

Notes to the Financial Statements 財務報表附註

For the year ended 31 December 2006

截至二零零六年十二月三十一日止年度

1. GENERAL INFORMATION

The Company was incorporated in Bermuda as an exempted company with limited liability under the Companies Act of Bermuda. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The address of its principal place of business is Room 1901, 19th Floor, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company is an investment holding company. The principal activities of its principal subsidiaries are set out in note 32 to the financial statements.

2. GOING CONCERN BASIS

At 31 December 2006, the Group had net current liabilities of approximately HK\$17,521,000. In addition, the Group had overdue short-term borrowings together with accrued interest of approximately HK\$10,000,000. In January 2007, the above borrowings and interests were fully repaid.

In respect of the Group's guarantees to a bank (details of which are set out in note 27(a)) for mortgage facilities granted to first buyers of certain properties developed and sold by the Group in the People's Republic of China (the "PRC"), the Group has successfully obtained agreement from the bank for a revised repayment schedule in respect of its indebtedness.

In January 2007, the Group disposed of certain of its subsidiaries to an independent third party at a consideration of HK\$96,600,000. In the opinion of the directors, the cash inflows generated from the disposal will be sufficient to repay its current debts. Moreover, the Group intends to fund its development project by internally generated funds, pre-sales of the properties and bank borrowings.

1. 一般資料

本公司是根據百慕達公司法於百慕達註冊成立之受豁免有限公司。本公司之註冊辦事處地址為Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda。本公司之主要營業地點位於香港灣仔港灣道1號會展廣場辦公大樓19樓1901室。本公司之股份在香港聯合交易所有限公司(「聯交所」)主板上市。

本公司為一間投資控股公司，其主要附屬公司之主要業務載於財務報表附註32。

2. 持續經營基準

於二零零六年十二月三十一日，本集團之流動負債淨值約為17,521,000港元。此外，本集團有逾期短期借貸連同應計利息合共約10,000,000港元。於二零零七年一月，上述借貸及利息已全數償還。

本集團就一間銀行向本集團在中華人民共和國(「中國」)發展及出售之若干物業之一手買家提供之按揭貸款作出擔保(詳情載於附註27(a))，本集團已成功獲得該行同意重訂債務償還計劃。

於二零零七年一月，本集團以96,600,000港元之代價向一獨立第三方出售其若干附屬公司。董事認為，出售所得現金款項將足夠償還流動負債。此外，本集團計劃利用內部集資、物業之預售款以及銀行借貸為其發展項目籌集資金。

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2. GOING CONCERN BASIS *(continued)*

The directors have considered the liquidity of the Group in light of the above and the funding requirements of the Group for the foreseeable future. The directors believe that the Group will be able to generate moderate profit and sufficient cash inflows to meet its financial obligations and funding requirements for the future development of the Group's property project. The directors are therefore of the opinion that it is appropriate to prepare the financial statements on a going concern basis. Should the Group be unable to continue as a going concern, adjustments would have to be made to the financial statements to adjust the value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets as current assets.

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has adopted all of the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") that are relevant to its operations and effective for accounting periods beginning on or after 1 January 2006. HKFRSs comprise all applicable individual Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards; and Interpretations. The adoption of these new and revised HKFRSs did not result in substantial changes to the Group's accounting policies and amounts reported for the current year and prior years.

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The application of these new HKFRSs will not have material impact on the financial statements of the Group.

2. 持續經營基準 (續)

董事對於上述本集團的資金流動狀況及於可見未來的資金需求已作考量，董事相信本集團能產生適量之溢利及足夠現金流入以應付其財務承擔及本集團未來物業項目發展的資金需求。因此，董事認為按持續經營基準編製財務報表乃屬恰當。倘若本集團無法繼續經營，則將須對財務報表作出調整，以將本集團資產之價值調整至其可收回數額、為可能產生之任何其他負債作出撥備及將非流動資產重新分類為流動資產。

3. 採納全新及經修訂之香港財務報告準則

於本年度內，本集團已採納所有與其經營業務有關並於二零零六年一月一日或之後開始之會計期間生效之由香港會計師公會（「香港會計師公會」）頒佈之全新及經修訂之香港財務報告準則（「香港財務報告準則」）。香港財務報告準則包括所有適用的個別香港財務報告準則；香港會計準則；及詮釋。採納此等全新及經修訂之香港財務報告準則並無對本集團之會計政策以及本年度及過往年度所呈報之數額產生重大影響。

本集團並無採用已頒佈但尚未生效之新香港財務報告準則。採用該等新香港財務報告準則將不會對本集團之財務報表產生重大影響。

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4. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with HKFRSs issued by the HKICPA, accounting principles generally accepted in Hong Kong and the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties which are carried at their fair values.

The preparation of financial statements in conformity with HKFRSs requires the use of certain key assumptions and estimates. It also requires management to exercise its judgements in the process of applying the accounting policies. The areas involving critical judgements and areas where assumptions and estimates are significant to these financial statements, are disclosed in note 5 to the financial statements.

The significant accounting policies applied in the preparation of these financial statements are set out below.

(a) Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 December. Subsidiaries are entities over which the Group has control. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has control.

4. 主要會計政策

此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、香港公認會計原則以及聯交所證券上市規則及香港公司條例中適用之披露規定而編製。

此等財務報表乃根據歷史成本常規法編製，惟重估投資物業按公平值列賬時予以調整。

編製符合新香港財務報告準則之財務報表需要採用若干重要假設及估計，亦需要管理層於應用會計政策過程中作出其判斷。涉及關鍵判斷之領域以及假設及估計對此等財務報表而言屬重大之領域，均於財務報表附註5內披露。

於編製此等財務報表時採用之主要會計政策載於下文。

(a) 綜合賬目

綜合財務報表包括本公司及其附屬公司截至十二月三十一日止之財務報表。附屬公司指本集團具有控制權之實體。控制權指有權規管實體之財務及經營政策，並藉此從其活動中獲得利益。當評估本集團是否具有控制權時會考慮到目前可予行使或可予轉換之潛在投票權之存在及影響。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Consolidation (continued)

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

The gain or loss on the disposal of a subsidiary represents the difference between the proceeds of the sale and the Group's share of its net assets together with any goodwill relating to the subsidiary which was not previously charged or recognised in the consolidated income statement and also any related accumulated exchange fluctuation reserve.

Inter-company transactions, balances and unrealised profits on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

4. 主要會計政策 (續)

(a) 綜合賬目 (續)

附屬公司乃自控制權轉讓予本集團之日期起全數綜合入賬，並自不再具有控制權之日期起解除綜合入賬。

出售附屬公司之收益或虧損指銷售所得款項與本集團應佔其資產淨值連同有關以往並無於綜合收益表扣除或確認之附屬公司之商譽及任何相關累計匯兌儲備之間的差額。

公司間交易、結餘及集團公司之間交易的未變現溢利均予以對銷。除非有關交易提供證據證明所轉讓資產出現減值，否則未變現虧損亦予以對銷。附屬公司之會計政策已作出必要調整，以確保與本集團所採納之政策一致。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4. 主要會計政策 (續)

(b) Foreign currency translation

(b) 外幣換算

(i) Functional and presentation currency

(i) 功能及呈報貨幣

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency.

本集團旗下各實體之財務報表所包括之項目，均以該實體營運之主要經濟環境之貨幣（「功能貨幣」）計量。綜合財務報表乃以港幣呈報，港幣為本公司之功能貨幣及呈報貨幣。

(ii) Transactions and balances in each entity's financial statements

(ii) 於各實體財務報表之交易及結餘

Transactions in foreign currencies are translated into the functional currency using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the rates ruling on the balance sheet date. Profits and losses resulting from this translation policy are included in the income statement.

外幣交易均採用交易當日之匯率換算為功能貨幣。以外幣計值之貨幣資產及負債均按結算日之匯率進行換算。因該換算政策而產生之溢利及虧損均計入收益表內。

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4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(b) Foreign currency translation (continued)

(iii) Translation on consolidation

The results and financial position of all the Group entities that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- Income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and
- All resulting exchange differences are recognised in the exchange fluctuation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities and of borrowings are recognised in the exchange fluctuation reserve. When a foreign operation is sold, such exchange differences are recognised in the consolidated income statement as part of the profit or loss on disposal.

4. 主要會計政策 (續)

(b) 外幣換算 (續)

(iii) 綜合賬目之換算

本集團旗下所有實體如擁有與本公司之呈報貨幣不一致之功能貨幣，則其業績及財務狀況均按如下方式換算為本公司之呈報貨幣：

- 各資產負債表所呈列之資產及負債均按該資產負債表結算日之收市匯率換算；
- 各收益表之收入及開支均按平均匯率換算（除非此平均匯率並非交易當日通行匯率之累計影響之合理約數，在此情況下收入及開支則按交易當日之匯率換算）；及
- 就此產生之所有匯兌差額均於外匯波動儲備內確認。

於綜合賬目時，因換算於國外實體之淨投資及借貸而產生之匯兌差額均於外匯波動儲備內確認。當國外經營業務被出售時，該等匯兌差額乃於綜合收益表內確認為出售溢利或虧損之一部份。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

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

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost or revalued amounts less their residual values over the estimated useful lives on a straight-line basis. The principal annual rates are as follows:

Office equipment, furniture and fixtures	20% — 25%
Motor vehicles	15% — 20%

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

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in the income statement.

