

## 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 on The Stock Exchange of Hong Kong Limited and with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

## 2. PRINCIPAL ACCOUNTING POLICIES

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

In the current period, the Group has applied, for the first time, the following new, or amendments to Hong Kong Financial Reporting Standards ("HKFRSs"), HKAS and Interpretations ("HK(IFRIC) – INTs") (hereinafter collectively referred to as the "new HKFRSs") which are effective for accounting periods beginning on or after 1st December, 2005, 1st January, 2006 or 1st March, 2006:

HKAS 19 (Amendment)	Actuarial Gains and Losses, Group Plans and Disclosures
HKAS 21 (Amendment)	Net Investment in a Foreign Operation
HKAS 39 (Amendment)	Cash Flow Hedge Accounting of Forecast Intragroup Transactions
HKAS 39 (Amendment)	The Fair Value Option
HKAS 39 & HKFRS 4 (Amendments)	Financial Guarantee Contracts
HK(IFRIC) – INT 4	Determining Whether an Arrangement Contains a Lease
HK(IFRIC) – INT 5	Rights to Interests Arising from Decommissioning Restoration and Environmental Rehabilitation Funds
HK(IFRIC) – INT 6	Liabilities Arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment
HK(IFRIC) – INT 7	Applying the Restatement Approach under HKAS 29 "Financial Reporting in Hyperinflationary Economies"

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.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's consolidated financial statements for the year ended 31st March, 2006 except as mentioned in note 3. In addition, the Group has applied the following accounting policies during the current interim period:

## 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證券上市規則附錄十六有關披露之適用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（「香港會計準則」）第34號「中期財務報告」之規定而編製。

## 2. 主要會計政策

簡明綜合財務報表乃根據歷史成本法編製，惟若干物業及金融工具乃按公平價值估量。

於本期間，本集團首次採納下列於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以後開始之會計期間生效之新訂或修訂香港財務報告準則（「香港財務報告準則」）、香港會計準則及詮釋（「香港（國際詮釋委員會）－詮釋」）（下文統稱「新訂香港財務報告準則」）：

香港會計準則第19號（修訂）	精算盈虧、集團計劃及披露
香港會計準則第21號（修訂）	海外業務之投資淨額
香港會計準則第39號（修訂）	預測集團內部交易之現金流量對沖會計處理
香港會計準則第39號（修訂）	公平價值方案
香港會計準則第39號及香港財務報告準則第4號（修訂）	財務擔保合約
香港（國際詮釋委員會）－詮釋第4號	釐定安排是否包括租賃
香港（國際詮釋委員會）－詮釋第5號	解除運作、復原及環境修復基金產生權益之權利
香港（國際詮釋委員會）－詮釋第6號	參與特定市場－廢棄電力及電子設備產生之負債
香港（國際詮釋委員會）－詮釋第7號	採用根據香港會計準則第29號「惡性通脹經濟中的財務報告」之重列處理法

採納該等新訂香港財務報告準則對本期間或過往會計期間業績之編製及呈列方式並無重大影響。

除於附註3所述外，編製本簡明綜合財務報表採納之會計政策與本集團截至二零零六年三月三十一日止年度之綜合財務報表所採納者相符。此外，本集團於本中期期間已應用以下會計政策：

## 2. PRINCIPAL ACCOUNTING POLICIES (continued)

**Debt portion of convertible notes/bonds**

Convertible notes/bonds held by the Group are separately disclosed as a debt portion and conversion option embedded in convertible notes/bonds. On initial recognition, the debt portion represents the residual between the principal amount of the convertible notes/bonds and the fair value of the embedded conversion option. The debt portion is subsequently measured at amortised cost according to the effective interest method.

**Embedded derivatives**

Derivatives embedded in non-derivative host contracts are separated from the relevant host contracts and deemed as held for trading when the economic characteristics and risks of the embedded derivatives are not closely related to those of the host contracts, and the combined contracts are not measured at fair value through profit or loss. In all other circumstances, derivatives embedded are not separated and are accounted for together with the host contracts in accordance with appropriate standards. Where the Group needs to separate an embedded derivative but is unable to measure the embedded derivative, the entire combined contracts are treated as held for trading.

