

Notes to the Consolidated Financial Statements

綜合財務報表附註

1 GENERAL INFORMATION

Hopson Development Holdings Limited (“the Company”) and its subsidiaries (together “the Group”) is mainly engaged in the development of residential properties in Mainland China. The Group is also involved in some ancillary property related businesses, including property investment, property management and hotel operations.

The Company is a limited liability company incorporated in Bermuda. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda.

The Company is listed on The Stock Exchange of Hong Kong Limited.

These consolidated financial statements are presented in Hong Kong dollars (“HK\$’000”), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 17 April 2007.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to the two years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”). The consolidated financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of consolidated financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 4.

1 一般資料

合生創展集團有限公司(「本公司」)及其附屬公司(統稱「本集團」)主要從事中國大陸住宅物業發展。本集團亦參與部份物業相關附屬業務包括物業投資、物業管理及酒店經營。

本公司為於百慕達註冊成立的有限責任公司，其註冊辦事處地址為Clarendon House, 2 Church Street, Hamilton HM11, Bermuda。

本公司於香港聯合交易所有限公司上市。

除另有指明外，本綜合財務報表以港元(「港幣千元」)列示。本綜合財務報表已於二零零七年四月十七日經董事會核准刊發。

2 主要會計政策概要

編製本綜合財務報表採用之主要會計政策載列如下。除另有說明外，該等政策在兩年度內所採用者一致。

2.1 編製基準

本公司之綜合財務報表依照香港財務報告準則(「香港財務報告準則」)編製。除在下文會計政策中所披露者外，本綜合財務報表乃按歷史成本慣例編製。

按香港財務報告準則編製財務報表時需採用若干重要之會計估計，亦要求管理層於採用本集團會計政策之過程中作出判斷。涉及較多判斷或複雜性之方面，或對本綜合財務報表而言屬重要之假設及估計，已在附註4內披露。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

In 2006, the Group adopted the following new/revised standards, interpretations and amendments of HKFRSs, which include all Hong Kong Accounting Standards (“HKASs”) and applicable Interpretations (“Ints”), which are effective for the accounting periods beginning on 1 January 2006 and relevant to the Group’s operation.

HKAS 39 (Amendment)	The Fair Value Option
HKAS 39 and HKFRS 4 (Amendment)	Financial Instruments: Recognition and Measurement and Insurance Contracts – Financial Guarantee Contracts
HK(IFRIC)-Int 4	Determining whether an Arrangement contains a Lease

The adoption of these amendments and interpretations did not have significant impact on the Group’s results or net asset value.

The HKICPA has issued certain new standards, interpretations and amendments which are relevant to the Group and are effective for accounting periods beginning from 1 January 2007.

HKFRS 7	Financial Instruments: Disclosures
HKAS 1 Amendment	Presentation of Financial Statements – Capital Disclosures
HK(IFRIC)-Int 9	Reassessment of Embedded Derivatives
HK(IFRIC)-Int 10	Interim Reporting and Impairment

The Group has not early adopted the above standards, interpretations and amendments in the consolidated financial statements for the year ended 31 December 2006. The Group is in the process of making an assessment of the impact of these standards, interpretations and amendments. Nevertheless it is not expected to have significant impact on the Group’s results of operation and financial position.

2 主要會計政策概要 (續)

2.1 編製基準 (續)

本集團於二零零六年採納香港財務報告準則之新訂/經修訂準則、詮釋及修訂，其中包括自二零零六年一月一日開始之會計期間生效並與本集團之營運相關之所有香港會計準則（「香港會計準則」）及適用之詮釋（「詮釋」）。

香港會計準則第39條(修訂)	「公平值選擇」
香港會計準則第39條及香港財務報告準則第4號(修訂)	「金融工具：確認及計量及保險合同－財務擔保合約」
香港(國際財務報告詮釋委員會)－詮釋第4號	「釐定一項安排是否包含租賃」

本集團採納上述修訂及詮釋並無對本集團之業績及資產淨值造成重大影響。

香港會計師公會已頒佈若干與本集團相關，自二零零七年一月一日開始之會計期間生效之新訂準則、詮釋及修訂。

香港財務報告準則第7號	「金融工具：披露」
香港會計準則第1號(修訂)	「財務報表呈報－資本披露」
香港(國際財務報告詮釋委員會)－詮釋第9號	「重新評估嵌入式衍生工具」
香港(國際財務報告詮釋委員會)－詮釋第10號	「中期報告及減值」

於截至二零零六年十二月三十一日止年度之綜合財務報表內，本集團並無提早採納上述準則、詮釋及修訂。本集團現正評估該等準則、詮釋及修訂之影響。但預期不會對本集團之經營業績及財務狀況構成重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Consolidation

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

(a) Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement (see Note 2.8).

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2 主要會計政策概要 (續)

2.2 綜合賬目

綜合賬目包括本公司及其附屬公司截至十二月三十一日止的財務報表。

(a) 附屬公司

附屬公司指本集團有權管控其財政及營運政策而控制所有實體，一般附帶超過半數投票權的股權。在評定本集團是否控制另一實體時，目前可行使或可兌換的潛在投票權的存在及影響均予考慮。

附屬公司在控制權轉移至本集團之日全面綜合入賬。附屬公司在控制權終止之日起停止綜合入賬。

本集團採用購買會計法將本集團收購附屬公司入賬。收購成本按所提供資產公平值、已發行股本工具及於交易日產生或承擔之負債加上收購直接應佔之成本計量。於業務合併所收購可識別資產與所承擔之負債及或然負債初步按於收購日之公平值計算，與任何少數股東權益無關。收購成本超出本集團應佔所收購可識別資產淨值之公平值之數額列作商譽。倘收購成本少於所收購附屬公司資產淨值之公平值，則差額直接於損益表確認。(參附註2.8)。

集團內公司之間的交易、交易的結餘及未實現收益予以對銷。除非交易提供所轉讓資產減值之憑證，否則未實現虧損亦予以對銷。附屬公司的會計政策已按需要作出改變，以確保與本集團採用的政策符合一致。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Consolidation (Continued)

(a) Subsidiaries (Continued)

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

(b) Transactions with minority interests

The Group applies a policy of treating transactions with minority interests as transactions with parties external to the Group. Disposals to minority interests results in gains and losses for the Group that are recorded in the income statement. Purchases from minority interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary.

(c) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for by using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition (see Note 2.8).

The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

2 主要會計政策概要 (續)

2.2 綜合賬目 (續)

(a) 附屬公司 (續)

在本公司之資產負債表內，於附屬公司之投資按成本值扣除減值虧損準備列賬。附屬公司之業績由本公司按已收及應收股息入賬。

(b) 少數股東權益和交易

本集團與少數股東間的交易政策與對本集團外第三方政策相同。處置少數股東權益將產生收益或損失，已反映在綜合損益表中。收購少數股東權益將產生商譽，即支付報酬與取得的應佔附屬公司淨資產賬面價值的相關份額之間的差異。

(c) 聯營公司

聯營公司是指凡本集團對其有重大影響力而無控制權的實體，通常附帶有20%至50%投票權的股權。聯營公司投資以權益會計法入賬，初始以成本確認。本集團於聯營公司的投資包括收購時確認的商譽（扣除任何累計減值虧損）（參附註2.8）。

本集團應佔收購後聯營公司的溢利或虧損於損益表內確認，而應佔收購後儲備的變動則於儲備賬內確認。投資賬面值會根據累計之收購後儲備變動而作出調整。如本集團應佔一家聯營公司之虧損等於或超過其在該聯營公司之權益，包括任何其他無抵押應收款，本集團不會確認進一步虧損，除非本集團已代聯營公司承擔責任或作出付款。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Consolidation (Continued)

(c) Associates (Continued)

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the Company's balance sheet, the investments in associated companies are stated at cost less provision for impairment losses. The results of associated companies are accounted for by the Company on the basis of dividend received and receivable.

(d) Joint ventures

A jointly controlled entity is a joint venture where the Group and other parties undertake an economic activity which is subject to joint control and none of the participating parties has unilateral control over the economic activity. Investment in jointly controlled entity is accounted for under the equity method of accounting, whereby the investment is initially recorded at cost and is adjusted thereafter to recognise the Group's share of the post-acquisition results, distributions received, other necessary alterations in the Group's proportionate interest in jointly controlled entity arising from changes in equity of jointly controlled entity that have not been included in the income statement of the jointly controlled entity, the excess of cost of investment over the Group's share of the aggregate fair value of the identifiable net assets acquired at the date of acquisition is tested annually for impairment, as well as when there is indication of impairment, and carried at cost less accumulated impairment losses. The Group's share of post-acquisition results after taxation of jointly controlled entities is included in the income statement.

2 主要會計政策概要 (續)

2.2 綜合賬目 (續)

(c) 聯營公司 (續)

本集團與其聯營公司之間交易的未實現收益按集團在聯營公司權益的數額對銷。除非交易提供所轉讓資產減值之憑證，否則未實現虧損亦予以對銷。聯營公司的會計政策已按需要作出改變，以確保與本集團採用的政策符合一致。

在本公司之資產負債表內，於聯營公司之投資按成本值扣除減值虧損準備列賬。聯營公司之業績由本公司按已收及應收股息入賬。

(d) 合營企業

共同控制實體乃一項合營企業，據此，本集團與其他合營方參與一項經濟活動，而該項經濟活動乃受共同控制，參與各方並無單獨控制權。於共同控制實體之投資乃按權益會計法入賬，據此，該項投資最初按成本記錄，並於其後就本集團應佔共同控制實體的收購後業績、來自共同控制實體的分派、因尚未計入損益表內之共同控制實體權益變動而產生之本集團所佔共同控制實體權益比例的其他改變作出調整，投資成本值超逾本集團所佔於收購日期的可識別資產淨值之公平價值總額之差額會每年並當有跡象出現減值時進行減值測試，及以成本值減累計減值虧損列賬。本集團所佔共同控制實體的收購後稅後業績已計入損益表內。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Consolidation (Continued)

(d) Joint ventures (Continued)

A joint venture which does not involve the establishment of a separate entity but involves the joint control and ownership by the Group and other parties of assets contributed to, or acquired for the purpose of, the joint venture is accounted for as a jointly controlled asset. The Group's share of jointly controlled assets and any liabilities incurred jointly with other joint venture partners are recognised and classified according to the nature of the relevant items. Income from the sale or use of the Group's share of the output of jointly controlled assets is recognised when it is probable that the economic benefits associated with the transaction will flow to the Group, whilst the Group's share of expenses in respect of jointly controlled assets is recognised as incurred.

2.3 Segment reporting

A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments. A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments.

2.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured in Chinese Renminbi, which is the currency of the primary economic environment in which the Company and its subsidiaries operate (the "functional currency"). The financial statements are presented in Hong Kong dollars, which is the presentation currency.

2 主要會計政策概要 (續)

2.2 綜合賬目 (續)

(d) 合營企業 (續)

就不涉及獨立實體的成立而涉及由本集團及其他人士共同控制及擁有之合營項目資產貢獻或就合營項目收購之資產，乃列作共同控制資產入賬。本集團應佔之共同控制資產及與其他合營夥伴共同招致的任何負債乃根據有關項目的性質予以確認及分類。因出售或使用本集團的應佔共同控制資產所產生之收入，於該項交易的相關經濟利益可能會流入本集團時予以確認，而本集團應佔有關共同控制資產的開支則於產生時予以確認。

2.3 分部報告

地區分部指在某個特定經濟環境中從事提供產品或服務，其產品或服務的風險和回報與其他經濟環境中營運的分部的不同。業務分部指從事提供產品或服務的一組資產和業務，而產品或服務的風險和回報與其他業務分部的不同。

2.4 外幣換算

(a) 功能和呈列貨幣

本集團每個實體的財務報表所列項目均以人民幣（即本公司及其附屬公司營運所在的主要經濟環境的貨幣）計量（「功能貨幣」）。財務報表以港元呈報，港元為本公司的呈列貨幣。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2 主要會計政策概要 (續)

2.4 Foreign currency translation (Continued)

2.4 外幣換算 (續)

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

(b) 交易及結餘

外幣交易採用交易日的匯率換算為功能貨幣。結算此等交易產生的匯兌盈虧以及將外幣計值的貨幣資產和負債以年終匯率換算產生的匯兌盈虧在損益表確認。

(c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(c) 集團公司

所有功能貨幣與呈列貨幣不同之集團實體（概無擁有惡性通貨膨脹經濟體系之貨幣）之業績及財務狀況均按以下方法換算為呈列貨幣：

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- (iii) all resulting exchange differences are recognised as a separate component of equity.

- (i) 各資產負債表呈列之資產及負債均以該資產負債表結算日之收市匯率折算；
- (ii) 各損益表之收入及開支均按平均匯率換算（除非該平均值並非於交易日通行匯率累計影響之合理近似值，在此情況下收入及開支乃按交易日之匯率換算）；及
- (iii) 所有產生之匯兌差額均確認為股本內之獨立項目。

On consolidation, exchange differences arising from the translation of the net investment in foreign operations and of borrowings are taken to shareholders' equity. When a foreign operation is sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

綜合賬目時，換算境外業務之投資淨額及借貸所產生之匯兌差額乃計入股東權益內。於出售境外業務時，計入股東權益內之匯兌差額於損益表中確認為出售收益或虧損之部份。

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing date.

收購境外實體時產生之商譽及公平值調整乃作為該境外實體之資產及負債處理，並以期終匯率換算。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 Properties and equipment

Properties and equipment other than construction in progress are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are expensed in the income statement during the financial period in which they are incurred.

Depreciation of properties and equipment is calculated using the straight-line method to allocate cost to their residual values over their estimated useful lives, as follows:

Hotel property (superstructure)	28 years
Buildings	50 years
Furniture and office equipment	5 years
Motor vehicles	3 to 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.9).

Construction in progress is investments in buildings on which construction work has not been completed and which, upon completion, management intends to hold for long-term as hotels. These properties are carried at cost which includes construction expenditures, borrowing costs directly attributable to construction of such properties and other direct costs less any impairment losses. On completion, the properties are transferred to the appropriate categories of properties and equipment at cost less accumulated impairment losses. No depreciation is provided for construction in progress until they are completed and put into commercial use.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

2 主要會計政策概要 (續)

2.5 物業及設備

物業及設備(在建工程除外)按歷史成本減累計折舊和累計減值虧損列賬。歷史成本包括收購該項目直接應佔的開支。

其後成本只有在與該項目有關的未來經濟利益有可能流入本集團,而該項目的成本能可靠計量時,才包括在資產的賬面值或確認為獨立資產(按適用)。所有其他維修及保養在產生的財政期間內於損益表支銷。

物業及設備的折舊採用以下的估計可使用年期將成本或重估值按直線法分攤至剩餘價值計算:

酒店物業(上部構造)	28年
樓宇	50年
傢俬及辦公室設備	5年
汽車	3至5年

資產的剩餘價值及可使用年期在每個結算日進行檢討,及在適當時調整。

若資產的賬面值高於其估計可收回價值,其賬面值即時撇減至可收回金額(附註2.9)。

在建工程指投資的樓宇建設工程尚未完工,而於完工後,管理層擬長期持有作酒店用途。該等物業是以成本列賬,當中包括就建設該等物業直接應計的建設開支、借貸成本及其他直接費用減去任何減值虧損。物業於完工後轉至適當的物業及設備分項,按成本減累積減值虧損列賬。在建工程直至完工及投入作商業用途前不作折舊。

出售之損益乃按有關資產之銷售所得款項淨額與其賬面值之差額釐定,並列入損益表中。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.6 Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property.

Investment property comprises land held under operating leases and buildings held under finance leases. Land held under operating leases are classified and accounted for as investment property when the rest of the definition of investment property is met. The operating lease is accounted for as if it were a finance lease.

Investment property is measured initially at its cost, including related transaction costs.

After initial recognition, investment property is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. These valuations are performed in accordance with the guidance issued by the International Valuation Standards Committee. These valuations are performed annually by external valuers. Changes in fair values are recognised in the income statement as part of other gains.

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions. The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property. Some of those outflows are recognised as a liability, including finance lease liabilities in respect of land classified as investment property; others, including contingent rent payments, are not recognised in the financial statements.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed in the income statement during the financial period in which they are incurred.

2 主要會計政策概要 (續)

2.6 投資物業

為獲得長期租金收益或資本增值或兩者兼備而持有，且並非由本集團佔用的物業列為投資物業。

投資物業包括以營業租約持有的土地及以融資租賃持有的樓宇。以營業租約持有的土地，如符合投資物業其餘定義，按投資物業分類及記賬。營業租約猶如其為融資租賃而記賬。

投資物業初步按其成本計量，包括相關的交易成本。

在初步確認後，投資物業按公平值列賬。公平值根據活躍市場價格計算，如有需要就個別資產的性質、地點或狀況的任何差異作出調整。如沒有此項資料，本集團利用其他估值方法，例如較不活躍市場的近期價格或貼現現金流量預測法。此等估值法根據國際估值準則委員會發出的指引執行。此等估值每年由外部估值師檢討。公平值之變動於損益表中作為其他收益之一部分確認。

投資物業的公平值反映（包括其他）來自現有租賃的租金收入，及在現時市場情況下未來租賃的租金收入假設。公平值亦反映，在類似基準下物業預期的任何現金流出。此等現金流出部份確認為負債，包括列為投資物業的土地有關的融資租賃負債；而其他，包括或然租金款項，不在財務報表列賬。

其後支出只有在與該項目有關的未來經濟利益有可能流入本集團，而該項目的成本能可靠衡量時，才計入在資產的賬面值中。所有其他維修及保養成本在產生的財政期間內於損益表支銷。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.6 Investment properties (Continued)

If an investment property becomes owner-occupied, it is reclassified as properties and equipment, and its fair value at the date of reclassification becomes its cost for accounting purposes. Property that is being constructed or developed for future use as investment property is classified as properties under development for long-term investment and stated at cost less any accumulated impairment losses until construction or development is complete, at which time it is reclassified and subsequently accounted for as investment property.

If an item of properties and equipment becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this item at the date of transfer is recognised in equity as a revaluation of properties and equipment under HKAS 16. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in the income statement.

Investment property held for sale without redevelopment is classified within completed properties for sale, under HKFRS 5.

2.7 Properties under development and completed properties for sale

Properties under development for sale are included in current assets at the lower of cost and net realisable value. Properties under development for long-term investment included in non-current assets are stated at cost less any accumulated impairment losses. Completed properties for sale are included in current assets at the lower of cost and net realisable value.

The costs of properties under development and completed properties for sale consist of construction expenditures and borrowing costs directly attributable to construction of such properties and other direct costs. Net realisable value is based on estimated selling price in the ordinary course of business as determined by management with reference to the prevailing market conditions, less further costs expected to be incurred to completion and selling and marketing costs.

No depreciation is provided on properties under development and completed properties for sale.

2 主要會計政策概要 (續)

2.6 投資物業 (續)

倘投資物業成為業主自用，則重新分類為物業及設備，而就會計而言，其於重新分類當日之公平值成為其成本。在建或發展作未來投資物業用途之物業分類為發展作長期投資之物業，並按成本減累計減值虧損入賬，直至興建或發展竣工為止，有關物業將於當時重新分類並其後入賬列作投資物業。

倘物業及設備項目因其用途改變而成為投資物業，根據香港會計準則第16號，該項目於轉讓當日之面值與公平值間之差異將於股本內確認為物業及設備重估。然而，倘公平值收益導致過往之減值虧損出現轉回，有關收益將於損益表內確認。

持作出售且並無重新發展之投資物業，按香港財務報告準則第5號分類為持作出售之已落成物業。

2.7 可供出售之發展中物業及已落成物業

可供出售之發展中物業乃按成本值及可變現淨值兩者中的較低者列為流動資產。持作長期投資之發展中物業乃按成本值減去任何減值虧損後列為非流動資產。可供出售之已落成物業按成本值及可變現淨值兩者中的較低者列為流動資產。

可供出售之發展中物業及已落成物業之成本包括建造開支及因建造該等物業而直接產生之借貸成本及其他直接成本。可變現淨值乃於日常業務過程中管理層參照當時市況釐定的估計售價，減去預期至竣工時產生的其他成本以及銷售及市場推廣費用計算。

本集團並無就可供銷售之發展中物業及已落成物業計提折舊。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2 主要會計政策概要 (續)

2.8 Intangible assets

2.8 無形資產

(a) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary/associate/jointly controlled entity at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates and jointly controlled entities is included in investments in associates and investment in a jointly controlled entity respectively.

Separately recognised goodwill is tested annually for impairment, as well as when there is indication of impairment, and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed.

Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

(b) Negative goodwill

Negative goodwill represents the excess of the Group's share of the fair value of the identifiable net assets acquired over the cost of acquisition and is recognised in the income statement.

(a) 商譽

商譽指收購成本高於本集團於收購日期應佔所收購附屬公司／聯營公司／共同控制實體可確認資產淨值之公平值之差額。收購附屬公司產生之商譽計入無形資產。收購聯營公司及共同控制實體產生之商譽分別計入於聯營公司之投資及於一間同控制實體之投資中。

獨立確認之商譽每年或當有減值跡象時檢討有否減值及按成本減累計減值虧損列賬。商譽之減值虧損概不予回撥。

出售實體之收益及虧損包括有關已售出實體之商譽賬面值。

為進行減值評估，商譽被劃分至現金產生單位。獲劃分商譽者為預期於產生商譽之業務合併中受惠之現金產生單位或現金產生單位組別。

(b) 負商譽

負商譽乃指本集團佔所收購可資識別淨資產之公平值超出收購成本之數額並於損益表確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.9 Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation, which are at least tested annually for impairment and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

2.10 Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Available-for-sale financial assets are initially recognised at fair value plus transaction costs. At each balance sheet date the available-for-sale financial assets are re-measured, with any changes in fair value being recognised directly in equity, except for impairment losses which are recognised directly in the income statement. When these assets are derecognised, the cumulative gain or loss previously recognised directly in equity is included in the income statement.

2 主要會計政策概要 (續)

2.9 資產減值

無可使用年限之資產毋須攤銷，並於每年或每當有事項或情況轉變顯示不可收回賬面值時檢討有否減值。受攤銷所限之資產於每年或每當有事項或情況轉變顯示賬面值不可收回時檢討有否減值。減值虧損按資產賬面值超出其可收回金額之金額確認。可收回金額為資產之公平值減銷售成本與使用價值之較高者。於評估減值時，資產將按可分開確認現金流量之最低水平（現金產生單位）集中歸類。

2.10 可供出售財務資產

可供出售財務資產為被指定非衍生項目，除非管理層計劃於結算日起計十二個月內出售有關投資，否則可供出售財務資產將計入非流動資產內。

可供出售財務資產最初按公平值另加交易成本確認。於各結算日重新計量可供出售財務資產，除減值虧損外，任何公平值之變動直接於股本中確認，而減值虧損則直接於損益表中確認。當終止確認該等資產時，之前直接於股本中確認之累積收益及虧損被記入收益表。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Accounts receivable

Accounts receivable are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of accounts receivable is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement.

