

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended December 31, 2006

截至2006年12月31日止年度

1. GENERAL

The Company is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Its ultimate and immediate holding company is Uniocean Investments Limited, a company incorporated in British Virgin Islands. The address of the registered office of the Company is disclosed in the "Corporate Information" section to the annual report.

The Company acts as an investment holding company. The principal activities of the Group are the sale and distribution of liquefied petroleum gas and sale of electronic products.

The functional currency of the Company is Renminbi ("RMB"), the currency of the primary economic environment in which the Group operates. For the purpose of the consolidated financial statements and convenience of the financial statements users, the results and financial position of the Group are expressed in Hong Kong dollars, the presentation currency for the consolidated financial statements.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has applied, for the first time, a number of new standard, amendments and interpretations ("new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants, which are either effective for accounting periods beginning on or after December 1, 2005 or January 1, 2006. The adoption of the new HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

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

1. 概述

本公司乃於百慕達註冊成立之受豁免有限責任公司，公司股份在香港聯合交易所有限公司（「聯交所」）上市。其最終控股公司為海聯控股有限公司，一間於英屬處女島成立之有限公司。其註冊地址於年報「公司資料」一節內披露。

本公司乃投資控股公司。本集團之主要業務為銷售和分銷液化石油氣及銷售電子產品。

本公司之功能貨幣為人民幣，為本集團經營所在主要經濟地區之貨幣。為方便綜合財務報表使用者，本集團之業績及財務狀況以港元（綜合財務報表所列之貨幣）表示。

2. 應用新訂及經修訂香港財務報告準則

於本年內，本集團首次應用由香港會計師公會頒佈之多項新訂準則、修訂及詮釋（「新香港財務報告準則」），新香港財務報告準則於2005年12月1日或2006年1月1日之後開始之會計期間生效。採納新香港財務報告準則對現時或過往會計期間業績及財務狀況的編製及呈列方式概無構成重大影響。因此，概無作出任何前期調整。

本公司並無提前採用下列已頒佈但尚未生效之新訂準則、修訂或詮釋。本公司董事預期，採用此等準則、修訂或詮釋將不會對本集團之業績及財務狀況構成重大影響。

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

HKAS 1 (Amendment)	Capital disclosures ¹
HKFRS 7	Financial instruments: Disclosures ¹
HKFRS 8	Operating segments ²
HK(IFRIC) — INT 7	Applying the restatement approach under HKAS 29 Financial Reporting in Hyperinflationary Economies ³
HK(IFRIC) — INT 8	Scope of HKFRS 2 ⁴
HK(IFRIC) — INT 9	Reassessment of embedded derivatives ⁵
HK(IFRIC) — INT 10	Interim financial reporting and impairment ⁶
HK(IFRIC) — INT 11	HKFRS 2 — Group and treasury share transactions ⁷
HK(IFRIC) — INT 12	Service concession arrangements ⁸

2. 應用新訂及經修訂香港財務報告準則(續)

香港會計準則第1號(修訂本)	資本披露 ¹
香港財務報告準則第7號	金融工具：披露 ¹
香港財務報告準則第8號	營運分類 ²
香港(國際財務報告詮釋委員會)第7號	根據香港會計準則第29號惡性通貨膨脹經濟下之財務報告採用重列法 ³
香港(國際財務報告詮釋委員會)第8號	香港財務報告準則第2號的範圍 ⁴
香港(國際財務報告詮釋委員會)第9號	重估嵌入衍生工具 ⁵
香港(國際財務報告詮釋委員會)第10號	中期財務報告及減值 ⁶
香港(國際財務報告詮釋委員會)第11號	香港財務報告準則第2號 — 集團及庫存股份交易 ⁷
香港(國際財務報告詮釋委員會)第12號	財務經營權安排 ⁸

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

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

2. 應用新訂及經修訂香港財務報告準則(續)

- 1 於2007年1月1日或其後開始之年度期間生效。
- 2 於2009年1月1日或其後開始之年度期間生效。
- 3 於2006年3月1日或其後開始之年度期間生效。
- 4 於2006年5月1日或其後開始之年度期間生效。
- 5 於2006年6月1日或其後開始之年度期間生效。
- 6 於2006年11月1日或其後開始之年度期間生效。
- 7 於2007年3月1日或其後開始之年度期間生效。
- 8 於2008年1月1日或其後開始之年度期間生效。

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

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

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

Basis of consolidation

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

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

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

3. 主要會計政策

綜合財務報表乃根據歷史成本基準編製，惟如下文所載之會計政策所解釋，投資物業及金融工具乃按重估金額或公平價值計量。

綜合財務報表乃根據香港會計師公會所頒佈之香港財務報告準則編製。此外，綜合財務報告載有香港聯合交易所有限公司證券上市規則及香港公司條例規定之適用披露事項。

綜合基準

綜合財務報表乃綜合本公司及本公司控制之實體(其附屬公司)之財務報表。當本公司有權監管實體之財務及營運政策以獲得利潤，便被視為控制。

年內所收購或所出售附屬公司之業績自收購日期起或至出售日期止(視乎情況而定)已計入綜合收益表。

所有集團內交易、結餘、收入及支出均於綜合賬目對銷。

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of consolidation (Continued)

Minority interests in the net assets of consolidated subsidiaries are presented separately from the Group's equity therein. Minority interests in the net assets consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

Business combinations

The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under HKFRS 3 Business Combinations are recognised at their fair values at the acquisition date.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in profit or loss.

3. 主要會計政策(續)

綜合基準(續)

綜合附屬公司淨資產內之少數股東所佔權益與本集團所佔之權益分開列賬。少數股東於淨資產之權益包括該等權益於原業務合併日期之數額及少數股東應佔該合併日期以來之股本變動。適用於少數股東的虧損超出於附屬公司股權的少數股東權益的數額將在本集團的權益中作出分配，惟少數股東具約束力責任及可以其他投資補足虧損者除外。

業務合併

收購附屬公司使用收購法列賬。收購成本按本集團於交換日為交換被收購者的控制權而放棄的資產、產生或承擔的負債的公平值總額，另加業務合併產生的任何直接成本而計算。被收購者的可確認資產、負債及或然負債，若符合香港財務報告準則第3號「業務合併」的確認條件，則於收購日按其公平值確認。

因收購而產生的商譽，指業務合併成本超逾本集團已確認可識別資產、負債及或然負債公平值淨額的差額，乃確認為資產並於首次按成本計量。倘經重新評估後，本集團應佔被收購者的可識別資產、負債及或然負債的公允值淨額的權益超逾業務合併成本，則超逾差額即時確認為損益。

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Business combinations (Continued)

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

Acquisition of additional interests in a subsidiary

The cost of the acquisition is measured at the consideration paid for the additional interest. The goodwill is calculated as the difference between the consideration paid and the book value of the net assets of the subsidiary attributable to the additional interest acquired.

Goodwill

Goodwill arising on acquisitions prior to January 1, 2005

Goodwill arising on acquisition of a subsidiary for which the agreement date is before January 1, 2005 represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of the relevant subsidiary at the date of acquisition. Such goodwill is tested for impairment annually, and whenever there is an indication that the cash generating unit to which the goodwill relates may be impaired (see the accounting policy below).

3. 主要會計政策 (續)

業務合併 (續)

被收購者的少數股東權益於最初時會按少數股東所佔的已確認資產、負債及或然負債的公平值淨額比例計量。

收購一附屬公司之額外權益

收購成本是按為額外權益所支付的代價計量。商譽是根據所付代價與附屬公司額外權益應佔資產淨值的賬面值的差額計算。

商譽

於2005年1月1日前因收購而產生之商譽

收購一家附屬公司(協議於2005年1月1日之前)產生之商譽乃指收購成本超過本集團在收購當日應佔相關附屬公司可識別資產及負債之公平值，而有關商譽每年進行減值測試，以及凡與商譽有關之賺取現金單位可能出現減值之跡象時進行減值測試(見下文會計政策)。

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Goodwill (Continued)

Goodwill arising on acquisitions on or after January 1, 2005

Goodwill arising on an acquisition of a subsidiary for which the agreement date is on or after January 1, 2005 represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of the relevant subsidiary at the date of acquisition. Such goodwill is carried at cost less any accumulated impairment losses.

Capitalised goodwill arising on an acquisition of a subsidiary is presented separately in the balance sheet.

For the purposes of impairment testing, goodwill arising from an acquisition of a subsidiary is allocated to each of the relevant cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the acquisition. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication that the unit may be impaired. For goodwill arising on an acquisition in a financial year, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in the consolidated income statement. An impairment loss for goodwill is not reversed in subsequent periods.

On subsequent disposal of a subsidiary, the attributable amount of goodwill capitalised is included in the determination of the amount of profit or loss on disposal.

3. 主要會計政策(續)

商譽(續)

於2005年1月1日或之後因收購而產生 之商譽

收購一家附屬公司(協議日期為於2005年1月1日或之後)產生之商譽乃指收購成本超逾本集團於收購當日應佔相關附屬公司可識別資產、負債及或然負債公平值之權益之差額。有關商譽乃按成本減任何累計減值虧損列賬。

收購附屬公司產生之資本化商譽乃於資產負債表內分開列賬。

就減值測試而言，收購附屬公司所產生之商譽乃被分配到各有關賺取現金單位，或賺取現金單位之組別，預期彼等從收購之協同效應中受益。已獲分配商譽之賺取現金單位每年及凡單位有可能出現減值之跡象時進行減值測試。就於某個財政年度之收購所產生之商譽而言，已獲分配商譽之現金賺取單位於該財政年度完結前進行減值測試。當賺取現金單位之可收回金額少於該單位之賬面值，則減值虧損被分配，首先削減分配到該單位之任何商譽之賬面值，其後以單位各資產之賬面值為基準按比例分配到該單位之其他資產。商譽之任何減值虧損乃直接於收益表內確認。商譽之減值虧損於其後期間不予撥回。

其後出售附屬公司，則被資本化之商譽之應佔金額於出售時計入釐定損益之金額。

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Jointly controlled entities

Joint venture arrangements that involve the establishment of a separate entity in which venturers have joint control over the economic activity of the entity are referred to as jointly controlled entities.

The results and assets and liabilities of jointly controlled entities are incorporated in the consolidated financial statements using the equity method of accounting. Under the equity method, investments in jointly controlled entities are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the Group's share of the profit or loss and of changes in equity of the jointly controlled entities, less any identified impairment loss. When the Group's share of losses of a jointly controlled entity equals or exceeds its interest in that jointly controlled entity, the Group discontinues recognising its share of further losses. An additional share of losses is provided for and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that jointly controlled entity.

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

When a group entity transacts with a jointly controlled entity of the Group, unrealised profits or losses are eliminated to the extent of the Group's interest in the jointly controlled entity, except to the extent that unrealised losses provide evidence of an impairment of the asset transferred, in which case, the full amount of losses is recognised.

3. 主要會計政策(續)

共同控制實體

由合營者成立一間各自擁有權益的獨立企業的合營安排視為共同控制實體。

共同控制實體之業績、資產及負債乃以會計權益法綜合入財務資料。根據權益法，於共同控制實體之投資乃按成本於綜合資產負債表中列賬，並就本集團分佔該共同控制實體之損益及權益變動之收購後變動作出調整，以及減去任何已識別之減值虧損。當本集團分佔某共同控制實體之虧損相等於或超出其於該共同控制實體之權益，則本集團不再繼續確認其分佔之虧損乃被撥備，而負債僅以本集團已產生法定或推定責任或代表該共同控制實體作出付款者為限被確認。

收購成本與本集團於收購日可分享共同控制實體可確定之淨資產負債之公平值比較，多出之部份確認為商譽。商譽包括在投資之賬面值及須為此投資部份進行減值評核。

當一集團實體與共同控制實體發生往來交易，其未確認利潤或損失將與本集團在共同控制實體之利益互相銷減，除非該未確認損失有理據顯示資產減值已轉移，並且該損失已全數確認。

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition

Revenue is measured at the fair value of the consideration received and receivable and represents amounts receivable for goods sold in the normal course of business, less discounts, sales related taxes, returns and allowances.

Sales of goods are recognised when goods are delivered and title has passed.

Interest income from a financial asset is accrued on a timely basis, by reference to the principal outstanding and at the interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial assets to that asset's net carrying amount.

Rental income under operating leases is recognised on a straight line basis over the respective lease terms.

Property, plant and equipment

Property, plant and, equipment, other than construction in progress, are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

3. 主要會計政策(續)

收入確認

收入按已收及應收代價的公平值計量，並相當於在日常業務運作過程中提供貨品及服務而應收的款項，減折扣及銷售相關稅項。

貨物銷售乃於貨物已付運及所有權已移交時確認。

財務資產利息收入根據本金結餘及適用利率按時間比例計算入賬。而適用利率為透過財務資產之預期可用年期將估計日後現金收據實際折讓至該資產之賬面淨值之比率。

經營租約之租金收入按有關租期以直線基準計算入賬。

物業、機器及設備

除在建工程外，物業、機器及設備乃按成本值扣減累積折舊及累積減值虧損(如有)入賬。

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment (Continued)

Depreciation and amortisation is provided to write off the cost, other than construction in progress, over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method, at the following rates per annum:

Buildings	Over the term of the lease
Leasehold improvements	20% to 33 $\frac{1}{3}$ %
Toolings	33 $\frac{1}{3}$ %
Plant and machinery	5% to 33 $\frac{1}{3}$ %
Gas plant and facilities	Over the lease term of coast use right
Gas pumps and equipment	10% to 33 $\frac{1}{3}$ %
Furniture, fixtures and equipment	15% to 16 $\frac{2}{3}$ %
Motor vehicles	16 $\frac{2}{3}$ % to 33 $\frac{1}{3}$ %

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

Construction in progress

Construction in progress represents property, plant and equipment in the course of construction for production or for its own use purposes. Construction in progress is carried at cost less any recognised impairment loss. Construction in progress is classified to the appropriate category of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

3. 主要會計政策 (續)

物業、機器及設備 (續)

除在建工程外，估計可使用年期及其估計之剩餘價值以直線法按下列年率撇銷成本而作出折舊及攤銷撥備：

樓宇	按租約年期
租賃物業裝修	20%至33 $\frac{1}{3}$ %
工具	33 $\frac{1}{3}$ %
機器及設備	5%至33 $\frac{1}{3}$ %
氣庫及設施	按海岸使用權租約年期
氣泵及設備	10%至33 $\frac{1}{3}$ %
傢俬、裝置及設備	15%至16 $\frac{2}{3}$ %
汽車	16 $\frac{2}{3}$ %至33 $\frac{1}{3}$ %

物業、機械及設備項目於出售時或當繼續使用該資產預期不會產生任何日後經濟利益時取消確認。資產取消確認產生之任何收益或虧損(按該項目之出售所得款項淨額及賬面值間之差額計算)於該項目取消確認之年度計入綜合收益表。

在建工程

在建工程指興建中之物業、機器及設備作日後生產或自用。在建工程按成本減任何已確認減值虧損。當在建工程完成並預備使用時將列為物業、機器及設備之適當類別。該等資產作擬定用途時，將與其他物業資產以相同基準開始計算折舊。

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investment properties

On initial recognition, investment properties are measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured using the fair value model. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the year in which they arise. Investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use or no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the investment property (calculated as the difference between the net disposal proceeds and the carrying value of the investment property) is included in the consolidated income statement in the year in which the item is derecognised.

Inventories

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

Foreign currencies

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

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the year in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the year.

