

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2006 (in HK Dollars)

截至二零零六年十二月三十一日年度(以港元列示)

1. GENERAL

Fujian Holdings Limited (the "Company") is a public limited company incorporated in Hong Kong and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

At 31 December 2006, the directors consider the immediate holding company of the Company to be HC Technology Capital Company Limited, a company incorporated in the British Virgin Islands and the ultimate holding company to be 華閩實業(集團)有限公司, a state-owned corporation in the People's Republic of China (the "PRC").

The address of the registered office and principal place of business of the Company is Room 3305A, 33/F, West Tower, Shun Tak Centre, 200 Connaught Road Central, Hong Kong.

The consolidated financial statements are presented in Hong Kong dollars, which is the same as the functional currency of the Company.

The principal activities of the Company and its subsidiaries (collectively referred to as the "Group") are investment holding, property investment in Hong Kong and hotel operations in the PRC.

1. 一般

閩港控股有限公司(「本公司」)為一家於香港註冊成立之公開上市公司。其股份於香港聯合交易所有限公司(「聯交所」)上市。

於二零零六年十二月三十一日，其直接控股公司為華晶科技投資有限公司，乃於英屬處女群島成立之中國企業。其最終控股公司則為福建華閩實業(集團)有限公司，乃中國之國有企業。

本公司註冊辦事處及主要營業地址為香港中環干諾道中二百號信德中心西座33樓3305A室。

綜合財務報表以本公司之功能貨幣港元呈列。

本公司及其附屬公司(綜稱為「本集團」)主要從事投資控股、位於香港之物業投資及位於中國之酒店業務。

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2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements cover a period of twelve months from 1 January 2006 to 31 December 2006. The comparative amounts presented for the consolidated income statement, consolidated statement of changes in equity, consolidated cash flow statement and related notes cover a period of nine months from 1 April 2005 to 31 December 2005 and therefore may not be comparable with amounts shown for the current year. The financial year end date of the Group and the Company was changed from 31 March to 31 December with effective from 25 August 2005 for the purpose of rendering the Company conterminous with that of the Company's ultimate holding company.

3 APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS/CHANGES IN ACCOUNTING POLICIES

In the current year, the Group has applied, for the first time, a number of new Hong Kong Financial Reporting Standards ("HKFRSs"), Hong Kong Accounting Standards ("HKASs") and Interpretations (hereinafter collectively referred to as the "new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), which are either effective for accounting periods beginning on or after 1 December 2005 or 1 January 2006. The adoption of the new HKFRSs has had no material effect on how the results for the current or prior accounting periods have been prepared and presented.

2. 編製基準

本年度綜合財務報表複蓋截至二零零六年十二月三十一日的十二月期間。綜合收益表、綜合權益變動表、綜合現金流量表及相關附註該等財務報表複蓋二零零五年四月一日至二零零五年十二月三十一日止九個月期間，故此，本年度呈列之比較金額並非來自可供比較之期間。為求達至本公司與本公司之最終控股公司的年結一致，所以二零零五年之綜合財務報表複蓋少於十二個月。

3. 採用香港財務報告準則／會計政策之變動

於本年度，本集團首次採用多項由香港會計師公會（「香港會計師公會」）新頒佈之香港財務報告準則，香港會計準則新準則、修訂及詮釋（在下文統稱為「新香港財務報告準則」），該等準則適用於二零零五年十二月一日或二零零六年一月一日或以後開始之會計期間。採用新香港財務報告準則對本會計年度及以往會計年度之業績編製及呈列方式並無重大影響。

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3 APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS/CHANGES IN ACCOUNTING POLICIES (Continued)

The HKICPA has issued the following new standards and interpretations that are not yet effective. The Group has already commenced an assessment of these new standards and interpretations but is not yet in a position to state whether these new standards and interpretations would have a significant impact on its results of operations and financial position.

3. 採用香港財務報告準則／會計政策之變動(續)

香港會計師公會已頒佈下列尚未生效之新訂準則及詮釋。本集團已著手評估該等已頒佈但未生效之新訂準則及詮釋，惟尚無法指出該等新訂準則及詮釋會否對其經營業績及財務狀況造成重大影響。

		Notes 附註
HKAS 1 (Amendment) 香港會計準則第1號 (修訂本)	Capital Disclosures 股本披露	1
HKFRS 7 香港財務報告準則第7號	Financial Instruments: Disclosures 金融工具：披露	1
HKFRS 8 香港財務報告準則第8號	Operating Segments 業務分類部	8
HK(IFRIC)-Int 7 香港(國際財務報告詮釋 委員會)－詮釋第7號	Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies 根據香港會計準則第29號高通脹經濟下之 財務報告採用重列方法	2
HK(IFRIC)-Int 8 香港(國際財務報告詮釋 委員會)－詮釋第8號	Scope of HKFRS 2 香港財務報告準則第2號之範圍	3
HK(IFRIC)-Int 9 香港(國際財務報告詮釋 委員會)－詮釋第9號	Reassessment of Embedded Derivatives 重新評估內含衍生工具	4
HK(IFRIC)-Int 10 香港(國際財務報告詮釋 委員會)－詮釋第10號	Interim Financial Reporting and Impairment 中期財務報告及減值	5
HK(IFRIC)-Int 11 香港(國際財務報告詮釋 委員會)－詮釋第11號	HKFRS 2 – Group and Treasury Share Transactions 香港財務報告準則第2號－集團及庫存股份交易	6
HK(IFRIC)-Int 12 香港(國際財務報告詮釋 委員會)－詮釋第12號	Service Concession Arrangements 服務經營權安排	7

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3 APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS/CHANGES IN ACCOUNTING POLICIES (Continued)

Notes:

1. Effective for annual periods beginning on or after 1 January 2007.
2. Effective for annual periods beginning on or after 1 March 2006.
3. Effective for annual periods beginning on or after 1 May 2006.
4. Effective for annual periods beginning on or after 1 June 2006.
5. Effective for annual periods beginning on or after 1 November 2006.
6. Effective for annual periods beginning on or after 1 March 2007.
7. Effective for annual periods beginning on or after 1 January 2008.
8. Effective for annual periods beginning on or after 1 January 2009.

4. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments, which are measured at revalued amounts or fair values, as explained in the accounting policies set out below.

3. 採用香港財務報告準則／會計政策之變動 (續)

附註：

1. 於二零零七年一月一日或之後開始之年度期間生效。
2. 於二零零六年三月一日或之後開始之年度期間生效。
3. 於二零零六年五月一日或之後開始之年度期間生效。
4. 於二零零六年六月一日或之後開始之年度期間生效。
5. 於二零零六年十一月一日或之後開始之年度期間生效。
6. 於二零零七年三月一日或之後開始之年度期間生效。
7. 於二零零八年一月一日或之後開始之年度期間生效。
8. 於二零零九年一月一日或之後開始之年度期間生效。

4. 主要會計政策

除若干以公平值計算之物業及金融工具外，綜合財務報表乃根據歷史成本準則編製，有關詳情見下文所載之會計政策。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

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

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

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

Subsidiaries

A subsidiary is an entity in which the Company, directly and indirectly, controls the composition of the board of directors, controls more than half of the voting power or holds more than half of the issued share capital. Investments in subsidiaries are stated at cost less any identified impairment losses. The results of the subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

4. 主要會計政策(續)

綜合財務報表乃按照香港會計師公會頒佈之香港財務報告準則編製。此外，綜合財務報表包括香港聯合交易所有限公司證券上市規則及香港公司條例規定之適用披露。

合併基準

綜合財務報表載入本公司及其附屬公司的財務報表。獲得控制權就本公司可於某實體行使監管其財務及營運決策權以達致獲取其業務之利益。

本年度已收購或已出售附屬公司的業績由收購生效日期起或截至出售生效日期止在適當情況下列入綜合收益表。

附屬公司的財務報表於有需要時作出調整，以使其會計政策與本集團其他成員公司所採納者一致。

所有集團成員公司之間的交易、結餘、收入及開支於合併時撇銷。

附屬公司

附屬公司指本公司因直接或間接控制其董事會之組成或控制半數以上投票權或已發行股本之實體。投資附屬公司以成本減減值撥備計入。本公司按已收及應收之股息計算附屬公司之業績。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)**Associates**

An associate is an entity over which the investor has significant influence and that is neither a subsidiary nor an interest in a joint venture.

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

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment.

Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in the consolidated income statement.

4. 主要會計政策 (續)**聯營公司**

聯營公司指集團對其有重大影響力，而非附屬公司或合營權的一切實體。

聯營公司之業績、資產及負債乃以會計權益法綜合入綜合財務報表。根據權益法，於聯營公司之投資乃按成本於綜合資產負債表中列賬，並就本集團分佔該聯營公司之損益及權益變動之收購後變動作出調整，以及減去任何已識別之減值虧損。當本集團分佔某聯營公司之虧損相等於或超出其於該聯營公司之權益(其包括任何長期權益，而該長期權益實質上構成本集團於該聯營公司之投資淨額之一部份)，則本集團不再繼續確認其分佔之進一步虧損。額外分佔之虧損乃被備抵，而負債僅以本集團已產生法定或推定責任或代表該聯營公司作出付款者為限被確認。

收購成本超過本集團應佔於收購日期已確認之聯營公司可識別資產、負債及或然負債之公平淨值之任何數額確認為商譽。商譽乃計入聯營公司權益之賬面值，並作為部分權益就減值進行評估。

本集團應佔可識別資產、負債及或然負債之公平淨值之權益超逾收購成本之差額在重新評估後即時在綜合收益表表內確認。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Associates (Continued)

Where a group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

Investment properties

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

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use or no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated income statement in the year in which the item is derecognised.

Prepaid lease payment

Interest in the prepaid lease is amortised over the lease term on a straight-line basis.

Hotel properties

Hotel properties are interests in buildings and their integral fixed plant which are collectively used in the operations of the hotel, and are stated at cost less accumulated depreciation and accumulated impairment losses. The related repairs and maintenance attributable to hotel properties are charged to the consolidated income statement in the period which they are incurred. The costs of significant improvements are capitalised.

4. 主要會計政策(續)

聯營公司(續)

倘與本集團之一間聯營公司進行一組交易，則損益以本集團於有關聯營公司中之權益為限撤銷。

投資物業

投資物業於首次確認時按成本(包括所有有關的直接支出)計量。於首次確認後，投資物業按公平值入賬。公平值變動所產生的收益或虧損於產生期間直接確認於綜合收益表。

當投資物業出售，或當永久停止使用該投資物業，或繼續使用該投資物業不會為將來帶來經濟利益，該項投資物業不再確認。因不再確認而得的收益或虧損(按出售該項資產的淨所得款項及其賬面值的差額計算)於該年度的綜合收益表入賬。

預付租賃款項

預付租賃之權益按直線法在租期內攤銷。

酒店物業

酒店物業乃指於樓宇權益與經營酒店時運用之整體固定設施，按成本值扣除累計折舊及累計減值虧損列賬。酒店物業相關修葺及維修於其產生期間計入收益表。其主要修建成本已被撥作資本。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Hotel properties (Continued)

Depreciation of the hotel properties is calculated on the straight-line basis to write off the cost of the hotel property over the remaining lease terms.

Other property, plant and equipment

Other property, plant and equipment (including furniture and fixtures, leasehold improvements, plant, machinery and equipment) are stated at cost less subsequent accumulated depreciation and accumulated impairment losses.

Depreciation is provided to write off the cost of property, plant and equipment over their estimated useful lives and after taking into account of their estimated residual value, using the reducing balance method at a principal annual rate of 20%.

An item of other property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the consolidated income statement in the year in which the item is derecognised.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the first-in, first-out method.

4. 主要會計政策 (續)

酒店物業 (續)

酒店物業之折舊乃就每項資產之餘下租期按直線法撇銷其成本。

其他物業、廠房及設備

其他物業、廠房及設備 (包括傢俬及裝置、租賃物業裝修、廠房及機器及設備) 乃按成本值減累計折舊及累計減值虧損列賬。

折舊以其他物業、廠房及設備餘額遞減法，按預計本集團可使用年期撇銷其成本值，以主要年率20%計算。

於物業、廠房及設備出售後或當預計不會因持續使用資產而產生未來經濟效益時，該項物業、廠房及設備解除確認。因解除確認資產而產生之任何盈虧 (按該項資產之出售所得款項淨額及賬面值之差額計算) 於該項資產被解除確認之年度計入綜合收益表。

存貨

存貨按成本及可變現淨值兩者中之較低者入賬。成本按先入先出法計算。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments

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

Financial assets

All financial assets of the Group are classified as “loans and receivables”. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At each balance sheet date subsequent to initial recognition, loans and receivables (including trade and other receivables, secured loan to a fellow subsidiary and bank balances) are carried at amortised cost using the effective interest method, less any identified impairment losses. An impairment loss is recognised in the consolidated income statement when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

4. 主要會計政策(續)

金融工具

當一家集團公司成為工具合約條文之一方，金融資產及金融負債於綜合資產負債表內確認。金融資產及金融負債初步按公平值計量。收購或發行金融資產及金融負債直接應佔之交易成本(經損益賬按公平值入賬之金融資產及金融負債除外)乃於初步確認時按適當情況加入或從金融資產或金融負債之公平值扣除。

金融資產

本集團之金融資產分類為貸款和應收款項。貸款及應收款項為並未於交投活躍之市場內報價而附帶固定或可議定付款之非衍生金融資產。於初步確認後之每個結算日，貸款及應收款項(包括貿易及其他應收賬款同系附屬公司之有抵押貸款及銀行結餘)使用實際利率法按攤銷成本減任何可識別減值虧損列賬。當有客觀證據顯示該等資產已減值，則於綜合收益表內確認減值虧損，並以資產之賬面值與按原本實際利率貼現之估計未來現金流量之現值兩者之差額計量。當於確認減值後發生一項事件可以客觀地與資產可收回款項增加形成關係，減值虧損於其後期間撥回，但受所撥回於減值日期資產之賬面值，不得超過該項資產原未確認減值之已攤銷成本所限制。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial liabilities and equity

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

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The Group's financial liabilities are generally classified into other financial liabilities.

