 根據日期為二零零六年三月二十九日有關本集團收購華鎮40%已發行股本之收購協議（「收購協議」），本集團承諾以股東貸款（「股東貸款」）方式向華鎮墊付港幣885,000,000元，以撥付部分華鎮營運資金所需，有關營運資金將主要用作完成收購澳門路環聯生填海區14幅土地之間接權益。該項墊款為無抵押，而除非華鎮董事會批准，本集團將不會要求還款。收購協議及股東貸款已於二零零六年六月十五日之本公司股東特別大會獲批准。

根據上市規則第13.20及13.22條作出披露

1. 向一間實體提供墊款

以下為根據上市規則第13.20及13.22條作出之披露：

根據上市規則第13.20條，於二零零六年九月三十日，向一間實體提供之墊款超過上市規則第14.07條所載一項或多項8%相關百分比率，其詳情如下：

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DISCLOSURE PURSUANT TO RULES 13.20 AND 13.22 OF THE LISTING RULES (Cont'd)

2. FINANCIAL ASSISTANCE GIVEN TO AN AFFILIATED COMPANY

Pursuant to Rule 13.22 of the Listing Rules, the consolidated balance sheet of Orient Town, being an affiliated company of the Company, and the Group's attributable interest in Orient Town based on its latest financial statements available are presented below:

Non-current assets	非流動資產
Current assets	流動資產
Current liabilities	流動負債
Non-current liabilities	非流動負債
Minority interest	少數股東權益

On behalf of the Board

Cheung Hon Kit

Chairman

Hong Kong, 19th December, 2006

根據上市規則第13.20及13.22條作出披露 (續)

2. 給予一間聯屬公司之財政援助

根據上市規則第13.22條，本公司聯屬公司華鎮之綜合資產負債表，以及根據最近期可取得之財務報表計算本集團應佔華鎮之權益呈列如下：

Consolidated balance sheet	The Group's attributable interest
綜合資產負債表	本集團應佔權益
HK\$'000	HK\$'000
港幣千元	港幣千元
2,162,539	865,016
18,489	7,396
(222,891)	(89,157)
(2,014,428)	(805,771)
16,748	6,699
<u>(39,543)</u>	<u>(15,817)</u>

代表董事會

主席

張漢傑

香港，二零零六年十二月十九日