3. 主要會計政策(續)

投資物業

於初步確認時，投資物業按成本計算，包括任何直接應佔支出。於初步確認後，投資物業採用公平值模式計算。投資物業之公平值變動所產生之損益計入產生期間年內之損益表。投資物業於出售時或當該項投資物業永久停止使用時或預計其出售將不會產生未來經濟利益時不再確認。於不再確認該項投資物業時所產生的任何收益或虧損(以出售所得款項淨額與該項目的賬面值的差額計算)，計入不再確認該項目的年度的綜合收益表內。

存貨

存貨按成本值及可變現淨值兩者之較低者入賬。成本以先進先出方法計算。

外幣

於編製各個別集團實體之財務報告時，以該實體功能貨幣以外之貨幣(外幣)進行之交易均按交易日期之適用匯率換算為有關的功能貨幣(如該實體經營所在主要經濟地區之貨幣)記賬。於各結算日，以外幣定值之貨幣項目均按結算日之適用匯率重新換算。按公平值以外幣定值之非貨幣項目乃按於公平值釐定當日之適用匯率重新換算。按外幣過往成本計量之非貨幣項目毋須重新換算。

於結算及換算貨幣項目時產生之匯兌差額均於彼等產生年內以損益確認。惟重新換算以公平值入賬之非貨幣項目差生的匯兌差額於年內以損益入賬。

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currencies (Continued)

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

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation on or after January 1, 2005 are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the balance sheet date. Exchange differences arising are recognised in the translation reserve.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, are capitalised as part of the cost of those assets. Capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Leasing

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

3. 主要會計政策 (續)

外幣 (續)

就呈列綜合財務報告而言，本集團海外經營業務之資產及負債乃按於結算日之適用匯率換算為本集團之列賬貨幣(即港元)，而其收入及支出乃按該年度之平均匯率進行換算，除非匯率於該年內出現大幅波動則作別論，於此情況下，則採用於換算當日之適用匯率。所產生之匯兌差額(如有)乃確認作權益之獨立部分(匯兌儲備)。該等匯兌差額乃於海外業務被出售之年內於損益表內確認。

於2005年1月1日或之後，於收購海外業務時產生之有關所收購可識別資產之商譽及公平值調整乃作為該海外經營業務之資產及負債處理，並按於結算日之適用匯率進行換算。產生之匯兌差額乃於匯兌儲內確認。

借貸成本

收購、興建或生產合資格資產直接應佔的借貸成本作為該等資產成本的一部分。當資產隨後作擬定用途或銷售，該等借貸成本不再資本化。合資格資產出現開支前，於具體借款作短期投資而賺取的投資收入會從適合作資本化的借貸成本中扣除。

所有其他借貸成本於產生期間確認為損益。

租賃

凡租賃之條款規定擁有權所附帶之一切風險及報酬實質上轉移至承租人者，該租賃即歸類為融資租賃。其他租賃全部列作經營租賃。

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Group as lessor

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

The Group as lessee

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

Taxation

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

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

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

3. 主要會計政策(續)

本集團作為出租人

經營租賃之租金收入乃按相關租賃年期以直線法於綜合收益表確認。於協商及安排經營租賃時引致之初步直接成本乃加至租賃資產之賬面值，並按租賃年期以直線法確認作一項支出。

本集團作為承租人

根據經營租賃之應付租金乃按相關租賃年期以直線法於損益表扣除。因訂立一項經營租賃作為獎勵之已收及應收福利乃以直線法按租賃年期確認作租金支出減少。

稅項

所得稅支出為當期應付稅項加上遞延稅項的總和。

當期應付稅項按年度應課稅溢利計算。應課稅溢利由於不包括其他年度的應課稅收入或可扣稅支出項目，亦不計入毋須課稅或不獲扣稅的損益項目，因而與綜合收益表所示溢利數額不同。本公司之即期稅項負債乃按結算日已實行或大致上已實行之稅率計算。

遞延稅項為基於資產負債在綜合財務報表的帳面值與計算應課稅溢利的相關稅基之間的差額，按資產負債表負債法入帳。如出現應課稅暫時差額，一般一律確認為遞延稅項負債，而遞延稅項資產則於有可能出現可利用暫時差額扣稅之應課稅溢利時確認。然而，若暫時差額是基於商譽或因一項既不影響應課稅亦不影響會計溢利的交易(業務合併除外)而首次確認其他資產及負債所導致，則不會確認有關遞延稅務資產和負債。

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation (Continued)

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

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

Retirement benefit cost

Payments to state-managed retirement benefit scheme and the Mandatory Provident Fund Scheme are charged as an expense when employees have rendered service entitling them to the contributions.

Financial instruments

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

3. 主要會計政策(續)

稅項(續)

遞延稅務資產的賬面值定期在結算日檢討。如應課稅溢利不大可能足以恢復全部或部份資產，則會作出撇減。

遞延稅項按預期適用於清償負債或變賣資產期間之適用稅率計算。遞延稅項在損益表中入賬或扣除。然而，若遞延稅項關乎直接在資本帳中入賬或扣除的項目，則會在資本帳中處理。

退休福利成本

國營退休福利計劃及強制性公積金計劃於僱員提供服務以致彼等有權獲得供款時作開支扣除。

金融工具

財務資產及財務負債乃當某集團實體成為工具合同條文之訂約方時在資產負債表上確認。財務資產及財務負債按公平值初步確認。收購或發行財務資產及財務負債直接應佔之交易成本(於損益表按公平值計算之財務資產及財務負債除外)乃於初步確認時加入財務資產或財務負債之公平值或自財務資產或財務負債之公平值內扣除(如合適)。收購於損益表按公平值計算之財務資產或財務負債直接應佔之交易成本即時於損益表內確認。

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets

The Group's financial assets are classified as loans and receivables. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. The accounting policies adopted in respect of each category of financial assets are set out below.

Loans and receivables

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

3. 主要會計政策(續)

金融工具(續)

財務資產

本集團之財務資產歸入借款及應收款項。所有定期購買或出售財務資產乃按交易日基準確認及不再確認。定期購買或出售乃購買或出售財務資產，並要求於市場上按規則或慣例設定之時間框架內付運資產。所採納之與各類財務資產有關之會計政策乃載於下文。

借款及應收款項

借款及應收款項乃非於現行市場所報之固定或可釐定付款之非衍生財務資產。於初步確認後之各結算日，借款及應收款項(包括銀行結餘、已抵押銀行存款、應收貿易賬款、應收票據、其他應收賬款、按金、應收一共同控制實體之款項、應收一附屬公司前股東之款項)均按採用實際利率法計算之已攤銷成本減任何已識別減值虧損入賬。減值虧損於可客觀證明資產減值時於損益表中確認，並按該資產之賬面值與按原先實際利率折讓之估計未來現金流量之現值間的差額計量。當資產之可收回數額增加乃確實與於確認減值後所引致之事件有關時，則減值虧損會於隨後會計期間予以回撥，惟該資產於減值被回撥之日之賬面值不得超過未確認減值時之已攤銷成本。

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial liabilities and equity

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

An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. The accounting policies adopted in respect of financial liabilities and equity instruments are set out below.

Financial liabilities

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

Equity instruments

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

Derivative financial instruments

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain or loss is recognised in profit or loss immediately.

3. 主要會計政策(續)

金融工具(續)

財務負債及權益

集團實體發行之財務負債及股本工具乃根據合同安排之性質與財務負債及股本工具之定義分別。

股本工具乃證明本集團於扣減所有負債後之資產中擁有剩餘權益之任何合同。就財務負債及股本工具所採納之會計政策乃載於下文：

財務負債

財務負債包括應付貿易賬款、應付票據、其他應付賬款及借款乃隨後採用實際利率法按已攤銷成本計算。

股本工具

本公司發行之股本工具乃按已收所得款項(扣除直接發行成本)記賬。

衍生融資工具及對沖

衍生工具初步均按訂立衍生工具合約當日之公平值確認，其後按於各結算日之公平值重新計算。所產生之損益即時於損益表確認。

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Derecognition

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

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

Share-based payment transactions

Equity-settled share-based payment transactions

Share options granted to employees

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

At each balance sheet date, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the estimates, if any, is recognised in profit or loss with a corresponding adjustments to share option reserve.

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

3. 主要會計政策(續)

金融工具(續)

剔除確認

當應收資產現金流量之權利屆滿，或財務資產被轉讓而本集團已轉讓該項財務資產擁有權之絕大部分風險及回報時，有關資產會剔除確認。於剔除確認財務資產時，該項資產賬面值與已收及應收代價及於股本直接確認之累計盈虧總數間之差額會於損益表確認。

當有關合約所訂明責任獲解除、註銷或屆滿時，財務負債會自本集團資產負債表剔除。獲剔除確認之財務負債的賬面值與已付或應付代價間差額於損益表確認。

以股份為基礎之支出

以權益支付股份為基礎之支出

授予僱員之購股權

已接獲服務之公平值參考於授出日期所授出購股權之公平值釐定，以直線法於歸屬日期支銷，並相應增加股權(購股權儲備)。

於年結日，本集團修訂其估計之購股權數目。更改估計數目之影響(如有)，將連同購股權儲備之調整在損益表中確認。

於行使購股權時，以往於購股權儲備確認之款項將撥入股份溢價。當購股權已沒收或於屆滿日期仍未行使時，以往於購股權儲備確認之款項將撥入保留溢利。

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment losses (other than goodwill)

At each balance sheet date, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

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

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying the Group's accounting policies which are described in note 3, management has made the following estimates concerning future. The key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are also discussed below.

Estimated impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. As at December 31, 2006, the carrying amount of goodwill is approximately HK\$84,428,000 (2005: HK\$61,893,000) (net of accumulated impairment loss of HK\$45,576,000 (2005: HK\$45,576,000)). Details of the recoverable amount calculation are disclosed in note 21.

3. 主要會計政策 (續)

減值虧損 (商譽除外)

本集團於年結日評估其資產之賬面值，以確定該等資產有否減值虧損之跡象。倘若一項資產之可收回值低於其賬面值，則該項資產之賬面值即被減至與可收回值。減值虧損應立即確認為支出。

於回撥減值虧損時，資產之賬面值可調高至重新釐定之可收回值，惟不可高於該資產以過往未減值虧損前計算之賬面值。撥回之減值虧損可即時被確認為收入。

4. 不確定估計之主要來源

在應用附註3所述之集團會計政策之過程中，管理層已作出以下未來之主要假設影響。於結算日，不確定估計之主要來源會造成須對下一個財政年度內資產及負債賬面值作出重大調整之重大風險。該等不確定估計之主要來源如下：

商譽之預計減值

釐定商譽是否減值須對商譽獲分派之賺取現金單位之使用價值作出估計。使用價值計算要求本集團估計預期產生自賺取現金單位之日後現金流動及合適之折現率以計算現值。當真正日後現金流動少於預期，便會引起重大減值虧損。截至2006年12月31日，商譽之賬面價值約為84,428,000港元(2005: 61,893,000港元)(累計減值虧損淨額約45,576,000港元)(2005: 45,576,000港元)。可收回金額計算方法之詳情披露於附註21。

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Income taxes

As at December 31, 2006, a deferred tax asset of approximately HK\$2,636,000 (2005: HK\$2,326,000) in relation to unused tax losses has been recognised in the Group's consolidated balance sheet. The realisability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where the actual future profits generated are less than expected, a material reversal of deferred tax assets may arise, which would be recognised in the consolidated income statement for the year in which such a reversal takes place. Details of unused tax losses not recognised amounted to approximately HK\$30,584,000 (2005: HK\$83,822,000) are disclosed in note 33. The unused tax losses not recognised may be capitalised if the actual future profits generated are more than expected.

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's major financial instruments include bank balances, pledged bank deposits, borrowings, trade debtors, bills receivable, other debtors, deposits, trade creditors and bills payable and other creditors. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

4. 不確定估計之主要來源(續)

所得稅

於2006年12月31日，有關未動用稅項虧損之遞延稅項資產約2,636,000港元(2005：2,326,000港元)已於本集團之綜合資產負債表中確認。變現遞延稅項資產主要有賴於是否有足夠未來溢利或將來可供利用之應課稅暫時差額而定。倘產生之未來實際溢利乃少於預期溢利，遞延稅項資產可能會予以實質撥回，於有關撥回發生期間之綜合收益表內確認。約30,584,000港元(2005：83,822,000港元)未確認之未動用稅項虧損之詳情披露於附註33。假設將來產生之真正溢利大於預期，未確認之未動用稅項虧損可能被資本化。

5. 財務風險管理目標及政策

本集團之主要財務工具包括銀行結餘、已抵押銀行存款、借款、應收貿易賬款，應收票據、其他應收賬款、按金、應付貿易賬款及應付票據及其他應付賬款。該等金融工具詳情於各附註披露。下文載列與該等金融工具有關之風險及如何降低該等風險之政策。管理層管理及監控該等風險，以確保及時和有效地採取適當之措施。

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Market risk

(i) Currency risk

Several subsidiaries of the Company have foreign currency sales and purchases, which expose the Group to foreign currency risk. Certain bank balances and cash, pledged bank deposits, trade debtors, trade creditors and bills payable and borrowings of the Group are denominated in foreign currencies. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

(ii) Interest rate risk

The Group's bank balances and bank loans have exposure to cash flow interest rate risk due to the fluctuation of the prevailing market interest rate on bank balances and bank loans which carried at prevailing market interest rates.

In addition, the Group has exposure to fair value interest rate through the impact of the rate changes on pledged bank deposits which are carried at fixed interest rate. The directors consider the Group's exposure to interest rate risk is not significant as interest bearing bank balances are within short maturity periods.

The Group's fair value interest rate risk relates primarily to fixed-rate borrowings (see note 30 for details of these borrowings). The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

5. 財務風險管理目標及政策(續)

市場風險

(i) 貨幣風險

本公司若干附屬公司有以外幣計值之買賣，令本集團承受外幣風險。若干銀行結餘及現金、已抵押銀行存款、應收貿易賬款、應付貿易賬款及應付票據及借款，以外幣定價。本集團現時尚無外幣對沖政策。然而，管理層監控外匯風險，並會考慮於必要時對沖重大外幣風險。

(ii) 利率風險

因銀行結餘及銀行借款之市場利率波動，本集團附有市場利率之銀行結餘及銀行借款帶有資金流動利率風險。

此外，本集團之已抵押銀行存款附有固定利息，利息改變亦會帶來公平值利率風險。董事認為本集團所冒之利率風險並非重大，因附有利息之銀行結餘之到期日乃屬短期。

本集團之公平值利率風險涉及初步以固定利率借貸(該等借貸詳情請見附註30)。本集團現時尚無利率對沖政策。然而，管理層監控利率風險，並會考慮於必要時對沖重大利率風險。

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk

As at December 31, 2006, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the trade debtors and bills receivable of approximately HK\$139,338,000 and the other debtors of approximately HK\$79,628,000. The Group has no significant concentration risk on trade debtors and bills receivable with exposure spread over a number of customers. The Group has some concentration of credit risk with exposure to a counterparty of approximately HK\$79,628,000 as disclosed in note 26. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debtors, other debtors and deposits at each balance sheet date to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The credit risk on liquid funds is limited because the counterparties are banks with high credit rankings assigned by international credit-rating agencies.

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings and ensures compliance with loan covenants.

As at December 31, 2006, the Group has undrawn short term borrowing facilities with floating rate amounting to approximately HK\$604,428,000.

5. 財務風險管理目標及政策(續)

信貸風險

於2006年12月31日，因未能解除對方負債而令本集團面臨，並能導致本集團金融損失的最大信貸風險，產生於應收貿易賬款及應收票據約139,338,000港元及其他應收賬款約79,628,000港元。本集團客戶分佈平均，沒有重大集中對個別貿易客戶及應收票據之風險。附註26之約79,628,000港元的應收賬款信貸有某程度集中風險。為減低信貸風險，管理層授權與一團隊負責決定信貸額度，信貸審核及其他監察流程確保已到期債權得到跟進。本集團對每個貿易應收賬款，其他應收賬款及按金均在此期間評核其可收回金額，以確保不可收回之金額作減值損失。因此，董事認為本集團之信貸風險因而大大降低。

國際信貸評級代理已頒發高信貸評級予銀行，故集團之流動資金之信貸風險將有限。

流動資金風險

在管理流動資金風險時，本集團監控及保持管理層認為足夠的現金及等同現金價值數額，以為本集團的業務營運提供資金並減輕現金流量波動的影響。管理層監控銀行借貸的使用狀況及確保遵守貸款契約。

於2006年12月31日，本集團未提取帶有浮動利率之短期借款信貸約為604,428,000港元。

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Fair value

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

The fair value of derivative instruments are calculated using quoted prices. Where such prices are not available use is made of discounted cash flow analysis using the applicable yield curve for the duration of the instruments for non-optional derivative, and option pricing models for optional derivatives.

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

6. REVENUE

Revenue represents the fair value of amounts received and receivable for goods sold by the Group to outside customers, less discount, related taxes, returns and allowances, and rental and leasing income for the year, and is analysed as follows:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Continuing operations	持續業務		
Sale and distribution of liquefied petroleum gas ("LPG")	銷售及分銷液化石油氣(「液化氣」)	2,287,545	1,372,849
Sale of electronic products	銷售電子產品	97,290	237,936
		2,384,835	1,610,785
Discontinued operations	非持續業務		
Leasing of investment properties, property, plant and equipment	租賃投資物業、物業、機器及設備	2,696	4,694
		2,387,531	1,615,479

5. 財務風險管理目標及政策(續)

公平值

金融資產及負債之公平值取決於一般被接納之定價模式，並基於現金流現值分析或參考可見的市場交易定價。

衍生工具之公平值乃按照市場報價。如以上報價不適用，便以現金流現值分析，根據衍生工具的時間性，非選擇性系數應用回報曲線，而選擇性系數則用選擇定價模式。

董事認為於綜合財務報表上反映之金融資產及負債已攤銷成本之賬面值，近似其公平值。

6. 收入

收入乃指年內本集團向外界客戶出售貨品收取及應收取之金額減折扣、有關稅項、退貨及津貼及，租金及租賃收入之公平值，其分析如下：

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

7. BUSINESS AND GEOGRAPHICAL SEGMENTS

The Group is principally engaged in sale and distribution of LPG and sale of electronic products. These businesses are the basis on which the Group reports its primary segment information.

The Group was also involved in the leasing of investment properties, properties, plant and equipment. The operation was discontinued during the year.