2.12 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

2.13 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any Group company purchases the Company's equity share capital, the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the Company's equity holders until the shares are cancelled.

2.14 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability, including fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

2 主要會計政策概要 (續)

2.11 應收賬款

應收賬款初步按公平值確認，而其後則採用實際利率法按已攤銷成本減減值撥備計量。倘有客觀憑證顯示本集團將不能按應收賬款之原有條款收回所有到期款項，則會對應收賬款作出減值撥備。撥備之數額為資產賬面值與估計未來現金流量現值之間之差額，並按實際利率貼現。撥備之數額於損益表中確認。

2.12 現金及現金等價物

現金及現金等價物包括手頭現金、存於銀行之通知存款，及其他原定期限為三個月或以內而流通量極高之短期投資。

2.13 股本

普通股分類為股本。

發行新股或購股權直接應佔之新增成本乃於股本內列作所得款項（扣除稅項）之扣減。

倘任何本集團成員公司購買本公司之權益股本，則所支付之代價（包括任何直接應佔之新增成本減去所得稅）乃從本公司股權持有人應佔股本中扣除，直至該等股份被註銷。

2.14 借貸

借貸初步按公平值（扣除已產生之交易成本）確認。交易成本為收購、發行或出售財務資產或財務負債直接應佔之增量成本，包括向代理、顧問、經紀及交易商支付之費用及佣金、監管代理機構及證券交易所徵收之款項及過戶登記稅項及稅款。借貸其後按已攤銷成本列賬；所得款項（扣除交易成本）與贖回價值間之任何差額於借貸期使用實際利率法於損益表內確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.15 Borrowing cost

Borrowing costs incurred for the construction of any qualifying assets are capitalised during the period of time that is required to complete and prepare the assets for its intended use.

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

2.16 Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, associates and jointly controlled entities, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

2 主要會計政策概要 (續)

2.15 借貸成本

為建設任何合資格資產產生之借貸成本，於完成建設並預備有關資產作擬定用途所需期間內資本化。

所有其他借貸成本均於發生年度內在損益表支銷。

2.16 遞延所得稅

遞延所得稅乃利用負債法就資產與負債之稅基與它們在綜合財務報表之賬面值兩者之短暫時差作全數撥備。然而，若遞延所得稅來自在交易（不包括企業合併）中對資產或負債的初步確認，而在交易時不影響會計損益或應課稅盈虧，則不作記賬。遞延所得稅採用在結算日前已頒佈或實質採用，並在有關之遞延所得稅資產實現或遞延所得稅負債結算時預期將會適用之稅率（及法例）而釐定。

遞延所得稅資產乃就有可能將未來應課稅溢利與可動用之短暫時差抵銷而確認。

遞延所得稅會就有關在附屬公司、聯營公司及共同控制實體之投資所產生之短暫時差而撥備，但假若本集團可控制時差之撥回，並有可能在可預見未來不會撥回則除外。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2 主要會計政策概要 (續)

2.17 Employee benefits

2.17 僱員福利

(a) Pension obligations

Group companies operate defined contribution plans only. The Group pays contributions to publicly or privately administered pension insurance plans on a mandatory or contractual basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due and are reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(a) 退休金責任

本集團屬下公司僅設有界定供款計劃。本集團向公營或私人管理退休保險計劃作出強制或合約性質供款。作出供款後，本集團毋須作進一步供款承擔。該等供款會於到期支付時確認為僱員福利開支，並可就因本集團員工在供款全數歸屬該等員工前離職而被沒收之供款作出扣減。可提供現金退還或扣減未來付款之預付供款會確認為資產。

(b) Share-based compensation

The Group operates an equity-settled, share-based compensation plan. The fair value of the employee services received in exchange for the grant of the options is recognised as expenses. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance sheet date, the entity revises its estimates of the number of options that are expected to become exercisable.

(b) 股份補償

本集團設有一項以股權結算之股份補償計劃。就交換僱員所提供之服務所授出之購股權之公平值，乃確認為開支。將於歸屬期內支銷之款項總額乃經參考所授出購股權之公平值釐訂，且不包括任何非市況歸屬條件（如盈利能力及銷售增長目標）之影響。非市況歸屬條件乃於估計將可予行使之購股權數目時考慮。於每個結算日，實體均會修訂其估計將可予行使之購股權數目。

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

於購股權獲行使時，所收取之所得款項淨額（扣除直接應佔之交易成本）乃計入股本（面值）及股份溢價中。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.18 Provisions

Provisions are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

2.19 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of properties and services. Revenue is recognised as follows:

(a) *Sale of properties*

Revenue from sale of properties is recognised upon completion of sale agreement, which refers to the time when the risks and rewards of the sale transaction are transferred to the buyers. Deposits and instalments received on properties sold prior to completion of the respective sale agreements are included as deferred revenue under current liabilities.

(b) *Rental income*

Rental income is recognised on a straight-line basis over the period of the relevant leases.

(c) *Property management fees, property design fees and marketing consultancy fees*

Property management fees, property design fees and marketing consultancy fees are recognised when the services are rendered.

2 主要會計政策概要 (續)

2.18 撥備

在出現以下情況時就重建費用和法律索償作出撥備：本集團因已發生的事件而產生現有的法律或推定責任；較可能需要有資源流出以償付責任；金額已經可靠估計。未來經營虧損概不作撥備。

如有多項類似責任，其需要在償付中流出資源的可能性，根據責任的類別整體考慮。即使在同一責任類別所包含的任何一個項目相關的資源流出的可能性極低，仍須確認撥備。

2.19 收入確認

收入包括出售物業及服務收取之代價之公平值。收入確認如下：

(a) 銷售物業

銷售物業所得之收入乃於銷售協議完成時（即銷售交易之風險及回報轉移至買家之時）確認。於銷售協議完成前就出售物業所收取之按金及分期款項乃計入流動負債項下之遞延收入。

(b) 租金收入

租金收入按有關租約限期以直線法確認。

(c) 物業管理費、物業設計費及營銷顧問費

物業管理費、物業設計費及營銷顧問費於提供服務時確認。

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綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) 2 主要會計政策概要 (續)

2.19 Revenue recognition (Continued)

(d) Interest income

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

(e) Government grants

A government grant is recognised when there is reasonable assurance that the Group will comply with the conditions attaching with it and that the grant will be received.

Grants relating to income are deferred and recognised in the income statement over the period necessary to match them with the costs they are intended to compensate. Grants relating to the purchase of properties and equipment are included in non-current liabilities as deferred income and are credited to the income statement on a straight-line basis over the expected lives of the related assets.

Amounts received for which the earning process has not been completed are accounted for as deferred revenue.

2.20 Operating leases (as the lessee)

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are expensed in the income statement on a straight-line basis over the period of the lease.

The up-front prepayments made for the land use rights are expensed in the income statement on a straight-line basis over the period of the lease or where there is impairment, the impairment is expensed in the income statement.

2.19 收入確認 (續)

(d) 利息收入

利息收入採用實際利率法按時間比例確認。

(e) 政府補助

政府補助於可合理地確定將會收取而本集團符合所有相關條件時確認入賬。

有關收入之政府補助均會於符合擬彌償成本所需之期間遞延並在損益表確認入賬。有關購入物業及設備之政府補助計入非流動負債為遞延收入，在相關資產之預期年期以直線基準計入損益表內。

收益過程尚未完成的已收款項以遞延收入計算。

2.20 營業租約 (作為承租人)

如租約擁有權的重大部份風險和回報由出租人保留，分類為營業租約。根據營業租約支付的款項 (扣除自出租人收取之任何獎勵金後) 於租賃期內以直線法在損益表支銷。

土地使用權之前期預付款項將於租約期間內以直線法在損益表內扣除，或倘出現減值，減值將於損益表內扣除。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.21 Insurance contracts

The Group assesses at each balance sheet date the liabilities under its insurance contracts using current estimates of future cash flows. Changes in carrying amount of these insurance liabilities are recognised in the income statement.

The Group regards its financial guarantee contracts in respect of mortgage facilities provided to certain property purchasers and guarantees provided to its joint ventures and non-wholly owned subsidiaries as insurance contracts.

2.22 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: foreign exchange risk, credit risk, liquidity risk and cash flow and fair value interest-rate risk. The Group's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effect on the Group's financial performance. The Group regularly monitors its exposure and currently considers not necessary to hedge any of these financial risks.

(a) Foreign exchange risk

Majority of the subsidiaries of the Group operates in Mainland China with most of the transactions denominated in Renminbi. The Group is exposed to foreign exchange risk arising from the exposure of Renminbi and US dollars against Hong Kong dollars. It has not hedged its foreign exchange rate risk.

In addition, the conversion of Renminbi into foreign currencies is subject to the rules and regulations of the foreign exchange control promulgated by the Mainland China government.

2 主要會計政策概要 (續)

2.21 保險合約

本集團會於各結算日利用現時對未來現金流量之估計評估其於保險合約下之責任。此等保險責任之賬面值變動會於損益表確認。

本集團將有關給予若干物業買家之按揭信貸及給予其合營企業及非全資附屬公司之擔保之財務擔保合約視為保險合約。

2.22 股息分派

向本公司股東分派的股息在股息獲本公司股東批准的期間內於本集團的財務報表內列為負債。

3 財務風險管理

3.1 財務風險因素

本集團之業務令其承受多種財務風險：外匯風險、信貸風險、流動資金風險及現金流及公平值利率風險。本集團的整體風險管理政策專注於金融市場的低可測性，並力求減低對本集團財務表現的潛在不利影響。本集團經常監測其承受風險情況，並認為至目前為止無須為任何此等財務風險進行對沖。

(a) 外匯風險

本集團大部份附屬公司均於中國內地經營，而大部份交易均以人民幣計算。本集團須承受之外匯風險由人民幣兌港元及美元兌港元之匯率引致。本集團並無外幣匯率風險作出對沖。

此外，將人民幣換算為外幣須受中國內地政府所頒佈之外匯管制規則及規例監管。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk

The Group is exposed to concentration of credit risk as over 20% of its trade receivables is due by two customers. The Group has no other significant concentration of credit risk. The carrying amount of the accounts receivable included in the consolidated balance sheet represents the Group's maximum exposure to credit risk in relation to its financial assets.

(c) Liquidity risk

Due to the capital intensive nature of the Group's business, the Group ensures that it maintains sufficient cash and credit lines to meet its liquidity requirements.

(d) Cash flow and fair value interest-rate risk

The Group's interest-rate risk arises from interest-bearing bank deposits and borrowings. Bank deposits and borrowings issued at variable rates expose the Group to cash flow interest-rate risk. Borrowings issued at fixed rates expose the Group to fair value interest-rate risk. The Group has not hedged its cash flow and fair value interest-rate risk.

3.2 Fair value estimation

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date.

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

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(b) 信貸風險

本集團有逾20%之應收賬款來自兩位客戶，故承受信貸過於集中之風險。但除此之外，本集團並無其他信貸過於集中之風險。綜合資產負債表內應收賬款之賬面值乃本集團就其金融資產所須承受之最大信貸風險。

(c) 流動資金風險

基於本集團業務具有資本密集之特性，本集團確保其備有足夠之現金及信用額度，以應付其流動資金所需。

(d) 現金流及公平值利率風險

本集團之利率風險乃由有息銀行存款及借貸產生。銀行存款及借貸令本集團承受現金流利率風險。而定息借貸則令本集團承受公平值利率風險。本集團並無就其現金流及公平值利率風險作出對沖。

3.2 公平值估算

未有在活躍市場上交易的金融工具，其公平值乃透過估值而決定。本集團根據於結算當日存在之市場情況，採用各種方法作出估計。

應收賬款、應付賬款、與關連人士之結餘及應付土地成本之面值減去估計信貸調整後，乃假設與其公平值相若。就披露而言，金融負債之公平值乃按本集團可取得之類似金融工具之現行市場利率，把未來合約現金流量貼現作出估算。

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

4.1 Critical accounting estimates and assumptions

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

- (a) *Estimated impairment of properties and equipment, leasehold land and land use rights, properties under development for long-term investment and intangible assets*

Properties and equipment and leasehold land and land use rights are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Properties under development for long-term investment and intangible assets are reviewed for impairment at each balance sheet date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amounts of properties and equipment, leasehold land and land use rights, properties under development for long-term investment and intangible assets have been determined based on value-in-use calculations, taking into account latest market information and past experience. These calculation and valuations require the use of judgements and estimates.

4 重要會計推算及判斷

推算及判斷乃持續進行之評估，並以過往經驗及其他因素作為基礎，包括在目前情況下對未來事件之合理預期。

4.1 重要會計推算及假設

本集團就未來作出推算及假設。在定義上，由此而生之會計推算極少與相關之實際結果相同。具相當風險導致下個財政年度之資產與負債賬面值作重大調整之推算及假設將於下文論述。

- (a) *物業及設備、租賃土地與土地使用權、持作長期投資之發展中物業及無形資產之估計減值*

物業及設備及租賃土地與土地使用權，乃於有事件或情況變動顯示其賬面值可能不能收回時作減值檢討。持作長期投資之發展中物業及無形資產乃於每個結算日或有事件或情況變動顯示其賬面值可能不能收回時作減值檢討。物業及設備、租賃土地與土地使用權、持作長期投資之發展中物業及無形資產之可收回金額乃按其使用價值釐訂並考慮最近期市場資料及過往經驗。此等計算及估值須運用判斷及推算。

Notes to the Consolidated Financial Statements

綜合財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

4.1 Critical accounting estimates and assumptions (Continued)

- (b) *Estimated write-downs of properties under development for sale and completed properties for sale*

The Group writes down properties under development for sale and completed properties for sale to net realisable value based on assessment of the realisability of properties under development for sale and completed properties for sale, taking into account costs to completion based on past experience and net sales value based on prevailing market conditions. If there is an increase in cost to completion or a decrease in net sales value, the net realisable value will decrease and this might result in write-downs of properties under development for sale and completed properties of sale to net realisable value. Write-downs are recorded where events or changes in circumstances indicate that the balances may not be realised. The identification of write-downs requires the use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact carrying value and write-downs of properties under development for sale and completed properties for sale in the periods in which such estimate is changed.

- (c) *Estimate of fair value of investment properties*

The best evidence of fair value is current prices in an active market for similar lease and other contracts. In the absence of such information, the Group determines the amount within a range of reasonable fair value estimates. In making its judgement, the Group considers information from a variety of sources including:

- (i) current prices in an active market for properties of different nature, condition or location (or subject to different lease or other contracts), adjusted to reflect those differences, by reference to independent valuations; and

4 重要會計推算及判斷 (續)

4.1 重要會計推算及假設 (續)

- (b) *持作銷售發展中物業及持作銷售已落成物業估計撇減*

本集團根據其對持作銷售發展中物業及持作銷售已落成物業所進行之變現能力評估，並根據過往經驗及當時市場環境估計之銷售淨值計算之完工成本，將持作銷售發展中物業及持作銷售已落成物業撇減至可變現淨值。倘完工成本增加或銷售淨值減少，可變現淨值將減少，並因而可能導致持作銷售發展中物業及持作銷售已落成物業須撇減至可變現淨值。撇減乃於有事件或情況變動顯示餘額可能未能變現時記錄。確認撇減時須運用判斷及推算。倘預期結果與原先之估算不同，有關差異將會對估算變動出現之期間內之可供出售發展中物業及可供出售已落成物業之賬面值及所撇減數額構成影響。

- (c) *投資物業之公平值估計*

公平值之最佳憑證為類似租賃及其他合約於活躍市場中之現行價格。倘缺乏有關資料，本集團將會把金額釐訂在合理之公平值估算範圍內。於作出判斷時，本集團將考慮多項資料來源，包括：

- (i) 於交投活躍之市場中不同性質、狀況或地點（或訂有不同租約或其他合約）之物業之現行價格（經參考獨立估值），並作出調整以反映上述不同；及

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

4.1 Critical accounting estimates and assumptions (Continued)

(c) *Estimate of fair value of investment properties (Continued)*

- (ii) recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices.

(d) *Current taxation and deferred taxation*

The Group is subject to taxation in Mainland China and Hong Kong. Judgement is required in determining the amount of the provision for taxation and the timing of payment of the related taxation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the periods in which such determination are made.

Deferred tax assets relating to certain temporary differences and tax losses are recognised as management considers it is probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. Where the expectation is different from the original estimate, such differences will impact the recognition of deferred taxation assets and taxation in the periods in which such estimate is changed.

4 重要會計推算及判斷 (續)

4.1 重要會計推算及假設 (續)

(c) *投資物業之公平值估計 (續)*

- (ii) 於交投較淡靜之市場中類似物業之近期價格，並作出調整以反映自交易日期以來經濟環境之任何變動對該等價格之影響。

(d) *當期稅項及遞延稅項*

本集團須繳納中國內地及香港稅項。於釐訂相關稅項之稅項撥備金額及支付時間時須作出判斷。於日常業務過程中有頗多未能確定最終稅項之交易及計算。倘該等事宜之最終稅務結果與初步記錄之金額不同，有關差異將影響作出釐定之期間內之所得稅及遞延稅項撥備。

倘管理層認為未來應課稅溢利可用作對銷暫時性差異或稅項虧損可予動用時，則會確認與若干暫時性差異有關之遞延稅項資產淨值及稅項虧損。倘預期結果預原先之估算不同，有關差異會對有關估算出現變動之期間內遞延稅項資產及稅項之確認構成影響。

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綜合財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

4.1 Critical accounting estimates and assumptions (Continued)

(e) Depreciation and amortisation

The Group's net book value of properties and equipment as at 31 December 2006 was approximately HK\$1,267,460,000. The Group depreciates the hotel property, building, furniture and office equipment and motor vehicles on a straight line basis over the estimated useful life of 28 years, 50 years, 5 years and 3 to 5 years, respectively, and after taking into account of their estimated residual value, using the straight-line method, at the rate of 2% to 33% per annum, commencing from the date the asset is placed into productive use. The estimated useful lives and dates that the Group places the properties and equipment into productive use reflects the directors' estimate of the periods that the Group intends to derive future economic benefits from the use of the Group's assets.

4.2 Critical judgements in applying the entity's accounting policies

Distinction between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property. In making its judgement, the Group considers whether the property generates cash flows largely independently of the other assets held by an entity. Owner-occupied properties generate cash flows that are attributable not only to property but also to other assets used in the production or supply process.

4 重要會計推算及判斷 (續)

4.1 重要會計推算及假設 (續)

(e) 折舊及攤銷

本集團之物業及設備於二零零六年十二月三十一日之賬面淨值約為港幣1,267,460,000元。本集團由資產可投入作生產用途之日起，以直線法於分別28年、50年、5年以及3至5年之估計可用年期期間，按每年介乎2%至33%之折舊率並在計及資產估計剩餘價值後，對酒店物業、樓宇、傢俬及辦公室設備以及汽車計算折舊。估計可用年期及本集團把物業及設備投入生產用途之日期，反映董事對本集團擬自運用本集團資產產生未來經濟利益之期間之估計。

4.2 於應用公司會計政策時作出之重大判斷

分辨投資物業與自用物業

本集團會釐訂物業是否合資格成為投資物業。於作出判斷時，本集團會考慮該物業能否產生大致獨立於公司所持其他資產之現金流量。自用物業所產生之現金流量不只有該物業佔有，亦會由生產或供應過程中所使用之其他資產佔有。

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

4.2 Critical judgements in applying the entity's accounting policies (Continued)

Distinction between investment properties and owner-occupied properties (Continued)

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions can be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately. If the portions cannot be sold separately, the property is accounted for investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is applied in determining whether ancillary services are so significant that a property does not qualify as investment property. The Group considers each property separately in making its judgement.