4. 主要會計政策 (續)

(c) 物業、廠房及設備

物業、廠房及設備按成本減累計折舊及減值虧損列賬。

其後成本乃納入資產賬面值或確認為個別資產(如適用)，但只有在該項目有可能為本集團流入未來經濟利益，以及可以可靠地計量該項目之成本情況下才以此方式處理。所有其他檢修及維修乃於其所產生之期間在收益表支銷。

物業、廠房及設備乃以直線法在估計可使用年期內，按足以撇銷其成本或重估數額之折舊率再減去其殘值計算折舊。主要年度折舊率如下：

辦公設備、傢俬 及裝置	20% — 25%
汽車	15% — 20%

殘值、可使用年期及折舊方法會於各結算日作出檢討並作出調整(如適用)。

出售物業、廠房及設備之收益或虧損乃出售所得款項淨額與相關資產之賬面值兩者之差額，並於收益表內確認。

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4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(d) Investment properties

Investment properties are land and/or buildings held to earn rentals and/or for capital appreciation. An investment property is measured initially at its cost including all direct costs attributable to the property.

After initial recognition, the investment property is stated at its fair value based on valuation by an external independent valuer. Gains or losses arising from changes in fair value of the investment property are included in the income statement for the period in which they arise.

The gain or loss on disposal of an investment property is the difference between the net sales proceeds and the carrying amount of the property, and is recognised in the income statement.

(e) Operating leases

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

4. 主要會計政策 (續)

(d) 投資物業

投資物業指為賺取租金收入及／或資本增值而持有之土地及／或樓宇。投資物業初步按其成本(包括該物業所有直接成本)計量。

於初步確認後，投資物業乃按外部獨立估值師釐定之公平值列賬。投資物業公平值變動產生之損益於產生期間在收益表確認。

出售投資物業之收益或虧損乃出售所得款項淨額與該物業之賬面值兩者之差額，並於收益表內確認。

(e) 經營租賃

經營租賃是指擁有資產之風險及回報實質上由出租方保留之租賃。經營租賃之應付租金在扣除自出租方收取之任何獎勵金後，於租賃期內以直線法在收益表中支銷。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4. 主要會計政策 (續)

(f) Non-current assets held for sale

Non-current assets or disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the assets or disposal groups are available for immediate sale in their present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets or disposal groups classified as held for sale are measured at the lower of the assets' or disposal groups' previous carrying amount and fair value less costs to sell.

(g) Properties under development

Properties under development are stated at cost less impairment losses. Costs include acquisition costs, prepaid land lease payments, construction costs, borrowing costs capitalised and other direct costs attributable to such properties. Properties under development which are expected to be completed within one year from the balance sheet date, are classified as current assets. On completion, the properties are reclassified to inventory of completed properties at the then carrying amount.

(f) 持有作出售非流動資產

非流動資產或出售組合如其賬面值可透過出售交易收回，而非透過持續使用收回，則分類為持有作出售非流動資產。當具有很高的出售可能性，且該等資產或出售組合可以現狀即時出售時，方符合該條件。必須對銷售進行管理，在分類日後一年內必須符合並確認為一項完全出售。

分類為持有作出售之非流動資產或出售組合乃按該等資產或出售組合之前賬面值及公平值之較低者減銷售成本計量。

(g) 發展中物業

發展中物業乃按成本減減值虧損列賬。成本包括收購成本、預付土地租金、建築成本、撥充資本之借貸成本及該物業應佔之其他直接成本。預計將於結算日後一年內落成之發展中物業分類為流動資產。於落成時，該等物業將重新分類為現存已落成物業，並按當時之賬面值列賬。

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4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(h) Inventory of completed properties

Inventory of completed properties are stated at the lower of cost and net realisable value. Costs of properties include acquisition costs, prepaid land lease payments, construction costs, borrowing costs capitalised and other direct costs attributable to such properties. Net realisable value is determined by reference to sale proceeds received after the balance sheet date less selling expenses, or by management estimates based on prevailing market condition.

(i) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. An allowance for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the allowance is the difference between the receivables' carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate computed at initial recognition. The amount of the allowance is recognised in the income statement.

4. 主要會計政策 (續)

(h) 現存已落成物業

現存已落成物業按成本及可變現淨值兩者中較低者列賬。物業成本包括收購成本、預付土地租金、建築成本、撥充資本之借貸成本及該物業應佔之其他直接成本。可變現淨值乃參考結算日後所得銷售款項減銷售開支釐定，或由管理層根據過往市況作出估計。

(i) 貿易及其他應收款項

貿易及其他應收款項初步按公平值確認，並於其後以實際利息法按攤銷成本減減值撥備計量。倘有客觀證據顯示本集團將無法按原定之應收款項期限收回所有到期款項，則會作出貿易及其他應收款項減值撥備。撥備數額乃應收款項賬面值與估計未來現金流量之現值（按初步確認時計算之實際利率貼現）之間之差額。撥備數額乃在收益表內確認。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Trade and other receivables (continued)

Impairment losses are reversed in subsequent periods and recognised in the income statement when an increase in the receivables' recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the receivables at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

(j) Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value. Bank overdrafts which are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents.

(k) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

4. 主要會計政策 (續)

(i) 貿易及其他應收款項 (續)

減值虧損回撥乃當應收款項之可收回金額增加客觀上與於確認減值後發生之事件有關時，於其後期間沖回並在收益表確認，惟應收款項於減值被沖回日期之賬面值不得超過如並無確認減值時之攤銷成本。

(j) 現金及現金等值項目

就現金流量表而言，現金及現金等值項目指銀行及手頭之現金、存放於銀行及其他財務機構之活期存款，以及短期高流動性的投資，即在沒有涉及重大價值轉變的風險下可以容易地轉換為預知現金的投資。現金及現金等值項目亦包括須按要求償還及為本集團整體現金管理一部份之銀行透支。

(k) 借貸

借貸初步按公平值(扣除已產生之交易成本)確認，而其後採用實際利息法按攤銷成本計量。

除非本集團有權無條件將債務結算日期遞延至結算日後至少十二個月，否則借貸將被劃分為流動負債。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4. 主要會計政策 (續)

(l) Trade and other payables

Trade and other payables are stated initially at their fair value and 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.

(l) 貿易及其他應付款項

貿易及其他應付款項初步按公平值列賬，而其後採用實際利息法按攤銷成本計量，除非折扣之影響並不重大，於此情況下則按成本列賬。

(m) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably.

Rental income is recognised on a straight-line basis over the lease term.

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

(m) 收益確認

收益乃按已收或應收代價之公平值計量，並當經濟利益可能流入本集團及收益金額能可靠計量時確認。

租金收入於租期內以直線法確認。

利息收入按時間比例以實際利息法確認。

(n) Employee benefits

(i) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the balance sheet date.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(n) 僱員福利

(i) 僱員應享之假期

僱員應享之年假及長期服務假乃當僱員享有時確認。本集團會於僱員提供服務後截至結算日止就年假及長期服務假之估計負債作出撥備。

僱員應享之病假及產假於享有之前不會予以確認。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Employee benefits (continued)

(ii) Pension obligations

The Group contributes to defined contribution retirement schemes which are available to all employees. Contributions to the schemes by the Group and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charged to the income statement represents contributions payable by the Group to the funds.

(iii) Termination benefits

Termination benefits are recognised when, and only when, the Group demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

(o) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

4. 主要會計政策 (續)

(n) 僱員福利 (續)

(ii) 退休金責任

本集團為所有僱員提供定額供款退休計劃。本集團及僱員向計劃作出之供款乃根據僱員基本薪金之百分比計算。於收益表扣除之退休福利計劃成本指本集團應付予有關基金之供款。

(iii) 終止福利

終止福利僅於本集團具備正式而詳細的計劃及不可能撤回計劃的情況下，明確顯示終止聘用或因採取自願離職措施而提供福利時，方予確認。

(o) 借貸成本

直接涉及收購、建設或生產合資格資產(即必須等待一段頗長時間始能投入作擬定用途或出售之資產)之借貸成本均撥充資本，作為該等資產之部份成本，直至該等資產大致上可準備投入作擬定用途或出售時為止。在特定借貸撥作合資格資產之支出前暫時用作投資所賺取之收入乃自資本化之借貸成本中扣除。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Borrowing costs (continued)

To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. All other borrowing costs are recognised in the income statement in the period in which they are incurred.

(p) Taxation

Income tax represents the sum of the current tax and deferred tax.