The accounting policies adopted in respect of financial liabilities and equity instruments are set out below.

Financial liabilities

Financial liabilities including borrowings, interest payable on borrowings and trade and other payables are subsequently measured at amortised cost, using the effective interest method.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Derecognition

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

4. 主要會計政策 (續)

金融負債及股本

本集團所發行之金融負債及股本工具乃根據所訂立合約安排之內容，及金融負債和股本工具之定義予以分類。

股本工具為證明於本集團資產之餘額權益經扣除其所有負債後之任何合約。

就金融負債及股本工具採納之會計政策載列如下。

金融負債

金融負債包括借貸及應付借貸利息、貿易及其他應付款項，初步按公平價值計量，而其後則使用實際利率法按攤銷成本計量。

股本工具

本公司發行之股本工具以已收所得款項扣除直接發行成本後記錄。

終止確認

若從資產收取現金流的權利已到期，或金融資產已轉讓及本集團已將其於金融資產擁有權的絕大部份風險及回報轉移，則金融資產將被終止確認。於終止確認金融資產時，資產賬面值與已收及應收代價及已直接於權益確認的累計損益的總和兩者之差，將於綜合收益表確認。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Derecognition (Continued)

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the consolidated income statement.

Impairment loss

At each balance sheet date, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount under another standard, in which case the impairment loss is treated as a revaluation decrease under that standard.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material.

4. 主要會計政策(續)

終止確認(續)

金融負債於有關合約的特定責任獲解除、取消或到期時終止確認。終止確認的金融負債賬面值與已付或應付代價的差額乃於綜合收益表確認。

減值虧損

於每個結算日，本集團檢討其有形資產賬面值，以釐定是否有任何證據顯示該等資產蒙受減值虧損。倘若一項資產之可收回款項估計為少於其賬面值，該項資產之賬面值削減至其可收回款項。減值虧損即時確認為開支，除非有關資產根據另一準則以重估金額列賬，則於該情況下，減值虧損視作根據該準則之重估減少。

當減值虧損其後撥回時，該項資產之賬面值增至其可收回款項之經修訂估計金額，但所增加之賬面值不得超過該項資產於以往年度原未確認減值虧損所釐定之賬面值。撥回減值虧損即時於損益內確認。

撥備

倘本集團因過往事件而產生目前的責任，而本集團可能須償還該責任時，則確認撥備。撥備乃根據董事會於結算日對償還有關責任所需支出的最佳估算釐定，並在出現重大影響時折讓至現值。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Borrowing costs

All borrowing costs are recognised in the consolidated income statement in the period in which they are incurred.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Rental income from operating leases is recognised in the consolidated income statement on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

The Group as lessee

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

4. 主要會計政策 (續)

借貸成本

所有借貸成本均於其產生期間在綜合收益表確認。

租賃

倘租賃期條款將所有權絕大部分風險及回報轉讓予承租人，則租賃被分類為融資租賃。所有其他租賃被分類為經營租賃。

本集團作為出租人

經營租約之租金收入乃按相關租約年期以直線法於綜合收益表確認。於協商及安排時引致之初步直接成本乃加至租約資產之賬面值，並按租約年期以直線法確認作支出。

本集團作為承租人

根據經營租賃而應付之租金，在有關之租賃期內以直線法在綜合收益表中支銷。就訂立經營租賃作為鼓勵已收及應收之利益亦於租賃期內以直線法分攤。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currencies

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

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in the consolidated income statement in the period in which they arise, except for exchange differences arising on a monetary item that forms part of the Company's net investment in a foreign operation, in which case, such exchange differences are recognised in equity in the consolidated financial statements. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in the consolidated income statement for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity, in which cases, the exchange differences are also recognised directly in equity.

4. 主要會計政策(續)

外幣

於編製每間個別集團實體的財務報表時，倘交易的貨幣(外幣)與實體的功能貨幣不同，則以其功能貨幣(實體經營業務的主要經濟環境)按交易日期適用的匯率換算入賬。於每個結算日，貨幣項目再以外幣為面值的貨幣項目按結算日適用的匯率換算。惟外幣列值以歷史成本入賬的非貨幣項目則不予換算。

於結算及換算貨幣項目時產生之匯兌差額均於產生期間內於綜合收益表中確認，惟組成本公司海外業務之投資淨額部份之貨幣項目所產生之匯兌差額除外，在此情況下，有關匯兌差額乃於綜合財務報表中確認為股本權益。以公平值定值之非貨幣項目經重新換算後產生之匯兌差額於該期間之綜合收益表列作損益，惟換算直接於股本內確認盈虧之非貨幣項目產生之差額除外，在此情況下，匯兌差額亦直接於股本權益內確認。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currencies (Continued)

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) at the rate of exchange prevailing at the balance sheet date, and their income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised as a separate component of equity (the translation reserve). Such exchange differences are recognised in the consolidated income statement in the period in which the foreign operation is disposed of.

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the balance sheet date. Exchange differences arising are recognised in the translation reserve.

Taxation

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

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

4. 主要會計政策 (續)

外幣 (續)

為呈列綜合財務報表的目的，本集團境外業務的資產及負債均以結算日適用匯率換算為本公司的呈列貨幣 (即港元)，而其收入及開支則以本年度平均匯率予以換算，除非期內之匯率有重大波動，則於該情況下，按交易當日之現行匯率換算。產生的匯兌差異確認為一個股本的獨立構成部份 (換算儲備)。該匯兌差異於該境外業務被出售期間於綜合收益表內確認。

於收購海外業務時產生之有關所收購可識別資產之商譽及公平值調整乃處理為該海外經營業務之資產及負債，並按於結算日之適用匯率進行換算。產生之匯兌差額乃於換算儲備內確認。

稅項

所得稅開支指本年度應付稅項及遞延稅項的總和。

現時應付稅項乃按本年應課稅溢利計算。應課稅溢利不包括已其他年度的應課稅或應扣減之收入或開支項目，亦不包括從未課稅或可扣稅之項目，故與綜合收益賬表所列溢利不同。本集團本期稅項負債乃按已於結算日實施或大致實施之稅率計算。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation (Continued)

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

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

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to the consolidated income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

4. 主要會計政策(續)

稅項(續)

遞延稅項以綜合財務報表內資產及負債賬面值與計算應課稅溢利所採用相應稅基之差異入賬，以資產負債表負債法處理。遞延稅項負債一般就所有應課稅暫時差額確認，遞延稅項資產則按可能出現可供動用可扣減暫時差額之所有應課稅溢利而予以確認。倘若暫時差額由商譽或由初次確認一項不影響應課稅溢利或會計溢利之其他資產及負債(業務合併除外)所產生，則不會確認有關資產及負債。

遞延稅項乃就附屬公司及聯營公司投資產生之暫時差異而撥備，但假若本集團可以控制而暫時差異之撥回時間，而暫時差異在可預見將來有可能不會撥回則除外。

遞延稅項資產之賬面值乃於每個結算日進行檢討，並予以相應扣減，直至並無足夠應課稅溢利可供收回全部或部分資產為止。

遞延稅項按預期於清還負債或變現資產年度採用之稅率計算。遞延稅項從綜合收益表中扣除或計入，除非遞延稅項關乎直接從股本扣除或直接計入股本之項目，則在該情況下遞延稅項亦於股本中處理。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Share-based payment transactions

Equity-settled share-based payment transactions

For share options granted to the directors and employees, the fair value of services received determined by reference to the fair value of share options granted at the grant date is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share-based compensation reserve).

At each balance sheet date, the Group revises its estimates of the number of options that are expected to ultimately vest. The effect of the change in estimate, if any, is recognised in the consolidated income statement with a corresponding adjustment to share-based compensation reserve.

At the time when the share options are exercised, the amount previously recognised in share-based compensation reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share-based compensation reserve will be transferred to retained profits.

Revenue recognition

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

Revenue from hotel operations is recognised when services are provided.

Income from granting the management right of the Group's hotel is recognised in accordance with the terms of the contract.

Management fee income is recognised on quarterly basis for the fixed portion and yearly basis for floating portion over the terms of contract; and

Interest income is recognised on a time-apportioned basis using effective interest method.

4. 主要會計政策 (續)

以股份付款之交易

股本結算以股份付款之交易

授予董事和員工之購股權，已接獲服務之公平值參考於授出日期所授出購股權之公平值釐定，以直線法於歸屬期支銷，並於權益中相應增加(以股份為支付基礎的酬金儲備)。

於每個結算日，本集團修正其最終預算歸屬購股權數量之估計。綜合收益表確認修正估計之影響並於以股份為支付基礎的酬金儲備中作相對應的調整。

於行使購股權時，以往於以股份為支付基礎的酬金儲備確認之款項，將撥入股份溢價。當購股權於屆滿日期仍未行使或購股權於歸屬期後失效時，以往於購股權儲備確認之款項，將撥入累計溢利。

收益確認

經營租賃之租金收入按租約年期以直線法確認；

酒店業務之收益乃於提供該等服務時確認入賬；

將本集團酒店管理權授出所產生之收入按合約年期確認；

管理費收入按合約年期就固定費用按季度及就浮動費用按年度基準確認；及

利息收入以時間比例按尚餘本金及適用利率確認。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Retirement benefit costs

Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered service entitling them to the contributions.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 4, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Investment properties

Investment properties are stated at fair value based on the valuation performed by independent professional valuers. In determining the fair value, the valuers have based on a method of valuation which involves certain estimates. In relying on the valuation report, the directors of the Company have exercised their judgement and are satisfied that the method of valuation is reflective of the current market conditions and underlying assumptions adopted for capitalisation of the income derived from the existing tenancies with due provision for the reversionary income potential of the property interests.

4. 主要會計政策(續)

退休福利成本

規定的退休福利計劃供款於僱員提供服務以致彼等有權獲得供款時作開支扣除。

5. 重要會計判斷及估計未明朗因素的主要來源

採用本集團的會計政策，在附註4中的描述，管理層須就資產和負債的面賬值進行評估，預計和假設。預計和有關的假設仍基於其過往經驗和其他被認為相關的因素。實際結果與預計可能出現誤差。

預計和潛在性假設將不斷進行修訂。會計預計中的修訂只影響在該修訂期間，或如現時或將來的修訂，將影響現時或將來之期間。

投資物業

投資物業之公平價值乃根據獨立專業評估師釐定，在釐定公平價值時，評估師已包含若干假設來計入評估方法中。在依賴評估報告時，本公司董事已作充份判斷和滿意此評估方法已完全反映現時市場條件和若干假設而實施從現時租帶來的資本性收入。同時，仍為樓宇權益之收益帶來可行性的收入回撥。

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5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Estimated impairment of property, plant and equipment

The Group assesses annually whether property, plant and equipment have any indication of impairment, in accordance with the relevant accounting policies. Where an indication of impairment is noted, the recoverable amounts of property, plant and equipment will be estimated based on value-in-use calculations or scrap value. These calculations and valuations require the use of judgement and estimates on future operating cash flows and discount rates adopted and estimated market value of the scraps.

Estimated useful lives of property, plant and equipment

The Group's management determines the estimated useful lives and related depreciation charges for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. It could change significantly as a result of technical innovations and competitor actions in response to severe industry cycles. Management will increase the depreciation charge where useful lives are less than previously estimated lives, or it will write-off or write down technically obsolete or non-strategic assets that have been abandoned or sold.

Impairment losses on trade and other receivables

The policy for doubtful receivables of the Group is based on the ongoing evaluation of the collectability and aging analysis of the trade and other receivables and on the management's judgement. Considerable judgement is required in assessing the ultimate realisation of these receivables, including creditworthiness, the past collection history of each debtor and the present value of estimated future cash flows discounted at the effective interest rate. If the financial conditions of the Group's debtors were to deteriorate, resulting in an impairment of their ability to make payments, additional impairment losses of trade and other receivables may be required.

5. 重要會計判斷及估計未明朗因素的主要來源 (續)

物業、機器及設備的減值估計

本集團根據相關的會計政策而每年評估物業、機器及設備是否有減值指標。減值指標將按可收回的物業、機器及設備的價值按其可使用價值和淨殘值計算。此等計算和評估，須按未來現金流程和實施的貼現率進行判斷和估計，和估計其殘值的市場價值。

物業、機器及設備的可用年期

本集團的管理層釐定物業、機器及設備的估計可用年期及相關的折舊支出。這估計乃根據過往類別與功能類同的物業、機器及設備的經驗而釐定。創新科技可將其大大改變。管理層會因應與先前估計不乎的可用年期而改變其折舊支出，同時亦會把過時及廢棄或已變賣的資產撇除或減值。

應收款或其他應收款的減值虧損

本集團之應收撥備政策基於不間斷評估應收款或其他應收款的繳付能力和帳齡分析的驗證，而令管理層作出判斷。在評定最終可收回之應收帳款時，考慮其信貸評級，每個客戶過往的還款記錄和估計未來現金流量按實際利率貼現之現值。如本集團應收款的財務條件惡化，導致減值能力的支付，須需求增加應收款或其他應收款減值虧損。

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6. FINANCIAL INSTRUMENTS

a) Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, secured loan to a fellow subsidiary, bank balances and cash, borrowings, interest payable on borrowings, and trade and other payables. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Currency risk

The Group is exposed to foreign exchange risk arising from the exposure of various currency against Hong Kong dollars. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Group's foreign operations in the other countries is managed primarily through borrowings denominated in the relevant foreign currencies.

6. 金融工具

a) 財務風險管理目標及政策

本集團之主要金融工具包括貿易及其他應收賬款，同系附屬公司之有抵押貸款，銀行結餘及現金，借貸及貿易及其他應付賬款。該等金融工具詳情於各有關附註披露。下文載列與該等金融工具有關之風險及如何降低該等風險之政策。管理層管理及監控該等風險，以確保及時和有效地採取適當之措施。

貨幣風險

本集團存有外匯兌港幣時所產生之外匯風險，當外匯風險發生於未來商業交易、已確認資產及負債和外國運作的淨投資。而本集團處理外國運作的投資時乃產生對匯風險。本集團之外國運作的淨資產之外匯風險主要由於透過相關的外匯借款所產生。

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6. FINANCIAL INSTRUMENTS (Continued)**a) Financial risk management objectives and policies (Continued)***Credit risk*

As at 31 December 2006, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge obligations by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated balance sheet. The Group reviews regularly the recoverable amount of each individual trade debt at each balance sheet date to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors consider that the Group's credit risk is significantly reduced.