5 SEGMENT INFORMATION

Primary reporting format – geographical segments

The Group operates in five main geographical areas for the following businesses:

Guangdong province	–	property development, property investment and property management
Beijing	–	hotel operation, property development, property investment and property management
Shanghai	–	property development and property investment
Tianjin	–	property development and property investment
Others	–	property design and consultancy services

4 重要會計推算及判斷 (續)

4.2 於應用公司會計政策時作出之重大判斷 (續)

分辨投資物業與自用物業 (續)

部份物業可分為持作賺取租金或資本增值之部份，或持作生產或供應貨物或服務或行政用途之部份。倘該等部份可分開出售（或根據融資租賃分開出租），本集團將會把該部份分開入賬。倘該等部份不可分開出售，該物業僅會於持作生產或供應貨物或服務或行政用途之部份只佔極少部份時，被確認為投資物業。於釐訂附屬服務對物業未能合資格成為投資物業是否重要時須作出判斷。本集團於作出判斷時均會對每項物業作獨立考慮。

5 分部資料

主要申報形式 – 地區分類

本集團於五個主要地區經營以下業務：

廣東省	–	物業發展、物業投資及物業管理
北京	–	酒店業務、物業發展、物業投資及物業管理
上海	–	物業發展及物業投資
天津	–	物業發展及物業投資
其他	–	物業設計及顧問服務

Notes to the Consolidated Financial Statements

綜合財務報表附註

5 SEGMENT INFORMATION (Continued)

The segment results for the year ended 31 December 2006 are as follows:

5 分部資料 (續)

截至二零零六年十二月三十一日止年度之分類業績如下：

		Guangdong province 廣東省 HK\$'000 港幣千元	Beijing 北京 HK\$'000 港幣千元	Shanghai 上海 HK\$'000 港幣千元	Tianjin 天津 HK\$'000 港幣千元	Others 其他 HK\$'000 港幣千元	Unallocated 未分配 HK\$'000 港幣千元	Group 本集團 HK\$'000 港幣千元
Total gross segment revenues	分類業務總收益	3,385,271	2,174,922	665,551	699,523	34,726	-	6,959,993
Inter-segment revenues	內部分類收益	(2,805)	(1,439)	-	(729)	(34,726)	-	(39,699)
Revenues	收益	<u>3,382,466</u>	<u>2,173,483</u>	<u>665,551</u>	<u>698,794</u>	-	-	<u>6,920,294</u>
Operating profit/(loss)	經營溢利/(虧損)	1,302,201	598,993	298,488	122,931	(627)	69,281	2,391,267
Share of loss of an associate	分佔一間聯營公司之虧損	(80)	-	-	-	-	-	(80)
Share of profit of a jointly controlled entity	分佔一間共同控制實體 之溢利	128,343	-	-	-	-	-	128,343
Finance income	財務收入							26,814
Finance costs	財務成本							<u>(84,808)</u>
Profit before taxation	除稅前溢利							2,461,536
Taxation	稅項							<u>(837,358)</u>
Profit for the year	年度溢利							<u>1,624,178</u>

5 SEGMENT INFORMATION (Continued)

The segment results for the year ended 31 December 2005 are as follows:

5 分部資料 (續)

截至二零零五年十二月三十一日止年度之分類業績如下：

		Guangdong province 廣東省 HK\$'000 港幣千元	Beijing 北京 HK\$'000 港幣千元	Shanghai 上海 HK\$'000 港幣千元	Tianjin 天津 HK\$'000 港幣千元	Others 其他 HK\$'000 港幣千元	Unallocated 未分配 HK\$'000 港幣千元	Group 本集團 HK\$'000 港幣千元
Total gross segment revenues	分類業務總收益	2,902,468	2,066,455	615,733	558,429	75,192	-	6,218,277
Inter-segment revenues	內部分類收益	(11,082)	-	-	-	(73,301)	-	(84,383)
Revenues	收益	<u>2,891,386</u>	<u>2,066,455</u>	<u>615,733</u>	<u>558,429</u>	<u>1,891</u>	<u>-</u>	<u>6,133,894</u>
Operating profit/(loss)	經營溢利/(虧損)	680,911	648,836	421,425	(29,540)	64	(58,038)	1,663,658
Share of profit of an associate	分佔一間聯營公司之溢利	44	-	-	-	-	-	44
Share of profit of and other gains relating to a jointly controlled entity	分佔一間共同控制實體之溢利及其他收益	191,509	-	-	-	-	-	191,509
Finance income	財務收入							17,382
Finance costs	財務成本							(59,966)
Profit before taxation	除稅前溢利							1,812,627
Taxation	稅項							(611,446)
Profit for the year	年度溢利							<u>1,201,181</u>

Notes to the Consolidated Financial Statements

綜合財務報表附註

5 SEGMENT INFORMATION (Continued)

Primary reporting format – geographical segments (Continued)

The segment assets and liabilities at 31 December 2006 and depreciation, amortisation and capital expenditure for the year then ended are as follows:

5 分部資料 (續)

主要申報形式 – 地區分類 (續)

於二零零六年十二月三十一日之分部資產及負債，以及截至當日止年度之折舊、攤銷及資本開支如下：

		Guangdong province 廣東省 HK\$'000 港幣千元	Beijing 北京 HK\$'000 港幣千元	Shanghai 上海 HK\$'000 港幣千元	Tianjin 天津 HK\$'000 港幣千元	Others 其他 HK\$'000 港幣千元	Unallocated 未分配 HK\$'000 港幣千元	Group 本集團 HK\$'000 港幣千元
Assets	資產	10,898,038	5,179,197	5,003,021	2,690,951	633,962	42,357	24,447,526
Investment in an associate	於一間聯營公司之投資	-	-	-	-	-	-	-
Investment in a jointly controlled entity	於一間共同控制實體之投資	1,033,245	-	-	-	-	-	1,033,245
Total assets	資產總值	<u>11,931,283</u>	<u>5,179,197</u>	<u>5,003,021</u>	<u>2,690,951</u>	<u>633,962</u>	<u>42,357</u>	<u>25,480,771</u>
Liabilities	負債	<u>5,445,842</u>	<u>4,703,451</u>	<u>1,789,642</u>	<u>1,056,846</u>	<u>2,897,031</u>	<u>1,360,044</u>	<u>17,252,856</u>
Depreciation	折舊	<u>6,009</u>	<u>13,117</u>	<u>468</u>	<u>2,241</u>	<u>282</u>	<u>-</u>	<u>22,117</u>
Amortisation	攤銷	<u>50,918</u>	<u>1,753</u>	<u>18,076</u>	<u>1,719</u>	<u>7,231</u>	<u>-</u>	<u>79,697</u>
Capital expenditure	資本開支	<u>51,053</u>	<u>6,321</u>	<u>1,038</u>	<u>330,167</u>	<u>726</u>	<u>-</u>	<u>389,305</u>

5 SEGMENT INFORMATION (Continued)

Primary reporting format – geographical segments (Continued)

The segment assets and liabilities at 31 December 2005 and depreciation, amortisation and capital expenditure for the year then ended are as follows:

		Guangdong province 廣東省 HK\$'000 港幣千元	Beijing 北京 HK\$'000 港幣千元	Shanghai 上海 HK\$'000 港幣千元	Tianjin 天津 HK\$'000 港幣千元	Others 其他 HK\$'000 港幣千元	Unallocated 未分配 HK\$'000 港幣千元	Group 本集團 HK\$'000 港幣千元
Assets	資產	9,449,135	4,413,130	2,419,199	1,948,052	434,454	51,962	18,715,932
Investment in an associate	於一間聯營公司之投資	80	-	-	-	-	-	80
Investment in a jointly controlled entity	於一間共同控制實體之投資	867,632	-	-	-	-	-	867,632
Total assets	資產總值	<u>10,316,847</u>	<u>4,413,130</u>	<u>2,419,199</u>	<u>1,948,052</u>	<u>434,454</u>	<u>51,962</u>	<u>19,583,644</u>
Liabilities	負債	<u>5,228,752</u>	<u>1,991,303</u>	<u>1,424,468</u>	<u>880,714</u>	<u>3,096,475</u>	<u>1,196,657</u>	<u>13,818,369</u>
Depreciation	折舊	<u>7,152</u>	<u>6,328</u>	<u>570</u>	<u>2,060</u>	<u>174</u>	<u>-</u>	<u>16,284</u>
Amortisation	攤銷	<u>41,616</u>	<u>1,392</u>	<u>15,686</u>	<u>586</u>	<u>1,755</u>	<u>-</u>	<u>61,035</u>
Capital expenditure	資本開支	<u>169,921</u>	<u>62,878</u>	<u>144</u>	<u>199,786</u>	<u>508</u>	<u>-</u>	<u>433,237</u>

Segment assets consist primarily of all of the Group's operating assets and exclude tax assets.

Segment liabilities consist primarily of all of the Group's operating liabilities and exclude tax liabilities.

Capital expenditure comprises additions to land (Note 6), properties and equipment (Note 7), investment properties (Note 8) and properties under development for long-term investment (Note 9), including additions resulting from acquisitions through business combinations (Note 40).

5 分部資料 (續)

主要申報形式 – 地區分類 (續)

於二零零五年十二月三十一日分部資產及負債，以及截至該日止年度之折舊、攤銷及資本開支如下：

分類資產主要包括本集團之全部營運資產及撇除稅項資產。

分類負債主要包括本集團之全部營運負債及撇除稅項負債。

資本開支包括新增土地(附註6)、物業及設備(附註7)、投資物業(附註8)及持作長期投資之發展中物業(附註9)之添置，包括透過業務合併(附註40)註進行收購而產生之增加。

Notes to the Consolidated Financial Statements

綜合財務報表附註

5 SEGMENT INFORMATION (Continued)

Secondary reporting format – business segments

The Group is organised into three main business segments as follows:

- Property development – property development in residential and commercial projects
- Property investment – holding of offices, shops and carparks for investment potential and rental income
- Property management – management of residential and commercial properties

5 分部資料 (續)

次要申報形式 – 業務分類

本集團由以下三個主要業務分類組成：

- 物業發展 – 住宅及商業項目之物業發展
- 物業投資 – 就潛在投資及租金收入持有辦公室、店舖及停車場
- 物業管理 – 管理住宅及商業物業

		2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元
Revenues	收益		
Property development	物業發展	6,692,714	5,990,942
Property investment	物業投資	54,243	46,983
Property management	物業管理	173,337	95,969
		6,920,294	6,133,894
Total assets	總資產		
Property development	物業發展	21,144,340	15,448,405
Property investment	物業投資	3,139,431	3,139,363
Property management	物業管理	121,398	76,202
Unallocated	未分配	42,357	51,962
		24,447,526	18,715,932
Investment in an associate	於一間聯營公司之投資	–	80
Investment in a jointly controlled entity	於一間共同控制實體之投資	1,033,245	867,632
		25,480,771	19,583,644
Capital expenditure	資本開支		
Property development	物業發展	343,490	267,819
Property investment	物業投資	43,835	164,230
Property management	物業管理	1,980	1,188
		389,305	433,237

5 SEGMENT INFORMATION (Continued)

Secondary reporting format – business segments (Continued)

Analysis of revenues by category:

		2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元
Sales of properties	銷售物業	6,601,678	5,953,608
Rental income from investment properties	投資物業之租金收入	54,243	46,983
Property management fees	物業管理費	173,337	95,969
Others	其他	91,036	37,334
		6,920,294	6,133,894

5 分部資料 (續)

次要申報形式 – 業務分類 (續)

按收入分類分析:

		2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元
		6,601,678	5,953,608
		54,243	46,983
		173,337	95,969
		91,036	37,334
		6,920,294	6,133,894

Notes to the Consolidated Financial Statements

綜合財務報表附註

6 LAND COSTS

The Group's interests in land costs represent prepaid operating lease payments and their net book amount is analysed as follows:

6 土地成本

本集團於土地成本之權益指預付經營租賃款項·彼等之賬面淨額分析如下：

		Consolidated 綜合	
		2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元
Beginning of the year	年初	5,557,964	4,536,737
Additions	新增	1,928,038	549,870
Acquisition of subsidiaries	收購附屬公司	1,388,383	992,791
Disposals	出售	(684,012)	(493,985)
Transfer to investment properties	轉撥至投資物業	(802)	(41,642)
Transfer to other non-current asset	轉撥至其他非流動資產	(768,277)	–
Amortisation	攤銷	(72,466)	(59,350)
Exchange difference	匯兌差額	287,490	73,543
End of the year	年終	<u>7,636,318</u>	<u>5,557,964</u>
Analysed as:	分析:		
Non-current	非流動		
– in relation to properties under development for long-term investment	– 持作長期投資之發展中物業	371,470	321,640
– in relation to properties and equipment	– 物業及設備	128,897	104,859
		<u>500,367</u>	<u>426,499</u>
Current	流動		
– in relation to properties under development for sale	– 可供出售之發展中物業	6,794,974	4,860,198
– in relation to completed properties for sale	– 可供出售之已落成物業	340,977	271,267
		<u>7,135,951</u>	<u>5,131,465</u>
		<u>7,636,318</u>	<u>5,557,964</u>

6 LAND COSTS (Continued)

The amount of the amortisation expenses recognised in the income statements is as follows:

		Consolidated 綜合	
		2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元
Cost of sales	銷售成本	8,035	14,159
General and administrative expenses	一般及行政開支	1,142	1,562
		9,177	15,721

The balance of the amortisation expenses related to properties under development and has been capitalised as development costs included in properties under development and properties and equipment.

6 土地成本 (續)

於損益表中確認之攤銷開支如下：

		Consolidated 綜合	
		2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元
Cost of sales	銷售成本	8,035	14,159
General and administrative expenses	一般及行政開支	1,142	1,562
		9,177	15,721

有關在建物業之攤銷開支餘額已資本化作發展成本計入發展中物業及物業及設備。

		Consolidated 綜合	
		2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元
In Mainland China, held on:	於中國大陸·按以下方式持有：		
Land use rights of over 50 years	50 年以上之土地使用權	6,019,842	3,605,959
Land use rights of between 10 and 50 years	介乎10 年至50 年之土地使用權	1,613,238	1,948,697
In Hong Kong held on:	於香港·按以下方式持有：		
Leases of over 50 years	50 年以上之租約	3,238	3,308
		7,636,318	5,557,964

As at 31 December 2006, net book amount of approximately HK\$1,116,347,000 (2005: HK\$1,932,476,000) of the Group's land were pledged as collateral for the Group's banking facilities (Note 25). As at 31 December 2006, net book amount of approximately HK\$82,562,000 (2005: HK\$150,945,000) of the Group's land were pledged as collateral for bank borrowings of a jointly controlled entity.

於二零零六年十二月三十一日·本集團賬面值約港幣1,116,347,000元(二零零五年:港幣1,932,476,000元)之土地成本已抵押作本集團之銀行信貸之抵押品(附註25)。於二零零六年十二月三十一日·本集團賬面值約港幣82,562,000元(二零零五年:港幣150,945,000元)之土地已抵押作一間共同控制實體之銀行借貸之抵押品。

Notes to the Consolidated Financial Statements

綜合財務報表附註

7 PROPERTIES AND EQUIPMENT

7 物業及設備

		Consolidated 綜合					Total 總額
		Construction in progress	Hotel property	Buildings	Furniture and office equipment	Motor vehicles	
		在建工程 HK\$'000 港幣千元	酒店物業 HK\$'000 港幣千元	樓宇 HK\$'000 港幣千元	傢俬及 辦公室設備 HK\$'000 港幣千元	汽車 HK\$'000 港幣千元	港幣千元
Year ended 31 December 2005	截至二零零五年十二月三十一日止年度						
Opening net book amount	期初賬面淨值	673,381	–	2,321	16,326	17,749	709,777
Additions (including capitalisation of land use rights amortisation)	新增(包括資本化土地使用權攤銷)	210,613	–	–	29,643	3,288	243,544
Acquisition of subsidiaries	收購附屬公司	–	–	–	954	375	1,329
Depreciation	折舊	–	(4,089)	(71)	(6,241)	(5,883)	(16,284)
Disposals	出售	–	–	–	(856)	(7,517)	(8,373)
Transfer	轉撥	(294,834)	220,073	74,761	–	–	–
Exchange difference	匯兌差額	5,664	2,077	719	378	82	8,920
Closing net book amount	期終賬面淨值	<u>594,824</u>	<u>218,061</u>	<u>77,730</u>	<u>40,204</u>	<u>8,094</u>	<u>938,913</u>
At 31 December 2005	於二零零五年十二月三十一日						
Cost	成本	594,824	222,189	79,022	61,289	21,954	979,278
Accumulated depreciation	累計折舊	–	(4,128)	(1,292)	(21,085)	(13,860)	(40,365)
Net book amount	賬面淨值	<u>594,824</u>	<u>218,061</u>	<u>77,730</u>	<u>40,204</u>	<u>8,094</u>	<u>938,913</u>
Year ended 31 December 2006	截至二零零六年十二月三十一日止年度						
Opening net book amount	期初賬面淨值	594,824	218,061	77,730	40,204	8,094	938,913
Additions (including capitalisation of land use rights amortisation)	新增(包括資本化土地使用權攤銷)	250,707	–	51,994	16,670	1,813	321,184
Acquisition of subsidiaries	收購附屬公司	–	–	–	48	270	318
Depreciation	折舊	–	(8,368)	(133)	(10,645)	(2,971)	(22,117)
Disposals	出售	–	(8,193)	(378)	(10,505)	(305)	(19,381)
Exchange difference	匯兌差額	28,247	8,190	8,953	1,746	1,407	48,543
Closing net book amount	期終賬面淨值	<u>873,778</u>	<u>209,690</u>	<u>138,166</u>	<u>37,518</u>	<u>8,308</u>	<u>1,267,460</u>
At 31 December 2006	於二零零六年十二月三十一日						
Cost	成本	873,778	222,518	138,901	67,684	23,521	1,326,402
Accumulated depreciation	累計折舊	–	(12,828)	(735)	(30,166)	(15,213)	(58,942)
Net book amount	賬面淨值	<u>873,778</u>	<u>209,690</u>	<u>138,166</u>	<u>37,518</u>	<u>8,308</u>	<u>1,267,460</u>

7 PROPERTIES AND EQUIPMENT (Continued)

Hotel properties with a net book amount of approximately HK\$209,690,000 (2005: HK\$218,061,000) as at 31 December 2006 was pledged as collateral for the Group's banking facilities (Note 25).

Building with a net book amount of approximately HK\$41,229,000 (2005: HK\$63,332,000) as at 31 December 2006 was pledged as collateral for the Group's banking facilities (Note 25).

Construction in progress represents hotel properties, which will be held for the long-term. All construction in progress is located in Mainland China and are located on land held under land use rights expiring from 2044 through 2046.

Depreciation expenses have been included in general and administrative expenses in the income statement.

8 INVESTMENT PROPERTIES

		Consolidated 綜合	
		2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元
Beginning of the year	年初	2,583,313	2,835,469
Transfer from properties under development and land costs	轉撥自發展中物業及土地成本	19,975	100,502
Disposals	出售	(460,607)	(391,493)
Surplus on revaluation	重估盈餘	261,414	14,232
Exchange difference	匯兌差額	99,750	24,603
End of the year	年終	2,503,845	2,583,313

All investment properties are located in Mainland China and are located on land held under land use rights expiring from 2037 through 2045. They were stated at fair values with reference to valuations performed on an open market value basis by DTZ Debenham Tie Leung Limited, independent qualified valuers, as at 31 December 2006.

7 物業及設備 (續)

於二零零六年十二月三十一日賬面淨值約港幣209,690,000元(二零零五年:港幣218,061,000元)之酒店物業已抵押作本集團銀行信貸之抵押品(附註25)。

於二零零六年十二月三十一日賬面淨值約港幣41,229,000元(二零零五年:港幣63,332,000元)之樓宇已抵押作本集團銀行信貸之抵押品(附註25)。

在建工程指長期持有之酒店物業。所有在建工程位於中國大陸,以及位於根據於二零四四年至二零四六年期間屆滿之土地使用權持有之土地。

折舊開支已計入損益表內之一般及行政開支。

8 投資物業

所有投資物業均位於中國大陸及位於根據於二零三七年至二零四五年期間屆滿之土地使用權持有之土地。所有投資物業已參考合資格獨立估值師戴德梁行於二零零六年十二月三十一日按公開市場價格基準進行之估值,以公平值列賬。

Notes to the Consolidated Financial Statements

綜合財務報表附註

8 INVESTMENT PROPERTIES (Continued)

As at 31 December 2006, approximately HK\$1,323,751,000 (2005: HK\$1,141,689,000) of the Group's investment properties were pledged as collateral for the Group's banking facilities (Note 25). As at 31 December 2006, approximately HK\$237,449,000 (2005: HK\$233,442,000) of the Group's investment properties were pledged as collateral for bank borrowings of a jointly controlled entity.

The Group leases out certain investment properties under operating leases, for an initial period of one to twenty years, with an option to renew on renegotiated terms. None of the leases includes contingent rentals.

8 投資物業 (續)

於二零零六年十二月三十一日，本集團約港幣1,323,751,000元（二零零五年：港幣1,141,689,000元）之投資物業已抵押作本集團銀行信貸之抵押品（見附註25）。於二零零六年十二月三十一日，本集團約港幣237,449,000元（二零零五年：港幣233,442,000元）之投資物業已抵押作一間共同控制實體銀行貸款之抵押品。

本集團根據經營租約出租若干投資物業，初始租期為一至二十年，可選擇根據重新磋商之條款續約。各租約概無包括或然租金。

9 PROPERTIES UNDER DEVELOPMENT FOR LONG-TERM INVESTMENT

9 持作長期投資之發展中物業

		Consolidated 綜合	
		2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元
Beginning of the year	年初	234,411	338,586
Additions (including capitalisation of interest and land amortisation)	新增（包括資本化利息及土地攤銷）	3,466	119,125
Transfer to investment properties and properties under development for sale	轉撥至投資物業及可供出售之發展中物業	(19,173)	(225,644)
Exchange difference	匯兌差額	9,061	2,344
End of the year	年終	227,765	234,411

All properties under development for long-term investment are located in Mainland China on land held under land use rights expiring from 2037 through 2045.

As at 31 December 2006, approximately HK\$10,688,000 (2005: HK\$2,977,000) of the Group's properties under development for long-term investment were pledged as collateral for the Group's banking facilities (Note 25).

所有持作長期投資之發展中物業均位於中國大陸，並位於根據於二零三七年至二零四五年期間屆滿的土地使用權持有之土地。

於二零零六年十二月三十一日，本集團約港幣10,688,000元（二零零五年：港幣2,977,000元）之持作長期投資之發展中物業已抵押作本集團銀行信貸之抵押品。（見附註25）

10 PROPERTIES UNDER DEVELOPMENT FOR SALE 10 可供出售之發展中物業

		Consolidated 綜合	
		2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元
Beginning of the year	年初	4,320,803	2,775,320
Additions (including capitalisation of interest and land amortisation)	新增(包括資本化利息及土地攤銷)	2,614,226	4,004,620
Acquisition of subsidiaries	收購附屬公司	508,269	85,912
Transfer to completed properties for sale	轉撥至可供出售之已落成物業	(3,335,672)	(2,767,141)
Transfer to other non-current asset	轉撥至其他非流動資產	(133,275)	–
Transfer from properties under development for long-term investment	轉撥自持作長期投資之發展中物業	–	166,784
Exchange difference	匯兌差額	172,391	55,308
End of the year	年終	4,146,742	4,320,803

All properties under development for sale are located in Mainland China and are located on land held under land use rights expiring from 2037 through 2076.

As at 31 December 2006, approximately HK\$150,291,000 (2005: HK\$789,601,000) of the Group's properties under development for sale were pledged as collateral for the Group's banking facilities (Note 25).

11 COMPLETED PROPERTIES FOR SALE

All completed properties for sale are located in Mainland China and are located on land held under land use rights expiring from 2037 through 2076.

As at 31 December 2006, approximately HK\$627,637,000 (2005: HK\$463,651,000) of the Group's completed properties for sale were pledged as collateral for the Group's banking facilities (Note 25). As at 31 December 2006, approximately HK\$10,926,000 (2005: Nil) of the Group's completed properties for sale were pledged as collateral for bank borrowings of a jointly controlled entity.

所有可供出售之發展中物業均位於中國大陸，並位於根據於二零三七年至二零七六年期間屆滿的土地使用權持有之土地。

於二零零六年十二月三十一日，本集團約港幣150,291,000元(二零零五年：港幣789,601,000元)之可供出售之發展中物業已抵押作本集團銀行信貸之抵押品(見附註25)。

11 可供出售之已落成物業

全部可供出售之已落成物業均位於中國大陸及位於根據於二零三七年至二零七六年期間屆滿的土地使用權持有之土地上。

於二零零六年十二月三十一日，本集團約港幣627,637,000元(二零零五年：港幣463,651,000元)之可供出售之已落成物業已抵押作本集團銀行信貸之抵押品(見附註25)。於二零零六年十二月三十一日，本集團約港幣10,926,000元(二零零五年：無)之可供出售之已落成物業已抵押作一間共同控制實體銀行信貸之抵押品。

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綜合財務報表附註

12 INTANGIBLE ASSETS

12 無形資產

		Consolidated 綜合 Goodwill 商譽 HK\$'000 港幣千元
Year ended 31 December 2005	截至二零零五年 十二月三十一日止年度	
Opening net book amount	期初賬面淨值	9,044
Additions	新增	92,038
Exchange difference	匯兌差額	1,060
Closing net book amount	期終賬面淨值	<u>102,142</u>
Year ended 31 December 2006	截至二零零六年 十二月三十一日止年度	
Opening net book amount	期初賬面淨值	102,142
Exchange difference	匯兌差額	4,207
Closing net book amount	期終賬面淨值	<u>106,349</u>

12 INTANGIBLE ASSETS (Continued)

Impairment tests for goodwill

Goodwill is allocated to the Group's cash-generating units ("CGUs") identified according to geographical segment. A segment level summary of the goodwill allocation is presented below:

		2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元
Guangdong province	廣東省	82,499	79,210
Beijing	北京	23,850	22,932
		106,349	102,142

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a ten-year period.