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

4. 主要會計政策 (續)

(o) 借貸成本 (續)

以一般性借入資金用於獲取一項合資格資產為限，可撥充資本之借貸成本數額乃透過該項資產之支出所採用之資本化率而釐定。資本化率乃適用於本集團借貸（於有關期間內尚未償還）之借貸成本之加權平均數，惟特別為獲取合資格資產而作出之借貸則除外。所有其他借貸成本乃於其產生之期間在收益表確認。

(p) 稅項

所得稅開支是指即期稅項及遞延稅項的總額。

即期應付稅項乃根據本年度之應課稅溢利計算。應課稅溢利與收益表所載溢利淨額有所不同，原因是應課稅溢利不包括於其他年度之應課稅或可予扣減之收入或開支項目，同時亦不包括該等永遠毋須課稅或扣減之項目。本集團有關即期稅項之負債乃採用於結算日前已實行或大致實行之稅率計算。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Taxation (continued)

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

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

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

4. 主要會計政策 (續)

(p) 稅項 (續)

遞延稅項乃指在財務報表內資產與負債之賬面值與用於計算應課稅溢利之相應稅基之差額，並採用資產負債表負債法入賬。遞延稅項負債一般乃就所有應課稅暫時差額確認入賬，而遞延稅項資產則會在預期應課稅溢利可供用作抵銷可予扣減暫時差額、未動用稅項虧損或未動用稅項抵免時確認入賬。倘暫時差額乃因商譽或因一項交易涉及之其他資產及負債進行初步確認時（不包括業務合併）產生，而不會影響應課稅溢利或會計溢利，則不會確認該等資產及負債。

遞延稅項負債將會就於附屬公司之投資產生之應課稅暫時差額確認入賬，惟倘本集團可控制暫時差額之撥回，並預期該暫時差額將不會在可見將來沖回者除外。

遞延稅項資產之賬面值乃於各結算日進行檢討，並調低至預期將不可能有充裕之應課稅溢利以收回所有或部份資產之程度。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Taxation (continued)

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

(q) Related parties

A party is related to the Group if:

- (i) directly or indirectly through one or more intermediaries, the party controls, is controlled by, or is under common control with, the Group; has an interest in the Group that gives it significant influence over the Group; or has joint control over the Group;
- (ii) the party is an associate;
- (iii) the party is a joint venture;

4. 主要會計政策 (續)

(p) 稅項 (續)

遞延稅項乃根據於結算日前已實行或大致實行之稅率，按預期在償還負債或變現資產期間適用之稅率計算。遞延稅項乃自收益表中扣除或計入收益表，惟倘遞延稅項與直接自權益中扣除或計入權益之項目有關時，則在此情況下亦會在權益中處理。

當可合法強制將即期稅項資產與即期稅項負債抵銷時，並且當彼等與同一稅務機關所徵收之所得稅有關且本集團擬按淨額基準結算其即期稅項資產及負債時，遞延稅項資產及負債乃予以對銷。

(q) 關連人士

下列人士被視為與本集團有關連：

- (i) 直接或間接透過一個或多個仲介人控制本集團、被本集團控制或與本集團受到共同之控制；於本集團擁有權益因而可對本集團施以重大影響力；或對本集團擁有共同控制；
- (ii) 該人士為聯營公司；
- (iii) 該人士為合資企業；

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Related parties (continued)

- (iv) the party is a member of the key management personnel of the Company or its parent;
- (v) the party is a close member of the family of any individual referred to in (i) or (iv);
- (vi) 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 (iv) or (v); or
- (vii) the party is a post-employment benefit plan for the benefit of employees of the Group, or of any entity that is a related party of the Group.

(r) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products and services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

In accordance with the Group's internal financial reporting, the Group has determined that business segments be presented as the primary reporting format and geographical as the secondary reporting format.

4. 主要會計政策 (續)

(q) 關連人士 (續)

- (iv) 該人士乃本公司或其母公司之主要管理人員；
- (v) 該人士乃(i)或(iv)中所述任何個人之關係密切的家族成員；
- (vi) 該人士乃(iv)或(v)中所述任何個人直接或間接控制或共同控制，或對該實體有重大影響力或重大投票權之實體；或
- (vii) 該人士乃本集團為僱員福利而設或與本集團有關連之任何實體為其僱員福利而設之離職後福利計劃。

(r) 分類報告

分類乃本集團從事提供產品或服務(業務分類)，或在特定經濟環境內從事提供產品或服務(地區分類)之可辨別成份，而風險及回報有別於其他分類者。

按照本集團的內部財務報告，本集團已選擇業務分類作為主要報告格式呈列，而地區分類則為次要報告格式呈列。

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4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(r) Segment reporting (continued)

Segment revenue, expenses, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to the segment. Unallocated costs mainly represent corporate expenses. Segment assets consist primarily of property, plant and equipment, investment properties, properties under development and accounts receivable. Segment liabilities comprise operating liabilities and exclude items such as tax liabilities and corporate borrowings.

Segment revenue, expenses, assets and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between Group enterprises within a single segment. Inter-segment pricing is based on similar terms as those available to other external parties.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets (both tangible and intangible) that are expected to be used for more than one period.

4. 主要會計政策 (續)

(r) 分類報告 (續)

分類收入、開支、業績、資產和負債包括可直接地歸屬於一分類及所有可以合理地分配予該分類的項目。未分配成本主要指公司開支。分類資產主要包括物業、廠房及設備、投資物業、發展中物業及應收賬款。分類負債包括經營負債，惟不包括如稅項負債及公司借貸等項目。

分類收益、開支、資產及負債均於集團內公司間結餘之前釐定，而集團內公司間交易乃作為綜合賬目過程之一部份予以對銷，惟以該等集團內公司間結餘及交易乃於本集團旗下單一分類內各企業間進行者為限。分類間定價乃根據提供予其他外界人士之相若條款進行。

分類資本開支乃於購入分類資產(包括無形資產及有形資產)期間所產生之總成本，而有關資產預期可用於多個期間。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4. 主要會計政策 (續)

(s) Impairment of assets

At each balance sheet date, the Group reviews the carrying amounts of its assets except investment properties, inventories and receivables to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in the income statement, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

(s) 資產減值

於各結算日，本集團審閱其資產（投資物業、存貨及應收款項除外）之賬面值，以釐定有否跡象顯示該等資產出現減值虧損。倘若出現任何該等跡象，則估計資產之可收回金額，以便釐定任何減值虧損程度。倘若未能估計個別資產之可收回金額，則本集團估計資產所屬現金產生單位之可收回金額。

可收回金額乃公平值減銷售成本及使用價值兩者中較高者。在評估使用價值時，估計日後現金流按當時市場對該項資產之貨幣時值及風險之評估的折現率折算成現值。

倘若估計資產（或現金產生單位）之可收回金額較其賬面值為少，則資產（或現金產生單位）之賬面值減少至其可收回金額。減值虧損即時於收益表確認，惟倘相關資產以重估價值列賬，在此情況下減值虧損按重估價值減少處理。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Impairment of assets (continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised immediately in the income statement, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(t) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

4. 主要會計政策 (續)

(s) 資產減值 (續)

倘若減值虧損其後沖回，資產（或現金產生單位）之賬面值乃增加至其可收回金額之經修訂估計數，惟已增加賬面值並不超過如過往年度並無確認資產（現金產生單位）減值虧損而釐定之賬面值（扣除攤銷或折舊）。減值虧損沖回即時於收益表確認，惟倘相關資產以重估價值列賬，在此情況下減值虧損沖回按重估價值增加處理。

(t) 撥備及或然負債

當本集團因已發生的事件須承擔現有之法律或推定責任，而解除責任時有可能導致經濟利益流出時，並已可靠估計責任金額的情況下，須對不確定時間或金額之負債確認撥備。倘金額之時間價值較大，則撥備之金額乃按預期用於解除該責任之支出之現值列賬。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Provisions and contingent liabilities (continued)

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

(u) Events after the balance sheet date

Events after the balance sheet date that provide additional information about the Group's position at the balance sheet date or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the financial statements. Events after the balance sheet date that are not adjusting events are disclosed in the notes to the financial statements when material.

4. 主要會計政策 (續)

(t) 撥備及或然負債 (續)

倘不大可能會致使經濟利益流出，或責任金額無法可靠估計，則責任乃披露為或然負債，除非經濟利益流出之可能性極低則另作別論。可能出現之責任，即該責任是否存在將僅取決於日後是否會發生一宗或多宗事件，亦披露為或然負債，除非經濟利益流出之可能性極低則另作別論。

(u) 結算日後事項

可提供有關本集團於結算日狀況之額外資料或顯示持續經營假設並不適合之結算日後事項均屬於調整事項，並於財務報表內反映。並非調整事項之重大結算日後事項則於財務報表附註中披露。

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5. CRITICAL JUDGEMENTS AND KEY ESTIMATES

Critical judgements in applying accounting policies

In the process of applying the accounting policies, management has made the following judgements that have the most significant effect on the amounts recognised in the financial statements.

(a) *Going concern basis*

These financial statements have been prepared on a going concern basis, the validity of which depends upon the Group's ability to generate sufficient cash inflows from its operating activities and the recovery of the consideration receivable from disposal of its subsidiaries to finance the working capital requirements of the Group. Details are explained in note 2 to financial statements.

(b) *Co-operative joint ventures in the PRC*

Co-operative joint ventures are sino-foreign joint ventures in respect of the partners' share of developed properties upon the expiration of the joint venture periods are not necessarily in proportion to their capital contribution ratios but are as defined in the joint venture contracts. The Group's investments in co-operative joint ventures are accounted for as subsidiaries of the Company by virtue of the fact that the Group has control over the boards of directors of the joint ventures and/or undertakes the rights and obligations in terms of the business operations.

5. 重大判斷及主要估計

於應用會計政策時之重大判斷

於應用會計政策過程中，管理層已作出以下對於財務報表確認之金額有極大影響之判斷。

(a) *持續經營基準*

此等財務報表乃按持續經營基準編製，其有效性取決於本集團從經營活動中產生足夠現金流入之能力，以及出售附屬公司的應收代價之收回，以滿足本集團之運營資本要求。有關詳情於財務報表附註2闡釋。

(b) *於中國之合作經營企業*

合作經營企業乃合營各方於合營期屆滿時分佔已開發物業之比率並非按合營各方之出資比例計算，而是按合營合同所定比例分派之中外合營企業。基於本集團能控制合營企業之董事會及／或承擔其業務運作之權力與義務，故本集團於合營企業之投資乃視為附屬公司列賬。

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5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (continued)

Critical judgements in applying accounting policies (continued)

(c) Investment properties

In respect of investment properties with total carrying amount of approximately HK\$122,400,000 at 31 December 2006, the legal title of which are held by Guangzhou Suinan Property Development Company Limited ("GZ Suinan"), the Company's subsidiary which was disposed of during the year (details of which are set out in note 26). The transfer of legal title from GZ Suinan to the Group has not yet been completed at the balance sheet date. The purchaser of GZ Suinan has agreed and undertaken to the Group that it would assist the Group to obtain all necessary consents and approvals, including the procurement of the title documents in respect of the transfer of these investment properties. Based on the legal opinion obtained, the directors are of the opinion that the Group has possessed the beneficial title to these investment properties and the transfer of legal title can be completed in due course.