In the period ended 30th September, 2005, the Group elected to apply HKFRS 3 "Business Combinations" retrospectively to business combinations for which the agreement date is on or after 1st December, 2002. As stated in the Company's 2005 Interim Report, a contingent liability of an associate at the date of the acquisition that took place in December 2002 was recognised on the balance sheet. At 31st March, 2006, the directors of the Company reviewed the financial position of the associate at the acquisition date and determined not to recognise such contingent liability. The comparative figures for the period ended 30th September, 2005 were restated to conform to the accounting treatment applied in the annual financial statements for the year ended 31st March, 2006. The restatement has resulted in a decrease in the profit for the six months ended 30th September, 2005 by approximately HK\$64,215,000.

The following table summarises the impact on both basic and diluted earnings per share as a result of the reversal of contingent liability of the associate for the six months ended 30th September, 2005:

		Impact on basic earnings per share HK cents 對每股基本 盈利之影響 港仙	Impact on diluted earnings per share HK cents 對每股攤薄 盈利之影響 港仙
Earnings per share	每股盈利		
Figures before adjustments	調整前之數額	8.6	5.4
Adjustments arising from the reversal of contingent liability of the associate	撥回聯營公司之或然負債 所產生之調整	(6.0)	(3.4)
Restated	重列	<u>2.6</u>	<u>2.0</u>

## 2. 主要會計政策 (續)

**可兌換票據／債券之債項部份**

本集團持有之可兌換票據／債券乃分別作為可兌換票據／債券之債項部份及附帶兌換權而披露。於首次確認時，債項部份相當於可兌換票據／債券之本金額扣減附帶兌換權之公平價值後之餘值。其後債項部份根據實際利率法按攤銷成本計量。

**附帶衍生工具**

附帶於非衍生主合同之衍生工具從有關主合同分開，並當附帶衍生工具之經濟特質及風險與主合同者並無密切關係，及合併合同並非按公平價值計入損益而計量時，被視作持作買賣。在所有其他情況下，附帶衍生工具不會分開處理，並根據適用準則與主合同一併處理。倘本集團需要分開處理附帶衍生工具，惟未能計量附帶衍生工具，則整份合併合同會被當作為持作買賣。

於截至二零零五年九月三十日止期間，本集團已選擇對於二零零二年十二月一日當日或之後訂立之業務合併協議追溯應用香港財務報告準則第3號「業務合併」。誠如本公司之二零零五年中期報告所載，一家聯營公司於收購日期（於二零零二年十二月進行）之或然負債已於資產負債表中確認。於二零零六年三月三十一日，本公司董事經審閱該聯營公司於收購日期之財務狀況，並決議不確認該或然負債。截至二零零五年九月三十日止期間之比較數字已經重列，從而與截至二零零六年三月三十一日止年度之全年財務報表所採用之會計處理方法保持一致。重列導致於截至二零零五年九月三十日止六個月之溢利減少約64,215,000港元。

下表概述於截至二零零五年九月三十日止六個月撥回該聯營公司之或然負債所導致每股基本盈利及每股攤薄盈利之影響：

## 2. PRINCIPAL ACCOUNTING POLICIES (continued)

The Group has not early applied the following new standard, amendment or interpretations that have been issued but are not yet effective and are pertinent to the operations of the Group:

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

<sup>1</sup> Effective for annual periods beginning on or after 1st January, 2007.

<sup>2</sup> Effective for annual periods beginning on or after 1st May, 2006.

<sup>3</sup> Effective for annual periods beginning on or after 1st June, 2006.

<sup>4</sup> Effective for annual periods beginning on or after 1st November, 2006.

The directors of the Company anticipate that the application of the above standard, amendment and interpretations will have no material impact on the results and the financial position of the Group.

## 3. CHANGE IN ACCOUNTING POLICY

In the current period, the Group and its associates have changed their accounting policy for recognising the purchase of additional shares in a subsidiary. Prior to 1st April, 2006, such acquisition was recognised by calculating the goodwill or discount as the difference between the consideration paid for the additional interest and the carrying amount of the net assets of the subsidiary. Under the new accounting policy, the Group and its associates revalue all of the identifiable assets and liabilities of the subsidiary to fair value and recognised their additional share of the fair value by debiting the capital reserve. Goodwill or discount arising on the purchase of the additional interest is calculated as the difference between the additional cost of the interest acquired and the increase in the Group's or the associate's interest, based on the fair value of all identifiable assets and liabilities of the subsidiary. This change in accounting policy had no impact on the profit for the current and prior interim period. In relation to this change, a prior year adjustment of approximately HK\$61,304,000 was credited to the accumulated profits as at 1st April, 2006 and debited to the capital reserve.