Key assumptions used for value-in-use calculations:

		Guangdong Province 廣東省	Beijing 北京
Gross margin	毛利率	44.9%	48.0%
Discount rate	折現率	9.0%	9.0%

Management determined budgeted gross margin based on past performance and its expectations for the market development. The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

12 無形資產 (續)

商譽之減值測試

商譽分配至根據地區分部確認之本集團現金產生單位。商譽分配之分部概要呈列如下：

現金產生單位之可收回金額乃根據使用價值計算。該計算方法使用根據由管理層批核之財務預算得出涵蓋十年期間之現金流預測進行。

使用價值計算法之主要假設：

管理層會根據過往表現及其對市場發展之預測釐訂預算毛利率。所採用之折現率並未計及稅項，並反映相關分報之特定風險。

Notes to the Consolidated Financial Statements

綜合財務報表附註

13 INVESTMENTS IN SUBSIDIARIES AND DUE FROM SUBSIDIARIES

13 於附屬公司之投資及應收附屬公司款項

		Company 公司	
		2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元
Unlisted shares, at cost	非上市股份·按成本值	74,900	74,900
Due from subsidiaries	應收附屬公司款項	5,230,914	4,201,451
		5,305,814	4,276,351

Amount of HK\$2,355,410,000 (2005: Nil) is unsecured, bears interest at 8% to 8.9% per annum and without pre-determined repayment terms. The remaining balance of HK\$2,875,504,000 (2005: HK\$4,201,451,000) is unsecured, non-interest bearing and without pre-determined repayment terms.

金額港幣2,355,410,000元(二零零五:無)是無抵押、付息(每年8厘至8.9厘)而並無既定還款期。餘額為港幣2,875,504,000元(二零零五年:港幣4,201,451,000元)應收附屬公司款項為無抵押、免息及並無預定還款時間。

Details of the principal subsidiaries as at 31 December 2006 are set out in Note 42.

於二零零六年十二月三十一日之主要附屬公司詳情載於附註42。

None of the subsidiaries had any loan capital in issue at any time during the year ended 31 December 2006.

於截至二零零六年十二月三十一日止年度內任何時間,各附屬公司概無擁有任何已發行借貸資本。

14 INVESTMENT IN AN ASSOCIATE

14 於一間聯營公司之投資

		Consolidated 綜合	
		2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元
Beginning of the year	年初	80	36
Share of (loss)/profit of an associate	應佔一間聯營公司(虧損)/溢利	(80)	44
End of the year	年終	—	80

14 INVESTMENT IN AN ASSOCIATE (Continued)

14 於一間聯營公司之投資 (續)

The Group's interest in an associate, which is unlisted, is as follows:

本集團於一間非上市聯營公司之權益如下：

Name 名稱	Particulars of issued shares held 所持已發行股份詳情	Place of incorporation 註冊成立地點	Assets 資產 HK\$'000 港幣千元	Liabilities 負債 HK\$'000 港幣千元	Revenues 收入 HK\$'000 港幣千元	Profit/(loss) 溢利/(虧損) HK\$'000 港幣千元	Interest held 所持權益 %
2005	二零零五年						
Guangdong Huasheng Cultural Development Company Limited 廣東華生教育文化 發展有限公司	Registered capital of Rmb5,000,000 註冊股本人民幣 5,000,000元	Mainland China 中國大陸	11,640	11,436	2,158	111	39.6%
2006	二零零六年						
Guangdong Huasheng Cultural Development Company Limited 廣東華生教育文化 發展有限公司	Registered capital of Rmb5,000,000 註冊股本人民幣 5,000,000元	Mainland China 中國大陸	11,577	11,881	1,741	(510)	39.6%

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綜合財務報表附註

15 INVESTMENT IN A JOINTLY CONTROLLED ENTITY 15 於一間共同控制實體之投資

		Consolidated 綜合		
		Share of net assets 分佔淨資產 HK\$'000 港幣千元	Goodwill 商譽 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
At 1 January 2005	於二零零五年一月一日	223,780	32,981	256,761
Acquisition of further interests	收購進一步權益	342,934	–	342,934
Capital injection	注資	46,740	20,176	66,916
Share of post-acquisition results	分佔收購後業績	76,983	–	76,983
Excess of acquirer's interest over cost of acquisition	收購者權益超過 收購成本部分	114,526	–	114,526
Exchange difference	匯兌差額	9,045	467	9,512
		<u>814,008</u>	<u>53,624</u>	<u>867,632</u>
At 31 December 2005	於二零零五年十二月三十一日	814,008	53,624	867,632
At 1 January 2006	於二零零六年一月一日	814,008	53,624	867,632
Share of post-acquisition results	分佔收購後業績	128,343	–	128,343
Exchange difference	匯兌差額	35,126	2,144	37,270
		<u>977,477</u>	<u>55,768</u>	<u>1,033,245</u>
At 31 December 2006	於二零零六年十二月三十一日	977,477	55,768	1,033,245

Investment in a jointly controlled entity represents the Group's investment in a contractual joint venture, Guangzhou Zhujiang Qiaodao Real Estate Limited ("GZQREL"). GZQREL is established in Mainland China with an operating period of 20 years up to January 2018 to develop properties located in Guangzhou, Guangdong Province, Mainland China.

Prior to the acquisitions as described below, under the joint venture agreement, the Group was required to contribute 57.14% of the capital of GZQREL and was entitled to one-third of the voting right in GZQREL. The Group was entitled to share 40% of the profit of GZQREL but had to assume 57.14% of any losses of GZQREL, and was entitled to a distribution of 40% of GZQREL's assets upon expiry of the operating period.

於共同控制實體之權益乃指本集團於廣州珠江僑都房地產有限公司(「僑都」)之投資(僑都為一間合約合營企業)。僑都於中國大陸成立，經營期至二零一八年一月止，為期20年，其經營活動為開發位於中國大陸廣東省廣州之物業。

在下述之收購前，根據合營企業協議，本集團需要分擔僑都之57.14%資本貢獻及有權擁有僑都三分之一投票權。本集團亦有權分佔僑都之40%溢利，惟須承擔僑都虧損之57.14%，以及有權於經營期屆滿時獲分配僑都40%資產。

15 INVESTMENT IN A JOINTLY CONTROLLED ENTITY (Continued)

On 23 June 2004, the Group entered into conditional agreements to acquire further interests totalling 59.5% profit-sharing interest in GZQREL from other joint venturers. The acquisition in respect of the 29.5% profit-sharing interest in GZQREL was completed during the year ended 31 December 2005. Accordingly, the Group has recognised the acquisition of this 29.5% profit-sharing interest, including the gain on acquisition, representing the excess of the Group's share of the net identifiable assets over the cost of acquisition of approximately HK\$457,460,000, which amounted to HK\$114,526,000, in the income statement. Upon completion of this acquisition of a 29.5% interest in GZQREL, the Group is responsible for contributing 99.5% of the capital of GZQREL and is entitled to 44.4% of the voting power in GZQREL. It is entitled to share 69.5% of the profit of GZQREL but has to assume 99.5% at any losses of GZQREL, and is entitled to a distribution of 69.5% of GZQREL's assets upon expiry of the operating period.

The acquisition of the remaining 30% profit-sharing interest in GZQREL has not yet completed at 31 December 2006.

15 於一間共同控制實體之投資 (續)

於二零零四年六月二十三日，本集團訂立有條件協議，以進一步向其他合營方收購僑都合共59.5%溢利分佔權益。收購僑都合共29.5%溢利分佔權益已於截至二零零五年十二月三十一日止年度內完成。因此，本集團已於損益表確認該29.5%溢利分佔權益之收購，包括收購之收益（指本集團所分佔之可確認淨資產高於收購成本之差額約港幣457,460,000元）約港幣114,526,000元。在完成收購僑都之29.5%權益後，本集團須分擔僑都之99.5%資本貢獻及有權擁有僑都44.4%投票權。本集團亦有權分佔僑都之69.5%溢利，惟須承擔僑都虧損之99.5%，以及有權於經營期屆滿時獲分配僑都69.5%資產。

於二零零六年十二月三十一日尚未完成進一步收購僑都餘下30%溢利分佔權益。

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15 INVESTMENT IN A JOINTLY CONTROLLED ENTITY (Continued)

The following amounts represent the Group's 69.5% (2005: 69.5%) share of the assets, liabilities and commitments as at 31 December and the Group's share of sales and results of the jointly controlled entity of 69.5% for the year ended 31 December 2006 (40% from 1 January 2005 to 30 June 2005 and 69.5% from 1 July 2005 to 31 December 2005):

15 於一間共同控制實體之投資 (續)

以下金額為本集團於十二月三十一日所分佔共同控制實體69.5% (二零零五年:69.5%) 資產、負債及承擔，以及本集團分佔共同控制實體69.5%截至二零零六年十二月三十一日止年度之銷售額及業績 (自二零零五年一月一日至二零零五年六月三十日為40%及自二零零五年七月一日至二零零五年十二月三十一日為69.5%)：

		2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元
Assets:	資產:		
Non-current assets	非流動資產	146,157	145,596
Current assets	流動資產	2,064,390	1,781,744
		2,210,547	1,927,340
Liabilities:	負債:		
Long-term liabilities	長期負債	(769,301)	(650,149)
Current liabilities	流動負債	(463,769)	(454,209)
		(1,233,070)	(1,104,358)
Net assets	資產淨值	977,477	822,982
Revenues	收益	605,613	593,711
Cost of sales and expenses	銷售成本及開支	(326,344)	(323,336)
Profit before taxation	除稅前溢利	279,269	270,375
Taxation	稅項	(150,926)	(78,866)
Profit for the year	本年度溢利	128,343	191,509
Proportionate interest in the jointly controlled entity's contingent liabilities (Note 38)	於共同控制實體或然負債之按比例權益 (附註38)	241,892	191,388
Proportionate interest in the jointly controlled entity's commitments (Note 39)	於共同控制實體股本承擔之按比例權益 (附註39)	1,254,841	1,709,358

16 INVESTMENTS IN JOINTLY CONTROLLED ASSETS

Certain subsidiaries of the Group entered into a jointly controlled assets arrangement with Guangzhou Zhuguang Real Estate Development Company Limited, an independent third party, under which each of the Group companies and Guangzhou Zhuguang Real Estate Development Company Limited contributed land and other assets for the development of properties located in Guangzhou, Guangdong Province, mainland China. During the year ended 31 December 2006, the Group's participating interest in these jointly controlled assets was 95.5% (2005: 95.5%). The Group's share of the net profit of the jointly controlled assets for the year amounted to HK\$184,801,000 (2005: HK\$205,841,000) and the net assets of the jointly controlled assets as at 31 December 2006 amounted to HK\$718,503,000 (2005: HK\$507,661,000).

16 於共同控制資產之投資

本集團若干附屬公司與一名獨立第三方廣州珠光房地產開發有限公司訂立一項共同控制資產安排。據此，本集團旗下公司及廣州珠光房地產開發有限公司各就開發位於中國大陸廣東省廣州之物業提供土地及其他資產。於截至二零零六年十二月三十一日止年度內，本集團擁有該等共同控制資產95.5%（二零零五年：95.5%）之參與權益。本集團年度應佔共同控制資產溢利為港幣184,801,000元（二零零五：港幣205,841,000元）而本集團於二零零六年應佔共同控制資產淨值部份為港幣718,503,000元（二零零五年：港幣507,661,000元）。

17 AVAILABLE-FOR-SALE FINANCIAL ASSET

17 可供出售財務資產

		Consolidated 綜合	
		2006 二零零六年	2005 二零零五年
		HK\$'000 港幣千元	HK\$'000 港幣千元

Unlisted equity securities in
Mainland China

中國大陸非上市股本證券

291,834

—

The fair value of the Group's available-for-sale financial asset is determined using the price/earnings multiple method taking into account the risks and nature of the underlying business.

本集團可供出售財務資產之公平值乃使用市盈率法並計及相關業務之風險及性質而釐定。

18 DEPOSIT PAID

Deposit paid represents the advance payment of approximately HK\$554,579,000 (equivalent to approximately RMB554,579,000) made for the assignment of loans and the acquisition of interest in a jointly controlled entity, namely Beijing Dongfangwenhua International Properties Company Limited ("BJ Dongfangwenhua"), a company with a property development project ("Project Cultural") in Beijing, Mainland China.

18 已付按金

已付按金指有關轉讓貸款及收購一間共同控制實體即北京東方文華國際置業有限公司（「北京東方文華」，其為擁有中國北京一個物業發展項目（「文化項目」）之公司）而墊付之款項約港幣554,579,000元（約相當於人民幣554,579,000元）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

18 DEPOSIT PAID (Continued)

On 19 May 2006, the Group entered into agreements with Beijing Huaxia Chuang Ye Real Estate Development Company Limited ("BJ Huaxia"), a related company, to acquire BJ Huaxia's entire equity interest representing approximately 60.98% interest in BJ Dongfangwenhua and to purchase loans to BJ Dongfangwenhua and a joint venture partner from BJ Huaxia. Upon completion of the acquisition, the Group is responsible for contributing 95.8% of the capital of BJ Dongfangwenhua and is entitled to 100% of the profit arising from the office buildings and 45% of the profit arising from the hotels in Project Cultural.

The total consideration and capital contribution for the transaction amount to approximately HK\$795,584,000 (equivalent to approximately RMB795,584,000). As at 31 December 2006, the transaction has not yet completed.

19 OTHER NON-CURRENT ASSET AND LIABILITY

On 21 July 2006, the Company entered into a conditional share purchase agreement (the "Agreement") with Sun Advance Investments Limited, an indirect wholly-owned subsidiary of the Company ("Sun Advance"), Prime Essence Inc. ("Prime"), Interwell Developments Limited ("Interwell"), a 50% owned subsidiary of Comapny, Union Wise Investment Limited, Shanghai Mintai Real Estate Co., Ltd. ("Mintai") and Pacific Delta Investments Limited ("Pacific"), pursuant to which Pacific conditionally agreed to acquire the entire issued share capital of Interwell from Sun Advance and Prime in equal proportion for a consideration of US\$300 million, subject to adjustment in accordance with the Agreement.

Interwell, through Mintai, is currently constructing a building known as Shanghai Hopson International Tower situated at Meiyuan Street, Fang No. 9, Qiu No. 5, Pudong New District, Shanghai, PRC with a planned gross floor area of 85,784 square meters. The completion of the Agreement is conditional, among others, upon the issue of the occupation permit for Shanghai Hopson International Tower which the Group expects to obtain in 2008. As at 31 December 2006, the costs of land and construction of Shanghai Hopson International Tower have been classified as other non-current asset and the deposit of US\$75 million (HK\$581,250,000) received from Pacific has been classified as other non-current liability. The Group estimated a gain on disposal of its equity interest in Interwell of approximately HK\$500 million, which will be recognised upon the completion of the Agreement in 2008.

18 已付按金 (續)

於二零零六年五月十九日，本集團與北京華夏創業房地產開發有限公司（「北京華夏」）（一間關連公司）訂立協議，以收購北京華夏於北京東方文華及一名合營伙伴之全部股本權益（約佔60.98%），並收購由北京華夏墊予北京東方文華之轉讓貸款。完成收購後，本集團需負責北京東方文華95.8%資本的出資，並可攤佔來自寫字樓之100%溢利及來自文化項目之酒店之45%溢利。

該宗交易的總代價及出資額約為港幣795,584,000元（相當於約人民幣795,584,000元）。於二零零六年十二月三十一日，該交易尚未完成。

19 其他非流動資產及負債

於二零零六年七月二十一日，本公司與本公司之間接全資附屬公司Sun Advance Investments Limited（「Sun Advance」）、Prime Essence Inc.（「Prime」）、Interwell Developments Limited（「Interwell」）（本公司持有其50%股權之附屬公司）、Union Wise Investment Limited、上海民泰房地產有限公司（「民泰」）及Pacific Delta Investments Limited（「Pacific」）訂立有條件股份購買協議（「該協議」），據此，Pacific有條件同意按同一比例向Sun Advance及Prime收購Interwell全部已發行股本，代價為300,000,000美元，但可按照該協議作出調整。

Interwell透過民泰現正興建一座位於中國上海浦東新區梅園街道9坊5丘之大廈，名為上海合生國際大廈，規劃建築樓面面積為85,784平方米。完成該合約須受若干條件規限，該等條件包括（其中包括）發出上海合生國際大廈之佔用許可證（本集團預計可於二零零八年取得該許可證）。於二零零六年十二月三十一日，上海合生國際大廈之土地及建築成本已分類為其他非流動資產，而自Pacific收取之按金75,000,000美元（港幣581,250,000元）已分類為其他非流動負債。本集團售出Interwell股權之估計收益約為港幣500,000,000元，將於該協議於二零零八年完成後確認入賬。

20 PREPAYMENTS, DEPOSITS AND OTHER CURRENT ASSETS 20 預付款項、按金及其他流動資產

		Consolidated 綜合		Company 公司	
		2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元
Deposits for acquisitions of equity interests (i)	收購股本權益之按金(i)	1,172,415	351,309	-	-
Prepayments for acquisition of land (ii)	收購土地之預付款項(ii)	643,080	635,071	-	-
Guarantee deposit	擔保按金	50,000	47,667	-	-
Prepaid construction expenditures	預付建築開支	22,454	43,260	-	-
Utility and other deposits	公用設施及其他按金	49,137	52,607	-	-
Others	其他	160,552	41,949	-	422
		2,097,638	1,171,863	-	422

Notes:

- (i) This represents advances made to independent third parties for the acquisition of majority interests in certain Mainland China entities whose principal activities are property holding and development. The acquisitions are not yet completed as at 31 December 2006.
- (ii) This represents advances made for the acquisition of land use rights in Beijing, Shanghai, Guangzhou and Tianjin, Mainland China.

附註:

- (i) 此乃指就收購若干中國大陸實體(其主要業務為物業持有及開發)之多數股東權益而向獨立第三方作出之墊款。於二零零六年十二月三十一日,收購尚未完成。
- (ii) 此乃指就收購位於中國大陸之土地使用權而向北京市、上海市、廣州市及天津市政府下屬部門作出之墊款。

Notes to the Consolidated Financial Statements

綜合財務報表附註

21 ACCOUNTS RECEIVABLE

Consideration in respect of properties sold is generally payable by the buyers at the time of completion of the sale and purchase agreements. Rentals in respect of leased properties and property management fees are generally payable in advance by the tenants on a monthly basis.

The ageing analysis of accounts receivable is as follows:

		Consolidated 綜合	
		2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元
0 to 3 months	0 至3 個月	39,059	35,697
3 to 6 months	3 至6 個月	7,840	1,433
6 to 9 months	6 至9 個月	3,780	448
9 to 12 months	9 至12 個	850	25,368
Over 12 months	超過12 個月	59,613	27,378
		111,142	90,324

Carrying values of accounts receivable approximate their fair values.

As at 31 December 2006, approximately 24% (2005: 22%) of the accounts receivable was due from two (2005: one) customers; other than this, there is no concentration of credit risk with respect to accounts receivable as the Group has a large number of customers.

21 應收賬款

已出售物業之代價一般須於買賣協議完成當日由買方支付。租賃物業之租金及物業管理費一般須由租戶每月預付。

應收賬款之賬齡分析如下：

應收賬款面值與其公平值相若。

於二零零六年十二月三十一日，應收賬款中約有24%（二零零五年：22%）乃由兩（二零零五年：一名）客戶結欠；除此以外，由於本集團顧客眾多，應收賬款並無信貸集中之風險。

22 PLEDGED/CHARGED BANK DEPOSITS AND CASH AND CASH EQUIVALENTS

22 已質押／抵押銀行存款及現金及現金等價物

	Consolidated 綜合		Company 公司	
	2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元
Cash at bank and in hand	2,093,137	2,064,206	40,799	848
Short-term bank deposits	476,659	526,142	476,003	495,902
	2,569,796	2,590,348	516,802	496,750

The effective interest rate on short-term bank deposits was 3.5% (2005: 4%) per annum; these deposits have an average maturity of 1 (2005: 1) day.

As at 31 December 2006, the Group's bank deposits of nil (2005: HK\$71,344,000) were pledged as collateral for the Group's banking facilities (Note 25). In addition, the Group's bank deposits of approximately HK\$131,420,000 (2005: HK\$165,724,000) were charged by certain banks in respect of the processing of mortgage facilities granted by the banks to buyers of the Group's properties.

The carrying amounts of pledged/charged bank deposits and cash and cash equivalents are denominated in the following currencies:

短期銀行存款之實際年利率為3.5厘(二零零五年: 4厘), 該等存款之平均到期日數為1日(二零零五年: 1日)。

於二零零六年十二月三十一日, 本集團並無(二零零五年: 港幣71,344,000元) 銀行存款已抵押作本集團銀行信貸之抵押品(見附註25)。此外, 本集團銀行存款約港幣131,420,000元(二零零五年: 港幣165,724,000元) 已被若干銀行抵押, 以便銀行處理有關向本集團物業買家授予按揭信貸額。

已質押／抵押之銀行存款及現金及現金等價物之面值乃以下列貨幣列值:

	Consolidated 綜合		Company 公司	
	2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元
Chinese Renminbi	1,972,081	2,055,318	-	-
US dollar	99,727	449,460	90,819	446,875
Hong Kong dollar	497,938	85,511	425,983	49,875
Other currencies	50	59	-	-
	2,569,796	2,590,348	516,802	496,750

Notes to the Consolidated Financial Statements

綜合財務報表附註

23 LAND COST PAYABLE

23 應付土地成本

		Consolidated 綜合	
		2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元
Land premium payable	應付土地出讓金	390,041	318,958
Land compensation payable	應付土地補償款	680,887	681,603
		1,070,928	1,000,561
Less: Amount due within one year included in current liabilities	減:計入流動負債須 於一年內償還 之金額	(1,070,928)	(1,000,039)
		—	522

Carrying values of land cost payable approximate their fair values.

應付土地成本面值與其公平值相若。

24 ACCOUNTS PAYABLE

24 應付賬款

The ageing analysis of accounts payable (including amounts due to related companies of trading nature) is as follows:

應付賬款之賬齡分析(包括應付予關連公司屬於交易性質之賬款)如下:

		Consolidated 綜合	
		2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元
0 to 3 months	0至3個月	563,378	800,524

As at 31 December 2006, approximately HK\$344,617,000 (2005: HK\$449,404,000) of accounts payable was due to subsidiaries of minority shareholders of certain subsidiaries of the Company in respect of property construction fees.