Fair value interest rate risk

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

The Group's interest rate risk arises from borrowings. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. At the year end, all borrowings were at fixed rates.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The Group regularly reviews its major funding positions to ensure that it has adequate financial resources in meeting its financial obligations.

6. 金融工具(續)**a) 財務風險管理目標及政策(續)***信貸風險*

倘對方於二零零六年十二月三十一日未能履行彼等之承擔，則本集團就每類已確認財務資產而須承受之最大信貸風險為已於綜合資產負債表列值之資產之賬面款額反映。為將信貸風險減至最低，本集團管理層已委派一組人員負責制訂信貸限額、信貸審批及其他監控措施，以確保採取跟進措施收回逾期未付之債項。此外，於各結算日，本集團定期評估每項個別貿易應收款項之可收回款額，以確保就不可收回款額所作出之減值虧損已足夠。就此而言，本公司董事認為本集團之信貸風險已大幅降低。

公平值利率風險

由於本集團並無重大計息資產，本集團大部分收入及經營現金流量大部份不受市場利率變動影響。

本集團之利率風險源自貸款。按定息授出之貸款令本集團面對公平值利率風險。於期終，所有貸款均按定息計算。

流動資金風險

本集團管理層旨在維持充足現金及現金等價物或透過充足的承諾信貸而獲取充足資金，以應付其物業項目的營運需要及承諾。

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6. FINANCIAL INSTRUMENTS (Continued)

b) Fair value of financial instruments

The fair value of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions.

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

6. 金融工具(續)

(b) 金融工具之公平價值

使用貼現分析的定價模式計算市場交易價格之金融資產和負債的公平價值。

董事們認為金融資產和使用成本攤銷入賬負債之賬面值約為公平價值。

7. REVENUE

7. 收益

	Year ended 31 December 2006	Period from 1 April 2005 to 31 December 2005 自二零零五年 四月一日至 二零零五年 十二月三十一日 期間
Gross rental income from letting of investment properties	986,500	728,600
Revenue from hotel operations	12,766,727	10,686,543
	13,753,227	11,415,143

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8. OTHER INCOME

8. 其他收入

		Year ended 31 December 2006	Period from 1 April 2005 to 31 December 2005 自二零零五年 四月一日至 二零零五年 十二月三十一日
		截至二零零六年 十二月三十一日	十二月三十一日
Income from granting the management right of the Group's hotel (note below)	將本集團酒店管理權授予管理代理所產生之收入 (下文附註)	2,918,914	2,294,991
Management service income (note 31 (iii))	管理費收入 (附註31(iii))	712,329	2,781,769
Loan interest from a fellow subsidiary (note 31(ii))	同系附屬公司貸款利息 (附註31(ii))	628,808	808,048
Bank interest income	銀行利息收入	330,450	87,184
Sundry income received from Sunshine Group (note 30)	收取陽光集團之其他收益 (附註30)	5,167,246	-
Others	其他	53,910	95,396
		9,811,657	6,067,388

Note:

On 30 June 2004, Yan Hei Limited ("Yan Hei"), a wholly owned subsidiary of the Company, entered into a management contract ("Management Contract") with an independent third party, 福建陽光集團有限公司 (Fujian Sunshine Group Limited) ("Sunshine Group") in relation to the appointment of Sunshine Group to manage the daily operation of Xiamen South East Asia Hotel, a hotel owned by the wholly-owned subsidiary of Yan Hei (the "Hotel"), for a period of ten years. Sunshine Group has paid RMB5 million as security deposit to the Group, which is refundable upon expiry of the Management Contract. The Hotel remains the property of the Group at all time under the Management Contract and there will not be a transfer of ownership of the Hotel at or after the completion of the Management Contract. Yan Hei is entitled to receive a fee from Sunshine Group which is calculated in accordance with the terms of the Management Contract.

附註:

本公司全資附屬公司仁禧有限公司(「仁禧」)與獨立第三方福建陽光集團有限公司(「陽光集團」)於二零零四年六月三十日就委任陽光集團管理廈門東南亞大酒店(「酒店」, 仁禧有限公司全資附屬公司擁有之酒店)之日常營運訂立管理合同(「管理合同」), 為期十年。陽光集團已向本公司支付人民幣5,000,000元, 作為保證按金, 並可於管理合同到期後退回。根據管理合同, 酒店將永遠保持為本集團物業, 酒店業權不會在管理合同完時或之後轉讓。仁禧有權自陽光集團收取一筆按管理合同條款計算之費用。

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9. OTHER NET GAINS

9. 其他淨收益

		Year ended 31 December 2006	Period from 1 April 2005 to 31 December 2005 自二零零五年 四月一日至 二零零五年 十二月三十一日
Net exchange gains	匯率收益淨額	4,739,390	153,331
Reversal of/(provision for) impairment loss on investment in an associate	聯營公司權益減值虧損撥回/(撥備)	1	(1)
Gain on disposal of subsidiaries	出售附屬公司收益	-	990,160
Gain on disposal of an associate	出售聯營公司收益	186,449	-
Excess of the interest in the net fair value of an associate's assets and liabilities over cost	聯營公司公平淨值之權益超逾成本之差額	-	1,028,862
		4,925,840	2,172,352

10. BUSINESS AND GEOGRAPHICAL SEGMENTS

Business segments

For management purposes, the Group is currently organised into two operating divisions – property investment and hotel operations. These divisions are the basis on which the Group reports its primary segment information.

Principal activities are as follows:

Property investment – the rental of investment properties

Hotel operations – the operation of hotel

Segment information about these businesses is presented below.

10. 業務和地區分類

業務分類

就業務管理而言，本集團現由兩個經營業務組成一物業投資和酒店業務。本集團之呈報方法以業務為基本資料。

主要業務分類如下：

物業投資 – 出租投資物業

酒店 – 酒店營運

業務分類資料呈報如下。

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10. BUSINESS AND GEOGRAPHICAL SEGMENTS 10. 業務和地區分類 (續)
(Continued)

Business segments (Continued)

業務分類 (續)

		Property investment		Hotel operations		Consolidated	
		物業投資		酒店業務		綜合	
		Period from	Period from	Period from	Period from	Period from	Period from
		Year ended	Year ended	Year ended	Year ended	Year ended	Year ended
		31 December	31 December	31 December	31 December	31 December	31 December
		2006	2005	2006	2005	2006	2005
		自二零零五年	自二零零五年	自二零零五年	自二零零五年	自二零零五年	自二零零五年
		四月一日至	四月一日至	四月一日至	四月一日至	四月一日至	四月一日至
		截至二零零六年	二零零五年	截至二零零六年	二零零五年	截至二零零六年	二零零五年
		十二月三十一日	十二月三十一日	十二月三十一日	十二月三十一日	十二月三十一日	十二月三十一日
		止年度	止期間	止年度	止期間	止年度	止期間
Revenue from external customers	外來客戶收益	986,500	728,600	12,766,727	10,686,543	13,753,227	11,415,143
Segment results	分類業績	936,221	677,077	7,820,324	17,374,020	8,756,545	18,051,097
Unallocated income	未攤分收入					6,651,337	5,680,827
Unallocated corporate expenses	未攤分公司費用					(930,829)	(7,277,974)
Share of results of associates	應佔聯營公司業績	(541,333)	(583,623)	399,536	140,011	(141,797)	(443,612)
Finance costs	融資成本					(3,220,541)	(2,066,857)
Profit before tax	除稅前溢利					11,114,715	13,943,481
Income tax expense	所得稅開支					(1,038,684)	(2,660,509)
Profit for the year/period	本年度/本期間溢利					10,076,031	11,282,972

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10. BUSINESS AND GEOGRAPHICAL SEGMENTS 10. 業務和地區分類(續)

(Continued)

Business segments (Continued)

業務分類(續)

		Property investment		Hotel operations		Consolidated	
		物業投資	酒店業務	物業投資	酒店業務	綜合	綜合
		Year ended	Period from	Year ended	Period from	Year ended	Period from
		31 December	1 April 2005 to	31 December	1 April 2005 to	31 December	1 April 2005 to
		2006	31 December	2006	31 December	2006	31 December
			2005		2005		2005
			自二零零五年		自二零零五年		自二零零五年
			四月一日至		四月一日至		四月一日至
		截至二零零六年	二零零五年	截至二零零六年	二零零五年	截至二零零六年	二零零五年
		十二月三十一日	十二月三十一日	十二月三十一日	十二月三十一日	十二月三十一日	十二月三十一日
		止年度	止期間	止年度	止期間	止年度	止期間
Assets	資產						
Segment assets	分類資產	34,256,686	19,916,367	99,669,409	93,956,126	133,926,095	113,872,493
Interests in associates	聯營公司權益	14,643,001	14,588,347	-	-	14,643,001	14,588,347
Unallocated corporate assets	未攤分公司資產					8,851	16,503,671
Consolidated total assets	綜合總資產					148,577,947	144,964,511
Liabilities	負債						
Segment liabilities	分類負債	(859,172)	(872,891)	(6,796,804)	(29,094,850)	(7,655,976)	(29,967,741)
Unallocated corporate liabilities	未攤分公司負債					(48,325,796)	(27,134,020)
Consolidated total liabilities	綜合總負債					(55,981,772)	(57,101,761)
Other information	其他資料						
Additions to property, plant and equipment	添置物業、廠房和設備	131,416	52,980	5,451,088	1,091,446	5,582,504	1,144,426
Depreciation of property, plant and equipment	物業、廠房和設備之折舊	107,052	91,866	3,404,551	1,726,932	3,511,603	1,818,798
Amortisation of prepaid lease payment	預付賃款項攤銷	-	-	2,058,577	1,324,265	2,058,577	1,324,265
Valuation gains on investment properties	投資物業重估收益	(1,600,000)	(850,000)	-	-	(1,600,000)	(850,000)
Reversal of impairment loss on hotel property	酒店物業減值虧損撥回	-	-	(5,359,832)	(10,764,457)	(5,359,832)	(10,764,457)
Reversal of impairment loss on prepaid lease payment	預付租賃款項減值虧損撥回	-	-	(58,577)	(7,491,862)	(58,577)	(7,491,862)
Loss on disposal of property, plant and equipment	出售物業、廠房和設備之損失	351,882	-	63,297	15,889	415,179	15,889
Impairment losses on trade and other receivables	應收帳款及其他應收帳款之減值虧損	-	-	-	167,252	-	167,252
Reversal of impairment losses on trade receivables	應收帳款之減值虧損撥回	(737,038)	-	-	-	(737,038)	-
(Recovery)/write off of amount due from an associate	應收聯營公司款項(收回)/攤銷	(650,000)	650,000	-	-	(650,000)	650,000
(Reversal of)/provision for impairment loss on investment in an associate	聯營公司權益減值虧損(撥回)/撥備	(1)	1	-	-	(1)	1

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**10. BUSINESS AND GEOGRAPHICAL SEGMENTS
(Continued)****Geographical segments**

The Group's two divisions operate in two principal geographical areas – the PRC (excluding Hong Kong) and Hong Kong.

The following table provides an analysis of the Group's revenue by geographical markets, irrespective of the origin of the services:

	Hong Kong 香港		PRC 中國		Total 總額	
	2006	2005	2006	2005	2006	2005
	二零零六年	二零零五年	二零零六年	二零零五年	二零零六年	二零零五年
Revenue from external customers 外來客戶 收益	986,500	728,600	12,766,727	10,686,543	13,753,227	11,415,143

The following is an analysis of the carrying amounts of segment assets, and additions to property, plant and equipment, analysed by the geographical area in which the assets are located:

	Carrying amounts of segment assets 分類資產面值		Additions to property, plant and equipment 添置物業、廠房和設備	
	2006	2005	2006	2005
	二零零六年	二零零五年	二零零六年	二零零五年
PRC 中國	96,688,330	92,616,818	5,451,088	1,091,446
Hong Kong 香港	51,889,617	52,347,693	131,416	52,980
	148,577,947	144,964,511	5,582,504	1,144,426

10. 業務和地區分類 (續)**地區分類**

本集團之兩個業務經營予兩個主要地區區域 – 中國(香港除外)及香港

下表呈列本集團按地區市場分類之收益，與服務地區無關：

以資產所在、分析分類資產面和添置物業、廠房和設備之地區區域呈列如下：

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11. FINANCE COSTS

11. 融資成本

		Year ended 31 December 2006	Period from 1 April 2005 to 31 December 2005 自二零零五年 四月一日至 二零零五年 十二月三十一日 期間
Interest on bank overdrafts wholly repayable within five years	銀行透支利息 須於五年內悉數償還	-	64
Interest on borrowings wholly repayable within five years	借貸利息 須於五年內悉數償還	3,220,541	2,066,793
Total borrowing costs	借貸成本總額	3,220,541	2,066,857

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12. PROFIT BEFORE TAX

12. 除稅前

		Year ended 31 December 2006	Period from 1 April 2005 to 31 December 2005 自二零零五年 四月一日至 二零零五年 十二月三十一日 期間
Profit before tax has been arrived at after charging/(crediting) the following:	除稅前溢利已扣除／(計入)下列各項：		
Gross rental income from letting of investment properties	出租投資物業 租金收入總額	(986,500)	(728,600)
Less: Direct operating expenses from investment properties that generated rental income	減：直接經營成本 從投資物業收取之 租金收入而產生	50,279	51,523
		(936,221)	(677,077)
Amortisation of prepaid lease payment	預付租賃 款項攤銷	2,058,577	1,324,265
Depreciation of hotel property	酒店物業之折舊	2,359,832	1,432,054
Depreciation of other property, plant and equipment	其他物業、廠房和 設備之折舊	1,151,771	386,744
		3,511,603	1,818,798
Total amortisation and depreciation	總攤銷和折舊	5,570,180	3,143,063
Retirement benefit scheme contributions	退休計劃供款	285,788	28,618
Other staff costs, including directors' remunerations	其他員工成本， 包括董事酬金	5,456,753	5,134,605
Staff costs	員工成本	5,742,541	5,163,223
Auditors' remuneration	核數師酬金	450,000	425,000
Operating lease rentals for rented premises	租賃物業之經營 租約租金	254,996	262,805
Loss on disposal of property, plant and equipment	出售物業、廠房及 設備虧損	415,179	15,889
Share of tax of associates (included in share of losses of associates)	應佔聯營公司稅項(包括 在應佔聯營公司虧損內)	232,675	96,462

