

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2006 二零零六年十二月三十一日

1. CORPORATE INFORMATION

Signal Media and Communications Holdings Limited is a limited liability company incorporated in Cayman Islands. The registered office of the Company is located at Century Yard, Cricket Square, Hutchins Drive, P.O. Box 2681 GT, Zephyr House, Mary Street, George Town, Grand Cayman, British West Indies. The principal place of business of the Company is located at Suites 3604-05, One Exchange Square, 8 Connaught Place, Central, Hong Kong.

During the year, the Company was involved in investment holding and the Group was involved in the provision of public relation services and property investment.

In the opinion of the directors, the parent and the ultimate holding company of the Company is i-cf, Inc., which is incorporated in Japan.

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which also include Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties and certain equity investments, which have been measured at fair value. These financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2006. The results of subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. All significant intercompany transactions and balances within the Group are eliminated on consolidation.

1. 公司資料

烽火傳媒控股有限公司為一間於開曼群島註冊成立之有限公司。本公司之註冊辦事處位於Century Yard, Cricket Square, Hutchins Drive, P.O. Box 2681 GT, Zephyr House, Mary Street, George Town, Grand Cayman, British West Indies，而主要營業地點位於香港中環康樂廣場8號交易廣場1座3604-05室。

年內，本公司涉及投資控股，而本集團涉及提供公共關係服務及物業投資。

董事認為，本公司之母公司及最終控股公司為於日本註冊成立之i-cf, Inc.。

2.1 編製基準

該等財務報表乃根據香港會計師公會頒佈之香港財務報告準則（亦包括香港會計準則及詮釋）、香港公認會計原則及香港公司條例披露規定而編製。除投資物業及若干金融工具乃按公平值計量外，財務報表乃按歷史成本慣例編製。除另有指明外，該等財務報表以港元呈列，而所有金額均調整至最接近千元。

合併基準

綜合財務報表包括本公司及其附屬公司截至二零零六年十二月三十一日止年度之財務報表，並已就可能存在之不一致會計政策作出調整，以使其一致。附屬公司之業績於收購日期（即本集團取得控制權之日）起綜合入賬，並繼續綜合直至有關控制權終止之日為止。本集團之所有重大內部交易及結餘均已於綜合賬目時抵銷。

2.1 BASIS OF PREPARATION (continued)

Basis of consolidation (continued)

The acquisition of a subsidiary during the year has been accounted for using the purchase method of accounting. This method involves allocating the cost of the business combinations to the fair value of the identifiable assets acquired, and liabilities and contingent liabilities assumed at the date of acquisition. The cost of the acquisition is measured at the aggregate of the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

2.2 IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements:

HKAS 21 Amendment	Net Investment in a Foreign Operation
HKAS 39 Amendment	The Fair Value Option
HK(IFRIC)-Int 4	Determining whether an Arrangement contains a Lease

The principal changes in accounting policies are as follows:

- (a) HKAS 21 *The Effects of Changes in Foreign Exchange Rates*

Upon the adoption of the HKAS 21 Amendment regarding a net investment in a foreign operation, all exchange differences arising from a monetary item that forms part of the Group's net investment in a foreign operation are recognised in a separate component of equity in the consolidated financial statements irrespective of the currency in which the monetary item is denominated. This change has had no material impact on these financial statements as at 31 December 2006 or 31 December 2005.

2.1 編製基準(續)

合併基準(續)

年內收購一家附屬公司乃採用購買法入賬。此方法涉及分配業務合併成本至所收購資產之公平值，以及於收購日期承擔之負債及或然負債。收購成本按已知資產之公平值、於交換日已發行股本工具及已產生或承擔之負債，加收購應佔直接成本之總額計量。

2.2 新制訂及經修訂香港財務報告準則之影響

本集團已於本年度之財務報表中，首次採納下列新制訂及經修訂之香港財務報告準則。

香港會計準則第21號(修訂)	於外國業務之投資淨額
香港會計準則第39號(修訂)	選擇以公平值入賬
香港(國際財務報告準則詮釋委員會)一詮釋4	釐訂安排是否包括租賃

主要會計政策變動如下：

- (a) 香港會計準則第21號 *匯率變動之影響*

於採納有關境外業務投資淨額之香港會計準則第21號(修訂)後，所有源自本集團境外業務之投資淨額內貨幣項目之外匯差額，於綜合財務報表被確認為獨立之權益部分，不論該貨幣項目以何種貨幣列值。該項改變並未對二零零六年十二月三十一日及二零零五年十二月三十一日之財務報表構成重大影響。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2006 二零零六年十二月三十一日

2.2 IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (continued)

- (b) HKAS 39 *Financial Instruments: Recognition and Measurement*

Amendment for the fair value option

This amendment has changed the definition of a financial instrument classified as fair value through profit or loss and has restricted the use of the option to designate any financial asset or any financial liability to be measured at fair value through the income statement. The Group had not previously used this option, and hence the amendment has had no effect on the financial statements.

- (c) HK(IFRIC)-Int 4 *Determining whether an Arrangement contains a Lease*

The Group has adopted this interpretation as of 1 January 2006, which provides guidance in determining whether arrangements contain a lease to which lease accounting must be applied. The Group has determined based on this interpretation that certain arrangements of the Group contained leases and accordingly, the Group has treated them in accordance with HKAS 17 *Leases*. However, the adoption of this interpretation has had no material impact on these financial statements.

2.3 IMPACT OF ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The HKICPA has issued a number of new and revised HKFRSs that are not mandatory for these financial statements. The Group has not early applied these HKFRSs in these financial statements. The following new and revised HKFRSs, although not early adopted by the Group, will have impact on the Group's financial statements in the period of initial application.

2.2 新制訂及經修訂香港財務報告準則之影響

- (b) 香港會計準則第39號 金融工具：確認及計量

有關選擇以公平值入賬之修訂

該修訂改變了按公平值列入損益賬之金融工具之定義，對於公司指定任何財務資產或任何財務負債以公平值在損益賬列值之選擇權利，作出限制。本集團過去並無使用此項選擇，因此該修訂對財務報表並無影響。

- (c) 香港(國際財務報告準則詮釋委員會)一詮釋4 釐定安排是否包括租賃

本集團於二零零六年一月一日採納該項詮釋，作為決定一項安排是否包含租賃而必須使用租賃會計之指引。本集團根據該項詮釋，釐定倘安排中包含租賃，將按香港會計準則第17號租賃而作出處理。然而，採納該項詮釋並未對該等財務報表產生重大影響。

2.3 已頒佈但未生效香港財務報告準則之影響

香港會計師公會已頒佈若干新制訂及經修訂香港財務報告準則，其並無規定於本財務報表中強制採納。本集團並無在財務報表提早應用此等香港財務報告準則。儘管本集團並無提早採納以下新制訂及經修訂香港財務準則，有關準則於應用初期對本集團之財務報表構成影響。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2006 二零零六年十二月三十一日

2.3 IMPACT OF ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (continued)

HKAS 1 Amendment	Capital Disclosures
HKFRS 7	Financial Instruments: Disclosures
HKFRS 8	Operating Segments
HK(IFRIC)-Int 7	Applying the Restatement Approach under HKAS 29 <i>Financial Reporting in Hyperinflationary Economies</i>
HK(IFRIC)-Int 8	Scope of HKFRS 2
HK(IFRIC)-Int 9	Reassessment of Embedded Derivatives
HK(IFRIC)-Int 10	Interim Financial Reporting and Impairment
HK(IFRIC)-Int 11	HKFRS 2 – Group and Treasury Share Transactions
HK(IFRIC)-Int 12	Service Concession Arrangements

The HKAS 1 Amendment shall be applied for annual periods beginning on or after 1 January 2007. The revised standard will affect the disclosures about qualitative information about the Group's objective, policies and processes for managing capital; quantitative data about what the Company regards as capital; and compliance with any capital requirements and the consequences of any non-compliance.

2.3 已頒佈但未生效香港財務報告準則之影響(續)

香港會計準則第1號 (修訂)	資本披露
香港財務報告準則 第7號	金融工具：披露
香港財務報告準則 第8號	經營分類
香港(國際財務報告 準則詮釋委員會) — 詮釋7	應用香港會計準則 第29號嚴重通脹 經濟中之財務報 告之重列方法
香港(國際財務報告 準則詮釋委員會) — 詮釋8	香港財務報告準則 第2號之範圍
香港(國際財務報告 準則詮釋委員會) — 詮釋9	重估內嵌式衍生 工具
香港(國際財務報告 準則詮釋委員會) — 詮釋10	中期財務報告與 減值
香港(國際財務報告 準則詮釋委員會) — 詮釋11	香港財務報告準則 第2號—集團及 庫存股份交易
香港(國際財務報告 準則詮釋委員會) — 詮釋12	服務經營權安排

香港會計準則第1號(修訂)適用於二零零七年一月一日或該日後開始之年度。經修訂準則將影響下列各項之披露：有關本集團管理資本之目標、政策及程序等非量化資料；有關本公司視何者為資本之量化數據；對任何資本要求之遵行情形、以及任何不合規情況之後果。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2006 二零零六年十二月三十一日

2.3 IMPACT OF ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (continued)

HKFRS 7 shall be applied for annual periods beginning on or after 1 January 2007. The standard requires disclosures that enable users of the financial statements to evaluate the significance of the Group's financial instruments and the nature and extent of risks arising from those financial instruments and also incorporates many of the disclosure requirements of HKAS 32.

HKFRS 8 shall be applied for annual periods beginning on or after 1 January 2009. The standard requires the disclosure of information about the operating segments of the Group, the products and services provided by the segments, the geographical areas in which the Group operates, and revenues from the Group's major customers. This standard will supersede HKAS 14 "Segment Reporting".

HK(IFRIC)-Int 7, HK(IFRIC)-Int 8, HK(IFRIC)-Int 9, HK(IFRIC)-Int 10, HK(IFRIC)-Int 11 and HK(IFRIC)-Int 12 shall be applied for annual periods beginning on or after 1 March 2006, 1 May 2006, 1 June 2006, 1 November 2006, 1 March 2007 and 1 January 2008, respectively.

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. So far, it has concluded that while the adoption of the HKAS 1 Amendment and HKFRS 7 may result in new or amended disclosures, these new and revised HKFRSs are unlikely to have a significant impact on the Group's results of operations and financial position.

2.3 已頒佈但未生效香港財務報告準則之影響(續)

香港財務報告準則第7號將於二零零七年一月一日或之後開始之年度期間應用。該準則要求作出披露，使財務報表讀者能評估本集團金融工具之重要性，以及該等金融工具所產生風險之性質及範圍，同時包含香港會計準則第32號中多項披露要求。

香港財務報告準則第8號將於二零零九年一月一日或之後開始之年度期間應用。準則列出披露有關本集團經營分部、該分部提供之產品及服務、本集團經營所在地區及來自本集團主要客戶之收益之資料披露。此會計準則取代香港財務報告準則第14號「分類報告」。

香港(國際財務報告準則詮釋委員會)一詮釋7、香港(國際財務報告準則詮釋委員會)一詮釋8、香港(國際財務報告準則詮釋委員會)一詮釋9、香港(國際財務報告準則詮釋委員會)一詮釋10、香港(國際財務報告準則詮釋委員會)一詮釋11及香港(國際財務報告準則詮釋委員會)一詮釋12將分別於二零零六年三月一日、二零零六年五月一日、二零零六年六月一日、二零零六年十一月一日、二零零七年三月一日及二零零八年一月一日或以後開始之年度期間應用。

本集團正在評估該等新增及經修訂之香港財務報告準則對初始應用之影響，至今所得結論認為，雖然採納香港會計準則第1號修訂及香港財務報告準則第7號可能導致新增或經修訂之披露，但該等新增及經修訂之香港財務報告準則應不會對本集團之經營業績和財政狀況造成重大影響。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Subsidiaries

A subsidiary is an entity whose financial and operating policies the Company controls, directly or indirectly, so as to obtain benefits from its activities.

The results of subsidiaries are included in the Company's income statement to the extent of dividends received and receivable. The Company's interests in subsidiaries are stated at cost less any impairment losses.

Goodwill

Goodwill arising on the acquisition of a subsidiary represents the excess of the cost of the business combination over the Group's interest in the net fair value of the acquiree's identifiable assets acquired, and liabilities and contingent liabilities assumed as at the date of acquisition.

Goodwill arising on acquisition is recognised in the consolidated balance sheet as an asset, initially measured at cost and subsequently at cost less any accumulated impairment losses.

The carrying amount of goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units. Each unit or group of units to which the goodwill is so allocated:

- represents the lowest level within the Group at which the goodwill is monitored for internal management purposes; and
- is not larger than a segment based on either the Group's primary or the Group's secondary reporting format determined in accordance with HKAS 14 Segment Reporting.

2.4 重大會計政策概要

附屬公司

附屬公司乃指本公司直接或間接控制其財務及營運政策，以其活動中獲得利益之實體。

附屬公司之業績，由本公司按有關之已收及應收股息於收益表中列賬。本公司於附屬公司之權益按成本減任何減值虧損列賬。

商譽

收購一家附屬公司產生之商譽乃指業務合併成本高於本集團於收購日應佔被收購公司之所收購可識別資產及所承擔負債及或然負債公平淨值之權益之差額。

收購產生之商譽初步按成本於綜合資產負債表內確認為資產入賬，其後按成本減任何累計減值虧損列賬。

商譽之賬面值每年進行減值檢討一次，或倘有事件或情況變動顯示賬面值可能減值，則須進行更頻繁之檢討。

為進行減值測試，業務合併中取得之商譽應當於收購日分攤至本集團預計能自業務合併之協同效應中受益之每一現金產生單位或現金產生單位組合，而不論本集團之其他資產或負債是否分攤至該等單位或單位組合。分配商譽之每一單位或單位組合應當：

- 就內部管理而言，乃本集團監管商譽之最基層；及
- 不會大於以根據香港會計準則第14號「分類報告」釐定之本集團主要或本集團次要報告格式為基準之分類。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2006 二零零六年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Goodwill (continued)

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised.

Where goodwill forms part of a cash-generating unit (group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

An impairment loss recognised for goodwill is not reversed in a subsequent period.

Impairment of non-financial assets other than goodwill

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than deferred tax assets, financial assets, investment properties and goodwill), the asset's recoverable amount is estimated. An asset's recoverable amount is calculated as the higher of the asset's or cash-generating unit's value in use and its fair value less costs to sell, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the income statement in the period in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

2.4 重大會計政策概要(續)

商譽(續)

減值乃透過評估現金產生單位(現金產生單位組別)與商譽有關之可收回金額而釐定。倘現金產生單位(現金產生單位組別)之可收回金額低於賬面值，則確認減值虧損。

倘商譽構成現金產生單位(現金產生單位組別)之部份，而該單位之部份業務被出售，與被出售業務有關之商譽會於釐定出售業務收益或虧損時計入業務之賬面值內。在此情況下出售之商譽按所出售業務及所保留之現金產生單位之相對價值計量。

就商譽確認之減值虧損於其後之期間不會撥回。

非金融資產(商譽除外)減值

倘出現減值跡象或需對一項資產(遞延稅項資產、金融資產、投資物業及商譽除外)進行年度減值測試時，則需估計該資產之可收回金額。一項資產之可收回金額乃按資產或現金產生單位之使用價值及其公平值減出售成本兩者之中之較高者計算，並就個別資產確定，惟該項資產未能獨立於其他資產或資產組別而產生現金流入，在此情況下，需確定該資產所屬現金產生單位之可收回金額。

減值虧損僅在資產之賬面值超過其可收回金額時確認。於評估使用價值時，本集團會使用可反映目前市場對貨幣時間價值之評估及該資產特定風險評估之稅前折現率，將估計日後現金流量折現至現值。減值虧損在產生期間於收益表扣除，惟倘若資產以重估金額列賬，則減值虧損根據該重估資產之有關會計政策處理。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of non-financial assets other than goodwill (continued)

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, however not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation), had no impairment loss been recognised for the asset in prior years. A reversal of such impairment loss is credited to the income statement in the period in which it arises, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

Related parties

A party is considered to be related to the Group if:

- (a) the party, directly or indirectly through one or more intermediaries, (i) controls, is controlled by, or is under common control with, the Group; (ii) has an interest in the Group that gives it significant influence over the Group; or (iii) has joint control over the Group;
- (b) the party is a member of the key management personnel of the Group or its parent;
- (c) the party is a close member of the family of any individual referred to in (a) or (b);
- (d) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (b) or (c); or
- (e) the party is a post-employment benefit plan for the benefit of the employees of the Group, or of any entity that is a related party of the Group.

2.4 重大會計政策概要(續)

非金融資產(商譽除外)減值(續)

於每個報告日均會評估是否有任何跡象顯示以往確認之減值虧損不再存在或已減少。如有任何此等跡象，則估計可收回金額。於先前確認之資產(商譽及若干金融資產除外)之減值虧損僅在用以釐定該項資產之可收回金額之估計有變動時撥回，但撥回金額不得高於若以往年度並無為該資產確認減值虧損而應確定之賬面值(已扣除任何折舊/攤銷)。撥回之減值虧損於其產生期間計入收益表，惟倘若資產以重估金額列賬，則撥回減值虧損根據該重估資產之有關會計政策處理。

關連人士

在下列情況下，以下人士將被視作本集團之關連人士：

- (a) 直接或間接透過一位或多位中間人(i)控制本集團、被本集團控制或與本集團受共同控制；(ii)於本集團擁有權益，可對本集團行使重大影響力；或(iii)對本集團有共同控制權；
- (b) 本集團或其母公司之主要管理層成員；
- (c) 上文(a)或(b)項所述任何個人之直系親屬；
- (d) 為(b)或(c)項所述任何人士直接或間接控制、共同控制或有重大影響力或擁有其重大表決權之實體；或
- (e) 為本集團或屬本集團有關連人士之實體之僱員離職後之福利計劃。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2006 二零零六年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost or valuation less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the income statement in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment, and where the cost of the item can be measured reliably, the expenditure is capitalised as an additional cost of that asset or as a replacement.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows

Buildings	20 years or the prepaid land lease term, if shorter
Leasehold improvements	20%
Plant and machinery	10%
Furniture and fixtures	20%
Motor vehicles	10%
Office equipment	20%

Where parts of an item of property, plant and equipment have different useful lives, the cost or valuation of that item is allocated on a reasonable basis among the parts and each part is depreciated separately.