於二零零六年十二月三十一日,就物業建築費應付本公司若干附屬公司少數股東之附屬公司之賬款約為港幣344,617,000元(二零零五年:港幣449,404,000元)。

Carrying values of accounts payable approximate their fair values.

應付賬款面值與其公平值相若。

25 BORROWINGS

25 借貸

		Consolidated 綜合		Company 公司	
		2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元
Non-current	非流動				
Bank borrowings	銀行借貸	3,425,413	2,165,949	–	–
Senior notes	優先票據	2,651,550	2,660,902	2,651,550	2,660,902
		6,076,963	4,826,851	2,651,550	2,660,902
Current	流動				
Bank borrowings	銀行借貸	1,345,042	1,837,342	–	–
Total borrowings	總借貸	7,422,005	6,664,193	2,651,550	2,660,902

In November 2005, the Company issued 8.125% senior notes with an aggregate nominal value of US\$350,000,000 (equivalent to approximately HK\$2,730,000,000), for a total consideration of approximately HK\$2,733,182,000. The senior notes mature in seven years (November 2012) and are repayable at their nominal value of US\$350,000,000. The Company will be entitled at its option to redeem all or a portion of the senior notes on and after 9 November 2009 at the redemption prices specified in the offering circular, plus accrued and unpaid interest to the redemption date.

於二零零五年十一月，本公司發行總面值達350,000,000美元（約相當於港幣2,730,000,000元）之8.125厘優先票據，總代價約為港幣2,733,182,000元。優先票據於七年後到期（二零一二年十一月），並須償還按彼等之面值350,000,000美元。本公司將有權選擇於二零零九年十一月九日或以後按發售通函所訂明之贖回價（加截至贖回日期應付未付之利息）贖回全部或部份優先票據。

Notes to the Consolidated Financial Statements

綜合財務報表附註

25 BORROWINGS (Continued)

The senior notes recognised in the balance sheet are calculated as follows:

25 借貸 (續)

於資產負債表中確認之優先票據計算如下：

		2006 二零零六年 HK\$'000 港幣千元
Nominal value	面值	2,730,000
Premium component	溢價部分	3,182
Issue costs	發行費用	(73,965)
Fair value at the date of issuance	於發行日期之公平值	2,659,217
Amortisation of premium	溢價攤銷	(303)
Amortisation of issue costs	發行費用攤銷	10,136
Exchange difference	匯兌差額	(17,500)
Carrying amount at 31 December 2006	於二零零六年十二月三十一日之面值	<u>2,651,550</u>

As at 31 December 2006, the senior notes are jointly and severally guaranteed by certain subsidiaries and are secured by the capital stock of the subsidiaries. The net assets of these subsidiaries were approximately HK\$167,815,000 (2005: HK\$603,749,000) as at 31 December 2006.

於二零零六年十二月三十一日，優先票據由若干附屬公司共同及個別提供擔保，並以附屬公司之股本作抵押。於二零零六年十二月三十一日，該等附屬公司之資產淨值約為港幣167,815,000元（二零零五年：港幣603,749,000）。

25 BORROWINGS (Continued)

25 借貸 (續)

The maturity analysis of the borrowings is as follows:

借貸之到期分析如下：

		Bank borrowings		Senior notes		Total	
		銀行借貸		優先票據		總計	
		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
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Within one year	一年內	1,345,042	1,837,342	-	-	1,345,042	1,837,342
Between one and two years	一年至兩年內	2,232,017	1,449,663	-	-	2,232,017	1,449,663
Between two and five years	兩年至五年內	1,193,396	716,286	-	-	1,193,396	716,286
Wholly repayable within five years	五年內 悉數償還	4,770,455	4,003,291	-	-	4,770,455	4,003,291
Over five years	超過五年	-	-	2,651,550	2,660,902	2,651,550	2,660,902
		4,770,455	4,003,291	2,651,550	2,660,902	7,422,005	6,664,193

The carrying amounts of the borrowings are denominated in the following currencies with the respective effective interest rates:

借貸面值以下列貨幣為單位及其各自之實際利率如下：

		2006		2005	
		二零零六年		二零零五年	
		HK\$'000	Effective interest rate	HK\$'000	Effective interest rate
		港幣千元	實際利率	港幣千元	實際利率
Chinese Renminbi	人民幣				
- Bank borrowings	- 銀行借貸	4,770,455	6.3%	3,987,691	5.9%
US dollar	美元				
- Bank borrowings	- 銀行借貸	-	-	15,600	7.3%
- Senior notes	- 優先票據	2,651,550	8.6%	2,660,902	8.6%
		7,422,005		6,664,193	

Notes to the Consolidated Financial Statements

綜合財務報表附註

25 BORROWINGS (Continued)

The carrying amounts and the fair value of the borrowings are as follows:

25 借貸 (續)

借貸之面值及公平值如下：

	Carrying amounts		Fair values		
	面值		公平值		
	2006	2005	2006	2005	
	二零零六年	二零零五年	二零零六年	二零零五年	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
	港幣千元	港幣千元	港幣千元	港幣千元	
Bank borrowings	銀行借貸	4,770,455	4,003,291	4,787,416	4,006,438
Senior notes	優先票據	2,651,550	2,660,902	2,703,158	2,715,277
		7,422,005	6,664,193	7,490,574	6,721,715

The fair values are based on cash flows discounted using a rate based on the Group's average borrowings rate of 6.3% to 8.6% (2005: 5.9% to 8.6%), depending on the currency denomination of the borrowings.

公平值乃利用根據本集團平均借貸利率6.3厘至8.6厘(二零零五年:5.9厘至8.6厘)釐訂之利率(視乎借貸貨幣種類)計算之折算現金流釐訂。

25 BORROWINGS (Continued)

As at 31 December 2006, the Group's banking facilities were secured by:

- (i) the Group's land costs of approximately HK\$1,116,347,000 (2005: HK\$1,932,476,000);
- (ii) the Group's hotel property of approximately HK\$209,690,000 (2005: HK\$218,061,000);
- (iii) the Group's building of approximately HK\$41,229,000 (2005: HK\$63,332,000);
- (iv) the Group's investment properties with an aggregate carrying amount of approximately HK\$1,323,751,000 (2005: HK\$1,141,689,000);
- (v) the Group's properties under development for long-term investment of approximately HK\$10,688,000 (2005: HK\$2,977,000);
- (vi) the Group's properties under development for sale of approximately HK\$150,291,000 (2005: HK\$789,601,000);
- (vii) the Group's completed properties for sale of approximately HK\$627,637,000 (2005: HK\$463,651,000); and
- (viii) the Group's bank deposits of nil (2005: HK\$71,344,000).

25 借貸 (續)

於二零零六年十二月三十一日，本集團之銀行信貸乃以下列抵押品擔保：

- (i) 約港幣1,116,347,000元(二零零五年：港幣1,932,476,000元)之本集團土地成本；
- (ii) 約港幣209,690,000元(二零零五年：港幣218,061,000元)之本集團酒店物業；
- (iii) 約港幣41,229,000元(二零零五年：港幣63,332,000元)之本集團樓宇；
- (iv) 總賬面值約港幣1,323,751,000元(二零零五年：港幣1,141,689,000元)之本集團投資物業；
- (v) 約港幣10,688,000元(二零零五年：港幣2,977,000元)之本集團持作長期投資之在建物業；
- (vi) 約港幣150,291,000元(二零零五年：港幣789,601,000元)之本集團可供銷售之發展中物業；
- (vii) 約港幣627,637,000元(二零零五年：港幣463,651,000元)之本集團可供銷售之已落成物業；及
- (viii) 並無(二零零五年：港幣71,344,000元)之本集團銀行存款。

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綜合財務報表附註

26 DEFERRED INCOME TAX

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same tax authority. The offset amounts are as follows:

26 遞延所得稅

遞延稅項資產及負債只可在現行稅項資產及負債有合法權利互相抵銷及遞延所得稅為同一稅務機關下，方可互相抵銷。抵銷金額載列如下：

		Consolidated 綜合	
		2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元
Deferred tax assets:	遞延稅項資產：		
– Deferred tax assets to be recovered after more than twelve months	– 將於十二個月後收回之遞延稅項資產	31,032	44,073
– Deferred tax assets to be recovered within twelve months	– 將於十二個月內收回之遞延稅項資產	11,325	7,889
		42,357	51,962
Deferred tax liabilities:	遞延稅項負債：		
– Deferred tax liabilities to be realised after more than twelve months	– 將於十二個月後變現之遞延稅項負債	(584,550)	(328,252)
– Deferred tax liabilities to be realised within twelve months	– 將於十二個月內變現之遞延稅項負債	(311,475)	(284,214)
		(896,025)	(612,466)
		(853,668)	(560,504)

26 DEFERRED INCOME TAX (Continued)

26 遞延所得稅 (續)

The gross movements on deferred taxation are as follows:

遞延稅項總變動如下：

Assets/(liabilities)	資產／(負債)	2006	2005
		二零零六年 HK\$'000 港幣千元	二零零五年 HK\$'000 港幣千元
Beginning of the year	年初	(560,504)	(327,471)
Acquisition of subsidiaries	收購附屬公司	(31,606)	(147,913)
Recognised in the income statement	於損益表確認	(233,278)	(72,504)
Exchange difference	匯兌差額	(28,280)	(12,616)
End of the year	年終	(853,668)	(560,504)

The movements in deferred tax assets and deferred tax liabilities, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

遞延稅項資產及遞延稅項負債之變動(並無考慮相同司法權區內之結餘抵銷)如下：

Deferred tax liabilities

遞延稅項負債

		Revaluation surplus	Timing difference in reporting revenue	Total
		重估盈餘 HK\$'000 港幣千元	收入申報 之時差 HK\$'000 港幣千元	總計 HK\$'000 港幣千元
At 1 January 2005	於二零零五年一月一日	(527,814)	153,071	(374,743)
Recognised in the income statement	於損益表確認	65,230	(141,929)	(76,699)
Acquisition of subsidiaries	收購附屬公司	(147,913)	–	(147,913)
Exchange difference	匯兌差額	(5,870)	(7,241)	(13,111)
At 31 December 2005	於二零零五年十二月三十一日	(616,367)	3,901	(612,466)
Recognised in the income statement	於損益表確認	68,986	(290,810)	(221,824)
Acquisition of subsidiaries	收購附屬公司	(31,606)	–	(31,606)
Exchange difference	匯兌差額	(24,309)	(5,820)	(30,129)
At 31 December 2006	於二零零六年十二月三十一日	(603,296)	(292,729)	(896,025)

Notes to the Consolidated Financial Statements

綜合財務報表附註

26 DEFERRED INCOME TAX (Continued)

26 遞延所得稅 (續)

Deferred tax assets

遞延稅項資產

		Tax losses 稅項虧損 HK\$'000 港幣千元
At 1 January 2005	於二零零五年一月一日	47,272
Recognised in the income statement	於損益表確認	4,195
Exchange difference	匯兌差額	495
		<hr/>
At 31 December 2005	於二零零五年十二月三十一日	51,962
Recognised in the income statement	於損益表確認	(11,454)
Exchange difference	匯兌差額	1,849
		<hr/>
At 31 December 2006	於二零零六年十二月三十一日	<u>42,357</u>

Deferred tax assets are recognised for tax loss carry forwards to the extent that the realisation of the related tax benefit through the future taxable profits is probable. As at 31 December 2006, the Group did not recognise deferred tax assets of approximately HK\$46,896,000 (2005: HK\$26,722,000) in respect of tax losses amounting to approximately HK\$224,727,000 (2005: HK\$113,007,000) which are expiring from 2007 through 2011.

遞延稅項資產乃因應相關稅務利益可透過未來應課稅溢利變現而就所結轉之稅項虧損作確認。於二零零六年十二月三十一日，本集團並無就稅損約港幣224,727,000元（二零零五年：港幣113,007,000元）確認遞延稅項資產約港幣46,896,000元（二零零五年：港幣26,722,000元）；此等稅項虧損將於二零零七年至二零一一年內屆滿。

27 SHARE CAPITAL

27 股本

		Number of shares 股份數目 '000 千股	Ordinary shares 普通股 HK\$'000 港幣千元
At 1 January 2005	於二零零五年一月一日	1,003,000	100,300
Issue of shares	發行股份		
– placements	– 配股	200,600	20,060
– employee share options scheme	– 僱員購股權計劃	10,000	1,000
		<u>1,213,600</u>	<u>121,360</u>
At 31 December 2005	於二零零五年十二月三十一日	<u>1,213,600</u>	<u>121,360</u>
At 1 January 2006	於二零零六年一月一日	1,213,600	121,360
Issue of shares	發行股份		
– placement	– 配股	60,000	6,000
– employee share options scheme	– 僱員購股權計劃	11,500	1,150
		<u>1,285,100</u>	<u>128,510</u>
At 31 December 2006	於二零零六年十二月三十一日	<u>1,285,100</u>	<u>128,510</u>

The total authorised number of ordinary shares is 2,000,000,000 shares (2005: 2,000,000,000 shares), with a par value of HK\$0.1 per share (2005: HK\$0.1 per share). All issued shares are fully paid.

In November 2006, the Company issued 60,000,000 shares (approximately 4.9% of the Company's issued share capital as enlarged by the subscription) for a cash consideration of HK\$996,000,000. The related transaction costs amounting to approximately HK\$16,738,000 have been netted off against the proceeds received.

During the year ended 31 December 2006, the Company issued 11,500,000 shares for a cash consideration of HK\$52,300,000 upon exercise of employee share options.

法定普通股之總數為2,000,000,000股(二零零五年: 2,000,000,000股)每股面值港幣0.1元(二零零五年: 每股港幣0.1元)股份。所有已發行股份均已繳足股款。

於二零零六年十一月,本公司發行60,000,000股股份(約佔本公司經認購事項所擴大之已發行股本約4.9%)以換取現金代價港幣996,000,000元。有關交易成本約為港幣16,738,000元,已於所收取之款項中抵扣。

於截至二零零六年十二月三十一日止年度內,本公司於僱員購股權獲行使時發行11,500,000股股份換取現金代價港幣52,300,000元。

Notes to the Consolidated Financial Statements

綜合財務報表附註

27 SHARE CAPITAL (Continued)

Share options

The Company has an employee share options scheme, under which it may grant options to employees (including executive directors of the Company) to subscribe for shares in the Company, subject to a limit that the total number of shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the share options schemes of the Company shall not exceed 30% of the shares in issue from time to time. The exercise price will be determined by the Company's board of directors and shall at least be the highest of (i) the closing price of the Company's shares on the date of grant of the options, (ii) the average closing price of the Company's shares for the five trading days immediately preceding the date of grant of the options, and (iii) the nominal value of the Company's shares of HK\$0.1 each. This employee share options scheme will remain in force for a period of 10 years up to 2012.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

		2006 二零零六年		2005 二零零五年	
		Average exercise price in HK\$ per share 每股平均 行使價 港元	Options 購股權 '000 千份	Average exercise price in HK\$ per share 每股平均 行使價 港元	Options 購股權 '000 千份
At 1 January	於一月一日	5.3	16,536	–	–
Granted	已授出	–	–	4.9	26,536
Exercised	已行使	4.3	(6,000)	4.3	(10,000)
		4.3	(4,000)	–	–
		6.2	(1,500)	–	–
At 31 December	於十二月三十一日	7.0	5,036	5.3	16,536

As at 31 December 2006, all of the 5,036,000 outstanding share options were exercisable.

27 股本 (續)

購股權

本公司有一項僱員購股權計劃，據此，本公司可向僱員（包括本公司執行董事）授出購股權以認購本公司股份，惟按本公司購股權計劃，所有已授出但未行使的購股權予以行使時發行的股份總數，不得超過本公司不時已發行股份的30%。行使價將由本公司董事會釐定，其將不少於下列三者之最高者：(i)本公司股份於購股權授出日期之收市價；(ii)於緊接購股權授出日期前五個交易日本公司股份之平均收市價；及(iii)本公司股份面值（每股港幣0.1元）。本僱員購股權計劃於截至二零一二年之十年期間維持有效。

未行使購股權數目及其相關加權平均行使價之變動如下：

於二零零六年十二月三十一日尚有5,036,000份可行使而未行使之購股權。

27 SHARE CAPITAL (Continued)

Share options (Continued)

Share options outstanding have the following expiry dates and exercise prices:

Expiry date 到期日	Exercise price HK\$ per share 每股行使價(港元)	Share options 購股權	
		2006 二零零六年 '000 千份	2005 二零零五年 '000 千份
28 April 2010 二零一零年四月二十八日	4.3	–	10,000
10 August 2010 二零一零年八月十日	6.2	3,000	4,500
14 September 2010 二零一零年九月十四日	8.2	2,036	2,036
		5,036	16,536

Options exercised during the year ended 31 December 2006 resulted in 11,500,000 (2005: 10,000,000) shares being issued at HK\$4.3 and HK\$6.2 respectively (2005: HK\$4.3). The related weighted average share price at the time of exercise were HK\$14.9, HK\$15.0 and HK\$15.3 respectively (2005: HK\$10.7) per share. The related transaction costs amounting to HK\$5,000 (2005: HK\$5,000) have been netted off with the proceeds received.

On 6 February 2007, 1,500,000 share options were exercised to subscribe for the Company's shares at HK\$6.2 each.

27 股本 (續)

購股權 (續)

尚未行使購股權之到期日及行使價如下：

於截至二零零六年十二月三十一日止年度獲行使之購股權導致11,500,000股股份(二零零五年：10,000,000股)以每股港幣4.3元或港幣6.2元(二零零五年：港幣4.3元)之價格發行。行使當時之相關加權平均股價分別為每股港幣14.9元、15.0元及15.3元(二零零五年：港幣10.7元)。有關交易成本約為港幣5,000元(二零零五年：港幣5,000元)，已於所收取之款項中抵扣。

於二零零七年二月六日有1,500,000份購股權獲行使以按每股港幣6.2元之價格認購本公司股份。

Notes to the Consolidated Financial Statements

綜合財務報表附註

28 RESERVES

28 儲備

		Consolidated			Retained earnings	Total
		Share premium	Statutory reserves	Currency translation difference		
		股份溢價	法定儲備	匯兌差額	保留盈利	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Balance at 1 January 2005	於二零零五年一月一日之結餘	619,915	133,378	3,959	2,481,065	3,238,317
Transfer to reserves (i)	轉至儲備(i)	–	20,636	–	(20,636)	–
Currency translation differences	貨幣匯兌差額	–	–	62,133	–	62,133
Profit for the year	年度溢利	–	–	–	1,217,323	1,217,323
Dividend relating to 2004	屬於二零零四年之股息	–	–	–	(60,180)	(60,180)
Dividend relating to 2005	屬於二零零五年之股息	–	–	–	(117,351)	(117,351)
Employee share options scheme	僱員購股權計劃					
– value of services provided	– 僱員服務價值	23,447	–	–	–	23,447
Issue of shares	發行股份					
– placement	– 配股	957,865	–	–	–	957,865
– employee share options scheme	– 僱員購股權計劃	42,000	–	–	–	42,000
Share issue expenses	股份發行開支	(21,206)	–	–	–	(21,206)
Balance at 31 December 2005	於二零零五年十二月三十一日之結餘	<u>1,622,021</u>	<u>154,014</u>	<u>66,092</u>	<u>3,500,221</u>	<u>5,342,348</u>
Representing –	代表 –					
2005 Final dividend proposed	擬派二零零五年末期股息				295,143	
Others	其他				3,205,078	
					<u>3,500,221</u>	
Analysed by –	分析 –					
Company and subsidiaries	本公司及附屬公司				3,174,591	
Jointly controlled entity	共同控制實體				327,438	
Associate	聯營公司				(1,808)	
					<u>3,500,221</u>	

28 RESERVES (Continued)

28 儲備 (續)

		Consolidated				
		Share premium	Statutory reserves	Currency translation difference	Retained earnings	Total
		股份溢價	法定儲備	匯兌差額	保留盈利	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Balance at 1 January 2006	於二零零六年 一月一日之結餘	1,622,021	154,014	66,092	3,500,221	5,342,348
Transfer to reserves (i)	轉至儲備(i)	–	7,103	–	(7,103)	–
Currency translation differences	貨幣匯兌差額	–	–	214,482	–	214,482
Profit for the year	年度溢利	–	–	–	1,553,752	1,553,752
Dividend relating to 2005	屬於二零零五年之股息	–	–	–	(295,143)	(295,143)
Dividend relating to 2006	屬於二零零六年之股息	–	–	–	(132,311)	(132,311)
Employee share options scheme	僱員購股權計劃					
– value of services provided	– 僱員服務價值	1,620	–	–	–	1,620
Issue of shares	發行股份					
– placement	– 配股	990,000	–	–	–	990,000
– employee share options scheme	– 僱員購股權計劃	51,150	–	–	–	51,150
Share issue expenses	股份發行開支	(16,743)	–	–	–	(16,743)
Balance at 31 December 2006	於二零零六年十二月 三十一日之結餘	<u>2,648,048</u>	<u>161,117</u>	<u>280,574</u>	<u>4,619,416</u>	<u>7,709,155</u>
Representing –	代表 –					
2006 Final dividend proposed	擬派二零零六年 末期股息				348,669	
Others	其他				4,270,747	
					<u>4,619,416</u>	
Analysed by –	分析 –					
Company and subsidiaries	本公司及附屬公司				4,165,523	
Jointly controlled entity	共同控制實體				455,781	
Associate	聯營公司				(1,888)	
					<u>4,619,416</u>	

Notes to the Consolidated Financial Statements

綜合財務報表附註

28 RESERVES (Continued)

28 儲備 (續)

		Company 本公司			
		Share premium	Currency translation difference	Retained earnings	Total
		股份溢價	貨幣匯兌差額	保留盈利	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
Balance at	於二零零五年				
1 January 2005	一月一日之結餘	619,915	–	113,408	733,323
Profit for the year	年度溢利	–	–	387,827	387,827
Issue of shares	發行股份				
– placements	– 配股	957,865	–	–	957,865
– employee share options scheme	– 僱員購股權計劃	42,000	–	–	42,000
Share issue expenses	股份發行開支	(21,206)	–	–	(21,206)
Employee share options scheme	僱員購股權計劃				
– value of services provided	– 僱員服務價值	23,447	–	–	23,447
Payment of dividends	支付股息	–	–	(177,531)	(177,531)
		<u>1,622,021</u>	<u>–</u>	<u>323,704</u>	<u>1,945,725</u>
Balance at	於二零零五年				
31 December 2005	十二月三十一日之結餘				
Representing –	代表 –				
2005 Final dividend proposed	擬派二零零五年 末期股息			295,143	
Others	其他			28,561	
				<u>323,704</u>	

28 RESERVES (Continued)

28 儲備 (續)

		Company 本公司			
		Share premium	Currency translation differences	Retained earnings	Total
		股份溢價	貨幣匯兌差額	保留盈利	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
Balance at 1 January 2006	於二零零六年 一月一日之結餘	1,622,021	–	323,704	1,945,725
Profit for the year	年度溢利	–	–	492,376	492,376
Currency translation difference	貨幣匯兌差額	–	(45,570)	–	(45,570)
Issue of shares	發行股份				
– placements	– 配股	990,000	–	–	990,000
– employee share options scheme	– 僱員購股權計劃 options scheme	51,150	–	–	51,150
Share issue expenses	股份發行開支	(16,743)	–	–	(16,743)
Employee share options scheme	僱員購股權計劃				
– value of services provided	– 僱員服務價值	1,620	–	–	1,620
Payment of dividends	支付股息	–	–	(427,454)	(427,454)
Balance at 31 December 2006	於二零零六年 十二月三十一日之結餘	<u>2,648,048</u>	<u>(45,570)</u>	<u>388,626</u>	<u>2,991,104</u>
Representing –	代表 –				
2006 Final dividend proposed	擬派二零零六年 末期股息			348,669	
Others	其他			39,957	
				<u>388,626</u>	

Note:

(i) As stipulated by regulations in Mainland China, the Company's subsidiaries established and operated in Mainland China are required to appropriate a portion of their after-tax profit (after offsetting prior year losses) to the statutory reserves and enterprise expansion fund, at rates determined by their respective boards of directors. The statutory reserves can be utilised to offset prior year losses or be utilised for the issuance of bonus shares, whilst the enterprise expansion fund can be utilised for the development of business operations. During the year ended 31 December 2006, the boards of directors of the Company's subsidiaries in Mainland China appropriated an aggregate amount of approximately HK\$7,103,000 (2005: HK\$20,636,000) to the statutory reserves and determined not to make any appropriation to the enterprise expansion fund.