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13. INCOME TAX EXPENSE

Income tax expense in the consolidated income statement comprises:

13. 所得稅開支

綜合收益表中稅項包括：

		Year ended 31 December 2006	Period from 1 April 2005 to 31 December 2005 自二零零五年 四月一日至 二零零五年 十二月三十一日 期間
Deferred tax charged for the year/period	本年度／期間 遞延稅項支銷	1,038,684	2,660,509

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

於本年度的稅項支出與綜合損益表所載除稅前溢利對賬如下：

The Group – for the year ended 31 December 2006

本集團 – 截至二零零六年十二月三十一日年度

		Hong Kong 香港	% 百分比	PRC 中國	% 百分比	Total 總額	% 百分比
Profit/(loss) before tax	除稅前溢利 ／(虧損)	(94,121,024)		105,235,739		11,114,715	
Tax at applicable tax rates	按適用稅率 計算稅項	(16,471,179)	17.50%	15,785,361	15.00%	(685,818)	(6.17%)
Tax effect of expenses not deductible for tax purpose	不可扣稅項目 之稅務影響	34,155,461	(36.29%)	126,741	0.12%	34,282,202	308.44%
Tax effect of income not taxable for tax purpose	無須課稅項目 之稅務影響	(18,471,369)	19.63%	(16,488,840)	(15.67%)	(34,960,209)	(314.54%)
Tax effect of recognised temporary differences	已確認暫時差額 之稅務影響	-	-	1,038,684	0.99%	1,038,684	9.35%
Tax effect of tax losses not recognised	未確認稅務虧損 之稅務影響	787,087	(0.84%)	576,738	0.55%	1,363,825	12.27%
Tax charge and effective tax rate for the year	年內稅務開支 及實際稅率	-	-	1,038,684	0.99%	1,038,684	9.35%

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For the year ended 31 December 2006 (in HK Dollars)

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13. INCOME TAX EXPENSE (CONTINUED)

The Group – for the period ended 31 December 2005

13. 所得稅開支 (續)

本集團一截至二零零五年十二月三十一日期間

		Hong Kong 香港	% 百分比	PRC 中國	% 百分比	Total 總額	% 百分比
Profit before tax	除稅前溢利	926,330		13,017,151		13,943,481	
Tax at applicable tax rates	按適用稅率 計算稅項	162,108	17.50%	1,952,573	15.00%	2,114,681	15.17%
Tax effect of expenses not deductible for tax purpose	不可扣稅項目 之稅務影響	601,566	64.94%	1,220,577	9.38%	1,822,143	13.07%
Tax effect of income not taxable for tax purpose	無須課稅項目 之稅務影響	(993,121)	(107.21%)	(3,700,275)	(28.43%)	(4,693,396)	(33.66%)
Tax effect of recognised temporary differences	已確認暫時差額 之稅務影響	-	-	2,660,509	20.44%	2,660,509	19.08%
Tax effect of tax losses not recognised	未確認稅務虧損 之稅務影響	229,447	24.77%	527,125	4.05%	756,572	5.42%
Tax charge and effective tax rate for the period	期間內稅務開支 及實際稅率	-	-	2,660,509	20.44%	2,660,509	19.08%

(a) No provision for Hong Kong profits tax has been made in the consolidated financial statements as the Company and its subsidiaries did not have any assessable profits for the year (period ended 31 December 2005: Nil).

(b) No provision for PRC income tax has been made in the consolidated financial statements as there were no assessable profits for the subsidiary operating in the PRC during the year (period ended 31 December 2005: Nil).

(a) 由於本公司及其附屬公司於本期間並無任何應課稅溢利 (截至二零零五年十二月三十一日止年度：無)，故並無於綜合財務報表內就香港利得稅計提撥備。

(b) 由於在中國經營之附屬公司於本期間並無應課稅溢利 (截至二零零五年十二月三十一日止年度：無)，故並無於綜合財務報表內就中國所得稅計提撥備。

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綜合財務報表附註

For the year ended 31 December 2006 (in HK Dollars)
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13. INCOME TAX EXPENSE (CONTINUED)

Deferred tax as shown in the consolidated balance sheet represents:

13. 所得稅開支(續)

綜合資產負債表所顯示之遞延稅項指：

		Group 本集團	
		2006 二零零六年	2005 二零零五年
At 1 January 2006/ 1 April 2005	於二零零六年一月一日/ 二零零五年四月一日	6,536,530	3,876,021
Deferred tax charged to the consolidated income statement	支銷綜合收益表中之 遞延稅項	1,038,684	2,660,509
At 31 December 2006/2005	於二零零六年/ 二零零五年十二月 三十一日	7,575,214	6,536,530

The major components of the Group's unused tax losses and other deductible/(taxable) temporary differences not recognised as deferred tax assets/(liabilities) in the consolidated financial statements are as follows:

本集團尚未抵銷之稅務虧損及尚未在綜合財務報表內確認為遞延稅務資產/(負債)之其他可扣減/(應課稅)暫時差異主要部份如下：

		Group 本集團	
		2006 二零零六年	2005 二零零五年
Accelerated depreciation allowances	加速折舊免稅額	(11,275,199)	(10,039,747)
Accumulated unused tax losses	累計未抵銷稅務虧損	145,689,416	136,645,866
		134,414,217	126,606,119

As at 31 December 2006, the Group has unused tax losses available for offset against future taxable profits that may be carried forward indefinitely, except the amount of HK\$19,345,380 (2005: HK\$14,799,470) arising in the PRC which is due to expire within one to five years for offsetting against future taxable profits of the company in which the losses arose.

截至二零零六年十二月三十一日，本集團可用以抵銷日後應課稅溢利之尚未抵銷稅務虧損可無限期結轉，惟其中在中國產生之19,345,380港元(二零零五年：14,799,470港元)稅務虧損須於一至五年內用以抵銷產生虧損之公司日後之應課稅溢利。

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綜合財務報表附註

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13. INCOME TAX EXPENSE (CONTINUED)

No deferred tax asset has been recognised in the consolidated financial statement in respect of the tax losses due to the unpredictability of future profit streams.

14. PROFIT ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE COMPANY

The profit attributable to equity holders of the Company is dealt with in the financial statements of the Company to the extent of approximately HK\$10,076,000 (period ended 31 December 2005: HK\$11,283,000).

15. EARNINGS PER SHARE

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

13. 所得稅開支 (續)

由於日後之溢利來源難以預測，故並無在綜合財務報表中就稅務虧損確認遞延稅務資產。

14. 本公司股東應佔溢利

本公司權益持有人應佔綜合溢利10,076,000港元 (二零零五年十二月三十一日止年度：11,283,000港元)。

15. 每股盈利

每股攤薄盈利之計算乃根據本公司權益持有人應佔溢利如下數字：

	Year ended 31 December 2006	Period from 1 April 2005 to 31 December 2005 自二零零五年 四月一日 至二零零五年 十二月三十一日 期間
<u>Earnings</u>	<u>盈利</u>	
Earnings for the purposes of basic earnings per share (profit for the year/period attributable to equity holders of the Company)	10,076,031	11,282,972
Effect of dilutive potential ordinary shares	-	-
Earnings for the purpose of diluted earnings per share	10,076,031	11,282,972

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15. EARNINGS PER SHARE (Continued)

15. 每股盈利(續)

Number of shares	股票數目	2006 二零零六年	2005 二零零五年
Weighted average number of ordinary shares for the purpose of basic earnings per share	普通股加權平均數 計算每股盈利	520,000,000	520,000,000
Effect of dilutive potential ordinary shares: Share options issued by the Company	本公司已發行之購股權 對普通股可能攤薄 之影響	2,172,500	61,098
Weighted average number of ordinary shares for the purpose of diluted earnings per share	普通股加權平均數計算 每股盈利攤薄	<u>522,172,500</u>	<u>520,061,098</u>

16. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

16. 董事及僱員酬金

(a) Directors' emoluments

(a) 董事酬金

The emoluments paid or payable to each of the Company's directors were as follows:

期內應付本公司董事酬金總數如下：

Year ended 31 December 2006

截至二零零六年十二月三十一日年度

Name of directors	Fees	Salaries	Other benefits	Retirement benefit costs	Bonuses	Total
					paid and payable	
董事姓名	袍金	薪金	其他福利	退休計劃 供款成本	已付及 應付花紅	總額
<i>Executive directors</i>		<i>執行董事</i>				
Wang Xiaowu	-	468,000	132,000	-	39,000	639,000
Mei Qinqing (Note 1)	-	191,774	77,000	-	35,890	304,664
Chen Danyun (Note 1)	-	164,516	70,000	-	28,630	263,146
Liu Xiaoting (Note 2)	-	139,517	55,806	-	40,000	235,323
Wang Ruilian (Note 2)	-	161,839	55,000	-	-	216,839
<i>Independent non-executive directors</i>		<i>獨立之非 執行董事</i>				
Lam Kwong Siu	100,000	-	-	-	-	100,000
Cheung Wah Fung, Christopher	100,000	-	-	-	-	100,000
Leung Hok Lim	100,000	-	-	-	-	100,000
Total emoluments	300,000	1,125,646	389,806	-	143,520	1,958,972

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16. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

16. 董事及僱員酬金 (續)

(Continued)

(a) Directors' emoluments (Continued)

(a) 董事酬金 (續)

Period from 1 April 2005 to 31 December 2005

自二零零五年四月一日至二零零五年十二月三十一日期間

Name of directors		Fees	Salaries	Other benefits	Retirement benefit costs	Bonuses paid and payable	Total
董事姓名		袍金	薪金	其他福利	退休計劃 借款成本	已付及 應付花紅	總額
<i>Executive directors</i> 執行董事							
Wang Xiaowu	汪小武	-	351,000	99,000	-	55,000	505,000
Mei Qiping (Note 1)	梅勤萍 (附註1)	-	261,000	99,000	-	39,000	399,000
Chen Danyun (Note 1)	陳丹雲 (附註1)	-	225,000	90,000	-	34,500	349,500
<i>Independent non-executive directors</i> 獨立之非執行董事							
Lam Kwong Siu	林廣兆	100,000	-	-	-	-	100,000
Cheung Wah Fung, Christopher	張華峰	100,000	-	-	-	-	100,000
Leung Hok Lim	梁學濠	100,000	-	-	-	-	100,000
Total emoluments	總酬金	300,000	837,000	288,000	-	128,500	1,553,500

Notes:

1. Resigned on 14 July 2006.
2. Appointed on 14 July 2006.

附註:

1. 於二零零六年七月十四日辭任。
2. 於二零零六年七月十四日受聘。

There were no arrangements under which the directors of the Company have waived or agreed to waive any remuneration.

本公司董事仍未安排免除或同意免除任何酬金。

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16. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (Continued)

(b) Employees' emoluments

The five highest paid individuals of the Group for the year ended 31 December 2006 included four (period ended 31 December 2005: three) directors of the Company, whose emoluments are set out above. The emoluments of the remaining one (period ended 31 December 2005: two) highest paid, non-director individual of the Group are set out below:

		Year ended 31 December 2006	Period from 1 April 2005 to 31 December 2005 自二零零五年 四月一日至 二零零五年 十二月三十一日 期間
Salaries and other benefits	薪金及其他福利	394,161	567,497
Retirement benefit costs	退休計劃供款成本	12,000	10,000
Bonuses paid and payable	已付及應付花紅	33,000	30,500
		439,161	607,997

Their emoluments were all within HK\$1,000,000.

During the year ended 31 December 2006, no emoluments were paid by the Group to the five highest paid individuals, including directors of the Company, as an inducement to join or upon joining the Group or as compensation for loss of office (period ended 31 December 2005: Nil).