Segment information about these businesses is presented below:

Business segments

Income statement

For the year ended December 31, 2006:

7. 業務及地區分類資料

本集團主要從事液化氣的銷售與分銷及電子產品之銷售。本集團以該等業務為呈報主要分類資料之基礎。

本集團亦從事投資物業、物業、機器及設備之租賃業務。該等業務於年內停止營運。

該等業務之分類資料呈列如下：

業務分類

收益表

截至2006年12月31日止年度：

		Continuing operations 持續業務				Discontinued operations 非持續業務	Consolidated 綜合
		Sale and distribution of LPG 銷售及分銷 液化氣 HK\$'000 千港元	Sale of electronic products 銷售 電子產品 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Total 合共 HK\$'000 千港元	Leasing of investment properties, property, plant and equipment 投資物業、 物業、機器 及設備 之租賃 HK\$'000 千港元	
Segment revenue	分類收益	2,287,545	97,290	—	2,384,835	2,696	2,387,531
Segment result	分類業績	68,209	13,650	—	81,859	2,401	84,260
Interest income	利息收入	—	—	13,394	13,394	2	13,396
Net gain (loss) on disposals and write-offs of property, plant and equipment	出售及撤銷 物業、機器及 設備之淨獲利 (虧損)	(404)	—	—	(404)	86	(318)
Gain on disposals of investment properties	出售投資物業 之獲利	—	—	—	—	3,229	3,229
Unallocated corporate expenses	未分配企業開支	—	—	(18,918)	(18,918)	—	(18,918)
Finance costs	融資成本	—	—	(37,280)	(37,280)	—	(37,280)
Share of loss of a jointly controlled entity	分佔一家共同 控制實體虧損	(418)	—	—	(418)	—	(418)
Profit (loss) before taxation	除稅前溢利(虧損)	67,387	13,650	(42,804)	38,233	5,718	43,951
Taxation credit	稅項收入	—	—	—	—	—	179
Profit for the year	年內溢利	—	—	—	—	—	44,130

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

7. BUSINESS AND GEOGRAPHICAL SEGMENTS
(Continued)

Business segments (Continued)

Balance sheet

At December 31, 2006:

7. 業務及地區分類資料(續)

業務分類(續)

資產負債表

2006年12月31日：

		Sale and distribution of LPG 銷售及分銷 液化氣 HK\$'000 千港元	Sale of electronic products 銷售 電子產品 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Assets	資產			
Segment assets	分類資產	880,452	98,049	978,501
Interest in a jointly controlled entity	一家共同控制 實體之權益	11,932	—	11,932
Unallocated corporate assets	未分配企業資產			471,380
Consolidated total assets	綜合總資產			1,461,813
Liabilities	負債			
Segment liabilities	分類負債	356,046	939	356,985
Unallocated corporate liabilities	未分配企業負債			657,347
Consolidated total liabilities	綜合總負債			1,014,332

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

7. BUSINESS AND GEOGRAPHICAL SEGMENTS
(Continued)

7. 業務及地區分類資料(續)

Business segments (Continued)

業務分類(續)

Other Information

其他資料

For the year ended December 31, 2006:

截至2006年12月31日止年度：

	Continuing operations 持續業務			Discontinued operations 非持續業務		Consolidated 綜合	
	Sale and distribution of LPG 銷售及分銷 液化氣 HK\$'000 千港元	Sale of electronic products 銷售 電子產品 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Total 合共 HK\$'000 千港元	Leasing of investment properties, property, plant and equipment 投資物業、 物業、機器及 設備之租賃 HK\$'000 千港元		
Capital expenditure and goodwill	資本支出及商譽	298,274	—	167	298,441	—	298,441
Adjustment to goodwill	商譽調整	1,123	—	—	1,123	—	1,123
Depreciation of property, plant and equipment	物業、機器及設備之折舊	14,101	—	519	14,620	—	14,620
Amortisation of prepaid lease payments for lands	土地預付租賃款項攤銷	1,991	—	—	1,991	—	1,991
Amortisation of prepaid lease payments for coast	海岸預付租賃款項攤銷	670	—	—	670	—	670
Allowance for bad and doubtful debts	呆壞賬撥備	2,658	—	—	2,658	—	2,658
Share-based payments	以股份為基礎之支出	—	—	5,855	5,855	—	5,855

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

7. BUSINESS AND GEOGRAPHICAL SEGMENTS
(Continued)

Business segments (Continued)

Income Statement

For the year ended 31 December, 2005:

7. 業務及地區分類資料(續)

業務分類(續)

收益表

截至2005年12月31日止年度：

		Continuing operations 持續業務			Total 合共 HK\$'000 千港元	Discontinued operations 非持續業務	Consolidated 綜合 HK\$'000 千港元
		Sale and distribution of LPG 銷售及分銷 液化氣 HK\$'000 千港元	Sale of electronic products 銷售 電子產品 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元		Leasing of investment properties, property, plant and equipment 投資物業、 物業、機器 及設備 之租賃 HK\$'000 千港元	
Segment revenue	分類收益	1,372,849	237,936	—	1,610,785	4,694	1,615,479
Segment result	分類業績	25,542	15,323	—	40,865	(538)	40,327
Interest income	利息收入	—	—	1,862	1,862	3	1,865
Net gain (loss) on disposals and write-offs of property, plant and equipment	出售及撤銷 物業、機器及 設備之淨獲利 (虧損)	—	—	(10)	(10)	6,171	6,161
Gain on disposals of a subsidiary	出售一附屬公司 之獲利	—	—	2,710	2,710	—	2,710
Gain on change in fair value of investment properties	投資物業公平值 改變之獲利	—	—	—	—	1,141	1,141
Unallocated corporate expenses	未分配企業開支	—	—	(12,071)	(12,071)	—	(12,071)
Finance costs	融資成本	—	—	(9,488)	(9,488)	—	(9,488)
Share of loss of a jointly controlled entity	分佔一家共同 控制實體虧損	(402)	—	—	(402)	—	(402)
Profit (loss) before taxation	除稅前溢利(虧損)	25,140	15,323	(16,997)	23,466	6,777	30,243
Taxation credit	稅項收入						3,667
Profit for the year	年內溢利						33,910

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

7. BUSINESS AND GEOGRAPHICAL SEGMENTS
(Continued)

Business segments (Continued)

Balance Sheet

At December 31, 2005:

7. 業務及地區分類資料(續)

業務分類(續)

資產負債表

截至2005年12月31日止年度：

		Sale and distribution of LPG 銷售及分銷 液化氣 HK\$'000 千港元	Sale of electronic products 銷售電子產品 HK\$'000 千港元	Leasing of investment properties, property, plant and equipment 投資物業、 物業、機器 及設備之租賃 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Assets	資產				
Segment assets	分類資產	446,189	45,885	57,616	549,690
Interest in a jointly controlled entity	一家共同控制實體 之權益	12,350	—	—	12,350
Unallocated corporate assets	未分配企業資產				270,604
Consolidated total assets	綜合總資產				832,644
Liabilities	負債				
Segment liabilities	分類負債	77,333	3,992	1,870	83,195
Unallocated corporate liabilities	未分配企業負債				358,986
Consolidated total liabilities	綜合總負債				442,181

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

7. BUSINESS AND GEOGRAPHICAL SEGMENTS (Continued)

Business segments (Continued)

Other information

For the year ended December 31, 2005:

7. 業務及地區分類資料(續)

業務分類(續)

其他資料

截至2005年12月31日止年度：

	Continuing operations 持續業務			Unallocated 未分配 HK\$'000 千港元	Total 合共 HK\$'000 千港元	Discontinued operations 非持續業務	Consolidated 綜合 HK\$'000 千港元
	Sale and distribution of LPG 銷售及分銷 液化氣 HK\$'000 千港元	Sale of electronic products 銷售電子產品 HK\$'000 千港元	Leasing of investment properties, property, plant and equipment 投資物業、 物業、機器及 設備之租賃 HK\$'000 千港元				
Capital expenditure and goodwill	資本支出及商譽	55,155	—	110	55,265	9,834	65,099
Depreciation of property, plant and equipment	物業、機器及設備之折舊	12,117	50	543	12,710	3,235	15,945
Amortisation of prepaid lease payments for lands	土地預付租賃款項攤銷	1,834	—	—	1,834	—	1,834
Amortisation of prepaid lease payments for coast	海岸預付租賃款項攤銷	653	—	—	653	—	653
Recognition of impairment loss on property, plant and equipment	確認物業、機器及設備之減值虧損	2,776	—	—	2,776	—	2,776
Allowance for bad and doubtful debts	呆壞賬撥備	3,190	866	—	4,056	—	4,056

Geographical segments

The Group's operations, by the geographical location of its customers, were located in Hong Kong and the PRC, South East Asia, Korea and Europe. The Group's sale and distribution of LPG was carried out in the PRC. The Group's sale of electronic products was carried out in Hong Kong.

地區分類

本集團之經營業務按客戶所在地區劃分，位於香港、中國、東南亞、韓國及歐洲。本集團銷售及分銷液化氣之業務於中國進行。本集團銷售電子產品之業務則於香港進行。

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

7. BUSINESS AND GEOGRAPHICAL SEGMENTS
(Continued)

Geographical segments (Continued)

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

7. 業務及地區分類資料(續)

地區分類(續)

下表所列為本集團按市場所在地區作收益分析，不分貨物來源地：

Sales revenue from continuing operations by geographical markets
持續業務按市場地區之銷售收入

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
The PRC	中國	2,207,287	1,513,931
South East Asia	東南亞	62,528	89,094
Hong Kong	香港	42,667	7,760
Korea	韓國	37,108	—
Europe	歐洲	35,245	—
		2,384,835	1,610,785

Revenue from the Group's discontinued operation, the leasing of properties, plant and equipment was derived principally from the PRC.

本集團非持續業務(租賃物業、機器及設備)之收入主要由中國衍生。

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

7. BUSINESS AND GEOGRAPHICAL SEGMENTS
(Continued)

Geographical segments (Continued)

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

		Carrying amount of segment assets 分類資產之賬面值		Additions to property, plant and equipment and goodwill 物業、機器及設備及商譽之添置	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
		The PRC Hong Kong South East Asia	中國 香港 東南亞	974,053 4,448 —	534,228 11,503 3,959
		978,501	549,690	298,441	65,099

7. 業務及地區分類資料(續)

地區分類(續)

下表列示分類資產之賬面值及物業、機器及設備及商譽之添置，按資產所在地作地區分類分析：

8. OTHER INCOME

8. 其他收入

		Continuing operations 持續業務		Discontinued operations 非持續業務		Consolidated 綜合	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
		Interest earned on bank deposits Net exchange gain Gain on change in fair value of derivative financial instruments Others	銀行存款利息 匯兌收益淨額 衍生財務工具 其他	13,394 16,638 1,481 3,797	1,862 4,770 — 1,508	2 80 — 1,309	3 — — 56
		35,310	8,140	1,391	59	36,701	8,199

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

9. FINANCE COSTS

9. 融資成本

	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Interest on bank and other borrowings wholly repayable within five years	40,185	9,488
Less: Amounts capitalised	(2,905)	—
	37,280	9,488

The whole amount is derived from the Group's continuing operations.

全數由本集團的持續業務衍生。

Borrowing costs capitalised during the year arose from a bank loan borrowed for the construction of gas plant and facilities in Zhuhai.

為在珠海興建氣庫及設施而借入的一項銀行借貸，其借貸成本在年內資本化。

10. TAXATION

10. 稅項

The amount of taxation credited to the consolidated income statement represents:

於綜合收益表內計入之稅項包括：

	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Current tax:		
Hong Kong	(470)	(164)
Other regions in the PRC	(313)	(1,283)
Deferred tax (note 33)	(783) 962	(1,447) 5,114
	179	3,667

Hong Kong Profits Tax is calculated at 17.5% (2005: 17.5%) of the estimated assessable profit for the year.

香港利得稅乃按本年度估計應課稅溢利按17.5% (2005: 17.5%) 稅率計算。

The current tax for other regions in the PRC represents PRC enterprise income tax, which is calculated at the rates prevailing, in respect of the Company's subsidiaries operating in the PRC.

中國其他地區的即期稅項乃指有關本公司於中國營運之附屬公司按適用稅率計算之中國企業所得稅。

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

10. TAXATION (Continued)

A subsidiary in the PRC is entitled to exemption from the PRC enterprise income tax for the two years starting from their first profit-making year, followed by a 50% tax relief for the next three years. This year is the first profit making year for 新海能源(珠海)有限公司(“新海珠海”). The tax charge provided has been made after taking these tax incentive into account.

The taxation credit for the year can be reconciled to the profit per the consolidated income statement as follows:

10. 稅項(續)

於中國經營之一附屬公司從首個獲利年度起可豁免兩年中國企業所得稅，其後三年可減半。本年為新海能源(珠海)有限公司(「新海珠海」)首年獲利。以上的稅務優惠已計算在稅項支出內。

年內產生之稅項收入可與綜合收益表之溢利對賬如下：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Profit before taxation:	除稅前溢利：		
Continuing operations	持續業務	38,233	23,466
Discontinued operations	非持續業務	5,718	6,777
		43,951	30,243
Tax at the domestic tax rate 15% (2005: 15%)	按本地稅率15% (2005:15%) 計算之稅率	6,593	4,536
Tax effect of expenses not deductible for tax purposes	不可扣除支出之稅務影響	1,096	2,298
Tax effect of income not taxable for tax purpose	毋須課稅收入之稅務影響	(6,260)	(1,857)
Tax effect of tax concession	稅務優惠之稅務影響	(4,158)	—
Tax effect of tax losses not recognised	未確認稅務虧損之稅務影響	3,717	445
Utilisation of tax losses previously not recognised	動用先前未確認之稅項虧損	(1,201)	(6,406)
Effect of different tax rates of subsidiaries operating in other jurisdictions	於不同法律管轄權下經營的附屬公司不同稅率之影響	34	(251)
Others	其他	—	(2,432)
Taxation credit for the year	年內稅項收入	(179)	(3,667)

The domestic tax rate (which is the PRC enterprise income tax rate) in the jurisdiction where the operation of the Group is substantially based.

Details of the deferred tax asset and liabilities are set out in note 33.

管轄權區內的本地稅率(為中國企業所得稅)為本集團經營的重大基礎。

遞延稅項資產及負債詳情載於附註33。

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

11. DISCONTINUED OPERATIONS

During the year, the Group decided to discontinue the operation on leasing of investment properties, property, plant and equipment. On September 2, 2006, the Group entered into a sale agreement to dispose of the investment properties. The disposal was effected in order to generate cash flows for the expansion of the Group's other businesses. The disposal was completed on September 8, 2006, on which the title of the investment properties passed to the acquirer. The property, plant and equipment of the leasing operation was disposed of during the year ended December 31, 2005.

The profit for the year from the discontinued operation is analysed as follows:

11. 非持續業務

年內，本集團決定停止經營投資物業、物業、機器及設備之租賃業務。於2006年9月2日，本集團訂立了一份銷售協議以出售投資物業。為產生現金流動，以擴大本集團其他業務，該項出售最後達成。該出售於2006年9月8日完成，投資物業之業權已轉讓予收購方。於截至2005年12月31日止年度內，租賃業務之物業、機器及設備亦已出售。

非持續業務所帶來之年內溢利分析如下：

	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Profit of operation of leasing of investment properties, property, plant and equipment for the year	2,489	6,777
Gain on disposal of investment properties	3,229	—
	5,718	6,777

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

11. DISCONTINUED OPERATIONS (Continued)

The results of the leasing of investment properties, property, plant and equipment for the period from January 1, 2006 to September 8, 2006, which have been included in the consolidated income statement, were as follows:

		Period ended 9.8.2006 於二零零六年 九月八日 止期間 HK\$'000 千港元	Year ended 12.31.2005 於二零零五年 十二月三十一日 止年度 HK\$'000 千港元
Revenue	收入	2,696	4,694
Cost of sales	銷售成本	(551)	(2,815)
Other income	其他收入	1,391	59
Gain on change in fair value of investment properties	投資物業公平值改變之獲利	—	1,141
Gain on disposal of investment properties	出售投資物業之獲利	3,229	—
Net gain on disposals and write-offs of property, plant and equipment	出售及撇銷物業、機器及 設備之淨獲利	86	6,171
Administrative expenses	行政支出	(1,133)	(2,473)
Profit before tax	除稅前溢利	5,718	6,777
Taxation	稅項	—	—
Profit for the year	年內溢利	5,718	6,777

No tax charge or credit arose on gain on discontinuance of the operations.

During the year, the leasing of investment properties, property, plant and equipment contributed HK\$2,527,000 (2005: HK\$1,648,000) to the Group's net operating cash outflows, generated HK\$51,758,000 (2005: HK\$1,841,000) in respect of investing activities.

The carrying amount of the investment properties at the date of disposal is disclosed in note 20.