附註:

(i) 按照中國大陸法規訂明，本公司於中國大陸成立及經營之附屬公司須於其除稅後溢利（經抵銷過往年度虧損後）中撥出一部份至法定儲備及企業發展基金，比率乃由各自董事會釐定。法定儲備可用作抵銷過往年度虧損或用作發行紅股，而企業發展基金則可用作發展業務。於截至二零零六年十二月三十一日止年度，本公司之中國大陸附屬公司之董事會共撥款約港幣7,103,000元（二零零五年：港幣20,636,000元）至法定儲備及決定不會撥款至企業發展基金。

Notes to the Consolidated Financial Statements

綜合財務報表附註

29 OTHER GAINS

29 其他收益

		2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元
Excess of acquirer's interest over cost of acquisition	收購人權益高於收購成本之款項	199,803	191,688
Fair value gains on investment properties	投資物業之公平值收益	261,414	14,232
Government grants (i)	政府補助(i)	44,314	56,074
		505,531	261,994

Note:

- (i) This represents grants received from government bureaus in Mainland China.

附註:

- (i) 此乃來自中國大陸政府機關之補助。

30 EXPENSES BY NATURE

30 按性質劃分之開支

Expenses included in cost of sales, selling and marketing costs and general and administrative expenses are analysed as follows:

開支包括銷售成本、銷售及市場推廣成本、以及一般及行政開支，分析如下：

		2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元
Advertising costs	廣告開支	159,280	175,130
Amortisation of land costs	土地成本攤銷	9,177	15,721
Auditor's remuneration	核數師酬金	3,450	2,350
Depreciation of properties and equipment	物業及設備折舊	22,117	16,284
Direct operating expenses arising from investment properties that – generated rental income	以下類別投資物業產生之直接經營開支 – 產生租金收入	1,699	1,342
– did not generate rental income	– 並無產生租金收入	3,491	3,121
Employees' benefits costs (including Directors' emoluments) (Note 31)	僱員福利成本(包括包括董事酬金)(附註31)	240,390	187,528
Loss on sale of properties and equipment	銷售物業及設備虧損	18,681	7,047
Net exchange (gain)/loss (included in general and administrative expenses)	匯兌(收益)/虧損淨額(計入一般及行政開支)	(111,373)	8,483
Operating lease rental in respect of premises	物業之經營租賃租金	12,467	9,296

31 EMPLOYEES' BENEFITS COSTS (INCLUDING DIRECTORS' EMOLUMENTS)

31 僱員福利成本(包括董事酬金)

		2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元
Salaries and allowances	薪金及津貼	154,577	89,838
Sales commission and bonus	銷售佣金及花紅	58,207	56,465
Share-based payments (Share options granted)	以股份為基礎之償付 (已授出之購股權)	1,620	23,447
Pension costs	退休金成本		
– Defined contribution plans	– 界定供款計劃	25,842	17,677
– Provision for long-service payment	– 長期服務金撥備	144	101
		240,390	187,528

(a) Pensions – defined contribution plans

The Group has arranged for its Hong Kong employees to join the Mandatory Provident Fund Scheme (“the MPF Scheme”), a defined contribution scheme managed by an independent trustee. Under the MPF scheme, each of the Group (the employer) and its employees make monthly contributions to the scheme at 5% of the employees’ earnings as defined under the Mandatory Provident Fund legislation. The monthly contributions of each of the employer and employees are subject to a cap of HK\$1,000 and thereafter contributions are voluntary.

As stipulated by rules and regulations in mainland China, the Group contributes to state-sponsored retirement plans for its employees in mainland China. The Group’s employees make monthly contributions to the plans at approximately 8% of the relevant income (comprising salaries, allowances and bonus), while the Group contributes 12% to 22% of such income and has no further obligations for the actual payment of pensions beyond the contributions. The state-sponsored retirement plans are responsible for the entire pension obligations payable to the retired employees.

During the year ended 31 December 2006, the aggregate amount of the employer contributions made by the Group amounted to approximately HK\$25,842,000 (2005: HK\$17,677,000).

(a) 退休金成本 — 界定供款計劃

本集團已替其香港僱員安排參與一項由一位獨立信託人管理之定額供款計劃，即強制性公積金計劃（「強積金計劃」）。根據強積金計劃，本集團（僱主）及其僱員各自須按強制性公積金法例所界定各自按該僱員收入之5%向該計劃作每月供款。僱主及僱員所作之每月供款上限各為港幣1,000元，而多於港幣1,000元以後之供款則屬自願性質。

按照中國大陸之法規規定，本集團為其於中國大陸之僱員選擇一個由國家資助之退休計劃。本集團僱員每月按其相關收入（包括薪金、津貼及花紅）約8%對計劃作出供款，本集團則按該等收入12%至22%作出供款。除這些供款外，本集團並無其他對實際退休金付款責任。國家資助之退休計劃負責支付退休僱員之全部退休金。

截至二零零六年十二月三十一日止年度期間，本集團作出之僱主供款總額達約港幣25,842,000元（二零零五年：港幣17,677,000元）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 EMPLOYEES' BENEFITS COSTS (INCLUDING DIRECTORS' EMOLUMENTS) (Continued) 31 僱員福利成本(包括董事酬金)(續)

(b) Directors' emoluments

The remuneration of each director for the year ended 31 December 2006 is set out below:

(b) 董事酬金

截至二零零六年十二月三十一日止年度，各董事之酬金載列如下：

Name of Director	Fees	Salaries and allowance	Share-based payments	Employer's contribution to pension scheme	Total
董事姓名	袍金	薪金及津貼	股份形式付款	僱主對退休金計劃之供款	總計
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Executive directors					
Mr. Au Wai Kin	–	240	–	12	252
Mr. Chen Chang Ying	–	1,899	–	–	1,899
Mr. Tam Lai Ling	–	4,520	–	12	4,532
Mr. Wu Jiesi	–	7,510	–	12	7,522
Mr. Chu Mang Yee	–	–	–	–	–
Mr. Xiang Bin	–	2,000	–	12	2,012
Ms. Xiao Yan Xia	–	2,512	–	94	2,606
	–	18,681	–	142	18,823
Non-executive directors					
Mr. Hu Yongmin (i)	–	–	–	–	–
Ms. Chen Xiaohong (i)	–	–	–	–	–
Mr. Shafran Steven	–	–	1,620	–	1,620
	–	–	1,620	–	1,620
Independent non-executive directors					
Mr. Lee Tsung Hei, David	150	–	–	–	150
Mr. Wong Shing Kay, Oliver	150	–	–	–	150
Mr. Yuen Pak Yiu, Philip	150	–	–	–	150
	450	–	–	–	450

31 EMPLOYEES' BENEFITS COSTS (INCLUDING DIRECTORS' EMOLUMENTS) (Continued) 28 僱員福利成本(包括董事酬金) (續)

(b) Directors' emoluments (Continued)

The remuneration of every director for the year ended 31 December 2005 is set out below:

(b) 董事酬金 (續)

截至二零零五年十二月三十一日止年度，各董事之酬金載列如下：

Name of Director	Fees	Salaries and allowance	Share-based payments	Employer's contribution to pension scheme	Total
董事姓名	袍金	薪金及津貼	股份形式付款	僱主對退休金計劃之供款	總計
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Executive directors 執行董事					
Mr. Au Wai Kin	–	240	–	12	252
Mr. Chen Chang Ying	–	1,185	–	–	1,185
Mr. Chu Mang Yee	–	–	–	–	–
Mr. Tam Lai Ling	–	2,530	7,400	8	9,938
Mr. Wu Jiesi	–	3,361	11,187	8	14,556
Mr. Xiang Bin	–	2,008	–	12	2,020
Ms. Xiao Yan Xia	–	970	–	37	1,007
	–	10,294	18,587	77	28,958
Non-executive directors 非執行董事					
Ms. Chen Xiaohong (i)	–	–	–	–	–
Mr. Hu Yongmin (i)	–	–	–	–	–
Mr. Shafran Steven	–	–	4,860	–	4,860
	–	–	4,860	–	4,860
Independent non-executive directors 獨立非執行董事					
Mr. Lee Tsung Hei, David	100	–	–	–	100
Mr. Wong Shing Kay, Oliver	100	–	–	–	100
Mr. Yuen Pak Yiu, Philip	100	–	–	–	100
	300	–	–	–	300

Note: (i) Mr. Hu Yongmin resigned on 10 November 2006 and Ms. Chen Xiaohong resigned on 23 June 2006.

附註：(i) 胡勇敏先生於二零零六年十一月十日辭任，陳小紅女士於二零零六年六月二十三日辭任。

During the year, Mr. Chu Mang Yee waived emoluments of HK\$240,000 (2005: HK\$240,000).

年內，朱孟依先生放棄港幣240,000元之酬金(二零零五年：港幣240,000元)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 EMPLOYEES' BENEFITS COSTS (INCLUDING DIRECTORS' EMOLUMENTS) (Continued)

(c) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year are certain directors whose emoluments are reflected in the analysis presented above.

31 僱員福利成本(包括董事酬金)(續)

(c) 五名最高薪人士

本年度本集團五名最高薪人士包括(二零零五年:五名)若干董事,彼等之酬金已於上文所呈列之分析反映。

32 FINANCE INCOME AND COSTS

32 財務收入及成本

		2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元
Interest expense:	利息開支:		
– on bank loans wholly repayable within five years	– 須於五年內悉數償還的銀行貸款	261,991	231,670
– on senior notes not wholly repayable within five years	– 不須於五年內悉數償還的優先票據	220,537	31,247
Total borrowing costs incurred	所涉及之總借貸成本	482,528	262,917
Less: Amount capitalised as part of the cost of properties under development	減:撥充作發展中物業之部份成本之款項	(397,720)	(202,951)
Interest income from bank	銀行利息收入	84,808 (26,814)	59,966 (17,382)
Net finance costs	淨財務成本	57,994	42,584

32 FINANCE INCOME AND COSTS *(Continued)*

The average interest rates of borrowing costs capitalised for the year ended 31 December 2006 was approximately 6.9% (2005: 5.9%) per annum.

33 TAXATION

(a) Hong Kong profits tax

Hong Kong profits tax has been provided at the rate of 17.5% (2005: 17.5%) on the estimated assessable profit for the year ended 31 December 2006.

(b) Other income tax

The Company is exempted from taxation in Bermuda until March 2016. Subsidiaries in the British Virgin Islands are incorporated under the International Business Companies Acts of the British Virgin Islands and, accordingly, are exempted from British Virgin Islands income taxes.

Subsidiaries established and operated in Mainland China are subject to Mainland China enterprise income tax at the rate of 33% (2005: 33%) for the year ended 31 December 2006.

32 財務收入及成本 (續)

於截至二零零六年十二月三十一日止年度，撥充資本的借貸成本的平均年利率約為6.9%（二零零五年：5.9%）。

33 稅項

(a) 香港利得稅

香港利得稅乃就截至二零零六年十二月三十一日之估計應課稅溢利按17.5%（二零零五年：17.5%）的稅率撥備。

(b) 其他所得稅

本公司獲豁免繳納百慕達稅項直至二零一六年三月。在英屬處女群島成立的附屬公司乃根據英屬處女群島國際商業公司法註冊成立，故此，獲豁免英屬處女群島所得稅。

截至二零零六年十二月三十一日止年度，本公司於中國大陸成立及經營的附屬公司按33%（二零零五年：33%）之稅率繳交中國大陸企業所得稅。

Notes to the Consolidated Financial Statements

綜合財務報表附註

33 TAXATION (Continued)

(c) Mainland China land appreciation tax

Mainland China land appreciation tax is levied at progressive rate ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including costs of land and development and construction expenditures.

33 稅項 (續)

(c) 中國大陸土地增值稅

中國大陸土地增值稅就土地增值·即出售房地產所得款項扣除可扣減項目(包括土地發展開支及建築成本)·按累進稅率30%至60%徵收。

		2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元
Current tax	本期稅項		
Hong Kong profits tax	香港利得稅	(7,282)	17,426
Mainland China enterprise income tax	中國大陸企業所得稅	513,269	484,998
Mainland China land appreciation tax	中國大陸土地增值稅	98,093	36,518
		604,080	538,942
Transfer from/(to) deferred tax	轉自/(轉至)遞延稅項		
Hong Kong profits tax	香港利得稅	7,650	(7,650)
Mainland China enterprise income tax	中國大陸企業所得稅	20,354	(78,117)
Mainland China land appreciation tax	中國大陸土地增值稅	205,274	158,271
		233,278	72,504
		837,358	611,446

Share of the jointly controlled entity's taxation for the year ended 31 December 2006 of approximately HK\$150,926,000 (2005: HK\$78,866,000) is included in the income statement as share of profits of and other gains relating to a jointly controlled entity.

截至二零零六年十二月三十一日止年度分佔共同控制實體稅項約為港幣150,926,000元(二零零五年:港幣78,866,000元)·並已於損益表內列作分佔一間共同控制實體之溢利及其他收益。

33 TAXATION (Continued)

(c) Mainland China land appreciation tax (Continued)

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated companies as follows:

		2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元
Profit before tax	除稅前溢利	2,461,536	1,812,627
Less: Share of profit of and other gains relating to a jointly controlled entity	減：分佔一間共同控制實體溢利及其他收益	(128,343)	(191,509)
		2,333,193	1,621,118
Tax calculated at domestic tax rates applicable to profits in the respective countries	按於各國之溢利適用國內稅率計算之稅項	764,073	514,020
Income not subject to tax	不用課稅收入	(166,473)	(68,297)
Expenses not deductible for tax	不可扣稅之支出	16,838	19,245
Land appreciation tax deductible for calculation of income tax purposes	可扣減作為計算所得稅用途之土地增值稅	(100,111)	(64,281)
Utilisation of previously unrecognised tax losses	動用過往未確認稅項虧損	(705)	(1,492)
Deferred tax asset not recognised	未入賬之遞延稅項資產	20,369	17,462
		533,991	416,657
Land appreciation tax	土地增值稅	303,367	194,789
		837,358	611,446

The weighted average applicable tax rate was 33% (2005: 32%). The increase is caused by a change in the profitability of the Group's subsidiaries in the respective jurisdictions.

33 稅項 (續)

(c) 中國大陸土地增值稅 (續)

本集團之除稅前溢利與按照合併公司加權平均適用溢利稅率計算之理論金額有所差異，詳情如下：

加權平均稅率為33%（二零零五年：32%）。上升乃由於本集團於相關司法權區之附屬公司之盈利變動所致。

Notes to the Consolidated Financial Statements

綜合財務報表附註

34 PROFIT ATTRIBUTABLE TO 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 HK\$492,376,000 (2005: HK\$387,827,000).

35 EARNINGS PER SHARE

Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

		2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元
Profit attributable to equity holders of the Company	本公司股權持有人應佔溢利	1,553,752	1,217,323
Weighted average number of ordinary shares in issue ('000)	已發行普通股之加權平均數(千股)	1,228,297	1,075,707
Basic earnings per share (HK\$ per share)	每股基本盈利(每股港元)	1.27	1.13

Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has 5,036,000 share options outstanding during the year ended 31 December 2006, which are dilutive potential ordinary shares. Calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average daily market share price of the Company's shares) based on the monetary value of the subscription rights attached to the outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

34 本公司股權持有人應佔溢利

本公司股權持有人應佔溢利港幣492,376,000元(二零零五年:港幣387,827,000元)於本公司財務報表內反映。

35 每股盈利

基本

每股基本盈利乃根據本公司股權持有人應佔溢利除以年內已發行普通股之加權平均數得出。

攤薄

計算每股攤薄盈利時，已對已發行普通股之加權平均數作出調整，以假設所有具攤薄潛力之普通股獲悉數轉換。本公司於截至二零零六年十二月三十一日止年度有5,036,000股具攤薄潛力之尚未行使購股權。計算乃根據尚未行使購股權所附之認購權之貨幣值作出，用以釐訂原應以公平值(釐訂為本公司股份之每日平均股價)收購之股份之數目。上文所計算之股份數目乃與假設購股權獲行使而已發行之股份數目作比較。

35 EARNINGS PER SHARE (Continued)

Diluted (Continued)

		2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元
Profit attributable to equity holders of the Company	本公司股權持有人應佔溢利	1,553,752	1,217,323
Weighted average number of ordinary shares in issue ('000)	已發行普通股之加權平均數(千股)	1,228,297	1,075,707
Adjustments for share options ('000)	購股權調整(千份)	2,896	1,971
Weighted average number of ordinary shares for diluted earnings per share ('000)	計算每股攤薄盈利之普通股加權平均數(千股)	1,231,193	1,077,678
Diluted earnings per share (HK\$ per share)	每股攤薄盈利(每股港元)	1.26	1.13

36 DIVIDENDS

		2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元
Interim dividend paid of HK\$0.108 (2005: HK\$0.0975) per ordinary share	已付中期股息每股普通股港幣0.108元(二零零五年:港幣0.0975元)	132,311	117,351
Proposed final dividend of HK\$0.271 (2005: HK\$0.242) per ordinary share	擬派末期股息每股普通股港幣0.271元(二零零五年:港幣0.242元)	348,669	295,143
		480,980	412,494

The proposed final dividends have to be approved by shareholders at Annual General Meeting subsequent to year end. The financial statements as at 31 December 2006 have not reflected such dividend payable.

擬派末期股息須經股東於年結日後舉行之股東週年大會上批准。於二零零六年十二月三十一日之財務報表中並無反映該等應付股息。

35 每股盈利(續)

攤薄(續)

36 股息

Notes to the Consolidated Financial Statements

綜合財務報表附註

37 CASH GENERATED FROM OPERATIONS

37 經營所得之現金

		2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元
Profit before taxation	未計所得稅前溢利	2,461,536	1,812,627
Adjustments for:	調整:		
– Interest income	– 利息收入	(26,814)	(17,382)
– Finance costs	– 財務成本	84,808	59,966
– Share-based payments (Share options granted)	– 以股份為基礎之償付 (已授出之購股權)	1,620	23,447
– Share of profit of and other gains relating to a jointly controlled entity	– 分佔一間共同控制實體 溢利及其他收益	(128,343)	(191,509)
– Share of loss/(profit) of an associate	– 分佔一間聯營公司 虧損/(溢利)	80	(44)
– Depreciation of properties and equipment	– 物業及設備折舊	22,117	16,284
– Loss on sale of properties and equipment (see below)	– 銷售物業及設備虧損 (見下文)	18,681	7,047
– Loss on disposal of equity interest in subsidiary	– 出售於附屬公司之 股本權益之虧損	1,116	–
– Amortisation of land costs	– 土地成本攤銷	9,177	15,721
– Fair value gains on investment properties	– 投資物業公平值收益	(261,414)	(14,232)
– Amortisation of issuance costs and premium of senior notes	– 發行成本攤銷及優先 票據溢價	8,148	1,685
– Excess of acquirer's interest over cost of acquisition	– 收購方權益高於收購 成本之部份	(199,803)	(191,688)
– Net exchange gain	– 匯兌收益淨額	(111,373)	–
Changes in working capital (excluding the effects of acquisition and exchange differences on consolidation):	營運資金變動(不包括收購 影響及綜合賬目之 匯兌差額):		
– Land costs	– 土地成本	(1,084,160)	(478,212)
– Properties for sale	– 可供出售之物業	471,805	(18,797)
– Accounts receivable	– 應收賬款	(13,255)	(8,675)
– Prepayments, deposits and other current assets	– 預付款項·按金及其他 流動資產	787,335	(29,412)
– Accounts payable	– 應付賬款	(577,312)	127,797
– Land cost payables	– 應付土地成本	(1,201,931)	(27,663)
– Deferred revenue	– 遞延收入	1,609,971	(605,845)
– Accruals and other payables	– 應計款項及其他應付款項	(78,923)	(89,807)
– Mainland China business tax payable	– 應付中國大陸營業稅	(130,626)	65,355
Cash generated from operations	經營所得之現金	1,662,440	456,663

37 CASH GENERATED FROM OPERATIONS 37 經營所得之現金 (續)

(Continued)

In the cash flow statement, proceeds from sale of properties and equipment comprise:

於現金流量表內，銷售物業及設備之所得款項包括：

		2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元
Net book amount	賬面淨值	19,381	8,373
Loss on sale of properties and equipment	銷售物業及設備虧損	(18,681)	(7,047)
Proceeds from sale of properties and equipment	銷售物業及設備所得款項	700	1,326

38 CONTINGENCIES

38 或然負債

(a) Contingent liabilities not provided for in the financial statements are as follows:

(a) 並無於財務報表中作出撥備之或然負債如下：

		Consolidated 綜合		Company 公司	
		2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元
Guarantees given to banks for mortgage facilities granted to certain buyers of the Group's properties	就購買本集團物業之買家提供按揭貸款而向銀行作出之擔保	5,297,090	4,023,544	-	-
Guarantees given to banks for bank borrowings of subsidiaries	就附屬公司之銀行貸款向銀行作出之擔保	-	-	2,374,790	1,423,071
		5,297,090	4,023,544	2,374,790	1,423,071

Notes to the Consolidated Financial Statements

綜合財務報表附註

38 CONTINGENCIES (Continued)

- (b) The Group's share of contingent liabilities of the jointly controlled entity (Note 15), not included in the above, is as follows:

38 或然負債 (續)

- (b) 並未包括於上文之本集團攤佔共同控制實體之或然負債(附註15)如下:

		Consolidated 綜合	
		2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元
Guarantees given to banks for mortgage facilities granted to certain buyers of the jointly controlled entity's properties	就購買共同控制實體物業之買家提供按揭貸款而向銀行作出之擔保	241,892	191,388

38 CONTINGENCIES (Continued)

- (c) Nambour Properties Limited (“Nambour”) and the project company of the Gallopade Park project (the “Gallopade Project Company”), each of which is a wholly-owned subsidiary of the Company, together with Guangdong Zhujiang Investment Company Limited (“Zhujiang Investment”), an affiliate of the Group, and another individual (the “Individual Defendant”), have been sued by Guangzhou Municipality Tianhe Technology Park Development Company Limited (“Tianhe Development”) in connection with the sale of the site of the Gallopade Park project in Guangzhou (the “Gallopade Site”) by the joint venture company (the “JV”) established by Zhujiang Investment and Tianhe Development to the Gallopade Project Company. The Group holds 100% of the equity in the Gallopade Project Company through Nambour. Tianhe Development has alleged that (i) Zhujiang Investment prejudiced its rights as a minority shareholder of the JV by procuring the JV to sell the Gallopade Site to the Gallopade Project Company without its consent and (ii) Nambour is jointly liable for its economic loss by accepting the sale. Tianhe Development claims damages for the value of the Gallopade Site and approximately RMB32 million in respect of the amount that was paid by Tianhe Development for the acquisition of the Gallopade Site, as well as a reinstatement of its rights under the JV’s shareholders’ agreement. The Group believes that (i) the allegation by Tianhe Development in respect of the disposal of the Gallopade Site is invalid as the JV has received monetary compensation for the disposal and an earn-out entitlement from the Gallopade Project Company; (ii) Tianhe Development does not have sufficient evidence to establish Nambour’s liabilities in the shareholders’ dispute between Zhujiang Investment and Tianhe Development; and (iii) Tianhe Development does not have a sufficient basis to claim the amount of damages claimed by it. In November 2006, the trial court of the Guangdong Provincial Court ordered (i) Nambour, Zhujiang Investment and the Individual Defendant to jointly and severally pay to the JV approximately RMB144 million plus interest; (ii) Zhujiang Investment to pay to the JV approximately RMB308 million plus interest; (iii) the Gallopade Project Company to pay to the JV approximately RMB4 million plus interest; and (iv) that all other claims of Tianhe Development be rejected. The defendants are in process of appealing the court’s decision. Based on the advice of the Group’s legal advisors, the Directors will vigorously defend the case and therefore no provision has been made in these financial statements.