16. 董事及僱員酬金(續)

(b) 僱員酬金

在五名最高薪僱員中，四名(截至二零零五年十二月三十一日年度：三名)為董事，彼等之酬金已計入上述披露之董事酬金內。一名(截至二零零五年十二月三十一日期間：兩名)最高薪非董事人士之總薪酬詳情如下：

酬金於1,000,000港元之內。

於二零零六年十二月三十一日期間，並無董事放棄任何酬金，亦無董事獲支付酬金作為吸引加入或加入本集團時之獎金或作為離職補償(截至二零零五年十二月三十一日：無)。

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17. PROPERTY, PLANT AND EQUIPMENT

17. 物業、廠房和設備

		Group 本集團				Total 總總額
		Hotel property 酒店物業	Furniture and fixtures 租賃 傢俬及裝置	Leasehold improvements 物業裝修	Plant, machinery and equipment 廠房及 機器及設備	
Cost	按成本					
At 1 April 2005	於二零零五年四月一日	93,000,000	5,844,232	6,555,444	4,331,403	109,731,079
Additions	添置	-	25,306	1,063,160	55,960	1,144,426
Disposals	出售	-	(195,548)	-	(193,749)	(389,297)
Exchange adjustments	匯率差額	-	113,919	119,146	83,112	316,177
At 31 December 2005	於二零零五年十二月三十一日	93,000,000	5,787,909	7,737,750	4,276,726	110,802,385
Additions	添置	-	-	5,362,918	219,586	5,582,504
Disposals	出售	-	(79,005)	(535,277)	(691,901)	(1,306,183)
Exchange adjustments	匯率差額	-	216,369	376,925	150,130	743,424
At 31 December 2006	於二零零六年十二月三十一日	93,000,000	5,925,273	12,942,316	3,954,541	115,822,130

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17. PROPERTY, PLANT AND EQUIPMENT (Continued) 17. 物業、廠房和設備(續)

		Group 本集團				
		Hotel property	Furniture and fixtures	Leasehold improvements 租賃 物業裝修	Plant, machinery and equipment 廠房及 機器及設備	Total 總總額
Accumulated depreciation and impairment						
累計折舊及減值虧損						
At 1 April 2005	於二零零五年四月一日	55,332,403	5,585,489	6,133,799	4,068,635	71,120,326
Provided for the period	本期間折舊	1,432,054	131,371	72,033	183,340	1,818,798
Disposals	出售	-	(181,821)	-	(191,587)	(373,408)
Reversal of impairment loss	減值虧損撥回	(10,764,457)	-	-	-	(10,764,457)
Exchange adjustments	匯率差額	-	110,045	119,146	79,840	309,031
At 31 December 2005	於二零零五年十二月三十一日	46,000,000	5,645,084	6,324,978	4,140,228	62,110,290
Provided for the year	本年度折舊	2,359,832	38,348	1,065,406	48,017	3,511,603
Disposals	出售	-	(35,862)	(242,586)	(608,123)	(886,571)
Reversal of impairment loss	減值虧損撥回	(5,359,832)	-	-	-	(5,359,832)
Exchange adjustments	匯率差額	-	209,104	245,683	152,308	607,095
At 31 December 2006	於二零零六年十二月三十一日	43,000,000	5,856,674	7,393,481	3,732,430	59,982,585
Carrying amounts						
賬面淨值						
At 31 December 2006	於二零零六年十二月三十一日	50,000,000	68,599	5,548,835	222,111	55,839,545
At 31 December 2005	於二零零五年十二月三十一日	47,000,000	142,825	1,412,772	136,498	48,692,095

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17. PROPERTY, PLANT AND EQUIPMENT (Continued) 17. 物業、廠房和設備 (續)

		Company 本公司			
		Furniture and fixtures 傢俬及裝置	Leasehold improvements 物業裝修	Office equipment 辦公室設備	Total 總額
Cost	按成本				
At 1 April 2005	於二零零五年四月一日	88,185	535,277	131,944	755,406
Additions	添置	-	-	52,980	52,980
As at 31 December 2005	於二零零五年十二月三十一日	88,185	535,277	184,924	808,386
Additions	添置	-	105,956	25,460	131,416
Disposals	出售	(79,005)	(535,277)	(36,478)	(650,760)
At 31 December 2006	於二零零六年十二月三十一日	9,180	105,956	173,906	289,042
Accumulated depreciation	累計折舊				
At 1 April 2005	於二零零五年四月一日	25,212	113,632	34,498	173,342
Provided for the period	本期間折舊	9,446	63,247	19,173	91,866
At 31 December 2005	於二零零五年十二月三十一日	34,658	176,879	53,671	265,208
Provided for the year	本年度折舊	9,825	70,121	27,106	107,052
Disposals	出售	(35,862)	(242,585)	(18,242)	(296,689)
At 31 December 2006	於二零零六年十二月三十一日	8,621	4,415	62,535	75,571
Carrying amounts	賬面淨值				
At 31 December 2006	於二零零六年十二月三十一日	559	101,541	111,371	213,471
At 31 December 2005	於二零零五年十二月三十一日	53,527	358,398	131,253	543,178

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17. PROPERTY, PLANT AND EQUIPMENT (Continued)

The hotel property is situated in the PRC and held under medium-term lease.

As at 31 December 2006, the directors of the Company reviewed the carrying value of the hotel property with reference to the valuation performed by Norton Appraisals Limited, independent qualified professional valuer not connected with the Group. Norton Appraisals Limited is a member of the Hong Kong Institute of Surveyors. In the opinion of the directors, the impairment loss previously recognised for the hotel property has decreased as the recoverable amount is considered to be higher than the carrying value of the hotel property as at 31 December 2006, and accordingly, a reversal of impairment loss on hotel property of HK\$5,359,832 (period ended 31 December 2005: HK\$10,764,457) has been credited to the consolidated income statement.

17. 物業、廠房和設備(續)

位於中國之酒店物業乃按中期租約持有。

於二零零六年十二月三十一日，董事已參考普敦國際評估有限公司之估值審閱酒店物業之賬面值。董事認為，由於酒店物業於二零零六年十二月三十一日之可收回金額高於其賬面值，先前就酒店物業所確認之減值虧損經已減少，因此，酒店物業減值撥回5,359,832港元(二零零五年十二月三十一日期間：10,764,457港元)已計入綜合收益表中。

18. PREPAID LEASE PAYMENT

18. 預付租賃款項

		Group 本集團	
		2006 二零零六年	2005 二零零五年
Cost:	按成本		
At 1 January 2006/1 April 2005 and 31 December 2006/2005	於二零零六年一月一日/ 二零零五年四月一日及 二零零六/二零零五年 十二月三十一日	86,000,000	86,000,000
Accumulated amortisation and impairment:	累計攤銷及減值虧損		
At 1 January 2006/1 April 2005	於二零零六年一月一日/ 二零零五年四月一日	45,000,000	51,167,597
Amortisation for the year/period	本年度/期間之累計攤銷	2,058,577	1,324,265
Reversal of impairment loss	減值虧損撥回	(58,577)	(7,491,862)
At 31 December 2006/2005	於二零零六/二零零五年 十二月三十一日	47,000,000	45,000,000
Carrying amounts:	賬面淨值		
At 31 December 2006/2005	於二零零六/二零零五年 十二月三十一日	39,000,000	41,000,000

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18. PREPAID LEASE PAYMENT (Continued)

- (a) Pursuant to the terms of the joint venture agreement signed between the Xiamen Railway Department Company Limited ("Railway Department") and a Company's subsidiary, Yan Hei Limited, both parties have agreed to establish a co-operative joint-venture enterprise known as Xiamen South East Asia Company, Limited ("Xiamen Plaza"), an indirect wholly-owned subsidiary of the Company to operate and manage the Xiamen South East Asia Hotel (the "Hotel"). The land use rights of the Hotel have been granted to the joint venture partner and Xiamen Plaza is vested with the land use rights of the Hotel throughout the operation period of Xiamen Plaza.
- (b) As at 31 December 2006, the directors of the Company reviewed the carrying value of the leasehold land with reference to the valuation performed by Norton Appraisals Limited. In the opinion of the directors, the impairment loss recognised for the prepaid lease payment has decreased as the recoverable amount is considered to be higher than the carrying value of the prepaid lease payment as at 31 December 2006, and accordingly, a reversal of impairment loss of HK\$58,577 (period ended 31 December 2005: HK\$7,491,862) has been credited to the consolidated income statement.
- (c) The Group's prepaid lease payment is a leasehold land situated in the PRC and held under medium-term lease.

18. 預付租賃款項(續)

- (a) 根據廈門鐵路開發公司(「鐵路局」)與本公司附屬公司仁禧簽定一項合資協議之條款，雙方同意成立合作共同控制個體廈門東南亞大酒店有限公司(「東酒」，本公司之間接全資附屬公司)，負責營運及管理廈門東南亞大酒店(「酒店」)。酒店土地使用權已授予合資夥伴，而東酒經營期間酒店之土地使用權屬東酒所有。
- (b) 於二零零六年十二月三十一日，本公司董事已參考普敦國際評估有限公司之估值審閱酒店物業之賬面值。董事認為，由於酒店物業於二零零六年十二月三十一日之可收回金額高於其賬面值，就預付土地租賃款項所確認之減值虧損經已減少，因此，酒店物業減值虧損撥回58,577港元(二零零五年十二月三十一日期間：7,491,862港元)已計入收益表中。
- (c) 位於中國之本集團預付土地租賃款項乃按中期租約持有。

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19. INVESTMENT PROPERTIES

19. 投資物業

		Group and Company	
		本集團及本公司	
		2006	2005
		二零零六年	二零零五年
At 1 January 2006/1 April 2005	於二零零六年一月一日 / 二零零五年四月一日	13,500,000	12,650,000
Valuation gains	重估收資	1,600,000	850,000
At 31 December 2006/2005	於二零零六年 / 二零零五年 十二月三十一日	15,100,000	13,500,000

The fair value of the Group's investment properties at 31 December 2006 had been arrived at on the basis of a valuation carried out on that date by Norton Appraisals Limited. Norton Appraisals Limited has appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations. The valuation, which conforms to The HKIS Valuation Standards on Properties (1st Edition), was arrived on the open market value basis.

All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties.

The investment properties of the Group and the Company are situated in Hong Kong and held under medium-term leases.

普敦國際評估有限公司已按其於二零零六年十二月三十一日之投資物業公平值進行估值。普敦國際評估有限公司擁有合適資格及最近亦有評估相關地點之同類物業之經驗。該估值乃遵守香港測量師學會所頒布的物業估值準則(二零零五年第一版)，並按公開市值為基準進行重估。

根據營運租賃持有以賺取租金或資本增值之本集團所有物業權益乃採用公平值模式計量，並分類及入賬列作投資物業。

本集團及本公司之投資物業均位於香港並以中期租約持有。

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20. INTERESTS IN SUBSIDIARIES

20. 附屬公司權益

		Company 本公司	
		2006 二零零六年	2005 二零零五年
Unlisted shares, at cost	非上市股份，按成本	588,543	588,543
Less: Accumulated impairment	減：減值虧損	(2,365)	(588,543)
		586,178	-
Loans to subsidiaries	給予附屬公司之貸款	133,306,563	134,513,480
Less: Accumulated impairment	減：減值虧損	(120,516,925)	(72,032,676)
		12,789,638	62,480,804
Advances from a subsidiary	附屬公司墊款	-	(35,775,824)
		13,375,816	26,704,980

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20. INTERESTS IN SUBSIDIARIES (Continued)

As at 31 December 2006, the Group had interests in the following subsidiaries:

20. 附屬公司權益(續)

本集團於二零零六年十二月三十一日所持有之主要物業權益詳情如下：

Name of subsidiaries	Place of establishment/ incorporation and principal place of operations 成立/註冊 成立及主要 營業地點	Effective percentage holding		fully paid share/ registered capital 已發行及繳足 股款之股份 註冊股本	Principal activities
		2006	2005		
附屬公司名稱		二零零六年 %	二零零五年 %		主要業務
Direct subsidiaries:					
直屬附屬公司：					
Ming Chuen Construction Company, Limited 明川建築有限公司	Hong Kong 香港	100	100	Ordinary HK\$100,000 普通股 100,000港元	Investment holding 投資控股
Yan Hei Limited ("Yan Hei")	Hong Kong	100	100	Ordinary HK\$10,000 and Deferred (i) HK\$10,000	Investment holding
仁禧有限公司	香港			普通股10,000港元及 遞延股份(i) 10,000港元	投資控股
Indirect subsidiary:					
間接附屬公司：					
Xiamen South East Asia Hotel Company, Limited ("Xiamen Plaza") (ii), (iii) & (iv)	PRC	100	100	Registered US\$5,000,000	Hotel operations
廈門東南亞大酒店有限公司 ("東酒") (ii), (iii), (iv)	中國			註冊資本 5,000,000 美元	酒店業務

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20. INTERESTS IN SUBSIDIARIES (CONTINUED)

Note:

- (i) The deferred shares carry no rights to dividends and no rights to receive notice of or to attend or vote at any general meeting of the company. In the winding-up of the company, holders of the deferred shares are entitled to receive half of the amounts paid-up or credited as paid-up on shares after the holders of the ordinary shares of the company have received a total return of HK\$10,000,000 per share.
- (ii) Xiamen Plaza was established as a Sino-foreign co-operative joint venture company under the laws of the PRC and is currently wholly owned by Yan Hei.
- (iii) The financial statements of Xiamen Plaza for the year ended 31 December 2006 have been audited by Pan-China (Xiamen) Certified Public Accountants. The annual results, year-end assets and liabilities of Xiamen Plaza for the year ended 31 December 2006, have been consolidated based on the audited financial statements for the year ended 31 December 2006.
- (iv) 40% of the Group's interests in Xiamen Plaza were pledged for a loan granted to the subsidiary as referred to in note 25 to the consolidated financial statements.

20. 附屬公司權益 (續)

附註：

- (i) 遞延股份無權獲派股息，亦無權收取本公司任何股東大會之通告或出席股東大會或於會上投票。在公司進行清盤時，遞延股份持有人須待公司普通股持有人獲合共退還每股10,000,000港元，方有權收取已就股份繳付或入賬列作繳足之半數款項。
- (ii) 東酒乃根據中國法律成立之中外合作共同控制個體，並由仁禧全資擁有。
- (iii) 東酒截至二零零六年十二月三十一日止年度之財務報表乃由廈門天健華天會計師事務所審核。截至二零零六年十二月三十一日止期間東酒之年業績、年結資產及負債已根據截至二零零六年十二月三十一日止年度之經審核綜合財務報表。
- (iv) 誠如財務報表附註25所述，本集團於東酒之40%權益已就附屬公司所獲授之貸款抵押予一間銀行。

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21. INTERESTS IN ASSOCIATES

21. 聯營公司權益

		Group 本集團		Company 本公司	
		2006 二零零六年	2005 二零零五年	2006 二零零六年	2005 二零零五年
Cost of investments in associates, unlisted	聯營公司投資成本，非上市	-	-	2,000,001	5,980,051
Less: Accumulated impairment	減：減值虧損	-	-	-	(3,980,051)
Amount due from an associate	應收聯營公司款項	-	-	650,000	-
		-	-	2,650,001	2,000,000
Share of net assets	應佔淨資產	14,643,001	14,588,347	-	-
		14,643,001	14,588,347	2,650,001	2,000,000

The amount due from an associate is unsecured, interest-free and repayable on demand. The carrying amount of the amount due approximates its fair value.