## 2. 主要會計政策 (續)

本集團並無提早應用下列已頒佈惟尚未生效並與本集團業務相關之新準則、修訂或詮釋：

香港會計準則第1號 (修訂)	資本披露 <sup>1</sup>
香港財務報告準則第7號 香港(國際詮釋委員會) — 詮釋第8號	金融工具：披露 <sup>1</sup> 香港財務報告準則 第2號之範疇 <sup>2</sup>
香港(國際詮釋委員會) — 詮釋第9號	重新評估附帶衍生 工具 <sup>3</sup>
香港(國際詮釋委員會) — 詮釋第10號	中期財務申報及 減值 <sup>4</sup>

<sup>1</sup> 於二零零七年一月一日或以後開始之全年期間生效。

<sup>2</sup> 於二零零六年五月一日或以後開始之全年期間生效。

<sup>3</sup> 於二零零六年六月一日或以後開始之全年期間生效。

<sup>4</sup> 於二零零六年十一月一日或以後開始之全年期間生效。

本公司董事預計，採用上述之準則、修訂及詮釋對本集團之業績及財務狀況不會有重大影響。

## 3. 會計政策變更

於本期間，本集團及其聯營公司已變更確認購買一家附屬公司之額外股份之會計政策。於二零零六年四月一日前，該收購所支付額外權益之代價與該附屬公司淨資產賬面值兩者如有出現差額，則通過計算商譽或折讓確認。根據新會計政策，本集團及其聯營公司重估該附屬公司之所有可識別資產及負債之公平價值，並通過記入資本儲備確認額外攤佔之公平價值。購買額外權益產生之商譽或折讓乃根據收購權益之額外成本與按該附屬公司之所有可識別資產及負債之公平價值計算本集團或聯營公司所增加之權益兩者間差額而釐訂。該會計政策變更並沒對本期及上一個中期溢利造成重大影響。有關是項變動，約61,304,000港元之過往年度調整已計入於二零零六年四月一日之累計溢利及於資本儲備作出抵扣。

## 4. TURNOVER AND SEGMENT INFORMATION

## Business segments

For management purposes, the Group's operations are currently organised into four operating divisions, namely finance, investment (including treasury investment), property investment and trading of building materials and machinery. These divisions are the basis on which the Group reports its primary segment information.

Six months ended 30th September, 2006

		Finance HK\$'000	Investment HK\$'000	Property investment HK\$'000	Trading of building materials and machinery HK\$'000	Unallocated HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
		融資 千港元	投資 千港元	物業 投資 千港元	建築材料及 機械貿易 千港元	不可攤分 千港元	抵銷 千港元	合併 千港元
<b>TURNOVER</b>	<b>營業額</b>							
External sales	對外銷售	28,552	321,274	349	2,494	5,505	-	358,174
Inter-segment sales	分部間銷售	9,654	-	2,563	-	-	(12,217)	-
Total	合計	38,206	321,274	2,912	2,494	5,505	(12,217)	358,174
<b>RESULT</b>	<b>業績</b>							
Segment result	分部業績	813	14,142	(522)	133	2,345	-	16,911
Unallocated corporate expenses	不可攤分之企業支出	-	-	-	-	(13,724)	-	(13,724)
Loss on disposal and dilution of interests in associates	出售及攤薄聯營公司權益之虧損	-	-	-	-	(481)	-	(481)
Share of results of associates	攤佔聯營公司業績	-	-	-	-	200,483	-	200,483
Finance costs	財務成本	-	-	-	-	(8,241)	-	(8,241)
Profit for the period	期內溢利							194,948

## 4. 營業額及分類資料

## 業務分類

就管理而言，本集團將現時之經營業務大致分為四個業務部門，即融資、投資（包括庫務投資）、物業投資，以及建築材料及機械貿易。有關業務構成本集團申報其主要分類資料之基準。

截至二零零六年九月三十日止六個月

Six months ended 30th September, 2005 (Restated)