38 或然負債 (續)

- (c) 南博置業有限公司(「南博」)以及駿景花園之項目公司(「駿景」)為本公司之全資子公司。廣州天河高新技術產業開發區建設總公司(「天河」)控告南博、廣州珠江投資有限公司(「珠投」)(為集團之關連公司)·以及一獨立被告人有關一宗由廣州天河科技園實業發展有限公司(「科技園」)出售駿景於廣州之地塊(「駿景地塊」)·科技園由珠投及駿景成立。本集團通過南博擁有駿景全部權益。天河之指控為(i)珠投在未經天河同意前令科技園出售駿景地塊·因而蔑視其於科技園之少數股東權益;(ii)南博因接受此出售因而需共同及分別承擔其經濟損失。天河要求其就駿景地塊支付人民幣3,200萬元的損失·另外·要求恢復其於科技園股東協議之權利。本集團認為(i)天河指控就有關其出售駿景地塊並不成立·因科技園就其出售駿景地塊接受金錢賠償及清繳;(ii)天河並未於珠投以及天河之股東爭拗中有足夠證據認為南博需負責;及(iii)天河並未有足夠理據要求其索求的賠償。於二零零六年十一月·廣東省地方人民法院命令(i)南博·珠投及獨立被告人共同支付天河人民幣1.44億元加利息;(ii)珠投支付天河人民幣3.08億元加利息;(iii)駿景支付天河人民幣4百萬元加利息;及(iv)拒絕天河之其他索償。被告現正就法院之判決提出上訴。基於本集團律師顧問之意見·本集團之董事將積極地為此案件辦護·因此無需要於本財務報表中進行預提。

Notes to the Consolidated Financial Statements

綜合財務報表附註

39 COMMITMENTS

(a) Capital commitments

Capital expenditures at the balance sheet date but not yet incurred are as follows:

39 承擔

(a) 資本承擔

於結算日尚未產生之資本開支如下：

		Consolidated 綜合	
		2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元
Contracted but not provided for	已訂約但未入賬：		
– Property construction costs	– 物業建築成本	74,719	90,134
– Capital contribution to a jointly controlled entity	– 於一間共同控制實體之資本貢獻	112,716	100,980
– Acquisition of further interest in a jointly controlled entity	– 進一步收購一間共同控制實體之權益	135,000	129,808
– Acquisition of land and equity interests in certain Mainland China entities	– 收購若干中國大陸實體之土地及股本權益	1,531,117	955,903
– Capital contribution to a newly acquired jointly controlled entity	– 於一間新收購之共同控制實體之資本貢獻	241,005	–
		2,094,557	1,276,825
Authorised but not contracted for	已授權但未訂約		
– Land costs	– 土地成本	168,160	145,874
– Property construction costs	– 物業建築成本	1,528,236	1,460,793
		1,696,396	1,606,667
		3,790,953	2,883,492

39 COMMITMENTS (Continued)

(a) Capital commitments (Continued)

The Group's share of capital commitments of a jointly controlled entity (Note 15), not included in the above, is as follows:

		Consolidated 綜合	
		2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元
Contracted but not provided for	已訂約但未入賬		
– Land costs	– 土地成本	7,967	105,348
– Property construction costs	– 物業建築成本	165,880	231,271
		<u>173,847</u>	<u>336,619</u>
Authorised but not contracted for	已授權但未訂約		
– Land costs	– 土地成本	94,595	90,520
– Property construction costs	– 物業建築成本	986,399	1,282,219
		<u>1,080,994</u>	<u>1,372,739</u>
		<u>1,254,841</u>	<u>1,709,358</u>

The Company has no capital commitment as at 31 December 2006 (2005: Nil).

39 承擔 (續)

(a) 資本承擔 (續)

並未包括在上文之本集團攤佔一間共同控制實體之其他承擔 (附註15) 如下:

本公司於二零零六年十二月三十一日並無資本承擔 (二零零五年: 無)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

39 COMMITMENTS (Continued)

(b) Property development commitments

Property development expenditures at the balance sheet date but not yet incurred are as follows:

		Consolidated 綜合	
		2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元
Contracted but not provided for	已訂約但未入賬		
– Property contraction costs	– 物業建築成本	5,656,421	5,676,622
Authorised but not contracted for	已授權但未訂約		
– Land costs	– 土地成本	1,346,251	739,044
– Property construction costs	– 物業建築成本	16,230,209	14,221,557
		17,576,460	14,960,601
		23,232,881	20,637,223

The Company has no property development commitment as at 31 December 2006 (2005: Nil).

(c) Operating lease commitments

The Group has operating lease commitments in respect of premises under various non-cancellable operating lease agreements. The future aggregate minimum lease payments under non-cancellable operating lease are as follows:

		Consolidated 綜合	
		2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元
Amounts payable	下列期內須付之款項		
– Within one year	– 一年內	33,910	8,152
– Within two to five years	– 二至五年內	136,159	26,795
		170,069	34,947

39 承擔 (續)

(b) 物業發展承擔

於結算日尚未產生之物業發展開支載列如下:

		Consolidated 綜合	
		2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元
Contracted but not provided for	已訂約但未入賬		
– Property contraction costs	– 物業建築成本	5,656,421	5,676,622
Authorised but not contracted for	已授權但未訂約		
– Land costs	– 土地成本	1,346,251	739,044
– Property construction costs	– 物業建築成本	16,230,209	14,221,557
		17,576,460	14,960,601
		23,232,881	20,637,223

本公司於二零零六年十二月三十一日並無物業發展承擔(二零零五年:無)。

(c) 經營租賃承擔

本集團就多份有關租賃物業之不可註銷經營租賃協議而有經營租賃承擔。根據不可註銷租約於日後之最低應付租金如下:

		Consolidated 綜合	
		2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元
Amounts payable	下列期內須付之款項		
– Within one year	– 一年內	33,910	8,152
– Within two to five years	– 二至五年內	136,159	26,795
		170,069	34,947

39 COMMITMENTS (Continued)

(c) Operating lease commitments (Continued)

The Company has no operating lease commitment as at 31 December 2006 (2005: Nil).

(d) Future minimum rental payments receivable

The Group leased out certain investment properties under operating leases. The future minimum rental receivable under non-cancellable operating leases is as follows:

		Consolidated 綜合	
		2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元
Within one year	一年內	48,208	44,208
In the second to fifth years	第二至第五年	173,879	143,837
Over five years	五年以上	78,957	81,524
		301,044	269,569

The Company has no future rental receivable as at 31 December 2006 (2005: Nil).

39 承擔 (續)

(c) 經營租賃承擔 (續)

本公司於二零零六年十二月三十一日並無經營租賃承擔 (二零零五年: 無)。

(d) 未來最低應收租金款項

本集團根據經營租賃出租若干投資物業。依據不可撤銷經營租賃之未來最低應收租金如下:

40 業務合併

- (a) In January 2006, the Group acquired the entire equity interest in Guangzhou Xin Chang Jiang Development Limited, which holds the land use rights of a plot of land in Huadu, Guangzhou, mainland China for a consideration of approximately HK\$9,662,000.

Details of net assets acquired and the excess of acquirer's interest at fair value over costs are as follows:

		HK\$'000 港幣千元
Purchase consideration	購買代價	9,662
Less: Fair value of net assets acquired – shown as below	減: 已收購資產淨值之公平值 – 列示如下	(31,383)
Excess of acquirer's interest at fair value over costs	按公平值計算之收購方權益高於成本之部份	(21,721)

- (a) 於二零零六年一月，本集團以約港幣9,662,000元代價收購廣州新長江建設開發有限公司全部股本權益，該公司擁有一幅位於中國廣州花都之用地之土地使用權。

已收購之資產淨值及按公平值計算之收購方權益高於成本之部份之詳情如下:

Notes to the Consolidated Financial Statements

綜合財務報表附註

40 BUSINESS COMBINATIONS (Continued)

(a) (Continued)

The assets and liabilities arising from the acquisition are as follows:

		Fair value 公平值 HK\$'000 港幣千元	Acquiree's carrying amount 被收購方之賬面值 HK\$'000 港幣千元
Land costs and properties under development	土地成本及發展中物業	228,986	201,816
Other receivable	其他應收款項	83	83
Cash and cash equivalents	現金及現金等價物	872	872
Short-term borrowings	短期借貸	(11,884)	(11,884)
Other payable	其他應付款項	(4,184)	(4,184)
Land costs payable	應付土地成本	(177,408)	(177,408)
Deferred taxation	遞延稅項	(5,082)	—
Net assets acquired	已收購資產淨值	<u>31,383</u>	<u>9,295</u>
Purchase consideration	購買代價		9,662
Cash and cash equivalents acquired	已收購之現金及現金等價物		<u>(872)</u>
Cash outflow on acquisition	收購時之現金流出		<u>8,790</u>

(b) In January 2006, the Group acquired a 72.14% equity interest in Shanghai San Xiang Real Estate Development Limited, which holds the land use rights of a plot of land in Shanghai, mainland China for a consideration of approximately HK\$19,515,000. In December 2006, the Group acquired the remaining 27.86% equity interest for a consideration of approximately HK\$7,408,000.

Details of net assets acquired and the excess of acquirer's interest at fair value over costs are as follows:

		HK\$'000 港幣千元
Purchase consideration	購買代價	26,923
Less: Fair value of net assets acquired – shown as below	減：已收購資產淨值之公平值 — 列示如下	<u>(44,591)</u>
Excess of acquirer's interest at fair value over costs	按公平值計算之收購方權益 高於成本之部份	<u>(17,668)</u>

40 業務合併 (續)

(a) (續)

收購所產生之資產及負債如下：

(b) 於二零零六年一月，本集團以約港幣19,515,000元之代價收購上海三象房地產發展有限公司72.14%股本權益，該公司擁有位於中國上海一幅用地之土地使用權。於二零零六年十二月，本集團以約港幣7,408,000元之代價收購餘下之27.86%股本權益。

已收購資產淨值及按公平值計算之收購方權益高於成本之部份之詳情如下：

40 BUSINESS COMBINATIONS (Continued)

(b) (Continued)

The assets and liabilities arising from the acquisition are as follows:

		Fair value 公平值 HK\$'000 港幣千元	Acquiree's carrying amount 被收購方 之賬面值 HK\$'000 港幣千元
Properties and equipment	物業及設備	279	279
Land costs and properties under development	土地成本及發展中物業	238,590	203,073
Other receivable	其他應收款項	283	283
Cash and cash equivalents	現金及現金等價物	306	306
Other payable	其他應付款項	(187,176)	(187,176)
Deferred taxation	遞延稅項	(7,691)	–
Net assets acquired	已收購淨資產	<u>44,591</u>	<u>16,765</u>
Purchase consideration	購買代價		26,923
Cash and cash equivalents acquired	已收購之現金及現金等 價物		<u>(306)</u>
Cash outflow on acquisition	收購時之現金流出		<u>26,617</u>

(c) In January 2006, the Group acquired the entire equity interest in Shanghai Long Jia Properties Limited, which possesses the right to develop a land site in Shanghai, mainland China for a consideration of approximately HK\$19,324,000.

Details of net assets acquired and the excess of acquirer's interest at fair value over costs are as follows:

		HK\$'000 港幣千元
Purchase consideration	購買代價	19,324
Less: Fair value of net assets acquired – shown as below	減: 已收購資產淨值之公平值 – 列示如下	<u>(59,319)</u>
Excess of acquirer's interest at fair value over costs	按公平值計算之收購方權益高於成本之部份	<u>(39,995)</u>

40 業務合併 (續)

(b) (續)

收購所產生之資產及負債如下:

(c) 於二零零六年一月，本集團以約港幣19,324,000元代價收購上海龍嘉置業有限公司全部股本權益，該公司有權發展一幅位於中國上海之地塊。

已收購資產淨值及按公平值計算之收購方權益高於成本之部份之詳情如下:

Notes to the Consolidated Financial Statements

綜合財務報表附註

40 BUSINESS COMBINATIONS (Continued)

(c) (Continued)

The assets and liabilities arising from the acquisition are as follows:

		Fair value 公平值 HK\$'000 港幣千元	Acquiree's carrying amount 被收購方 之賬面值 HK\$'000 港幣千元
Land costs and properties under development	土地成本及發展中物業	695,652	653,569
Other receivables	其他應收款項	23	23
Cash and cash equivalents	現金及現金等價物	6	6
Other payable	其他應付款項	(281,208)	(281,208)
Land costs payable	應付土地成本	(353,066)	(353,066)
Deferred taxation	遞延稅項	(2,088)	—
Net assets acquired	已收購之資產淨值	<u>59,319</u>	<u>19,324</u>
Purchase consideration	購買代價		19,324
Cash and cash equivalents acquired	已收購之現金及現金等價物		<u>(6)</u>
Cash outflow on acquisition	收購時之現金流出		<u>19,318</u>

(d) In June 2006, the Group completed the acquisition of a 90% equity interest in Shanghai Ze Yu Properties Limited, which possesses the right to develop a land site in Song Jiang District, Shanghai, for a consideration of approximately HK\$6,957,000.

Details of net assets acquired and the excess of acquirer's interest at fair value over costs are as follows:

		HK\$'000 港幣千元
Purchase consideration	購買代價	6,957
Less: Fair value of net assets acquired – shown as below	減: 已收購資產淨值之公平值 – 列示如下	<u>(23,457)</u>
Excess of acquirer's interest at fair value over costs	按公平值計算之收購方權益高於成本之部份	<u>(16,500)</u>

40 業務合併 (續)

(c) (續)

收購所產生之資產及負債如下:

(d) 於二零零六年六月，本集團完成以約港幣6,957,000元代價收購上海澤宇置業有限公司之90%股本權益，該公司擁有一項權利發展位於上海松江區之一幅用地。

已收購資產淨值及按公平值計算之收購方權益高於成本之部份詳情如下:

40 BUSINESS COMBINATIONS (Continued)

(d) (Continued)

The assets and liabilities arising from the acquisition are as follows:

		Fair value 公平值 HK\$'000 港幣千元	Acquiree's carrying amount 被收購方 之賬面值 HK\$'000 港幣千元
Land costs and properties under development	土地成本及 發展中物業	273,430	252,988
Other receivable	其他應收款項	15,459	15,459
Other payable	其他應付款項	(113,026)	(113,026)
Land costs payable	應付土地成本	(147,691)	(147,691)
Deferred taxation	遞延稅項	(2,108)	–
Net assets	資產淨值	26,064	<u>7,730</u>
Minority interest	少數股東權益	(2,607)	
Net assets acquired	已收購之資產淨值	<u>23,457</u>	
Cash outflow on acquisition	收購時之現金流出		<u>6,957</u>

(e) On 11 July 2006, the Group completed the acquisition of the 100% equity interest in Karworld Holdings Limited ("Karworld") a company with a development project in Haizhu, Guangzhou, mainland China, for a consideration of approximately HK\$4,817,000.

40 業務合併 (續)

(d) (續)

收購所產生之資產及負債如下：

於二零零六年七月十一日，本集團完成收購嘉和集團有限公司（「嘉和」）（於中國內地廣州海珠區擁有物業發展項目之公司）之100%股本權益，代價為港幣4,817,000元。

		HK\$'000 港幣千元
Purchase consideration	購買代價	4,817
Less: Fair value of net assets acquired – shown as below	減：已收購資產淨值之公平值 – 列示如下	<u>(108,736)</u>
Excess of acquirer's interest at fair value over costs	按公平值計算之收購方權益高於成本之部份	<u>(103,919)</u>

Notes to the Consolidated Financial Statements

綜合財務報表附註

40 BUSINESS COMBINATIONS (Continued)

(e) (Continued)

The assets and liabilities arising from the acquisition are as follows:

40 業務合併 (續)

(e) (續)

收購所產生之資產及負債如下：

		Fair value 公平值 HK\$'000 港幣千元	Acquiree's carrying amount 被收購方 之賬面值 HK\$'000 港幣千元
Properties and equipment	物業及設備	39	39
Land costs and properties under development	土地成本及發展中物業	459,994	399,099
Other receivable	其他應收款項	9,783	9,783
Cash and cash equivalents	現金及現金等價物	216	216
Other payable	其他應付款項	(281,439)	(281,439)
Land costs payable	應付土地成本	(65,220)	(65,220)
Deferred taxation	遞延稅項	(14,637)	-
Net assets acquired	已收購資產淨值	<u>108,736</u>	<u>62,478</u>
Purchase consideration	購買代價		4,817
Cash and cash equivalents acquired	已收購之現金及現金等價物		<u>(216)</u>
Cash outflow on acquisition	收購時之現金流出		<u>4,601</u>

41 RELATED-PARTY TRANSACTIONS

The Company is controlled by Mr. Chu Mang Yee, who owns approximately 52.5% to 54.3% (2005: 52.5% to 63.6%) of the Company's shares during the year ended 31 December 2006. The remaining shares are widely held.

(a) The following significant transactions were carried out with related parties:

Sales of goods and services

		2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元
Rental services to a related company (i)	提供予關連公司之租賃服務(i)	692	2,625
Consultancy services to related companies	提供予關連公司之顧問服務	–	4,828
Property management services to related companies (i)	提供予關連公司之物業管理服務(i)	4,652	–
		5,344	7,453

Purchases of goods and services

		2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元
Property construction services from related companies (i)	關連公司提供之物業建築服務(i)	1,475,868	3,092,000
Property design services from related companies (i)	關連公司提供之物業設計服務(i)	29,814	13,574
Communication network installation services from a related company (i)	關連公司提供之通訊網絡安裝服務(i)	11,161	15,235
Decoration services from a related company (i)	關連公司提供之裝飾服務(i)	24,667	6,124
Office rental services from related companies (i)	關連公司提供之辦公室租賃服務(i)	4,974	5,648
Property management services from related companies (i)	關連公司提供之物業管理服務(i)	49	4,159
		1,546,533	3,136,740

41 關連人士交易

本公司由朱孟依先生控制，其於截至二零零六年十二月三十一日止年度內擁有約52.5%至54.3%（二零零五年：52.5%至63.6%）本公司股份。餘下股份由其他人士廣泛持有。

(a) 下列為與關連人士進行之重要交易：

銷售貨品及服務

	2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元
提供予關連公司之租賃服務(i)	692	2,625
提供予關連公司之顧問服務	–	4,828
提供予關連公司之物業管理服務(i)	4,652	–
	5,344	7,453

購買貨品及服務

	2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元
關連公司提供之物業建築服務(i)	1,475,868	3,092,000
關連公司提供之物業設計服務(i)	29,814	13,574
關連公司提供之通訊網絡安裝服務(i)	11,161	15,235
關連公司提供之裝飾服務(i)	24,667	6,124
關連公司提供之辦公室租賃服務(i)	4,974	5,648
關連公司提供之物業管理服務(i)	49	4,159
	1,546,533	3,136,740

Notes to the Consolidated Financial Statements

綜合財務報表附註

41 RELATED-PARTY TRANSACTIONS (Continued)

(a) The following significant transactions were carried out with related parties: (Continued)

In May 2006, the Group entered into agreements with BJ Huaxia to acquire BJ Huaxia's equity interest in BJ Dongfangwenhua and to purchase BJ Huaxia's loans to BJ Dongfangwenhua and a joint venture partner. The transaction has not yet completed as at 31 December 2006. Details of the transaction and deposit paid by the Group are set out in Note 18.

Note:

- (i) These related companies are minority shareholders of certain subsidiaries of the Company and subsidiaries of these minority shareholders.