應收聯營公司款項乃無抵押，免息及按要求還款。應收款項面值與其公平值相約。

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21. INTERESTS IN ASSOCIATES (Continued)

As at 31 December 2006, the Group had interests in the following associates:

21. 聯營公司權益 (續)

於二零零六年十二月三十一日本集團之聯營公司詳情如下：

Name of associates	Place of establishment/ incorporation and principal place of operations 成立/註冊 成立及主要 營業地點	Effective percentage holding		Issued and fully paid share/ registered capital 已發行及繳足 股款之股份 註冊股本	Principal activities
		2006	2005		
聯營公司名稱		實際持股百分比			主要業務
		二零零六年 %	二零零五年 %		
Austin Land Investment Limited (Note i)	Hong Kong	-	46.82	Ordinary HK\$6,300,000	Provision of building management services
好兆年置業有限公司 (附註i)	香港			普通股 6,300,000 港元	提供樓宇 管理服務
Ealing Court Limited 怡齡有限公司	Hong Kong 香港	33.33	33.33	Ordinary HK\$6,000,000 普通股 6,000,000 港元	Property investment 物業投資
Sherrin Property Investment Limited 瑞齡地產有限公司	Hong Kong 香港	33.33	33.33	Ordinary HK\$3 普通股3 港元	Property investment 物業投資
Fuzhou Harmony Piano Co., Ltd. ("Harmony Piano") (Note ii)	PRC	25.00	25.00	Registered capital US\$2,000,000	Design, manufacturing and distribution of piano and related products
福州和聲鋼琴有限公司 (附註ii)	中國			註冊資本 2,000,000 美元	設計、製造 及分銷鋼琴 及相關產品

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21. INTERESTS IN ASSOCIATES (Continued)

Note:

- (i) On 4 May 2006, the Group had disposed its entire equity interests in Austin Land Investment Limited ("Austin Land"). Accordingly, the results of Austin Land were accounted for up to 4 May 2006. The disposal had no material financial impact to the Group.
- (ii) On 30 June 2005, the Group had acquired 25% equity interest in Harmony Piano at a consideration of HK\$4,848,500. Accordingly, the results of Harmony Piano were accounted for as an associate of the Group thereafter. Further details of the acquisition are set out in note 31 to the consolidated financial statements. Harmony Piano is a wholly-owned foreign enterprise incorporated in the PRC with limited liability and is currently owned as to 25% by the Company's subsidiary, Ming Chuen Construction Company, Limited.

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

21. 聯營公司權益(續)

附註：

- (i) 於二零零六年五月四日，本集團出售其於好兆年置業有限公司(「好兆年置業」)之全部權益。據此，於二零零六年五月四日以前之好兆年置業之業績已經綜合。出售仍未對本集團財務構成影響。
- (ii) 於二零零五年六月三十日，本集團以代價4,848,500港元收購和聲鋼琴25%股本權益。因此，福州和聲鋼琴有限公司之業績於此後以本集團之聯營公司入賬。收購事項之進一步資料載於財務報表附註31。和聲鋼琴乃一家於中國註冊成立之外商獨資有限企業，現由本公司附屬公司明川建築有限公司擁有25%之權益。

根據聯營公司之未經審核管理賬目，概要財務資料如下：

		2006 二零零六年	2005 二零零五年
Total assets	總資產	90,178,090	77,541,595
Total liabilities	總負債	(42,515,810)	(16,177,506)
Revenue	收益	39,100,491	26,179,694
(Loss) for the year/profit for the period	本年度／期間 (虧損)／溢利	(88,396)	2,324,676

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22. INVENTORIES

22. 存貨

		2006 二零零六年	2005 二零零五年
Raw materials and consumables	原材料及易損耗品	227,750	423,301

23. TRADE AND OTHER RECEIVABLES

23. 貿易及其他應收賬款

		Group 本集團		Company 本公司	
		2006 二零零六年	2005 二零零五年	2006 二零零六年	2005 二零零五年
Trade receivables	應收賬款	1,127,803	770,638	-	33,600
Less: Accumulated impairment	減：累積減值	-	(737,038)	-	-
		1,127,803	33,600	-	33,600
Management fee receivable	應收管理費	-	1,138,188	-	1,138,188
Other receivables, utility deposits and prepayments	其他應收款項、公用設施按金及預付款項	3,760,466	1,602,746	437,578	216,939
		3,760,466	2,740,934	437,578	1,355,127
Total trade and other receivables	貿易及其他應收款總額	4,888,269	2,774,534	437,578	1,388,727

The following is an aged analysis of trade receivables net of impairment losses at the balances sheet date:

截至結算日，應收賬之賬齡分析(減去減值虧損)如下：

		Group 本集團		Company 本公司	
		2006 二零零六年	2005 二零零五年	2006 二零零六年	2005 二零零五年
Current to six months	即期至六個月	1,123,904	33,600	-	33,600
Over six months and within one year	六個月以上但一年內	3,899	-	-	-
		1,127,803	33,600	-	33,600

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23. TRADE AND OTHER RECEIVABLES (CONTINUED)

The carrying amounts of the Group's trade and other receivables approximate their fair values.

23. 貿易及其他應收賬款(續)

本集團之貿易及其他應收賬款面值與其公平值相若。

24. BANK BALANCES AND CASH

24. 銀行結餘及現金

	Group 本集團		Company 本公司	
	2006 二零零六年	2005 二零零五年	2006 二零零六年	2005 二零零五年
Cash at bank and in hand 銀行及手持現金	1,559,168	4,686,234	1,185,423	1,684,462
Short-term bank deposits 短期銀行存款	17,320,214	2,800,000	17,320,214	2,800,000
	18,879,382	7,486,234	18,505,637	4,484,462

Short-term bank deposits carry effective interest rates ranging from 3.1% p.a. to 4.25% p.a. (2005: 3.65% p.a.). The Group makes such deposits for varying periods of between two months and six months depending on its cash requirements.

短期銀行存款之現行年利率由3.1厘至4.25厘(二零零五年：年利率3.65厘)。本集團所作之存款為期兩個月至六個月不等，視乎現金需求而定。

As at 31 December 2006, the bank balances and cash of the Group denominated in Renminbi ("RMB") amounted to approximately HK\$3,408,000 (2005: HK\$3,024,000). The remittance of these funds out of the PRC is subject to the exchange control restrictions imposed by the PRC government.

於二零零六年十二月三十一日，本集團現金及銀行結餘為人民幣(「人民幣」)金額大約3,408,000港幣(於二零零五年：3,024,000港幣)。中國之貨幣實行外匯監控。

The carrying amounts of the Group's bank balances and cash approximate their fair values.

本集團現金及銀行結餘面值接近公平價值。

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25. BORROWINGS

25. 借貸

		2006 二零零六年	2005 二零零五年
Secured	有抵押	22,920,466	24,979,104
Unsecured	無抵押	1,338,343	2,154,916
		24,258,809	27,134,020
Carrying amount repayable	付還面值		
On demand or within one year	按要求或一年內	10,307,221	8,880,059
More than one year, but not exceeding two years	多於一年但少於兩年	4,982,710	4,803,674
More than two years but not more than five years	多於兩年但少於五年	8,968,878	13,450,287
		24,258,809	27,134,020
Less: Amounts due within one year shown under current liabilities	減：於一年內到期之款項予流動負債呈列	(10,307,221)	(8,880,059)
Amounts due after one year	一年後到期之款項	13,951,588	18,253,961

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25. BORROWINGS (Continued)

Note:

- (i) The loan of HK\$22,920,466 (2005: HK\$24,979,104) was secured by the Group's 40% interests in Xiamen Plaza. Repayment was rescheduled with the bank on 24 September 2003 whereby the bank had agreed to apply to its head office to waive the outstanding interest payable based on the amount of principal repaid on a 1:1 basis. Should the head office of the bank not agree to waive the accrued interest wholly or partly, the remaining interest payable will become payable upon due date of the final installment. Interest is accrued based on the prevailing interest rate of 7.66% per annum. On 19 July 2005, the bank had transferred the loan to China Huarong Asset Management Corporation ("Huarong") where the bank and Huarong had agreed that the loan will continue to comply with the terms as agreed on 24 September 2003 between the Group and the bank.

On 7 April 2006, Huarong had transferred the loan to Investments 2234 China Fund I B.V. where both parties had also agreed that all terms and conditions of the loan will continue to be complied with as agreed on 24 September 2003.

- (ii) Unsecured borrowings of HK\$1,338,343 (2005: HK\$1,290,255) were guaranteed by a third party by pledging its property. The Group had defaulted on its repayment. No action had been taken by the lender to demand for its repayment. The remaining unsecured borrowings of HK\$864,661 as at 31 December 2005 was rescheduled on 20 September 2004 whereby part of the principal and interest was waived from the date of the agreement. No further interest has been charged from the date of the agreement. The aforesaid borrowings were fully repaid during the year ended 31 December 2006.

25. 借貸(續)

附註：

- (i) 貸款22,920,466港元(二零零五年十二月三十一日：24,979,104港元)乃以本集團於東酒之40%權益作為抵押，而還款日期由銀行於二零零三年九月二十四日重新訂立，據此，銀行同意向其總部申請根據所償還之本金額按1：1之基準豁免尚未償還之應付利息，則餘下應付利息須於分期付款最終一期之致期日支付。利息乃根據現行利率每年7.66%孳生。於二零零五年七月十九日，銀行已將貸款轉移予中國華融資產管理公司(「華融」)，銀行及華融均同意有關貸款將繼續遵守於二零零三年九月二十四日本集團與銀行雙方同意之條款。

於二零零六年四月七日，該借貸已由華融轉移予投資2234中國第一號基金公司，雙方均同意有關貸款將繼續遵守於二零零三年九月二十四日之期限和條附。

- (ii) 無抵押借貸1,338,343港元(二零零五年：1,290,255港元)由獨立第三方以抵押其物業之方式提供擔保。本集團並無如期償還有關款項。借款人並無提起訴訟要求還款。餘下之無抵押借貸之還款日期於二零零四年九月二十日之協議中重新訂立，據此，部份應付本金及利息從協議日期起獲豁免。本年度借貸已完全繳付(二零零五：864,661港元)。及後所有利息均獲豁免。

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截至二零零六年十二月三十一日年度 (以港元列示)

26. TRADE AND OTHER PAYABLES

26. 貿易及其他應付賬款

		Group 本集團		Company 本公司	
		2006 二零零六年	2005 二零零五年	2006 二零零六年	2005 二零零五年
Trade payables	應付賬款				
Current to six months	即期至六個月	376,667	262,952	131,854	72,962
Over six months and within one year	六個月以上 但一年內	2,020	558,245	-	-
Over one year	超過一年	113,456	685,197	-	-
		492,143	1,506,394	131,854	72,962
Accrued charges, tenants' deposits and other payables	應計費用、租戶 按金及其他 應付款項	7,163,833	9,199,814	727,318	799,930
		7,655,976	10,706,208	859,172	872,892
Portion classified as non-current liabilities	歸類為非流動 負債之部份	(4,982,710)	(7,419,097)	-	-
Total trade and other payables	貿易及其他應付 賬款總額	2,673,266	3,287,111	859,172	872,892

The carrying amounts of the Group's trade and other payables approximate their fair values.

本集團貿易及其他應付賬款面值與其公平值相若。

27. SHARE CAPITAL

27. 股本

		2006 二零零六年		2005 二零零五年	
		Number of shares 股份數目	HK\$ 港元	Number of shares 股份數目	HK\$ 港元
Authorised:	法定股本：				
Ordinary shares of HK\$0.125	0.125 港元 之普通股	3,040,000,000	380,000,000	3,040,000,000	380,000,000
Issued and fully paid:	已發行及繳足股本：				
Ordinary shares of HK\$0.125	0.125 港元 之普通股	520,000,000	65,000,000	520,000,000	65,000,000

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28. RESERVES

(a) Group

Details of changes in reserves of the Group are set out in the consolidated statement of changes in equity on page 44.

(b) Company

28. 儲備

(a) 本集團

本集團儲備變動之詳情載於第44頁之綜合權益變動表。

(b) 本公司

		Share premium 股份溢價 <i>Note (i)</i> 附註(i)	Share-based compensation reserve 以股份為 支付基礎的 酬金儲備	Accumulated losses 累計虧損	Total 總額
At 1 April 2005	於二零零五年 四月一日	573,199,393	2,907,200	(575,605,031)	501,562
Loss for the period	本期間虧損	-	-	(1,253,107)	(1,253,107)
At 31 December 2005	於二零零五年 十二月三十一日	573,199,393	2,907,200	(576,858,138)	(751,545)
Loss for the year	本年度虧損	-	-	(14,825,124)	(14,825,124)
At 31 December 2006	於二零零六年 十二月三十一日	573,199,393	2,907,200	(591,683,262)	(15,576,669)

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28. RESERVES (Continued)**(b) Company (Continued)**

Notes:

- (i) The application of share premium is governed by Section 48B of the Hong Kong Companies Ordinance.
- (ii) As at 31 December 2006, no distributable reserve of the Company was available for distribution as dividends (2005: Nil).

29. SHARE-BASED PAYMENTS TRANSACTIONS**(a) Employee share-based compensation benefits**

Employee share-based compensation benefits represent the fair value of employee services estimated to be received in exchange for the grant of the relevant options over the relevant vesting periods, the total of which is based on the fair value of the options at grant date. The amount for each period is determined by spreading the fair value of the options over the relevant vesting periods and is recognised as staff costs with a corresponding increase in the employee share-based compensation reserve.

(b) Share options

Purpose of the Share options scheme

The purpose of the Share options scheme is to provide participants of the same with the opportunity to acquire proprietary interests in the Company and to encourage them to work towards enhancing the value of the Company and its shares for the benefit of the Company and its shareholders as a whole.