Key sources of estimation uncertainty

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.

5. 重大判斷及主要估計 (續)

於應用會計政策時之重大判斷 (續)

(c) 投資物業

就於二零零六年十二月三十一日之總賬面值約122,400,000港元之投資物業而言，其法定業權由本公司於年內出售之附屬公司(詳情列載於附註26)廣州穗南房產發展有限公司(「廣州穗南」)持有。該法定業權由廣州穗南向本集團之轉讓於結算日尚未完成。廣州穗南之買方已同意並向本集團承諾，其將協助本集團取得所有必需之同意及批准，包括取得轉讓該等投資物業之業權文件；基於所取得之法律意見，董事認為本集團擁有該等投資物業之實益業權，法定業權之轉讓將如期完成。

估計不明朗因素之主要來源

有極大風險導致未來財政年度之資產與負債之賬面值出現重大調整之有關未來之主要假設，以及於結算日估計不明朗因素之其他主要來源均於下文論述。

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5. CRITICAL JUDGEMENTS AND KEY ESTIMATES *(continued)*

5. 重大判斷及主要估計 (續)

Key sources of estimation uncertainty *(continued)*

估計不明朗因素之主要來源 (續)

(a) **Estimated income tax (including PRC land appreciation tax)**

(a) **估計所得稅 (包括中國土地增值稅)**

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

本集團主要須繳納中國所得稅，於釐定相關稅項之稅項撥備金額及支付時間時，需要作出重大判斷。於日常業務過程中有頗多未能確定最終稅項之交易及計算。倘該等事宜之最終稅務結果與初步記錄之金額不符，有關差異將影響作出釐定之期間內之所得稅及遞延稅項撥備。

(b) **Properties under development**

(b) **發展中物業**

The management reviews the recoverable amount of properties under development at each balance sheet date and makes estimates in determining the recoverable amount with reference to open market value basis of the development project and on the assumption that the Group will fully settle the outstanding land premium payable in accordance with the agreed payment terms with the vendor so as to secure valid interest in the properties under development.

管理層於各結算日檢討發展中物業之可收回金額，並參考開發項目之公開市值基準及假設本集團將根據與賣方達成之支付條款，悉數支付尚未支付之土地出讓金，以取得於發展中物業之有效權益，於釐定可收回金額時作出預測。

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6. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: foreign currency risk, liquidity risk and interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Foreign currency risk

The Group has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in Hong Kong dollars and Renminbi ("RMB"). Nevertheless, the exchange rate of RMB to Hong Kong dollars is subject to rules and regulations of foreign exchange control promulgated by the PRC government. The Group currently does not have a foreign currency hedging policy in respect of foreign currency debt. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

(b) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

(c) Interest rate risk

The Group's balances with banks are all short terms in nature. Therefore, any future variations in interest rates will not have a significant impact on the results of the Group.

6. 財務風險管理

本集團之業務承受各種財務風險：外幣風險、流動資金風險及利率風險。本集團之整體風險管理計劃針對金融市場之難以預測性，並尋求將本集團之財務表現之潛在不利影響減至最低。

(a) 外幣風險

由於本集團大部份業務交易、資產及負債主要以港元及人民幣（「人民幣」）計值，故本集團面臨之外幣風險極微。然而，人民幣兌港元之匯率乃受中國政府外匯管治規定及條例之規限。本集團目前並無就外幣債務制定外幣對沖政策。本集團將密切監察其外幣風險，並考慮於需要時對沖重大外幣風險。

(b) 流動資金風險

本集團之政策為定期監察目前及預期之流動資金需求，從而確保本集團維持足夠現金儲備以應付其短期及長期的流動資金需求。

(c) 利率風險

本集團之銀行結餘均為短期性質，故任何未來之利率變動將不會對本集團之業績構成重大影響。

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6. FINANCIAL RISK MANAGEMENT (continued)

6. 財務風險管理 (續)

(d) Fair values

(d) 公平值

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated balance sheet approximate their respective fair values.

本集團於綜合資產負債表內反映之財務資產及財務負債之賬面值與其各自之公平值相若。

7. TURNOVER

7. 營業額

The Group's turnover represents rental income generated during the year.

本集團之營業額指年內產生之租金收入。

8. OTHER INCOME

8. 其他收入

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Bank loan interest waived	豁免銀行貸款利息	—	12,533
Reversal of impairment losses on properties under development	發展中物業減值虧損回撥	56,886	39,370
Reversal of provision for other tax	其他稅項撥備回撥	—	11,734
Written back of accruals and other payables	應計費用及其他應付款項回撥	1,105	—
Written back of allowance for receivables	應收款項撥備回撥	613	—
Sundry income	雜項收入	251	3,000
		58,855	66,637

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9. SEGMENT INFORMATION

(a) Primary reporting format - business segments

The Group is organised into two main business segments:

Property sales — property development and sales

Property rental — property investment and property rental activities

(b) Secondary reporting format - geographical segments

Over 90% of the Group's revenue and assets are derived from customers and operations based in the PRC and accordingly, no further analysis of the Group's geographical segments is disclosed.

9. 分類資料

(a) 主要報告格式－業務分類

本集團分為兩個主要業務分類：

物業銷售 — 物業開發及銷售

物業租賃 — 物業投資及物業租賃活動

(b) 次要報告格式－地區分類

本集團逾90%之收益及資產源自中國之客戶及營運，故並未披露本集團地區分類之進一步分析。

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9. SEGMENT INFORMATION (continued)

9. 分類資料 (續)

Primary reporting format — business segments

主要報告格式—業務分類

		Property sales 物業銷售		Property rental 物業租賃		Corporate and unallocated 公司及未分類		Total 總額	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元 (Restated) (重列)	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元 (Restated) (重列)	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元 (Restated) (重列)	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元 (Restated) (重列)
Turnover	營業額								
External revenue	對外收益	—	—	23,406	45,551	—	—	23,406	45,551
Results	業績								
Segment results	分類業績	—	—	16,089	40,524	—	—	16,089	40,524
Other income	其他收入	56,889	39,370	240	—	1,726	27,267	58,855	66,637
Loss on disposal of investment properties	出售投資 物業虧損	—	—	(69,322)	(69,538)	—	—	(69,322)	(69,538)
Fair value losses on investment properties	投資物業之 公平值虧損	—	—	(36,912)	(157,267)	—	—	(36,912)	(157,267)
Other expenses	其他開支	(4,834)	(2,325)	(10,995)	(19,309)	(9,021)	(45,241)	(24,850)	(66,875)
Loss from operations	經營虧損							(56,140)	(186,519)
Finance costs	融資成本							(519)	(666)
Gain on disposal of a subsidiary	出售一間附屬 公司收益	—	22,262	123,323	—	—	—	123,323	22,262
Profit/(Loss) before tax	除稅前溢利/(虧損)							66,664	(164,923)
Income tax	所得稅							(6,596)	493,450
Profit for the year	本年度溢利							60,068	328,527
Assets	資產								
Segment assets	分類資產	260,937	370,174	198,875	452,373	1,829	1,198	461,641	823,745
Assets of a disposal group classified as held for sale	列為持有作出售 之出售組合資產	184,012	—	—	—	—	—	184,012	—
Consolidated total assets	綜合總資產							645,653	823,745
Liabilities	負債								
Segment liabilities	分類負債	37,841	330,696	7,489	20,912	72,882	143,779	118,212	495,387
Liabilities associated with assets of a disposal group classified as held for sale	列為持有作 出售之出售組合 資產之相關負債	95,344	—	—	—	—	—	95,344	—
Consolidated total liabilities	綜合總負債							213,556	495,387
Other information	其他資料								
Capital expenditure	資本開支	—	4	—	—	—	8	—	12
Depreciation	折舊	—	—	5	—	24	36	29	36
Reversal of impairment losses on properties under development	發展中物業減值 虧損回撥	56,886	39,370	—	—	—	—	56,886	39,370

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10. FINANCE COSTS

10. 融資成本

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Interest on bank overdraft	銀行透支利息	2	1
Interest on other loans	其他貸款利息		
– Wholly repayable within five years	— 須於五年內全部償還	517	665
		519	666

11. INCOME TAX

11. 所得稅

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
PRC enterprise income tax	中國企業所得稅		
Provision for the year	本年度撥備	—	4,312
Over-provision in previous years	過往年度超額撥備	—	(383,012)
		—	(378,700)
PRC land appreciation tax	中國土地增值稅		
Under-provision in previous years	過往年度撥備不足	—	1,017
Deferred tax (note 19)	遞延稅項(附註19)		
PRC enterprise income tax	中國企業所得稅	3,455	(60,640)
PRC land appreciation tax	中國土地增值稅	3,141	(55,127)
		6,596	(115,767)
		6,596	(493,450)

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11. INCOME TAX (continued)

No provision for Hong Kong Profits Tax has been made as the Group did not generate any assessable profits arising in Hong Kong for both years.

PRC subsidiaries are subject to PRC Enterprise Income Tax ("EIT") at 33% (2005: 33%). No provision for EIT has been made as the PRC subsidiaries did not generate any assessable profits or have sufficient tax losses brought forward to set off against current year's assessable profits.