(b) Amounts due from/to related parties were as follows:

		2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元
Due from related companies	應收關連公司		
Amount due from minority shareholders of certain subsidiaries of the Company and subsidiaries of these minority shareholders	應收本公司若干附屬公司的少數股東及該等少數股東的附屬公司之款項	18,531	2,285
Due to an associate	應付聯營公司	5,343	5,146
Due to directors	應付董事		
Mr. Chu Mang Yee	朱孟依先生	—	13,227
Mr. Au Wai Kin	歐偉建先生	—	664
		—	13,891
Due to related companies	應付關連公司		
Amount due to minority shareholders of certain subsidiaries of the Company and subsidiaries of these minority shareholders	應付本公司若干附屬公司的少數股東及該等少數股東的附屬公司之款項		
— purchase consideration	— 購買代價	—	144,284
— advances	— 墊款	103,398	122,078
		103,398	266,362
Due to a jointly controlled entity	應付共同控制實體	1,037,287	148,117
Due to a holding company	應付一間控股公司款項	—	18,997

41 關連人士交易 (續)

(a) 下列為與關連人士進行之重要交易：(續)

於二零零六年五月，本集團與北京華夏訂立協議，以收購北京華夏於北京東方文華之股本權益，並收購由北京華夏墊予北京東方文華及一名合營夥伴之轉讓貸款。於二零零六年十二月三十一日，該交易尚未完成。該交易之詳情及本集團已付按金之詳情載於附註18。

附註：

- (i) 該等關連公司為本公司若干附屬公司的少數股東及該等少數股東的附屬公司。

(b) 應收／付關連人士款項如下：

41 RELATED-PARTY TRANSACTIONS (Continued)

(b) Amounts due from/to related parties were as follows: (Continued)

As at 31 December 2006, the Group had accounts payable of approximately HK\$344,617,000 (2005: HK\$449,404,000) due to subsidiaries of minority shareholders of certain subsidiaries of the Company in respect of property construction fees.

As at 31 December 2006, all outstanding balances with related companies, an associate and a jointly controlled entity were unsecured, non-interest bearing and without pre-determined repayment terms.

(c) Pledges and guarantees provided to banks for related parties are as follows:

As at 31 December 2006, approximately HK\$237,449,000 (2005: HK\$233,442,000) of the Group's investment properties, approximately HK\$10,926,000 (2005: nil) of the Group's completed properties for sale, and approximately HK\$82,562,000 (2005: HK\$150,945,000) of the Group's land use rights were pledged as collateral for bank loans borrowed by a jointly controlled entity.

(d) Key management compensation:

		2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元
Salaries and allowances	薪金及津貼	19,131	10,594
Share-based payments (Share options granted)	以股份為基礎之償付 (已授出之購股權)	1,620	23,447
Pension costs	退休金成本	142	77
		<u>20,893</u>	<u>34,118</u>

41 關連人士交易 (續)

(b) 應收／付關連人士款項如下：(續)

於二零零六年十二月三十一日，本集團應付本公司若干附屬公司少數股東之附屬公司之物業建築費約港幣344,617,000元（二零零五年：港幣449,404,000元）。

於二零零六年十二月三十一日，與關連公司、一間聯營公司及一間共同控制實體之全部結餘均無抵押、免息及並無預定還款期。

(c) 為關連人士向銀行作出之抵押及擔保如下：

於二零零六年十二月三十一日，已抵押約港幣237,449,000元（二零零五年：港幣233,442,000元）之本集團投資物業、港幣10,926,000元（二零零五年：無）之本集團可供出售之落成物業及約港幣82,562,000元（二零零五年：港幣150,945,000元）之本集團土地使用權，作為一間共同控制實體所借的銀行貸款之抵押品。

(d) 主要管理層報酬：

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綜合財務報表附註

42 DETAILS OF PRINCIPAL SUBSIDIARIES

The following is a list of the principal subsidiaries at 31 December 2006:

42 主要附屬公司詳情

以下為於二零零六年十二月三十一日之主要附屬公司名單：

Name of company 公司名稱	Place of incorporation and operations 註冊成立及營運地點	Issued and fully paid capital 已發行及繳足股本	Percentage of equity interest attributable to the Group 本集團應佔股權百分比		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
Hopson Development International Limited 合生創展國際有限公司	British Virgin Islands 英屬處女群島	US\$2,000 2,000美元	100%	–	Investment holding 投資控股
Archibald Properties Limited 愛寶置業有限公司	British Virgin Islands 英屬處女群島	US\$2 2美元	–	100%	Investment holding 投資控股
Beijing Hopson Beifang Education and Technology Limited ^o 北京合生北方教育科技有限公司	Mainland China 中國大陸	RMB1,000,000 人民幣1,000,000元	–	49% (ii)	Provision of training and consultancy services 提供技術培訓及教育諮詢
Beijing Hopson Beifang Real Estate Development Limited [#] 北京合生北方房地產開發有限公司	Mainland China 中國大陸	US\$12,000,000 12,000,000美元	–	100%	Property development 物業發展
Beijing Hopson Lu Zhou Real Estate Development Limited [#] 北京合生綠洲房地產開發有限公司	Mainland China 中國大陸	RMB463,370,000 人民幣463,370,000元	–	100%	Property development 物業發展
Beijing Hopson YuJing Real Estate Development Limited [#] 北京合生愉景房地產開發有限公司	Mainland China 中國大陸	US\$12,000,000 12,000,000美元	–	100%	Property development 物業發展

42 DETAILS OF PRINCIPAL SUBSIDIARIES (Continued) 42 主要附屬公司詳情 (續)

Name of company 公司名稱	Place of incorporation and operations 註冊成立及營運地點	Issued and fully paid capital 已發行及繳足股本	Percentage of equity interest attributable to the Group 本集團應佔股權百分比		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
Beijing Zhujiang Century Property Management Limited # 北京珠江世紀物業管理有限公司	Mainland China 中國大陸	RMB5,000,000 人民幣5,000,000元	–	100%	Property management 物業管理
Chia Lung Group Company Limited 佳龍集團有限公司	Samoa 薩摩亞國	US\$6,500,000 6,500,000美元	–	100%	Investment holding 投資控股
Dynawell Investment Limited 頤和投資有限公司	Hong Kong 香港	HK\$10,000 港幣10,000元	–	50% (ii)	Investment holding 投資控股
Ever New Properties Limited 恒新置業有限公司	Hong Kong 香港	HK\$2 ordinary HK\$3 non-voting deferred shares (i) 港幣2元普通股 港幣3元無投票權 遞延股份(i)	– –	100% 100%	Investment holding and property investment 投資控股及物業投資
Funland Properties Limited 奔騰置業有限公司	British Virgin Islands 英屬處女群島	US\$2 2美元	–	100%	Investment holding 投資物業
Guangdong Esteem Property Services Limited # 廣東康景物業服務有限公司	Mainland China 中國大陸	HK\$5,000,000 港幣5,000,000元	–	100%	Property management 物業管理
Guangdong Hopson Djing Real Estate Co. Ltd. # 廣東合生帝景房地產有限公司	Mainland China 中國大陸	US\$25,000,000 25,000,000美元	–	100%	Property development 物業發展
Guangdong Hopson Hong Jing Real Estate Company Limited # 廣東合生泓景房地產有限公司	Mainland China 中國大陸	RMB4,069,191 人民幣4,069,191元	–	100%	Property development 物業發展

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綜合財務報表附註

42 DETAILS OF PRINCIPAL SUBSIDIARIES (Continued) 42 主要附屬公司詳情 (續)

Name of company 公司名稱	Place of incorporation and operations 註冊成立及營運地點	Issued and fully paid capital 已發行及繳足股本	Percentage of equity interest attributable to the Group 本集團應佔股權百分比		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
Guangdong Hopson Leijing Real Estate Co. Limited # 廣東合生樂景房地產有限公司	Mainland China 中國大陸	RMB83,000,000 人民幣83,000,000元	–	100%	Property development 物業發展
Guangdong Hopson Minghui Real Estate Limited ¹ 廣東合生明暉房地產有限公司	Mainland China 中國大陸	RMB41,532,852 人民幣41,532,852元	–	90%	Property development 物業發展
Guangdong Hopson Yuehua Real Estate Limited # 廣東合生越華房地產有限公司	Mainland China 中國大陸	RMB41,500,000 人民幣41,500,000元	–	100%	Property development 物業發展
Guangdong Huajingxincheng Real Estate Limited # 廣東華景新城房地產有限公司	Mainland China 中國大陸	RMB93,500,018 人民幣93,500,018元	–	100%	Property development 物業發展
Guangdong Huanan New City Real Estate Limited ¹ 廣東華南新城房地產有限公司	Mainland China 中國大陸	RMB464,898,684 人民幣464,898,684元	–	99%	Property development 物業發展
Guangdong Huanan Real Estate Limited ¹ 廣東華南房地產有限公司	Mainland China 中國大陸	RMB48,046,856 人民幣48,046,856元	–	70%	Property development 物業發展
Guangdong Jinan Real Estate Limited ¹ 廣東暨南房地產有限公司	Mainland China 中國大陸	RMB65,084,340 人民幣65,084,340元	–	90%	Property development 物業發展
Guangdong New Tai An Real Estate Limited # 廣東新泰安房地產有限公司	Mainland China 中國大陸	RMB19,100,000 人民幣19,100,000元	–	100%	Property development 物業發展

42 DETAILS OF PRINCIPAL SUBSIDIARIES (Continued) 42 主要附屬公司詳情 (續)

Name of company 公司名稱	Place of incorporation and operations 註冊成立及營運地點	Issued and fully paid capital 已發行及繳足股本	Percentage of equity interest attributable to the Group 本集團應佔股權百分比		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
Guangzhou Hopson Cuijing Real Estate Limited ¹ 廣州合生翠景房地產有限公司	Mainland China 中國大陸	RMB53,550,000 人民幣53,550,000元	–	97%	Property development 物業發展
Guangzhou Esteem Property Agency Limited ^o 廣州市康景物業代理有限公司	Mainland China 中國大陸	RMB1,010,000 人民幣1,010,000元	–	100%	Property agency 物業代理
Guangzhou Hopson Dongyu Real Estate Limited ¹ 廣州合生東宇房地產有限公司	Mainland China 中國大陸	RMB42,500,000 人民幣42,500,000元	–	100%	Property development 物業發展
Guangzhou Hopson Junjing Real Estate Limited ¹ 廣州合生駿景房地產有限公司	Mainland China 中國大陸	RMB221,670,000 人民幣221,670,000元	–	95%	Property development 物業發展
Guangzhou Hopson Keji Garden Real Estate Limited ¹ 廣州合生科技園房地產有限公司	Mainland China 中國大陸	RMB133,340,000 人民幣133,340,000元	–	95%	Property development 物業發展
Guangzhou Hopson Qinghui Real Estate Limited ¹ 廣州合生清暉房地產有限公司	Mainland China 中國大陸	RMB42,287,624 人民幣42,287,624元	–	100%	Property development 物業發展
Guangzhou Hopson Qingyuan Water Supply Limited ^o 廣州合生清源淨水有限公司	Mainland China 中國大陸	RMB3,000,000 人民幣3,000,000元	–	100%	Water supply 供水

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42 DETAILS OF PRINCIPAL SUBSIDIARIES (Continued) 42 主要附屬公司詳情 (續)

Name of company 公司名稱	Place of incorporation and operations 註冊成立及營運地點	Issued and fully paid capital 已發行及繳足股本	Percentage of equity interest attributable to the Group 本集團應佔股權百分比		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
Guangzhou Hopson Yihui Real Estate Limited ¹ 廣州合生怡暉房地產有限公司	Mainland China 中國大陸	RMB131,420,019 人民幣131,420,019元	–	100%	Property development 物業發展
Guangzhou Hopson Xingjing Business Services Limited ^o 廣州合生星景商務有限公司	Mainland China 中國大陸	RMB500,000 人民幣500,000元	–	100%	Provision of clubhouse and residential services 提供會所及住宅服務
Guangzhou Hopson Yijing Real Estate Limited ¹ 廣州合生逸景房地產有限公司	Mainland China 中國大陸	RMB82,073,720 人民幣82,073,720元	–	99.5%	Property development 物業發展
Guangzhou Hopson Yujing Real Estate Limited ¹ 廣州合生愉景房地產有限公司	Mainland China 中國大陸	RMB47,250,000 人民幣47,250,000元	–	70%	Property development 物業發展
Guangzhou Xin Chang Jiang Development Limited ^o 廣州新長江建設開發有限公司	Mainland China 中國大陸	RMB10,000,000 人民幣10,000,000元	–	95.5%	Property development 物業發展
Guangzhou Yijing Arts and Culture Company Limited ^o 廣州藝景文化藝術發展有限公司	Mainland China 中國大陸	RMB11,200,000 人民幣11,200,000元	–	100%	Investment holding 投資控股

42 DETAILS OF PRINCIPAL SUBSIDIARIES (Continued) 42 主要附屬公司詳情 (續)

Name of company 公司名稱	Place of incorporation and operations 註冊成立及營運地點	Issued and fully paid capital 已發行及繳足股本	Percentage of equity interest attributable to the Group 本集團應佔股權百分比		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
Guangzhou Yiming Real Estate Development Company Limited # 廣州頤明房地產開發有限公司	Mainland China 中國大陸	RMB43,800,000 人民幣43,800,000元	–	50% (ii)	Property development 物業發展
Guangzhou Yi Cheng Real Estate Development Limited ¹ 廣州市溢晟房地產開發有限公司	Mainland China 中國大陸	RMB42,000,000 人民幣42,000,000元	–	75%	Property development 物業發展
Guangzhou Yi Hui Real Estate Development Limited ¹ 廣州市溢暉房地產開發有限公司	Mainland China 中國大陸	RMB37,000,000 人民幣37,000,000元	–	75%	Property development 物業發展
Hopeson Holdings Limited 合生集團有限公司	Hong Kong 香港	HK\$2 ordinary HK\$10,000 non-voting deferred shares (i) 港幣2元普通股 港幣10,000元 無投票權遞延股份(i)	–	100%	Investment holding 投資控股
Hopson Development (Consultants) Limited 合生創展(顧問)有限公司	British Virgin Islands 英屬處女群島	US\$2 2美元	–	100%	Provision of property design and advisory services 提供物業設計及顧問服務
Hopson Development (Properties) Limited 合生創展(置業)有限公司	Hong Kong 香港	HK\$10,000 港幣10,000元	–	100%	Property investment 物業投資
Hopson (Guangzhou) Industries Limited # 合生(廣州)實業有限公司	Mainland China 中國大陸	US\$4,830,000 4,830,000美元	–	100%	Property development 物業發展

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42 DETAILS OF PRINCIPAL SUBSIDIARIES (Continued) 42 主要附屬公司詳情 (續)

Name of company 公司名稱	Place of incorporation and operations 註冊成立及營運地點	Issued and fully paid capital 已發行及繳足股本	Percentage of equity interest attributable to the Group 本集團應佔股權百分比		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
Hopson Properties (China) Limited 合生中國房地產有限公司	British Virgin Islands 英屬處女群島	US\$1 1美元	–	100%	Investment holding 投資控股
Huizhou Yaxin Real Estate Company Limited # 惠州市亞新房地產有限公司	Mainland China 中國大陸	RMB119,000,000 人民幣119,000,000元	–	100%	Property development 物業發展
Interwell Developments Limited	British Virgin Islands 英屬處女群島	US\$100 100美元	–	50% (ii)	Investment holding 投資控股
Karworld Holdings Limited 嘉和集團有限公司	Hong Kong 香港	HK\$10,000 港幣10,000元	–	100%	Investment holding 投資控股
Ningbo Hopson Real Estate Company Limited # 寧波合生創展房地產有限公司	Mainland China 中國大陸	RMB20,000,000 人民幣20,000,000元	–	100%	Investment holding 投資控股
Nambour Properties Limited 南博置業有限公司	British Virgin Islands 英屬處女群島	US\$2 2美元	–	100%	Investment holding 投資控股
Outward Expanse Investments Limited 廣大投資有限公司	British Virgin Islands 英屬處女群島	US\$2 2美元	–	100%	Investment holding 投資控股
Plaza Royale Water Palace Convention Hotel Tianjin Co. Limited A 天津帝景溫泉酒店有限公司	Mainland China 中國大陸	RMB72,000,000 人民幣72,000,000元	–	70%	Hotel operation 酒店經營
Pomeroy Properties Limited 邦萊置業有限公司	British Virgin Islands 英屬處女群島	US\$2 2美元	–	100%	Investment holding 投資控股
Prestige Dragon Development Limited 譽龍發展有限公司	Hong Kong 香港	HK\$10,000 港幣10,000元	–	100%	Investment holding 投資控股

42 DETAILS OF PRINCIPAL SUBSIDIARIES (Continued) 42 主要附屬公司詳情 (續)

Name of company 公司名稱	Place of incorporation and operations 註冊成立及營運地點	Issued and fully paid capital 已發行及繳足股本	Percentage of equity interest attributable to the Group 本集團應佔股權百分比		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
Shanghai Hopson Property Development Company Limited # 上海合生房地產開發有限公司	Mainland China 中國大陸	US\$15,000,000 15,000,000美元	–	100%	Property development 物業發展
Shanghai Long Jia Properties Limited # 上海龍嘉置業有限公司	Mainland China 中國大陸	RMB20,000,000 人民幣20,000,000元	–	100%	Property development 物業發展
Shanghai Lung Meng Company Limited # 上海龍盟有限公司	Mainland China 中國大陸	US\$10,000,000 10,000,000美元	–	100%	Property development 物業發展
Shanghai Mintai Real Estate Company Limited # 上海民泰房地產有限公司	Mainland China 中國大陸	US\$30,100,000 30,100,000美元	–	50% (ii)	Property development 物業發展
Shanghai Ze Yu Properties Limited # 上海澤宇置業有限公司	Mainland China 中國大陸	RMB8,000,000 人民幣8,000,000元	–	84%	Property development 物業發展
Shine Wealth Consultants Limited 亮豐顧問有限公司	British Virgin Islands 英屬處女群島	US\$1 1美元	–	100%	Provision of consultancy services 提供顧問服務
Solawide Properties Limited 崇偉置業有限公司	British Virgin Islands 英屬處女群島	US\$2 2美元	–	100%	Investment holding 投資控股
Sun Yick Properties Limited 新益置業有限公司	British Virgin Islands 英屬處女群島	US\$2 2美元	–	100%	Investment holding 投資控股
Sun Advance Investments Limited 日進投資有限公司	British Virgin Islands 英屬處女群島	US\$1 1美元	–	100%	Investment holding 投資控股
Tianjin Hopson Binhai Real Estate Development Company Limited # 天津合生濱海房地產開發有限公司	Mainland China 中國大陸	RMB20,000,000 人民幣20,000,000元	–	70%	Property development 物業發展

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42 DETAILS OF PRINCIPAL SUBSIDIARIES (Continued) 42 主要附屬公司詳情 (續)

Name of company 公司名稱	Place of incorporation and operations 註冊成立及營運地點	Issued and fully paid capital 已發行及繳足股本	Percentage of equity interest attributable to the Group 本集團應佔股權百分比		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
Tianjin Hopson Environmental Protection and Energy Saving Technology Development Company Limited * 天津合生環保節能技術開發有限公司	Mainland China 中國大陸	US\$375,000 375,000美元	–	70%	Research and development of environmental technology and product 研究及開發環保技術及產品
Tianjin Hopson Zhujiang Real Estate Development Limited ¹ 天津合生珠江房地產開發有限公司	Mainland China 中國大陸	RMB72,000,000 人民幣72,000,000元	–	70%	Property development 物業發展
Tumen Properties Limited 祥能置業有限公司	British Virgin Islands 英屬處女群島	US\$2 2美元	–	100%	Investment holding 投資控股
Value-Added Guangzhou Limited [°] 廣州市加益有限公司	Mainland China 中國大陸	RMB8,000,000 人民幣8,000,000元	–	70%	Property development 物業發展

These are wholly owned foreign enterprises established in Mainland China.

[△] These are equity joint ventures established in Mainland China.

¹ These are cooperative joint ventures established in Mainland China.

[°] These are domestic enterprises established in Mainland China.

* These are foreign enterprises established in Mainland China.

Notes:

(i) The non-voting deferred shares have no voting rights and are not entitled to any dividend or distributions upon winding up unless a sum of HK\$100,000,000,000,000 has been distributed to the holders of the ordinary shares and thereafter one-half of the assets are distributable to holders of the non-voting deferred shares.

(ii) These are subsidiaries because the Group has the power to govern the financial and operating policies of these companies, notwithstanding that the Group's equity interests in these companies are not more than 50%.

該等為於中國大陸成立之全資擁有外資企業。

[△] 該等為於中國大陸成立之合資合營企業。

¹ 該等為於中國大陸成立之合作合營企業。

[°] 該等為於中國大陸成立之內資企業。

* 該等為於中國大陸成立之外資企業。

附註：

(i) 無投票權遞延股份並無投票權，無權收取任何股息或無權於清盤時享有分派，除非港幣100,000,000,000,000元已分派予普通股持有人，則其後資產之一半可分派予無投票權遞延股份持有人。

(ii) 儘管本集團於該等公司之股本權益並不超過50%，該等公司為附屬公司乃由於本集團有權規管該等公司之財務及經營政策。

43 EVENTS AFTER THE BALANCE SHEET DATE

- (a) On 19 January 2007, the Company granted 7,964,000 share options with an exercise price of HK\$20.75 to a director.
- (b) On 2 February 2007, the Company completed the issue of RMB1,830.4 million aggregate principal amount of USD settled Zero Coupon Convertible Bonds due 2010 with the right to convert into ordinary shares of the Company.
- (c) On 1 March 2007, the Group completed the acquisition of the 100% equity interest in Tianjin Babo Real Estate Development Limited for a consideration of approximately HK\$215 million (equivalent to RMB215 million) which owns the land use right of a site located in Nan Kai District, Tianjin with a GFA of approximately 90,000 square metres.
- (d) Pursuant to the New PRC corporate income tax law passed by the Tenth National People's Congress on 16 March 2007, the new corporate income tax rates for almost all enterprises established in the PRC shall be subject to a unified rate of 25% and will be effective from 1 January 2008. The impact of such change of corporate income tax on the Group's consolidated financial statements will depend on detailed pronouncements that will be subsequently issued. The Group will evaluate the impact of the new PRC corporate income tax law upon the issuance of detailed pronouncements.

43 結算日後事項

- (a) 於二零零七年一月十九日，本公司向一董事授與行使價為港幣20.75元的7,964,000購股權證。
- (b) 於二零零七年二月二日，本公司完成發行人民幣18.304億元於二零一零年到期以美元結算之零息可換股債券，有權可變換為本公司之普通股。
- (c) 於二零零七年三月一日，本公司完成以港幣2.15億元（約人民幣2.15億元）收購天津巴博房地產開發有限公司之100%股權，此公司擁有位於天津市南開區一塊約90,000平米土地之土地使用權。
- (d) 根據將於二零零八年一月一日起生效之新訂中國企業所得稅法（由第十屆全國人民代表大會於二零零七年三月十六日通過），對幾乎所有於中國成立之企業將按劃一之25%稅率徵收新企業所得稅。該等企業所得稅法之變動對本集團綜合財務報表之影響須視乎日後所頒佈之實施細則而定。本集團將於實施細則頒佈後對新訂中國企業所得稅法所造成之影響進行評估。