截至二零零五年九月三十日止六個月（經重列）

		Finance HK\$'000	Investment HK\$'000	Property investment HK\$'000	Trading of building materials and machinery HK\$'000	Unallocated HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
		融資 千港元	投資 千港元	物業 投資 千港元	建築材料及 機械貿易 千港元	不可攤分 千港元	抵銷 千港元	合併 千港元
<b>TURNOVER</b>	<b>營業額</b>							
External sales	對外銷售	7,745	29,711	328	2,580	2,407	-	42,771
Inter-segment sales	分部間銷售	692	-	2,528	-	-	(3,220)	-
Total	合計	8,437	29,711	2,856	2,580	2,407	(3,220)	42,771
<b>RESULT</b>	<b>業績</b>							
Segment result	分部業績	(2,494)	1,892	(440)	210	(169)	-	(1,001)
Unallocated corporate expenses	不可攤分之企業支出	-	-	-	-	(10,046)	-	(10,046)
Discount on acquisition of additional interest in a subsidiary	收購一家附屬公司額外權益之折讓	-	-	-	-	2,578	-	2,578
Loss on disposal and dilution of interests in associates	出售及攤薄聯營公司權益之虧損	-	-	-	-	(27,796)	-	(27,796)
Share of results of associates	攤佔聯營公司業績	-	-	-	-	76,357	-	76,357
Finance costs	財務成本	-	-	-	-	(14,283)	-	(14,283)
Profit for the period	期內溢利							25,809

Inter-segment sales are charged at prevailing market rate or, where no market rate was available, at terms determined and agreed by both parties.

分部間之銷售乃按主要市場率收取，或倘並無可供採用之市場率，則按雙方決定及同意之條款收取。

## 5. LOSS ON DISPOSAL AND DILUTION OF INTERESTS IN ASSOCIATES

## 5. 出售及攤薄聯營公司權益之虧損

		Six months ended	
		30.9.2006	30.9.2005
		HK\$'000	HK\$'000
		(Restated)	
		截至九月三十日止六個月	
		二零零六年	二零零五年
		千港元	千港元
		(經重列)	
Loss on disposal of interests in associates	出售聯營公司權益之虧損	-	(27,796)
Loss on dilution of interests in associates	攤薄聯營公司權益之虧損	(481)	-
		<u>(481)</u>	<u>(27,796)</u>

## 6. FINANCE COSTS

## 6. 財務成本

		Six months ended	
		30.9.2006	30.9.2005
		HK\$'000	HK\$'000
		截至九月三十日止六個月	
		二零零六年	二零零五年
		千港元	千港元
Interest on:	以下各項之利息：		
Convertible notes	可兌換票據	-	5,906
Redeemable convertible preference shares	可贖回可兌換優先股	5,494	5,489
Others	其他	2,747	2,888
		<u>8,241</u>	<u>14,283</u>

## 7. PROFIT FOR THE PERIOD

## 7. 期內溢利

		Six months ended	
		30.9.2006	30.9.2005
		HK\$'000	HK\$'000
		(Restated)	
		截至九月三十日止六個月	
		二零零六年	二零零五年
		千港元	千港元
		(經重列)	
Profit for the period has been arrived at after charging (crediting):	期內溢利已扣除 (計及) :		
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	2,604	2,230
Loss on disposal of gold bullion	出售黃金之虧損	-	351
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	-	60
Release of prepaid lease payments	轉撥預付租賃款項	1,107	1,107
Share of taxation of associates (included in share of results of associates)	攤佔聯營公司稅項 (計入在攤佔聯營公司業績內)	(5,519)	34,554
Gain on disposal of property, plant and equipment	出售物業、廠房及設備之收益	(18)	-
Unrealised holding gain on gold bullion	黃金未變現收益	-	(4,317)
Net realised gain on held for trading investments (Note)	持作買賣投資之變現收益淨額 (附註)	<u>(15,843)</u>	<u>(2,574)</u>
Note:	附註 :		
Proceeds on sale of held for trading investments (included in turnover)	持作買賣投資之銷售收益 (計入營業額內)	(320,089)	(29,668)
Less: Cost of sales (included in cost of sales)	減: 銷售成本 (計入銷售成本內)	<u>304,246</u>	<u>27,094</u>
Net realised gain on held for trading investments	持作買賣投資之變現收益淨額	<u>(15,843)</u>	<u>(2,574)</u>

## 8. TAXATION

Hong Kong Profits Tax is calculated at the rate of 17.5% (1.4.2005 to 30.9.2005: 17.5%) of the estimated assessable profits derived from Hong Kong for the period.

No provision for Hong Kong Profits Tax has been made in the financial statements as the Group has no assessable profit for the period.