11. 非持續業務(續)

於2006年1月1日至2006年9月8日期內，投資物業、物業、機器及設備之租賃業務的業績已包括在綜合收益表中，並列如下：

中止非持續業務獲利並無產生稅項支出或收入。

年內，投資物業、物業、機器及設備之租賃業務為本集團帶來約2,527,000港元(2005年：1,648,000港元)之營運資金流出淨額，於投資活動產生51,758,000港元金額(2005：1,841,000港元)。

於出售日投資物業之賬面值已列於附註20。

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

12. PROFIT FOR THE YEAR

12. 年內溢利

		Continuing operations		Discontinued operations		Consolidated	
		持續業務		非持續業務		綜合	
		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
		千港元	千港元	千港元	千港元	千港元	千港元
Profit for the year has been arrived at after charging (crediting):	年內溢利已扣除(計入)下列項目:						
Amortisation of prepaid lease payments for lands	土地預付租賃款項攤銷	1,991	1,834	—	—	1,991	1,834
Amortisation of prepaid lease payments for coast	海岸預付租賃款項攤銷	670	653	—	—	670	653
Auditor's remuneration	核數師酬金	1,347	1,144	—	—	1,347	1,144
Depreciation for property, plant and equipment	物業、機器及設備折舊	14,620	12,710	—	3,235	14,620	15,945
Minimum lease payments under operating leases:	經營租約最低租金:						
— LPG vessel	— 液化氣管道	3,808	2,696	—	—	3,808	2,696
— Premises	— 樓宇	1,322	1,117	14	9	1,336	1,126
Staff costs	僱員成本						
Directors' fees (note 13)	董事袍金(附註13)	378	330	—	—	378	330
Directors' other emoluments (note 13)	董事其他酬金(附註13)	8,293	2,518	—	—	8,293	2,518
Contributions to retirement benefits schemes excluding HK\$60,000 (2005: HK\$59,000) included in directors' emoluments	除60,000港元(2005: 59,000港元)之退休福利計劃供款已計入董事酬金	174	270	14	14	188	284
Others	其他	12,250	8,391	409	371	12,659	8,762
		21,095	11,509	423	385	21,518	11,894
Gross rental income from investment properties	投資物業總租金收入	—	—	(2,696)	(4,164)	(2,696)	(4,164)
Less: Outgoings	減: 支出	—	—	551	1,017	551	1,017
		—	—	(2,145)	(3,147)	(2,145)	(3,147)

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

13. DIRECTORS' EMOLUMENTS

The emoluments paid or payable to each of the 10 (2005: 11) directors were as follows:

13. 董事酬金

支付10位(2005: 11位)董事之酬金如下:

		Shum Siu Hung 岑少雄 千港元	Chiu Sing Chung, Raymond 趙承忠 千港元	Cen Ziniu 岑子牛 千港元	Shum Chun, Lawrence 岑澹 千港元	Wu Hong Cho 胡匡佐 千港元	Cheung Kwan Hung, Anthony 張鈞鴻 千港元	Chan Yuk Wai, Benedict 陳旭煒 千港元	Ma Man Hoi, Joseph 馬文海 千港元	Xu Mingshe 徐名社 千港元	Young Wing Chun, Michael 楊永傑 千港元	Total 合共 2006 二零零六年 千港元
Fees	袍金	—	—	—	—	—	100	78	100	50	50	378
Other emoluments	其他酬金	—	—	—	—	—	—	—	—	—	—	—
Salaries and other benefits	薪金及其他福利	3,000	958	410	300	301	—	—	—	—	—	4,969
Contributions to retirement benefits schemes	退休福利計劃供款	12	12	12	12	12	—	—	—	—	—	60
Share-based payments	以股份為基礎之支出	1,728	1,152	—	—	—	192	—	192	—	—	3,264
Total emoluments	酬金總額	4,740	2,122	422	312	313	292	78	292	50	50	8,671

		Shum Siu Hung 岑少雄 千港元	Chiu Sing Chung, Raymond 趙承忠 千港元	Cen Ziniu 岑子牛 千港元	Shum Chun, Lawrence 岑澹 千港元	Cheng Wai Leung 鄭偉良 千港元	Shum Siu Mau 岑少謀 千港元	Wu Hong Cho 胡匡佐 千港元	Cheung Kwan Hung, Anthony 張鈞鴻 千港元	Young Wing Chun, Michael 楊永傑 千港元	Koo Ming Yan, Charles 顧明仁 千港元	Ma Man Hoi, Joseph 馬文海 千港元	Total 合共 2005 二零零五年 千港元
Fees	袍金	—	—	—	—	—	—	—	100	130	50	50	330
Other emoluments	其他酬金	—	—	—	—	—	—	—	—	—	—	—	—
Salaries and other benefits	薪金及其他福利	—	858	440	320	202	200	439	—	—	—	—	2,459
Contributions to retirement benefits schemes	退休福利計劃供款	—	12	12	12	6	5	12	—	—	—	—	59
Total emoluments	酬金總額	—	870	452	332	208	205	451	100	130	50	50	2,848

No director waived any emoluments during both years.

於兩年內並無董事放棄任何酬金。

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

14. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, two (2005: three) were directors of the Company whose emoluments are included in the disclosures in note 13 above. The emoluments of the remaining three individuals (2005: two) were as follows:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Salaries and other benefits	薪金及其他福利	1,860	1,126
Contributions to retirement benefits schemes	退休福利計劃供款	36	23
Share-based payments	以股份為基礎之支出	1,728	—
		3,624	1,149

Their emoluments of the three (2005: two) individuals were within the following bands:

		2006 二零零六年 No. of employees 僱員數目	2005 二零零五年 No. of employees 僱員數目
Nil to HK\$1,000,000	無 至 1,000,000港元	1	2
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	1	—
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至2,000,000港元	1	—
		3	2

14. 僱員酬金

本集團5名最高薪人士包括2名本公司董事(2005: 3名), 有關酬金詳情已於上文附註13作出披露。其餘3名人士(2005: 2名)收取之酬金如下:

3名(2005: 2名)人士之酬金均介乎:

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

15. DIVIDEND

15. 股息

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Final dividends recognised as distribution during the year — HK1.2 cents (2005: HK1 cent) per share	年內確認分派之末期股息 — 每股1.2港仙 (2005：每股1港仙)	5,780	4,817

Subsequent to December 31, 2006, the directors proposed a final dividend of HK1 cent (2005: HK1.2 cents) per share be paid to the shareholders of the Company whose names appear on the register of members on June 11, 2007. This final dividend is subject to approval by the shareholders at the forthcoming annual general meeting. At April 18, 2007 the number of shares issued and fully paid is 481,676,687.

於2006年12月31日後，董事建議向於2007年6月11日名列本公司股東名冊之本公司股東派發末期股息，每股派息1港仙(2005：1.2港仙)。末期股息須待股東於來屆股東週年大會上通過方會作實。於2007年4月18日，已發行及繳足股份數目為481,676,687股。

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

16. EARNINGS PER SHARE

For continuing and discontinued operations

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

16. 每股盈利

持續及非持續業務

本公司之普通權益持有人應佔每股基本及攤薄盈利乃按下列數據計算：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Profit attributable to the equity holders of the parent for the purposes of basic and diluted earnings per share	母公司股本持有人應佔用以計算每股基本及攤薄盈利之溢利	44,130	35,702
Number of ordinary shares for the purposes of basic earnings per share	計算每股基本盈利之普通股股數	481,676,687	481,676,687
Effect of dilutive potential ordinary shares: Options	潛在股份攤薄影響： 購股權	170	N/A 不適用
Number of ordinary shares for the purposes of diluted earnings per share	計算每股攤薄盈利之普通股股數	481,676,857	N/A 不適用

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

16. EARNINGS PER SHARE (Continued)

From continuing operations

The calculation of the basic and diluted earnings per share from continuing operations attributable to the ordinary equity holders of the parent entity is based on the following data:

Earnings figures are calculated as follows:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Profit attributable to equity holders of the Company	本公司股本持有人應佔之溢利	44,130	35,702
Less: Profit for the year from discontinued operations	減：非持續業務年內溢利	(5,718)	(6,777)
		38,412	28,925

The denominators used are the same as those detailed above for basic and diluted earnings per share.

From discontinued operations

Basic earnings per share for the discontinued operations is HK1.19 cents per share (2005: HK1.40 cents per share), based on the profit for the year from the discontinued operations of approximately HK\$5,718,000 (2005: HK\$6,777,000) and the denominators detailed above for basic earnings per share.

Diluted earnings per share for the discontinued operation is HK1.19 cents per share (2005: Nil). No diluted earnings per share has been presented for the year ended December 31, 2005 because the exercise price of the Company's outstanding share options were higher than the average market price for shares.

16. 每股盈利(續)

持續業務

母公司之普通權益持有人於持續業務應佔每股基本及攤薄盈利乃按下列數據計算：

盈利乃按照以下計算：

所使用之分母與以上所述計算每股基本及攤薄盈利之分母相同。

非持續業務

按非持續業務年內溢利約5,718,000港元(2005：6,777,000港元)，及以上所述之分母，非持續業務每股基本盈利為1.19港仙(2005：每股1.40港仙)。

非持續業務每股攤薄盈利為1.19港仙(2005：無)，因本公司尚未行使之購股權行使價高於平均市場價，故於截至2005年12月31日止年度內並無計算每股攤薄盈利。

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

17. PROPERTY, PLANT AND EQUIPMENT

17. 物業、機器及設備

		Construction in progress 在建工程 HK\$'000 千港元	Buildings 樓宇 HK\$'000 千港元	Leasehold improvements 租賃物業裝修 HK\$'000 千港元	Toolings 工具 HK\$'000 千港元	Plant and machinery 機器及設備 HK\$'000 千港元	Gas plant and facilities 氣庫及設施 HK\$'000 千港元	Gas pumps and equipment 氣泵及設備 HK\$'000 千港元	Furniture, fixtures and equipment 傢俬、 裝置及設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 總計 HK\$'000 千港元
COST											
成本											
At January 1, 2005	於2005年1月1日	18,461	5,684	7,927	13,510	10,247	93,317	42,281	8,994	2,977	203,398
Acquired on acquisition of subsidiaries	收購附屬公司所得	—	—	—	—	—	1,548	6,833	34	250	8,665
Additions	添置	11,553	—	—	—	—	687	1,149	376	650	14,415
Transfer	轉讓	(24,369)	—	—	—	1,028	23,254	—	87	—	—
Disposal of a subsidiary	出售一附屬公司	—	—	—	(183)	—	—	—	—	—	(183)
Disposals and write-offs	出售及撇銷	(98)	—	—	(13,327)	(10,245)	—	(263)	(1,154)	(496)	(25,583)
Exchange realignment	外匯調整	320	99	104	—	17	1,407	817	123	50	2,937
At December 31, 2005	於2005年12月31日	5,867	5,783	8,031	—	1,047	120,213	50,817	8,460	3,431	203,649
Acquired on acquisition of subsidiaries	收購附屬公司所得	—	—	—	—	—	3,044	10,373	365	135	13,917
Additions	添置	261,703	—	113	—	—	5	503	1,102	1,117	264,543
Transfer	轉讓	(77,701)	—	—	—	—	77,701	—	—	—	—
Disposals and write-offs	出售及撇銷	—	—	(6,133)	—	(2)	—	(27)	(858)	(475)	(7,495)
Exchange realignment	外匯調整	1,050	214	—	—	39	3,181	2,193	276	130	7,083
At December 31, 2006	於2006年12月31日	190,919	5,997	2,011	—	1,084	204,144	63,859	9,345	4,338	481,697
DEPRECIATION AND IMPAIRMENT											
折舊及減值											
At January 1, 2005	於2005年1月1日	—	241	5,429	11,907	4,539	3,909	4,737	3,120	1,200	35,082
Provided for the year	年內撥備	—	499	682	1,471	1,204	3,999	5,926	1,460	704	15,945
Impairment loss recognised in the income statement	於收益表確認之 減值虧損	1,639	—	—	—	—	883	237	13	4	2,776
Eliminated on disposals and write offs	於出售及撇銷時 抵銷	—	—	—	(13,327)	(5,742)	—	(167)	(998)	(407)	(20,641)
Disposal of a subsidiary	出售一附屬公司	—	—	—	(51)	—	—	—	—	—	(51)
Exchange realignment	外匯調整	—	13	94	—	—	101	163	49	24	444
At December 31, 2005	於2005年12月31日	1,639	753	6,205	—	1	8,892	10,896	3,644	1,525	33,555
Provided for the year	年內撥備	—	517	397	—	63	4,992	7,060	1,114	477	14,620
Eliminated on disposals and write offs	於出售及撇銷時 抵銷	—	—	(5,557)	—	(1)	—	(36)	(236)	(305)	(6,135)
Exchange realignment	外匯調整	61	37	—	—	—	312	486	115	54	1,065
At December 31, 2006	於2006年12月31日	1,700	1,307	1,045	—	63	14,196	18,406	4,637	1,751	43,105
CARRYING VALUES											
賬面值											
At December 31, 2006	於2006年12月31日	189,219	4,690	966	—	1,021	189,948	45,453	4,708	2,587	438,592
At December 31, 2005	於2005年12月31日	4,228	5,030	1,826	—	1,046	111,321	39,921	4,816	1,906	170,094

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

17. PROPERTY, PLANT AND EQUIPMENT
(Continued)

The buildings are situated outside Hong Kong, in the PRC, and are held on land under medium term leases.

The gas plant under construction are situated outside Hong Kong, in the PRC, and are held under medium term leases.

During the year ended December 31, 2005, the directors conducted a review of the Group's property, plant and equipment and determined that a number of those assets were impaired. Accordingly, impairment losses of approximately HK\$2,776,000 respectively, have been recognised. The assets had been written down to their recoverable amounts, being the present value of the cash flows anticipated to be generated by the assets. The value in use had been calculated using a discount rate of 8%.

17. 物業、機器及設備 (續)

樓宇乃位於香港境外之中國並以中期租約持有。

在建氣庫乃位於香港境外之中國並以中期租約持有。

於2005年12月31日止年度內，董事重審了本集團之物業、機器及設備，認為部份資產價值已減少，據此，已確認減值虧損約為2,776,000港元。該等資產已撇銷至其可回收值，即資產之預計可產生現金流量現值。使用價值以折現率8%計算。

18. PREPAID LEASE PAYMENTS FOR LANDS

18. 土地預付租賃款項

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
The Group's prepaid lease payments for lands comprise:	本集團之土地預付租賃款項包括：		
Land use rights outside Hong Kong, in the PRC under medium term leases	於香港境外之中國並以中期租約持有之土地使用權	53,884	48,767
Analysed for reporting purposes as:	按報告目的分析：		
Non-current asset	非流動資產	51,823	46,899
Current asset	流動資產	2,061	1,868
		53,884	48,767

During the year ended December 31, 2005, the Group has pledged prepaid lease payments for lands having an aggregate carrying value of approximately HK\$2,045,000 to secure general banking facilities granted to the Group. The pledge was released upon the settlement of the bank borrowings during the year ended December 31, 2006.

於截至2005年12月31日止年度內為取得給予本集團之一般銀行貸款，本集團已抵押賬面淨值約2,045,000港元之土地預付租賃款項。由於銀行貸款已全部償還，此項抵押已於2006年12月31日期間解除。

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

19. PREPAID LEASE PAYMENTS FOR COAST

19. 海岸預付租賃款項

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
The Group's prepaid lease payments for coast comprise:	本集團之海岸預付租賃款項包括：		
Coast outside Hong Kong, in the PRC under medium term leases	於香港境外之中國並以中期租約持有之海岸	12,820	13,019
Analysed for reporting purposes as:	按報告目的分析：		
Non-current asset	非流動資產	12,137	12,366
Current asset	流動資產	683	653
		12,820	13,019

The prepaid lease payments for coast represent the rights to use a coast in Zhuhai ranging from 20 years to 28 years, starting from January 1, 1999.

海岸預付租賃款項乃指於珠海之海岸使用權，由1999年1月1日開始，租賃期達20至28年。

20. INVESTMENT PROPERTIES

20. 投資物業

		HK\$'000 千港元
FAIR VALUE	公平值	
At January 1, 2005	於2005年1月1日	35,025
Additions	添置	9,834
Net increase in fair value recognised in the consolidated income statement	於綜合收益表已確認公平值增加淨額	1,141
At December 31, 2005	於2005年12月31日	46,000
Disposal	出售	(46,000)
At December 31, 2006	於2006年12月31日	—

Note: The additions for the year ended December 31, 2005 represented the renovation costs on the investment properties.

附註：添置乃指投資物業於截至2005年12月31日止之翻新成本。

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

20. INVESTMENT PROPERTIES (Continued)

The investment properties was disposed of on September 8, 2006 at a cash consideration of HK\$49,229,000.

The fair value of the Group's investment properties at December 31, 2005 had been arrived at on the basis of a valuation carried out on that date by Norton Appraisals Limited ("Norton Appraisals"), independent qualified professional valuers not connected with the Group. Norton Appraisals had appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations. The valuation, which conformed to International Valuation Standards, was arrived at by reference to market evidence of transaction prices for similar properties.

Most of the Group's investment properties were rented out under operating leases as at December 31, 2005.

The carrying amount of investment properties comprised land held outside Hong Kong in the PRC under medium term leases.