2.4 重大會計政策概要(續)

物業、機器及設備及折舊

物業、廠房及設備以成本或估值減累計折舊及任何減值虧損列賬。一項物業、廠房及設備之成本包括其購入價及將該資產達至其預定用途之營運狀態及工作地點涉及之任何直接應佔成本。物業、廠房及設備項目運作後產生之開支，包括維修及保養，一般在其產生之期間在收益表中扣除。倘若可清楚顯示有關開支導致使用該項物業、廠房及設備預計可取得之未來經濟效益有所增加，且該項目之成本可以可靠計量，則有關開支予以資本化，作為該資產之額外成本或重置。

折舊以直線法於其預計可使用年期內，將各物業、廠房及設備項目之成本撇銷至其剩餘價值。就該用途採用之主要年率如下：

樓宇	20年或預付土地租金(以較短者為準)
租賃物業裝修	20%
廠房及機器	10%
傢俬及裝置	20%
汽車	10%
辦公室設備	20%

當一項物業、廠房及設備之各部份有著不同之可使用年期，該項目之成本或估值將按合理之基準分配至多個部份，而各部份將作個別折舊。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment and depreciation (continued)

Residual values, useful lives and depreciation method are reviewed, and adjusted if appropriate, at each balance sheet date.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the income statement in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Investment properties

Investment properties are interests in land and buildings (including the leasehold interest under an operating lease for a property which would otherwise meet the definition of an investment property) held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the balance sheet date.

Gains or losses arising from changes in the fair values of investment properties are included in the income statement in the year in which they arise.

Any gains or losses on the retirement or disposal of an investment property are recognised in the income statement in the year of the retirement or disposal.

2.4 重大會計政策概要(續)

物業、機器及設備及折舊(續)

剩餘價值、可使用年期及折舊方法將於各結算日審閱，並於適當時調整。

當一項物業、廠房及設備被出售或不能因使用或出售而帶來未來經濟收益時，將終止確認其價值。出售或報廢所產生之損益按有關資產之出售所得款項淨額與賬面值之差額於終止確認資產當年在收益表中確認。

投資物業

投資物業為就賺取租金收入及／或資本增值而持有之土地及樓宇(包括可能符合投資物業之定義而根據物業經營租約之租賃物業)之權益，而非用作生產或供應貨物或服務或用作行政用途、或就於日常業務過程中進行銷售而持有之土地及樓宇權益。該等物業最初以成本(包括交易成本)計量。於首次確認後，投資物業以反映結算日市況之公平值列賬。

投資物業公平值變動所產生之收益或虧損，於其產生年度計入收益表內。

棄用或出售投資物業之任何收益或虧損，於棄用或出售年度在收益表確認。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2006 二零零六年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible assets (other than goodwill)

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each balance sheet date.

Knowhow and licences

Purchased knowhow and licences are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives of 10 years.

Operating leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to the income statement on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under the operating leases are charged to the income statement on the straight-line basis over the lease terms.

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms.

2.4 重大會計政策概要(續)

無形資產(商譽除外)

無形資產之可使用年期乃評估為有限或無限。具有有限年期之無形資產按可使用經濟年期攤銷，並於該無形資產出現減值跡象時作評估減值。具有有限可使用年期之無形資產之攤銷年期及攤銷方法須至少於每個結算日作檢核。

知識及許可證

已購買之知識及許可證乃按成本減累計攤銷入賬，並以直線法按期可使用年期10年攤銷。

經營租賃

資產擁有權之絕大部份回報及風險由出租人承受之租賃，皆作經營租賃記賬。倘本集團為出租人，本集團根據經營租賃租出之資產乃列為非流動資產，而根據經營租賃應收之租金乃以直線法於租賃年期內計入收益表中。倘本集團為承租人，根據經營租賃須支付之租金在扣除收取出租人之任何獎勵後，乃以直線法於租賃年期內在收益表中扣除。

經營土地租金之預付租賃付款初步按成本列賬，其後於租賃年期內按直線法確認。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets

Financial assets in the scope of HKAS 39 are classified as loans and receivables, and available-for-sale financial assets, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Group considers whether a contract contains an embedded derivative when the Group first becomes a party to it. The embedded derivatives are separated from the host contract which is not measured at fair value through profit or loss when the analysis shows that the economic characteristics and risks of embedded derivatives are not closely related to those of the host contract.

The Group determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at the balance sheet date.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are subsequently carried at amortised cost using the effective interest method. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognised in the income statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

2.4 重大會計政策概要(續)

投資及其他金融資產

香港會計準則第39號範圍內之金融資產可以適當地分類為按公平值計入損益之貸款及應收款項以及可供銷售金融資產。金融資產初步按公平值確認，如屬並非按公平值計入損益之投資，則另加直接應佔交易成本。於首次成為合約訂約方時，本集團會考慮一份合約是否包含附帶衍生工具。附帶衍生工具與主合約分開，而若有分析顯示附帶衍生工具之經濟特點及風險與主合約者並非關係密切，則主合約並非按公平值計入損益。

本集團於初步確認後釐定金融資產分類，並於許可及適當情況下，於結算日重新評估該分類。

循正常途徑買入及出售之所有金融資產於交易日(即本集團承諾購買或出售資產之日)確認。循正常途徑買入或出售指須於規例或市場慣例一般設定之期間內交付資產之金融資產買入或出售。

貸款及應收款項

貸款及應收款項乃並無活躍市場報價之定額或待付之非衍生金融資產。該等資產其後以實際利息法按已攤銷成本列賬。計算已攤銷成本時會計及任何收購折價或溢價，且包括為實際利率及交易成本之組成部分之費用。有關收益及虧損均於貸款及應收款項解除確認或減值時及於攤銷過程中在收益表確認。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2006 二零零六年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets in listed and unlisted equity securities that are designated as available for sale or are not classified in the another category. After initial recognition, available-for-sale financial assets are measured at fair value, with gains or losses recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the income statement.

When the fair value of unlisted equity securities cannot be reliably measured because (a) the variability in the range of reasonable fair value estimates is significant for that investment or (b) the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value, such securities are stated at cost less any impairment losses.

Fair value

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business at the balance sheet date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument which is substantially the same; a discounted cash flow analysis; and other valuation models.

2.4 重大會計政策概要(續)

投資及其他金融資產(續)

可供銷售金融資產

可供銷售金融資產為被指定為可供銷售之上市及非上市股本證券之非衍生金融資產，或並非分類為另一類別之金融資產。於初步確認後，可供銷售金融資產以公平值計量，而盈虧則確認作權益之獨立部分，直至該項投資解除確認或被釐定出現減值為止，此時，過往在權益中呈報之累計盈虧則計入收益表中。

當非上市股本證券之公平值由於(a)合理公平值估計範圍之變動相對該項投資而言實屬重大，或(b)上述範圍內之各種估價之概率未能合理評估及用以估算公平值，而未能可靠計量時，該等證券將按成本扣除任何減值虧損列賬。

公平值

對於在管理有序之金融市場中交投活躍之投資，其公平值乃參考結算日營業時間結束時市場之買入報價釐定。就並無形成活躍市場之投資而言，其公平值乃運用估價方法釐定。該等估價方法包括利用近期之公平市場交易；參照其他大致相同之工具之現行市價；以及折現現金流量分析及其他估值模式。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets

The Group assesses at each balance sheet date whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

Assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through the use of an allowance account. The amount of the impairment loss is recognised in the income statement.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in the income statement, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

2.4 重大會計政策概要(續)

金融資產減值

本集團於每個結算日評估金融資產或一組金融資產有否出現任何減值之客觀跡象。

按已攤銷成本列賬之資產

如有客觀證據顯示按已攤銷成本列賬之貸款及應收款項出現減值虧損，則虧損金額按該資產賬面值與以其初始實際利率(即首次確認時計算之實際利率)貼現之估計未來現金流量(不包括尚未產生之未來信貸虧損)現值之差額計算。該資產之賬面值會直接減少或通過使用備抵賬戶而減少。減值虧損金額於收益表確認。

本集團首先對個別重要之金融資產是否存在減值之客觀證據進行單項評估，以及對個別並不重要之金融資產是否存在減值之客觀證據進行單項或整體評估。如確定並無客觀證據顯示經個別評估之金融資產出現減值，則不論資產屬重大與否，均列入信貸風險特性相若之一組金融資產內，並進行整體減值評估。經個別評定減值及已經或繼續確認減值虧損之資產，均不作整體減值評估。

如其後減值虧損金額減少，且此減少客觀上與確認減值以後發生之事項有關，則以往確認之減值虧損將會撥回。其後撥回之任何減值虧損均於收益表內確認，但是有關資產之賬面值不得超過撥回當日之已攤銷成本。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2006 二零零六年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

Assets carried at amortised cost (continued)

In relation to trade receivable, a provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Group will not be able to collect all of the amounts due under the original terms of an invoice. The carrying amount of the receivables is reduced through the use of an allowance account. Impaired debts are derecognised when they are assessed as uncollectible.

Available-for-sale financial assets

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the income statement, is transferred from equity to the income statement. Impairment losses on equity instruments classified as available for sale are not reversed through the income statement.

Assets carried at cost

If there is objective evidence that an impairment loss on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Impairment losses on these assets are not reversed.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- the rights to receive cash flows from the asset have expired;

2.4 重大會計政策概要(續)

金融資產減值(續)

按已攤銷成本列賬之資產(續)

就應收賬項而言，若出現客觀證據(如債務人可能資不抵債或者出現嚴重財務困難)顯示本集團將無法按發票之原定條款收回所有到期款項，本集團會作出減值準備。應收款項之賬面值會通過使用備抵賬戶而減少。減值債務一經評估為無法收回時即會取消確認。

可供銷售金融資產

如可供銷售資產出現減值，其成本值(扣除任何本金付款及攤銷)與其現時公平值之差額，在扣減以往在收益表中確認之任何減值虧損後會由權益轉撥至收益表。分類作可供銷售之股本工具之減值虧損不會透過收益表撥回。

按成本列賬之資產

若有客觀證據顯示按公平值列賬之非報價股本工具之減值虧損因其公平值而不能可靠計量，則虧損金額會按該資產賬面值與以同類金融資產當時之市場回報率貼現之估計未來現金流量現值之差額計量。此等資產之減值虧損不予撥回。

解除確認金融資產

金融資產(或如適用，一項金融資產之一部分或一組同類金融資產之一部分)在下列情況下將解除確認：

- 收取該項資產所得現金流量之權利經已屆滿；

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Derecognition of financial assets (continued)

- the Group retains the rights to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial liabilities at amortised cost (including interest-bearing loans and borrowings)

Financial liabilities including trade payables, other payables and interest-bearing loans and borrowings are initially stated at fair value less directly attributable transaction costs and are subsequently measured at amortised cost, using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the amortisation process.

2.4 重大會計政策概要(續)

解除確認金融資產(續)

- 本集團保留收取該項資產所得現金流量之權利，但已根據一項「過手」安排承擔責任，在無重大延誤之情況下，將有關現金流量全數付予第三方；或
- 本集團已轉讓其收取該項資產所得現金流量之權利，並(a)已轉讓該項資產之絕大部分風險及回報；或(b)並無轉讓或保留該項資產絕大部分風險及回報，但已轉讓該項資產之控制權。

如本集團已轉讓其收取該項資產所得現金流量之權利，但並無轉讓或保留該項資產之絕大部分風險及回報，且並無轉讓該項資產之控制權，該項資產將確認入賬，條件為本集團須持續涉及該項資產。就對已轉讓資產作出保證之形式之持續涉及，是以該項資產之原賬面值及本集團或須償還之代價數額上限(以較低者為準)計量。

按已攤銷成本列賬之金融負債(包括計息貸款及借貸)

金融負債包括貿易應付款項、其他應付款項以及計息貸款及借貸，首先按公平值減直接應佔之交易成本列賬，其後利用實際利息法按已攤銷成本計量，惟倘折現之影響不重要，則按成本列賬。

當負債解除確認及於攤銷之過程中，相關盈虧於收益表確認。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2006 二零零六年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Convertible bonds

The component of convertible bonds that exhibits characteristics of a liability is recognised as a liability in the balance sheet, net of transaction costs. On issuance of convertible bonds, the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond; and this amount is carried as a long term liability on the amortised cost basis until extinguished on conversion or redemption. The remainder of the proceeds is allocated to the conversion option that is recognised and included in shareholders' equity, net of transaction costs. The carrying amount of the conversion option is not remeasured in subsequent years. Transaction costs are apportioned between the liability and equity components of the convertible bonds based on the allocation of proceeds to the liability and equity components when the instruments are first recognised.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the income statement.

Cash and cash equivalents

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

2.4 重大會計政策概要(續)

可換股債券

具有負債特點之可換股債券部分會於資產負債表確認為負債，當中扣除交易成本。於發行可換股債券時，負債部分之公平值以同等不可換股債券之市場利率釐定，而此金額會按已攤銷成本入賬列為長期負債，直至轉換或贖回為止。餘下所得款項會分配至換股權，而換股權會於扣除交易成本後在股東權益確認及計入。換股權之賬面值不會於往後年度重新計量。交易成本會於可換股債券之負債與權益部分之間按所得款項於首次確認工具時在負債與權部分之分配額分配。

解除確認金融負債

當債項下之義務已被解除、取消或期滿，則解除確認金融負債。

如一項現有金融負債被來自同一貸款方且大部分條款均有差別之另一項金融負債所取代，或現有負債之條款被大幅修改，此種置換或修改作解除確認原有負債並確認新負債處理，而兩者之賬面值差額於收益表確認。

現金及現金等值項目

就編製綜合現金流動表而言，現金及現金等值項目包括手頭現金、活期存款及可隨時轉換為已知數額現金並於購入後一般在三個月內到期，且沒有重大價值變動風險之短期及高度流通投資，再扣除在催繳時須償還及構成本集團現金管理一個完整部份之銀行透支。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and cash equivalents (continued)

For the purpose of the consolidated balance sheet, cash and cash equivalents comprise cash on hand and at banks, including term deposits, which are not restricted as to use.

Income tax

Income tax comprises current and deferred tax. Income tax is recognised in the income statement, or in equity if it relates to items that are recognised in the same or a different period directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities.

Deferred tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of an asset or liability and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with interests in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2.4 重大會計政策概要(續)

現金及現金等值項目(續)

就編製資產負債表而言，現金及銀行結餘及定期存款指用途不受限制之資產。

所得稅

所得稅包括即期及遞延稅項。所得稅於收益表確認，或若與於相同或不同期間直接在權益確認之項目有關，則在權益確認。

於目前及過往期間之即期稅項資產及負債，按預期自稅務當局退回或付予稅務當局之金額計量。

遞延稅項採用負債法就於結算日資產及負債之稅基與兩者用作財務報告之賬面值之間之各項暫時差額計提準備。

所有應課稅暫時差額均被確認為遞延稅項負債，惟：

- 產生自初次確認資產或負債以及於交易時不影響會計盈利或應課稅盈利或虧損之遞延稅項負債除外；及
- 有關於附屬公司之權益之應課稅暫時差額，如撥回該等暫時差額之時間可以控制及暫時差額於可預見將來可能不會撥回之情況除外。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2006 二零零六年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax (continued)

Deferred tax assets are recognised for all deductible temporary differences, carryforward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with interests in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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 profit will be available to allow all or part of the deferred tax asset to be utilised. Conversely, previously unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.4 重大會計政策概要(續)

所得稅(續)

所有可扣稅暫時差額、未動用稅項抵扣及未動用稅項虧損之結轉均被確認為遞延稅項資產，但是只限於將可能以應課稅溢利抵扣可扣稅暫時差額，及可動用結轉之未動用稅項抵免及未動用稅項虧損之情況，惟：

- 初次確認資產或負債產生之可扣稅暫時差額之遞延稅項資產，並不會於交易時對會計盈利或應課稅盈利或虧損構成影響之情況除外；及
- 就與附屬公司之權益之投資有關之可扣減暫時性差額而言，遞延稅項資產僅會於暫時性差額相當可能於可見將來將會可能回轉及應課稅溢利可用於抵銷暫時性差額時確認。

遞延稅項資產之賬面值會於每個結算日覆核，倘不再可能有足夠應課稅溢利可用於抵免全部或部份遞延稅項資產，則會予以扣減。反之，倘可能有足夠之應課稅溢利可用於抵免全部或部份遞延稅項資產，則過往未確認之遞延稅項資產會於每個結算日進行重估及予以確認。

遞延稅項資產及負債乃根據於結算日已頒佈或實際施行之稅率(及稅法)，按預期於資產獲變現或負債償還期間適用之稅率計算。

遞延稅項資產及遞延稅項負債可在現行稅項資產及負債有合法權利可予抵銷，以及遞延稅項乃關乎同一應課稅實體及同一稅務機關之情況下，方可互相抵銷。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- (a) financial public relation service income, when services have been rendered;
- (b) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;
- (c) rental income, on a time proportion basis over the lease terms; and
- (d) interest income, on an accrual basis using the effective interest method by applying the rate that discounts the estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

Employee benefits

Share-based payment transactions

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using an appropriate pricing model further details of which were given in note 28 to the financial statements. In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company ("market conditions"), if applicable.