## 8. 稅項

香港利得稅乃按期內在香港所得之估計應課稅溢利以稅率17.5%(二零零五年四月一日至二零零五年九月三十日: 17.5%)計算。

由於本集團於期內並無應課稅溢利, 故並無於財務報表內就香港利得稅作出撥備。

## 9. DIVIDENDS APPROVED

## 9. 已批准股息

		Six months ended	
		30.9.2006 HK\$'000	30.9.2005 HK\$'000
		截至九月三十日止六個月	
		二零零六年 千港元	二零零五年 千港元
Dividends recognised as distributions to equity holders of the Company:	已確認為向本公司股權持有人分派之股息：		
Final dividend approved for prior year – HK1.7 cents (2005: HK1.5 cents) per ordinary share	於往年批准之末期股息 – 每股普通股 1.7 港仙 (二零零五年：1.5 港仙)	<u>31,237</u>	<u>16,080</u>
Dividends declared:	宣派股息：		
Interim dividend declared for the current period – HK1.5 cents (2005: HK1.5 cents) per ordinary share	本期宣派之中期股息 – 每股普通股 1.5 港仙 (二零零五年：1.5 港仙)	<u>27,954</u>	<u>16,121</u>

The amount of the interim dividend declared for the six months ended 30th September, 2006, which will be payable in cash with an option to elect scrip, has been calculated by reference to the 1,863,611,108 issued ordinary shares outstanding as at the date of this report.

截至二零零六年九月三十日止六個月宣派之中期股息金額將以現金(可選擇以股代息)支付，並已參考於本報告日期之 1,863,611,108 股已發行普通股計算。

## 10. EARNINGS PER SHARE

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

## 10. 每股盈利

本公司股權持有人應佔之每股基本及攤薄盈利乃按以下資料計算：

		Six months ended	
		30.9.2006 HK\$'000	30.9.2005 HK\$'000
		截至九月三十日止六個月	
		二零零六年 千港元	二零零五年 千港元 (經重列)
Profit for the period attributable to equity holders of the Company and earnings for the purposes of basic earnings per share	本公司股權持有人應佔之期內溢利及計算每股基本盈利之盈利	195,753	27,456
Effect of dilutive potential ordinary shares:	具潛在攤薄效應普通股之影響：		
Adjustment to the share of results of associates based on dilution of their earnings per share	攤佔聯營公司業績須按其攤薄後每股盈利作出調整	(11,703)	(279)
Adjustment of finance costs on redeemable convertible preference shares	可贖回可兌換優先股之融資成本須作出調整	5,494	5,489
Adjustment of finance costs on convertible notes	可兌換票據之融資成本須作出調整	-	5,906
Earnings for the purposes of diluted earnings per share	計算每股攤薄盈利之盈利	<u>189,544</u>	<u>38,572</u>
		<b>Number of shares</b>	<b>Number of shares</b>
		<b>股份數目</b>	<b>股份數目</b>
Weighted average number of ordinary shares for the purposes of basic earnings per share	計算每股基本盈利之普通股加權平均數	1,837,495,145	1,072,008,541
Effect of dilutive potential ordinary shares:	具潛在攤薄效應普通股之影響：		
Redeemable convertible preference shares	可贖回可兌換優先股	272,085,692	272,085,692
Convertible notes	可兌換票據	-	548,333,333
Weighted average number of ordinary shares for the purposes of diluted earnings per share	計算每股攤薄盈利之普通股加權平均數	<u>2,109,580,837</u>	<u>1,892,427,566</u>

**11. PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES**

During the period, the Group spent approximately HK\$1,719,000 (1.4.2005 to 30.9.2005: HK\$5,427,000) on property, plant and equipment.

As the directors considered that the carrying amounts of the Group's leasehold land and buildings and investment properties do not differ significantly from those which would be determined using fair values at 30th September, 2006, no revaluation surplus or deficit has been recognised in the current period.

**11. 物業、廠房及設備及投資物業**

於本期間內，本集團動用約1,719,000港元(二零零五年四月一日至二零零五年九月三十日：5,427,000港元)購入物業、廠房及設備。

由於董事估計本集團之租賃土地及樓宇及投資物業之賬面值與使用於二零零六年九月三十日之公平價值釐定者不會有重大分別，因此並無於本期間確認任何重估盈餘或虧絀。

**12. INTERESTS IN ASSOCIATES****12. 聯營公司權益**

		(Unaudited) 30.9.2006 HK\$'000 (未經審核) 二零零六年 九月三十日 千港元	(Audited) 31.3.2006 HK\$'000 (經審核) 二零零六年 三月三十一日 千港元
Share of net assets of associates:	攤佔聯營公司淨資產：		
Listed in Hong Kong	於香港上市	1,234,073	1,172,442
Listed overseas	於海外上市	10,104	4,042
Goodwill	商譽	3,728	3,265
		<u>1,247,905</u>	<u>1,179,749</u>
Market value of listed securities:	上市證券之市值：		
Hong Kong	香港	1,362,159	1,359,053
Overseas	海外	112,147	93,771
		<u>1,474,306</u>	<u>1,452,824</u>

During the period, discounts on acquisition of approximately HK\$21,278,000 arising on acquisition of additional equity interest in an associate of the Company, Hanny Holdings Limited ("Hanny"), have been included in the determination of the Group's share of results of associates.