The reconciliation between the income tax and the product of profit/(loss) before tax multiplied by the applicable tax rates is as follows:

11. 所得稅 (續)

由於本集團於過往兩個年度並無在香港產生任何應課稅溢利，故並無就香港利得稅作撥備。

中國附屬公司須繳納33%之企業所得稅(「企業所得稅」)(二零零五年：33%)。由於中國附屬公司並無產生任何應課稅溢利，或擁有足夠稅項虧損以抵銷本年度之應課稅溢利，故並無就企業所得稅作出撥備。

所得稅與除稅前溢利／(虧損)乘以適用稅率乘積之對賬如下：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Profit/(Loss) before tax	除稅前溢利／(虧損)	66,664	(164,923)
Tax at the applicable rates in the jurisdictions concerned	按相關司法權區適用稅率計算之稅項	3,990	(50,592)
Tax effect of income that is not taxable	毋須課稅收入之稅務影響	(19,306)	(436)
Tax effect of expenses that are not deductible	不可扣稅開支之稅務影響	15,336	55,408
Deferred tax effect	遞延稅之影響	6,596	(115,767)
Tax effect of temporary differences not recognised	未確認之暫時差額之稅務影響	(20)	—
Over-provision in previous years	過往年度超額撥備	—	(383,012)
Others	其他	—	(68)
		6,596	(494,467)
PRC land appreciation tax under-provided for previous years	過往年度撥備不足之中國土地增值稅	—	1,017
Income tax	所得稅	6,596	(493,450)

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12. PROFIT FOR THE YEAR

The Group's profit for the year is stated after charging the following:

12. 本年度溢利

本集團之年度溢利已扣除以下各項：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元 (Restated) (重列)
Allowance for receivables	應收款項撥備	—	12,000
Auditor's remuneration	核數師酬金		
— Statutory audit	— 法定審計	750	340
— Others	— 其他	780	140
		1,530	480
Claims and surcharge	賠償及罰款	1,386	33,231
Depreciation	折舊	29	36
Direct operating expenses of investment properties that generated rental income	產生租金收入之投資物業之直接營運開支	4,822	1,627
Direct operating expenses of investment properties that did not generate rental income	不產生租金收入之投資物業之直接營運開支	2,495	3,400
Operating lease rentals in respect of land and buildings	土地及樓宇之營運租賃租金	1,695	4,712
Staff costs (excluding directors' emoluments)	員工成本 (不包括董事酬金)		
— Salaries and allowances	— 薪金及津貼	1,480	2,572
— Retirement benefit scheme contributions	— 退休福利計劃供款	105	58
		1,585	2,630

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13. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

13. 董事及僱員之酬金

The emoluments of each director are as follows:

各董事酬金如下：

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Name of director 董事姓名		Fees 袍金 HK\$'000 千港元	Salaries and allowances 薪金及津貼 HK\$'000 千港元	Retirement benefit	Total 總額 HK\$'000 千港元
				scheme 退休福利計劃供款 HK\$'000 千港元	
Tong Shi Jun	佟世均	—	240	—	240
Zhang Jian (Note (a))	張健(附註(a))	—	69	—	69
Zhao Lishen	趙立申	—	420	—	420
Chiu Kong	趙鋼	—	260	12	272
Huang Ling	黃玲	—	—	—	—
Zhu Jun	朱軍	—	—	—	—
Chen Song Sheng	陳頌聲	50	—	—	50
Zhou Mei Zhen	周美珍	—	—	—	—
Wang Li Yun	王凌雲	—	—	—	—
Total	總額	50	989	12	1,051

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13. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (continued)

13. 董事及僱員之酬金 (續)

Year ended 31 December 2005

截至二零零五年十二月三十一日止年度

Name of director 董事姓名	Fees 袍金 HK\$'000 千港元	Salaries and allowances 薪金及津貼 HK\$'000 千港元	Retirement benefit scheme	Total 總額 HK\$'000 千港元
			contributions 退休福利計劃供款 HK\$'000 千港元	
Tong Shi Jun 佟世均	—	240	—	240
Zhang Jian 張健	—	50	—	50
Zhao Lishen 趙立申	—	420	—	420
Chiu Kong 趙鋼	—	240	12	252
Huang Ling 黃玲	—	—	—	—
Zhu Jun 朱軍	—	—	—	—
Chen Song Sheng 陳頌聲	50	—	—	50
Zhou Mei Zhen 周美珍	—	—	—	—
Wang Li Yun (Note (b)) 王凌雲 (附註(b))	—	—	—	—
Chang Ling (Note (c)) 張玲 (附註(c))	—	71	—	71
Total	50	1,021	12	1,083

Notes: (a) Resigned on 1 October 2006
(b) Appointed on 20 September 2005
(c) Resigned on 16 September 2005

附註：(a) 於二零零六年十月一日請辭
(b) 於二零零五年九月二十日獲委任
(c) 於二零零五年九月十六日請辭

There was no arrangement under which a director waived or agreed to waive any emoluments during the year.

年內並無董事作出放棄或同意放棄任何酬金之安排。

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13. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (continued)

The five highest paid individuals in the Group during the year included 3 (2005: 3) directors whose emoluments are reflected in the analysis presented above. The emoluments of the remaining 2 (2005: 2) individuals are set out below:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Salaries and allowances	薪金及津貼	745	489
Retirement benefit scheme contributions	退休福利計劃供款	12	21
		757	510

The emoluments fell within the following band:

		Number of individuals 人數	
		2006 二零零六年	2005 二零零五年
-			
Nil to HK\$1,000,000	零至1,000,000港元	2	2

During the year, no emoluments were paid by the Group to any of the directors or the highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

13. 董事及僱員之酬金 (續)

本集團之五位最高薪人士中有3位(二零零五年：3位)為董事，其酬金已於以上分析中列載。其餘2位(二零零五年：2位)最高薪人士之酬金如下：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Salaries and allowances	薪金及津貼	745	489
Retirement benefit scheme contributions	退休福利計劃供款	12	21
		757	510

酬金為以下組別人士之人數如下：

		Number of individuals 人數	
		2006 二零零六年	2005 二零零五年
-			
Nil to HK\$1,000,000	零至1,000,000港元	2	2

年內，本集團並無向任何董事或最高薪酬人士支付酬金，作為加入本集團及加入後之獎金，或作為失去職位之補償。

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14. DIVIDENDS

The directors do not recommend the payment of any dividend (2005: Nil) in respect of the year.

14. 股息

董事會建議本年度不派發任何股息(二零零五年：無)。

15. BASIC EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit for the year of approximately HK\$60,068,000 (2005: HK\$328,527,000) divided by the weighted average number of ordinary shares of 1,360,000,000 (2005: 1,360,000,000) in issue during the year.

15. 每股基本盈利

每股基本盈利乃按本年度溢利約60,068,000港元(二零零五年：328,527,000港元)除以年內已發行普通股1,360,000,000股(二零零五年：1,360,000,000股)之加權平均數計算。

There were no dilutive potential shares during the years ended 31 December 2006 and 2005. Therefore, no diluted earnings per share has been presented.

截至二零零六年及二零零五年十二月三十一日止年度，概無具攤薄潛力之股票，故此並無呈列每股攤薄盈利。

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16. PROPERTY, PLANT AND EQUIPMENT

16. 物業、廠房及設備

		Office equipment, furniture and fixtures 辦公室設備、 傢俬及裝置 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Cost	原值			
At 1 January 2005	於二零零五年一月一日	1,639	4,135	5,774
Exchange differences	匯兌差額	30	34	64
Additions	添置	12	—	12
Disposals	出售	(50)	—	(50)
		<u>1,631</u>	<u>4,169</u>	<u>5,800</u>
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	1,631	4,169	5,800
Exchange differences	匯兌差額	53	60	113
Disposal of a subsidiary	出售一間附屬公司	(1,363)	(1,566)	(2,929)
Transfer to assets of a disposal group classified as held for sale	撥入列為持有作出售之 出售組合資產	(5)	—	(5)
		<u>316</u>	<u>2,663</u>	<u>2,979</u>
At 31 December 2006	於二零零六年 十二月三十一日	316	2,663	2,979
Accumulated depreciation	累計折舊			
At 1 January 2005	於二零零五年一月一日	1,431	3,988	5,419
Exchange differences	匯兌差額	26	31	57
Charge for the year	本年度折舊	36	—	36
Disposals	出售	(47)	—	(47)
		<u>1,446</u>	<u>4,019</u>	<u>5,465</u>
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	1,446	4,019	5,465
Exchange differences	匯兌差額	47	54	101
Charge for the year	本年度折舊	29	—	29
Disposal of a subsidiary	出售一間附屬公司	(1,224)	(1,410)	(2,634)
		<u>298</u>	<u>2,663</u>	<u>2,961</u>
At 31 December 2006	於二零零六年 十二月三十一日	298	2,663	2,961
Carrying amount	賬面值			
At 31 December 2006	於二零零六年 十二月三十一日	18	—	18
At 31 December 2005	於二零零五年 十二月三十一日	185	150	335

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17. INVESTMENT PROPERTIES

17. 投資物業

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
At 1 January	於一月一日	448,100	735,000
Exchange differences	匯兌差額	—	17,126
Disposals	出售	(98,188)	(146,759)
Disposal of a subsidiary	出售一間附屬公司	(115,000)	—
Fair value losses	公平值虧損	(36,912)	(157,267)
		<u>198,000</u>	<u>448,100</u>
At 31 December	於十二月三十一日		

At 31 December 2006, all of the Group's investment properties, situated in Guangzhou, the PRC, are held under medium-term lease.