2.4 重大會計政策概要(續)

收入確認

倘收入會為本集團帶來經濟利益並能作出可靠計算，方會按下列基準予以確認：

- (a) 財經公共關係服務收入乃於提供服務時入賬；
- (b) 就貨品之銷售而言，在與所有權有關之主要風險及報酬轉予買家後，且本集團對該等售出之貨品已無參與所有權相關之管理或實際控制權時入賬；
- (c) 租金收入乃按租賃期時間比例基準；及
- (d) 利息收入以應計方式按金融工具之估計年期用實際利率將未來估計之現金收入貼現計算金融資產之賬面淨值計算。

僱員福利

以股份為基礎之付款交易

本公司設立購股權計劃向對本集團業務成績有所貢獻之合資格參與者提供激勵及獎賞。本集團之僱員(包括董事)會以股份為基礎之付款交易方式收取酬金，而僱員會提供服務，作為收取股本工具之代價(「股本結算交易」)。

與僱員進行股本結算交易之成本乃按授出當日之公平值計算。公平值乃由一名外聘估值師使用適用之定價模式釐定，其有關詳情載於財務報表附註28。於評估股本結算交易時，不會計及任何表現條件，惟與本公司股價相關之條件(「市況」)除外(如適用)。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2006 二零零六年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Employee benefits (continued)

Share-based payment transactions (continued)

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the “vesting date”). The cumulative expense recognised for equity-settled transactions at each balance sheet date until the vesting date reflects the extent to which the vesting period has expired and the Group’s best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the income statement for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification, which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

2.4 重大會計政策概要(續)

僱員福利(續)

以股份為基礎之付款交易(續)

股本結算交易之成本連同股價之相應升幅會於達到表現及／或服務條件之期間確認，直至相關僱員完全享有該報酬之日(「歸屬日」)為止。於歸屬日前每個結算日就股本結算交易確認之累積開支，反映已屆滿歸屬期為限之開支及本集團對最終將歸屬之股本工具數目之最佳估計。每一期間收益表之扣減或貸記，指該期間開始和結束時已確認之累積開支之變動。

尚未完全歸屬之報酬不會確認開支，倘歸屬之報酬以市況為條件，則該情況下不論是否達到該市況均會視作歸屬處理，惟其他所有表現條件必須達成。

當股本結算報酬之條款修訂時，會確認最少之開支，猶如條款並無修訂一般。此外，因修訂產生之任何以股份為基礎之付款安排之公平值總額之增加或於其他方面對僱員有利之修訂按修訂日之計算確認開支。

當股本結算報酬註銷時，會視作報酬已於註銷當日經已歸屬，而報酬尚未確認之任何開支會即時確認。然而，倘註銷之報酬有任何替代之新報酬，並指定為授出當日之替代報酬，則該項註銷及新報酬會如上段所述被視為原有報酬之修訂般處理。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Employee benefits (continued)

Share-based payment transactions (continued)

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

The Group has adopted the transitional provisions of HKFRS 2 in respect of equity-settled awards and has applied HKFRS 2 only to equity-settled awards granted after 7 November 2002 that had not vested by 1 January 2005 and to those granted on or after 1 January 2005.

Pension schemes

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance, for all of its employees. Contributions are made based on a percentage of the employees' basic salaries and are charged to the income statement as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. The contributions are charged to the income statement as they become payable in accordance with the rules of the central pension scheme.

2.4 重大會計政策概要(續)

僱員福利(續)

以股份為基礎之付款交易(續)

計算每股盈利時，尚未行使購股權之攤薄效應則反映為額外股份攤薄。

本集團已採納香港財務報告準則第2號有關股本支付之購股權之過渡性條文，香港財務報告準則第2號僅應用於二零零二年十一月七日之後授出但於二零零五年一月一日尚未歸屬之股本支付之購股權，以及二零零五年一月一日或之後授出之購股權。

退休金計劃

本集團根據強制性公積金計劃條例實施一項界定供款強制性公積金退休利益計劃(「強積金計劃」)，以供其所有僱員參與。供款按僱員基本薪金之某一百分比提撥，並於根據強積金計劃規定需要支付時自損益賬扣除。強積金計劃資產乃與本集團資產分開，由獨立管理基金持有。根據強積金計劃規定，本集團作出之僱主供款利益全數歸屬於僱員，至於本集團作出之僱主自願性供款則除外，當僱員在供款利益完全歸屬於僱員前離職，供款會退回本集團。

本集團於中國內地運作之附屬公司之僱員均須參加由當地市政府運作之中央退休金計劃。根據中央退休金計劃規定須予供款時於收益表扣除。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2006 二零零六年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based payment transactions

The Company issues warrants and share options for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Participants receive remuneration in the form of share-based payment, whereby they render services as consideration for equity instruments of the Company ("equity-settled transactions").

The cost of equity-settled transactions with the warrant and share option subscribers is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using an appropriate pricing model further detailed in notes 27 and 28 to the financial statements. In valuing equity-settled transactions upon date of grant, no account is taken for any performance conditions, other than conditions linked to the price of the shares of the Company ("market conditions"), if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant warrant and share option subscribers become fully entitled to the award (the "vesting date"). The cumulative amount recognised for equity-settled transactions at each balance sheet date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The recognition for a period represents the movement in the cumulative amount recognised as at the beginning and end of that period.

No amount is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

The dilutive effects of outstanding warrants and share options are reflected as additional share dilution in the computation of earnings per share.

2.4 重大會計政策概要(續)

以股份為基礎之付款交易

本公司發行認股權證及購股權向對本集團業務成績有所貢獻之合資格參與者提供激勵及獎賞。參與者會以股份為基礎之付款方式收取酬金，而彼等會提供服務，作為收取本公司股本工具之代價（「股本結算交易」）。

與認股權證及購股權認購人進行股本結算交易之成本乃按授出當日之公平值計算。公平值乃由一名外聘估值師使用適用之定價模式釐定，其有關詳情載於財務報表附註27及28。於授權日期後評估股本結算交易時，不會計及任何表現條件，惟與本公司股價相關之條件（「市況」）除外（如適用）。

股本結算交易之成本連同股價之相應升幅會於達到表現及／或服務條件之期間確認，直至相關認股權證及購股權認購人完全享有該報酬之日（「歸屬日」）為止。於歸屬日前每個結算日就股本結算交易確認之累積開支，反映已屆滿歸屬期為限之開支及本集團對最終將歸屬之股本工具數目之最佳估計。期內確認指該期間開始和結束時已確認之累積開支之變動。

尚未完全歸屬之報酬不會確認金額，倘歸屬之報酬以市況為條件，則該情況下不論是否達到該市況均會視作歸屬處理，惟其他所有表現條件必須達成。

計算每股盈利時，尚未行使認股權證及購股權之攤薄效應則反映為額外股份攤薄。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies

These financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions are initially recorded using the functional currency rates ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rates of exchange ruling at the balance sheet date. All differences are taken to the income statement. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The functional currencies of certain overseas subsidiaries are currencies other than the Hong Kong dollars. As at the balance sheet date, the assets and liabilities of these entities are translated into the presentation currency of the Company at the exchange rates ruling at the balance sheet date, and their income statements are translated into Hong Kong dollars at the weighted average exchange rates for the year. The resulting exchange differences are included in the exchange fluctuation reserve. On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the income statement.

For the purpose of the consolidated cash flow statement, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

2.4 重大會計政策概要(續)

外幣

財務報表以港元(本公司之功能及呈報貨幣)呈列。本集團各實體決定其各自本身之功能貨幣，而各實體呈列於財務報表中之項目將以該功能貨幣列值。外幣交易初步按交易日期適用之功能貨幣匯率入賬。以外幣計值之貨幣資產及負債按結算日適用之功能貨幣匯率重新換算。所有匯兌差額均列入收益表。按歷史成本計算之外幣非貨幣項目乃採用首次交易日期之匯率換算。按公平值計算之外幣非貨幣項目則採用釐定公平值日期之匯率換算。

若干海外附屬公司之功能貨幣並非港元。於結算日，該等實體之資產及負債乃按結算日適用之匯率折算為本公司之呈報貨幣，該等實體之收益表則按年內加權平均匯率折算為港元。因此產生之匯兌差額則於匯兌波動儲備中處理。出售海外實體時，已於權益中確認之該特定海外業務有關之遞延累積總額於收益表中確認。

就編製綜合現金流動表而言，海外附屬公司之現金流動按現金流動日期匯率換算為港元。海外附屬公司在年內經常出現之現金流動按年內之加權平均匯率換算為港元。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2006 二零零六年十二月三十一日

3. SIGNIFICANT ACCOUNTING ESTIMATES

The key assumptions concerning the future and other 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 discussed below.

(i) Estimate of fair value of investment properties

The best evidence of fair value is the current prices in an active market for similar leases and other contracts. In the absence of such information, management determines the amount within a range of reasonable fair-value estimates. In making its judgement, management considers information from (i) current prices in an active market for properties of a different nature, condition or location by reference to available market information; (ii) recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions; and (iii) discounted cash flow projections, based on reliable estimates of future cash flows, derived from the terms of any existing lease and other contracts, and (where possible) from external evidence such as current market rates for similar properties in the same location and condition, and by using discount rates that reflect current market assessments of the uncertainty in the amount and timing of cash flows.

(ii) Presentation of convertible bonds and fair value of derivative component of convertible bonds

Convertible bonds of the Group are presented into the derivative component and the liability component of the convertible bonds. This requires an initial recognition of the derivative component and the liability component at fair value.

The derivative component initially recognised and subsequently measured at fair value is determined by an option pricing model.

3. 重要會計判斷

於結算日，關於將來之關鍵假設及其他估計不確定性之主要原因闡述如下，此等假設及不確定性原因可導致資產及負債賬面值於下一財政期間內出現重大調整。

(i) 投資物業公平值估計

公平值之最佳憑證為類似租約及其他合約在活躍市場之現價。在缺乏上述資料之情況下，管理層在合理公平值估計範圍內決定數額。在作出判決時，管理層考慮來自(i)性質、狀況或地區不同物業在活躍市場之現價(參考可得之市場資訊)；(ii)類似物業在稍欠活躍市場之最近價格，並就反映經濟情況任何變動作出調整；及(iii)按任何現有租約及其他合約條款根據未來現金流量之可靠估計所作之貼現現金流量估計之資料，以及(倘適用)來自外來憑證之資料，例如相同地區和狀況之類似物業現時市值，並以反映現時市場對現金流量之數額及時間並不確定因素之評估之貼現率計算。

(ii) 呈列可換股債券及可換股債券衍生部分之公平值

本集團之可換股債券以其衍生部份及負債部份呈列。此方法須於初始時以公平值確認衍生部份及負債部份。

初始確認及其後估量之衍生部份之公平值乃使用期權定價模式釐定。

**3. SIGNIFICANT ACCOUNTING ESTIMATES
(continued)**

(ii) Presentation of convertible bonds and fair value of derivative component of convertible bonds (continued)

The amount of liability component initially recognised is determined with reference to the net proceeds from the issuance of the convertible bonds and the fair value of derivative component at initial recognition. The liability component is subsequently measured at amortised cost using the effective interest rate method until it is extinguished on conversion or redemption.

(iii) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

(iv) Share-based payment transactions

The cost of equity-settled transactions is subject to the limitations of the Black-Scholes option pricing model and binomial model and the uncertainty in estimates used by management in the assumptions as disclosed in notes 27 and 28, respectively, to the financial statements. The Black-Scholes option pricing model and the binomial model are modified for the early exercise of warrants and share options, respectively, in limited open exercise periods. Should the estimates including limited early exercise behaviour, expected interval and frequency of open exercise periods in the lives of warrants and share options, and other relevant parameters of the models change, there would be material changes in the amount of equity settled transactions recognised in the financial statements.

3. 重要會計判斷(續)

(ii) 呈列可換股債券及可換股債券衍生部分之公平值(續)

初始確認之負債部份金額乃參考發行可換股債券之所得款項淨額及初始確認之衍生部份之公平值而釐定。負債部份其後使用實際利率法按攤銷成本計量，直到其因轉換或贖回而消失時。

(iii) 商譽減值

本集團每年釐定其商譽是否減值，這須就商譽被分配至之現金產生單位之使用價值作出推算。在計算使用價值時，本集團須估計預期來自現金產生單位之未來現金流量及選擇一個適用折現率，以計算現值。

(iv) 以股份為基礎之付款交易

股本結算交易之成本受到管理層於作出假設時所採用之帕萊克舒爾茨期權定價模式及二項式模式所作估計之不明朗因素之限制所影響，分別於財務報表附註27及28所披露。帕萊克舒爾茨期權定價模式及二項式模式已就於有限之公開行使期間內提前行使認購權證及購股權作出修訂。倘估計包括有限度提前行使購股權、預期於認購權證及購股權有效期內公開行使期之間距及頻密程度以及其他有關模式之參數改變，將令收益表確認之股本結算交易之金額出現重大變動。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2006 二零零六年十二月三十一日

4. SEGMENT INFORMATION

Segment information is presented by way of the Group's primary segment reporting basis, by business segment. In determining the Group's geographical segments, revenues are attributed to the segments based on the location of the customers, and assets are attributed to the segments based on the location of the assets. No further geographical segment information is presented as the Group's customers and operations are principally located in Hong Kong.

The Group's operating businesses are structured and managed separately according to the nature of their operations and the products they provide. Each of the Group's business segments represents a strategic business unit that offers products which are subject to risks and returns that are different from those of the other business segments. Summary details of the business segments are as follows:

- (i) Continuing operations:
 - (a) the financial public relation service segment;
 - (b) the property investment segment invests in restricted and commercial properties in Mainland China for rental income purposes; and
 - (c) the others segment comprises, principally, the Group's other corporate income and expense items.
- (ii) Discontinued operation – the development and distribution of solvent pesticides segment.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

4. 分類資料

分類資料乃按業務分類為主要分類呈報基準呈列。釐定本集團之地區分類時，收益乃按客戶之位置分配予各分類，而資產乃按資產之位置分配予各分類。由於本集團之客戶及營運主要位於香港，因此並無進一步呈列地區分類資料。

本集團之經營業務根據其經營業務性質及所提供之產品及服務而獨立組成及管理。本集團各業務分類代表作為策略性業務單位，提供與其他業務分類所涉及風險及回報不同之產品及服務。業務分類之詳情概述如下：

- (i) 持續經營業務：
 - (a) 財經公共關係服務分類；
 - (b) 於中國大陸投資於有限制用途及商業物業之物業投資分類，以供收取租金收入；及
 - (c) 其他分類主要包括本集團之其他公司收入及開支項目。
- (ii) 終止經營業務—農藥溶劑開發及分銷分類。

內部銷售及轉讓乃根據銷售予第三者之售價作為通用市價。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2006 二零零六年十二月三十一日

4. SEGMENT INFORMATION (continued)

(a) Business segments

The following tables present revenue, loss and certain asset, liability and expenditure information for the Group's business segments for the years ended 31 December 2006 and 2005.