期內，因收購本公司一間聯營公司錦興集團有限公司(「錦興」)之額外股本權益而產生之收購折讓約21,278,000港元已於釐定本集團攤佔聯營公司業績時納入。

**13. DEBT PORTION OF CONVERTIBLE NOTES/BONDS AND CONVERSION OPTION EMBEDDED IN CONVERTIBLE NOTES/BONDS**

In April 2006, the Group agreed to subscribe at face value for 1% convertible notes with a principal amount of HK\$30,000,000 which were issued by Macau Prime Properties Holdings Limited ("MPP") on 15th June, 2006 and will mature on 14th June, 2011 (the "MPP Notes"), entitling the holder of the MPP Notes to convert into shares in MPP at an initial conversion price of HK\$0.7 per share. On maturity, MPP shall redeem the MPP Notes at the redemption amount which is 110% of the principal amount of the MPP Notes plus the outstanding interest.

**13. 可兌換票據／債券之債項部份及可兌換票據／債券之附帶兌換權**

於二零零六年四月，本集團已同意以面值認購澳門祥泰地產集團有限公司(「澳門祥泰地產」)於二零零六年六月十五日發行之1厘可兌換票據，本金金額為30,000,000港元，於二零一一年六月十四日到期(「澳門祥泰地產票據」)，以使澳門祥泰地產票據之持有人有權以初步兌換價每股0.7港元兌換澳門祥泰地產票據為澳門祥泰地產之股份。於到期日時，澳門祥泰地產須以贖回價(即澳門祥泰地產票據本金金額之110%另加應計利息)贖回澳門祥泰地產票據。



**13. DEBT PORTION OF CONVERTIBLE NOTES/BONDS AND CONVERSION OPTION EMBEDDED IN CONVERTIBLE NOTES/BONDS (continued)**

In May 2006, the directors of PYI Corporation Limited ("PYI"), an associate of the Company, resolved to declare a special dividend by way of distribution ("PYI Distribution Scheme") of the value derived from PYI's divestment in an associate of PYI. Under the PYI Distribution Scheme, for every 500 shares in PYI, the PYI's shareholders would be entitled to receive the value derived from 40 shares in Group Dragon Investments Limited ("GDI") in the form of either (a) eight shares of Hanny plus HK\$14.4 in cash, or (b) eight 2% convertible bonds due 2011 issued by Hanny ("Hanny Bonds"). The Group elected and received the special dividend in the form of Hanny Bonds with an aggregate principal amount of approximately HK\$95,966,000 issued by Hanny on 17th and 23rd June, 2006 with maturity on 17th and 23rd June, 2011, respectively, entitling the bond holder to convert into shares in Hanny at an initial conversion price of HK\$9 per share. On maturity, Hanny shall redeem the Hanny Bonds at the principal amount of the Hanny Bonds plus the outstanding interest.

The Group classified the debt portion of the convertible notes/bonds as loans and receivables and the embedded conversion option as financial assets at fair value through profit or loss on initial recognition. The fair values of the convertible notes/bonds on initial recognition and as at the balance sheet date are determined by the directors of the Company with reference to the valuation performed by Greater China Appraisal Limited, a firm of independent valuers.

At the balance sheet date, the fair values of debt portion and the embedded conversion option of MPP Notes were approximately HK\$23,316,000 and HK\$2,672,000 respectively. The fair values of debt portion and the embedded conversion option of the Hanny Bonds at the balance sheet date were approximately HK\$81,956,000 and HK\$3,949,000 respectively.

**14. DEBTORS, DEPOSITS AND PREPAYMENTS**

Included in debtors, deposits and prepayments are trade debtors of approximately HK\$11,642,000 (31.3.2006: HK\$11,747,000) and their aged analysis at the balance sheet date is as follows:

	Trade debtors	應收貿易賬款
	0-30 days	0-30日
	31-60 days	31-60日
	61-90 days	61-90日
	Over 90 days	超過90日