於二零零六年十二月三十一日，本集團所有投資物業均位於中國廣州，並按中期租約持有。

All of the Group's investment properties held under operating lease for rental purposes are measured using the fair value model. The fair value of the Group's investment properties at 31 December 2006 was based on the open market value basis, by reference to market evidence of recent transactions for similar properties, by Greater China Appraisal Limited. Greater China Appraisal Limited is an independent qualified professional valuer not connected with the Group with substantial experience in valuation of properties.

本集團所有以經營租約持有作出租用途之投資物業乃按公平值計量。本集團投資物業於二零零六年十二月三十一日之公平值由漢華評估有限公司參考類似物業之近期交易市場價值按公開市場價值基準釐定。漢華評估有限公司為一家與本集團無關連之獨立合資格專業評估師，於物業評估方面擁有豐富經驗。

At 31 December 2006, the carrying amount of investment properties pledged to a finance company as securities for loans granted to the Group amounted to approximately HK\$15,500,000 (2005: HK\$18,271,000) (note 24).

於二零零六年十二月三十一日，已抵押予一間財務公司作為本集團獲授貸款的抵押之投資物業的賬面值約為15,500,000港元（二零零五年：18,271,000港元）（附註24）。

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17. INVESTMENT PROPERTIES (continued)

In respect of certain investment properties with total carrying value of approximately HK\$122,400,000, the legal title of which are held by GZ Suinan, the Company's subsidiary which was disposed of during the year. The transfer of legal title from GZ Suinan to the Group has not yet been completed at the balance sheet date. However, the purchaser of GZ Suinan, has agreed and undertaken to the Group that it would assist the Group to obtain all necessary consents and approvals, including the procurement of the title documents in respect of the transfer of these investment properties. Based on the legal opinion obtained, the directors are of the opinion that the Group has possessed the beneficial title to these investment properties and the transfer of legal title can be completed in due course. Subsequent to the balance sheet date, the title of these investment properties have been frozen by the court in respect of GZ Suinan's additional tax of approximately RMB10,361,000 together with interest and penalty levied by the Taxation Bureau of Guangzhou City and GZ Suinan's overdue payment of approximately RMB5,000,000 due to a creditor. GZ Suinan has raised an objection and disputed the amount charged by the Taxation Bureau of Guangzhou City. The management of GZ Suinan considered that they have settled all tax liabilities. Although the outcome of the disputes with the Taxation Bureau of Guangzhou City and the creditor cannot be determined at the moment, the directors remain confident that GZ Suinan should be able to resolve the financial disputes with the Taxation Bureau of Guangzhou City and the creditor. Hence, the Group will be able to obtain legal title of these properties. The directors are also of the opinion that the Group possesses beneficial ownership of the aforesaid properties and can demand GZ Suinan to compensate their losses, if any, arising therefrom.

17. 投資物業 (續)

總賬面值約122,400,000港元之若干投資物業之法定業權乃由本公司於年內出售之附屬公司廣州穗南持有。從廣州穗南至本集團之法定業權轉讓於結算日尚未完成。然而，廣州穗南之買方已同意並向本集團承諾，其將協助本集團取得所有必需之同意及批准，包括取得轉讓該等投資物業之業權文件。基於所取得之法律意見，董事認為本集團擁有該等投資物業之實益業權，法定業權之轉讓將如期完成。於結算日後，該等投資物業之業權已被法院就廣州稅務局就廣州穗南徵收之約人民幣10,361,000元之額外稅項連同利息及罰款，以及廣州穗南應付予一債權人之逾期款項約人民幣5,000,000元予以查封。廣州穗南已就廣州稅務局徵收之款項提出反對及抗議。廣州穗南之管理層認為其已結清所有稅項負債。儘管與廣州稅務局及該債權人之爭端結果目前尚不能確定，董事仍有信心廣州穗南有能力解決與廣州稅務局及該債權人之財務爭端，故本集團將可取得該等物業之法定業權。董事亦認為本集團擁有該等投資物業之實益業權，可要求廣州穗南補償由此產生之任何物業虧損。

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17. INVESTMENT PROPERTIES (continued)

On 6 August 1999, the Group entered into a repayment agreement with Guangzhou World Trade Center Complex Co., Limited, Oceansky Enterprises Limited, the then subsidiary of the Company and Nam Fong International Hotel Group Company Limited*, pursuant to which the Group had agreed to provide properties worth more than RMB50,000,000 as a security. During the year, certain investment properties of the Group of approximately HK\$14,134,000 were disposed of under public auction. The Group disputed the aforesaid auction and has applied to the relevant government department in the PRC for freezing the sales proceeds from the public auction and any transfer of the investment properties pending the result of a retrial. Although the directors considered that the Group had an arguable case in the litigation, they considered it would be more appropriate to provide the amount in full. As a result, the whole amount of approximately HK\$14,134,000 was recognised in the consolidated income statement as a loss.

At 31 December 2006, the Group's total future minimum lease payments under non-cancellable operating leases are receivable as follows:

17. 投資物業 (續)

於一九九九年八月六日，本集團與廣州世界貿易中心廣場有限公司、天海企業有限公司(本公司當時之附屬公司)及南方國際酒店集團有限公司訂立一項償還協議，據此，本集團同意提供價值超過人民幣50,000,000元之物業作為抵押。年內，本集團約14,134,000港元之若干物業以公開拍賣方式出售。本集團對上述拍賣提出異議，並已向相關中國政府部門申請凍結公開拍賣所得銷售款項，投資物業轉讓事宜有待復審之裁決。儘管董事認為本集團於訴訟中處於有利地位，但亦認為將相關數額全數撥備更為妥當。因此，約14,134,000港元之款項已於綜合收益表中全數確認為虧損。

於二零零六年十二月三十一日，本集團根據不可撤銷經營租約應收之未來最低租賃付款如下：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Within one year	一年以內	7,589	26,858
In the second to fifth years inclusive	第二至第五年 (包括首尾兩年)	22,008	69,063
After five years	五年以上	9,607	14,782
		39,204	110,703

* For identification purposes only

* 僅供識別

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18. PROPERTIES UNDER DEVELOPMENT

18. 發展中物業

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元 (Restated) (重列)
At 1 January	於一月一日	353,498	404,989
Exchange differences	匯兌差額	14,806	6,811
Additions	添置	647	328
Reversal of impairment losses	減值虧損撥回	56,886	39,370
Assets of a disposal group classified as held for sale	列為持有作出售之 出售組合資產	(183,837)	—
Disposal of subsidiaries	出售附屬公司	—	(98,000)
At 31 December	於十二月三十一日	242,000	353,498

(a) The properties under development at 31 December 2006 are located in Guangzhou, the PRC. A land use rights certificate was granted whereby the Group has the land use rights over the property for a term of 70 years for residential part and 40 years for commercial part commencing from 15 August 1996. No substantial construction work has been commenced in respect of this land site. At 31 December 2006, the Group's outstanding land premium payable in relation to the land use rights amounted to approximately HK\$32,449,000.

(b) The carrying amount of properties under development was adjusted to its net recoverable amount estimated by the directors, with reference to a professional valuation carried out on 31 December 2006 by Greater China Appraisal Limited based on open market value basis. A reversal of impairment losses on properties under development of approximately HK\$56,886,000 resulting from the valuation was recognised in the consolidated income statement.

(a) 於二零零六年十二月三十一日，發展中物業乃位於中國廣州。本集團獲發土地使用權證，自一九九六年八月十五日起對該物業住宅及商用部份分別擁有70年及40年之土地使用權。該塊土地之主要建築工程至今仍未動工。於二零零六年十二月三十一日，本集團有關該土地使用權之尚未支付應付土地出讓金約為32,449,000港元。

(b) 發展中物業之賬面值調整為其可收回價值，該可收回價值由董事參照漢華評估有限公司於二零零六年十二月三十一日按公開市值所作之專業評估估算。評估所產生之約56,886,000港元發展中物業減值虧損撥回於綜合收益表內確認。

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19. DEFERRED TAX ASSETS

The following are the major deferred tax assets recognised by the Group, and the movements thereon, during the current and prior reporting periods.

19. 遞延稅項資產

以下為目前及過往報告期間本集團確認之主要遞延稅項資產及其變動：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Revaluation of investment properties	投資物業重估		
At 1 January	於一月一日	11,627	(104,140)
Exchange differences	匯兌差額	201	—
Disposal of a subsidiary (Charge)/Credit to income statement (note 11)	出售一間附屬公司 於收益表(扣除)/計入 (附註11)	(5,232) (6,596)	— 115,767
At 31 December	於十二月三十一日	<u>—</u>	<u>11,627</u>

At the balance sheet date the Group has unused tax losses of approximately HK\$35,194,000 (2005: HK\$35,194,000) available for offset against future profits. No deferred tax asset has been recognised in respect of such losses due to the unpredictability of future profit streams. Included in these unrecognised tax losses are losses of approximately HK\$32,219,000 (2005: HK\$32,219,000) which will expire after five years from the year of assessment they relate to. Other tax losses may be carried forward indefinitely.