Group

	Continuing operations 持續經營業務								Discontinued operation 終止經營業務				Consolidated 綜合	
	Financial public relation service 財經公共關係服務		Property investment 物業投資		Others 其他		Eliminations 對銷		Total 總計		Development and distribution of solvent pesticides 農藥溶劑開發及分銷			
	2006	2005	2006	2005	2006	2005	2006	2005	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	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	二零零六年	二零零五年
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	
Segment revenue:	分類收益：													
Sales to external customers	銷售予外界客戶													
	5,392	-	-	-	-	-	-	-	5,392	-	-	3,120	5,392	3,120
Intersegment sales	分類業務間銷售													
	2,116	-	-	-	-	-	(2,116)	-	-	-	-	-	-	-
Other revenue	其他收益													
	-	-	1,000	1,000	-	-	-	-	1,000	1,000	-	-	1,000	1,000
Total	總計													
	7,508	-	1,000	1,000	-	-	(2,116)	-	6,392	1,000	-	3,120	6,392	4,120
Segment results	分類業績													
	2	-	(2,145)	500	-	-	-	-	(2,143)	500	(2,584)	(16,739)	(4,727)	(16,239)
Interest and unallocated other income	利息及未分配其他收入													
									7,501	2,489	-	-	7,501	2,489
Unallocated expenses	未分配開支													
									(39,167)	(18,529)	-	-	(39,167)	(18,529)
Finance costs	財務成本													
									(2,817)	-	-	-	(2,817)	-
Loss before tax	除稅前虧損													
									(36,626)	(15,540)	(2,584)	(16,739)	(39,210)	(32,279)
Tax	稅項													
									(184)	(200)	(200)	-	(384)	(200)
Loss for the year attributable to equity holders of the Company	本公司權益股東應佔年內虧損													
									(36,810)	(15,740)	(2,784)	(16,739)	(39,594)	(32,479)

4. 分類資料(續)

(a) 業務分類

下表呈列截至二零零六年及二零零五年十二月三十一日止年度本集團業務分類之業績、虧損及若干資產、負債及開支資料。

本集團

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2006 二零零六年十二月三十一日

4. SEGMENT INFORMATION (continued)

(a) Business segments (continued)

Group

	Continuing operations 持續經營業務										Discontinued operation 終止經營業務				Consolidated 綜合	
	Financial public relation service 財經公共關係服務		Property investment 物業投資		Others 其他		Eliminations 對銷		Total 總計		Development and distribution of solvent pesticides 農藥溶劑開發及分銷					
	2006	2005	2006	2005	2006	2005	2006	2005	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	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	二零零六年	二零零五年		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000		
千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元			
Assets and liabilities	資產及負債															
Segment assets	2,564	-	45,905	46,107	11,659	-	-	-	60,128	46,107	15	40,002	60,143	86,109		
Unallocated assets													433,709	188,753		
Total assets	總資產															
Segment liabilities	1,229	-	250	250	-	-	-	-	1,479	250	3,375	2,309	4,854	2,559		
Unallocated liabilities													50,086	43,555		
Total liabilities	總負債															
Other segment information:	其他分類資料:															
Depreciation	-	-	-	-	2,735	-	-	-	2,735	-	-	3,662	2,735	3,662		
Amortisation of intangible assets	-	-	-	-	-	-	-	-	-	-	-	940	-	940		
Recognition of prepaid land lease payments	-	-	-	-	658	-	-	-	658	-	-	590	658	590		
Impairment of items of property, plant and equipment	-	-	-	-	-	-	-	-	-	-	1,584	3,364	1,584	3,364		
Impairment of intangible assets	-	-	-	-	-	-	-	-	-	-	-	2,115	-	2,115		
Decrease in fair value of investment properties	-	-	3,145	500	-	-	-	-	3,145	500	-	-	3,145	500		
Capital expenditure	256	-	-	-	903	89	-	-	1,159	89	-	-	1,159	89		

4. 分類資料 (續)

(a) 業務分類 (續)

本集團

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2006 二零零六年十二月三十一日

5. REVENUE AND OTHER INCOME

Revenue, which is also the Group's turnover, represents service income arising from the provision of financial public relation services and the net invoiced value of goods sold, after allowances for returns and trade discounts. An analysis of the Group's revenue and other income is as follows:

5. 收益及其他收入

收益，亦為本集團之營業額，乃指提供財經公共關係服務產生之服務收入及經扣除退貨及折扣撥備後之已售貨品之發票淨值。本集團之收益及其他收入分析如下：

			2006 二零零六年	2005 二零零五年
		Note 附註	HK\$'000 千港元	HK\$'000 千港元
Revenue	收益			
Rendering of services	提供服務		5,392	—
Attributable to continuing operations reported in the consolidated income statement	於綜合收益表申報之持續經營業務應佔		5,392	—
Sale of goods attributable to a discontinued operation	終止經營業務應佔銷售貨品	11	—	3,120
			5,392	3,120
Other income	其他收入			
Bank interest income	銀行利息收入		7,167	2,483
Rental income	租金收入		1,000	1,000
Others	其他		359	6
Attributable to continuing operations reported in the consolidated income statement	於綜合收益表申報之持續經營業務應佔		8,526	3,489
Bank interest income attributable to a discontinued operation	終止經營業務應佔銀行利息收入	11	—	254
			8,526	3,743

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2006 二零零六年十二月三十一日

6. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

6. 除稅前虧損

本集團之除稅前虧損已扣除/(計入)下列各項：

			2006	2005
			二零零六年	二零零五年
	Notes		HK\$'000	HK\$'000
	附註		千港元	千港元
Cost of sales #		銷售成本#	—	4,771
Cost of services provided		提供服務成本	3,962	—
Depreciation #	13	折舊#	2,735	3,662
Recognition of prepaid land lease payments #	15	預付土地租金確認*	658	590
Amortisation of intangible assets #	17	無形資產攤銷#	—	940
Minimum lease payments under operating leases in respect of land and buildings		土地及樓宇經營租賃下之最低租賃款項	2,511	191
Auditors' remuneration		核數師酬金	1,060	850
Employee benefits expense (excluding directors' remuneration — note 8(a)):		僱員福利開支(不包括董事酬金 — 附註8(a)):		
Wages, salaries and allowances #		工資、薪金及津貼#	6,498	3,385
Equity-settled share option expense		股本結算購股權開支	245	—
Pension scheme contributions (defined contribution schemes)*		退休金供款(定額供款計劃)*	95	114
			6,838	3,499
Expense incurred for equity-settled share options issued to business consultants		向業務顧問發行股權結算之購股權之支出	—	6,216
Impairment of trade receivables #		貿易應收款項減值#	1,000	—
Impairment of items of property, plant and equipment #		物業、廠房及設備項目減值#	1,584	3,364
Impairment of intangible assets #		無形資產減值#	—	2,115
Decrease in fair value of investment properties	14	投資物業公平值減少	3,145	500
Net rental income		租金收入淨額	(586)	(586)

The disclosures presented in this note include those amounts charged in respect of the discontinued operation, further details of which are set out in note 11 to the financial statements.

* At 31 December 2006, the Group had no forfeited contributions available to reduce its contributions to the pension scheme in future years (2005: Nil).

本附註所呈列之披露者包括有關終止經營業務所支付之金額，其他有關詳情載於財務報表附註11。

* 於二零零六年十二月三十一日，本集團並無可供沒收之供款，以減低其日後退休計劃供款(二零零五年：無)。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2006 二零零六年十二月三十一日

7. FINANCE COSTS

7. 財務成本

		Group 本集團	
		2006	2005
		二零零六年	二零零五年
		HK\$'000	HK\$'000
		千港元	千港元
Interest on overdrafts wholly repayable within five years	須於五年內全數償還之 透支利息	22	—
Interest on convertible bonds (note 25)	可換股債券利息(附註25)	2,795	—
Attributable to continuing operations reported in the consolidated income statement	於綜合收益表呈報之 持續經營業務應佔	2,817	—

8. DIRECTORS' AND FIVE HIGHEST PAID EMPLOYEES' REMUNERATION

8. 董事及五名最高薪酬人士酬金

(a) Directors' remuneration

Directors' remuneration for the year, disclosed pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and Section 161 of the Hong Kong Companies Ordinance, is as follows:

(a) 董事酬金

根據香港聯合交易所有限公司證券上市規則(「上市規則」)及香港公司條例第161條之規定而作出披露，董事年內之酬金如下：

		Group 本集團	
		2006	2005
		二零零六年	二零零五年
		HK\$'000	HK\$'000
		千港元	千港元
Fees	袍金	300	300
Other emoluments:	其他報酬：		
Salaries and allowances	薪金及津貼	3,166	2,432
Employee share option benefits	僱員購股權福利	—	1,802
Pension scheme contributions	退休金計劃供款	14	12
		3,180	4,246
		3,480	4,546

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2006 二零零六年十二月三十一日

8. DIRECTORS' AND FIVE HIGHEST PAID EMPLOYEES' REMUNERATION (continued)

(a) Directors' remuneration (continued)

The remuneration of executive and non-executive directors is set out below:

		Fees 袍金 HK\$'000 千港元	Salaries and allowances 薪金及津貼 HK\$'000 千港元	Employee share option benefits 僱員購股權 福利 HK\$'000 千港元	Pension scheme contributions 退休金計劃 供款 HK\$'000 千港元	Total remuneration 總酬金 HK\$'000 千港元
2006	二零零六年					
Executive directors:	執行董事：					
Isao Matsushima	松島庸	—	1,516	—	—	1,516
Kwok King Yan, Edmund	郭敬仁	—	1,650	—	14	1,664
Osamu Nakano	中野治	—	—	—	—	—
Sosuke Kawanishi	川西崇介	—	—	—	—	—
Ryutaro Okada	岡田隆太郎	—	—	—	—	—
Kiyohisa Nanri	南里清久	—	—	—	—	—
		—	3,166	—	14	3,180
Non-executive directors:	非執行董事：					
Sun Juyi	孫聚義	100	—	—	—	100
Chiu Ching Katie	趙菁	100	—	—	—	100
Hin Yat Ha	軒一霞	100	—	—	—	100
		300	—	—	—	300
		300	3,166	—	14	3,480

8. 董事及五名最高薪酬人士酬金(續)

(a) 董事酬金(續)

執行董事及非執行董事酬金載列如下：

NOTES TO FINANCIAL STATEMENTS
財務報表附註

31 December 2006 二零零六年十二月三十一日

8. DIRECTORS' AND FIVE HIGHEST PAID EMPLOYEES' REMUNERATION (continued)

8. 董事及五名最高薪酬人士酬金(續)

(a) Directors' remuneration (continued)

The remuneration of executive and non-executive directors is set out below: (continued)

(a) 董事酬金(續)

執行董事及非執行董事酬金載列如下：(續)

		Fees 袍金	Salaries and allowances 薪金及津貼	Employee share option benefits 僱員購股權 福利	Pension scheme contributions 退休金計劃 供款	Total remuneration 總酬金
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
2005	二零零五年					
Executive directors:	執行董事：					
Isao Matsushima	松島庸	—	909	901	—	1,810
Aiknobu Kataoka	片岡曉伸	—	288	—	—	288
Cai Wei Min	蔡偉民	—	243	—	3	246
Chen Lawrence	陳維樑	—	63	—	—	63
Kiyohisa Nanri	南里清久	—	—	—	—	—
Kwok King Yan, Edmund	郭敬仁	—	217	901	—	1,118
Lao Seng Peng	劉勝平	—	243	—	5	248
Masashi Ono	小野雅司	—	39	—	—	39
Oe Tadayuki	大江匡行	—	39	—	—	39
Osamu Nakano	中野治	—	—	—	—	—
Ryutaro Okada	岡田隆太郎	—	—	—	—	—
Sosuke Kawanishi	川西崇介	—	—	—	—	—
Wong Kin Ping	王建平	—	168	—	4	172
Yeh Tung Ming	葉東明	—	223	—	—	223
		—	2,432	1,802	12	4,246
Non-executive directors:	非執行董事：					
Chan Sai Kuai	陳世貴	50	—	—	—	50
Chiu Ching Katie	趙菁	50	—	—	—	50
Hin Yat Ha	軒一霞	50	—	—	—	50
Jiang Ming Le	蔣鳴樂	50	—	—	—	50
Sun Juyi	孫聚義	100	—	—	—	100
		300	—	—	—	300
		300	2,432	1,802	12	4,546

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2006 二零零六年十二月三十一日

8. DIRECTORS' AND FIVE HIGHEST PAID EMPLOYEES' REMUNERATION (continued)

(a) Directors' remuneration (continued)

There were no other emoluments payable to the independent non-executive directors during the year (2005: Nil).

There was no arrangement under which a director waived or agreed to waive any remuneration during the year (2005: Nil).

(b) Five highest paid employees' remuneration

The five highest paid employees during the year included two (2005: four) directors, details of whose remuneration are set out in (a) above. Details of the remuneration of the remaining three (2005: one) non-director, highest paid employees for the year are as follows:

		Group 本集團	
		2006 二零零六年	2005 二零零五年
		HK\$'000 千港元	HK\$'000 千港元
Salaries and allowances	薪酬及津貼	2,078	660
Pension scheme contributions	退休金計劃供款	25	12
		3,180	672

The number of non-director, highest paid employees whose remuneration fell within the following band is as follows:

		Number of employees 僱員人數	
		2006 二零零六年	2005 二零零五年
Nil to HK\$1,500,000	零至1,500,000港元	3	1

8. 董事及五名最高薪酬人士酬金(續)

(a) 董事酬金(續)

年內概無任何其他應付獨立非執行董事之酬金(二零零五年：零)。

年內概無任何安排，任何董事據此放棄或同意放棄任何酬金(二零零五年：零)。

(b) 五名最高薪酬人士酬金

年內五名最高薪酬僱員之中包括兩名(二零零五年：四名)董事，其酬金已於上文(a)披露。年內其餘三名(二零零五年：一名)非董事僱員之最高薪酬僱員之酬金如下：

薪酬介乎以下幅度之非董事最高薪酬僱員人數如下：

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2006 二零零六年十二月三十一日

9. TAX

Hong Kong profits tax has been provided at the rate of 17.5% (2005: 17.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable in Mainland China have been calculated at the rates of tax prevailing in Mainland China, based on existing legislation, interpretations and practices in respect thereof.

9. 稅項

香港利得稅乃根據年內估計在香港產生之應課稅溢利按稅率17.5%(二零零五年：17.5%)作出撥備。中國大陸之應課稅溢利之稅項乃根據中國大陸之現行稅率，根據有關地區之現行有例、詮釋及慣例計算。

		2006	2005
		二零零六年	二零零五年
		HK\$'000	HK\$'000
		千港元	千港元
Group:	本集團：		
Current	即期稅項		
— Hong Kong	— 香港	(16)	—
— Mainland China	— 中國大陸	200	200
Underprovision in prior years	過往年度撥備不足		
— Mainland China	— 中國大陸	200	—
Total tax charge for the year	年內稅項開支總額	384	200
Represented by:	代表：		
Tax charge attributable to a discontinued operation (note 11)	終止經營業務應佔稅項 (附註11)	(200)	—
Tax charge attributable to continuing operations reported in consolidated income statement	於綜合收益表申報之 持續經營業務應佔 稅項開支	184	200

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2006 二零零六年十二月三十一日

9. TAX (continued)

A reconciliation of the tax expense applicable to loss before tax using the statutory rates for the region in which the Company and its subsidiaries are domiciled to the tax expense/(credit) at the effective tax rates, is as follows:

Group – 2006

本集團 — 二零零六年

		Hong Kong 香港 HK\$'000 千港元	Mainland China 中國大陸 HK\$'000 千港元	Total 合計 HK\$'000 千港元
Loss before tax (including loss from a discontinued operation)	除稅前虧損(包括終止經營業務之虧損)	(29,651)	(9,559)	(39,210)
Tax at the statutory tax rate	根據法定稅率計算之稅項	(5,189)	(3,155)	(8,344)
Adjustments in respect of current tax of previous periods	就過往期間即期稅項作出之調整	—	200	200
Income not subject to tax	毋須課稅收入	(1,293)	—	(1,293)
Expenses not deductible for tax	不可扣稅開支	6,466	3,355	9,821
Tax charge/(credit) at the Group's effective rate	根據本集團實際稅率計算之稅項支出/(抵免)	(16)	400	384

Group – 2005

本集團 — 二零零五年

		Hong Kong 香港 HK\$'000 千港元	Mainland China 中國大陸 HK\$'000 千港元	Total 合計 HK\$'000 千港元
Loss before tax (including loss from a discontinued operation)	除稅前虧損(包括終止經營業務之虧損)	(16,034)	(16,245)	(32,279)
Tax at the statutory tax rate	根據法定稅率計算之稅項	(2,805)	(5,361)	(8,166)
Income not subject to tax	毋須課稅收入	(357)	—	(357)
Expenses not deductible for tax	不可扣稅開支	1,728	1,973	3,701
Temporary differences not recognised	未確認臨時差額	1,434	3,588	5,022
Tax charge at the Group's effective rate	根據本集團實際稅率計算之稅項支出	—	200	200

9. 稅項(續)

根據本公司及其附屬公司所在地區法定稅率計算適用於除稅前虧損之稅項開支與根據實際稅率計算之稅項開支/(抵免)之對賬如下:

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2006 二零零六年十二月三十一日

10. LOSS FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The consolidated loss attributable to equity holders of the Company for the year ended 31 December 2006 includes a loss of HK\$25,231,000 (2005: HK\$15,442,000) which has been dealt with in the financial statements of the Company (note 29(b)).

11. DISCONTINUED OPERATION

During the year, the Group ceased the business of the development and distribution of solvent pesticides and the Group is set to focus on its financial public relation service and property investment businesses.

The consolidated operating results associated with the development and distribution of solvent pesticides operation for the year are presented below:

10. 年內本公司權益股東應佔虧損

截至二零零六年十二月三十一日止年度，本公司權益股東應佔綜合虧損包括25,231,000港元(二零零五年：15,442,000港元)，已於本公司財務報表內處理(附註29(b))。

11. 終止經營業務

年內，本集團已終止開發及分銷農藥之業務，本集團計劃集中發展其財務公共關係及物業投資業務。

年內與開發及分銷農藥業務有關之綜合經營業績如下：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Revenue	收益	—	3,120
Cost of sales	銷售成本	—	(4,771)
Other income	其他收入	—	254
Selling and distribution costs	銷售及分銷成本	—	(5,023)
Administrative expenses	行政費用	—	(4,840)
Impairment of trade receivables	貿易應收款項減值	(1,000)	—
Impairment of items of property, plant and equipment	物業、廠房及設備項目減值	(1,584)	(3,364)
Impairment of intangible assets	無形資產減值	—	(2,115)
Loss before tax from the discontinued operation	終止經營業務之除稅前虧損	(2,584)	(16,739)
Tax	稅項	(200)	—
Loss for the year from the discontinued operation	終止經營業務之年內虧損	(2,784)	(16,739)

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2006 二零零六年十二月三十一日

11. DISCONTINUED OPERATION (continued)

The net cash flows of the discontinued operation for the year are as follows:

		2006	2005
		二零零六年	二零零五年
		HK\$'000	HK\$'000
		千港元	千港元
Net cash inflow/(outflow) solely arising from operating activities	純粹由經營業務產生之現金流入／(流出)淨額	131	(11,852)
Loss per share:	每股虧損：		
Basic, from the discontinued operation	基本，來自終止經營業務	HK0.12 cents 港仙	HK0.98 cents 港仙
Diluted, from the discontinued operation	攤薄，來自終止經營業務	N/A 不適用	N/A 不適用

The calculations of basic loss per share amounts from the discontinued operation are based on:

		2006	2005
		二零零六年	二零零五年
Loss attributable to ordinary equity holders of the Company from the discontinued operation	來自終止經營業務之本公司普通權益股東應佔虧損	HK\$2,784,000 港元	HK\$16,739,000 港元
Weighted average number of ordinary shares in issue during the year used in the basic loss per share calculation	計算每股基本虧損所用之年內已發行普通股加權平均股數	2,447,675,290	1,699,860,000

Diluted loss per share amounts for the years ended 31 December 2006 and 2005 have not been disclosed, as warrants and share options outstanding during the year, and the convertible bonds outstanding during these years had an anti-dilutive effect on the basic loss per share for these years.