20. 投資物業(續)

於2006年9月8日，投資物業以49,229,000港元之現金代價出售。

本集團於2005年12月31日之投資物業公平值乃由一獨立專業估值師並與本集團無任何關連之普敦國際評估有限公司(「普敦」)於當日以價值基準計算。普敦擁有適當的資格及最近在有關地區評估相似物業的經驗。此估值與國際估值標準一致並由類似物業之市場成交價計算得出。

於2005年12月31日，本集團大部分投資物業已根據經營租約租出。

投資物業之賬面值包括在香港境外之中國根據中期租約持有之土地。

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

21. GOODWILL

21. 商譽

		HK\$'000 千港元
<hr/>		
COST	成本	
At January 1, 2005	於2005年1月1日	118,784
Acquisition of subsidiaries (note 34)	收購附屬公司(附註34)	26,013
Acquisition of additional equity interest in a subsidiary	收購一附屬公司額外股權權益	6,172
Disposal of a subsidiary	出售一附屬公司	(43,949)
Exchange realignment	外匯調整	449
<hr/>		
At December 31, 2005	於2005年12月31日	107,469
Acquisition of subsidiaries (note 34)	收購附屬公司(附註34)	19,981
Adjustment to goodwill due to utilisation of pre-acquisition tax losses	動用收購前稅項虧損之商譽調整	(1,123)
Exchange realignment	外匯調整	3,677
<hr/>		
At December 31, 2006	於2006年12月31日	130,004
<hr/>		
IMPAIRMENT	減值	
At January 1, 2005	於2005年1月1日	86,236
Eliminated on disposal of a subsidiary	出售一附屬公司時抵銷	(40,660)
<hr/>		
At December 31, 2005 and 2006	於2005年及2006年12月31日	45,576
<hr/>		
CARRYING VALUES	賬面值	
At December 31, 2006	於2006年12月31日	84,428
<hr/>		
At December 31, 2005	於2005年12月31日	61,893
<hr/>		

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

21. GOODWILL (Continued)

As explained in note 7, the Group uses business segments as its primary segment for reporting segment information. For the purposes of impairment testing, goodwill set out above have been allocated to five individual cash generating units (CGUs) in the LPG segment.

During the year ended December 31, 2006, the management of the Group determines that there is no impairment of any of its CGUs containing goodwill with indefinite useful lives.

The basis of the recoverable amounts of the above CGUs and their major underlying assumptions are summarised below:

The recoverable amount of this unit has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a 5-year period, and discount rate of 5% (2005: 8%). The cash flows beyond 5-year period are extrapolated using a steady 10% growth rate. Other key assumptions for the value in use calculations related to the estimation of cash inflows/outflows which include budgeted sales and gross margin, such estimation is based on the unit's past performance and management's expectations for the market development. Management believes that any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount of the CGU to exceed the aggregate recoverable amount of the CGU.

21. 商譽(續)

如附註7所述，本集團以業務分類作為報告分類資料之主要分類。就減值測試而言，所載之商譽已被劃撥至從事液化氣業務行業之5個單獨現金產生單位。

截至2006年12月31日，本集團管理層認為其任何現金產生單位(包含無特定年期之商譽)概無出現減值。

以上現金產生單位之收回金額及其主要有關假設總結如下：

此單位之可收回金額乃按使用價值計算基準釐定。所有使用價值計算法均採用根據管理層批准之5年財務預算進行之現金流量預測，折讓率為5% (2005: 8%)。超過5年財務預算之現金流，乃使用穩定增長率10%推算。有關現金流入/流出之估計，其使用價值計算法之其他主要假設為預期銷售及毛利率釐定，而銷售及毛利率預算則根據市場發展之過往表現及管理層預期釐定。管理層認為此等假設之任何合理可能性變更將不會引致現金產生單位總賬面值超過現金產生單位可收回總金額。

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

22. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

22. 本公司之主要附屬公司詳情

Particulars of the Company's principal subsidiaries at December 31, 2006 are as follows:

本公司於2006年12月31日之主要附屬公司資料如下：

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration/ operation 成立/註冊/ 營業地	Class of share held 所持股份 類別	Issued and fully paid up share capital/ registered capital 已發行及繳足 股本/註冊資本	Proportion of nominal value of issued/registered capital held by the Company 本公司所持 已發行股本/ 註冊資本面值比例	Principal activities 主要業務
Claymore Developments Limited	British Virgin Islands 英屬處女島	Ordinary 普通股	US\$1 1美元	100	Holding of property, plant and equipment 持有物業、機器及設備
Environmental Energy Investment Limited 環保能源投資有限公司	British Virgin Islands 英屬處女島	Ordinary 普通股	US\$1 1美元	100	Investment holding 投資控股
NewOcean Energy (Hong Kong) Limited 新海能源(香港)有限公司	Hong Kong 香港	Ordinary 普通股	HK\$2 2港元	100	Investment holding 投資控股
Qingxin Bai Fu Yang Petrol Chemical Company Limited ("BFY") (Note a) 清新縣百富洋石油化工有限公司(「百富洋」)(附註a)	PRC # 中國 #	Registered capital 註冊資本	RMB5,000,000 5,000,000人民幣	100	Sale and distribution of LPG 銷售及分銷液化氣
NewOcean Resources (Singapore) Pte Ltd.	Singapore 星加坡	Ordinary 普通股	SGD100 100星加坡元	100	Sale and distribution of LPG 銷售及分銷液化氣
NewOcean (Shenzhen) Energy Investment Ltd. ("NewOcean Shenzhen") 新海(深圳)能源投資有限公司(「新海深圳」)	British Virgin Islands 英屬處女島	Ordinary 普通股	US\$1 1美元	100	Investment holding 投資控股
Shenzhen Baorun Liquefield Petroleum Gas Co., Ltd. ("Shenzhen Baorun") 深圳市寶潤燃氣有限公司(「深圳寶潤」)	PRC # 中國 #	Registered capital 註冊資本	RMB15,000,000 15,000,000人民幣	100	Sale and distribution of LPG 銷售及分銷液化氣

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

22. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

22. 本公司之主要附屬公司詳情(續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration/ operation 成立/註冊/ 營業地	Class of share held 所持股份 類別	Issued and fully paid up share capital/ registered capital 已發行及繳足 股本/註冊資本	Proportion of nominal value of issued/registered capital held by the Company 本公司所持 已發行股本/ 註冊資本面值比例	Principal activities 主要業務
Sound Agents Limited 新海代理人有限公司	Hong Kong 香港	Ordinary 普通股	HK\$2 2港元	100	Sale and distribution of LPG and electronic products 銷售及分銷液化氣及電子產品
Sound Green Energy Limited ("Sound Green Energy") 新海環保能源有限公司 (「環保能源」)	British Virgin Islands 英屬處女島	Ordinary 普通股	US\$1 1美元	100	Investment holding and agency services 投資控股及代理人服務
Sound Hong Kong Limited ("Sound Hong Kong") 新海香港有限公司 (「新海香港」)	British Virgin Islands 英屬處女島	Ordinary 普通股	US\$1 1美元	100	Investment holding 投資控股
Sound Industrial Limited ("Sound Industrial") 新海實業有限公司 (「新海實業」)	Hong Kong 香港	Ordinary 普通股	HK\$2 2港元	100	Trading of electronic products 買賣電子產品
Sound Management Services Limited ("Sound Management") 新海管理服務有限公司 (「新海管理」)	Hong Kong 香港	Ordinary 普通股	HK\$2 2港元	100	Providing management services to group companies 向集團公司提供管理服務
Sound Technologies Limited 新海科技有限公司	Hong Kong 香港	Ordinary 普通股	HK\$2 2港元	100	Investment holding 投資控股
Qingxin Yong Long Gas and Chemical Company Limited ("Yong Long") (Note b) 清新縣永龍燃化有限公司 (「永龍」)(附註b)	PRC * 中國 *	Registered capital 註冊資本	RMB4,280,000 4,280,000人民幣	80	Sale and distribution of LPG 銷售及分銷液化氣
桂林新海能源發展有限公司	PRC # 中國 #	Registered capital 註冊資本	HK\$6,000,000 6,000,000港元	100	Sale and distribution of LPG 銷售及分銷液化氣

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

22. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued) 22. 本公司之主要附屬公司詳情(續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration/ operation 成立/註冊/ 營業地	Class of share held 所持股份 類別	Issued and fully paid up share capital/ registered capital 已發行及繳足 股本/註冊資本	Proportion of nominal value of issued/registered capital held by the Company 本公司所持 已發行股本/ 註冊資本面值比例	Principal activities 主要業務
桂林荔浦新海燃氣有限公司	PRC # 中國 #	Registered capital 註冊資本	HK\$1,400,000 1,400,000港元	100	Sale and distribution of LPG 銷售及分銷液化氣
桂林新海燃氣有限公司 ("桂林新海")	PRC # 中國 #	Registered capital 註冊資本	RMB600,000 600,000人民幣	100	Sale and distribution of LPG 銷售及分銷液化氣
梧州綠環科技有限公司	PRC # 中國 #	Registered capital 註冊資本	HK\$5,600,000 5,600,000港元	100	Sale and distribution of LPG 銷售及分銷液化氣
梧州市新海燃氣有限公司 ("梧州新海") (Note c) (附註c)	PRC # 中國 #	Registered capital 註冊資本	RMB500,000 500,000人民幣	100	Sale and distribution of LPG 銷售及分銷液化氣
蒼梧縣新海燃氣有限公司 ("蒼梧新海") (Note d) (附註d)	PRC # 中國 #	Registered capital 註冊資本	RMB500,000 500,000人民幣	100	Sale and distribution of LPG 銷售及分銷液化氣
新海能源(珠海)有限公司 ("新海(珠海)")	PRC # 中國 #	Registered capital 註冊資本	USD21,690,000 21,690,000美元	100	Sale and distribution of LPG 銷售及分銷液化氣
* Sino-foreign equity joint ventures				* 中外合資企業	
# Wholly-owned foreign enterprises				# 全資外資企業	

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

22. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

Notes:

- (a) BFY is indirectly held by the Company through the declarations of trust executed by Cen Ziniu and Li Canyuan who held the interest in BFY of 90% and 10% respectively.
- (b) Pursuant to an agreement entered between BFY and the minority shareholder of Yong Long, ("PRC Investor"), the operation of Yong Long was sub-contracted to BFY with a sub-contracting period of 5 years. The PRC Investor was entitled to a fixed sum of sub-contracting fee payable by BFY. BFY entitled to 100% of the results of Yong Long during the sub-contracting period.
- (c) 梧州新海 is indirectly held by the Company through the declarations of trust executed by 李燦元 and 劉小萍 who held the interest in 梧州新海 of 20% and 20% respectively. The remaining interest in 梧州新海 is indirectly held by the Company.
- (d) 蒼梧新海 is indirectly held by the Company through the declarations of trust executed by 李燦元 and 劉小萍 who held the interest in 蒼梧新海 of 20% and 20% respectively. The remaining interest in 蒼梧新海 is indirectly held by the Company.

The above principal subsidiaries are owned indirectly by the Company with the exception of Sound Hong Kong which is owned directly by the Company.

None of the subsidiaries had any debt securities outstanding at the end of the year or at any time during the year.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

22. 本公司之主要附屬公司詳情(續)

附註:

- (a) 百富洋透過由岑子牛及李燦元訂立的信託聲明書由本公司間接持有。岑子牛及李燦元分別持有百富洋90%及10%權益。
- (b) 根據百富洋及永龍少數股東(「中國投資者」)簽訂之協議，永龍之業務已外判給百富洋，合約期為5年。中國投資者有權訂出百富洋應付之固定外判費用。於外判期間，百富洋擁有永龍100%的業績。
- (c) 梧州新海透過由李燦元及劉小萍訂立的信託聲明書由本公司間接持有。李燦元及劉小萍均持有梧州新海20%權益。梧州新海餘下之權益由本公司間接擁有。
- (d) 蒼梧新海透過由李燦元及劉小萍訂立的信託聲明書由本公司間接持有。李燦元及劉小萍均持有蒼梧新海20%權益。蒼梧新海餘下之權益由本公司間接擁有。

除本公司直接擁有之新海香港外，上述各主要附屬公司均由本公司間接擁有。

各附屬公司於年終或年內任何時間概無任何未償還債務證券。

上表載列董事會認為主要影響本集團業績或資產之本公司附屬公司。董事會認為列出其他附屬公司之資料會過於冗長。

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

23. INTEREST IN A JOINTLY CONTROLLED ENTITY

23. 所佔一共同控制實體之權益

	THE GROUP 本集團	
	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Cost of unlisted investment in a jointly controlled entity 非上市投資於一間共同控制實體之成本	13,073	13,073
Share of post-acquisition losses 所佔購入後虧損	(1,141)	(723)
	11,932	12,350

As at December 31, 2006, the Group had interest in the following jointly controlled entity:

於2006年12月31日，本集團擁有下列共同控制實體之權益：

Name of entity 公司名稱	Form of business structure 業務架構類別	Country of incorporation 註冊地	Principal place of operation 主要營業地	Fully paid up registered capital 已繳足註冊資本	Proportion of nominal value of registered capital held by the Group 本集團所持註冊資本面值比例	Nature of business 業務性質
廣州市橋新燃氣有限公司 ("橋新") (Note)(附註)	Incorporated 註冊公司	PRC 中國	PRC 中國	RMB2,250,000 2,250,000人民幣	49%	Sale and distribution of LPG 銷售及分銷液化氣

Note:

The Group's entitlement to share in the profits of its jointly controlled entity is in proportion to its ownership interest.

Pursuant to an agreement entered between BFY and the joint venture partner of 橋新 (the "Venturer") on November 3, 2006, the operation of 橋新 has been sub-contracted to BFY with a sub-contracting period of 8 years. The Group was responsible for the daily operation of 橋新 and accountable for all liabilities and obligations arising from any agreements or contracts entered into in the name of 橋新 and the operating losses, if any, during the sub-contracting period. The venturer was entitled to a fixed sum of sub-contracting fee payable by BFY. BFY entitled to 100% of the results of 橋新 during the sub-contracting period.

Included in the cost of unlisted investment in a jointly controlled entity is goodwill of HK\$6,139,000 (2005: HK\$6,139,000) arising on acquisition of a jointly controlled entity in prior years.

附註：

本集團在其共同控制實體上所得之利潤分配權乃按其所佔該企業之股權比例計算。

根據百富洋及橋新的合營夥伴(「企業者」)於2006年11月3日訂立之協議，橋新之經營將外判予百富洋，合約期為8年。本集團於外判期間負責橋新的日常營運及負責以橋新名義簽訂之任何協議或合約所產生的負債及責任及經營虧損(如有)。企業者有權收取百富洋應付之固定外判費用。於外判期間，百富洋擁有橋新100%的業績。

非上市投資於一間共同控制實體之成本已包括過往年度收購一共同控制實體時所產生的6,139,000港元(2005: 6,139,000港元)之商譽。

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

23. INTEREST IN A JOINTLY CONTROLLED ENTITY
(Continued)

The summarised financial information in respect of the Group's jointly controlled entity which is accounted for using the equity method is set out below:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Current assets	流動資產	261	322
Non-current assets	非流動資產	6,281	6,588
Current liabilities	流動負債	(330)	(297)
Income	收入	3,841	3,577
Expenses	支出	(4,260)	(3,979)

24. OTHER ASSETS

At December 31, 2006, the balance included a deposit of HK\$15,926,000 paid for the acquisition of the entire equity interest in 廣東德慶縣南雄燃氣有限公司 ("南雄"), a company established with limited liability under the laws of the PRC. On August 8, 2006, the Company's indirect wholly-owned subsidiary Shenzhen Baorun entered into an agreement with third parties independent to the Group for a cash consideration of approximately HK\$16,045,000. The proposed acquisition was completed in January 2007.

Pursuant to an agreement entered between 新海(珠海) and an independent contractor on December 1, 2006, 新海(珠海) paid a deposit of HK\$49,768,000 to an independent contractor for the construction of gas plant and facilities plan in Zhuhai. The construction of the gas plant and facilities had not yet commenced as at December 31, 2006 and the deposit paid was included in the other assets.

23. 所佔一共同控制實體之權益(續)

本集團的共同控制實體之財務資料(以權益法計算)如下:

24. 其他資產

於2006年12月31日, 有關結餘已包括本公司就收購一間根據中國法例註冊成立為有限責任公司之廣東德慶南雄燃氣有限公司("南雄")之全部股權已付之15,926,000港元訂金。2006年8月8日, 本公司之間接擁有之全資附屬公司深圳寶潤與獨立第三者以現金代價16,045,000港元簽訂協議。所建議之收購於2007年1月完成。

根據由新海珠海及一獨立承判商(「承判商」)於2006年12月1日簽訂之協議, 新海珠海已就珠海氣庫及設施建造工程計劃支付承判商49,768,000港元按金。於2006年12月31日, 該氣庫及設施仍未動工, 而按金已包括在其他資產中。

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

24. OTHER ASSETS (Continued)

At December 31, 2005, the balance included a deposit of HK\$4,359,000 paid for the acquisition of the entire equity interest in Shenzhen Baorun, a company established with limited liability under the laws of PRC. On December 31, 2005, the Company through one of its wholly-owned subsidiary 新海(珠海) entered into two separate conditional sale and purchase agreements ("Sale and Purchase Agreements") with Shenzhen Zhong Ke Cai Development Co. Ltd. and Shenzhen Ji Ye Long Industrial Co. Ltd., who are independent third parties to the Group, for the acquisition of entire equity interest in Shenzhen Baorun at a cash consideration of RMB35,600,000 (approximately HK\$34,602,000). This proposed acquisition as contemplated under the Sale and Purchase Agreements constituted a disclosable transaction for the Company under Chapter 14 of the Listing Rules. The acquisition was completed on March 31, 2006.