於結算日，本集團有未動用稅項虧損約35,194,000港元(二零零五年：35,194,000港元)可供用於抵銷未來溢利。由於未來溢利流之不可預測性，並無就該等虧損確認遞延稅項資產。該等未確認稅項虧損中約32,219,000港元(二零零五年：32,219,000港元)之虧損於相關課稅年度起五年後到期。其他稅項虧損可無限期結轉。

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20. ACCOUNTS RECEIVABLE

The aging analysis of accounts receivable, based on the invoice date, is as follows:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Within 3 months	三個月以內	—	1,738
4 - 6 months	四至六個月	—	352
7-12 months	七至十二個月	—	215
Over 1 year	超過一年	—	5,763
		—	8,068
Less: Allowance for receivables	減：應收款項撥備	—	(6,184)
		—	1,884

The Group does not have a uniform credit policy in relation to property sales and property rental.

應收賬款按發票日期所作之賬齡分析如下：

本集團並無統一的物業銷售及物業租賃信貸政策。

21. BANK AND CASH BALANCES

At 31 December 2006, the bank and cash balances of the Group denominated in RMB amounted to approximately HK\$7,513,000 (2005: HK\$484,000). Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations.

21. 銀行及現金結餘

於二零零六年十二月三十一日，本集團以人民幣呈列之銀行及現金結餘約為7,513,000港元(二零零五年：484,000港元)。人民幣兌換外幣須遵循中國之《外匯管理條例》及《結匯、售匯及付匯管理規定》。

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22. ASSETS OF A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE/ LIABILITIES ASSOCIATED WITH ASSETS OF A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

On 13 November 2006, the Group entered into a disposal agreement (the "Disposal Agreement") to dispose of its entire 100% equity interest in a subsidiary, Nam Fong Guangzhou Plaza Limited ("GZ Plaza") and the amount due from GZ Plaza to the Group of approximately HK\$84,600,000 at a total consideration of HK\$96,600,000. GZ Plaza and its subsidiary, Guangzhou Xiunan Property Development Company Limited* ("Xiunan") are engaged in the property development and sales segment. The disposal was completed in January 2007.

The assets and liabilities attributable to these subsidiaries, have been classified as a disposal group held for sale and are presented separately in the consolidated balance sheet.

The fair value less costs to sell of the disposal group is in excess of the net carrying amount of the relevant assets and liabilities and no impairment loss has been recognised during the year.

* For identification purposes only

22. 列為持有作出售之出售組合資產/ 列為持有作出售之出售組合資產之 相關負債

於二零零六年十一月十三日，本集團訂立一份出售協議（「出售協議」），以96,600,000港元之總代價出售其於附屬公司南方越秀廣場有限公司（「越秀廣場」）之全部100%權益，以及本集團應收越秀廣場款項約84,600,000港元。越秀廣場及其附屬公司廣州市秀南房地產開發有限公司（「秀南」）乃從物業開發及銷售業務。該出售於二零零七年一月完成。

屬於該等附屬公司的資產及負債乃列為持有作出售之出售組合，並於綜合資產負債表中單獨呈列。

出售組合之公平值減出售成本之金額高於相關資產及負債之賬面淨值，因此年內並無確認減值虧損。

* 僅供識別。

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22. ASSETS OF A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE/ LIABILITIES ASSOCIATED WITH ASSETS OF A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (continued)

22. 列為持有作出售之出售組合資產/ 列為持有作出售之出售組合資產之 相關負債 (續)

The major classes of assets and liabilities of the disposal group classified as held for sale at 31 December 2006 are as follows:

於二零零六年十二月三十一日列為持有作出售之出售組合之資產及負債主要分類如下：

		HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	5
Properties under development	發展中物業	183,837
Prepayments, deposits and other receivables	預付款項、訂金及 其他應收款項	160
Bank and cash balances	銀行及現金結餘	10
Total assets of a disposal group classified as held for sale	列為持有作出售之 出售組合資產總額	<u>184,012</u>
Accounts payable	應付賬款	84,510
Accruals and other payables	應計費用及其他應付款項	10,834
Total liabilities associated with assets of a disposal group classified as held for sale	列為持有作出售之 出售組合資產之 相關負債總額	<u>95,344</u>

All inter-company balances at 31 December 2006 have been eliminated.

於二零零六年十二月三十一日所有公司間結餘已予以對銷。

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23. ACCOUNTS PAYABLE

23. 應付賬款

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
The amounts comprise:			
	款項包括：		
— Current	— 流動	36,595	116,567
— Non-current	— 非流動	—	68,498
		<u>36,595</u>	<u>185,065</u>

The aging analysis of accounts payable, based on the invoice date, is as follows:

應付賬款按發票日期所作之賬齡分析如下：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Over 1 year	超過一年	<u>36,595</u>	<u>185,065</u>

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24. SHORT-TERM BORROWINGS

24. 短期借貸

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Secured loans	有抵押貸款	9,000	9,000
Unsecured loans	無抵押貸款	—	2,451
		9,000	11,451

At 31 December 2006, the loans were secured by the investment properties of the Group with carrying amount of approximately HK\$15,500,000 (note 17) and were interest bearing at 5% per annum. In January 2007, the secured loans were fully repaid.

於二零零六年十二月三十一日，貸款乃以本集團賬面值約15,500,000港元(附註17)之投資物業作為抵押，年息為5%。於二零零七年一月，有抵押貸款已全數償還。

25. SHARE CAPITAL

25. 股本

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Authorised:	法定股本：		
2,000,000,000 ordinary shares of HK\$0.10 each	2,000,000,000股 每股面值0.10港元 之普通股	200,000	200,000
Issued and fully paid:	已發行及繳足股本：		
1,360,000,000 ordinary shares of HK\$0.10 each	1,360,000,000股 每股面值0.10港元 之普通股	136,000	136,000

On 7 April 2006, the Company and Zhang Sujian, an independent investor, entered into a subscription agreement in respect of the subscription of 272,000,000 ordinary shares of HK\$0.10 each. The subscription has not yet been completed at 31 December 2006. Pursuant to a supplemental agreement dated on 29 March 2007, the long stop date has been extended to 30 September 2007.

於二零零六年四月七日，本公司與獨立投資者張素芊就按每股0.10港元之價格認購272,000,000股普通股訂立認購協議。於二零零六年十二月三十一日該認購尚未完成。根據二零零七年三月二十九日訂立之補充協議，最後完成日延長至二零零七年九月三十日。

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26. DISPOSAL OF A SUBSIDIARY

On 20 September 2006, the Group disposed of its entire interest in GZ Suinan.

Net liabilities of GZ Suinan at the date of disposal:

26. 出售一間附屬公司

於二零零六年九月二十日，本集團出售其於廣州穗南之全部權益。

廣州穗南於出售日之淨負債：

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	295	—
Investment properties	投資物業	115,000	—
Properties under development	發展中物業	—	98,000
Deferred tax assets	遞延稅項資產	5,232	—
Inventory of completed properties	現存已落成物業	3,879	—
Accounts receivable	應收賬款	1,960	—
Prepayments, deposits and other receivables	預付款項、訂金及其他應收款項	2,554	84
Bank and cash balances	銀行及現金結餘	551	9
Accounts payable	應付賬款	(67,283)	—
Accruals and other payables	應計費用及其他應付款項	(197,327)	(100,964)
Current tax liabilities	即期稅項負債	(15,118)	—
Net liabilities disposed of	出售負債淨值	(150,257)	(2,871)
Release of exchange fluctuation reserve	外匯波動儲備變現	36,934	—
		(113,323)	(2,871)
Gain on disposal of a subsidiary	出售一間附屬公司收益	123,323	22,262
Total consideration — satisfied by cash	總代價—以現金支付	10,000	19,391
Net cash inflow arising on disposal:	出售產生之現金流入淨額：		
Cash consideration received	已收現金代價	10,000	19,391
Cash and cash equivalents disposed of	出售之現金及現金等值項目	(551)	(9)
		9,449	19,382

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27. CONTINGENT LIABILITIES

- (a) The Group executed guarantees to a bank for mortgage facilities granted to first buyers of certain properties developed and sold by the Group in the PRC. The total amount of such facilities utilised by the first buyers and covered by the Group's guarantees was approximately HK\$51,804,000.

On 16 June 2006, the Group and the bank entered into a settlement agreement pursuant to which the bank agreed to accept HK\$21,500,000 (the "Settlement Sum") as full and final settlement of the Group's obligations under the guarantees. The Settlement Sum is payable by 5 instalments up to 30 June 2007. If the Group defaults in repayment of the Settlement Sum, the bank has the right to recover from the Group the total amount of approximately HK\$51,804,000 together with the interest and penalties. At 31 December 2006, the outstanding balance of the Settlement Sum (included in other payables) was reduced to HK\$13,500,000. In the opinion of the directors, the outstanding balance can be fully repaid on 30 June 2007.

27. 或然負債

- (a) 本集團就一間銀行向本集團在中國發展及出售之若干物業之一手買家提供之按揭貸款作出擔保。一手買家已使用並由本集團擔保之貸款總額約為51,804,000港元。

於二零零六年六月十六日，本集團與該銀行簽訂和解函件，銀行同意以21,500,000港元（「和解金額」）作為本集團對擔保債務之最終和解。和解金額於二零零七年六月三十日前分5期支付。如本集團未能在限期前支付款項，銀行有權向本集團追收總額約51,804,000港元之款項連同利息及罰金。於二零零六年十二月三十一日，尚未償付之和解金額餘額（包括於其他應付款項）減少至13,500,000港元。董事認為，尚未償付之餘額可於二零零七年六月三十日全數償還。

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27. CONTINGENT LIABILITIES (continued)

(b) At 31 December 2006, there were contingent liabilities relating to the Company's subsidiary, Xiunan:

(i) Xiunan was sued by a contractor for default in payment of approximately RMB18,494,000 in relation to construction work carried out for property development project in the PRC. A judgement was issued by Guangzhou Intermediate People's Court of the PRC in favour of the contractor in 2004. Xiunan was required to pay the said sum of approximately RMB18,494,000 together with the interest and costs thereon. The said sum together with the interest and costs thereon have been accrued in the financial statements. Nevertheless, Xiunan counter-claimed against the contractor due to unsatisfactory construction work performed. The litigation is currently pending for a retrial.