11. 終止經營業務(續)

終止經營業務年內之現金流量淨額如下：

		2006	2005
		二零零六年	二零零五年
		HK\$'000	HK\$'000
		千港元	千港元
Net cash inflow/(outflow) solely arising from operating activities	純粹由經營業務產生之現金流入／(流出)淨額	131	(11,852)
Loss per share:	每股虧損：		
Basic, from the discontinued operation	基本，來自終止經營業務	HK0.12 cents 港仙	HK0.98 cents 港仙
Diluted, from the discontinued operation	攤薄，來自終止經營業務	N/A 不適用	N/A 不適用

來自終止經營業務之每股基本虧損金額之計算方法以下各項為基準：

		2006	2005
		二零零六年	二零零五年
Loss attributable to ordinary equity holders of the Company from the discontinued operation	來自終止經營業務之本公司普通權益股東應佔虧損	HK\$2,784,000 港元	HK\$16,739,000 港元
Weighted average number of ordinary shares in issue during the year used in the basic loss per share calculation	計算每股基本虧損所用之年內已發行普通股加權平均股數	2,447,675,290	1,699,860,000

由於年內尚未行使之認股權證及購股權及於截至二零零六年及二零零五年十二月三十一日止年度之未贖回可換股債券對該等年度之每股基本虧損具反攤薄作用，因此並未披露該等年度之每股攤薄虧損金額。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2006 二零零六年十二月三十一日

12. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of basic loss per share amounts is based on the loss for the year attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares in issue during the year.

Diluted loss per share amounts for the years ended 31 December 2006 and 2005 have not been disclosed, as warrants and share options outstanding during the year, and the convertible bonds outstanding during these years had an anti-dilutive effect on the basic loss per share for these years.

The calculation of basic loss per share are based on:

12. 本公司普通股股東應佔每股虧損

每股虧損金額乃根據本公司普通股股東應佔年內虧損及年內發行普通股加權平均數而計算。

由於年內尚未行使之認股權證及購股權及於截至二零零六年及二零零五年十二月三十一日止年度之未贖回可換股債券對該等年度之每股基本虧損具反攤薄作用，因此並未披露截至二零零六年及二零零五年十二月三十一日止年度之每股攤薄虧損金額。

每股基本虧損乃根據以下數據計算：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Earnings			
Profit attributable to ordinary equity holders of the Company, used in the basic loss per share calculation:			
	盈利		
	用作計算每股基本虧損之本公司普通股股東應佔溢利：		
	來自持續經營業務	36,810	15,740
	來自終止經營業務	2,784	16,739
		39,594	32,479
Shares			
Weighted average number of ordinary shares in issue during the year used in the basic loss per share calculation			
股份			
用作計算每股基本虧損之年內發行普通股加權平均數			
		2,447,675,290	1,699,860,000

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2006 二零零六年十二月三十一日

13. PROPERTY, PLANT AND EQUIPMENT

13. 物業、廠房及設備

Group		本集團						
		Buildings	Leasehold improvements	Plant and machinery	Furniture and fixtures	Motor vehicles	Office equipment	Total
		樓宇	租賃樓宇裝修	廠房及設備	傢俬及裝置	汽車	辦公室設備	總計
		HK\$'000	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	千港元
Cost:	成本：							
At 1 January 2005	於二零零五年一月一日	29,647	2,262	18,473	191	371	93	51,037
Additions	添置	—	—	—	—	—	89	89
At 31 December 2005 and 1 January 2006	於二零零五年十二月三十一日及二零零六年一月一日	29,647	2,262	18,473	191	371	182	51,126
Additions	添置	—	110	—	846	—	203	1,159
Acquisition of a subsidiary (note 30)	收購一家附屬公司(附註30)	—	26	—	—	—	31	57
Exchange realignment	匯兌調整	1,892	145	1,181	11	24	—	3,253
At 31 December 2006	於二零零六年十二月三十一日	31,539	2,543	19,654	1,048	395	416	55,595
Accumulated depreciation and impairment:	累計折舊及減值：							
At 1 January 2005	於二零零五年一月一日	2,110	804	11,773	152	127	67	15,033
Provided during the year	年內撥備	1,265	452	1,846	36	37	26	3,662
Impairment during the year	年內減值	—	—	3,364	—	—	—	3,364
At 31 December 2005 and 1 January 2006	於二零零五年十二月三十一日及二零零六年一月一日	3,375	1,256	16,983	188	164	93	22,059
Provided during the year	年內撥備	1,972	534	—	126	40	63	2,735
Impairment during the year	年內減值	—	—	1,584	—	—	—	1,584
Exchange realignment	匯兌調整	234	80	1,087	11	10	—	1,422
At 31 December 2006	於二零零六年十二月三十一日	5,581	1,870	19,654	325	214	156	27,800
Net book value:	賬面淨值：							
At 31 December 2006	於二零零六年十二月三十一日	25,958	673	—	723	181	260	27,795
At 31 December 2005	於二零零五年十二月三十一日	26,272	1,006	1,490	3	207	89	29,067

NOTES TO FINANCIAL STATEMENTS
財務報表附註

31 December 2006 二零零六年十二月三十一日

13. PROPERTY, PLANT AND EQUIPMENT (continued)

13. 物業、廠房及設備(續)

Company		本公司		
		Furniture and fixtures 傢俬及裝置 HK\$'000 千港元	Office equipment 辦公室設備 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Cost:	成本：			
At 1 January 2005	於二零零五年一月一日	6	23	29
Additions	添置	—	89	89
At 31 December 2005 and at 1 January 2006	於二零零五年十二月三十一日及 於二零零六年一月一日	6	112	118
Additions	添置	747	151	898
At 31 December 2006	於二零零六年十二月三十一日	753	263	1,016
Accumulated depreciation:	累計折舊：			
At 1 January 2005	於二零零五年一月一日	4	15	19
Provided during the year	年內撥備	1	10	11
At 31 December 2005 and at 1 January 2006	於二零零五年十二月三十一日及 於二零零六年一月一日	5	25	30
Provided during the year	年內撥備	112	41	153
At 31 December 2005	於二零零五年十二月三十一日	117	66	183
Net book value:	賬面淨值：			
At 31 December 2006	於二零零六年十二月三十一日	636	197	833
At 31 December 2005	於二零零五年十二月三十一日	1	87	88

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2006 二零零六年十二月三十一日

14. INVESTMENT PROPERTIES

14. 投資物業

		Group 本集團	
		2006	2005
		二零零六年	二零零五年
		HK\$'000	HK\$'000
		千港元	千港元
Carrying amount at 1 January	於一月一日之賬面值	46,107	46,607
Net loss from a fair value adjustment	來自公平值調整之虧損淨額	(3,145)	(500)
Exchange realignment	匯兌調整	2,943	—
Carrying amount at 31 December	於十二月三十一日之賬面值	45,905	46,107

The investment properties are situated in Mainland China, and are held under medium lease terms.

投資物業位於中國大陸，並按中期租賃年期持有。

The Group's investment properties located in Mainland China were revalued on 31 December 2006 by Greater China Appraisal Limited, independent professionally qualified valuers, at HK\$45,905,000, on an open market, existing use basis. The investment properties are leased to a third party under an operating lease, further details of which are included in note 31(a) to the financial statements.

本集團位於中國大陸之投資物業於二零零六年十二月三十一日由獨立專業合資格估值師漢華評值有限公司根據公開市場及現行用途基準重估為45,905,000港元。投資物業根據經營租賃租予一名第三方，其他詳情載於財務報表附註31(a)。

15. PREPAID LAND LEASE PAYMENTS

15. 預付土地租賃款項

		Group 本集團	
		2006	2005
		二零零六年	二零零五年
		HK\$'000	HK\$'000
		千港元	千港元
Carrying amount at 1 January	於一月一日之賬面值	10,040	10,630
Recognised during the year	年內確認	(658)	(590)
Exchange realignment	匯兌調整	640	—
Carrying amount at 31 December	於十二月三十一日之賬面值	10,022	10,040
Current portion included in prepayments, deposits and other receivables	預付款項、按金及其他應收款項之流動部分	(644)	(590)
Non-current portion	非流動部分	9,378	9,450

The leasehold land is held under a medium term lease and is situated in Mainland China.

租賃土地乃根據中期租約持有，且位於中國大陸。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2006 二零零六年十二月三十一日

16. GOODWILL

16. 商譽

		Group
		本集團
		HK\$'000
		千港元
Acquisition of a subsidiary (note 30)	收購附屬公司(附註30)	19,493
Cost and carrying amount at 31 December 2006	於二零零六年十二月三十一日之成本及賬面值	19,493

Impairment testing of goodwill

Goodwill arose on an acquisition of a subsidiary, Jovian Financial Communications Limited ("Jovian"), during the year. Further details of the acquisition are set out in note 30 to the financial statements. The recoverable amount of goodwill has been determined based on a value-in-use calculation using cash flow projections of Jovian over a period of 5 years, which are based on financial budget approved by management of the Group and Jovian. The discounted rate applied to the cash flow projections is 4%.

Key assumptions were used in the value-in-use calculation of Jovian, which is considered a single cash generating unit. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

Budgeted gross margins – The basis used to determine the value assigned to the budgeted gross margin is the average gross margins achieved in the year immediately before the budget year, increased for expected efficiency improvements.

Discount rate – The discount rate used is before tax and reflects specific risks relating to the unit.

商譽之減值測試

年內，商譽乃因收購附屬公司溢星財經傳播有限公司(「溢星」)而產生。有關收購之詳情載於財務報表附註30。商譽之可收回金額已根據溢星五年期之現金流量預測計算之使用價值而釐定。有關現金流量乃根據經本集團及溢星之管理層批准之財務預算而估計，而所應用之貼現率為4%。

溢星被視為單一現金產生單位計算使用價值，當中採用若干主要假設。以下為管理進行商譽減值測試時，估計現金流量預測所依據之各主要假設之概要：

毛利率預算—綜合對生產率提高之預期，以所預測年度前一年實現之平均邊際毛利作為基準。

貼現率—所採納之貼現率乃除稅前貼現率，並反映有關該分部之特定風險。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2006 二零零六年十二月三十一日

17. INTANGIBLE ASSETS

Group

		17. 無形資產		
		本集團		
		Licence	Knowhow	Total
		特許權	技術	總計
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
At 1 January 2005:	於二零零五年一月一日：			
Cost	成本	1,880	7,520	9,400
Accumulated amortisation	累計攤銷	(1,316)	(5,029)	(6,345)
Net carrying amount	賬面淨值	564	2,491	3,055
Cost at 1 January 2005, net of accumulated amortisation	於二零零五年一月一日之成本值，已扣除累計攤銷	564	2,491	3,055
Amortisation provided during the year	年內攤銷撥備	(188)	(752)	(940)
Impairment during the year	年內減值	(376)	(1,739)	(2,115)
At 31 December 2005, 1 January 2006 and 31 December 2006	於二零零五年十二月三十一日、二零零六年一月一日及二零零六年十二月三十一日	—	—	—

Licence and knowhow had been fully written off during the year ended 31 December 2006.

特許權及技術已悉數於截至二零零六年十二月三十一日止年度撇銷。

18. INTERESTS IN SUBSIDIARIES

18. 於附屬公司之權益

		Company	
		本公司	
		2006	2005
		二零零六年	二零零五年
		HK\$'000	HK\$'000
		千港元	千港元
Unlisted shares, at cost	非上市股份，按成本	47,616	28,475
Due from subsidiaries	應收附屬公司款項	279,067	26,680
Due to a subsidiary	應付附屬公司款項	(17,479)	(17,485)
		309,204	37,670

The balances with subsidiaries are unsecured, interest-free and are not repayable within one year. In the opinion of the Company's directors, the amounts advanced to the subsidiaries are considered as quasi-equity loans to the subsidiaries.

與附屬公司之間之結餘乃無抵押、不計息及毋須於一年內償還。本公司董事認為，墊付附屬公司之金額被視為授予附屬公司之半股本貸款。

NOTES TO FINANCIAL STATEMENTS
財務報表附註

31 December 2006 二零零六年十二月三十一日

18. INTERESTS IN SUBSIDIARIES (continued)

Particulars of the subsidiaries are as follows:

Name 名稱	Place of incorporation/ registration and principal operations 註冊成立/ 註冊及主要 經營地點	Nominal value of issued ordinary share/ registered paid-up capital 已發行普通股 /註冊及繳足 資本面值	Percentage of equity attributable to the Company 本公司應佔 股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Carissa Bay Inc.	British Virgin Islands ("BVI") 英屬處女群島	US\$1 1美元	100	—	Investment holding 投資控股
Direct Offer Limited	BVI 英屬處女群島	US\$1 1美元	100	—	Investment holding 投資控股
Fujian Goldigit Fine Chemical Industry Co., Ltd. * 福建省金澤精細化工 有限公司*	People's Republic of China ("PRC")/ Mainland China 中華人民共和國 (「中國」)/ 中國大陸	HK\$3,000,000 3,000,000港元	—	100	Development and distribution of solvent pesticides 開發及分銷 農藥溶劑
Fuzhou Development Zone Goldigit Fine Chemical Industry Co., Ltd. * 福州開發區金澤精細 化工有限公司*	PRC/ Mainland China 中國/中國大陸	US\$10,000,000 10,000,000美元	—	100	Property holding 持有物業
Goldigit Limited	BVI 英屬處女群島	US\$10,000 10,000美元	100	—	Investment holding 投資控股

18. 於附屬公司之權益(續)

附屬公司詳情如下：

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2006 二零零六年十二月三十一日

18. INTERESTS IN SUBSIDIARIES (continued)

Particulars of the subsidiaries are as follows: (continued)

Name 名稱	Place of incorporation/ registration and principal operations 註冊成立/ 註冊及主要 經營地點	Nominal value of issued ordinary share/ registered paid-up capital 已發行普通股 /註冊及繳足 資本面值	Percentage of equity attributable to the Company 本公司應佔 股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Jovian Financial Communications Limited 溢星財經傳播 有限公司	Hong Kong 香港	HK\$10,000 10,000港元	—	100	Provision of financial public relation services 提供財經公共關係 服務
Master Tailor Investments Limited	BVI 英屬處女群島	US\$1 1美元	—	100	Investment holding 投資控股
Noble Star Consultants Limited	BVI 英屬處女群島	US\$1 1美元	100	—	Investment holding 投資控股
Pebble Rise Inc.	BVI 英屬處女群島	US\$1 1美元	100	—	Investment holding 投資控股
Performing Investments Limited ("Performing Investments") ("Performing Investments")	BVI/Macau 英屬處女群島 /澳門	US\$1 1美元	100	—	Investment holding 投資控股
Profit Now Investments Limited	Hong Kong 香港	HK\$1 1港元	100	—	Inactive 暫無營業
Quanzhou Quangang Fine Chemical Co., Ltd.* 泉州泉港金澤精細化工 有限公司*	PRC/ Mainland China 中國/ 中國大陸	US\$1,000,000 1,000,000港元	—	100	Inactive 暫無營業

18. 於附屬公司之權益(續)

附屬公司詳情如下：(續)

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2006 二零零六年十二月三十一日

18. INTERESTS IN SUBSIDIARIES (continued)

Particulars of the subsidiaries are as follows: (continued)

Name 名稱	Place of incorporation/ registration and principal operations 註冊成立/ 註冊及主要 經營地點	Nominal value of issued ordinary share/ registered paid-up capital 已發行普通股 /註冊及繳足 資本面值	Percentage of equity attributable to the Company 本公司應佔 股權百分比		Principal activities 主要業務
			Direct	Indirect	
			直接	間接	
Richpro Group Limited	BVI 英屬處女群島	US\$1 1美元	100	—	Investment holding 投資控股
Signalmedia Networks Hong Kong Limited	Hong Kong 香港	HK\$1 1港元	—	100	Inactive 暫無營業
Spring New Developments Limited	BVI 英屬處女群島	US\$1 1美元	—	100	Investment holding 投資控股
Winning Elite Investments Limited (“Winning Elite” (「Winning Elite」))	BVI/Macau 英屬處女群島 /澳門	US\$1 1美元	100	—	Investment holding 投資控股

* The subsidiaries are registered as wholly-foreign-owned enterprises under the PRC law.

Further details of the Group’s acquisition of Jovian are included in note 30 to the financial statements.

18. 於附屬公司之權益(續)

附屬公司詳情如下：(續)

* 該等附屬公司乃根據中國法律註冊為全外資企業。

本集團收購溢星之其他詳情載於財務報表附註30。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2006 二零零六年十二月三十一日

19. AVAILABLE-FOR-SALE INVESTMENTS

19. 可供出售投資

		Notes 附註	Group 本集團		Company 本公司	
			2006 二零零六年	2005 二零零五年	2006 二零零六年	2005 二零零五年
			HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Listed equity investments in Hong Kong, at fair value	於香港之上市股本投資，按公平值	(a)	730	—	730	—
Unlisted equity investments, at cost	非上市股本投資，按成本值	(b)	211,410	—	—	—
			212,140	—	730	—

Notes:

- (a) During the year, the gross gain of the Group's available-for-sale investments recognised directly in equity amounted to HK\$264,000 (2005: Nil). The fair values of listed equity investments are based on quoted market prices as at 31 December 2006.
- (b) Unlisted equity investments consisted of investments in equity securities which were designated as available-for-sale financial assets and have no fixed maturity date or coupon rate.

As at 31 December 2006, unlisted equity investments with an aggregate carrying amount of HK\$212,410,000 (2005: Nil) were stated at cost less impairment because the range of reasonable fair value estimates is so significant that the directors are of the opinion that their fair value cannot be measured reliably. Further details of the unlisted equity investments are set out below.