**13. 可兌換票據／債券之債項部份及可兌換票據／債券之附帶兌換權(續)**

於二零零六年五月，本公司之聯營公司保華集團有限公司(「保華」)董事議決，藉分派保華從出讓本身之聯營公司所得價值之方式，宣派一項特別股息(「保華分派計劃」)。根據保華分派計劃，保華股東每持有500股保華股份有權收取40股群龍投資有限公司(「群龍」)股份所產生之價值，形式為(a)八股錦興股份及14.4港元現金，或(b)八份錦興發行二零一一年到期之2厘可兌換債券(「錦興債券」)。就收取該特別股息而言，本集團已選擇並收取錦興分別於二零零六年六月十七日及二十三日發行、於二零一一年六月十七日及二十三日到期，本金總額約95,966,000港元之錦興債券；其使債券持有人有權以初步兌換價每股9港元兌換為錦興股份。於到期日時，錦興須以贖回價(即錦興債券之本金額另加應計利息)贖回錦興債券。

於首次確認時，本集團分類可兌換票據／債券之債項部份為貸款及應收賬款，而附帶兌換權則分類為按公平價值計入損益之金融資產。該等可兌換票據／債券於初步確認及於結算日之公平價值由本公司董事於參考獨立估值師漢華評值有限公司所進行之估值後釐定。

於結算日，澳門祥泰地產票據債項部份及附帶兌換權之公平價值分別約為23,316,000港元及2,672,000港元。於結算日，錦興債券之債項部份及附帶兌換權之公平價值分別約為81,956,000港元及3,949,000港元。

**14. 應收賬款、訂金及預付款項**

應收賬款、訂金及預付款項中包括約11,642,000港元(二零零六年三月三十一日：11,747,000港元)之應收貿易賬款。應收貿易賬款於結算日之賬齡分析如下：

	(Unaudited) 30.9.2006 HK\$'000 (未經審核) 二零零六年 九月三十日 千港元	(Audited) 31.3.2006 HK\$'000 (經審核) 二零零六年 三月三十一日 千港元
Trade debtors		
0-30 days	4,773	11,587
31-60 days	17	129
61-90 days	6,852	28
Over 90 days	-	3
	<u>11,642</u>	<u>11,747</u>

Trade debtors arising from property investment business are payable monthly in advance and the credit terms granted by the Group to other trade debtors normally range from 30 days to 90 days.

物業投資業務之應收貿易賬款須按月預付，而本集團就其他應收貿易賬款授出之信貸期一般由30日至90日不等。

**15. RESTRICTED DEPOSIT IN A FINANCIAL INSTITUTION**

During the period, the Group has set aside HK\$346,600,000 by way of cash deposit in a financial institution for satisfying part of the total consideration for the acquisition of all the issued shares of Hanny (see note 20). The deposit carries interest at a variable rate, ranging from 3.3% to 4% per annum.

**15. 於一家金融機構之受限制存款**

於期內，本集團以現金存款方式撥出346,600,000港元予一家金融機構，作為支付收購錦興所有已發行股份之部份代價(見附註20)。該存款按浮息計算，年利率介乎3.3厘至4厘。

**16. CREDITORS AND ACCRUED EXPENSES**

Included in creditors and accrued expenses are trade payables of approximately HK\$640,000 (31.3.2006: HK\$758,000) and their aged analysis at the balance sheet date is as follows:

		(Unaudited) 30.9.2006 HK\$'000 (未經審核) 二零零六年 九月三十日 千港元	(Audited) 31.3.2006 HK\$'000 (經審核) 二零零六年 三月三十一日 千港元
Trade creditors	應付貿易賬款		
0-30 days	0-30日	623	730
31-60 days	31-60日	11	22
61-90 days	61-90日	2	4
Over 90 days	超過90日	4	2
		<u>640</u>	<u>758</u>

**16. 應付賬款及應計開支**

應付賬款及應計開支中包括約640,000港元(二零零六年三月三十一日: 758,000港元)之應付貿易賬款。應付貿易賬款於結算日之賬齡分析如下:

**17. CONTINGENT LIABILITIES AND FINANCIAL COMMITMENTS**

		(Unaudited) 30.9.2006 HK\$'000 (未經審核) 二零零六年 九月三十日 千港元	(Audited) 31.3.2006 HK\$'000 (經審核) 二零零六年 三月三十一日 千港元
Guarantees given to banks and financial institutions in respect of general facilities granted to an associate	為一家聯營公司借取一般融資而向銀行及財務機構作出之擔保	56,000	56,000
Financial support given to an associate	給予一家聯營公司之財政資助	8,890	9,090
		<u>64,890</u>	<u>65,090</u>