Pursuant to an agreement and a supplemental agreement ("Supplemental Agreement") entered between 新海(珠海) and an independent contractor on October 1, 2005, 新海(珠海) paid a deposit of HK\$14,395,000 to the contractor for the construction of gas plant and facilities plan in Zhuhai. The construction of the gas plant and facilities had not yet commenced as at December 31, 2005 and the deposit paid was included in the other assets. The amount was transferred to property, plant and equipment during the year ended December 31, 2006.

25. INVENTORIES

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
LPG	液化氣	8,229	10,466
Electronic products	電子產品	49,741	29,731
		57,970	40,197

The cost of inventories charged to the consolidated income statement for the year amounted to HK\$2,261,555,000 (2005: HK\$1,530,257,000).

24. 其他資產(續)

於2005年12月31日，有關結餘乃指本公司就收購一間根據中國法例註冊成立為有限責任公司之深圳寶潤之全部股權已付之4,359,000港元訂金。於2005年12月31日，本公司透過其全資附屬公司新海(珠海)與獨立第三者深圳中科財發展有限公司及深圳基業隆實業有限公司分別訂立2份獨立附有條件性之買賣協議(「買賣協議」)，以現金代價35,600,000人民幣(約34,602,000港元)收購深圳寶潤之全部權益。根據上市規則第14章規定，收購協議下擬進行此項收購建議，構成本公司一項須予披露交易。該項收購於2006年3月31日完成。

根據新海(珠海)及一獨立承包方於2005年10月1日訂立的一項協議及補充協議(「補充協議」)，新海(珠海)須支付承包方按金14,395,000港元作興建珠海氣庫及設施。此項工程於2005年12月31日尚未開始，故列入其他資產。於截至2006年12月31日止年度內，此金額已轉入物業、機器及設備。

25. 存貨

年內計入綜合收益表之存貨成本為2,261,555,000港元(2005: 1,530,257,000港元)。

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

26. TRADE DEBTORS, BILLS RECEIVABLE, OTHER DEBTORS, DEPOSITS AND PREPAYMENTS

The credit terms of the Group range from 0 to 180 days. The aged analysis of trade debtors is as follows:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
0 to 30 days	0至30天	77,277	21,624
31 to 60 days	31至60天	2,213	16,230
61 to 90 days	61至90天	217	2,003
91 to 120 days	91至120天	11	3,716
More than 120 days	超過120天	108	6,767
		79,826	50,340
Bills receivable	應收票據	59,512	—
		139,338	50,340

The bills receivable are matured within the range of 30 to 90 days.

Included in the Group's trade debtors, are debtors of approximately HK\$61,914,000 (2005: HK\$9,629,000) denominated in United States dollars, which is not the functional currency of the relevant group entities.

Pursuant to the agreements entered between 新海(珠海) and an independent contractor; 新海(珠海) has paid an advance of approximately HK\$79,628,000 (2005: HK\$53,068,000) to the contractor and the amount is included in other debtors as at December 31, 2006. The amount is unsecured, interest-free and repayable within the next twelve months in accordance with the repayment schedule agreed between 新海(珠海) and the independent contractor. An amount of approximately HK\$29,861,000 was settled subsequent to December 31, 2006 in accordance with the signed repayment schedule.

Included in the other debtors, there are receivables from foreign currency forward contracts amounted to approximately HK\$1,481,000 (2005: nil).

26. 應收貿易賬款、應收票據、其他應收賬款、按金及預付款項

本集團之信貸期介乎0至180天。應收貿易賬款按賬齡分析如下：

應收票據之到期日介乎30至90天。

本集團之應收貿易款項其中約61,914,000港元(2005: 9,629,000港元)為美元定價，並且不屬於本集團實體之功能貨幣。

根據新海(珠海)與一獨立承包商訂立之協議，新海(珠海)已先付約79,628,000港元(2005: 53,068,000港元)予承包商，該項金額已計入截至2006年12月31日止之其他應收賬款中。按照新海(珠海)及獨立承包商均同意之還款表，該款項並無抵押、免息及於未來12個月內清還。根據已簽訂之還款表，於2006年12月31日後，已支付約29,861,000港元。

在其他應收款中，包括應收外幣遠期合約1,481,000港元(2005: 無)。

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

26. TRADE DEBTORS, BILLS RECEIVABLE, OTHER DEBTORS, DEPOSITS AND PREPAYMENTS
(Continued)

Major terms of the foreign currency forward contracts are summarised as follows:

Notional amount 實義金額	Maturity 到期日	Exchange rates 兌換率
Buy USD7,000,000 買入7,000,000美金	January 25, 2007 to July 26, 2007 2007年1月25日至 2007年7月26日	HKD/USD7.76 to HKD/USD7.80 7.76港元/美元至 7.80港元/美元
Buy USD39,856,000 買入39,856,000美金	March 6, 2007 to May 14, 2007 2007年3月6日至 2007年5月14日	RMB/USD7.72 to RMB/USD7.76 7.72人民幣/美元至 7.76人民幣/美元

26. 應收貿易賬款、應收票據、其他應收賬款、按金及預付款項(續)

外幣遠期合約之主要條款如下：

27. AMOUNTS DUE FROM A JOINTLY CONTROLLED ENTITY/A FORMER SHAREHOLDER OF A SUBSIDIARY

The amounts are unsecured, interest-free and repayable on demand.

28. PLEDGED BANK DEPOSITS, BANK BALANCES AND CASH

The amounts represent deposits pledged to banks to secure banking facilities granted to the Group. The deposits have been pledged to secure short-term bank loans, and are therefore classified as current assets. The pledged bank deposits of approximately HK\$311,559,000 (2005: HK\$1,011,000) carry at fixed interest rate which range from 0.72% to 2.25% (2005: 2.27%) per annum and will be released upon settlement of the relevant bank borrowings. The remaining pledged bank deposits carry at floating interest rate which range from 0.72% to 3.62% (2005: 0.72%) per annum and will be released upon settlement of the relevant bank borrowings.

At the balance sheet date, the pledged bank deposits and bank balances and cash of approximately HK\$446,672,000 (2005: HK\$248,598,000) were denominated in RMB which is not freely convertible into other currencies. Included in the Group's bank balances, are approximately HK\$15,429,000 (2005: HK\$16,226,000) denominated in United States dollars, which is not the functional currency of the relevant group entities. The bank balances carried interest at market rates which range from 0.72% to 5.02% per annum.

27. 應收—共同控制實體／—附屬公司前股東之款項

有關款項並無抵押、免息及於要求時清還。

28. 已抵押銀行存款、銀行結餘及現金

有關款項乃指本集團為取得銀行信貸而抵押予銀行之銀行存款。因已抵押之銀行存款乃為取得短期銀行貸款，故以流動資產入賬。約311,559,000港元(2005: 1,011,000港元)之已抵押銀行存款其固定年利率為0.72%至2.25%(2005: 2.27%)，並將於支付有關銀行借款時解除。餘下之已抵押銀行存款其浮動年利率為0.72%至3.62%(2005: 0.72%)，並將於支付有關銀行借款時解除。

於結算日，已抵押銀行存款及銀行結餘及現金約446,672,000港元(2005: 248,598,000港元)為人民幣，並不可自由轉換至其他幣值。本集團之銀行結餘中有約15,429,000港元(2005: 16,226,000港元)為美元，並不屬於集團實體之功能貨幣。銀行結餘附有市場盛行利息，其年息介乎0.72%到5.02%。

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

29. TRADE CREDITORS AND BILLS PAYABLE

The aged analysis of trade creditors is as follows:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
0 to 30 days	0至30天	158,094	18,340
31 to 60 days	31至60天	—	3,154
61 to 90 days	61至90天	—	35
More than 120 days	超過120天	—	394
		158,094	21,923
Bills payable	應付票據	126,620	41,323
		284,714	63,246

The bills payable are matured within the range of 0 to 60 days (2005: 30 days to 90 days).

Included in the Group's trade creditors and bills payable, are approximately HK\$284,586,000 (2005: HK\$11,995,000) denominated in United States dollars, which is not the functional currency of the relevant group entities.

28. 應付貿易賬款及應付票據

應付貿易賬款按賬齡分析如下：

應付票據之到期日介乎0至60天(2005：30至90天)。

本集團之應付貿易款項及應付票據中約284,586,000港元(2005：11,995,000港元)以美元定價，並不屬於有關集團實體之功能貨幣。

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

30. BORROWINGS, PARTLY SECURED

30. 借款 — 部份有抵押

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Bank trust receipt loans	銀行信託收據借款	397,194	327,415
Other bank loans	其他銀行借款	176,838	6,992
Other long-term loans	其他長期借款	49,645	—
		623,677	334,407
Analysed as:	分析為：		
Secured	有抵押	533,890	250,247
Unsecured	無抵押	89,787	84,160
		623,677	334,407
Carrying amount repayable:	應付賬面值：		
On demand or within one year	要求時或一年內	401,444	334,407
More than one year, but not exceeding two years	超過一年但不多於兩年	81,726	—
More than two years, but not exceeding five years	超過兩年但不多於五年	140,507	—
		623,677	334,407
Less: Amounts due within one year shown under current liabilities	減：按照流動負債所示 於一年內到期	(401,444)	(334,407)
		222,233	—

Bank loans include approximately HK\$55,068,000 (2005: HK\$192,000) fixed-rate borrowings which are due within one year and carry interest at 5.69% per annum (2005: 7.02% per annum). The remaining bank loans are variable-rate borrowings which carry interest at London Inter-Bank Offered Rate + 0.4% per annum to Best Lending Rate + 0.25% per annum ranging from 5.76% to 8.50% per annum (2005: 3.83% to 7.25% per annum).

Other long-term loans are unsecured, bearing variable interest rate at 6.12% per annum and repayable in full in January 2008.

銀行借款中約55,068,000港元(2005: 192,000港元)定息借款，其年利率為5.69%(2005: 每年7.02%)，一年內償還。餘下之銀行借款為可變動利息借款，以倫敦同業拆息利率+年息0.4%或最優惠利率+年息0.25%，其年利率介乎5.76%至8.50%(2005: 每年3.83%至7.25%)。

其他的長期借款為無抵押，其可變動利息為每年6.12%，並需在2008年1月全數償還。

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

30. BORROWINGS, PARTLY SECURED (Continued)

Other bank loans of the Group comprise of: (a) an amount of approximately HK\$163,380,000 (2005: nil) drawn under a term loan facility secured by a floating charge over the assets of the Company, and by share mortgages of the issued capital and floating charges over the assets of Sound Hong Kong, Sound Green Energy and NewOcean Shenzhen; and (b) an amount of approximately HK\$13,458,000 (2005: HK\$6,992,000) drawn under a term loan facility guaranteed by the Company and Sound Green Energy.

The Group's borrowings that are denominated in currencies other than the functional currencies of the relevant group entities are set out below:

30. 借款 — 部份有抵押(續)

本集團之其他銀行借款包含(a)一項約163,380,000港元(2005:無)以本公司之資產作浮動按揭之定期借款信貸。此借款亦以新海香港、新海環保能源及新海深圳之資產作浮動按揭,亦以該等公司之已發行之股票作抵押,及(b)約13,458,000港元(2005:6,992,000港元)之定期借款信貸,並由本公司及新海環保能源作為擔保人。

本集團並非以相關集團實體功能貨幣定價之借款如下:

		USD'000 千美元
As at December 31, 2006	於2006年12月31日	71,396
As at December 31, 2005	於2005年12月31日	24,603

31. SHARE CAPITAL

31. 股本

		Number of shares 股份數目	Amount 金額 HK\$'000 千港元
Ordinary shares of HK\$0.1 each (2005: HK\$0.1 each)	每股面值為0.1港元之普通股 (2005: 每股0.1港元)		
Authorised share capital: At January 1, 2005, December 31, 2005 and 2006	法定股本: 於2005年1月1日、 2005年及2006年 12月31日	20,000,000,000	2,000,000
Issued and fully paid share capital: At January 1, 2005 and December 31, 2005 and 2006	已發行及繳足股本: 於2005年1月1日、 2005年及2006年 12月31日	481,676,687	48,168

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

32. SHARE-BASED PAYMENT TRANSACTIONS

Equity-settled share option scheme:

(i) *Old Share Option Scheme*

Old Employee Share Option Scheme

The old employee share option scheme (the "Old Option Scheme"), was adopted by the Company on April 9, 1999 for the primary purpose of providing incentives to directors and eligible employees, and will expire on April 8, 2009. Under the Old Option Scheme, the Board of Directors of the Company may at their discretion grant options to directors or employees of the Company and its subsidiaries to subscribe for shares in the Company in accordance with the terms of the Old Option Scheme. The subscription price (subject to adjustments as provided therein) is the higher of the nominal value of the shares and an amount which is not less than 80% of the average of the closing price per share on the Stock Exchange for the five trading days immediately preceding the date the option is granted. The maximum number of option shares in respect of which options may be granted under the Old Option Scheme shall not exceed 10% of the share capital of the Company in issue from time to time. At December 31, 2006, the numbers of shares in respect of which options had been granted and remained outstanding under the Old Option Scheme was 9,500,000 (2005: 14,000,000), representing 2.0% (2005: 2.9%) of the shares of the Company in issue at that date.

The maximum number of shares in respect of which options might be granted to a participant, when aggregated with shares issued and issuable (including exercised and outstanding options and the options cancelled) under any option granted to the same participant under the New Option Scheme or any other share option scheme within any 12 month period, must not exceed 1% of the shares in issue from time to time.

32. 以股份為基礎之支出

以權益支付之購股權計劃

(i) *原有購股權計劃*

原有僱員購股權計劃

本公司原有僱員購股權計劃(「原有計劃」)於1999年4月9日採納，主要目的為向董事及合資格員工提供激勵。該計劃將於2009年4月8日期滿，根據原有計劃，本公司董事會可酌情決定向本公司及各附屬公司之董事或僱員授出可根據原有計劃條款認購本公司股份之購股權。認購價(或會作出按原有計劃規定之調整)為股份面值或不低於授出該購股權當日前5個交易日股份在聯交所之每股平均收市價80%(以較高者為準)。根據原有計劃所授出購股權可認購之股份總數不得超過本公司不時已發行股本10%。於2006年12月31日，根據原有計劃，有關已發授但仍未行使之購股權之股份數目為9,500,000(2005: 14,000,000)，為本公司於該日期已發行股份之2.0%(2005: 2.9%)。

當與根據新購股權計劃或任何其他購股權計劃計劃授予參與者之任何購股權項下之已發行及可予發行之股份數目(包括已行使及已註銷之購股權)彙集計算時，於任何十二個月內每名參與者獲授之購股權所涉及之最高股份數目不得超過不時已發行之1%。

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

32. SHARE-BASED PAYMENT TRANSACTIONS
(Continued)

(i) *Old Share Option Scheme* (Continued)

There was no requirement for a grantee to hold the option for a certain period before exercising the option save as determined by the board of directors of the Company and provided in the offer of grant of option.

The exercise period should be any period fixed by the board of directors of the Company upon grant of the option but in any event the option period should not go beyond 10 years from the date of offer for grant.

The acceptance of an option, if accepted, must be made within 28 days from the date of grant with a non-refundable payment of HK\$1 from the grantee to the Company.