Investment in Sociedade

On 26 May 2006, Performing Investments, a wholly-owned subsidiary of the Group, acquired an 8.69% equity interest in Sociedade de Investimento Imobiliario Pun Keng Van, S.A.R.L. ("Sociedade"), a limited liability company incorporated in Macau on 15 May 1993, for a consideration of HK\$100,000,000. Sociedade is principally engaged in property investment business. The principal asset held by Sociedade as at 31 December 2006 was a piece of bare land located at Baia de Praia Grande (Nam Van Lakes District), Macau for residential development purpose.

附註：

- (a) 年內，本集團直接在股本中確認之可供出售投資之總收益為264,000港元（二零零五年：無）。上市股本投資之公平值根據二零零六年十二月三十一日之所報市場價格。
- (b) 非上市股本投資包括指定為可供出售財務資產且並無固定期滿日或票息率之股本證券。

於二零零六年十二月三十一日，總賬面值為212,410,000港元（二零零五年：無）之非上市股本投資，以成本減減值列賬，因為合理公平值範圍之估計非常重要，而董事認為其公平值並不能可靠地量度。非上市股本投資詳情如下：

於Sociedade之投資

於二零零六年五月二十六日，本集團之全資附屬公司Performing Investments購入一間於一九九三年五月十五日於澳門註冊成立之有限公司Sociedade de Investimento Imobiliario Pun Keng Van, S.A.R.L.（「Sociedade」）8.69%股權，代價為100,000,000港元。Sociedade主要從事物業投資業務。Sociedade於二零零六年十二月三十一日持有之主要資產為一幅在澳門Baia de Praia Grande（南灣湖區）一幅空地，作住宅發展用途。

**19. AVAILABLE-FOR-SALE INVESTMENTS
(continued)**

Notes: (continued)
(b) (continued)

Investment in the Partnership

On 9 September 2006, Winning Elite, a wholly-owned subsidiary of the Group, subscribed 6.4% of the expected total capitalisation of US\$200 million (equivalent to approximately HK\$1,560 million) in LCF Macau Co-Investor L.P., a limited partnership formed on 16 June 2006 under the Partnership Act 1996 of the BVI (the "Partnership"), at a consideration of HK\$100 million.

The Partnership has a term of 10 years from the date of its formation. The subscription was completed on 11 September 2006. The Partnership is principally engaged in property investment business. The principal asset held by the Partnership as at 31 December 2006 was a 3.85% equity interest in Baia da Nossa Senhora da Esperanca Real Estate Development Company Limited, a limited liability company incorporated in Macau, which has an interest in a piece of land situated at Baia de Nossa Senhora da Esperanca, Macau.

The Partnership comprises a general partner and three limited partners, including Winning Elite, as at the balance sheet date. The general partner of the Partnership shall have the sole right to determine whether from time to time profits of the Partnership shall be distributed in cash or shall be left within the Partnership, in which event the capital account of all partners shall be increased. The limited partners cannot make any investment and operating decisions of the Partnership and shall be entitled to receive a share of the annual net profits equivalent to their share in the capitalisation of the Partnership. Limited partners may not withdraw from the Partnership prior to the termination of the Partnership. Interests in the Partnership may be assigned only with the written consent of the general partner, which consent may be withheld in its sole discretion.

19. 可供出售投資(續)

附註：(續)
(b) (續)

於合夥企業之投資

於二零零六年九月九日，本集團之全資附屬公司Winning Elite認購一間根據一九九六年英屬處女群島合夥企業法在二零零六年六月十六日成立之有限責任夥伴LCF Macau Co-Investor L.P.（「合夥企業」）預期總市值200,000,000美元（相等於約1,560,000,000港元）之6.4%權益，代價為100,000,000港元。

合夥企業之年期為由其成立日期起計十年。認購已於二零零六年九月十一日完成。合夥企業主要從事物業投資業務。合夥企業於二零零六年十二月三十一日持有之主要資產為一間於澳門註冊成立之有限公司Baia da Nossa Senhora da Esperanca Real Estate Development Company Limited（持有一幅位於澳門Baia de Nossa Senhora da Esperanca之土地之權益）之3.85%股權。

於結算日，合夥企業包括一名一般合夥人及三名有限合夥人（包括Winning Elite）。合夥企業之夥伴擁有唯一權利，不時釐定夥伴之溢利將以現金分派或在合夥企業中保留，而在此情況下，所有合夥人之資本賬將增加。有限合夥人不能作出合夥企業的任何投資及經營決定，並有權收取相等於其所佔合夥企業資本值之年度純利。有限夥伴不能於合夥企業終止前從合夥企業提取款項。於合夥企業之權益，僅於獲得一般合夥人書面同意（有關同意可絕對酌情不予發出）後，始能轉讓。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2006 二零零六年十二月三十一日

20. TRADE RECEIVABLES

Payment in advance is normally required with each transaction with customers, except for certain well-established customers where the Group allows trading terms on credit. Invoices are normally payable within 30 days of issuance. Credit limit are set for customers. The Group seeks to maintain strict control over its receivables to minimise credit risk. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest-bearing and the carrying amounts of trade receivables approximate to their fair values.

An aged analysis of the trade receivables, net of impairment loss, as at the balance sheet date, based on invoice date, is as follows:

		Group 本集團	
		2006 二零零六年	2005 二零零五年
		HK\$'000 千港元	HK\$'000 千港元
Current to 3 months	即期至三個月	828	—
4 to 6 months	四至六個月	81	—
7 to 12 months	七至十二個月	442	—
Over 1 year	超過一年	19	—
		1,370	—

20. 貿易應收款項

與客戶進行之各項交易一般須預付款項，而若干關係良好之客戶，本集團則會提供信貸期。發票一般須於發出30日到期應付。本集團會為客戶設定信貸上限。本集團尋求維持對其應收賬款維持嚴謹限制，以減低信貸風險。鑑於上文所述，以及本集團應數貿易賬款涉及大量不同之客戶，故並無重大的信貸集中風險。貿易應收款項為免息，而其賬面值與其公平值相若。

於結算日，按發票日期之貿易應收款項（扣除減值虧損）之賬齡分析如下：

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2006 二零零六年十二月三十一日

21. LOAN AND RECEIVABLE

21. 貸款及應收款項

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Unlisted convertible debenture	非上市可換股債權證	11,672	—

On 12 December 2006, the Company subscribed for an unlisted zero-coupon convertible debenture (the "Debenture") issued by an unlisted company incorporated in the BVI with limited liability (the "Issuer") at the face value of US\$1,500,000 (equivalent to approximately HK\$11,672,000) with a maturity date of 11 June 2007. The Debenture is convertible at the option of the Group into preference shares of the Issuer at a price of US\$36.0 per share, subject to adjustment, on or before 11 June 2007. The preference shares of the Issuer shall rank prior to the ordinary shares of the Issuer and the preference shareholders are entitled to receive dividends declared by the Issuer and have the same voting rights as the ordinary shareholders. If not converted, the Debenture is redeemable at its face value on 11 June 2007.

The Debenture has been stated at the balance sheet date at cost which approximates its fair value. The fair value to the conversion right at the balance sheet date was considered minimal.

於二零零六年十二月十二日，本公司按面值1,500,000美元（相等於約11,672,000港元）認購一間在英屬處女群島註冊成立之有限公司註冊成立之非上市公司發行之非上市零票息可換股債權證（「債權證」），到期日為二零零七年六月十一日。債權證可按本集團之選擇而按每股36.0美元之價格（可予調整）於二零零七年六月十一日或之前兌換為發行人之優先股。發行人之優先股較發行之普通股享有優先地位，而優先股持有人有權收取發行人所宣派之股息，並享有普通股股東相同之投票權。倘債權證未獲兌換，可於二零零七年六月十一日按面值贖回。

債權證於結算日按成本列值，並與其公平值相若。於結算日之兌換權之公平值屬微不足道。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2006 二零零六年十二月三十一日

22. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

22. 現金及現金等值項目及已抵押存款

		Notes 附註	Group 本集團		Company 本公司	
			2006 二零零六年	2005 二零零五年	2006 二零零六年	2005 二零零五年
			HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Cash and bank balances	現金及銀行結餘		13,294	4,197	8,967	2,062
Time deposits	定期存款		105,213	182,884	97,913	175,884
			118,507	187,081	106,880	177,946
Less: Pledged time deposits for bank guarantee	減：作銀行擔保之 已抵押定期存款	(a)	(7,000)	(7,000)	—	—
Cash and cash equivalents	現金及現金等值項目	(b)	111,507	180,081	106,880	177,946

Notes:

- (a) The balance represented a restricted bank deposit made to a bank for guarantee granted by the bank to the landlord of one of the Group's rental premises in Hong Kong. The term of the lease is from 3 January 2006 to 31 December 2008 and accordingly, the restricted bank deposit is classified as non-current.
- (b) Cash at bank earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The carrying amounts of the cash and cash equivalents and the pledged deposits approximate to their fair values.
- (c) At the balance sheet date, the cash and bank balances of the Group denominated in Renminbi ("RMB") amounted to HK\$1,401,000 (2005: HK\$1,928,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

附註：

- (a) 結餘指向一間銀行提供之限制銀行存款，以取得銀行向本集團在香港之其中一項租賃物業之業主提供之擔保。租約之年期由二零零六年一月三日起至二零零八年十二月三十一日止，因此，有限制銀行存款分類為非流動。
- (b) 於銀行之現金根據以每日銀行存款利率為基準之浮息利率計息。短期定期存款視乎本集團之即時現金需求，存款期介乎一日至三個月。並按各短期定期存款利率計息。現金及現金等值項目以及已抵押存款之賬面值與其公平值相若。
- (c) 於結算日，本集團之現金及銀行結餘以人民幣計值，金額為1,401,000港元（二零零五年：1,928,000港元）。人民幣不能自由兌換為其他貨幣，然而，根據根據中國大陸之外匯管理條例及結匯、付匯及售匯管理規定，本集團獲准透過獲授權經營外匯業務之銀行將人民幣兌換為其他貨幣。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2006 二零零六年十二月三十一日

23. TRADE PAYABLES

An aged analysis of the accounts payable as at the balance sheet date, based on the invoice date, is as follows:

		Group	
		本集團	
		2006	2005
		二零零六年	二零零五年
		HK\$'000	HK\$'000
		千港元	千港元
Current to 3 months	即期至三個月	1,032	—
4 to 6 months	四至六個月	10	—
7 to 12 months	七至十二個月	12	—
Over 1 year	超過一年	175	—
		1,229	—

The trade payables are non-interest-bearing and are normally settled on 90-day terms. The carrying amounts of the Group's trade payables approximate to their fair values.

24. INTEREST-BEARING BANK BORROWING

The Group's available overdraft facilities of HK\$800,000 (2005: Nil) are interest-bearing at HIBOR plus 2% per annum and repayable on demand. HK\$189,000 of the facilities had been utilised by the Group as at the balance sheet date. The carrying amounts of the Group's bank borrowing approximates to its fair value.

23. 貿易應付款項

於結算日，按發票日期之貿易應付款項之賬齡分析如下：

		Group	
		本集團	
		2006	2005
		二零零六年	二零零五年
		HK\$'000	HK\$'000
		千港元	千港元
Current to 3 months	即期至三個月	1,032	—
4 to 6 months	四至六個月	10	—
7 to 12 months	七至十二個月	12	—
Over 1 year	超過一年	175	—
		1,229	—

貿易應付款項為免息，並一般須於90日結算。本集團之貿易應付款項之賬面值與其公平值相若。

24. 計息銀行借貸

本集團可供動用之銀行透支為800,000港元(二零零五年：無)為按香港銀行同業拆息另加年息率2%計息，並須於提出要求後償後。於結算日，本集團已動用189,000港元之信貸。本集團之銀行借貸之賬面值與其公平值相若。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2006 二零零六年十二月三十一日

25. CONVERTIBLE BONDS

On 11 November 2005, the Company issued zero coupon convertible bonds with a nominal value of HK\$51,000,000. The bonds are convertible at the option of the bondholders into ordinary shares of the Company at a price of HK\$0.2713 per share (the "Conversion Price"), subject to adjustment, on or before 10 November 2008 (the "Maturity Date"). Pursuant to the convertible bond agreement, the bonds are subject to mandatory conversion into ordinary shares of the Company at the Conversion Price, subject to adjustment, prior to the Maturity Date if the weighted average of the traded price of the shares in issue for the 30 days immediately prior to the Maturity Date represents a price which is equal to or higher than 150% of the Conversion Price.

If not converted, the bonds are redeemable at the face value of HK\$51,000,000 on the Maturity Date.

There was no movement in the number of convertible bonds during the year. The fair value of the liability component was estimated at the issuance date using an equivalent market interest rate for a similar bond without a conversion option and subsequently stated at amortised cost using the effective interest rate of 6.65% per annum. The residual amount is assigned as the equity component and is included in shareholders' equity.

The convertible bonds issued have been split in the liability and equity components as follows:

25. 可換股債券

於二零零五年十一月十一日，本公司發行面值51,000,000港元之零票息可換股債券。債券可應債券持有人之選擇，按每股0.2713港元之價格（「兌換價」）（可予調整），於二零零八年十一月十日（「期滿日」）或之前兌換為本公司普通股。根據可換股債券協議，倘已發行股份於緊接期滿日前30日之加權平均成交價，相等於或高於兌換價之150%，則債券可於期滿日前按兌換價強制兌換為本公司普通股。

倘未獲兌換，債券可按其面值51,000,000港元於期滿日可予贖回。

年內，可換股債券之數目並無變動。債務於發行日期之公平值利用並無兌換權之類似債券之相等市場利率估計，並隨後利用實際年息率6.65%計算之攤銷成本列賬。餘額乃撥至股本部份，並計入股東股本部份。

已發行可換股債券分為負債及股本部份如下：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Nominal value of convertible bonds	可換股債券之面值	51,000	51,000
Equity component	股本部份	(8,957)	(8,957)
Liability component at the issuance date	於發行日之負債部份	42,043	42,043
Interest expense (note 7)	利息開支(附註7)	2,795	—
Liability component at 31 December	於十二月三十一日之負債部份	44,838	42,043

NOTES TO FINANCIAL STATEMENTS
財務報表附註

31 December 2006 二零零六年十二月三十一日

26. DEFERRED TAX ASSETS

Movements in deferred tax assets during the year are as follows:

Group	本集團	Depreciation in excess of related depreciation allowance 超過相關折舊撥備之折舊 HK\$'000 千港元
Acquisition of a subsidiary (note 30) and at 31 December 2006	收購一間附屬公司(附註30)及 於二零零六年十二月三十一日	61

26. 遞延稅項資產

年內遞延稅項資產變動如下：

27. SHARE CAPITAL

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Authorised:	法定：		
10,000,000,000 ordinary shares of HK\$0.05 each	10,000,000,000股 每股面值0.05港元之普通股	500,000	500,000
Issued and fully paid:	已發行及繳足：		
2,687,301,949 (2005: 1,699,860,000) ordinary shares of HK\$0.05 each	2,687,301,949 (二零零五年： 1,699,860,000) 股 每股面值0.05港元之普通股	134,365	84,993

27. 股本

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2006 二零零六年十二月三十一日

27. SHARE CAPITAL (continued)

A summary of the transactions during the year with reference to the changes in the Company's issued ordinary share capital is as follows:

		Number of shares in issue 已發行股份 數目	Issued share capital 已發行 股本 HK\$'000 千港元	Share premium account 股份 溢價賬 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2005 and 1 January 2006	於二零零五年一月一日及 二零零六年一月一日	1,699,860,000	84,993	72,657	157,650
Issue of new shares for subscription (note (a))	就認購而發行新股份 (附註(a))	959,000,000	47,950	143,850	191,800
Issue of new shares for acquisition of a subsidiary (note (b))	就收購一間附屬公司而 發行之新股份(附註(b))	28,441,949	1,422	4,921	6,343
At 31 December 2006	於二零零六年十二月三十一日	2,687,301,949	134,365	221,428	355,793

Notes:

- (a) Pursuant to the resolution passed on 29 March 2006, 959,000,000 ordinary shares of HK\$0.05 each were issued to certain subscribers at a price of HK\$0.2 per share for a total cash consideration of HK\$191,800,000, giving rise to a share premium of HK\$143,850,000. During the year, the proceeds were used to settle the consideration for the acquisitions of unlisted available-for-sale financial assets, which were detailed in note 19(b) to the financial statements and general working capital of the Group.
- (b) Upon the completion of the acquisition of Jovian on 12 April 2006, 28,441,949 shares were issued and allotted at a fair value of HK\$0.223 per share, giving rise to a share premium of HK\$4,921,000.

Share options

Details of the Company's share option scheme and the share options issued under the scheme are included in note 28 to the financial statements.