**17. 或然負債及財務承擔****18. CAPITAL COMMITMENTS**

		(Unaudited) 30.9.2006 HK\$'000 (未經審核) 二零零六年 九月三十日 千港元	(Audited) 31.3.2006 HK\$'000 (經審核) 二零零六年 三月三十一日 千港元
Capital expenditure contracted for but not provided in the financial statements in respect of acquisition of:	有關以下收購之已訂約但未於財務報表撥備之資本支出:		
Equity investments (see note 20)	股權投資(見附註20)	43,344	-
Property, plant and equipment	物業、廠房及設備	-	1,398
		<u>43,344</u>	<u>1,398</u>

**18. 資本承擔**

## 19. TRANSACTIONS WITH RELATED PARTIES

During the period, the Group had transactions with the following related parties, details of which are as follows:

## 19. 與有關連人士之交易

期內，本集團與以下有關連人士進行之交易詳情如下：

		Six months ended	
		30.9.2006	30.9.2005
		HK\$'000	HK\$'000
		截至九月三十日止六個月	
		二零零六年	二零零五年
		千港元	千港元
Associates of the Group:	本集團聯營公司：		
Sales of building materials	銷售建築材料	15	-
Dividend income	股息收入	98,558	488,084
Rentals and related building management fee charged by the Group	本集團收取租金及相關物業管理費	219	-
Service fees charged by the Group	本集團收取服務費	577	-
Interest income received	已收利息收入	9,930	1,891
Directors or companies controlled by key management personnel of the Company:	本公司董事或主要管理人員控制之公司：		
Interest payable on convertible notes issued by the Group	本集團發行之可兌換票據之應付利息	-	4,018
Interest paid by the Group	本集團支付利息	-	1,406
Rentals and related building management fee charged by the Group	本集團收取租金及相關物業管理費	98	-
Interest income received	已收利息收入	<u>6,309</u>	<u>2,378</u>

## 20. POST BALANCE SHEET EVENTS

(a) On 17th August, 2006, the Company announced that the Group entered into a sale and purchase agreement (the "Agreement") with an independent third party (the "Vendor"). Pursuant to the Agreement, the Group conditionally agreed to acquire 22,812,359 ordinary shares of Hanny at a consideration of approximately HK\$86,687,000. A refundable deposit in the sum of approximately HK\$43,343,000 has been paid upon the signing of the Agreement to the Vendor.

In addition, upon the completion of the Agreement, the Group was required to make a conditional mandatory cash offer to acquire all the issued shares of Hanny ("Hanny Shares") under the Hong Kong Code on Takeovers and Mergers. Immediately after the completion of the Agreement on 7th November, 2006 and the close of the cash offers on 13th December, 2006, the Group was interested in approximately 63.98% of the Hanny Shares. The directors are in the process of determining of the assets, liabilities and contingent liabilities and the effect of this acquisition has not yet been determined.

(b) On 3rd November, 2006, a dividend of HK1.7 cents per share was paid to the shareholders as the final dividend for the year ended 31st March, 2006 of which approximately HK\$11,934,000 was settled in the form of 25,208,848 newly issued ordinary shares of the Company.

On 6th December, 2006, 890,000 redeemable convertible preference shares with redemption value of approximately HK\$943,000 had been converted into 907,115 ordinary shares of the Company at an initial conversion price of HK\$1.04 per ordinary share.

## 20. 結算日後事項

(a) 於二零零六年八月十七日，本公司宣佈，本集團與一名獨立第三者（「賣方」）訂立一項買賣協議（「該協議」）。根據該協議，本集團有條件同意收購錦興 22,812,359 股普通股，代價約為 86,687,000 港元。為數約 43,343,000 港元之可退還按金已於簽訂該協議時支付予賣方。

此外，該協議完成後，本集團須根據香港公司收購及合併守則就收購錦興所有已發行股份（「錦興股份」）提出有條件強制性現金收購建議。緊隨該協議於二零零六年十一月七日完成及現金收購建議於二零零六年十二月十三日截止後本集團擁有錦興股份約 63.98%。董事仍在進行釐定資產、負債及或然負債之工作，而本收購之影響尚未確定。

(b) 於二零零六年十一月三日，每股 1.7 港仙之股息已派付予股東，作為截至二零零六年三月三十一日止年度之末期股息，其中約 11,934,000 港元已由本公司發行 25,208,848 股新普通股之方式支付。

於二零零六年十二月六日，890,000 股可贖回可兌換優先股（贖回價約 943,000 港元）已按初步轉換價每股普通股 1.04 港元獲兌換為 907,115 股本公司普通股。