28. 儲備 (續)**(b) 本公司 (續)**

附註：

- (i) 股份溢價之運用受香港公司條例第48B條所監管。
- (ii) 於二零零六年十二月三十一日，本公司概無可供分派儲備作股息分派 (二零零五年：無)。

29. 以股份為基礎之交易**(a) 以股份為基準之僱員薪酬福利**

以股份支付的僱員薪酬福利，相當於授出相關購股權後估計可於相關權益授予期內換取得來的僱員服務的公平值，其總數乃以授出當日有關購股權的公平值為計算基準。至於每段期間的數額，則是將有關購股權的公平值在相關的權益授予期內攤分計算，並作為僱員費用入賬，及相應提高以股份支付的僱員薪酬儲備。

(b) 購股權計劃

購股權計劃之目的

本計劃之目的，乃向計劃參與者提供於本公司購買專有權益之機會，鼓勵彼等致力提高本公司及其股份之價值，為本公司及其股東爭取整體利益。

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29. SHARE-BASED PAYMENTS TRANSACTIONS (Continued)

(b) Share options (Continued)

Eligible participants of the Share options scheme

(i) any executive, non-executive or independent non-executive director of any member of the Group or an entity in which the Group holds an interest ("Affiliate"); (ii) any employee or officer (whether full time or part time) ("Employee") of the Group or an Affiliate; (iii) any shareholder of any member of the Group or an Affiliate who has, in the opinion of the Board, contributed or may contribute to the development and growth of the Group; (iv) any customer, supplier, agent, partner, consultant or adviser of or contractor to any member of the Group or an Affiliate; or (v) the trustee of any trust the beneficiary of which or any discretionary trust the discretionary objects of which include any director, employee, customer, supplier, agent, partner, consultant or adviser of or contractor to any member of the Group or an Affiliate; or (vi) a company beneficially owned by any director, Employee, consultant, customer, supplier, agent, partner or adviser of or contractor any member of the Group or an Affiliate.

Total number of securities issuable

The maximum number of shares which may be granted under the Share options scheme and any other schemes involving the issue or grant of options or similar rights over shares or other securities by the Company shall not, in aggregate, exceed 10% of shares in issue as at the date of approval of the Share options scheme.

29. 以股份為基礎之交易(續)

(b) 購股權計劃(續)

購股權計劃之合資格參與者

(i)本集團任何成員公司或本集團持有權益之實體(「聯屬公司」)之執行董事、非執行董事或獨立非執行董事；(ii)本集團或聯屬公司之僱員或行政人員(不論全職或兼職)(「僱員」)；(iii)董事會認為為本集團發展或增長帶來貢獻之本集團任何成員公司或聯屬公司之股東；(iv)本集團任何成員公司或聯屬公司之客戶、供應商、代理、夥伴、顧問或諮詢人或承辦商；或(v)信託之信託人或酌情信託之信託對象，包括本集團任何成員公司或聯屬公司之任何董事、僱員、客戶、供應商、代理、夥伴、顧問或諮詢人或承辦商；或(vi)本集團任何成員公司或聯屬公司之董事、僱員、顧問、客戶、供應商、代理、夥伴或諮詢人或承辦商所實益擁有之公司。

可發行證券之總數

購股權計劃及其他計劃批授之股份總數(包括本公司發行或批授購股權或股份或其他證券之類似權利)，最高合共不得超過購股權計劃批准日期已發行股份之10%。於本年報日期，購股權計劃項下並無授出任何購股權。

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29. SHARE-BASED PAYMENTS TRANSACTIONS (Continued)

(b) Share options (Continued)

Maximum entitlement of each participant

Unless approved by the shareholders, no option may be granted to any eligible participants which if exercised in full would result in the total number of shares issued and to be issued upon exercise of the options already granted or to be granted to such eligible participant under the Share options scheme (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such new grant exceeding 1% of the issued share capital of the Company as at the date of such new grant.

Period to take up share options and minimum period to hold before exercise

There is no minimum period within which the shares option must be taken up or for which a share option must be held before it can be exercised.

Amount payable to take up share options and time to accept offer

An offer for the granting of share options under the Share options scheme shall be accepted within 28 days from the offer date and by way of payment of a consideration of HK\$1.

29. 以股份為基礎之交易 (續)

(b) 購股權計劃 (續)

各參與人之最高配額

除股東批准者外，向任何合資格參與者批授購股權後，該等購股權獲悉數行使後之已發行股份總數，以及根據購股權計劃已批授或將會批授之購股權 (包括已行使、註銷及未行使購股權) 獲行使後將予發行之股份總數，於截至新批授日期 (包括當日) 止十二個月期間不得超過本公司於新批授日期已發行股本之1%。

認購購股權之期間及行使前最短持有期間

購股權並無必須認購或必須於行使前持有之最短期間之規定。

認購購股權之應付款項及接納建議之時間

根據購股權計劃批授購股權之建議，須自建議日期起計二十八日內以支付代價1港元之方式接納。

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29. SHARE-BASED PAYMENTS TRANSACTIONS (Continued)

(b) Share options (Continued)

Maximum period for exercising on option

An option may be exercised in accordance with the terms of the Share options scheme at any time during a period to be determined and notified by the Board of Directors to each participant, which period may commence on the date on which the offer for the grant of options is made but shall end in any event not more than 10 years from the date of grant of the option.

Exercise price

The exercise price shall be a price determined by the Board of Directors of the Company and shall not be less than the highest of:

- (i) the closing price of a share as stated in the Stock Exchange's daily quotations sheet on the date of grant of the relevant option, which must be a business day;
- (ii) an amount equivalent to the average closing price of the shares as stated in the Stock Exchange's daily quotations sheet for the five business days immediately preceding the date of grant of the relevant option; and
- (iii) the nominal value of a share.

Life of the Share options scheme

The Share options scheme shall be valid and effective for a period of two years commencing on the date of adoption of the Share options scheme.

29. 以股份為基礎之交易(續)

(b) 購股權計劃(續)

行使購股權之最長期間

購股權可根據購股權計劃條款於董事會將釐訂及知會各承授人之期間內隨時行使，該期間可於購股權批授建議日期開始，惟於任何情況下不得遲於購股權批授日期起計十年後結束。

行使價

行使價乃本公司董事會將會釐訂之價格，惟不得少於下列三者之最高者：

- (i) 於有關購股權批授日，聯交所日報表所報之股份收市價(當日必須為營業日)；
- (ii) 緊接有關購股權批授日前五個營業日，聯交所日報表所報股份平均收市價之同等金額；及
- (iii) 股份面值。

購股權計劃之有效期

購股權計劃於其採納日期起計兩年內有效及生效。

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29. SHARE-BASED PAYMENTS TRANSACTIONS
(Continued)

(b) Share options (Continued)

The following tables disclose the Company's share options held by directors and employees as at 31 December 2006 and 2005:

As at 31 December 2006:

Name of director/ Category	Date of grant	Exercise period	Exercise price per share	Number of share options outstanding and exercisable 未行使及 可行使之 購股權數目
董事名稱/分類	批出日期	行使期	每股行使價	購股權數目
Mr. Wang Xiaowu 汪小武	3 June 2004 二零零四年 六月三日	3 June 2004 – 2 June 2014 二零零四年六月三日 至二零一四年六月二日	0.184	5,200,000
Mr. Cheung Wa Fung, Christopher 張華峰	3 June 2004 二零零四年 六月三日	3 June 2004 – 2 June 2014 二零零四年六月三日 至二零一四年六月二日	0.184	5,200,000
Directors 董事				10,400,000
Employees 僱員	3 June 2004 二零零四年 六月三日	3 June 2004 – 2 June 2014 二零零四年六月三日 至二零一四年六月二日	0.184	5,400,000
Total 總額				15,800,000

29. 以股份為基礎之交易 (續)

(b) 購股權計劃 (續)

於截至二零零六年十二月三十一日止年度及二零零五年十二月三十一日止期間授出之購股權之價值及經調整價值如下：

截至二零零六年十二月三十一日止：

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29. SHARE-BASED PAYMENTS TRANSACTIONS 29. 以股份為基礎之交易(續)

(Continued)

(b) Share options (Continued)

(b) 購股權計劃(續)

As at 31 December 2005:

截至二零零五年十二月三十一日止：

Name of director/ Category	Date of grant	Exercise period	Exercise price per share	Number of share options outstanding and exercisable 未行使及可行使之 購股權數目
董事名稱／分類	授出日期	行使期	每股行使價	購股權數目
Mr. Wang Xiaowu 汪小武先生	3 June 2004 二零零四年 六月三日	3 June 2004 – 2 June 2014 二零零四年六月三日至 二零一四年六月二日	0.184	5,200,000
Mr. Cheung Wa Fung, Christopher 張華峰	3 June 2004 二零零四年 六月三日	3 June 2004 – 2 June 2014 二零零四年六月三日至 二零一四年六月二日	0.184	5,200,000
Ms. Mei Qiping 梅勤萍女士	3 June 2004 二零零四年 六月三日	3 June 2004 – 2 June 2014 二零零四年六月三日至 二零一四年六月二日	0.184	3,120,000
Ms. Chen Danyun 陳丹雲女士	3 June 2004 二零零四年 六月三日	3 June 2004 – 2 June 2014 二零零四年六月三日至 二零一四年六月二日	0.184	2,080,000
Directors 董事				15,600,000
Employees 僱員	3 June 2004 二零零四年 六月三日	3 June 2004 – 2 June 2014 二零零四年六月三日至 二零一四年六月二日	0.184	200,000
Total 總額				15,800,000

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29. SHARE-BASED PAYMENTS TRANSACTIONS (Continued)

(b) Share options (Continued)

Notes:

- (i) No options were granted under the Share options scheme and none of the share options expired during the year ended 31 December 2006 and period ended 31 December 2005.
- (ii) None of the directors and employees exercised their share options during the year ended 31 December 2006 and period ended 31 December 2005.
- (iii) The exercise in full of the outstanding vested options would, with the capital structure of the Company as at 31 December 2006, result in the issue of additional 15,800,000 ordinary shares (2005: 15,800,000 ordinary shares).

30. NON-CASH TRANSACTION

During the year ended 31 December 2006, Sunshine Group has contributed leasehold improvements to the Hotel with no consideration. The leasehold improvements of approximately HK\$5 million were recognised and accounted for as property, plant and equipment of the Group and the resulting income was recognised in the consolidated income statement.

29. 以股份為基礎之交易 (續)

(b) 購股權計劃 (續)

附註：

- (i) 截至二零零五年十二月三十一日止期間及二零零六年十二月三十一日止年度，並無根據購股權計劃下批出購股權。同時，並無購股權屆滿。
- (ii) 截至二零零五年十二月三十一日止期間及二零零六年十二月三十一日止年度，董事和僱員並無行使購股權。
- (iii) 賦予未行使的所有批出購股權將構成資本性結構，截至二零零六年十二月三十一日止增加發行15,800,000普通股 (二零零五年：15,800,000普通股)。

30. 非現金交易

截至二零零六年十二月三十一日年度內，陽光集團無償為酒店進行租賃物業裝修。裝修費用約5,000,000港元已確認及入賬列為本集團之物業、廠房及設備，所得收入則於綜合收益表入賬。

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31. SIGNIFICANT RELATED PARTY TRANSACTIONS

During the year/period, the Group entered into the following transactions with related parties:

31. 重大關連人士之交易

除該等財務報表所披露者外，於本年度／期間，本集團已訂立下列重大關連人士之交易：

Related parties	Nature of transactions	Year ended 31 December 2006	Period from 1 April to 31 December 2005 自二零零五年 四月一日至 十二月三十一日 期間
關連人士	交易種類	截至二零零六年 十二月三十一日 年度	十二月三十一日 期間
Fellow subsidiaries 同系附屬公司	Loan interest income 借貸利息收入	628,808	808,048
	Directors' and staff quarters rental 董事及僱員宿舍租金	504,000	378,000
	Building management fee 樓宇管理費	7,934	—
	Management fee 管理收入	36,270	53,218
Intermediate holding company 中間控股公司	Management service income 委託管理收入	712,329	2,781,769

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31. SIGNIFICANT RELATED PARTY TRANSACTIONS (Continued)

(i) Acquisition agreement

On 11 November 2004, a Company's wholly-owned subsidiary, Ming Chuen Construction Company, Limited ("Ming Chuen"), entered into an acquisition agreement ("Acquisition Agreement") with Fairweal Industrial Company Limited ("Fairweal"), a company incorporated in Hong Kong with limited liability and was a wholly-owned subsidiary of the Company's intermediate holding company, Fujian Investment and Development Company Limited ("FIDC"), in relation to the acquisition of 25% equity interest of Fuzhou Harmony Piano Co., Ltd. ("Harmony Piano"), a wholly-owned foreign enterprise incorporated in the PRC with limited liability and is owned as to 25% by Fairweal and 75% by Brilliant Well Investment Limited ("Brilliant Well"), a company incorporated in Hong Kong with limited liability and was a wholly-owned subsidiary of FIDC. FIDC was considered as ultimate holding company of the Company for the period ended 31 December 2005. Due to a change in group structure, FIDC becomes the Company's intermediate holding company with effective from 10 May 2006.

Pursuant to the Acquisition Agreement, Ming Chuen agreed to acquire from Fairweal 25% equity interest of Harmony Piano at a cash consideration of HK\$4,848,500 (the "Acquisition"). The Acquisition was completed on 30 June 2005 and the purchase consideration for the Acquisition of HK\$4,848,500 has been fully paid by the Group on 8 July 2005.

31. 重大關連人士之交易 (續)

(i) 收購協議

於二零零四年十一月十一日，本公司之全資附屬公司明川建築有限公司(「明川」)與華巍實業有限公司(「華巍」)就收購福州和聲鋼琴有限公司(「和聲鋼琴」)25%股權訂立一項收購協議(「收購協議」)。華巍乃一家於香港註冊成立之有限公司，並為本公司之中間控股公司華閩投資發展有限公司(「華閩投發」)之全資附屬公司。和聲鋼琴乃一家於中國註冊成立之外商獨資有限企業，原由華巍及寶利裕投資有限公司(「寶利裕」)分別持有25%及75%權益。寶利裕乃一家於香港註冊成立之有限公司，為本公司中間控股公司華閩投發之全資附屬公司。由於本集團加構改變，自二零零六年五月十日起華閩投發由本公司之最終控股公司轉為本公司之中間控股公司。

根據收購協議，明川同意按現金代價4,848,500港元向華巍收購和聲鋼琴25%股權(「收購」)。收購已於二零零五年六月三十日完成，本集團已於二零零五年七月八日全數支付收購之代價4,848,500港元。

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31. SIGNIFICANT RELATED PARTY TRANSACTIONS (Continued)

(ii) Loan agreement

On 11 November 2004, the Company entered into a loan agreement ("Loan Agreement") with Brilliant Well, pursuant to which the Company agreed to provide a loan facility up to an aggregate principal amount of HK\$16.5 million (the "Loan") to Brilliant Well carrying an interest rate of 6.5% per annum. The term for the Loan Agreement is 18 months commencing from the drawing date of the Loan under the Loan Agreement. Brilliant Well shall pay interest quarterly in arrears and repay the principal amount drawn upon maturing. There was a covenant under the Loan Agreement that Brilliant Well shall apply the Loan provided by the Company in its entirety solely as working capital of Harmony Piano only. The said loan amounted to HK\$16.5 million had been drawn down by Brilliant Well on 3 February 2005.