27. 股本(續)

年內有關本公司已發行普通股股本之變動之交易如下：

	Number of shares in issue 已發行股份 數目	Issued share capital 已發行 股本 HK\$'000 千港元	Share premium account 股份 溢價賬 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2005 and 1 January 2006	1,699,860,000	84,993	72,657	157,650
Issue of new shares for subscription (note (a))	959,000,000	47,950	143,850	191,800
Issue of new shares for acquisition of a subsidiary (note (b))	28,441,949	1,422	4,921	6,343
At 31 December 2006	2,687,301,949	134,365	221,428	355,793

附註：

- (a) 根據於二零零六年三月二十九日通過之決議案，959,000,000股每股面值0.05港元已按發行價每股0.2港元發行予若干認購人，總現金代價為191,800,000港元，導致出現股份溢價賬143,850,000港元。年內，款項用於清償收購可供出售金融資產之代價，詳情載於財務報表附註19(b)及本集團一般營運資金。
- (b) 於二零零六年四月十二日完成收購溢星後，已按每股公平值0.223港元發行及配發28,441,949股股份，導致產生股份溢價賬4,921,000港元。

購股權

本公司購股權計劃以及根據計劃發行之購股權詳情，載於財務報表附註28。

27. SHARE CAPITAL (continued)

Warrants

On 11 September 2006, the Company issued 2 unlisted warrants, being Series A Warrant and Series B Warrant (collectively, the "Warrants"), for HK\$1 per Warrant to LCF II Holdings, Limited, a limited liability company incorporated in the BVI and an independent third party to the Group (the "Subscriber"). Each Warrant entitles the Subscriber to subscribe, subject to conditions as further detailed below fulfilled, 267,634,000 ordinary shares of the Company of HK\$0.05 each at a subscription price of HK\$0.1999 per share, subject to adjustment and payable in cash, from the date of issue to 10 September 2009.

No Warrants were exercised during the year and up to date of approval of the financial statements. The exercise in full of the Warrants as at balance sheet date would, under the present value of the Group, result in the issue 535,268,000 additional shares of the Company, representing approximately 19.9% of the Company's shares in issue as at 31 December 2006 and would give rise to additional share capital of HK\$53,527,000 and share premium of HK\$160,473,000.

Series A Warrant

The exercise of the subscription right attaching to the Series A Warrant is conditional upon the Company receiving evidence satisfactory to it showing that the aggregate of the audited profits before tax of businesses acquired by the Group, being introduced by the Subscriber after 11 September 2006 (the "Introduced Businesses"), excluding those Introduced Businesses that are loss-making, for the twelve months ending on the financial year end date of those Introduced Businesses next following the completion date of the relevant acquisition multiplied by the relevant percentage interest acquired by the Group, exceed HK\$10 million.

27. 股本(續)

認股權證

於二零零六年九月十一日，本公司以每份認股權證1港元，向一間在英屬處女群島註冊成立之有限公司並為本集團之獨立第三方LCF II Holdings, Limited (「認購方」)發行2份非上市認股權證，即A系列認股權證及B系列認股權證(「認股權證」)。各份認股權證賦予其按每股0.1999港元(可予調整並須以現金支付)之認購價，由發行日起至二零零九年九月十日，認購本公司每股面值0.05港元認購267,634,000股股份(惟須達成下文所述條件始能作實)。

年內至批准財務報表日期，並無行使認股權證。根據本集團之現值，悉數行使於結算日之認股權證將導致額外發行本公司535,268,000股股份，佔本公司於二零零六年十二月三十一日之已發行股份約19.9%，並會產生額外股本53,527,000港元及股份溢價賬160,473,000港元。

A系列認股權證

附於A系列認股權證之認購權之行使，須待本公司接獲令其滿意之證據，顯示本集團所購入業務(即認購人於二零零六年九月十一日後介紹之業務(「介紹業務」)，但不包括錄得虧損之介紹業務)於有關收購完成日期後該等介紹業務財政年結日前十二個月之除稅前之經審核溢利乘以本集團所佔之有關百份比權益，超過10,000,000港元始能作實。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2006 二零零六年十二月三十一日

27. SHARE CAPITAL (continued)

Warrants (continued)

Series B Warrant

The exercise of the subscription right attaching to the Series B Warrant is conditional upon:

- i) The average market capitalisation of the Company for the 60 trading days immediately prior to the date which the Subscriber is entitled to exercise the subscription, which is determined as the product of the closing price of the Company's shares and the number of shares issued and outstanding at the close of business, has an average of no less than HK\$1 billion; and
- ii) The Company, since 11 September 2006, having completed the acquisitions of businesses, assets and/or interests therein at a total consideration of not less than HK\$200 million, provided that the opportunities for such acquisitions have been introduced to the Group by the Subscriber.

The fair value of the Warrants granted during the year was estimated as at the date of grant using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used for the year ended 31 December 2006:

Date of grant	11 September 2006
Dividend yield (%)	Nil
Expected volatility (%)	82.00
Risk-free interest rate (%)	3.90
Expected life of option (year)	3.00
Closing share price at date of grant (HK\$)	0.19

The volatility reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome.

27. 股本(續)

認股權證(續)

B系列認股權證

行使B系列認股權證所附之認購權須首先達成下列條件：

- i) 本公司於緊接認購人有權行使認購權（按本公司股份之收市價乘以於辦公時間結束時已發行在外之股份數目之積而釐訂）之日前60個交易日之平均市值平均不少於1,000,000,000港元；及
- ii) 本公司自二零零六年九月十一日已完成按不少於200,000,000港元之代價購入業務、資產及／或其中之權益，但認購人須向本集團介紹有關收購之機會。

於年內已授出認股權之公平值按授出日期估計，並使用帕萊克舒爾茨期權定價模式及購股權授出之條款及條件計算。下表載列截至二零零六年十二月三十一日止年度模式之計入項目：

授出日期	二零零六年九月十一日
股息率(%)	零
預期波動(%)	82.00
無風險利率(%)	3.90
預期購股權年期(年)	3.00
授出日期之股份收市價(港元)	0.19

預期波動反映歷史波動為未來趨勢之指示之假設，未必一定為實際結果。

27. SHARE CAPITAL (continued)

Warrants (continued)

The fair value of the Warrants recognised by the Group as the cost of equity-settled transactions for services provided by the Subscriber as at the balance sheet date was HK\$45,640,000, of which HK\$11,410,000 have been included in available-for-sale investments and HK\$34,230,000 have been included in prepayments, deposits and other receivables in relation to the acquisitions of the Partnership and CMM International Group Limited, which is detailed in note 36 to the financial statements, respectively, as the Group considered the related services that contribute to fulfilling the conditions attached to the Warrants had been provided by the Subscriber during the year.

28. SHARE OPTION SCHEME

On 15 October 2003, the Company adopted a share option scheme (the "Scheme"). The purpose of the Scheme is to provide incentives and rewards to the eligible participants who contribute to the Group, and to enable the Group to recruit and retain high calibre professionals, executives and employees who are instrumental to the growth of the Group. Eligible participants of the Scheme include the directors (including executive directors and non-executive directors), and employees of the Group, consultants or advisers of the Group, suppliers of goods or services to the Group, customers of the Group or business alliance of the Group and shareholders of the Group. The Scheme, unless otherwise terminated or amended, will remain in force for a period of 10 years from 15 October 2003.

The maximum numbers of shares which may be issued upon exercise of all outstanding options granted and yet to be granted under the Scheme and any other share option schemes of the Company must not, in aggregate, exceed 30% of the ordinary shares in issue from time to time. The total number of shares which may be issued upon exercise of all options to be granted under the Scheme and any other share option schemes of the Group must not, in aggregate, exceed 10% of the ordinary shares of the Company in issue as at the date of adopting the Scheme, but the Company may seek approval of its shareholders in a general meeting to refresh the 10% limit under the Scheme.

27. 股本(續)

認股權證(續)

本集團所確認作為認購人提供之服務之股本結算交易之成本之認股權證公平值，於結算日為45,640,000港元，其中11,410,000港元已計入可供出售投資，而34,230,000港元已計入有關購入夥伴企業及CMM International Group Limited(有關詳情載於財務報表附註36)之預付款項、按金及其他應收款項，因為本集團認為認購人年內已提供達成認股權證所附條件之相關服務。

28. 購股權計劃

本公司於二零零三年十月十五日採納購股權計劃(「計劃」)，旨在讓本公司向合資格參與者提供獎勵及獎賞彼等對本集團所作出貢獻，並讓本集團可延攬及慰留有助本集團增長之有能專業人士、行政人員及僱員。計劃之合資格參與者本集團董事(包括執行董事及非執行董事)、僱員、本集團顧問、本集團貨品或服務供應商、本集團客戶或本集團業務夥伴，以及本集團股東。除非以其他方式予以終止或修訂，否則計劃將由二零零三年十月十五日起十年期內維持生效。

根據計劃及本公司任何其他購股權計劃已授出及有待授出之所有尚未行使購股權獲行使而可發行之最高股份總數，不得超過本公司不時已發行普通股之30%。根據計劃及本集團任何其他購股權計劃已授出之所有購股權獲行使而可發行之股份總數，不得超過本公司於計劃採納日期當日已發行普通股之10%，惟本公司可於股東大會上尋求其股東批准更新計劃之10%限制。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2006 二零零六年十二月三十一日

28. SHARE OPTION SCHEME (continued)

The total number of shares issued and to be issued upon exercise of the share options granted under the Scheme and any other share option scheme of the Group (including both exercised and outstanding options) to each participant in any 12-month period up to the date of grant must not exceed 1% of the ordinary shares in issue at the date of grant. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting of the Company.

Share options granted under the Scheme to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval of the independent non-executive directors of the Company (excluding any independent non-executive director who is also the grantee of the options). In addition, any share options granted to a substantial shareholder or independent non-executive directors of the Company, in excess of 0.1% of the ordinary shares of the Company in issue at any time or with an aggregate value (based on the closing price of the Company's shares at the date of each grant) in excess of HK\$5 million, within any 12-month period up to and including the date of such grant, are subject to shareholders' approval in general meeting of the Company.

A share option may be accepted by a participant within 10 days from the date of the offer for grant of the option. The exercise period of the share options granted is determinable by the directors in accordance with the terms of the Scheme, and commences from the date of acceptance of the offer of grant of the share options and ends on a date which is not later than 10 years from the date of grant of the share options.

The exercise price of the share options is determinable by the directors of the Company, but must not be less than the higher of (i) the closing price of the Company's shares as stated in the Hong Kong Stock Exchange's daily quotations sheet on the date of the offer for grant, which must be a business day; (ii) the average closing price of the Company's shares as stated in the Hong Kong Stock Exchange's daily quotations sheet for the five business days immediately preceding the date of the offer of the grant, which must be a business day; and (iii) the nominal value of the ordinary share.

28. 購股權計劃(續)

由授出日期起計十二個月期間根據計劃及本集團任何其他購股權計劃向任何個別參與者授出之購股權(包括已行使及尚未行使之購股權)獲行使發行及可予發行之股份總數，不得超過本公司於授出日期已發行普通股之1%。授出任何超出此限制之購股權均須由股東在本公司股東大會上批准，方為有效。

根據計劃向本公司董事、行政總裁或主要股東或彼等任何聯繫人士授出購股權須經本公司獨立非執行董事(同時身為購股權承授人之任何獨立非執行董事除外)批准。此外，於任何該等授出日期起計(包括該日)任何十二個月內向本公司主要股東或獨立非執行董事授出任何購股權，倘超出本公司不時之已發行普通股0.1%或其總值(根據本公司股份於各授出日期之收市價計算)超出5,000,000港元，則必須獲股東於本公司股東大會上批准。

參與者可於提呈授出購股權日期起計十日內接納購股權。購股權之行使期由董事根據計劃條款釐定，可由接納授出購股權提呈日期起至授出購股權日期起計不起過十年之若干日期止期間行使。

購股權行使價由本公司董事釐定，但不得低於下列三者之最高者：(i)本公司股份於提呈授出日期(必須為營業日)在香港聯交所每日報價表內所示之收市價；(ii)本公司股份於緊隨提呈授出日期(必須為營業日)前五個營業日在香港聯交所每日報價表內所示之平均收市價；及(iii)普通股面值。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2006 二零零六年十二月三十一日

28. SHARE OPTION SCHEME (continued)

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

The following share options were outstanding under the Scheme during the year:

28. 購股權計劃(續)

購股權並無賦予持有人權利收取股息或在股東大會上投票。

年內根據計劃授出之尚未行使購股權如下：

Name or category of participant 參與者姓名或類別	Number of share options 購股權數目				Date of grant of share options* 購股權授出日期* (dd/mm/yyyy) (日/月/年)	Price of the Company's shares*** 本公司股份股價***				
	At 1 January 2006 於二零零六年一月一日	Granted during the year 年內授出	Forfeited during the year 年內收回	At 31 December 2006 於二零零六年十二月三十一日		Exercise period of share options 購股權行使期	Exercise price of share options** 購股權行使價** HK\$ 每股港元	At grant date of options 於購股權授出日期	Immediately before the exercise date 緊接行使日期前	At exercise date of options 於購股權行使日期
Director 董事										
Kwok King Yan, Edmund 郭敬仁	16,998,600	-	-	16,998,600	15/11/2005 15/11/2005	15/11/2005 to 10/11/2015 15/11/2005至10/11/2015	0.305	0.31	-	-
Former director 前董事										
Isao Matsushima 松島庸	16,998,600	-	-	16,998,600	15/11/2005 15/11/2005	15/11/2005 to 10/11/2015 15/11/2005至10/11/2015	0.305	0.31	-	-
Business consultants 業務顧問										
In aggregate 合計	1,699,860	-	-	1,699,860	15/11/2005 15/11/2005	15/11/2005 to 10/11/2015 15/11/2005至10/11/2015	0.305	0.31	-	-
	115,590,480	-	(45,896,220)	69,694,260	15/11/2005 15/11/2005	15/11/2005 to 10/11/2015 15/11/2005至10/11/2015	0.315	0.31	-	-
Sub-total 小計	117,290,340	-	(45,896,220)	71,394,120						
Other employee 其他僱員										
In aggregate 合計	-	3,399,720	-	3,399,720	28/8/2006 28/8/2006	28/8/2006 to 27/8/2015 28/8/2006至27/8/2015	0.2	0.2	-	-
Total 總計	151,287,540	3,399,720	(45,896,220)	108,791,040						

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2006 二零零六年十二月三十一日

28. SHARE OPTION SCHEME (continued)

- * The vesting period of the share options is from date of grant until the commencement of the exercise period.
- ** The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.
- *** The price of the Company's shares disclosed as at the date of grant of the share options is the Hong Kong Stock Exchange closing price on the trading day immediately prior to the date of grant of the options.

The fair value of the share options granted during the year was HK\$245,000, of which the Group recognised an equity-settled share option expense of HK\$245,000 during the year ended 31 December 2006.

The fair value of equity-settled share options granted during the year was estimated as at the date of grant, using a binomial model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used for the year ended 31 December 2006:

Date of grant	28 August 2006
Dividend yield (%)	Nil
Expected volatility (%)	42.47
Risk-free interest rate (%)	4.29
Expected life of option (year)	9.00
Closing share price at date of grant (HK\$)	0.20

The expected life of the options is based on the historical data over the past three years and is not necessarily indicative of the exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

No other feature of the options granted was incorporated into the measurement of fair value.

28. 購股權計劃(續)

- * 購股權之歸屬期由授出日期起計至使用開始為止。
- ** 購股權之行使價可根據供股或發行紅股或本公司股本之任何其他類似變動而予以調整。
- *** 上文所披露之本公司股份於購股權授出日期之股價為緊接購股權授出日期前之交易之香港聯交所收市價。

年內已授出購股權之公平值為245,000港元，本集團已於截至二零零六年十二月三十一日止年度就其確認股本結算購股權開支245,000港元。

於年內已授出股本結算認股權之公平值於授出日期估計，並使用二項式模式及購股權授出之條款及條件計算。下表載列截至二零零六年十二月三十一日止年度模式之計入項目：

授出日期	二零零六年八月二十八日
股息率(%)	零
預期波動(%)	42.47
無風險利率(%)	4.29
預期購股權年期(年)	9.00
授出日期之股份收市價(港元)	0.20

購股權之估計年期乃根據過往三年之歷史數據計算，未必一定反映可能出現之行使模式預期波動反映歷史波動為未來趨勢之指示之假設，未必一定為實際收入。

計量公平值時，概無計及已授出購股權之任何其他特性。

28. SHARE OPTION SCHEME (continued)

At the balance sheet date, the Company had 108,791,040 share options outstanding under the Scheme, which represented approximately 4.0% of the Company's shares in issue as at that date. The exercise in full of these share options would, under the present capital structure of the Company, result in the issue of 108,791,040 additional ordinary shares of the Company and additional share capital of approximately HK\$5,440,000 and share premium of approximately HK\$28,081,000 (before issue expenses).

29. RESERVES

(a) Group

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on page 32 of the financial statements.

The Group's contributed surplus represents the difference between the nominal value of the shares of the subsidiaries acquired pursuant to the Group reorganisation over the nominal value of the Company's shares issued in exchange therefor.

Pursuant to the relevant laws and regulations for Sino-foreign joint venture enterprises, a portion of the profits of the Group's subsidiaries which are registered in the People's Republic of China has been transferred to reserve funds which are restricted as to use.