The following tables disclose details of the Company's share options held by employees (including directors) and movements in such holdings during the year:

Option type 購股權類別	Date of grant 發授日期	Vesting period 歸屬期	Exercisable period 行使期	Exercise price 行使價 HK\$ 港元	Number of share options 購股權數目			
					Outstanding at 1.1.2006 於2006年1月1日 尚未行使之數目	Granted during the year 於年內發授	Expired during the year 於年內過期	Outstanding at 12.31.2006 於2006年12月31日 尚未行使之數目
2001	6.20.2001	6.21.2001 to 12.20.2001 6.21.2001至12.20.2001	12.21.2001 to 12.20.2006 12.21.2001至12.20.2006	1.00	4,500,000	—	(4,500,000)	—
2002A	3.14.2002	3.15.2002 to 9.14.2002 3.15.2002至9.14.2002	9.15.2002 to 9.14.2007 9.15.2002至9.14.2007	1.30	6,400,000	—	—	6,400,000
2002B	6.26.2002	6.27.2002 to 11.25.2002 6.27.2002至11.25.2002	12.26.2002 to 12.25.2007 12.26.2002至12.25.2007	1.12	3,100,000	—	—	3,100,000
					14,000,000	—	(4,500,000)	9,500,000

32. 以股份為基礎之支出(續)

(i) *原有購股權計劃(續)*

除本公司董事會決定及於授出購股權時規定外，原有計劃並無規定承授人須於行使購股權前已持有購股權一段期間。

購股權期間須為本公司董事會於授出購股權時指定之任何期間，惟於任何情況下，購股權期間不得超過由授出要約日期起計十年時間。

承授人倘接納購股權，必須於授出日期起計二十八日內向本公司繳交1港元，此款項將不獲退還。

下表披露由僱員(包括董事)持有本公司購股權之詳情及年內該等持有情況之變動：

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

32. SHARE-BASED PAYMENT TRANSACTIONS
(Continued)

(i) Old Share Option Scheme (Continued)

Option type 購股權類別	Date of grant 發授日期	Vesting period 歸屬期	Exercisable period 行使期	Exercise price 行使價 HK\$ 港元	Number of share options 購股權數目			
					Outstanding at 1.1.2005 於2005年 1月1日 尚未行使 之數目	Lapsed upon resignation 離職時 失效	Expired during the year 於年內 過期	Outstanding at 12.31.2005 於2005年 12月31日 尚未行使 之數目
2000A	3.3.2000	3.4.2000 to 9.3.2000 3.4.2000至9.3.2000	9.4.2000 to 9.2.2006 9.4.2000至9.2.2006	1.80	8,055,000	—	(8,055,000)	—
2001	6.20.2001	6.21.2001 to 12.20.2001 6.21.2001至12.20.2001	12.21.2001 to 12.20.2006 12.21.2001至12.20.2006	1.00	8,500,000	(4,000,000)	—	4,500,000
2002A	3.14.2002	3.15.2002 to 9.14.2002 3.15.2002至9.14.2002	9.15.2002 to 9.14.2007 9.15.2002至9.14.2007	1.30	6,500,000	(100,000)	—	6,400,000
2002B	6.26.2002	6.27.2002 to 11.25.2002 6.27.2002至11.25.2002	12.26.2002 to 12.25.2007 12.26.2002至12.25.2007	1.12	3,100,000	—	—	3,100,000
					26,155,000	(4,100,000)	(8,055,000)	14,000,000

Details of the share options held by the directors and other key management included in the above table are as follows:

上表已包括下列由董事及其他主要管理層持有購股權之詳情：

		Outstanding at beginning of the year 於年初尚未行使之數目	Lapsed during the year 於年內失效	Expired during the year 於年內過期	Outstanding at ending of the year 於年終尚未行使之數目
1.1.2006 to 12.31.2006	1.1.2006至12.31.2006	10,500,000	—	(4,500,000)	6,000,000
1.1.2005 to 12.31.2005	1.1.2005至12.31.2005	22,500,000	(12,000,000)	—	10,500,000

32. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(ii) New Share Option Scheme

Pursuant to an ordinary resolution passed at the Special General Meeting of the Company held on June 18, 2003, the Company adopted a new option scheme ("New Option Scheme") to replace the Old Option Scheme. All the options granted under the Old Option Scheme shall remain valid and unchanged and shall be treated in accordance with the terms under the Old Option Scheme.

The purpose of the New Option Scheme is to provide incentives or rewards to participants including directors, employees, suppliers and customers etc. Under the New Option Scheme, the Board of Directors of the Company, may at their discretion grant options to participants to subscribe for shares in the Company in accordance with the terms of the New Option Scheme. The subscription price shall be a price determined by the directors, but shall not be less than the highest of (i) the closing price of shares as stated in the Stock Exchange's daily quotation sheet on the date of offer for grant of options, which must be a trading day; (ii) the average closing price of shares as stated in the Stock Exchange's daily quotation sheet for the five trading days immediately preceding the date of the offer for grant of options; and (iii) the nominal value of a share. The total number of shares which may be issued upon exercise of all options to be granted under the New Option Scheme and any other share option scheme of the Group must not in aggregate exceed 10% of the shares in issue. Based on the 481,676,687 shares (2005: 481,676,687 shares) in issue as at December 31, 2006 and taking into account 9,500,000 options (2005: 14,000,000 options) outstanding under the Old Option Scheme and 30,500,000 options (2005: nil) outstanding under the New Option Scheme, the total number of shares which may be issued upon exercise of all options to be granted under the New Option Scheme and any other schemes must not in aggregate exceed 38,667,668 shares (2005: 34,167,668 shares). There were no options granted under the New Option Scheme for the year ended December 31, 2005.

32. 以股份為基礎之支出(續)

(ii) 新購股權計劃

根據本公司於2003年6月18日舉行的股東特別大會通過之普通決議案，本公司採納新購股權計劃（「新購股權計劃」），以取代原有購股權計劃。根據原有購股權計劃授出之所有購股權仍屬有效及保持不變，且須根據原有購股權計劃條款處置。

新購股權計劃主要目的為向董事、僱員、供應商及客戶等參與者提供激勵或回報。根據新購股權計劃，本公司董事會可酌情決定向參與者授出可根據新購股權計劃條款認購本公司股份之購股權。認購價須由董事釐定，惟不得低於(i)提出授予購股權之日(必須為交易日)，股份在聯交所每日報價表所報之每股收市價(ii)緊接提出授予購股權之前5個交易日，股份在聯交所每日報價表所報之平均收市價及(iii)股份面值(以最高者為準)。全數行使新購股權計劃和本集團任何其他購股權計劃所授出購股權而將予發行之股份總數，不得超過本公司已發行股份之10%。按2006年12月31日之已發行股份為481,676,687股(2005: 481,676,687股)計算，並計入根據原有購股權計劃下尚未行使之9,500,000(2005: 14,000,000)份購股權及新購股權計劃中尚未行使之30,500,000(2005: 無)份購股權，本公司新購股權計劃及任何其他購股權計劃授出之全部購股權獲行使時，本公司可予發行之股份總數合共不得超過38,667,668(2005: 34,167,668)股。於截至2005年12月31日止年度內沒有發授任何新購股權計劃。

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

32. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(ii) *New Share Option Scheme (Continued)*

The maximum number of shares in respect of which options might be granted to a participant, when aggregated with shares issued and issuable (including exercised and outstanding options and the options cancelled) under any option granted to the same participant under the New Option Scheme or any other share option scheme within any 12 month period, must not exceed 1% of the shares in issue from time to time.

There was no requirement for a grantee to hold the option for a certain period before exercising the option save as determined by the board of directors of the Company and provided in the offer of grant of option.

The exercise period should be any period fixed by the board of directors of the Company upon grant of the option but in any event the option period should not go beyond 10 years from the date of offer for grant.

The acceptance of an option, if accepted, must be made within 28 days from the date of grant with a non-refundable payment of HK\$1 from the grantee to the Company.

32. 以股份為基礎之支出(續)

(ii) *新購股權計劃(續)*

當與根據新購股權計劃或任何其他購股權計劃授予參與者之任何購股權項下之已發行及可予發行之股份數目(包括已行使及已註銷之購股權)彙集計算時,於任何十二個月內每名參與者獲授之購股權所涉及之最高股份數目不得超過不時已發行之1%。

除本公司董事會決定及於授出購股權時規定外,並無規定承授人須於行使購股權前已持有購股權一段期間。

購股權期間須為本公司董事會於授出購股權時指定之任何期間,惟於任何情況下,購股權期間不得超過由授出要約日期起計十年時間。

承授人倘接納購股權,必須於授出日期起計二十八日內向本公司繳交1港元,此款項將不獲退還。

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

32. SHARE-BASED PAYMENT TRANSACTIONS
(Continued)*(ii) New Share Option Scheme (Continued)*

The following tables disclose details of the Company's share options granted under the New Share Option Scheme held by employees (including directors) and movements in such holdings during the year:

Option type 購股權類別	Date of grant 發授日期	Vesting period 歸屬期	Exercisable period 行使期	Exercise price 行使價 HK\$ 港元	Number of share options 購股權數目			Outstanding at 12.31.2006 於2006年 12月31日 尚未行使 之數目
					Outstanding at 1.1.2006 於2006年 1月1日 尚未行使 之數目	Granted during the year 於年內發授	Expired during the year 於年內過期	
2006A	5.15.2006	5.16.2006 to 6.16.2006 5.16.2006至 6.16.2006	6.17.2006 to 12.31.2015 6.17.2006至 12.31.2015	0.69	—	13,500,000	—	13,500,000
2006B	6.16.2006	—	6.17.2006 to 12.31.2015 6.17.2006至 12.31.2015	0.69	—	17,000,000	—	17,000,000
					—	30,500,000	—	30,500,000

Details of the share options held by the directors included in the above table are as follows:

	Outstanding at beginning of the year 於年初 尚未行使	Granted during the year 於年內發授	Expired during the year 於年內過期	Outstanding at ending of the year 於年終 尚未行使
1.1.2006 to 12.31.2006	—	17,000,000	—	17,000,000
1.1.2006至 12.31.2006	—	17,000,000	—	17,000,000

During the year ended December 31, 2006, options were granted on May 15, 2006 and June 16, 2006. The estimated fair value of the options granted on these dates is approximately HK\$5,855,000. During the year ended December 31, 2005, no option was granted.

32. 以股份為基礎之支出(續)*(ii) 新購股權計劃(續)*

下表披露本公司根據新購股權計劃授予僱員(包括董事)之年內持有及變動情況:

Outstanding at 1.1.2006 於2006年 1月1日 尚未行使 之數目	Granted during the year 於年內發授	Expired during the year 於年內過期	Outstanding at 12.31.2006 於2006年 12月31日 尚未行使 之數目

董事持有之購股權，已包括在上表，詳情如下:

Outstanding at beginning of the year 於年初 尚未行使	Granted during the year 於年內發授	Expired during the year 於年內過期	Outstanding at ending of the year 於年終 尚未行使
—	17,000,000	—	17,000,000
—	17,000,000	—	17,000,000

截至2006年12月31日止年度內，於2006年5月15日及2006年6月16日授出購股權。該等日期所授出的購股權估計公平值約為5,855,000港元。於截至2005年12月31日止年度，並無授出購股權。

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

32. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(ii) New Share Option Scheme (Continued)

This fair value is calculated using the Black-Scholes pricing model. The inputs into the model are as follows:

Weighted average share price	HK\$0.73
Exercise price	HK\$0.69
Expected volatility	59.36%
Expected life in years	1
Risk free rate	4.57%
Expected dividend yield	1.50%

Expected volatility was determined by calculating the historical volatility of the Company's share price over the previous one year. The expected life used in the model was based on management's best estimation taking into account non-transferability and other behavioural consideration. Risk free rate was determined by reference to the yield of 1 year Exchange Fund Notes at the date of grant. Expected dividend yield was based on historical dividend yield of the shares of the Company.

The Group recognised a total expense of approximately HK\$5,855,000 in the consolidated income statement for the year ended December 31, 2006 (2005: nil) in relation to share options granted by the Company.

32. 以股份為基礎之支出(續)

(ii) 新購股權計劃(續)

公平值乃按照畢蘇股權定價模式計算。下表列出輸入該模式之資料：

加權平均股份價格	0.73港元
行使價	0.69港元
預期波幅	59.36%
預期年期	1
無風險利率	4.57%
預期股息回報率	1.50%

預期波幅乃以本公司股價於去年的歷史波幅計算而釐定。模式所運用的預期年期已按管理層的最佳估計，並計入不可轉讓及其他表現考慮因素。無風險利率乃參考於授出日期之一年期外匯票據基金孳息計算。預期股息率乃按本公司股份之過往股息率計算。

有關本公司授出之股份購股權，本集團在截至2006年12月31日止年度之綜合收益表中確認合共約5,855,000港元之總支出(2005：無)。

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

33. DEFERRED TAXATION

The following are the major deferred liabilities (assets) recognised by the Group and movements thereon during the year and prior reporting period:

		Accelerated tax depreciation 加速稅項折舊	Tax losses 稅項虧損	Total 合共
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At January 1, 2005	於2005年1月1日	9,858	—	9,858
Acquired on acquisition of subsidiaries	收購一附屬公司時 所得	2,441	—	2,441
Credit to the consolidated income statement for the year	於本年度綜合收益表 入賬	(2,788)	(2,326)	(5,114)
At December 31, 2005	於2005年12月31日	9,511	(2,326)	7,185
Acquired on acquisition of subsidiaries	收購一附屬公司時 所得	387	—	387
Credit to the consolidated income statement for the year	於本年度綜合收益表 入賬	(652)	(310)	(962)
At December 31, 2006	於2006年12月31日	9,246	(2,636)	6,610

At the balance sheet date, the Group has estimated unused tax losses of approximately HK\$46,413,000 (2005: HK\$97,791,000) available for offset against future profits. Deferred tax asset has been recognised in respect of HK\$15,829,000 (2005: HK\$13,969,000). No deferred tax asset has been recognised in relation to remaining balances of HK\$30,584,000 (2005: HK\$83,822,000) due to the unpredictability of future profit streams. The unrecognised tax losses of approximately HK\$11,747,000 (2005: HK\$45,315,000) will be expired before year 2009 (2005: year 2008). Other losses may be carried forward indefinitely.

33. 遞延稅項

年內及過往報告期間，本集團已確認之主要遞延負債(資產)及相關變動如下:

於結算日，本集團估計可供抵銷未來溢利之未動用稅項虧損約為46,413,000港元(2005: 97,791,000港元)。遞延稅項資產已確認為15,829,000港元(2005: 13,969,000港元)。由於未能預測日後之溢利來源，故並無確認餘下結餘30,584,000港元(2005: 83,822,000港元)為遞延稅項資產。該筆未動用稅項虧損約11,747,000港元(2005: 45,315,000港元)將於2009年(2005: 2008年)期滿，其他虧損則可無限期予以結轉。

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

33. DEFERRED TAXATION (Continued)

At the balance sheet date, the Group has deductible temporary differences of approximately HK\$6,766,000 (2005: HK\$4,419,000) in respect of accelerated accounting depreciation and impairment loss as recognised on property, plant and equipment. No deferred tax asset has been recognised in relation to such deductible temporary differences as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

34. ACQUISITION OF SUBSIDIARIES

On April 1, 2006, the Group acquired the entire equity interest in Shenzhen Baorun for cash consideration and related expenses of HK\$38,961,000. The acquisition has been accounted for using the purchase method of accounting. The amount of goodwill arising as a result of the acquisition was HK\$19,981,000.

The net assets acquired in the transaction, and the goodwill arising, are as follows:

33. 遞延稅項 (續)

於結算日，本集團有可扣稅暫時差額約6,766,000港元(2005: 4,419,000港元)為加速稅項折舊及物業、機器及設備之減值虧損。由於本公司可利用可扣稅暫時差額以抵銷日後出現的應課稅溢利之可能性不大，故並無就該等可扣稅暫時差額確認遞延稅項資產。

34. 收購附屬公司

於2006年4月1日，本集團以38,961,000港元之現金代價及相關支出收購了深圳寶潤全部權益。該項收購已以會計之購買法入賬。由該項收購產生之商譽為19,981,000港元。

由該項交易所收購之淨資產以及由此產生之商譽列明如下：

		Acquiree's carrying amounts before combinations	Fair value adjustments	Fair value
		合併前被收購者 之賬面值	公平值調整	公平值
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
Net assets acquired:	所得淨資產：			
Property, plant and equipment	物業、機器及設備	12,608	1,309	13,917
Prepaid lease payments	預付租賃款項	3,869	1,272	5,141
Other debtors, deposits and prepayments	其他應收款項、按金及預付款項	309	—	309
Deferred tax liability	遞延稅項負債	—	(387)	(387)
		16,786	2,194	18,980
Goodwill	商譽			19,981
				38,961

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

34. ACQUISITION OF SUBSIDIARIES (Continued)

34. 收購附屬公司(續)

Total consideration satisfied by:

總代價以：

		HK\$'000 千港元
Cash	現金支付	34,602
Directly attributable cost (note 1)	直接可分派成本支付(附註1)	4,359
		38,961

Net cash outflow of cash and cash equivalents in respect of the acquisition of a subsidiary is as follows:

因收購一附屬公司所產生之現金或等同現金項目流出淨額如下：

		2006 二零零六年 HK\$'000 千港元
Cash consideration paid (note 1)	已付現金代價(附註1)	34,602
Net outflow of cash and cash equivalents in respect of the acquisition of a subsidiary	因收購一附屬公司所產生之現金或等同現金項目流出淨額	34,602

Note 1: During the year ended December 31, 2005, a cash consideration of approximately HK\$4,359,000 for the acquisition of Shenzhen Baorun was paid and the amount was disclosed as other asset in the consolidated balance sheet. Details of the other asset are disclosed in note 24.

附註1：於2005年12月31日止年度內，收購深圳寶潤所需現金代價約4,359,000港元已支付，有關金額已於綜合資產負債表內披露列為其他資產。有關其他資產之詳情，已於附註24披露。

The goodwill arising on the acquisition of Shenzhen Baorun is attributable to the anticipated profitability of the distribution of the Group's LPG in the markets and the anticipated future operating synergies from the combination. In addition, Shenzhen Baorun owns several LPG stations close to the LPG terminal owned by 新海(珠海), in the opinion of the directors, this acquisition will enhance logistic efficiency and improve the market share in Guangdong region in the PRC.

收購深圳寶潤所產生之商譽，可歸因於在市場分銷本集團液化氣預期溢利及合併後預期將來營運產生之協同效益。此外，深圳寶潤擁有數個液化氣加氣站，並且貼近由新海(珠海)擁有之液化氣碼頭。董事認為此項收購將加強物流效率並改善中國廣東地區之市場佔有率。

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

34. ACQUISITION OF SUBSIDIARIES (Continued)

If the acquisition had been completed on January 1, 2006, total group revenue derived from continuing operations for the year would have been approximately HK\$2,425,924,000, and profit for the year from continuing operations would have been approximately HK\$43,720,000. The proforma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on January 1, 2006, nor is it intended to be a projection of future results.