31. 重大關連人士之交易(續)

(ii) 貸款協議

於二零零四年十一月十一日，本公司與寶利裕訂立一項貸款協議(「貸款協議」)，據此，本公司同意提供一筆上限為16,500,000港元之貸款信貸(「貸款」)予寶利裕，年利率為6.5%。貸款協議之年期為貸款協議之貸款獲提取日期起計十八個月。寶利裕須每季繳付到期利息及於到期時清還本金。根據貸款協議，寶利裕須要並只能將由本公司提供之貸款作和聲鋼琴營運資金之用。寶利裕已於二零零五年二月三日提取上述貸款額16,500,000港元。

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31. SIGNIFICANT RELATED PARTY TRANSACTIONS (Continued)

(ii) Loan agreement (Continued)

To comply with the terms and conditions of the Loan Agreement, on 11 November 2004, a property pledge agreement ("Property Pledge Agreement") had been entered into between the Company and Fujian Properties Limited ("Fujian Properties"), a company incorporated in the British Virgin Islands with limited liability and wholly-owned by FIDC, pursuant to which Fujian Properties had pledged to the Company eleven residential units in Wah Ming Center and ten residential units in Hongway Garden with an aggregate estimated value of HK\$25 million as security for the Loan.

The loan was fully repaid by Brilliant Well on 2 August 2006.

During the year ended 31 December 2006, the aggregate loan interest from Brilliant Well amounted to HK\$628,808 (period ended 31 December 2005: HK\$808,048).

31. 重大關連人士之交易 (續)

(ii) 貸款協議 (續)

為符合貸款協議之條款及條件，於二零零四年十一月十一日，本公司與華閩物業有限公司（「華閩物業」，一家於英屬處女群島註冊成立之有限公司，由華閩投發全資擁有）已訂立物業抵押契約，據此，華閩物業已將其於華明中心之11個住宅單位及康威花園之10個住宅單位（「該等物業」）估計總值2,500萬港元抵押予本公司作為貸款之抵押品。

在二零零六年八月二日寶利裕已繳付所有貸款。

於截至二零零六年十二月三十一日止年度，來自寶利裕之貸款利息合共為628,808港元（二零零五年十二月三十一日止期間：808,048港元）。

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31. SIGNIFICANT RELATED PARTY TRANSACTIONS (Continued)

(iii) Management service agreement

On 11 November 2004, the Company had entered into a management service agreement ("Management Service Agreement") with FIDC and Brilliant Well, pursuant to which FIDC had appointed the Company as an agent to assist FIDC to participate in the management of Harmony Piano and Hua Min Tourism Company Limited, a company in which FIDC had 50% beneficial interests. Pursuant to the Management Service Agreement, the Company will provide management services to FIDC for a period of 18 months commencing from the effective date of the Management Service Agreement at a fixed management fee of HK\$2 million per annum and a floating management fee on the basis of 10% of the net profit after taxation of Huamin Tourism and Harmony Piano respectively and after deduction of the fixed management fee. The fixed management fee shall be payable within 15 days after the end of each quarter in equal installments of HK\$500,000 and the floating management fee shall be payable within one month after the audited reports of each of Harmony Piano and Hua Min Tourism Company Limited were issued.

The Management Service Agreement had expired on 10 May 2006.

During the year ended 31 December 2006, the aggregate management service income amounted to HK\$712,329 (period ended 31 December 2005: HK\$2,781,769).

31. 重大關連人士之交易(續)

(iii) 委託管理協議

於二零零四年十一月十一日，本公司與華閩投發及寶利裕訂立一項委託管理協議(「委託管理協議」)，據此，華閩投發委任本公司為代理人，以協助華閩投發參與和聲鋼琴及華閩旅遊有限公司(「華閩旅遊」，華閩投發持有50%實益權益之公司)之管理工作。根據委託管理協議，本公司將向華閩投發提供管理服務，由委託管理協議之生效日期起計，為期十八個月，以收取每年2,000,000港元之固定管理費及按華閩旅遊及和聲鋼琴各自之稅後溢利總額扣除固定管理費後之餘額提取10%作為浮動管理費。固定管理費應在每季期滿日起15天內支付，每次均為500,000港元，而浮動管理費須於和聲鋼琴及華閩旅遊各自之經審核報告刊發日期起計一個月內支付。

委託管理協議已於二零零六年五月十日終止。

於截至二零零六年十二月三十一日止期間，管理服務收入合共為712,329港元(二零零五年十二月三十一日止期間：2,781,769港元)。

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31. SIGNIFICANT RELATED PARTY TRANSACTIONS (Continued)

(iv) Extension of operating period of Xiamen Plaza

Pursuant to an agreement entered into by Yan Hei and Railway Department on 1 October 1985 for co-operation on the construction and operation of Xiamen Plaza and as supplemented and amended subsequently on 18 December 1987 and 21 January 1992 (the "CJV Agreement"), the operating period for Xiamen Plaza will end on 11 December 2015. On 6 June 2005 and 20 July 2005, the Company announced that, Yan Hei entered into an extension agreement with Railway Department, and Fujian Enterprises (Holdings) Company Limited ("Fujian Enterprises") (as a guarantor) on 9 May 2005 ("Extension Agreement"), in which, amongst others, the operation period of Xiamen Plaza will be extended for an additional 10 years up to 31 December 2025 and a change in the terms of the CJV Agreement in respect of the annual amounts to be distributed by Yan Hei to Railway Department. Pursuant to the terms of the Extension Agreement, Yan Hei has agreed to pay annual distributions to Railway Department during the operating period of Xiamen Plaza up to year 2025 as set out below:

2005 to 2006: US\$70,000 per year
2007 to 2011: US\$100,000 per year

2012 to 2025: US\$200,000 per year

31. 重大關連人士之交易 (續)

(iv) 延長東酒之經營期

根據仁禧與鐵路局於一九八五年十月一日訂立以合作興建及經營該酒店之正式及具法律約束力之協議 (其後曾於一九八七年十二月十八日及一九九二年一月二十一日補充及修訂) (「作協議」)，東酒之經營期將於二零一五年十二月十一日終止。於二零零五年六月六日及二零零五年七月二十日，本公司宣佈，仁禧與鐵路局及華閩(集團)有限公司(「華閩集團」)(作擔保人)已於二零零五年五月九日訂立延長協議(「延長協議」)。酒店合營企業之經營期將於二零一五年十二月十一日結束。延長協議訂明(其中包括)額外延長酒店合營企業之經營期十年至二零二五年十二月三十一日，並更改有關每年由仁禧分派予鐵路局之數額之合作協議條款。根據延長協議條款，仁禧已同意於東酒經營期間直至二零二五年支付每年分派予鐵路局，其數額列載如下：

二零零五年至二零零六年：每年70,000美元
二零零七年至二零一一年：每年100,000美元
二零一二年至二零二五年：每年200,000美元

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31. SIGNIFICANT RELATED PARTY TRANSACTIONS (Continued)

At the balance sheet date, the Group had commitments for future minimum lease payments under the above agreement which fall due as follows:

		Group 本集團	
		2006 二零零六年	2005 二零零五年
Within one year	一年內	777,610	544,271
In the second to fifth years inclusive	一年後但在五年內	3,110,440	3,110,120
Over five years	超過五年	21,773,080	22,548,370
		25,661,130	26,202,761

In addition, Fujian Enterprises irrevocably undertakes to Railway Department that it will guarantee performance by Yan Hei Limited of its obligations under the CJV Agreement (as amended and extended).

Railway Department is the joint venture partner of Xiamen Plaza and is beneficially owned by the State Railway Department. To the best knowledge, information and belief of directors of the Company, having made all reasonable enquiries, Railway Department is considered as an independent third party as despite being a joint venture partner, it has no effective interest in the operations of Xiamen Plaza.

Fujian Enterprises is a trading conglomerate incorporated in Hong Kong with limited liability, and under administration of Fujian provincial State-owned Asset Administration Commission of the PRC. Both Fujian Enterprises and the Company are ultimately owned by Fujian provincial government of the PRC. There are no common directors among Fujian Enterprises and any member of the Group.

31. 重大關連人士之交易(續)

結算日，本集團經營租約之未來須付最低租金總額如下：

		Group 本集團	
		2006 二零零六年	2005 二零零五年
Within one year	一年內	777,610	544,271
In the second to fifth years inclusive	一年後但在五年內	3,110,440	3,110,120
Over five years	超過五年	21,773,080	22,548,370
		25,661,130	26,202,761

此外，華閩集團向鐵路局作出不可撤回承諾，承諾其將保證仁禧履行其根據合作協議(經修訂及延長)之責任。

鐵路局為東酒之合營企業伙伴，其實益擁有人為國家鐵道部。據董事於作出一切合理查詢後所知、得悉及相信，儘管鐵路局為合營企業之合作伙伴，惟其於經營東酒中並無實際權益，故視為獨立第三方。

華閩集團乃一家於香港註冊成立之企業集團式貿易有限公司，由中國福建省國有資產管理委員會管理。華閩集團及本公司均由中國福建省政府最終擁有。華閩集團與本集團任何成員公司並無任何共同董事。

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31. SIGNIFICANT RELATED PARTY TRANSACTIONS (Continued)**Rentals**

The Group paid rents to the fellow subsidiaries of the Company for the lease of directors and staff quarters amounted to HK\$389,806 and HK\$114,194 respectively for the year ended 31 December 2006 (period ended 31 December 2005: HK\$288,000 and HK\$90,000). The rental was calculated by reference to open market rentals.

Compensation of key management personnel

The remuneration of directors and other members of key management during the year/period was as follows:

31. 重大關連人士之交易 (續)**租金**

截至二零零六年十二月三十一日止年度，本集團已就租賃董事及員工宿舍向本公司之同系附屬公司分別支付租金389,806港元及114,194港元 (截至二零零五年十二月三十一日期間：分別為288,000元及90,000港元)。董事認為，租金乃參考公開市場租金計算。

主要管理人員之補償

在本年度期間，董事及其他主要人員之酬金如下：

	Year ended 31 December 2006 截至二零零六年 十二月三十一日 年度	Period from 1 April to 31 December 2005 截至二零零五年 十二月三十一日 期間
Short-term benefits	2,183,650	1,899,000

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

新酬委員會參照個人表現和市場導向以決定董事及主要行政人員之酬金。

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32. OPERATING LEASES

The Group as lessee

At the balance sheet date, the Group and the Company had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

32. 經營租約

本集團作為承租人

於二零零六年十二月三十一日，本集團及本公司不可撤銷經營租約之未來須付最低租金總額如下：

		Group and Company 本集團及本公司					
		2006 二零零六年			2005 二零零五年		
		Buildings 樓宇	Others 其他	Total 總計	Buildings 樓宇	Others 其他	Total 總計
Within one year	一年內	613,240	7,500	620,740	383,899	7,500	391,399
In the second to fifth years inclusive	一年後但五年內	440,220	8,125	448,345	-	15,625	15,625
		1,053,460	15,625	1,069,085	383,899	23,125	407,024

The Group as lessor

The Group and the Company had entered into non-cancellable operating lease arrangements with the tenants and the terms of the leases range from one to eight years. At the balance sheet date, the Group and the Company had future minimum lease receivables under non-cancellable operating leases which fall due as follows:

本集團作為出租人

本集團及本公司與租戶訂立不可撤銷經營租約安排，租約年期介乎一至八年。於二零零六年十二月三十一日，本集團及本公司根據有關土地及樓宇之不可撤銷經營租約之未來應收最低租金總額如下：

		Group 本集團		Company 本公司	
		2006 二零零六年	2005 二零零五年	2006 二零零六年	2005 二零零五年
Within one year	一年內	2,665,165	2,628,843	938,587	980,990
In the second to fifth years inclusive	一年後但五年內	4,347,695	5,365,050	218,384	1,143,181
Over five years	五年後	2,252,185	2,801,303	-	-
		9,265,045	10,795,196	1,156,971	2,124,171

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33. RETIREMENT BENEFIT PLANS

The Group operates a Mandatory Provident Fund Scheme for all qualifying employees in Hong Kong. The assets of the plans are held separately from those of the Group in funds under the control of trustees.

The employees of the Group's subsidiary in the PRC are members of a state-managed retirement benefit plan operated by the government of the PRC. The subsidiary is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

The total expense recognised in the consolidated income statement of HK\$285,788 (2005: HK\$28,618) represents contributions payable to these plans by the Group at rates specified in the rules of the plans. There was no outstanding contribution as at 31 December 2006 and 2005 respectively.

33. 退休福利計劃

本集團根據強制性公積金計劃條例為其所有香港僱員設立一項強積金計劃。計劃中的資產與本集團資本分開，並受信託公司監管。

本集團於中國之附屬公司遵照中國之適用規則，參與一項國家管理由當地政府經營的退休福利計劃。附屬公司須按工資成本的指定百分比比率向退休福利計劃供款。本集團就退休福利計劃之唯一責任為作出指定供款。

所有支出入賬於綜合收益表為285,788港元(二零零五：28,618港元)已代表本集團根據條例計劃中供款之指定比率。分別於二零零六年／二零零五年十二月三十一日，並無欠供款金額。