(ii) As Xiunan failed to settle the consideration under the land use rights grant contract dated 9 August 1996 (the "Contract") and the supplemental land use rights grant contract dated 8 June 2001 (the "Supplementary Contract"), The Bureau of Land Resources and Housing Management of Guangzhou Municipality (the "plaintiff") sued Xiunan for failure to honour the Contract and the Supplementary Contract. In October 2006, a judgment was issued by Guangzhou Intermediate People's Court of the PRC in favour of the plaintiff.

27. 或然負債 (續)

(b) 於二零零六年十二月三十一日，與本公司附屬公司秀南相關之或然負債如下：

(i) 秀南因未能支付中國一個物業發展項目中建造工程約人民幣18,494,000元而遭一名承建商控告。於二零零四年中國廣州中級人民法院判決該承建商勝訴。秀南須支付上述約人民幣18,494,000元之款項連同利息以及相關費用。上述款項連同利息以及相關費用已計入財務報表。然而，由於不滿建造工程之質量，秀南向該承建商反索償。該訴訟目前仍有待復審。

(ii) 由於秀南未能根據於一九九六年八月九日簽訂的土地使用權出讓合約(「合約」)以及於二零零一年六月八日簽訂的土地使用權出讓補充合約(「補充合約」)支付代價，廣州國土資源和房屋管理局(「原告」)就未能遵守合約及補充合約控告秀南。於二零零六年十月，中國廣州中級人民法院判決原告勝訴。

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27. CONTINGENT LIABILITIES (continued)

27. 或然負債 (續)

(b) (continued)

(b) (續)

Pursuant to the judgement, the Contract and the Supplementary Contract were cancelled. As a consequence, the plaintiff has the right to repossess the land use rights under dispute. In addition, the first installment of the consideration paid by Xiunan of approximately RMB2,731,000 was forfeited and Xiunan was ordered to bear the court fees of approximately RMB1,000,000. Based on the legal advice obtained, Xiunan has lodged an appeal against the aforesaid judgement.

根據判決，合約及補充合約取消。因此，原告有權收回所爭議之土地使用權。此外，秀南支付之約人民幣2,731,000元之首期代價作廢，且秀南須承擔約人民幣1,000,000元之訴訟費。根據取得之法律建議，秀南已就上述判決提出上訴。

As explained in note 22 to the financial statements, Xiunan was disposed of to the purchaser by the Group in January 2007. Under the Disposal Agreement, the purchaser had knowledge of losses, claims and liabilities that may arise from the above litigations and agreed that the Group would not be liable to any legal consequence arising from the above litigations. In view of the above, the directors are of the opinion that the aforesaid litigations would not have any material adverse financial effect to the Group.

如財務報表附註22所述，本集團已於二零零七年一月出售秀南予買方。根據出售協議，買方已知悉上述訴訟可能產生之虧損、索償及債務，並同意本集團無需對上述訴訟產生之任何法律後果負責。鑒於上述因素，董事認為上述訴訟對本集團之財務狀況並無造成任何重大不利影響。

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28. LEASE COMMITMENTS

At 31 December 2006, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Within one year	一年以內	1,298	1,014
In the second to fifth years inclusive	第二至第五年 (包括首尾兩年)	1,026	422
		<u>2,324</u>	<u>1,436</u>

Operating lease payments represent rentals payable by the Group for certain of its offices.

於二零零六年十二月三十一日，根據不可撤銷經營租約本集團日後應付之最低租約款項如下：

經營租約款項指本集團就其若干辦公室應付之租金。

29. RELATED PARTY TRANSACTIONS

During the year, the Group had the following transactions and balances with its related parties:

(a) Key management personnel compensation

The key management personnel of the Group comprises all directors, details of their emoluments were disclosed in note 13.

(b) Balances with related parties

Included in accruals and other payables are amounts in total of approximately HK\$203,000 (2005: HK\$853,000) representing accrued directors' emoluments due to the Company's directors. The accrued directors' emoluments are unsecured, interest-free and will be settled in cash.

29. 關連人士交易

年內，本集團與其關連人士存在下列交易及結餘：

(a) 主要管理人員薪酬

本集團主要管理人員包括所有董事，有關彼等薪酬之詳情於附註13披露。

(b) 與關連人士結餘

應計費用及其他應付款項中合共203,000港元(二零零五年：853,000港元)之款項指應付予本公司董事之應計董事薪酬。應計董事薪酬為無抵押、免息及須以現金支付。

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30. EVENTS AFTER THE BALANCE SHEET DATE

Save as disclosed in notes 17, 22, 24 and 25 above, the Group did not have any other significant events took place subsequent to the balance sheet date.

31. COMPARATIVE FIGURES

The comparative figures were audited by another firm of Certified Public Accountants in Hong Kong. Certain comparative figures have been reclassified to conform to the current year's presentation. The changes mainly comprised the reclassification of land lease premium to properties under development and the reclassification of certain items under segment information and the consolidated income statement. The new classification of the accounting items was considered to provide a more appropriate presentation of the state of affairs of the Group.

30. 結算日後事項

除上文附註17、22、24及25所披露者外，本集團並沒有其他重大事項發生於結算日後。

31. 比較數字

比較數字乃由另一香港會計師行審核。比較數字已重新歸類，以符合本年度之呈列方式。有關改變主要包括土地使用權重新歸類為發展中物業以及將分類資料及綜合收益表內若干項目重新歸類。會計項目之新分類方式被認為較適合作編列本集團之事務。

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32. PRINCIPAL SUBSIDIARIES

Particulars of the principal subsidiaries at 31 December 2006 are as follows:

32. 主要附屬公司

於二零零六年十二月三十一日主要附屬公司之詳情如下：

Name of subsidiary 附屬公司名稱	Place of incorporation or registration/ operations 註冊成立或註冊/ 營業地點	Issued and paid up capital 已發行及繳足股本	Percentage of ownership interest /voting power 所有權權益/ 投票權百分比		Principal activities 主要業務
			Direct	Indirect	
			直接	間接	
Guangzhou Jiannan House Property Development Company Limited # * 廣州建南房產發展有限公司 #	PRC 中國	US\$12,000,000 12,000,000美元	—	100%	Property development 物業發展
Guangzhou Xiunan Property Development Company Limited # * 廣州市秀南房地產開發有限公司 #	PRC 中國	US\$4,465,000 4,465,000美元	—	100%	Property development 物業發展
Nam Fong Guangzhou Plaza Limited 南方越秀廣場有限公司	British Virgin Islands/ Hong Kong 英屬處女群島/ 香港	Ordinary US\$10,000 普通股 10,000美元	—	100%	Investment holding 投資控股
Nam Fong International Group Limited 南方國際集團有限公司	British Virgin Islands/ Hong Kong 英屬處女群島/ 香港	Ordinary US\$10,000 普通股 10,000美元	100%	—	Investment holding 投資控股
Nam Fong Liwan Plaza Limited 南方荔灣廣場有限公司	British Virgin Islands/ Hong Kong 英屬處女群島/ 香港	Ordinary US\$10,000 普通股 10,000美元	—	100%	Property investment 物業投資
Polyhero International Limited 寶豪國際有限公司	Hong Kong 香港	Ordinary HK\$10,000 普通股 10,000港元	—	100%	Tenancy agreement signing agent 租賃協議 簽約代理

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32. PRINCIPAL SUBSIDIARIES (continued)

32. 主要附屬公司 (續)

Name of subsidiary 附屬公司名稱	Place of incorporation or registration/ operations 註冊成立或註冊/ 營業地點	Issued and paid up capital 已發行 及繳足股本	Percentage of ownership interest /voting power 所有權權益/ 投票權百分比		Principal activities 主要業務
			Direct	Indirect	
			直接	間接	
Stand-up Investments Limited 樹德投資有限公司	Hong Kong 香港	Ordinary HK\$10,000 普通股 10,000港元	—	100%	Holding of motor vehicles 擁有汽車
Trisum Investment Limited 豐深投資有限公司	Hong Kong 香港	Ordinary HK\$5,000,000 普通股 5,000,000港元	—	100%	Investment holding 投資控股

These subsidiaries are sino-foreign co-operative joint ventures under the PRC law. In accordance with the joint venture contracts, the PRC joint venture partners are responsible for making available the land use rights of the construction sites; whereas the Group is responsible for the full amount of these subsidiaries' registered capital. The PRC joint venture partners are entitled to share the developed properties in accordance with the joint venture contracts.

該等附屬公司乃根據中國法律成立之中外合營企業。根據合營合約，中國合營夥伴負責提供建築地盤之土地使用權；而本集團則負責該等附屬公司之全數註冊股本。根據合營合約中國合營夥伴有權共同擁有已發展物業。

* For identification purposes only.

* 僅供識別。

The above list contains the particulars of subsidiaries which principally affected the results, asset or liabilities of the Group.

上述列表包括主要影響本集團業績、資產或負債之附屬公司之詳情。

33. APPROVAL OF FINANCIAL STATEMENTS

33. 財務報表之批准

The financial statements were approved and authorised for issue by the Board of Directors on 30 May 2007.

財務報表已於二零零七年五月三十日由董事會批准及授權刊發。