Shenzhen Baorun contributed HK\$123,266,000 and HK\$2,185,000 to the Group's revenue derived from continuing operations and loss before taxation derived from continuing operations between the date of acquisition and the balance sheet date.

On January 7, 2005, the Group acquired 80% of the registered capital of Yong Long for cash consideration and related expenses of HK\$32,135,000. The acquisition has been accounted for using the purchase method of accounting. The amount of goodwill arising as a result of the acquisition was HK\$26,013,000.

34. 收購附屬公司(續)

如收購已於2006年1月1日完成，年內集團由持續業務衍生之總收入將約2,425,924,000港元，持續業務年內溢利將約43,720,000港元。以上資料只供參考及並非指收購如於2006年1月1日完成，本集團之經營收入及業績將真正達標，此亦非用以推測將來業績。

於收購日及結算日期間，深圳寶潤為本集團持續業務帶來123,266,000港元收入及2,185,000港元之持續業務除稅前虧損。

於2005年1月7日，本集團以32,135,000港元之現金代價及相關支出收購了永龍80%之註冊資本。有關收購已按會計收購法入賬。由該項收購產生之商譽為26,013,000港元。

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

34. ACQUISITION OF SUBSIDIARIES (Continued)

The net assets acquired in the transaction in 2005, and the goodwill arising, are as follows:

34. 收購附屬公司(續)

於2005年由該項交易所收購之淨資產以及由此產生之商譽列明如下：

		Acquiree's carrying amounts before combinations 合併前被收購者 之賬面值 HK\$'000 千港元	Fair value adjustments 公平值調整 HK\$'000 千港元	Fair value 公平值 HK\$'000 千港元
Net assets acquired:	所得淨資產：			
Property, plant and equipment	物業、機器及設備	2,275	6,390	8,665
Prepaid lease payments	預付租賃款項	1,035	(14)	1,021
Trade debtors	應收貿易賬款	311	—	311
Other debtors, deposits and prepayments	其他應收賬款、按金及預付款項	119	—	119
Bank balances and cash	銀行結餘及現金	33	—	33
Other creditors and accrued charges	其他應付賬款及應計費用	(55)	—	(55)
Deferred tax liability	遞延稅項負債	—	(2,441)	(2,441)
		3,718	3,935	7,653
Minority interests	少數股東權益	—	—	(1,531)
		3,718	3,935	6,122
Goodwill	商譽			26,013
Total consideration satisfied by cash (note 2)	總代價以現金支付(附註2)			32,135

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

34. ACQUISITION OF SUBSIDIARIES (Continued)

Net cash outflow of cash and cash equivalents in respect of the acquisition of a subsidiary is as follows:

		2005 二零零五年 HK\$'000 千港元
Cash paid for related expenses	以現金支付有關支出	107
Bank balances and cash acquired	所得銀行結餘及現金	(33)
Net outflow of cash and cash equivalents in respect of the acquisition of a subsidiary	收購一附屬公司之現金及等同現金項目之現金流出淨額	74

Note 2: The amount included a cash consideration of approximately HK\$32,028,000 which was paid for the acquisition of Yong Long during the year ended December 31, 2004 and recorded as other assets as at December 31, 2004.

34. 收購附屬公司(續)

收購一附屬公司之現金及等同現金項目之現金流出淨額如下:

附註2: 於2004年12月31日止年度內,收購永龍所支付之金額,已包括約32,028,000港元之現金代價,並於2004年12月31日記錄為其他資產。

The goodwill arising on the acquisition of Yong Long is attributable to the anticipated profitability of the distribution of the Group's LPG in the markets and the anticipated future operating synergies from the combination. In addition Yong Long owns several LPG stations close to the LPG terminal owned by 新海(珠海), in the opinion of the directors, this acquisition will enhance logistic efficiency and improve the market share in Guangdong region.

收購永龍所產生之商譽可歸因於在市場分銷本集團液化氣帶來之預期溢利及合併後預期將來營運產生之協同效益。此外,永龍擁有數個液化氣加氣站,並且貼近由新海(珠海)擁有之液化氣碼頭。董事認為此項收購將加強物流效率並改善中國廣東地區之市場佔有率。

If the acquisition had been completed on January 1, 2005, total group revenue for the year would have been approximately HK\$1,615,845,000, and profit for the year would have been HK\$33,317,000. The proforma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on January 1, 2005, nor is it intended to be a projection of future results.

如收購已於2005年1月1日完成,年內集團之總收入將約1,615,845,000港元,年內溢利將約33,317,000港元。以上資料只供參考及並非指收購如於2005年1月1日完成,本集團之經營收入及業績將真正達標,此亦非用以推測將來業績。

Yong Long contributed HK\$22,826,000 and HK\$806,000 to the Group's revenue and profit before taxation between the date of acquisition and the year ended December 31, 2005.

收購日與截至2005年12月31日止年度間,永龍為本集團帶來22,826,000港元及806,000港元之收入及除稅前溢利。

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

35. DISPOSAL OF A SUBSIDIARY

35. 出售一附屬公司

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
NET ASSETS DISPOSED OF	出售之淨資產		
Property, plant and equipment	物業、機器及設備	—	132
Amount due from a subsidiary of the Group	應收本集團一附屬公司之款項	—	2,078
Inventories	存貨	—	22
Tax liabilities	稅項負債	—	(395)
Attributable goodwill		—	1,837
	商譽分配	—	3,289
Gain on disposal		—	5,126
	出售所得	—	2,710
Total consideration		—	7,836
Satisfied by:		支付形式：	
Cash	現金	—	5,758
Waiver of amount due from a subsidiary of the Group	放棄應收本集團一附屬公司之款項	—	2,078
Cash inflow arising on disposal		—	7,836
	出售時產生之現金流入額	—	5,758

The subsidiary disposed of during the year ended December 31, 2005 made no significant contribution to the Group's turnover and the Group's profit.

於2005年12月31日年度止所出售之附屬公司並無為本集團帶來重要營業額及溢利。

36. CONTINGENT LIABILITIES

The Group had no significant contingent liabilities at December 31, 2006 and 2005.

36. 或然負債

於2006年及2005年12月31日，本集團並無重大或然負債。

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

37. LEASE COMMITMENTS

The Group as lessee

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

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Within one year	一年內	1,587	1,887
In the second to fifth years inclusive	二至五年內(包括首尾兩年)	176	2,886
Over five years	超過五年	50	100
		1,813	4,873

During the year ended December 31, 2006, operating lease payments mainly represent rentals payable by the Group for office premises and LPG vessel. During the year ended December 31, 2005, operating lease payments mainly represent rentals payable by the Group for leasehold land in the PRC and LPG vessel. Leases are negotiated for terms ranged from 1 to 10 years. As at December 31, 2006, rentals are fixed for an average of 4 years (2005: 5 years).

The Group as lessor

Rental income from investment properties earned during the year was HK\$2,696,000. All the investment properties had been disposed of in current year. Rental income from investment properties, properties, plant and equipment earned during the year ended December 31, 2005 was HK\$4,694,000.

37. 租賃承擔

本集團為承租人

於結算日，本集團根據不可撤銷經營租賃須支付之日後最少租金支出，到期日如下：

於2006年12月31日止年度內經營租賃付款乃主要指本集團租用辦公室物業及液化汽管道應付之租金。於2005年12月31日年度止，經營租賃付款乃主要指本集團租用土地及液化氣管道應付之租金。協議租期平均為1至10年。於2006年12月31日，有關的租金固定期平均為4年(2005：5年)。

本集團為出租人

年內，投資物業之租金收入為2,696,000港元。所有投資物業已於年內出售。於截至2005年12月31日止年度內，投資物業、物業、機器及設備之租金收入為4,694,000港元。

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

37. LEASE COMMITMENTS (Continued)

At the balance sheet date, the Group had contracted with tenants for the following future minimum lease payments:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Within one year	一年內	—	3,089
In the second to fifth year inclusive	二至五年 (包括首尾兩年)	—	3,412
Over five years	超過五年	—	2,814
		—	9,315

37. 租賃承擔(續)

於結算日，本集團與承租人簽訂下列日後最少租金收入：

38. OTHER COMMITMENTS

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Capital expenditure contracted for but not provided in the consolidated financial statements in respect of:	已訂約但未於綜合財務報表撥備之資本開支之承擔如下：		
Investment in a jointly controlled entity	投資於一共同控制實體	1,916	1,916
Purchase of plant and machinery	購置機器及設備	77,946	117,776
		79,862	119,692

38. 其他承擔

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

39. RETIREMENT BENEFITS PLANS

The Group operates a Mandatory Provident Fund Scheme for all qualifying employees in Hong Kong. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees. The Group contributes 5% of relevant payroll costs to the scheme, which contribution is matched by employees.

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

40. RELATED PARTY TRANSACTIONS

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

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Sales to a jointly controlled entity	向一共同控制實體銷售	808	252
Royalty fee paid to Gold Decade Limited ("Gold Decade")	向金紀元有限公司(「金紀元」)支付分特許權費	—	—
Rental expenses paid to Shum Ho, Neo	向岑浩支付租金	456	456

At December 31, 2006, Mr. Shum Ho, Neo has pledged his property to secure a short term bank loan of the Group to the extent of HK\$22,500,000 (2005: HK\$22,500,000). The facilities were not utilised by the Group at December 31, 2006. The facilities utilised by the Group at December 31, 2005 amounted to HK\$6,800,000.

Shum Siu Hung is a director of and has a beneficial interest and significant control in Gold Decade.

39. 退休福利計劃

本集團為其於香港之全體合資格僱員提供強制性公積金計劃。強積金計劃之資產與本集團資產分開持有，由信託人以基金形式控制。本集團每月按僱員有關薪金收入的5%作為強積金供款。而僱員則作出相同數額之供款。

本集團於中國附屬公司之僱員參加中國政府中央管理之退休金計劃。該等附屬公司按要求向退休金計劃以僱員收入的固定比例供款。本集團對退休金計劃的唯一責任是作指定供款。

40. 關連人士交易

年內，本集團與關連人士進行下列交易：

於2006年12月31日，岑浩抵押其物業，使本集團獲得22,500,000港元(2005：22,500,000港元)之短期銀行借款。於2006年12月31日，本集團並未動用該銀行借款。於2005年12月31日，本集團已動用該銀行借款約6,800,000港元。

岑少雄是金紀元之董事，亦擁有金紀元之實際權益及主要控制權。

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

40. RELATED PARTY TRANSACTIONS (Continued)

Shum Ho, Neo is the son of Shum Siu Hung and Tong Shiu Ming.

On October 31, 2000, Sound Industrial, a wholly-owned subsidiary of the Company entered into an agreement with Gold Decade. Pursuant to the agreement, Gold Decade has granted to Sound Industrial an exclusive sub-licence to use the trademarks of “華寶” and “HUABAO” (the “Trademarks”), well-known brand names for electrical appliance in the PRC, on all the electronic products manufactured and sold by the Group for an initial term of one year. A royalty fee of 1.5% of the net sale proceeds of the Group’s products sold under the Trademarks shall be payable as sub-licence fee subject to a maximum annual payment of HK\$8,000,000 and a minimum annual payment of HK\$10,000. On October 30, 2001, the agreement was renewed for one year to October 30, 2002 at a fixed royalty fee of HK\$1. On October 31, 2002, the agreement was renewed for another two years to October 31, 2004 with the same terms. On October 31, 2004, the agreement was renewed for another two years to October 31, 2006 with the same terms. On December 31, 2005, Sound Industrial entered into a termination agreement with Gold Decade, pursuant to which the agreement renewed on October 31, 2004 was early terminated on December 31, 2005.

On May 16, 2004, Sound Management, entered into an office tenancy agreement with Shum Ho, Neo for the use of office premises provided by Shum Ho, Neo located on 20th Floor, Times Tower 393 Jaffe Road, Wanchai, Hong Kong at HK\$38,000 per calendar month for a period of one year commencing May 16, 2004. On May 16, 2005, the agreement was renewed for one year to May 15, 2006 with the same terms. On May 16, 2006, the agreement was renewed for one year to May 15, 2007 with the same terms.

40. 關連人士交易 (續)

岑浩乃岑少雄及唐小明之子。

於2000年10月31日，本公司之全資附屬公司新海實業與金紀元訂立協議。根據協議，金紀元向新海實業授予使用中國電器業著名商標「華寶」及「HUABAO」（「該等商標」）之獨家分特許權，許可本集團生產及出售之所有電子產品使用該等商標，年期初步定為一年。出售冠以該等商標產品所得銷售淨款項之1.5%作為分特許權費，惟該費用之上限為每年8,000,000港元，而下限則為10,000港元。於2001年10月30日，該協議以1港元固定分特許權費續期一年至2002年10月30日。於2002年10月31日，該協議按相同條款另續期兩年至2004年10月31日。於2004年10月31日，該協議按相同條款另續期兩年至2006年10月31日。於2005年12月31日，新海實業與金紀元訂立一份終止協議。據此，在2004年10月31日續期之協議於2005年12月31日提前終止。

於2004年5月16日，新海管理與岑浩訂立辦公室租約，以月租38,000港元租用岑浩位於香港灣仔謝斐道393號新時代中心20樓之辦公室物業。租期期於2004年5月16日起計，為期1年。於2005年5月16日，該租約按相應條款續期至2006年5月15日。於2006年5月16日，該租約按相應條款續期至2007年5月15日。

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

40. RELATED PARTY TRANSACTIONS (Continued)

Save as disclosed above and note 27, there were no other significant transactions with related parties during the year or significant balances with them at the end of the year.

Compensation of key management personnel

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

	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Short-term benefits	5,347	2,695
Post-employment benefits	60	70
Share-based payments	3,264	—
	8,671	2,765

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

41. POST BALANCE SHEET EVENTS

On August 8, 2006, the Company's indirect wholly-owned subsidiary Shenzhen Baorun entered into an agreement with third parties independent to the Group for the acquisition of the entire interest in 南雄 for a cash consideration of approximately HK\$16,045,000. The proposed acquisition was completed in January 2007, thus the financial statements of 南雄 were not consolidated into the Group's consolidated financial statements for the year ended December 31, 2006. The Company has commenced considering the fair value of the net assets acquired in this transaction but is not yet in a position to disclose the finalised financial information of the acquisition completed in January 2007.

40. 關連人士交易(續)

除以上及於附註27所披露外，期內與關連人士並無重大交易，或於期終時亦未有與彼等相關之重大結餘。

主要管理人員之報酬

本年度執行董事及其他主要管理人員之薪酬列明如下：

董事及主要管理人員之薪酬由薪酬委員會根據個人表現及市場趨勢釐定。

41. 結算日後事項

於2006年8月8日，本公司間接擁有之全資附屬公司深圳寶潤與本集團以外的獨立第三者訂立協議，以約16,045,000港元之現金代價收購南雄的全部權益。有關收購於2007年1月完成，因此南雄之財務報表並沒有合併入本集團截至2006年12月31日止年度之綜合財務報表中。本公司開始考慮該交易所獲得之淨資產之公平值，但尚未能披露於2007年1月完成收購之最後財務資料。

Notes to the Consolidated Financial Statements (Con't)

綜合財務報表附註(續)

For the year ended December 31, 2006

截至2006年12月31日止年度

41. POST BALANCE SHEET EVENTS (Continued)

On December 27, 2006 and December 29, 2006, the Company's indirect wholly-owned subsidiary Qingxin NewOcean Transportation Company Limited entered into a subscription agreement and a supplemental agreement respectively ("Subscription Agreement") with third parties independent to the Group, for the acquisition of the 51% equity interest in 廣州市夢華燃氣有限公司(「夢華」) for a total cash consideration of approximately HK\$25,248,000. If the profit after tax of 夢華 for the first year after the acquisition is not less than RMB10,000,000 (approximately HK\$9,901,000), the consideration will be adjusted upwards by an additional payment of RMB10,000,000 (approximately HK\$9,901,000). The proposed acquisition as contemplated under the Subscription Agreement constituted a disclosable transaction for the Company under Chapter 14 of the Listing Rules. The acquisition was not yet completed up to the report approval date. Details of the acquisition were set out in the Company's circular dated January 4, 2007.

41. 結算日後事項(續)

於2006年12月27日及2006年12月29日，本公司間接擁有之全資附屬公司清新縣新海運輸有限公司與本集團以外的獨立第三者分別訂立一份認購協議及認購補充協議(「認購協議」)，以25,248,000港元之現金代價收購廣州市夢華燃氣有限公司(「夢華」)的51%權益。如在收購首年後，夢華的除稅後溢利不少於10,000,000人民幣(約9,901,000港元)，代價將以額外付款10,000,000人民幣(約9,901,000港元)之方式作上調。根據上市規則第14條，認購協議擬下之進行此項收購建議，構成需予披露之交易。該項收購於報告批准日並未完成。有關收購載於本公司2007年1月4日之通函內。