28. 購股權計劃(續)

於結算日，本公司根據計劃授出而尚未行使之購股權數目為108,791,040份，佔本公司該日已發行股份約4.0%。根據本公司現行資本結構，悉數行使該等購股權將導致須發行108,791,040股本公司額外普通股，額外股本約為5,440,000港元，以及約28,081,000港元股份溢價(扣除發行開支前)。

29. 儲備

(a) 本集團

本集團本年度及過往年度之儲備金額及儲備變動已於財務報表第32頁之綜合權益變動表內呈列。

本集團之繳入盈餘指根據本集團重組所收購附屬公司股份面值超出本公司所發行以換取該等股份之本公司股份之面值之差額。

根據適用於中外合營企業之相關法律及法規，本集團在中華人民共和國註冊之附屬公司之部分溢利已轉撥至儲備基金，其用途受限制。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2006 二零零六年十二月三十一日

29. RESERVES (continued)

(b) Company

		Share premium account	Equity component of convertible bonds	Warrant reserve	Share option reserve	Available-for-sale investment revaluation reserve	Contributed surplus	Accumulated losses	Total
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	可供出售投資重估儲備	繳入盈餘	累計虧損	總計
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
					(note (b)) (附註(b))		(note (a)) (附註(a))		
At 1 January 2005	於二零零五年一月一日	72,657	–	–	–	–	28,470	(14,701)	86,426
Issue of convertible bonds	發行可換股債券	–	8,957	–	–	–	–	–	8,957
Equity-settled share option arrangements	股本結算購股權安排	–	–	–	8,018	–	–	–	8,018
Loss for the year	年內虧損	–	–	–	–	–	–	(15,442)	(15,442)
At 31 December 2005 and 1 January 2006	於二零零五年十二月三十一日及二零零六年一月一日	72,657	8,957	–	8,018	–	28,470	(30,143)	87,959
Changes in fair value of available-for-sale investments	可供銷售投資公平值變動	–	–	–	–	264	–	–	264
Equity-settled warrant arrangement	股本結算認股權證安排	–	–	45,640	–	–	–	–	45,640
Equity-settled share option arrangements	股本結算購股權安排	–	–	–	245	–	–	–	245
Transfer of share option reserve upon forfeiture of unexercised options	沒收尚未行使購股權時轉撥購股權儲備	–	–	–	(2,432)	–	–	2,432	–
Issue of shares	發行股份	148,771	–	–	–	–	–	–	148,771
Loss for the year	年內虧損	–	–	–	–	–	–	(25,231)	(25,231)
At 31 December 2006	於二零零六年十二月三十一日	221,428	8,957	45,640	5,831	264	28,470	(52,942)	257,648

Notes:

- (a) The Company's contributed surplus represents the difference between the nominal value of the shares of the subsidiaries acquired pursuant to the reorganisation referred to in note 29(a) over the nominal value of the Company's shares issued in exchange therefor.
- (b) The share option reserve comprises the fair value of share options granted which are yet to be exercised, as further explained in the accounting policy for share-based payment transactions in note 2.4 to the financial statements. The amount will either be transferred to the share premium account when the related options are exercised, or be transferred to retained profits should the related options expire or be forfeited.

29. 儲備(續)

(b) 本公司

		Share premium account	Equity component of convertible bonds	Warrant reserve	Share option reserve	Available-for-sale investment revaluation reserve	Contributed surplus	Accumulated losses	Total
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	可供出售投資重估儲備	繳入盈餘	累計虧損	總計
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
					(note (b)) (附註(b))		(note (a)) (附註(a))		
At 1 January 2005	於二零零五年一月一日	72,657	–	–	–	–	28,470	(14,701)	86,426
Issue of convertible bonds	發行可換股債券	–	8,957	–	–	–	–	–	8,957
Equity-settled share option arrangements	股本結算購股權安排	–	–	–	8,018	–	–	–	8,018
Loss for the year	年內虧損	–	–	–	–	–	–	(15,442)	(15,442)
At 31 December 2005 and 1 January 2006	於二零零五年十二月三十一日及二零零六年一月一日	72,657	8,957	–	8,018	–	28,470	(30,143)	87,959
Changes in fair value of available-for-sale investments	可供銷售投資公平值變動	–	–	–	–	264	–	–	264
Equity-settled warrant arrangement	股本結算認股權證安排	–	–	45,640	–	–	–	–	45,640
Equity-settled share option arrangements	股本結算購股權安排	–	–	–	245	–	–	–	245
Transfer of share option reserve upon forfeiture of unexercised options	沒收尚未行使購股權時轉撥購股權儲備	–	–	–	(2,432)	–	–	2,432	–
Issue of shares	發行股份	148,771	–	–	–	–	–	–	148,771
Loss for the year	年內虧損	–	–	–	–	–	–	(25,231)	(25,231)
At 31 December 2006	於二零零六年十二月三十一日	221,428	8,957	45,640	5,831	264	28,470	(52,942)	257,648

附註：

- (a) 本公司之繳入盈餘指根據本集團重組(誠如附註29(a)所述)所收購附屬公司股份面值超出本公司所發行以換取該等股份之本公司股份之面值之差額。
- (b) 購股權儲備包括已授出但未行使之購股權之公平值(誠如財務報表附註2.4以股份為基礎之交易之會計政策所詳述)。有關金額將於相關購股權獲行使時轉撥至股份溢價賬或於相關購股權到期或被沒收時轉撥至保留溢利。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2006 二零零六年十二月三十一日

30. BUSINESS COMBINATION

On 12 April 2006, the Group acquired the entire issued share capital of Jovian. Jovian is engaged in the provision of financial public relation services. The purchase consideration of HK\$21,331,000 was satisfied by cash of HK\$12,798,000 and by the allotment and issue of 28,441,949 new ordinary shares of the Company at a price of HK\$0.3 per share.

The fair value of the acquired identifiable assets and liabilities at the date of acquisition is:

30. 業務合併

於二零零六年四月十二日，本集團收購溢星之全部已發行股本。溢星從事提供財經公共關係服務之業務。收購代價21,331,000港元以現金12,798,000港元及按每股股份0.3港元之價格配發及發行28,441,949股本公司新普通股之方式支付。

於收購日期，已收購可識別資產及負債之公平值如下：

		Notes 附註	Fair value recognised on acquisition 於收購時 已確認公平值	Carrying amount 賬面值
			HK\$'000 千港元	HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	13	57	57
Deferred tax assets	遞延稅項資產	26	61	61
Trade receivables	貿易應收款項		537	537
Prepayments, deposits and other receivables	預付款項、按金及其他 應收款項		218	218
Cash and bank balances	現金及銀行結餘		590	590
Trade payables	貿易應付款項		(599)	(599)
Other payables and accruals	其他應付款項及應計費用		(386)	(386)
Bank overdrafts	銀行透支		(162)	(162)
Tax payable	應付稅項		(668)	(668)
			(352)	(352)
Goodwill on acquisition	收購時支付之商譽	16	19,493	
Satisfied by:	以下列方式支付：			
Cash	現金		12,798	
Issue of new shares	發行新股份	27	6,343	
			19,141	

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2006 二零零六年十二月三十一日

30. BUSINESS COMBINATION (continued)

An analysis of the net outflow of cash and cash equivalents in respect of the acquisition of Jovian is as follows:

		HK\$'000 千港元
Cash consideration	現金代價	(12,798)
Cash and bank balances acquired	已收購現金及銀行結餘	590
Bank overdrafts	銀行透支	(162)
Net outflow of cash and cash equivalents in respect of the acquisition of a subsidiary	收購附屬公司所產生之 現金及現金等值項目流出淨額	(12,370)

Since its acquisition, Jovian contributed HK\$5,392,000 to the Group's turnover and a profit of HK\$19,000 to the consolidated loss for the year ended 31 December 2006.

Had the combination taken place at the beginning of the year, the revenue from continuing operations of the Group and the loss of the Group for the year would have been HK\$7,156,000 and HK\$36,596,000.

30. 業務合併(續)

就收購溢星而產生之現金及現金等值項目流出淨額分析如下：

自收購以來，溢星為本集團帶來5,392,000港元營業額，以及為截至二零零六年十二月三十一日止年度之綜合虧損帶來19,000港元溢利。

倘合併於年初進行，則來自本集團持續經營業務之收益及本集團之年內虧損將分別為7,156,000港元及36,596,000港元。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2006 二零零六年十二月三十一日

31. OPERATING LEASE ARRANGEMENTS

(a) As lessor

The Group leases its investment property located in Mainland China under operating lease arrangements, with leases negotiated for terms of four years.

At 31 December 2006, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

		Group 本集團	
		2006	2005
		二零零六年	二零零五年
		HK\$'000	HK\$'000
		千港元	千港元
Within one year	一年內	1,000	1,000
In the second to fifth years, inclusive	於第二至第五年(包括首尾兩年)	—	1,000
		1,000	2,000

(b) As lessee

The Group lease certain of its leasehold land and buildings under operating lease arrangements. Leases for leasehold land and buildings are negotiated for terms ranging from one to three years.

At 31 December 2006, the Group and the Company had total future minimum lease payments under non-cancellable operating leases falling due as follows:

		Group 本集團		Company 本公司	
		2006	2005	2006	2005
		二零零六年	二零零五年	二零零六年	二零零五年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Within one year	一年內	2,800	1,829	—	55
In the second to fifth years, inclusive	於第二至第五年 (包括首尾兩年)	3,423	1,774	—	—
		6,223	3,603	—	55

31. 經營租賃安排

(a) 作為出租人

本集團根據經營租賃協議出租其位於中國大陸之投資物業，經營租賃經商議達成之租期為期四年。

於二零零六年十二月三十一日，本集團根據與其租戶訂立於下列期間到期之不可撤銷經營租賃在日後可收取之最低租金總額如下：

(b) 作為承租人

本集團根據經營租賃協議租用若干租賃土地及樓宇。租用租賃土地及樓宇經商議達成之租期介乎一至三年。

於二零零六年十二月三十一日，本集團及本公司根據於下列期間到期之不可撤銷經營租賃在日後須支付之最低租金數額如下：

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2006 二零零六年十二月三十一日

32. COMMITMENTS

In addition to the operating lease commitments detailed in note 31(b) above, the Group and the Company had capital commitments at the balance sheet date in relation to the acquisition of CMM International Group Limited, further details of which are included in note 36 to the financial statements.

33. NOTE TO THE CONSOLIDATED CASH FLOW STATEMENT

Major non-cash transactions

Save as disclosed in notes 27, 28 and 30 to the financial statements, there is no other major non-cash transaction of investing and financing activities for the year ended 31 December 2006 (2005: Nil).

34. RELATED PARTY TRANSACTIONS

The directors are the key management personnel of the Group. Details of their remunerations are disclosed in note 8 to the financial statements.

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise interest-bearing bank borrowings, convertible bonds, and cash and short term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as available-for-sale investments, trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are cash flow interest rate risk, liquidity risk, foreign currency risk and credit risk. The board reviews and agrees policies for managing each of these risks and they are summarised below.

Cash flow interest rate risk

The Group is exposed to interest rate risk through the impact of rate changes on interest-bearing bank borrowings. The Group has an interest rate risk management policy in place to monitor and mitigate interest rate risk within tolerable risk limits.

32. 承擔

除上文附註31(b)之經營租賃承擔詳情外，於結算日，本集團及本公司就收購CMM International Group Limited有資本承擔，其有關詳情載於財務報表附註36。

33. 綜合現金流量表附註

主要非現金交易

除財務報表附註27、28及30所披露者外，截至二零零六年十二月三十一日止年度概無有關投資及融資活動之其他非現金交易(二零零五年：無)。

34. 關連人士交易

董事為本集團之主要管理人員。有關其薪酬詳情於財務報表附註8中披露。

35. 金融風險管理目標及政策

本集團之主要金融工具包括計息銀行借貸、可換股債券及現金及短期存款。該等金融工具之主要目標為本集團營運籌集資金。本集團有多項由其營運直接產生之其他金融資產及負債，例如可供出售投資、貿易應收款項及貿易應付款項。

本集團之金融工具產生之主要風險為現金流量利率風險、流動資金風險、外幣風險及信貸風險。董事會檢討及贊同管理每項該等風險的政策，並概列如下。

現金流量利率風險

本集團因計息銀行借貸之利率變動影響而面對利率風險。本集團制訂一項利率風險管理政策，以監察及減低利率風險至可承受之風險限額內。

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk

The Group's objective is to maintain a balance between the continuity of funding and the flexibility through the use of bank overdrafts. To manage liquidity risk, the Group periodically monitors their net operating cash flow and maintains an adequate working capital for their daily operation.

Foreign currency risk

The monetary assets and transactions of several subsidiaries of the Group are principally denominated in foreign currencies, which expose the Group to foreign currency risk. As a result of certain assets and business operations in Mainland China, the Group's balance sheet can be affected by movements in RMB/HK\$ exchange rate.

The Group currently has no particular hedging vehicles to hedge its exposure to foreign exchange risk profile. It is the Group's policy to monitor foreign exchange exposure and to make use of appropriate hedging measures when required.

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. For transactions that are not denominated in the functional currency of the relevant operating unit, the Group does not offer credit terms without the specific approval of the senior management.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, equity investments and other financial assets, arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral.

35. 金融風險管理目標及政策(續)

流動資金風險

本集團之目標為透過採用銀行透支，使融資之延續性與靈活性保持平衡。本集團定期監察其經營現金流量淨額及維持其日常營運有充足之營運資金，以管理流動資金風險。

外幣風險

本集團若干附屬公司之金融資產及交易主要以外幣結算，本集團因而須承受外匯風險。由於若干資產及業務營運位於中國大陸，本集團之資產負債表受人民幣兌港元之匯率變動影響。

本集團現時並無指定對沖工具，以對沖外匯風險組合之風險。本集團之政策為監控外匯風險及於需要時採用合適對沖措施。

信貸風險

本集團僅與具備認可信譽之第三方進行貿易。本集團之政策為所有欲按信貸期買賣之客戶，均須通過信貸核實程序。此外，應收餘額乃按持續基準監控，本集團面對之壞賬並不重大。就非以有關經營單位功能貨幣結算之交易而言，在未經高級管理層特定批准前，本集團不會給予任何信貸期。

本集團其他金融資產之信貸風險包括現金及現金等值項目、股本投資以及因交易對方欠賬而產生之其他金融資產，其最高限額相當於該等工具之賬面值。

由於本集團僅與具備認可信譽之第三方進行貿易，因而並無要求任何抵押品。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2006 二零零六年十二月三十一日

36. POST BALANCE SHEET EVENT

On 17 November 2006, the Group entered into a conditional share purchase agreement with Ambleside Associates Limited ("Ambleside"), an independent third party, to acquire a 51.3% equity interest in CMM International Group Limited ("CMM"), a private limited company incorporated in the BVI and principally engaged in the manufacture and trading of cosmetic and related products, at an aggregate cash consideration of HK\$30 million (the "CMM Acquisition"). Ambleside was the then sole shareholder of CMM. As at 31 December 2006, a refundable deposit of HK\$10 million was made by the Group and is included in prepayments, deposits and other receivables in the consolidated balance sheet as at 31 December 2006.

On 14 February 2007, the Group, CMM, Ambleside and Ms. Cheng Ming Ming ("Ms. Cheng"), a shareholder of Ambleside, entered into a termination and share purchase agreement, pursuant to which the CMM Acquisition was terminated and the Group proposed to acquire the entire issued share capital of CMM from Ambleside at consideration of HK\$100 million (the "New CMM Acquisition"). The consideration to be satisfied by the Company will be in the form of cash of HK\$33,000,000 and the allotment and issue of 670,000,000 new ordinary shares of the Company to Ms. Cheng at a price of HK\$10 per share.

The New CMM Acquisition would constitute a very substantial acquisition and a connected transaction of the Company under the Listing Rules as Ms. Cheng is expected to be appointed as a non-executive director of the Company after the New CMM Acquisition. Pursuant to the Listing Rules, the completion of the New CMM Acquisition is subject to, inter alia, the approval of the independent shareholders of the Company at an extraordinary general meeting. Pursuant to the extraordinary ordinary general meeting held on 26 March 2007, the New CMM Acquisition was duly approved by the independent shareholders of the Company. The New CMM Acquisition is expected to be completed by 30 April 2007.

Other than disclosed above, the Group had no significant post balance sheet event.

36. 結算日後事項

於二零零六年十一月十七日，本集團與獨立第三方Ambleside Associates Limited (「Ambleside」) 訂立一項有條件股份購買協議，以總現金代價30,000,000港元收購CMM International Group Limited (「CMM」) 之51.3%股本權益(「CMM收購事項」)。CMM為於英屬處女群島註冊成立之私人有限公司，主要從事製造及買賣化妝品及相關產品。其時，Ambleside為CMM之唯一股東。於二零零六年十二月三十一日，本集團支付10,000,000港元之可退回按金，該金額已計入於二零零六年十二月三十一日之綜合資產負債表之預付款項、按金及其他應收款項。

於二零零七年二月十四日，本集團、CMM、Ambleside與Ambleside之股東鄭明明女士(「鄭女士」) 訂立終止及股份購買協議，據此，CMM收購事項已終止，而本集團已建議以100,000,000港元之代價從Ambleside收購CMM之全部已發行股本(「新CMM收購事項」)。本公司將以33,000,000港元現金及以每股10港元之價格向鄭女士配發及發行670,000,000股本公司新普通股之形式支付有關代價。

由於預期鄭女士將於新CMM收購事項後獲委任為本公司之非執行董事，因此根據上市規則，新CMM收購事項將構成本公司之非常重大交易及關連交易。根據上市規則，新CMM收購事項須待(其中包括)經本公司之獨立股東於股東特別大會上批准方可作實。根據於二零零七年三月二十六日召開之股東特別大會，本公司之獨立股東已正式批准新CMM收購事項。新CMM收購事項預期於二零零七年四月三十日完成。

除以上所披露者外，本集團概無重大結算日後事項。

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2006 二零零六年十二月三十一日

37. COMPARATIVE AMOUNTS

Upon the cessation of the development and distribution of the solvent pesticides business during the year ended 31 December 2006, certain comparative amounts as shown in the consolidated income statement of the Group and its relevant notes for the year ended 31 December 2005 have been reclassified to present the information by continuing operations and the discontinued operation so as to achieve a comparable presentation of results for the year ended 31 December 2006.

38. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 20 April 2007.

37. 比較數據

農藥劑業務於截至二零零六年十二月三十一日止年度終止開發及分銷後，本集團截至二零零五年十二月三十一日止年度之綜合收益表之若干比較數據及其相關附註已被重列以呈列持續經營及終止經營業務之資料，從而對截至二零零六年十二月三十一日止年度之業績作出比較呈列。

38. 批准財務報表

董事會已於二零零七年四月二十日批准及授權刊發財務報表。